
Issues/Options: Wealth, Enrollment, and Equity

**Presentation to The Blueprint for Maryland's Future
Funding Formula Workgroup**

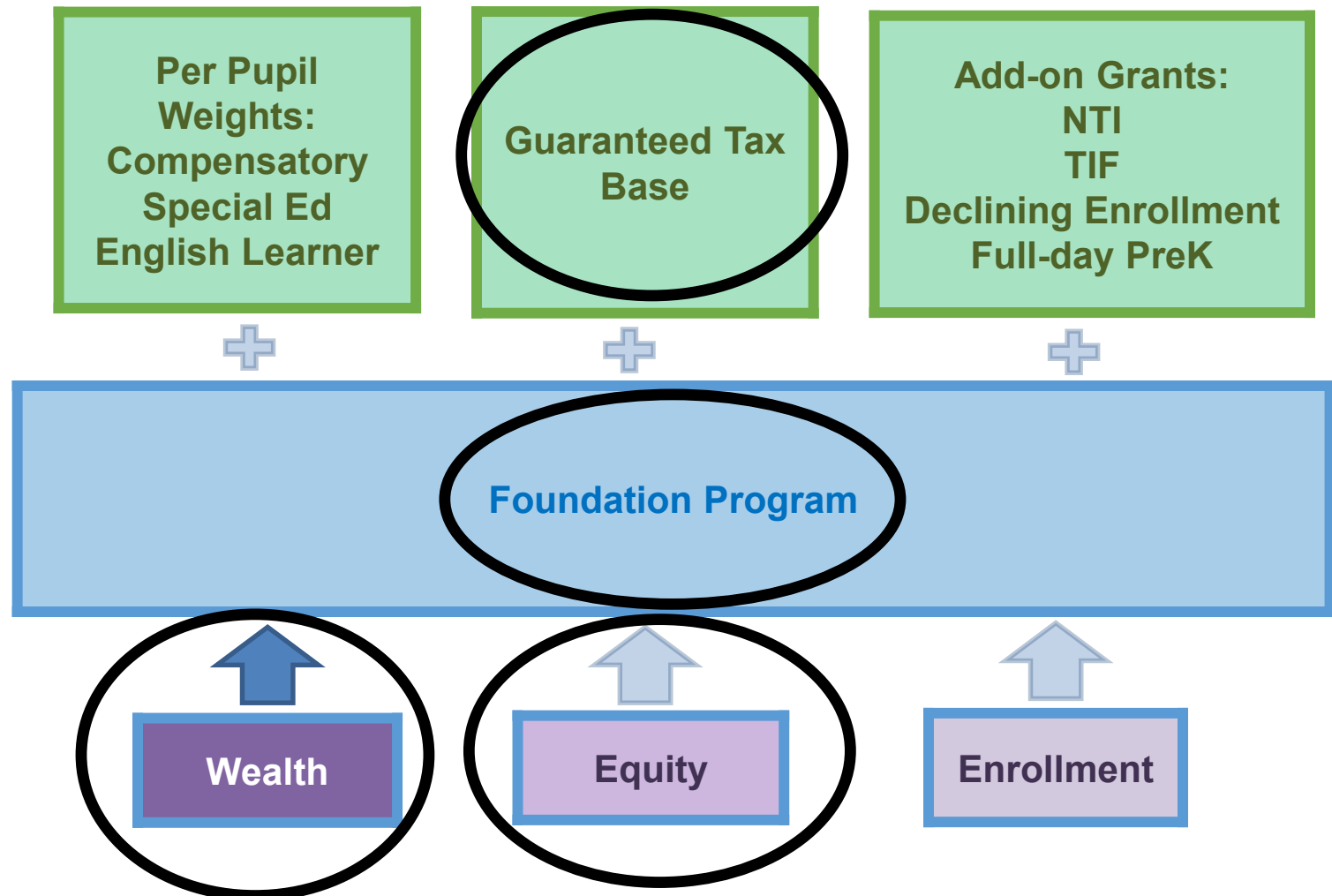
**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

August 22, 2019

Presentation Overview

- Wealth calculation
- Full-time equivalent (FTE) enrollment
 - Use 9/30 or “greater of” count
 - Full-time prekindergarten
- Equity Issues and Options

Layers of State Resources



Total Wealth Per Pupil for State Education Aid Programs

Fiscal 2019 and 2020

County	2019	2020	Percent Difference	Ranking by Per Pupil Wealth		Ranking by Percent Difference			
				Rank	Value	Rank	Value		
Allegany	\$311,141	\$321,751	3.4%	1.	Worcester	\$1,197,214	1.	Kent	6.3%
Anne Arundel	662,949	685,209	3.4%	2.	Talbot	1,050,690	2.	Baltimore City	5.9%
Baltimore City	356,648	377,652	5.9%	3.	Kent	919,141	3.	Cecil	5.5%
Baltimore	518,552	538,036	3.8%	4.	Montgomery	786,328	4.	Prince George's	5.1%
Calvert	508,365	494,310	-2.8%	5.	Anne Arundel	685,209	5.	Queen Anne's	4.4%
Caroline	285,553	290,656	1.8%	6.	Queen Anne's	648,932	6.	Frederick	4.1%
Carroll	511,298	531,086	3.9%	7.	Garrett	644,236	7.	Carroll	3.9%
Cecil	412,290	434,795	5.5%	8.	Howard	615,282	8.	Somerset	3.8%
Charles	413,436	425,944	3.0%	9.	Baltimore	538,036	9.	Baltimore	3.8%
Dorchester	363,407	369,320	1.6%	10.	Carroll	531,086	10.	Montgomery	3.5%
Frederick	462,192	481,271	4.1%	11.	Harford	511,772	11.	Allegany	3.4%
Garrett	639,670	644,236	0.7%	12.	Calvert	494,310	12.	Harford	3.4%
Harford	494,902	511,772	3.4%	13.	Frederick	481,271	13.	Anne Arundel	3.4%
Howard	599,275	615,282	2.7%	14.	St. Mary's	469,485	14.	Wicomico	3.0%
Kent	864,560	919,141	6.3%	15.	Prince George's	439,138	15.	Charles	3.0%
Montgomery	759,941	786,328	3.5%	16.	Cecil	434,795	16.	St. Mary's	3.0%
Prince George's	417,971	439,138	5.1%	17.	Charles	425,944	17.	Talbot	2.7%
Queen Anne's	621,736	648,932	4.4%	18.	Baltimore City	377,652	18.	Washington	2.7%
St. Mary's	455,895	469,485	3.0%	19.	Washington	370,965	19.	Howard	2.7%
Somerset	299,995	311,338	3.8%	20.	Dorchester	369,320	20.	Caroline	1.8%
Talbot	1,023,238	1,050,690	2.7%	21.	Allegany	321,751	21.	Dorchester	1.6%
Washington	361,300	370,965	2.7%	22.	Somerset	311,338	22.	Worcester	1.0%
Wicomico	290,096	298,926	3.0%	23.	Wicomico	298,926	23.	Garrett	0.7%
Worcester	1,185,306	1,197,214	1.0%	24.	Caroline	290,656	24.	Calvert	-2.8%
Total	\$538,872	\$558,979	3.7%		Statewide	\$558,979		Statewide	3.7%

Note: Uses fall of 2017 and 2018 full-time equivalent enrollment and November net taxable income.

Current Law Local Property Wealth Calculation for Education Aid

Fiscal 2020
(\$ in Thousands)

County	Personal Property (County Base)		Real Property (State Base)			Total
	Subtotal	50% of Subtotal	Subtotal	40% of Subtotal	100% of Utility Operating	
Allegany	\$343,488	\$171,744	\$3,601,357	\$1,440,543	\$7,898	\$1,620,185
Anne Arundel	2,540,536	1,270,268	87,767,579	35,107,032	54,764	36,432,064
Baltimore City	2,271,014	1,135,507	40,794,616	16,317,846	161,823	17,615,176
Baltimore	3,129,226	1,564,613	84,136,420	33,654,568	123,008	35,342,189
Calvert	290,919	145,460	11,946,819	4,778,728	11,773	4,935,960
Caroline	121,466	60,733	2,528,361	1,011,344	5,636	1,077,713
Carroll	581,828	290,914	19,452,970	7,781,188	12,831	8,084,933
Cecil	566,604	283,302	9,857,336	3,942,934	17,789	4,244,025
Charles	489,770	244,885	17,507,392	7,002,957	33,894	7,281,736
Dorchester	130,171	65,086	2,746,559	1,098,624	2,109	1,165,818
Frederick	383,386	191,693	30,499,577	12,199,831	29,849	12,421,373
Garrett	183,355	91,678	4,347,393	1,738,957	36,654	1,867,289
Harford	1,344,584	672,292	27,717,419	11,086,968	52,339	11,811,599
Howard	1,447,038	723,519	51,558,232	20,623,293	40,766	21,387,578
Kent	45,655	22,828	2,923,383	1,169,353	2,072	1,194,253
Montgomery	3,561,112	1,780,556	190,572,919	76,229,168	118,530	78,128,254
Prince George's	3,002,243	1,501,122	92,463,703	36,985,481	67,561	38,554,164
Queen Anne's	80,586	40,293	8,173,238	3,269,295	4,892	3,314,480
St. Mary's	284,746	142,373	12,355,103	4,942,041	6,642	5,091,056
Somerset	137,510	68,755	1,349,644	539,858	1,700	610,313
Talbot	65,957	32,979	8,367,870	3,347,148	3,087	3,383,214
Washington	532,447	266,224	12,464,993	4,985,997	12,940	5,265,161
Wicomico	347,594	173,797	6,083,960	2,433,584	16,306	2,623,687
Worcester	306,400	153,200	15,501,990	6,200,796	5,917	6,359,913
Total	\$22,187,635	\$11,093,817	\$744,718,833	\$297,887,533	\$830,780	\$309,812,131

DLS Option A for Property and Income Wealth Balance

(\$ in Thousands)

	Actual Wealth Used for Fiscal 2020 State Aid				Illustrative Shift in Wealth Balance			
	Property Wealth	Nov. NTI	Total	% Property	Property Wealth	Nov. NTI	Total	% Property
Allegany	\$1,620,185	\$969,346	\$2,589,530	62.6%	\$1,354,113	\$969,346	\$2,323,459	58.3%
Anne Arundel	36,432,064	18,973,763	55,405,826	65.8%	30,449,077	18,973,763	49,422,839	61.6%
Baltimore City	17,615,176	10,172,567	27,787,744	63.4%	14,722,357	10,172,567	24,894,925	59.1%
Baltimore	35,342,189	23,663,502	59,005,691	59.9%	29,538,185	23,663,502	53,201,687	55.5%
Calvert	4,935,960	2,712,741	7,648,701	64.5%	4,125,361	2,712,741	6,838,103	60.3%
Caroline	1,077,713	525,326	1,603,040	67.2%	900,728	525,326	1,426,054	63.2%
Carroll	8,084,933	5,098,082	13,183,015	61.3%	6,757,200	5,098,082	11,855,282	57.0%
Cecil	4,244,025	2,139,749	6,383,774	66.5%	3,547,058	2,139,749	5,686,807	62.4%
Charles	7,281,736	3,926,758	11,208,494	65.0%	6,085,906	3,926,758	10,012,664	60.8%
Dorchester	1,165,818	507,200	1,673,019	69.7%	974,364	507,200	1,481,564	65.8%
Frederick	12,421,373	7,469,067	19,890,439	62.4%	10,381,496	7,469,067	17,850,563	58.2%
Garrett	1,867,289	491,259	2,358,548	79.2%	1,560,637	491,259	2,051,896	76.1%
Harford	11,811,599	7,057,054	18,868,653	62.6%	9,871,861	7,057,054	16,928,915	58.3%
Howard	21,387,578	13,317,277	34,704,855	61.6%	17,875,243	13,317,277	31,192,520	57.3%
Kent	1,194,253	454,686	1,648,939	72.4%	998,129	454,686	1,452,815	68.7%
Montgomery	78,128,254	46,071,485	124,199,739	62.9%	65,297,788	46,071,485	111,369,274	58.6%
Prince George's	38,554,164	17,381,526	55,935,690	68.9%	32,222,679	17,381,526	49,604,205	65.0%
Queen Anne's	3,314,480	1,551,375	4,865,855	68.1%	2,770,166	1,551,375	4,321,541	64.1%
St. Mary's	5,091,056	2,908,849	7,999,906	63.6%	4,254,987	2,908,849	7,163,837	59.4%
Somerset	610,313	238,084	848,397	71.9%	510,085	238,084	748,169	68.2%
Talbot	3,383,214	1,235,619	4,618,833	73.2%	2,827,612	1,235,619	4,063,231	69.6%
Washington	5,265,161	2,818,901	8,084,062	65.1%	4,400,500	2,818,901	7,219,401	61.0%
Wicomico	2,623,687	1,671,203	4,294,890	61.1%	2,192,817	1,671,203	3,864,020	56.7%
Worcester	6,362,485	1,268,557	7,631,042	83.4%	5,317,618	1,268,557	6,586,175	80.7%
Total	\$309,814,703	\$172,623,978	\$482,438,681	64.2%	\$258,935,967	\$172,623,978	\$431,559,945	60.0%
% of Total	64.2%	35.8%	100.0%		60.0%	40.0%	100.0%	

Impact of Option A on Foundation Program

Fiscal 2020

County	Current	Rebalanced	Diff.	% Diff.	Ranking by Percent Diff.
Allegany	\$41,522,143	\$41,471,319	-\$50,824	-0.1%	1. Kent 7.0%
Anne Arundel	226,734,898	227,748,752	1,013,854	0.4%	2. Garrett 3.7%
Baltimore City	352,959,088	352,686,455	-272,633	-0.1%	3. Queen Anne's 1.0%
Baltimore	412,101,247	409,068,686	-3,032,561	-0.7%	4. Prince George's 0.6%
Calvert	62,528,743	62,557,553	28,810	0.0%	5. Somerset 0.5%
Caroline	29,565,256	29,622,705	57,449	0.2%	6. Dorchester 0.5%
Carroll	94,394,016	93,941,077	-452,939	-0.5%	7. Anne Arundel 0.4%
Cecil	64,993,279	65,165,265	171,986	0.3%	8. Cecil 0.3%
Charles	117,994,562	118,094,503	99,941	0.1%	9. Caroline 0.2%
Dorchester	21,974,661	22,083,461	108,800	0.5%	10. Charles 0.1%
Frederick	170,503,195	170,084,938	-418,257	-0.2%	11. Washington 0.1%
Garrett	11,237,603	11,657,173	419,570	3.7%	12. Calvert 0.0%
Harford	144,817,638	144,454,557	-363,081	-0.3%	13. Talbot 0.0%
Howard	183,718,959	182,649,868	-1,069,091	-0.6%	14. Worcester 0.0%
Kent	2,311,107	2,472,125	161,018	7.0%	15. St. Mary's -0.1%
Montgomery	339,405,508	337,468,085	-1,937,423	-0.6%	16. Baltimore City -0.1%
Prince George's	560,267,065	563,400,535	3,133,470	0.6%	17. Allegany -0.1%
Queen Anne's	22,788,043	23,013,811	225,768	1.0%	18. Wicomico -0.2%
St. Mary's	71,598,960	71,543,983	-54,977	-0.1%	19. Frederick -0.2%
Somerset	14,242,543	14,320,461	77,918	0.5%	20. Harford -0.3%
Talbot	4,776,694	4,776,694	0	0.0%	21. Carroll -0.5%
Washington	105,478,951	105,566,795	87,844	0.1%	22. Montgomery -0.6%
Wicomico	76,250,382	76,090,566	-159,816	-0.2%	23. Howard -0.6%
Worcester	6,925,988	6,925,988	0	0.0%	24. Baltimore -0.7%
Statewide	\$3,139,090,529	\$3,136,865,355	-\$2,225,174	-0.1%	State -0.1%

Note: Results from using November net taxable income-based wealth.

DLS Option B Revised: 55%/45% Option for Property and Income Wealth Balance

(\$ in Thousands)

	Actual Wealth Used for Fiscal 2020 State Aid				Illustrative Shift in Wealth Balance			
	Property Wealth	Nov. NTI	Total	% Property	Property Wealth	Nov. NTI	Total	% Property
Allegany	\$1,620,185	\$969,346	\$2,589,530	62.6%	\$1,103,351	\$969,346	\$2,072,697	53.2%
Anne Arundel	36,432,064	18,973,763	55,405,826	65.8%	24,810,359	18,973,763	43,784,121	56.7%
Baltimore City	17,615,176	10,172,567	27,787,744	63.4%	11,995,995	10,172,567	22,168,562	54.1%
Baltimore	35,342,189	23,663,502	59,005,691	59.9%	24,068,150	23,663,502	47,731,653	50.4%
Calvert	4,935,960	2,712,741	7,648,701	64.5%	3,361,406	2,712,741	6,074,147	55.3%
Caroline	1,077,713	525,326	1,603,040	67.2%	733,926	525,326	1,259,253	58.3%
Carroll	8,084,933	5,098,082	13,183,015	61.3%	5,505,867	5,098,082	10,603,949	51.9%
Cecil	4,244,025	2,139,749	6,383,774	66.5%	2,890,196	2,139,749	5,029,944	57.5%
Charles	7,281,736	3,926,758	11,208,494	65.0%	4,958,887	3,926,758	8,885,645	55.8%
Dorchester	1,165,818	507,200	1,673,019	69.7%	793,926	507,200	1,301,127	61.0%
Frederick	12,421,373	7,469,067	19,890,439	62.4%	8,458,997	7,469,067	15,928,064	53.1%
Garrett	1,867,289	491,259	2,358,548	79.2%	1,271,630	491,259	1,762,889	72.1%
Harford	11,811,599	7,057,054	18,868,653	62.6%	8,043,739	7,057,054	15,100,793	53.3%
Howard	21,387,578	13,317,277	34,704,855	61.6%	14,565,013	13,317,277	27,882,290	52.2%
Kent	1,194,253	454,686	1,648,939	72.4%	813,290	454,686	1,267,976	64.1%
Montgomery	78,128,254	46,071,485	124,199,739	62.9%	53,205,605	46,071,485	99,277,091	53.6%
Prince George's	38,554,164	17,381,526	55,935,690	68.9%	26,255,516	17,381,526	43,637,042	60.2%
Queen Anne's	3,314,480	1,551,375	4,865,855	68.1%	2,257,172	1,551,375	3,808,547	59.3%
St. Mary's	5,091,056	2,908,849	7,999,906	63.6%	3,467,027	2,908,849	6,375,876	54.4%
Somerset	610,313	238,084	848,397	71.9%	415,625	238,084	653,709	63.6%
Talbot	3,383,214	1,235,619	4,618,833	73.2%	2,303,980	1,235,619	3,539,599	65.1%
Washington	5,265,161	2,818,901	8,084,062	65.1%	3,585,592	2,818,901	6,404,494	56.0%
Wicomico	2,623,687	1,671,203	4,294,890	61.1%	1,786,740	1,671,203	3,457,943	51.7%
Worcester	6,362,485	1,268,557	7,631,042	83.4%	4,332,874	1,268,557	5,601,431	77.4%
Total	\$309,814,703	\$172,623,978	\$482,438,681	64.2%	\$210,984,862	\$172,623,978	\$383,608,840	55.0%
% of Total	64.2%	35.8%	100.0%		55.0%	45.0%	100.0%	

Impact of Option B Revised on Foundation Program

Fiscal 2020

County	Current	Rebalanced	Diff.	% Diff.	Ranking by Percent Diff.	
Allegany	\$41,522,143	\$41,411,116	-\$111,027	-0.3%	1. Kent	15.2%
Anne Arundel	226,734,898	228,951,225	2,216,327	1.0%	2. Garrett	8.2%
Baltimore City	352,959,088	352,363,718	-595,370	-0.2%	3. Queen Anne's	2.2%
Baltimore	412,101,247	405,475,187	-6,626,060	-1.6%	4. Prince George's	1.2%
Calvert	62,528,743	62,591,811	63,068	0.1%	5. Somerset	1.2%
Caroline	29,565,256	29,690,821	125,565	0.4%	6. Dorchester	1.1%
Carroll	94,394,016	93,404,419	-989,597	-1.0%	7. Anne Arundel	1.0%
Cecil	64,993,279	65,369,204	375,925	0.6%	8. Cecil	0.6%
Charles	117,994,562	118,213,120	218,558	0.2%	9. Caroline	0.4%
Dorchester	21,974,661	22,212,440	237,779	1.1%	10. Charles	0.2%
Frederick	170,503,195	169,589,486	-913,709	-0.5%	11. Washington	0.2%
Garrett	11,237,603	12,154,503	916,900	8.2%	12. Calvert	0.1%
Harford	144,817,638	144,024,487	-793,151	-0.5%	13. Talbot	0.0%
Howard	183,718,959	181,383,226	-2,335,733	-1.3%	14. Worcester	0.0%
Kent	2,311,107	2,662,997	351,890	15.2%	15. St. Mary's	-0.2%
Montgomery	339,405,508	335,173,544	-4,231,964	-1.2%	16. Baltimore City	-0.2%
Prince George's	560,267,065	567,115,297	6,848,232	1.2%	17. Allegany	-0.3%
Queen Anne's	22,788,043	23,281,474	493,431	2.2%	18. Wicomico	-0.5%
St. Mary's	71,598,960	71,478,936	-120,024	-0.2%	19. Frederick	-0.5%
Somerset	14,242,543	14,412,824	170,281	1.2%	20. Harford	-0.5%
Talbot	4,776,694	4,776,694	0	0.0%	21. Carroll	-1.0%
Washington	105,478,951	105,671,030	192,079	0.2%	22. Montgomery	-1.2%
Wicomico	76,250,382	75,901,206	-349,176	-0.5%	23. Howard	-1.3%
Worcester	6,925,988	6,925,988	0	0.0%	24. Baltimore	-1.6%
Statewide	\$3,139,090,529	\$3,134,234,753	-\$4,855,776	-0.2%	State	-0.2%

Note: Results from using November net taxable income-based wealth.

Wealth Calculation: Findings and Recommendation

- Rebalancing the property-to-income wealth ratio has minimal impact on total State aid
- The distribution of State aid to local education agencies has mixed effects on equity and adequacy
- The Department of Legislative Services (DLS) recommends maintaining the current law balance of property and income wealth

Impact of Changing FTE Enrollment Count

- Current law uses the prior year September FTE enrollment for the Foundation program amount, Geographic Cost of Education Index (GCEI), Guaranteed Tax Base (GTB), and for wealth equalization of State aid
- DLS previously recommended using the “greater of” count in the Foundation, GCEI, and GTB programs and eliminating the declining enrollment add-on grant (which sunsets after fiscal 2021)
- DLS modeled the impact if the “greater of” count is also used (instead of the September FTE count) for wealth equalization

“Greater of” FTE Enrollment

<u>County</u>	<u>Sept. 2018</u>	<u>3-year Average</u>	<u>Greater Of</u>	<u>Greater of vs. Sept 2018 Diff</u>	<u>% Diff</u>
Allegany	8,048	8,132	8,132	84	1.0%
Anne Arundel	80,860	80,008	80,860	0	
Baltimore City	73,580	75,021	75,021	1,440	2.0%
Baltimore	109,669	109,047	109,669	0	
Calvert	15,474	15,473	15,474	0	
Caroline	5,515	5,457	5,515	0	
Carroll	24,823	24,873	24,873	50	0.2%
Cecil	14,682	14,813	14,813	131	0.9%
Charles	26,315	25,974	26,315	0	
Dorchester	4,530	4,534	4,534	4	0.1%
Frederick	41,329	40,691	41,329	0	
Garrett	3,661	3,649	3,661	0	
Harford	36,869	36,779	36,869	0	
Howard	56,405	55,353	56,405	0	
Kent	1,794	1,851	1,851	57	3.2%
Montgomery	157,949	156,510	157,949	0	
Prince George's	127,376	126,392	127,376	0	
Queen Anne's	7,498	7,499	7,499	1	0.0%
St. Mary's	17,040	17,107	17,107	68	0.4%
Somerset	2,725	2,728	2,728	3	0.1%
Talbot	4,396	4,374	4,396	0	
Washington	21,792	21,862	21,862	70	0.3%
Wicomico	14,368	14,350	14,368	0	
Worcester	6,374	6,323	6,374	0	
Total	863,071	858,799	864,978	1,907	0.2%

Impact of Using “Greater of” FTE to Indicate The Count of Pupils to be Funded*

Fiscal 2020
(\$ in Thousands)

County	Foundation Formula State Aid				Geographic Cost of Education Index				Guaranteed Tax Base				Declining Enrollment Grants**			Total
	Current Law	Using Greater of	Diff	% Diff	Current Law	Using Greater of	Diff	% Diff	Current Law	Using Greater of	Diff	% Diff	Current Law	Using Greater of	Diff	Diff
Allegany	\$41,522	\$42,132	\$610	1.5%	\$0	\$0	\$0		\$5,319	\$5,375	\$56	1.0%	\$845	\$0	-\$845	-\$180
Anne Arundel	226,735	226,735	0		10,543	10,543	0		0	0	0		0	0	0	0
Baltimore City	352,959	363,393	10,434	3.0%	22,387	22,825	438	2.0%	18,108	18,463	354	2.0%	15,494	0	-15,494	-4,267
Baltimore	412,101	412,101	0		6,356	6,356	0		0	0	0		0	0	0	0
Calvert	62,529	62,529	0		2,354	2,354	0		0	0	0		0	0	0	0
Caroline	29,565	29,565	0		0	0	0		2,180	2,180	0		0	0	0	0
Carroll	94,394	94,756	362	0.4%	2,517	2,522	5	0.2%	0	0	0		263	0	-263	103
Cecil	64,993	65,942	948	1.5%	0	0	0		1,171	1,181	10	0.9%	931	0	-931	28
Charles	117,995	117,995	0		3,812	3,812	0		5,461	5,461	0		0	0	0	0
Dorchester	21,975	22,000	25	0.1%	0	0	0		1,773	1,775	1	0.1%	34	0	-34	-7
Frederick	170,503	170,503	0		7,185	7,185	0		0	0	0		0	0	0	0
Garrett	11,238	11,238	0		0	0	0		0	0	0		0	0	0	0
Harford	144,818	144,818	0		0	0	0		0	0	0		0	0	0	0
Howard	183,719	183,719	0		6,129	6,129	0		0	0	0		0	0	0	0
Kent	2,311	2,724	413	17.9%	130	134	4	3.2%	0	0	0		276	0	-276	141
Montgomery	339,406	339,406	0		38,902	38,902	0		0	0	0		0	0	0	0
Prince George's	560,267	560,267	0		44,290	44,290	0		7,348	7,348	0		0	0	0	0
Queen Anne's	22,788	22,792	4	0.0%	597	598	0	0.0%	0	0	0		3	0	-3	2
St. Mary's	71,599	72,089	490	0.7%	247	248	1	0.4%	0	0	0		430	0	-430	60
Somerset	14,243	14,267	24	0.2%	0	0	0		1,913	1,915	2	0.1%	39	0	-39	-12
Talbot	4,777	4,777	0		0	0	0		0	0	0		0	0	0	0
Washington	105,479	105,984	505	0.5%	0	0	0		9,482	9,512	30	0.3%	581	0	-581	-45
Wicomico	76,250	76,250	0		0	0	0		8,101	8,101	0		0	0	0	0
Worcester	6,926	6,926	0		0	0	0		0	0	0		0	0	0	0
Total	\$3,139,091	\$3,152,906	\$13,816	0.4%	\$145,450	\$145,899	\$448	0.3%	\$60,857	\$61,312	\$455	0.7%	\$18,896	\$0	-\$18,896	-\$4,177

*Uses November net taxable income for wealth; "Greater of" is not used for determining per pupil wealth.

**Declining Enrollment Grants terminate after fiscal 2021 under current law.

Impact of “Greater of” on Wealth Equalized State Aid

Fiscal 2020
(\$ in Thousands)

	Foundation Formula*			Guaranteed Tax Base			Targeted Grants**			Other Grants***			Totals	
	Current	Greater		Current	Greater		Current	Greater		Current	Greater		Diff	% Diff
	Law	Of	Diff	Law	Of	Diff	Law	Of	Diff	Law	Of	Diff	Diff	% Diff
Allegany	\$41,522	\$42,095	\$573	\$5,319	\$5,461	\$141	\$28,909	\$29,075	\$166	\$5,809	\$4,964	-\$845	\$35	0.0%
Anne Arundel	237,278	236,486	-792	0	0	0	107,423	107,423	0	26,735	26,727	-8	-800	-0.2%
Baltimore City	375,835	386,317	10,482	18,108	20,046	1,937	357,869	363,217	5,348	53,093	37,820	-15,274	2,494	0.3%
Baltimore	418,457	417,613	-844	0	0	0	217,395	216,454	-941	31,160	31,159	-1	-1,786	-0.3%
Calvert	64,883	64,773	-109	0	0	0	15,269	15,201	-68	5,950	5,950	0	-178	-0.2%
Caroline	29,565	29,542	-23	2,180	2,154	-26	22,085	21,988	-97	4,350	4,348	-1	-147	-0.3%
Carroll	96,911	97,090	178	0	0	0	23,342	23,287	-55	10,610	10,347	-263	-141	-0.1%
Cecil	64,993	65,850	857	1,171	1,451	280	32,487	32,629	141	6,340	5,418	-921	357	0.3%
Charles	121,807	121,647	-160	5,461	5,200	-261	50,040	49,816	-224	12,285	12,284	-2	-647	-0.3%
Dorchester	21,975	21,976	1	1,773	1,754	-20	16,457	16,393	-63	3,688	3,654	-34	-116	-0.3%
Frederick	177,688	177,404	-284	0	0	0	60,651	60,401	-249	13,247	13,246	0	-534	-0.2%
Garrett	11,238	11,204	-34	0	0	0	5,384	5,384	0	3,720	3,718	-2	-35	-0.2%
Harford	144,818	144,548	-270	0	0	0	51,670	51,440	-230	13,669	13,667	-2	-502	-0.2%
Howard	189,848	189,352	-496	0	0	0	56,869	56,802	-67	18,748	18,746	-2	-565	-0.2%
Kent	2,441	2,835	393	0	0	0	3,546	3,546	0	2,088	1,830	-257	136	1.7%
Montgomery	378,308	376,532	-1,776	0	0	0	262,418	262,418	0	42,893	42,882	-11	-1,787	-0.3%
Prince George's	605,104	604,301	-803	7,348	6,435	-913	458,493	456,643	-1,850	53,662	53,641	-21	-3,587	-0.3%
Queen Anne's	23,386	23,320	-65	0	0	0	7,779	7,777	-2	3,789	3,785	-3	-70	-0.2%
St. Mary's	71,846	72,222	376	0	0	0	25,849	25,833	-15	8,032	7,602	-430	-69	-0.1%
Somerset	14,243	14,255	12	1,913	1,901	-11	13,300	13,255	-45	3,054	3,016	-38	-83	-0.3%
Talbot	4,777	4,777	0	0	0	0	7,746	7,746	0	1,914	1,914	0	0	0.0%
Washington	105,479	105,869	390	9,482	9,513	31	58,508	58,425	-82	11,815	11,237	-579	-240	-0.1%
Wicomico	76,250	76,189	-61	8,101	8,017	-84	61,956	61,682	-274	7,549	7,547	-2	-421	-0.3%
Worcester	6,926	6,926	0	0	0	0	9,533	9,533	0	3,243	3,243	0	0	0.0%
Total	\$3,285,577	\$3,293,121	\$7,544	\$60,857	\$61,931	\$1,074	\$1,954,977	\$1,956,369	\$1,391	\$347,442	\$328,747	-\$18,695	-\$8,686	-0.2%

*Includes Geographic Cost of Education Index and Tax Increment Financing grants.

**Compensatory Education, Special Education, and Limited English Proficiency grants.

***Prekindergarten Supplemental Grants, Declining Enrollment and Transportation Grants.

Note: Excludes Foundation Special Grants, which cannot be assumed for future years. Uses November net taxable income for wealth.

FTE Enrollment: Findings and Recommendations

- Using the “greater of” FTE count for wealth equalization has a minimal impact on total State aid and introduces more volatility into relative local wealth
- DLS and APA recommend using the “greater of” FTE count to determine the number of students to be funded through the Foundation and Guaranteed Tax Base programs
- For all other features of formulas, the September FTE count should continue to be used
- Full-day prekindergarten enrollment should be counted separately during the implementation period

Equity Issues and Options

- Floors
 - Foundation
 - Targeted Formulas
- GTB

State Aid Floors

- Bridge to Excellence Act set funding floors for certain State aid programs
- Foundation Program = 15%
- Targeted Formulas = 40%
- The floors provide a minimum State aid amount that is higher than the wealth equalized amount

Current Law Foundation Calculation*

Fiscal 2020 (\$ in Thousands)						
	<u>Program Amount**</u>	<u>Unadjusted State Share***</u>	<u>Unadjusted as % of Prog. Amt.</u>	<u>15% Floor</u>	<u>Adjusted State Share = State Aid</u>	
Allegany	\$58,302	\$41,522	71%	\$8,745	\$41,522	
Anne Arundel	585,748	226,735	39%	87,862	226,735	
Baltimore City	533,015	352,959	66%	79,952	352,959	
Baltimore	794,440	412,101	52%	119,166	412,101	
Calvert	112,090	62,529	56%	16,814	62,529	
Caroline	39,952	29,565	74%	5,993	29,565	
Carroll	179,816	94,394	52%	26,972	94,394	
Cecil	106,358	64,993	61%	15,954	64,993	
Charles	190,622	117,995	62%	28,593	117,995	
Dorchester	32,815	21,975	67%	4,922	21,975	
Frederick	299,387	170,503	57%	44,908	170,503	
Garrett	26,520	11,238	42%	3,978	11,238	
Harford	267,081	144,818	54%	40,062	144,818	
Howard	408,596	183,719	45%	61,289	183,719	
Kent	12,996	2,311	18%	1,949	2,311	
Montgomery	1,144,183	339,406	30%	171,627	339,406	
Prince George's	922,714	560,267	61%	138,407	560,267	
Queen Anne's	54,317	22,788	42%	8,148	22,788	
St. Mary's	123,436	71,599	58%	18,515	71,599	
Somerset	19,740	14,243	72%	2,961	14,243	
Talbot	31,845	1,916	6%	4,777	4,777	
Washington	157,861	105,479	67%	23,679	105,479	
Wicomico	104,080	76,250	73%	15,612	76,250	
Worcester	46,173	-3,274	-7%	6,926	6,926	
Total	\$6,252,088	\$3,126,030	50%	\$937,813	\$3,139,091	

*Uses November net taxable income for wealth.

**The program amount for each county is the Per Pupil Foundation (\$7,244) multiplied by full-time equivalent enrollment.

***Unadjusted State share is the State portion of funding as a result of wealth equalization, but before application of the 15% floor.

No State Floor vs. Current Law – Foundation Program State Aid

Fiscal 2020

County	No Floor	Current Law 15% Floor	Diff.	% Diff.
Allegany	\$41,522,143	\$41,522,143	\$0	0.0%
Anne Arundel	226,734,898	226,734,898	0	0.0%
Baltimore City	352,959,088	352,959,088	0	0.0%
Baltimore	412,101,247	412,101,247	0	0.0%
Calvert	62,528,743	62,528,743	0	0.0%
Caroline	29,565,256	29,565,256	0	0.0%
Carroll	94,394,016	94,394,016	0	0.0%
Cecil	64,993,279	64,993,279	0	0.0%
Charles	117,994,562	117,994,562	0	0.0%
Dorchester	21,974,661	21,974,661	0	0.0%
Frederick	170,503,195	170,503,195	0	0.0%
Garrett	11,237,603	11,237,603	0	0.0%
Harford	144,817,638	144,817,638	0	0.0%
Howard	183,718,959	183,718,959	0	0.0%
Kent	2,311,107	2,311,107	0	0.0%
Montgomery	339,405,508	339,405,508	0	0.0%
Prince George's	560,267,065	560,267,065	0	0.0%
Queen Anne's	22,788,043	22,788,043	0	0.0%
St. Mary's	71,598,960	71,598,960	0	0.0%
Somerset	14,242,543	14,242,543	0	0.0%
Talbot	1,915,973	4,776,694	2,860,721	149.3%
Washington	105,478,951	105,478,951	0	0.0%
Wicomico	76,250,382	76,250,382	0	0.0%
Worcester	0	6,925,988	6,925,988	n/a
Statewide	\$3,129,303,820	\$3,139,090,529	\$9,786,709	0.3%

Note: Results from using November net taxable income-based wealth.

State Share of Targeted Formulas

Fiscal 2020
(\$ in Thousands)

County	Compensatory Education			Special Education			Limited English Proficiency		
	State & Local Program	State Share*	% State	State & Local Program	State Share*	% State	State & Local Program	State Share*	% State
Allegany	\$30,535	\$22,785	74.6%	\$7,611	\$6,034	79.3%	\$108	\$90	83.4%
Anne Arundel	178,130	62,415	35.0%	48,578	18,085	37.2%	41,849	16,395	39.2%
Baltimore City	448,287	284,997	63.6%	67,118	45,337	67.5%	38,736	27,535	71.1%
Baltimore	337,564	150,633	44.6%	83,134	39,416	47.4%	54,808	27,346	49.9%
Calvert	21,127	10,262	48.6%	8,608	4,442	51.6%	1,040	565	54.3%
Caroline	19,919	16,453	82.6%	3,178	2,790	87.8%	3,077	2,842	92.4%
Carroll	31,898	14,420	45.2%	16,144	7,755	48.0%	2,309	1,167	50.5%
Cecil	42,718	23,589	55.2%	12,880	7,557	58.7%	2,173	1,342	61.7%
Charles	64,147	36,158	56.4%	17,382	10,410	59.9%	5,508	3,471	63.0%
Dorchester	21,176	13,767	65.0%	2,514	1,736	69.1%	1,312	954	72.7%
Frederick	72,164	36,000	49.9%	26,023	13,793	53.0%	19,465	10,857	55.8%
Garrett	11,403	4,250	37.3%	1,983	785	39.6%	72	30	41.7%
Harford	75,740	35,533	46.9%	27,009	13,463	49.8%	5,099	2,675	52.5%
Howard	84,621	33,020	39.0%	30,724	12,738	41.5%	23,567	10,282	43.6%
Kent	6,928	1,810	26.1%	1,436	399	27.8%	502	147	29.2%
Montgomery	357,652	109,202	30.5%	106,278	34,478	32.4%	192,116	65,587	34.1%
Prince George's	539,028	294,704	54.7%	81,091	47,107	58.1%	190,876	116,683	61.1%
Queen Anne's	12,731	4,710	37.0%	4,610	1,812	39.3%	2,037	843	41.4%
St. Mary's	37,526	19,190	51.1%	10,216	5,551	54.3%	1,936	1,107	57.2%
Somerset	13,890	10,712	77.1%	2,358	1,932	81.9%	760	655	86.2%
Talbot	13,799	3,153	22.9%	2,653	644	24.3%	2,912	744	25.5%
Washington	71,946	46,564	64.7%	13,089	9,001	68.8%	4,067	2,943	72.4%
Wicomico	58,421	46,923	80.3%	9,208	7,858	85.3%	7,990	7,175	89.8%
Worcester	18,612	3,732	20.1%	4,224	900	21.3%	997	224	22.4%
Total	\$2,569,963	\$1,284,982	50.0%	\$588,051	\$294,025	50.0%	\$603,316	\$301,658	50.0%

*Shows the State share prior to application of the 40% State funding floor.

Note: Uses November Net Taxable Income-based wealth.

No State Floor vs. Current Law – Targeted State Aid

Fiscal 2020

County	No Floor	40% Floor	Diff.	% Diff.
Allegany	\$28,909,489	\$28,909,489	\$0	0.0%
Anne Arundel	96,895,439	107,422,591	10,527,152	10.9%
Baltimore City	357,868,539	357,868,539	0	0.0%
Baltimore	217,395,180	217,395,180	0	0.0%
Calvert	15,268,837	15,268,837	0	0.0%
Caroline	22,084,793	22,084,793	0	0.0%
Carroll	23,342,287	23,342,287	0	0.0%
Cecil	32,487,198	32,487,198	0	0.0%
Charles	50,039,601	50,039,601	0	0.0%
Dorchester	16,456,885	16,456,885	0	0.0%
Frederick	60,650,980	60,650,980	0	0.0%
Garrett	5,064,864	5,384,444	319,580	6.3%
Harford	51,670,265	51,670,265	0	0.0%
Howard	56,040,664	56,868,881	828,217	1.5%
Kent	2,354,890	3,546,462	1,191,572	50.6%
Montgomery	209,267,867	262,418,380	53,150,513	25.4%
Prince George's	458,493,232	458,493,232	0	0.0%
Queen Anne's	7,364,884	7,778,877	413,993	5.6%
St. Mary's	25,848,689	25,848,689	0	0.0%
Somerset	13,299,577	13,299,577	0	0.0%
Talbot	4,541,327	7,745,639	3,204,312	70.6%
Washington	58,507,644	58,507,644	0	0.0%
Wicomico	61,955,947	61,955,947	0	0.0%
Worcester	4,855,950	9,532,985	4,677,035	96.3%
Statewide	\$1,880,665,028	\$1,954,977,402	\$74,312,374	4.0%

Note: Includes Compensatory Education, Limited English Proficiency, and Special Education Formula State Aid. Results from using November net taxable income-based wealth.

Guaranteed Tax Base

- GTB provides additional funds to jurisdictions with less than 80% of the statewide wealth per pupil that provide local education funding above the minimum local share required by the foundation program
- The State provides the funds that would have been generated locally if the jurisdiction had the wealth base that is guaranteed, given the actual level of funding effort of that jurisdiction
- Per pupil GTB amount for any one local school system is limited to 20% of the per pupil foundation amount

GTB Funding Trend

Fiscal 2008-2020 (\$ in Thousands)

<u>County</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Allegany	\$5,507	\$7,683	\$8,227	\$6,753	\$4,689	\$3,581	\$4,067	\$4,284	\$3,904	\$4,439	\$4,811	\$5,308	\$5,319
Anne Arundel	0	0	0	0	0	0	0	0	0	0	0	0	0
Baltimore City	36,344	37,894	33,281	27,659	33,682	31,540	38,313	40,032	32,536	24,858	22,436	21,586	18,108
Baltimore	0	0	0	0	0	0	0	0	0	0	0	0	0
Calvert	0	0	0	0	0	0	0	0	0	0	0	0	0
Caroline	554	832	563	339	324	328	761	1,137	1,142	1,519	1,843	2,023	2,180
Carroll	0	0	0	0	0	0	0	0	0	0	0	0	0
Cecil	2,047	2,626	2,009	1,744	747	269	766	1,701	1,053	2,204	2,547	1,904	1,171
Charles	2,758	4,052	2,213	228	1,362	833	2,379	2,832	1,828	1,587	2,291	4,477	5,461
Dorchester	242	300	8	28	0	42	325	676	872	1,116	1,451	1,553	1,773
Frederick	0	0	0	0	0	0	0	0	0	0	0	0	0
Garrett	0	0	0	0	0	0	0	0	0	0	0	0	0
Harford	0	0	0	0	0	0	0	0	0	0	0	0	0
Howard	0	0	0	0	0	0	0	0	0	0	0	0	0
Kent	0	0	0	0	0	0	0	0	0	0	0	0	0
Montgomery	0	0	0	0	0	0	0	0	0	0	0	0	0
Prince George's	23,539	24,868	6,796	0	0	0	711	13,041	14,919	19,649	16,172	12,285	7,348
Queen Anne's	0	0	0	0	0	0	0	0	0	0	0	0	0
St. Mary's	239	1,075	0	0	0	0	0	0	0	0	0	0	0
Somerset	961	892	760	629	538	488	1,208	1,380	1,526	1,499	1,997	1,939	1,913
Talbot	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington	2,447	3,527	3,137	3,058	4,421	4,701	6,168	7,363	6,243	7,197	8,056	8,728	9,482
Wicomico	4,251	6,135	6,759	6,954	4,299	2,424	4,213	5,396	5,708	6,861	7,374	7,938	8,101
Worcester	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$78,890	\$89,883	\$63,754	\$47,392	\$50,064	\$44,206	\$58,911	\$77,841	\$69,732	\$70,929	\$68,978	\$67,743	\$60,857

Note: Uses September net taxable income for wealth for Fiscal 2008 to 2013 and uses November net taxable income beginning in fiscal 2014 with establishment of the Net Taxable Income Grants.

GTB Options

Fiscal 2020 (\$ in Thousands)

County	Current Law 80% Guarantee	85% Guarantee	Diff. vs. Current Law		90% Guarantee	Diff. vs. Current Law	
			\$	%		\$	%
Allegany	\$5,319	\$6,505	\$1,185	22%	\$7,690	\$2,371	45%
Anne Arundel	0	0	0		0	0	
Baltimore City	18,108	25,387	7,279	40%	32,667	14,559	80%
Baltimore	0	0	0		0	0	
Calvert	0	0	0		1,363	1,363	
Caroline	2,180	2,570	389	18%	2,959	779	36%
Carroll	0	0	0		0	0	
Cecil	1,171	3,813	2,642	226%	6,455	5,284	451%
Charles	5,461	12,648	7,186	132%	19,834	14,373	263%
Dorchester	1,773	2,410	637	36%	3,046	1,273	72%
Frederick	0	0	0		6,503	6,503	
Garrett	0	0	0		0	0	
Harford	0	0	0		0	0	
Howard	0	0	0		0	0	
Kent	0	0	0		0	0	
Montgomery	0	0	0		0	0	
Prince George's	7,348	32,877	25,529	347%	58,407	51,059	695%
Queen Anne's	0	0	0		0	0	
St. Mary's	0	626	626		3,722	3,722	
Somerset	1,913	2,307	394	21%	2,700	787	41%
Talbot	0	0	0		0	0	
Washington	9,482	12,959	3,477	37%	16,436	6,954	73%
Wicomico	8,101	9,629	1,527	19%	11,156	3,054	38%
Worcester	0	0	0		0	0	
Total	\$60,857	\$111,729	\$50,871	84%	\$172,937	\$112,080	184%

*Using November net taxable income for wealth.