
Adequacy of Education Funding in Maryland Since 2002

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

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

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Presentation Overview

- Adequacy targets
- Adequacy in fiscal 2002, 2008, and 2017
- Progress toward adequate funding

Adequacy Targets

- Adequacy: Funding should be sufficient to acquire the total resources needed to reasonably expect that all students can meet academic performance standards
- The Department of Legislative Services' calculation of adequacy targets
 - Base per pupil cost of \$5,969 in fiscal 2002 inflated by implicit price deflator for State and local government expenditures.
 - Foundation program adjusted by regional cost index
 - Additional costs for at-risk students
 - Special education student: 1.17 x base per pupil cost
 - Economically disadvantaged student: 1.10 x base per pupil cost
 - Limited English proficient student: 1.00 x base per pupil cost
- Includes State, local, and federal funds
- Includes retirement funding

Fiscal 2002 Adequacy Analysis

<u>County</u>	(\$ in Millions)			Per Pupil			Percent of Adequacy Funded**
	<u>Adequacy Target</u>	<u>Adjusted Revenue*</u>	<u>Adequacy Gap**</u>	<u>Adequacy Target</u>	<u>Adjusted Revenue*</u>	<u>Adequacy Gap**</u>	
Allegany	\$100.6	\$78.3	\$22.3	\$10,171	\$7,913	\$2,258	77.8%
Anne Arundel	607.2	563.6	43.6	8,198	7,610	589	92.8%
Baltimore City	1,141.4	871.0	270.4	12,087	9,224	2,864	76.3%
Baltimore	924.0	858.8	65.2	8,879	8,252	627	92.9%
Calvert	128.5	117.7	10.8	7,876	7,214	662	91.6%
Caroline	53.3	36.3	17.0	9,885	6,737	3,149	68.1%
Carroll	210.9	191.0	19.9	7,554	6,839	715	90.5%
Cecil	133.7	109.6	24.1	8,562	7,017	1,545	82.0%
Charles	194.9	164.8	30.1	8,387	7,092	1,295	84.6%
Dorchester	47.0	36.1	10.9	10,138	7,792	2,346	76.9%
Frederick	294.6	262.0	32.6	7,891	7,017	874	88.9%
Garrett	45.5	36.3	9.2	9,601	7,659	1,942	79.8%
Harford	316.2	264.8	51.4	8,095	6,779	1,316	83.7%
Howard	348.7	376.3	0.0	7,639	8,243	0	107.9%
Kent	25.0	24.1	0.9	9,697	9,361	336	96.5%
Montgomery	1,203.4	1,288.7	0.0	8,953	9,587	0	107.1%
Prince George's	1,352.1	968.3	383.8	10,236	7,330	2,906	71.6%
Queen Anne's	57.2	52.3	4.9	8,163	7,468	696	91.5%
St. Mary's	126.4	107.8	18.6	8,528	7,270	1,258	85.3%
Somerset	30.1	24.8	5.3	10,365	8,524	1,842	82.2%
Talbot	38.3	32.7	5.6	8,784	7,510	1,274	85.5%
Washington	173.7	143.2	30.5	8,880	7,323	1,557	82.5%
Wicomico	128.9	101.2	27.7	9,198	7,224	1,974	78.5%
Worcester	59.6	57.1	2.5	8,949	8,569	380	95.7%
State Total	\$7,741.2	\$6,766.7	\$1,087.4	\$9,207	\$8,048	\$1,293	86.0%

*Selected financial data, fiscal 2002, Maryland State Department of Education. Figures exclude unallocated revenues and revenues spent on student transportation and other revenues not linked to adequacy.

**State total excludes funding that exceeds adequacy targets.

Fiscal 2002 Adequacy Summary

- There was a statewide adequacy gap of nearly \$1.1 billion
- Statewide, adequacy was funded at 86.0%
- Four counties achieved 95.0% or above funding of their adequacy targets, including Howard and Montgomery, which exceeded their targets
- Another five counties were funded at more than 90.0% of their adequacy targets
- Seven counties were funded at less than 80.0% of adequacy

Fiscal 2008 Adequacy Analysis

<u>County</u>	(\$ in Millions)			Per Pupil			Percent of Adequacy Funded**
	<u>Adequacy Target</u>	<u>Adjusted Revenue*</u>	<u>Adequacy Gap**</u>	<u>Adequacy Target</u>	<u>Adjusted Revenue*</u>	<u>Adequacy Gap**</u>	
Allegany	\$110.7	\$118.4	\$0.0	\$12,307	\$13,165	\$0	107.0%
Anne Arundel	745.6	823.4	0.0	10,385	11,469	0	110.4%
Baltimore City	1,172.0	1,177.7	0.0	15,095	15,168	0	100.5%
Baltimore	1,157.3	1,193.4	0.0	11,509	11,867	0	103.1%
Calvert	165.8	184.5	0.0	9,736	10,836	0	111.3%
Caroline	64.1	57.5	6.6	11,975	10,742	1,232	89.7%
Carroll	264.7	299.1	0.0	9,451	10,680	0	113.0%
Cecil	168.3	169.5	0.0	10,673	10,747	0	100.7%
Charles	261.3	286.1	0.0	10,097	11,055	0	109.5%
Dorchester	54.4	51.7	2.7	12,258	11,642	616	95.0%
Frederick	401.4	438.3	0.0	10,141	11,072	0	109.2%
Garrett	50.8	49.7	1.1	11,545	11,307	239	97.9%
Harford	390.3	417.3	0.0	10,191	10,896	0	106.9%
Howard	461.4	633.1	0.0	9,497	13,031	0	137.2%
Kent	26.2	27.7	0.0	12,158	12,870	0	105.9%
Montgomery	1,550.1	1,922.4	0.0	11,510	14,275	0	124.0%
Prince George's	1,605.7	1,526.1	79.6	13,043	12,396	646	95.0%
Queen Anne's	74.0	75.6	0.0	9,892	10,099	0	102.1%
St. Mary's	172.6	171.2	1.4	10,704	10,619	84	99.2%
Somerset	35.2	36.4	0.0	12,875	13,297	0	103.3%
Talbot	44.9	44.3	0.6	10,607	10,473	134	98.7%
Washington	242.0	233.6	8.4	11,418	11,023	394	96.5%
Wicomico	171.8	165.1	6.7	11,929	11,466	463	96.1%
Worcester	69.7	89.8	0.0	10,920	14,068	0	128.8%
State Total	\$9,460.3	\$10,192.0	\$106.9	\$11,554	\$12,447	\$131	98.9%

*Selected financial data, fiscal 2008, Maryland State Department of Education. Figures exclude unallocated revenues and revenues spent on student transportation and other revenues not linked to adequacy.

** State total excludes funding that exceeds adequacy targets.

Fiscal 2008 Adequacy Summary

- There was a statewide adequacy gap of \$106.9 million
- Statewide, adequacy was funded at 98.9%
- All but 1 county (Caroline) achieved 95.0% or more of their adequacy targets, including 16 that exceeded their targets

Fiscal 2002 to 2008 Progress

<u>County</u>	<u>Adequacy Gap (\$ in Millions)</u>			<u>Adequacy Gap Per Pupil</u>			<u>Percent of Adequacy Funded</u>		
	<u>2002</u>	<u>2008</u>	<u>Progress</u>	<u>2002</u>	<u>2008</u>	<u>Progress</u>	<u>2002</u>	<u>2008</u>	<u>Progress</u>
Allegany	\$22.3	\$0.0	\$22.3	\$2,258	\$0	\$2,258	77.8%	107.0%	29.2%
Anne Arundel	43.6	0.0	43.6	589	0	589	92.8%	110.4%	17.6%
Baltimore City	270.4	0.0	270.4	2,864	0	2,864	76.3%	100.5%	24.2%
Baltimore	65.2	0.0	65.2	627	0	627	92.9%	103.1%	10.2%
Calvert	10.8	0.0	10.8	662	0	662	91.6%	111.3%	19.7%
Caroline	17.0	6.6	10.4	3,149	1,232	1,916	68.1%	89.7%	21.6%
Carroll	19.9	0.0	19.9	715	0	715	90.5%	113.0%	22.5%
Cecil	24.1	0.0	24.1	1,545	0	1,545	82.0%	100.7%	18.7%
Charles	30.1	0.0	30.1	1,295	0	1,295	84.6%	109.5%	24.9%
Dorchester	10.9	2.7	8.1	2,346	616	1,731	76.9%	95.0%	18.1%
Frederick	32.6	0.0	32.6	874	0	874	88.9%	109.2%	20.3%
Garrett	9.2	1.1	8.2	1,942	239	1,704	79.8%	97.9%	18.2%
Harford	51.4	0.0	51.4	1,316	0	1,316	83.7%	106.9%	23.2%
Howard	0.0	0.0	N/A	0	0	N/A	107.9%	137.2%	29.3%
Kent	0.9	0.0	0.9	336	0	336	96.5%	105.9%	9.3%
Montgomery	0.0	0.0	N/A	0	0	N/A	107.1%	124.0%	16.9%
Prince George's	383.8	79.6	304.2	2,906	646	2,259	71.6%	95.0%	23.4%
Queen Anne's	4.9	0.0	4.9	696	0	696	91.5%	102.1%	10.6%
St. Mary's	18.6	1.4	17.3	1,258	84	1,173	85.3%	99.2%	14.0%
Somerset	5.3	0.0	5.3	1,842	0	1,842	82.2%	103.3%	21.0%
Talbot	5.6	0.6	5.0	1,274	134	1,140	85.5%	98.7%	13.2%
Washington	30.5	8.4	22.1	1,557	394	1,162	82.5%	96.5%	14.1%
Wicomico	27.7	6.7	21.0	1,974	463	1,511	78.5%	96.1%	17.6%
Worcester	2.5	0.0	2.5	380	0	380	95.7%	128.8%	33.1%
State Total	\$1,087.4	\$106.9	\$980.4	\$1,293	\$131	\$1,163	86.0%	98.9%	12.9%

Fiscal 2002 to 2008 Progress

- Statewide, the adequacy gap was narrowed by \$980.4 million in fiscal 2008, nearly all of the gap since 2002
- The adequacy gap was eliminated in 14 counties
- In 8 other counties with a gap remaining, the per pupil gap was reduced by more than \$1,000
- The percentage of adequacy funded increased to almost 100%

Fiscal 2017 Adequacy Analysis

County	(\$ in Millions)			Per Pupil			Percent of Adequacy Funded**
	Adequacy Target	Adjusted Revenue*	Adequacy Gap**	Adequacy Target	Adjusted Revenue*	Adequacy Gap**	
Allegany	\$133.6	\$119.3	\$14.3	\$16,269	\$14,526	\$1,743	89.3%
Anne Arundel	1,127.1	1,048.2	78.9	14,242	13,245	997	93.0%
Baltimore City	1,604.5	1,262.3	342.2	20,552	16,169	4,383	78.7%
Baltimore	1,708.6	1,476.2	232.4	15,762	13,618	2,144	86.4%
Calvert	197.4	207.0	0.0	12,693	13,310	0	104.9%
Caroline	88.6	71.2	17.4	16,444	13,223	3,221	80.4%
Carroll	315.7	329.0	0.0	12,696	13,232	0	104.2%
Cecil	229.9	198.8	31.1	15,350	13,271	2,080	86.5%
Charles	368.6	346.9	21.7	14,442	13,592	850	94.1%
Dorchester	78.0	66.0	12.0	17,087	14,457	2,630	84.6%
Frederick	553.4	515.4	38.0	13,796	12,849	947	93.1%
Garrett	53.4	51.7	1.7	14,678	14,219	459	96.9%
Harford	506.6	454.2	52.4	13,844	12,412	1,433	89.7%
Howard	705.0	844.4	0.0	12,963	15,526	0	119.8%
Kent	30.5	28.4	2.1	16,112	15,005	1,107	93.1%
Montgomery	2,416.8	2,380.6	36.2	15,623	15,389	234	98.5%
Prince George's	2,352.2	1,849.3	502.9	18,789	14,772	4,017	78.6%
Queen Anne's	100.5	91.9	8.6	13,414	12,270	1,144	91.5%
St. Mary's	235.4	215.9	19.5	13,742	12,602	1,140	91.7%
Somerset	50.8	42.6	8.2	18,313	15,347	2,966	83.8%
Talbot	65.9	54.0	11.9	15,248	12,499	2,748	82.0%
Washington	333.1	281.1	52.0	15,209	12,835	2,374	84.4%
Wicomico	245.2	198.3	46.9	16,467	13,315	3,152	80.9%
Worcester	93.3	107.6	0.0	14,779	17,051	0	115.4%
State Total	\$13,594.1	\$12,240.2	\$1,530.5	\$15,881	\$14,299	\$1,788	88.7%

*Selected financial data, fiscal 2017, Maryland State Department of Education. Figures exclude unallocated revenues and revenues spent on student transportation and other revenues not linked to adequacy.

**State total excludes funding that exceeds adequacy targets.

Fiscal 2017 Adequacy Summary

- There was a statewide adequacy gap of \$1.5 billion
- Statewide, adequacy was funded at 88.7%
- Six counties achieved 95.0% or above funding of their adequacy targets, including four that exceeded their targets
- Another six counties were funded at more than 90.0% of their targets
- Two counties were funded at less than 80.0% of adequacy

Fiscal 2002 to 2017 Progress

<u>County</u>	<u>Adequacy Gap (\$ in Millions)</u>			<u>Adequacy Gap Per Pupil</u>			<u>Percent of Adequacy Funded</u>		
	<u>2002</u>	<u>2017</u>	<u>Progress</u>	<u>2002</u>	<u>2017</u>	<u>Progress</u>	<u>2002</u>	<u>2017</u>	<u>Progress</u>
Allegany	\$22.3	\$14.3	\$8.0	\$2,258	\$1,743	\$515	77.8%	89.3%	11.5%
Anne Arundel	43.6	78.9	-35.3	589	997	-408	92.8%	93.0%	0.2%
Baltimore City	270.4	342.2	-71.8	2,864	4,383	-1,520	76.3%	78.7%	2.4%
Baltimore	65.2	232.4	-167.2	627	2,144	-1,518	92.9%	86.4%	-6.5%
Calvert	10.8	0.0	10.8	662	0	662	91.6%	104.9%	13.3%
Caroline	17.0	17.4	-0.4	3,149	3,221	-73	68.1%	80.4%	12.3%
Carroll	19.9	0.0	19.9	715	0	715	90.5%	104.2%	13.7%
Cecil	24.1	31.1	-7.0	1,545	2,080	-534	82.0%	86.5%	4.5%
Charles	30.1	21.7	8.4	1,295	850	445	84.6%	94.1%	9.6%
Dorchester	10.9	12.0	-1.1	2,346	2,630	-283	76.9%	84.6%	7.8%
Frederick	32.6	38.0	-5.4	874	947	-73	88.9%	93.1%	4.2%
Garrett	9.2	1.7	7.5	1,942	459	1,483	79.8%	96.9%	17.1%
Harford	51.4	52.4	-1.0	1,316	1,433	-117	83.7%	89.7%	5.9%
Howard	0.0	0.0	N/A	0	0	N/A	107.9%	119.8%	11.9%
Kent	0.9	2.1	-1.2	336	1,107	-771	96.5%	93.1%	-3.4%
Montgomery	0.0	36.2	-36.2	0	234	-234	107.1%	98.5%	-8.6%
Prince George's	383.8	502.9	-119.1	2,906	4,017	-1,112	71.6%	78.6%	7.0%
Queen Anne's	4.9	8.6	-3.7	696	1,144	-448	91.5%	91.5%	0.0%
St. Mary's	18.6	19.5	-0.9	1,258	1,140	118	85.3%	91.7%	6.5%
Somerset	5.3	8.2	-2.9	1,842	2,966	-1,125	82.2%	83.8%	1.6%
Talbot	5.6	11.9	-6.3	1,274	2,748	-1,474	85.5%	82.0%	-3.5%
Washington	30.5	52.0	-21.5	1,557	2,374	-817	82.5%	84.4%	1.9%
Wicomico	27.7	46.9	-19.3	1,974	3,152	-1,178	78.5%	80.9%	2.3%
Worcester	2.5	0.0	2.5	380	0	380	95.7%	115.4%	19.6%
State Total	\$1,087.4	\$1,530.5	-\$443.1	\$1,293	\$1,788	-\$659	86.0%	88.7%	2.8%

Fiscal 2002 to 2017 Progress

- Statewide, the adequacy gap increased by \$443.1 million in fiscal 2017, or 41% since 2002
- In six counties, the per pupil gap increased by more than \$1,000
- In another three counties, the per pupil gap increased by more than \$500
- On a per pupil basis, seven counties gained ground toward filling the gap
- The percentage of adequacy funded increased by 2.8 percentage points

Using Different Annual Per Pupil Foundation Amounts

(\$ Per Pupil)

<u>Per Pupil Foundation Amount</u>	<u>FY 2002</u>	<u>FY 2008</u>	<u>FY 2015</u>	<u>FY 2018</u>
Actual*	\$4,124	\$6,694	\$6,860	\$7,012
Full Adequacy Using IPD**	\$5,443	\$6,694	\$8,171	\$8,352
\$ Difference	\$1,319	\$0	\$1,311	\$1,340
% Difference	32%	0%	19%	19%
Full Adequacy Using Lesser of CPI-U and IPD***	\$5,443	\$6,694	\$7,639	\$7,810
\$ Difference	\$1,319	\$0	\$779	\$798
% Difference	32%	0%	11%	11%

CPI-U: Consumer Price Index for All Urban Consumers
 IPD: implicit price deflator

*Actual reflects statutory changes made after the enactment of the Bridge to Excellence in Public Schools Act of 2002 that altered the per pupil foundation amounts in fiscal 2009 through 2015.

**Fiscal 2009 through 2018 are inflated annually by the actual IPD for State and local government expenditures.

***Fiscal 2009 through 2018 are inflated by the lesser of IPD or the CPI-U for the Washington-Baltimore metropolitan area capped at 5% annually.

State Education Aid Using Different Per Pupil Foundation Amounts

Fiscal 2008-2018
(\$ in Millions)

	<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>
Actual State Aid*	\$4,170.0	\$4,276.5	\$4,324.2	\$4,439.4	\$4,507.7	\$4,620.0	\$4,747.1	\$4,869.0	\$4,936.0	\$5,055.5	\$5,158.1
IPD (actual)**	4,170.0	4,449.5	4,724.9	4,858.2	5,063.4	5,318.6	5,489.4	5,712.1	5,795.0	5,934.5	6,037.2
Difference vs. Actual	\$0.0	\$173.1	\$400.7	\$418.8	\$555.6	\$698.6	\$742.3	\$843.0	\$859.0	\$879.0	\$879.1
% Difference		4.0%	9.3%	9.4%	12.3%	15.1%	15.6%	17.3%	17.4%	17.4%	17.0%
Lesser of CPI-U and IPD***	4,170.0	4,363.5	4,571.0	4,699.8	4,811.1	5,058.2	5,217.8	5,351.0	5,428.4	5,559.7	5,655.9
Difference vs. Actual	\$0.0	\$87.0	\$246.8	\$260.4	\$303.3	\$438.2	\$470.7	\$482.0	\$492.4	\$504.3	\$497.7
% Difference		2.0%	5.7%	5.9%	6.7%	9.5%	9.9%	9.9%	10.0%	10.0%	9.6%

CPI-U: Consumer Price Index for All Urban Consumers
IPD: implicit price deflator

Notes: Shows major State aid programs dependent upon the Per Pupil Foundation Amount, including Geographic Cost of Education Index, net taxable income, and tax increment financing grants. Excludes State retirement aid.

*Actual reflects statutory changes made after the enactment of the Bridge to Excellence in Public Schools Act of 2002 that altered the per pupil foundation amounts in fiscal 2009 through 2015. Actual also includes declining enrollment grants in fiscal 2018.

**Fiscal 2009 through 2018 are inflated annually by the IPD for State and local government expenditures.

***Fiscal 2009 through 2018 are inflated by the lesser of IPD or the CPI-U for the Washington-Baltimore metropolitan area capped at 5% annually.