

Maryland Education Coalition

The Maryland Education Coalition is dedicated to raising the academic achievement of students in Maryland public schools by promoting adequate funding and systemic accountability for improving results.

Testimony Before the Ways and Means Committee In Support of House Bill 1474 – Education - State Funding - Operating and Capital Funds

Presented by Charlie Cooper, Secretary
March 19, 2013

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The Maryland Education Coalition (MEC) fights for adequate, equitable funding and systemic accountability because every child deserves a quality education and because achievement gaps must be closed. We also support increased funding to improve the public school buildings where our children learn, concentrating on areas of greatest need. Every child and school employee deserves a school building that promotes and protects academic achievement and occupant health in a safe and orderly environment, but unacceptable disparities persist.

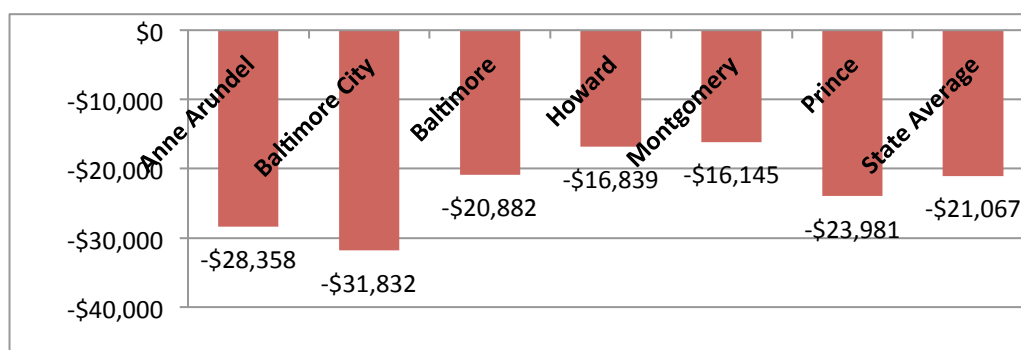
House Bill 1474 protects school funding and directly advances our mission and our current priorities by:

- Directly countering a very serious threat to learning – the eroding power of school funding under the current inflation cap on State aid.
- Protecting the Geographic Cost of Education Index so that children in higher-cost jurisdictions have fair funding.
- Setting a goal for State capital aid that updates the target– set by the Kopp Commission nine years ago - to reflect current construction costs.

In the Thornton Commission process, the State very carefully considered the cost of providing an adequate education and closing achievement gaps. House Bill 1474 is designed to prevent the State from falling further behind the funding levels necessary to achieve these goals.

Inflation Adjustment

Primarily because of eliminating the inflation adjustment for four years and then capping it at one percent for FY 2013, State aid to public schools is over \$700 million per year less than it would have been under the provision in § 5-202(a)(13) of the Education Article, as amended in the Bridge to Excellence legislation. The average reduction in aid per pupil is nearly \$850 per student, but lower-income jurisdictions suffer larger per-pupil losses. The “Thornton Gap” chart below shows how this impacts several of the larger jurisdictions.



The Thornton Gap – Difference in State funding between 2013 actuals and full funding under original BTE formula for a class of 25 students

Source: Maryland Budget and Tax Policy Institute

Using the Fact Books published by MSDE, MEC analyzed changes in enrollment and instructional staff between fiscal years 2007-8 and 2011-2. (The 2012-3 Fact Book is not yet available.)

	2007-8	2011-2		2007-8	2011-12		
	Instructional Staff	Instructional Staff	Percent Change	Total Enrollment	Total Enrollment	Percent Change	Change in Ratio
Allegany	998	913	-8.5	9,436	8,913	-5.5	3.3
Anne Arundel	6,754	6,865	1.6	73,400	76,303	4.0	2.3
Baltimore City	8,193	7,737	-5.6	81,284	84,212	3.6	9.7
Baltimore	9,214	9,079	-1.5	104,283	105,153	0.8	2.3
Calvert	1,599	1,504	-5.9	17,394	16,553	-4.8	1.2
Caroline	527	571	8.3	5,658	5,545	-2.0	-9.5
Carroll	2,534	2,498	-1.4	28,320	27,082	-4.4	-3.0
Cecil	1,620	1,518	-6.3	16,290	15,827	-2.8	3.7
Charles	2,454	2,466	0.5	26,676	26,778	0.4	-0.1
Dorchester	459	471	2.6	4,654	4,647	-0.2	-2.7
Frederick	3,654	3,911	7.0	40,487	40,413	-0.2	-6.7
Garrett	453	413	-8.8	4,510	4,077	-9.6	-0.8
Harford	3,859	3,876	0.4	39,172	38,224	-2.4	-2.8
Howard	5,650	5,844	3.4	49,542	51,555	4.1	0.6
Kent	245	234	-4.5	2,274	2,162	-4.9	-0.5
Montgomery	13,548	13,528	-0.1	137,717	146,459	6.3	6.5
Prince George's	11,469	9,756	-14.9	129,752	123,833	-4.6	12.2
Queen Anne's	701	657	-6.3	7,808	7,761	-0.6	6.1
Saint Mary's	1,435	1,456	1.5	16,890	17,449	3.3	1.8
Somerset	346	326	-5.8	2,910	2,882	-1.0	5.1
Talbot	369	387	4.9	4,396	4,547	3.4	-1.4
Washington	1,964	2,036	3.7	21,703	22,240	2.5	-1.1
Wicomico	1,613	1,601	-0.7	14,399	14,520	0.8	1.6
Worcester	883	854	-3.3	6,745	6,643	-1.5	1.8
SEED School		35			308		
Total	80,541	78,536	-2.5	845,700	854,086	1.0	3.6

Enrollment grew by +1.0% statewide, but instructional staff fell by 2.5%. (Non-instructional staff was down 2.8% because of double-digit reductions in Baltimore City and Prince George's County.) Some jurisdictions saw severe discrepancies that caused the student to instructional staff ratio to grow substantially. Baltimore City saw 9.7% growth in the ratio, Prince George's – 12.2%, Montgomery – 6.5%, Queen Anne's – 6.1%, and Somerset – 5.1%. Caroline, Charles, Dorchester, Frederick, Harford, Kent, Talbot, and Washington defied the trend as their ratios shrank. Other counties saw growth in the ratio roughly in line with or somewhat smaller than the statewide average. Reductions in State aid were compounded in some instances by local funding cuts.

These reductions in funding and overall increases in teaching loads are not just numbers; they have consequences for learning. Class sizes rose – dramatically in some instances. In some schools, courses were eliminated and after-school programs were reduced or shuttered.

House Bill 1474 restores the original inflation adjustment one year earlier than would the current law. If we persist in letting inflation run ahead of State aid, we risk a major deterioration in student achievement. The formula in the Bridge to Excellence in Education law was carefully tailored to meeting the learning needs of Maryland's children. In five years, we have lost a substantial portion of those gains. The Maryland Education Coalition is starting here in the Ways and Means Committee to ask the General Assembly to halt the reversal of the gains we have seen. If another five years brings similar inflation, which is an optimistic assumption, we will then have lost more than half of the gains mandated in the 2002 legislation. We will begin to lose the advantage that our investment in education has brought to Maryland, and we will have seriously eroded the equity of educational opportunity.

Geographic Cost of Education Index

Fairness requires that the State aid formula is adjusted for the true cost of education. That is why the Thornton Commission went to great pains to calculate the additional cost to educate an economically disadvantaged student or a student who needs to learn English. The additional cost of education in higher cost jurisdictions of the State is no less real than those child-related types of factors and should have no less recognition in the mandated formula.

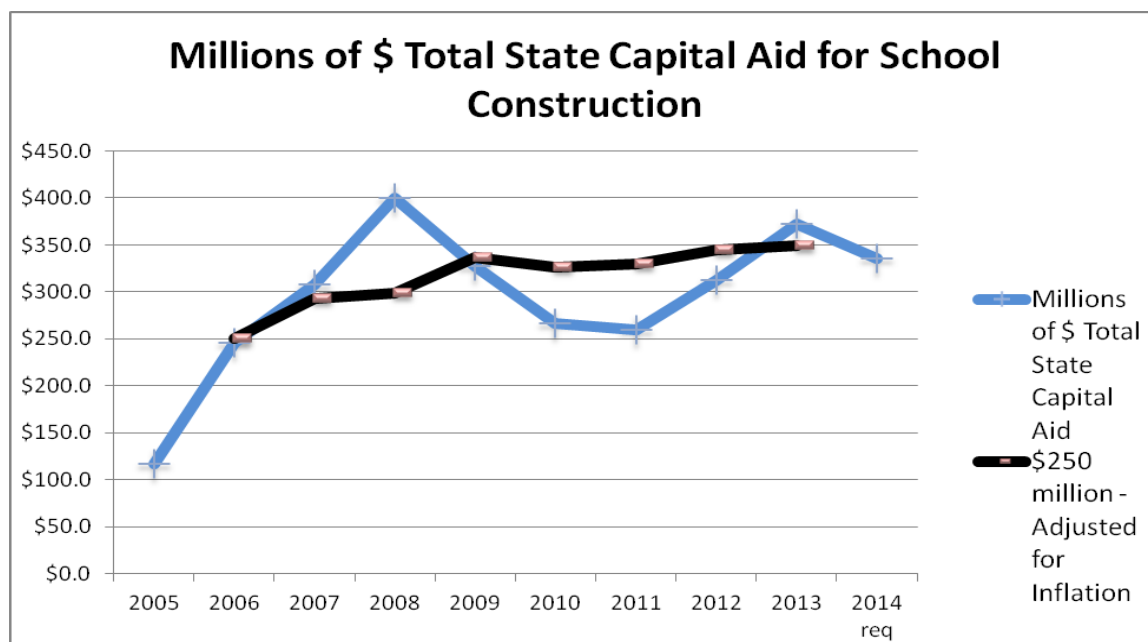
The fiscal note recognizes that GCEI has been fully funded for several consecutive years. Any future failure to fund it may indicate the ascendancy of one region of the State over another in terms of political clout, but it would not be fair to the children who attend school in higher-cost counties.

Capital Aid

On October 18, 2011, Dr. David Lever, Executive Director, Public School Construction Program reported to the Ways and Means, Appropriations, and Budget and Taxation committees in a joint briefing:

- There are \$600 million in requests for State aid for FY, and we can fund less than half with the \$250 million standard.
- The Kopp Task Force recommendation of \$250 million annual State aid was based on an 8-year need of \$3.85 billion (State and local), but it would now cost \$5.75 billion based on current costs.
- The Kopp Task Force recommendation "was designed to identify basic, minimum facility needs critical to the health and safety of students and faculty and the accomplishment of basic, required educational programs."ⁱ It did not necessarily include items needed for educational excellence.
- Needs assessed by the larger jurisdictions (using a variety of assessment methods) total \$13.4 billion. The State postponed a uniform assessment that had been recommended.ⁱⁱ

The General Assembly has exceed the goal of \$250 million per year in every since FY 2006; however, we have exceeded the inflation-adjusted equivalent of \$250 million in 2006 constant dollars only twice.



Sources: Maryland Department of Budget and Management and <http://www.bls.gov/ppi>, Producer Price Index for school construction

The goal of \$350 million per year is based on the increase in the Producer Price Index for school construction since FY 2006. This yields a lower cost escalation factor than that quoted by Dr. Lever. Moving forward with adopting this goal sets out a very minimal standard – not for accomplishing the necessary modernization of schools, really – but merely for not losing more ground.

Overall, this is a modest bill. It does not restore any of the \$700 million lost to the inflation cap; it merely restores the five percent cap one year early. It does not even seek to meet an updated the Kopp Task Force standard. And it does not require new spending on GCEI. What it does is protect education funding from further erosion.

It is true that Maryland has done better by public education than most other states; nevertheless the public has a different view as indicated by results published in the Goucher College poll on October 29, 2012.ⁱⁱⁱ Six hundred sixty-seven (667) respondents were asked whether they thought Maryland state government spends “too little, about the right amount, or too much” on public schools. Sixty-five (65) percent said “too little,” 21 percent said, “about right,” and eight percent said, “too much.” Admittedly, some of the response may have been fed by the casino debate in which some politicians and the casinos themselves claimed that gambling revenues to the State would increase education funding while analysts and journalists pointed out that nearly all the gambling revenues had merely supplanted general funds. *It is also reasonable to surmise that voters are aware that teaching positions are being reduced, class sizes are up, and programs are being cut or eliminated.* There is no doubt that the anti-tax and anti-public school people are vociferous, but they do appear to be a small minority.

The Ways and Means Committee can take a small step toward meeting the public’s expectations for our public schools by reporting favorably on this modest effort to protect funding. Please stand up for our children and for our future as a prosperous and democratic polity.

ⁱ http://dls.state.md.us/data/polanasubare/polanasubare_edu/Task-Force-to-Study-Public-School-Facilities.pdf, p. iii.

ⁱⁱ The IAC should regularly survey the condition of public school facilities at least once every four years. The surveys should be similar to the 2003 Facility Assessment Survey, incorporating additional standards and guidelines that may be adopted. The State should provide funds necessary to conduct the survey.” Ibid, p. 10.

ⁱⁱⁱ <http://marylandreporter.com/wp-content/uploads/2012/10/Goucher-Poll-Results-2-.pdf>, p. 11.