



MARYLAND

Description of the Formula

Effective June 1, 2002, Senate Bill 856 - Bridge to Excellence in Public Schools Act created the *Foundation Program*. A higher per pupil amount to be shared by the State and local governments is phased in for an "adequate" base level funding in fiscal 2008. In fiscal 2007 the phase in rate is 83%. The per pupil amount for fiscal 2007 is \$5,959. The State share is 50%. The grants are equalized on the basis of local wealth. The minimum State share of the per pupil foundation amount that a local school system may receive is 19% in fiscal 2007 and 15% when fully phased in during fiscal 2008. The program is funded based on the full-time equivalent enrollment as of September 30 of the prior fiscal year. For fiscal 2007 the full-time equivalent enrollment value for a kindergarten student is .90 increasing to 1.00 when fully phased in during fiscal 2008.

A *Guaranteed Tax Base Program* distributes State funding to local jurisdictions that 1) have less than 80% of the statewide wealth per pupil, and 2) provide local education funding above the local share required under the Foundation Program. The amount provided to each local school system will be equal to the additional funding that would have been provided by the local government if the same education tax effort were made and the jurisdiction had the wealth base that is "guaranteed." Irrespective of local education tax effort, local school systems will not receive more per pupil than 20% of the base per pupil amount established in the Foundation Program.

The State pays on behalf of each local board of education the entire cost of pension/retirement benefits for eligible school personnel. Local school boards, however, are required to reimburse the State for retirement expenses that are accrued for personnel who are paid with federal funds.

District-Based Components

Density/Sparsity of Small Schools

Does not apply.

Grade Level Differences

Does not apply.

Declining Enrollment or Growth

September 30 enrollment is used in calculating the Foundation Program as special needs populations are used in calculating the state Compensatory Education, Limited English Proficient, and Special Education programs. Although declining enrollment and special needs populations are not specifically addressed the Foundation, Compensatory Education, Limited English Proficient programs do have a statutory minimum grant amount.

Capital Outlay and/or Debt Service

School construction is shared state/local costs. Some school construction costs or projects are exclusively the responsibility of the local jurisdiction. They include site acquisition; architectural and engineering fees; utility connections; regional or central administrative offices; permits; and movable furniture and equipment. The State funds its share of school construction primarily through the issuance of general obligation bonds and PAYGO operating funds. The State also provides an annual grant for Aging Schools.

Transportation

Disabled student transportation is funded at a per pupil amount per number transported. Regular base transportation grant equals its base grant in the prior year, increased by the Consumer Price Index (minimum 3% - maximum 8%) as well as an additional grant for school systems experiencing increased enrollment. The grant amount equals the student enrollment increase over the previous year multiplied by the total transportation aid per pupil in the prior year. For purposes of calculating the fiscal 2004 base grants the fiscal 2003 base grant amounts were increased by \$10,612,223. The sum of the base grant and the enrollment adjustment becomes the subsequent year's base grant.

Student-Based Components

Special Education

A funding level per special education student is calculated by taking 74% of the per pupil amount established in the Foundation Program. An overall 50% State share of the per pupil funding level is phased in from fiscal 2004 to 2008 (fiscal 2007) - 46%, with less wealthy school systems receiving more than a 50% State share and more wealthy school systems receiving less than a 50% State share. By fiscal 2008, no school system may receive less than a 40% State share of the per pupil special education amount regardless of local wealth (fiscal 2007) - 38%. The fiscal 2007 funding level is \$231,835,479.

Nonpublic placement is a program by which the State shares in the cost of placing students with disabilities in nonpublic special education schools when no program is available for them in the public schools. For FY 2005 and FY 2006, the State paid 75% of the cost of students placed over 300% of the excess cost of Special Education students. Beginning in FY 2007 and each year thereafter, the State pays 80% of the cost of students placed over 300% of the excess cost of Special Education students.

Compensatory Education

A funding level per student who is eligible for free and reduced price meals (FRPM) is calculated by taking 97% of the per pupil amount established in the Foundation Program. An overall 50% State share of the per pupil funding level is phased in from fiscal 2004 to 2008 (fiscal 2007 - 46%), with less wealthy school systems receiving more than a 50% State share and more wealthy school systems receiving less than a 50% State share. By fiscal 2008, no school system may receive less than a 40% State share of the per pupil compensatory education amount regardless of local wealth (fiscal 2007-38%).

English Language Learner/Bilingual Education

A funding level per LEP student is calculated by taking 99% of the per pupil amount established in the Foundation Program. An overall 50% State share of the per pupil funding level is phased in from fiscal 2004 to 2008 (fiscal 2007) - 46%). Local school systems receive funding for the program based on wealth, although no school system may receive less than a 40% State share of the per pupil LEP amounts times the number of students eligible for the program (fiscal 2007 - 38%)

Gifted and Talented Education

Funding provides support to two initiatives: The Maryland Summer Centers for Gifted and Talented Students, and expenses for Maryland participants in the world-level competition of DestiNation ImagiNation. The Maryland Summer Centers Program provides unique summer enrichment opportunities for gifted and talented students in the areas of the sciences, humanities and social sciences, the arts, engineering, mathematics, creative writing, and technology. All programs funded must adhere to accepted tenets of gifted and talented education program design, service delivery, and evaluation, and must support Achievement Matters Most goals; the National Association for Gifted Children (NAGC Program Standards); and Maryland's Learning Goals. The DestiNation ImagiNation grant provides for the expenses of Maryland State-level winners who compete at the world finals level.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases

By statute, in order for local school systems to receive increases in State foundation program aid, counties must provide the local school systems with at least the same dollars per pupil as they provided in the previous fiscal year. The State Board of Education may grant a county government experiencing fiscal problems a temporary or partial waiver of the maintenance of effort requirement. In addition, to calculate the highest prior year's local appropriation, nonrecurring costs may be excluded if they are documented and approved by the State board.

Property Assessment Ratios Used/Legal Standards for Property Assessment

Assessed value of personal and real properties means the most recent estimate by the State Department of Assessments and Taxation before the annual State budget is submitted to the General Assembly of the assessed value for county and State purposes respectively, as

of July 1 of the first completed fiscal year before the school year for which the calculation is made.

Measure of Local Ability to Support Schools

The sum of the following: net taxable income, 100% of the assessed value of the operating real property of public utilities, 40 percent of the assessed valuation of all other real property; and 50 percent of assessed value of personal property.

School District Budget and Tax Rate Procedures/Sources of Local Revenues

All 24 school districts are fiscally dependent. Neither the constitution nor state statutes prescribe any upper limit for school levies. Local revenue for schools derives from property and income taxes.

State Support for Nonpublic Schools

Does not apply.