Over the next two years, the Maryland State Department of Education (MSDE) is undertaking a comprehensive assessment of the current Bridge to Excellence (BTE) education funding formula.

This process, often referred to as "The Adequacy Study", will determine the amount of state aid provided to each school district so that every Maryland child can receive an adequate education.

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**WHAT IS ADEQUACY?**

- An adequate education allows Maryland’s children to meet the state standards.
- Adequate funding is the amount of funding necessary to provide for that education.

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**REVIEWS THE BRIDGE TO EXCELLENCE (BTE) EDUCATION FORMULA**

**The Adequacy Study**

This is the main study. It will establish a base "per-pupil" funding amount that schools will receive for each student. It will also determine additional funding, or "weights", based on the number of students with disabilities, English language learners, and students living in poverty.

**The Other Studies**

These studies will augment the main Adequacy Study by reviewing the topics below. They have the potential to impact the final weights to be included in the funding formula.

<table>
<thead>
<tr>
<th>Funding universal pre-kindergarten</th>
<th>Alleviating concentrated poverty</th>
<th>Determining effective school sizes</th>
<th>Measuring poverty and local wealth</th>
<th>Addressing changes in student enrollment</th>
<th>Offsetting regional costs of education</th>
</tr>
</thead>
</table>

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**REPORTING TIMELINES**

**The Adequacy Study**

- **Interim Adequacy Report**
  - **JUNE ’15**

**The Other Studies**

- **Concentrated Poverty School Size Poverty Calculation Supplemental Grants Enrollment**
- **Pre-Kindergarten Local Wealth Calculation Geographic Cost of Education Index (GCEI)**
- **Final Adequacy Report**
  - **OCT. ’16**

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**The Methodologies**

**Successful Schools**

High performing Maryland schools are identified and the costs associated with them provide a model for adequate funding.

**Professional Judgement**

Practitioners create hypothetical schools with the resources needed for all students to meet the state standards.

**Evidence-Based**

Experts review best practices for improving student achievement and the costs associated with them.
**Source of Funds**

<table>
<thead>
<tr>
<th>Source</th>
<th>Billions of Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>$5.8</td>
</tr>
<tr>
<td>Federal</td>
<td>$6.2</td>
</tr>
<tr>
<td>Local</td>
<td>$0.9</td>
</tr>
</tbody>
</table>

**Bridge to Excellence (BTE) Act of 2002**

The State Constitution requires adequate public education for all. During 2000-2001 adequacy studies were conducted by the Commission on Education Finance, Equity, and Excellence, which then recommended a formula that is written into the BTE Act. An additional $1.3 billion in State aid was phased in from 2003-2008. To receive full State aid, each local government must contribute at least its required share.

Starting in fiscal 2009, the State capped the inflation allowance at 0% for 4 years and then at 1% for 3 years. Now, State aid is $700 million less annually that it would have been under the 2002 formula. For 2016, the inflation cap is lifted.

**How the Formula Works:** For each enrolled child, each jurisdiction gets a proportion of the “foundation amount,” (now $6,860), according to ability to raise local revenue. Thus, wealthy Worcester gets less per pupil than Allegany.

**Total State Aid per Pupil**

- Talbot County: $4,064
- Baltimore City: $12,215
- Allegany County: $7,470
- State Average: $6,860

**Special Populations:** Jurisdictions receive an additional proportion of the foundation amount for children with special needs. The chart below shows the amount Allegany County gets for each special-needs child.

- Limited Eng. Proficiency: $4,674
- Disability: $3,494
- Poverty: $4,579
- Foundation: $4,721

**State Fiscal Outlook:** General fund revenues have been disappointing since the financial crash. Recent federal budget cuts hit Maryland hard. Employment and state revenue prospects continue to lag. The 2015 budget will come in about $300 million short. For 2016, the estimated State budget deficit is $525 million and is projected to rise to over $1 billion by 2020. The biggest single factor driving the long-term deficit is Medicaid. Since the budget must be balanced under our State Constitution, and since the Governor-elect campaigned in opposition to taxes and State spending, we can expect that balance will be achieved through spending reductions. The chief legislative analyst suggested that education funding is a target for cuts.

**Statewide Enrollment**

Rising about 6,500 per year.

(Citations available by request)