

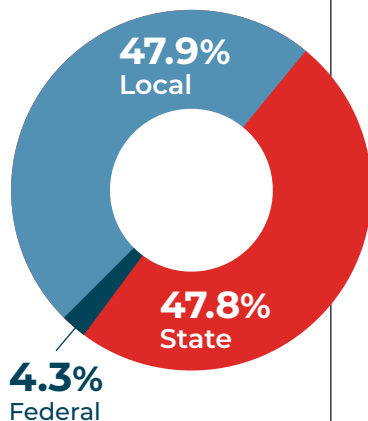


Coalition for the

BLUEPRINT for Maryland's FUTURE



Where the Money Comes From



How Do We Fund Public Schools in Maryland?

Maryland's public schools are funded by federal grants, the state government, and the local county government. Here's how the funding breakdown looked for fiscal year 2018.

Federal \$ Comes from grants to both the state and local systems, focused on special categories of students, such as special education and special needs students.

State \$ Comes via the state's general fund and is allocated annually in the state budget proposed by the governor and approved by the General Assembly. The general fund is comprised of revenue from the income tax, corporate income tax, retail, tobacco, and alcohol sales taxes, and lottery funds. *Thanks to the Fix the Fund campaign, a ballot measure passed in 2018 increases state aid by \$500 million a year in dedicated casino revenues.*

Local \$ The county contributes almost half the total funding for its schools, on average. State law dictates a county's minimum responsibility, which the county fulfills through property taxes and other local taxes.

Maryland School Funding Laws Are Driven by Adequacy

In the case of *Hornbeck v Somerset County Board of Education*, Maryland's highest court ruled that "the legislature is commanded to establish a system, effective in all school districts, as will provide the State's youth with a basic public school education." **The court further ruled that the State has a responsibility to make efforts "to minimize the impact of undeniable and inevitable demographic and environmental disadvantages on any given child."**

This ruling set the stage for the Commission on Education Finance, Equity, and Excellence (the Thornton Commission), which met from 1999 to 2002 to determine how the state could provide an equitable public education to every student. This was the last time Maryland's public school funding was studied and the formula revised until the work of the Kirwan Commission.



“An adequate education measured by contemporary educational standards.”

— HORNBECK V
SOMERSET
COUNTY BOARD OF
EDUCATION

The Thornton Commission’s study led to the Bridge to Excellence in Public Schools Act of 2002. It was the first effort by the state to link resources with student needs and differences in local wealth—to fund schools both adequately and equitably.

While the infusion of new funding led to substantial gains in student achievement, staffing levels, and educator pay, the formula has become badly in need of updating. The percentage of students coming from backgrounds of poverty, receiving special education services, and English language learners have all increased markedly, as have the number of mandates upon schools. It’s added up to \$2.9 billion in annual underfunding of our schools, according to an independent analysis overseen by the State Department of Education.

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This underfunding has resulted in an increasing student to teacher ratio, meaning larger class sizes and less individualized instruction. Maryland now ranks near the bottom of all states for funding poor districts and affluent district evenly, with federal education data showing that Maryland’s poorest school districts receive 5% less state and local education funding than Maryland’s wealthiest districts.

The 2020 General Assembly will create a new formula to support the 2019 Blueprint for Maryland’s Future, providing funding for more staff, more special ed resources, more school programs for students, expanded community schools, pre-kindergarten, career technical education opportunities, increased educator pay, and more.

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