

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
 Enrolled - Revised

House Bill 1372

(The Speaker)

Appropriations

Education, Health, and Environmental Affairs
 and Budget and Taxation

Blueprint for Maryland's Future - Revisions

This emergency bill generally makes revisions to Chapter 36 of 2021, Blueprint for Maryland’s Future – Implementation, to account for the timing of the enactment of the bill. The inception of certain programs and requirements, the due dates for various reports, and the timeframe for certain provisions under the Blueprint for Maryland’s Future (Blueprint) are extended, generally by one year. The bill also provides additional funding through the foundation program for specified educational technology costs and adjusts funding for the Concentration of Poverty grant program. To address the effects of the COVID-19 pandemic, local boards of education must in specified years implement a specified summer school program, provide certain tutoring and supplemental instruction, and use specified funds to address trauma and behavioral health issues. To address the impact of the COVID-19 pandemic on enrollments in the current school year, fall 2020 enrollment is excluded from calculations of State and local funding requirements. The bill also alters local maintenance of effort (MOE) requirements for fiscal 2022 through 2024.

Fiscal Summary

State Effect: State expenditures in support of public schools increase by \$4.6 million in FY 2023, increasing to \$65.2 million by FY 2026, as discussed below. (Related FY 2021 and 2022 appropriations in the State operating budget are not reflected below.) **This bill increases a mandated appropriation beginning in FY 2023.**

(\$ in millions)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF/SF Exp.	0	4.6	8.1	33.0	65.2
Net Effect	\$0.0	(\$4.6)	(\$8.1)	(\$33.0)	(\$65.2)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local school system revenues and expenditures increase beginning in FY 2021 as explained below. Local government expenditures increase in FY 2022 for most counties to meet MOE (compared to Chapter 36 of 2021), offset by a total of \$69.9 million in reduced required local appropriations for some counties. For many counties, beginning in FY 2023 local appropriations increase to meet increased MOE obligations, and beginning in FY 2025 local appropriations increase to meet increased foundation local share requirements. **This bill increases a mandate on a unit of local government.**

Small Business Effect: Minimal.

Analysis

Bill Summary:

Excluding the 2020-2021 (Fall of 2020) Enrollment from Funding Formulas

The bill changes the “3-year moving average enrollment” to exclude the full-time equivalent (FTE) enrollment count for the 2020-2021 school year in each instance that this count would otherwise be used for determining the “enrollment count,” while still assuring that in each instance a set of three years is to be used in calculating various funding formulas. A similar adjustment is made for purposes of determining the annual per pupil MOE requirement that must be met by local governments.

Technology Funding through the Foundation Program

The target per pupil foundation amount (PPFA) under the State foundation program is increased, beginning in fiscal 2025, to cover specified educational technology costs. The additional funds are intended to supplement, not supplant, existing funding provided for educational technology. In using these additional funds, local boards of education must prioritize the purchase of digital devices. Local boards must also report annually regarding spending and certain uses of specified technology; MSDE must annually compile these reports and submit the compilation to the General Assembly. The increase is phased-in from fiscal 2025 to 2027, after which these and other costs under the PPFA are increased annually by inflation. Specifically, by fiscal 2027, \$198 per pupil is added to the foundation program for educational technology costs. Accordingly, the bill adds specified technology costs to those costs that are to be covered under the Blueprint by the PPFA. The bill also makes corresponding downward adjustments to those programs that are expressed as a percentage of the PPFA, in order to provide the same amount of per pupil funding to those programs as initially provided by Chapter 36 of 2021, Blueprint for Maryland’s Future – Implementation. These programs include compensatory education, English learners, special education, and Comparable Wage Index (CWI).

Compensatory Aid, Low-income Proxy

The current low-income student count methodology for the compensatory education aid program, which accounts for school and school system participation in the federal Community Eligibility Provision (CEP, as discussed below) is extended for an additional year, through fiscal 2026. The Maryland State Department of Education (MSDE) must submit an interim report by November 1, 2021, that includes progress on analyzing potential neighborhood poverty measures, a timetable for when Medicaid data will be used as part of Direct Certification for the compensatory education enrollment count (also used for concentration of poverty), and a plan for developing and utilizing a State Alternative Form for Free and Reduced Price Meal Eligibility.

Concentration of Poverty Grants

The bill adjusts the three-year average compensatory education enrollment count used for concentration of poverty grants to exclude the 2020-2021 school year. It also modifies the phase-in of per pupil grants for concentration of poverty schools beginning in fiscal 2022 to accelerate funding for the higher concentration schools. The bill establishes a specified percentage increment of per pupil funding for each of six years of eligibility, culminating in 100% funding by the seventh year, as shown in the table below. For schools with at least 80% of students eligible for free or reduced-price meals, full per pupil funding is realized by fiscal 2028. For schools with at least 75% of students eligible for free or reduced-price meals, full per pupil funding is realized by fiscal 2029. All other school concentration groups will receive full per pupil funding beginning in fiscal 2030.

School Concentration of Poverty Per Pupil Phase In

	<u>80%</u>	<u>75%</u>	<u>70%</u>	<u>65%</u>	<u>60%</u>	<u>55%</u>
FY 2022	16%					
FY 2023	32%	16%				
FY 2024	37%	32%	16%			
FY 2025	55%	37%	32%	16%		
FY 2026	66%	55%	37%	32%	16%	
FY 2027	75%	66%	55%	37%	32%	16%
FY 2028	100%	75%	66%	55%	37%	32%
FY 2029	100%	100%	75%	66%	55%	37%
FY 2030	100%	100%	100%	100%	100%	100%

COVID-19-related Programs

Each local board of education must in calendar 2021 and 2022 implement a summer school program for public school students, including children who will be kindergarten in the

upcoming school year and were eligible to attend a publicly funded prekindergarten program, to address the effects of the COVID-19 pandemic on education. Elements that must or may be included in the program, including provisions related to student meals and transportation, are specified. The intent is for instruction to be provided in-person to the extent feasible and allowed, given public health metrics and guidance. A local board may not charge a fee to a student who is enrolled in the program to recover credits. Local school systems must use State and federal funding provided for COVID-19 relief in the State budget to expand existing summer school programs in 2021 and 2022, at no additional cost to public schools.

In each of the 2021-2022 and 2022-2023 school years, each county board must provide tutoring and supplemental instruction meeting certain criteria for public school students in grades 4 through 12 to address learning loss from the effects of the COVID-19 pandemic on education. State and federal funds provided for COVID-19 relief must be used by local school systems and schools to expand existing tutoring programs. County boards must report on the summer school program and tutoring and supplemental instruction.

Also, each county board of education must use State and federal funds provided in fiscal 2021 and 2022 to address trauma and behavioral health issues exacerbated by the effects of the COVID-19 pandemic on students and their families and to identify and provide necessary supports and services for students. Each local board must submit a plan for how trauma and behavioral health funds related to COVID-19 relief provided in the State budget will be used before fiscal 2022 funds may be released as well as a report on how fiscal 2021 funds were used during summer school to address students' behavioral health needs.

Beginning in the 2022-2023 school year, MSDE must send Expert Review Teams to schools or groups of schools that continue to have persistent learning loss related to the COVID-19 pandemic to determine the reason that the learning loss persists.

Use of Certain Federal and State Funds by Local Boards of Education

Each local board of education must, to the extent allowed by federal law, use federal funding received to address the effects of COVID-19 on education to mitigate learning loss due to the pandemic and to support the goals of the Blueprint, including for summer school, tutoring and supplemental instruction, and trauma and behavioral health programs discussed in the section above, and must report for specified years on the use of these funds. A local board of education may retain any special funds received to implement the Blueprint, but not spent in fiscal 2021. By July 1, 2021, a local board must report on the intended uses for such funds. In addition, by December 1 of 2021 through 2023, each local board must report on the use of federal funding to address the effects of COVID-19 and State funding to implement the Blueprint.

Maintenance of Effort and Local Share

The new requirement under MOE that local governments fund the local share of all wealth-equalized formulas (instead of only the foundation formula) is delayed to fiscal 2023. The bill specifies that for fiscal 2023, the per pupil MOE calculation will use the fiscal 2021 local appropriation (instead of fiscal 2022 under current law) except for counties whose required fiscal 2022 MOE was adjusted by the escalator provision. Further, September 2019 FTE enrollment must be used to determine per pupil wealth for purposes of the escalator provision used to determine required fiscal 2022 and 2023 MOE. As discussed above, the enrollment count used in MOE is altered to exclude the 2020-2021 school year, which affects the calculation in fiscal 2022 through 2024.

County governments may, to the extent authorized under federal law, use federal funds received for COVID-19 relief to meet MOE requirements. The Department of Legislative Services (DLS) must conduct a study by January 1, 2022, on the local fiscal impact of implementing the Blueprint and the capacity of counties (including Baltimore City) to provide the projected increases in local appropriations to meet the new MOE requirements in future years.

Local Effort Adjustments

With the local share requirement delayed by one year, as described above, the State-funded local effort adjustments also begin one year later, in fiscal 2023. The bill also makes technical changes to the calculation.

Transitional Supplemental Instruction

The bill clarifies that the size of small groups receiving Transitional Supplemental Instruction (TSI) may not exceed four students. Pre- and post-standardized assessments are required for each student receiving TSI services in order to evaluate the student's performance before and after receiving TSI. The pre-standardized assessment requirement with respect to literacy may be satisfied by conducting the reading screening required under Chapter 512 of 2019.

Accountability and Implementation Board

The bill gives the Accountability and Implementation Board (AIB) plenary authority over entities for which it has oversight responsibility and clarifies that the Comprehensive Implementation Plan that the AIB must develop and adopt must include intended outcomes to be achieved by the Blueprint. The AIB is extended by one year to June 30, 2032. The terms of initial AIB members are extended by one year. The Governor must appoint members to the AIB within 30 days of receiving the slate of nominees from the Nominating

Committee. Once two of the three who make appointments to the Nominating Committee (from among the Governor, the Senate President, and the House Speaker) have made their appointments, the third person must make their appointments within 30 days. If the third person does not make timely appointments, then the requirement that each person nominated to AIB receive at least one vote from a committee member appointed by each of the three persons no longer applies to the third person (who did not make timely appointments). The AIB's charge is expanded to provide outreach and educational materials to parents, students, and members of the public on the Blueprint.

The deadlines for various plans to be completed by the AIB and submitted to the AIB are extended by one year. The AIB must complete the Blueprint Comprehensive Implementation Plan by February 15, 2022, with local boards required to submit their plans to the AIB by June 15, 2022. The AIB may not withhold funds from local boards in fiscal 2022; corresponding changes are made to subsequent dates.

Career and Technical Education

The Career and Technical Education (CTE) Committee must report to AIB on deployment of CTE expert review teams for an additional year. The definition of CTE programs is clarified to specifically include noncredit certificate and license programs, including those taken through an apprenticeship sponsor. Likewise, dual enrollment is expanded to include noncredit courses leading to an industry-recognized certificate or license.

The deadlines for various plans to be completed by the CTE Committee and submitted to the CTE Committee are generally extended by one year. The year by which 45% of high school students must earn a CTE credential or complete an apprenticeship is extended to 2031. The CTE Committee or the State Board of Education must include in the State plan required under the federal Perkins Act goals and programs that are consistent with the Blueprint, to the extent consistent with federal law.

Teachers and Educators

Teacher salary increases associated with the career ladder begin one year later, July 1, 2022 (fiscal 2023). Local boards have until July 1, 2024, to develop and implement educator career ladders; correspondingly, MSDE has an additional year, until 2024, to develop and implement professional development training on educator career ladders. All existing teachers must receive the training by June 30, 2026.

School leadership training programs established by the Blueprint must include training on the Blueprint.

Alternative teacher preparation programs have an additional year, until 2022, to meet the minimum program requirements, and the bill specifies that programs in existence prior to July 2021 (instead of July 2020) are subject to the requirement.

Early Education

The dates by which specified percentages of prekindergarten slots, as clarified in the bill, must be provided by community providers in the publicly-funded full-day prekindergarten program are extended by one year. The bill also extends the date by which community providers must meet specified program quality standards to 2025-2026 school year. The funding mandate for the EXCELS bonus program is altered to begin in fiscal 2023 with 10% annual increases in fiscal 2024 through 2028.

The bill also increases funding for additional required Judy Centers beginning in fiscal 2021, which reflects the budgeted amount per center in fiscal 2021.

New Reporting Requirements

MSDE must annually report by December 1, to the Department of Budget and Management (DBM) and DLS, the enrollment counts and other data necessary to calculate the funding formulas to implement the Blueprint for Maryland's Future for the upcoming fiscal year. However, MSDE must annually report by October 1 data required for calculating Concentration of Poverty grant funding. The State Department of Assessments and Taxation (SDAT) must report wealth data related to education funding formulas to DBM, DLS, and MSDE on both May 1 and December 1 of each year. Local governments must provide SDAT with tax increment financing (TIF) data by November of each year.

Estimated General Fund Revenues and Projected Education Funding Deficit

Section 19 of Chapter 36 is modified to require *each year*, beginning in fiscal 2023, that if general fund revenues as reported by the Board of Revenue Estimates (BRE) in March and December of a calendar year beginning December 1, 2021, for that fiscal year decrease by more than 7.5%, then the annual increases in education funding required by Chapter 36 of 2021 will be limited to inflation as specified.

Other Provisions

The due dates and reporting periods for various reports are extended, generally by one year.

Technical and clarifying changes are made to several funding formulas to conform with the intent of the Blueprint. The year for which TIF data is incorporated in local property assessable base is moved back one year to the second prior fiscal year.

The bill specifies that the Blueprint and the college and career readiness (CCR) standard are not intended to alter the need for high quality programs and content in fine arts, civics, physical education, and other areas that are necessary to provide a holistic education and enable every student to be well-rounded and meet the CCR standard. Further, the bill includes high school Advanced Placement courses and apprenticeships as means for satisfying CCR pathway requirements.

The bill assures that a total of \$5.0 million is appropriated from the Blueprint for Maryland's Future Fund to MSDE in order to develop and implement a modern financial management system and student data system – either by provision of \$2.5 million in each of fiscal 2022 and 2023, or the full \$5.0 million in fiscal 2023 if no funds are provided in fiscal 2022.

Finally, the bill requires virtual schools established by MSDE or a local board of education to follow quality online education standards as specified beginning in the 2022-2023 school year.

Current Law:

Blueprint for Maryland's Future

House Bill 1300 of 2020 implemented the Blueprint for Maryland's Future, which was first established by Chapter 771 of 2019, substantially altering State aid and State policy for public schools. The bill, which incorporated policies and accountability recommendations of the Commission on Innovation and Excellence in Education, passed the General Assembly in March 2020 and was vetoed by the Governor for policy reasons. The veto was overridden in 2021, thus becoming Chapter 36 of 2021. For a full description of the Blueprint for Maryland's Future, see the [Fiscal Note for HB 1300 of 2020](#), Chapter 36 of 2021.

Foundation Program

The Foundation Program is the major State general education aid program for public schools, accounting for nearly half of direct State education aid. For each school system, a formula determines the State and local shares of a minimum per pupil funding level, or "foundation." The total cost of the Foundation Program, which equals the PPFA times the FTE student enrollment count, is shared equally by the local governments and the State. However, as a wealth-equalized formula, the State provides more aid per pupil to school systems in the less wealthy jurisdictions and less aid per pupil to school systems in the more wealthy jurisdictions.

The foundation formula grant was altered by Chapter 36 of 2021, such that the count of students to be funded is the greater of (1) the prior year FTE enrollment and (2) the three-year moving average of FTE enrollment. Also, the PPFA was increased to specified amounts for each year from fiscal 2022 to 2033, thus increasing annual funding under the program. After fiscal 2033, the PPFA is increased by inflation.

The PPFA includes increased costs associated with implementing the Blueprint that are provided for all students, including salary increases, additional teachers to provide professional learning and collaborative time for teachers, career counseling, behavioral health, instructional opportunities for students to become CCR, and supplies and materials for teachers. PPFA funds may also be used to support fine arts enrichment programs. Specified per pupil amounts for career counseling in fiscal 2024 through 2026 must be distributed to local workforce development boards to provide services to middle and high school students. Per pupil amounts for teacher collaborative time are also required to be distributed to and expended by the schools as specified beginning in fiscal 2026. The per pupil funding amounts for several major education aid programs are expressed as a percentage, or weight, of the PPFA.

Community Eligibility Program, Compensatory Aid, Low-income Eligibility

The Healthy, Hunger-Free Kids Act of 2010, in part, amended the federal National School Lunch Act to provide an alternative to household applications for free and reduced-price meals (FRPM) in high-poverty local education agencies (LEAs) and schools. This alternative is referred to as CEP. To be eligible, LEAs and schools must meet a minimum level of students directly certified for free meals (40% of enrollment) in the year prior to implementing the option, agree to serve free lunches and breakfasts to *all* students, and agree to cover with nonfederal funds any costs of providing free meals to all students above amounts provided in federal assistance.

Reimbursement is based on claiming percentages derived from the percentage of students directly certified as increased by use of a multiplier determined by the U.S. Department of Agriculture. An LEA may participate in CEP for all schools in an LEA or only some schools, depending on the eligibility of the individual schools and financial considerations based on the anticipated level of federal reimbursement and other nonfederal support that may be available.

Since fiscal 2004, the compensatory aid formula, providing additional State support for students with educational needs resulting from educationally or economically disadvantaged environments, has used the number of students eligible for FRPM. Children from families (1) with incomes at or below 130% of the federal poverty level are eligible for free meals and (2) with incomes no greater than 185% of the federal poverty level are eligible for reduced-price meals. The State compensatory aid formula applies a per pupil

cost to the FRPM student count. Chapter 291 of 2015, which altered the compensatory enrollment count for LEAs that participate, in whole or in part, in CEP such that it is the greater of:

(1) the sum of:

- the number of students in CEP participating schools identified by direct certification for the prior fiscal year;
- the number of students identified by the income information provided by the family to the school system on an alternative form developed by MSDE for the prior fiscal year; and
- the number of students eligible for FRPM from any schools not participating in CEP for the prior fiscal year; *or*

(2) the sum of:

- the number of students eligible for FRPM from any schools not participating in CEP for the prior fiscal year; and
- for schools participating in CEP, the result of multiplying the prior fiscal year total enrollment by the percentage of FRPM-eligible students as compared to total enrollment in the year prior to participating in CEP. However, for the purpose of this calculation, schools participating in CEP in the pilot year may use the percentage of FRPM-eligible students during the pilot year.

Chapter 771 of 2019 extended this provision through fiscal 2025. It also required MSDE to incorporate Medicaid eligibility into direct certification to be used as one of the measures to determine eligibility for FRPM under the State's compensatory aid formula and concentration of poverty grants. Funded with federal funds, MSDE has issued a contract to develop a Maryland Direct Certification System to include matching processes for the Supplemental Nutrition Assistance Program, Temporary Cash Assistance, and foster care. Chapter 36 of 2021 also required MSDE to develop a State Alternative Form for families of students eligible for FRPM as a third measure for FRPM eligibility for State education aid.

Concentration of Poverty Grants

Similar to the grants provided since fiscal 2020, concentration of poverty grants are provided in fiscal 2021 and each subsequent year. The grant has two components. First, each qualifying school receives a personnel grant to employ a community school coordinator with specified qualifications and provide full-time coverage by at least one health care practitioner. A county that provides health coverage or community school

services prior to receiving a personnel grant must continue to provide those services through fiscal 2030. The personnel grant increases from \$248,833 in fiscal 2020 and 2021 to \$257,100 in fiscal 2022; the Governor’s proposed fiscal 2022 budget provides \$248,833 for each personnel grant. Second, per pupil grants are provided for each qualifying school one year after becoming eligible for a personnel grant and completing the required needs assessment, except for schools with at least 80% concentration, which become eligible two years after initial eligibility. The personnel grant is a State-funded categorical amount that increases with inflation. Per pupil grants are only wealth equalized for districts that receive the minimum State funding (40%) under the compensatory education formula; for all other districts, the State pays the full amount. The local funding percentage is based on the compensatory education wealth equalization formula. The following table lays out the phase-in of the two components of the funding.

Concentration of Poverty Phase-in

School Poverty Percentage	Year Personnel Phased-in	Year Per Pupil Phased-in
>=80%	FY 20	FY 22
75%-80%	FY 21	FY 23
70%-75%	FY 22	FY 24
65%-70%	FY 23	FY 25
60%-65%	FY 24	FY 26
55%-60%	FY 25	FY 27

Per Pupil Phase-in

<u>Fiscal Year</u>	<u>Percentage of Per Pupil Grant</u>
2022	12.77%
2023	24.35%
2024	28.41%
2025	41.56%
2026	50.63%
2027	60.28%
2028	75.48%
2029	90.70%
2030 and after	100.00%

Eligible schools include public charter schools and also alternative option programs, if the students are not counted in the enrollment of another program or school. Local school systems with 40 or more eligible schools may spend no more than 50% of the per pupil

grant funds on behalf of the schools instead of distributing them to the schools, except for public charter schools unless they choose to participate in the plan, and subject to specified planning and reporting requirements. In fiscal 2021 through 2025, excess personnel grant funds as well as per pupil funds can be used for fine arts enrichment programs, among other uses allowed in current law.

If a school has qualified for a personnel grant, it will continue to receive the grant for two more years even if it falls below the relevant percentage threshold. School concentration percentages are based on a three-year average of compensatory education enrollment in each public school. Concentration calculations may not use the direct certification multiplier unless a school did not exist prior to the year the school system opted into the U.S. Department of Agriculture Community Eligibility Provision. The per pupil funding amount for each eligible school is calculated based on a sliding scale linear equation, which is adjusted annually for inflation. The phase-in toward full funding of the per pupil grants culminating in fiscal 2030 is specified, with each qualifying school receiving a specified percentage of the per pupil funding each year.

Maintenance of Effort and Local Share

Each year, the county government (including Baltimore City) is required to appropriate funds to the local board of education equivalent to at least the same per pupil level as in the prior year (MOE), or its required local share – whichever is greater. Beginning with the *fiscal 2022* appropriation, the per pupil MOE level each year is based upon the greater of (1) the prior year FTE enrollment and (2) the three-year moving average of FTE enrollment. Beginning in fiscal 2024, repealed is the requirement that a county that is below the statewide five-year moving average education effort level must increase its per pupil MOE amount by the lesser of (1) the increase in local wealth per pupil; (2) the statewide average increase in local wealth per pupil; or (3) 2.5% (*i.e.*, MOE escalator). MSDE must report by November 1, 2021, on the impact on school funding of repealing this requirement.

Beginning in *fiscal 2022*, the local share requirement continues to include the local share of the foundation formula but also includes the local share of the compensatory education, English learner, special education, CWI (beginning in fiscal 2024), full-day prekindergarten (beginning in fiscal 2023), CCR, TSI (through fiscal 2026), and career ladder grant programs. Also, counties that benefit from the compensatory education State funding floor are required to fund the local share of the concentration of poverty grant program. However, for some counties, the combined local share across these several programs is subject to adjustments described immediately below.

Education Effort Adjustment to Local Share Requirement

Local governments must fund the local share of the foundation program and the required local shares for several other funding formula programs. However, there is a mechanism for establishing a maximum local share that a county must fund each year. This involves “local education effort,” which is determined for each county by dividing the county’s local share of major education aid by the county’s wealth. An “education effort index,” which is the local education effort divided by the “State average education effort” is then determined. A “maximum local share” is calculated for each county, which is the county’s local wealth multiplied by the State average education effort.

Each county with an education effort above 1.0 for two consecutive years receives relief based upon its “education effort adjustment,” which is the amount by which that calculated local share exceeds the maximum local share. This relief (which results in increases to State aid) is provided to counties within one of three tiers, based on whether the education effort is (1) greater than 1.0 but less than 1.15; (2) at least 1.15 but less than 1.27; or (3) at least 1.27. State relief for the first tier is phased up from 10% of the education effort adjustment in fiscal 2022 to 50% by fiscal 2030. State relief for the second tier is phased up from 20% of the education effort adjustment in fiscal 2022 to 100% by fiscal 2030. State relief for the third tier is 100% beginning in fiscal 2022. However, the education adjustment for a county is only allowed to the degree that per pupil MOE is met each year.

Additional Reductions to Local Share

A county may be eligible for a reduction in the required local share of major aid formulas in three additional ways: (1) if a county receives State funds from the Guaranteed Tax Base (GTB) program, the local share may be reduced by the amount of GTB funds, except that for Baltimore City only the amount above \$10 million may be reduced from the local share; (2) if a county receives State funds to support the minimum funding floors of 15% for the foundation and 40% for the targeted programs; and (3) if a county has a CWI of at least 0.13, the local share of CWI may be reduced by 50%. However, in all of these cases, the local share may not be reduced below the required per pupil MOE amount.

Transitional Supplemental Instruction

TSI grants are provided to fund TSI, such as tutoring, for students in kindergarten through third grade who are identified as struggling learners. Literacy should be given priority in the provision of TSI; however, a district may direct funds toward mathematics if this is the priority for the district or a school. TSI funding phases up from \$476 per pupil in fiscal 2022 to \$680 per pupil in fiscal 2024, and then phases down to \$356 in fiscal 2026, and terminates after fiscal 2026. TSI tutors may be employed by the school district.

Students who continue to need additional support after fiscal 2026 will be tutored by their regular teachers, with funding provided through other programs.

CCR Standard

The State board must adopt a CCR standard as specified in English language arts, mathematics, and, when practicable, science. MSDE must develop and begin to implement a plan to publicize the standards by January 1, 2021.

Beginning with the 2020-2021 school year (delayed to 2022-2023 school year under the bill), each student must be assessed no later than the 10th grade by a method adopted by the State board to determine whether the student meets the CCR standard. Meeting the CCR standard must initially require a student to achieve the equivalent of a score of 4 or 5 in the mathematics and English portions of the Partnership for Assessment for College and Career Readiness grade 10 assessments on the Maryland Comprehensive Assessment Program grade 10 assessments or any successor assessments. After the empirical study required is complete, the CCR standard must reflect the results of the study.

An open enrollment public institution of higher education must accept high school students who have met the CCR standard approved by the State board for enrollment in credit-bearing courses.

Early Education Programs

Judy Centers provide early childhood education programs and comprehensive support services for children, from birth through kindergarten, and their families who reside in specific low-income school districts. Under Chapter 36, funding is provided for 9 additional Judy Centers annually in each of fiscal 2021 through 2025, and for 18 additional centers annually in fiscal 2026 through 2030, culminating in 135 new Judy Centers by fiscal 2030. The Governor must appropriate \$275,000 for each additional Judy Center, and the State must prioritize increasing the number of Judy Centers in Title I communities.

The Office of Child Care within MSDE must award a child care provider that participates in the Maryland EXCELS Program a bonus based on the provider's quality rating level at initial publication and subsequent increases up to level 5, beginning in fiscal 2021, with a \$5.0 million mandated appropriation, increasing annually through fiscal 2026.

School Leadership Training Programs

The Blueprint established two school leadership training programs. One program is for the State Superintendent, local school superintendents, and senior instruction-related staff, and

the other is for members of the State Board of Education, members of county boards of education, and school principals. Both are cohort-based, provide leadership training over the course of one or two years, and allow participants to discuss and implement lessons and skills while working as school leaders.

Accountability and Implementation Board

The AIB is an independent unit of State government designed to hold other units of government accountable for implementing the Blueprint and evaluating the outcomes of the Blueprint during the implementation period. The AIB must develop and adopt a Comprehensive Implementation Plan to implement the Blueprint by February 15, 2021. It must strive to provide equal access to a high-quality education with equitable outcomes for each Maryland student. It exists beginning in fiscal 2021 through 2031. The seven-member board of experts (as specified) is appointed by the Governor, subject to Senate confirmation, to six-year terms; the initial terms are staggered as specified. The Governor must initially choose AIB members from a slate of nine names submitted by a six-member Nominating Committee; subsequent vacant positions will be chosen from a slate of at least two names. The Nominating Committee members have five-year terms, and nominations to the AIB must be decided by a majority vote with at least one member appointed by each of the Governor, the Senate President, and the House Speaker voting in the majority. Collectively, members of the AIB and the Nominating Committee must, to the extent practicable, reflect the geographic, racial, ethnic, cultural, and gender diversity of the State.

SEED School, Maryland School for the Blind, and Maryland School for the Deaf Funding

A public residential education boarding program for at-risk youth was established in Maryland in 2006. The program accepts students from across the State via a lottery system and is operated by the SEED School of Maryland, at a location in Baltimore City. For fiscal 2014 and each year thereafter, minimum funding per student for the SEED School is the prior year funding amount altered by the annual change in the PPFAs.

The Maryland School for the Blind (MSB) receives a State appropriation equal to or greater than the sum of:

- 75% of the prior year appropriation multiplied by the product of (1) the sum of the weighted enrollment growth plus one and (2) the sum of the growth in the target PPFAs plus one; and
- 25% of the prior year appropriation multiplied by the sum of the weighted enrollment growth plus one.

“Weighted enrollment growth” is the product of 0.2 times the percentage change in the four-year average annual FTE enrollment from the third through sixth prior school years

to the second and fifth prior school years. The “four-year average annual FTE enrollment” is the addition of (1) the average number of students enrolled annually in grades prekindergarten through 12 at MSB during four consecutive school years; (2) one-half the average number of children served annually by the MSB Early Intervention Program; and (3) one-half the average number of children served annually by the MSB Outreach Program.

The funding formula for the Maryland School for the Deaf (MSD) also uses growth in the PPFA, along with enrollment growth that is adjusted with a four-year enrollment average in order to soften enrollment increases and decreases. The enrollment count for the school includes grades prekindergarten through 12 students and children served through the school’s Early Intervention Program. The adjusted formula enrollment only includes 50% of the children in the Early Intervention Program.

Financial Management System and Student Data System

By July 1, 2022, MSDE in collaboration with AIB must implement a financial management system and student data system capable of tracking and analyzing the information provided to the State Board of Education from local board budgets. In both fiscal 2021 and 2022, the Governor must appropriate \$2.5 million from the Blueprint Fund for MSDE to develop and implement the financial management and student data system.

Blueprint for Maryland’s Future Fund

The Blueprint for Maryland’s Future Fund was created by Chapter 771 of 2019 as the successor to the Commission on Innovation and Excellence in Education Fund. The purpose of the fund is to assist in providing adequate funding for early childhood education and primary and secondary education to provide a world-class education to students. The fund consists of (1) specified allocations of personal income tax and sales tax revenues; (2) money appropriated in the budget for the fund; and (3) any other money from other sources accepted for the benefit of the fund.

Estimated General Fund Revenues and Projected Education Funding Deficit

If estimated fiscal 2022 general fund revenues as reported by BRE in March and December of a calendar year beginning December 1, 2020, decrease by more than 7.5%, then the annual increases in education funding required by Chapter 36 of 2021 will be limited to inflation as specified. DLS must report whether a projected education funding deficit exists, and if so the amount, based on the difference between BRE estimates in December of 2023 and 2024 of funding dedicated to public education and the funding required to fully implement the Blueprint in fiscal 2026 through 2030.

State Expenditures: The projected fiscal 2023 to 2030 impact of the bill, by program, is detailed in **Exhibit 1** and discussed below.

Exhibit 1
Estimated Change in State Expenditures under the Bill
Fiscal 2023-2030
(\$ in Millions)

<u>Program</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Foundation	\$4.2	\$4.4	\$28.3	\$58.2	\$89.4	\$91.3	\$93.5	\$95.8
CPG Grants	0.0	0.0	0.0	0.0	0.0	18.7	-28.9	-14.7
Education Effort	0.4	3.8	4.2	6.2	4.4	5.3	4.9	7.4
SEED School	0.0	0.0	0.1	0.2	0.3	0.3	0.3	0.3
State Aid Change	\$4.6	\$8.1	\$32.6	\$64.5	\$94.1	\$115.5	\$69.8	\$88.8
MSB	\$0.0	\$0.0	\$0.1	\$0.3	\$0.4	\$0.5	\$0.5	\$0.5
MSD	0.0	0.0	0.2	0.4	0.7	0.7	0.7	0.7
Total Change	\$4.6	\$8.1	\$33.0	\$65.2	\$95.2	\$116.6	\$70.9	\$89.9

CPG: Concentration of Poverty Grants
MSB: Maryland School for the Blind
MSD: Maryland School for the Deaf

Source: Department of Legislative Services

Foundation Program and Related Formulas

Foundation program State aid increases in fiscal 2023 and 2024 due to the exclusion of the FTE enrollment count for the 2020-2021 school year in determining the enrollment count to be used for calculating the foundation formula. Beginning in fiscal 2025, foundation program State aid increases substantially due to the addition of technology costs to the PPFA.

APA Consulting, which conducted the 2016 education adequacy study for the State of Maryland and also served as a financial consultant to the Commission on Innovation and Excellence in Education and to DLS, has estimated that a total of approximately \$530 per student is needed in Maryland in fiscal 2022 to adequately support educational technology needs of school systems for students in the current and post-COVID-19 pandemic era. Of that amount, approximately \$350 is provided in the current PPFA for fiscal 2022, leaving a difference of \$180 per pupil. Inflating that amount to fiscal 2027 dollars amounts to

\$197 per pupil. These costs are phased-in over a three-year period, resulting in increases of \$28.3 million in fiscal 2025, \$58.2 million in fiscal 2026, and \$89.4 million in fiscal 2027. In subsequent years, this increase grows with the rate of inflation for the PPFA, resulting in an estimated annual increase of \$95.8 million by fiscal 2030.

The bill adjusts the weights with respect to the PPFA for multiple programs in a manner that is intended to be neutral for funding in fiscal 2025 and beyond. While due to rounding, the precise results will vary somewhat from current law, funding results across programs and over time are assumed to result in minimal net change in State funding through these programs (*i.e.*, compensatory education, English learner, special education, and CWI). Similarly, based on current FRPM enrollment projections, the extension of the CEP provision by an additional year is not anticipated to result in substantial changes in the FRPM count and, thus, is not anticipated to substantially impact State formula aid funding.

In fiscal 2022, State funding for the Education Effort Adjustment and related local share relief decreases by approximately \$128.6 million. Due to the timing of enactment of Chapter 36 of 2021, the Governor was not required to fund the effort adjustment, and the fiscal 2022 budget does not include these funds. Therefore, while it is a savings compared to the enrolled fiscal note for House Bill 1300 of 2020, it does not reduce State expenditures in fiscal 2022.

State funding for the Education Effort Adjustment increases significantly beginning in fiscal 2025 due to the increase in the foundation amount (discussed above), which increases the local share of the foundation program for counties and flows through to the education effort adjustment.

Concentration of Poverty Grants

Total State funding for Concentration of Poverty grants is not altered by the bill through fiscal 2027, though the distribution of those grants by local education agency (LEA) is altered beginning in fiscal 2022. Because the bill provides full per pupil funding for schools with at least 80% of students eligible for free or reduced-price meals by fiscal 2028, or two years earlier than under current law, fiscal 2028 funding of Concentration of Poverty grants is increased by \$18.7 million in fiscal 2028. The bill also alters the phase-in schedule for other eligible school concentration groups in fiscal 2022 through 2029, but all schools receive full per pupil funding by fiscal 2030. Altering the phase-in schedule results in savings of approximately \$19.3 million in fiscal 2029 compared to current law estimates. In addition, there is approximately \$9.6 million of savings in fiscal 2029 and \$14.7 million in fiscal 2030 compared to prior estimates under current law, due to fewer schools being eligible to receive a concentration of poverty grant based on the most recent data available for school FRPM percentages. This fiscal analysis uses the three-year average FRPM percentage in fiscal 2018 through 2020 to determine a school's eligibility for a

concentration of poverty grant during the entire phase-in of the Blueprint formulas (*i.e.*, fiscal 2022 through 2030 and beyond). This is a point-in-time analysis, which does not attempt to project changes to school-level FRPM percentages in future years. Thus, to the extent that school FRPM percentages increase or decrease compared to the three-year average percentages used in this fiscal analysis, which is highly likely, the results of the personnel and per pupil grants will be different than this fiscal estimate. Also, this analysis uses school-level data on FRPM percentages and CEP participation that MSDE is required to report to the U.S. Department of Agriculture annually, which is the only public data currently available on FRPM eligibility at the school level.

SEED School, School for the Blind, School for the Deaf

State funding for the SEED School, MSB, and MSD all increase beginning in fiscal 2025 because the funding mechanism for all of these entities involves the PPFA, which is increased under the bill beginning in fiscal 2025. Chapter 36 of 2021 increased State funding for these schools beginning in fiscal 2023, also due to increases in the PPFA. **Exhibit 2** shows the increases due to Chapter 36.

Exhibit 2
Estimated Change in State Expenditures under Ch. 36 of 2021
SEED School, MSB, and MSD
Fiscal 2023-2030
(\$ in Millions)

<u>Program</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
SEED School	\$1.3	\$1.6	\$1.4	\$1.7	\$2.1	\$2.4	\$2.8	\$3.1
MSB	2.1	2.5	2.3	2.7	3.3	3.8	4.3	4.8
MSD	3.1	3.7	3.3	4.0	4.8	5.5	6.2	6.9
Total Change	\$6.5	\$7.7	\$7.0	\$8.4	\$10.2	\$11.6	\$13.2	\$14.7

MSB: Maryland School for the Blind

MSD: Maryland School for the Deaf

Note: Numbers may not sum due to rounding.

Source: Department of Legislative Services

Programs and Funding to Address Impact of COVID-19

The requirement that local school systems establish summer school programs in 2021 and 2022, provide additional supplemental instruction and tutoring in the 2021-2022 and 2022-2023 school years, and provide behavioral health supports as specified has an additional cost for local school systems. Funding is provided in the fiscal 2021 and 2022 budgets for these purposes as shown in **Exhibit 3**. The fiscal 2022 State budget includes \$151.6 million for tutoring and supplemental instruction, in addition to the TSI program established in the Blueprint. Supplemental Budget Number 5 includes federal American Rescue Plan (ARP) funds allocated to the State for summer school and trauma and behavioral health in fiscal 2021 and 2022 as well as additional funds for TSI in fiscal 2022 and swaps \$151.6 million in federal ARP funds for State funds to support tutoring and supplemental instruction related to COVID-19.

Exhibit 3
State Funding for Fiscal 2021 and 2022 Requirements
(\$ in Millions)

	<u>FY 2021</u>	<u>FY 2022</u>
Summer School	\$25.0	\$25.0
Tutoring and Supplemental Instruction	0.0	151.6
Transitional Supplemental Instruction	0.0	20.0
Behavioral Health/Trauma	10.0	15.0
Total	\$35.0	\$211.6

The bill also directs local school systems to use federal funds provided to address the impact of COVID-19 for these programs and more broadly, to mitigate learning losses due to COVID-19 and pursue the goals of the Blueprint for Maryland’s Future to the extent authorized by federal law. **Appendices 3 and 4** show the amount of federal funds that each local school system and the SEED School have received in the three federal laws that have addressed the impact of COVID-19 on K-12 public education, including ARP that was signed into law on March 11, 2021. In total, LEAs directly receive approximately \$3.0 billion in additional federal funds.

Unspent Blueprint Funds

Chapter 771 of 2019 and Chapter 36 of 2021 utilize special funds dedicated to the Blueprint for Maryland’s Future Fund to cover the cost to implement the Blueprint programs. LEAs received \$245.7 million in fiscal 2020 and \$340.3 million in fiscal 2021 (not including

additional fiscal 2021 funds discussed above). Due primarily to the impact of COVID-19 on school closures beginning in March 2020, LEAs did not spend all of their fiscal 2020 special fund appropriations by the end of the fiscal year. MSDE allowed LEAs to retain the unspent funds for expenditure in fiscal 2021. The bill authorizes LEAs to retain any unspent funds at the end of fiscal 2021 to be spent in fiscal 2022.

The amount of funds that will be retained by LEAs cannot be reliably estimated and will vary by LEA. Based on a DLS survey of LEA Blueprint spending in fiscal 2020 and 2021, significant funds may remain unspent at the end of fiscal 2021. If these funds were not retained by LEAs, they would be canceled and credited to the fund balance of the Blueprint Fund. Thus, additional revenues to the Blueprint Fund will be foregone due to this provision of the bill. However, unspent funds were not anticipated to be available in future years to the Blueprint Fund as typically all State education aid distributed to LEAs is spent and does not revert to the State general fund. Therefore, there is no fiscal impact due to this provision.

Other Impacts

Most of the bill's adjustments to dates and program timelines have no *net* fiscal impact, as costs are delayed from one year to another, but overall costs do not increase.

The increase to the Judy Center grant conforms with the \$330,000 per center that is included in the fiscal 2021 working appropriation and fiscal 2022 allowance for Judy Centers. Thus, while the bill increases the mandated funding, it does not have a budgetary impact.

The bill mandates \$5.0 million in fiscal 2023 for a new MSDE financial reporting system if funds are not provided in fiscal 2021 and 2022. This shifts \$5.0 million in spending from fiscal 2021 and 2022 into fiscal 2023 and has no net effect.

Although Chapter 36 of 2021 specified \$5.0 million in fiscal 2021 and \$5.4 million in fiscal 2022, for the Child Care Provider EXCELS Bonus Program, the fiscal 2021 and 2022 budgets do not include State funding for the program. Thus, this bill mandates \$5.0 million for the program beginning in fiscal 2023, increasing to \$8.1 million in fiscal 2028. This compares to an out-year cost of \$7.3 million in fiscal 2028 under Chapter 36, or a net increase of \$730,000.

DLS may incur additional (contractual) costs in fiscal 2021 and/or 2022 to study the local fiscal impact of implementing the Blueprint and the local capacity of counties to meet increasing local appropriations requirements in future years. While these costs may total as much as \$50,000, these costs are not reflected within the State cost estimates shown elsewhere in this analysis.

Finally, extending the termination date of the AIB until the end of fiscal 2032 increases expenditures by approximately \$2.5 million for an additional year of operating expenses related to AIB.

Local Fiscal Effect: Local school board revenues and expenditures increase due to the increased State aid discussed above beginning in fiscal 2023. **Appendix 1** shows the impact by LEA for fiscal 2023 through 2030.

Local school revenues and expenditures increase in fiscal 2022 to the extent LEAs retain unspent fiscal 2021 Blueprint funds for use in fiscal 2022; this amount will vary by LEA and cannot be reliably estimated. Increases in school revenues (as shown in Exhibit 3 due to State aid increases) and expenditures begin in fiscal 2021 and include implementing the required summer school program; supplemental instruction and tutoring; and behavioral health and trauma funding. These expenditures include State funds and available federal funds that may be used for these purposes. Under ARP, LEAs must use at least 20% of their Elementary and Secondary School Emergency Relief Fund (ESSER) III allocation to address learning loss due to COVID-19 (see Appendix 3 and 4 for federal funds by LEA). Local board expenditures may also increase to meet certain reporting requirements under the bill.

Local school board revenues further increase in fiscal 2022 due to increases in required per pupil MOE payments by county governments (including Baltimore City) compared to current law. Under the bill, fall 2020 enrollments are excluded from the three-year moving average that under Chapter 36 is now used to calculate fiscal 2022 MOE amounts. For most counties, this increases the enrollment count to be used in the fiscal 2022 calculation. As shown in **Exhibit 4**, estimated increases to county appropriations for LEAs in fiscal 2022 under the bill as compared to Chapter 36 total \$83.4 million. However, the fiscal 2022 amounts are \$42.3 million lower than the required MOE using fall 2020 enrollment projections prior to the COVID-19 pandemic. Further, certain federal funds received by the counties may be used to help with meeting MOE requirements in fiscal 2022 and 2023.

Increases to the per pupil MOE requirement in fiscal 2022 affect required fiscal 2023 local appropriations. In addition, under the bill the escalator clause factors into fiscal 2023 required funding. Under Chapter 36, average per pupil wealth statewide decreased resulting in no triggering of the escalator; however, under the bill per pupil wealth increases statewide by virtue of using fall 2019 FTE for determining both fiscal 2021 and 2022 per pupil wealth. Exhibit 4 also shows estimated fiscal 2023 required MOE per pupil amounts; overall, fiscal 2023 amounts are \$33.5 million higher than under Chapter 36. Fiscal 2023 per pupil MOE estimates assume that counties appropriate sufficient funds in fiscal 2022 for LEAs to receive the one-time hold harmless grant as required by the Budget Reconciliation and Financing Act of 2021 (House Bill 589).

Exhibit 4
Local Expenditures to Meet the Per Pupil MOE Requirements
Fiscal 2022 and 2023 Estimates
(\$ in Millions)

	Fiscal 2022				Fiscal 2023		
	Pre-COVID-19 Estimate*	Current Law**	Under the Bill ***	Change v. Current Law	Current Law**	Under the Bill ***	Change v. Current Law
Allegany	\$31.6	\$31.3	\$31.9	\$0.5	\$31.5	\$32.3	\$0.8
Anne Arundel	771.6	758.7	768.3	9.6	789.5	799.0	9.5
Baltimore City	291.7	292.2	294.0	1.8	291.4	298.5	7.1
Baltimore	869.8	848.2	858.3	10.1	876.6	879.5	2.9
Calvert	134.4	132.4	134.7	2.3	133.1	133.9	0.7
Caroline	16.0	15.8	16.0	0.2	16.0	16.4	0.4
Carroll	197.1	196.0	198.4	2.4	195.3	197.0	1.7
Cecil	88.0	87.4	88.5	1.1	88.4	90.6	2.1
Charles	197.2	193.7	195.7	2.0	198.7	198.7	0.0
Dorchester	20.6	20.7	20.8	0.1	21.5	21.6	0.1
Frederick	297.9	294.9	296.3	1.5	299.7	299.9	0.3
Garrett	28.6	28.5	28.7	0.3	28.7	29.3	0.6
Harford	278.0	273.4	276.9	3.5	279.3	279.3	0.0
Howard	622.5	604.5	613.8	9.3	633.4	633.4	0.0
Kent	18.6	18.5	18.6	0.0	18.8	18.8	0.0
Montgomery	1,765.6	1,729.7	1,751.9	22.2	1,779.5	1,779.5	0.0
Prince George's	742.8	726.4	738.2	11.8	752.9	752.9	0.0
Queen Anne's	62.3	61.5	62.6	1.0	62.5	64.0	1.5
St. Mary's	110.8	108.4	109.5	1.1	111.9	111.9	0.0
Somerset	10.4	10.4	10.4	0.1	10.7	10.7	0.0
Talbot	43.4	44.0	43.6	-0.3	44.9	44.9	0.0
Washington	106.1	104.5	105.8	1.3	106.2	108.8	2.5
Wicomico	48.8	48.1	48.9	0.8	49.4	50.6	1.2
Worcester	96.8	95.7	96.3	0.7	97.2	99.4	2.1
Total	\$6,850.4	\$6,724.0	\$6,808.2	\$83.4	\$6,917.1	\$6,950.6	\$33.5

*Uses projected fall 2020 enrollment in 2020 session prior to COVID-19 pandemic.

** Uses actual fall 2020 enrollment in three-year moving average per Chapter 36.

*** Excludes actual fall 2020 enrollment from three-year moving average. Fiscal 2023 local share requirement may exceed per pupil MOE requirement. Assumes counties appropriate sufficient funds to meet the incentive under Section 9 of the Budget Reconciliation and Financing Act of 2021 (HB 589)

Exhibit 5
Reduced Local Appropriations due to Delay in Local Share Requirement
Fiscal 2022 Estimates
(\$ in Millions)

County	Local Savings
Allegany	\$0.0
Anne Arundel	0.0
Baltimore City	54.0
Baltimore	0.0
Calvert	0.0
Caroline	1.7
Carroll	0.0
Cecil	0.0
Charles	0.0
Dorchester	1.2
Frederick	0.0
Garrett	0.0
Harford	0.0
Howard	0.0
Kent	0.0
Montgomery	0.0
Prince George's	8.5
Queen Anne's	0.0
St. Mary's	0.0
Somerset	0.2
Talbot	1.8
Washington	0.0
Wicomico	2.6
Worcester	0.0
Total	\$69.9

Note: Numbers may not sum due to total.

In addition, the bill relieves county governments (including Baltimore City) of the requirement to fund the local share of wealth-equalized programs other than the foundation program in fiscal 2022, which reduces required local appropriations by \$69.9 million as shown in **Exhibit 5**. Counties will be required to meet the new local share MOE

requirement beginning in fiscal 2023, which may be higher than the required per pupil MOE amounts shown in Exhibit 4.

The bill alters the local share of the Concentration of Poverty Grants for those counties that must provide a local share for the program. The bill also substantially increases the local share of the foundation program beginning in fiscal 2025, due to the addition of technology costs into the PPFA. **Appendix 2** shows the changes to local appropriations in fiscal 2023 through 2030, resulting largely from these local share changes and a relatively modest change to results under the education effort adjustment. Statewide, these increases are generally less than the increases to local share because for many counties the per pupil MOE requirement for fiscal 2022 remains above the combined local share requirement. The triggering of the escalator clause for fiscal 2023 under the bill, however, does contribute most significantly to fiscal 2023 changes to estimated local appropriations. However, the availability of federal funds for fiscal 2022 and 2023 may mitigate the impact on county governments and could affect decisions to appropriate more local funds than is required.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 965 (The President) - Education, Health, and Environmental Affairs and Budget and Taxation.

Information Source(s): Anne Arundel County Public Schools; Maryland State Department of Education; Montgomery County; University System of Maryland; Morgan State University; Department of Legislative Services

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Appendix 1
Change in State Aid under the Bill
(\$ in Millions)

County	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Allegany	\$0.2	-\$0.1	-\$0.5	-\$0.1	\$0.2	\$0.6	-\$0.1	-\$0.1
Anne Arundel	-0.5	0.0	1.7	4.1	6.5	6.8	6.7	7.2
Baltimore City	4.7	6.5	12.2	17.8	19.6	32.2	6.7	-0.5
Baltimore	-2.1	-1.8	-0.8	2.2	6.8	6.9	6.0	16.6
Calvert	0.7	0.1	0.5	1.1	1.7	1.7	1.7	1.8
Caroline	-0.2	-0.1	-0.1	0.2	0.5	0.5	0.4	0.9
Carroll	1.7	1.4	0.2	1.0	1.7	1.7	1.8	2.0
Cecil	0.0	-0.5	0.4	0.5	1.3	1.3	1.3	2.4
Charles	0.0	-0.6	0.7	1.2	2.4	2.3	2.3	3.2
Dorchester	-0.3	0.4	0.8	0.9	1.1	1.4	0.4	0.0
Frederick	-0.7	-0.9	0.0	1.5	3.0	3.1	2.6	3.1
Garrett	0.1	0.1	0.3	0.4	0.5	0.5	0.5	0.6
Harford	-0.5	-0.4	0.6	1.4	2.8	2.8	2.0	3.6
Howard	0.0	-0.6	1.4	2.9	4.9	5.0	5.1	6.0
Kent	0.3	0.1	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1
Montgomery	-1.8	-0.2	2.3	5.5	9.1	9.3	8.7	9.9
Prince George's	1.8	4.7	8.5	17.1	21.8	27.5	14.4	20.3
Queen Anne's	0.0	0.0	0.2	0.4	0.6	0.6	0.6	0.7
St. Mary's	-0.2	-0.5	0.5	1.2	1.8	1.6	1.8	1.8
Somerset	0.4	0.4	0.6	0.9	0.9	1.5	0.5	0.3
Talbot	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2
Washington	0.4	0.5	2.0	2.5	3.8	4.5	3.8	5.7
Wicomico	-0.1	-0.5	0.4	0.8	1.6	1.7	0.6	0.9
Worcester	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2
SEED School	0.7	0.3	1.1	1.3	1.6	2.0	2.0	2.1
Total	\$4.6	\$8.1	\$32.6	\$64.5	\$94.1	\$115.5	\$69.8	\$88.8

Note: Does not include Maryland School for the Blind or Maryland School for the Deaf.

Appendix 2
Increased Local Appropriations under the Bill
(\$ in Millions)

<u>County</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
Allegany	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.6
Anne Arundel	1.6	0.0	0.0	0.0	0.0	0.0	10.2	11.2
Baltimore City	5.4	-0.9	1.5	3.8	4.8	4.7	4.5	4.7
Baltimore	0.0	0.0	0.0	0.0	0.0	0.8	9.6	9.8
Calvert	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Caroline	-0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.3
Carroll	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cecil	0.2	0.0	0.0	0.9	1.1	1.1	1.1	1.1
Charles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dorchester	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3
Frederick	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Garrett	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.4
Harford	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Howard	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kent	0.0	0.1	0.1	0.2	0.3	0.4	0.4	0.5
Montgomery	0.0	0.0	0.0	0.0	0.0	22.1	20.2	23.3
Prince George's	0.0	0.0	0.3	8.0	10.0	10.0	9.7	10.1
Queen Anne's	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
St. Mary's	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Somerset	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Talbot	0.0	0.0	0.0	0.4	0.6	0.6	0.6	0.9
Washington	2.5	2.6	2.1	0.9	1.5	1.4	1.4	1.4
Wicomico	1.2	0.7	0.1	0.2	1.0	0.6	0.8	0.7
Worcester	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unallocated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	\$11.4	\$2.5	\$4.2	\$14.7	\$20.3	\$42.6	\$59.6	\$65.5

Appendix 3
ESSER I, II, and III Distribution by LEA
(\$ in Thousands)

<u>LEA</u>	<u>ESSER I</u>	<u>ESSER II</u>	<u>ESSER III</u>	<u>Total</u>
Allegany	\$2,557.9	\$11,278.2	\$25,329.3	\$39,165.4
Anne Arundel	11,855.6	48,393.5	108,684.9	168,934.0
Baltimore City	48,392.8	197,474.4	443,499.4	689,366.6
Baltimore	23,741.8	96,638.6	217,036.6	337,417.0
Calvert	1,201.9	5,098.5	11,450.4	17,750.8
Caroline	1,490.1	6,096.0	13,690.8	21,276.9
Carroll	1,975.7	7,491.7	16,825.4	26,292.9
Cecil	3,128.8	12,391.7	27,830.0	43,350.6
Charles	3,127.3	13,743.7	30,866.5	47,737.5
Dorchester	1,901.2	7,775.7	17,463.1	27,139.9
Frederick	4,008.5	16,879.1	37,908.0	58,795.6
Garrett	957.2	3,986.8	8,953.9	13,897.9
Harford	4,451.8	18,905.7	42,459.5	65,817.0
Howard	4,236.7	19,372.0	43,506.7	67,115.4
Kent	522.2	2,330.2	5,233.2	8,085.5
Montgomery	24,768.2	112,233.8	252,061.1	389,063.0
Prince George's	30,031.7	122,234.7	274,521.8	426,788.2
Queen Anne's	739.9	3,026.0	6,796.1	10,562.0
St. Mary's	2,574.4	11,611.0	26,076.7	40,262.0
Somerset	1,347.2	6,009.4	13,496.3	20,852.9
Talbot	896.1	3,665.8	8,232.8	12,794.7
Washington	5,606.1	24,618.4	55,289.3	85,513.8
Wicomico	5,166.1	21,093.1	47,372.0	73,631.2
Worcester	1,566.0	6,406.9	14,389.0	22,361.9
SEED School	805.6	3,139.3	7,050.3	10,995.1
MSDE	20,783.8	86,877.1	195,114.0	302,774.9
Total	\$207,834.5	\$868,771.2	\$1,951,137.0	\$3,027,742.7

ESSER: Elementary and Secondary School Emergency Relief Fund

LEA: Local education agency

Notes: LEA allocations are based on the proportion of Title I-A funds received in fiscal 2019 for ESSER I and in fiscal 2020 for ESSER II and III. MSDE receives a set-aside of 10% of each total allocation.

Source: Maryland State Department of Education; Congressional Research Service; Department of Legislative Services

Appendix 4
Additional Public K-12 Federal COVID-19-related Funding
(\$ in Thousands)

<u>LEA</u>	<u>CRF</u>	<u>CRF</u>	<u>GEER I</u>	<u>GEER I K-12</u>	<u>GEER I</u>	<u>Total</u>
	<u>Technology</u>	<u>Tutoring</u>	<u>Innovation</u>		<u>Urban and</u>	
					<u>Rural</u>	
					<u>Broadband</u>	
Allegany	\$909.9	\$1,367.5	\$0.0	\$97.0	\$70.0	\$2,444.5
Anne Arundel	9,433.3	6,338.2	654.7	729.4	59.0	17,214.6
Baltimore City	8,387.5	25,871.5	0	1,440.3	1,778.6	37,477.9
Baltimore	12,649.2	12,692.7	0	1,288.5	750.0	27,380.4
Calvert	1,781.5	642.5	0	83.0	15.6	2,522.7
Caroline	629.8	796.6	0	67.3	111.4	1,605.2
Carroll	2,855.8	1,056.3	0	141.7	50.2	4,104.0
Cecil	1,668.9	1,672.7	0	154.8	14.0	3,510.4
Charles	3,040.1	1,671.9	0	231.6	812.0	5,755.6
Dorchester	510.9	1,016.4	0	63.1	124.0	1,714.4
Frederick	4,832.7	2,143.0	0	323.4	0	7,299.2
Garrett	414.9	511.7	405.4	33.5	185.0	1,550.5
Harford	4,278.0	2,380.0	420.4	291.8	79.1	7,449.4
Howard	6,562.6	2,265.0	427.0	374.5	213.6	9,842.8
Kent	205.9	279.2	0	24.0	46.0	555.0
Montgomery	18,344.4	13,241.4	374.0	1,748.3	1,117.5	34,825.7
Prince George's	14,926.9	16,055.4	400.0	2,137.2	517.5	34,037.0
Queen Anne's	858.4	395.6	0	51.6	708.0	2,013.7
St. Mary's	1,960.2	1,376.3	0	132.5	1,685.8	5,154.7
Somerset	307.1	720.3	217.6	43.3	0	1,288.3
Talbot	508.9	479.1	0	53.4	101.9	1,143.2
Washington	2,496.9	2,997.1	0	235.7	172.9	5,902.7
Wicomico	1,655.8	2,761.8	375.0	192.0	112.1	5,096.8
Worcester	734.4	837.2	0	62.0	11.2	1,644.8
SEED School	45.9	430.7	0	0	0	476.5
Unallocated	0	0	0	0	1,264.5	1,264.5
Total	\$100,000.0	\$100,000.0	\$3,274.2	\$10,000.0	\$8,735.5	\$223,274.2

CRF: Coronavirus Relief Fund

GEER: Governor's Emergency Education Relief Fund

LEA: Local Education Agency

Note: LEAs may receive a portion of \$10 million in GEER II funds to be allocated as innovative grants.

Source: Maryland State Department of Education; Congressional Research Service; Department of Legislative Services