

Fiscal 2007 State Education Aid to the Prince George's Public Schools

An Analysis of Funding Trends

Prepared by the

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The Prince George's County Public Schools will receive over \$748 million in state education aid in the current fiscal year, an increase of more than \$66 million, or 9.7 percent, from fiscal 2006. The extra money represents the fifth installment of a planned six-year major boost in funding under the Bridge to Excellence in Public Schools Act of 2002, commonly known as the Thornton plan.

Overall, the budget adopted at the end of the 2006 session of the General Assembly in April increased funding for public primary and secondary education statewide by \$458 million – more than 11 percent. Total state spending for public education in fiscal 2007 will be approximately \$4.5 billion.

Prince George's will be the top recipient of state education funds again this year. Baltimore City will receive \$707.1 million, Baltimore County \$416.9 million, and Montgomery County \$323 million.

Efforts to fund the “geographic cost-of-education index,” a provision of the Bridge to Excellence Act designed to compensate school systems in areas with higher operating expenses, failed again in the 2006 session, costing Prince George's up to \$21 million it otherwise might have received. As in previous years, Governor Ehrlich did not request GCEI funding in his proposed budget, and legislation to make the index mandatory became entangled at the last minute in a dispute over a state formula that measures the relative wealth of different jurisdictions for purposes of determining levels of state aid.

Currently, the formula computes local wealth based on tax returns filed by September 1, reflecting the August 15 extended filing deadline used by the federal government and the state of Maryland until last year. In 2005, the federal government changed the deadline for late filing to October 15, and Maryland followed suit. However, the earlier date is specified in the Bridge to Excellence Act. As a result, the state aid formula fails to capture the full wealth of more affluent jurisdictions, such as Montgomery and Baltimore Counties, whose upper income taxpayers more frequently use extensions for filing their returns.

A bill introduced in the General Assembly in March would have brought the formula into conformance with the federal deadline. However, it was opposed by the Montgomery County delegation, and Delegate Sheila Hixson, the chair of the House Ways and Means Committee, held both the GCEI bill and the wealth formula legislation hostage, refusing to let either go to the floor in the final days of the session. Unless the formula is changed during the 2007 legislative session, Prince George's County will lose between \$16 million and \$25 million in school aid the following year.

In addition to the \$3.822 billion allotted for Thornton programs, the state will spend another \$657 million on its contribution to the teachers' retirement program, non-public special education, and other programs, bringing overall education spending in fiscal 2007 to \$4.4795 billion.

Prince George's will benefit again this year from a substantial increase in public school construction spending. The General Assembly trumped Governor Ehrlich by adding \$43.4 million to his proposed school construction budget, bringing the total to \$322.7 million, including \$16 million for bond premiums. That represents an increase of \$68.9 million, or 27.2 percent, from the fiscal 2006 allocation of \$253.8 million. Earlier in the year, the Board of Public Works approved \$20.692 million worth of school construction and renovation for Prince George's schools, out of a statewide total of \$210.675 million. The General Assembly designated an additional \$16.733 million for Prince George's, bringing the total to \$37.425 million.

Prince George's allocation represents 37.4 percent of the county's fiscal 2007 request for \$99.956 million and 43 percent of the \$88 million worth of those projects categorized by the state as either currently funded or ready to go. The county received a greater share of its request than Montgomery County (34 percent) but less than the shares received by Baltimore City (46 percent) and by Prince George's other neighboring jurisdictions, Anne Arundel County (69 percent), Charles County (58 percent), and Howard County (51 percent). Montgomery County garnered the largest allocation, just over \$40 million, followed by Baltimore City at \$39.4 million.

Over and above the money for school construction and renovation from the state's capital budget, Prince George's will receive \$2,775,806 in matching grants under the Aging Schools Program. The General Assembly increased funding for the program by \$3.7 million, to \$15.1 million.

The Maryland State Department of Education has released its estimates of the distribution of Bridge to Excellence funds in fiscal 2008, the sixth and final year of implementation of the Thornton plan. Prince George's schools would receive a total of \$936.221 million from the state's aid to education budget, an increase of almost \$188 million over the current year. The final allocation will be adjusted based on enrollment data, the wealth formula, and other factors. The estimate does not include money from the GCEI. Under the law, future allocations to local jurisdictions would be adjusted annually according to inflation and enrollment.

The following table shows the funding allocated to Prince George's under Bridge to Excellence programs for fiscal 2006 and fiscal 2007 and the estimated distribution for fiscal 2008.

**Prince George's Allocation
Major State Education Aid Programs
Summary Excluding the Aging Schools Program
(in dollars)**

Program	FY 2006	FY 2007	Dollar Increase	Percent Increase	FY 2008 Request
Foundation Program	449,835,655	476,733,464	26,897,809	6.0%	543,420,384
Total Transportation Grants	28,767,028	30,954,967	2,187,939	7.6%	33,566,356
Compensatory Education	137,929,554	154,105,171	16,175,617	11.7%	201,722,618
Limited English Proficient	21,905,449	30,078,840	8,173,391	37.3%	42,556,212
Special Education Formula	30,283,727	36,908,584	6,624,857	21.9%	73,173,004
Extended Elementary Education	1,515,128	1,731,575	216,447	14.3%	0
Guaranteed Tax Base	11,991,299	17,827,775	5,836,476	48.7%	35,134,494
Public Libraries	0		0		6,647,578
Total Direct Mandated Grants	682,227,840	748,340,376	66,112,536	9.7%	936,220,646