

# Baltimore's Fiscal Readiness for Kirwan

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Council Bill 19-0162R

December 3, 2019



# Agenda

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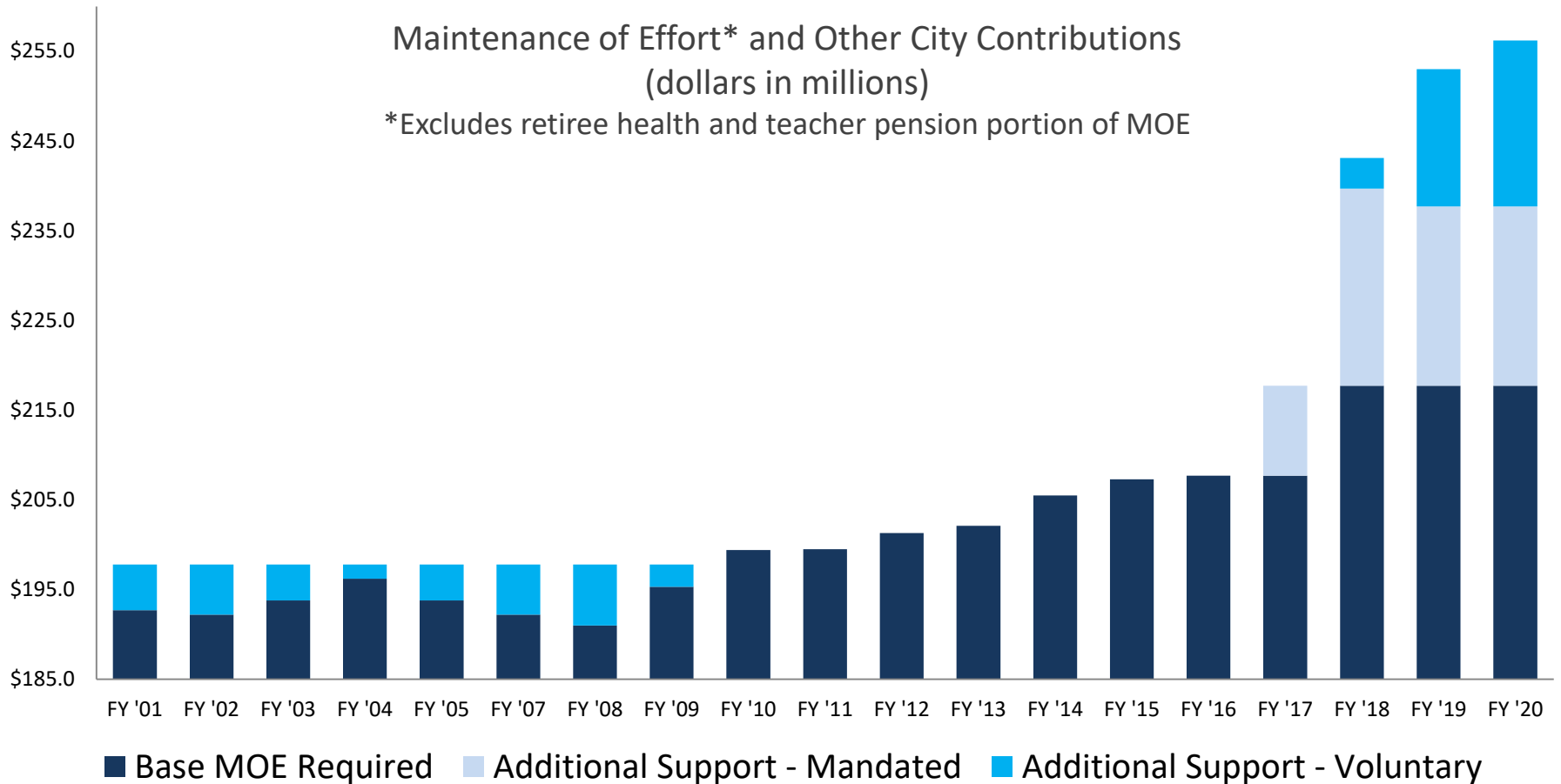
- City Operating Support for Schools
- City Capital Support for Schools
- Readiness for Kirwan

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- **City Operating Support for Schools**
- City Capital Support for Schools
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# Operating Support



- In Fiscal 2020, the City is providing \$89.9 million more annually than was required by MOE funding formula.

# Local Share and Wealth Comparison

Revenue Sources for Public Schools in FY2019			
County	Federal	State	Local
Worcester	4.0%	22.3%	73.7%
Talbot	5.5%	28.5%	66.0%
Montgomery	2.9%	32.7%	64.5%
Howard	2.4%	33.2%	64.4%
Anne Arundel	3.6%	36.9%	59.5%
Kent	6.0%	37.8%	56.2%
Queen Anne's	4.6%	39.8%	55.6%
Calvert	4.0%	41.1%	54.9%
Carroll	3.1%	42.1%	54.8%
Garrett	5.6%	45.0%	49.5%
Baltimore	5.1%	45.6%	49.2%
Harford	4.0%	46.9%	49.1%
Frederick	3.8%	48.3%	48.0%
Charles	3.3%	51.0%	45.7%
St. Mary's	8.3%	49.0%	42.8%
Cecil	4.6%	56.6%	38.9%
Prince George's	4.7%	58.8%	36.5%
Washington	5.3%	62.8%	31.9%
Dorchester	6.6%	65.8%	27.6%
Allegany	7.2%	69.1%	23.6%
<b>Baltimore City</b>	<b>8.5%</b>	<b>69.9%</b>	<b>21.7%</b>
Wicomico	7.0%	72.0%	21.1%
Somerset	9.8%	69.9%	20.4%
Caroline	6.8%	74.9%	18.4%

Ranking by Wealth Per Pupil	
County	Fiscal 2020
Worcester	\$ 1,197,214
Talbot	\$ 1,050,690
Kent	\$ 919,141
Montgomery	\$ 786,328
Anne Arundel	\$ 685,209
Queen Anne's	\$ 648,932
Garrett	\$ 644,236
Howard	\$ 615,282
Baltimore	\$ 538,036
Carroll	\$ 531,086
Harford	\$ 511,772
Calvert	\$ 494,310
Frederick	\$ 481,271
St. Mary's	\$ 469,485
Prince George's	\$ 439,138
Cecil	\$ 434,795
Charles	\$ 425,944
<b>Baltimore City</b>	<b>\$ 377,652</b>
Washington	\$ 370,965
Dorchester	\$ 369,320
Allegany	\$ 321,751
Somerset	\$ 311,338
Wicomico	\$ 298,926
Caroline	\$ 290,656

- Per State law, local county contributions to schools are wealth-equalized.
- Baltimore City's State-Local cost share for schools is not unusual given the City's low relative wealth.

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- City Operating Support for Schools
- **City Capital Support for Schools**
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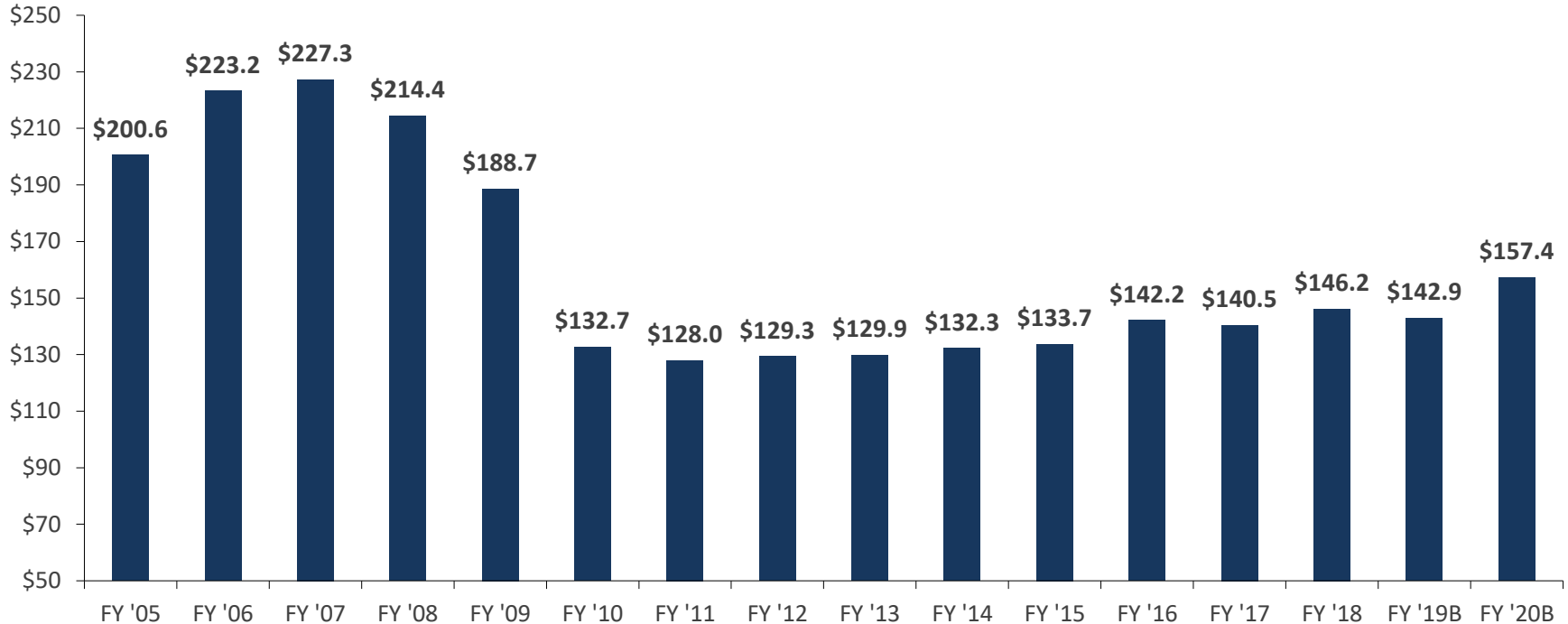
# Capital Support

Jurisdiction	FY18 Funding to Counties (in millions)	FY18 Funding to Counties per Statewide Total	Jurisdiction	FY18 Enrollment	FY18 Enrollment per Statewide Enrollment
Baltimore City	37.7	10%	Baltimore City	76,382	9%
Anne Arundel	36.8	9%	Anne Arundel	80,492	9%
Baltimore County	45.2	12%	Baltimore County	109,614	13%
Howard	21.1	5%	Howard	55,507	6%
Montgomery	59.2	15%	Montgomery	157,131	18%
Prince George's	49.6	13%	Prince George's	127,172	15%
All Other Counties	137.8	36%	All Other Counties	257,687	30%
Statewide	387.4	100%	Statewide	863,985	100%

- Unlike operating support, State funding for school construction is not wealth equalized.
- State funds are not distributed based on wealth or the condition of schools.
- Wealthier jurisdictions are able to supplement construction funding with their higher tax base.
- Baltimore City does not have the means to supplement or keep pace with other jurisdictions.

# Highway User Revenues Reductions

State Highway User Revenues  
(dollars in millions)

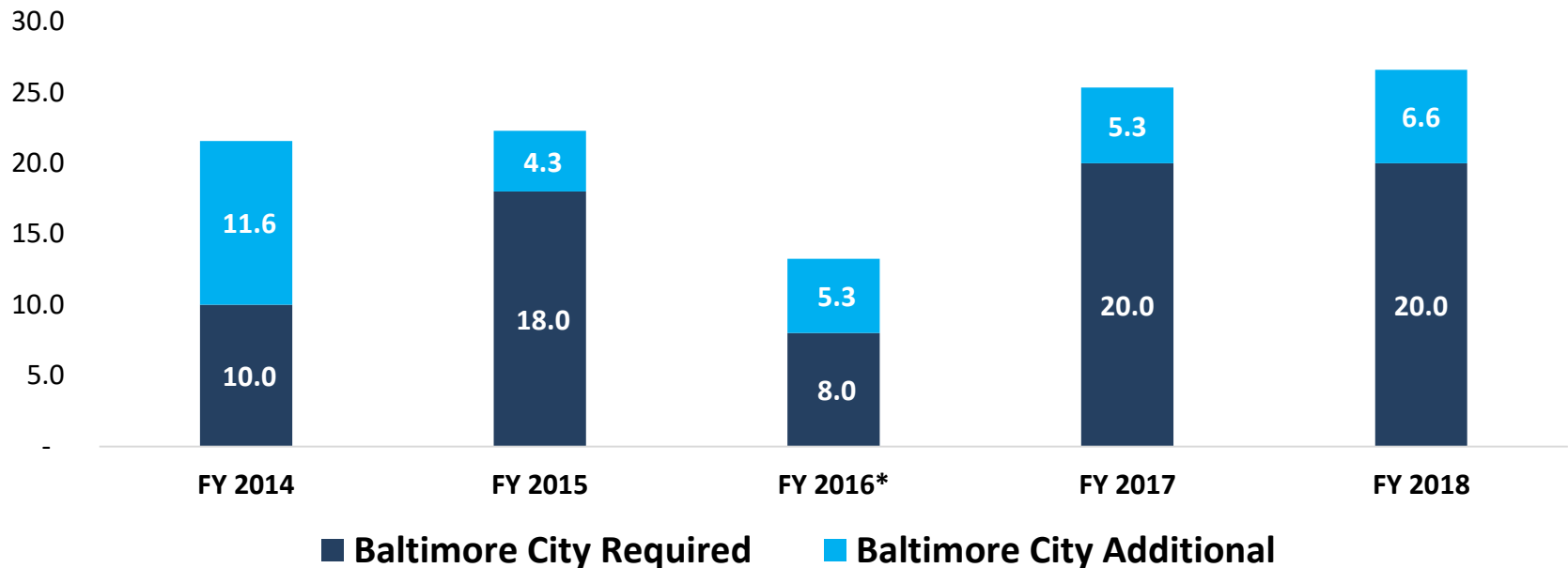


- Reduced State HUR funds since Fiscal 2007 has required funding transportation projects from the same pool as all other capital projects, including schools, putting pressure on the City's limited debt capacity.



# 21<sup>st</sup> Century Schools Contributions

**Baltimore City Contributions to 21st Century Schools**  
(dollars in millions)



\*In FY 2016, the State deposited \$8 million of the City's required \$18 million contribution in the 21<sup>st</sup> Century Schools Fund; the remainder went directly to City Schools in the form of additional State Aid leveraged by the City.

- Intent was to share cost of program equally among three parties — City, State, and City Schools
- The City made \$33 million of additional contributions through first five years, FY14-FY18.
- City Schools made no contributions in FY14, FY15, and FY16.
- The State made no contributions in FY14 and FY15.

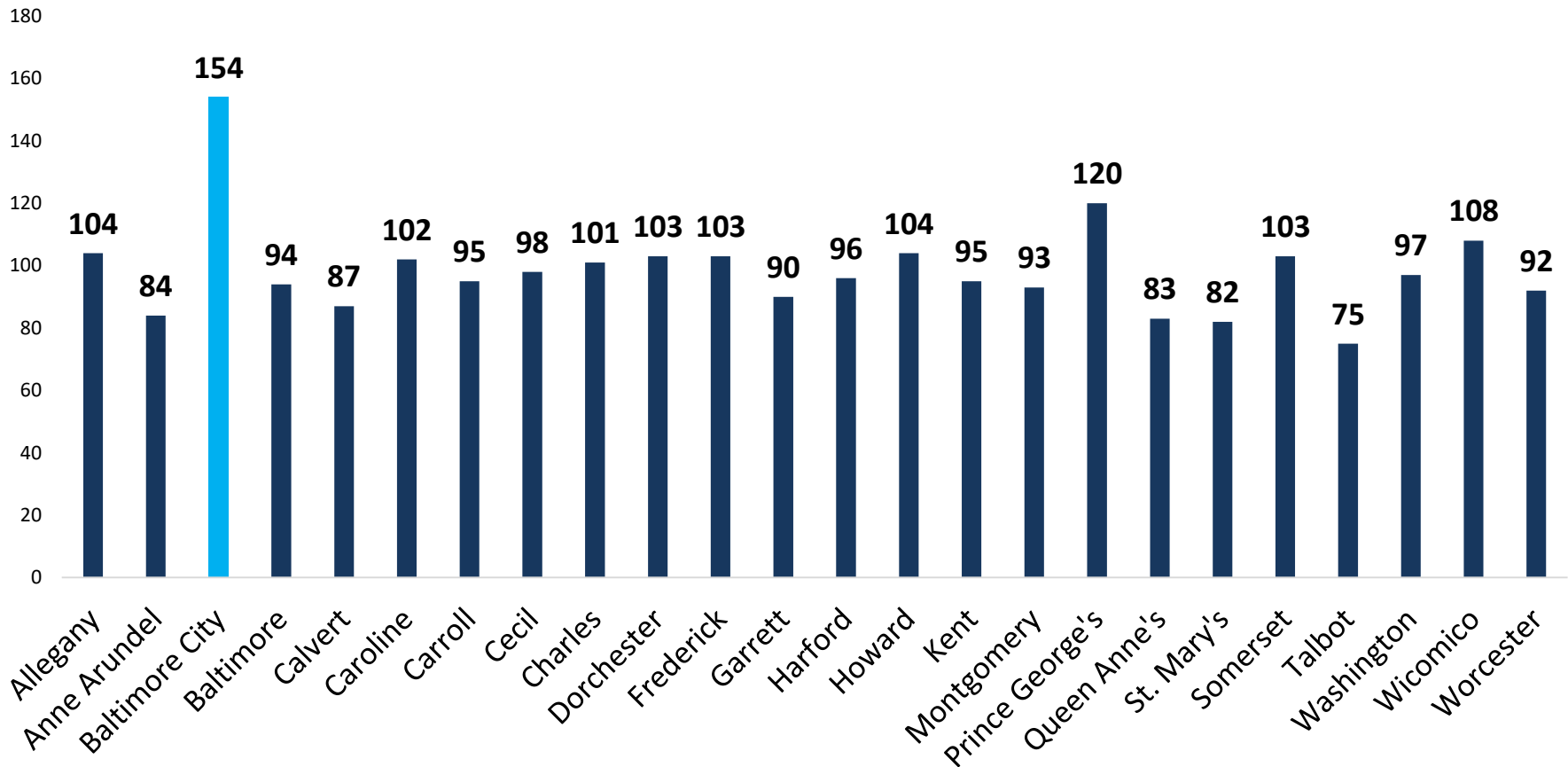
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# Highest Tax Effort in Maryland

Combined Tax Effort (FY 2020)



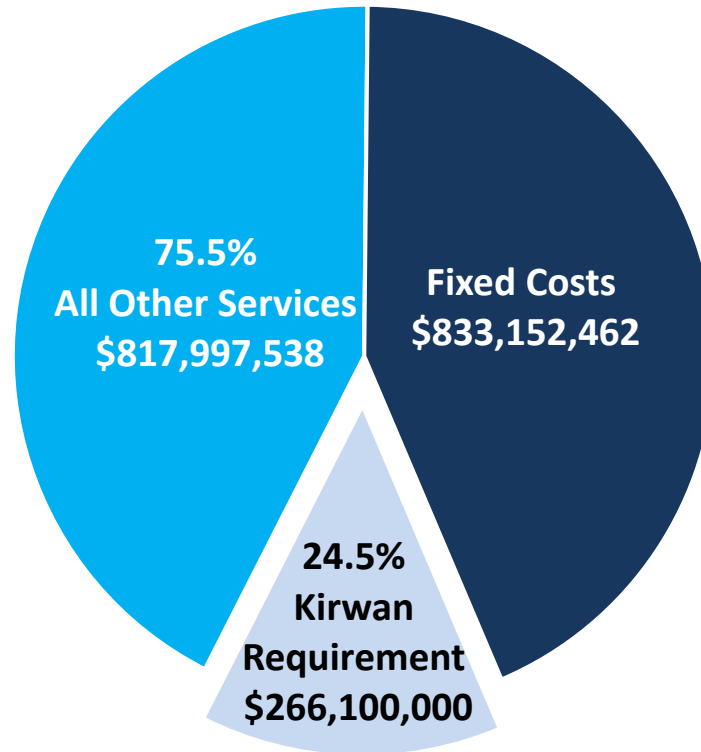
- The City taxes its residents 54% more than the statewide average.

# Kirwan Recommendations

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## Kirwan Impact

In context of Fiscal 2020 General Fund Budget: \$1.92 billion  
(in Fiscal 2020 dollars)



■ Kirwan Requirement    ■ All Other Services    ■ Fixed Costs

# Questions?

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