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Letter of Support

Baltimore City Council Resolution 19-0162R

Baltimore's Fiscal Readiness for Kirwan

October 10, 2019

As drafted, Council Resolution 19-0526R requests the Baltimore City Department of Finance to brief the City Council on the City's fiscal readiness for any recommendations that the Commission on Innovation and Excellence in Education ("Kirwan Commission") may propose to alter public school funding formulas for Baltimore City, and requests the CEO of the Baltimore City Public Schools to discuss the implications to City Schools if the Kirwan Commission's recommendations are not passed or, if passed, are inadequate to ensure that City Schools receive the State funding they deserve.

The district is committed to ensuring a world-class education for all Baltimore City students, and greatly appreciates the Council's attention to this important matter. It has now been more than three years since APA Consultants first presented the final Adequacy Study Report to the Kirwan Commission, which revealed that City Schools needs an additional \$358 million annually to ensure an adequate education for Baltimore's students. Similarly, an analysis conducted by the state's own Department of Legislative Services in 2016 found that if the inflation factor had not been eliminated from the current Thornton funding formula, an additional \$290 million per year would have been available to support an adequate education for Baltimore's children.

Considering the clear documentation that Baltimore City Public Schools are inadequately funded by hundreds of millions of dollars under the current Thornton formula, it is no surprise the district continues to struggle with meeting its most basic needs – from music teachers to guidance counselors, oversized classes to outdated curriculums.

In addition to the dramatic underfunding of operations cited by both studies above, City Schools' capital challenges were fully documented in the 2012 Jacobs Report – a comprehensive facility condition assessment – which concluded it would cost \$2.5 billion to bring all City Schools buildings up to *minimally acceptable* standards. In 2019, adjusting for inflation, we estimate the overall costs at \$3 billion.

These findings of inadequate funding are particularly disturbing in the context of ensuring equity for non-white students and students from low-income households, populations that make up the majority of City Schools' enrollment. Outside education policy experts have consistently found Maryland's current education funding to be inequitably distributed:

- In its most recent 2018 analysis, the **Education Trust** found that most districts in Maryland do not receive the money the state says they need, and districts with the most students of color are shortchanged the most. Nearly half of Maryland's Black or Latino students attend schools in one of the three most underfunded districts in the state.
- As presented in the July 2018 **Hechinger Report**, the latest data from the federal government reveal that while in a majority of states students in the poorest school districts tend to receive more funding than rich districts, Maryland is one of six states where the wealthiest 25 percent of school districts receive more money than the poorest.
- In its 2017 analysis, the **Education Law Center** found that Maryland's funding system is among the most regressive nationwide for its failure to provide additional funding to school districts with higher concentrations of low-income students.
- In an examination of the disparities in local funding between high- and low-income districts, the **Urban Institute** ranked Maryland among the worst nationally (42 out of 50) for providing higher amounts of funding to non-poor students, with fewer dollars being allocated to low-income students.
- Recent findings from the **Maryland Center on Economic Policy** reveal that as of 2015, more than half of black students in Maryland attend substantially underfunded schools. Specifically, 53% of black students attend chronically underfunded schools, compared to just 8% of white students in Maryland.

Given the overwhelming evidence documenting fundamental inequities in Maryland's public education system, City Schools feels strongly that any Kirwan funding actions taken by the General Assembly during Session 2020 should be prioritized toward districts with the most significant adequacy gaps. Specifically, any funds potentially deployed in 2020 must be targeted toward students who have been the most underserved historically and continue to be underserved under the current state funding formula.

In closing, the need for predictable funding in FY21 is critical to the long-term stability of City Schools. Our three-year City/State "Bridge to Kirwan" is set to expire at the end of the current fiscal year, which means that unless Kirwan legislation passes in 2020 and leads to a subsequent and adequate updating of the Thornton funding formula, the district will once again face significant financial challenges.

By adopting the recommendations of the Kirwan Commission, Maryland will have the opportunity to transform its public education system to world-class student achievement levels. City Schools welcomes the opportunity to share additional information regarding forthcoming fiscal implications with the Baltimore City Council.

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