



WHERE HAS COSTING-OUT WORKED? **A CASE STUDY: MARYLAND**

THE HISTORY:

- In 1999 the state created the Thornton Commission – a 27 member bi-partisan commission on education finance, equity, and excellence.
- In 2001, the Commission's primary focus was on how to measure adequate funding & structure a finance system for a standards-based education system.
- Augenblick & Meyers was hired to perform an adequacy costing-out study.

THE STUDY:

- Successful Schools: Identified 59 schools at all levels that met a set of standards. They collected data from individual schools using tailored surveys. The identified schools tended to have lower than average students in special education and low-income families. Funding levels were adjusted to a geographic cost index, and averaged to determine the recommended spending levels.
- Professional Judgment: Seven teams of eight people used statewide averages to design schools and assign staff, technology, supplementary programs, and supplies, as well as district-wide services. A final panel reviewed and adjusted the recommendations, and then determined appropriate costs for each recommendation, and finally arrived at the total spending levels.

THE COMMISSION REPORT:

- Recommended an increase in \$1.1 billion overall over five years – increasing the state's share from 41% to 49%.
- Districts with the largest adequacy gap – difference from the adequate funding levels calculated by A&M – also scored lowest on state assessments. The Commission recommended a greater portion of state funding for these districts.
- Recommendations were made to simplify the funding system – The four major goals were: Adequacy, Equity, Simplicity, and Flexibility.

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- The Commission used the study to create a foundation level and weights for certain student groups.
- Lastly, the Commission recommended full-day kindergarten for all students and Pre-K for all economically disadvantaged students, based on programmatic-research.

IMPLEMENTATION:

- The legislature approved a \$1.3 billion increase in state funding, phased over six years, and increased the state's tax on cigarettes to help fund the increased state aid.
- Accountability Reform – Each district was required to develop a plan outlining steps to improve student achievement for each segment of the student population.
- Simplification – The funding streams were collapsed into 4: the foundation amount; low-income; limited English proficiency; special education.
- Recommendations for full-day kindergarten and Pre-K were enacted.

THE IMPACT IN MONTGOMERY COUNTY:

- Half of the state's students at risk due to limited English proficiency reside in Montgomery County.
- In 2001, 39% of kindergartners were reading. In 2005, 81% of kindergartners were reading.
- In 2005, those kindergartners in 2001, achieved 86% at or above standard in Grade Four Reading Tests.
- Montgomery County has two No Child Left Behind Blue Ribbon Schools in 2005.
- Achievement gaps have closed drastically and overall achievement scores are increasing.