**Description of the Formula**

Effective June 1, 2002, Senate Bill 856 - Bridge to Excellence in Public Schools Act created the *Foundation Program* designed to be a shared program with local school systems. However, the program is equalized on the basis of local wealth. The minimum State share of the foundation amount that a local school system may receive is 15%. The program is funded based on the full-time equivalent enrollment as of September 30 of the prior fiscal year. The per pupil amount for Fiscal Year 2011 is $6,694. The FY 2011 funding level for the Foundation Programs is $2.9 billion.

The *Geographic Cost of Education*, designed to recognize the differences in the cost of providing educational services in different geographical locations was added to State Aid to Education in 2009. Funding for the GCEI program is non-mandatory. Geographic Cost of Education funding in FY 2011 was $127 million.

A *Supplemental Grant* was added in 2009. This grant was designed to provide additional funds to jurisdictions who did not receive at least a 1% increase in State Aid to Education over the prior year. The supplemental grant funding in FY 2011 is $46 million.

A * Guaranteed Tax Base Program* distributes State funding to local jurisdictions that 1) have less than 80% of the statewide wealth per pupil, and 2) provide local education funding above the local share required under the Foundation Program. The amount provided to each local school system is equal to the additional funding that would have been provided by the local government if the same education tax effort were made and the jurisdiction had the wealth base that is "guaranteed." Irrespective of local education tax effort, local school systems will not receive more per pupil than 20% of the base per pupil amount established in the Foundation Program. For 2011, the Guaranteed Tax Base Program provides $47 million in additional funding to local jurisdictions.

A *State Aid for Local Fringe benefits* program is designed such that the State pays on behalf of each local board of education the entire cost of pension/retirement benefits for eligible school personnel. Local school boards, however, are required to reimburse the State for retirement expenses that are accrued for personnel who are paid with federal funds.

**District-Based Components**
Density/Sparsity of Small Schools
Does not apply.

Grade Level Differences
Does not apply.

Declining Enrollment or Growth
September 30 enrollment is used in calculating the Foundation Program as special needs populations are used in calculating the state Compensatory Education, Limited English Proficient, and Special Education programs. Although declining enrollment and special needs populations are not specifically addressed the Foundation, Compensatory Education, Limited English Proficient programs do have a statutory minimum grant amount.

Capital Outlay and/or Debt Service
School construction is shared State/local costs. Some school construction costs or projects are exclusively the responsibility of the local jurisdiction. They include site acquisition; architectural and engineering fees; utility connections; regional or central administrative offices; permits; and movable furniture and equipment. The State funds its share of school construction primarily through the issuance of general obligation bonds and PAYGO operating funds. The State also provides an annual grant for Aging Schools.

Transportation
Disabled student transportation is funded at a per pupil amount per number transported. Regular base transportation grant equals its base grant in the prior year. It was increased by an inflation factor of 1% in FY-2011. An additional grant is issued to school systems experiencing increased enrollment. The Fiscal Year 2011 funding level is $225 million.

Student-Based Components

Special Education
A funding level per special education student is calculated by taking 74% of the per pupil amount established in the Foundation Program. The Fiscal Year 2011 funding level is $264 million.

Nonpublic placement is a program by which the State shares in the cost of placing students with disabilities in nonpublic special education schools when no program is available for them in the public schools. The State pays 70% of the cost of students placed over 300% of the excess cost of Special Education students.

Compensatory Education
A funding level per student who is eligible for free and reduced price meals (FRPM) is calculated by taking 97% of the per pupil amount established in the Foundation Program. The Fiscal Year 2011 funding level is approximately $1 billion.
**English Language Learner/Bilingual Education**
A funding level per LEP student is calculated by taking 99% of the per pupil amount established in the Foundation Program. The Fiscal Year 2011 funding level is $151 million.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
By statute, in order for local school systems to receive increases in State foundation program aid, counties must provide the local school systems with at least the same dollars per pupil as they provided in the previous fiscal year. The State Board of Education may grant a county government experiencing fiscal problems a temporary or partial waiver of the maintenance of effort requirement. In addition, to calculate the highest prior year's local appropriation, nonrecurring costs may be excluded if they are documented and approved by the State board.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
Assessed value of personal and real properties means the most recent estimate by the State Department of Assessments and Taxation before the annual State budget is submitted to the General Assembly of the assessed value for county and State purposes respectively, as of July 1 of the first completed fiscal year before the school year for which the calculation is made.

**Measure of Local Ability to Support Schools**
The sum of the following: net taxable income, 100% of the assessed value of the operating real property of public utilities, 40 percent of the assessed valuation of all other real property; and 50 percent of assessed value of personal property.

**School District Budget and Tax Rate Procedures/Sources of Local Revenues**
All 24 school districts are fiscally dependent. Neither the constitution nor state statutes prescribe any upper limit for school levies. Local revenue for schools is derived from property and income taxes.

**State Support for Nonpublic Schools**
The Nonpublic Student Textbook program provides nonreligious textbooks and computer hardware and software on a loan basis to students attending nonpublic schools whose tuition does not exceed the state average per-pupil cost. Schools do not receive funds directly, but rather are allowed to purchase books and technology based on a per-pupil allocation. Vendors are paid directly by the Maryland State Department of Education.

The per-pupil allocation is $90 per-pupil at schools serving 20 percent or more students from low-income families; per-pupil allocations for students at the remaining schools are determined by the number of participating students.