

Maryland Policy *Fact Sheet*

Analysis from the Maryland Budget and Tax Policy Institute

New Data on Education Spending: We're # 42!

On March 17, 2004, the U.S. Census Bureau released comprehensive data on state and local government spending on elementary and secondary education for the 2002-2003 school year.¹

These data show Maryland lagging other states in education funding efforts.

- **Maryland ranked 42nd among states in education funding effort**, measured as total education spending per every \$1,000 in personal income.
- The national average education funding effort was ten percent higher than Maryland's education spending level.
- Overall, **Maryland state government contributes a smaller share of elementary and secondary education revenue than every state but six**, ranking 44th among states. Maryland, like these few other states, relies more heavily on local jurisdictions to pay for the cost of elementary and secondary education.

These data reflect the first year of increased state funding under the Bridge to Excellence in Public Schools Act, commonly referred to as the Thornton law.

The Thornton law created a comprehensive education financing structure for Maryland schools. Under the law, the state's share of elementary and secondary school costs is expected to increase to 50 percent of total costs (up from approximately 39 percent prior to enactment).

The increase in state spending for FY 2003 was \$75 million. Projected increases grow substantially after FY 2004. However, the full increase was not funded for FY 2005. Similarly, for FY 2006, the budget proposed by Gov. Robert L. Ehrlich Jr. excluded \$64 million in mandated or ongoing education funds.

Maryland has mixed results in measures of student and school performance. In 2001, prior

to enactment of the Thornton law, more than half of 8th graders in every Maryland jurisdiction failed to achieve a “satisfactory” reading score on the state’s standardized performance test.

On the other hand, ten percent of Maryland high schools (20 out of 208) were ranked among the 500 “Most Challenging American High Schools,” and 19 additional schools ranked in the top 800.²

These data are timely as the General Assembly is considering the education budget for the coming fiscal year. As required by law, the budget proposed by Gov. Robert L. Ehrlich, Jr. would increase education spending by \$388 million. However, the governor's budget proposal did not include \$53.6 million in mandated funding for 13 jurisdictions that have higher costs of education; \$5.8 million to help local schools with the cost of special education services for students who would not be best served in a public school; and, \$3.8 million to help schools that have low attendance, high dropout rates or low student performance on standardized tests.³

Similarly, in 2004 the governor's proposed budget did not fully-fund the Thornton initiative. However, the General Assembly responded in part by making additional cuts in funding for elementary and secondary education.

Readers interested in learning more about education funding issues are encouraged to view resources available online at:

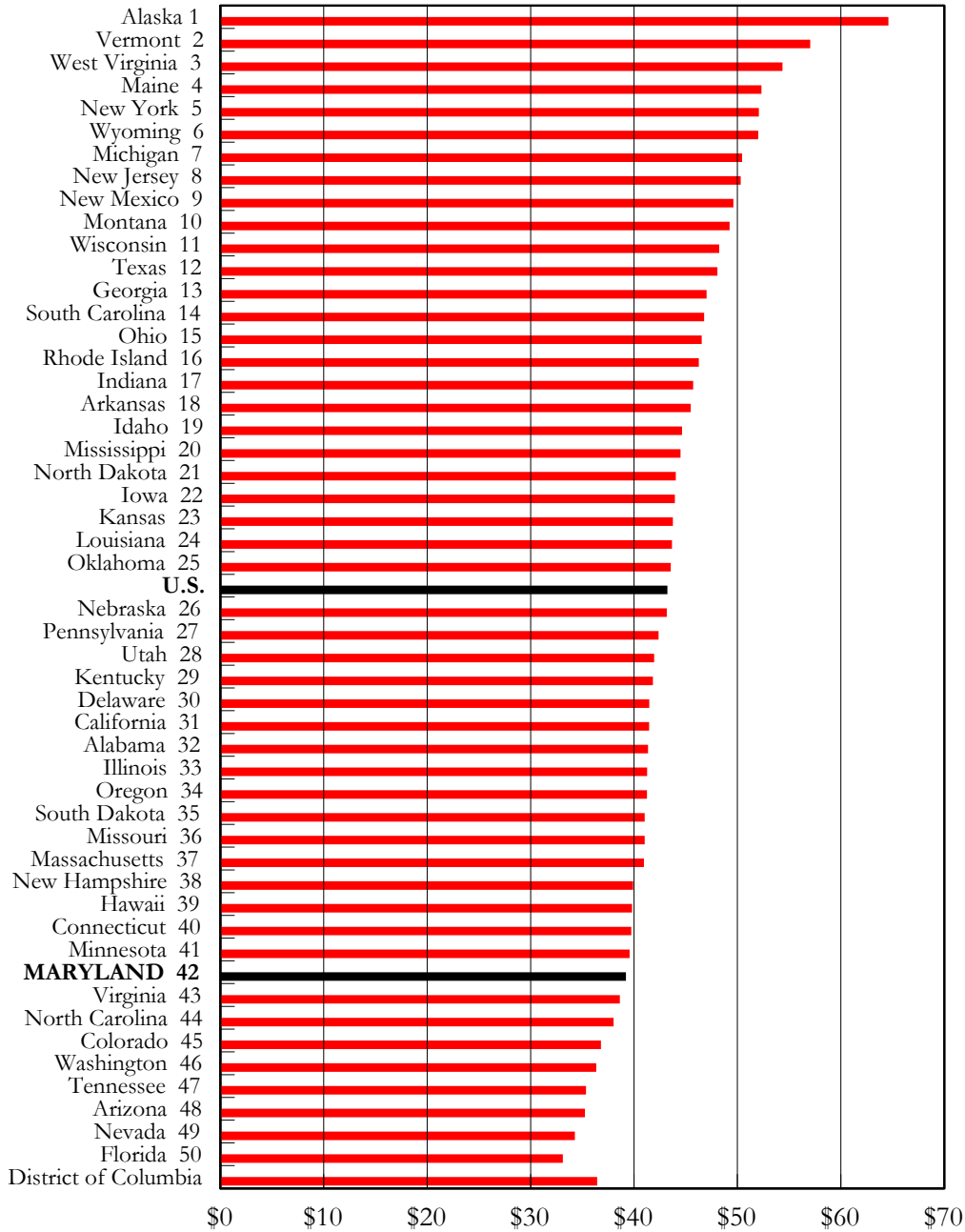
<http://www.marylandpolicy.org/educationlinks.htm>

or go to

www.marylandpolicy.org and click on the link for "Back to the Basics on Thornton."

1. U.S. Census Bureau, "Public Education Finances 2003," March 2005.
2. Jay Matthews, "The Most Challenging American High Schools," 2003. A listing of schools is available online at <http://www.washingtonpost.com/wp-srv/education/shoulders/challenge/2003nationalindex.htm>
3. See Maryland Budget and Tax Policy Institute, Maryland Policy Budget Brief, "Maryland Priorities? Funding for Elementary and Secondary Education." This report is available online at www.marylandpolicy.org.

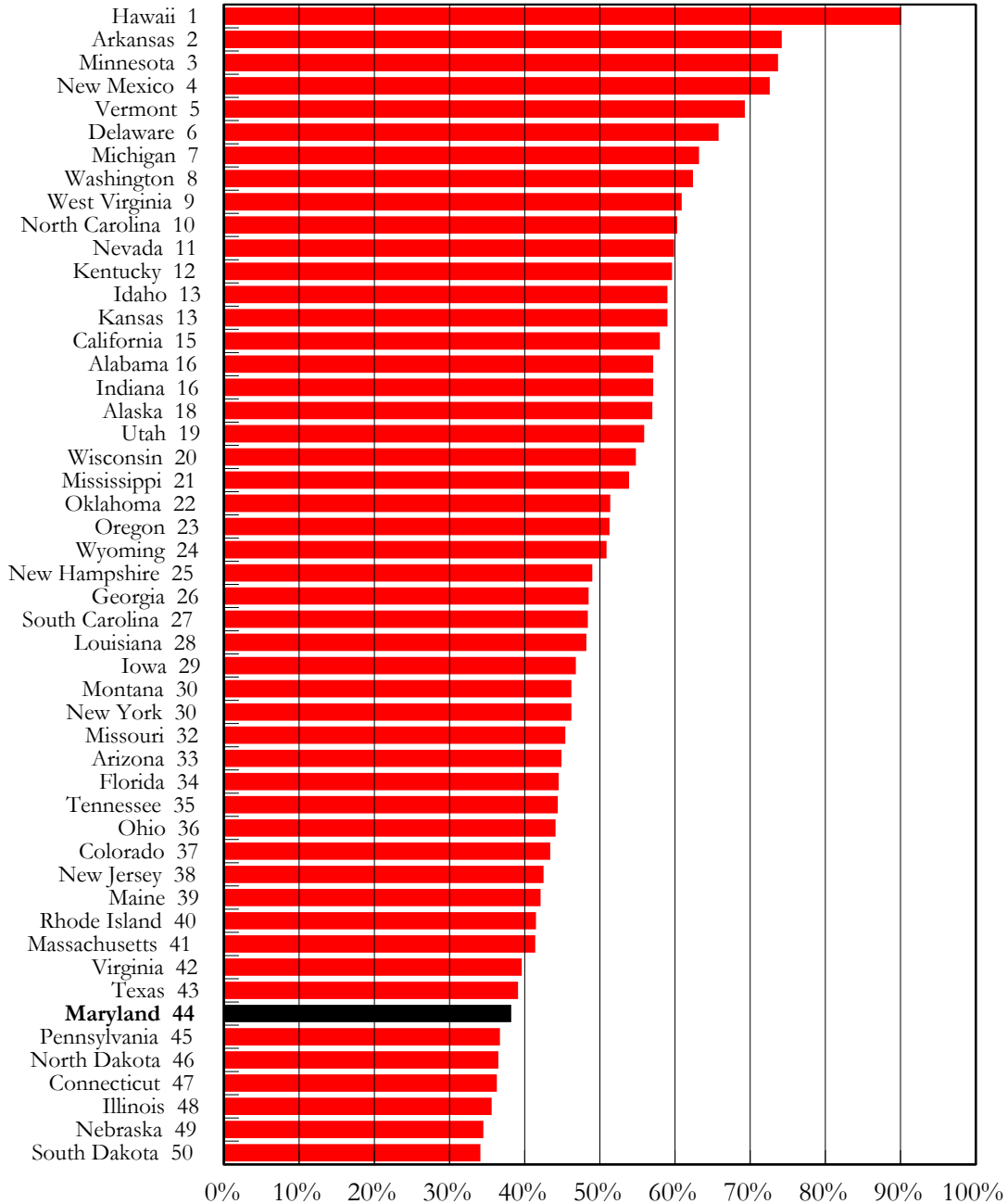
Total Education Spending Per \$1,000 Personal Income 2002-2003



Source: U.S. Census Bureau, Public Education Finances

Maryland Budget and Tax Policy Institute, www.marylandpolicy.org

Share of Total Education Revenue Contributed by State Government 2002-2003 School Year



Source: U.S. Census Bureau, Public Education Finances

Maryland Budget and Tax Policy Institute, www.marylandpolicy.org

