

## FUNDING BALTIMORE'S SCHOOLS, SUPPORTING BALTIMORE'S FUTURE

### **What's the cause of City Schools' annual budget gaps?**

Quite simply: Years of insufficient revenue. From FY02 to FY09, the state formula ("Thornton") resulted in steady funding increases for City Schools. Then, in the face of the nationwide recession, the formula's inflation factor was cut—but expenses kept rising. Had the inflation factor not been eliminated, the state's Department of Legislative Services estimates that an additional \$290 million per year would have been available to further the goal of an adequate education for Baltimore's children; additionally a state-commissioned report indicates that to reach that goal, an additional \$358 million would be required. In that light, it's remarkable that the district's projected \$130 million budget gap for 2017-18 isn't higher.

### **What *isn't* the cause?**

Waste or mismanagement. The district's independent auditors found no material weaknesses in budget management. An external consulting firm found that administrative expenditures were below average among similar districts, and that the district has fewer than average district office employees.

### **What's the evidence of sound financial decision making?**

City Schools has made strategic investments to give students the opportunities and access they deserve. High-quality full-day pre-k helps our youngest learners reach or exceed state averages for kindergarten readiness. Middle and high school choice provide options to meet the needs and interests of older learners. The 21<sup>st</sup> Century School Buildings plan improves some of the most dilapidated buildings in the state. Competitive compensation packages attract and retain outstanding educators. These are the right things to do to improve outcomes for students, but they come with a price tag.

## MEETING THE CHALLENGE FOR THE LONG TERM

### **What does "adequacy" mean for City Schools' students?**

Baltimore's students have a greater level of need than other children in the state. More than 85% live in households that qualify for assistance to low-income families. Baltimore also has more students who require special education services. To provide an adequate education that meets the needs of our students—academically, and also with necessary specialized services and support for social, emotional, and physical well-being—simply costs more.

### **How much will "adequacy" cost?**

A state-commissioned report from independent consultants to the Commission on Innovation and Excellence in Education (the Kirwan Commission) indicates that City Schools needs an additional \$358 million annually to ensure an adequate education for Baltimore's students. The Kirwan Commission is now developing recommendations for a new funding formula. It is imperative that all members of the City Schools community make their voices heard to inform those recommendations and to convey the deep urgency of providing Baltimore's students with the resources they need for success.

## ADDRESSING THE CHALLENGE NOW

### **What is City Schools doing to close its projected budget gap?**

The district must "right size" to meet fiscal realities and acknowledge declining enrollment. Over the past several years, City Schools has focused necessary cuts at the district office, but district office spending is now so low that there is little left to cut. Schools can no longer be shielded from the impact of reductions.

### **What does City Schools need right now?**

City Schools is working hard with state and city lawmakers both to secure additional funds to close this year's \$130 million gap and for a multi-year commitment for additional funding to bridge anticipated gaps until a new state funding formula is implemented. The support of the City Schools community is essential in ensuring the district receives additional support, so that the impact of layoffs and other reductions can be mitigated.

For more information, please visit [engage.baltimorecityschools.org](http://engage.baltimorecityschools.org)