



Maryland Association of Boards of Education 2013/2014 Legislative Update

Presentation by:
John R. Woolums, Esq.
Director of Governmental Relations
Maryland Association of Boards of Education
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Overview

2013 Session in Review

Task Forces & Commissions

Budget Update

2014 Session Preview

2013 Session Highlights

What Passed

- o State Education Funding with 1% Inflation Factor
- o School Construction Funding, including Dedicated Funding for Safety and HVAC Projects
- o Net Taxable Income Funding Initiative
- o College Readiness and Completion Act
- o School Safety: Plan Reviews & Safety Center
- o Statewide Agency Fee Mandate
- o Private/Parochial School Facility Funding Program
- o Task Forces & Studies: Special Education, Charter Schools, Prevailing Wage, College Readiness, etc.

HB 100

FY 2014 Budget Highlights

The FY 2014 State Budget (House Bill 100) provides increases in state aid for education of \$230.8 million in FY 2014; for a total of slightly more than \$6 billion.

Aid provided directly to local school boards increases by 2.6%, or \$133.8 million.

Teacher retirement costs make up more than 40% of the annual increase in aid, at \$97.5 million.

HB 229

Net Taxable Income Adjustments

House Bill 229 provides that state education aid formulas that include a local wealth component are to be calculated twice, once using an NTI amount based on tax returns filed by Sept. 1, and once using an NTI amount based on tax returns filed by Nov. 1.

Each school system receives the greater aid amount of the results from the two calculations.

The increased aid is phased in over five years beginning in FY 2014. FY 2014 funding under the legislation totals \$8.3 million.

HB 100
HB 102

Local Education Aid Adjustments

Under the FY 2014 State Budget and the Budget Reconciliation and Financing Act of 2013 (BRFA) grants will be provided in FY 2014 to counties where direct education aid decreases by at least 1% from FY 2013.

The grants, totaling \$2.1 million, restore 25% of the decrease in specified direct education aid for the affected counties.

School systems receiving increased aid: Carroll, Garrett, Harford, and Kent Counties.

HB 101
HB 100

FY 2014 Capital Budget Highlights

The FY 2014 capital budget for public school construction includes \$300 million in General Obligation (GO) bonds for public school construction, of which \$25 million is restricted to fund projects that install air conditioning systems in schools that do not currently have centralized air conditioning systems.

The operating budget includes another \$25 million to fund school safety upgrades.

HB 101

School Safety-Related Project Funding

The FY 2014 Budget includes \$25 million to support security improvements in public schools.

Funds will be allocated based on the proportion of total statewide square footage.

Eligible projects include risk assessments, security cameras, photo identification systems for visitor sign-in, lockset changes, hardening glass areas, relocating school office areas, and moving relocatables.

HB 103
SB 245

Solar Project Feasibility Studies Mandated

Senate Bill 245/House Bill 103 requires the Board of Public Works to adopt regulations that require the design development documents submitted by local boards the construction or major renovation of public school buildings to include an evaluation of the use of solar technology.

Solar technology includes photovoltaic or solar water heating.

● ● ● **Policy Impacts & Implications**

- Agency Fee Negotiations & Collections (SB 422)
- College Readiness Tests & Courses (SB 740)
 - Dual Enrollment Payment Reforms
 - Four Years of High School Math
- Emergency Plan Evaluations (SB 143)
- Cyber Bullying Enforcement (HB 396)
- Truancy Interventions (HB 207)
- Open Meetings Act Training (HB139)
- Open Meetings Act Enforcement (HB 331)
- Cyber Security (SB 676)
- Private School Facility Funding (HB 101)

HB 667
SB 422

● ● ● **Statewide Agency Fee**

House Bill 667/Senate Bill 422 requires each local board of education and the employee organizations representing both certificated and non-certificated public school employees in the State to negotiate a reasonable service or representation fee to be charged to non-members of the employee organizations.

Whether the fee is applicable to current employees, or only prospectively, must be negotiated first.

SB 740

● ● ● **College & Career Readiness**

The College and Career Readiness and College Completion Act:

- Mandates testing juniors for college readiness beginning in 2015-2016 (PARCC Common Core Assessments)
- Mandates transitional courses for seniors not meeting the assessment standards beginning in 2016-2017
- Mandates 4 years of high school math (2014-2015)
- Creates a new dual enrollment payment system (2013-2014)

SB 740

Dual Enrollment Payments

For up to four courses per student, local boards must pay 75% of tuition to a public four-year institution.

For community colleges, boards must pay 75% of tuition, or 5% of the target per pupil foundation amount, whichever is less.

In both cases, boards may charge the student a fee of up to 90% of tuition or up to 90% of the 5% of the target amount.

No charge allowed for FARM eligible students.

SB 143

Emergency Plan Evaluations

Senate Bill 143/House Bill 983 requires local boards of education to evaluate their emergency management plan (EMP) for each public school by February 1, 2014. Each board must submit a report to MSDE on the evaluation by March 1, 2014.

By July 1, 2014, MSDE must submit to the General Assembly a report on plans in all public schools, recommendations for improving the plans, and the cost of improvements to the plans.

HB 396

Cyber Bullying Enforcement

House Bill 396 "Grace's Law" prohibits a person from using an "interactive computer service" to maliciously engage in a course of conduct that inflicts serious emotional distress on a minor or places a minor in reasonable fear of death or serious bodily injury with the intent (1) to kill, injure, harass, or cause serious emotional distress to the minor, or (2) to place the minor in reasonable fear of death or serious bodily injury.

A violator is guilty of a misdemeanor and subject to up to one year in prison and/or a \$500 fine.

HB 207

● ● ● **Truancy Interventions**

House Bill 207 requires each local board of education to develop a system of active intervention for students who are truant.

Any student attending kindergarten through grade 12 who is truant must immediately be referred for intervention.

New truancy definitions: being unlawfully absent more than 8 school days in any quarter, 15 days in any semester, or 20 days in a school year.

HB 139

● ● ● **Open Meetings Act Training**

House Bill 139 requires each public body to designate at least one individual who is an employee, an officer, or a member of the public body, to receive online training on the requirements of the Open Meetings Act.

The public body also must forward a list of the individuals designated to the Open Meetings Law Compliance Board.

Training is required within 90 days of being designated.

HB 331

● ● ● **Open Meetings Act Enforcement**

House Bill 331 provides that if the Open Meetings Law Compliance Board finds that a violation of the Open Meetings Act has occurred, (1) a member of the public body must, at the public body's next open meeting after the board has issued its opinion, announce the violation and orally summarize the opinion, and (2) a majority of the public body's members must sign and return to the Compliance Board a copy of the opinion.

The penalties: up to \$250 for the board's first violation and up to \$1,000 for each subsequent violation.

The bill repeals a prohibition on the introduction of a written opinion of the Compliance Board as evidence in court.

SB 676

Cyber Security

Senate Bill 676 establishes, for units of State and local government, requirements for protecting an individual's private information from unauthorized access.

A unit that collects an individual's personal information must implement and maintain reasonable security procedures and practices appropriate to the nature of the information collected and the nature of the unit and its operations.

A unit that uses a nonaffiliated third party as a service provider and discloses personal information must require that the third party maintain reasonable security procedures.

HB 101

Private School Facility Funding

The FY 2014 capital budget includes \$3.5 million in general obligation bonds added by the General Assembly to support a new Nonpublic Aging Schools Program to provide grants for school construction projects eligible under the Aging Schools program, including school security improvements.

Funds will be distributed on a wealth and per-pupil basis (Either \$35 or \$50 per student).

Task Forces, Commissions & Studies

- o Special Education
- o Prevailing Wage
- o Charter Schools
- o Minority Teacher Recruitment
- o College Readiness: Transition Courses, Career Counseling, and Feasibility of Diploma by Examination
- o School Year Start-Date After Labor Day

HB 1161

Special Education Commission

House Bill 1161 establishes a Commission on Special Education Access and Equity to study, by June 30, 2014:

The extent to which parents of students with disabilities are made aware of their legal rights; and

Disparities based on race, national origin, and limited English proficiency in the knowledge of and access to special education services;

The effects of workload, caseload, and paperwork on teachers;

Equity between the parties in special education due process hearings and potential methods for improving the process; and

The State and local costs of all proposals considered or recommended by the commission.

HB 1098

Prevailing Wage Task Force

House Bill 1098 establishes a Task Force to Study the Applicability of the Maryland Prevailing Wage Law.

The task force is charged with examining how the prevailing wage law is applied to school construction projects.

The report is due by Dec. 31, 2013.

SB 194

Charter Schools Study

MSDE must study, by Nov. 1, 2014, with a status report due Dec. 1, 2013, on the following:

- o School system expenditures relating opening and operating charter schools;
- o Charter school funding compared to other public schools;
- o Charter school academic and financial performance and causes of success & failures;
- o Teacher satisfaction and retention;
- o Student enrollment and retention data;
- o Facility costs and financing issues; and
- o Use of contract schools and similar non-charter models.

SB 740

College Readiness: Course Development Workgroup

By Dec. 15, 2013, MSDE must study and develop the mandated transitional courses, in collaboration with local boards of education and the Maryland Higher Education Commission, and with input from other stakeholders.

The study also must address how a student's level of college readiness is reflected on the transcript.

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Local Bills

- o Baltimore City School Construction Initiative
- o Prince George's County Board and Superintendent Restructuring

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What Didn't Happen?

- ☑ Special Education Burden of Proof Shift
- ☑ Labor Board Revisions
- ☑ School Safety Mandates
- ☑ Financial Reporting Mandates
- ☑ Common Core Standards Delays
- ☑ Alternative Education Mandate
- ☑ 4th Degree Sex Offense Loophole Closure for Part-time Employees
- ☑ Charter School Reforms

● ● ● **FY 2015 State Budget Preview**

- Re-emerging Structural Deficit
- Growth in Gaming Revenue
- Federal Funding for Affordable Care Act Costs
- Ongoing Impact of Federal Shutdown/Slowdown

● ● ● **FY 2015 Education Funding**

	<u>FY 2015 State Aid Amount</u>	<u>Percent of Total</u>
Public Schools	\$8,160.9	86.2%
County/Municipal	560.1	7.8%
Community Colleges	313.7	4.4%
Libraries	72.3	1.0%
Local Health	41.0	0.6%
Total	\$7,148.0	100.0%

Source: DLS Briefing (Oct. 16, 2013)

● ● ● **Growth in Education & Local Aid**

	<u>Change in State Aid State Funds (\$ in Millions)</u>	
	<u>FY 2015 Aid Change</u>	<u>Percent Change</u>
Public Schools	\$99.1	1.6%
County/Municipal	26.5	5.0%
Community Colleges	27.2	9.5%
Libraries	1.8	2.5%
Local Health	1.0	2.4%
Total	\$155.5	2.2%

Source: DLS Briefing (Oct. 16, 2013)

FY 2015 Education Aid

	FY 2013	FY 2014	Baseline FY 2015
Public Schools			
Foundation Program	\$2,810.4	\$2,850.5	\$2,875.1
Supplemental Grant	45.5	46.6	46.6
Geographic Cost Index	128.8	130.8	132.1
Net Taxable Income Education Grants	0.0	5.3	19.7
Foundations – Special Grants	1.2	2.1	0.0
Compensatory Aid	1,146.3	1,196.0	1,224.9
Student Transportation	251.3	254.5	258.5
Special Education – Formula Aid	266.6	260.3	272.2
Special Education – Nonpublic Placements	113.9	109.8	112.6
Linked English Proficiency Grants	177.4	193.4	211.0
Guaranteed Tax Base	44.2	52.3	51.8
Aging Schools Program	31.1	8.1	6.1
Other Education Programs	74.7	87.1	87.2
Subtotal Direct Aid	\$5,092.2	\$5,208.9	\$5,297.7
Retirement Payments	\$755.4	\$852.8	\$863.2
Total Public School Aid	\$5,847.6	\$6,061.8	\$6,160.9

Source: DLS Briefing (Oct. 16, 2013)

Impact of the Federal Shutdown

Based on the 2012 American Community Survey, approximately 283,000 Maryland residents work full-time year-round for the federal government, not including the uniform military. With median annual earnings of about \$87,000, the total wage base of Maryland's civilian full-time federal employees is roughly \$24 billion. Using an average tax rate and making some assumptions about spending, the Department of Legislative Services (DLS) estimates that the State loses around \$5 million a day in income and sales tax revenue due to a governmentwide shutdown.

“The federal government is Maryland's natural resource.”
– Warren Deschenaux, DLS

Source: DLS Briefing (Oct. 16, 2013)

- ## 2014 Session Preview
- FY 2015 Budget Balance & Priorities
 - FY 2015 School Construction Funding
 - Blue Ribbon Education Funding Commission
 - Special Education, Charter Schools, Prevailing Wage, Virtual Learning, Post-Labor Day Start
 - Prekindergarten Expansion
 - Common Core/PARCC/MSA Issues
 - Local Board Governance & Budget Control

• • • | **What MABE Wants in 2014**

MABE is seeking legislation to create a new "Blue Ribbon Commission" to study and make legislative and funding recommendations to update and enhance Maryland's nationally recognized standards-based school finance system.

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Empowering School Board/County Partnerships

"Creating a "fast track" state approval for local agreements on funding initiatives will encourage school boards and county governments to uncover new cost-saving strategies and improve the effectiveness of both system operations and classroom education."

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- For bills and fiscal notes, go to: mgaleg.maryland.gov

- For MABE testimony, Session Summary, GreenSheets, and more, go to: www.mabe.org and browse the Advocacy pages.
