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2014 Legislative Day Luncheon

MABE extends a big **Thank You!** to State Superintendent Lowery, and the many legislators who addressed the full room of board members and staff who braved the wintry conditions to come to Annapolis. Speakers included Dr. Lillian Lowery, House Speaker Mike Busch, Senate President Mike Miller, Appropriations Committee Chair Norm Conway, Senate Minority Leader David Brinkley, Senator Roy Dyson, Senator Nancy King, the Ways and Means Committee's Education Subcommittee Chair Ann Kaiser, the Appropriations Committee's Education Subcommittee Chair John Bohanan, and the Budget and Taxation Committee's Education Subcommittee Chair Rich Madaleno.

And a special thanks - 2014 marks more than decade that Senator Roy Dyson has sponsored MABE's Annual Legislative Day Luncheon, making it possible for us to enjoy the use of the Senate's conference facilities.

[2014 Legislative Luncheon Photos](#)

MABE Supports Bill to Request Federal Waiver from 2014 MSAs

MABE is supporting legislation introduced by Delegate Luedtke and Senator King, [House Bill 117/Senate Bill 165](#), to call on the Maryland State Department of Education's (MSDE) to include in its next waiver request to the U.S. Department of Education a specific request for relief from the administration of the Maryland School Assessments (MSAs) in 2014. House Bill 117 has been scheduled for a hearing on Feb. 5; and Senate Bill 165 will be heard on Feb. 12. More information on the history and status of [Maryland's ESEA flexibility waivers](#) is available on MSDE's website.

Legislative Committee Calendar

- **February 10, 2014**
- February 24, 2014
- March 17, 2014
- March 31, 2014
(Session ends April 7, 2014 - Sine Die)
- April 28, 2014 (Session Wrap-Up)

Meetings are held from 10:00 a.m. to Noon in the MABE office in Annapolis, unless otherwise indicated.

MABE Supports Mandating GCEI Funding

MABE supports [House Bill 114](#), legislation to change the Geographic Cost of Education Index (GCEI) from a discretionary State aid program to a mandated State aid program. MABE has always supported full funding for GCEI is an integral component of the Thornton Commission's recommendations and essential to achieving the Bridge to Excellence Act's mandate for adequate funding for all of Maryland's students. The Thornton Commission on Education Finance, Equity, and Excellence recommended in its final report that "education funding should be adjusted to reflect regional differences in the cost of education that are due to factors outside the control of the local jurisdictions." Therefore, the Bridge to Excellence Act included the GCEI funding component to provide additional State education aid to certain "high cost" jurisdictions.

Today, GCEI plays a significant role in many school system budgets. This was not always the case. Despite the adoption of the GCEI distribution formula in statute in 2004, funding remained discretionary, and no funding was provided for several years. More recently, GCEI funding was held hostage during the 2012 Special Session precisely because, unlike the bulk of education funding, it is not protected as mandated funding. Therefore, MABE supports converting GCEI from a non-mandated to a mandated program.

MABE Opposes Private School Tax Credit Financing

[Senate Bill 633](#) would establish a new Maryland Education Credit in order to provide tax credits to businesses that donate to nonprofit organizations that support public and nonpublic school students. The bill would give businesses a 60% tax credit on donations up to \$200,000 to nonprofit Student Assistance Organizations to help pay for tuition, supplies, tutoring, etc. The bill would allow up to \$15 million in tax credits - 60% to go to nonpublic schools, and 40% to public schools. Tax credits would be allowed on a first-come, first-serve basis until the caps are reached. The bill is not yet scheduled for a hearing.

- MABE opposes creating a new income tax credit program fund private and parochial schools through tuition scholarships, or vouchers.
- We oppose the bill's shift toward State subsidies for private and parochial schools, in the absence of greater fiscal and performance accountability for these schools.
- We oppose foregoing limited tax revenues in exchange for a program which will provide additional grants to private and parochial schools.
- We urge the General Assembly to reject outright the creation of a multimillion dollar private school tuition assistance program in Maryland.

MABE Supports Increased Investments in Public School Facilities

• Increase Total School Construction & Renovation Funding to \$350 Million

MABE and the 24 local boards of education we represent place a high priority on providing students high quality, healthy, and safe learning environments. Therefore, we greatly appreciate the State's consistent investment of between \$250 million and \$400 million in school construction and renovation projects. The FY 2014 school construction budget provided \$275 million, but also included separate funding allocation of \$25 million for school safety and security related projects, and another \$25 million for heating, ventilation, and air conditioning (HVAC) projects. The proposed FY 2015 school construction budget, which may be increased by the legislature, provides \$275 million.

MABE is urging the General Assembly to increase the level of school construction funding to \$350 million in the FY 2015 Capital Budget Bill, [House Bill 161/Senate Bill 171](#); funding which will create jobs and ensure that Maryland's public schools are better learning environments to prepare our students to be college and career ready.

- **Increase Funding for the Public Aging Schools Program and Discontinue the Nonpublic Program**

MABE has joined education advocates including the Maryland PTA and Maryland State Education Association to advocate for robust public investment in public school facilities in the FY 2015 Capital Budget Bill, [House Bill 161/Senate Bill 171](#). The Capital Budget, however, provides only \$6.1 million for the Aging Schools Program to benefit public school facilities, while at the same time continuing for a second year to provide \$3.5 million for a new Nonpublic Aging Schools Program.

MABE has been a strong supporter of the Aging School Program since it was established in 1997. This program provides state funding to local school systems for improvements and repairs of older public school buildings and has contributed to the completion of many important school facility projects that would not otherwise qualify for state funding. Eligible expenditures under the program include asbestos and lead paint abatement; fire protection systems and equipment; painting; plumbing; roofing; heating, ventilation, and air conditioning systems; and other renovation projects. MABE strongly supports increased funding for the Aging Schools Program; a program uniquely suited to funding small, but essential, projects not otherwise eligible for state funding in order to benefit our older public schools and the students and staff who attend them each day.

By contrast, a new Nonpublic Aging School Program was inserted into the FY 2014 Capital Budget by amendment in conference committee, a process that did not include any public hearing on the proposal to create the program. This new program is administered by MSDE and the Interagency Committee on School Construction (IAC) to benefit private and parochial schools by directly reimbursing the costs of small facility improvement projects. Since enacted, MABE and other education advocates, such as the Maryland PTA and Maryland State Education Association, have learned that this program places an undue burden on the professional resources of the IAC and MSDE and reduces the limited financial resources available for public school facility needs. In this context, MABE is requesting that this program not be funded in FY 2015, and that the IAC and MSDE personnel responsible for administering the Maryland Public School Construction Program be permitted to focus on enhancing the quality of our public school facilities.

- **Reject Proposals to Raise Costs by Expanding Prevailing Wage Requirements**

MABE has long supported legislation to exempt school construction from prevailing wage requirements, or to raise the state funding threshold from 50% to 75% to limit the application of prevailing wage rates to school construction projects, in order to reduce construction costs. However, most of MABE's advocacy efforts have been, and continue to be, focused on opposing legislation to lower or eliminate the threshold percentage of state funding that triggers prevailing wage requirements.

In the alternative to passing such legislation in 2013, [House Bill 1098](#) was enacted to create the Task Force to Study the Applicability of the Maryland Prevailing Wage Law in order to examine how the prevailing wage law is applied to school construction projects. The Task Force was to report its findings and recommendations to the Governor and the General Assembly by December 31, 2013, but has extended its work to monitor legislation introduced this session. MABE is ably represented by Carroll County board member Jim Doolan; and MABE, MACo and PSSAM representatives have been joining efforts in support of maintaining the current approach to applying prevailing wage rate requirements based on the 50% threshold.

Maryland's local boards of education, local governments, and state public school construction program are striving to provide adequate school facilities for all students in each of the twenty-four school systems. MABE does not believe the law should bar the consideration of a non-prevailing wage bid that meets the high standards of our state school construction program, the project specifications of the local school system, and is less expensive for state and local taxpayers. For these reasons, MABE opposes companion bills [Senate Bill 232/House Bill 727](#), and [Senate Bill 204](#); bills introduced in 2014 to repeal, reduce, and reform the threshold limitations on the applicability of the prevailing wage law.

- **Support QZAB funding bill**

MABE has been a longstanding supporter of Maryland's participation in the federal Qualified Zone Academy Bonds (QZABs) program. This year, MABE is supporting [House Bill 190/Senate Bill 218](#) to authorize the Board of Public Works to issue \$4.6 million in interest-free QZABs and grant the proceeds to the Interagency Committee on School Construction. Since 1998, the federal QZAB program has allowed the Board of Public Works to issue interest-free bonds and grant the proceeds to the Interagency Committee on School Construction for the renovation, repair, and capital improvements of qualified zone academies. Under federal law, qualified zone academies are defined as public schools that (1) are designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and prepare students for college and the workforce; and (2) require students to meet the same academic standards and assessments as other students in the same school system. In addition, qualified zone academies must either be located in a federal Enterprise or Empowerment Zone or have at least 35% of their student population qualify for free or reduced price meals.

FY 2015 State Budget Highlights

The amounts of education funding included in the Governor's proposed FY 2015 State Budget include the overall investment of \$6.116 billion for both direct education aid (\$5.316 billion) and teacher retirement costs (\$800 million). Direct aid refers to the largely per pupil allocations for the major funding categories including the Foundation, Compensatory, Limited English Proficient, Special Education, and other programs. In FY 2015 Direct Aid is proposed to increase by \$125 million overall, with county-by-county amounts included in the documents provided below. The State Budget also includes \$4.3 million for Maryland Prekindergarten Expansion Program.

The Administration's FY 2015 capital budget allocates \$275 million for school construction. This amount is supplemented by \$6.1 million in Qualified Zone Academy Bond (QZAB) program funding, and \$6.1 million in Aging Schools Program funding.

The Governor, through the Department of Budget and Management (DBM), publishes Budget Highlights (200 p.) as a comprehensive presentation of the State's operating and capital budget for the next fiscal year. The [Budget Highlights for FY 2015](#) is now available on the DBM website. The State Budget has been introduced as ([Senate Bill 170/House Bill 160](#)) and accompanying Budget Reconciliation and Financing Act ([Senate Bill 172/House Bill 162](#)).

As is the custom, the Department of Legislative Services (DLS) presented a comprehensive [Fiscal Briefing](#) on the Governor's Budget before the Appropriations and Budget and Taxation Committees on January 20, 2014.

In addition, the following information is excerpted from the DBM Budget Highlights for ease of reference to the projected State investments in elementary and secondary public education overall and on a county-by-county basis.

- [Local Aid Highlights \(including Education\)](#)
- [Education Aid by County](#)

- [Teacher Retirement Costs by County](#)

MABE Resources

MABE resources during session include the [GreenSheet legislative newsletter](#) and the [Advocacy](#) pages on the website. As session progresses, MABE will provide legislative updates and Calls to Action via the GreenSheet, and continuously update the website to provide all bill testimony and other resources, in order to facilitate the advocacy efforts of local boards and board members.

- MABE's [Annapolis Advocacy Center](#) features MABE [Bill Testimony & Bill Highlights](#), the [GreenSheet](#) legislative newsletters, and [Calls to Action](#) on pending legislation.
- MABE's [Priority Issues](#) page provides more detailed information on MABE's top legislative priorities, and hot topics such as student discipline.

Also available on MABE's Website:

- [State Board Advocacy Center](#) and [Federal Advocacy Center](#)
- MABE's [Advocacy Toolkit](#) in PDF - MABE's [Advocacy Toolkit](#) is intended to complement board and board member efforts by providing a portable guide to assist in lobbying local, state, and federal officials on behalf of Maryland's outstanding public schools and students. Members can obtain a copy of the toolkit by contacting Sandi Barry, sbarry@mabe.org. For a hard copy of this publication, please contact the MABE office at 410.841.5414, or email Sandi Barry at sbarry@mabe.org.
- [The Monitor](#): MABE staff produces this newsletter on the State Board of Education's monthly meeting. Meeting handouts (regulations, memos, and briefing materials) are available on the MABE website.
- For any additional information regarding legislative matters, please contact John Woolums, MABE's Director of Governmental Relations at (410) 841-5414, (800) 841-8197, or jwoolums@mabe.org.