

January 30, 2017

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MABE Briefs the Ways & Means Committee

On Wednesday, January 25, Nancy Reynolds, MABE's Treasurer, and Stacy Korbela, MABE's Legislative Committee Chair, briefed the House Ways and Means Committee on MABE's services and 2017 legislative priorities and positions.

[MABE's Briefing to the House Ways and Means Committee](#) opened with Ms. Reynolds highlighting MABE's mission and services, and Ms. Korbela presenting MABE's adopted legislative positions and priorities. Ms. Korbela reviewed MABE's legislative positions on the state budget and school construction funding, special education, labor relations, and vouchers, and highlighted the importance of local board discretion to adopt policies on student assessments, curriculum, student health, and school safety.

Committee Chair Anne Kaiser asked if there was any particular priority or issue of concern, and Ms. Korbela responded that the pending special education bills regarding shifting the burden of proof and expanding parental consent were the top priority at this time.

**2017 Legislative Committee
Calendar**

- 2017 Legislative Day Luncheon
Thursday, February 9, 2017 11:00
a.m. - 1:00 p.m.
- (Note: The Legislative Committee
will meet before the Luncheon
10:00 a.m. to 11:00 a.m.)
- Feb. 13, 2017
Bill Review & Decisions
- March 6, 2017
Bill Review & Decisions
- March 20, 2017
Bill Review & Decisions
- April 3, 2017
Bill Review & Decisions
- May 1, 2017
Session Summary

MABE's Legislative Committee meetings are held in the MABE office on Monday mornings, 10:00 to 12:00, unless otherwise indicated. Meeting agendas and materials are posted on the [MABE website](#).

Mark your calendar and join us!



MABE
MARYLAND ASSOCIATION OF BOARDS OF EDUCATION

**ANNUAL
LEGISLATIVE DAY
LUNCHEON**

THURSDAY, FEBRUARY 9, 2017

JOIN US as board members advocate for MABE's legislative priorities, and legislators share their perspectives and positions on education funding and policy issues.

11:00 a.m. – 1:00 p.m.
Miller Senate Building
Conference Room West I & II
Annapolis, MD
(preceded by a 10:00 a.m. Legislative Committee meeting)

Sponsored by
Senator
Adelaide C. Eckardt

For additional information contact:
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Education Budget Highlights

On January 20, the Governor released his proposed State Budget and Capital Budget for FY 2018, including the significant share of these budgets devoted to operating and capital funding for public schools. The Governor's proposed budget for FY 2018 includes full funding for PreK-12 public elementary and secondary education, including the now mandated Geographic Cost of Education Index.

The Governor's [Budget Highlights](#) is available on the Department of Budget and Management's (DBM) [website](#). The General Assembly will consider the Governor's operating budget as House Bill 150/Senate Bill 170 and capital budget as House Bill 151/Senate Bill 171. In addition the Governor has introduced a Budget Reconciliation and Financing Act (BRFA) to amend the law to remove several mandated funding programs, including the \$7.5 million Public School Opportunities Enhancement Program.

MABE's Position: MABE's adopted legislative priority on school funding is to support full State funding for Maryland's outstanding public schools. MABE urges the Governor and General Assembly to support increased funding of public education in the FY 2018 State Budget. Local boards of education are committed to preparing all students to be globally competitive in college and careers. Increased state investments in public education are essential in these times of rapid change, rising expectations, and increased costs.

MABE looks forward to testifying in support of the Governor's budget proposal to fully fund public education in the 2017-2018 school year, with amendments to remove the BOOST program funding and maximize funding for all other public education programs.

DLS Fiscal Briefing Highlights

On January 23, 2017 the Dept. of Legislative Services (DLS) presented their annual [Fiscal Briefing](#) to brief the House Appropriations and Senate Budget and Taxation Committees on the Governor's proposed budget and economic and revenue outlook. Highlights of the briefing include:

Education Funding Issues:

- Direct aid for public schools is funded at \$5.6 billion, an increase of \$63.2 million (1.1%). Thornton formulas are funded in compliance with statutory requirements.
- Fiscal 2017 deficiency provides \$19.7 million to provide local jurisdictions with temporary relief from retirement agency administrative fees.
- The budget assumes immediate and ongoing savings from repealing, modifying, and limiting budget mandates. K-12 education formulas are exempted.
- \$96.2 million of operating budget savings are realized by repealing or deferring mandates enacted at the 2016 session. \$31.6 million of the funding is to be replaced with bonds including \$25.6 million for Project C.O.R.E. (Creating Opportunities for Renewal and Enterprise) and \$3.0 million apiece for the Baltimore Regional Neighborhood Initiative and Shelter and Transitional Housing.
- Direct education aid for Baltimore City declines by \$38.7 million due to enrollment declines, increased wealth, and the loss of a one-time fiscal 2017 declining enrollment grant. Direct education aid to Calvert, Carroll, Garrett, and Talbot counties declines by a combined \$5.6 million.
- \$2.0 million increase in funding for the Broadening Options and Opportunities for Students Today program as part of a three-year plan to increase funding to \$10.0 million from the current \$5.0 million.

General Budget Issues:

- Under the Administration's proposal, the structural deficit is forecast to grow rapidly over the five-year forecast period reaching \$1.2 billion by fiscal 2022.
- Growth under future budget mandates, except for education funding, would be limited to the lesser of mandated increases or estimated general fund revenue increases less 1.0%.
- The Administration's spending plan (large out-year structural gaps and cash reserves at 6.0% of general fund revenues) leaves the State vulnerable to expected federal cost containment actions including hiring freezes, spending reductions, and the repeal of the Affordable Care Act.
- Federal funding provided under the Affordable Care Act (ACA) supports over \$1.4 billion in services in the fiscal 2018 budget, and the State anticipates over \$7.7 billion in ACA funding through fiscal 2022.

Again, the complete [DLS Fiscal Briefing](#) report is available on the General Assembly website.

The FY 2018 Education Budget

Governor Hogan’s Budget Highlights places a strong emphasis on the role of public education funding in the State Budget, and the prominent role of public education in ensuring a high quality of life for Marylanders.

Major Education Funding Categories in the State Budget:

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public Schools			
Foundation Program	\$2,945.5	\$2,962.0	\$3,004.9
Supplemental Grant	46.6	46.6	46.6
Geographic Cost Index	68.1	136.9	139.1
Net Taxable Income Education Grants	23.8	39.7	49.2
Foundation – Special Grants	0.1	19.4	0.0
Compensatory Aid	1,305.1	1,309.1	1,306.3
Student Transportation	266.2	270.8	276.3
Special Education – Formula Aid	276.0	279.6	284.9
Special Education – Nonpublic Placements	136.0	121.6	128.6
Limited English Proficiency Grants	217.2	227.0	248.7
Guaranteed Tax Base	53.8	54.5	50.2
Aging Schools Program	6.1	0.0	6.1
Head Start/Pre-kindergarten	6.1	6.1	9.8
Retirement Special Grants	0.0	16.9	0.0
Other Education Programs	70.2	64.3	67.2
Subtotal Direct Aid	\$5,420.7	\$5,554.7	\$5,617.9
Retirement Payments	\$729.3	\$767.3	\$734.5
Total Public School Aid	\$6,150.0	\$6,321.9	\$6,352.4

Foundation Program: The foundation program is the largest single local aid program and is fully funded in FY 2018 at \$3,239,884,847. Under the program, aid is distributed on the basis of public school enrollment and equalized for taxable wealth so that jurisdictions with smaller per pupil tax bases receive proportionately more aid. This program is the major State aid program for primary and secondary education, providing a foundation grant that estimates the amount of funding necessary to provide adequate resources to educate the average student. The Foundation Program includes: (1) the Geographic Cost of Education Index (GCEI), a formula intended to account for differences in the costs of educational resources among school systems; (2) supplemental grants that ensured each school system at least one percent annual increases in State Aid in fiscal year 2009 and 2010 (funded at the fiscal 2010 level on an ongoing basis); and (3) a phased in grant to change the calculation of the net taxable income (NTI) component of the education aid funding formula.

Compensatory Education: The compensatory education program, funded at \$1,306,296,887, is directed toward the education of children who are economically disadvantaged according to the number of students receiving free or reduced price meals.

Special Education: Aid for special education is provided to school systems to help cover the additional cost of educating students with needs for special services. These funds are allocated on a formula basis for students in local schools and to support children placed in nonpublic special education schools. The FY 2018 budget reflects the State's share at 70 percent of the excess cost of nonpublic placements over a certain amount.

Student Transportation: This program provides aid for the transportation of students to and from school, including a specific grant aid for transporting special needs students. Maryland law mandates State funding for public school transportation based on a formula that increases funding by the change in the Consumer Price Index for private transportation in the Washington-Baltimore area for the second preceding fiscal year.

Other Education Aid: Other education aid includes \$248.7 million to support students with limited English proficiency and \$50.2 million for the Guaranteed Tax Base program, which provides grants to those subdivisions that have less than 80 percent of the statewide average wealth per pupil and that provide local education funding above the local share required by the foundation program.

State Retirement System: In addition to direct aid for education, the State pays a portion of pension and retirement benefits for teachers, principals, administrators, and other eligible employees on behalf of each board of education.

However, 100% of the normal costs of retirement contributions for current employees was shifted to local governments and school systems in 2012. As the normal costs have risen, the local government commitment to pay remains set at the 2016 amounts, and therefore there is an unfunded retirement cost gap being born by each local school system. In FY 2018, \$20 million, which represents the bulk of the gap, will be funded under separate legislation agreed to by the Governor, Speaker of the House and President of the Senate.

In addition, the Governor's budget includes \$19.7 million as an FY 2017 deficiency appropriation to cover the cost of administrative fees paid by local school systems to the State Retirement Agency. Again, this funding is intended to relieve costs in the current fiscal year, and for which school systems were only recently billed.

Capital Budget for School Construction

The Governor's school construction budget (House Bill 151/Senate Bill 171) totals \$334 million, accounting for roughly one-third of FY 2018 capital spending: \$280 million for the traditional public school construction program, \$40 million for supplemental funding for public school districts with high enrollment growth, \$6.1 million for the Aging Schools Program, \$4.8 million for federal Qualified Zone Academy Bond projects, and \$3.5 million for the non-public aging schools program. Click here for the [Budget Book section on the CIP](#).

Nonpublic Aging Schools Program

The proposed capital budget once again includes \$3.5 million for the Nonpublic Aging Schools Program, which provides funds to reimburse nonpublic schools for facility-related expenditures eligible under the Aging Schools Program.

MABE's Position: MABE's adopted legislative priority is to support robust State funding for school construction and renovation projects. MABE places a high priority on providing students high quality, equitable, healthy and safe learning environments. Therefore, MABE urges the Governor and General Assembly to support increased investments in school construction and renovation projects. MABE requests an FY 2018 school construction budget of at least \$350 million to support local boards in providing optimal learning environments to prepare our students to be college and career ready.

Prekindergarten Funding Legislation

Senator Joan Carter Conway is once again leading the legislative initiative to make the case for full funding for Maryland's mandated prekindergarten program for all economically disadvantaged four year olds. She has introduced [Senate Bill 346](#), which would fund public prekindergarten through supplemental prekindergarten grants beginning in fiscal year 2019. She is joined by 18 cosponsors on the bill.

MABE supports this legislation to enhance the adequacy, reliability, and transparency of state and local funding for public prekindergarten programs for our most economically disadvantaged children. Specifically, MABE supports legislation to provide every school system with additional per pupil funding for each eligible four year old enrolled in a public prekindergarten program. This legislation is needed to remedy the longstanding deficiency in funding provided to local school systems for prekindergarten, by providing a per pupil funding allocation to each local school system.

The proposed legislation is intended to provide per pupil funding for half-day prekindergarten students at a "full time equivalent" (FTE) rate of 50% to align the amount of mandated per pupil funding with the half-day scope of mandated prekindergarten programs. Systems providing full-day prekindergarten programs would appropriately report those students at the 100% FTE rate.

In this way, Maryland's education funding law would include prekindergarten students as enrolled and guarantee transparent per pupil funding for the high quality prekindergarten programs offered in each of our 24 local school systems.

BILL HIGHLIGHTS

For Bill Status and MABE Positions: [January 27, 2017 Bill Tracking Report](#)

State Operating Budget

HB 150/SB 170 - Budget Bill (Fiscal Year 2018) (MABE Position: Support (with amendment to remove the BOOST voucher program))

HB 152/SB 172 – The Budget Reconciliation and Financing Act (BRFA) (MABE Position: Support (with amendments to restore the mandated funding status of mandated education grant programs))

State Capital Budget & School Construction

HB 151/SB 171 - Creation of a State Debt - Maryland Consolidated Capital Bond Loan of 2017 (State Capital Budget Bill for FY 2018) (MABE Position: Support (with amendment to remove the private school aging school facilities grant program))

HB 153/SB 197 - Creation of a State Debt - Qualified Zone Academy Bonds - Authorizing the creation of a State Debt in the amount of \$4,823,000, the proceeds to be used as grants to the Interagency Committee on School Construction and the Maryland State Department of Education for the renovation, repair, and capital improvements of qualified zone academies; providing for disbursement of the loan proceeds and the further grant of funds to eligible school systems for specified purposes, subject to a requirement that the grantees document the provision of a required matching fund; etc. (MABE Position: Support)

School Meals and Student Nutrition

SB 359/HB 257 - Education - Maryland Meals for Achievement In-Classroom Breakfast Program - Administration (Maryland Meals for Achievement for Teens Act of 2017) - Authorizing participating secondary schools to serve breakfast in any part of the school, including from "Grab and Go" carts; and clarifying when breakfast in the classroom should be served. (MABE Position: Support)

SB 361/HB 287 - Hunger-Free Schools Act of 2017 - Altering a specified definition for specified fiscal years to determine the number of students used to calculate a specified grant for schools that participate in a specified federal program; and requiring the superintendent of each local school system to report to the General Assembly on or before September 1, 2017. (MABE Position: Support)

Special Education

HB 174 - Education - Children with Disabilities - Individualized Education Program Process - Parental Consent - Requiring an individualized education program team to obtain written consent from a parent of a child with a disability if the team proposes specified actions; requiring an individualized education program team, in specified circumstances, to send a parent written notice no later than 5 business days after the individualized education program team meeting that informs the parents of specified rights to consent or refuse to consent; and authorizing the use of specified dispute resolution options.

Specifically, this bill would require the school system's IEP team to obtain written parental consent if the team's proposal is in the following categories:

- Enroll the child in an alternative education program that does not issue or provide credits towards a Maryland high school diploma;
- Identify the child for the alternative education assessment aligned with the state's alternative curriculum; or
- Include restraint or seclusion in the individualized education program to address the child's behavior.

MABE's Position: Local boards of education have great respect and appreciation for the dedication and commitment of educators and parents who are collaborating throughout the school year to ensure that the educational needs of students qualifying for special education services are being met. MABE is opposed to shifting decision-making authority away from the professional judgement of educators, in conjunction with parents and guardians as required by federal law, and instead providing a parental “veto” of IEP team proposals.

Local Board Governance

[HB 512](#) - The James Samuel Coleman Act of 2017 - Requiring the geographical boundary of each school district to be determined on a specified cycle; requiring each school district to be composed of a specified number of contiguous legislative districts subject to specified criteria under a specified circumstance; requiring Baltimore City to be one school district; requiring specified departments to determine school districts; establishing the membership of a school district board of education; etc.

Note: This bill is will undoubtedly generate considerable discussion among local boards and with the bill's sponsor, Delegate Hornberger. MABE looks forward to learning more about the origins of this unprecedented proposal to restructure Maryland's local boards of education.

Employee Relations

[HB 497](#) – Education - Grounds for Discipline - Altering specified procedures for suspending or dismissing specified public school personnel; authorizing specified public school personnel to request arbitration under specified circumstances; specifying the procedures for arbitration; assigning responsibility for specified costs to the county board; and providing that an arbitrator's award is final and binding on the parties, subject to review by a circuit court.

MABE's Position: MABE opposes this bill because it would remove the authority to discipline employees from the local board of education and transfer it to an arbitrator if requested by the employee. Such a transfer would adversely impact the ability of local boards to respond to employee misconduct consistent with the best interests of the students, the school system, and community. Instead, House Bill 1228 would transfer the board responsibility to an arbitrator, an independent third party who is not required to balance of the employee's interests and the school systems on behalf of all students.

Student Transportation

[SB 155](#) - School Vehicles - Seat Belts - Requirements - This bill requires every school vehicle registered in the State and purchased on or after July 1, 2018, to be equipped with seat belts for every seat on the school vehicle. Seat belts under the bill must be 3-point seat belts or integrated toddler seat belts. The bill takes effect July 1, 2018.

MABE's Position: MABE's opposition to Senate Bill 155 is grounded in a strong commitment to student safety and the belief that current school bus design and safety requirements already achieve a very high standard of protection against serious injuries to students being transported to and from school. According to the National Highway Traffic Safety Administration (NHTSA), school buses are approximately seven times safer than passenger cars or light trucks. Recognizing that seat belts are required in these other vehicles, NHTSA answers the question as to why school buses are safer.

"There is no question that seat belts play an important role in keeping occupants safe in these vehicles, however school buses are different by design and use a different kind of safety restraint system that works extremely well."

"Large school buses are heavier and distribute crash forces differently than do passenger cars and light trucks. Because of these differences, the crash forces experienced by occupants of buses are much less than that experienced by occupants of passenger cars, light trucks or vans. NHTSA decided that the best way to provide crash protection to passengers of large school buses is through a concept called "compartmentalization." This requires that the interior of large buses provide occupant protection such that children are protected without the need to buckle-up. Through compartmentalization, occupant crash protection is provided by a protective envelope consisting of strong, closely-spaced seats that have energy-absorbing seat backs." <https://www.nhtsa.gov/road-safety/school-buses>

However, small school buses, weighing 10,000 pounds or less, must be equipped with seat belts. According to NHTSA, "since the sizes and weights of small school buses are closer to those of passenger cars and trucks, seat belts in those vehicles are necessary to provide occupant protection." In this way, federal requirements regarding seat belts are reasonably related to the size and relative safety of school buses.

SB 154/HB 495 - Vehicle Laws - School Bus Monitoring Cameras - Civil Penalty - Altering the civil penalty to require \$250 for a violation recorded by a school bus monitoring camera for failure to stop for a school vehicle operating alternately flashing red lights; and repealing a requirement that the District Court prescribe a specified civil penalty.

MABE Position: In 2011, MABE strongly supported enacting a new law to authorize a law enforcement agency, in consultation with a local board of education, to place school bus monitoring cameras on local school buses. This law has empowered local law enforcement agencies to issue warnings or citations not to exceed \$250 to vehicle owners or drivers for failing to stop for a school vehicle that has stopped with its alternately flashing red lights operating in accordance with the Maryland Vehicle Law. Therefore, MABE strongly supports Senate Bill 154 in order to set the fine at \$250. MABE firmly believes that this bill will contribute significantly to heightening public awareness and improving driver behavior relating to the critical safety risks ever-present when school buses are engaged in loading and unloading students.

MABE Legislative Committee Update

MABE's [Legislative Committee](#), including representatives appointed by all twenty-four boards, holds monthly meetings to guide the association's lobbying activities in Annapolis, and invites policy and legislative leaders as guest speakers to exchange ideas.

The Committee is chaired by Stacy Korbela (Anne Arundel County) and the vice chair is Warner Sumpter (Somerset County).

On January 23, 2017, the Committee reviewed several major funding and policy issue areas, including in-depth discussions of the State Operating Budget (Budget Highlights: [Education](#) – [Budget in Brief](#) – [Quality of Life](#)); State Capital Budget ([FY 2018 Capital Budget for School Construction](#)); Special Education ([Burden of Proof Issue Paper \(DLS\)](#)), Parental Consent Legislation ([House Bill 174](#)), and 2017 Coordinated Early Intervention Services Legislation ([Senate Bill 1](#)), [Background](#), and [Federal Guidance & FAQs](#).

Other issues on the agenda included: State of Emergency ([Senate Bill 153](#)); 1,080 hours instead of 180 days ([House Bill 17](#)); Seatbelts on School Buses([Senate Bill 155](#)); Records Management ([Senate Bill 44](#)); Number of Fire Drills ([Senate Bill 201](#)); Pregnant Student Lawful Absences ([Senate Bill 232](#)); Working Families Act ([House Bill 1/Senate Bill 230](#)); and Prekindergarten Funding: [Prekindergarten Funding Bill – Cosponsor Request](#) – [Fiscal Analysis](#).

The Committee's next meeting on Thursday, February 9, 10:00 – 11:00 a.m., will be held in the Miller Senate Building, Conference Center West, immediately before the Legislative Day Luncheon.

MABE's Legislative Positions & Priorities

MABE has adopted a comprehensive set of [2017 Legislative Positions](#) on the following issues: Local Board of Education Governance, Education Funding, School Facilities Funding, Local Funding & Maintenance of Effort, Unfunded Mandates, Special Education, Charter Schools, Vouchers & Public Funding for Nonpublic Schools, Testing and Curriculum, School Safety & Security, Student Discipline, Student Health, Nutrition & Fitness, Employee Relations & Collective Bargaining, Federal Education Policy and Funding, and Elected, Appointed & Hybrid Boards of Education.

MABE's Advocacy Centers

MABE strives to be the primary voice for public education in Annapolis. The unity of 24 local school boards lends strength to our increasing importance in the legislative process, ensuring that the Governor, General Assembly, and State Board of Education turn to MABE to help determine what is best for school children.

Annapolis Advocacy Center

MABE's [Legislative Committee](#) holds monthly meetings to guide the Association's lobbying activities in Annapolis, and invites policy and legislative leaders to exchange ideas. The Director of Governmental Relations, in coordination with MABE leadership, conducts direct lobbying activities including [testimony](#)

before the General Assembly. MABE adopts and publishes an annual [Legislative Positions](#) publication and a Session Summary. MABE coordinates the Green Street Coalition, which is comprised of legislative liaisons from school systems and the superintendents association, and MABE staff pens the weekly GreenSheet update on legislative activity. Link to [MABE's Annapolis Advocacy Center](#).

State Board Advocacy Center

MABE staff and members of the Board of Directors attend each meeting of the State Board of Education, and staff pens [The Monitor](#), which provides a comprehensive summary of each meeting. MABE frequently informs the State Board of the Association's positions on priority issues through testimony, correspondence, and meetings. Link to [MABE's State Board Advocacy Center](#).

Federal Advocacy Center

MABE encourages all boards of education to engage in advocacy at the federal level to ensure that our federal officials are well informed on the priorities and perspectives of local school systems and the fiscal and policy issues arising under the myriad federal programs impacting public education. MABE's Federal Relations Network (FRN) Committee is comprised of board members appointed to represent the association in communicating NSBA and MABE positions to Maryland's federal delegation, including our two U.S. Senators and eight members of the U.S. House of Representatives. Link to [MABE's Federal Advocacy Center](#).

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