**Legislative Committee Meeting**  
Monday, December 18, 2017  
10:00 a.m. – Noon  
MABE Conference Room

Stacy Korbelak, Legislative Committee Chair  
Bob Lord, Legislative Committee Vice-Chair

### Agenda

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| 3. | MABE’s Legislative Process  
   • Advocacy in 2018 | Information & Discussion | John Woolums/All |
| 4. | Legislative Issues Updates  
   • Knott Commission  
   • Kiwan Commission  
   • Healthy Working Families Act (HB 1)  
   • Grounds for Discipline Bill  
   • Others | Information & Discussion | John Woolums/All |
| 5. | State Budget Update  
   • DLS Fiscal Briefing Overview | Information & Discussion | John Woolums/All |
| 6. | Federal Issue Updates  
   • House and Senate Tax Reform Bills & Status | Information & Discussion | John Woolums/All |
| 7. | Legislative Committee Calendar  
   • Next Meeting - January 22, 2018 | Information | Stacy Korbelak |
| 8. | Adjournment | Closing Remarks | Stacy Korbelak |

* Meeting Materials on Reverse
Materials for the December 18, 2017 Meeting

Item 3. MABE Legislative Process

- MABE’s Legislative Process Presentation and PDF

Item 4. State Legislative/Commission Updates

- Knott Commission
  - Draft Funding Subcommittee Recommendations
  - Draft Process Subcommittee Recommendations
  - Dept. of General Services (DGS) and IAC responses on the Knott subcommittees’ Funding & Process Recommendations
- Kirwan Commission
  - Preliminary Report Recommendations (Building Blocks 2-8) (BB 9 is attached)

Item 5. State Budget Update

- DLS Fiscal Outlook Briefing (Nov. 30, 2017)

Item 6. Federal Issue Updates

- NSBA Federal Legislative Highlights (Dec. 6, 2017)

Item 7. Legislative Committee Calendar

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<td>December 18, 2017</td>
<td>Commission Recommendations &amp; Legislative Forecast</td>
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<td>January 22, 2018</td>
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<td>April 23, 2018</td>
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MABE’s Legislative Process & Advocacy: 2018 Legislative Session

December 18, 2017

Overview

Bill Review
- Staff
- Daily Synopsis (DLS)
- Tracking Report (DLS)
- MABE Bill Report

Communication
- Legislative Committee
- Newsletter
- Bill Highlights & Bill Tracking Report

Advocacy
- Legislative Positions
- Testimony
- Calls to Action
- Talking Points
**Legislative Committee Process**

- Committee Meetings: Bill Highlights, Advocacy Reports, Budget Updates, Guest Speakers, and Votes on Bill Decisions.
- Bill Decisions by the Legislative Committee: Staff recommends positions for the Committee's action on selected bills.
  - Examples: Governor/Leadership-sponsored bills, major new initiatives, bills involving inter-jurisdictional issues, and requests for MABE positions on local bills.
  - Note: Most MABE bill positions are determined by staff in accordance with adopted Resolutions & Positions.
- Committee Chair: Attends leadership meetings & presents testimony on priority bills.

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**Legislative Communications**

- MABE's Weekly Newsletter & Calls to Action
- MABE's Bill Report
- MABE's Testimony
Annapolis Advocacy Center
Programs and Services

MABE strives to be the primary voice for public twenty-four local boards of education and engages governmental relations and advocacy programs and priorities on major policy issues. These are and Priorities adopted annually by the Legislative Committee.
Alerts & Calls to Action

Call to Action - Contact the Ways and Means Committee & Education Subcommittee to Oppose HB 633 to mandate collective bargaining of teacher and principal evaluations

House Bill 633
TITLE: Education – Teacher and Principal Evaluations – Revisions to Requirements
POSITION: OPPOSE
MABE Testimony
DATE: February 18, 2016
COMMITTEE: Ways and Means Committee

To voice opposition to HB 633 (which was heard on 2/18) – Use these links to the Ways and Means Committee.

Talking Points
• MABE opposes House Bill 633, and the proposal to mandate the collective bargaining of the ways in which local school systems evaluate teachers and principals.
• This provision of House Bill 633 represents a 180 degree reversal of longstanding law that excludes educator evaluation systems from the contract negotiation process.

MABE Testimony

BILL: House Bill 497
TITLE: Education - Grounds for Discipline
POSITION: OPPOSE
DATE: February 14, 2017
COMMITTEE: Ways and Means Committee
CONTACT: John R. Woolums, Esq.

The Maryland Association of Boards of Education (MABE), representing all of the state's twenty-four local boards of education, opposes House Bill 497.

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.
# Contacting Legislators

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# Contacting Key Legislators

**Ways & Means Committee Chair**  
Delegate Anne Kaiser

![Email Link](mailto:anne.kaiser@house.state.md.us)

**To:** anne.kaiser@house.state.md.us

**Cc:**

**Send**

**Subject**

To assist us in responding as quickly and comprehensively as possible, please include the following information.

**NAME:**

**HOME ADDRESS AND ZIP CODE:**

**PHONE NUMBER:**
Taking Action

What to say...
Use MABE Testimony and Talking Points

Who to contact...
Legislator email/phone contacts will be provided

Timing & Feedback...
Prompt action & informing MABE adds to overall effectiveness

mgaleg.maryland.gov
Accessing Bill Info Online

General Assembly
of Maryland

HB0633

Educations - Teacher and Principal Evaluations - Revisions to Requirements
Sponsored by: Delegate Ebersole
Status: In the House - Hearing 2/18 at 1:00 p.m.

Synopsis:
Allowing the requirement by the legislature adopted by the State Board of Education that mandates the general standards for performance evaluations for specified teachers and principals, requiring the committee to design procedures and process for performance evaluations, including, but not limited to, progress in performance evaluations online, requiring the report on the performance evaluations to include selected growth data as a percentage of the employees, etc.

Analysis:

All Sponsors:
Nick Rahall, Dels. Ainge, Barnes, Brophy, Brinley, Briggs, Cavanagh, Chang, Fakir, Haddock, King, Len, Leonhard, Swaggerty, Freqt (D)

Additional Facts:
Hearing Date(s): Jul 1, 2018

Committees:
Ways and Means, Ed

Advocacy Resources

Go to MABE's Annapolis Advocacy Center for:
- 2018 Legislative Positions & Priorities
- MABE Testimony & Bill Status Reports
- Legislative Committee Materials
- Priority Issues
- Advocacy Toolkit
- Resolutions
Thank you!

John R. Woolums, Esq.
Director of Governmental Relations
Maryland Association of Boards of Education
621 Ridgely Avenue, Suite 300
Annapolis, MD 21401
410-841-5414
jwoolums@mabe.org
www.mabe.org
21st Century School Facilities Commission

Martin G. Knott, Jr., Chair

Agenda
December 14, 2017
1:00 p.m.
House Office Building, Room 120
Annapolis, Maryland

Final Decision Meeting

I. Call to Order and Chair’s Opening Remarks

II. Review and Finalize Funding Subcommittee Recommendations

III. Review and Finalize Process, Procedure and Educational Specifications Subcommittee Recommendations

IV. Chair’s Closing Remarks and Adjournment
Funding

1. Conduct a statewide facility assessment using an integrated data system that will enable local education agencies (LEA) to regularly assess school facilities in a uniform manner statewide. The assessment and integrated data system should be done by an outside vendor initially, and, to the extent feasible, draw from existing data sources that document the condition of school facilities in the State. The State and LEAs should continually update the assessment. (Initial estimates for the cost of one-time assessment only is $3.5 million.) The LEAs should work with the State to identify the data elements that should be maintained at the State level, utilizing existing reporting sources such as the Educational Facilities Master Plan and the Maryland Association of Boards of Education (for LEAs that participate in their insurance program) for data reporting to the extent possible. Once the initial facility assessment is completed, the results should be shared with State and local officials, including LEAs, county governments, the Interagency Committee on School Construction (IAC) members, and legislators, a group of whom should determine collaboratively how the results should be incorporated into funding decisions.

2. The State should set a new funding goal and counties must continue to provide their local match. The State’s short-term funding goal should be at least the current capital funding level for school construction ($342.5 million in fiscal 2018, not including funds for the Aging Schools or Qualified Zone Academy Bond programs). Although this is not sufficient to address school construction needs, it is critical to have up-to-date information upon which to base the goal. Once the initial school facility assessment is completed, the results should be used to develop a long-term school construction funding goal.

3. The State-local cost share formula should continue to favor jurisdictions with limited resources to support school construction. After reviewing the cost share formula as revised by IAC in fall 2017, the formula appears to include all of the appropriate components. However, a common definition of local pay-as-you-go included in the local school construction effort calculation should be developed so that all 24 counties are reporting comparable data. In addition, the cost share formula should be updated every two years (instead of three years) to reflect changes in local conditions.

4. Review and update eligible and ineligible costs in light of changing circumstances (e.g., projectors are ineligible but many classrooms now have projectors permanently mounted to ceilings) within existing State policy that requires eligible costs to have a median useful life of at least 15 years. Systems or items that have not exceeded their median useful life, based on industry standards, or that do not have a median useful life of
at least 15 years, should not be eligible for State funding. However, there should be some exception to this policy for systems that, while still within their median useful life, have failed despite having a documented record of preventive maintenance or are no longer supported by the manufacturer.

5. Eliminate the 2.5% withholding for contingencies from the State allocation (related to Process Subcommittee recommendation to eliminate DGS review of change orders) but require LEAs to maintain a contingency to address unanticipated construction costs above the State allocation.

6. Eliminate the requirement that LEAs submit future planning and construction project requests in the Capital Improvement Program beyond the upcoming fiscal year; LEAs should still be required to submit their 10-year Educational Facilities Master Plan each year.

7. The State should provide technical assistance and help facilitate public-private partnerships, such as developing template lease agreements between developers and school systems. The State should encourage innovation through alternative financing by providing a financial incentive to assist one or more LEA(s) interested in pursuing alternative financing to cover the associated risks (e.g., the contingency allowance could be increased and used for a broader set of changes than are currently allowed). If an LEA undertakes a project with alternative financing, IAC and the LEA should fully document the process, expectations, and results so that other LEAs can determine whether they want to pursue alternative financing.

8. Preventative maintenance is critical – there is a need to require LEAs to perform required regular maintenance and for the State to develop required maintenance schedules based on industry standards and collect and monitor performance data through a comprehensive maintenance management system that is integrated with the facility assessment information system.

9. The State should encourage and provide technical support for agreements between and among LEAs and county governments, including regional partnerships, to improve efficiencies.

10. The State should explore the possibility of creating a school construction authority that issues appropriation-backed or revenue bonds with terms longer than 15 years to accelerate State school construction funding and provide more flexibility for financing school construction projects than traditional general obligation (GO) bonds. Although GO debt is
typically the least expensive option for the State and moving to appropriation or revenue-backed bonds increases the cost of debt, these higher costs may be offset by completing projects sooner and avoiding the inflationary costs. Alternative funding such as a dedicated revenue source or perhaps combining State and local revenue should be considered. The State may also wish to consider creating a revolving loan fund (similar to the Water Quality Revolving Loan Fund for local wastewater and sewer costs) to help counties fund the local share of school construction costs.

11. The State should convene a stakeholder group that includes LEA facility planners and others to review the square footage allocations that are currently used to calculate the State maximum allowable square foot for a project to determine if alternative methodologies or allocations could result in more efficient use of space in school buildings. The review should include recommendations regarding allocations for community use space including community schools, especially for schools with high proportions of students eligible for free and reduced-price meals, i.e. living in poverty.

12. The current space allocations have not been updated to reflect new space guidelines. If the current methodology is retained, consider regional figures rather than one statewide amount. (The Process, Procedures, and Educational Subcommittee also considered this item and item 11 in relation to space design guidelines.)

13. Explore the feasibility of regional (multi-district) school construction projects, e.g. regional career and technical education high schools and develop mechanisms and incentives to provide State funding.

14. The State should encourage the maximum use of energy savings performance contracts to improve energy efficiency in new and renovated schools, perhaps by pooling LEA projects and even local projects to maximize the savings. Over time, the operating savings from lower energy costs provides a new revenue source that may be monetized (perhaps to address item 10).
Development and State Approval of Projects

1. Provide local school systems with flexibility to design schools that meet local needs and programmatic priorities.

2. Review State-issued design standards and guidelines to ensure that they are aligned with funding allowances for each type of space (e.g., health suites, classrooms, community use areas, etc.). (See Funding Subcommittee Final Recommendations for related recommendation).

3. Maintain a role for the State to review and approve State-funded projects, but streamline the process to minimize unnecessary delays:
   
a. Maintain mandatory Maryland State Department of Education (MSDE) review and Interagency Committee on School Construction (IAC) approval of educational specifications and schematic designs for major construction projects, but explore the possibility of altering the two review processes to save time. A rolling deadline for submission of each document, with schematic designs submitted following completion of educational specifications’ review, should be considered;

b. Eliminate required Department of General Services (DGS) review and IAC approval of change orders for both major construction and systemic renovation projects;

c. Eliminate required DGS review and IAC approval of design and construction documents for both major construction and systemic renovation projects for local school systems that successfully complete a voluntary certification process that demonstrates that they have the expertise and capacity in their counties to complete those reviews in-house. A State certification process should be established by IAC that results in a renewable, multi-year certification for successful school systems. The State, in consultation with local school systems, should develop a timeline for submission and review/approval of design and construction documents for those local school systems that continue to rely on DGS/IAC review and approval;

d. Eliminate MSDE review of any projects that are funded wholly with local funds unless they substantially alter or expand an existing school built in part with State funds; and
e. Maintain IAC review and approval of procurement contracts and payments/closeout.

4. Provide incentives for the use of prototype school designs, including expedited State review of projects that use them, but do not mandate use of prototypes.

5. Repeal the requirement that all schools undergoing renovation qualify as emergency management shelters; designation of schools as emergency shelters should be consistent with local emergency management plans and criteria as well as funding availability.

6. Allow local school systems to bundle (for approval and procurement purposes) similar systemic renovation projects at different schools (e.g., roofs at three schools) and interrelated systemic projects at a single school (e.g., windows and HVAC at one school).

7. Enable and allow secure electronic document submission of all required documents/data to IAC.

8. Encourage the State and local school systems to use technological advances to the greatest extent possible to both make building design more efficient and innovative, and utilize technology to streamline compliance reviews and project deliveries.

Procurement

1. Reorient school construction procurement toward obtaining best value rather than lowest price, consistent with State procurement law for State projects.

2. Examine further the effect of prevailing wage requirements on school construction costs.

3. Provide technical assistance and support to local educational agencies on the use of alternative project delivery methods.

4. Request that the Maryland Green Building Council develop guidelines for achieving the equivalent of LEED Silver standards without requiring LEED certification of new school buildings, including some independent certification that school systems have achieved the required standards.

5. Establish incentives for the construction of “net zero” school buildings.
21st Century School Facilities Commission  
Process, Procedures, and Educational Specifications Subcommittee  
December 14, 2017  
Final Recommendations

6. Encourage bulk purchasing, bundling, and intergovernmental purchasing for common items (e.g. HVAC, windows).

7. Require site approval only within three years of local planning submittal instead of at the time of new land purchase. This will eliminate duplicative site approval by the Maryland Department of Planning (MDP) and IAC both at the time a school system purchases land and, sometimes many years later, when the school system moves forward with the planning process to build a new school.

8. Continue to allow local education agencies choice in construction materials but provide incentives for energy efficient or other preferred materials.

Areas that Overlap with Funding Subcommittee

Areas of Potential Consensus:

1. Examine/update the State Rated Capacity process to address special programs/adjacent schools/etc. utilizing enrollment projections provided by MDP.

2. Local school systems with declining enrollment should be encouraged to consolidate buildings and/or find alternative uses for undersubscribed school buildings. However, final authority for restructuring should remain with local school boards and local governments.

3. The State should continue to provide increased support to local school systems with increasing enrollment.

4. Use IAC as a central repository for information on the use of pre-fab and building system options, procurement methods, school facility design and construction and, generally, best practices in school construction.

5. Require local school systems to report annually on their preventive maintenance schedules and the preventive maintenance measures they have carried out on all major functional systems in each of their school buildings.
Deferred to Full Commission

Structure and Process

Areas of potential consensus:

1. Final project proposals should be subject to review and approval by IAC.
Draft Additional/Alternative Recommendations

Funding —

2. The State’s short-term funding goal for FY19 should be at least $345 million, which is roughly the current funding level (which includes additional funds for school systems with significant enrollment growth/relocatable classrooms but does not include Aging Schools or QZABs). However, the current funding level has not kept up with inflation based on the $250 million annual goal set in FY06. The State should increase funding to at least $400 million annually. Recognizing fiscal constraints, this goal may be phased in over several years. Revenues that exceed projections, particularly one-time revenues, should be considered for school construction. Once the initial school facility assessment is completed, the new $400 million goal should be compared to the assessment results, which may result in developing a higher long-term funding goal.

10. The State should explore the possibility of creating a school construction authority that could accelerate State school construction funding and provide more flexibility for financing school construction projects than traditional general obligation (GO) bonds. Although GO debt is typically the least expensive option for the State and moving to appropriation–or revenue-backed bonds increases the cost of debt, these higher costs may be offset by completing projects sooner and avoiding the inflationary costs. Alternative funding such as a dedicated revenue source or perhaps combining State and local revenue should be considered. The State may also wish to consider creating a revolving loan fund (similar to the Water Quality Revolving Loan Fund for local wastewater and sewer costs) to help counties fund the local share of school construction costs.

15. To accelerate innovation in cost effective building design, methods, and materials, and to serve more students faster by stretching State and local government funds further, the State should consider increasing the share of school construction costs for school construction projects whose cost is materially below the statewide average.

16. To encourage greater use of alternative financing and public–private partnerships (P3) for school facilities, the State should consider allowing school systems to enter into long-term lease agreements for school buildings that do not require the local board of education to own the building at the end of the lease term. This would enable school systems to lease commercial or other space to serve as school buildings and would also allow the P3 model whereby in addition to design–build, the developer would also maintain and operate the building for a set period of time. The legal and financial implications related to this should be examined.

Structure —

1. The process for evaluating school construction projects for State funding should be locally driven using a merit-based, apolitical process. Each stage of the process should include appropriate State oversight that adds value by utilizing professional expertise to build modern, efficient, and high quality public school facilities for Maryland’s students.
Building Block #2: Provide more resources for at-risk students so that Maryland students can achieve the world-class college and career readiness standards

Gap Analysis.

The following table compares the cost of educating the average elementary and secondary school student in the top performing nine countries, the United States as a whole and the states of Maryland and Massachusetts. Massachusetts is shown because it is the only state in the United States that would rank, if it was a country, among the top performers.

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<tr>
<th>Top performing countries</th>
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<tr>
<td>United States</td>
<td>12,152</td>
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<tr>
<td>Massachusetts</td>
<td>15,544</td>
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<td>Maryland</td>
<td>14,291</td>
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While the cost to Maryland of educating the average student is 50 percent more than it is in the top performing countries, this does not take into consideration numerous important differences. One is that national and state accounts are not kept in the same way in the United States as they are in most other countries. For example, in most OECD countries, the competitive sports program is paid for by the municipality, not the schools, whereas that is not the case in the United States. In many highly-urbanized countries, most students take public transportation to school that is not paid for by the school district. It is also the case that benefits for school staff are accounted for differently in some countries than in others. And many of the top performing countries spend much more on general support and social, medical, dental other services for families with young children than the United States does, none of which is accounted for in their school budgets. In the United States, the schools bear the burden of trying to address the problems that the lack of such support in the United States causes for the schools as they try to educate students who are increasingly entering school far less ready for school than their counterparts in the countries with more generous provisions for families with young children. It is entirely possible that, once these differences in the provision of non-educational services are taken into account, the difference in expenditure could disappear. That conjecture is made more plausible by comparing per pupil expenditures in Massachusetts and Maryland, which are very similar. In this case, the accounting conventions are similar and the provision of services to families with young children are similar, so one can assume that these are apples-to-apples comparisons.

Maryland is the 11th biggest spender in the United States, but drops to 19th when adjusted for regional cost differences, even though Maryland’s median income is the highest in the nation. The benchmark states of Massachusetts, New Jersey and New Hampshire all spend more than Maryland, which includes state, local and federal funds. Maryland does not do well on measures of funding equity. Although Maryland has the highest weight in the country for low-income students in its funding formula, the State spends 4.9 percent less money (state and local) on poor school districts than on wealthy ones, making it the state with the 15th most
regressive funding system in the nation. By contrast, Massachusetts spends 7.3 percent more money on students in low-income districts.

When looking at student performance, the performance of Massachusetts school children is comparable to the performance of students in the top performing countries, which is far superior to the performance of Maryland's students. In the latest Programme of International Student Assessment (PISA) results, if Massachusetts were a country it would have ranked among the very top performing systems in the world in science (5th highest) and in reading (2nd only to Singapore) and 18th in math. This compares to the U.S. rankings of 23rd in reading, 39th in math, and 25th in science. Maryland does not participate in PISA as a country, so there are no comparable data. However, the most recent results from the National Assessment of Educational Progress (NAEP) show that in 2015, Massachusetts led the nation on NAEP in 4th grade reading and math and 8th grade math; on 8th grade reading, it tied for 2nd place with Vermont (both a single point below New Hampshire). Maryland ranked roughly in the middle of states on NAEP (29th in 4th grade math, 26th in 4th grade reading, 25th in 8th grade math) with the exception of 8th grade reading, where Maryland ranked 18th.

Maryland participates in the Partnership for Assessment of Readiness for College and Careers (PARCC) assessments for federally mandated testing in most grade levels and subjects. The most recent data from 2017 shows that 49.3% of students taking the English 10 exam received a proficient score (4 or 5) indicating college and career readiness. The results broken down by race are: 29.0% for African American, 34.3% for Hispanic, 45.8% for American Indian and Alaskan native, 51.5% for Hawaii native and Pacific Islander, 60.3% for two or more races, 67.5% for white, and 77.3% for Asian. When broken down by the three categories of at-risk students, the PARCC English 10 proficiency rates in 2017 were 27.6% for free and reduced price meals, 25.2% for English language learners, and 25.1% for students with disabilities. It should be noted that when further breaking down the English language learners and students with disabilities to just those students who did not exit these at-risk categories, the performance dropped to 2.7% for ELL and 9.7% for students with disabilities. The negative performance gaps have widened since the 2016 administration of PARCC for African American, Hispanic, American Indian and Alaskan native as well as all three at-risk categories.

Similar results are seen in the Algebra I PARCC assessment. Of total test takers in 2017, 36.5% scored proficient. The results broken down by race are: 15.9% for African American, 18.5% for Hispanic, 26.3% for American Indian and Alaskan native, 37.3% for Hawaii native and Pacific Islander, 46.3% for two or more races, 56.4% for white, and 68.0% for Asian. When broken down by the three categories of at-risk students, the PARCC Algebra I proficiency rates in 2017 were 16.6% for free and reduced price meals, 33.5% for English language learners, and 27.9% for students with disabilities. When further breaking down the English language learners and students with disabilities to just those student who did not exit these at-risk categories, the performance dropped to 5.6% for ELL and 8.2% for students with disabilities. The negative gaps in Algebra I have also generally widened for all groups except for students with disabilities. This group narrowed the gap by 1.7 percentage points for all disabled students and 0.2 points for non-exiters.
Among the eight states using a single weight in their formula for special education students, as Maryland does, five apply a higher weight than Maryland does. At about 12% of students statewide, Maryland’s special education enrollment is about average for the United States but more than double the special needs identification rates of the top performers in the world. This relates to Building Blocks 3 and 4 and the imperative for building an instructional system with an early warning system that identifies students as soon as they begin to fall behind and provides the necessary supports to get them back on track before they fall too far behind grade level. This is what the top performers do. Investing in this strategy should reduce the number of students who are identified as in need of special education services in the future.

All of the international top performers assign extra teachers to work with high need students. Finland and Singapore assign all schools learning-support teachers who work with small groups of students in classrooms to provide them with extra help to stay on-track in class. Ontario assigns literacy and numeracy support teachers to all schools, and additional teachers to secondary schools where there are high numbers of students at-risk of not graduating. These extra teachers work with students under the direction of the classroom teacher, with the aim of helping these students succeed in the specific work for that class. This is different than what is typically done in the United States where students are often pulled out of class to work with specialists once or twice a week, and most often using an “intervention” program that is not necessarily aligned with the classroom curriculum. Afterschool support is most often provided by paraprofessionals, again with little coordination with classroom work.

In addition to assigning more teachers to at-risk students, many of the top performers have explicit policies to ensure that these students are taught by the most qualified and/or highest quality teachers. For example, both Singapore and Shanghai assign well regarded teachers and school leaders to help low performing schools and teachers. It is an expectation that many educators on higher levels of Shanghai’s career ladder will teach for a time in lower performing or rural schools, either as part of the Empowered Management Schools process that shares school staff collaboratively across high and low performing schools, or as part of a temporary rotation into a low performing school full time. It is very hard, if not impossible, for teachers to move up the career ladder in Singapore and Shanghai unless they have taught disadvantaged students. While Finland does not have a specific policy to assign high-quality teachers to high-need schools, there are financial incentives for teachers to work in rural and high-need schools. In addition, many teachers teach in rural areas initially, as jobs in the cities are more competitive. In effect, this helps to distribute high-quality teachers throughout the country. In addition to these specific policies, all of the top-performing jurisdictions have much higher entry standards for the profession, which ensures a higher quality bar for teachers across the system.

**What does it take to provide an “adequate education” to Maryland students?**

Maryland’s constitution requires the State to provide a “thorough and efficient system of free public schools” to the State’s students. In 1999, the Thornton Commission was created to
recommend changes to the State’s school finance system that would enable the schools to provide an “adequate” education. “Adequate” was defined as an education that would enable students to achieve the new state standards. A consulting firm, Augenblick and Myers (a precursor to Augenblick, Palaich and Associates [APA]), was engaged to advise the Thornton Commission. APA recommended that the State create a formula for funding Maryland schools with a standard (or base) amount for each student in the State, plus additional weights in the formula for students at risk of failing to meet the State’s standards, including, low-income students, English language learners, and special education students. These formulas would be used to calculate the State contribution to the school systems, which would then be free to use the money as they saw fit, with the State holding the school systems accountable for the use of additional funds to improve student performance. The amount of the base and the percentages of that base amount used to calculate the additional amounts for each category of at risk student were calculated using a combination of standard “adequacy” methods, involving expert opinion (the “professional judgement” method was used, “evidence-based” is another method that has since been developed) and calculations of the actual spending by schools that were getting students to standards similar to the ones to be implemented by the state (the “successful schools” method).

The legislation implementing the Thornton recommendations required the State to conduct a follow-up adequacy study using methodologies similar to those used for the Thornton Commission report 10 years later to review the formulas and recommend changes as needed. The required study, which was delayed several years due to the State adopting new standards and assessments and the Great Recession, was begun in 2014 and completed in 2016, once again by APA, in association with PricewaterhouseCoopers, Odden and Associates and the Maryland Equity Project. The Commission on Innovation and Excellence in Education was created in 2016 to review the study’s findings, which included numerous other reports, and also to investigate the strategies used by the countries with the most effective education systems in the world. The Commission was charged with, among other things, making recommendations to the State on what policies the State should implement to make Maryland a world class education system and commensurate funding and changes to the funding formulas. The Commission has engaged APA to advise it on the school finance issues and the National Center on Education and the Economy (NCEE) to advise it on the issues related to the strategies used by the top performing countries.

There are different methods of calculating adequacy. APA’s approach, widely used in the United States, essentially asks the question, “How much will it cost to add the staff to the existing system and build the special programs needed to improve student performance to the target level?” The assumption is that the current system stays in place and new resources are added to provide extra services that will be needed. But data from the OECD shows that, in the industrialized countries, there is little correlation between how much is spent on schooling and student achievement. Money matters, but how it is spent also matters. More money is needed to get better results but the system must also be changed drawing upon the design of the systems used by the top performers to produce much higher performance with higher equity.
A growing number of State leaders are looking for new ways to structure school funding formulas not just to distribute funds equitably, but also to make sure that those funds are used productively, efficiently and with accountability for performance. Movement in this direction by the Commission will make it a school finance pioneer in the nation. To this end, the Commission has asked APA and NCEE to work with the Commission staff to help the Commission develop estimates of what it might cost Maryland to implement an education system similar in design to the systems being used by the top performers. The overall design of those systems is captured in an NCEE document titled “The 9 Building Blocks of High Performance Education Systems.” These are the 9 Building Blocks that the Commission has been using to structure its overall preliminary policy recommendations. Once the cost estimates for implementing the preliminary policy recommendations are developed, the Commission will be able to take these costs into consideration when the Commission makes its funding and formula-related recommendations in summer 2018.

Recommendations

The Commission will cost out the policy recommendations made in this preliminary report over the first few months of 2018. Until that work is completed, the Commission cannot make recommendations on the amount of the base funding in the formula, or the weights to be applied to that base for at risk students. Thus, the Commission is not yet able to recommend the amount of funding needed to provide funding that would be “adequate” for the purpose of getting Maryland students to the College and Career Ready standards. These recommendations will be made in the Commission’s final report.

Additional aspects of the funding formulas for Maryland schools will be addressed in spring/summer 2018 after the costing out of the preliminary policy recommendations is completed. These include determining (1) the base per pupil amount and weights for at-risk student populations; (2) the method for calculating local wealth; (3) the equitable distribution of funds; (4) whether to include a geographic cost adjustment factor; (5) the proxy for estimating the number of low-income students; (6) the funding for prekindergarten; (7) whether to require local school systems to fund their share of the at-risk funding formula; and (8) the impact on the local maintenance of effort requirement.

The Commission is prepared now to make the following recommendations, which will guide the Commission as it develops its final report:

1. The basic structure of the State’s funding formulas as created by the Thornton legislation — uniform base funding with additional weights for specified categories of disadvantaged students — should be preserved and updated.
2. Funding must be distributed equitably both among school districts — and within school districts — so that students who need additional services and supports are receiving them.
3. The weight for special education students should be increased and should be differentiated based on the severity of a student's disability to recognize that certain disabilities require more intensive services than others.

4. A new weight for schools with high concentrations of students living in poverty should be added.

5. The necessary wraparound social services for at-risk students and their families must be significantly expanded so that all students have the opportunity for academic success through, for example, community schools.

6. Substantially more money must be provided to Maryland schools to enable the transition to the new system, based on what it will cost to implement the policy recommendations that the Commission makes, such as to strengthen the early childhood education system, extend wrap-around services to the schools and students that need them, construct a world-class instructional system, attract high-quality high school graduates to a career in teaching, give the current teaching force the skills they need to get their students truly college and career ready, reorganize schools to give teachers much more time to work together to improve instruction and tutor the students who need extra help, build a world class career and technical education system and put the other elements of the 9 Building Blocks in place.

7. But Maryland must also be prepared to make significant reallocation of existing funds in areas where current costs far exceed those in countries with high-performing systems to practices that have proven to have a high success rate in improving the academic capabilities of students that are used in those systems, such as greatly reducing system administration costs and increasing academic expenditures at the school level.

8. Maryland must ensure that high quality teachers are teaching in high needs schools and provide additional learning opportunities for struggling students.

9. Maryland must implement strategies to identify any special needs a student may have as early as possible and address those needs as quickly as possible. As has been demonstrated in high performing systems, this will eventually allow Maryland to greatly reduce the number of students who are assigned to special education. By doing what is necessary to improve both the readiness for school of children coming into kindergarten and through targeted support students receive once in school, the scale of the services reserved for special education students in upper grades can be reduced.

10. For students who continue to struggle and are not on track for college and career readiness despite early intervention, more intensive support must be provided, including one-on-one tutoring and additional instructional supports.

11. Because the funding that school systems receive is based on the necessary resources so that all students have an opportunity to meet State standards and because the basic structure of the per pupil funding system incorporates additional weights to provide more resources to the three categories of at-risk students, these targeted funds should be allocated to each school based on the number of at-risk students enrolled at the school. This will allow for the allocation of additional teachers and
other resources to schools and students using the results from an early warning system (BB3 and 4) that identifies students who are not on track.
<table>
<thead>
<tr>
<th>Consensus</th>
<th>Further Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Maryland should develop a multi-year, statewide implementation plan with goals and strategies</td>
<td>Who should formulate this plan?</td>
</tr>
<tr>
<td>a. The plan would have to consider the role of the local jurisdictions</td>
<td>One group said a separate entity within the Executive Branch that focuses on prekindergarten to the workforce should facilitate monitor, and implement the plan</td>
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<tr>
<td></td>
<td>One group said that the entity that develops the plan should be as nonpolitical as possible</td>
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<tr>
<td></td>
<td>One group said nonpolitical is fine but that might not be attainable</td>
</tr>
<tr>
<td></td>
<td>Is it only a statewide plan or also separate district plans?</td>
</tr>
<tr>
<td></td>
<td>Maybe a monitoring group should be developed (as opposed to new State agency)</td>
</tr>
<tr>
<td></td>
<td>One group generally felt that the implementation plan does not need to get into the details of what specific agencies would be responsible for certain parts of plan. This should be left up to the implementation body</td>
</tr>
<tr>
<td>2. Maryland’s plan should be linked to Maryland economic goals</td>
<td>Education and the economy are already inextricably linked, perhaps this is a mechanism to get support for the Commission’s work</td>
</tr>
<tr>
<td>a. A relationship between education, businesses, and other State agencies focused on the workforce and economy needs to be better established and responsive</td>
<td></td>
</tr>
<tr>
<td>3. Maryland needs to have better communication and cooperation between K-12 and higher education</td>
<td>Can the P-20 Council serve this purpose?</td>
</tr>
</tbody>
</table>
Consensus

4. Maryland student performance should be compared to student performance in other countries to complement the data Maryland already receives that compares student performance with other states.

Further Discussion

One possibility is to explore participation in PISA for Schools, oversampling in Maryland using current PISA assessment, or embedding PISA assessment items into PARCC tests. The costs of administering the PISA assessment is approximately $650,000.

Other Items for Discussion

5. Should Maryland alter its existing governance structure?
   a. One group suggested MHEC and MSDE should be folded into one entity.
   b. It was suggested that the agencies don’t actually need to be merged but just need to work together better.
   c. The State should not create an entity or positions just for the sake of creating them.

6. Accountability systems
   a. What level of autonomy should a local school/principal have? Does the answer depend on the performance of the school?
   b. There seemed to be consensus that principals should have a high degree of autonomy in how they spend funds but there should also be accountability for achieving the expectations of the State.
   c. School accountability should be monitored regularly through inspection teams to identify underperforming schools and make recommendations on how the school can improve.

Should high performing schools receive greater autonomy (similar to charter schools) to make personnel/budgetary/school organization decisions? What about low performing schools?

Should principals and teachers in low performing schools be paired with principals and teachers in high performing schools?
BUILDING BLOCK 9 - Institute a Governance System to Develop Powerful Policies and Implement Them at Scale

NCEE Recommendations

1. Create a mechanism that will enable Maryland to coordinate the development and implementation of a carefully designed plan for the development of Maryland's people that cuts across the responsibilities of many Maryland agencies and departments of government.

2. Determine what institutional arrangement would be appropriate for oversight of the implementation of the plan against goals and milestones and for periodic reporting of progress against those goals.

3. Make college and career readiness the focus of school accountability and reporting. Once the new system is in place, the reporting system should be focused on what proportion of students, by group, are college and career ready by the end of 10th grade, by the end of 11th grade and by the end of 12th grade and on the progress made toward these goals year-to-year. Schools should also report on what happens after the qualification is received, including the proportion of students who achieve external diplomas (e.g., AP, IB and Cambridge), industry-recognized occupational certificates, and credit for college level courses.

4. Redesign Maryland's accountability system to use student performance and background data from the schools at all levels to trigger visits from inspection teams, not algorithms, to decide which schools are underperforming and what needs to be done to improve their performance.

5. **Redesign Maryland's teacher and school leader evaluation system so that, as it makes the transition to a full career ladder system providing strong incentives to teachers and school administrators to improve their performance, more emphasis is put on all the measures advocated by the Commission for improving the quality of both teachers and school leaders**

6. Administer PISA/PISA for schools to benchmark Maryland against the top performing education systems in the world.

7. Develop a strategy for building public support for the Commission's vision, goals, and implementation plan that is sustainable.