

BILL: House Bill 355
TITLE: Public Ethics Law - School Boards - Disclosures and Requirements
(School System Ethics and Transparency Act of 2019)
DATE: March 7, 2019
POSITION: OPPOSE
COMMITTEE: Ways and Means Committee
CONTACT: John R. Woolums, Esq.

The Maryland Association of Boards of Education (MABE) opposes House Bill 355, because we believe the significant reforms to Maryland’s ethics law for local school systems, enacted in 2010 and again in 2012, ensure high standards for local board ethics policies in the essential areas of financial disclosure and conflicts of interest.

MABE and the local boards we serve place great emphasis on promoting the highest level of ethical conduct on the part of local school board members, superintendents and staff. The public places extraordinary trust in their local school systems, on a daily basis, as it relates to our vigilant attention to the best interests of their children.

Therefore, school systems work to ensure the highest public confidence in the ethics, impartiality, and independent judgment of their local boards of education. In this spirit, MABE supported passage of legislation in 2010 to amend the longstanding statutory requirement that municipalities and counties adopt local ethics policies addressing the major areas outlined in state law (conflicts of interest, financial disclosure, and lobbying), and that school boards either adopt similar policies or rely on the policy adopted by their county government. Specifically, Senate Bill 315 of 2010 enhanced the requirement that school board ethics policies be “similar” to the state law, by requiring that local policies be “equivalent to or exceed the requirements” in state law.

The law passed in 2010 further specifies that boards of education must adopt conflict of interest and financial disclosure regulations which are applicable to school board members. For school systems, another distinction is made between superintendents and staff, for whom any policy is discretionary, and the board members themselves, for whom these new policies must be adopted. Lastly, the bill would require that the revised ethics policies hold candidates for local boards of education to the same standards as sitting board members. In these ways, the passage of 2010 was intended to enhance provisions in local ethics policies without radically changing the process other than to enhance the standards applying to the financial disclosure and conflict of interest provisions.

Immediately following passage of the 2010 ethics reform, MABE partnered with the State Ethics Commission to conduct statewide training on the new law. Through this process, it became clear that improvements were needed. Therefore, MABE joined with the Maryland Association of Counties and Maryland Municipal League to support legislation which passed in 2012 to reasonably limit the scope of financial disclosure requirements to interests relating to entities that do business with, or are regulated by the county, municipality, or school system.

To be clear, MABE does not oppose certain provisions of this bill, including the procurement provisions and the requirement that a superintendent file a secondary employment disclosure statement with the appropriate school board each year. However, MABE does oppose the proposal to apply the state standards for lobbying regulations to local school systems, particularly in a manner not applied evenly to counties or municipalities.

Under this bill, the lobbying regulations applicable to local boards of education and school system staff would be required to be equivalent to or exceed the lobbying provisions applicable to State entities. This provision is not in concert with the entire scheme of local ethics law and regulation in Maryland governing counties, municipalities and local boards of education. Further, MABE strongly opposes the procurement reporting requirements, including the mandated reporting to the Department of Budget and Management (DBM).

MABE supports strong accountability for school systems, both in terms of academic success for students and sound management of school finances and facilities. MABE assures the General Assembly that each local board places an extraordinarily high priority on investing the resources provided by taxpayers through federal, state and local funding allocations; investments in professional educators, administrators, and programs and services, and maintaining school facilities as safe and secure teaching and learning environments.

Regarding school finances, local school systems are held accountable for sound financial management through multiple independent audits of state and federal programs, such as special education, and the routine comprehensive performance audits conducted by the General Assembly's Office of Legislative Audits. School systems not complying with state requirements can have state funding withheld by the State Superintendent.

Most recently, the Governor has established the Office of Education Accountability in the Governor's Office for Children, and MSDE has created the Office of Compliance and Monitoring and hired an Executive Director for the office. These actions only bolster MABE's position that the provisions of this bill to significantly expand financial and procurement reporting requirements are not needed to enhance accountability for public education in Maryland.

For these reasons, MABE requests an unfavorable report on House Bill 355.