

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: April 20, 2004
TO: **Board of Education**
FROM: Dr. Joe A. Hairston, Superintendent
SUBJECT: **KEY SCHOOL LEGISLATION**

ORIGINATOR: Dr. George P. Poff, Jr., Assistant to the Superintendent Governmental Relations

INFORMATION

* * * * *

That the Board receives the wrap-up of the Key School Legislation

Attachment I – Key School Legislation

**BALTIMORE COUNTY PUBLIC SCHOOLS
WRAP-UP
KEY SCHOOL LEGISLATION
APRIL 20, 2004**

SB 1 Education – Teachers – State and Local Aid Program for Certification

Under current law, there is a program of State and local aid to teachers who pursue certification by the National Board for Professional Teaching Standards known as the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards. Each school year, the State Board is required to select, consistent with the amount provided in the State budget, a maximum of 500 teachers to participate in the Program. The original law provided for the act to remain effective for a period of 7 years, and to sunset May 31, 2004. As proposed, this bill would have stricken the sunset provision; however, it was amended to move the sunset date to 2008.

This Bill has passed.

The Board supported SB 1.

SB 8 (HB 306) Teachers' Retirement and Pension Systems – Reemployment of Retired Teachers – Sunset

Current law is scheduled to sunset June 30, 2004. This measure would have extended the termination date until June 30, 2008, for provisions of law that allow retirees of the Teachers' Retirement and Pension Systems to be reemployed in their home counties without an earnings limitation imposed on their retirement benefit.

During the recent Session, numerous legislative proposals were introduced to extend the sunset date and specify the conditions under which a candidate might be reemployed in the county from which he/she retired. None of these proposals was successful. Therefore, as of June 30, 2004, the ability of an employee to retire and be rehired by his/her former employer without an earnings limitation ceases to exist.

The Board supported SB 8 (HB 306).

SB 115 Task Force to Study the Maryland Teachers’ Pension System and the Teachers’ Retirement System

This legislation would have established a 27-member task force to review and evaluate the adequacy of the two systems and, if deemed necessary, make recommendations for changes.

Changes to the benefits structure of the Maryland Teachers’ Pension and Retirement Systems have left our State with one of the least attractive systems in our nation.

SB 115 failed.

The Board supported SB 115.

SB 174 (HB 741) Education – Maryland School for the Blind – Notice to Parents or Guardians of Availability of Programs

This legislation, sponsored by Senators Klausmeier, Harris, Hollinger, and Stone, requires that local education agencies notify the parents or guardians of each blind or visually impaired child, including children with multiple disabilities, of the availability of the educational programs offered by the Maryland School for the Blind. This legislation requires a process that is already in place relative to the Maryland School for the Deaf and in fact is already employed in serving the needs of visually impaired children by the Baltimore County Public Schools.

This Bill has passed.

The Board supported SB 174 (HB 741).

SB 526 (HB 851) Education – Distressed Schools – Performance Incentive Grants

This legislation, sponsored by Senator Delores Kelley, would have created an incentive grant program for schools defined by the Maryland State Department of Education as in need of improvement, corrective action, or restructuring. Should these schools demonstrate “statistically significant progress” toward achieving AYP for three years, the school would be eligible to receive a \$15,000 grant.

These Bills failed.

The Board supported SB 526 (HB 851)

HB 1 Public School Construction Assistance Act of 2004

This legislation, introduced by the Speaker and the Chairs of Ways & Means and Appropriations, was pre-filed as a “place holder” to potentially address the recommendations of the Task Force on School Facilities. This Bill would have closed a “loophole” in current law by imposing recordation and transfer taxes on the transfer of real property when transfers are achieved through the sale of “controlling interest” as a specified corporation, partnership, or a limited liability company. Currently, transferring controlling interest or ownership by a corporation, limited liability company, or partnership can effectively transfer real property without payment of transfer and recordation taxes.

Because this type of transaction is not currently subject to taxes, it is difficult to estimate the amount of revenue that could have been generated by this Bill. It is, however, estimated that this Bill would have generated an additional \$6.5 million in State transfer tax revenue in FY 2005 and approximately \$72.19 million annual thereafter. Also, the local governments expected to receive approximately \$21.6 million in FY 05 and an additional \$43.2 million in future years.

This Bill would have required that specified amounts of State and local revenue from recordation and transfer taxes be dedicated to school construction for FY 2005 through 2008. The Baltimore County share to be dedicated to school construction was estimated to be about \$5 million.

This Bill passed the House of Delegates, went to the Senate, but never emerged from the Senate Budget and Taxation Committee.

The Board supported HB 1.

HB 162 Teacher Incentives

This legislation, requested by the State Department of Education, specified that a classroom teacher who holds a professional certificate or a resident teacher’s certificate and teaches in a public school identified in accordance

with State Board regulations as a school in need of improvement, a school under corrective action, or a restructured school that achieves adequate yearly progress for two consecutive years shall receive a one-time stipend from the State in the amount of \$4,000, provided that the teacher taught in the school for the two years in which the school achieved adequate, yearly progress.

This Bill failed in the House Ways and Means Committee.

The Board supported HB 162.

HB 199 Public School Construction – Modular Construction

This legislation requires that the Board of Public Works shall include modular construction as an approved public school construction or capital costs. It also requires that the Board of Public Works adopt regulations defining modular construction and minimum specifications for their approval as a public school construction cost.

HB 199 was passed.

The Board supported HB 199

HB 208 Education – County Boards of Education – Competitive Bidding

This legislation would have increased the threshold dollar amount of a contract for which a county board of education must use competitive bidding. This increase in the statutory limit from \$15,000 to \$25,000 would place local boards of education on par with the same \$25,000 limit used by the State of Maryland, counties, and other municipalities.

HB 208 was passed by the House of Delegates but failed to win approval in the Senate.

The Board supported HB 208.

HB 345 (SB 245) Bridge to Excellence in Public Schools Act – Trigger Provision – Repeal

This legislation repeals the provision in the Bridge to Excellence in Public Schools Act that made a specified level of State funding contingent upon the adoption of a joint resolution by the General Assembly before the 50th day of the Session; and repeals the provision of the Act establishing an alternative funding level of State aid for education if the joint resolution is not adopted. The genesis of this Bill was the Attorney General's advice that this provision of the law raised serious legal questions.

This emergency legislation has passed and is in effect. Should this legislation have failed to pass, and the potential trigger have been actuated, Baltimore County Public Schools likely would not have received the approximate \$38 million increase in Bridge to Excellence funds that we will receive in FY 2005.

The Board supported HB 345 (SB 245).

HB 1060 (SB 747) Teachers' and Local Employees' Retirement Enhancement Act of 2004

This legislation, sponsored by Delegate Adrienne Jones and 48 members of the House, was the long-anticipated effort to improve Maryland's teachers' pension program. Once deemed the best program in the nation, reform legislation over a decade ago rendered Maryland's system for its educators near last in states' rankings. This legislative proposal included the recommendation of the Task Force on Pensions, which were:

- Increase cap on COLA from 3% - 5%
- Mandatory for new hires, optional for current members
- Across the board increase for current retirees:
 - a) \$1,200 for retirees who have been retired not more than 5 years;
 - b) \$1,500 for retirees who have been retired more than 5 but less than 10 years;
 - c) \$1,800 for retirees who have been retired more than 10 but less than 15 years; and
 - d) \$2,100 for retirees who have been retired more than 15 years.
- Benefits based on entire compensation (stipends, coaches, national teacher certification)
- Ability to purchase service credit similar to retirement system

- Reduce penalties for early retirement by 1%
- Reduce retirement age from 62 to 60 without 30 years (similar to retirement system)
- Employees' contribution from 2% to 5%

As was expected, the Fiscal Note of an additional \$1.1 billion in State Pension liability and an expected \$200+million per year in State costs placed these Bills in jeopardy.

Both Bills were heard but did not receive Committee votes and thus died.

The Board supported HB 1060 (SB 747).

HB 1230 (SB 787) Public School Facilities Act of 2004

This legislation articulates the recommendations of the Task Force to Study Public School Facilities. This task force was prescribed by language in the *Bridge to Excellence Act* and was charged to conduct a similar analysis of “adequacy” as it pertains to facilities. Sponsored by the Chairs of the House Ways and Means and Appropriations Committees and the Chairman of the House Minority, it represents a bipartisan effort to recognize facilities’ needs and begin the process for their systematic address.

This comprehensive and complex legislation is based upon the Task Force’s analysis of facilities’ adequacy needs exceeding \$3.8 billion across our State.

Among several recommendations, this legislation calls for a new cost-sharing formula for each county beginning in 2006, a reduction in state rated capacity for elementary classes in grades one to five, a change in the aging schools allocation which would reduce our share, and the introduction of alternative funding methods.

One facet of this legislation is an adjustment to local grants for Aging Schools. First begun for Baltimore County in 1997 with the requirement that said funds be directed to schools in need of renovation that were built before 1960. The Task Force assumed that any resources spent on systemic upgrades to these schools deemed them modernized and recommended moving the requirement to the number of “aging schools” built before 1970. Since beginning in 2000 additional school systems were added to this

discretionary grant, and the total statewide allocation was raised to \$10.5 million. Raising the age of school dates from 1960 to 1970, and assuming our health and safety upgrades rendered those facilities comparable to “new schools,” we are scheduled to lose \$1.5 million in Aging School funds beginning in FY 2006. We unsuccessfully resisted this change during the Task Force’s tenure and during the recent Legislative Session. We did, however, achieve an amendment to the State Capital Budget whereby it is now the stated intent of the General Assembly “that any county that would receive funding in fiscal 2006 that is less than 75% of the funding provided in fiscal 2005 under the Aging School Program should receive a grant in fiscal 2006 in addition to the Aging School Program funds of up to 75% of the difference between fiscal 2005 and 2006. The grant shall phase out over three years.”

Faced with an affordability challenge similar to that of the Thornton Commission, the Task Force on Facilities recommends, and the legislation reflects, a multi-year phase-in until 2013.

This legislation was passed.

The Board supported HB 1230 (SB 787).

HB 1409 Baltimore County – Comprehensive Master Plan – Class Size Reduction

This legislation, if passed, would have amended the Master Plan requirements for the Baltimore County Public Schools under the Bridge to Excellence in Public Schools Act (Thornton). The Master Plan requirement for Baltimore County would need to have included a separate description of the county Board’s goals relating to the reduction of class size in kindergarten through third grade; and progress made towards achieving these goals.

Local school systems are presently only one-half year into their management under required Master Plans. The process of developing Baltimore County’s plan was deliberate and comprehensive as to content as well as the involvement of stakeholders. The Baltimore County *Master Plan* on page 46 under Goal 1, Performance Indicator 1.1 for 2003-2004 school year states, “Reduce the student-teacher ratios for Kindergarten to Grade 2 from 23:1 to 21:1 for allocating positions to schools.” Our budget, which is based

upon the *Blueprint for Progress/Master Plan*, is presently before the County Executive and will shortly move to the County Council.

The House Rules Committee did not forward HB 1409 to a Committee; thus, it was not acted upon.

The Board opposed HB 1409.