

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: April 25, 2006
TO: **BOARD OF EDUCATION**
FROM: Dr. Joe A. Hairston, Superintendent
SUBJECT: **LEGISLATION UPDATE**
ORIGINATOR: Dr. Donald A. Peccia Assistant Superintendent of Human Resources
and Governmental Relations

REPORT

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That the Board of Education receive the 2006 General Assembly Legislative
Report

**BALTIMORE COUNTY PUBLIC SCHOOLS
KEY SCHOOL LEGISLATION
April 25, 2006**

2006 GENERAL ASSEMBLY LEGISLATIVE SUMMARY

During the 2006 session, members of the House of Delegates introduced 1,749 bills and Senators introduced 1,107 bills for a total of 2,856. Twenty-six joint resolutions were also considered. By midnight on sine die, April 10, the General Assembly had passed 823 bills and five joint resolutions. Of the passed legislation, 489 were from the House and 334 were from the Senate. Of those 247 measures related to education of which 79 were sent to the Governor for signature.

At the bill signing ceremony on April 11, the Governor signed 47 measures into law. Additional bill signings are scheduled for April 25, May 2, and May 16. The signing ceremonies take place in the State House beginning at 10 a.m. Because 2006 is the last year of the four-year term, the 2007 legislature, when it convenes next January, may not override vetoed bills passed in the 2006 session.

The Governor has a limited number of days to sign or veto a bill after it is presented. The time limit differs depending on when presentment is made. If presentment is made during the first 83 days of a regular session, the Governor has only six days to act on the bill. Any bill presented during the last seven days of a regular session or after adjournment must be acted upon by the Governor within 30 days of presentment.

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1. Operating Budget

The General Assembly passed a \$29.4 billion Budget Bill (SB 110). Public education saw approximately \$4.5 billion, a \$458 million increase over last year. The "*Maryland Consolidated Capital Bond Loan of 2006*" (SB 370-Capital Budget) became law without the Governor's signature. As Chapter 46 of the Acts of 2006, the capital budget authorizes \$284.7 million in the bill and \$322.7 million in total including money from the contingency fund and from bond premiums.

Baltimore County Public Schools expects to receive \$295,040,946 in the Foundation Program in fiscal year 2007, a \$28.7 million increase over the FY06 adjusted operating budget.

Baltimore County Public Schools was successful in resisting detrimental modifications to changes in Thornton Funding (federal tax change legislation). Unfortunately, no change by the legislature in providing a geographical cost of education index was provided in the state budget and all the bills introduced favoring this concept received an unfavorable consideration.

Baltimore County Public Schools was also successful in supporting a bill that requires the Governor to include funding for the Maryland Infants and Toddlers Program that is at least equal to the amount appropriated for the program in the previous year's budget. The bill awaits the Governor's signature.

2. Capital Budget

The House and Senate drafted capital budget amendments to support a total of \$322.7 million in public school construction funds. In addition to fully supporting the funding approved for public school construction projects by the Board of Public Works on January 18, 2006 Baltimore County is slated to receive \$18,052,000. The General Assembly provided additional funds in the amount of \$17,001,000 for Baltimore County to be expended for public school construction designated as A (funded) or B (ready to go) in the Public School Construction Program's ABC list and shall be funded in the local priority order therein.

The bill further provided that any school construction funds provided to a county in the capital budget bill that cannot be allocated for an eligible project, or cannot be used for the eligible project to which the funds were initially allocated may, at the county's option be:

1. Applied to another eligible project in the current fiscal year;
2. Reverted to the contingency fund and maintained for eligible projects in the county in the next fiscal year, which shall be in addition to new funds allocated for eligible projects in the county in the next fiscal year; or
3. Used for projects eligible under the Aging Schools Program consistent with the State school construction requirements for local participation. The additional allocations are not subject to the Board of Public Works approval.

3. Increased Maintenance Fund

Bills were introduced to require State grants from the aging schools program to be adjusted annually for inflation. Beginning in fiscal 2008, grants from the program must be increased by the percentage increase in the Consumer Price Index – All Urban Consumers – All Items (CPI) from the second prior fiscal year. If the CPI decreases from one fiscal year to the next, funding for the aging schools program is the same as the prior year funding level. This means State aid for local school systems would increase by an estimated \$374,000 in FY 2008 and by an estimated \$1.2 million in FY 2011 (SB 432/HB705, both passed).

The Maryland General Assembly provided additional Aging School funds for local school districts. A total of \$3,651,000 was added to the current \$10,370,000 statewide for a total of \$14,021,000 for the 2006-2007 fiscal year. Baltimore County is slated to receive the following:

Current Aging School Funds	\$1,484,000
Additional Funding Agreed By the Conference Committee	<u>\$ 522,477</u>
2006-2007 Aging School Fund Total:	\$2,006,477

4. Pension Reform

The Maryland General Assembly enacted legislation SB1019 / HB1037 that enhanced retirement benefits for state employees and teachers. The percent of average final compensation a retiree would receive ranges from almost 41% to 54% over the next 30 years. A summary of the changes are as follows:

Contribution Rate:

- ③ 3% of the members earnable compensation from July 1, 2006 to June 30, 2007;
- ③ 4% of the members earnable compensation from July 1, 2007 to June 30, 2008;
- And,
- ③ 5% of the member's earnable compensation from July 1, 2008 forward

Multiplier:

- ③ Remains 1.2% or (.8 / 1.5% if greater) on service credit to June 30, 1998
- ③ 1.8% from July 1, 1998 forward (replaces 1.4% multiplier from July 1, 1998)

Retroactivity:

- ③ Retroactive enhanced multiplier back to July 1, 1998

Application:

- ③ Applies to all active (those who have not separated from employment as of June 30, 2006) (1) State employees who are members of the Employees' Pension System (EPS) or Bifurcated Plan (ERS, Selection C) (2) Members of Teachers' Pension System (TPS) and Bifurcated Plan (TRS, Selection C).
- ③ Applies to all active (those who have not separated from employment as of June 30, 2006) employees of any Participating Governmental Units (PGU) only if their employer elects the ACPS between July 1, 2006 and June 30, 2007. If the PGU elects the ACPS, the effective date is July 1, 2006.

Miscellaneous

- ③ Beginning on or before September 1, 2008 and every 5 years after, the Joint Committee on Pensions (JCP) will commission an actuarial study to compare the State Systems with other similarly situated public pension plans on the following issues:
 1. Funding status of the State Retirement and Pension System and its current unfunded accrued liability;
 2. Composition of several systems including active members, retirees, and beneficiaries;
 3. Benefit levels provided by the State systems including member contribution rates.

- ③ The findings of the consulting firm will be submitted to the JCP on or before December 31 of the year of the study.

Effective Date:

- ③ Legislative is effective July 1, 2006.

OTHER LEGISLATION OF INTEREST

***** PASSED BOTH HOUSES *****

Open Meetings Act – (SB 406/HB 698, both passed) makes adjustments to the State’s Open Meetings Act. These measures repeal the defined term “executive function” under the State’s Open Meetings Act and replaces it with the defined term “administrative function.” If a public body recesses an open session to carry out an administrative function in a meeting that is not open to the public, the minutes for the next meeting must include: (1) a statement of the date, time, place, and persons present at the administrative function meeting; and (2) a phrase or sentence identifying the subject matter discussed at that meeting. Baltimore County Public Schools already complies with this adjustment in the law.

HB 569 – Education – County Boards of Education – Competitive Bidding – This bill increases the maximum amount that local school systems may procure without advertising to \$25,000, the current threshold for “small procurements” in State law. If the statutory definition of a small procurement changes, the amount that local school systems may procure without advertising would be altered concurrently. The bill takes effect July 1, 2006. Signed by the Governor Chapter 95

HB 36/SB 741 - Task Force to Study Increasing the Age Range for Compulsory School Attendance in Maryland This bill establishes a Task Force to examine issues relating to an increase in the mandatory school attendance age. The task force must report its findings and recommendations by June 30, 2007. The Maryland State Department of Education (MSDE) must provide staff support for the task force. The bill takes effect July 1, 2006 if enacted.

HB 71/SB 59 - Public Schools - Graduation Rate Formula - Collecting, Maintaining, Analyzing, and Reporting - By September 1, 2011 and each year thereafter, local school systems and MSDE must report graduation rates as calculated using the new methodology. Rates must be reported in the aggregate and disaggregated by five race/ethnicity groups and three at-risk categories. The graduation rate formula, including permissible adjustments consistent with the federal No Child Left Behind Act (NCLB), must be used as the additional high school indicator to determine whether a high school has made adequate yearly progress (AYP) under NCLB. Students who graduate on time with GEDs or other certificates not aligned with State standards are not included in the formula calculation.

Prior to 2011, unless MSDE implements the graduation rate formula earlier than is required by the bill, local boards and MSDE must report a less precise “interim graduation rate” by September 1 of each year. In 2006, 2007, 2008, 2009, and 2010, the interim graduation rate must be used as the additional high school indicator to determine whether a high school makes AYP under NCLB. MSDE must report annually on the implementation of the graduation rate methodology, statistical analyses and data verification processes developed for the methodology, and discrepancies discovered in the analysis of graduation rate data. A report on the interim graduation rate calculation is due from MSDE by August 1, 2006.

MSDE must implement training for personnel responsible for collecting, maintaining, analyzing, and reporting graduation data and must provide technical support to the local boards of education with respect to these efforts. MSDE also must establish a standard process for verifying graduation rate data and must serve as the central repository for the data. Finally, a public awareness campaign about the need for accurate graduation data must be implemented by MSDE. Local boards of education and MSDE may develop additional indicators regarding alternative high school completions. MSDE must ensure that the indicators are comparable for all schools and school systems. The bill takes effect July 1, 2006 if enacted.

HB 133/SB 367 - Education - Maryland Infants and Toddlers Program - Grants - Funding - This bill requires the Governor to include in the annual State budget an amount for the Maryland Infants and Toddlers Program that is at least equal to the amount appropriated for the program in the previous year's budget. The bill takes effect July 1, 2006 if enacted.

HB 210/SB 243 - General Assembly - Office of Legislative Audits - Authorized Representatives and Authorized Work - This bill authorizes the Legislative Auditor, with the concurrence of the Executive Director of the Department of Legislative Services (DLS), to contract with consultants to assist OLA in performing its authorized duties. It eliminates a provision that OLA conduct an audit of the Maryland-National Capital Park and Planning Commission at the request of either the Prince George's County Executive or County Council. The bill establishes a process for the Joint Audit Committee (JAC) to review a local school system's response to audit recommendations.

Specifically, OLA must review the local school system's response and advise JAC when that response is not satisfactory. DLS's Executive Director or JAC may direct OLA to undertake a review to determine actions taken by the system to implement audit recommendations. JAC may make recommendations, based on a system audit, to the Governor, the State Superintendent, the local school governing board, or local school officials. The bill provides that OLA's access to records and confidentiality requirements apply to all authorized work and authorized representatives. It defines "examination" to include all authorized work and required audits and replaces references to audit and/or review throughout the title with examination. The bill takes effect October 1, 2006 if enacted.

HB 353 - Teachers and School Administrators - Sexual Contact with Students - Prohibition - The measure would prohibit a person in a position of authority from engaging in a sexual act, sexual contact, or vaginal intercourse with a minor who, at the time of the sexual act or sexual contact, is a student enrolled at a school, where the person in a position of authority is employed. The measure defines a person in a position of authority to mean a person who: (1) is at least 21 years old; (2) is employed as a full-time permanent employee by a public or private preschool, elementary school, or secondary school; and (3) because of the person's position or occupation, exercises supervision over a minor who attends the school; and includes a principal, vice principal, teacher, or school counselor at a public or private preschool, elementary school, or secondary school. The bill takes effect October 1, 2006 if enacted.

HB 613 - Education - Public Schools - School Health Services Program Coordinator -

This bill requires each local board of education to designate a school health services program coordinator to (1) implement State and local health policies in the public schools; (2) ensure that public schools adhere to local health guidelines; and (3) communicate health policies to the parents and guardians of public school students. A local board may authorize the local health department to designate the school health services program coordinator. The health coordinators must also ensure that schools adhere to State guidelines for protecting students from overexposure to the sun. The Maryland State Department of Education (MSDE) must conduct at least two meetings annually with all of the coordinators. The bill takes effect October 1, 2006 if enacted.

HB 705/SB 432 - Primary and Secondary Education - School Facilities - Aging Schools Program - Grant Calculation - This bill requires State grants from the aging schools program to be adjusted annually for inflation. Beginning in fiscal 2008, grants from the program must be increased by the percentage increase in the Consumer Price Index – All Urban Consumers – All Items (CPI) from the prior fiscal year. If the CPI decreases from one fiscal year to the next, funding for the aging schools program is the same as the prior year funding level.

In fiscal year 2008 and in each fiscal year thereafter, the funding level for the county for the prior fiscal year increased by the product of the funding level for the county for the prior fiscal year and the percentage change in the consumer price index – all urban consumers – all items, as published by the Bureau of Labor Statistics of the United States Department of Labor, for the *second* prior fiscal year. If the funding level calculated is less than the funding level for the prior fiscal year, the funding level for the county shall be the funding level for the prior fiscal year. The bill takes effect July 1, 2006 if enacted.

HB 794 - Education - Maryland Alternative Teaching Opportunity Program - This bill establishes a Maryland Alternative Teaching Opportunity Program to encourage the use of alternative teacher preparation programs to meet the demand for qualified science, mathematics, and special education teachers. Participation in the program leads to a resident teacher certificate (RTC) and includes a teaching assignment with supervision and mentoring by a qualified teacher. Local boards of education may apply to the Maryland State Department of Education (MSDE) to participate in the program, and the local board and MSDE must share in the cost of providing a per diem stipend to program participants during a four- to eight-week pre-residency internship program. The bill takes effect October 1, 2006 if enacted.

HB 1200/SB 249 - High Schools - Automated External Defibrillators Program – Requirements - This bill requires each county board to develop and implement an automated external defibrillator program for each high school in the county. The program shall include provisions that: (1) ensure that an automated external defibrillator is provided on-site; and (2) an individual trained in the operator and use of an automated external defibrillator is present at all school-sponsored athletic events. The Department of Education, in consultation with the Department of Health and Mental Hygiene, the Maryland State School Health Council, and the Maryland Institute for Emergency Medical Services Systems, shall adopt regulations that: (1) establish guidelines for periodic inspections and annual maintenance of the automated external defibrillators; and (2) assist county boards in carrying out the provisions.. The bill takes effect July 1, 2006 if enacted.

HB 1432/SB 714 - Education - Residential Boarding Education Programs - At-Risk Youth - This bill establishes a Residential Boarding Education Program for at-risk youth that must be operated under the supervision of the Maryland State Department of Education (MSDE). MSDE may contract with a private nonprofit or public entity to provide the program, and a Board of Trustees of Residential Boarding Education Programs is established to govern the program. Disadvantaged and at-risk Maryland students in the fifth and sixth grades are eligible to participate in the program. Local school systems with students attending the boarding program must pay to support instructional programming. The State provides mandated funding for transportation, boarding, and administrative costs beginning in fiscal 2009. The bill takes effect July 1, 2006.

HB 1466 - Education - Task Force on Universal Preschool Education - This bill establishes a Task Force on Universal Preschool Education to recommend to the legislature a conceptual framework for increasing access to early childhood education opportunities for families. A final report is due by December 1, 2007. The Maryland State Department of Education (MSDE), the Maryland Higher Education Commission, and the University System of Maryland will provide staff support for the task force. The bill takes effect July 1, 2006 and terminates June 30, 2008 if enacted.

SB 146 - Education - Task Force on School Safety - This bill establishes the Task Force on School Safety to evaluate a variety of methods and strategies that could be implemented to improve school safety and make recommendations regarding the use of the strategies. A final report is due by December 1, 2007. The Maryland State Department of Education (MSDE) must provide staff for the task force. The bill takes effect July 1, 2006 and terminates December 31, 2007 if enacted.

SB 238 - State Department of Education - Comprehensive Induction Programs - Guidelines - This bill requires the Maryland State Department of Education (MSDE) to develop guidelines for the establishment of comprehensive induction programs for new teachers working in hard-to-staff schools. The guidelines must include provisions concerning mentoring, professional development, eligibility criteria, and standards for identifying hard-to-staff schools. Funding to support development of the guidelines is as provided in the State budget. The bill takes effect October 1, 2006 if enacted.

SB 458/HB 652 - Teacher Quality Act of 2006 - The bill establishes a National Board Certified Teacher Pilot Program and requires the Governor to include \$320,000 for the program in the fiscal 2008 to 2010 State budgets. In addition, the State Board of Education must develop guidelines for an incentive program to encourage public school systems to adopt teacher support systems. The bill also requires the Maryland State Department of Education (MSDE) to conduct a study to examine awarding tuition assistance for individuals interested in entering the teaching field through an alternative route and extends eligibility for an award from the Janet L. Hoffman Loan Assistance Repayment Program (LARP) to individuals who receive a resident teacher certificate (RTC) after completing an approved alternative teaching preparation program. The bill takes effect July 1, 2006 if enacted.

SB 600 - Education - Audiologists and Speech-Language Pathologists - Licensing Fee Reimbursement - This bill requires local boards of education to reimburse audiologists

and speech language pathologists for their licensing fees if they: (1) provide audiology and speech language services on a third-party billing basis in schools; and (2) are licensed by the State Board of Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists. An audiologist or speech-language pathologist must reimburse the local board for the full amount received if all of the requirements for renewal of a license are not completed or services are not provided to schools on a third-party billing basis. The State Board of Education must adopt regulations to implement and administer the program. The bill takes effect July 1, 2006 if enacted.

OTHER LEGISLATION OF INTEREST

***** FAILED OR DIED *****

SB 4 - Education - Geographic Cost of Education Index - Funding - This bill changes the Geographic Cost of Education Index (GCEI) formula from a discretionary State aid program to a mandated State aid program and moves the start of the five-year phase-in schedule for the formula to fiscal 2009.

Federal Tax Change Legislation – A measure to change the date that net taxable income data are drawn from the Comptroller for the purpose of measuring local wealth for use in the State education aid formulas from September 1 to November 1 was introduced on March 21. The Thornton State Aid Formula distributes education funding based on a combination of factors that include wealth and income. Income is calculated on the basis of state income tax returns filed by September 1st – two weeks after the income tax deadline of August 15. Last year the federal government changed the final date of tax payment without penalty to October 15-and Maryland followed suit. As a result, the calculations used by the Thornton formula are based on incomplete income data, reducing wealth equalization. Therefore, income tax forms submitted after September are not counted. Using net taxable income data from a later point in time would have resulted in a more full recognition of the actual local wealth of jurisdictions and greater actual disparities between the wealthier and less wealthy jurisdictions. (HB 1742) was introduced to change the date, which would have provided twenty (20) counties additional funds, but the measure did not receive consideration by sine die. Therefore, without the passage of this bill, two counties will not lose funds due to the change in the tax date. Baltimore County would have lost nearly \$8 million, while Montgomery County would have lost an estimated \$20 million.

Additional Aging Schools Funding - Differences

	<u>Current</u>	<u>Senate Additional</u>	<u>House Additional</u>	<u>Conference</u>	<u>New Total</u>
Allegany	\$166,000	\$51,225	\$136,799	\$58,444	\$224,444
Anne Arundel	\$859,000	\$265,072	\$707,895	\$302,431	\$1,161,431
Baltimore City	\$2,356,000	\$727,020	\$1,941,560	\$829,485	\$3,185,485
Baltimore	\$1,484,000	\$457,936	\$1,222,952	\$522,477	\$2,006,477
Calvert	\$65,000	\$20,058	\$53,566	\$22,885	\$87,885
Caroline	\$85,000	\$26,230	\$70,048	\$29,926	\$114,926
Carroll	\$233,000	\$71,900	\$192,013	\$82,033	\$315,033
Cecil	\$163,000	\$50,299	\$134,327	\$57,388	\$220,388
Charles	\$85,000	\$26,230	\$70,048	\$29,926	\$114,926
Dorchester	\$65,000	\$20,058	\$53,566	\$22,885	\$87,885
Frederick	\$310,000	\$95,661	\$255,468	\$109,143	\$419,143
Garrett	\$65,000	\$20,058	\$53,566	\$22,885	\$87,885
Harford	\$369,000	\$113,867	\$304,090	\$129,915	\$498,915
Howard	\$149,000	\$45,979	\$122,790	\$52,459	\$201,459
Kent	\$65,000	\$20,058	\$53,566	\$22,885	\$87,885
Montgomery	\$1,023,000	\$315,680	\$843,046	\$360,171	\$1,383,171
Prince George's	\$2,053,000	\$633,520	\$1,691,860	\$722,806	\$2,775,806
Queen Anne's	\$85,000	\$26,230	\$70,048	\$29,926	\$114,926
St. Mary's	\$85,000	\$26,230	\$70,048	\$29,926	\$114,926
Somerset	\$65,000	\$20,058	\$53,566	\$22,885	\$87,885
Talbot	\$65,000	\$20,058	\$53,566	\$22,885	\$87,885
Washington	\$229,000	\$70,665	\$188,717	\$80,625	\$309,625
Wicomico	\$181,000	\$55,853	\$149,161	\$63,725	\$244,725
Worcester	\$65,000	\$20,058	\$53,566	\$22,885	\$87,885
Total	\$10,370,000	\$3,200,000	\$8,545,829	\$3,651,000	\$14,021,000

Note: House language requires local match equal to local share of school construction costs