

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: February 05, 2013
TO: **BOARD OF EDUCATION**
FROM: S. Dallas Dance, Superintendent
SUBJECT: **UPDATE ON KEY SCHOOL LEGISLATION**
ORIGINATOR: Edward J. Novak, Governmental Relations Liaison

INFORMATION

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That the Board of Education receives information on Key School Legislation.

BOARD OF EDUCATION OF BALTIMORE COUNTY

STATE LEGISLATIVE UPDATE

February 05, 2013

Background Information

The 433rd Session of the Maryland General Assembly began on January 9, 2013, and will meet until its Adjournment SINE DIE on April 8, 2013. Currently, there are a total of 901 legislative introductions: 427 Senate Bills, 1 Joint Senate Resolutions, 472 House Bills, and 1 Joint House Resolutions.

Discussion

The following bills are presented for the Board of Education’s consideration. **The first section** contains bills that the Board has considered and voted on position. **The second section** contains informational bills. **The third section** contains informational items only.

SECTION 1: BOE POSITION

| BILL | TITLE / SYNOPSIS | POSITION/ANALYSIS |
|------|------------------|-------------------|
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SECTION 2: BOE INFORMATIONAL BILLS

| BILL | TITLE / SYNOPSIS | ANALYSIS |
|---------------|--|---|
| HB 165 | <p>Elementary and Secondary Education – Security – School Resource Officers</p> <p>Introduced by Delegates <u>Cluster</u>, Afzali, Anderson, <u>Aumann</u>, <u>Bromwell</u>, Conaway, Costa, Eckardt, Elliott, Fisher, <u>Frank</u>, George, Glass, Hershey, Hough, Jacobs, <u>Kach</u>, K. Kelly, Kipke, McComas, McConkey, McDermott, <u>McDonough</u>, W. Miller, <u>Minnick</u>, Mitchell, Myers, Norman, O'Donnell, Ready, Schuh, Schulz, Smigiel, <u>Szeliga</u>, Valentino-Smith, and <u>Weir</u></p> <p>Requiring each county superintendent of schools to enter into an agreement with an appropriate law enforcement agency to provide a school resource officer to each public elementary and secondary school; providing that additional funding required for school resource officers shall be paid from the Education Trust Fund from funds allocated from a specified source; and making the Act an emergency measure.</p> <p style="color: blue;">Effective Date – Date Enacted</p> | <p>This bill would require that each local superintendent enter into an agreement with the Baltimore County Police to provide a School Resource Officer (SRO) in each elementary and secondary school. The bill requires that any additional required funds be provided from the state’s Education Trust Fund for any funds needed in excess of the school system’s FY 2013 operating budget.</p> |

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| | <p>Bill Status: House – 01/18/13 – First Reading</p> <p>http://mgaleg.maryland.gov/2013RS/bills/hb/hb0165F.pdf</p> | |
| <p>HB 269</p> | <p>Public Schools – Requirements for Controlled Access</p> <p>Introduced by Delegates Luedtke, Clippinger, Cullison, A. Kelly, S. Robinson, Summers, and Waldstreicher</p> <p>Requiring a new school or a renovated school that receives State public school construction funds to be constructed or renovated to have controlled access to allow visitors to enter the school; providing for the application of the Act to the construction or the renovation of schools that have not initiated a specified Request For Proposal on or before January 1, 2014; etc.</p> <p>Effective Date – July 1, 2013</p> <p>Bill Status: House – 01/23/13 – First Reading</p> <p>http://mgaleg.maryland.gov/2013RS/bills/hb/hb0269F.pdf</p> | <p>This bill would require that any new or renovated school project (essentially beginning on 01/01/14) that receives state funds be required to have a controlled access system installed; the system is required to include staff ability to lock school doors, use camera and intercom systems to see and speak to any visitors seeking access to the school, and to use a remote buzzer to allow building access. The bill would require the Board of Public Works to issue implementing regulations.</p> |
| <p>SB 10</p> | <p>Baltimore County – Board of Education – Selection of Members</p> <p>Introduced by Senator <u>Zirkin</u></p> <p>Establishing procedures for the election and appointment of the members of the Baltimore County Board of Education; repealing provisions governing the appointment of members of the county board; establishing the composition of the county board; requiring members of the county board to reside in, be a registered voter in, and be elected from specified districts; providing for a student member of the county board; providing for the removal of, and hearings and appeal procedures for, specified members of the county board; etc.</p> <p>Effective Date – June 1, 2013</p> <p>Bill Status: Senate – 01/24/13 - Hearing</p> | <p>SB 10 was pre-filed for the 2013 Session. A similar bill was previously introduced as SB 407 in the 2012 General Assembly. SB 407 was amended in the committee on Education Health and Environmental Affairs and again on the Senate floor during deliberations. The language contained in SB 10 reflects SB 407, as amended. The amended SB 407 was passed by the Senate but no action was taken by the House of Delegates.</p> <p>Summary of SB 10 Provisions:</p> <ul style="list-style-type: none"> • Would retain the current 12-member size of the Board but would change its composition to include: 6 members elected on a nonpartisan basis, 5 members appointed by the Governor and 1 student member. • Elected members would be elected (based on affirmative “for” vote cast) from each of the 6 school districts to be established by the Baltimore County Council; members must be residents of the specific school district and a |

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| | <p>http://mgaleg.maryland.gov/2013RS/bills/sb/sb0010f.pdf</p> | <p>registered voter; districts must be substantially equal in population and will be redrawn by the County Council after each 10 year census, with consultation with the County Board and public input.</p> <ul style="list-style-type: none"> • Authorizes the County Executive to appoint a member(s) if no qualified candidate runs for the office, with the agreement of the County Council. • Election of members would first occur at the November 2014 General Election; elected members' term of 4 years would begin on December 8, 2014; 5 appointed members would be required to be appointed within 90 days of the general election; existing appointed members' terms would expire no later than December 7, 2014. • All members (except the student member whose term is 1 year) are limited to not more than 3 consecutive terms. • All members (except the student member) are entitled to \$100 annual compensation and allowances for travel and other expenses. • Authorizes the Maryland State Board of Education to remove a Board member for any of 5 specified grounds, including failure to attend, without good cause, at least 75% of scheduled meetings. • Board members would elect a chair and vice-chair from among members at the Board's first December meeting. |
| <p>SB 115</p> | <p>County Boards of Education – School Budget, Audit, and Procurement Information – Web site Publication</p> <p>Introduced by Senator Benson</p> <p>Requiring county boards of education to develop and operate a searchable Web site that includes specified information relating to school budgets, audits, and procurement; specifying parameters of the Web site; and defining terms.</p> <p>Effective Date – July 1, 2013</p> <p>Bill Status: Senate – 01/24/13 - Hearing</p> | <p>This bill would require each Board to create a searchable Web site (no later than 07/01/14) that would provide budget and audit data annually on an individual school basis as well as contractor payment data for a party who receives a total annual payment of \$25,000 or more; the payment information would be required to include the payee name, zip code, payment amount, purpose, and whether the payee is a minority business enterprise. BCPS was required under HB 160 enacted in the 2011 General Assembly Session to provide information on its Web site regarding contractor payment information as proposed in SB 115. In addition to BCPS, prior local laws enacted require similar information in</p> |

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| | http://mgaleg.maryland.gov/2013RS/bills/sb/sb0115F.pdf | <p>Montgomery and Howard counties and Prince George's County is working on implementing a similar local law. Potential concern with this bill is the cost to provide the budget and audit information on an individual school basis.</p> |
| <p>SB 277 HB 229</p> | <p>State Aid for Public Education – Certification of Net Taxable Income</p> <p>Introduced by The President (By Request - Administration) and Senators Benson, Currie, Miller, Peters, Pinsky, Ramirez, and Rosapepe</p> <p>Altering the definition of "net taxable income" for purposes of calculating specified State aid formulas for education; requiring the Comptroller to certify annually the amount of net taxable income in a specified manner; requiring State aid for education to be paid in a specified manner under specified circumstances; etc.</p> <p>Effective Date – July 1, 2013</p> <p>Bill Status: Senate – 01/18/13 - First Reading http://mgaleg.maryland.gov/2013RS/bills/sb/sb0277F.pdf</p> <p>House – 01/21/13 – First Reading http://mgaleg.maryland.gov/2013RS/bills/hb/hb0229</p> | <p>This bill would alter the computation of net taxable income annually performed by the Comptroller and used to determine state education aid formulas that use a wealth factor in their calculations. Current law uses tax returns filed no later than September 1 of each year – this bill would require use of the greater of tax returns filed by September 1st or also by November 1st of each year. The bill would be effective beginning in FY 2014 and annually thereafter and would use a five-year phase-in for to provide any increased state education aid.</p> |
| <p>SB 300</p> | <p>Baltimore County – Board of Education – Prohibited Members</p> <p>Introduced by Senators <u>Zirkin, Brochin</u></p> <p>Prohibiting a regulated lobbyist or the spouse of a regulated lobbyist from being appointed as a member of the Baltimore County Board of Education.</p> <p>Effective Date – July 1, 2013</p> <p>Bill Status: Senate – 02/13/13 - Hearing http://mgaleg.maryland.gov/2013RS/bills/sb/sb0300F.pdf</p> | <p>This bill would change current law to prohibit the appointment of a regulated lobbyist or spouse to the Baltimore County Board of Education.</p> |

SECTION 3: BOE INFORMATION ITEMS

Update: Status of Federal Budget & Funding Issues

Background:

- After numerous delays and last-minute posturing, in early January 2013, Congress enacted and the President signed a bill that addressed the federal “fiscal cliff.” The law delayed the implementation of sequestration (consisting primarily of an 8.2% across-the-board cut in most federal programs) for 60 days until March 1, 2013. The legislation also raised taxes on individuals earning in excess of \$400,000 (for families the level is \$450,000).
- To fund the budgetary effects of delayed sequestration, one-half of the costs (estimated to be \$24 billion) will come from a \$12 billion in discretionary cuts, equally split between defense and non-defense spending. The other half of the required spending will come from \$12 billion in increased revenues, including taxing voluntary transfers of traditional IRAs to Roth IRAs.
- This law provides temporary relief, but will require additional Congressional action again on or near March 1, 2013.

Next Three Months:

1. Federal Debt Ceiling (authorization to borrow monies to pay previously incurred expenses)
 - Current estimates indicate that the debt ceiling will need to be increased no later than the end of February 2013.
 - During the last significant debt ceiling increase debate (August 2011) Congress created and approved the current budget sequestration process that led to the recently averted “fiscal cliff” crises because of the linkage of an increase in the debt ceiling with mandatory spending cuts.
 - Current political confrontation includes some who argue that the President is empowered to increase the debt ceiling unilaterally (without Congressional approval) based on the authority contained in Article 14, section 4 of the U.S. Constitution, specifically, “The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions . . . shall not be questioned.”; Republican Congressional leadership continue to argue that they will not approve an increase in the debt ceiling absent significant cuts in federal spending, including the Social Security and Medicare programs.
2. Annual Congressional Appropriations
 - In recent years, Congress has not enacted the 13 major annual appropriations bills needed to fund the federal government.
 - Funding has been provided through a series of Continuing Resolutions (CR) to fund government operations; much of the CR funding is based on prior spending levels and does not completely consider mandated cost increases in various programs.
 - Current federal funding has been based on a 6-month CR that will expire on March 27, 2013, unless acted upon previously.

Potential Impact:

- The combination of the three issues discussed above could result in increased chaos and uncertainty in the federal budgetary picture
- This is of particular significance because of the 2013 General Assembly Session and its budget deliberation process and schedule. If additional Congressional action on any of these issues is delayed beyond early March 2013, the uncertainty could affect the 2014 state budget because the later part of March is the period when substantial budget determinations are made in anticipation of members taking legislative action to meet this Session’s April 1, 2013, budget approval deadline.

Baltimore City Public Schools: Proposed Alternative Financing for Public School Construction

Background:

- Baltimore City Public Schools has the oldest inventory of school buildings in Maryland with the average age of school buildings of almost 40 years. Estimates of the cost of addressing school capital program needs in Baltimore City have ranged up to \$2.8 billion. Baltimore City Public Schools commissioned a study (Jacobs Report) to provide a current and specific assessment of school facilities needs and associated costs. The results of the report are expected to be finalized and released to the General Assembly and the public shortly. Critical construction needs are expected to require the expenditure of \$1 billion over a 10-year period.

Prior Legislation:

- HB 304 was introduced in the 2012 General Assembly. The bill would have provided Baltimore City Public Schools a block grant of either the greater of 15% of the total state public construction capital program or \$32 million (annually adjusted for inflation). The bill had a hearing in the House Appropriations Committee but no further action was taken. There was no cross-filed bill nor was any action taken by the Senate on HB 304.

Proposed Financing:

- Baltimore City Public Schools has indicated that its priority is to seek legislative approval from the General Assembly to change the way that public schools construction funding is provided to Baltimore City.
- Maryland currently allocates funds for school construction through an annual budget appropriations process that utilizes standards under the Public School Construction Capital Improvement Program administered by the Interagency Committee on School Construction.
- Baltimore City Public Schools is interested in obtaining its allocation of state construction funds in the form of an annual block grant of at least \$32 million (potentially adjusted for inflation) instead of an annual appropriation (Baltimore City Public Schools indicates that capital funding received in the past 5 years from the state has averaged \$36 million per year and capital funding received in the last 5 years from Baltimore City government averaged \$19 million per year).
- Funding via a block grant is expected to allow the Baltimore City Public Schools to borrow by leveraging funds to accelerate progress on meeting critical school renovation/construction needs; Baltimore City Public Schools believes that it could borrow funds at a ratio of \$15 million in 30-year term bond funds for each \$1 million provided by the state in a block grant - thus \$32 million yearly would yield about \$480 million in borrowed construction funds.
- To provide such leverage, it has been reported that the block grant would have to be agreed to be provided by the state annually for at least a period of 20 years; this alternative approach would also require the creation of a non-profit corporation (under section 6320 of the Internal Revenue Code) expected to be known as the Baltimore City Schools Construction Authority that would issue bonds and solicit construction contracts (authority to use such an entity would need to be included in the authorizing legislation).

Pending Activities:

- Legislation has not yet been introduced this session.
- Baltimore City Public Schools is planning to brief key committees during the week of January 14, 2013.
- Initial reactions in Annapolis have ranged from cautious to negative; concerns expressed include the effects on the State's credit and bond rating, total bonding capabilities, potential impact on other school systems, interest from other school systems in obtaining similar authority, level of local funding provided by Baltimore City Public Schools, potential for higher interest costs for the construction bonds because they would be issued by a separate bonding authority (not the city or state), and the capacity of the school system to manage significant, additional construction activities.