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Education Advocate

In this issue...

- 1. Favorable Report Issued by State Agencies on Block Grant Bill
- 2. New Transform Baltimore Website!
- 3. General Assembly 2013: Legislative Priorities
- 4. Join Transform Baltimore at Upcoming Actions!

Favorable Report Issued by State Agencies on Block Grant Bill

The long-awaited study of City Schools' proposal to have its construction funds delivered in a "block grant" has been released by the Interagency Committee on School Construction (IAC). The legislature directed that the study be done after the bill was debated last year.

Key Findings

- The current method of school construction funding cannot remedy the scale of need in Baltimore City. The buildings will continue to deteriorate.
- Building new and fully-renovated facilities by leveraging current funds via an Authority will reduce the need from \$2.4 b. to \$1.4 billion in four years.
- It is both **legally possible and feasible** for the State to provide funding in the form of a block grant in order to leverage funds from a third party issuer (an Authority).
- There is **precedent** for this approach from other jurisdictions which used leveraging successfully.
- State tax-exempt or taxable bond proceeds can be used to fund the block grants.
- The Authority's debt will not count against city or state debt.
- Structured properly, it will not affect the state's bond rating.
- It will **not affect the state's debt affordability** (cost of borrowing).

A workgroup led by the director of the state's school construction program, Dr. Lever, worked for six months to develop the detailed analysis. Members included the State Treasurer's office, including the Attorney General advising the Treasurer, the State Departments of Budget & Management, Department of Planning, Department of Legislative Services, City Schools, the City of Baltimore, and the ACLU of Maryland's Education Reform Project. The Baltimore Education Coalition sent comments which are

included as an addendum to the report. The IAC reviewed the workgroup's analysis in December, added comments, and forwarded the report to the legislature.

The legislature will debate the policy questions regarding the block grant legislation - whether they want to approve it - but the favorable IAC report now answers the questions posed by the committees about the legality and feasibility of the block grant.

New Transform Baltimore Website!

We're excited to announce the newly redesigned website for the Transform Baltimore Campaign! TAKE ACTION with the Campaign, get the latest information, and learn more about our goals!

Click here to explore the new website!

Also, like us on Facebook and Follow us on Twitter!



Baltimore City School Board Voting on 10-Year Plan

Upcoming Events

vent Date

Tuesday, January 8, 2013 - 6:00pm BEC and Transform Baltimore's

Rally Leaders Prep Session

Event Date:

Tuesday, January 29, 2013 - 5:30pm Rally in Annapolis

Event Date

The Problem

In The News

City school board OKs 10-year facilities plan Erica Green - The Baltimore Sun -

01/08/2013

City schools again seeks block grant

WBAL-TV - 01/03/2013
School construction money tops

city's priorities for Assembly session Rally in Annapolis Event Date: Monday, February 25, 2013 – 6:00pm



city's priorities for Assembly session Luke Broadwater - The Baltimore Sun -01/03/2013

General Assembly 2013: Legislative Priorities

Pass "Block Grant" Bill to Finance First \$1.1 Billion Needed to Rebuild and Renovate All School Buildings in Baltimore City

Since the ACLU released its 2010 report, <u>Buildings for Academic Excellence: A Vision and Options to Address Deficient School Facilities in Baltimore City</u>, the ACLU has been a leader in developing and advocating for viable solutions to comprehensively fix Baltimore's school infrastructure crisis.

This year, the ACLU will work with the Transform Baltimore campaign and the Baltimore Education Coalition to pass the Baltimore City School Construction "Block Grant" bill. Based on successful school construction financing models in other districts, this bill would lock-in current levels of state capital funds for Baltimore City school construction in a block grant, so that it can be leveraged for greater borrowing. State block grant funding, along with revenue from Baltimore City, will lay the foundation to generate the first \$1.1 billion of the \$2.4 billion needed to overhaul all city school buildings. The bill will establish a school construction authority to effectively manage the construction program.

The ACLU and Coalition partners have worked with the Mayor and City Delegation over the past year to make this their number one priority for the 2013 General Assembly. Read more in the Baltimore Sun article "School Construction Money Tops City's Priorities for Assembly Session."

Full Funding for K-12 Public Education ("Thornton")

The <u>ACLU-MD's Education Reform Project</u> will continue its advocacy to ensure that the proposed state budget contains full funding of the education funding formula in the Bridge to Excellence Act ("Thornton"). Last year, the Governor, for the first time in several years, included the 1% inflation increase mandated by the formula. School systems are hundreds of millions short due to the cut in the inflation factor. Although 1% is a reduced amount from the original Thornton formula, it is important in helping school systems meet rising costs without cutting resources to the classroom.

ACLU will work to keep the 1% increase, if it is included, as well as other components of the education funding formula, and oppose any efforts to decrease education funds as the budget moves through the legislative process.

ACLU will weigh in on numerous other education-related bills such as school vouchers, discipline issues, and so on. To follow the legislative progress throughout this year's General Assembly, visit the

<u>Legislative Activity</u> page on the Education Reform Project's website or <u>follow us</u> on twitter for updates.

Join Transform Baltimore at Upcoming Actions!

Baltimore City Public Schools to Present at City Delegation in Annapolis

Friday, January 11, 2013

9:00am

Lowe House Office Building, Annapolis, MD

Baltimore City Public Schools will present to the City Delegation in Annapolis on the school facilities plan and block grant bill. The ACLU, Baltimore Education Coalition, and Transform Baltimore campaign will be there to testify in support of the bill. Contact Frank at 410.889.8550 x 123 or transform.bmore@gmail.com.

Baltimore Education Coalition's Rally Leaders Prep Session

Tuesday, January 29, 2013

5:30-8:00pm

City Neighbors High School (5609 Sefton Ave., Baltimore, 21214)

This is an important night for leaders from schools, congregations, and organizations to plan for the big rally on February 25 to pass the block grant bill. Click here for details and to RSVP.

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