



## Annapolis 2012: How Public Education Fared

The status of the state budget for education and other critical services is in flux, given the General Assembly's failure to pass a budget package that would have prevented a "doomsday" scenario. This issue of the *Education Advocate* describes the budget that was poised to pass and the status of key education bills.

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### Funding for education: Governor must call special session to avoid "Doomsday" cuts

The General Assembly passed a "doomsday" budget that cuts K-12 education funding by \$128 million statewide (\$22 million from Baltimore City schools) and significantly cuts other critical human services. This budget cannot be allowed to stand.

The 1% inflation factor increase for education was included in the budget, but that gain would be negated should the "doomsday" cuts be implemented. If the General Assembly reconvenes and agrees to the same budget package that should have passed, it would:

- Restore the \$128 million in Geographic Cost of Education Index (GCEI) funding
- Shift teacher pension costs so that local jurisdictions pay 50% of the total, but protect school systems by requiring counties to pay their required share
- Provide supplemental grants to lower-wealth counties to help shoulder the burden of additional pension costs
- Raise revenue to avoid across-the-board cuts.

*For details about the budget package, scroll to the bottom of this summary and stay tuned for updates on a special session!*

#### **Counties must pay their fair share to support schools**

The legislature passed a [bill with strong provisions that requires counties to fund their schools at the same per pupil amount as in the previous year](#); this is known as "maintenance of effort" (MOE). It provides a detailed process by which counties must seek a waiver from the State Board of Education if they cannot satisfy its funding requirement. Should a county fail to meet MOE without first seeking a waiver, the new law allows the state to intercept county funding and send it to the local school board.

### Focus on School Building Conditions

#### **Innovative block grant funding proposal to be studied**

In the 2010 *Buildings for Academic Excellence* study, the ACLU highlighted an alternative financing model that enabled Greenville County (SC) to renovate all 70 of its school buildings in five years using existing capital resources. In response to advocacy from City Schools and the community, Del. Haynes and Sen. Jones-Rodwell, with support from both the House and Senate delegations, submitted [bills that would give Baltimore City the ability to begin a mass-scale renovation program](#). The bills called for \$32 million (slightly less than City Schools usually receives), or 15% of the state budget for school construction, to be given to City Schools in the form of an annual block grant, rather than on a project-by-project basis. This flexible income stream would have supported an estimated \$480 million in upfront borrowing to renovate deteriorating buildings ([view map of schools by condition](#)), to be paid back in annual installments using block grant funds over 25 to 30 years.

Throughout the session, the ACLU worked closely with the [Transform Baltimore campaign](#) and [Baltimore Education Coalition](#) to turnout busloads of students and parents for hearings, and met regularly with legislators on important decision-making committees. Our advocacy ([click here to read our testimony](#)) and collaboration with City Schools enabled the bill to attract substantial interest from elected officials, and support from the director of the state's public school construction program, and Treasurer Kopp. Due to some unanswered technical questions about this innovative financing model and with limited time to deliberate during the session, the legislature adopted budget language that requires the Interagency Committee on School Construction (IAC), in conjunction with

City Schools, the City, and other state agencies, to [study the feasibility of providing block grant funding for city school construction](#). A report is due to the legislature by December of 2012.



Though it is disappointing that students will have to wait another year for desperately needed repairs, we believe the study will provide an opportunity to further educate leaders about school buildings conditions and how proven alternatives can lay the foundation for a mass-scale transformation. The ACLU will closely monitor the study and advocate for a strong report, to ensure that the block grant bill will pass next session.

*School construction advocates gather outside a Senate briefing in Annapolis (January 2012)*

### **\$350 million approved for school construction: more for Aging Schools**

In January, the Governor proposed including \$350 million in the capital budget for school construction and renovation. The General Assembly voted to support this funding amount, a welcome increase from previous years that will be distributed to every jurisdiction in the state. [Click here](#) to see the proposed distribution of school construction dollars by county.

The ACLU mounted a push at the end of the session to devote additional funding to the Aging Schools Program (ASP), which aims to repair Maryland's oldest school buildings. When the House failed to pass Senate revenue measures that would have led to a \$27 million increase to ASP, the legislature made it a priority by carving out that same amount from the total school construction allocation. This action will benefit every county with older schools; Baltimore City will receive \$6 million.

### **Increased borrowing for City Schools delayed**

A [bill introduced on behalf of the City and City Schools](#) sought to provide the school system with another way to address its facilities needs by increasing its borrowing capacity from \$100,000 to \$250,000. Budget committees decided to roll this issue into the IAC study of block grant funding, to examine how an increased bonding authority could fit into the broader plan.

On the final day of the session, however, the City delegation in the House worked to secure a \$100,000 bonding authority increase. Del. Anderson noted that city Delegates wanted to see more progress on school construction issues and tried to use a bill to expand gaming as a vehicle for this change. The bill failed to pass, thereby nullifying the provision.

### **Local option sales tax bill sparks productive dialogue in first year**

The [Buildings for Academic Excellence](#) report also highlighted [local option sales taxes](#) as a proven model for raising large amounts of school construction money. In the state of Georgia, and in many other states, local governments have asked voters (via ballot questions) to approve a one-cent increase in the sales tax. Proceeds from this increase would entirely fund school construction within that specific jurisdiction. These measures are very popular and raise hundreds of millions for new school buildings. Inspired by this success, Del. Mizeur (Montgomery County) submitted [a bill that would give Maryland counties this same choice](#). While the bill did not move out of committee, it sparked thoughtful debate during its hearing and should receive increased attention in the future.

## **Other key education bills**

### **Compulsory age of attendance raised to 18**

The ACLU and coalition partners' hard work over the past several years to raise the mandatory age of school attendance has paid off! With a recent push from President Obama in his State of the Union address, [a bill sponsored by Sen. Pugh and Del. Braveboy adds Maryland to the growing list of states that prevent children from abandoning their education before they reach adulthood](#). In the 2015-16 school year, students will be required to remain in school until their 17th birthday. In the 2017-18 school year, the minimum age will be raised to 18. The ACLU emphasized that schools need to provide meaningful options for older students who for years have dropped out after losing interest in school.

### **Carve-out for private tutoring companies defeated**

A [late-filed bill](#), which would have required school systems to allocate an increased portion of federal Title I funding for private tutoring companies, under the Supplemental Educational Services (SES) program, was [defeated with the help of the ACLU](#). It would have effectively overridden the Maryland Department of Education's ESEA (No Child Left Behind) waiver request that sought flexibility around how to spend critical federal dollars. National studies have found no evidence that private tutoring programs deliver meaningful results; companies also aggressively target parents by offering gimmicks, such as laptop computers, for signing up their children. Under the ESEA waiver, school systems

could choose whether to continue these tutoring programs or invest in other educational services that have been deemed more useful.

### **ACLU opposes private school tax credit**

The "BOAST" bill was resurrected this session as the "Partnership for Student Education and Community Investment Tax Credit," with a few changes from previous years and a broader coalition of support. What did not change was the intention of using public funds to incentivize private donations to benefit private (including religious) schools. The ACLU and other coalition partners successfully defeated this initiative, noting that these schools do not have to follow the same non-discrimination and accountability rules enforced in the public school system.

### **Pre-K for all**

Bills to expand pre-kindergarten to all 4-year-olds in Maryland were filed by [Sen. Ferguson](#) and [Del. Rosenberg](#). The current mandate under the Bridge to Excellence law provides half-day pre-K only to children qualifying for free and reduced-price school meals. These bills would have provided critical funding for **full-day** pre-K for those children in addition to the half-day pre-K for all 4-year-olds. Some school systems currently provide full-day pre-k, but without any funding support from the state. While the ACLU and partners worked to showcase the undeniable benefits of early education ([click here to read our testimony](#)), the fiscal climate and lack of an agreed-upon funding source made for an unsuccessful effort.

## **Activism and advocacy**

In a legislative session wrought with threats to funding, interlocking bills, and considerable opportunities, the ACLU's Education Reform Project worked to advocate for the needs of at-risk students in Baltimore City and statewide.

As key partners in the [Baltimore Education Coalition](#) (BEC), ACLU staff helped guide strategy and led organizing efforts in two legislative districts, educating constituents on policy developments and empowering school and community leaders to engage in meaningful dialogue with their elected officials. The BEC brought over 800 people to Annapolis for district lobby nights over the course of three weeks, meeting with more than a dozen city legislators and securing their commitments to fully fund education, mitigate the effects of a teacher pension shift, and pass critical school construction bills.

The [Transform Baltimore](#) campaign to modernize city school buildings, which was initiated by the ACLU last August, rallied in support of block grant funding for school construction. The ACLU and campaign advocates met with legislators throughout the session, packed hearing rooms, lined up nearly 30 students, parents, teachers, community leaders, contractors, architects, and experts to testify in front of Senate and House committees, made hundreds of phone calls, and sent countless e-mails.

**Your advocacy makes a difference! Thanks for helping!**

## **Funding for public education (continued): Details from the session**

The General Assembly had agreed on most, if not all, of the critical issues regarding the budget and revenues. This included a phased-in shift of teacher pensions costs to school systems, but time ran out at midnight on the final day of the session without the passage of key reconciliation (SB152) and revenue (SB153) bills. A bill to expand gaming to a new site in Prince George's County and add table games at other locations took up considerable time and energy, but also did not come to a final vote.

Leadership expects that Governor O'Malley will call legislators back for a special session to complete its work on revenues and the teacher pension shift, as well as other actions needed to balance the state budget and avoid a "doomsday" scenario.

*The description below outlines where education funding stood in the operating budget, but has not yet been enacted due to the midnight debacle:*

For the first time since 2007, the Governor included an inflation factor for education funding. This 1% increase, a key piece of the "Thornton" formula, would add more than \$37 million for schools statewide and \$7 million for Baltimore City. The ACLU and other advocates worked tirelessly to keep that funding intact through the entire budget process to final passage.

Despite opposition from counties, school systems, and numerous advocacy groups, the legislature decided to shift 50% of teacher pension costs (after giving credit for their payment of social security costs) to school systems, totaling \$254 million. The [budget reconciliation bill](#), which included this provision, did not pass. It is likely that any vote during special session will implement this shift over a four-year period. Passage of the [Maintenance of Effort \(MOE\) bill](#), with its strict funding requirements for counties, offsets much of the impact of this shift on local school systems.

The legislature also responded to lobbying efforts from the ACLU and others by positioning itself to provide "Teacher Supplemental Grants" to mitigate the effects of a pension shift on low-wealth jurisdictions. Again, however, these grants were included in the reconciliation

bill that did not pass in time. The final House version allocated \$10 million to Baltimore City, \$9 million to Prince George's, and additional funding to several other counties. This will be another key issue in play during special session!

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