

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 685
Appropriations

(Delegate Conaway, *et al.*)

Budget and Taxation

Baltimore City - Public Schools and City Council - Logistical and Financial Assistance

This emergency bill states the intent of the General Assembly that the Baltimore City Council, through the identification of cost efficiencies in shared costs and other financial arrangements, provide logistical and financial assistance to Baltimore City Public Schools for shared services, such as health, public safety, and fleet management services.

The Baltimore City Council must report to the General Assembly on any logistical and financial assistance provided to the public school system under the bill by December 31, 2017.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City finances are not anticipated to be materially affected by the bill. However, to the extent that assistance is provided as a result of the bill, the Baltimore City government and public school system may realize cost efficiencies. The reporting requirement can be handled with existing resources.

Small Business Effect: None.

Analysis

Current Law/Background: Chapter 143 of 2016 (the fiscal 2017 budget) required Baltimore City and the Baltimore City Public School System (BCPSS) to submit a joint report on the potential for cost efficiencies in shared costs and other financial arrangements between the city and BCPSS.

According to the report, released in January 2017, over the course of several months, representatives from the city and BCPSS convened to discuss areas of collaboration, opportunities for additional efficiencies, as well as current areas of concern and ongoing discussion with differing proposed resolutions by the two parties. Some of the areas addressed by the bill – specifically health services and fleet management – were discussed in the report.

Separation of City Schools from City Government

The report notes that, in 1997, in response to litigation concerning the adequacy of public education in Baltimore City and following a consent decree approved by the Baltimore City Circuit Court, the General Assembly enacted legislation creating the New Baltimore City Board of School Commissioners, giving the school district operational independence from city government. The goal of the separation was to improve the quality of education in the city through increased funding, with a new board jointly appointed by the mayor and the Governor. Legislation in 2002 and 2016 made further changes to the board.

School Health Services

The budgeted fiscal 2017 cost for School Health Services was \$16.6 million, including \$2.7 million in city general funds, \$12.9 million in BCPSS funds, and \$1.0 million in grant funds. There are currently 159 school health suites, with 154 staffed by the Baltimore City Health Department, and 5 staffed by consultants. In addition, there are 15 school-based health centers (which provide all services offered in health suites, in addition to other services), with 7 operated by the Baltimore City Health Department, 7 operated by the Baltimore Medical System, and 1 operated by Johns Hopkins University.

Fleet Management

According to the report, both the city and BCPSS operate a plethora of service vehicles. Both agencies have independent police department vehicles, service and maintenance vehicles, and general-purpose vehicles. An opportunity may exist to “piggyback” off of fleet contracts to provide not only the fleet but also fleet replacement and maintenance. However, any consolidation of services in this area would have to be in compliance with the regulatory needs and demands from both entities.

Report Conclusion

Not all of the areas of potential cooperation were agreed upon by BCPSS and the city. For example, the report discusses areas of disagreement, including retiree health, pensions and employee retirement, school construction, and city-owned and surplus school buildings.

The report concluded that the decision to share services between local government and local educational agencies should be made only after full consideration of all facets of the proposed activity. However, both BCPSS and the city believe that – based on discussions held over the course of several months in 2016 – that there are opportunities to work collaboratively to realize new efficiencies.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City; Maryland State Department of Education; Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2017
md/hlb Third Reader - March 31, 2017
Revised - Amendment(s) - March 31, 2017

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