

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 351
Ways and Means

(The Speaker, *et al.*) (By Request - Administration)

Protect Our Students Act of 2018

This emergency Administration bill requires 80%, rather than 65%, of the composite score for the accountability system required under the federal Every Student Succeeds Act (ESSA) be composed of academic indicators. The bill also removes the requirement that no indicator may be weighted as less than 10% and changes the classification of a specified indicator from an academic to a school quality indicator.

Fiscal Summary

State Effect: The required changes can be made with existing resources. The U.S. Department of Education (USDE) has already approved the State's ESSA plan. Assuming the ESSA plan is revised to comply with this bill, the State plan must be resubmitted to USDE for approval. The State must have an approved plan to receive its full allocation of federal Title I and other funds.

Local Effect: Changing the ESSA accountability system may result in the identification of different schools in need of comprehensive (CSI) or targeted support and improvement (TSI), which may affect revenues and expenditures for particular local school systems. However, no schools have yet been identified as CSI or TSI.

Small Business Effect: The Administration has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law/ Background: In 2015, President Barack Obama signed ESSA, the most recent reauthorization of the Elementary and Secondary Education Act (ESEA), which provides federal funds for elementary and secondary education. Under the previous authorization of ESEA, known as No Child Left Behind, each state educational agency was required to hold schools accountable based solely on results of statewide assessments and one other academic indicator. Under ESSA, each state must have a consolidated state plan (plan) that requires accountability based on performance on various academic indicators such as proficiency on assessments and high school graduation rates, and a nonacademic indicator, also known as school quality or student success. The plan was required to be submitted to USDE no later than September 18, 2017, for approval.

Protect Our Schools Act of 2017

During the 2017 legislative session, the General Assembly overrode the Governor's veto of House Bill 978 ([Chapter 29](#)), known as the Protect Our Schools Act of 2017 (POSA). Chapter 29 establishes a set of parameters for Maryland's plan, including the number and weights of the academic and nonacademic indicators, the methodology for calculating the composite score, and how the score must be reported. Chapter 29 also sets forth requirements for improvement plans for schools that are identified for comprehensive or targeted support and improvement.

Maryland's Consolidated State Plan

The Maryland State Department of Education (MSDE) submitted a draft plan to the Governor and Legislative Policy Committee (LPC) for review and comment on June 30, 2017. The Department of Legislative Services (DLS) provided LPC with an [analysis](#) of whether Maryland's plan complied with federal and State law. DLS found several potential issues, including that certain provisions of the plan may conflict with POSA. The Attorney General's Office subsequently advised that the plan did not comply with POSA. The co-chairs of LPC provided comments relaying this information and DLS' analysis to MSDE on August 10, 2017. Prior to submission to USDE, the State Board of Education (State board) revised the plan to comply with POSA.

MSDE provided the final plan to Governor Lawrence J. Hogan, Jr. for his signature. However, Governor Hogan sent letters indicating his decision not to sign the plan to the President of the State board and the U.S. Secretary of Education. ESSA requires the State Superintendent of Schools to sign the plan but does not require the Governor to sign it. State Superintendent Karen B. Salmon signed the plan on September 15, 2017, and MSDE submitted the plan on September 18, 2017.

The details of the draft plan as submitted to the USDE can be found in the [ESSA plan as originally submitted](#) and in the [Issue Papers for the 2018 Legislative Session – State Submits Required Accountability Plan Under the Every Student Succeeds Act](#).

In a [December 12, 2017 letter](#), the USDE provided guidance that, “For high schools, the Academic Achievement, Graduation Rate, and Progress in English Language Proficiency indicators do not receive much greater weight, in the aggregate, than the School Quality or Student Success indicators...” The letter also provided other guidance on the State’s ESSA plan. In response to the guidance, MSDE updated the plan including adjusting the weighting of the high school indicators to comply with the guidance. Specifically, MSDE reduced “readiness for postsecondary success” from 20% to 10% of the composite score and increased “academic achievement” from 20% to 30% of the composite score. On January 16, 2018, the [updated plan](#) submitted by MSDE on January 10, 2018, was [approved](#) by the U.S. Secretary of Education.

Identification of CSI and TSI Schools

ESSA requires the identification of CSI and TSI schools including identifying schools using specified methodologies. States also had the option, which Maryland exercised, to use additional methodologies to identify schools. Maryland’s specific methodologies to identify CSI and TSI schools are explained in the approved consolidated State plan.

Chapter 29 requires MSDE to distribute federal funds for the implementation of CSI and TSI plans based on a formula and driven by the identified needs of each school identified by MSDE. Under Chapter 29, CSI and TSI plans must be implemented in compliance with existing collective bargaining agreements between the local boards of education and the exclusive bargaining representative. The plans must also meet other requirements specified in Chapter 29.

State Fiscal Effect: MSDE advises that the federal amendment process for changes to the ESSA accountability system requires Maryland to make changes to the plan with proper notice to the public, stakeholder input, and the approval of the State Board of Education. MSDE advises that this can be done with existing budgeted resources.

Local Fiscal Effect: Any changes to the accountability system may change how schools are rated and ranked under the system, which may change the particular schools that are identified as schools in need of CSI or TSI. Any changes to the schools identified as CSI or TSI may change the costs associated with CSI and TSI improvement plans and the distribution of federal funds earmarked for CSI and TSI schools. The impact of these potential changes cannot be reliably estimated; however, the changes are anticipated to have minimal overall fiscal impact. No schools have yet been identified for CSI or TSI under the new accountability system.

Additional Information

Prior Introductions: None.

Cross File: SB 301 (The President, *et al.*) (By Request - Administration) - Education, Health, and Environmental Affairs.

Information Source(s): Harford and Montgomery counties; Maryland State Department of Education; Maryland Association of Boards of Education; Department of Legislative Services

Fiscal Note History: First Reader - February 6, 2018
md/rhh

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: **Protect Our Students Act of 2018**

BILL NUMBER: SB0301/HB0351

PREPARED BY: Melissa Ross

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS