

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 900

(Senator Lawlah)

Education, Health, and Environmental Affairs

Ways and Means

Education - Public School System Reviews - Requirements

This bill delays by one year the dates by which comprehensive reviews of the Prince George’s County and Baltimore City public school systems must be submitted. The comprehensive review of Prince George’s County Public Schools (PGCPS) must be complete by June 1, 2007, and the county and State boards of education must report on the findings by September 1, 2007. The comprehensive review of the Baltimore City Public School System (BCPSS) must be complete by December 1, 2007, and the Baltimore City Board of School Commissioners and State Board of Education must report on the findings by January 15, 2008.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: General fund expenditures would decrease by an estimated \$847,500 in FY 2006 and would increase by an estimated \$565,000 in FY 2007 and \$282,500 in FY 2008 due to the one-year delay in the required reviews. Revenues would not be affected.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	(847,500)	565,000	282,500	0	0
Net Effect	\$847,500	(\$565,000)	(\$282,500)	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: One-time Prince George’s County and Baltimore City school expenditures of an estimated \$565,000 each would be delayed by one year.

Small Business Effect: None.

Analysis

Current Law: The New Prince George's County Board of Education and the Maryland State Department of Education (MSDE) must jointly select a consultant to do a comprehensive review of PGCPS and must share equally in the cost of the review. The review must evaluate both the educational and management reforms made by the new board of education and must be complete by June 1, 2006. The New Prince George's County Board of Education and the State Board of Education must review the findings of the study and conduct four public hearings throughout Prince George's County. By September 1, 2006, the new board and the State board must report the results of the review and the public hearings and must propose any changes in the management structure and level of funding for PGCPS.

The Baltimore City Board of School Commissioners and MSDE must jointly select a consultant to do a comprehensive review and evaluation of the Baltimore City-State Partnership and the reform initiatives of BCPSS. The board and MSDE must determine the scope of the review and share equally in the cost of the review. The review must be completed by December 1, 2006. The board of school commissioners and the State Board of Education must review the findings of the study and conduct four public hearings throughout Baltimore City. By January 15, 2007, the board of school commissioners and the State Board of Education must report the results of the review and the public hearings and must propose any changes in the management structure and level of funding for BCPSS.

Background: Chapter 289 of 2002 disbanded the elected Prince George's County Board of Education and reorganized the PGCPS governance structure under a new board appointed jointly by the Governor and the county executive. When the legislation was enacted, PGCPS was working to accomplish nearly 300 broad recommendations made in a performance audit mandated by the General Assembly. The system was also struggling with conflicts among board of education members and between board members and the local superintendent of schools. The new board of education is scheduled to revert to an elected board in 2006.

Chapter 105 of 1997 established the Baltimore City-State Partnership. At the time, BCPSS was struggling with the poor academic performance of its students and questions about the system's administration and accountability. The partnership was created to improve the system through increased State oversight and the infusion of \$230 million in additional State operating aid from fiscal 1998 to 2002. Chapter 105 also required a comprehensive evaluation of the school system. The evaluation, which was completed in December 2001, concluded that the partnership has generally worked well to improve student achievement and system management and recommended that the partnership

continue. Chapter 545 of 2002 extended the partnership and added the requirement for an additional evaluation to be completed by December 1, 2006.

State Expenditures: Based on the cost of a similar study conducted four years ago for BCPSS, the cost for comprehensive reviews of the New Prince George’s County Board of Education and the Baltimore City-State Partnership are estimated at \$1.13 million each. The State’s share of the costs is \$565,000 per study. If this bill is enacted, the funding could be delayed for one year. Based on the revised due dates for the comprehensive reviews, it is assumed that the cost for the PGCPs study would be incurred in fiscal 2007 instead of fiscal 2006, and the cost for the BCPSS study would be incurred in fiscal 2007 and 2008 instead of fiscal 2006 and 2007. As shown in **Exhibit 1**, this would reduce fiscal 2006 general fund expenditures by an estimated \$847,500 and would increase general fund expenditures by an estimated \$565,000 in fiscal 2007 and \$282,500 in fiscal 2008. Funding for the comprehensive reviews has not been included in the fiscal 2006 State budget.

Exhibit 1
Shift in Costs for School System Comprehensive Reviews
Fiscal 2006 to 2008

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
One-year Delay (SB 900)			
Baltimore City	\$0	\$282,500	\$282,500
Prince George’s	<u>0</u>	<u>565,000</u>	<u>0</u>
Total	\$0	\$847,500	\$282,500
Current Law			
Baltimore City	\$282,500	\$282,500	\$0
Prince George’s	<u>565,000</u>	<u>0</u>	<u>0</u>
Total	\$847,500	\$282,500	\$0
 SB 900 Impact	 (\$847,500)	 \$565,000	 \$282,500

Local Expenditures: The Prince George’s County Board of Education and the Baltimore City Board of School Commissioners are responsible for one-half of the costs of the reviews of their school systems. As described above, the costs would be delayed for one year.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Maryland State Department of Education, Department of Legislative Services

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Analysis by: Mark W. Collins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510