

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**

Senate Bill 1106 (Senator McFadden)  
Education, Health, and Environmental Affairs

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**Baltimore City - Public School System - Restructuring - Legislative Approval**

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This emergency bill prohibits the State Board of Education and the State Superintendent of Schools from implementing a major restructuring of the governance arrangement of a Baltimore City public school or removing a public school from the direct control of the Baltimore City Board of School Commissioners until the General Assembly reviews and approves the proposal. The State board must send a copy of the proposed restructuring to the General Assembly and the Baltimore City board, and the General Assembly must allow sufficient opportunity for public comment before approving or disapproving the proposal.

The bill applies retroactively to any action of the State board and the State superintendent taken on or after March 28, 2006.

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**Fiscal Summary**

**State Effect:** The State Board of Education could forward a copy of school restructuring plans to the General Assembly and Baltimore City Board of School Commissioners with existing resources. The General Assembly could allow for public comment and approve or disapprove a State board plan with existing resources.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Current Law:** The federal No Child Left Behind Act (NCLB) requires states to track student progress in school systems and individual schools and to intervene when schools and school systems are not meeting established State standards. Each year, based on student test results and other school measures, states must determine whether each public school is making adequate yearly progress (AYP) towards ensuring that all students meet academic performance standards. Initially, the steps that must be taken when a school fails to make AYP involve giving students the opportunity to transfer out of the underperforming school or providing additional tutoring opportunities to disadvantaged students at the school. Individual schools are subject to more severe actions, corrective action and restructuring, when the less intensive interventions fail to improve student performance.

State regulations govern the processes that are used to identify schools as they progress through the school improvement statuses required by NCLB. Once a school is identified for restructuring, the final stage in the progression, it must develop a plan for an alternative governance structure and implement the plan at the beginning of the next school year. The alternative governance structure may include:

- reopening the school as a public charter school;
- replacing school staff relevant to the failure to meet standards;
- entering into a contract with an entity to operate the school; or
- any other restructuring effort that makes fundamental reform and has substantial promise of enabling students in the school to meet standards.

The regulations do not specifically address the next steps if a school implementing a restructuring plan does not improve.

Actions must also be taken against school systems that fail as a whole to meet State standards. State regulations require the State Board of Education, upon a recommendation by the State Superintendent of Schools or upon its own motion, to identify a local school system for corrective action if it does not make AYP for two consecutive years after being identified for school improvement. Before identifying a school system for corrective action, the State board must: (1) give the local school system the opportunity to review the data leading to the designation; (2) give the local school system an opportunity to provide evidence if the system believes the designation is erroneous; and (3) make a final determination about the school system's status.

The State superintendent and the State board must continue to provide technical assistance to a school system in corrective action and must take at least one of the following actions:

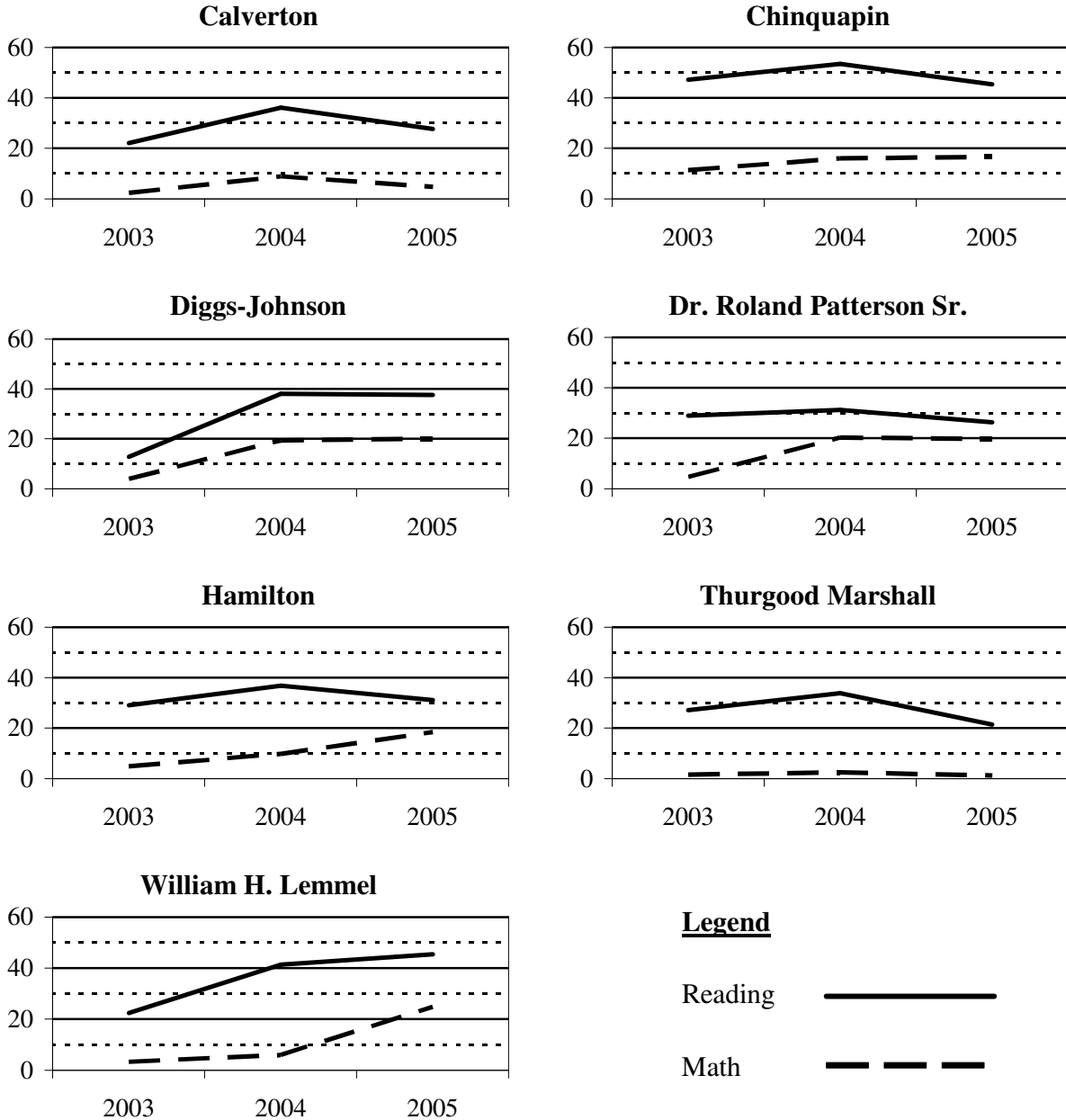
- defer, reduce, or redirect State and federal funds;
- order the school system to implement a curriculum aligned with the voluntary State curriculum;
- order the school system to replace principals and executive officers with qualified personnel approved by the State superintendent and the State board;
- remove schools from the direct control of the local school system and establish alternative governance structures for the schools;
- order a reorganization of the local school system that groups schools under the direct supervision of an executive officer approved by the State superintendent;
- through a court proceeding, appoint a receiver or trustee to administer the affairs of the local school system in place of the local superintendent of schools and the local board of education; or
- with legislative authorization, abolish or restructure the local school system.

**Background:** On March 29, 2006, the State Board of Education voted to require significant changes to the governance structures of seven middle schools in Baltimore City and to have a third party manage four high schools in the city under the direction of the Maryland State Department of Education (MSDE). According to the timetable established by the State board, the new governance structures will be implemented for the 2007-2008 school year.

Baltimore City is the only local school system in Maryland in corrective action; however, Prince George's County is in Year 2 of school improvement and seven other school systems (Allegany, Cecil, Charles, Dorchester, Kent, St. Mary's, and Somerset counties) are in Year 1 of school improvement. There are a total of 233 schools in Maryland that are in one of the NCLB improvement statuses, including 92 in Baltimore City. Of these schools, 80 are in restructuring status: 66 in Baltimore City (one Edison school), 13 in Prince George's County, and one in Baltimore County.

Under the plan approved by the State Board of Education, each of seven identified middle schools will have to either engage a third party to manage the school or become a public charter school. Test results from the last three years for eighth grade students at the seven middle schools are displayed in **Exhibit 2** and show that the percent of eighth graders at the schools who scored at the proficient or advanced levels on the Maryland School Assessment (MSA) generally decreased or did not improve substantially from 2004 to 2005. Statewide, 66% of eighth grade students scored at the proficient or advanced levels on the reading MSA and 52% scored at the proficient or advanced levels on the mathematics MSA.

**Exhibit 1**  
**Percent of Eighth Grade Students Scoring at the Proficient or Advanced Levels**  
**2003 to 2005**

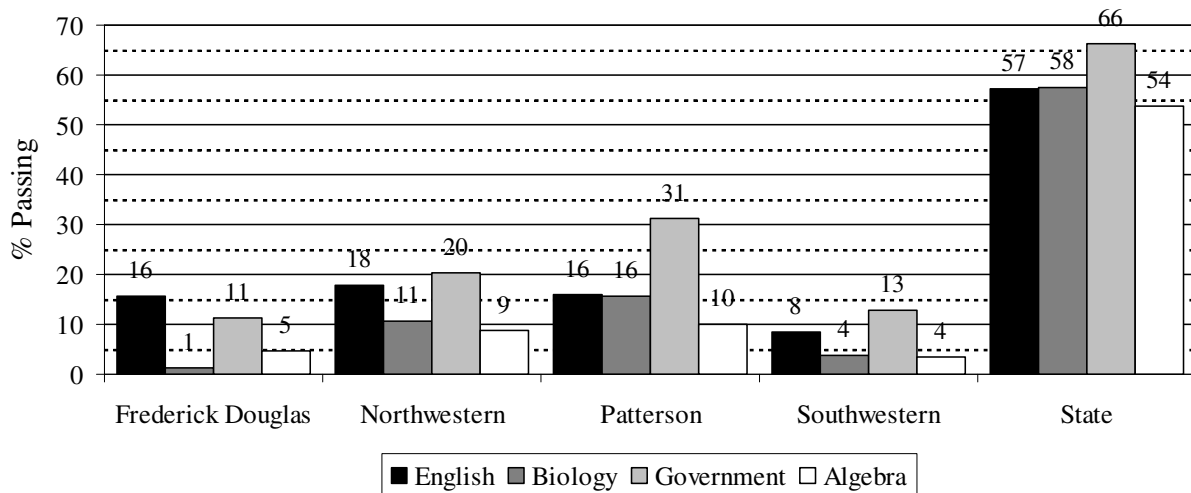


Source: Maryland Report Card, Maryland State Department of Education

The State board's plan also requires MSDE to engage a third party to manage four Baltimore City high schools. Maryland high school assessment (HSA) results for the four high schools are compared to statewide HSA results in **Exhibit 2**. Beginning with SB 1106 / Page 4

the students who entered in fall 2005, HSAs will be used to determine whether students graduate from high school. As shown in the exhibit, each of the high schools identified for State takeover has a significant percentage of students who did not pass the HSAs last school year, and the percentage of students passing the tests at each school is significantly lower than the statewide average.

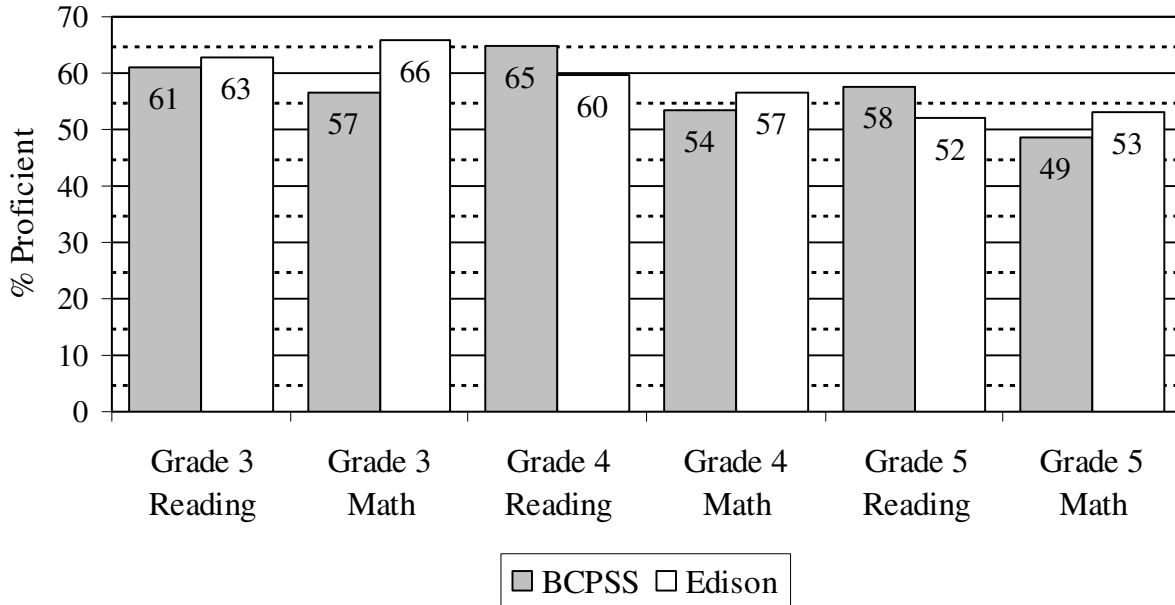
**Exhibit 2**  
**Percentage of Students Passing the High School Assessments**  
**2005**



Source: Maryland Report Card, Maryland State Department of Education

NCLB was enacted in January 2002, and although the Act requires the eventual restructuring of schools that fail to meet standards, the *Baltimore Sun* has reported that this is the first time a State has taken over a school under NCLB. In Maryland, however, the State Board of Education reconstituted three Baltimore City elementary schools in 2000, and MSDE contracted with Edison Schools, Inc., a national for-profit company, to manage and operate the schools. Edison continues to operate the schools, and a comparison of MSA results in the Edison elementary schools and other Baltimore City elementary schools is shown in **Exhibit 3**. The exhibit shows that the three Edison schools did not perform significantly better than BCPSS elementary schools on the 2005 MSAs.

**Exhibit 3**  
**Percentage of Students Scoring at the Proficient or Advanced Levels**  
**BCPSS and Edison Schools**  
**2005**



Source: Maryland Report Card, Maryland State Department of Education

**Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1748 (Delegate Marriott, *et al.*) – Ways and Means.

**Information Source(s):** Maryland State Department of Education, Baltimore City, Department of Legislative Services

**Fiscal Note History:** First Reader - March 31, 2006  
 ncs/rhh

Analysis by: Mark W. Collins

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

