

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 306

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

Ways and Means

Education, Health, and Environmental Affairs

Interstate Compact on Educational Opportunity for Military Children

This Administration bill establishes an Interstate Compact on Educational Opportunity for Military Children to facilitate the transfer of children in military families among schools in different states. Specifically, the compact has provisions to facilitate timely transfers of educational records, the continuation of schooling at the same grade level and in similar programs and courses, inclusion in extracurricular activities, on-time graduation, and the provision of comparable special educational services for students with disabilities.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: General fund expenditures increase by an estimated \$23,000 in FY 2010 to pay the annual assessment on member states for the operation of the interstate commission established in the compact. Future year expenditures reflect an increase in students from military families. Costs for the data collection and information systems needed to meet compact requirements are also likely to be incurred but cannot be estimated at this time. Revenues are not affected.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	23,000	25,300	25,500	25,800	26,000
Net Effect	(\$23,000)	(\$25,300)	(\$25,500)	(\$25,800)	(\$26,000)

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

Local Effect: With technical assistance from the Maryland State Department of Education (MSDE), it is assumed that local school systems can comply with the bill's requirements with existing personnel and resources.

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

Analysis

Bill Summary: The interstate compact applies to the children of active duty members of the uniformed services, members or veterans of the uniformed services who are severely injured and were medically discharged or retired in the last year, and members of the uniformed services who died in active duty in the last year.

Each state participating in the compact must establish a state coordinating council to ensure compliance with the compact, and each council must appoint a military family education liaison to facilitate implementation of the compact. Maryland's liaison must be located at MSDE. The Governor of each member state must also appoint a compact commissioner responsible for the administration and management of the state's participation in the compact.

The compact also establishes an Interstate Commission on Educational Opportunity for Military Children, which has oversight, enforcement, and dispute resolution responsibilities and consists of one voting representative from each member state. The interstate commission must meet at least once per year and must establish an executive committee. Subject to the approval of the commission, the executive committee may appoint or retain an executive director. The commission may levy and collect an annual assessment from each member state to cover the cost of the operations and activities of the commission.

The interstate commission has to establish rules for the collection of standardized data and must provide for uniform collection and sharing of information between and among member states.

Current Law: Although some of the provisions in the compact are consistent with existing State and federal laws, the bill generally establishes stricter protocols for the transfer of military children into and out of Maryland schools.

Background: An August 2006 press release from the Council of State Governments (CSG) stated that CSG was in the process of working with the U.S. Department of Defense (DoD) to develop an interstate agreement to address educational transitions for military children. The press release notes that "the average military student changes schools more than twice during high school, and most military children will be in six to nine different school systems from kindergarten to grade 12." The transfers frequently

create bureaucratic problems that can disadvantage the academic performance of military children. The compact attempts to minimize the barriers faced by these students.

During the 2008 session, bills proposing Maryland adopt the compact were considered by both the House (HB 784) and the Senate (SB 457). The bills were amended, establishing a task force to review the interstate compact and educational issues affecting military children. The compact became active in 2008, once 10 states adopted it. To date, the following states have joined the compact: Arizona, Colorado, Connecticut, Delaware, Florida, Kansas, Kentucky, Michigan, Missouri, North Carolina, and Oklahoma. According to the task force, 15 states including Maryland will be reviewing the compact during their respective 2009 legislative sessions.

The task force found Maryland is generally transfer-friendly and that several school districts in close proximity to Aberdeen Proving Ground, in Harford County, and Fort Meade Army Base, in Anne Arundel County, have signed a Memorandum of Agreement which provides a common transfer structure for military children. Their in-depth review found that the Code of Maryland Regulations addresses almost all the issues in Articles IV through VII of the compact. However, task force members expressed concern with portions of Article V and Article VI, which address course placement, educational program placement, and eligibility for extracurricular participation as well as with the data collection and reporting required by Article IX. The report did not elaborate on the task force's concerns beyond the cost of reprogramming the current data collection system.

State Expenditures: General fund expenditures increase to pay the annual assessment to be used to cover the operating costs of the Interstate Commission on Educational Opportunity for Military Children. MSDE advises that DoD estimates an annual assessment of \$1 per current military student. The most recent report from DoD estimates that there are 23,000 students from military families in Maryland public schools. With the impending Base Realignment and Closure relocations, that number is expected to increase by approximately 2,264 students by 2011, and possibly more thereafter. Assuming 23,000 students from military families and a dollar per student assessment, the fiscal 2010 assessment is \$23,000. Future year assessment estimates reflect projected growth in the number of military children in Maryland.

It is assumed that an existing position at MSDE can be designated as the military family education liaison. Costs are also likely to be incurred to develop or upgrade data systems to meet the requirements of the interstate commission. The Task Force on Educational Issues Affecting Military Children reported that each change or additional data item costs thousands of dollars to implement. However, the costs will depend on the data collection and reporting requirements established by the interstate commission and cannot be reliably estimated at this time.

Additional Information

Prior Introductions: The interstate compact was introduced in 2008 as SB 457/HB 784. The bills were amended to establish a task force to review the compact and educational issues affecting military children.

Cross File: SB 257 (The President, *et al.*) (By Request - Administration) - Education, Health, and Environmental Affairs.

Information Source(s): Office of the Attorney General, Maryland State Department of Education, Judiciary (Administrative Office of the Courts), Military Department, Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2009
ncs/mwc Revised - Updated Information - February 24, 2009

Analysis by: Caroline L. Boice

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

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Interstate Compact on Educational Opportunity for Military Children

BILL NUMBER: House Bill 306

PREPARED BY: Governor's Legislative Office

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

The proposed legislation will have no impact on small business in Maryland.