

Department of Legislative Services  
Maryland General Assembly  
2012 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 1214  
Ways and Means

(Delegate Kaiser, *et al.*)

Education, Health, and Environmental Affairs

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**Education - Public Schools - Maximum Student Enrollment Policy - Study**

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This bill requires the adequacy of education funding study scheduled to begin by June 30, 2014, to include, during the first phase of the study, a study regarding the size of public schools.

The bill takes effect July 1, 2012.

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**Fiscal Summary**

**State Effect:** General fund expenditures for the required adequacy study may increase by an indeterminate amount in FY 2014 through 2017.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The adequacy study must include study of whether counties currently have policies regarding the size of schools, best practices in other states regarding school size, and the educational and extracurricular impacts of school size. The study must also assess the factors that contribute to large school sizes and how the State might mitigate those factors; the ideal size for high schools, middle schools, elementary schools, and alternative schools; and how to ensure appropriate public input into the establishment of any school size standard or guideline.

Further, the analysis must include study on whether models exist for the creation of smaller schools, the potential impacts on the school construction program of establishing stricter policies regarding smaller schools, the costs and impacts on zoning of building new schools and how those costs can be reduced, school boundaries and attendance areas and how they affect school size, and whether opportunities are available for alternative methods to create space for smaller schools.

**Current Law:** A statewide system of free public schools is required under State law. Under the direction of the county superintendent, a local board may take a school census of the children under the age of 18 in its county. Each local board of education must determine the geographical attendance area for each of its public schools. Generally, a student must attend the school designated to serve the student's attendance area. However, local boards of education have various policies allowing for the enrollment of or the transfer of a student outside of his or her attendance area, under certain circumstances.

#### *Study of the Adequacy of Education Funding*

The Maryland State Department of Education must contract with a public or private entity to conduct a study of the adequacy of education funding in the State. The study must be conducted in phases, with the first phase beginning no later than June 30, 2014, and the final phase being completed by December 1, 2016, and must incorporate standards from the common core curriculum adopted by the State Board of Education and two years of results from the common core assessments.

#### *Construction and Renovation of School Buildings*

With the approval of the State Superintendent of Schools, each local board of education may buy or otherwise acquire land, school sites, or buildings and rent, repair, improve, and build school buildings or approve contracts for doing so, if the plans conform to the requirements set by the State Board of Education. The construction or remodeling of a school building must conform to all applicable State and county building, electrical, fire, and plumbing regulations and codes.

#### *Public School Construction Program*

Public School Construction Program (PSCP) funding levels are established annually through the State's capital budget process. The State pays at least 50% of eligible costs of school construction and renovation projects, based on a funding formula that takes into account numerous factors including each local school system's wealth and ability to pay. The Public School Facilities Act (Chapters 306 and 307 of 2004) requires that the cost-share formulas be recalculated every three years. The first recalculation occurred in 2007, and the second recalculation occurred in 2010.

Subject to the final approval of the Board of Public Works (BPW), the IAC manages State review and approval of local school construction projects. Each year, local school systems develop and submit to IAC facilities master plans that include analyses of future school facility needs based on the current condition of school buildings and projected enrollments. Each master plan must be approved by the local school board. Subsequently, each local school system submits a capital improvement plan to IAC that includes projects for which it seeks planning approval, projects for which it seeks funding approval, and projects that the local school system has forward funded. In addition to approval from the local school board, the capital improvement plan must be approved by the county's governing body. Typically, the submission letter to IAC contains signatures of both the school board president and either the county council president or chair of the board of county commissioners.

Based on its assessment of the relative merit of all the project proposals it receives, and subject to the projected level of school construction funds available, IAC determines which projects to recommend to BPW for State funding. By December 31 of each year, IAC recommends to BPW projects comprising 75% of the preliminary school construction allocation projected to be available. Local school districts may then appeal the IAC recommendations directly to BPW. By March 1 of each year, IAC recommends to BPW and the General Assembly projects comprising 90% of the allocation for school construction submitted in the Governor's capital budget. Following the legislative session, IAC recommends projects comprising the remaining school construction funds included in the enacted capital budget for BPW approval.

**Background:** In practice, local decisions and plans to consolidate local schools, expand an existing school facility, add or remove relocatable classrooms, build a new school facility, and modify geographic attendance areas are based largely on current and projected student enrollments and also on educational program priorities. PSCP advises that the severe lack of facilities for extracurricular facilities at one or more local public schools does substantially affect local school facilities priorities in some jurisdictions as well. These decisions and plans may be influenced by the establishment of a local policy on maximum student enrollment for local schools.

**State Fiscal Effect:** The adequacy study required under current law is estimated to cost approximately \$500,000, or \$125,000 annually in fiscal 2014 through 2017. However, a request for proposals has yet to be issued for the contract to perform the study. The bill may add to the cost of the contract, but the additional amount, if any, cannot be reliably estimated.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Frederick County, Maryland State Department of Education,  
Public School Construction Program, Department of Legislative Services

**Fiscal Note History:** First Reader - March 5, 2012  
ncs/mwc Revised - House Third Reader - March 28, 2012  
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Analysis by: Scott P. Gates

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