

Department of Legislative Services
 Maryland General Assembly
 2013 Session

FISCAL AND POLICY NOTE

House Bill 165 (Delegate Cluster, *et al.*)
 Ways and Means

Elementary and Secondary Education - Security - School Resource Officers

This emergency bill requires each superintendent of a local school system to enter into an agreement with an appropriate law enforcement agency to provide a school resource officer to each public elementary and secondary school. Any additional funding required by a local school system to meet this requirement that exceeds the amount provided in the local school system’s 2013 operating budget must be paid from the Education Trust Fund (ETF). Thus, the bill also expands the authorized use of video lottery proceeds credited to ETF to include providing funds for school resource officers for public elementary and secondary institutions of education.

Fiscal Summary

State Effect: To use gaming proceeds credited to ETF for the expanded uses described in the bill will require general fund expenditures to increase by an equal amount. Currently all proceeds credited to ETF are budgeted for the Bridge to Excellence foundation formula and programs, including the Geographic Cost of Education Index (GCEI). General fund expenditures will increase by an estimated \$104.7 million in FY 2014 to hire and equip 1,135 school resource officers, enough so that each public school without a school resource officer has one. Future years reflect inflation and removal of one-time costs. Revenues are not affected.

| (\$ in millions) | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|------------------|-----------|----------|----------|-----------|-----------|
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| GF Expenditure | 104.7 | 93.2 | 96.9 | 100.8 | 104.8 |
| Net Effect | (\$104.7) | (\$93.2) | (\$96.9) | (\$100.8) | (\$104.8) |

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

Local Effect: Local law enforcement revenues and expenditures increase by a total of \$104.7 million in FY 2014 due to State funds to hire a total of 1,135 school resource

officers, enough so that each school without a resource officer has one. Any additional funding needed to meet this requirement will be provided by the State.

Small Business Effect: None.

Analysis

Current Law: A “school resource officer” is defined as a law enforcement officer who has been assigned to a school in accordance with a memorandum of understanding between the chief of a law enforcement agency and a local school system.

The governing board, president, superintendent, or principal of a public institution of elementary, secondary, or higher education, or a person designated in writing by the administration of the institution, may deny school access to an individual who (1) is not a registered student or an employee of the school; (2) has been suspended or expelled from the school; or (3) disrupts or disturbs the normal educational functions of the school. Identification and evidence of qualification may be demanded from any person who desires to use or enter the premises of the institution.

The governing board of any public institution of elementary, secondary, or higher education may enter into an agreement with appropriate law enforcement agencies to carry out the responsibility of denying access to the buildings or the grounds when the institution is closed or no authorized employees are present.

An individual is guilty of a misdemeanor and may be subject to a fine of up to \$1,000 or imprisonment for up to six months, or both, if the individual refuses to leave school property after being requested to do so by an authorized employee of the school.

ETF is a nonlapsing, special fund to be used for continued funding of the Bridge to Excellence formulas and programs, including GCEI. The fund may also be used to support capital projects for public schools, community colleges, and public four-year institutions; and to expand public early childhood education programs in the State. A portion of the proceeds from video lottery terminals and table games is dedicated to the ETF.

Background: On December 14, 2012, a 20-year-old gunman fatally shot 20 children and 6 adult staff members at Sandy Hook Elementary School in Newtown, Connecticut. The incident was the second-deadliest school shooting in U.S. history, after the 2007 Virginia Tech massacre. The gunman reportedly had a mental disability or disorder, although the exact nature of the illness is under dispute. In the aftermath of the shooting,

school security and mental health services have been widely discussed in the media and the political arena.

School Security

Some local school systems have memorandums of understanding with local law enforcement agencies to have specially trained officers, known as school resource officers, in schools. The Maryland State Department of Education (MSDE) reports that there are 302 school resource officers for the 1,437 public schools in the State.

In 2010, the U.S. Department of Education awarded MSDE a \$3.1 million Safe and Supportive School grant to help measure school safety at the building level and assist in helping those schools with the greatest safety needs. The Governor's proposed fiscal 2014 capital budget includes \$25 million for statewide public school security improvements.

Education Trust Fund

ETF was established during the 2007 special session as part of the video lottery terminal (VLT) legislation, to receive approximately half of the gross VLT proceeds, after payouts to bettors. Chapter 1 of the 2012 second special session (SB 1) made numerous changes to the State's gaming program including authorizing a sixth license in Prince George's County, table games at VLT facilities, and 24-hour per day gaming, all subject to voter approval (Question 7). On November 6, 2012, the voters of Maryland approved Question 7 by a 52% to 48% margin. Due to the legislation, ETF special fund revenues were estimated to increase by approximately \$199 million by fiscal 2019 (including savings from the licensees purchasing or leasing the VLTs rather than the State). A portion of table game revenues is also distributed to ETF. The legislation also altered the distribution of VLT proceeds and broadened the authorized uses of ETF to encompass funding that expands public early childhood education programs in Maryland. The estimated ETF revenues for fiscal 2014-2018 are shown in **Exhibit 1**. The exhibit shows that the projected ETF revenues are less than the annual \$3 billion in Bridge to Excellence foundation program expenditures.

Exhibit 1
Estimated Education Trust Fund Revenues
Fiscal 2014-2018
(\$ in Millions)

| <u>Education Trust Fund</u> | <u>FY 14</u> | <u>FY 15</u> | <u>FY 16</u> | <u>FY 17</u> | <u>FY 18</u> |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Video Lottery Terminals | \$296.9 | \$477.7 | \$484.0 | \$534.3 | \$561.1 |
| Table Games | 25.4 | 44.2 | 47.6 | 48.0 | 50.3 |
| Prince George's License Fee | 18.0 | 0 | 0 | 0 | 0 |
| Total ETF Revenues | \$340.3 | \$521.9 | \$531.6 | \$582.3 | \$611.4 |

Source: Department of Legislative Services

State Fiscal Effect: To use gaming proceeds credited to ETF for the expanded uses described in the bill will require general fund expenditures to increase by an equal amount. Currently all proceeds credited to ETF are budgeted for the Bridge to Excellence foundation formula and programs, including the GCEI. The Governor's proposed fiscal 2014 budget includes \$340.3 million in ETF revenues, all of which are directed towards the \$3.0 billion in Bridge to Excellence foundation formulas, including GCEI. The remaining \$2.7 billion in foundation formula funding is general funds. Thus, using any gaming proceeds credited to ETF for additional school resource officers will necessitate an equal increase in general fund expenditures.

General fund expenditures will increase by an estimated \$104.7 million in fiscal 2014 to hire 1,135 school resource officers, enough so that each public school without a school resource officer has one. Although it is an emergency bill, it is assumed that it will take several months for local school systems to enter into a memorandum of understanding and to hire school resource officers; therefore, costs can begin July 1, 2013.

The following information and assumptions were used in this estimate.

- MSDE reports that there are 1,437 public schools in Maryland, and there are currently 302 school resource officers. Therefore for each public school to have at least one school resource officer, an additional 1,135 school resource officers would need to be hired.
- The estimated average salary and benefits for a school resource officer will total approximately \$78,900 in fiscal 2014. Therefore hiring an additional 1,135 school resource officers will cost approximately \$89.6 million in fiscal 2014.

- Equipment costs for each new school resource officer will total \$13,287 in fiscal 2014, for a total cost of \$15.1 million. This estimate does not reflect the cost of a vehicle for each new school resource officer, which may cost up to \$61,300 per vehicle based on estimates from Montgomery County. Some local jurisdiction contracts require a vehicle to be issued to each new officer. The actual cost of equipping each new school resource officer will depend on the equipment typically issued to officers in that jurisdiction.

Future years reflect inflation, but do not reflect any changes to the number of schools in the State, which will affect the number of school resource officers needed.

Additional Information

Prior Introductions: None.

Cross File: Although designated as a cross file, SB 807 (Senator Pipkin, *et al.* - Education, Health, and Environmental Affairs), is not identical.

Information Source(s): Maryland State Department of Education, Montgomery County, Department of Legislative Services

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