

**Department of Legislative Services**  
 Maryland General Assembly  
 2016 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

Senate Bill 905

(Senator King, *et al.*)

Budget and Taxation

Ways and Means

**Commission on Innovation and Excellence in Education**

This bill establishes the Commission on Innovation and Excellence in Education. The commission must review the findings of the study on adequacy of funding for education, due on December 1, 2016, and related studies, and provide recommendations on preparing students in the State to meet specified objectives. The Department of Legislative Services (DLS), in consultation with the Maryland State Department of Education (MSDE), must provide staff for the commission. The commission must provide a preliminary report and a final report of its finding and recommendations to the Governor and specified committees by December 31, 2016, and December 31, 2017, respectively. The bill also requires MSDE to convene a master plan stakeholder group and report to the commission and others by October 1, 2017.

The bill takes effect June 1, 2016, and terminates May 31, 2018.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by a total of \$100,000 in FY 2017 and 2018 for DLS to hire consultants to assist the commission with data analysis and research. MSDE can convene the required stakeholder group using existing resources. Revenues are not affected.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	50,000	50,000	0	0	0
Net Effect	(\$50,000)	(\$50,000)	\$0	\$0	\$0

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

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** The bill also reduces, for calendar years 2016 and 2017, the scope of items that must be reported in a county board of education's annual update of its comprehensive master plan. MSDE must convene a stakeholder group to review current master plan requirements and the new requirements of the federal Every Student Succeeds Act (ESSA). MSDE must by October 1, 2017, report to the State Board of Education, the General Assembly, and the commission created by the bill, regarding what information should be included in future comprehensive master plans and whether they should be completed in a digital form that can be periodically updated.

The commission must make recommendations regarding several matters, including: appropriate enrollment counts for counties with increasing and declining enrollment as well as for economically disadvantaged children; expansion of prekindergarten and funding for prekindergarten and other early childhood education programs; equity in school finance and local wealth measures; the regional cost of education index; education finance formulas (including base funding for all students and weighting of funding for students with special needs) and accountability measures; the effects of the federal Every Student Succeeds Act on education in the State; better preparing students for postsecondary education, the workforce and the global economy; the efficiency and effectiveness of local school system spending of education funds; State laws promoting collaboration between county governments and local school systems; and the impact of high concentrations of poverty on local school systems.

The commission is also tasked with making any other recommendations on legislation and policy initiatives to enhance both the availability of innovative educational opportunities and the adequacy and equity of State funding for prekindergarten through grade 12 of public education in the State.

**Current Law/Background:** The concept of adequacy is based on determining the level of resources that is adequate for all public school students to have the opportunity to achieve academic proficiency standards. The Bridge to Excellence in Public Schools Act (Chapter 288 of 2002), which established new primary State education aid formulas based on adequacy cost studies and other education finance analyses, required MSDE, in consultation with the Department of Budget and Management and DLS, to contract with a consultant to conduct a follow-up study of the adequacy of education funding in the State approximately 10 years after its enactment.

After legislation in 2011 and 2012 delayed the beginning of the study and required additional reports to be included in the study, work on the adequacy study began in June 2014, when a contract was awarded to Augenblick, Palaich, and Associates (APA) and its team of researchers that includes Picus, Odden and Associates and the Maryland Equity Project. The final report must be submitted to the Governor and General Assembly by December 1, 2016.

The primary study on adequacy of education funding is on target to be completed by November 2016, using three different methodologies: evidence-based; professional judgment; and successful schools. All of the completed reports and APA's presentations to the Adequacy Study Stakeholder Advisory Group can be found at <http://marylandpublicschools.org/adequacystudy/>. Also, information on progress of the adequacy study can be found in the *Issue Papers, 2016 Legislative Session* publication.

### *Local School Board Comprehensive Master Plans*

Each local board of education must develop and implement a comprehensive master plan that describes the goals, objectives, and strategies that will be used to improve student achievement and meet State and local performance standards in each segment of the student population. Local boards of education are required to submit annual updates to their master plans through 2014. By October 15, 2015, each local board was required to submit a new five-year comprehensive master plan to MSDE and, beginning in 2016, each local board must submit an annual update that covers a five-year period. Along with this update, each local board must submit a detailed summary of how the board's current year approved budget and increases in expenditures over the prior year are consistent with the master plan and a summary of how the board's actual prior year budget and additional expenditures in the prior year's budget aligned with the master plan.

### *Every Student Succeeds Act*

[The Every Student Succeeds Act \(ESSA\)](#), which is the latest reauthorization of the Elementary and Secondary Education Act of 1965, was signed into law December 10, 2015. Sections 1005 and 1006 of ESSA specify the content of, and the parties that must be involved in developing, State and local plans that must be established and filed in order to receive federal funding.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 999 (Delegate Kaiser, *et al.*) - Ways and Means.

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

**Fiscal Note History:** First Reader - February 29, 2016  
min/rhh Revised - Enrolled Bill - May 16, 2016

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