

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 198 (Delegate Cluster, *et al.*)
 Ways and Means

Primary and Secondary Education - Security - School Resource Officers

This bill requires at least one school resource officer to be assigned to each public school. If a public school does not have at least one assigned school resource officer as of August 1, 2016, the school’s local superintendent must hire a retired law enforcement officer to serve as the school’s school resource officer. A local school system is entitled to reimbursement from the State for all expenditures necessary to meet this requirement, to be paid from the Education Trust Fund (ETF). Thus, the bill also expands the authorized use of gaming proceeds credited to ETF to include providing funds for school resource officers for public schools.

The bill takes effect July 1, 2016.

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 \$98.1 million in FY 2017 to hire and equip 1,120 school resource officers, enough so that each public school without a school resource officer has one; hire a part-time dedicated background investigator; pay background investigative fees; and pay workers’ compensation premiums. Future years reflect inflation and removal of one-time costs. Revenues are not affected.

(\$ in millions)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	98.1	103.2	106.7	110.2	113.9
Net Effect	(\$98.1)	(\$103.2)	(\$106.7)	(\$110.2)	(\$113.9)

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

Local Effect: Local government revenues and expenditures increase by a total of \$97.6 million in FY 2017 due to the allocation of State funds to pay for a total of 1,120 school resource officers, enough so that each public school without a school resource officer has one. Any additional funding needed to meet this requirement will be provided by the State.

Small Business Effect: None.

Analysis

Bill Summary: Each school resource officer hired in accordance with the bill must (1) obtain a special police commission; (2) be a contractual employee of the State; (3) be entitled to State workers' compensation benefits; and (4) receive a salary of no less than \$25 per hour.

The definition of a "school resource officer" is expanded to include a special police officer who has been hired by a local superintendent in accordance with this legislation.

The local superintendent must submit an application to the Secretary of State Police for a special police commission for each school resource officer the local superintendent hires.

The Maryland State Department of Education (MSDE) must adopt regulations necessary to carry out the provisions of the bill.

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.

A special police officer must protect and preserve peace and good order on the property described in the application for the commission. A special police officer may (1) arrest individuals who trespass or commit offenses on the property described in the application for the commission; (2) exercise the powers of a police officer on the property; (3) exercise the powers of a police officer in connection with the care, custody, and protection of other property under the jurisdiction of the entity that requested the officer's appointment; and (4) direct and control traffic, if the Secretary of State Police approves of this activity in advance.

The Secretary of State must investigate the character, reputation, and qualifications of each applicant for a commission. The investigation must include an investigation of the applicant's criminal record, including checking records of local police departments and the Federal Bureau of Investigation. The Secretary must conduct the investigation in

accordance with adopted rules and regulations. On completion of the investigation, the Secretary must notify the applicant of the final decision and transmit a recommendation on denying or granting the application to the Governor.

The employer of an applicant for a commission must submit the application form, a complete set of the applicant's legible fingerprints, a fee to cover the cost of the fingerprint record, and an application fee of \$100, to cover the cost of the investigation. Application fees for special police commissions may not be charged to a unit of the State.

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 or willfully damages property on school grounds.

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 as well as to expand public early childhood education programs in the State. A portion of the proceeds from video lottery terminals (VLTs) and table games is dedicated to ETF.

Background:

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. MSDE reports that there are 305 school resource officers for the 1,425 public schools in the State.

Education Trust Fund

ETF was established during the 2007 special session as part of the VLT legislation, to receive approximately half of the gross VLT proceeds, after payouts to bettors. Chapter 1 of the 2012 second special session 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, which were approved by voters in November 2012. 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 2017 through 2021 are shown in **Exhibit 1**. The exhibit shows that the projected ETF revenues are less than the approximately \$3 billion in annual Bridge to Excellence foundation program expenditures.

Exhibit 1
Estimated Education Trust Fund Revenues
Fiscal 2017-2021
(\$ in Millions)

<u>ETF</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
VLT	\$382.8	\$453.9	\$460.1	\$467.0	\$474.0
Table Games	76.0	79.7	80.7	81.9	83.1
Total ETF	\$458.8	\$533.6	\$540.8	\$548.9	\$557.1

Source: Board of Revenue Estimates; Department of Legislative Services

In 2015, there were 2,508 retired State police officers and 1,711 retired other State law enforcement officers that had previously worked for the State. It is unknown how many retired law enforcement officers that did not work for the State including local law enforcement officers live in Maryland. It should be noted that many retired law enforcement officers may no longer be in the physical condition needed to work as school resource officers. It is also unknown how many retired law enforcement officers will be interested in serving as school resource officers.

State Fiscal Effect: To use gaming proceeds credited to ETF for the expanded uses described in the bill requires 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 GCEI. The Governor’s proposed fiscal 2017 budget includes \$458.8 million in ETF revenues, all of which are directed toward the \$3.2 billion in Bridge to Excellence foundation formulas, including GCEI. The remaining \$2.7 billion in Bridge to Excellence formula funding is general funds (excluding retirement). Thus, using any gaming proceeds credited to ETF for tuition reimbursements necessitates an equal increase in general fund expenditures.

General fund expenditures will increase by an estimated \$98.1 million in fiscal 2017 to hire and equip 1,120 school resource officers, enough so that each public school without a school resource officer has one; hire a part-time dedicated background investigator; pay background investigation fees; and pay workers’ compensation premiums. This estimate

reflects a 90-day start-up delay and the bill's July 1, 2016 effective date. The following information and assumptions were used in this estimate.

- MSDE reported during the 2015-2016 school year that there were 1,425 public schools in Maryland, and there were 305 school resource officers. Therefore, for each public school to have at least 1 school resource officer, an additional 1,120 school resource officers would need to be hired.
- It is assumed that the additional school resource officers hired under the bill will be hired at a salary comparable to that of current school resource officers, which will total approximately \$89,131 in fiscal 2017. State contractual benefits (required by the bill) per employee will total approximately \$8,360 in fiscal 2017. Assuming a 90-day start-up delay, hiring an additional 1,120 school resource officers will cost approximately \$82.6 million in salary and benefits and an additional \$674,240 in operating expenses in fiscal 2017.
- Equipment costs for each new school resource officer will total \$13,420 in fiscal 2017, for a total cost of \$15.0 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 for fiscal 2015. 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.
- The bill requires the new school resource officers hired due to this bill to receive special police commissions, which are processed by the Department of State Police (DSP). Assuming that 10% of school resource officers discontinue their employment each year, after the initial surge of applicants and initial renewals, DSP will need to process an estimated 265 applications per year, approximately half the current annual number of special commissions processed. Thus, DSP will need to hire an additional half-time dedicated background investigator. Salary and benefits will be approximately \$29,688 annually. Costs to hire part-time contractual staff during the surge of initial applications and renewals are not reflected in this estimate. In addition, the occasional assistance of a current trooper will be needed to complete background investigations.
- DSP charges a \$100 initial application fee or the \$60 renewal application for a special police commission to a unit of the State. Of that, service fees totaling approximately \$52.50 per individual will need to be paid to other entities to complete the background investigations. Thus, \$112,000 in service fees will need to be paid in fiscal 2017 for the 1,120 new school resource officers. It is assumed

that the State will be responsible for these fees due to the bill's requirement that local school systems be reimbursed for all expenditures necessary to meet the requirements of the bill.

- The bill requires new school resource officers hired under the bill to receive State workers' compensation benefits. Over the past five years, the workers' compensation benefits for DSP averaged approximately \$717 per trooper. If it is assumed that the worker compensation claims for school resource officers hired under the bill are half that amount, \$359 per school resource officer, then claims will total approximately \$402,080 per year and increase in accordance with inflation. For the purposes of this analysis it is assumed that the State pays that amount annually; however, actual costs will depend on claims made.

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: HB 28 of 2015 received a hearing in the House Ways and Means Committee, but no further action was taken. HB 20 of 2014 received a hearing in the House Ways and Means Committee, but no further action was taken.

Cross File: None.

Information Source(s): Maryland Association of Counties, Judiciary (Administrative Office of the Courts), Maryland State Department of Education, Department of Budget and Management, Department of State Police, Workers' Compensation Commission, Montgomery County, Department of Legislative Services

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