

HB 1399**Department of Legislative Services**
Maryland General Assembly
2016 Session**FISCAL AND POLICY NOTE**
Third Reader - Revised

House Bill 1399

Ways and Means

(Delegate Hayes, *et al.*)Budget and Taxation and Education, Health,
and Environmental Affairs**Maryland Education Development Collaborative - Established**

This bill establishes the Maryland Education Development Collaborative (EDCO) as an instrumentality of the State. EDCO is managed by a governing board and must employ an executive director.

The bill takes effect July 1, 2016, and terminates June 30, 2019.

Fiscal Summary

State Effect: General fund expenditures increase by \$216,300 in FY 2017, \$191,600 in FY 2018, and \$197,500 in FY 2019 to provide funding for EDCO's basic administrative expenses, which reflects the termination of EDCO after FY 2019. The General Assembly has restricted \$250,000 in the FY 2017 State budget for costs associated with EDCO, contingent upon passage of this bill (and subject to the Governor releasing the funds for this purpose). Therefore, general fund expenditures further increase by \$33,700 in FY 2017 for EDCO to provide grants and other funding for pilot programs and initiatives, as authorized under the bill; general fund expenditures further increase in FY 2018 and 2019 to the extent that additional funding is also available in those years for these purposes. Higher education revenues may increase minimally from EDCO's funding of pilot programs and initiatives.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	250,000	191,600	197,500	0	0
Net Effect	(\$250,000)	(\$191,600)	(\$197,500)	\$0	\$0

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

Local Effect: To the extent that EDCO receives sufficient funding to provide grants and other funds to support education-related practices in addition to its other duties, local school system revenues may increase minimally from FY 2017 through 2019.

Small Business Effect: None.

Analysis

Bill Summary: The purposes of EDCO are to:

- advise and make recommendations to the State Board of Education, the General Assembly, and local school systems regarding statutory and regulatory policies necessary to promote twenty-first century learning that enhances socioeconomic and demographic diversity across the State's public schools and reduces the achievement gap between socioeconomic and demographic groups across the State's public schools;
- study and promote policies or programs that increase the opportunity for enhancing socioeconomic and demographic diversity of student enrollment through twenty-first century learning opportunities across all public schools and between local school systems in the State;
- support the packaging and transmitting of knowledge across local school systems, the State Board of Education, and local and State policymakers of evidence-based best practices and public school programs and designs that support the (1) readiness of all children to be productive members within an increasingly diverse State, national, and international community and knowledge-based, high-skill, labor-driven economy and (2) reduction of the achievement gap between children from low-income families and children from middle- and high-income families;
- foster partnerships among public schools with private business, universities, government, and nonprofit entities to develop and support the implementation of modern public school designs, twenty-first century curricula, positive school culture, and restorative discipline to promote socioeconomic and demographic diversity and twenty-first century learning in public schools in the State;
- assist in compiling and transmitting knowledge and technology to public schools that support modern public school programs and designs and twenty-first century learning; and

- cultivate, design, and authorize funds and innovation grants through pilot programs and initiatives to support and develop twenty-first century public school programs, modern public school designs, and twenty-first century curricula, technologies, and practices in the State.

EDCO must perform the following functions and duties:

- collaborate with local school systems in the State, State and local government, community organizations, parents, and other stakeholders to provide a research and development approach to twenty-first century learning opportunities that enhance socioeconomic diversity in the State's public schools;
- in partnership with stakeholders, (1) disseminate information on best practices, programs, and resources; (2) provide technical assistance and training; (3) collaborate on collection, analysis, and integration of statewide, local school system, or school level data regarding twenty-first century learning and socioeconomic diversity; and (4) promote interagency efforts that support twenty-first century learning or enhance socioeconomic diversity;
- assist local school systems or cohorts of public schools to assess opportunities to enhance twenty-first century learning that enhances socioeconomic diversity; and
- develop a database of evidence-based programs and initiatives existing in the State's public schools that enhance twenty-first century learning and socioeconomic diversity.

A governing board is established, consisting of various members from State and local government, private industry, and stakeholder organizations. A member of the board may not receive compensation as a member but is entitled to reimbursement for expenses under the standard State travel regulations, as provided in the State budget. The term of appointed members is four years.

EDCO must employ an executive director, who must have experience with and possess qualifications relevant to the activities and purposes of EDCO. The Attorney General is the legal advisor to EDCO; however, with the approval of the Attorney General, EDCO may retain any necessary lawyers. EDCO may also retain any necessary accountants, financial advisors, or other consultants.

EDCO may do all things necessary or convenient to carry out the powers granted by the bill. Specific powers include:

- maintaining offices at a place EDCO designates in the State;

- accepting loans, grants, or assistance of any kind from the federal or State government, local government, a college or university, or a private source if EDCO gives prior notice to the State Board of Education and each local school system; and
- entering into contracts and other legal instruments.

Institutions of higher education may:

- contract with EDCO;
- assign to EDCO intellectual property and other resources to assist in research and development and activities; and
- assign faculty and staff to EDCO.

A debt, a claim, an obligation, or a liability of EDCO is not (1) a debt, a claim, an obligation, or a liability of the State, a unit or an instrumentality of the State, or a State officer or State employee or (2) a pledge of the credit of the State.

EDCO is exempt from State and local taxes and generally exempt from State procurement law and provisions related to the sale and transfer of property. The officers and employees of EDCO are not subject to the specified provisions of law that govern the State personnel management system.

However, EDCO is subject to the Public Information Act; the board and the officers and employees of EDCO are subject to the Public Ethics Law; and EDCO, the board, and the employees of EDCO are subject to the policies and procedures of units exempt from State procurement law.

The books and records of EDCO are subject to audit at any time by the State and each year by an independent auditor. By October 1 of each year, EDCO must report to the Governor, the Maryland State Department of Education, and the General Assembly. The report must include a complete operating and financial statement covering EDCO's operations and a summary of EDCO's activities during the preceding fiscal year.

Current Law/Background: The P-20 Leadership Council of Maryland ("P-20 Council") was established by the Governor in 2007 and later codified by Chapter 191 of 2010. The council is designed to provide a forum in which the Governor, members of the General Assembly, and stakeholders from elementary and secondary education, postsecondary education, and the workforce and economic development communities can discuss policy priorities and the alignment of the various elements of the State's education and workforce systems.

The mission of the council is to better prepare Maryland students for the jobs of the new economy while enhancing the State's economic competitiveness by developing a workforce with twenty-first century skills. The council's most recent annual [report](#) to the

Governor and the General Assembly, which includes the council's current membership, can be found on the Department of Legislative Services' (DLS) website.

State Fiscal Effect: The bill does not mandate funding for EDCO. Institutions of higher education are authorized, but not required, to provide resources to assist EDCO, and may assign faculty and staff to EDCO. As noted above, the bill terminates June 30, 2019.

It is assumed that the State provides annual funding to EDCO through a general fund appropriation from fiscal 2017 through 2019. The cost to the State depends on the size and scope of EDCO, which is unknown at this time. At a minimum, EDCO must hire an executive director as required by the bill and needs a physical office, basic office supplies, and program and administrative staff to function. Assuming EDCO hires one executive director, one program administrator, and one administrative staff – all on a contractual basis concurrent with the bill's July 1, 2016 effective date because the bill terminates after three years – general fund expenditures increase by \$216,255 in fiscal 2017, \$191,596 in fiscal 2018, and \$197,523 in fiscal 2019 to provide funding for EDCO's basic administrative expenses. As noted above, the General Assembly has restricted \$250,000 in the fiscal 2017 State budget for costs associated with EDCO, contingent upon passage of this bill (and subject to the Governor releasing the funds for this purpose). Therefore, general fund expenditures further increase by \$33,745 in fiscal 2017 for EDCO to provide grants and other funding for pilot programs and initiatives, as authorized under the bill. General fund expenditures further increase in fiscal 2018 and 2019 to the extent that additional funding is also available in those years for these purposes.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

To the extent that institutions of higher education provide support to EDCO, higher education expenditures may increase and general fund expenditures to support EDCO may decrease. Also, higher education revenues may increase minimally from EDCO's funding of pilot programs and initiatives.

The bill specifies that the books and records of EDCO are subject to audit by the State at any time. Assuming that the Office of Legislative Audits periodically audits EDCO, it can likely do so with existing resources.

Additional Information

Prior Introductions: None.

Cross File: SB 910 (Senator Ferguson, *et al.*) - Budget and Taxation and Education, Health, and Environmental Affairs.

Information Source(s): Department of Budget and Management, Comptroller's Office, Baltimore City Community College, University System of Maryland, Maryland Higher Education Commission, P-20 Leadership Council of Maryland, Department of Legislative Services

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