

Department of Legislative Services  
 Maryland General Assembly  
 2018 Session

FISCAL AND POLICY NOTE  
 First Reader

Senate Bill 589 (Senators Robinson and Oaks)  
 Budget and Taxation

**Baltimore City Board of School Commissioners - Education Trust Fund -  
 Allocation to Establish Community School Programs**

This bill requires that, beginning in fiscal 2020, the Governor must annually appropriate at least \$1.0 million from the Education Trust Fund (ETF) to the Baltimore City Board of School Commissioners (board) to establish additional community school programs in areas that have a high population of students who are at risk of not succeeding. This appropriation must be in addition to, and may not supplant, any other State funds provided to the board. The bill expands the allowable uses of the ETF to include the appropriation required under the bill. **The bill takes effect July 1, 2018.**

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$1.0 million beginning in FY 2020. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2020.**

(\$ in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	1.0	1.0	1.0	1.0
Net Effect	\$0.0	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)

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

**Local Effect:** Baltimore City Public Schools receive an increase of \$1.0 million in State aid annually, beginning in FY 2020, with commensurate annual increases in expenditures.

**Small Business Effect:** Organizations that provide support services for community schools in Baltimore City may benefit.

## Analysis

**Bill Summary:** The bill defines a community school program as adding a coordinator position to a school to coordinate providing wraparound services to students at risk of not succeeding in school.

**Current Law:** ETF is a nonlapsing, special fund to be used for continued funding of the Bridge to Excellence in Public Schools Act of 2002 formulas and programs, including the Geographic Cost of Education Index (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:**

#### *Community Schools*

The Coalition for Community Schools (CCS) describes a community school as follows:

A community school is both a place and a set of partnerships between the school and other community resources. Its integrated focus on academics, health and social services, youth and community development, and community engagement leads to improved student learning, stronger families, and healthier communities. Community schools offer a curriculum that emphasizes real-world learning and community problem-solving. Schools become centers of the community and are open to everyone – all day, every day, evenings, and weekends.

Community schools often employ a community school coordinator. CCS indicates that the role of the community school coordinator is to “facilitate and provide leadership for the collaborative process and development of a continuum of services for children, families and community members within a school neighborhood.”

#### *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 estimated ETF revenues for fiscal 2019 through 2023 are shown in **Exhibit 1**. The exhibit

shows that the projected ETF revenues are less than the over \$3.3 billion in annual Bridge to Excellence foundation program expenditures.

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**Exhibit 1**  
**Estimated Education Trust Fund Revenues**  
**Fiscal 2019-2023**  
**(\$ in Millions)**

<b><u>ETF</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>
VLT	\$408.1	\$414.2	\$404.9	\$411.0	\$417.2
Table Games	94.8	96.3	97.7	99.2	100.7
<b>Total ETF</b>	<b>\$502.9</b>	<b>\$510.5</b>	<b>\$502.6</b>	<b>\$510.2</b>	<b>\$517.8</b>

ETF: Education Trust Fund  
VLT: video lottery terminal

Source: Board of Revenue Estimates; Department of Legislative Services

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*Baltimore City Community Schools*

There are over 50 community schools in Baltimore City during the 2017-2018 school year. According to the board’s policy, community schools embody and incorporate voices of the community – parents, teachers, school-based staff, residents, community associations and other key community stakeholders who all have a shared interest and investment in the well-being of children. Further, the community school strategy offers an integrated focus on academics, health and mental health services, youth development, expanded learning opportunities and family and community supports to ensure students are ready and able to learn. The strategy recognizes the multiple aspects of children’s development – cognitive, social, psychological, physical, moral and vocational.

The board contracts with Family League, which facilitates various supports for the city-wide implementation of community schools. These supports include monthly training and networking, onsite coaching and training, data collection and evaluation, management and oversight, and required reporting. A new contract with the Family League will be required after fiscal 2018.

**State Fiscal Effect:** Designating the use of \$1.0 million of ETF monies for community school programs in Baltimore City 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 2019 budget includes \$502.9 million in ETF revenues, all of which are directed toward the \$3.3 billion in Bridge to Excellence foundation formulas, including GCEI. The remaining \$2.8 billion in foundation formula funding is general funds. Thus, using ETF for purposes under the bill does not alter the amount of special fund expenditures; instead, general fund expenditures increase by \$1.0 million to preserve funding of the foundation formula.

**Local Fiscal Effect:** Beginning in fiscal 2020, Baltimore City Public Schools receive an additional \$1.0 million annually. Consequently, public school expenditures, specifically for community schools, increase by \$1.0 million. Baltimore City advises that the additional revenue would fund community school operations at additional locations, including support costs for its Coordinator/Family and Community Engagement Specialist function for community schools and also to cover additional facility costs for community schools.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Baltimore City; Maryland State Department of Education; Department of Budget and Management; Department of Legislative Services

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