

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 653

(Senators Hester and Ready)

Education, Health, and Environmental Affairs

Ways and Means

**Carroll and Howard County Boards of Education – Establishing Innovative
Regional Schools – Authority**
(Cross-County Attendance to Achieve Efficiency Act of 2019)

This bill authorizes local boards of education in Carroll and Howard counties to establish innovative regional schools without the approval of the State Board of Education or the State Superintendent. Innovative regional schools are schools that (1) offer special courses or curricula for an innovative education program and (2) admit students from Carroll or Howard County provided they have entered into a binding memorandum of understanding (MOU) outlining each local board's responsibilities related to the school. MOU must identify one local board to govern an innovative regional school and may establish required payments (limited to county appropriations only) of each county served by an innovative school. The Interagency Commission on School Construction (IAC) must study and develop a State and local cost-share formula for local boards that choose to operate a regional school, and must report its findings and recommendations to the Governor and the General Assembly by January 1, 2020.

Fiscal Summary

State Effect: IAC can make required recommendations using existing resources. The bill is not anticipated to affect State aid to public schools or total funding in the capital budget available for school construction.

Local Effect: Minimal. Specified local school systems are authorized, but not required, to establish innovative regional schools. Any increase in expenditures is at the discretion of these local school systems. Potentially, these local school systems will realize cost savings and other efficiencies via MOUs that are established under the bill's authority.

Small Business Effect: None.

Analysis

Bill Summary: The collective bargaining agreement for the county identified to govern an innovative regional school must govern the working conditions in that school. However, the employee organization and the public school employer in that county may mutually agree to negotiate amendments to the existing bargaining agreement to address the needs of the school. Any negotiated agreement and the MOU are subject to approval by the government for each county whose local board is a party to the MOU.

The authority to require payments of each county served by an innovative school is not limited by current State law requirements regarding payments by a county that chooses to send some children who reside within its borders to a public school in an adjoining “receiving county” must pay to that county. Except as otherwise specified in the bill, innovative regional schools must comply with regulations and law governing other public schools in the State.

Current Law: Subject to approval by the State Superintendent and in accordance with the applicable bylaws, rules, and regulations of the State Board, a county board may establish a public school if, in its judgment, it is advisable. On approval by the State Superintendent, any school established becomes a part of the State program of public education. With the advice of the local superintendent of schools, the local school board must determine the geographical attendance area for each school established under this section.

Generally, a student must attend the school designated to serve the student’s attendance area. However, local boards of education have various policies allowing for enrollment of or the transfer of a student outside of his or her attendance area, under certain circumstances. Unique hardship circumstances, childcare needs, programming purposes, and relief of school overcrowding are among the local exceptions to required pupil attendance within designated attendance areas.

Generally, local school systems must provide transportation to and from school for public school students. A county school board may establish a mileage limit within which school bus transportation is not generally provided. However a student within an established mileage limit may use a school bus if the school bus is not filled to capacity; if no additional bus stop is added to the route to transport the student; and a specific hardship for the student is identified by the transportation officer.

If a county school board considers it practicable, it must consolidate schools and arrange for the transportation of students to and from consolidated schools.

Under certain conditions, a county may send children who reside within its borders to a public school in an adjoining “receiving county.” A public school that is near the boundary of two counties may thereby be jointly attended by students from both counties. The county school boards of the two counties may provide jointly for the maintenance and support of the jointly attended school and determine the geographical attendance areas and other attendance policies for all jointly attended schools in the receiving county. If the two counties fail to agree on a geographical attendance area, then the State Superintendent must decide the matter.

The foundation program is the major State aid program for public schools. A formula determines, for each school system, the State and local shares of a minimum per pupil funding level. The total cost of the foundation program, which equals the per pupil foundation amount times the full-time equivalent student enrollment count, is shared equally by the local governments and the State. However, as a wealth equalized formula, the State provides more aid per pupil to school systems in the less wealthy jurisdictions and less aid per pupil to school systems in the more wealthy jurisdictions.

The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants are inflated annually with the increase in the Consumer Price Index for private transportation in the second preceding fiscal year, but increases may not be less than 1% or more than 8%. Local school systems experiencing increases in enrollment receive an additional grant amount equal to the district’s student enrollment increase over the previous year multiplied by the total per pupil transportation aid from the prior year. In addition to the base transportation grants, the State provides local school systems with an additional \$1,000 for each student with special transportation needs.

For each student residing in a “sending county” but attending public school in a “receiving county,” the sending county must pay the receiving county the lesser of the two counties’ local per student current expense. If the local per student current expense for the sending county is less than it is for the receiving county, then the State pays the receiving county the difference, plus the appropriate State share of the foundation program, for each student residing in the sending county but attending public school in the receiving county.

The State pays at least 50% of eligible costs of school construction and renovation projects, based on a funding formula that takes into account numerous factors including each local school system’s wealth and ability to pay. IAC must provide technical support for agreements between and among local education agencies and county governing bodies, including regional partnerships, to promote efficiency. The 21st Century School Facilities Act (Chapter 14 of 2018) required IAC to explore the feasibility of regional school construction projects, including regional career and technical education high schools. It must also develop mechanisms and incentives to provide State funding for regional school

construction projects. Chapter 14 required IAC to report its findings to the Commission on Innovation and Excellence in Education by July 1, 2018, but the report has not yet been completed.

State Expenditures: The bill does not alter procedures for State aid to public schools or its distribution among local school systems. The Maryland State Department of Education may need to develop regulations to specify how the State and local cost shares for operating funding are determined in the case of innovative regional schools, as the bill does not specify. However, it is assumed that students attending a regional school continue to be included in the “sending” county’s enrollment for State aid formula purposes, and the bill specifies that additional State funds are not required by the bill. Therefore, it is assumed that there is no impact on State funding for local schools.

The bill also does not affect total funding in the capital budget available for school construction, which is established annually by the Governor and General Assembly through the capital budget process. Assuming a fixed amount of funding in the capital budget for school construction, any funding provided for innovative regional schools means that less funding is available for other school construction projects. Also, it is assumed that innovative regional schools may be established using currently existing school buildings.

Local Fiscal Effect: Any increase in expenditures is at the discretion of Carroll and Howard counties’ local school systems and county governments. It is assumed that any agreement between these local school systems will be mutually beneficial in terms of desired programming, outcomes, and possibly costs. Potentially, the school systems will save on transportation costs, costs associated with overcrowding of certain schools (including the local share of costs for relocatable classrooms), and realize efficiencies through joint operation of specialized education programming.

Though current law allows for sending students from one school system to another under certain conditions, the per student payment scheme is fixed in current law. The bill does not specify what special courses or curricula must be involved in an innovative education program within innovative regional schools. Any costs with developing and offering such an educational program will also be at the discretion of local school systems.

Local revenues are not directly impacted, though payments received from one school system by another may be established or altered under any MOU that is formed in response to the authority provided under the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Association of Counties; Anne Arundel County Public Schools; Carroll County Public Schools; Howard County Public Schools; Montgomery County Public Schools; Maryland State Department of Education; Interagency Commission on School Construction; Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2019
md/rhh Third Reader - March 20, 2019
Revised - Amendment(s) - March 20, 2019
Enrolled - May 9, 2019
Revised - Amendment(s) - May 9, 2019

Analysis by: Scott P. Gates

Direct Inquiries to:
(410) 946-5510
(301) 970-5510