

**The Greater Ocean City, Maryland
Chamber of Commerce, Inc.**

**TESTIMONY OFFERED ON BEHALF OF
THE GREATER OCEAN CITY CHAMBER OF COMMERCE**

IN SUPPORT OF

**HB 743 Universal School Start Act of 2020
BEFORE THE
House Ways and Means Committee
February 21, 2020**

The Greater Ocean City Chamber of Commerce, representing more than 900 regional businesses and job creators, strongly supports **HB 743 Universal School Start Act of 2020**. This bill will essentially require, beginning in the 2020-2021 school year, a county board of education to set the start date of the school year for schools in the county not earlier than the first Tuesday after Labor Day; authorizing a county board to grant a school a certain waiver from a certain requirement for good cause as established by the State Board of Education in regulations; requiring the State Board to adopt certain regulations; etc. Statewide, we have seen such a positive impact from a later school start and hope to continue this Maryland tradition. It is not just about economics; it is about family time and truly enjoying a full summer during childhood!

Worcester County has already instituted the post Labor Day start over the past 5 years (2 years prior to the EO) with much success, boasting some of the highest test scores in the state. Specifically, 2016-17 PARCC assessments were the highest in the state in 5 assessment areas. As a parent of 2 children in the public-school system, we still receive 3 calendar choices within these parameters and get to vote on one option each year. This is also critical for tourism as well as our local workforce.

Since the Governors Executive order, the state has received an influx of tourism dollars for up to 2 additional weeks, which can assist with a variety of state initiatives including education funding and summer enrichment programs (see economic impact report). Here in Ocean City, we saw the positive impact with 2018 Room tax up 6.6% and Tourism coded sales tax up 7.3%. However, last year, this law was essentially repealed, allowing local school boards to once again make the decision to start as early as the beginning of August.

Further and most importantly, this allows **Maryland families** additional time together. This is a statewide benefit to simply have all counties start after Labor Day, while allowing the flexibility of the calendar within that timeframe up to the local jurisdiction.

Eunice Q. Sorin Visitor & Conference Center

12320 Ocean Gateway, Ocean City, Maryland 21842 • 410-213-0144 • Fax 410-213-7521

www.oceancity.org • info@oceancity.org

This had been a multi-year effort that went through a rigorous vetting process.

In spring 2014, a legislative task force that was chaired by a representative of the Maryland State Department of Education (MSDE) and included teachers, administrators, parents of students in Maryland public schools, and small business owners, voted **overwhelmingly** to endorse a post-Labor Day start.

In 2016, a new group was formed to educate Marylanders about this important issue. **Marylanders for a Longer Summer** is supported by members of the business community, educators, political leaders and ordinary citizens who believe that starting school after Labor Day just makes sense. Members of this statewide coalition include but were not limited to:

- Maryland Farm Bureau
- The Maryland Hotel and Lodging Association (representing 225 members 24,000 rooms)
- Maryland Tourism Coalition
- Maryland Chamber of Commerce
- Restaurant Association of Maryland
- Maryland Association of Campgrounds (represents 25 Campgrounds)
- Maryland Building Industry Association
- Maryland State Fair
- Maryland Tourism Education Foundation
- The Garrett County Chamber of Commerce (representing 200 businesses)
- Smiley's in Garrett
- Pine Lodge Steakhouse
- McHenry Cove
- Brenda's Pizzeria/Trader's Coffee/Ace's Run
- Wisp Resort and Hotel
- The Greater Ocean City Chamber of Commerce (representing almost 900 businesses)
- Hyatt Regency Chesapeake Bay
- Ocean Downs Racetrack and Casino
- The Ocean City Hotel Motel Restaurant Association (representing 250 hotels and 175 Service members)
- Harrison Group Resort Hotels (10 Hotels, 7 Restaurants)
- Bayshore Development/Jolly Rogers/Thrashers Fries
- Carousel Group (7 hotels)
- Clarion Resort and Conference Center
- Princess Royale & Princess Bayside
- Francis Scott Key Family Resort
- Six Flags America
- Parkway Management Baltimore

- National Aquarium in Baltimore

And in August of 2016, the Governor signed the Executive Order.

Please note that starting school immediately after Labor Day does not change the current state mandate for 180 instructional days and retains local school board's authority to develop/approve all other elements of an annual school calendar provided the first day of instruction occurs after Labor Day. Finally, no empirical evidence has been presented that a post-Labor Day school start has had a negative impact on student test scores and performance.

The Greater Ocean City Chamber of Commerce Membership respectfully requests a Favorable Report for **HB 743 Universal School Start Act of 2020**. Please feel free to contact me with any questions regarding the position of the Greater Ocean City Chamber of Commerce at 410-213-0144 ext 102.

Sincerely,

A handwritten signature in cursive script, appearing to read 'MP', is positioned above the typed name.

Melanie A. Pursel, MS

President & CEO

New Post-Labor Day School Start Study Shows Significant Economic Impact

\$115 million impact mirrors Maryland Bureau of Revenue Estimates forecast in 2014 report

ANNAPOLIS, Md. (September 19, 2019) - Starting school after Labor Day has “a clear, positive impact on both state and local government economies” with a total net economic impact of up to \$115 million, according to a new analysis from the Business Economic and Community Outreach Network (BEACON) at Salisbury University.

The report, entitled “The Economic, Employment and Fiscal Impacts Of Added Summer Vacation Days Attributable To Post-Labor Day Opening of Maryland’s Public K-12 Schools,” echoes an economic impact study conducted by the Maryland Bureau of Revenue Estimates in 2014, which forecast a significant increase in state and local tax revenues and wages resulting from a Post-Labor Day school start date.

“This independent analysis validates what we already know: starting school after Labor Day is good for Maryland families, good for our local businesses and good for the Maryland economy,” said Comptroller Peter Franchot. “At a time when the state is considering new sources of revenue for our public schools, this adds millions of dollars to our state’s coffers, all while supporting great family-owned, small businesses and sustaining summer employment.”

BEACON’s analysis found a total net economic impact -- incorporating direct, indirect and induced benefits -- of close to \$58 million for six additional days of summer vacation and nearly \$115 million for 12 extra days, depending upon when Labor Day falls on the calendar each year.

Additionally, the report estimates additional wages earned by workers to be between \$2.875 million and \$5.75 million during the final days of summer with local and state government revenues increasing between \$8 million and \$16 million, also depending upon the timing of Labor Day.

“Tourism is one of our state’s most important economic engines and is especially critical to areas like my hometown of Baltimore City, where the tourism industry is an even more significant employer and source of local revenue,” said Michael Haynie, a hotel management consultant, former chairman of the Maryland Tourism Coalition and a member of the Governor’s Task Force to Study a Post-Labor Day Start Date for

Maryland Public Schools. "The extended summer also means more employment opportunities for our city's youth before heading back to the classroom, providing much-needed family income and experience in a major job sector."

The study's findings are based on estimates that approximately 70 percent of all tourism-related expenditures statewide can be attributed to Maryland residents and data from tourism offices that show the majority of end-of-summer travel by Marylanders occurs within the state.

"I am thrilled to see the positive results and increased economic impact caused by a post-Labor Day school start in Maryland; however, I am not surprised," said Ocean City Mayor Rick Meehan. "Worcester County has accomplished a successful post-Labor Day start date for years and students in our schools have continued to thrive. In fact, our very own Ocean City Elementary School was named a Blue Ribbon School for a second time in 2018."

"A post-Labor Day school start benefits all Marylanders. The hard work and dedication to this initiative displayed by Governor Hogan and Comptroller Franchot have not only allowed Maryland families to enjoy more summer vacation together, but has also increased our room tax revenue and allowed seasonal employees to work longer. It's incredible to see how common sense and thoughtful planning can create such a positive change for us all," added Meehan.

Tourism is the state's 10th largest employment industry, supporting more than 200,000 jobs and producing over \$15 billion, and represents four percent of the state's total economy.

The nonpartisan task force, created by the Maryland General Assembly and appointed by then-Governor Martin O'Malley, recommended a post-Labor Day start by a vote of 12 to 3 in May 2014 after meeting for nearly a year to consider all aspects of the issue.

Public support for starting school after Labor Day has been strong and consistent throughout Maryland among teachers, parents and the business and agricultural community. More than 24,000 Marylanders signed the "Let Summer Be Summer" petition in 2016 -- endorsing the initiative that has given families more time together, provided teachers and students with a longer break to recharge without impacting summer learning loss, and afforded rural Marylanders the opportunity to participate in the Maryland State Fair, which runs the 10 days prior to Labor Day each year.

"As a teacher, I know starting school after Labor Day not only is economically beneficial to our communities, it is crucial to the professional development and well-being of teachers and administrators," said Baltimore County public school teacher Jeffrey Freedman. "Many teachers take coursework during the summer and need that time to complete that work while others value the time to unwind with their families and recharge. A post-Labor Day starts helps us be the most successful, effective teachers we can be."

An economic impact study conducted by the Bureau of Revenue Estimates in August 2013 projected a post-Labor Day school start would generate an additional \$74.2 million in economic activity, including \$3.7 million in new wages and a separate \$7.7 million in state and local revenue. These findings mirror the study just concluded by BEACON, which will release its full analysis in October.

“This study confirms what teachers and parents have been saying for years: starting school after Labor Day is good for parents, students and Maryland’s economy,” said Denise Avara, a longtime public school mom and PTA leader. “I’ve listened to families, educators and owners of small businesses for a long time who called for a later start to school for very good reasons ... mostly because it helps all of us.”

MEDIA CONTACTS: Susan O'Brien - sobrien@comp.state.md.us
410-260-7305 (office); 443-875-8540 (mobile)

Alan Brody - abrody@comp.state.md.us
410-260-6346 (office); 443-924-1473 (mobile)

SCHOOL AFTER LABOR DAY IN MARYLAND

Economic & Fiscal Impact

LET SUMMER BE SUMMER



REPORT HIGHLIGHTS

\$58 Million-
\$115 Million
TOTAL NET ECONOMIC
IMPACT TO MARYLAND

\$2.9 Million-
\$5.8 Million
ADDITIONAL WAGES
EARNED BY WORKERS

\$8 Million-
\$16 Million
NET REVENUE TO STATE
& LOCAL GOVERNMENTS

BEACON
Business Economic and Community Outreach Network
At Salisbury University

Post Labor Day School Start
Economic, Employment, and
Fiscal Impact Study

Executive Summary

“The extension of the traditional summer vacation beyond the Labor Day holiday for all public county school systems in Maryland has a clear positive impact on both the state and local governments’ economies.”

**THE ECONOMIC, EMPLOYMENT, AND FISCAL IMPACTS OF ADDED SUMMER VACATION DAYS
ATTRIBUTABLE TO POST-LABOR DAY OPENING OF MARYLAND'S PUBLIC SCHOOLS**



Photo by Chris Parypa

Prepared by:

BEACON
Business Economic and Community Outreach Network
At Salisbury University

Please note: The full study will be released in October

THE ECONOMIC, EMPLOYMENT, AND FISCAL IMPACTS OF ADDED SUMMER VACATION DAYS ATTRIBUTABLE TO POST-LABOR DAY OPENING OF MARYLAND'S PUBLIC K-12 SCHOOLS

FINDINGS:

The extension of the traditional summer vacation beyond the Labor Day holiday for all public county school systems in Maryland has a clear positive impact on both state and local government economies.

These additional summer vacation days are estimated to have a total net economic impact of close to \$58 million for six additional days and close to \$115 million for 12 additional days. The breakdown of these economic impacts is as follows:

Direct:	\$27 million to \$54 million
Indirect:	\$13.5 million to \$27 million
Induced:	\$17 million to \$34 million

This level of added economic activity translates into \$2.875 million to over \$5.75 million in additional wages supporting close to 200 jobs and over \$8 million to \$16 million in additional state and local government revenues.

These impacts, while concentrated more at key destinations, will benefit businesses, relevant industry employees, and governments in each jurisdiction of Maryland.

STUDY BACKGROUND

A team of researchers at the Business, Economic, and Community Outreach Network (BEACON) of the Franklin P. Perdue School of Business at Salisbury University has conducted a Scenario Analysis to compare various public county school start dates in Maryland six to 12 days before Labor Day.

According to the Maryland Office of Tourism, and Tourism Economics, an Oxford Economics Company, the hospitality and leisure sectors in Maryland support over 200,000 jobs and have a collective economic impact of over \$15 billion, which is over four percent of the state's economy. Tourism is the 10th largest employer in Maryland. When the tourism related activities of affiliated support industries such as food and beverage wholesalers, mechanical contracting, paint contracting, construction, HVAC, and printing, etc. are added, the economic and employment impacts nearly double. This activity is reflected in a significant impact on state and local fiscal revenues to the tune of over \$2.5 billion.

Of particular importance to this study is the percentage of tourism spending at Maryland destinations that is attributable to residents of Maryland. Based on the above and other reports from local tourism offices, members of the BEACON team estimate that, more than 70 percent of all tourism related expenditures in Maryland can be attributed to Maryland residents.

Given these economic facts, it is not surprising that extending the summer vacation would have a positive impact on this important sector of Maryland's economy. This additional value has two major components:

1. Added economic impact due to added spending by a significant percentage of the over half a million Maryland families with school age children at Maryland destinations; and,
2. Added employment for Maryland students at Maryland destinations before returning to school in the fall.

There is also a small negative impact to the state from Maryland residents spending the extra days elsewhere. However, since the majority of visits and expenditures are in-state, this negative impact is lower than the positive impact of the in-state spending for each extra day of summer vacation, in spite of the fact that per day per family spending outside the state is slightly higher.

Finally, the majority of end-of-summer travel by Marylanders by tradition is in-state, to destinations such as Ocean City, Deep Creek Lake, Baltimore, and other destinations proximate to the Chesapeake Bay and its tributaries. The second end-of-summer destination of choice is Washington, D.C. Prior studies show that a portion of the spending by Marylanders in this contiguous region comes back to the state as the economic impact leaks out to Maryland based vendors and employees of the tourism industry in the National Capital Region.

METHODOLOGY

To examine the differential impact of extending the summer vacation on Maryland destinations, members of the BEACON team developed a Scenario Analysis mode (Please see Figure 1 on the next page).

The key variables used for the Scenario Model and their viable ranges of values are as follows:

1. Percentage of the 500,000 plus Maryland families with school age children that would make overnight trips to Maryland destinations away from home:

2% to 4%

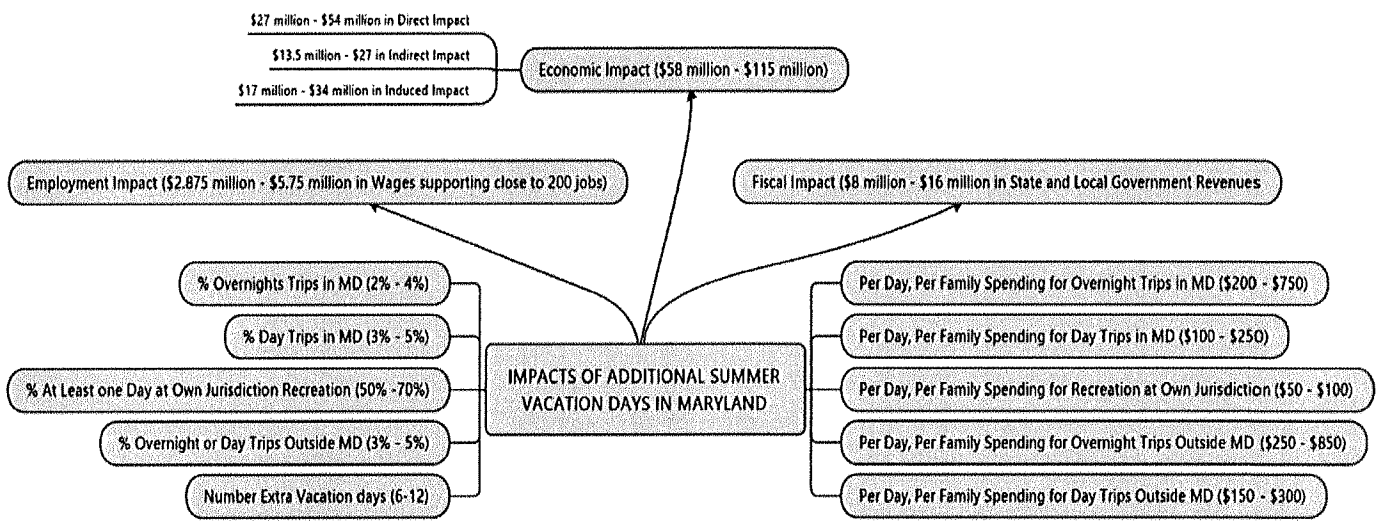


Figure 1: The Scenario Analysis Model

2. Percentage of the 500,000 plus Maryland families with school age children that would make day trips to Maryland destinations away from home:

3% to 5%

3. Percentage of the 500,000 plus Maryland families with school age children that would devote at least one additional day to a family recreational activity within their own jurisdiction:

50% to 70%

4. Percentage of the 500,000 plus Maryland families with school age children that would make overnight trips to destinations outside Maryland:

3% to 5%

5. Number of extra days in the analysis:

Six to 12 days

6. Per day, per family spending for overnight trips in Maryland:

\$200 to \$750

7. Per day, per family spending for overnight trips outside Maryland:

\$250 to \$850

8. Per day, per family spending for day trips in Maryland:

\$100 to \$250

9. Per day, per family spending for day trips outside Maryland:

\$150 to \$300

10. Per day, per family spending for recreational activities in their own jurisdiction:

\$50 to \$100

ADDITIONAL METHODOLOGY NOTES:

1. The number of families affected was calculated using U.S. Bureau of the Census data and student data from the National Center for Education Statistics.
2. The viable ranges in percentage of families affected for different tourism and recreation options were developed by the members of the BEACON team using varying income levels, geographical attributes, and visitor information from key Maryland destinations of Baltimore City, Deep Creek Lake, Ocean City and other Chesapeake Bay destinations.
3. The out-of-state factor was assumed to be directly related to income and preference. Income was weighed higher because, on average, travel expenses are greater when traveling out of state.
4. The day-trip profile ranges weighed both income and geography equally, while the overnight model weighed income more heavily.
5. Recreational spending viable ranges were developed based on data purchased from the ESRI Business Analyst Online service for Maryland counties.
6. The multiplier effects for estimating indirect and induced impacts were derived from 2017 IMPLAN data purchased from the Minnesota IMPLAN Group, Inc. and inflated to 2018 dollars.
7. The simulation model was run 250,000 times with each variable randomly assigned a value within the pre-determined range of viability.
8. The top and bottom 10% of the model run outcomes were discarded (these are statistically possible but realistically improbable outcomes).
9. The median number of the remaining cluster of outcomes are reported as the study findings
10. It is important to note that these are not forecasts. These are estimated differential impacts of the various scenarios using the aforementioned viable ranges of values for the key variables.

11. The model does not include the additional economic value of the extended employment by students; nor does it include the beneficial impact to tourism and recreation establishments in Maryland of having this pool of workers for the extra days.

12. Because the date on which Labor Day falls would alter the number of days in which summer vacations would be impacted, this model does not pertain to any specific year. It simply compares scenarios for hypothetical days added to the summer vacation.