

2005 Legislative Wrap-up

**Prepared by the
Prince George's Business-Education Alliance**

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On February 1, 2005, the Prince George's Business-Education Alliance announced an eight-point legislative agenda for the 2005 session of the Maryland General Assembly designed to address critical needs of the Prince George's County Public Schools and Prince George's Community College. Over the following month, the Alliance met with the Prince George's delegations in both the House of Delegates and the Senate to brief them on the agenda and urge its adoption. By the time the General Assembly adjourned on April 11, most items on the agenda had been enacted. As a result, the public schools and PGCC will receive substantial new resources for the 2006 fiscal year.

This wrap-up lists the agenda items and summarizes the outcome on each, as well as other actions that will affect Prince George's County's education institutions. A separate report outlining state education aid to the Prince George's County Public Schools for fiscal 2006 is posted on this website.

- **Support continued full funding of the Thornton Commission recommendations embodied in the Bridge to Excellence in Public Schools Act**

As required by law, the Governor's operating budget requested full funding of the Bridge to Excellence Act, with the exception of the Geographic Cost of Education Index (see below). Following approval by the House and Senate, funding for Bridge to Excellence programs will grow by \$384 million in fiscal year 2006. The final Budget Reconciliation and Financing Act of 2005 (House Bill 147) increases total state education aid by \$391 million, or 10.8 percent, to more than \$4.0 billion. Under the Bridge to Excellence Act, the Prince George's school system will receive an additional \$82.3 million in fiscal 2006 over the fiscal 2005 appropriation.

HB147 also repeals a provision of state law that requires the General Assembly to pass a joint resolution to proceed with full funding when education aid exceeds 31.5 percent of general fund revenues. Without the repeal or passage of a joint resolution, an automatic trigger mechanism would have reduced education spending in fiscal 2006 by \$37.3 million. The repeal guarantees that full funding of the Bridge to Excellence Act will continue.

In addition, the General Assembly authorized \$3.5 million for the Challenge Grant Program, which provides grants for school improvement to low-performing schools with low attendance rates, high dropout rates, and low pass rates on the Maryland School Assessments. The program was funded at \$3.8 million in fiscal 2005, but the Governor slated it for elimination in his budget request. The 2006 funds will be distributed to each school in proportion to the grants received in fiscal 2005. The budget bill also mandated that funding for the program increase to \$3.8 million in fiscal 2007.

- **Support funding of the Geographic Cost of Education Index (GCEI) established under the terms of the Bridge to Excellence in Public Schools Act**

For the second year, the Governor's budget did not request funding for the GCEI, and neither the House nor the Senate included money for the GCEI in its budget bill. Last

year, that omission cost Prince George's County schools \$16-19 million. Failure to fund the GCEI this year will deprive the school system of about \$21 million it otherwise might have received in fiscal 2006. The GCEI was held hostage to slots legislation, with the Governor holding out the prospect of funding if the General Assembly approved his or the Senate's proposals for "video lottery terminals." The slots bill passed by the House did not include funding for the GCEI. Ultimately, the two houses were unable to agree on a compromise bill, and plans for slots died for the third successive year.

Legislation that would have updated the GCEI and mandated that it be funded (HB703) passed the House but was not acted upon by the Senate.

- **Support a substantial increase in state funding for the construction and renovation of schools**

The operating budget passed by the House and Senate includes \$251.8 million for school construction and renovation – more than twice the amount provided in fiscal 2005. The Senate had proposed spending \$200 million (with additional funds coming from slots revenues) but agreed to the House figure during last-minute negotiations. The final total is consistent with the recommendation of a commission led by State Treasurer Nancy Kopp that last year called for the state to spend at least \$250 million a year for ten years to address a backlog in school construction and renovation needs. Last year's budget included only \$116.6 million for school construction. As a result of the increase, the Prince George's Public Schools will receive almost \$30 million for school construction in fiscal 2006, compared with just over \$10 million in 2005.

The General Assembly failed to pass several bills that would have mandated annual spending on school construction of at least \$250 million for eight years.

- **Support full restoration of the Cade funding formula for community colleges**

The Governor's budget called for full funding of the Senator John A. Cade formula, and that money was included in the final budget bill. As a result, Cade funds will increase by \$7.4 million in fiscal 2006. The Cade formula allocates 25 percent of the amount received by the University of Maryland per full-time equivalent (FTE) student in the previous year to the 15 community colleges (excluding Baltimore City Community College, which is funded separately).

- **Support enactment of legislation allowing retired teachers to be rehired by their school systems to fill vacancies, especially in fields experiencing teacher shortages, such as math, science, and special education**

A bill passed by the House and Senate (HB1347) allows school systems to rehire teachers in fields experiencing "critical shortages" to serve in schools that meet specific criteria, including those that need improvement or that serve a substantial number of low-income students. The bill also permits the rehiring of principals and certain other administrative personnel. In addition, the legislation contains stringent reporting requirements to guarantee that retired teachers are being rehired consistent with the provisions of the law.

- **Oppose any shifting of current state obligations, such as retirement contributions, onto local school systems**

No proposals were made to shift current state obligations onto local schools systems. In fiscal 2006, the state will contribute \$406.9 million to the teachers' retirement fund, an increase of \$3.7 million from 2005.

- **Support the recommendations of the Task Force to Study Public School Facilities to increase the state share of school construction costs for projects in Prince George's County**

No action was taken by the General Assembly on this proposal. The Board of Public Works made an initial allocation of \$121.9 million for school construction, and the Interagency Committee on School Construction allocated the additional \$128.1 million. The \$29.833 million Prince George's will receive in fiscal 2006 represents 39.3 percent of its total request, compared with a statewide average of 53.6 percent.

- **Support funding for planning of a new health technology building at Prince George's Community College**

The capital budget approved by the House and Senate allocates \$800,000 for this project during the 2006 fiscal year.