

OFFICE OF THE SUPERINTENDENT

Michael J. Martirano, Ed.D., Superintendent



February 25, 2020

Hon. Guy Guzzone, Chair
Senate Budget & Taxation Committee
3 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Hon. Clarence Lam, Chair
Howard County Senate Delegation
420 Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Hon. Vanessa Atterbeary, Chair
Howard County House Delegation
101 House Office Building
6 Bladen Street
Annapolis, MD 21401

RE: Blueprint for Maryland's Future legislation

Dear Senators Guzzone, Lam and Delegate Atterbeary,

The "Blueprint For Maryland's Future" legislation (SB1000/HB1300) is the culmination of work started in 2016 by the Commission on Innovation and Excellence to review education funding formulas and has been highly anticipated by local school systems. This revamp and revitalization of current funding originally established by the Thornton Commission and the Bridge to Excellence in Public Schools Act of 2002 is long overdue.

The work of the Commission must be commended. Their recommendations mirror the mission set by the Howard County Public School System (HCPSS) to ensure academic success and social-emotional well-being for each student in an inclusive and nurturing environment that closes opportunity gaps.

HCPSS supports the legislation and priorities set forth to ensure that public education benefits all students in the State of Maryland, including:

- Increasing the foundation formula to acknowledge rising costs,
- Expanding pre-kindergarten opportunities to provide students with a solid beginning to their educational journey,
- Raising the profile of the teaching profession as educators are the foundation of a high quality education system that benefits all students,
- Opening pathways for students to explore their options as they move into college or a career, and
- Providing additional supports for our most vulnerable populations through targeted funding increases, expanded mental health services and more collaborative time for teachers to focus on individual student needs.

Each of these measures, as specifically enumerated under SB1000/HB13000, require careful consideration to ensure we are able to honor the spirit of the Committee's recommendations while mitigating unintended consequences. As we have reviewed the legislation and discussed its potential impact in Howard County, we want to make you aware of several concerns that we hope can be addressed during the General Assembly's deliberation process.

Challenges Specific to Howard County

Lack of Local Aid Increase/Budget Pressures

While the total price tag estimated by the Commission is an additional \$4 billion statewide for education, with Howard County receiving an estimated \$129 million cumulative increase over current direct State aid by FY2030, HCPSS has concerns that without increases in local aid, implementation of the legislation may require reductions in other areas of the HCPSS budget. While HCPSS has received funding above the Maintenance of Effort (MOE) amount in most fiscal years, this average increase is not sufficient to fully support the mandated new programs or expansion of existing programs.

The Howard County Board of Education recently completed its FY2021 Requested Budget development process. Faced with difficult decisions to meet its obligations to fund negotiated bargaining agreements, rising health care costs, enrollment growth, special education costs, and increase in participation in dual enrollment programs, the Board voted to increase class size and reduce the Superintendent's proposed increase to special education because local expected revenues are likely not adequate to fully fund educational needs. Even with these reductions, there continues to be a \$33 million gap between the MOE amount and what is needed to meet these obligations for FY2021.

The additional mandates and program expansion required by the legislation, absent a significant increase in local aid beyond current funding levels or state supplemental aid, will require continued reductions in HCPSS' service levels that will be counterproductive to the goals of the legislation. The proposed increase in state funding alone will simply not be sufficient to fund these mandates. Some specific challenges include:

- **Local Funding for Teacher Salary Increases** - Requirement to provide a 10% salary increase by July 1, 2024 will require local funding as the proposed state aid increases will not be sufficient, however, there is no stipulation in legislation that requires increases in local funds.
- **Salary Increases for Non- “Teachers”** - The definition of “teacher” for the purposes of required raise increases, and thus the amount funded through the new formulas, falls short of encompassing the actual costs to school systems. Many other positions outside those mentioned in the bill under section 6-1001 will also require a significant salary increase to keep pace as they fall under the same bargaining units and/or have traditional “me too” clauses.
- **Dual Enrollment Costs** - Under the College and Career Readiness Act of 2013 students can dually enroll under a tuition cost share that makes early college courses more accessible for all students, and free for students receiving Free and Reduced-Price Meals (FARMS). Changes under SB1000/HB1300 would eliminate our ability to charge a student a portion of the tuition as a fee, exponentially increasing costs to the school system. Dual enrollment costs continue to increase as more students take advantage of the discounted cost and access to Howard Community College (HCC) courses. Further, as the agreement between HCPSS and HCC is renewed annually, the exemption provided by SB1000/HB1300 would not apply.
- **Administrative Costs** - The new budgeting and reporting requirements will strain the system’s already understaffed budget and accounting offices and additional staffing will be needed to implement the new requirements. The changes to budgeting may also require the district to replace its budget software. Proposed expansion of other programs, including special education, college and career readiness, prekindergarten, etc. will require additional staff to support the expansion as mandated. Many of these challenges are discussed in more detail in the next section.

Recommendations: We recommend that the legislature support mandated increases in local aid and supplemental state funding to implement the recommendations of the Commission and include a provision to allow some state aid to be used for administrative costs to meet the budgeting, financial reporting, and program expansion requirements.

Broader Implementation Challenges

While many of the challenges outlined in the preceding section are specific to HCPSS, there are broader implementation challenges that we want to elevate for your discussions:

Budgeting and Reporting

- **Transitioning from Current Systems** - With the bill’s proposed school-level budgeting and reporting, major changes will need to take place within HCPSS financial practices. While the Maryland State Department of Education (MSDE) is required to implement a financial management system by July 1, 2022, school systems must also begin reporting on various items related to funding established under the Blueprint such as budgets, revenues and expenditures by school that same year. It would be beneficial to allow

MSDE to update its system prior to placing a mandate for the start of such reporting in order to better guide local school systems. It is also likely that the need to change current tracking of funding by type down to the school level will require extensive reconfiguration of our budgeting, accounting, and human resources systems which would take at least one-year to fully implement once state-wide guidelines are established by MSDE.

- **Inflexibility in School System Budgets** - The requirement to fund at minimum 75% of each per pupil amount per program to the school, including foundation monies, will significantly hinder flexibility in school system budgets. Annual swings in student enrollment, individualized special education costs, and maintenance, transportation and utility costs can often require school expenditures that do not mirror the student population from the previous year. Contracts for these services are procured and managed centrally. We would recommend that the current level of budget control at the state categories defined in section 5-101 (b) be maintained, and to allow either system-wide school funding at 75% or a phase-in of the school-level 75% to give school systems the opportunity to monitor where costs fluctuate prior to mandating this provision.
- **Accounting for the Federal ESSA Program** - The bill includes several reporting requirements related to funding and budgets that would be beneficial to consolidate. School systems must report budget by school under section 5-101 starting with the FY23 budget, must report on distribution of per pupil amounts per program under section 5-234 starting in FY21, and must submit reports on school-level spending to the newly-established Accountability Board to show implementation under section 5-406. These requirements do not account for school-based reporting currently being implemented for the federal Every Student Succeeds Act (ESSA).

Career Ladder Implementation

- **Closing Gaps in the Career Ladder** - Based on the current percentage of National Board Certified teachers in Howard County, which is approximately 5%, we have a large gap to fill in order to reach the goals of the career ladder. While the bill does specify these provisions will depend on the rate of individuals who pass by 2026, the entire career ladder is based on obtaining National Board Certification and has far-ranging consequences for shifts in pay increases, promotion, and ultimately long range budgeting. Therefore, it would be beneficial to wait to mandate the exact provisions until incremental steps have first been taken to prepare and implement this entire section.
- **Necessity for Additional Teachers in the Midst of a Shortage** - New out of classroom criteria for career ladder teachers will require employing significantly more teachers. With the shift in teacher preparation programs, new rigorous certification standards, required professional development for current staff, and the implementation of leadership positions with new skill sets and responsibilities, we are unsure of the impact such changes will have on availability of our workforce and the extent to which we will be

able to hire additional teaching staff to cover the percentage of time teachers will spend outside the classroom.

- **Additional Financial Considerations** - Even with the allowances made by the Commission's vision of providing more time for teachers outside the classroom, the additional financial considerations are significant. As an example, several years ago HCPSS explored a Peer Assistance and Review program (required under section 6-1010 as part of the career ladder) which, when priced and scaled, was estimated to cost approximately \$12 million dollars (annually) to replicate it based on the salary scale. Since that time, smaller versions of the model and/or just one position were scaled which included a fully released Teacher Development Liaison in all buildings to support induction, professional learning and school improvement initiatives. All iterations, in our current fiscal climate, had to be cut due to cost.

Early Childhood Education

- **Community Provider Participation** - In Howard County, the average charge for a private full-day prekindergarten program is \$13,000-14,000. It is likely that participation from community providers will be a struggle considering the proposed per pupil funding under SB1000/HB13000 falls short of this amount. Without the participation of community providers, and given the current shortfalls in building capacity in Howard County for our existing K-12 students, meeting the requirements for expanding slots to all eligible students under the bill's intended 300% of the federal poverty level by FY26 would be a strain. It would be beneficial to first allow school systems to determine participation from community providers and plan for shifts from half-day programs before mandating a date by which new slots must be available.
- **PreKindergarten Administration Costs** - The legislation does not take into account administration of the expanded prekindergarten programs - specifically the oversight of community providers to ensure compliance and management of funds, as well as the cost and time involved in centers obtaining Level 5 EXCELS/accreditation (currently only seven of the 35 HCPSS prekindergarten sites have accreditation). The HCPSS Early Childhood Education Office estimates that at least three additional staff members would be required to serve in this capacity, along with the need for additional staff in the classrooms as accreditation impacts teacher workload. It would be beneficial if a percentage of the per pupil amount distributed under section 5-234 were allocated to administration of the program.
- **Staffing Challenges** - The required 10 to 1 staffing under the bill would also mandate additional staffing to include administration, related service providers, related arts teachers, and student services for programs housed in existing school facilities. As the fastest growing county in the state of Maryland, maintaining this level of staffing in our current full-day programs has been a challenge.

- **Limited Building Capacity** - Shifting half-day programs to full-day (currently 16 of the 35 HCPSS prekindergarten sites are full-day) will require additional building capacity just to accommodate the 800 prekindergarten students currently served by HCPSS.

College and Career Readiness

- **Variance in Instruction** - Under the expectation that low-performing schools may be required to use the curriculum and materials developed by MSDE - which is likely to be less detailed than the current HCPSS curriculum and not match our experiences/materials - there is the potential that students will have disjointed experiences from peers at other schools.

Accountability and Oversight

- **Duplicated Processes** - As established, the Accountability and Implementation Board has unprecedented authority over the day-to-day management of local school systems as it relates to reporting requirements, operations at the school level and funding attached to actions taken and student performance. It is intuitive that strong accountability is needed where public dollars are expended, however it would be beneficial if this group operated more along the lines of offering guidance to school systems through the implementation of the Blueprint recommendations and more work could be done to improve existing oversight by the MSDE - rather than the creation of a separate entity with much of the same roles.
- **Limiting Local Control** - MSDE's Division of College and Career Readiness leadership team currently works closely with the Governor's Workforce Investment Board to identify new programs in response to Maryland's workforce development needs. The creation of an entirely separate Career and Technical Education (CTE) oversight body that can dictate the local school system's policies and courses would take away significant local control.

Indirect costs such as budget administration, financial reporting, transportation, coverage of fees related to post-college and career pathways as well as teacher National Board Certification, which could rise in future years beyond the legislature's ability to control, and variances in revenues at the local level could put school systems back in a position of increased yet insufficient funds to fully support the implementation. We share these implementation challenges to help the General Assembly understand the pressures on our budget and ensure that the legislation can be implemented completely, as intended by the commission and the General Assembly. Unfortunately, for FY2020, due to budget constraints, all of the state aid except funding for teacher compensation increases was only enough to maintain our existing service levels.

This is an exciting opportunity to improve education delivery across our state and provide equitable resources and services for all students. HCPSS is committed to ensuring the additional state aid and local additional funds help to either grow our existing programs and

services or help to start new initiatives that will directly support student achievement and social emotional well-being. It is critical for all school districts to expand the current level of support for our students and staff and implement the recommendations of the Kirwan commission.

I encourage you to review the challenges we have outlined and the possible recommendations to allow for implementation of these important priorities without creating more challenges for school districts. Thank you for your consideration of the above points as you assess the educational and budgetary impacts of this proposed legislation on the Howard County Public School System.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Martirano". The signature is written in a cursive style with a large initial "M".

Michael J. Martirano, Ed.D.
Superintendent