

# UP

# the STREET

MSEA LEGISLATIVE UPDATES



March 13, 2015

Issue 95

## THE WEEK THAT WAS IN ANNAPOLIS

### • Restoring Governor Hogan's Budget Cuts

The [Washington Post reports](#) that the House Appropriations Committee is prepared to restore many of the deep cuts proposed in Governor Larry Hogan's FY16 budget. While the full committee decisions will provide a complete picture of the moves, subcommittee meetings throughout the week indicate the House is poised to exceed the Spending Affordability Committee recommendations in reducing the state's structural deficit, preserve retirement benefits and pension sustainability, avoid Hogan's salary reduction for state employees, improve Medicaid coverage, and restore up to 92 percent of lost education funding.

The education restoration is a big win for all 24 school districts. Based on subcommittee actions, **the full committee is expected to restore approximately \$64 million in the per pupil foundation formula, the basis of the state's adequacy and equity funding provisions. Additionally, the full committee is expected to target an additional \$68 million to fully fund GCEI.** The Hogan budget cut GCEI in half, and since it is a discretionary area of the budget, the General Assembly can require the funds to be held for that purpose, but cannot force the governor to appropriate those funds. If this budget is adopted it will still be important to keep the pressure on Governor Hogan to issue a supplemental budget proposal to fully fund GCEI. The education subcommittee did not change Hogan's proposal to delay the phase in of the Net Taxable Income (NTI) grant, a \$12 million hit that disproportionately impacts Prince George's County. Under the Hogan and House plans, the NTI grant is expected to continue to be phased in next year.

All told, the House budgeters aim to find roughly \$250 million in alternative cuts so they can restore funding to these state priorities. The General Assembly cannot add to the budget, but can only cut. When faced with the governor's budget proposal, they are forced to make some challenging decisions. One such decision has to do with the state's pension payment for FY16 and beyond. Reportedly, the House plan aims to finally end the "corridor funding" method, a practice that artificially reduces the state's annual pension contribution, and shift to full actuarial funding. By making actuarial recommended contributions (ARC), the state will be keeping up with its obligation to ensure retirement benefits are protected and the funding system is sustainable. The full committee is expected to debate if the state will continue making supplemental pension payments. Under the current funding method, the state is to make supplemental payments of \$150 million in FY16, \$200 million in FY17, \$250 million in FY18, and \$300 million starting in FY19 until the pension system reaches 85 percent funded. The full committee may choose to eliminate the entire supplemental payment or maintain a more modest supplemental payment. If Maryland adopts an ARC plus supplemental, we would be the only state with a triple-A bond rating that makes an annual pension payment above what the actuaries recommend.

MSEA has been working with House and Senate budget committees to restore as much of the cut education funding as possible. If the House Appropriations Committee version of the budget is adopted and \$132 million in proposed education spending is restored, we can hopefully avoid the contingency plans proposed in some school districts to reduce programs, increase class sizes, or layoff teachers or support staff. **Please call MSEA's Legislative Hotline at 1-888-520-MSEA (6732) and urge delegates to adopt the House Committee's budget.**

You can also join MSEA and education advocates across the state as we gather with the American Federation of State, County, and Municipal Employees (AFSCME) in Annapolis on Monday night, March 16 to encourage passage of the House budget. **The event will take place in Lawyer's Mall, in front of the State House, at 7:00 p.m. on Monday.**

- **Charter School Discussions Continue**

While both the House Ways and Means Committee and the Senate Education, Health, and Environmental Affairs Committee have held public hearings on Governor Hogan's [Public Charter School Expansion and Improvement Act of 2015](#), the next steps are unknown. The House Education Subcommittee used part of a meeting this week to walk through the provisions of the bill compared to current law. The Senate committee is expected to do something similar and invite additional comments, amendments, and suggestions in their deliberations. While MSEA strongly opposes the bill as written, we remain committed to working with the administration and the General Assembly to make meaningful improvements to our charter school law. Those improvements are not necessarily included in the governor's bill to date, but the General Assembly has already identified some improvements, including clarifying the authority of the State Board of Education in any charter application appeal. We can make our already strong law even stronger.

Voters in Maryland expect strong oversight of charter schools, so says a [new survey from Hart Research](#). Voters oppose Governor Hogan's proposed charter school law (43% oppose – 33% favor – 24% unsure), with particularly high opposition among African Americans (52% oppose), and voters in Baltimore City (54% oppose). Fully 55% of voters believe that more sufficient oversight of charter schools to ensure they are meeting state standards is of greater importance than making it easier to open more charter schools. This is true among Democrats, Republicans, and Independents.

- **News and Notes**

- *MSDE Slammed for PARCC Social Media Stunt*

Purporting to be "truth from the mouths of babes," the Maryland State Department of Education posted letters from students to their parents attempting to quell their fears about the impacts of PARCC testing. While MSDE quickly removed the post after receiving hundreds of negative comments, it did not escape the notice of some parents and bloggers, as evidenced in this [Mom Blog](#) that noted the "ill-conceived" public relations campaign wins "the award for most distasteful."

- *The Race for U.S. Senate*

It has only been a little over a week since Senator Barbara Mikulski announced her retirement, but the announcements of candidates to replace her have been swift. On the heels of Congressman Chris Van Hollen announcing last week, Congresswoman Donna Edwards [launched her bid](#). While a Van Hollen versus Edwards matchup would already create two open U.S. House seats next year, we are likely not done with Senate candidates. Representatives Elijah Cummings, John Sarbanes, Dutch Ruppersberger, and John Delaney are still considering the race, and Kathleen Kennedy-Townsend and Heather Mizeur are also possible candidates to join the field.

- *The Race for Congress*

**District 4:** With Donna Edwards running for U.S. Senate, candidates are starting to line up for the open seat that includes portions of Prince George's and Anne Arundel counties. Two early candidates announced this week, [former Lt. Governor Anthony Brown and former Prince George's State's Attorney Glenn Ivey](#).

**District 8:** The most frequently mentioned candidates for the open seat to replace Chris Van Hollen are State Senator Jamie Raskin and former TV-anchor and Marriott executive Kathleen Matthews.

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