

Montgomery County Education Association, msta/nea

Annual Legislative Breakfast

Saturday January 10, 2009
MCEA Conference Center

Remarks of
Bonnie Cullison, MCEA President

Good morning, and welcome to MCEA's Annual Legislative Breakfast. This is the time for frontline educators to talk with our elected representatives about the needs in our classrooms and our schools. We can share our collective priorities for education in the upcoming legislative session. It is the time for us to reflect together on the state of public education here in Montgomery County and on what we must do to provide the best possible education for our more than 139,000 students.

Looking Back

As the outgoing president of MCEA, this is the last year I will be giving these remarks. With your indulgence I will take a moment of personal privilege to reflect on our accomplishments together.

We have achieved a great deal both for MCEA members and for our students. On the bread and butter issues, we have increased salaries, won major improvements in our pension plans, both at the state and county levels and we have protected our health insurance premium cost-sharing formulas.

But equally important we have made significant strides towards empowering educators and building effective relationships to transform policies and programs for our schools in order to meet the needs of our students in the 21st century. We have designed leadership opportunities for our members so they can engage with their principals and program managers to shape program planning and implementation. At the system level, the leaders of the three unions (MCEA, SEIU and MCAASP) are full participating members on the MCPS Executive Leadership Team and sit at the table in the Budget Review Process to prepare a recommended budget for the Superintendent every year. I do not believe there is another school district in the nation where educators and their union have this level of shared leadership for strong schools. I want to thank the members of the Board of Education and the administration for their continued support for this collaboration. We have all learned that collectively our students benefit most when we sit down together, listen effectively to one another, problem-solve, and ultimately come out with decisions that are jointly owned. But most importantly, I want to thank the hundreds of MCEA members who put in untold hours beyond their regular duties to take on responsibility for joint problem-solving and leadership. They are the real power behind MCEA.

With these improvements over the past six years we have also seen tremendous progress in terms of student achievement. The demographics of our student body have continued to shift. MCPS is a "majority-minority" district, and the number (and percentage) of our students who are English language learners and/or come from disadvantaged homes continues to grow. But our investments in early childhood education, class sizes, especially in high needs schools and professional development are paying off. At the secondary level, we have seen a significant increase in the number of students

taking Advanced Placement classes--and we have seen that increase in the numbers scoring three or higher on their AP tests--especially among African-American and Hispanic students. All students are achieving at higher levels and the achievement gap is shrinking.

Just this past week, two national studies ranked Maryland schools as the best in the nation. Is there anyone here who does not recognize that it is the success of Montgomery County Public Schools which makes that possible?

The Problem with High Stakes Testing

When talking about the state of public education one has to say something about testing. At the state level, MCEA worked hard with several members of the State Board of Education to change the implementation of the High School Assessments. I want to publicly thank both Blair Ewing and Rosa Garcia for their efforts as members of the State Board to make the HSAs less punitive and more equitable for students. Unfortunately, we have not yet convinced a majority of the State Board. We still face a state system where thousands of primarily minority students will either be denied a diploma this spring, or they will have jumped through enough hoops to qualify for the State's "alternative" HSA routes to graduation. Neither does those students or our schools any good. The proposal we had crafted with Blair and Rosa and others would have simply shifted the HSA test results inside of the relevant course to be part of the final grade. Most research across the country argues strongly against having 'high stakes,' like graduation, dependent on a single standardized test. Yet that continues to be the policy in Maryland. Under the option we proposed, the HSAs would still count towards students' academic success, and could still be used as a measure of overall school accountability, but they would no longer be stand-alone hurdles blocking large numbers of students from graduation.

The Budget Crisis

It is clear to everyone that the biggest issue facing our public schools today is the unfolding economic recession and its impact on funding. In Montgomery County, virtually everyone professes to be a friend of public education. Such promises are easy to make in good times. However, the true measure of one's support for public education comes in the tough times, not in the easy times. The teachers and students in classrooms in every school and in every neighborhood in Montgomery County are counting on our elected officials to be vociferous and passionate advocates for protecting funding for public education.

This past week, the MGT Study cited Maryland as having the most effective public schools in the nation. They found a direct link between the improvements in student achievement and the increased education funding from the Thornton Plan. For every \$1,000 of additional funds invested in education, student proficiency rates increased by 4% (elementary) to 8% (middle). The Thornton money has gone a very long way to recruit and retain high quality teachers and to reduce class size. The evidence is now clear: if we cut back on our investment in education, our students will suffer.

We are sensitive to the fiscal bind that lawmakers are in. But we are asking the state to do all it can to protect the progress we have made with our students.

The State's Error in School Aid for FY09

It is critical to begin the funding conversation with an understanding of what our schools are entitled to under existing state aid formulas. Late last month, we all learned that the state government made a serious error in calculating state aid for education, shortchanging MCPS by an estimated \$24 million this year. The state has admitted the error; however there are several serious questions and issues remaining and we are counting on our delegation to get the answers.

- ▶ First, there must be full disclosure of the calculations and the true amount owed to MCPS. We applaud those members of our delegation who have already called for an independent audit to determine the correct amount.
- ▶ Second, the effort to determine the exact amount of the errors in the FY09 payments must also include an examination of prior years to determine the full extent of the mistake.
- ▶ Third, whatever the exact sum, these funds are owed to the Montgomery County Public Schools. When the state makes good on the debt – as the Governor has promised – those funds by right should go to our schools. It has been suggested by some that the county government should get the money instead. To do so would amount to supplanting local funding with state funding – a practice that the state government has always strongly opposed. The county government determined its contribution of local tax dollars to the MCPS FY09 budget last spring. Giving this money to the county could mean that its allocation of funds to this year's budget was decreased by that amount. That is neither fair, appropriate, nor in keeping with the long past practice of state aid.
- ▶ Fourth, we cannot allow repayment of this legitimate debt owed to MCPS to be wiped away through some shell game. The state cannot and should not be able to “repay” the estimated \$24 million while taking away \$24 million in other state aid to education.

State Education Aid for FY10

According to the preliminary estimates provided by the Maryland State Department of Education, MCPS is projected to receive \$71 million in additional state aid for education in FY10 (over the amount funded for FY09). This amount includes \$59 million due to us under the existing, enrollment-based state funding formulas, as well as an additional \$12 million due to MCPS under the legislature's action to phase in GCEI (the Geographic Cost of Education Index) over two years (FY09 and FY10).

It is important to remember the history of GCEI. Recognizing that most of the increase in funding called for under Thornton was going to go to poorer districts in the state, our delegation successfully argued that it was important to “raise all boats” and not draw resources away from Montgomery County in order to provide increases to other school districts. Now, almost ten years later, GCEI has not been fully funded by state. However the original rationale still applies.

Consider this proposal: combine the estimated \$63 million due for full statewide funding of GCEI in FY10 to the estimated \$91 million in statewide increases in other state education funding formulas for

a total of \$154 million. Begin with that number before taking whatever reduction is necessary due to budget restraints and apply the cuts proportionately.

Whatever the ultimate calculations, we are counting on our delegation to ensure that Montgomery County does not bear a disproportionate share of whatever budget cuts are ultimately necessary. The principle must be one of shared sacrifice.

We have worked intensively in shaping the recommended budget which the Superintendent has presented to the Board of Education. Not only have we sacrificed our cost-of-living increases, but the recommended budget also includes more than \$35 million in cuts to the base budget, including the elimination of 280 positions. If MCPS does not receive enough state aid, the only thing left to do is increase class size. We do not want to see that happen.

The Issue of Teacher Pension Plan Funding

The single most important issue for us in the upcoming legislative session is funding for the statewide teacher pension plan. There are some in the legislature who want to shift future increases in the cost of teacher pensions away from the state government onto the backs of local governments. For them, this is the answer regardless of what the question is. It's like a broken record.

This is completely unacceptable. We fully concur with the bold statement made by our county executive, Ike Leggett, that this is a "line in the sand" that should not be crossed. In fact, we would consider it a "line in cement" and one that cannot be rubbed out or washed away.

If you are asked to consider this shifting, we would give you six things to think about:

- First, state funding of teacher pensions is one of the only state aid formulas that favors Montgomery County. So our delegation has a special interest in protecting this program.
- Second, state funding of teacher pensions is a long-standing part of the complex balance between the state and local jurisdictions on both revenue and expenditures. It is simply unfair to pass these expenses back to the counties without also passing back revenue sources as well.
- Third, this isn't a strategy for balancing the budget; it's a strategy for passing the buck. Every single county in the state would suffer. When there is a budget deficit, you have to either increase revenues, decrease expenditures, or both. Shifting the costs to somebody else doesn't solve the problem.
- Fourth, some may draw an analogy to the shift in responsibility for Social Security payments in the early nineties. However when that happened, the state also gave the counties greater taxing authority. Now the proposal would shift responsibility for funding with no increase in taxing authority and at a time when local counties cannot increase taxes.
- Fifth, this is a long-term change in response to a short-term problem. We all recognize that our state – and our nation – face a serious recession. But like all recessions, we will get through it and

the economy will recover. It is disingenuous to advocate for a long-term change in the relationship between the state and the counties as a solution to a short-term budget shortfall.

- Finally, it is simply unfair to force the counties to pay for a pension system that is controlled by the state. The state legislature determines the benefit formulas. The state pension board oversees both the administration of the plan and the investment of its assets. How can anyone argue that the counties should be expected to pay for a state-run program over which the counties have no control? The next thing you know, the president of the state senate will be telling the counties they have to pay for the state police as well; after all – the crime occurs in the counties.

For the legislators here today, here is the bottom line for us-- preventing a shift in funding for the state teacher pension plan is MCEA's single most important priority in the upcoming legislative session. Nothing will be more important in our assessment of the success of the session – and the success of our delegation – than this. United, our delegation has the size, strength, and sophistication to block any budget that that deeply harms our county. Now you have the opportunity to show your true mettle. I would encourage each and every member of the delegation to go on record stating that they will not vote for any budget that includes any shift in funding for teacher pensions. Only then will the leadership understand that this cannot be a part of the package.

While the budget issues are foremost on everyone's mind, there are three other, non-economic issues before the legislature this year that I would like to mention.

Labor Bill

For several years, we and the Maryland State Teachers Association have advocated for reform of the collective bargaining law that was first created 40 years ago for school employees. It is antiquated and needs to be updated to meet the challenges of today's environment. The proposal being drafted this year is different from before. The bill simply establishes a neutral third party to resolve differences between the public school employer and the employee representative within an established timeline with the arbitrator's decision binding on both parties.

We urge all the members of our delegation to support this fair and balanced reform to our state collective bargaining law.

BOAST Bill

The so-called Building Opportunities for All Students and Teachers (BOAST) Maryland Tax Credit bill is nothing more than a tax credit scheme that is a backdoor approach to providing vouchers to parents of students in nonpublic schools.

The research in Arizona, Illinois, and Pennsylvania shows that the greatest beneficiaries of tax credit programs are wealthier tax payers and schools in middle and upper income neighborhoods. A study by the non-partisan RAND Corporation concluded that tuition tax subsidies rarely benefit poor children. It is families already attending private or religious schools that benefit the most. And as with vouchers, tuition tax credits provide funds to nonpublic schools without regard to the schools' entrance policies. Some private schools do and would continue to deny entrance to certain students.

When facing a budget shortfall the state cannot afford to lose revenue through a tuition tax credit that subsidizes private school tuition.

Montgomery County Split Rate Property Tax Bill

I want to thank Delegate Al Carr for his work on local bill 906-09. The proposal gives the County Council the flexibility to delink residential and commercial property tax rates. There is no reason these two different kinds of property should be treated identically.

This bill does not raise anybody's taxes. Every spring, the County Council sets property tax rates, and this bill doesn't change that. The County Council is the forum where the needs of competing constituencies are balanced and decisions are made.

By providing the County Council with the flexibility to set different tax rates for commercial and residential property, the Council will have the ability to raise more revenue for education and other public services, without increasing residential property tax rates as much.

Conclusion

As I wrap up my final term as president of MCEA, I can only say how proud I am both of our members and of the incredible support our community and our elected officials provide for our schools. Every day, our members work miracles with children and change lives. There is no more honorable calling. But we are also grateful to work in a community that places such a high value on public education and which has shown repeatedly over time the willingness to pay more to provide the best possible education for our students. It is this collaborative approach that has been essential to our continuing success.

We are counting on our state delegation to do their part to protect the funding our schools need. We know the tight budget times will require shared sacrifice. But your charge is to ensure that the cuts do not fall disproportionately on Montgomery County. Our students deserve their fair share of support from the state government.

And finally, let me reiterate our fundamental issue this year: nothing will be more important in our assessment of the success of the session – and the success of our delegation – than protecting the current teacher pension funding system. MCEA has always been known for standing by those elected officials who stand by teachers during tough times. Our decisions in 2010 about who to recommend for support will be driven by the critical votes this year on the teacher pension funding system.

Thank you all for coming out this morning, and for everything you do on behalf of our schools and our students.