

Economic Impact Statement

Office of Legislative Oversight

BILL 46-20 Police – School Resources Officers – Prohibited

SUMMARY

The Office of Legislative Oversight (OLO) believes that enacting Bill 46-20 would have no direct economic impacts on private organizations or residents in the County.

BACKGROUND

If enacted, Bill 46-20 would prohibit the Montgomery County Police Department (MCPD) from assigning “a police officer to work as a school resource officer in any school operated by the Montgomery County Public Schools,” thus ending the School Resource Officers (SRO) program.¹ MCPD would be required to “continue to provide adequate local law enforcement coverage for public schools as required by State and County law.”²

METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

Education is a significant driver of employment and income. Indeed, U.S. Bureau of Labor Statistics (BLS) data consistently show that higher levels of educational attainment are associated with lower levels of unemployment and higher median earnings.³ Moreover, higher levels of education are “an insulator against labor market disruptions.”⁴ To illustrate, since the outbreak of the COVID-19 pandemic, workers with high school degrees or less have experienced higher rates of job loss than workers with higher levels of education.⁵ Given the relationship between education and economic outcomes, the economic impacts of Bill 46-20 would depend on the effect of the County’s SRO program on educational attainment for County public school students.⁶ In theory, the SRO program could affect graduation rates by exposing students, particularly students of color and underserved youth, to the criminal justice system and/or enhancing school safety.⁷ However, OLO is unable to determine the direction or magnitude of the SRO program’s effect on graduation rates.

No methodologies were used in this statement. The assumptions underlying the claims made in the subsequent sections are based on the judgment of OLO staff.

¹ Montgomery County Council, Bill 46-20, Police – School Resources Officers – Prohibited, Introduced on November 17, 2020, Montgomery County, Maryland, 3.

² Ibid.

³ Elka Torpey, “Education Pays,” U.S. Bureau of Labor Statistics, February 2019, https://www.bls.gov/careeroutlook/2019/data-on-display/education_pays.htm.

⁴ Mary C. Daly, Shelby R. Buckman, and Lily M. Seitelman, “The Unequal Impact of COVID-19: Why Education Matters,” Federal Reserve Bank of San Francisco, June 29, 2020, <https://www.frbsf.org/economic-research/publications/economic-letter/2020/june/unequal-impact-covid-19-why-education-matters/>.

⁵ Ibid.

⁶ Shabnam Javdani, “Policing Education: An Empirical Review of the Challenges and Impact of the Work of School Police Officers,” *American Journal of Community Psychology* (2019) 63: 253–269.

⁷ Andrew Bacher-Hicks, Stephen B. Billings, and David J. Deming, “The School to Prison Pipeline: Long-Run Impacts of School Suspension on Adult Crime,” National Bureau of Economic Research, September 2019, <https://www.nber.org/papers/w26257>.

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VARIABLES

The primary variables that could affect the economic impacts of enacting Bill 46-20 are the following:

- exclusionary school discipline;
- student exposure to the criminal justice system;
- school safety; and
- graduation rates.

IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Businesses, Non-Profits, Other Private Organizations

OLO believes that Bill 46-20 would have little to no direct impacts on private organizations in the County in terms of the Council's priority indicators, namely workforce, operating costs, capital investments, property values, taxation policy, economic development and competitiveness.⁸

Residents

OLO believes that enacting Bill 46-20 would not have broad economic impacts on County residents in terms of the Council's priority indicators. However, the bill could potentially have targeted impacts for MCPS students most affected by the SRO program. These impacts depend on how the SRO program affects educational attainment for these students.

QUESTIONS FOR CONSIDERATION

OLO does not recommend any questions regarding the economic impacts of Bill 45-20 for the Council to consider.

WORKS CITED

Bacher-Hicks, Andrew, Stephen B. Billings, and David J. Deming. "The School to Prison Pipeline: Long-Run Impacts of School Suspension on Adult Crime." National Bureau of Economic Research. September 2019. <https://www.nber.org/papers/w26257>.

Bonner-Tompkins, Elaine, Leslie Rubin, and Kristen Latham. "The School-to-Prison Pipeline in Montgomery County." Office of Legislative Oversight. March 1, 2016. <https://www.montgomerycountymd.gov/OLO/Resources/Files/2016%20Reports/School%20to%20Prison%20Pipeline%20with%20CAO%20Response%2020166.pdf>.

Daly, Mary C., Shelby R. Buckman, and Lily M. Seitelman. "The Unequal Impact of COVID-19: Why Education Matters." Federal Reserve Bank of San Francisco. June 29, 2020. <https://www.frbsf.org/economic-research/publications/economic-letter/2020/june/unequal-impact-covid-19-why-education-matters/>.

⁸ For the Council's priority indicators, see Montgomery County Council, Bill 10-19 Legislative Branch – Economic Impact Statements – Amendments, Enacted on July 30, 2019, Montgomery County, Maryland, 3.

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Javdani, Shabnam. "Policing Education: An Empirical Review of the Challenges and Impact of the Work of School Police Officers." *American Journal of Community Psychology* (2019) 63: 253–269.

Montgomery County Council. Bill 10-19, Legislative Branch – Economic Impact Statements – Amendments. Enacted on July 30, 2019. Montgomery County, Maryland.

Montgomery County Council. Bill 46-20, Police – School Resources Officers – Prohibited. Introduced on November 17, 2020. Montgomery County, Maryland.

Torpey, Elka. "Education Pays." U.S. Bureau of Labor Statistics. February 2019. https://www.bls.gov/careeroutlook/2019/data-on-display/education_pays.htm.

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

CONTRIBUTIONS

Stephen Roblin (OLO) drafted this economic impact statement.