

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE
Revised

House Bill 655

(Delegate Heller, *et al.*)

Ways and Means

Education, Health, and Environmental Affairs

**Education-Schools - Recruitment and Retention of Speech-Language
 Pathologists, Audiologists, and Reading Specialists - Supplemental Financial
 Assistance**

This bill authorizes the State Board of Education to expand eligibility for specified teacher quality incentives to speech-language pathologists, audiologists, and reading specialists who work for local school systems, based on a need to recruit and retain these employees in geographic areas that are experiencing shortages of the personnel. Qualifying employees are eligible for the \$1,000 salary signing bonus and the \$2,000 annual stipend for working in reconstituted or challenge schools. The State board must take action to expand the eligibility at an open meeting. The provision of additional incentives is dependent on the availability of sufficient funding.

Fiscal Summary

State Effect: General fund expenditures could increase by an estimated \$410,000 annually beginning in FY 2003 to provide teacher quality incentives to a broader range of school personnel.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	410,000	410,000	410,000	410,000	410,000
Net Effect	(\$410,000)	(\$410,000)	(\$410,000)	(\$410,000)	(\$410,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local school system personnel could receive additional signing bonuses and stipends. Local school systems would pay the fringe benefit costs associated with the incentives that their personnel receive. Local school system expenditures for contractual speech-language pathologist and audiologist services could decrease.

Small Business Effect: Minimal.

Analysis

Current Law: Only classroom teachers are eligible for teacher quality incentives. The incentives are: (1) stipends of up to \$2,000 for teachers holding certificates from the National Board for Professional Teaching Standards; (2) signing bonuses of \$1,000 for newly-hired teachers who graduated in the top 10% of their college classes; and (3) stipends of \$2,000 for teachers with advanced professional certificates who teach in challenge schools or schools under local or State reconstitution. State stipends for teachers who hold national board certification match the local stipends provided to these teachers, up to a maximum of \$2,000. Teachers receiving the \$1,000 signing bonuses must stay employed in the school systems that hired them for three consecutive years or reimburse the State for the bonuses. To earn the annual \$2,000 State stipends for teaching in challenge schools and schools under State and local reconstitution, teachers with advanced professional certification must perform satisfactorily. The Governor must include funding in the State budget for the incentives.

Background: Stipends and bonuses for classroom teachers were established under the Teacher Quality Incentive Act of 1999 (Chapter 600). In the 2000-2001 school year, 69 teachers who are certified by the National Board for Professional Teaching Standards received stipends totaling \$103,500, and 2,714 teachers holding advanced professional certificates and teaching in challenge schools and reconstituted schools received stipends totaling \$5.4 million. In addition, 135 newly-hired teachers received the \$1,000 signing bonus. The proposed fiscal 2003 State budget includes \$7.2 million for the incentives.

The *Maryland Teacher Staffing Report, 2001 - 2003* notes that the State Board of Education projects a shortage of certificated teachers for all 24 of Maryland's local school systems. The board also acknowledges a shortage of male teachers and minority teachers and recognizes several fields -- including technology education, computer science, mathematics, science, and special education -- as critical shortage areas.

State Expenditures: Two local school systems, Baltimore City and Prince George's County, are currently experiencing the most severe school personnel shortages. It is assumed that reading specialists, speech-language pathologists, and audiologists employed in these two systems would become eligible for salary signing bonuses and stipends. The cost to provide bonuses and stipends to these employees in Baltimore City and Prince George's County is estimated at \$410,000 annually beginning in fiscal 2003.

Salary Signing Bonuses

The bill would have only a minimal impact on expenditures for salary signing bonuses, which are awarded to newly hired personnel. Most reading specialists begin their

teaching careers as classroom teachers, and therefore would not be eligible for the bonuses. There is minimal turnover among the roughly 300 speech-language pathologist and audiologist positions in Baltimore City and Prince George's County. In total, the inclusion of these groups in the eligibility for salary signing bonuses would result in an expenditure increase of approximately \$10,000 per year.

Stipends for Working in Reconstituted and Challenge Schools

Reading specialists, speech-language pathologists, and audiologists who have advanced professional certification and work in challenge or reconstituted schools could become eligible for \$2,000 annual stipends. Almost all reading specialists and the majority of speech-language pathologists and audiologists have advanced professional certification. There are 101 reconstituted schools in Baltimore City and Prince George's County. MSDE advises that all reconstituted schools typically have at least one reading specialist. Speech-language pathologists and audiologists employed by public school systems are usually assigned to a number of schools. As specified in the bill, personnel would have to spend at least 60% of their time in reconstituted or challenge schools to be eligible for the stipends. Baltimore City has 157 speech-language pathologist and audiologist positions and Prince George's County has 142 positions. An estimated 100 of these speech-language pathologists and audiologists would meet the requirements for the \$2,000 stipend each year. In total, approximately 200 additional school system employees could receive the stipends at a total cost of \$400,000 per year.

Local Fiscal Effect: Based on the assumptions described above, local school system personnel in Baltimore City and Prince George's County would receive additional bonuses and stipends. The school systems would be required to provide any resulting increases to fringe benefit costs. These costs would be minimal.

If the provision of bonuses and stipends helps local school systems attract and retain speech-language pathologists and audiologists, there could be a reduction in contractual costs for school systems that currently contract for these services. In September 2001, a Maryland State Department of Education (MSDE) survey indicated that 82 of 1,240 speech-language pathologist positions in local school systems were vacant. This was most pronounced in Baltimore City, where more than one-third of budgeted positions (58 out of 148) were vacant. In fiscal 2002, the Baltimore City Public School System contracted for \$4.5 million in speech-language pathologist services, with daily rates for pathologists ranging from \$380 to \$500. If local school systems are able to attract and retain more pathologists and audiologists, local school expenditures would decrease by the difference between the costs of contractual services and permanent employees.

Additional Information

Prior Introductions: None.

Cross File: HB 656 (Senator Hollinger) - Education, Health, and Environmental Affairs.

Information Source(s): Maryland State Department of Education, Maryland Higher Education Commission, Department of Legislative Services

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