

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 1256
 Ways and Means

(Delegate Gutierrez, *et al.*)

Education - Public Schools - Required Use of Instructional Assistants

This bill requires a local board of education to provide instructional assistants to help certified teachers in each elementary school in the district that fails to meet education accountability standards. An instructional assistant must be provided in each class and for any school activity in kindergarten through grade three that has more than 15 students enrolled in the class or activity. Instructional assistants must have high school or general equivalency diplomas and may not supplant certified teachers or work without the supervision of certified teachers. Instructional assistants are also prohibited from working in classes in which their children are enrolled. The county must fund 80% of the cost of the required instructional assistants, and the added funding does not count towards the local maintenance of effort requirement. The State must pay the other 20% of the cost, and the Governor must include sufficient funds in the State budget.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$5.4 million in FY 2006 to fund 20% of the compensation paid to instructional assistants in low-performing schools. Future year expenditure estimates reflect salary increases and projected increases in the number of schools entering a State accountability status. Revenues would not be affected.

(\$ in millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	5.4	5.8	6.3	6.7	7.2
Net Effect	(\$5.4)	(\$5.8)	(\$6.3)	(\$6.7)	(\$7.2)

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

Local Effect: State aid to local school systems would increase by an estimated \$5.4 million in FY 2006. Local school expenditures for instructional assistants could increase by an estimated \$21.7 million in FY 2006; however, local school expenditures would be offset by current spending for instructional aides in low-performing schools. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: Each local board of education must adopt a comprehensive master plan that details how local, State, and federal funding will be used in a coordinated manner to ensure that all students progress academically.

Background: Maryland's school accountability program measures student achievement, mostly through performance on the Maryland State Assessments. Schools where students do not make progress towards meeting State standards are subject to increasing consequences. As required by the federal No Child Left Behind Act, schools where students do not make "adequate yearly progress" (AYP) for two consecutive years are placed into "year 1" of school improvement, and the schools must offer students the option of transferring to different schools. Schools in year 1 of school improvement that do not make AYP enter "year 2" and must offer supplemental educational services to disadvantaged students in the school. Continued inability to make AYP results in more severe corrective actions and eventually the adoption of school restructuring plans and the implementation of the plans. As shown in **Exhibit 1**, 113 public elementary schools in 11 counties are in an accountability status in the 2004-2005 school year. Another 142 low-performing middle and high schools are not shown in the chart.

Exhibit 1
Elementary Schools Under State Accountability Watch
2004-2005 School Year

<u>School System</u>	<u>School Improvement</u>		<u>Corrective Action</u>	<u>Restructuring</u>		<u>Total</u>
	<u>Year 1</u>	<u>Year 2</u>		<u>Plan</u>	<u>Implement</u>	
Allegany	0	1	0	0	0	1
Anne Arundel	1	2	0	1	0	4
Baltimore City*	7	2	2	22	20	53
Baltimore	2	1	0	0	0	3
Dorchester	1	0	0	0	0	1
Frederick	2	1	1	0	0	4
Harford	0	1	0	0	0	1
Montgomery	3	6	1	0	0	10
Prince George's	23	3	3	3	2	34
St. Mary's	0	1	0	0	0	1
Talbot	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total	39	19	7	26	22	113

*Includes three schools in the restructuring implementation category that are being run by Edison Schools, not by the Baltimore City Public School System.

State Expenditures: General fund expenditures would increase by an estimated \$5.4 million in fiscal 2006 to fund 20% of the compensation for instructional assistants. The following information and assumptions were used to calculate this estimate.

- There are currently 113 schools for which the State would be required to pay 20% of the instructional assistant compensation costs. It is assumed that this number will not change significantly next school year.
- As required by the bill, an assistant would be stationed in each kindergarten through third grade classroom that includes more than 15 students. Assuming each elementary school has an average of two classes for each grade level, eight instructional assistants would be needed at each eligible school. In total, the State would be contributing to the compensation of approximately 904 instructional aides.
- The average cost per instructional assistant, including salary and fringe benefits, is estimated at \$30,000. The State's share of this cost would be 20%, or \$6,000.

Future year expenditure estimates reflect the addition of five elementary schools per year to the State's accountability watch list and 3% annual increases in the compensation for instructional aides. In fiscal 2007, the State cost would be an estimated \$5.8 million and by fiscal 2010 it would be an estimated \$7.2 million.

The Maryland State Department of Education (MSDE) could implement and monitor the program with existing personnel and resources.

Local Fiscal Effect: Local school revenues from State aid would increase by an estimated \$5.4 million in fiscal 2006 and by an estimated \$7.2 million in fiscal 2010. Funding would be used to support 20% of the costs associated with the required instructional assistants.

Using the assumptions described above, local school expenditures could increase by an estimated \$21.7 million in fiscal 2006 to support the other 80% of the costs for instructional assistants. The expenses would escalate to an estimated \$28.7 million in fiscal 2010. It is assumed, however, that existing aides could be deployed to fulfill the requirements of the bill. In October 2003, there were more than 10,500 instructional aides working in public school systems. By using the existing aides in kindergarten through third grade classrooms in low-performing schools, most of the new local costs would be eliminated.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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