

**Department of Legislative Services**  
 Maryland General Assembly  
 2014 Session

**FISCAL AND POLICY NOTE**

House Bill 722 (Delegate Cluster)  
 Ways and Means

**Baltimore County - Education - Advancement Via Individual Determination Pilot Program**

This bill requires the Baltimore County Board of Education to develop and implement an Advancement Via Individual Determination (AVID) Pilot Program in Baltimore County. The purpose of the program is to assist a student with less than an unweighted grade point average of 2.0 per quarter to become an effective student as evidenced by an unweighted grade point average of 2.5 or higher per quarter without a letter grade of D or E. The program must require a minimum of two teachers certified in the AVID Program in each Tier 3 high school as described in the Baltimore County Public Schools (BCPS) *Blueprint 2.0: Our Way Forward*. Funds for the program must be provided from the State Education Trust Fund (ETF).

The bill takes effect July 1, 2014, and terminates June 30, 2017.

**Fiscal Summary**

**State Effect:** To use gaming proceeds credited to ETF for the expanded uses described in the bill will require general fund expenditures to increase by an equal amount. Currently all proceeds credited to ETF are budgeted for the Bridge to Excellence foundation formula and programs, including the Geographic Cost of Education Index (GCEI). General fund expenditures will increase by an estimated \$513,900 in FY 2015. Future year expenditures reflect inflation, continuation of annual training costs, and the termination date of the bill. Revenues are not affected.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	513,900	523,900	534,100	0	0
Net Effect	(\$513,900)	(\$523,900)	(\$534,100)	\$0	\$0

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

**Local Effect:** Additional direct costs under the bill are covered by State ETF funds. The bill is estimated to have minimal or no affect on the Baltimore County share of teachers' retirement costs.

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** The Baltimore County Superintendent of Schools must report on the impact of the program to the Senate Education, Health, and Environmental Affairs Committee and the House Ways and Means Committee by December 1, 2016.

**Current Law:** The Baltimore County Board of Education is not required to implement an AVID program.

**Background:** The BCPS *Blueprint 2.0: Our Way Forward* is a five-year strategic plan (beginning with the 2013-2014 school year). The plan establishes goals in four key areas: academics, safety, communication, and organizational effectiveness. Implementation of the Differentiated-Tiered Support Model to allocate resources and supports to all schools based upon student achievement and need is one of seven strategic initiatives in support of the goal centered on academics. Under the model, public schools are to be identified as Tier I, II, or III according to student achievement data and need for services. According to BCPS, Tier III schools are those with intensive needs for multiple specified subgroups of students not meeting standards. Tier III schools receive the highest level of differentiated supports and receive more direction from central staff than Tier I and II schools. There are presently nine Tier III public high schools in Baltimore County.

AVID is a college-readiness program that seeks to improve the academic preparation and performance of students, especially those who are underrepresented in higher education institutions. BCPS has operated an AVID program for over 10 years; approximately 22 high schools and 8 middle schools in the county implement AVID. AVID operates in each of the nine Tier III public high schools in the county. BCPS advises that its current AVID program is not an intervention program and is not centered upon raising grade point averages. Instead, the program targets students in the "academic middle" who can benefit from additional support. As a result, many of the students in the current AVID program have grade point averages above the targets expressed under the bill.

## *Education Trust Fund*

ETF was established during the 2007 special session as part of the video lottery terminal (VLT) legislation, to receive approximately half of the gross VLT proceeds, after payouts to bettors. Chapter 1 of the 2012 second special session made numerous changes to the State's gaming program including authorizing a sixth license in Prince George's County, table games at VLT facilities, and 24-hour per day gaming which were approved by voters in November 2012. A portion of table game revenues is also distributed to ETF. The legislation also altered the distribution of VLT proceeds and broadened the authorized uses of ETF to encompass funding that expands public early childhood education programs in Maryland. The estimated ETF revenues for fiscal 2015-2019 are shown in **Exhibit 1**. The exhibit shows that the projected ETF revenues are less than the approximately \$3 billion in annual Bridge to Excellence foundation program expenditures.

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**Exhibit 1**  
**Estimated Education Trust Fund Revenues**  
**Fiscal 2015-2019**  
**(\$ in Millions)**

<b><u>ETF</u></b>	<b><u>FY 2015</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
VLT	\$351.6	\$355.9	\$466.5	\$490.3	\$496.8
Table Games	65.3	71.1	74.5	77.9	78.9
<b>Total ETF</b>	<b>\$416.9</b>	<b>\$427.0</b>	<b>\$540.9</b>	<b>\$568.2</b>	<b>\$575.7</b>

Source: Department of Legislative Services

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**State Fiscal Effect:** To use gaming proceeds credited to ETF for the expanded uses described in the bill will require general fund expenditures to increase by an equal amount. Currently all proceeds credited to ETF are budgeted for the Bridge to Excellence foundation formula and programs, including the GCEI. The proposed fiscal 2015 State budget includes \$416.9 million in ETF revenues, all of which are directed towards the \$3.1 billion in Bridge to Excellence foundation formulas, including GCEI. The remaining \$2.2 billion in Bridge to Excellence formula funding is general funds (excluding retirement). Thus, using any gaming proceeds credited to ETF for the Baltimore County AVID Pilot Program will necessitate an equal increase in general fund expenditures.

Implementing an AVID pilot program in the county's nine Tier III public schools will cost approximately \$513,900 in fiscal 2015 and \$534,100 in fiscal 2017. This estimate reflects the cost of hiring eight additional AVID-certified teachers. Teacher salary

amounts are based on the average salary for a recently hired public school teacher in Baltimore County. Fringe benefits are based on a 31% fringe benefit rate as advised by the county. Future year salaries and fringe benefits reflect a 2% annual inflation adjustment. Annual training costs are assumed to remain constant for the three-year period of the bill. **Exhibit 2** shows the projected costs for the pilot program by expenditure category.

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**Exhibit 2**  
**Projected Additional Cost to Implement AVID Pilot Program**

	<b><u>Cost Per Teacher</u></b>	<b><u>FY 2015</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>
Salaries	\$47,600	\$381,000	\$388,600	\$396,400
Fringe Benefits	14,800	118,500	120,900	123,300
Subtotal	\$62,400	\$499,500	\$509,500	\$519,700
Training	1,800	14,400	14,400	14,400
<b>Total</b>	<b>\$64,200</b>	<b>\$513,900</b>	<b>\$523,900</b>	<b>\$534,100</b>

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Given the three-year duration of the bill, and assuming the teachers are no longer required after this time, and given the small number of teachers added under the bill, the impact on teachers' retirement payments are assumed to be negligible.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 20, 2014  
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