

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 772 (Delegate Roberson)
Ways and Means

Education - Career Counseling Program for Middle and High School Students -
Alterations

This bill maintains the existing funding mechanism for the Career Counseling Program for Middle and High School Students indefinitely beyond fiscal 2026 (the current termination date for such funding). The bill likewise extends the program's reporting requirements indefinitely. Each local workforce development board (LWDB), in collaboration with the local board of education and other relevant agencies, must annually report to the Accountability and Implementation Board (AIB) on the use of funds and their impact on providing career counseling by June 30 of each year. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: No effect on State expenditures under existing education aid formulas. Revenues are also unaffected.

Local Effect: No effect on total revenues and expenditures for local school systems. Nevertheless, local boards of education must distribute an estimated \$55.7 million of the foundation program amount to LWDBs in FY 2027, as discussed below; annual distributions thereafter grow with enrollment and inflation. Revenues and expenditures for LWDBs that are also a unit of local government increase beginning in FY 2027 from maintaining existing funding.

Small Business Effect: Minimal.

Analysis

Current Law:

Blueprint for Maryland's Future and Education Funding Formulas

Blueprint for Maryland's Future legislation, including Chapter 771 of 2019; Chapters 36 and 55 of 2021; and Chapter 33 of 2022, established new programs and updated education funding formulas, to among other provisions provide additional support for schools serving high concentrations of students living in poverty, including community schools and wraparound services, and increased support for students learning English and students with disabilities.

The majority of direct State aid to public schools (excluding teachers' retirement) is determined by enrollment-based funding formulas generally found in Title 5, Subtitle 2 of the Education Article. This includes the foundation formula, which makes use of an "enrollment count," the greater of (1) the prior year full-time equivalent (FTE) enrollment and (2) the three-year moving average of FTE enrollment. Collectively, the formulas account for a uniform base cost per pupil that is necessary to provide general education services to students in every local education agency and address the additional costs associated with educating three student populations: special education students; students eligible for free and reduced-price meals; and students who are English learners. Chapter 36 established additional major education aid programs, including dedicated funding for career counseling in middle and schools.

Most State education aid formulas also include wealth equalization across counties, compensating for differences in local wealth by providing less aid per pupil to the more wealthy counties and more aid per pupil to the less wealthy counties. Although on the whole most State aid formulas are designed to have the State pay roughly one-half of program costs, the State's share for the less wealthy counties is higher than 50%, and the State's share for more wealthy counties is lower than 50%.

Career Counseling Program for Middle and High School Students

Chapter 36 established the Career Counseling Program for Middle and High School Students to provide each middle and high school student with individualized career counseling services. Each local board of education must enter into a local career counseling agreement with LWDB, the community college that serves the county, and, if appropriate, an American Job Center. Counseling provided must help each student choose one or more post-college and career readiness pathways as established by the Blueprint. The Career and Technical Education Committee must conduct an evaluation of each local career counseling agreement for best practices and disseminate its findings to all local boards of

education, LWDBs, community colleges, and, if appropriate, American Job Centers. Although the program has no termination date, the dedicated funding mechanism described below terminates after fiscal 2026.

Each local board of education must, in fiscal 2024 through 2026, distribute funds to support the Career Counseling Program for Middle and High School Students to LWDBs. The amount each local board of education must set aside is calculated as \$62 per student in fiscal 2024, which must grow by the State aid inflation adjustment in fiscal 2025 and 2026. By June 30 of each year the program is authorized, each LWDB must report to AIB on the use of funds and the impact of providing career counseling.

Local Fiscal Effect: Based on enrollment projections for fiscal 2027 and an estimated \$65.17 per-student funding level, local boards of education must distribute approximately \$55.7 million in fiscal 2027 to LWDBs as shown in **Exhibit 1**. Annually thereafter, distributions grow with enrollment and inflation. This funding does not affect overall State or local expenditures as per-pupil funding for career counseling services is included in the foundation formula amount. Beginning in fiscal 2027, any funding provided to an LWDB reduces the funding available to local public schools; however, the Department of Legislative Services notes that local school systems are still obligated to enter into agreements with LWDBs to operate the Career Counseling Program for Middle and High School Students, and they continue to receive foundation formula funds dedicated to career counseling. Thus, although the bill potentially affects the recipients of local school system expenditures for career counseling, it likely has no meaningful effect on total expenditures.

The Maryland Department of Labor advises that, in some jurisdictions, LWDBs are units of local government. Accordingly, revenues for LWDBs that are also units of local government increase beginning in fiscal 2027 due to the extension of the existing funding mandate. LWDB expenditures likewise increase.

Exhibit 1
Estimated Funding Distributions for the
Career Counseling Program for Middle and High School Students
Fiscal 2027

<u>County</u>	<u>Distribution Amount</u>
Allegany	\$499,202
Anne Arundel	5,340,050
Baltimore City	4,683,132
Baltimore	6,925,201
Calvert	949,588
Caroline	348,200
Carroll	1,669,394
Cecil	922,260
Charles	1,749,579
Dorchester	278,680
Frederick	3,008,270
Garrett	209,335
Harford	2,401,962
Howard	3,644,333
Kent	104,238
Montgomery	10,026,250
Prince George's	8,158,932
Queen Anne's	466,167
St. Mary's	1,081,729
Somerset	171,819
Talbot	272,853
Washington	1,419,974
Wicomico	962,958
Worcester	418,517
Total	\$55,712,624

Source: Department of Legislative Services

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 879 of 2023.

Designated Cross File: None.

Information Source(s): Accountability and Implementation Board; Maryland State Department of Education; Department of Budget and Management; Maryland Department of Labor; Maryland Association of Counties; Anne Arundel, Baltimore, Cecil, and Montgomery counties; Baltimore City Public Schools; Montgomery County Public Schools; Prince George's County Public Schools; Department of Legislative Services

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