

**Department of Legislative Services**  
 Maryland General Assembly  
 2024 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 426 (Senator Hettleman, *et al.*)  
 Education, Energy, and the Environment and  
 Budget and Taxation

**Education - Maryland STEM Program - Established**

This bill establishes the Maryland STEM Program in the Maryland State Department to Education (MSDE) to provide additional compensation to a current or retired public school teacher to teach science, technology, engineering, and mathematics (STEM) classes at nonpublic schools beginning in the 2024-2025 school year. Subject to availability of funds, MSDE must award grants that are at least equal to the number of hours the teacher teaches STEM classes at the nonpublic school multiplied by the average hourly salary of a public school teacher in the local school system multiplied by 1.25. A local school system may object to an employee’s participation, and MSDE must reject the application if the objection is valid. For each fiscal year, the Governor must include in the annual budget bill an appropriation of \$1.0 million to MSDE for grants under the program. **The bill takes effect July 1, 2024.**

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$91,200 for staffing in FY 2025 and by \$1.1 million annually thereafter, of which \$1.0 million is mandated for grants beginning in FY 2026. Future years reflect inflation. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2026.**

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	91,200	1,109,700	1,114,600	1,119,600	1,124,900
Net Effect	(\$91,200)	(\$1,109,700)	(\$1,114,600)	(\$1,119,600)	(\$1,124,900)

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

**Local Effect:** Local school systems can inform current and retired teachers about the program using existing resources. Revenues are not affected.

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** To be eligible, a teacher must be an individual who is employed as a teacher in a public school in the State or a retired Maryland public school teacher residing in the State.

STEM is defined as a science field, mathematics, technology education, or computer science.

The bill establishes the purposes of the program and requires MSDE to administer it. To participate, a nonpublic school must partner with at least one eligible teacher, and if applicable, the school system that employs the teacher, and submit an application to MSDE. MSDE must establish application procedures, deadlines, and selection criteria for the program, as specified. If an eligible teacher is employed by a local school system, MSDE must send the completed application to the local school system.

A local school system may object to an eligible teacher participating in the program if the local school system cites a valid reason for the objection, including those specified. If MSDE determines that the objection is valid, MSDE must reject the application and inform the eligible teacher and the nonpublic school.

Subject to the availability of funds, MSDE must award grants under the program based on its review of the applications. Funds awarded must be distributed to (1) the local school system where the eligible teacher is employed or (2) if the eligible teacher is retired, the local school system in which the nonpublic school is located. The school system must use the funds to provide compensation to an eligible teacher participating in the program.

Payments received by an eligible teacher under the program may not be considered compensation under a collective bargaining agreement.

MSDE must determine the amount of each grant, which must be at least equal to the number of hours the teacher teaches STEM classes at the nonpublic school multiplied by the average hourly salary of a public school teacher in the local school system multiplied by 1.25.

Funds appropriated for the program must be used exclusively to pay eligible teachers to teach STEM classes at participating nonpublic schools, and the eligible teacher must teach only the classes stipulated under the program at the nonpublic school.

If a participating nonpublic school finds that a participating teacher is not complying with the program or violating the nonpublic school's code of conduct or faculty handbook, the

school may request the teacher's removal from the program and submit information to MSDE demonstrating noncompliance. Following a review of the information, MSDE may terminate the teacher's participation in the program at that specific nonpublic school.

Each year, every public school is required to inform all employed or retired teachers about the Maryland STEM Program and submit a list of eligible teachers expressing interest in participating to the superintendent of the local school system by January 15. The superintendent, upon request, must share the list of eligible teachers with a nonpublic school.

At the end of each school year, a nonpublic school participating in the program must submit a report to MSDE. The report must include specified details, including days and classroom hours.

**Current Law:** There are no grant programs to pay STEM teachers at nonpublic schools; however, funding for nonpublic schools is provided through the State Nonpublic Schools Textbook and Technology Grants Program.

Funding for the State Nonpublic Schools Textbook and Technology Grants Program is not mandated but has been provided for several years through the annual operating and capital budget bills, with accompanying budget language regarding eligibility that currently includes:

- holding a certificate of approval from or being registered with the State Board of Education;
- not charging tuition above a specified rate; and
- complying with Title VI of the Civil Rights Act of 1964.

**State Expenditures:** Although the bill specifies that grants should begin during the 2024-2025 school year, it also specifies that public schools do not need to share lists of interested teachers until January 15, so it is unlikely that any grants are awarded during the 2024-2025 school year. Moreover, the mandated appropriation does not begin until fiscal 2026. Nevertheless, staffing is necessary in fiscal 2025 to (1) establish application procedures and selection criteria; (2) respond to inquiries from public school systems and interested nonpublic schools and teachers; and (3) process applications for the following school year.

Therefore, general fund expenditures increase by \$91,171 in fiscal 2025, which reflects a 90-day start-up delay from the bill's July 1, 2024 effective date. This estimate accounts for the hiring of a full-time Educational Specialist III, who will be responsible for managing and overseeing the Maryland STEM Program. These responsibilities include the development and implementation of an application procedure, continuous provision of

technical assistance to local education agencies and nonpublic schools, coordination and approval of grant awards, and collection of annual reports. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

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Salary and Fringe Benefits	\$83,915
Operating Expenses	<u>7,256</u>
<b>Total FY 2025 State Expenditures</b>	<b>\$91,171</b>

Future year expenditures increase to \$1.1 million annually beginning in fiscal 2026, which reflects the mandated appropriation, a full-time salary with annual increases and employee turnover, as well as annual increases in ongoing operating expenses.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 213 (Delegate Attar) - Ways and Means.

**Information Source(s):** Maryland State Department of Education; Department of Budget and Management; Baltimore City Public Schools; Anne Arundel County Public Schools; Montgomery County Public Schools; Prince George's County Public Schools; St. Mary's County Public Schools; Department of Legislative Services

**Fiscal Note History:** First Reader - January 29, 2024  
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