

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 734 (Delegate Rawlings)

Ways and Means

Education - National Board for Professional Teaching Standards - Salary Bonus for Teachers and Other Instructional Educators

This bill requires the State to provide a teacher or instructional educator who has obtained certification from the National Board for Professional Teaching Standards with an annual salary supplement equal to 15% of the employee’s annual base salary. To be eligible to receive a salary supplement, a teacher or instructional educator must be employed by a public school system and have completed the certification program by June 30, 2003. Eligible employees will receive the salary supplement until their 10-year certification by the national board expires.

This bill takes effect July 1, 1998.

Fiscal Summary

State Effect: General fund expenditures could increase by \$118,200 in FY 1999. Future year expenditures reflect inflation and additional teachers obtaining board certification. Revenues would not be affected.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	118,200	493,800	843,000	868,300	894,400
Net Effect	(\$118,200)	(\$493,800)	(\$843,000)	(\$868,300)	(\$894,400)

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

Local Effect: Local school board Social Security costs could increase by \$9,000 in FY 1999 and by \$68,400 in FY 2003.

Small Business Effect: None.

Fiscal Analysis

Background: During the 1997 Session, the General Assembly enacted legislation that established a State and Local Aid Pilot Program for Certification by the National Board for Professional Teaching Standards within the Maryland State Department of Education (MSDE). MSDE is required to select up to 48 teachers to participate in the pilot program annually. The pilot program remains in effect for three years.

State Effect: Over the pilot program's three year duration, MSDE anticipates selecting 121 teachers to obtain board certification. In 1998, 18 teachers participated in the certification program, which takes approximately one year to complete. In 1999, 55 additional teachers will participate in the program, followed by another 48 teachers in the year 2000. It is estimated that the 15% salary bonus would cost the State approximately \$6,600 per teacher. This estimate assumes that each teacher holds a masters degree and has 15 years of teaching experience. **Exhibit 1** shows the potential fiscal impact for fiscal 1999 through fiscal 2003.

**Exhibit 1
Supplemental Salary Costs**

Fiscal Year	Number of Teachers	Estimated Salary Base*	Supplemental Bonus	Supplemental Salary Costs
1999	18	\$43,783	\$6,567	\$118,206
2000	73	\$45,096	\$6,764	\$493,772
2001	121	\$46,449	\$6,967	\$843,007
2002	121	\$47,843	\$7,176	\$868,296
2003	121	\$49,278	\$7,392	\$894,432

**reflects 3% annual salary increases*

Local Effect: While the State is required to reimburse local school systems for the amount of the salary supplement, the reimbursement does not include additional Social Security costs. As shown in **Exhibit 2**, local school Social Security costs could increase by \$9,043 in fiscal 1999 and by \$68,424 in fiscal 2003.

Exhibit 2
Local School Social Security Costs

Fiscal Year	Supplemental Salary Costs	Employer's Social Security Rate	Social Security Payment
1999	\$118,206	7.65%	\$9,043
2000	\$493,772	7.65%	\$37,774
2001	\$843,007	7.65%	\$64,490
2002	\$868,296	7.65%	\$66,425
2003	\$894,432	7.65%	\$68,424

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

Fiscal Note History: First Reader - February 26, 1998
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