

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 1092 (Delegate Shriver)

Ways and Means

Education - Career Connections Sustainability Fund

This bill establishes a Career Connections Sustainability Fund within the Maryland State Department of Education (MSDE) to sustain and enhance career connections programs that prepare students for future career and educational opportunities. The bill requires 10% of the fund to be distributed to the "State management team" and 90% to be distributed to the 12 "local labor market teams." The local labor market teams must provide a 200% match. The Governor must include funds in the State budget for the career connections fund beginning in fiscal 2001. MSDE must report to the Governor and General Assembly by July 1 of each year from fiscal 2002 through fiscal 2006 on the implementation and performance of the fund.

The bill takes effect July 1, 1999.

Fiscal Summary

State Effect: General fund expenditures would increase by \$2.5 million in FY 2001 and \$4.5 million in FY 2002 through FY 2005. Revenues would not be affected.

Local Effect: Significant increase in State aid to local school systems. Local expenditures could increase by an indeterminate amount.

Small Business Effect: Minimal.

Fiscal Analysis

Background: Career Connections is Maryland’s school-to-career initiative that is designed to support school improvement, economic development, and workforce preparation. Career Connections offer students the opportunity to learn and apply rigorous academics in classrooms and workplaces, as well as the chance to explore career and continuing education opportunities. Career Connections is implemented and funded through 12 local labor market teams. Each team submits its own plan for implementing Career Connections over a five-year period. Maryland is currently halfway through the fourth year of a five-year federal school-to-careers implementation grant. The federal government provided the State with a \$25.2 million grant under the National School-to-Work program in 1995. The federal funding for the program ends in September 2000. Approximately 70% of high school students report participating in a career-related curriculum and 20% of high school students have organized students’ programs of study around career themes.

State Effect: The Career Connections Sustainability Fund would provide additional State and private sector funding to sustain and enhance the current Career Connections program. Pursuant to the legislation, the Governor must include \$2.5 million in the fiscal 2001 State budget for the Career Connections Sustainability Fund and \$4.5 million each year in fiscal 2002 through fiscal 2005. As shown in **Exhibit 1**, 10% of the funds must be distributed to the State management team and 90% to the local labor market teams.

Exhibit 1

Organization	Funding Share	FY 2001 Funding	Purpose
State Management Team	10%	\$250,000	Used for statewide programs such as professional development, curriculum development, blended instruction, and work-based learning experiences.
Local Labor Market Team	90%	\$2,250,000	Used for local career connection programs.
Total		\$2,500,000	

Of the funds provided to the State management team, around \$42,400 will go towards hiring one technical assistance specialist. The remaining funds will be used to provide professional development, curriculum development and blended instruction, and work-based learning experiences. *Professional development* activities include training sessions

for employees, employers, labor organizations, postsecondary personnel, community groups, students, and parents and convening meetings of local labor market teams to fully develop and implement career major/clusters and the credentialing process. *Curriculum development and blended instruction* activities include mapping career pathways and developing

integrated academic programs compatible with high school core learning goals. *Work-based learning experiences* include expanding employer-driven internships.

The bill requires that the State's basic current expense formula be used as the basis for distributing funds to the local labor market teams. The local labor market teams must provide a 200% match by raising public and private contributions. **Exhibit 2** shows each local labor market team's allocation for fiscal 2001.

Local Effect: While the additional funding is provided to the local labor market teams, the public school systems would be the primary beneficiaries of the additional funds. The local school systems are members of the local labor market teams and the recipients of most of the teams' funding. Other organizations, such as institutions of higher education, may receive a portion of the funding. In addition, local expenditures could increase to the extent that the county government or local school system contributes public funds to fulfill the matching requirement.

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

Fiscal Note History: First Reader - March 12, 1999
ncs/jr

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Exhibit 2
Career Connections Sustainability Fund
Estimated Funding to Local Labor Market Teams

	<u>Share of Current Expense - FY 2000</u>	<u>Est. Allocation FY 2001</u>	<u>Est. Allocation FY 2002-2005</u>
Anne Arundel	7.6%	170,192	306,345
Baltimore City	18.2%	408,429	735,172
Baltimore	10.8%	243,107	437,593
Frederick	4.8%	107,569	193,625
Montgomery	6.5%	145,350	261,631
Prince George's	18.3%	412,493	742,487
Southern Maryland			
Calvert	1.9%	42,916	77,250
Charles	3.1%	69,061	124,310
St. Mary's	2.0%	45,882	82,588
Upper Shore			
Caroline	1.0%	21,728	39,111
Dorchester	0.7%	16,804	30,246
Kent	0.3%	6,743	12,137
Queen Anne's	0.8%	17,097	30,775
Talbot	0.2%	3,894	7,009
Lower Shore			
Somerset	0.5%	11,138	20,049
Wicomico	2.1%	48,078	86,540
Worcester	0.2%	4,768	8,582
Mid-Maryland			
Carroll	3.9%	86,812	156,261
Howard	4.2%	93,667	168,601
Susquehanna			
Cecil	2.3%	51,474	92,654
Harford	5.4%	122,020	219,635
Western Maryland			
Allegany	1.7%	39,370	70,866
Garrett	0.8%	17,175	30,915
Washington	2.9%	64,232	115,617
Total		\$2,250,000	\$4,050,000

Prepared by the Department of Legislative Services