

Department of Legislative Services

Maryland General Assembly

2000 Session

FISCAL NOTE

House Bill 480 (Delegate Zirkin. *et al.*)

Ways and Means

Education - Maryland Educational Opportunity Summer Program - Establishment

This bill establishes a Maryland Educational Opportunity Summer Program for the purpose of providing educational services to students in the summer months. Local boards of education are authorized to develop a proposal to provide educational services to students in kindergarten through grade 12 during the summer months. Local boards must use existing faculty and consult with the local employee organization prior to submitting a proposal to the State Board of Education.

The State board will select proposals with priority given to schools that show the lowest levels of improvement towards meeting the standards on the Maryland School Performance Program (MSPP). Upon approving a proposal, the State board must distribute funding to the local school system in the amount to cover the cost of extending the contracts of participating teachers to implement and operate the program. The Governor must include \$10 million in the State budget each year for the program, beginning in fiscal 2002.

This bill takes effect July 1, 2000.

Fiscal Summary

State Effect: General fund expenditures would increase by \$43,000 in FY 2001 and by \$10.05 million beginning in FY 2002. Revenues would not be affected.

(in millions)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GF Expenditures	0.04	10.05	10.06	11.16	11.16
Net Effect	(\$0.04)	(\$10.05)	(\$10.06)	(\$11.16)	(\$11.16)

Note: () = decrease; GF = general funds

Small Business Effect: None.

Analysis

Current Law: State and local governments provide a variety of programs to supplement academic services for low-performing students. These programs include before- and after-school sessions, school community centers, summer school programs, and recreational programs.

State and Local Fiscal Effect: A summer intervention program lasting for 20 days would cost approximately \$325 per student. This is based on an average class size of 15 students and an average teacher salary of \$46,000. With \$10 million annual funding required for the program, approximately 30,800 children could receive educational services. If the State board approves proposals that last longer than four weeks or that have smaller class sizes, fewer students would be served by the program.

Administrative costs within the Maryland State Department of Education would total approximately \$43,000 in fiscal 2001 and \$54,000 on an annualized basis to hire one staff specialist to set up, monitor, and administer the program.

The State is responsible for paying the teachers' retirement costs for certain school employees. Since the State payments for teachers' retirement costs are based on the teachers' salary base in the second prior year, State expenditures would not increase until fiscal 2004. Based on an increased teacher salary base of \$10 million and a 10.95% contribution rate, State expenditures would increase by \$1.1 million beginning in fiscal 2004.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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