

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 272 (Delegate Hixson, *et al.*)
Ways and Means

Education - Reconstituted Schools - Year-Round Operation

This bill requires a local board of education to operate a State reconstituted public school on a year-round schedule. Students must receive at least 220 days or 1,320 hours of instruction during each school year. Vacation periods cannot extend longer than 14 consecutive days. The Maryland State Board of Education must adopt regulations necessary to implement the legislation.

The bill takes effect July 1, 2001 and sunsets on June 30, 2005.

Fiscal Summary

State Effect: None.

Local Effect: Baltimore City school expenditures could increase by a significant amount to operate four public schools that have been reconstituted on a year-round basis. City revenues would not be affected.

Small Business Effect: None.

Analysis

Current Law: Public schools are eligible for State reconstitution if the school does not meet all satisfactory or better standards in the State school performance areas and the school's average of results in those areas: (1) is below satisfactory and declining; or (2) does not show substantial and sustained improvement through implementation of its school improvement plan.

Public schools must be open for 180 days and 1,080 school hours during a ten-month period. Under certain conditions (a natural disaster, civil disaster, or severe weather conditions) schools only have to be open for 1,080 school hours.

Background: The State Board of Education has placed four Baltimore City public schools under State reconstitution. Three schools, Gilmor, Montebello, and Furman L. Templeton elementary schools, were reconstituted in February 2000 and the Westport school that serves both elementary and middle school students was reconstituted in January 2001. In March 2000 the Maryland State Department of Education signed a contract with Edison Schools, Inc., a national for-profit company providing educational services, to operate the three elementary schools beginning on July 1, 2000. In addition, the State Board of Education has granted conditional approval to a proposal by the Baltimore City Public School System in which the school system will hire a management company to operate the Westport school.

Edison Schools Contract

Edison receives \$7,462 per pupil to operate the three elementary schools in Baltimore City in fiscal 2001, resulting in a payment of \$10.6 million. In subsequent fiscal years, the per pupil amount that Edison receives will be adjusted to reflect the statewide percentage change in the per pupil current expense foundation. In fiscal 2002 this change is 3.1%, increasing the Edison allocation to \$7,695 per pupil. The full-time equivalent enrollment at the three schools total 1,502 students.

At Edison schools, students in grades 3 through 5 attend school for 8 hours a day for 180 days (1,440 hours per school year). Students in pre-kindergarten through grade 2 attend school for 7 hours a day for 180 days (1,260 hours per school year). Other public schools in Baltimore City report students attending school for 6.5 hours a day for 180 days (1,170 hours per school year).

Local Fiscal Effect: The four public schools in Baltimore City under State reconstitution will be required to operate on a year-round schedule. MSDE may have to renegotiate the current Edison schools contract that began on July 1, 2000 and ends on June 30, 2005. Furthermore, extending the school year by an additional 40 days or 240 hours may increase instructional, maintenance and operation, food service, and student transportation costs.

Instructional Costs

Edison reports that salaries for its teachers are approximately 6% higher than comparable salaries at other public schools in Baltimore City. The higher salaries at Edison schools compensate teachers for working additional hours. Third through fifth grade students at Edison schools already meet the additional hours requirement established in this legislation; however, the school year at Edison schools has not been extended beyond 180

days. Pursuant to this legislation, vacation periods cannot extend for longer than 14 consecutive days. Accordingly, the four reconstituted public schools in Baltimore City will have to operate in the summer months which may lead to upward pressures in salaries, since teachers could be precluded from seeking summer employment.

Assuming the school year is extended by 40 days, the average instructional cost could increase by up to 20%. The average teacher salary in Baltimore City for fiscal 2000 was \$41,813. Based on a 2% annual growth factor, the average salary is estimated to be \$43,500 for fiscal 2002 or \$229 per day. Requiring teachers to work for an additional 40 days could increase costs by approximately \$9,200 per teacher. Based on an average class size of 25 students per teacher and 2,000 students attending the four reconstituted schools, approximately 80 teachers would be affected. This could increase local school expenditures by an additional \$736,000 a year. Additional funds would be required to cover the increased costs for administrative staff and resource staff (librarians, guidance counselors, and elementary resource teachers).

Other School Related Costs

The Baltimore City Public School System allocates approximately \$192 per student to cover the costs of materials, supplies, equipment, cleaning, and repairs at elementary schools. This translates into a \$1.06 cost per day per student. With approximately 2,000 students attending the four reconstituted schools and the potential for the school year to be extended for up to 40 days, local school expenditures for materials, supplies, equipment, cleaning, and repairs could increase by \$84,800 a year.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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