

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE****Revised**

House Bill 892

(Delegate Zirkin, *et al.*)

Judiciary

Finance

**Department of Juvenile Justice - Summer Opportunity Pilot Program -  
Establishment**

This bill establishes the Department of Juvenile Justice Summer Opportunity Pilot Program and a continuing, nonlapsing special fund to support the program. The pilot program and fund will be administered by the Department of Juvenile Justice, which may select up to three local jurisdictions to participate in the program and receive money from the fund to extend the contracts of participating teachers. The Governor may include funding for the program in the annual State budget beginning in fiscal 2002.

The bill sunsets September 30, 2004

**Fiscal Summary**

**State Effect:** General fund expenditures could increase by an estimated \$166,600 in FY 2002 due to the distribution of funds to the Department of Juvenile Justice Summer Opportunity Pilot Program Fund. Future year expenditures reflect increased teacher salaries and teachers' retirement costs. No effect on revenues.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	166,600	171,600	191,000	14,700	15,100
Net Effect	(\$166,600)	(\$171,600)	(\$191,000)	(\$14,700)	(\$15,100)

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

**Local Effect:** Local school revenues would increase due to the provision of State funding for the summer opportunity program. The increased revenue would be offset by an increase in school expenditures.

**Small Business Effect:** Minimal.

---

## Analysis

**Bill Summary:** A group home operator or other party interested in the Summer Opportunity Pilot Program may develop a proposal for curricula and activities during the summer months for children under the supervision of the Department of Juvenile Justice (DJJ) using faculty of the local school system. A proposal must be submitted to the local board of education. The local boards must review the proposals they receive and, in consultation with the requesting parties, may make changes to the proposals that the boards deem necessary. From the submitted proposals, local boards may forward a final proposal to DJJ by January 15 of each year. Proposals must include the estimated costs of extending the contracts of participating teachers and may include activities and curricula designed for a single school, a set of schools, or all the schools in a district.

DJJ must review, in consultation with the Maryland State Department of Education, the proposals submitted by local boards and may make any recommendations it deems necessary. By March 15 of each year, DJJ may select for implementation final proposals from up to three local boards. DJJ must then send money from the program's fund to the local boards that have had their proposals selected. Money from the fund may only be used to cover the costs of extending the contracts of participating teachers. DJJ may adopt regulations for approving proposals as well as regulations to administer the fund and implement the program.

It is the intent of the General Assembly that grants awarded under this pilot program reflect the geographic, demographic, and cultural diversity of the State. In addition, if HB 53 is enacted, grants awarded under this bill should not go to the same counties that receive grants under HB 53.

**Current Law:** None applicable.

**Background:** HB 53 establishes the Maryland Educational Opportunity Summer Pilot Program. The program would extend the contracts of participating teachers into the summer months for the purpose of working with students to improve performance on the Maryland School Performance Program. As amended and passed by the House, HB 53 would provide program grants to Baltimore and Prince George's counties.

**State Fiscal Effect:** DJJ did not respond to requests for information regarding this bill. General fund expenditures would increase in fiscal 2003 according to the number and

scope of individual programs DJJ approves for implementation. Under the scenario described below, expenditures would increase by an estimated \$166,629 in fiscal 2002.

#### *Department of Juvenile Justice Summer Opportunity Fund*

In October 1999 (fiscal 2000), the average public school teacher salary in Maryland was \$43,720. It is assumed that the average teacher salary will increase by 5% annually in fiscal 2001 and 2002 due to the Governor's Teacher Salary Challenge legislation. Assuming a 9.47% fringe benefit rate for teachers (not including teachers' retirement, which is discussed below, and medical insurance, which is paid for a full year under current contracts), participating teachers would require extensions on contracts that will average approximately \$52,766 for the normal 190-day school year in fiscal 2002. Assuming summer contracts would extend normal contracts by 40 days, the estimated cost for each participating teacher would be \$11,109 in fiscal 2002.

It is assumed that three programs would be approved for fiscal 2002 and would be implemented during the summer of 2002. Assuming each program uses five teachers to provide summer services for juveniles, the cost of each program would be \$55,543. The fiscal 2002 cost for three programs is estimated at \$166,629. Money allocated to the DJJ Summer Opportunity Pilot Program Fund would be distributed to county boards to pay the contract extensions of the teachers. The teachers would be supported by staff from group homes and after-school opportunity programs.

In fiscal 2003 and 2004, it is assumed that the three pilot program locations would continue to serve DJJ youths and teacher salaries will increase by 3% annually. Based on these assumptions, the DJJ Summer Opportunity Pilot Program Fund would provide local boards with \$171,628 in fiscal 2003 and \$176,777 in fiscal 2004.

#### *Teacher Retirement Costs*

The State is responsible for paying teachers' retirement benefits. Since the State payments are based on teachers' salary base in the second prior year, State retirement expenditures under this bill would not increase until fiscal 2004. Due to a 9.35% employer contribution rate and an increased salary base of \$152,215 in fiscal 2002, \$156,781 in fiscal 2004, and \$161,485 in fiscal 2004, State expenditures for teachers' retirement would increase by an estimated \$14,232 in fiscal 2004, \$14,659 in fiscal 2005, and \$15,099 in fiscal 2006.

#### *Program Administration*

It is assumed that existing DJJ area directors and central office administrators could work together to review proposals, select proposals, and oversee the Summer Opportunity Pilot Program. Central office personnel would administer the program's fund and could adopt regulations for the implementation of the program. No additional funding would be required.

**Local Fiscal Effect:** Local boards of education that submit successful proposals would receive money from the DJJ Summer Opportunity Pilot Program Fund to extend the contracts of teachers participating in the local programs. Fund proceeds could only be used to extend teacher contracts. Additional costs would be incurred by local boards for instructional materials and supplies, maintenance and operations, student transportation, and ancillary school services. It is assumed that existing school and group home facilities would be used and that existing personnel from local government agencies could be involved in the programs without additional compensation.

Local boards of education could review and submit proposals with existing resources.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – February 26, 2001  
ef/cer Revised – House Third Reader – March 29, 2001

---

Analysis by: Mark W. Collins

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510