

**Department of Legislative Services
Maryland General Assembly
2001 Session**

FISCAL NOTE

Senate Bill 872 (Senator Lawlah)
Budget and Taxation and Economic and Environmental Affairs

Public Schools - Teacher Incentives – Eligibility

This bill enables master teachers, consulting teachers, and instructional support teachers to receive teacher quality incentives. The bill also alters the qualifications for the \$1,000 teacher salary signing bonus by requiring a new teacher to have a grade point average of 3.6 or better.

This bill will be construed retroactively to provide teacher quality incentives to master teachers, consulting teachers, and instructional support teachers who qualify pursuant to this legislation for a stipend or bonus on or after July 1, 1999.

The bill is effective July 1, 2001.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$1.98 million in FY 2002 and by \$1.18 million in FY 2003 and beyond to provide stipends to additional teachers and salary signing bonuses to additional newly hired teachers. No effect on revenues.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1,980,000	1,180,000	1,180,000	1,180,000	1,180,000
Net Effect	(\$1,980,000)	(\$1,180,000)	(\$1,180,000)	(\$1,180,000)	(\$1,180,000)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Only classroom teachers are eligible for teacher quality incentives under the Teacher Quality Incentive Act of 1999. A salary signing bonus of \$1,000 is awarded to a teacher who graduates in the top 10% of his or her class and is employed by a county board of education. The teacher must stay employed in the school system for three consecutive years or reimburse the State for the \$1,000. A classroom teacher who achieves certification by the National Board for Professional Teaching Standards is eligible to receive up to \$2,000 per year, and a classroom teacher with an advanced professional certificate who teaches in a reconstitution, reconstitution-eligible, or challenge school receives \$2,000 per year.

Background: The Teacher Quality Incentive Act of 1999 (Chapter 600) enhanced funding for teacher mentoring programs, established graduate tuition tax credits for certified teachers, provided stipends for teachers who hold or earn national teaching certification, provided salary signing bonuses for new teachers who performed well in college, and provided stipends for teachers with advanced professional certificates who work at challenge schools, reconstitution schools, or reconstitution-eligible schools. The Governor's proposed fiscal 2002 budget includes \$14.9 million for the incentives, an increase of \$3.1 million over the fiscal 2001 appropriation.

State Expenditures: General fund expenditures would increase by an estimated \$1.98 million in fiscal 2002. This estimate is based on: (1) an additional 380 teachers qualifying for the salary signing bonus (\$380,000); (2) an additional 400 teachers qualifying for the quality incentive stipends (\$800,000); and (3) approximately 400 teachers becoming eligible for stipends from the prior fiscal year (\$800,000). Future year expenditures reflect the additional salary signing bonuses and the expansion of eligibility for stipends.

Salary Signing Bonus

The Maryland State Department of Education (MSDE) estimates that 380 additional teachers annually would be eligible to receive salary signing bonuses of \$1,000 if the eligibility was based on a 3.6 grade point average rather than a ranking in the top 10% of a class. The bill would allow teachers hired out of graduate schools, where class rankings are not calculated, and teachers hired out of an increasing number of undergraduate schools that do not calculate class rankings to receive the bonuses. The annual expenditure increase, beginning in fiscal 2002, is estimated at \$380,000.

Stipends for Master Teachers, Consulting Teachers, and Instructional Support Teachers

MSDE estimates that 400 additional teachers would qualify annually for the \$2,000 salary stipends if eligibility was extended to master teachers, consulting teachers, and instructional support teachers. The annual cost, beginning in fiscal 2002, to provide stipends for these teachers would be \$800,000.

Funding for Master Teachers, Consulting Teachers, and Instructional Support Teachers from Fiscal 2001

The Teacher Quality Incentive Act was not funded in fiscal 2000; therefore, only one year of stipends, fiscal 2001, has been provided to teachers. Although the bill proposes to retroactively apply the stipends to master teachers, consulting teachers, and instructional support teachers who would have qualified for stipends on or after July 1, 1999, it is assumed that the bill only intends to “back pay” stipends from fiscal 2001 when the stipends were first awarded. Based on this assumption, MSDE projects that 400 teachers would be eligible to receive a one-time payment for the fiscal 2001 stipends they did not receive. The cost of the one-time payment would be \$800,000 in fiscal 2002.

Because the positions of master teachers, consulting teachers, and instructional support teachers are held by more experienced teachers, it is assumed that none would be eligible to receive a back payment for fiscal 2001 salary signing bonuses.

Local Fiscal Effect: The bill does directly affect local finances; however, local school systems could benefit if the bill increases the number of school teachers applying to work in one of Maryland’s public school systems.

Additional Information

Prior Introductions: None.

Cross File: HB 776 (Delegate V. Jones, *et al.*) - Ways and Means.

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

Fiscal Note History: First Reader – March 6, 2001
jm/jr

Analysis by: Mark W. Collins

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