

Department of Legislative Services
 Maryland General Assembly
 2001 Session

FISCAL NOTE

Senate Bill 754 (Senator Haines, *et al.*)
 Economic and Environmental Affairs

Education - Public Schools - Character Education

This bill requires local boards of education to establish character education programs to be taught in all public schools. The program's components must be developed in cooperation with students, parents, and the community at large. Character traits that could be taught in each character education program include trustworthiness, respect, responsibility, fairness, caring, and citizenship. The State Board of Education must award grants to the local boards for the implementation of innovative character education programs.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$2.85 million in FY 2002 to provide character education grants to local school systems and to administer a statewide program. Future year expenditures reflect ongoing grants to local school systems, annualization, salary increases, and inflation. No effect on revenues.

(\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2.85	2.87	2.87	2.87	2.88
Net Effect	(\$2.85)	(\$2.87)	(\$2.87)	(\$2.87)	(\$2.88)

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

Local Effect: Assuming the State funds the full cost of the program, local school system revenues would increase by an estimated \$2.8 million annually beginning in FY 2002.

Small Business Effect: None.

Analysis

Bill Summary: This bill requires each local school system to establish a character education program. The State Board of Education must: (1) establish program criteria; (2) provide resources and technical assistance to the local boards; (3) review and analyze the character education programs established by the local boards; (4) identify effective character education programs and practices; (5) disseminate information to the local boards on effective programs; and (6) award grants to local boards for the implementation of innovative character education programs.

Current Law: Local school systems are not statutorily required to include character education programs in school curricula; however, all local school systems include some type of character training in their courses.

Background: Five local school systems (Baltimore City and Baltimore, Calvert, Frederick, and Prince George's counties) and the Maryland State Department of Education (MSDE) initially established the Maryland Partnership in Character Education in 1996 with funding awarded by the federal government through Title X of the Elementary and Secondary Education Act. Also involved in the partnership are the Governor's Office of Crime Control and Prevention, the Department of Health and Mental Hygiene, and the Abell Foundation. Although federal funding for the program ceased after fiscal 2000, the partnership has continued with funding from the State and the Abell Foundation.

The partnership, which operates from MSDE headquarters, provides staff development, resource materials, technical support, and funding for character education programs. The partnership has worked with all 24 school systems. In the fall of 2000, the partnership held four training sessions around the State, and three additional sessions are being planned for this summer. "Lab schools" have been established in each of the original five participating school systems for teachers, principals, student leaders, parents, and community leaders from other jurisdictions to visit and observe schools that have implemented character education curriculums. In fiscal 2001, the partnership is providing \$449,000 in grants to local school systems, and the Governor's fiscal 2002 budget proposal includes \$200,000 for character education grants to local school systems.

At least 25 states, including Virginia and West Virginia, mandate or encourage character education in public schools, and 37 states have received federal grants to develop character education initiatives. An article on character education in the October/November 2000 *State Legislatures* magazine lists several common guidelines for character education instruction.

- identification of the core ethical values to be taught;
- instruction in the definition of moral behavior and the process for making decisions based on ethical values;
- reinforcement of the core values throughout a student's school experiences;
- opportunities for students to demonstrate the values being taught;
- commitment to character education values by both students and staff;
- recruitment of parents and community members as partners; and
- evaluation of the program's effectiveness.

State Expenditures: General fund expenditures would increase by an estimated \$2.85 million in fiscal 2002, which accounts for the bill's October 1, 2001 effective date. This estimate assumes that each local school system would receive an annual grant of \$125,000 from MSDE to employ a full-time character education curriculum specialist and to develop, implement, and sustain the curriculum. The grants, totaling \$3 million, would represent a \$2.8 million increase over the funding that is currently provided for character education. One additional education specialist within MSDE would also be needed to expand the character education partnership to include full participation from all local systems.

Grants to Local School Systems	\$2,800,000
Salary and Fringe Benefits for Education Specialist	45,724
Operating Expenses for MSDE	<u>6,431</u>
Total FY 2002 State Expenditures	\$2,852,155

Future year expenditures reflect: (1) continuing grants totaling \$3 million annually for local school systems; (2) a full salary for the education specialist with a 6.5% increase in fiscal 2003 and a 4.5% increase each year thereafter, with 3% employee turnover; and (3) 1% annual increases in ongoing operating expenses.

There are currently two persons employed by the Maryland Partnership in Character Education. Their positions and the associated operating expenses are funded jointly by MSDE, the Governor's Office of Crime Control and Prevention, the Department of Health and Mental Hygiene, and the Abell Foundation. MSDE advises that the funding structure for these positions would not change.

Additional Information

Prior Introductions: A similar bill was introduced in the 2000 session as SB 737. The bill received an unfavorable report from the Senate Economic and Environmental Affairs Committee.

Cross File: None.

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

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Analysis by: Mark W. Collins

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