

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

**FISCAL NOTE**

House Bill 1435  
 Ways and Means

(Delegate Phillips, *et al.*)

**Teacher Professional Development School State Aid Pilot Program**

This bill establishes a Teacher Professional Development School State Aid Pilot Program to reduce class sizes, facilitate the participation of higher education faculty in primary and secondary education, and improve teacher preparation, retention, development, and performance. The program will be jointly administered by the State Board of Education and the Maryland Higher Education Commission (MHEC). The State board and MHEC must annually solicit proposals for “teacher professional development schools” from local boards of education, institutions of higher education, and other interested parties and must select proposals for implementation beginning with the 2002-2003 school year. Aside from a description of the proposed program, a proposal must include a method for tracking program effectiveness, an assessment of the likelihood that the school could continue after the pilot program terminates, and at least a 50% match of State funding. Annually, up to 50 grants of up to \$40,000 may be provided through the program. The Governor must include funding in the State budget for the program.

The bill is effective July 1, 2001 and sunsets on June 30, 2004.

**Fiscal Summary**

**State Effect:** General fund expenditures would increase by an estimated \$2.1 million in FY 2003 and FY 2004 to provide grants and to administer the pilot program. No effect on revenues.

(\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	2.1	2.1	0	0
Net Effect	\$0	(\$2.1)	(\$2.1)	\$0	\$0

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

**Local Effect:** Local school revenues would increase for school systems submitting successful proposals for the implementation of teacher professional development schools. Local systems would be required to provide a 50% match for the grants.

**Small Business Effect:** Potential minimal.

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## Analysis

**Current Law:** None applicable.

**Background:** The Maryland State Department of Education (MSDE) and the Maryland Higher Education Commission (MHEC) teamed up to issue the *Redesign of Teacher Education* report in 1995. The report emphasizes the teacher professional development school model as the best structure for merging teaching and learning reforms. The mission behind the model is collaboration among and continual learning by future teachers, practicing teachers, and higher education faculty, with the improvement of elementary and secondary education being the ultimate objective. In the model, future teachers take part in year-long internships, participating for an entire school year in all aspects of teachers' school lives. Several teacher professional development schools are currently operating in the State.

**State Fiscal Effect:** The bill authorizes the State Board of Education and MHEC to provide up to 50 \$40,000 grants, or \$2 million in grants, for fiscal 2003 (the 2002-2003 school year) and fiscal 2004. To oversee, coordinate, and support the development schools, MSDE would employ one contractual staff specialist and one contractual support person for the same two fiscal years at an annual cost of approximately \$100,000 plus one-time start-up costs and ongoing operating expenditures.

	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>
Grant Funding	\$2,000,000	\$2,000,000
Contractual Salaries and Fringe Benefits	107,959	110,442
Operating Expenses	<u>10,451</u>	<u>1,693</u>
<b>Total State Expenditures</b>	<b>\$2,118,410</b>	<b>\$2,112,135</b>

MHEC could participate in the selection of grants with existing resources. MSDE would administer the pilot program and distribute grant funds.

**Local Fiscal Effect:** Local school systems would be eligible to submit grant proposals to implement teacher professional development schools. Assuming each local system receives one \$40,000 grant in fiscal 2003 and in fiscal 2004, local school revenues would increase by a total of \$960,000 in each of these years.

Local school systems that receive grants, however, would also be required to provide a 50% match. Assuming again that one \$40,000 grant is provided to each public school system, local school expenses would increase by a total of \$480,000 in fiscal 2003 and 2004. If the professional development schools would be maintained after the pilot program terminates, local systems would presumably fund a greater portion of the expenses for the schools.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – March 19, 2001  
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