

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

**FISCAL NOTE**

House Bill 878                      (Delegate Carlson, *et al.*)  
 Ways and Means

**Education - Montgomery County Educational Opportunity Summer Pilot  
 Program – Establishment**

This bill establishes the Educational Opportunity Summer Pilot Program in Montgomery County for the purpose of providing educational services to students in kindergarten through grade 12 during the summer months. The Montgomery County Board of Education, in consultation with the local employee organization, may develop program proposals that use existing school faculty to staff the program. The State Board of Education will select proposals with priority given to proposals involving schools that show the lowest levels of improvement on the Maryland School Performance Program. After approving a proposal, the State board will distribute to the Montgomery County board funds to cover the cost of extending the contracts of participating teachers. The Governor must include \$2 million in the State budget for the pilot program each year beginning in fiscal 2003. The State board must adopt regulations to implement the bill.

The bill is effective June 1, 2001.

**Fiscal Summary**

**State Effect:** General fund expenditures would increase by an estimated \$2.06 million in FY 2003 to fund the pilot program. Future year expenditures reflect continued program funding of \$2 million annually, administrative costs for the Maryland State Department of Education, inflation, and increased teacher retirement payments. 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	2.06	2.06	2.25	2.25
Net Effect	\$0	(\$2.06)	(\$2.06)	(\$2.25)	(\$2.25)

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

**Local Effect:** State aid to Montgomery County and county school expenditures would increase by \$2 million annually beginning in FY 2003. The State would cover the entire cost of the program.

**Small Business Effect:** None.

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## Analysis

**Current Law:** State and local governments provide a variety of programs to supplement academic services for low-performing students. These programs include before- and after-school sessions, school community centers, summer school programs, and recreational programs.

**Background:** The Maryland School Performance Program (MSPP), which was established in 1989 by the Governor's Commission on School Performance, defines acceptable academic achievement in Maryland and acts as Maryland's school accountability system. The program sets standards for functional test passing rates, dropout rates, and attendance rates. The cornerstone of MSPP is the Maryland School Performance Assessment Program (MSPAP), which consists of tests that are given to public school students in third, fifth, and eighth grades and cover six academic areas (reading, writing, language usage, mathematics, science, and social studies). **Exhibit 1** shows Montgomery County's MSPAP results for the 1999-2000 school year, and **Exhibit 2** compares Montgomery County's results with results from other local school systems. Beginning with the Class of 2007, Maryland will extend the rigorous testing standards established by MSPAP to high school students who will have to pass exams in English, algebra, geometry, biology, and government in order to earn a high school diploma.

**Exhibit 1**  
**Montgomery County MSPAP Scores**  
**1999-2000 School Year**

<b>Subject</b>	<b>Grade 3</b>	<b>Grade 5</b>	<b>Grade 8</b>
<b>State Standard</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>
Reading	44.2	52.3	35.6
Writing	57.9	51.5	61.7
Language Usage	56.9	66.6	61.1
Mathematics	49.2	60.4	66.0
Science	47.2	60.3	62.4
Social Studies	47.3	55.2	60.4
Composite Score	50.5	57.6	58.0

**Exhibit 2**  
**2000 Composite MSPAP Scores**  
**(Percent of Students Performing at Satisfactory Level)**

	<u>Total</u>	<u>Grade 3</u>	<u>Grade 5</u>	<u>Grade 8</u>
Kent	62.0	78.0	49.7	59.3
Howard	61.4	59.9	63.5	61.0
Harford	55.7	52.2	55.9	59.0
Montgomery	55.4	50.5	57.6	58.0
Calvert	55.0	50.7	55.2	59.1
Washington	54.4	50.3	55.7	57.1
Carroll	54.1	50.4	55.5	56.3
Cecil	51.5	51.6	53.7	49.0
Frederick	51.0	47.0	53.9	52.2
Baltimore	50.9	48.7	52.1	51.9
Queen Anne's	50.8	49.3	51.8	51.1
Worcester	50.2	50.1	48.2	52.7
Caroline	49.8	52.1	47.0	50.4
St. Mary's	49.4	52.1	49.9	45.8
Garrett	48.2	43.9	45.6	55.8
Anne Arundel	47.5	46.0	51.5	44.7
Allegany	47.4	45.9	50.1	46.2
Charles	46.7	40.0	46.3	53.4
Talbot	44.4	39.5	46.9	47.1
Wicomico	43.0	43.2	45.9	39.7
Dorchester	42.7	47.7	42.8	37.9
Somerset	38.7	38.5	40.1	37.6
Prince George's	31.0	30.3	31.8	31.0
Baltimore City	20.5	20.4	22.5	18.3
State	45.3	42.8	46.9	46.1
<b>State Standard</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>

Source: Maryland State Department of Education

**State Fiscal Effect:** General fund expenditures would increase by an estimated \$2.06 million in fiscal 2003 to fund the summer pilot program and pay administrative costs at the Maryland State Department of Education (MSDE). Beginning in fiscal 2005, State payments for teachers' retirement would also increase.

### *Montgomery County Educational Opportunity Summer Pilot Program*

The bill specifies that \$2 million would be provided to the Montgomery County Board of Education to fund the extension of contracts for teachers who would participate in the Educational Opportunity Summer Pilot Program. In fiscal 2000, the average teacher salary in Montgomery County was \$50,780. Assuming 5% increases to the average salary in fiscal 2001 and 2002, due to the Governor's Teacher Salary Challenge legislation, and a 3% increase in fiscal 2003, the average salary would be \$57,664 in fiscal 2003. Using 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 \$63,125 for a normal 190-day school year in fiscal 2003.

Assuming summer contracts would extend normal contracts by 40 days (for an eight-week program), the estimated cost for each participating teacher would be \$13,290 in fiscal 2003. Assuming average class sizes of 15 students, this represents a cost per pupil of \$886. If a \$50 per pupil cost is included for supplies and materials, the total per pupil cost for the eight-week program would be \$936. With \$2 million in annual funding, approximately 2,100 students could be served by the program. If the selected proposals institute two four-week programs, the number of students served would double.

### *Maryland State Department of Education Administrative Costs*

Administrative costs within MSDE would total approximately \$58,100 beginning in fiscal 2003 to employ one staff specialist to implement, monitor, and administer the program. These costs include \$56,400 for a salary and benefits and \$1,700 for supplies and operating expenses.

### *Teachers' Retirement Payments*

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 2005. Due to a 9.35% employer contribution rate and an increased salary base of approximately \$2 million annually, State expenditures for teachers' retirement would increase by an estimated \$187,000 annually beginning in fiscal 2005.

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## **Additional Information**

**Prior Introductions:** HB 480 of 2000 would have provided \$10 million annually to counties successfully bidding for summer educational program grants. The bill was not reported out of the House Ways and Means Committee.

**Cross File:** None.

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

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