

# Department of Legislative Services

Maryland General Assembly

2001 Session

## FISCAL NOTE

### Revised

House Bill 1218 (Delegate Campbell, *et al.*)

Ways and Means

Economic and Environmental Affairs

### Education - Teacher Salary Signing Bonus - Eligibility Requirements

This bill alters the qualification for the \$1,000 teacher salary signing bonus by requiring a new teacher to have a college grade point average of at least 3.6 or its equivalent.

The bill is effective October 1, 2001.

## Fiscal Summary

**State Effect:** Assuming the bill would first apply to new teachers hired for the 2002-2003 school year, general fund expenditures would increase by an estimated \$380,000 annually each year beginning in FY 2003. No effect on revenues.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	380,000	380,000	380,000	380,000
Net Effect	\$0	(\$380,000)	(\$380,000)	(\$380,000)	(\$380,000)

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law:** The \$1,000 salary signing bonus is paid to newly hired teachers who graduated in the top 10% of their class. Teachers who receive the bonus must remain

employed in the public school system for a minimum of three years or repay the State the bonus.

**Background:** The salary signing bonus was one of the incentives established under the Teacher Quality Incentive Act of 1999 (Chapter 600). The Act also enhanced funding for teacher mentoring programs, established graduate tuition tax credits for certified teachers, and established stipends for teachers who hold or earn national teaching certification and stipends for teachers with advanced professional certification who teach at challenge schools, reconstitutions schools, and reconstitution-eligible schools. The Governor's proposed fiscal 2002 budget includes \$14.9 million for the incentives, including \$480,000 for salary signing bonuses.

**State Expenditures:** The Maryland State Department of Education estimates that 380 additional teachers annually would be eligible to receive salary signing bonuses of \$1,000 if 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 is estimated at \$380,000.

It is assumed, however, that teachers hired for the 2001-2002 school year would not be affected by the legislation due to the bill's October 1, 2001 effective date. The first teachers who would be eligible for signing bonuses under the criteria established in the bill would be those hired for the 2002-2003 school year. Therefore, expenditures would not be affected until fiscal 2003.

**Local Fiscal Effect:** The bill would not directly affect local finances; however, local school systems would benefit if the bill increases the number of school teachers applying to work in one of Maryland's public school systems.

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### **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 23, 2001  
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