

**Department of Legislative Services**  
 Maryland General Assembly  
 2002 Session

**FISCAL NOTE**

House Bill 515 (Delegate Hubbard, *et al.*)  
 Ways and Means

**Education - Gifted and Talented Students**

This bill requires local boards of education to develop and implement identification procedures, services, and professional development activities for gifted and talented education programs that meet nationally accepted research-based standards endorsed by the Maryland State Department of Education. State funding for gifted and talented education programs must be included in the State budget as part of the current expense formula. The bill also alters the current definition of gifted and talented students to conform to federal standards.

**Fiscal Summary**

**State Effect:** General fund expenditures would increase by \$40,500 in FY 2003. Future year expenditures reflect annualization and inflation.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	40,500	48,500	50,600	52,800	55,200
Net Effect	(\$40,500)	(\$48,500)	(\$50,600)	(\$52,800)	(\$55,200)

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

**Local Effect:** Potential significant increase in local school expenditures for gifted and talented education programs. Revenues would not be affected. This bill imposes a mandate on a unit of local government.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** Pursuant to this bill, a gifted and talent student means an elementary or secondary student who is identified by professionally qualified individuals as: (1) having outstanding talent and performing, or showing the potential for performing, at remarkably high levels of accomplishment when compared with other students of a similar age, experience, or environment; (2) exhibiting high performance capability in intellectual, creative, or artistic areas; (3) possessing an unusual leadership capacity; or (4) excelling in specific academic fields. This definition is the federal definition arising from the Jacob K. Javits Gifted and Talented Student Education Act of 1988.

**Current Law:** Local boards of education are encouraged to develop gifted and talented education programs. A gifted and talented student is defined as an elementary or secondary student who is identified by professionally qualified individuals as having outstanding abilities in the area of: general intellectual capabilities; specific academic aptitudes; or the creative, visual, or performing arts. Each local school system is responsible for identifying gifted and talented students. A standardized statewide identification process has not been developed by the Maryland State Department of Education (MSDE).

**Background:** The Commission on Funding and Services for Gifted and Talented Student Education in Maryland was established pursuant to legislation enacted during the 2000 session. The commission was charged with reviewing the status of gifted and talented education in Maryland and making recommendations to ensure that all local school systems have appropriate advanced learning opportunities for gifted and talented students in kindergarten through grade 12. The commission determined that gifted and talented programs vary dramatically among local school systems and that many of the State's gifted and talented students do not have access to the programs and services they need. State funding for gifted and talented programs is not sufficient to ensure fully developed programs for all students.

The commission made several recommendations including: (1) adopting the federal definition and nationally accepted standards for gifted and talented education; (2) enhancing professional development and support for gifted and talented education; and (3) increasing annual State funding for gifted and talented education to \$36.7 million.

### *Maryland Summer Centers Program*

The Maryland Summer Centers Program is administered by MSDE and provides academic opportunities to gifted and talented students during the summer months that are not available during the regular school year. Approximately 1,000 students from across

the State participate in the programs each year. Nineteen individual programs will be available to students during Summer 2002 including: an engineering course for middle school students at the University of Maryland Baltimore County; an applied math and science course at Towson University; and environmental courses offered by the Chesapeake Bay Foundation and the Baltimore Zoo, among others.

**State Fiscal Effect:** MSDE provides technical support to local school systems in the development of gifted and talented education programs. The department has two personnel (a specialist and a facilitator) responsible for promoting gifted and talented student education programs. The department had a third staff person working in the gifted and talented program several years ago; however, the position has been eliminated. The current facilitator is primarily responsible for administering the Maryland Summer Centers Program.

Pursuant to this legislation, MSDE must endorse nationally accepted research-based standards for gifted and talented student education programs and require each local school system to develop and implement such programs. To develop a standardized student identification process and provide technical assistance to local school systems, MSDE would need to hire one additional facilitator at a cost of \$40,459 in fiscal 2003. This estimate includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. Future year expenditures reflect: (1) full salaries with a 2.5% increase in fiscal 2004 and a 3.5% increase each year thereafter; and (2) 1% annual increase in ongoing operating expenses.

**Fiscal 2003**

Salaries and Benefits	\$30,686
Start-up Costs	4,688
Ongoing Operating Costs	<u>5,085</u>
Total Expenditures	\$40,459

*Funding for Gifted and Talented Student Education*

The fiscal 2003 State budget includes \$6.2 million for gifted and talented education programs. Baltimore City and Montgomery County receive over one-half of the funding. The bill requires State funding for gifted and talented student education to be provided through the current expense formula. The current expense formula is the major State education funding formula for public schools, accounting for 60% of State education aid. Current expense funding can be used for most educational purposes; however, \$3.9 million must be spent for career and technology programs. State funding under the current expense program will total \$1.8 billion in fiscal 2003. This funding requirement

will not result in any increase to the current expense program. Local school systems would be required to use existing current expense funding for gifted and talented education programs.

**Local Fiscal Effect:** The National Association for Gifted Children (NAGC) has determined that a high-quality gifted and talented education program must include at a minimum five basic components: (1) a system coordinator to develop and administer the program; (2) a professional to provide services at the public school; (3) effective staff development for identifying gifted and talented students and preparing instructional materials; (4) development of curriculum and activities appropriate to students' needs; and (5) materials and experiences appropriate to student needs.

The commission determined that the average cost for a high-quality gifted and talented education program totaled approximately \$344 per student. This estimate is based on fiscal 2002 costs of the above five components in Kent County. In addition, according to the State of the State Report 1999-2000, 12.5% of public school students should be identified as gifted and talented. Based on this model, gifted and talented programs would serve approximately 105,000 students at a cost of \$36.1 million.

**Exhibit 1** shows the amount of current State funding for gifted and talented programs by local school system and the estimated cost of providing gifted and talented programs based on the NAGC and commission model. **Exhibit 2** shows the projected statutory increase in current expense funding by local school system over the next four years.

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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 - March 13, 2002  
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**Exhibit 1**  
**Projected Cost to Provide Gifted and Talented Education Programs**  
**Fiscal 2003**

<u>County</u>	<u>Student Enrollment</u>	<u>Gifted and Talented Students</u>	<u>Projected Program Cost</u>	<u>Gifted and Talented Educ. State Aid</u>
Allegany	9,877	1,235	\$424,840	\$81,888
Anne Arundel	74,003	9,250	3,182,000	206,400
Baltimore City	94,134	11,767	4,047,848	1,186,900
Baltimore	103,879	12,985	4,466,840	278,200
Calvert	16,313	2,039	701,416	90,885
Caroline	5,390	674	231,856	13,500
Carroll	27,902	3,488	1,199,872	52,000
Cecil	15,603	1,950	670,800	105,900
Charles	23,209	2,901	997,944	103,500
Dorchester	4,614	577	198,488	12,350
Frederick	37,237	4,655	1,601,320	69,900
Garrett	4,736	592	203,648	76,350
Harford	39,056	4,882	1,679,408	149,800
Howard	45,622	5,703	1,961,832	161,200
Kent	2,578	322	110,768	64,000
Montgomery	134,302	16,788	5,775,072	2,069,000
Prince George's	131,354	16,419	5,648,136	249,569
Queen Anne's	6,978	872	299,968	89,700
St. Mary's	14,772	1,847	635,368	93,300
Somerset	2,901	363	124,872	0
Talbot	4,358	545	187,480	44,512
Washington	19,532	2,442	840,048	112,400
Wicomico	13,519	1,690	581,360	87,700
Worcester	6,660	833	286,552	42,700
Unallocated	0	0	0	728,175
<b>Total</b>	<b>838,528</b>	<b>104,819</b>	<b>\$36,057,736</b>	<b>\$6,169,829</b>

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**Exhibit 2**  
**Projected Increase in State Current Expense Aid**

<u>County</u>	<u>Fiscal 2003</u>	<u>Fiscal 2004</u>	<u>Fiscal 2005</u>	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>
Allegany	-187,414	1,427,457	1,245,282	1,072,836	1,193,310
Anne Arundel	3,501,682	3,768,656	4,127,254	4,390,634	3,567,214
Baltimore City	5,194,071	5,948,698	8,510,351	6,560,813	12,460,151
Baltimore	11,854,930	11,653,188	11,179,034	9,378,298	9,580,563
Calvert	3,850,881	2,855,226	2,590,888	1,328,646	1,460,181
Caroline	847,487	838,276	560,905	667,596	740,944
Carroll	4,172,602	3,436,020	3,735,212	2,419,736	2,500,010
Cecil	2,335,963	2,275,483	2,122,115	1,901,838	1,897,889
Charles	3,097,225	4,268,204	3,946,038	3,214,890	4,315,479
Dorchester	217,145	860,012	436,108	6,280	474,212
Frederick	6,254,537	5,939,134	6,023,036	4,953,840	5,796,999
Garrett	160,996	509,890	557,349	478,845	483,453
Harford	4,514,258	4,498,878	4,810,842	2,930,978	3,408,793
Howard	2,681,546	5,356,309	4,382,009	3,828,908	3,701,904
Kent	-87,250	252,297	60,293	261,639	114,183
Montgomery	7,715,180	12,670,927	12,098,544	10,687,970	11,148,092
Prince George's	20,951,668	27,021,305	25,374,512	19,351,253	20,633,723
Queen Anne's	627,482	915,659	662,643	490,730	914,081
St. Mary's	2,268,592	1,918,770	1,575,801	1,705,100	1,026,142
Somerset	407,940	521,576	270,990	293,695	351,092
Talbot	72,463	-378,482	-291,979	-421,494	37,220
Washington	1,745,988	2,325,672	2,451,236	1,781,439	2,135,361
Wicomico	1,369,915	2,350,267	1,696,391	1,957,200	2,778,226
Worcester	-272,543	228,274	93,305	819,898	258,821
<b>Total</b>	<b>\$83,295,343</b>	<b>\$101,461,695</b>	<b>\$98,218,162</b>	<b>\$80,061,570</b>	<b>\$90,978,043</b>

Prepared by the Department of Legislative Services, February 2002

