

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE

House Bill 1125 (Delegate Hixson)
 Ways and Means

Education - Certificated Personnel - Expanded Eligibility for Stipends, Bonuses, and Scholarships

This bill authorizes the State Board of Education to expand eligibility for teacher quality incentives beyond classroom teachers to include other certificated personnel based on recruitment or retention needs. The State board must take action to expand the eligibility at an open meeting. The provision of additional incentives is dependent on the availability of sufficient funding.

The bill also authorizes the State board to identify critical shortages of certificated personnel other than teachers. Recipients of Sharon Christa McAuliffe Memorial Teacher Education Awards could fulfill their service obligations in the added categories of critical shortages.

Fiscal Summary

State Effect: General fund expenditures could increase by an estimated \$716,000 in FY 2003 to provide teacher quality incentives to a broader range of school personnel. The Maryland Higher Education Commission could track the expanded service obligation component of the McAuliffe Scholarship with existing resources. No effect on revenues.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	716,000	716,000	716,000	716,000	716,000
Net Effect	(\$716,000)	(\$716,000)	(\$716,000)	(\$716,000)	(\$716,000)

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

Local Effect: Local school system expenditures could increase minimally to pay stipends to nationally certificated school personnel who become eligible for State stipends. Local school systems could participate in identifying critical school personnel shortages with existing resources.

Small Business Effect: None.

Analysis

Current Law: Only classroom teachers are eligible for teacher quality incentives. The incentives are: (1) stipends of up to \$2,000 for teachers holding certificates from the National Board for Professional Teaching Standards; (2) signing bonuses of \$1,000 for newly-hired teachers who graduated in the top 10% of their college classes; and (3) stipends of \$2,000 for teachers with advanced professional certificates who teach in challenge schools or schools under local or State reconstitution. State stipends for teachers who hold national board certification match the local stipends provided to these teachers, up to a maximum of \$2,000. Teachers receiving the \$1,000 signing bonuses must stay employed in the school systems that hired them for three consecutive years or reimburse the State for the bonuses. To earn the annual \$2,000 State stipends for teaching in challenge schools and schools under State and local reconstitution, teachers with advanced professional certification must perform satisfactorily. The Governor must include funding in the State budget for the incentives.

Recipients of Sharon Christa McAuliffe Memorial Teacher Education Awards must fulfill service obligations by working as teachers in areas of critical shortages or areas of geographic shortages. The State Superintendent of Schools annually certifies the areas of critical and geographic shortages.

Background: Stipends and bonuses for classroom teachers were established under the Teacher Quality Incentive Act of 1999 (Chapter 600). In the 2000-2001 school year, 69 teachers who are certified by the National Board for Professional Teaching Standards received stipends totaling \$103,500, and 2,714 teachers holding advanced professional certificates and teaching in challenge schools and reconstituted schools received stipends totaling \$5.4 million. In addition, 135 newly-hired teachers received the \$1,000 signing bonus. The proposed fiscal 2003 State budget includes \$7.2 million for the incentives.

The *Maryland Teacher Staffing Report, 2001 - 2003* notes that the State Board of Education projects a shortage of certificated teachers for all 24 of Maryland's local school systems. The board also acknowledges a shortage of male teachers and minority teachers and recognizes several fields -- including technology education, computer science, mathematics, science, and special education -- as critical shortage areas.

There are 208 projected recipients of the Sharon Christa McAuliffe Memorial Teacher Education Award in the 2001-2002 academic year, up from 87 recipients the previous year. The average award in 2001-2002 is estimated at \$4,800.

State Expenditures: There are three separate incentives that additional certificated school personnel could become eligible for under the bill. Only one of these incentives, however, would have a significant fiscal impact on the State. Several categories of school personnel holding certificates from the National Board for Professional Teaching Standards are already eligible to receive State stipends, and therefore the bill would most likely have only a minimal impact on this incentive. The second incentive, salary signing bonuses, is for newly hired personnel. Most certificated school personnel begin their careers as classroom teachers. Therefore, only a minimal number of salary signing bonuses would be awarded to individuals who are not classroom teachers.

The bill's only significant impact would be for the third incentive, stipends for advanced certificated personnel working in challenge schools and reconstituted schools. In the 2001-2002 school year, there are a total of 179 challenge and reconstituted schools in the State. It is not known what additional categories of school personnel would become eligible for the stipend. By way of example, however, State expenditures would increase by approximately \$716,000 in fiscal 2003 if each of these schools had an average of two additional certificated employees who would qualify for the stipend. It is assumed that this cost would remain relatively stable in the near future despite slight changes to the number of challenge and reconstituted schools and the types of personnel who might qualify for stipends.

Unlike incentives provided to classroom teachers, stipends and bonuses provided to other school personnel would be subject to the level of funding provided in the State budget. Therefore, the provision of incentives to additional categories of school personnel would depend on the inclusion of sufficient funding in the annual State budgets.

The bill does not change the eligibility requirements for the Sharon Christa McAuliffe Memorial Teacher Education Awards. It is assumed, therefore, that no additional awards would be made as a result of this legislation. The Maryland Higher Education Commission advises that it would need one additional administrative specialist to monitor the expanded service obligation component of the program at a general fund cost of approximately \$40,000 to \$50,000 per year. The Department of Legislative Services disagrees with this assessment based on the assumption that the bill would not expand the number of scholarship recipients.

Local Expenditures: The State stipend provided to classroom teachers who hold national certification matches the local stipend provided to these teachers, up to a maximum of \$2,000. The bill does not mandate changes to local policies for awarding the stipend. It is assumed, however, that the expansion of State eligibility for stipends would lead to the expansion of local eligibility criteria. Therefore, local stipends paid to nationally certificated school personnel could increase minimally, depending on the need to recruit and retain school personnel other than the personnel who currently receive the stipends. Approximately 137 teachers in Maryland hold national certification.

It is assumed that local school systems would help the Maryland State Department of Education to identify personnel shortages. This function could be performed with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None, although HB 655/SB 656 are virtually identical.

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