

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE
Revised

House Bill 7 (Delegate Campbell, *et al.*)
 Ways & Means Education, Health, & Environmental Affairs and Budget & Taxation

Education - Principal Training Pilot Program

This bill establishes the Principal Training Pilot Program to provide monetary incentives for the implementation of programs of instruction and training for school principals. The State Board of Education (SBE) will award competitive grants of up to \$1,500 per principal to schools and school systems to be matched with \$500 of local, federal, or private funds. A total of 100 principals will be selected by local school superintendents and the State Superintendent of Schools for participation in the training programs.

The bill is effective July 1, 2002 and sunsets June 30, 2005.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$183,400 in FY 2003. Future year expenditures reflect the continuation of grants and administrative staff through FY 2005. No effect on revenues.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	183,400	178,300	178,900	0	0
Net Effect	(\$183,400)	(\$178,300)	(\$178,900)	\$0	\$0

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

Local Effect: State aid to local school systems would increase by \$150,000 in FY 2003 through FY 2005. Local school expenditures would increase by \$50,000 in FY 2003 through FY 2005 to provide local matches for the State grants.

Small Business Effect: None.

Analysis

Bill Summary: A public school, a group of schools, a local board of education, or a group of local boards may apply for a State incentive grant under the Principal Training Pilot Program by submitting a principal training program plan to SBE. An application must include a description of the plan and a listing of the expenses associated with the plan. A plan must provide at least 40 hours of training.

SBE approves or disapproves applications and awards incentive funding which may not exceed \$1,500 per principal. Each \$1,500 received by an applicant must be matched with \$500 from local, federal, or private sources. Each local superintendent of schools must choose three principals for participation in the program. The State Superintendent of Schools must select an additional 28 principals giving the highest priority to principals working in schools that have been placed under local reconstitution.

SBE must report on the effectiveness of the program by June 30, 2004.

Current Law: In fiscal 2003, mandated State aid for teacher development and teacher mentoring programs totals \$21.7 million. To the extent that funds are available, the Maryland State Department of Education (MSDE) and local school systems must expand professional development programs for school-based administrators and principals to assist them in dealing with at-risk students. The mandate on a significant portion of teacher development and mentoring funding is due to sunset following fiscal 2003.

Background: Since the Maryland School Performance Assessment Program began evaluating schools a decade ago, school-level student performance has been under more intense scrutiny than at any time in the past. As the leaders of schools, principals are under greater pressure to ensure the success of all students. An April 2001 report by the Southern Regional Education Board (*Preparing a New Breed of School Principals: It's Time for Action* by Gene Bottoms and Kathy O'Neill) notes that "increasingly, state accountability systems are placing the burden of school success - and individual student achievement - squarely on the principal's shoulders." The report goes on to state that increased school accountability "demands a new breed of school leaders, with skills and knowledge far greater than those expected in the past." Within this environment, the report suggests that successful principals must understand practices that raise student performance, work with teachers and others to execute best practices, and provide support to school staff as new practices are implemented. The report recommends that states require principals to participate in continuous learning activities that are aligned with school improvement.

The Maryland Task Force on the Principalship presented its work to SBE in June 2000. The task force made three major recommendations:

- The extraneous responsibilities assigned to principals should be minimized to allow principals to focus on their primary roles as instructional leaders.
- Comprehensive programs that identify new principal candidates and provide professional development to new and current principals should be designed.
- Compensation packages for principals should be adjusted to reflect their responsibilities.

There are 99 schools under local reconstitution during the 2001-2002 school year: 82 in Baltimore City, 15 in Prince George’s County, 1 in Baltimore County, and 1 in Anne Arundel County.

State Expenditures: A total of 72 principals would be selected for participation by local school superintendents, and 28 would be selected by the State superintendent. Assuming \$1,500 per principal, State general fund expenditures would increase by a total of \$150,000 in fiscal 2003 to fund the pilot program.

In addition, MSDE would require the services of a half-time contractual administrator to collect proposals and to monitor and evaluate the programs that receive State funding. To support the administrator, general fund expenditures would increase by an estimated \$33,425 in fiscal 2003 which assumes that MSDE could hire someone to occupy the position by July 1, 2002, the bill’s effective date. The estimate includes a half-time salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Grants	\$150,000
Salary and Fringe Benefits	28,522
Operating Expenses	<u>4,903</u>
Total FY 2003 State Expenditures	\$183,425

Future year expenditures reflect: (1) grants totaling \$150,000 per year; (2) a half-time salary with 2.3% annual increases and 3.8% employee turnover; and (3) 1% annual increases in ongoing operating expenses.

Local Fiscal Effect: From fiscal 2003 to fiscal 2005, State aid to local school systems would increase by \$150,000 per year. The State grants would be used to implement programs of instruction and training for school principals.

For each \$1,500 that would be provided by the State, local school systems would provide \$500 from local, federal, or private sources. Assuming the State provides \$150,000 annually, local systems would have to contribute \$50,000 in matching funds to the program each year from fiscal 2003 to fiscal 2005.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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