

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE

House Bill 157 (Delegate Hixson, *et al.*)
 Ways and Means

Teacher Professional Development School State Aid Pilot Program

This bill establishes a Teacher Professional Development School State Aid Pilot Program to reduce class sizes, facilitate the participation of higher education faculty in primary and secondary education, and improve teacher preparation, retention, development, and performance. The program will be jointly administered by the State Board of Education (SBE) and the Maryland Higher Education Commission (MHEC). SBE and MHEC must annually solicit proposals for “teacher professional development schools” from local boards of education, institutions of higher education, and other interested parties and must select proposals for implementation beginning with the 2003-2004 school year. Aside from a description of the proposed program, a proposal must include a method for tracking program effectiveness, an assessment of the likelihood that the school could continue after the pilot program terminates, and at least a 50% match of State funding. Annually, up to 50 grants of up to \$40,000 each may be provided through the program. The Governor must include funding in the State budget for the program.

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

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$53,500 in FY 2003 to hire personnel to begin implementation of the pilot program and by \$2.1 million in FY 2004 and FY 2005 to provide grants and to administer the program. No effect on revenues.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	53,500	2,087,800	2,089,700	0	0
Net Effect	(\$53,500)	(\$2,087,800)	(\$2,089,700)	\$0	\$0

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

Local Effect: Local school system revenues would increase for systems submitting successful proposals for the implementation of teacher professional development schools. Local school systems would be required to provide a 50% match for the State grants.

Small Business Effect: Potential minimal.

Analysis

Current Law: The fiscal 2003 budget includes \$21.7 million for teacher mentoring and development programs. The mandate on a substantial portion of this funding expires after fiscal 2003. The Maryland Learning Success Program will provide \$26.1 million to local school systems in fiscal 2003 to reduce class sizes in first and second grades.

Background: The Maryland State Department of Education (MSDE) and the Maryland Higher Education Commission (MHEC) jointly issued the *Redesign of Teacher Education* report in 1995. The report emphasizes the teacher professional development school model as the best structure for merging teaching and learning reforms. The mission behind the model is collaboration among and continual learning by future teachers, practicing teachers, and higher education faculty, with the improvement of elementary and secondary education being the ultimate objective. In the model, future teachers participate for one school year in all aspects of teachers' school lives. Several teacher professional development schools are currently operating in the State.

State Fiscal Effect: The bill authorizes the State Board of Education and MHEC to provide up to 50 \$40,000 grants, or \$2 million in grants, for fiscal 2004 (the 2003-2004 school year) and fiscal 2005. To oversee, coordinate, and support the development schools, MSDE would employ one contractual staff specialist and one contractual support person. The staff would begin developing the proposal process, accepting proposals, and establishing accountability standards for the schools in fiscal 2003, so the schools could begin operation in fiscal 2004. General fund expenditures would increase by an estimated \$53,450 in fiscal 2003 which accounts for the bill's July 1, 2002 effective date and a 180-day start-up delay. In fiscal 2004 and 2005 the cost of the program would include \$2 million in grant funding, annualized salaries, and ongoing operating expenses.

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Grant Funding	\$0	\$2,000,000	\$2,000,000
Contractual Salaries and Fringe Benefits	43,732	86,075	88,055
Operating Expenses	<u>9,718</u>	<u>1,677</u>	<u>1,693</u>
Total State Expenditures	\$53,450	\$2,087,752	\$2,089,748

MHEC could participate in the selection of grants with existing resources. MSDE would administer the pilot program and distribute grant funds.

Local Fiscal Effect: Local school systems would be eligible to submit grant proposals to implement teacher professional development schools. Assuming each local system receives one \$40,000 grant in fiscal 2004 and in fiscal 2005, local school revenues would increase by a total of \$960,000 in each of these years.

Local school systems that receive grants, however, would also be required to provide a 50% match. Assuming again that one \$40,000 grant is provided to each public school system, local school expenses would increase by a total of \$480,000 in fiscal 2004 and 2005. If the professional development schools would be maintained after the pilot program terminates, local systems would presumably fund a greater portion of the expenses for the schools.

Additional Information

Prior Introductions: A similar bill was introduced last year as HB 1435. It received an unfavorable report from the House Ways and Means Committee.

Cross File: None.

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

Fiscal Note History: First Reader - February 4, 2002
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