

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 215 (Senator Kittleman, *et al.*)
Education, Health, and Environmental Affairs

Education - Teachers in Public Schools that Provide Subsidized and Free Feeding Programs - Bonuses

This bill authorizes a local board of education to provide a classroom teacher with a salary bonus of up to \$1,000 for teaching in a public school where more than 20% of the students qualify for free and reduced price meals.

Fiscal Summary

State Effect: None.

Local Effect: Authorizing local boards of education to provide certain teachers with salary bonuses would not impact overall school spending.

Small Business Effect: None.

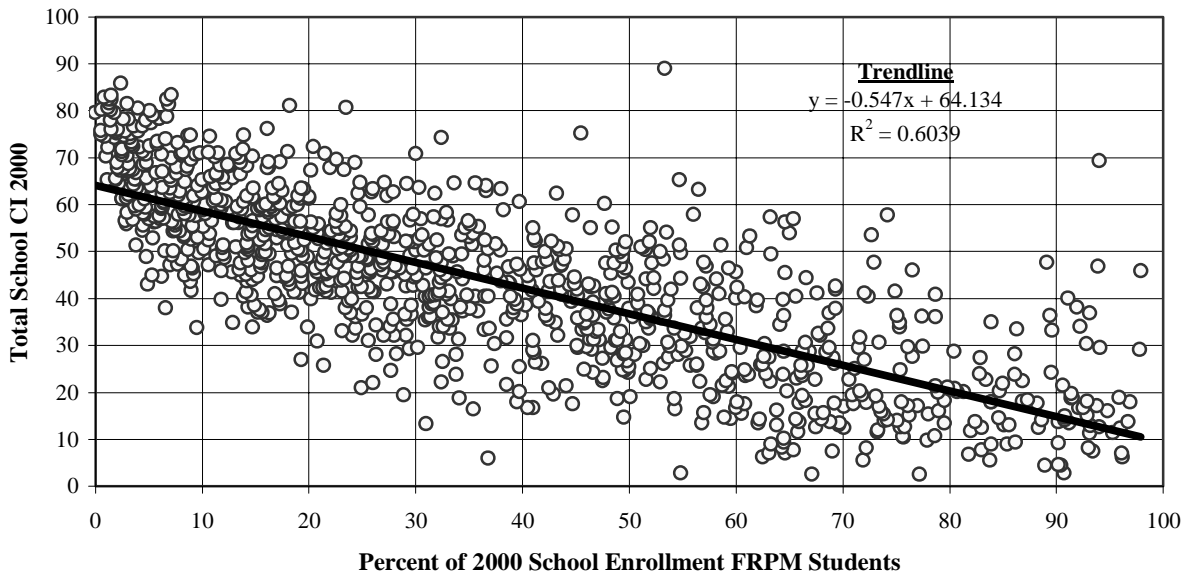
Analysis

Current Law: A local board of education is not expressly prohibited from providing salary bonuses to employees who work in high-poverty schools. The scope of collective bargaining for public school teachers includes all matters that relate to salaries and wages; therefore, salary bonuses for classroom teachers must be established through the collective bargaining process.

Background: There are 1,358 schools in Maryland, and in 860 of these schools (63%) more than 20% of the students are eligible for free and reduced price meals (“FRPM students”). In general, schools with higher proportions of FRPM students do not perform as well academically as schools with fewer FRPM students. **Exhibit 1**, originally

prepared by the Maryland State Department of Education (MSDE) for the Thornton Commission, compares 2000 MSPAP scores for elementary and middle schools to the percentage of FRPM students in each school. Each point on the chart represents one school. The scatterplot displays a negative correlation between test scores and FRPM student percentages.

Exhibit 1
2000 MSPAP Composite Index (CI) Performance by Percent FRPM Students
For All Maryland Elementary and Middle Schools



Source: Maryland State Department of Education

To help local school systems narrow this socioeconomic achievement gap, local school boards are provided additional State aid through the compensatory education formula based on their enrollments of FRPM students. In fiscal 2004, the formula will provide local school systems with approximately \$1,341 for each FRPM student, although the amount each school system will receive depends on the wealth of the local jurisdiction. If the Thornton legislation (SB 856 of 2002) is fully implemented, the per pupil amount provided by the State will increase significantly over the next five fiscal years. The Bridge to Excellence legislation also requires each local school system to develop a comprehensive master plan that articulates the system’s strategy for improving the academic performance of at-risk students and other student subgroups. The master plans will address teacher quality and methods for attracting and retaining teachers.

Local Expenditures: The provision of salary bonuses to eligible teachers would have to be negotiated by local school boards and teachers’ unions through collective bargaining.

It is assumed that any negotiated use of salary bonuses would not add significantly to total school expenditures for employee compensation packages.

Although it would not impact overall school spending, the total cost of providing a \$1,000 salary bonus to all eligible teachers is estimated at \$34.4 million. This is based on the number of schools in Maryland that have FRPM student percentages greater than 20% (860) and the average number of teachers per school (40).

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 18, 2003
mdf/hlb

Analysis by: Mark W. Collins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510