

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE

Senate Bill 503 (Senators Gladden and Garagiola)
 Budget and Taxation

Education - Laptop Computer Pilot Program

This bill establishes a Laptop Computer Pilot Program within the Maryland State Department of Education (MSDE). MSDE must work with the Baltimore City Board of School Commissioners and the Montgomery County Board of Education to provide a laptop computer to every sixth grade student in one school in each of the school systems.

The bill takes effect July 1, 2004 and sunsets September 30, 2006.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$1.3 million in FY 2005 and FY 2006 to provide laptop computers to approximately 600 sixth grade students and to monitor the pilot program. Administrative expenses would continue through the first quarter of FY 2007. Revenues would not be affected.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1,259,800	1,256,400	14,700	0	0
Net Effect	(\$1,259,800)	(\$1,256,400)	(\$14,700)	\$0	\$0

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

Local Effect: Baltimore City and Montgomery County would each receive laptop computers for approximately 300 public school students. Local school expenditures could increase for teacher professional development, computers for sixth grade teachers, and technical support.

Small Business Effect: Minimal.

Analysis

Bill Summary: The State Board of Education (SBE) must establish eligibility criteria for participating schools, and the Baltimore City Board of School Commissioners and the Montgomery County Board of Education must each select one school to participate. The local boards must submit annual reports to SBE evaluating the status of the pilot program, and SBE must submit annual evaluations of the program to the Governor and the General Assembly. Funding for the program must be included in MSDE's budget and may not supplant the State share of the foundation program.

Current Law: The State Superintendent of Schools may procure and develop curriculum-based learning resources that use state-of-the-art technologies designed to increase student achievement levels. The State Superintendent may award grants to eligible private or public entities to develop technology-enhanced instructional products, resources, and services for use in classrooms.

Although school systems have the authority to implement laptop computer initiatives locally, the State has not provided designated funding for laptop computers.

Background: Maryland has made a concerted effort to ensure that schools are equipped with computers and are wired for Internet access. The State has set a minimum goal of one computer for every five students in public schools. The proposed fiscal 2005 State budget includes \$4.0 million for the Education Modernization Initiative and \$6.9 million for school wiring. In addition, \$9.6 million in federal Technology Literacy Challenge Fund Grants have been budgeted for fiscal 2005.

In Maine, despite budget problems that nearly derailed the \$39.5 million state initiative, 17,000 public school seventh graders received laptop computers at the beginning of the 2002-2003 school year. The initiative is ongoing and will provide laptops each year to entering seventh grade students.

State Expenditures: General fund expenditures would increase by an estimated \$1.3 million in fiscal 2005 and 2006, which reflects the bill's July 1, 2004 effective date and assumes no start-up delay. The estimate includes the cost of providing laptops to approximately 600 sixth grade students in Montgomery County and Baltimore City and funding for one contractual education specialist to monitor, support, and evaluate the program. The information and assumptions used to calculate this estimate are stated below.

- Sixth grade classes in Montgomery County and Baltimore City schools average 300 students. Two classes totaling approximately 600 students would participate in the pilot.

- The cost for laptop computers, software, and any upgrades to existing school hardware would average \$2,000 per student, or \$1.2 million total.
- The laptops would be provided to entering sixth grade students in fall 2004. A second class of students would be provided laptops in fall 2005.
- Administrative expenses for MSDE would continue through the first quarter of fiscal 2007 in order to finalize the SBE evaluation of the pilot program, which is due September 1, 2006.

Laptop Computers, Software, and Hardware	\$1,200,000
Contractual Salary and Fringe Benefits	57,304
Operating Expenses	<u>2,540</u>
Total FY 2005 State Expenditures	\$1,259,844

Future year expenditures reflect: (1) an additional class receiving new computers in fall 2005; (2) a full salary with 4.6% annual increases and 6.8% employee turnover; and (3) 1% annual increases in ongoing operating expenses.

Local Fiscal Effect: Sixth grade students in one Baltimore City school and one Montgomery County school would receive laptop computers, and the schools would receive upgrades to existing computer hardware. It is assumed that the Baltimore City and Montgomery County school systems would pay any other costs associated with the program, including teacher professional development, the purchase of computers for sixth grade teachers, and technical support for the laptops.

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 19, 2004
mam/hlb

Analysis by: Mark W. Collins

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