

**Department of Legislative Services**  
 Maryland General Assembly  
 2004 Session

**FISCAL AND POLICY NOTE**

House Bill 156 (Chairman, Ways and Means Committee)  
 (By Request – Departmental – Education)

Ways and Means

**Education - Professional Educator Certification Fund**

This departmental bill increases, from \$10 to \$75, the maximum fee that the Maryland State Department of Education (MSDE) can impose for the issuance and renewal of certificates for teachers and other professional personnel. The fees charged must equal the cost of issuing and renewing the certifications. MSDE must pay the fees to the Comptroller who must distribute the funds to a Professional Educator Certification Fund established in the bill. The fund must be used to cover the actual documented direct and indirect costs of fulfilling the duties associated with issuing and renewing certifications.

The bill takes effect July 1, 2004.

**Fiscal Summary**

**State Effect:** Special fund revenues and expenditures would increase by an estimated \$1.6 million annually due to an increase in certification fees. General fund expenditures would decrease by an equal amount. The proposed FY 2005 budget includes a \$1.6 million general fund reduction contingent upon enactment of this bill.

(\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
SF Revenue	\$1.6	\$1.6	\$1.6	\$1.6	\$1.6
GF Expenditure	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
SF Expenditure	1.6	1.6	1.6	1.6	1.6
Net Effect	\$1.6	\$1.6	\$1.6	\$1.6	\$1.6

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

**Local Effect:** None. Certification fees are paid by applicants, not local school systems.

**Small Business Effect:** MSDE has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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## Analysis

**Current Law:** The State Board of Education may establish a fee, not to exceed \$10, for issuance or renewal of a teacher certificate. The fees are placed in a special fund that is used to support MSDE's Division of Certification and Accreditation.

**Background:** MSDE advises that the current teacher certification fee of \$10 has not increased since 1987. MSDE did an analysis of certification and licensing fees for other occupations and for teachers in other states and found Maryland's teacher certification fees to be low on both measures. The analyses are shown below in **Exhibit 1**.

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### Exhibit 1 Comparison of Maryland's Teacher Certification Fees to Other Professions and Other States

<u>Other Professions in Maryland</u>			<u>Other States</u>		
<u>Profession</u>	<u>Fee</u>	<u>Term</u>	<u>State</u>	<u>Fee</u>	<u>Term</u>
<i>Teacher</i>	<i>\$10</i>	<i>Five years</i>	<i>Maryland</i>	<i>\$10</i>	<i>Five years</i>
Cosmetologist	25	Two years	Texas	40	Five years
Plumber-Master	70	Two years	Virginia	50	Five years
Landscape Architect	200	Two years	North Carolina	55	Five years
Speech Therapist	250	Two years	Florida	56	Five years
Physical Therapist	325	Two years	New York	100	Five years

Source: Maryland State Department of Education

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The proposed fiscal 2005 State budget includes \$3.7 million for MSDE's Division of Certification and Accreditation, \$2.8 million in general funds, \$328,000 in special funds, and \$587,000 in federal funds. The proposed budget also includes a reduction of \$1.6 million in general funds contingent on the passage of this bill.

**State Fiscal Effect:** Special fund revenues for the Professional Educator Certification Fund would increase by an estimated \$1.6 million beginning in fiscal 2005, assuming an increase in the certification fee to \$70. General fund expenditures would decrease by

\$1.6 million and would be replaced with a parallel increase in special fund expenditures. The information and assumptions used to develop these estimates are detailed below.

- There will be approximately 26,064 applicants for certification in fiscal 2005.
- Although MSDE anticipated an increase in certification fees of \$50 (from \$10 to \$60), an increase to \$70 would be required to generate the additional \$1.6 million needed to offset the contingent reduction in general funds. It is assumed that a certification fee of \$70 would be imposed.
- In total, \$1.6 million in new revenues would be added to special fund revenues of \$227,946 proposed in the fiscal 2005 State budget for collection of the \$10 certification fees. A total of \$1.8 million would be placed in the Professional Educator Certification Fund and would be used to cover the costs of issuing and renewing certifications.

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### **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 10, 2004  
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