

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Joint Resolution 10 (Senator Forehand, *et al.*)
Budget and Taxation

Full Funding for or Waiver from the Federal No Child Left Behind Act

This joint resolution urges the Maryland Congressional Delegation to seek either full funding for the federal No Child Left Behind Act (NCLB) or a waiver from its requirements.

Fiscal Summary

State Effect: Compliance with the joint resolution would not directly impact State finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: NCLB requires all states to have a single accountability system based primarily on student performance on statewide assessments. Students must be tested annually in reading and mathematics from third through eighth grades and once again in high school. Student outcomes must be disaggregated into eight different subgroups, and schools must make adequate yearly progress (AYP) toward proficiency for all student populations. Schools and school systems where students do not achieve AYP must implement specific remedies to try to improve student scores. If student outcomes do not reach the desired levels over a number of years, schools must eventually be restructured. By the 2013-2014 school year, 100% of students must score at the proficient level on State assessments to avoid NCLB sanctions.

NCLB also requires all teachers to be highly qualified by the 2005-2006 school year. Teachers are considered highly qualified if they are not working under temporary or conditional licenses and are teaching only in their areas of expertise.

Background: NCLB was enacted in January 2002 as the reauthorization of the Elementary and Secondary Education Act (ESEA). NCLB was passed and signed into law with the specific intent of closing and eventually eliminating persistent disparities in the achievement of different populations of students. The federal government and the U.S. Department of Education (USDE) have consistently maintained that NCLB is fully-funded and point to a 50% increase in federal funding since the law was enacted as evidence.

Studies of the costs of NCLB have generally placed the added expenses into two categories. First, there are administrative costs associated with simply implementing the law. These costs include the implementation of annual state assessments, the development and improvement of data systems to track student outcomes, and the provision of technical assistance and specific services in schools that do not make AYP. Studies examining these costs have generally concluded that states would need another 2% of their total spending to meet these administrative costs. In Maryland, this amount would represent an additional \$170 million in fiscal 2005.

The second set of expenses identified in some studies of NCLB are costs associated with bringing every student up to a proficient level. These costs are commonly considered to be significantly higher than the additional administrative costs because they are thought to involve very expensive enhancements to existing education programs. For example, Maryland had adequacy analyses conducted for its public schools prior to the enactment of NCLB, and the studies concluded that Maryland public schools needed an additional \$1 billion to \$2 billion annually to reasonably expect that students can meet the State's academic standards. As a result of the studies, the Bridge to Excellence in Public Schools Act was enacted in 2002. The Bridge to Excellence legislation will provide an additional \$1.3 billion annually in State aid for Maryland's public schools by fiscal 2008.

In 2004, the National Conference of State Legislatures established a bipartisan national task force to examine NCLB. In its final report, released February 2005, the task force concluded that the goals of the Act are laudable but that NCLB stifles state innovations, ignores contradictions with the federal Individuals with Disabilities Education Act, intrudes excessively in the day-to-day operations of public schools, and is under-funded. The task force made 43 recommendations about ways the law and regulations stemming from the law could be changed to provide greater flexibility to states while maintaining and improving public education accountability systems.

Although several states have considered legislation to opt out of NCLB, no state has actually taken this step. USDE has indicated that failure to implement NCLB will result in the loss of all funding under ESEA. According to USDE, Maryland is receiving approximately \$283 million in federal ESEA funding in fiscal 2005 and could receive \$295 million in fiscal 2006.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Legislative Services

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