

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 1254
Ways and Means

(Delegate Gutierrez, *et al.*)

Education - Closing the Gap School Recognition Awards

This bill repeals school performance recognition awards and replaces them with “Closing the Gap School Recognition Awards.” The Governor is required to include \$2,750,000 for the awards in the annual State budget beginning in fiscal 2007. The funding must come from state-level reserve allocations of federal Title I funds. The State Superintendent of Schools must establish guidelines for determining eligibility for the awards and distributing the awards to schools that show substantial improvement in reducing achievement gaps between student subgroups.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: Federal Title I funds that are eligible for use as academic achievement awards would only total an estimated \$400,000 in FY 2006. Total federal fund revenues and expenditures would not be affected.

Local Effect: Total federal revenues and expenditures for local school systems would not be affected; however, the allocation of approximately \$400,000 in Title I funds among schools and school systems could change. Principals and local superintendents of schools could report on the use of the award funding with existing resources.

Small Business Effect: None.

Analysis

Bill Summary: The bill requires the Maryland State Department of Education (MSDE) to annually determine and report the public schools that have made the most significant reductions in achievement gaps for African American students, Latino students, and other student subgroups. A school that receives an award must determine how an award will be used to further reduce achievement gaps. However, funds may not be used for staff bonuses, differential pay increases, or technology. Funds must be expended in accordance with local school system policies and procedures. The principal of a school that receives an award must file a report with the local superintendent of schools detailing the use of award funds. The local superintendent must file a report on the use of the funds by each school in the district that receives award funding.

Current Law: School Performance Recognition Awards are awarded to schools that show substantial improvement towards meeting standards established under the Maryland School Performance Program. The State Superintendent of Schools distributes the awards to elementary and middle schools based on guidelines established by the State Board of Education. Funding for the program is discretionary and is not included in the fiscal 2005 State budget or the proposed fiscal 2006 State budget.

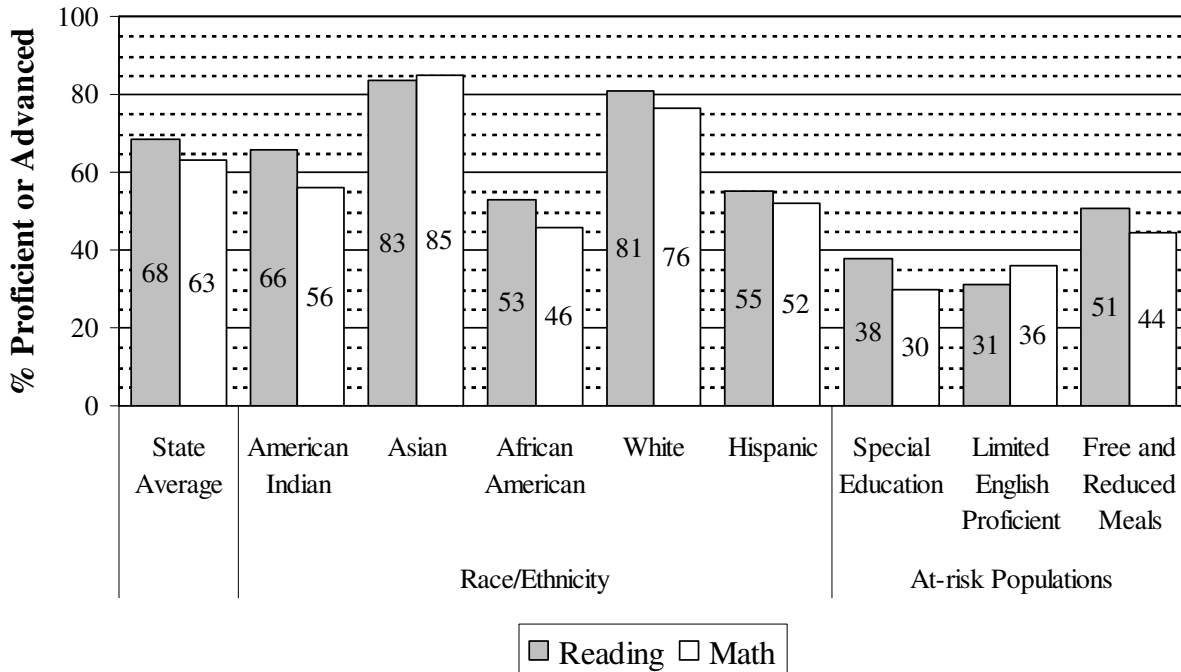
No more than 5% of the increase in Title I funds from one year to the next may be allocated for academic achievement awards. The funding may only be used for Title I schools.

Background: The federal No Child Left Behind Act (NCLB) requires states and school systems to disaggregate student performance data into five different categories of race/ethnicity and three different at-risk student categories. Student outcomes measures must be disaggregated to ensure that all student populations are moving towards a proficient level of achievement. One of the main objectives of the legislation is to reduce persistent nationwide achievement gaps between white and Asian students and their African American, American Indian, and Latino counterparts. **Exhibit 1** shows the percentage of fifth grade students scoring at the proficient and advanced levels on the Maryland School Assessments among the five race/ethnicity categories and the three at-risk subgroups that NCLB requires states to consider. As shown in the chart, Asian and white students scored higher in the aggregate than students of other races and ethnicities, and at-risk populations scored well below the statewide averages.

Like NCLB, the State's Bridge to Excellence in Public Schools Act of 2002 requires MSDE to examine data on the achievement of different student populations and base accountability systems on the performance of all student subgroups. Local school

systems must submit comprehensive master plans that identify the strategies that will be used to ensure achievement among all student populations.

Exhibit 1
Percentage of Fifth Grade Students Testing at the Advanced or Proficient Level
2004 Maryland School Assessments



Source: Maryland State Department of Education

State Fiscal Effect: MSDE reports that the State is anticipating an increase in Title I funding for fiscal 2006 of approximately \$8 million over the fiscal 2005 allocation. Of this amount, 5% (approximately \$400,000) could be used for school recognition awards in schools that receive Title I funding. This could require a reallocation of Title I funds among schools and school systems but would not represent a change in total federal fund revenues or expenditures.

MSDE could establish eligibility and distribution guidelines for the awards and could fulfill the bill's reporting requirements with existing resources.

Funding for school performance recognition awards is not included in the fiscal 2005 State budget or the proposed fiscal 2006 State budget. Repealing the program, therefore, would not impact State finances.

Additional Information

Prior Introductions: A similar was introduced last year as HB 1280. The bill was not reported out of the Ways and Means Committee.

Cross File: None.

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

Fiscal Note History: First Reader - March 21, 2005
ncs/rhh

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