

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 458 (Senator Pinsky, *et al.*)

Education, Health, and Environmental Affairs and  
Budget and Taxation

Ways and Means

**Teacher Quality Act of 2006**

The bill establishes a National Board Certified Teacher Pilot Program and requires the Governor to include \$320,000 for the program in the fiscal 2008 to 2010 State budgets. In addition, the State Board of Education must develop guidelines for an incentive program to encourage public school systems to adopt teacher support systems. The bill also requires the Maryland State Department of Education (MSDE) to conduct a study to examine awarding tuition assistance for individuals interested in entering the teaching field through an alternative route and extends eligibility for an award from the Janet L. Hoffman Loan Assistance Repayment Program (LARP) to individuals who receive a resident teacher certificate (RTC) after completing an approved alternative teaching preparation program.

The bill takes effect July 1, 2006.

**Fiscal Summary**

**State Effect:** General fund expenditures would increase by an estimated \$68,220 in FY 2007 to develop, print, and distribute teacher support guidelines. General fund expenditures would increase by an estimated \$459,200 in FY 2008, including an estimated \$420,000 in State aid to local school systems and \$166,000 for administrative costs. Future year expenditure estimates reflect mandated spending, the end of the pilot program after FY 2010, and ongoing administrative costs. Revenues would not be affected.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	68,200	459,200	461,400	463,700	146,100
Net Effect	(\$68,200)	(\$459,200)	(\$461,400)	(\$463,700)	(\$146,100)

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

**Local Effect:** Local school revenues from State aid would increase by at least \$320,000 annually from FY 2008 to 2010 for the three school systems participating in the National Board Certified Teacher Pilot Program. State aid for teacher support incentive grants could also increase.

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** The bill establishes a number of teacher initiatives described separately below.

### *National Board Certified Teacher Pilot Program*

Title I schools and schools identified for school improvement, corrective action, or restructuring under the State's school accountability program are eligible to participate in the National Board Certified Teacher Pilot Program. In consultation with the local board of education, the State Superintendent of Schools must select five eligible schools in three local school systems to participate in the program for three years.

To be eligible to participate in the program, a school must employ at least three teachers who have agreed to pursue national board certification and have signed a letter of intent to teach at the school for at least three years. Each participating school may be reimbursed up to \$62,000 per year by the State for the cost of employing one staff development teacher at the school. The local board of education must give preference to a national board certified (NBC) teacher in employing a staff development teacher at a participating school. The three candidates for national board certification employed by the school must be in the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards.

MSDE must adopt regulations to implement the pilot program and must report annually on the effectiveness of the program from 2008 to 2010.

### *Teacher Support Incentive Program*

The bill also requires the State Board of Education to develop guidelines for an incentive program to encourage public school systems to adopt teacher support systems that provide year-long assistance and support to teachers and improve teacher retention in the first five years of service. In developing the guidelines, the State board must conduct an assessment of the feasibility of providing competitive grants to local boards of education

and public schools to implement teacher support incentive programs. The bill states that, if money becomes available, it is the intent of the General Assembly that the Governor provide grants for teacher support incentive programs that are established in accordance with the guidelines developed by the State board.

#### *Alternative Teaching Opportunity Grant Study*

The bill requires MSDE to conduct a study as to the advisability and feasibility of awarding alternative teaching opportunity grants as tuition assistance to individuals who: (1) pursue an RTC by enrolling in an RTC partnership program; or (2) take course work for the purpose of obtaining a teacher certificate while being employed by a local board of education as a paraprofessional.

#### *Janet L. Hoffman Loan Assistance Repayment Program*

The bill extends eligibility for an award from the Janet L. Hoffman Loan Assistance Repayment Program (LARP) to individuals who receive an RTC from MSDE after completing an alternative teaching preparation program approved by the State Superintendent.

**Current Law:** The National Board Certified Teacher Pilot Program would be a new State program.

There is a two-year probationary period for each certificated employee hired by a public school system, which can be extended for an additional year if the employee does not qualify for tenure after the second year but shows strong potential for improvement. Mentoring programs established by local school systems are aligned with the probationary periods for new teachers. There are no State aid programs that provide funding specifically for teacher mentoring and support programs.

LARP provides grants to aid with the repayment of higher education loans. Individuals working for nonprofit companies, the State, and local governments are eligible to receive LARP awards. Teachers in critical shortage areas or teachers working in Title I schools and schools identified as in need of improvement are eligible to receive awards from LARP.

**Background:** There are approximately 56,000 teachers employed by local boards of education in Maryland, including roughly 6,000 to 7,500 new hires each year. The State has supported a number of efforts and programs designed to attract and retain high quality teachers. The Quality Teacher Incentive Act of 1999 (Chapter 600) established stipends and signing bonuses for qualifying teachers. In the 2004-2005 school year, more

than 3,800 stipends totaling \$6.8 million were awarded to teachers under the program. The fiscal 2007 State budget includes \$7.6 million for the stipends and bonuses.

The State also provides funds for the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards, which pays the certification fee for teachers pursuing national board certification. There were at least 428 NBC teachers working in Maryland public schools in the 2004-2005 school year. Mentoring programs and teacher salary initiatives have also received State funding in prior years.

Despite these efforts, the State continues to experience teacher shortages. In the *Maryland Teacher Staff Report 2005-2007*, the State Board of Education reported teacher shortages for all 24 of Maryland's local school systems. Critical areas of shortage included dance and theatre; family and consumer science and technology education; computer science; early childhood education; English for speakers of other languages; mathematics; political science; science; Spanish; and special education. The report also declared shortages of male and minority teachers.

Although the teacher shortage has been a concern for several years, the federal No Child Left Behind Act of 2001 (NCLB) has brought additional attention to the issue. NCLB requires all core academic courses to be taught by highly qualified teachers by 2006. Data from the 2004-2005 school year show that many school systems in Maryland have not come close to achieving this standard. The percentage of courses that were taught by highly qualified teachers in each school system is shown in **Exhibit 1**. Statewide, approximately three-quarters of courses were taught by highly qualified teachers, with percentages for individual school systems ranging from 42% in Baltimore City to nearly 94% in Allegany County.

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**Exhibit 1**  
**Percentage of Courses Taught by Highly Qualified Teachers**  
**2004 – 2005 School Year**

Allegany	93.6%	Harford	88.9%
Anne Arundel	84.0%	Howard	84.2%
Baltimore City*	42.1%	Kent	75.1%
Baltimore	77.7%	Montgomery	80.3%
Calvert	85.5%	Prince George's	62.0%
Caroline	87.0%	Queen Anne's	81.1%
Carroll	85.6%	St. Mary's	89.6%
Cecil	86.9%	Somerset	75.8%
Charles	59.2%	Talbot	87.8%
Dorchester	56.5%	Washington	84.4%
Frederick	86.4%	Wicomico	80.5%
Garrett	90.1%	Worcester	86.2%

**Maryland 75.3%**

\* Figure for Baltimore City does not include Edison Schools.  
Source: Maryland State Department of Education

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**State Expenditures:** General fund expenditures would increase by an estimated \$68,220 in fiscal 2007, which accounts for the bill's July 1, 2006 effective date and a six-month start-up delay for MSDE to identify a team of stakeholders who will help develop the teacher support guidelines. This estimate reflects the cost of hiring one education specialist to work with the stakeholders and one contractual office secretary to provide administrative support for the team and the education specialist. Two full-time half-year salaries, fringe benefits, one-time start-up costs, ongoing operating expenses, and additional contractual costs for the printing of training, professional development, and assessment materials are included in the estimate.

In future fiscal years, only a half-time education specialist would be needed to monitor implementation of the guidelines and provide technical assistance to local school systems that elect to put into practice the teacher support guidelines. This assumes that local school systems would not be required to implement the guidelines and that MSDE would not have to ensure compliance with the guidelines.

In addition to the administrative costs, mandated general fund expenditures of \$320,000 would be incurred for the National Board Certified Teacher Pilot Program and an

estimated \$100,000 per year would be provided to fund grants for teacher support incentives implemented locally.

	<u>FY 2007</u>	<u>FY 2008</u>
NBC Teacher Pilot Program		\$320,000
Teacher Support Incentive Grants		100,000
Salaries and Fringe Benefits	\$52,095	37,973
Start-up and Operating Expenses	<u>16,125</u>	<u>1,273</u>
<b>Total State Expenditures</b>	<b>\$68,220</b>	<b>\$459,246</b>

Future year expenditures reflect: (1) the expiration of the National Board Certified Teacher Pilot Program after fiscal 2010; (2) ongoing teacher support incentive grants of an estimated \$100,000 annually; (3) a half-time salary with 4.6% annual increases and 3% employee turnover; and (4) 1% annual increases in ongoing operating expenses.

It is assumed that MSDE could adopt regulations to implement the pilot program, identify three school systems and five schools for participation in the National Board Certified Teacher Pilot Program, and report on the effectiveness of the pilot program with existing personnel and resources. Extending eligibility for LARP is not expected to have a significant impact on program expenditures.

**Local Revenue:** Local school system revenues from State aid would increase by at least \$320,000 per year from fiscal 2008 through 2010, which reflects the required State spending for the National Board Certified Teacher Pilot Program. The additional State aid would be divided among the three school systems selected to participate in the program, and the additional funds would be used to pay the salary of one teacher in each of the five participating schools.

If funding is provided in the State budget for competitive teacher support incentive grants, this would further increase State aid to the local school systems.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 652 (Delegate King, *et al.*) – Ways and Means.

**Information Source(s):** Independent College and University Association, Maryland State Department of Education, Maryland Higher Education Commission, Department of Legislative Services

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