

Department of Legislative Services
 Maryland General Assembly
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FISCAL AND POLICY NOTE
 Revised

House Bill 1439
 Ways and Means

(Delegate Ramirez, *et al.*)

Education, Health, and Environmental Affairs

Education - Educational Technology Pilot Program - Elementary Schools

This bill establishes an Educational Technology Pilot Program to introduce elementary age students to computer technology and train teachers to integrate technology into curricula. The State Superintendent of Schools is to identify eligible nonprofit program providers, and the superintendent and the program providers are to develop a plan to implement the pilot program in two elementary schools in each of five specified school systems. Funding for the program is as provided in the State budget. Two years after receiving a grant, a local school system must issue a report on the status of, and the benefits accrued from, implementing the program.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$69,600 in FY 2007 to prepare for program implementation and by an estimated \$1.3 million in FY 2008 to distribute initial grants under the pilot program. Future year expenditure estimates reflect ongoing grant costs and regular salary increases and inflation in the 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	69,600	1,303,900	731,000	738,600	746,700
Net Effect	(\$69,600)	(\$1,303,900)	(\$731,000)	(\$738,600)	(\$746,700)

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

Local Effect: Local school revenues from State aid would increase by a total of approximately \$1.2 million in FY 2008 in Baltimore City and Dorchester, Prince George's, St. Mary's, and Somerset counties. After FY 2008, State aid increases for the systems would total an estimated \$600,000 annually, \$120,000 per system.

Small Business Effect: Minimal.

Analysis

Current Law: The State Superintendent of Schools may award grants to private and public consortia to develop state-of-the-art technology-enhanced instructional products, resources, and services for use in the classroom.

Background: The web site for the Education Commission of the States (ECS) observes that computer skills are becoming increasingly important in the workplace and that schools are expected to teach students computer competencies they will need to compete in the workforce. ECS also notes, however, that the benefits of technology in schools go beyond the significance of basic computer literacy. Although data clearly show that computers are more available than ever in schools, there are still questions about whether the increased presence of computers is being used effectively to enhance student learning. ECS cites studies and examples of data from education groups that suggest that a significant number of teachers are not being fully prepared to use technology in the classroom as a means to improve student performance.

State Expenditures: General fund expenditures could increase by an estimated \$69,623 in fiscal 2007, which reflects administrative costs for the Maryland State Department of Education (MSDE), and by an estimated \$1.3 million in fiscal 2008, when the initial grants for the pilot program will be distributed. In future years, once the initial equipment for the pilot program has been purchased, costs for the program will amount to approximately \$730,000 to \$750,000 per year. The information and assumptions used to compute this estimate are described below.

- In January 2007, MSDE will hire an education program specialist and an administrative aide to begin preparing requests for proposals for private technology providers and requests for applications for local school systems. The two positions will be permanent and will be responsible for monitoring, managing, and evaluating the pilot program in future fiscal years.
- In fiscal 2008, MSDE will distribute grants to local school systems for the purchase and upgrade of existing school technology equipment at 10 elementary schools in 5 school systems. The grants will total an estimated \$780,000 and will include a fully-equipped laptop computer for 20 teachers at each elementary school (approximately \$28,000 per school) and upgrades to computers, computer labs, and other technology equipment at each school (an estimated \$50,000 per school). This assumes that each elementary school chosen to participate in the

program will already have a reasonable supply of technology equipment for students to use.

- Beginning in fiscal 2008, MSDE and local school systems will contract with a private technology instruction consultant for each school system at an estimated cost of \$80,000 per system. Each consultant will provide in-school professional development to teachers, model effective technology instruction methods, develop lesson plans, and co-teach in the two schools selected to participate in the program. This estimate assumes that just two or three elementary school grades will participate in the pilot program. If more grade levels are involved in the program, one full-time consultant would be needed in each participating school.
- After fiscal 2008, ongoing costs will include MSDE administrative costs, consultant costs, and upgrades and maintenance to technology equipment (\$20,000 annually per school).

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
MSDE Administrative Costs	\$69,623	\$123,875	\$130,990
Laptops for Teachers	0	280,000	0
Computer Lab Upgrades	0	500,000	0
Instructional Technology Consultants	0	400,000	400,000
Ongoing Upgrades and Maintenance	<u>0</u>	<u>0</u>	<u>200,000</u>
Total State Expenditures	\$69,623	\$1,303,875	\$730,990

Future year expenditures reflect: (1) ongoing consulting and equipment maintenance costs; (2) MSDE administrative salaries with 4.6% annual increases and 3% employee turnover; and (3) 1% annual increases in ongoing operating expenses.

Local Fiscal Effect: Beginning in fiscal 2008, school system revenues from State aid would increase in Baltimore City and Dorchester, Prince George’s, St. Mary’s, and Somerset counties. Based on the assumptions described above, State aid would increase by approximately \$1.2 million in fiscal 2008 and by an estimated \$600,000 annually thereafter. The additional funding would be divided relatively evenly between the five local school systems and would be used to implement the Educational Technology Pilot Program in two elementary schools in each of the systems.

It is assumed that the local school systems could prepare annual reports on program implementation with existing resources.

Additional Information

Prior Introductions: None.

Cross File: SB 848 (Senator Conway) – Education, Health, and Environmental Affairs.

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

Fiscal Note History: First Reader - March 14, 2006
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