

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE

House Bill 275
 Ways and Means

(Delegate Kaiser, *et al.*)

Education, Health, and
 Environmental Affairs

Education - Teachers - State and Local Aid Program for Certification by the National Board for Professional Teaching Standards

This bill extends the termination date on the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards (NBPTS) from May 31, 2008 to June 30, 2013, and makes several enhancements to the program. The bill also requires the Maryland State Department of Education (MSDE) to ask for the amount of money that is needed to at least fund the full number of eligible program participants when it makes its annual budget request.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$149,600 in FY 2008 to provide for the enhanced State and local aid program. Special fund revenues and expenditures would increase by an estimated \$12,500 in FY 2008 due to reimbursements from local school systems that would be used to support program costs. Future year estimates reflect increasing program participation, salary increases, and inflation.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
SF Revenue	\$12,500	\$54,200	\$108,300	\$150,000	\$175,000
GF Expenditure	149,600	241,200	352,000	438,000	490,900
SF Expenditure	12,500	54,200	108,300	150,000	175,000
Net Effect	(\$149,600)	(\$241,200)	(\$352,000)	(\$438,000)	(\$490,900)

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

Local Effect: Local school expenditures would increase by an estimated \$12,500 in FY 2008 to pay one-third of the fees required for renewal of NBPTS certification. Future year expenditures would depend on the number of additional teachers participating in the

program and the type of certification (initial or renewal) they pursue.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill provides for the following enhancements to the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards.

- Eligibility for the program is extended to teachers who are pursuing renewal of NBPTS certification.
- The number of teachers who may be selected to participate in the program each year is increased from 750 to 1,000.
- The State Board of Education is authorized to fund through the program up to one retake of an unsuccessful entry on the NBPTS assessment.

Current Law: The State and Local Aid Program for Certification by the National Board for Professional Teaching Standards allows the State Board of Education to annually select up to 750 teachers to pursue NBPTS certification, with the State paying two-thirds of the certification costs and the local school systems supporting one-third of the costs. The State initially pays the full certification fees for participating teachers and is reimbursed by local school systems for one-third of the fees. The program is scheduled to terminate on May 31, 2008.

Background: NBPTS is an independent, nonprofit, nonpartisan organization with a mission “to establish high and rigorous standards for what accomplished teachers should know and be able to do.” Its goal is to strengthen teaching and improve student learning through the following “core propositions”:

- teachers are committed to students and their learning;
- teachers know the subjects they teach and how to teach those subjects to students;
- teachers are responsible for managing and monitoring student learning;
- teachers think systematically about their practice and learn from experience; and

- teachers are members of learning communities.

NBPTS reports that there are more than 55,000 nationally certified teachers in the U.S.; in the 2004-2005 school year, there were at least 574 working in Maryland.

State Expenditures: Although some of the expenditures would be recovered as reimbursements from local school systems, general and special fund expenditures would increase by an estimated \$162,099 in fiscal 2008 to pay an estimated 25 certification renewal fees, approximately 250 assessment retake fees, and additional administrative costs associated with the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards. Future year expenditures would increase as participation in the program grows to the 1,000-teacher participation limit established in the bill. The information and assumptions used to develop the estimates are stated below.

- The initial NBPTS certification fee is \$2,500, the certification renewal fee is \$1,500, and the fee for a retake of an NBPTS entry is \$350. Local school systems would share in the cost of certification and certification renewal fees but not the cost of assessment retakes.
- NBPTS certification is good for 10 years. MSDE advises that there is a relatively small number of teachers who will need to renew their certification in the next three years, but larger numbers of teachers will be eligible for certification renewal by fiscal 2010 as their initial certifications lapse. It is assumed that the bill would allow the State Board of Education to select and fund 25 certification renewal candidates in fiscal 2008 and 100 renewal candidates by fiscal 2012.
- MSDE advises that 50% of teachers seeking national board certification require a retake on at least one of their NBPTS assessment entries. It is assumed that the State board would fund approximately 250 entry retakes per year.
- It is assumed that 800 teachers could apply for initial certification in fiscal 2009, 50 more than the current limit of 750, and that participation would increase to 850 teachers in fiscal 2010 and to 900 teachers in fiscal 2011 and 2012.
- Expansion of the program would require the addition of an office secretary at MSDE to provide administrative support. A fiscal 2008 cost estimate of \$37,099 accounts for the bill's October 1, 2007 effective date and includes salary, fringe benefits, start-up costs, and ongoing operating expenses related to the

position. Annualized costs for the new position would range from \$45,000 to \$55,000 per year.

	<u>FY 2008</u>	<u>FY 2009</u>
Certification Fees	\$37,500	\$162,500
Assessment Retake Aid	87,500	87,500
Salary and Fringe Benefits	32,826	44,820
Administrative Operating Expenses	<u>4,273</u>	<u>515</u>
Total State Expenditures	\$162,099	\$295,335

Future year expenditures reflect: (1) increasing certification fees due to increasing program participation; (2) 250 assessment retakes annually; (3) a full salary with 4.5% annual increases and 3% employee turnover; and (4) 1% annual increases in ongoing operating expenses.

The State matches stipends that local school systems provide to nationally certified teachers, up to a maximum of \$2,000 per teacher annually. If this bill results in more teachers obtaining certification from NBPTS, general fund expenditures for the State stipends would also increase.

State Revenues: Special fund revenues could increase by an estimated \$12,500 in fiscal 2008 due to increased participation in the State and local aid program. The special funds represent reimbursements from local school systems for one-third of the NBPTS certification renewal fees for 25 teachers. The reimbursements would increase in future fiscal years as participation in the program increases. The revenue would be used to offset a portion of program costs.

Local Expenditures: The local school systems reimburse the State for one-third of the initial certification fee, or \$833 per participating teacher. Under the bill, systems would also reimburse the State \$500 for each certification renewal. Applying the same assumptions about participation in the program that were used to calculate the increase in State expenditures, local school system expenditures in support of NBPTS certification fees would increase \$12,500 in fiscal 2008, \$54,167 in fiscal 2009, and \$175,000 in fiscal 2012.

Most school systems provide stipends to nationally certified teachers. If this bill results in more teachers obtaining national certification, local school expenditures for the stipends would also increase.

Additional Information

Prior Introductions: None.

Cross File: SB 57 (Senator Pinsky, *et al.*) – Education, Health, and Environmental Affairs.

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

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Analysis by: Mark W. Collins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510