

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 1091
Ways and Means

(Delegate Glenn)

Baltimore City and Prince George's County - Organization of Parents and Teachers - Matching Fund

This bill renames the Parent-Teacher Association Matching Fund Pilot Program to be the Organization of Parents and Teachers Matching Fund Pilot Program to clarify that any organization of parents and teachers in Baltimore City or Prince George's County is eligible for the program. The bill also adds the Senate Education, Health, and Environmental Affairs Committee to the committees to which the Chief Executive Officer of the Baltimore City Public School System and the Superintendent of Schools of Prince George's County must annually report. In addition, the bill extends the termination date of the program from September 30, 2010 to September 30, 2012.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: General fund expenditures increase by \$233,200 in FY 2011 and by \$233,700 in FY 2012 to match private funds raised by high school parent teacher organizations in Baltimore City and Prince George's County and to administer the program. Revenues are not affected.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	233,200	233,700	0	0
Net Effect	\$0	(\$233,200)	(\$233,700)	\$0	\$0

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

Local Effect: Local school revenues from State aid for Baltimore City and Prince George's County increase by up to \$200,000 annually in FY 2011 and 2012. School revenues also increase to the extent that the bill results in increased private donations.

Small Business Effect: Minimal.

Analysis

Current Law: The Parent-Teacher Association Matching Fund Pilot Program was established to encourage parent-teacher associations (PTA) to raise funds for public high schools and to provide additional State funds to high schools. Each public high school in Baltimore City and Prince George's County is eligible for a State dollar-for-dollar match not to exceed the school's equal share as determined by dividing \$125,000 by the number of public high schools in the respective district. The total amount expended under the program may not exceed \$200,000 annually. The Chief Executive Officer of the Baltimore City Public School System and the Superintendent of Prince George's County Public Schools must report annually on the benefits accrued from the pilot program.

Background: Established by Chapter 637 of 2007, this matching fund pilot program is currently an unfunded discretionary aid to education program. **Exhibit 1** shows total State education aid and per pupil State education aid for the Baltimore City and Prince George's County school systems for fiscal 2009.

Exhibit 1 State Education Aid for Baltimore City and Prince George's County Fiscal 2009

	<u>State Aid*</u>	<u>Per Student Aid</u>
Baltimore City	\$895.8	\$11,434
Prince George's County	997.2	8,153

*State aid figures are in millions and assume that funding for the geographic cost of education index will be reduced by the Board of Public Works.

The Maryland PTA revoked the charters for the Baltimore City Council PTA and the Prince George's County PTA in 2008 and 2007, respectively. These district-wide PTAs are not eligible for reinstatement until two years after their charters were revoked.

Although the term "parent-teacher association" has been trademarked by the National PTA since 1966, advice from the Office of the Attorney General suggests that, in the context of the matching fund program, "the term 'parent-teacher association' was used in its generic sense and applies to any organization of parents and teachers that raises money

for a public high school.” The advice letter further states that the intent of the original legislation “was not to direct state funds to the affiliates of a particular organization, but to encourage parental fundraising and involvement at the high schools in the affected jurisdictions.” Renaming the program makes the intent of the program unambiguous.

State Fiscal Effect: This program has been in existence since October 2007 but has never received funding. Assuming donations generated by the Baltimore City and Prince George’s County school parent teacher organizations (PTOs) during the 2010-2011 school year are matched by the State in fiscal 2011, general fund expenditures increase by \$233,229 in fiscal 2011. This estimate assumes \$200,000 in State matching grants and includes the cost of employing one half-time contractual education program specialist at the Maryland State Department of Education to develop policies and guidelines for the program and to certify donations reported by eligible PTOs. A half-time salary, fringe benefits, and ongoing expenses are included in the estimate of administrative costs. Estimated administrative and grant expenditures for the program are detailed in the table below.

	<u>FY 2011</u>	<u>FY 2012</u>
Half-time Contractual Salary and Fringe Benefits	\$32,714	\$33,224
State Matching Grants	200,000	200,000
Administrative Operating Expenses	<u>515</u>	<u>520</u>
Total State Expenditures	\$233,229	\$233,744

Fiscal 2012 expenditures reflect: (1) ongoing State matching grants for Baltimore City and Prince George’s County school systems; (2) a half-time contractual salary with 4.4% annual increases and 6.8% employee turnover; and (3) 1% annual increases in ongoing operating expenses. The program terminates on September 30, 2012, but it is assumed that State matching funds align with the 2010-2011 and 2011-2012 school years.

Local Fiscal Effect: Local school revenues from State aid for Baltimore City and Prince George’s County increase by \$200,000 per year for fiscal 2011 and 2012. Using the current number of high schools in Baltimore City and Prince George’s County (30 and 22, respectively), each high school PTO in Baltimore City may generate up to \$4,167 in State matching funds and each high school PTO in Prince George’s County may generate up to \$5,682. However, if each eligible high school qualifies for the full State match amount, the State’s matches have to be reduced to stay under the \$200,000 maximum annual spending level for the program, or any unpaid State match amounts may be paid in fiscal 2013. School revenues from private donations may also increase to the extent that the State match program results in higher donations to high school PTOs in Baltimore City and Prince George’s County.

It is assumed that the Baltimore City and Prince George's County school system can report on the benefits accrued from the pilot program with existing resources.

Additional Information

Prior Introductions: None.

Cross File: SB 16 (Senator Conway) - Education, Health, and Environmental Affairs.

Information Source(s): Baltimore City, Maryland State Department of Education, National Parent Teacher Association, Department of Legislative Services

Fiscal Note History: First Reader - February 24, 2009
ncs/mwc

Analysis by: Caroline L. Boice

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