

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

House Bill 811
 Ways and Means

(Delegate Olszewski, *et al.*)

Education, Health, and Environmental Affairs

Education - Summer Career Academy Pilot Program

This bill establishes a three-year Summer Career Academy Pilot Program. The State Superintendent may select up to four eligible local school systems to participate in the program each year. Each eligible school system may only be selected to participate in the program for one year. For the summer of 2015, each local superintendent from an eligible local school system may select up to 60 students to participate in the program, and up to 100 students may be selected to participate for the summers of 2016 and 2017. A student participating in the program must be assigned a summer career counselor and a summer employment opportunity with an eligible employer. A participating student receives a stipend up to \$4,500 that is proportional to the time worked, and on successful completion of the program, may choose to receive a \$500 grant *or* a \$2,000 scholarship for higher education in the State.

The bill takes effect July 1, 2014, and terminates June 30, 2018.

Fiscal Summary

State Effect: Assuming full participation and funding, general fund expenditures increase by up to \$1.3 million in FY 2015. Future year expenditures reflect additional students, annualization, and inflation until the pilot program ends after FY 2018. Revenues are not affected.

(\$ in millions)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1.3	2.6	3.0	.8	0
Net Effect	(\$1.3)	(\$2.6)	(\$3.0)	(\$.8)	\$.0

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

Local Effect: None. Local school system participation is voluntary and State funds

cover any costs associated with the pilot program.

Small Business Effect: Some small businesses may benefit from the opportunity to employ students at no cost.

Analysis

Bill Summary: The program is intended to provide students who are interested in obtaining workforce skills and training and who are struggling academically to meet graduation requirements an opportunity to advance the skills of the State's workforce during summer employment. The program is also intended to promote sustainable employment for students after graduation and thereby grow the State's economy.

A local school system is eligible if it has a large number of students who are not on track to meet the Maryland College and Career Ready Standards (MCCRS) in high school, as determined by MSDE. An eligible student is a student who is interested in obtaining workforce skills and training and is:

- required to take a specified transition course in grade 12 because of not achieving college and career readiness by the end of grade 11;
- struggling to achieve mathematics competency in Algebra II before graduation; or
- struggling to achieve college and career readiness before graduation.

MSDE must develop criteria for the selection of eligible local school systems and eligible students. In collaboration with the Department of Labor, Licensing, and Regulation (DLLR), and the Department of Business and Economic Development, and representatives of the business community, MSDE must develop criteria for and identify eligible employers.

By December 1 of 2015, 2016, and 2017, MSDE must report to the Governor and the General Assembly regarding the effectiveness of the program, including:

- the number of students participating in the program from each eligible local school system;
- information on payments to participating students;
- feedback from participating students on ways to improve the program;
- the types of workforce skills and training that participating students were able to acquire; and
- recommendations to expand or discontinue the program.

Funds for the program are as provided in the State budget. If in a given year sufficient funds are not provided to fully fund the stipends and completion grants or scholarships, MSDE must reduce the number of students participating in the program accordingly.

Current Law/Background: The new State curriculum known as MCCRS, which is aligned with the Common Core State Standards, is intended to reflect college and workplace expectations and is being fully implemented statewide in the 2013-2014 school year. Chapter 533 of 2013 established a number of requirements aimed at increasing college and career readiness and college completion in the State. Under Chapter 533, it is the goal of the State that all students achieve mathematics competency in Algebra II.

Beginning with the grade 9 class of 2014, each student must enroll in a mathematics course in each year of high school that the student attends. Beginning with the 2015-2016 school year, no later than grade 11, all students must be assessed for college readiness in English language arts, literacy, and mathematics using acceptable college placement cut scores. Beginning with the 2016-2017 school year, MSDE must, in collaboration with local school systems and public community colleges, develop and implement transition courses or other instructional opportunities to be delivered in grade 12 to students who have not achieved college and career readiness by the end of grade 11.

College and Career Counseling Plan

According to the Code of Maryland Regulations, each local school system must (1) provide in the public schools a systematic instructional program in career development and decisionmaking in accordance with the Maryland Career Clusters and Maryland Career Development Framework, which are incorporated by reference for all students in pre-kindergarten through grade 12 and (2) ensure that before grade 9 each student develops an individual academic and career plan and updates it in subsequent years.

The Maryland Career Development Framework consists of six career development content standards: (1) self awareness; (2) career awareness; (3) career exploration; (4) career preparation; (5) job seeking and advancement; and (6) career satisfaction and transition. The framework has standards to be met for the following five grade-band levels: pre-kindergarten through grade 2, grades 3 through 5, grades 6 through 8, grades 9 through 12, and postsecondary and adult. MSDE reports it partnered with multiple organizations to develop the standards outlined in the framework including the University System of Maryland; local community colleges; local school systems; the Governor's Workforce Investment Board; DLLR; One Stop Center; and Workforce Investment Areas. In 2009, the local superintendents certified that an instructional

program for career development is in place for pre-kindergarten through grade 12, and they must do this every five years. MSDE's Division of Student, Family, and School Support monitors the implementation of the systematic instructional program in career development as part of local school system pupil services review.

State Fiscal Effect: Given the requirement of a summer of 2015 start to the pilot program, expenditures begin in fiscal 2015. The bill does not mandate funding in any fiscal year; this analysis assumes full funding (for the maximum number of students) for stipends and counselor payments is provided for each year of the pilot program and within the fiscal year that each summer program ensues. Expenditures may be considerably lower in each year to the extent that these assumptions are not met. Scholarship funding is assumed to be budgeted in the next fiscal year (when the summer internship ends).

General fund expenditures increase by as much as \$1.3 million in fiscal 2015, \$2.6 million in fiscal 2016, \$3.0 million in fiscal 2017, and \$842,100 in fiscal 2018. A stipend of \$4,500 for each student amounts to \$1.1 million in fiscal 2015 and \$1.8 million in both fiscal 2016 and 2017. If every student completes the program in each year and opts for the \$2,000 higher education scholarship, scholarship funding amounts to \$480,000 in fiscal 2016 and \$800,000 in both fiscal 2017 and 2018. Expenditures may be considerably lower to the extent that participating students opt for the \$500 completion grant or fail to complete the program and do not receive the full \$4,500 stipend.

Assuming the need for one part-time (summer only) counselor for every 15 students in the program and an equal and even number of counselors in each of the 4 participating counties, 16 counselors will be required for the summer 2015 program and 28 counselors will be required in the summer 2016 and 2017 programs. Assuming compensation of \$10,000 for each counselor in the first year of the program and 2% growth each year, personnel costs for counselors total \$160,000 in fiscal 2015, \$285,600 in fiscal 2016 and \$291,300 in fiscal 2017. In addition, MSDE will require one full-time contractual employee (or two part-time employees) to develop and administer a selection process for eligible students and local school systems and to develop and update program objectives, content, and activities, as well as training materials for counselors. Estimated costs total \$66,400 in fiscal 2015 and increase to \$82,600 by fiscal 2017 due to annualization and elimination of one-time costs.

Exhibit 1 shows program costs for each year of the program.

Exhibit 1
State Expenditures for Summer Career Academy

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Student Stipends	\$1,080,000	\$1,800,000	\$1,800,000	\$0
Student Scholarships	0	480,000	800,000	800,000
Counselor Compensation	160,000	285,600	291,300	0
MSDE Contractual Employees	66,400	79,100	82,600	42,100
Total	\$1,306,400	\$2,644,700	\$2,973,900	\$842,100

It is assumed that the stipend for participating students helps defray the cost to the student's family for any transportation costs associated with participation in the program and that therefore additional funding for transportation is not essential.

Additional Information

Prior Introductions: None.

Cross File: SB 876 (Senator Klausmeier, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Department of Business and Economic Development; Maryland State Department of Education; Maryland Higher Education Commission; Department of Labor, Licensing, and Regulation; Maryland Association of Boards of Education; Department of Legislative Services

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