This bill requires each local board of education to implement, by July 1, 2025, a Student Health Professional Retention Program. The bill establishes three program levels and specifies salary increases for student health professionals associated with (1) reaching level two and level three and (2) providing services to students in a low-performing school as identified by the local board of education. By fiscal 2027, the minimum salary for all student health professionals must total $60,000. The bill establishes a wealth-equalized funding formula for determining State and local shares of costs under the bill. The bill takes effect July 1, 2022.

Fiscal Summary

State Effect: General fund expenditures increase significantly, beginning as early as FY 2024. As discussed below, a precise estimate cannot be made by fiscal year and depends in part upon local school system decisions. This bill establishes a mandated appropriation beginning as early as FY 2024.

Local Effect: County government expenditures increase as early as FY 2024 to cover the local share of formula funding under the bill. Local school system administrative costs increase as soon as FY 2023 to implement the program. Local school systems receive and expend both State and local formula aid as soon as FY 2024. Local school system retirement costs increase beginning in the year following receipt of formula aid (as soon as FY 2025). This bill imposes a mandate on a unit of local government.

Small Business Effect: None.
Analysis

**Bill Summary:** The purpose of the program is to (1) transform the student health profession into a high-status profession in the State; (2) attract high-performing students to pursue a high-status student health profession; (3) retain high-quality student health professionals; (4) provide students with high-quality school health services; and (5) ensure that students have the health support they need to develop the skills necessary to succeed in the global economy. Within the program, level one is a state certified or licensed student health professional; level two is a student health professional who meets the requirements of level one and holds an advanced credential; and level three is a student health professional who meets the requirements of level two and holds a doctoral degree from an accredited institution of higher education in a specialty field. Movement from one level to another depends on performance and experience. A student health professional may not be promoted to the next level unless (1) the most recent evaluation was satisfactory; (2) it is determined that the individual is ready to take on responsibilities associated with the next level; and (3) there is an open position at the next level.

Beginning in fiscal 2024, student health professional salary increases associated with the program must at a minimum include (1) a $10,000 salary increase for reaching level two; (2) a $12,000 salary increase for reaching level three; and (3) a $7,000 salary increase for providing services to students in a low-performing school as identified by the local board. A student health professional who is eligible for more than one increase must receive all applicable salary increases. If a school ceases to be a low-performing school, the salary increase associated with serving that school is not lost while the student health professional continues to serve that school. If a student health professional serves multiple schools, the local board may prorate the $7,000 increase for serving in a low-performing school.

Grants received from the Coordinated Community Supports Partnership (CCSP) Fund that are used to support salary increases required under the bill may be counted toward the local share of costs under the program.

By January 1, 2023, the Maryland State Department of Education (MSDE) must in coordination with the Maryland Department of Health (MDH), the health occupations boards established under the Health Occupations Article, and other interested stakeholders:

- study and make recommendations on credentials that may be used as indicators for specified student health professionals to advance in the program, either by adding to the levels established under the bill or by establishing new levels;
- establish a plan for ensuring that all services provided by a student health professional in a public prekindergarten or public primary or secondary school are billed to the Maryland Medical Assistance Program (MMAP);
• evaluate whether billing health services to MMAP can be used to cover any costs of implementing the program; and
• report to the General Assembly on its findings, recommendations, and plan.

Current Law:

Authority for School Health Services

With the assistance of a local health department (LHD), a local school system must provide adequate health services, instruction in health education, and a healthful school environment. MSDE and MDH must develop public standards and guidelines for school health programs and offer assistance to local school boards and LHDs in their implementation. Each local school system must designate a school health services program coordinator, but it may authorize the LHD to designate a coordinator.

Maryland Medical Assistance Program

MMAP is administered by the Secretary of Health and provides a broad range of medical and other health care services to eligible individuals, subject to the limitations of the State budget. Subject to restrictions in federal law or waivers, MDH may impose cost-sharing on MMAP recipients, and for adults who do not meet requirements for a federal category of eligibility for Medicaid, cap enrollment and limit the benefit package. As permitted by federal law or waiver, the Secretary may establish a program under which MMAP recipients are required to enroll in managed care organizations.

Maryland School Accountability System

In 2017, as required by the federal Every Student Succeeds Act, the most recent reauthorization of the federal Elementary and Secondary Education Act, and the parameters set by the Protect Our Schools Act of 2017 (Chapter 29), the State board developed a Maryland school accountability system. Schools are rated on a variety of weighted measures and then awarded between one and five stars based on their scores. This system was first implemented during the 2017-2018 school year.

Coordinated Community Supports Partnership Fund

Chapter 36 of 2021 established the Maryland Community Health Resources Commission to staff the Maryland Consortium on Coordinated Community Supports. The consortium must complete certain tasks related to the development of coordinated community supports partnerships to meet student behavioral health needs and other related challenges in a holistic, nonstigmatized, and coordinated manner, including developing a statewide framework for the creation of coordinated community supports partnership, implementing
a related grant program, evaluating a payment reimbursement program for providers, and
developing a program for uninsured students. In addition, in consultation with MSDE, the
consortium must develop best practices for the creation of a positive classroom for all
students. MSDE is responsible for administering the associated special nonlapsing
CCSP Fund, which is intended to support the delivery of services and supports provided to
students to meet their holistic behavioral health needs and address other related challenges.
The Governor must provide specified appropriations in each annual budget, beginning with
$25.0 million in fiscal 2022 and culminating in $125.0 million in fiscal 2026 and each
subsequent year.

**State Expenditures:** General fund expenditures increase significantly, as early as
fiscal 2024. Because local school systems must implement the Student Health Professional
Retention Program by the beginning of fiscal 2026, this results in a State and local
government share of program costs by fiscal 2027. However, local school systems may
choose to implement the program beginning in fiscal 2023, resulting in a State and local
share of costs as early as fiscal 2024. Therefore, a precise estimate of the bill’s cost by year
cannot be made at this time. Further, though there is an accountability system in place for
assessing school performance, as described above, the designation of a low-performing
school under the bill is at the local board’s discretion. The following is provided for
illustrative purposes only.

Statewide, local school systems employ approximately 4,000 school social workers/pupil
personnel workers, therapists, and psychological personnel. These employees are assumed
to meet the definition of student health professionals under the bill. MSDE estimates that
about 8% hold a doctorate degree and about 45% hold an advanced degree. The percentage
that are employed at low-performing schools is not known and will depend upon each local
board’s decisions regarding designation of schools as low-performing.

*If all* local boards of education implement the program in fiscal 2023, the $22,000 salary
increase for those with a doctorate degree (approximately 325 individuals receiving both
the $10,000 and $12,000 increases under the bill) amounts to $7.2 million in fiscal 2024,
and the $10,000 salary increase for the approximately 1,800 individuals with an advanced
credential amounts to $18.0 million in fiscal 2024. The State share of the combined
$25.2 million amounts to a $12.6 million increase in general fund expenditures in
fiscal 2024. Further, *if 10%* of student health care professionals, or approximately 400, are
employed at low-performing schools, the $7,000 salary increase amounts to $2.8 million.
Given that half of this is covered by State funding, this results in a grand total of
$14.0 million in increased general fund expenditures in fiscal 2024. This analysis assumes
no substantial increase in State retirement expenditures for public school system employees.
Local Fiscal Effect: County government (including Baltimore City) expenditures increase, in the form of the local share of the funding formula established by the bill, beginning in the fiscal year following the respective local board’s decision to implement the Student Health Professional Retention Program. For a given county, these costs may commence as early as fiscal 2024 or as late as fiscal 2027, depending on local board decisions as to when to commence the program. Statewide, under the scenario described above, county government expenditures increase by as much as $14.0 million in fiscal 2024. To the extent that the CCSP Fund can be used to cover the local share of formula funding under the bill, local expenditures may be mitigated.

Local school system retirement costs are assumed to increase accordingly, beginning in the fiscal year following salary increases under the bill. Local school systems receive and expend both the State and local shares of formula funding under the bill. Local school system administrative costs may also increase significantly to implement the program, as early as fiscal 2023.

The bill requires that the starting salary for all student health professionals must total at least $60,000 by fiscal 2027. Based upon October 2021 (fiscal 2022) first-quartile salary data for school social workers/pupil personnel workers, therapists, and psychological personnel, starting salaries for most local school systems are likely already at or considerably above the $60,000 level. Given five full fiscal years to reach the $60,000 minimum, and assuming salary growth over that period, it is assumed that all but a few local school systems will be required to pay student health professionals at the required fiscal 2027 amount. However, Queen Anne’s County, with relevant first-quartile salaries averaging about $51,000 in fiscal 2022, may be required to increase its pace of salary increases to meet the minimum salary requirement.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Baltimore City Public Schools; Prince George’s County Public Schools; Maryland State Department of Education; Maryland Department of Health; Department of Legislative Services
**Fiscal Note History:**  First Reader - March 8, 2022

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