

**Department of Legislative Services**  
 Maryland General Assembly  
 2022 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 706

(Senators Zucker and Elfreth)

Budget and Taxation

Ways and Means

**Nonpublic Educational Programs - Children With Disabilities - Costs of Teacher Salaries**

This bill requires the Governor to include for fiscal 2023 and 2024 in the annual budget bill an appropriation of \$4.0 million to the Maryland State Department of Education (MSDE) to support the operations of the nonpublic educational programs throughout the State. This funding must be in addition to funding provided under current law. MSDE must distribute to each nonpublic educational program an equal amount for each teacher employed by the program. In using the funds provided under the bill, nonpublic educational programs must prioritize enhancing teacher salaries. By October 15, 2023, MSDE must work with each nonpublic educational program and provide a consolidated report to the Senate Budget and Taxation Committee and the House Appropriations Committee on the average salary of a public school teacher of similar training and experience to teachers at a nonpublic educational program in the same county and the funding required for each nonpublic educational program to increase the salaries of the teachers to be commensurate with public school teacher salaries in the county. **The bill takes effect July 1, 2022.**

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$4.0 million in both FY 2023 and 2024. The proposed State budget includes funding for this purpose in FY 2023. MSDE can distribute funds and meet reporting requirements using existing resources. State revenues are not affected. **This bill increases a mandated appropriation in FY 2024.**

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	4.0	4.0	0	0	0
Net Effect	(\$4.0)	(\$4.0)	\$0.0	\$0.0	\$0.0

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

**Local Effect:** Local school expenditures for nonpublic placements are not affected.

**Small Business Effect:** None.

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### **Analysis**

**Current Law:** The State and local school systems share in the costs of nonpublic placements for special education children who cannot receive an appropriate education in public school. For those children in nonpublic placements approved by MSDE, the local school system contributes an amount equal to the local share of the basic cost of educating a child without disabilities plus two times the total basic cost. Any costs above this base amount are split on a 70% State/30% local basis.

**State Expenditures:** General fund expenditures increase by \$4.0 million in both fiscal 2023 and 2024 for MSDE to distribute funds to nonpublic educational programs. The proposed State budget includes funding for this purpose in fiscal 2023.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** HB 1301 (Delegates Korman and Henson) - Ways and Means.

**Information Source(s):** Maryland Association of Counties; Maryland State Department of Education; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2022  
fnu2/hlb Third Reader - March 30, 2022  
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