

Department of Legislative Services  
 Maryland General Assembly  
 2024 Session

FISCAL AND POLICY NOTE  
 Third Reader

House Bill 475

(Delegate Korman, *et al.*)

Ways and Means

Education, Energy, and the Environment

Education - Open-Source Phonics Matching Grant Program - Establishment  
 (Open-Source Phonics Matching Grant Program Act)

This bill establishes the Open-Source Phonics Matching Grant Program within the Maryland State Department of Education (MSDE) to provide matching funds to open-source phonics organizations to provide free, open-source phonics learning materials to be used by adults to tutor students in the State. MSDE must (1) distribute grants to open-source phonics organizations and (2) by December 1, 2025, and every other year thereafter, collect statistics and other information and report to the General Assembly on the effectiveness of the program. For each fiscal year, the Governor must include in the annual budget bill an appropriation of \$150,000 to the program.

Fiscal Summary

**State Effect:** Beginning in FY 2025, general fund expenditures increase by \$150,000 annually for the matching grant program. Funding in FY 2025 is discretionary. MSDE can likely administer the program using existing resources. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2026.**

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	150,000	150,000	150,000	150,000	150,000
Net Effect	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)

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

**Local Effect:** Local school system operations and finances are not directly affected.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** An open-source phonics organization may submit an application for a grant on the form required by MSDE. An application for a grant must include a plan to ensure that the open-source phonics organization is able to provide free, open-source phonics learning materials to enable adults to tutor students in the State.

**Current Law:** Chapter 512 of 2019 requires, beginning with the 2020-2021 school year, each local school board to ensure that specified elementary school students are screened to identify if the student is at risk for reading difficulties. If the screening results indicate that the student is at risk of reading difficulties, the local board must provide supplemental reading instruction, as appropriate, and provide a notification letter to the student's parent as specified. These requirements apply to students newly required to be screened under the bill. MSDE must develop and update resources for local boards every four years and provide technical support to local boards allowing them to provide training opportunities annually. Local boards must report annually to MSDE.

The federal Individuals with Disabilities Education Act (IDEA) requires that a child with disabilities be provided a free appropriate public education in the least restrictive environment from birth through the end of the school year in which the student turns 21 years old, in accordance with an individualized family service plan (IFSP) or an individualized education program (IEP) specific to the individual needs of the child. An IFSP is for children with disabilities from birth up to age 3, and up to age 5 under Maryland's Extended IFSP Option if a parent chooses the option. An IEP is for students with disabilities from age 3 through 21. Local school systems are required to make a free appropriate public education available to students with disabilities from age 3 through 21. However, the State, under its supervisory authority required by IDEA, has the ultimate responsibility for ensuring that this obligation is met. The State Board of Education (SBE) must adopt, as regulations, standards for the identification, evaluation, educational placement, and the provision of a free appropriate public education of each child in this State who has begun the school year under the age of 21 and is found to need special education and related services, whether or not the child is receiving nonduplicative services from another governmental agency.

In January 2024, the SBE [resolved](#) that all literacy instruction in Maryland public schools must be aligned to the Science of Reading, including structured literacy, by the 2024-2025 school year. MSDE advises that the Science of Reading is in alignment with phonics programs.

**Additional Comment:** Although the stated purpose of the program is to provide matching grants, the bill does not require that grant applications specify a source of matching funds or that grant recipients provide matching funds.

## **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - February 11, 2024  
km/mcr Third Reader - March 14, 2024

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