

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 545 (Senator Elfreth, *et al.*)

Education, Energy, and the Environment and  
Budget and Taxation

---

Primary and Secondary Education - Public School Employees - Salaries

---

This bill generally aligns the salary requirements for *certificated* public school employees who are not eligible for salary increases under the Blueprint for Maryland’s Future due to their subject matter not having a National Board Certification (NBC) standard by establishing an “alternative high-quality educator credential,” as further specified in the bill. Initial potential salary increases take effect as early as fiscal 2025, subject to approval of the career ladder by the Accountability and Implementation Board (AIB) and approval of “alternative high-quality educator credentials.” Further, by July 1, 2026 (fiscal 2027), the minimum salary for all *certificated* public school employees must be \$60,000. **The bill takes effect July 1, 2024.**

---

Fiscal Summary

**State Effect:** The State Board of Education (SBE) and the Professional Standards and Teacher Education Board (PSTEB) can approve “alternative high-quality educator credential” using existing resources. The bill does not impact State aid to education formulas, and local school systems pay the normal cost of local school system employees who are part of the State Retirement and Pension System.

**Local Effect:** As early as FY 2025, local school system expenditures increase meaningfully, by up to \$17,000 per qualified educator to implement the required salary increases, plus related pension costs. Beginning in FY 2027, local school system expenditures likely increase more, potentially meaningfully, to set the minimum salary for all public schools employees to be at least \$60,000. Revenues are not affected. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** Minimal.

---

## Analysis

### **Bill Summary:**

#### *Salary Increases for Qualified Educators*

A “qualified educator” is defined as a public school employee who provides direct instruction or services to students in a public school. It does not include a teacher as specified. An “alternative high-quality educator credential” is defined as a non-NBC certification or credential awarded to an educator for meeting high-quality standards on an assessment in a professional field or specialty that does not have NBC standards and that has been approved jointly by SBE and PSTEB.

Subject to the career ladder for educators being approved, beginning July 1, 2024, salary increases for “qualified educators” must, at a minimum include (1) for an initial award of an NBC or alternative high-quality educator credential – \$10,000 salary increase and (2) for a qualified educator assigned to a low-performing school – \$7,000 salary increase.

A qualified educator must receive all salary increases for which the educator is eligible. A qualified educator who receives a salary increase for teaching at a low-performing school may not lose that salary increase while teaching at the school even if the school ceases to be low-performing.

### **Current Law:**

#### *Public School Employees*

“Public school employee” in Section 6-401 of the Education Article is defined as a certificated professional individual who is employed by a public school employer or an individual of equivalent status in Baltimore City, except for a county superintendent or an individual designated by the public school employer to act in a negotiating capacity.

#### *Career Ladder for Educators*

Under Chapter 36 of 2021, as amended, a four-level career ladder must be implemented by each county board of education by July 1, 2024. Level one is a State-certified teacher. Level two is a teacher pursuing a master’s degree, 30 credits of a State board-approved program of study, or NBC. Level three is a teacher who has an NBC, if NBC or a comparable assessment is not available in the teacher’s content area, a master’s degree in that area; level three includes an assistant principal. Level four is a teacher on the teacher leadership track or administrative track of the career ladder, each of which are further

divided into tiers. If a teacher achieves level three or four on the career ladder by being an NBC teacher, the teacher must retain NBC status in order to remain at that level.

Minimum salary increases are required as specified beginning in fiscal 2023 for certain accomplishments associated with movement up the career ladder. Teachers with NBC may receive salary increases (of \$10,000) beginning in fiscal 2023 and an additional amount (\$7,000) if they teach in a low-performing school. To receive additional increases associated with moving up the career ladder, the county board must have established a career ladder that has been approved by AIB. Salary increases associated with each recertification of NBC are subject to collective bargaining, with the State share of those increases capped as specified. The costs associated with these salary increases are shared between the State and county government through a new wealth-equalized formula. The State must provide the cost of fees for initially attaining and renewing NBC to each teacher who pursues NBC, including one retake of each NBC assessment. County boards must pay one-third of the cost of the NBC fees to the State for each teacher pursuing an NBC.

County boards must also demonstrate to AIB by July 1, 2024, that teachers in the county received at least a 10% salary increase over the preceding five-year period. By fiscal 2027, all teachers must receive a salary of at least \$60,000.

There is a program within the Maryland State Department of Education (MSDE) to (1) encourage and support teachers to obtain and maintain NBC, including teachers from groups historically underrepresented in the teaching profession and (2) develop a culture of collaborative support for accomplished teaching. MSDE must establish a National Board Coordinator to direct the program, and each local superintendent must designate a local coordinator. The program must provide a virtual course for teachers interested in pursuing NBC, virtual and in-person support for teachers pursuing NBC, and training and support for local National Board facilitators.

Chapter 36 established an average teaching time of 60% as a percentage of total working time for all teachers to be phased in over eight years beginning in fiscal 2026 as well as additional average teaching percentage targets as teachers ascend the career ladder. It also expressed the General Assembly's intent that as the Blueprint for Maryland's Future is implemented and teachers are provided with additional collaborative time, the student-to-teacher ratio in public schools will be reduced.

### *Teacher*

For the purposes of the career ladder for educators, a "teacher" is defined as a certified public school employee who is primarily responsible and accountable for teaching the students in the class. Teacher does not include, unless otherwise provided, specified

personnel, including instructional aides, social workers, or individuals with a Resident Teacher Certificate.

**Local Expenditures:** Local school system expenditures are set to increase, potentially significantly, beginning in fiscal 2025, with certificated qualified educators potentially receiving up to \$17,000 in mandated salary increases. The exact number of qualified educators receiving this increase is dependent on the approval of “alternative high-quality educator credentials,” and thus, cost estimates are currently unavailable. This allows certificated professional staff without an NBC standard to receive salary increases corresponding to those available to certificated staff with NBC standards. MSDE advises there are currently 8,076 “qualified employees” that may be eligible to receive one or more salary increases under the bill, which includes 1,082 pupil personnel and social workers, 2,153 therapists, 2,821 school counselors, 859 psychological personnel, and 1,161 school librarians.

*For illustrative purposes*, local expenditures increase by a total of \$998,000 in fiscal 2025, increasing to \$1.2 million in the out-years. This estimate is based on the assumption that “qualified employees” obtain a bonus qualifying credential at the same rate that other certified staff earn NBC. MSDE advises that (1) 1.2% of teachers earned an NBC in fiscal 2024; (2) the number of NBC teachers employed has increased by 5.6% annually; and (3) 4.6% of NBC teachers are assigned to low-performing schools. However, if all “qualified employees” receive a bonus, total local expenditures increase by between \$80.8 million and \$137.3 million annually.

Actual costs depend on the actual number of staff in each local school system who qualify as “public school employees” for the purposes of the bill. There are locally specific definitions in statute that are more expansive than the statewide definition (which is limited to certificated staff). For example, in Montgomery County Public Schools, a substitute teacher, whether certified or not, is considered a “public school employee” under the bill.

Beginning in fiscal 2027, local school system expenditures are expected to rise even further, possibly significantly, in order to ensure that the minimum salary for all *certificated* public school employees is at least \$60,000. The precise fiscal impact of this change will depend on the number of *certificated* public school employees projected to earn salaries lower than \$60,000 in fiscal 2027, which is unknown at present. Unlike salaries and bonuses for teachers provided under the Blueprint for Maryland’s Future, these increases are not shared with the State.

Any salary increases resulting from the bill increase pension benefits for affected public school employees in the Teachers’ Pension System (TPS). Specifically, they increase the normal cost portion of the benefit calculation (benefits earned in the current year). Statute currently requires local school systems to pay the normal cost portion of the employer

contribution in TPS. Therefore, any substantial increase in compensation for public school employees further increases local school board expenditures, but a reliable estimate is not feasible in the absence of data on how many qualified educators earn higher salaries under the bill.

According to local school systems, similar salary increases for teachers were funded through the additional funding made available as part of the Blueprint for Maryland's Future.

---

### **Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See SB 791 and HB 883 of 2023.

**Designated Cross File:** HB 789 (Delegate Feldmark, *et al.*) - Ways and Means.

**Information Source(s):** Anne Arundel County Public Schools; Baltimore City Public Schools; Frederick County Public Schools; Prince George's County Public Schools; Maryland State Department of Education; State Retirement Agency; Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2024  
rh/mcr

---

Analysis by: Caroline L. Boice

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