

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 161 (Senator Benson)
 Budget and Taxation

State Department of Education - Driver Education and Career and Technical Education - Funding (Driver Education and Career Education Act of 2025)

This bill requires the Governor to include specified amounts – ranging from \$216,600 to \$280,850 annually – in the annual budget bill for the Maryland State Department of Education (MSDE) to pass through to the Coalition for Public Safety Training in Schools, Inc. (CPSTS, Inc.). The funds must be used to increase the number of students with access to driver education and career and technical education (CTE) in the State, as specified. MSDE must (1) hire an independent contractor to conduct an evaluation and (2) report on the evaluation. **The bill takes effect July 1, 2025, and terminates July 31, 2033.**

Fiscal Summary

State Effect: No effect in FY 2026. General fund expenditures increase by \$278,800 in FY 2027 and by similar amounts annually through FY 2031; in FY 2032, expenditures increase by \$216,600, after which the bill terminates. MSDE can implement the bill with existing resources, as discussed below. No effect on revenues. **This bill establishes a mandated appropriation for FY 2027 through 2032.**

| (in dollars) | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|----------------|---------|-------------|-------------|-------------|-------------|
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| GF Expenditure | 0 | 278,800 | 268,300 | 272,100 | 276,400 |
| Net Effect | \$0 | (\$278,800) | (\$268,300) | (\$272,100) | (\$276,400) |

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

Local Effect: Local revenues and expenditures increase by up to a total of approximately \$240,000 in FY 2027 and by similar amounts through FY 2032 to the extent public schools apply for and receive grants to support driver education and CTE programs.

Small Business Effect: Minimal.

Analysis

Bill Summary: As shown in **Exhibit 1**, the bill specifies allocations of the annual mandated appropriations to each of the following activities:

- supporting CTE in schools, including professional development for CTE teachers and assisting with transportation of students to and from CTE training activities;
 - increasing the number of students who receive driver education training and assisting in providing driver education training;
 - supporting CTE events;
 - conducting an annual evaluation of the funding’s impact; and
 - creating and updating an online application form for schools to apply for funding.
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Exhibit 1 Allocation of Mandated Appropriation Under the Bill Fiscal 2027-2032

| | <u>FY 2027</u> | <u>FY 2028</u> | <u>FY 2029</u> | <u>FY 2030</u> | <u>FY 2031</u> | <u>FY 2032</u> |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| CTE Programs | \$115,000 | \$115,300 | \$115,600 | \$116,000 | \$116,250 | \$116,600 |
| Driver Education | 125,750 | 130,000 | 133,500 | 137,400 | 141,600 | 85,000 |
| CTE Events | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 6,000 |
| Annual Evaluation | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 4,000 |
| Application Form | 20,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Total Mandated | \$278,750 | \$268,300 | \$272,100 | \$276,400 | \$280,850 | \$216,600 |

CTE: career and technical education

Note: The mandated appropriation ends in fiscal 2032, after which the bill terminates.

Source: Department of Legislative Services

Evaluation and Reporting

The annual evaluation must be conducted in consultation with the CPSTS, Inc. and examine whether the mandated funding has:

- increased support for the development of career-ready students;
- provided professional development to more teachers; and
- increased the occupational literacy of students.

Beginning July 1, 2028, and annually thereafter, MSDE must report on the annual evaluation to the Governor, the State Superintendent, and the General Assembly, as specified.

Current Law:

Career and Technical Education

The Strengthening Career and Technical Education for the 21st Century Act is the 2018 reauthorization of the federal Carl D. Perkins Career and Technical Education Act (Perkins), which was last overhauled in 2006. The new Perkins law provides approximately \$1.2 billion in formula grants to states to implement CTE programs in their secondary schools and postsecondary institutions. The new law allows states to set their own goals for CTE programs, requires them to make progress toward those goals, and makes other changes to federal CTE law. Generally, Perkins requires states to develop sequences of academic and CTE coursework, called programs of study, that prepare students for postsecondary degrees or industry-recognized credentials. Many of the programs of study – which range from plumbing and culinary arts to aerospace engineering and cybersecurity – include or encourage apprenticeship or pre-apprenticeship opportunities.

Federal law does not allow Perkins funds to be used to pay teacher salaries, but the funds can otherwise be used to support CTE programs in public schools, including providing professional development and purchasing supplies and equipment for CTE instruction. In federal fiscal 2024, Maryland’s total Perkins allocation is \$20.8 million. In addition, the Blueprint provides per-pupil foundation funding to local school systems for students who have met the college and career readiness standard to pursue advanced courses of study, including CTE. The per-pupil amount was initially set at \$517 for fiscal 2022 and it increases with inflation each year.

Driver Education

The Motor Vehicle Administration (MVA) is required to, in consultation with MSDE, adopt and enforce regulations to implement a standardized driver education program conducted by driver education schools. The regulations must include curriculum, equipment, and facility standards for classroom, laboratory, and on-road instruction phases, as well as minimum student performance standards for an approved driver education program consisting of at least 30 hours of classroom instruction and at least 6 hours of highway driving instruction. Regulations must also include standards for the certification of schools and instructors; a system to evaluate the effectiveness of the driver education program; standards governing the required offering of the driver education program (based

on the capacity, enrollment, staff, and facilities of the schools); and standards for the eligibility of individuals to enroll in the program.

Currently, no public school systems are certified by MVA to provide driver education, although Anne Arundel County Public Schools advises that it provides space in some schools for certified driver education schools to offer classes to students (often in collaboration with parent-teacher organizations).

State Expenditures: General fund expenditures are mandated to increase by \$278,750 in fiscal 2027 and by similar amounts annually through fiscal 2031; in fiscal 2032, expenditures increase by \$216,600, after which the bill terminates.

MSDE advises that it requires one contractual position to manage the bill's requirements, but the Department of Legislative Services disagrees as MSDE's responsibilities under the bill are limited. The bill provides a pass-through grant to a single entity, which is largely responsible for implementing the bill. Further, MSDE must contract with an independent evaluator; the bill provides a total of \$54,000 for the evaluation over six years, which means that the evaluation will be limited in scope and complexity. MSDE can conduct the single procurement and manage the limited evaluation with existing resources.

Local Fiscal Effect: The bill requires the development of an online application form to allow schools to apply for funds from the pass-through grant CPSTS, Inc. Therefore, after subtracting funds for the application form, evaluation, and CTE events from the total appropriation, local revenues and expenditures increase by up to a total of approximately \$240,000 in fiscal 2027 and by similar amounts through fiscal 2032 to the extent public schools apply for and receive grants to support driver education and CTE programs.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 40 of 2024.

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Maryland Department of Transportation; Department of Budget and Management; Prince George's County; Baltimore City Public Schools; Anne Arundel County Public Schools; Prince George's County Public Schools; Frederick County Public Schools; St. Mary's County Public Schools; Department of Legislative Services

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