

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 673 (Senators Hettleman and Attar)

Education, Energy, and the Environment and
 Budget and Taxation

Education - Maryland STEM Program - Established

This bill establishes the Maryland STEM Program in the Maryland State Department of Education (MSDE) to provide additional compensation to a current public school teacher to teach science, technology, engineering, and mathematics (STEM) classes at nonpublic schools beginning in the 2025-2026 school year. Subject to availability of funds, MSDE must award grants that are at least equal to the number of hours the teacher teaches STEM classes at the nonpublic school multiplied by the average hourly salary of a public school teacher in the local school system multiplied by 1.25. A local school system may object to an employee’s participation, and MSDE must reject the application if the objection is valid. For each fiscal year, the Governor must include in the annual budget bill an appropriation of \$250,000 to MSDE for grants under the program. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: General fund expenditures increase by \$56,000 in FY 2026 for staffing and by at least \$314,100 annually thereafter, of which \$250,000 is mandated for grants beginning in FY 2027. Future years reflect inflation. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2027.**

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	56,000	314,100	317,000	320,000	323,000
Net Effect	(\$56,000)	(\$314,100)	(\$317,000)	(\$320,000)	(\$323,000)

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

Local Effect: Local school systems can inform teachers about the program using existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: STEM is defined as a science field, mathematics, technology education, or computer science education.

The bill establishes the purposes of the program and requires MSDE to administer it. To participate, a nonpublic school must partner with at least one eligible teacher employed by a public school and submit an application to MSDE. MSDE must establish application procedures, deadlines, and selection criteria for the program, as specified. If an eligible teacher is employed by a local school system, MSDE must send the completed application to the local school system.

A local school system may object to an eligible teacher participating in the program if the local school system cites a valid reason for the objection, including those specified. If MSDE determines that the objection is valid, MSDE must reject the application and inform the eligible teacher and the nonpublic school.

Subject to the availability of funds, MSDE must award grants under the program based on its review of the applications. Funds awarded must be distributed to the participating nonpublic school, which must use the funds to provide compensation to an eligible teacher participating in the program. MSDE must establish processes and procedures for reimbursement, including an application form, and the frequency and timeline for reimbursement.

Payments received by an eligible teacher under the program may not be considered compensation under a collective bargaining agreement.

Funds appropriated for the program must be used exclusively to pay eligible teachers to teach STEM classes at participating nonpublic schools, and the eligible teacher must teach only the classes stipulated under the program at the nonpublic school.

If a participating nonpublic school finds that a participating teacher is not complying with the program or violating the nonpublic school's code of conduct or faculty handbook, the school may request the teacher's removal from the program and submit information to MSDE demonstrating noncompliance. Following a review of the information, MSDE may terminate the teacher's participation in the program at that specific nonpublic school.

MSDE must develop a teacher interest survey and, by request, share the list of eligible teachers with a nonpublic school. Each year, each public school is required to inform all of its teachers about the Maryland STEM Program and share the teacher interest survey developed by MSDE.

At the end of each school year, a nonpublic school participating in the program must submit a report to MSDE with specified details, including the days and classroom hours that an eligible teacher taught in the nonpublic school.

Current Law: There are no grant programs to pay STEM teachers at nonpublic schools; however, funding for nonpublic schools is provided through the State Nonpublic Schools Textbook and Technology Grants Program.

Funding for the State Nonpublic Schools Textbook and Technology Grants Program is not mandated but has been provided for several years through the annual operating and capital budget bills, with accompanying budget language regarding eligibility that currently includes:

- holding a certificate of approval from or being registered with the State Board of Education;
- not charging tuition above a specified rate;
- complying with Title VI of the Civil Rights Act of 1964; and
- submitting its student handbook or other written policy on student admissions for review.

State Expenditures: Although the bill specifies that grants should begin during the 2025-2026 school year, it is unlikely that any grants are awarded during the 2025-2026 school year due to the short timeframe between the effective date of July 1, 2025, and the beginning of the 2025-2026 school year in August 2025. Moreover, the mandated appropriation does not begin until fiscal 2027, and the bill specifies that grants are contingent on funds being available. Nevertheless, staffing is necessary in fiscal 2026 to (1) establish application procedures and selection criteria; (2) respond to inquiries from public school systems and interested nonpublic schools and teachers; and (3) process applications for the following school year.

Therefore, general fund expenditures increase by \$55,991 in fiscal 2026, which reflects a 90-day start-up delay from the bill's July 1, 2025 effective date. This estimate accounts for hiring a half-time educational specialist responsible for managing and overseeing the Maryland STEM Program. These responsibilities include the development and implementation of an application procedure, development and administration of the teacher interest survey, continuous provision of technical assistance to local education agencies and nonpublic schools, coordination and approval of grant awards, and collection of annual reports. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	0.5
Salary and Fringe Benefits	\$49,036
Operating Expenses	<u>6,955</u>
Total FY 2026 State Expenditures	\$55,991

Future year expenditures increase to at least \$314,000 annually beginning in fiscal 2027, which reflects the mandated appropriation, annual salary increases and employee turnover, as well as annual increases in ongoing operating expenses.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 426 and HB 213 of 2024.

Designated Cross File: HB 1447 (Delegate Vogel) - Ways and Means.

Information Source(s): Maryland State Department of Education; Department of Budget and Management; Anne Arundel County Public Schools; Baltimore City Public Schools; Baltimore County Public Schools; Frederick County Public Schools; Montgomery County Public Schools; Department of Legislative Services

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