

Department of Legislative Services  
Maryland General Assembly  
2016 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1557 (Washington County Delegation)  
Rules and Executive Nominations

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Washington County Board of Education - Access to Public School Courses -  
Nonpublic School Students

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This bill requires the Washington County Board of Education to allow a nonpublic school student to enroll in up to three classes each semester in the public school that the nonpublic school student would otherwise be required to attend. The nonpublic school student who enrolls in public school classes must meet all eligibility requirements for public school students. The public school in which the nonpublic school student enrolls must be reimbursed according to a specified calculation. The reimbursement amount must be shared by the State and the county in the same ratio as the State and local share of the foundation program.

The bill takes effect July 1, 2016.

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**Fiscal Summary**

**State Effect:** General fund expenditures increase beginning in FY 2017 in the form of reimbursements to the Washington County public school system. Under one set of assumptions, for every 100 students who participate in the program, State costs total approximately \$90,200 in FY 2017 and \$98,800 in FY 2021. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2018.**

**Local Effect:** Washington County expenditures increase by a significant amount beginning in FY 2017. Under one set of assumptions, for every 100 students who participate in the program, local costs total \$49,000 in FY 2017 and \$52,200 in FY 2021. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** A “nonpublic school student” is an individual who is receiving regular thorough instruction during the school year in the studies usually taught in the public schools to children of the same academic level and is otherwise eligible to enroll in a public school. The full amount to be reimbursed to a public school receiving a nonpublic school student is the product of:

- the quotient of the target per pupil foundation amount divided by the number of required classes for a full-time public school student during the school year; and
- the number of classes that a nonpublic school student enrolled in during the school year.

A nonpublic school student who enrolls in a public school course under the bill is counted toward Washington County’s full-time student enrollment for the purpose of calculating the county’s maintenance of effort (MOE) requirement. A student who enrolls in (1) one class counts as 0.17 of a full-time student; (2) two classes counts as 0.33 of a full-time student; and (3) three classes counts as 0.5 of a full-time student.

**Current Law:** Each local board of education must determine the geographical attendance area for each of its public schools. Generally, a student must attend the school designated to serve the student’s attendance area. However, local boards of education have various policies allowing for enrollment of or the transfer of a student outside his or her attendance area, under certain circumstances.

Aside from funding provided due to minimum State shares, the total foundation program funding amount is determined by multiplying full-time equivalent (FTE) enrollment by the per pupil foundation target amount. The local contribution rate for the foundation program equals the total cost of the program multiplied by the overall local share of the foundation program (50%) and divided by total local wealth. Each county’s local share of the foundation program is calculated by multiplying the local contribution rate by the county’s local wealth. The State’s share of the foundation program is calculated by subtracting the local share from the total program cost. Counties with less wealth per pupil receive a larger State share than counties with more wealth per pupil. Each county is guaranteed a minimum State share of 15%.

**Background:** There are over 45 public schools and 39 nonpublic schools in Washington County. Washington County public school FTE enrollment totals 21,705 for the 2015-2016 school year. Nonpublic K-12 school enrollment in Washington County totals

approximately 2,700 students for the 2015-2016 school year. The Maryland State Department of Education (MSDE) anticipates that the great majority of nonpublic students that will take advantage of this program will be of high school age (*i.e.*, students seeking to take advanced courses not available in their nonpublic school).

**State and Local Fiscal Effect:** The per pupil foundation amount totals \$6,964 for the Washington County public school system in fiscal 2017. As shown in **Exhibit 1**, the effective State share is 64.8% (\$4,513) and the local share is 35.2% (\$2,451) in fiscal 2017. While there is no fixed number of required classes for a full-time public school student during the school year in Washington County, both MSDE and Washington County indicate that 10 is a reasonable approximation. Based on this assumption and the \$6,964 annual foundation per pupil target amount, the Washington County public school system will receive \$696 for each semester course taken by a nonpublic school student. Of this amount, \$451 represents the State share of costs, and \$245 represents the county share of costs. By fiscal 2021, the per course State share is projected to total approximately \$494, and the county share is projected to total approximately \$261.

It is not known how many nonpublic school students will take advantage of the opportunity to enroll in public school courses or the number of courses that the nonpublic school students will take each semester. *For illustrative purposes only*, for every 100 nonpublic school students taking on average one course each semester, total program costs would equal approximately \$139,200 in fiscal 2017, with the State share totaling \$90,200 and the county share totaling \$49,000. By fiscal 2021, for the same number of students taking one course each semester, the State share of costs would total \$98,800, and the county share of costs would total \$52,200.

While a significant portion of these reimbursements will be used to increase teacher salaries, the impact on State and local teacher retirement costs is assumed to be minimal.

Because the bill weights participating students as a fraction of one full-time student, depending upon the number of classes in which each student enrolls, the bill is not anticipated to have a substantial impact upon required per pupil MOE for Washington County.

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**Exhibit 1**  
**Foundation Program State and Local Shares**  
**Washington County**

	<u><b>FY 2017</b></u>	<u><b>FY 2018*</b></u>	<u><b>FY 2019*</b></u>	<u><b>FY 2020*</b></u>	<u><b>FY 2021*</b></u>
State	64.8%	65.2%	65.3%	65.3%	65.5%
Local	35.2%	34.8%	34.7%	34.7%	34.5%
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*Projections

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** Although designated as a cross file, SB 989 (Washington County Senators - Education, Health, and Environmental Affairs) is not identical.

**Information Source(s):** Washington County, Maryland State Department of Education, Department of Legislative Services

**Fiscal Note History:** First Reader - March 17, 2016  
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