

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 822

(Senator McKay)

Education, Energy, and the Environment

Ways and Means

Pathways in Technology Early College High (P-TECH) School Program - High School Diplomas

This bill requires that each Pathways in Technology Early College High (P-TECH) student receive a high school diploma immediately following completion of high school graduation requirements, by adding to the requirements of memoranda of understanding establishing P-TECH schools. The bill must not be construed to alter any funding calculations under Titles 5, 7, or 16 of the Education Article. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: General fund expenditures increase by an estimated \$14,000 in FY 2024 to update the student accountability system. As the bill is not anticipated to materially impact P-TECH enrollment and specifically does not alter the education funding formulas, State education funding expenditures are not materially affected. Revenues are not materially affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	14,000	0	0	0	0
Net Effect	(\$14,000)	\$0	\$0	\$0	\$0

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

Local Effect: Local school system expenditures may increase minimally to update their student accountability systems. Otherwise, local school systems can award a high school diploma to a P-TECH student immediately following completion of high school graduation requirements using existing resources. Revenues and expenditures from education funding formulas are not materially affected.

Small Business Effect: None.

Analysis

Current Law: Chapter 144 of 2016 established P-TECH schools in Maryland, which are public schools that offer grades 9 through 14 and that integrate high school, college, and the workplace. The result is intended to be a seamless pathway that enables students to graduate in six years or less with a high school diploma, an associate degree, and relevant professional experience. One of the goals of P-TECH schools, which distinguishes them from other early college programs, is for students to earn a credential and workplace skills that are aligned with industry needs and expectations. P-TECH students are required to receive at least one paid summer internship of at least six weeks duration with an industry partner. The P-TECH program is open admission and has no cost to students.

The P-TECH funding mechanisms established in Chapter 591 of 2017 include (1) inclusion of P-TECH students in the K-12 Foundation Program funding formula for public schools; (2) P-TECH planning grants; (3) P-TECH supplemental college grants; (4) P-TECH supplemental school grants; and (5) inclusion of P-TECH students in the Senator John A. Cade Funding Formula for local community colleges and the Baltimore City Community College funding formula. Through these formulas, funding is provided for P-TECH students in all years of the program, including in years five and six when the majority are anticipated to have completed their high school graduation requirements.

High School Diploma Requirements

With the advice of the State Superintendent of Schools, the State Board of Education (SBE) must establish minimum requirements for issuing certificates and diplomas by public and private high schools. Local school systems may establish graduation requirements beyond the minimum requirements established by the board.

SBE must establish high school curriculum, college and career readiness standards, and graduation requirements for all public schools.

According to State regulations, beginning with the 2022-2023 school year, to be awarded a Maryland high school diploma, a student must (1) complete the enrollment, credit, assessment, and service requirements, as specified and (2) complete local school system requirements. Beginning with the 2021-2022 school year, State regulations require a student to earn a minimum of 22 credits as specified, including four credits in mathematics.

According to [guidance](#) provided by Maryland State Department of Education (MSDE), P-TECH students should meet all Maryland high school graduation requirements by the fourth year of the program; thus, it is not recommended that required high school courses be held back. Further, the high school diploma should be kept “on file” with the local school

system until the associate degree has been earned. It further states that a letter from the school principal or the local superintendent of schools should be used as proof that a P-TECH student in the fifth or sixth year of the program is in an early college program and has met all high school graduation requirements.

Education Funding Formulas – Titles 5, 7, and 16

Several education funding formulas are established in the Education Article. Title 5 contains the major funding formulas for elementary and secondary education, including the foundation formula. Title 7 contains P-TECH funding formulas. Title 16 contains the community college funding formulas, including the Baltimore City Community College funding formula.

State and Local Fiscal Effect: General fund expenditures increase by \$14,000 in fiscal 2024 for MSDE to update the student accountability system. MSDE advises that, currently, students are removed from the accountability system once they graduate from high school. Thus, for local school systems to receive State aid for education funding for P-TECH students in the fifth and sixth years of the program, the system must be updated. Likewise, local school system expenditures may increase minimally to update their student accountability systems; however, any such impact cannot be reliably estimated.

Otherwise, MSDE can alter guidance on the awarding of high school diplomas to P-TECH students using existing resources. Likewise, local school systems can award a high school diploma to a P-TECH student immediately following completion of high school graduation requirements using existing resources.

The bill is not anticipated to materially impact enrollment of students in P-TECH programs, and the bill specifically states that it must not be construed to alter any funding calculations under Titles 5, 7, or 16 of the Education Article. Thus, the funding for P-TECH students is not materially affected. A few students may choose to enter or leave P-TECH programs due to the bill; however, the overall impact is not anticipated to be material.

Additional Information

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

Designated Cross File: HB 689 (Delegate Buckel, *et al.*) - Ways and Means.

Information Source(s): Maryland State Department of Education; Maryland Higher Education Commission; Baltimore City Public Schools; Prince George’s County Public Schools; Department of Legislative Services

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