

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 1102

(The President)(By Request - Accountability and
Implementation Board)

Education, Energy, and the Environment and
Budget and Taxation

Ways and Means and Appropriations

Education – Blueprint for Maryland’s Future – Alterations

This bill makes alterations to numerous education-related programs in the State including prekindergarten, early childhood, professional development, dual enrollment, and educator student loan assistance programs and postpones certain reporting and related deadlines regarding implementation and continuance of the Blueprint for Maryland’s Future (the Blueprint). **The bill takes effect June 1, 2024.**

Fiscal Summary

State Effect: Special fund expenditures increase by an indeterminate amount, beginning as early as FY 2024 to provide funds to certain eligible nonclassroom teachers, as defined by the bill. Under one set of estimates, these costs may total less than \$300,000 annually. Expanding eligibility for the Janet L. Hoffman Loan Assistance Repayment (LARP) does not require additional spending, as discussed below. Maryland Higher Education Commission (MHEC) expenditures increase by a minimal amount for software upgrades. **This bill increases a mandated appropriation.**

Local Effect: Local school system expenditures increase by approximately \$140,000 as early as FY 2024 to provide funds to certain eligible nonclassroom teachers. Revenues are not materially affected. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary:

Dual Enrollment and the Post-college and Career Ready Pathway

To phase in expansion of dual enrollment to maximize the number of students who can earn the maximum number of dual enrollment credits consistent with the phased increases in school funding, the State Board of Education (SBE) and the Accountability and Implementation Board (AIB), in consultation with each local education agency, may, for fiscal 2025 through 2027, limit the number and types of courses that a student dually enrolled at a public high school and at an institution of higher education may enroll in during the school year at the institution of higher education as part of the post-college and career ready (CCR) pathway.

National Board Certification Payments for Nonclassroom Teachers

Nonclassroom teachers, including administrators, assistant principals, instructional specialists, and principals, who earn National Board Certification (NBC) must receive from the State an amount equal to the National Board for Professional Teaching Standards (NBPTS) fees associated with the initial completion and renewal of NBC; payments, which include a one-third county match, are received for no more than one retake of each assessment on the NBPTS. Nonclassroom teachers who do not complete all the requirements for assessment by the NBPTS must reimburse the State for the full amount of State funds received. The State, in turn, must reimburse the county for its one-third match.

Janet L. Hoffman Loan Assistance Repayment Program

The Office of Student Financial Assistance (OSFA) within MHEC must assist in the repayment of the amount of any higher education loan owed by specified early childhood educators who are employed for at least two years by an eligible prekindergarten provider that receives Prekindergarten Expansion Grant Program funding. The Nancy Grasmick Public School Professional Award is renamed as the Nancy Grasmick School Professional Award. OSFA regulations must include prioritization of early childhood educators who qualify for a Nancy Grasmick School Professional Award for participation in the Janet L. Hoffman LARP.

Judy Centers and Patty Centers

Funds allocated to the Judith P. Hoyer Early Childhood Education Enhancement Program may be used for planning and development of a Judy Center in the first year of a multi-year

funding award. A Patty Center may receive multi-year funding; in this case, funding may be used for planning and development in the first year of funding of the center.

Kindergarten Readiness Assessment

For the 2024-2025 school year only, administration of the Kindergarten Readiness Assessment to all kindergartners may be completed after October 10, and the results may be made available more than 45 days after the administration has been completed.

Prekindergarten Expansion Grants Program and Publicly Funded Prekindergarten

Before being approved for a Prekindergarten Expansion Grant, a qualified prekindergarten provider must certify, among other things, that they will provide in each classroom at least one teacher certified in early childhood education by the State or one teacher with a bachelor's degree who plans to pursue a State certification for teaching early childhood education and at least one teacher's aide who has at least a high school degree.

Each local department of social services or a local health department must provide to each local school system the name and contact information for each parent provided notice that their child may be eligible for publicly funded prekindergarten programs.

Career and Technical Education Committee Goals and Report

The date by which the Career and Technical Education (CTE) Committee must establish statewide goals for certain student outcomes is altered from December 1, 2022, to June 1, 2024. The date by which annual reports by the CTE Committee to the General Assembly and the AIB on progress toward attaining those goals must commence is altered from December 1, 2022, to December 1, 2024.

Independent Evaluation, Accountability and Implementation Board Report, and Funding Implications

The due date for the initial report to AIB of an independent evaluation of the State's progress in implementing the Blueprint and achieving expected outcomes during the implementation period is extended from October 1, 2024, to December 1, 2026. Accordingly, by January 15, 2027, instead of by December 1, 2024, under current law, AIB must, using the first independent evaluation and its own judgment, report to the Governor and the General Assembly on whether the Blueprint is being implemented as intended and achieving the expected outcomes. Specified State and local funding implications that are triggered under current law, in the event that AIB does not report that the Blueprint is being implemented as intended and is achieving expected outcomes, are delayed from fiscal 2026 to 2028.

Current Law:

Post-college and Career Ready Pathways

Beginning with the 2023-2024 school year, each local board of education must provide all students who meet the CCR standard with access to specific post-CCR pathways at no cost (including fees) to them or their parents. These pathways include (1) a competitive entry college preparatory program chosen by the local board of education, as specified; (2) a program that allows a student, through an early college program or dual enrollment at a student's high school and an institution of higher education to earn an associate degree or at least 60 credits toward a bachelor's degree; and (3) a robust set of career and technology education programs, as specified, that allow a student to complete specified credentials or apprenticeships.

A public high school must provide access to these programs directly or through another public school in the county. A student meeting the CCR standard must enroll in at least one post-CCR pathway, with counseling and advising services offered to help each student choose at least one pathway aligning with the student's goals. SBE must adopt regulations that guarantee, to the extent practicable, statewide uniformity in the quality of the post-CCR pathways, meet the specified CCR pathway requirements, and grant high school graduation credit for the CCR pathway programs.

College and Career Ready Funding

In addition to funding for non-CCR and CCR students provided within the foundation formula, funding is provided for students who have met the CCR standard adopted by SBE. Per pupil funding, covered by both State and local shares, begins at \$517 in fiscal 2022 and is inflation adjusted each subsequent year. Post-CCR funding is based on the number of students in grades 9 through 12 who have met the post-CCR standard. Specifically, the fiscal 2025 funding is \$595 for each student in grades 9 through 12 meeting the interim CCR standard in spring 2023. For fiscal 2025, this per pupil funding is providing local school systems with an estimated total of \$11.6 million in State funds and \$11.6 million in local funding to facilitate provision of post-CCR pathways to students through the Blueprint funding formula. Fiscal 2026 funding will be \$625 for each student in grades 9 through 12 meeting the CCR standard, adopted January 2024, in spring 2024.

Each fiscal year, the State must distribute the State share of the CCR program amount to each local board of education. The local board of education must distribute to each school the minimum school funding amount for CCR, which is 75% of the per-pupil amount.

Dual Enrollment

A public institution of higher education may not charge tuition to a dually enrolled student. A public school system must pay 75% of the cost of tuition for a public institution of higher education for its students. If there is an agreement before July 1, 2020, between a public school and a public institution of higher education in which the public institution charges less than 75% of tuition to a dually enrolled student, the local board must pay the cost of tuition under the existing agreement. The Blueprint for Maryland's Future – Revisions (Chapter 55 of 2021) expanded dual enrollment to include noncredit courses leading to an industry-recognized certificate or license.

National Board Certification Payments

A certified public school employee who is primarily responsible and accountable for teaching the students in the class (classroom teacher) who earns an NBC must receive from the State an amount equal to the NBPTS fees associated with the initial completion and renewal of an NBC; payments, which include a one-third county match, are received for no more than one retake of each assessment on the NBPTS. Classroom teachers who do not complete all the requirements for assessment by the NBPTS must reimburse the State for the full amount of State funds received. The State, in turn, must reimburse the county for its one-third match.

Judy Centers and Patty Centers

Judy Centers provide early childhood education programs and comprehensive support services for children, from birth through kindergarten, and their families who reside in specific low-income school districts. Under Chapter 36 of 2021, funding is provided for 9 additional Judy Centers annually in each of fiscal 2021 through 2025, and for 18 additional centers annually in fiscal 2026 through 2030, culminating in 135 new Judy Centers by fiscal 2030. The State must prioritize increasing the number of Judy Centers in Title I communities. The Maryland State Department of Education (MSDE) may distribute a Judy Center Grant to a local board of education if the local board submits a specified application.

Family Support Centers provide parents and their children with a hospitable and constructive environment and services that (1) improve parenting skills; (2) develop the family as a functioning unit; and (3) promote the growth and development of their children. Chapter 36 provides for 30 additional centers, including \$330,000 for each additional center, and designates the centers (including existing centers) as Patty Centers, after Patricia H. Kirwan.

Kindergarten Readiness Assessment

A racially and culturally unbiased statewide kindergarten assessment that is administered with the purpose of measuring school readiness to be used for diagnostic purposes, curriculum development, and early detection of learning challenges must annually be given to all incoming kindergarten students in the State. The assessment must be completed by October 10 with the aggregate results returned within 45 days after administration of the assessment.

Loan Assistance Repayment Program – Generally

LARP provides loan repayment assistance in exchange for certain service commitments to help ensure that underserved areas of the State have sufficient numbers of primary care physicians, physician assistants, dentists, lawyers, and other professionals serving those areas or low-income families. LARP also provides loan repayment assistance in exchange for service commitments to serve as a police officer or probation agent anywhere in the State. The program is subdivided into the Janet L. Hoffman LARP, the Maryland Dent-Care LARP, the Maryland LARP for Physicians and Physician Assistants, and the Maryland LARP for Police Officers and Probation Agents.

Janet L. Hoffman Loan Assistance Repayment Program

The Janet L. Hoffman LARP is administered by OSFA to assist in the repayment of any higher education loan owed by an individual who:

- *either* (1) receives a graduate, professional, or undergraduate degree from a college or university in the State, a law school, or, for mental health professionals only, any accredited college or university *or* (2) receives a Resident Teacher Certificate from MSDE after completing an approved alternative teaching preparation program;
- obtains eligible employment;
- receives an income less than the maximum eligible total income levels established by the office, including any additional sources of income; and
- satisfies any other criteria established.

Eligible employment fields include lawyers, degree- or diploma-holding registered nurses, licensed clinical therapists, physical and occupational therapists, social workers, speech pathologists, and teachers. A licensed clinical alcohol and drug counselor, a licensed clinical marriage and family therapy counselor, or a licensed clinical professional counselor whose practice is located in a high-need geographic area of the State as determined by the Maryland Department of Health may receive assistance under the program.

For the Janet L. Hoffman LARP, awards are determined by an applicant's overall reported educational debt at the time of application. Award funds are distributed annually over a three-year period as long as the recipient remains eligible and continues to submit the required annual employment, lender, and tax documentation by the deadline.

Nancy Grasmick Public School Professional Award

Chapter 496 of 2012 established the Nancy Grasmick Teacher Award within Janet L. Hoffman LARP for Maryland. Chapter 627 of 2023 expanded eligibility to include mental health professionals (including school psychologists, resource psychologists, psychologist coordinators, social workers, social worker supervisors, school counselors, or mental health coordinators) and renamed the program the Nancy Grasmick Public School Professional Award.

Accordingly, the award is available to public school teachers and mental health professionals who have taught or provided mental health services in Maryland for at least two years. For teachers, this service must include teaching in (1) science, technology, engineering, or mathematics subjects or (2) a school in which at least 75% of the students are enrolled in the free and reduced-price meal program. For mental health professionals, this may include time as an employee of either a local school system or a local health department through an agreement with a local board of education. A teacher must also have received a performance evaluation rating for the most recent year available. Eligible loans for repayment include the loans of an individual who (1) receives a graduate, professional, or undergraduate degree from a college or university in the State or a school of law; (2) for mental health professionals only, receives a graduate, professional, or undergraduate degree from any accredited college or university; or (3) receives a resident teacher certificate from MSDE after completing an alternative teaching preparation program approved by the State Superintendent of Schools.

Career and Technical Education Committee Goals and Report

By December 1, 2022, the CTE Committee must establish, for each school year between the 2023-2024 school year and the 2030-2031 school year, inclusive, statewide goals that reach 45% by the 2030-2031 school year, for the percentage of high school students who, prior to graduation, complete the high school level of a registered apprenticeship or an industry-recognized occupational credential. To the extent practicable, the CTE Committee must ensure that the largest number of students achieve a complete high school level of a registered apprenticeship program approved by the Division of Workforce Development and Adult Learning within the Maryland Department of Labor. By December 1 each year, beginning in 2022, the CTE Committee must report to the Governor, the General Assembly, and AIB on the progress, by high school, toward attaining the goals established by the CTE Committee.

Prekindergarten Expansion Grants Program and Publicly Funded Prekindergarten

The Prekindergarten Expansion Grant Program, administered by MSDE, is intended to broaden the availability of high-quality prekindergarten and school readiness services throughout the State for children and their families in coordination with the expansion of publicly funded full-day prekindergarten under the Blueprint. Before approving qualified providers for prekindergarten services to receive a grant, a qualified provider must certify to MSDE that for each classroom funded by Prekindergarten Expansion Grants the provider will meet specified conditions. The Governor must annually appropriate to the Prekindergarten Expansion Fund an amount that is at least equal to the total amount of all funds received by the program in the prior fiscal year. Beginning in fiscal 2026, funds appropriated to the Prekindergarten Expansion Fund must be consolidated into the publicly funded full-day prekindergarten program.

A local department of social services or a local health department must notify a parent that their child may be eligible for publicly funded prekindergarten programs if the parent (1) applied for economic services with the local department of social services or the local health department and (2) has a child who will be 3 or 4 years old by September 1 of the next academic year. By December 1 of each year, each local department of social services and each local health department must report to the General Assembly on the number of parents who were given a notification and subsequently enrolled their child in a publicly funded prekindergarten program.

Independent Evaluation, Accountability and Implementation Board Report, and Funding Implications

In addition to its own assessments and tracking of progress, AIB must as soon as practicable contract with a public or private entity to conduct an independent evaluation of the State's progress in implementing the Blueprint and achieving expected outcomes during the implementation period. The entity must report its results to AIB by October 1, 2024, and October 1, 2030. By December 1, 2024, AIB must, using the first independent evaluation and its own judgment, report to the Governor and the General Assembly on whether the Blueprint is being implemented as intended and achieving the expected outcomes.

If AIB does not report that the Blueprint is being implemented as intended and is achieving expected outcomes, then:

- per pupil increases in major education aid, and any additional funding increases required under the Blueprint, for fiscal 2026 and each year thereafter must be limited to the specified rate of inflation;

- local school systems are not required to meet the additional requirements of the Blueprint that begin in fiscal year 2026 and each fiscal year thereafter, but must continue to fund the requirements of the Blueprint prior to fiscal 2026; and
- it is the intent of the General Assembly to take immediate action to adjust the formula and policies under the Blueprint in order to fulfill its commitment to provide the resources, supports, and funding to fully implement the Blueprint.

State Fiscal Effect:

National Board Certification Payments

MSDE advises that there are approximately 3,800 individuals meeting the definition of “nonclassroom teacher” under the bill, including noninstructional principals, assistant principals and other school administrators, and that the NBC incentive program provides \$1,900 for each participant during the first three years of candidacy. Given that the State covers two-thirds of the cost to reimburse nonclassroom teachers for NBPTS, this would amount to, at full participation, about \$4.8 million annually, beginning as early as fiscal 2024, given the bill’s June 1, 2024 effective date.

However, MSDE advises that for teachers eligible for funding under current law, participation among eligible educators was 1.7% in fiscal 2022, 5.7% in fiscal 2023, and 5.8% in fiscal 2024. Assuming a similar trajectory for nonclassroom teacher participation, this would amount to State expenditures of approximately \$82,000 in the first year, and approximately \$280,000 in subsequent years. However, the participation rate, and thus State costs cannot be reliably estimated.

Other Provisions

Though the bill broadens the pool of potential LARP funding recipients, the bill does not affect overall spending through the Hoffman or Grasmick LARPs; however, MHEC expenditures increase minimally for software upgrades. AIB advises that the bill does not materially impact the likely timeline or cost of the independent evaluation of Blueprint progress. The bill does not affect the annual funding of the Prekindergarten Expansion Program, which under current law and the bill, must be funded at the level of the prior year, which amounts to \$26.6 million in fiscal 2025. The Department of Human Services advises that its mailing costs increase to provide additional notifications to parents under the bill, however, the Department of Legislative Services assumes that these costs can be met with existing resources.

Local Fiscal Effect: Local school systems must provide for one-third of the costs associated with qualifying nonclassroom teachers receiving NBPTS under the bill (or one-half of what the State provides annually). Thus, per discussion above, local school

systems statewide incur costs amounting to as much as \$2.4 million annually but potentially closer to about \$140,000 annually. However, the participation rate, and thus statewide local school system costs cannot be reliably estimated. Local school system revenues are not materially affected due to reimbursed NBPTS fees.

It is assumed that if specified entities exercise authority to limit the number and types of courses that a dually enrolled student may take, the number of *students* taking advantage of dual enrollment courses increases, but there is no determinate impact on the number of *courses* for public institutions of higher education to provide to dual enrollment students. Therefore, the effect on local board of education payments for dual enrollment is indeterminate but assumed to be minimal on a statewide basis. Increased flexibility regarding the timing of kindergarten readiness assessments and relaying of results in the 2024-2025 school year is not anticipated to substantially effect local board finances.

Additional Information

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

Designated Cross File: HB 1426 (Chair, Ways and Means Committee) - Ways and Means and Appropriations.

Information Source(s): Anne Arundel County Public Schools; St. Mary's County Public Schools; Maryland Association of County Health Officers; Maryland Association of Counties; Maryland State Department of Education; Maryland Higher Education Commission; Department of Human Services; Accountability and Implementation Board; Department of Legislative Services

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