

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

House Bill 1426

(Chair, Ways and Means Committee)

Ways and Means and Appropriations

Education, Energy, and the Environment and  
Budget and Taxation

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Education - Blueprint for Maryland's Future - Alterations

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This bill makes alterations to numerous education-related programs in the State including prekindergarten, early childhood, professional development, and dual enrollment programs. **The bill takes effect June 1, 2024.**

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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. Special fund expenditures are not directly affected by the extension of the Prekindergarten Expansion Grant programs, but cause indeterminate secondary effects on State funding, as discussed below. **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. If dual enrollment courses are limited, as specified, local school system expenditures may decrease. Potential significant impact on State funding and local effort requirements due to the extension of the Prekindergarten Expansion Grant, as explained below. **This bill may impose a mandate on a unit of local government.**

**Small Business Effect:** None.

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## Analysis

### **Bill Summary:**

#### *Geographic Cost of Education Index*

The bill repeals the requirements that the Geographic Cost of Education Index (GCEI), a funding mechanism for a program that was repealed by Chapter 36 of 2021, be updated every three years and that the Maryland State Department of Education (MSDE) take various actions with respect to GCEI.

#### *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.

#### *Specifications and Approval of Career Ladder Minimum Classroom Time for Educators*

SBE, instead of AIB under current law, approves the eight-year phase-in of the minimum percentage of worktime that teachers funded through the career ladder program must be devoted to classroom teaching time, as specified by each local board in its career ladder.

### *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.

### *Prekindergarten and Kindergarten Readiness Assessment Provisions*

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 and at least one teacher's aide who meet specified high staff qualifications. The bill also extends the fiscal year by which funds appropriated to the Prekindergarten Expansion Grant Program must be consolidated into the publicly funded full-day prekindergarten program by four fiscal years, from fiscal 2026 to 2030. To that end, the Governor must, through fiscal 2029, annually appropriate to the fund an amount that is at least equal to the total amount of all funds received by the Expansion Grant Program in the prior fiscal year.

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. 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. The bill also clarifies that completion of the high school level of a registered apprenticeship is an industry-recognized occupational credential.

### **Current Law:**

#### *Geographic Cost of Education Index/Comparable Wage Index*

Chapter 36 repealed the GCEI funding after fiscal 2023 and established Comparable Wage Index (CWI) funding beginning in fiscal 2024 and increases both State and local funding

for public schools in 11 counties. CWI is calculated by measuring variation in the wages of workers similar to teachers and examining costs outside of a school district's control, and unlike the GCEI, isolates only wage costs.

### *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.

### *Specifications and Approval of Career Ladder Minimum Classroom Time for Teachers*

By July 1, 2024, each local board must implement a specified career ladder. AIB approves the eight-year phase-in of the minimum percentage of worktime that teachers funded through the career ladder program must be devoted to classroom teaching time, as specified by each local board in its career ladder. SBE under current law, specifies how a licensed principal, distinguished principal, assistant principal, lead teacher, distinguished teacher, and professor distinguished teachers may meet classroom time percentages under the career ladder.

### *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, 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. 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.

#### *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 three or four 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.

Beginning in the 2027-2028 school year, under the full-day prekindergarten program, eligible prekindergarten providers must meet high staff qualification, including (1) teachers who, at a minimum, hold (a) State certification for teaching in early childhood education or (b) a bachelor's degree in any field and are pursuing residency through the Maryland Approved Alternative Preparation Program and (2) teaching assistants who have at least (a) a Child Development Associate certificate or (b) an associate's degree.

### *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. 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 three or four years old by September 1 of the next academic year.

### *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.

### *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.

### *Maintenance of Effort and Local Share*

Each year, the county government (including Baltimore City) is required to appropriate funds to the local board of education equivalent to the greater of the maintenance of effort (MOE) requirement or the local share amount of all wealth-equalized formulas. The per-pupil MOE amount is based upon the greater of (1) the prior year full-time equivalent (FTE) enrollment and (2) the three-year moving average of FTE enrollment. The local share amount equals the local share of the foundation formula, compensatory education, English language learner, special education, CWI, full-day prekindergarten, college and career ready, transitional supplemental instruction (through fiscal 2026), and career ladder grant programs. Also, counties that benefit from the compensatory education State funding floor are required to fund the local share of the concentration of poverty grant programs. However, for some counties, the combined local share across these several programs is subject to adjustments described below.

### *Education Effort Adjustment to Local Share Requirement*

Local governments are required to fund the local share of the foundation program and the required local shares for several existing and new funding formula programs. The law also includes a mechanism for establishing a maximum local share that a county must fund each year. This involves “local education effort,” which is determined for each county by dividing the county’s local share of major education aid by the county’s wealth. An “education effort index,” which is the local education effort divided by the “State average education effort,” is then determined. A “maximum local share” is calculated for each county, which is the county’s local wealth multiplied by the State average education effort.

Each county with an education effort above 1.0 for two consecutive years receives relief based upon its “education effort adjustment,” which is the amount by which the calculated local share exceeds the maximum local share. This relief (which results in increases to State aid) is provided to counties within one of three tiers, based on whether the education effort is (1) greater than 1.0 but less than 1.15; (2) at least 1.15 but less than 1.27; or (3) at least 1.27. State relief for the first tier is phased up from 15% of the education effort



adjustment in fiscal 2023 to 50% by fiscal 2030. State relief for the second tier is phased up from 20% of the education effort adjustment in fiscal 2023 to 100% by fiscal 2030. State relief for the third tier is 100% beginning in fiscal 2023. However, the education effort adjustment for a county is only allowed to the degree that per-pupil MOE is met each year.

#### *Additional Reductions to Local Share*

A county may be eligible for a reduction in the required local share of major aid formulas in three additional ways: (1) if a county receives State funds from the Guaranteed Tax Base (GTB) program, the local share may be reduced by the amount of GTB funds, except that for Baltimore City only the amount above \$10.0 million may be reduced from the local share; (2) if a county receives State funds to support the minimum funding floors of 15% for the foundation and 40% for the targeted programs; and (3) if a county has a CWI of at least 0.13, the local share of CWI may be reduced by 50%. However, in all of these cases, the local share may not be reduced below the required per-pupil MOE amount.

#### *Guaranteed Tax Base*

The GTB program is intended to encourage less wealthy jurisdictions to maintain or increase local education tax effort (*i.e.*, local education appropriation as a percent of local tax base). The program provides additional State education aid to counties that have less than 80% of the statewide average wealth per pupil and provide local education funding above the minimum local share required by the foundation program. The program uses local education tax effort and wealth to determine State aid amounts for each eligible school system.

#### **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.

### *Prekindergarten Provisions*

The Prekindergarten Expansion Grant is extended by four years to fiscal 2029, which is assumed to be offset by equivalent reductions in State funding under the full-day prekindergarten funding program. Current law requires the Prekindergarten Expansion Grant to be funded at a level that is at least as much as the prior fiscal year. Thus, it is assumed that the Prekindergarten Expansion Grant is funded at \$26.6 million in each of fiscal 2026 to 2029, and thus State funding under the full-day prekindergarten program is reduced by the same amounts in these years.

Unlike the Prekindergarten Expansion Grant Program, the full-day prekindergarten program entails a local share component. Reduced State funding of the full-day prekindergarten program under the bill will result in reduced local share of major education aid, which in turn will (1) reduce State funding under the education effort adjustment, beginning in fiscal 2026, (2) alter required local effort beginning as early as fiscal 2026, and (3) likely alter State funding and associated local share relief under GTB, as soon as fiscal 2027. While these impacts may be significant, they cannot be reliably estimated.

### *Other Provisions*

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 (DLS) assumes that these costs can be met with existing resources. The bill makes technical changes that improve alignment of cross-references among provisions of current law. DLS finds these changes to be clarifying in nature with no effect on State or local operations or finances.

**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.

State funding of, and local effort on behalf of, public schools will be altered by the offset of full-day prekindergarten State funding assumed to occur as a result of extending Prekindergarten Expansion Grant Program State funding through fiscal 2029. While these impacts may be significant, they cannot be reliably estimated.

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### **Additional Information**

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

**Designated Cross File:** SB 1102 (The President)(By Request - Accountability and Implementation Board) - Education, Energy, and the Environment and Budget and Taxation.

**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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