

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE
Revised

House Bill 825 (Delegates Shriver and Vallario)

Ways and Means

Economic and Environmental Affairs

Juvenile Justice Alternative Education Pilot Program - Suspended and Expelled Students

This bill requires the State Board of Education to establish a Juvenile Justice Alternative Education Pilot Program in a county designated by the State Superintendent of Schools. Except for a student who is adjudicated delinquent and placed in a facility by the juvenile court, a student who is suspended, expelled, or identified as a candidate for suspension or expulsion must attend the program. The local board of education or the Maryland State Department of Education may enter into a partnership with local circuit court judges to oversee the program. The pilot program must promote self-discipline, ensure that the student receives appropriate educational services during the term of the suspension or expulsion, and offer services to facilitate students' transition back to their regular public schools. The State board may select a private agency with at least three years of experience serving suspended and expelled students to administer the program, and the agency must provide proof of student progress in reading and math. The State board must report to the Governor and the General Assembly annually on the implementation of the bill.

The bill is effective July 1, 2001 and sunsets on June 30, 2005.

Fiscal Summary

State Effect: The FY 2002 State budget includes \$500,000 for program start-up costs contingent upon enactment of this bill. Future year expenditures reflect ongoing administration of the program, the opening of the program for the 2002-2003 school year, and contracts for service providers. No effect on revenues.

| (in dollars) | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|----------------|-------------|---------------|---------------|---------------|---------|
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| GF Expenditure | 500,000 | 2,548,000 | 2,370,000 | 2,372,000 | 0 |
| Net Effect | (\$500,000) | (\$2,548,000) | (\$2,370,000) | (\$2,372,000) | \$0 |

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

Local Effect: A county chosen by the State Superintendent of Schools may be required to provide a building for the alternative education pilot program. The county could develop procedures for identifying students to send to the program with existing resources.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Local boards of education are required to provide a continuum model of prevention and intervention activities and programs that encourage and promote positive behavior and reduce disruption. Each local board must develop special programs for students who exhibit disruptive classroom behavior. Two or more local boards may establish special programs for their joint use.

Background: Several alternative education programs have been developed by local school systems. Annapolis Road Middle School, the only alternative school in Maryland funded almost entirely by the State, provides an education program for disruptive students in grades six through eight. The school serves 60 students from six counties (Anne Arundel, Calvert, Charles, Howard, Montgomery, and Prince George's) at an average cost per student of \$23,500 for instruction and \$5,300 for transportation. State funding for this program totals \$1.6 million in fiscal 2002.

State Expenditures: The fiscal 2002 State budget includes \$500,000 in program start-up costs. This includes \$50,000 for personnel, \$4,000 for operating costs, and \$446,000 for capital improvements to upgrade a building that would house the alternative education program. The personnel costs assume that a contractual employee would be hired by January 1, 2002 in order to prepare the program for opening during the 2002-2003 academic year.

Based on experiences with Annapolis Road Middle School, State expenditures would increase by an estimated \$2.5 million in fiscal 2003, when the school opens. This estimate is based on the following assumptions:

- Personnel and operating expenses would continue on an annualized basis.
- The State Board of Education would contract with a private education provider at an estimated cost of \$2.2 million annually, the annual operating costs at Annapolis Road Middle School.
- An additional contract for student transportation would be required at an estimated cost of \$50,000 annually.
- Equipment costs of \$200,000 would be incurred to buy desks, chairs, computers, furniture, textbooks, and instructional materials for the school. In future years, the annual equipment replacement costs are estimated at \$20,000.
- The alternative education program would hold up to 60 students, like Annapolis Road Middle School. If a fewer or greater number of students are anticipated, estimated contract and equipment costs would be adjusted to reflect the changes. Based on the assumption that 90% of suspensions are for five days, 5% are for ten days, 4% are for 30 days, and 1% are for all remaining school days (expulsion), medium to large local school systems may not be able to send all suspended or expelled students to a 60-student program. Accordingly, MSDE would either have to select a smaller local school system or expand the size of the alternative school. **Exhibit 1** shows the number of suspensions in each school system during the 1998-1999 school year.
- The alternative education school would remain under State control through the 2004-2005 school year (fiscal 2005).

| | <u>Fiscal 2002</u> | <u>Fiscal 2003</u> |
|---|--------------------|--------------------|
| Contractual Salary and Fringe Benefits | \$50,000 | \$97,163 |
| Office Equipment and Operating Expenses | 4,000 | 434 |
| Capital Improvements | 446,000 | 0 |
| Educational Service Provider Contract | 0 | 2,200,000 |
| Student Transportation Contract | 0 | 50,000 |
| School Equipment | <u>0</u> | <u>200,000</u> |
| Total State Expenditures | \$500,000 | \$2,547,597 |

Future year expenditures reflect: (1) a full contractual salary with 2.3% annual increases and 3.8% annual employee turnover; (2) 1% annual increases in ongoing operating

expenses; (3) ongoing contractual services of \$2.25 million annually; and (4) school equipment replacement costs of \$20,000 in fiscal 2004 and 2005.

Local Fiscal Effect: A county chosen by the State Superintendent of Schools would be required to send students who are suspended or expelled from local public schools to the alternative education program operated by the State. It is assumed that the selected county could adopt procedures for identifying students for placement in the program with existing resources. It is also assumed that the county could provide an appropriate building to house the alternative school.

Small Business Effect: If small business providers are contracted to operate the alternative education pilot program or to provide student transportation, the businesses would benefit.

Additional Information

Prior Introductions: Similar bills introduced in the 2000 and 1999 sessions as HB 1084 and HB 588 respectively would have required six county school systems to establish alternative education programs. Both bills received unfavorable reports from the House Ways and Means Committee.

Cross File: None.

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

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Exhibit 1
Suspensions from Public Schools
1998-1999 School Year

| School System | Number of Suspensions | School System | Number of Suspensions |
|----------------------|------------------------------|----------------------|------------------------------|
| Allegany | 901 | Harford | 4,772 |
| Anne Arundel | 10,558 | Howard | 2,965 |
| Baltimore City | 18,682 | Kent | 452 |
| Baltimore | 15,000 | Montgomery | 5,976 |
| Calvert | 1,589 | Prince George's | 19,834 |
| Caroline | 1,846 | Queen Anne's | 992 |
| Carroll | 2,448 | St. Mary's | 2,699 |
| Cecil | 4,703 | Somerset | 1,094 |
| Charles | 4,339 | Talbot | 1,318 |
| Dorchester | 1,567 | Washington | 1,291 |
| Frederick | 5,492 | Wicomico | 3,205 |
| Garrett | 364 | Worcester | 977 |

Source: Maryland State Department of Education