

Department of Legislative Services
 Maryland General Assembly
 2011 Session

FISCAL AND POLICY NOTE

Senate Bill 275 (Senator Zirkin)
 Education, Health, and Environmental Affairs

Juvenile Services - Educational Programs - Implementation Date

This bill requires the Maryland State Department of Education (MSDE) to develop and implement juvenile services educational programs for residential facilities of the Department of Juvenile Services (DJS) by July 1, 2012, rather than the current statutory deadline of July 1, 2014. The bill also alters current reporting requirements to reflect the new date of implementation.

Fiscal Summary

State Effect: General fund expenditures increase by at least \$3.6 million in FY 2012 and by \$4.2 million in FY 2013 in order for MSDE to meet the bill’s requirements. Additional expenditures may be needed to improve facilities to accommodate MSDE programs in DJS facilities as required by the bill. Attainment of federal funds is not affected.

(in dollars)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	3,572,800	4,202,100	0	0	0
Net Effect	(\$3,572,800)	(\$4,202,100)	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapter 53 of 2003 was enacted to reform the juvenile services system in Maryland and required MSDE to assume control of educational programming at the Charles H. Hickey, Jr. School. Responsibility for educational programming at residential facilities operated by DJS was expanded under Chapter 535 of 2004, which required MSDE to provide educational services in all of the residential facilities by July 1, 2012. The Budget Reconciliation and Financing Act of 2009 deferred this transfer of responsibility until July 1, 2014.

MSDE currently provides educational services in 6 of the 14 DJS residential facilities (the J. DeWeese Carter Children's Center, the Victor Cullen Center, the Charles H. Hickey, Jr. School, the Lower Eastern Shore Children's Center, the Baltimore City Juvenile Justice Center, and the Western Maryland Children's Center).

Background: Beginning in fiscal 2005, MSDE began to operate educational programs for youth in DJS facilities. MSDE currently operates in 6 of the 14 sites and served nearly 2,800 youth in fiscal 2010. **Exhibit 1** shows MSDE's plan for assuming the remaining eight programs.

Exhibit 1 Transfer of Juvenile Services Educational Programs to MSDE Fiscal 2005-2014

2005	Charles H. Hickey, Jr. School
2006	Lower Eastern Shore Children's Center Baltimore City Juvenile Justice Center
2008	J. DeWeese Carter Children's Center Victor Cullen Center
2011	Western Maryland Children's Center (July 1, 2010)
2012	Alfred D. Noyes Children's Center Thomas J. S. Waxter Children's Center William Donald Schaefer House
2013	Cheltenham Youth Center
2014	Backbone Mountain Youth Camp Green Ridge Youth Camp Meadow Mountain Youth Camp Savage Mountain Youth Camp

MSDE: Maryland State Department of Education
Source: Maryland State Department of Education

The fiscal 2012 State budget bill contains a general fund appropriation of \$8.9 million for MSDE's Juvenile Services Education Program. This appropriation will be reduced by \$0.3 million if legislation is enacted establishing a nonpublic placement program for children with behavioral issues who are in State care.

State Expenditures: According to MSDE, providing education services at DJS facilities requires additional resources compared to an average classroom. According to the department, approximately 50% of the youth served by MSDE's Juvenile Services Education Program require special education instruction and related services, such as counseling. Students typically enter the program with reading and math scores ranging from sixth to eighth grade. Also, MSDE seeks instructors with Advanced Professional Certificates and attempts to have an instructional assistant in each classroom, both of which are not requirements under the DJS program.

In its *Response to Analyst's Review and Recommendations* dated February 10, 2011, MSDE advised that it will not be able to assume all of the remaining eight juvenile services education programs by the end of fiscal 2014 if no additional funding is provided beyond what is in the DJS budget. This conclusion was based on the goal of MSDE to provide services in the eight additional facilities by 2014 that are comparable to what MSDE is currently providing in six DJS facilities. MSDE further advised that based on its understanding of staffing and instructional programs in the remaining eight DJS sites, assumption of these sites without additional resources would undermine MSDE's successful program at its current sites. MSDE further contends that the school facilities at the sites are outdated and inadequate.

This estimate assumes that additional resources will be budgeted in fiscal 2014 to assist MSDE in meeting its current statutory deadline of July 1, 2014.

Staffing

MSDE advises that it will need to employ 142 staff members to comply with the requirements of the bill while providing educational services comparable to what MSDE provides in six of the DJS facilities. These additional personnel include 6 principals/coordinators, 1 assistant principal, 79 teachers, 41 instructional assistants, 13 office secretaries/record clerks, and 2 information technology assistants. Given that the bill requires MSDE's educational programs to be operational by July 1, 2012, MSDE would require additional resources beginning in fiscal 2012. The estimated costs for the additional personnel and resources will total \$8.9 million in fiscal 2012, which reflects a start date of October 1, 2011. However, MSDE expects to receive approximately 78 PINs and the \$7.1 million that is currently budgeted within DJS for educational services in the eight facilities that still receive DJS educational services. However, given

the bill's October 1, 2011 effective date, only \$5.3 million would be transferred to MSDE in fiscal 2012.

As a result, general fund expenditures will increase by \$3.6 million in fiscal 2012, which accounts for the bill's October 1, 2011 effective date and the prorated transfer of funds from DJS to MSDE. This estimate reflects the hiring costs associated with the 64 positions not currently budgeted. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position(s)	64
Salaries and Fringe Benefits	\$8,270,191
Operating Expenses	633,575
Fund Transfer from DJS to MSDE	(5,330,991)
Total FY 2012 State Expenditures	\$3,572,775

General fund expenditures would increase by \$4.2 million in fiscal 2013, which reflects (1) full salaries with 4.4% annual increases; (2) 3% employee turnover; (3) 1% annual increases in ongoing operating expenses; and (4) one full year of the fund transfer.

DLS advises that the effort required for MSDE to be operational in the eight remaining DJS facilities within the nine-month timeframe provided by the bill's effective date would likely require additional resources.

Facilities

MSDE reports that it needs more funds for the programming than does DJS, which has led to the delay in the transfers. A primary reason for the additional cost is that the MSDE programs require more space. Of the eight remaining programs to transfer, MSDE believes that the Cheltenham Youth Facility may have adequate educational space after planned capital improvements are made, but the other facilities need additional space, which can be provided by leasing relocatable classrooms.

Part of the justification for the space requirement is related to the number of hours of instruction provided per day. MSDE provides 6 hours of instruction per day. In the past, DJS provided fewer hours and could use a particular space for two school shifts. However, DJS reports that it currently provides 6 hours of instruction per day at the Schaefer House, 5 hours and 45 minutes at Cheltenham and the Noyes Children's Center, and 5 hours at its other schools. Furthermore, it intends to increase instructional time to 6 hours per day at all of its schools by March 2011. While this additional cost may be mitigated as DJS proceeds with its capital plan to replace aging facilities, the proposed capital budget does not include any funds for this purpose.

Additional Resources

The estimate above does not include any additional classroom materials and resources MSDE would need in order to implement its programs. Technology is an important part of the MSDE programming. MSDE has upgraded computer hardware at all of its sites, and it has installed instructional software at MSDE sites as well as DJS sites. Additional software at MSDE sites include an educational skills inventory and a career interest assessment.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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ncs/kdm

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