

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1273 (Delegate Heller)
Ways & Means Ref. to Economic & Environmental Affairs and Budget & Taxation

Education - Students with Disabilities - Reimbursement and Payment Limitations

This amended bill limits reimbursements to parents or guardians for tuition and other expenses relating to the educational placement of students with disabilities by providing that local boards of education do not have to make such payments if: (1) the parent or guardian fails to provide the local board of education with prior written notice of the decision to reject the public school program; (2) the nonpublic school placement of the student is found inappropriate; or (3) the public school program is found appropriate.

Fiscal Summary

State Effect: Indeterminate but significant decrease in general fund expenditures. No effect on revenues.

Local Effect: Indeterminate but significant decrease in local expenditures. No effect on revenues.

Fiscal Analysis

Background: The costs for special education students placed in nonpublic programs are shared by the State and local governments. The counties are responsible for the local share of the basic costs of educating a non-disabled child plus 200% of the basic costs. Any costs above this base amount are shared between the State and local school systems on an 80% State/20% local basis.

State Effect: Currently, there are no restrictions on reimbursement for tuition and other expenses relating to the educational placement of students with disabilities. For example, a parent or a legal guardian who is dissatisfied with the special education program in a public school can place their child in a private institution and request the State and local

governments to cover the expenses. This bill limits such reimbursements by requiring parents and legal guardians to notify the local school system prior to the child's placement in a private institution. Such notifications increase the likelihood that an administrative law judge or court would deny the nonpublic placement and require the child to be enrolled in a public school program. In addition, the bill prevents the State and the local school system from reimbursing parents for the cost of the private placement when such placements are subsequently found to be inappropriate. This could result in a significant decrease in State and local expenditures, since the nonpublic school placements costs approximately \$16,000 to \$18,000 more per student than a public special education program. The extent of any cost savings would depend upon the number of cases that are denied reimbursements pursuant to this bill.

Local Effect: Local expenditures could decrease by a significant amount depending on the number of cases that are denied reimbursements.

Information Source(s): Maryland State Department of Education, Maryland Association of Boards of Education

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