

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE

House Bill 516 (Delegates Rudolph and Workman)
 Ways and Means

Deaf Students - Access to Out-of-State Specialized Educational Centers

This bill provides that, subject to the approval of the State Superintendent of Schools, a deaf child who resides more than 50 miles from any branch of the Maryland School for the Deaf may attend, as a day student, an out-of-state educational center for the deaf. The Maryland State Department of Education (MSDE) and the local school system are to reimburse the educational center for the cost of the out-of-state placement, up to the per pupil cost of the Maryland School for the Deaf (MSD). If the day placement cost exceeds the per pupil cost of the MSD, the county in which the deaf child resides shall be responsible for any additional costs.

Fiscal Summary

State Effect: Assuming ten placements, general fund expenditures could increase by \$137,900 in FY 1998. Future year expenditures reflect inflation. Revenues would not be affected.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GO Revenues	\$0	\$0	\$0	\$0	\$0
GO Expenditures	137,900	140,600	143,400	146,300	149,200
Net Effect	(\$137,900)	(\$140,600)	(\$143,400)	(\$146,300)	(\$149,200)

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

Local Effect: Local government expenditures could increase by \$232,100 in FY 1998. Revenues would not be affected.

Small Business Effect: None. Small businesses are not directly affected.

Fiscal Analysis

Background: The costs for special education students placed in a non-public program are shared by the State and local government. 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 is shared between the State and local school system on an 80% State/20% local basis. This analysis assumes that the State/local reimbursement rate for out-of-state educational placements of deaf students would be the same as for other non-public placements.

State Expenditures: MSD serves approximately 423 students at two campuses (Frederick and Columbia). The average per student cost totals \$29,373 for day placements and \$40,777 for residential placements. Approximately 90% of the students at MSD reside within 50 miles of either campus. It is assumed that only a few students would request day placements in out-of-state facilities. However, for illustrative purposes, assuming that ten students request day placements in out-of-state facilities at a cost of \$37,000 per student, State/local expenditures could increase by \$370,000. This estimate is based on the following assumptions:

I. Per Student Reimbursement Costs Up to Day Placement Rate at MSD

Day Placement Rate at MSD	\$29,373
300% of Local Basic Costs	<u>\$12,140</u>
Remainder to be Shared:	\$17,233
Local 20%	\$3,447
State 80%	\$13,786
State Share	\$13,786
Local Share	\$15,587

II. Per Student Reimbursement Costs Exceeding the Day Placement Rate at MSD

Local Share (100%)	\$7,627
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III. Total Per Student Program Costs

Total State Share	\$13,786
Total Local Share	<u>\$23,214</u>
TOTAL COST	\$37,000

Accordingly, the State would be responsible for \$137,860, or \$13,786 per student, and local governments would be responsible for \$232,140 or \$23,214 per student. Future year State expenditures could increase to \$140,600 in fiscal 1999 and \$149,000 by fiscal 2002. This estimate assumes a constant number of children in out-of-state placements and a 2% inflation rate for the program's costs.

Local Expenditures: Local government expenditures could increase by \$232,140 in fiscal 1998. This is based on the counties sharing approximately 63% of the cost of sending ten students to out-of-state education centers. In addition, if local governments are responsible for student transportation to and from the centers, local expenditures could increase by an additional \$175,000 or \$17,500 per student. This is based on the fiscal 1996 cost in Cecil County to transport one child to a school for the deaf in Delaware.

Information Source(s): Department of Fiscal Services, Maryland State Department of Education, Maryland School for the Deaf

Fiscal Note History: First Reader - February 18, 1997

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