

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE

House Bill 588 (Delegate Vallario)

Ways and Means

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**Juvenile Justice Alternative Education Programs - Suspended and Expelled Students**

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This bill requires the local boards of education in Baltimore City and Anne Arundel, Baltimore, Montgomery, and Prince George's counties to establish a juvenile justice education program for public school students who are suspended or expelled from school. The Maryland State Department of Education (MSDE) must adopt regulations to implement the program. MSDE must report to the Governor and General Assembly on the implementation of the program.

The bill takes effect October 1, 1999 and sunsets September 30, 2003.

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**Fiscal Summary**

**State Effect:** General fund expenditures could increase by \$4.9 million annually beginning in FY 2002. General fund revenues would not be affected.

**Local Effect:** Local school expenditures could increase by \$83.6 million each year. Revenues would not be affected. **This bill imposes a mandate on a local government unit.**

**Small Business Effect:** None.

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**Fiscal Analysis**

**Background:** The juvenile justice alternative education program must (1) provide programs designed to promote self-discipline and reduce disruptive behavior in the school environment; (2) ensure that a student continues to receive appropriate educational and related services during the term of the suspension or expulsion; and (3) offer services to facilitate a student’s transition back to school. A regional program could be developed for joint use by different school systems.

Several alternative education programs have been developed by local school systems. Annapolis Road Middle School provides an alternative education program for disruptive students in grades 6 through 8. The school serves 60 students in 6 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.

**Local Effect:** Establishing a juvenile justice education program for all public school students in Baltimore City and Anne Arundel, Baltimore, Prince George’s, and Montgomery counties who are suspended or expelled from school would cost approximately \$83.6 million each year. The program must accommodate students serving both an extended suspension or expulsion and a short-term suspension. During the 1997-98 school year, local boards in the five counties suspended 65,000 non-disabled students, of whom 5,000 involved a suspension of 10 or more days. Over 90% of the suspensions were for less than 10 days. Accordingly, most of the students served under this alternative program would return to their traditional public school within a week of entering the program.

For purposes of this fiscal note, it is assumed that 90% of the suspensions are for five days, 5% are for 10 days, 4% are for 30 days, and 1% are for the entire year (expulsion). To accommodate these students, the alternative program must have at least 2,900 slots. Based on the average per pupil cost at the Annapolis Roads Middle School, local instructional expenditures could increase by \$68.2 million and student transportation costs could increase by \$15.4 million. Approximately \$39 million of the local instructional expenditures are for teachers’ salaries. In sum, local school expenditures could increase by \$83.6 million each year. The potential impact on each school system is illustrated in the following table.

<u>County</u>	<u>Suspensions and Expulsions</u>	<u>Percent of Total</u>	<u>Estimated Share of Program Costs</u>
Anne Arundel	8,316	13%	\$10.9 million
Baltimore City	20,388	31%	\$25.9 million

Baltimore	13,566	21%	\$17.6 million
Montgomery	4,501	7%	\$5.8 million
Prince George's	18,355	28%	\$23.4 million
Total	65,126	100%	\$83.6 million

**State Effect:** The State is responsible for paying the teachers' retirement costs for certain school employees. Based on an additional \$39 million teacher salary base and a 12.54% employer contribution rate, State expenditures would increase by \$4.9 million each year. Since the State payments for teachers' retirement costs are based on the teachers' salary base in the second prior year, State expenditures will not increase until fiscal 2002.

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

**Fiscal Note History:** First Reader - March 12, 1999

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