

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE
 Revised

Senate Bill 698 (Senator Pinsky)

Economic and Environmental Affairs

Education - Suspension and Expulsion - Behavioral or Mental Health Assessment

This bill requires a county school superintendent to refer a student who has been suspended for more than ten days or expelled from school for a behavioral or mental health assessment, including psychological testing, by a licensed clinical social worker, psychologist, nurse psychotherapist, or psychiatrist. The assessment must address the underlying behavioral cause for the suspension or expulsion, recommend a specific behavioral intervention or treatment plan for the student, and identify undiagnosed mental health, learning, or emotional problems. The superintendent must obtain parental approval for the assessment and the parent must be allowed to participate in the assessment process and receive a copy of the completed assessment. Local boards of education must develop an incentive program that reduces the length of a suspension or expulsion for a student who obtains an assessment and follows its recommendation. Local school systems are not required to pay the costs of an assessment or a recommended intervention or treatment plan.

This bill takes effect July 1, 1999.

Fiscal Summary

State Effect: General fund expenditures would increase by \$40,300 in FY 2000. Future year expenditures reflect inflation and the elimination of one-time start-up costs. Revenues would not be affected.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	40,300	33,900	35,100	36,400	37,800
Net Effect	(\$40,300)	(\$33,900)	(\$35,100)	(\$36,400)	(\$37,800)

Note: () = decrease; GF = general funds

Local Effect: None.

Small Business Effect: Meaningful.

Fiscal Analysis

Background: During the 1997-98 school year, local boards suspended 123,000 students, of which 7,800 involved a suspension of ten or more days. It is thus estimated that 7,800 students would be referred for a behavioral or mental health assessment during the 1999-00 school year pursuant to this bill.

State Effect: General fund expenditures could increase by an estimated \$40,300 in fiscal 2000, which accounts for a 90-day start-up delay. This estimate reflects the cost of hiring one administrative specialist to coordinate the data collection and local reporting requirements and train local school officials on the reporting requirements. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$25,200
One-time Start-up Costs for Data Collection Systems	15,000
Operating Expenses	<u>100</u>
Total FY 2000 State Expenditures	\$40,300

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) elimination of one-time start-up costs.

Small Business Effect: Private mental health providers in the State would realize an increase in business due to the required assessment of suspended students. Approximately 7,800 students would undergo an assessment each year assuming parents submit and pay for the assessments. Psychological and psychiatric assessors usually charge between \$95 and \$140 an hour for assessments with the average assessment lasting between four and ten hours. The final fee can be higher for a bilingual evaluation. Neuropsychological assessments related to behavior and learning usually cost between \$1,100 and \$1,400. Based on an average cost of \$500 per assessment, private mental health providers would realize a \$3.9 million increase in revenue.

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

Fiscal Note History:

First Reader - March 12, 1999

lnc/jr

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