

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 535 (Delegates Shriver and Klausmeier)

Ways and Means

Education - Alternative Learning Program

This bill enables a local school system to use the State and local share of basic current expense funding to pay for the placement of a student in an alternative learning program. In addition, the bill requires local boards of education to provide a student who attends an alternative learning program and who satisfies State and local graduation requirements with a Maryland high school diploma issued by the public secondary school in which the student is enrolled. Local boards of education cannot place more than 1% of the school system's high school enrollment at an alternative learning program in a school year. The State School Superintendent may waive the enrollment limitation upon written request of a county superintendent.

This bill takes effect July 1, 2000, and sunsets June 30, 2003.

Fiscal Summary

State Effect: To the extent that enabling at-risk students to attend an alternative learning program reduces the number of high school dropouts, general fund expenditures could increase. State aid under the basic current expense formula will total approximately \$2,100 per student in FY 2002.

Local Effect: Local school expenditures could increase by \$2,000 beginning in FY 2002 for each student who attends an alternative learning program and does not drop out of school. The fiscal impact on local school systems is assumed to be minimal.

Small Business Effect: None.

Analysis

Background: Approximately 10,200 students in Maryland dropped out of high school during the 1998-1999 school year, including 900 students who were expelled. According to the Maryland School Performance Report, the State high school drop-out rate in 1999 totaled 4.2%, ranging from less than 2% in Montgomery County to almost 11% in Baltimore City. In the last seven years, the State's high school drop-out rate reached a high of 5.4% in 1993 and a low of 4.1% in 1998. In Baltimore City, the high school drop-out rate reached a high of 18.5% in 1993 and a low of 10.2% in 1998. Lack of interest and academics were the reported reasons given by 65% of the students who dropped out of high school in 1999. Student expulsions accounted for 8% and employment accounted for 5%. The whereabouts of 16% of the students who dropped out of high school is not known by school officials.

State Fiscal Effect: During the 1998-1999 school year, approximately 4.2% of students enrolled in grades 9 through 12 dropped out of school. Enabling at-risk students to attend an alternative program could reduce the number of high school dropouts. To the extent that enabling certain at-risk students to attend an alternative learning program reduces the number of high school drop-outs, general fund expenditures could increase beginning in fiscal 2002. The potential increase is due to additional students being included in the student enrollment count. State aid under the basic current expense formula will total approximately \$2,100 per student in fiscal 2002. The potential increase in State expenditures is assumed to be minimal.

Additional Information

Prior Introductions: A similar bill was introduced in the 1999 session as HB 1174. The bill was referred to the House Ways and Means Committee where no action was taken on the bill.

Cross File: None.

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

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