

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

Senate Bill 171 (Senator Kelley, *et al.*)
Economic and Environmental Affairs

Education - Children in Out-of-County Living Arrangements - Kinship Care

This bill requires a county school superintendent to allow a student whose parent or guardian resides in another school district to attend the local public school system if the student is living with a relative within the school district due to a serious family hardship. The student's relative must sign a sworn affidavit that includes the student's old and new addresses and defines the family hardship. The affidavit must be filed annually, and if a change in the care of the student occurs, the relative must notify the local school system in writing within 30 days of the change. Unless a court appoints a different guardian for the student, the student's relative shall make educational and health care decisions for the student and the relative has the authority to apply for entitlements on the student's behalf. The bill also allows the county receiving the student to collect payments from the county transferring the student.

The bill is effective July 1, 2001.

Fiscal Summary

State Effect: State aid through the out-of-county living arrangement program could increase significantly. Depending on the migration of students among school systems, State aid through the student transportation formula could be affected.

Local Effect: The bill could have a significant impact on the distribution of several State aid programs, depending on the migration of students. *This bill imposes a mandate on a unit of local government.*

Small Business Effect: None.

Analysis

Current Law: A student may not attend a public school in a county where the student's parent or legal guardian does not reside. A county school superintendent, upon request and in accordance with the policies of the local board of education, may make an exception to this rule.

The out-of-county living arrangement program provides for the transfer of local education funds when a student is a resident of one county but attends school in another. The program only applies to students who are placed outside of the student's county by a State agency, a licensed child placement agency, or a court. Under the program, counties "sending" students to a different county must pay to the "receiving" county the lesser of the two counties' local per pupil expenses. If the local per pupil expenses is greater in the receiving county, the State pays the receiving county the difference. If a receiving county determines that a student living in an out-of-county arrangement is disabled and in need of intensity IV or V special education services, the sending county must pay three times the lesser local per pupil expenses.

Background: The bill defines a serious family hardship as a serious illness, drug addiction, incarceration, or abandonment by the student's parent or legal guardian. It is assumed that a disproportionate number of students changing school systems due to the bill's provisions would be from Baltimore City. For example, it has been estimated that there are between 50,000 and 60,000 drug addicts in Baltimore City.

The Governor's proposed fiscal 2002 budget includes \$6 million for the out-of-county living arrangements program. This is based on an estimated 2,095 children placed outside their home county.

State Fiscal Effect: Each student transferring to a county that spends more local funds per pupil than the county in which the student's parent or guardian resides would cost the State additional money. It is not known how many students would change school systems under the bill's provisions. It is assumed, however, that a substantial portion of the students would be from Baltimore City, the school district with the second lowest local current expenses per pupil. The fiscal 1999 local current expenses per pupil are shown in **Exhibit 1**.

By way of example, if a student whose parent or guardian resides in Baltimore City moves to Baltimore County to live with a relative because of a serious family hardship, Baltimore City would pay Baltimore County \$2,054 (Baltimore City's local per pupil expenses) and the State would pay Baltimore County \$2,403 (the difference between Baltimore County's local per pupil expenses and Baltimore City's local per pupil expenses). If a student transfers from Baltimore County to Baltimore City, Baltimore

County would pay Baltimore City \$2,054, and the State would not be required to pay either school system.

Through the student transportation funding formula, school systems with increasing enrollments receive additional funding (\$147 per student in fiscal 2002), while school systems with declining enrollments do not lose formula funding. Therefore, for every student who moves from a system with a decreasing enrollment count to a system with an increasing enrollment count, the State would contribute additional funding through the student transportation formula. Students transferring from school systems with increasing enrollments to school systems with decreasing enrollments would reduce State funding through the formula. Exhibit 1 shows the changes in local full-time equivalent (FTE) student enrollment from fiscal 2000 to fiscal 2001.

Local Fiscal Effect: Depending on the movement of students among school systems, this legislation could affect local education aid under several State aid programs including current expense, compensatory aid, special education, targeted improvement grants, and student transportation. Local distributions through the current expense formula would be affected by changing enrollments and by the relative change in per pupil wealth among the school systems. The compensatory aid program, special education, and targeted improvement grants would be affected by changes in relative per pupil wealth among the local school systems. Local student transportation funding would be affected by an increase in FTE student enrollment.

The actual effects on individual school systems cannot be reliably estimated at this time.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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Analysis by: Mark W. Collins

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510

Exhibit 1
Local Current Expenses Per Pupil, FY 2000
and Enrollment Changes, FY 2000 to FY 2001

School System	Local Current Expenses Per Pupil FY 1999	FTE Enrollment Change FY 2000 to FY 2001
Allegany	\$2,149	-235.75
Anne Arundel	4,084	-133.50
Baltimore City	2,054	-2,705.50
Baltimore	4,457	544.75
Calvert	3,775	376.00
Caroline	2,015	-58.50
Carroll	3,416	17.00
Cecil	2,922	211.00
Charles	3,316	688.75
Dorchester	2,719	-173.75
Frederick	3,396	814.50
Garrett	2,587	-7.75
Harford	3,100	182.25
Howard	4,968	1,310.00
Kent	4,172	-53.50
Montgomery	6,792	3,092.00
Prince George's	3,452	1,917.75
Queen Anne's	4,040	138.50
St. Mary's	3,138	139.50
Somerset	2,689	-50.75
Talbot	4,689	-18.75
Washington	2,951	4.75
Wicomico	2,696	-60.75
Worcester	5,562	-54.50

Source: Maryland State Department of Education

