

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

House Bill 1252

(Delegate Campbell)

Ways and Means

**Educational Placement for Handicapped Children - Required Agency Response
to Parent's Mediation or Hearing Request**

This bill requires public education agencies to respond in writing within seven business days to a request by a disabled child's parent or guardian to initiate mediation or an administrative hearing on the identification, evaluation, or educational placement of the child. A response must include any defenses that the education agency will raise, a response to the factual allegations made in the mediation or hearing request, and any proposed resolution to the issues raised in the request. The State Board of Education must develop a model form to assist public education agencies in responding to requests. If the request is for a hearing, the public education agency must forward the request to the Office of Administrative Hearings.

Fiscal Summary

State Effect: Increase in expenditures for the Office of Administrative Hearings, depending on the number of formal administrative hearings. The State Board of Education could develop a request response form with existing resources.

Local Effect: Local school expenditures for additional staff or attorney fees would increase. In addition, settlement costs could increase due to an increase in formal hearings and due to the requirement that all intended defenses be identified within seven business days.

Small Business Effect: None.

Analysis

Current Law: If a parent or guardian seeks a review of the decision of a public education agency concerning the identification, evaluation, or educational placement of a disabled child or the provision of a free appropriate public education for the child, any party may request mediation. The parent or guardian may also make a written request to the Office of Administrative Hearings for a hearing before an impartial administrative law judge on the dispute. There is no established time frame in which public education agencies must respond to requests for mediation or hearings, and there is no established format that the responses must take.

State Fiscal Effect: If public education agencies are asked to prepare defenses ahead of time, as required by the bill, the Maryland State Department of Education (MSDE) and the Office of Administrative Hearings advise that there may be less incentive to resolve disputes informally. Therefore, the number of formal hearings tried by administrative law judges could increase. The total cost of mediation for all parties is estimated at \$1,000 while the cost of a formal hearing is estimated at \$10,000. Under current law, MSDE advises that 78% of requests are settled informally and 22% result in administrative hearings. The increase in the number of formal due process hearings cannot be reliably estimated at this time.

Local Fiscal Effect: Local boards of education would incur increased administrative costs to respond more completely and more rapidly to all mediation requests. Under current law, although some form of response is prepared quickly, responses do not include formal defenses. Most requests are settled informally and do not ever result in the development of formal defenses. The Maryland Association of Boards of Education (MABE) advises that the bill could require larger school systems to hire two additional paralegal staff members at an estimated cost of \$50,000 per paralegal for salary and fringe benefits. Smaller jurisdictions would probably require just one additional staff member.

Another increased expense for local boards of education could be legal settlement costs resulting from fewer informal settlements. Administrative hearings are generally more costly for local boards than mediation.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education, Maryland Association of Boards of Education, Office of Administrative Hearings, Department of Legislative Services

Fiscal Note History: First Reader – March 13,. 2001
ncs/hlb

Analysis by: Mark W. Collins

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