

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE
Revised

House Bill 1221

(Delegate Shriver)

Ways and Means

Education, Health, and Environmental Affairs

Education - Disabled Children - Nonpublic Educational Programs and Related Services

This bill makes a disabled child eligible for a nonpublic educational placement if the child cannot attend a public school in the local school system due to the child's home circumstances or because of medical necessity. The State and local school system are required to pay the cost for wraparound services for a child who qualifies for a nonpublic educational program if the child's parent or local guardian is unable to provide those services. State and local payments under this provision are not required if the child is eligible for funding under the out-of-state placement program or if alternative federal, State, or local funding is available.

The bill also alters the funding for transportation costs of disabled students in nonpublic placements by requiring the local management board to certify and pay the cost of the student's daily or other reasonable transportation to school, if the local management board funds the placement of a child in a school that is outside the State or the county in which the child resides without consulting the local school system.

The bill takes effect July 1, 2002.

Fiscal Summary

State Effect: General fund expenditures could increase by \$369,600 in FY 2003. Future year expenditures reflect a constant number of students and inflation.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	369,600	384,400	399,800	415,700	432,400
Net Effect	(\$369,600)	(\$384,400)	(\$399,800)	(\$415,700)	(\$432,400)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local school expenditures could increase by \$92,400 in FY 2003. Revenues would not be affected.

Small Business Effect: None.

Analysis

Current Law: A child with a disability who needs special education and related services must be placed in an appropriate nonpublic education program if a public program cannot provide the appropriate services.

Local school systems are responsible for providing and arranging transportation for disabled students. The local school system of the county in which the disabled child resides must certify and pay the cost of the child's daily or other reasonable transportation to school if the school is outside the State or the county in which the child resides, and State aid has provided for the education of the child.

Background: The costs for special education students placed in nonpublic programs are shared by the State and local governments. The counties are responsible for the local share of the basic costs of educating a non-disabled child plus 200% of the basic costs. Any costs above this base amount are shared between the State and local school systems on an 80% State/20% local basis.

State and Local Fiscal Effect: Wraparound services means individualized services that are provided to a disabled child and the child's family. These services include behavioral aides in the home, education tutoring, family therapy, medication management, respite care, vocational mentoring, and environmental accessibility adaptations.

It is estimated that approximately 21 children statewide would require additional wraparound services pursuant to this bill. The average annual cost for these services totals approximately \$22,000 per child. The State will cover about 80% of the costs and local school systems will cover the remaining 20%. Based on this estimate, State expenditures would increase by \$369,600 in fiscal 2003 and local school system expenditures would increase by \$92,400 in fiscal 2003. The bill states that it is the intent of the General Assembly that the Governor include at least \$250,000 in the fiscal 2003 State budget to fund the bill's provisions.

This estimate is based on information obtained from the local management boards in Baltimore City and Montgomery County on the children who would potentially meet the criteria for the wraparound services. Five children in Baltimore City and two children in Montgomery County may be eligible for additional wraparound services. **Exhibit 1** shows the projected costs of these services in Baltimore City and Montgomery County. It is assumed that an additional two children each in Anne Arundel, Baltimore, Howard,

and Prince George's counties would receive additional wraparound services and six children in other local school systems would receive services. Future year expenditures reflect a 4% inflation rate.

The Department of Legislative Services advises that if additional students are identified for wraparound services, State expenditures could increase significantly. It is estimated that for each child served, State expenditures would increase by at least \$17,600.

**Exhibit 1
Potential Cost for Wraparound Services**

Baltimore City		Montgomery County	
<u>Student Number</u>	<u>Wraparound Costs</u>	<u>Student Number</u>	<u>Wraparound Costs</u>
1	\$8,500	1	\$34,372
2	28,500	2	21,873
3	24,700		
4	9,000		
5	26,980		
Total	\$97,680	Total	\$56,245

In addition, local school expenditures for transporting students with disabilities could decrease if the local management board places a child in a nonpublic placement without consulting the local school system.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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