

**Department of Legislative Services**

Maryland General Assembly

2002 Session

**FISCAL NOTE**

House Bill 78

(Delegate Brown)

Judiciary

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**Education - Child from Out of State Placed for Adoption - Liability for Costs**

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This bill provides that an out-of-state agency that arranges for a child's placement for adoption in Maryland is not responsible for paying the educational costs associated with the child. In addition, the family or individual with whom the child has been placed is also not responsible for paying these costs.

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**Fiscal Summary**

**State Effect:** None. State education aid to local school systems would not be affected.

**Local Effect:** Local school revenues from tuition reimbursements by out-of-state agencies could decrease. Local school expenditures would not be affected.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Out-of-state agencies that place a child in a foster care home or residential facility in Maryland are required to pay the educational costs associated with the child. This provision has enabled local school systems to charge tuition to out-of-state agencies for a child being placed in an adoptive home in Maryland even though the prospective parents intend to adopt the child and are county taxpayers.

**Background:** Many local school systems charge tuition to out-of-state agencies that arrange for a child's placement for adoption in Maryland. In many situations, when an out-of-state agency places a child into an adoptive home in Maryland, the adoption

arrangement is not finalized for another 6 to 12 months. The delay in finalizing the adoption arrangement is necessary for the out-of-state agency to ensure that the adoptive home meets safety standards and that the necessary financial and medical resources are available to the adoptive child. During this time, the adoptive home is technically considered a foster care home. Even though the purpose of the child's placement is for adoption and the family with whom the child has been placed is a county taxpayer, under Maryland law, a local school system can charge tuition to the out-of-state agency for the educational costs associated with that child. However, if the adoption arrangement was finalized prior to the child's entry into the State and the adoptive home was not considered a foster care home, the out-of-state agencies would not have to pay any tuition costs.

The State of Oregon has discontinued placing children from that state into adoptive homes in Maryland. The State of Oregon has randomly been required to pay tuition cost for children being placed in both Montgomery and Baltimore counties. Tuition costs have exceeded \$13,000 per child. Oregon state officials report that eight children were denied entry into the Montgomery and Baltimore County Public School Systems until the State of Oregon or the adoptive family paid the respective county tuition. State officials report that there have been adoptive placements in these counties where tuition payments were not required. Many other local school systems have not charged the State of Oregon for tuition. Likewise, in cases where the State of Maryland places children in adoptive homes in Oregon, the State of Oregon does not charge Maryland tuition for the child's public school education prior to the finalization of the adoption.

**Local Fiscal Effect:** Local school systems that charge out-of-state agencies or adoptive families tuition could realize a reduction in local school revenues. The Department of Human Resources reports that approximately 100 out-of-state adoption placements occur each year. Assuming each local school system charges tuition for the adoption placements, local revenues could decrease by a maximum of \$840,000. This is based on an average per pupil cost of \$8,400. However, since many local school systems do not charge tuition to out-of-state agencies in adoption cases, the actual impact should be considerably lower. In fiscal 2002, local school systems received \$6.4 billion from the State and local governments.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Human Resources, Maryland Association of Boards of Education, Maryland State Department of Education, Department of Legislative Services

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