

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE

House Bill 526 (Delegate Zirkin, *et al.*)
 Ways and Means

Department of Juvenile Justice - Group Home Education Pilot Program

This bill requires the Department of Juvenile Justice (DJJ), in cooperation with the Maryland State Department of Education (MSDE), to establish a Group Home Education Pilot Program in at least 20 group homes that accept children committed to the custody of DJJ. The program will provide year-round on-site educational instruction by certified teachers. Teachers must develop an individualized plan of education for every student in the pilot program except students with disabilities who already have individualized education programs (IEPs). Teachers must also provide a monthly report on each child's progress to parents, the juvenile court, and DJJ. DJJ and MSDE must report to the General Assembly on the implementation of the bill by September 30, 2005.

The bill sunsets September 30, 2006.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$2.7 million in FY 2004 to begin implementing the pilot programs in 20 group homes. Future year expenditures reflect annualization, inflation, and the September 30, 2006 termination date. Revenues would not be affected.

(\$ in millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2.7	3.6	3.6	.9	0
Net Effect	(\$2.7)	(\$3.6)	(\$3.6)	(\$.9)	\$0

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

Local Effect: Local school expenditures that are devoted to serving students in the group homes chosen to participate in the pilot program could be diverted to other initiatives.

Small Business Effect: Minimal.

Analysis

Current Law: In general, a child who has been committed to a group home by DJJ attends the public school that serves the group home's region.

Background: A September 2000 Executive Order established the Task Force to Study the Licensing and Monitoring of Community-Based Homes for Children. The task force met from February to September 2001 and held two public hearings for citizens to voice their concerns about group homes. One of the issues addressed by citizens was the adverse impact that group homes have on local schools and community resources. Although the task force acknowledged that this particular recommendation was outside of its charge, the task force suggested in its final report that further study be conducted to assess the effect that group home placements have on local schools. The final report also recommended:

- strengthening the regulations surrounding the licensing and monitoring of community-based homes;
- requiring group home administrators to be certified;
- improving training for case workers who work with children placed in community-based homes; and
- providing additional funding for State licensing and monitoring operations.

State Expenditures: General fund expenditures would increase by an estimated \$2.7 million in fiscal 2004, which accounts for the bill's October 1, 2003 effective date. This estimate reflects annualized costs of approximately \$175,000 for each pilot program, and the cost to hire one education specialist at MSDE to manage and oversee the programs. The estimate reflects the following information and assumptions.

- There would be an average of five group home residents in each of the 20 pilot locations.
- COMAR regulations require every school to employ an administrative head; therefore, every pilot program would need an administrator to work in the group home.

- Each pilot program would also include one full-time teacher and one half-time instructional assistant.
- Additional funding would be needed for computers, textbooks, special education services, and other instructional supplies.

	<u>FY 2004</u>	<u>FY 2005</u>
Group Home Pilot Programs	\$2,625,000	\$3,535,000
MSDE Costs	<u>57,295</u>	<u>71,779</u>
Total FY 2004 State Expenditures	\$2,682,295	\$3,606,779

Future year expenditures reflect: (1) annualized pilot program costs of approximately \$3.5 million plus 1% inflation; (2) a full salary for the MSDE education specialist, including 4.5% annual increases and 3% employee turnover; (3) 1% annual increases in ongoing operating expenses; and (4) the termination of the program after September 2006.

Local Expenditures: On average, local school systems are spending approximately \$8,800 per pupil in fiscal 2003, including an estimated \$4,715 that comes from local sources. If 100 students are removed from the local school systems for three years and placed in State-operated pilot educational programs, local school expenditures could decrease or existing school resources could be diverted to other students or initiatives.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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ncs/hlb

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