

**Department of Legislative Services**  
Maryland General Assembly  
2004 Session

**FISCAL AND POLICY NOTE**

Senate Bill 766 (Senator Giannetti)  
Education, Health, and Environmental Affairs

**Department of Juvenile Services - Enhancement of Programs**

This bill establishes an education department within the Department of Juvenile Services (DJS) that will provide services to each child under the jurisdiction of DJS. The DJS education department includes a board of education and a superintendent. Each facility established and operated by DJS is required to have an education center that provides year-round schooling. In addition, local jurisdictions must pay the local per pupil appropriation to the DJS education department for each child from the jurisdiction who was placed into an out-of-home placement with DJS the prior year.

The bill takes effect June 1, 2004.

**Fiscal Summary**

**State Effect:** Special fund revenues from the collection of local current expenses per pupil would increase by an estimated \$8.0 million in FY 2005. Future year revenue estimates reflect projected increases in local education spending. A DJS education department that only serves children in DJS-run facilities could be established with existing resources and new special fund revenues. An education department that provides services to all children under DJS supervision would increase general fund expenditures by an estimated \$50 million or more.

(\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
SF Revenue	\$8.0	\$8.2	\$8.5	\$8.7	\$9.0
GF Expenditure	-	-	-	-	-
SF Expenditure	8.0	8.2	8.5	8.7	9.0
Net Effect	\$0	\$0	\$0	\$0	\$0

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

**Local Effect:** Local expenditures would increase by an estimated \$8.0 million in FY 2005 and by an estimated \$9.0 million in FY 2009 to provide payments to the DJS education department.

**Small Business Effect:** Minimal.

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## Analysis

**Bill Summary:** The DJS Board of Education consists of five members jointly appointed by the Secretary of Juvenile Services and the Governor from a list of qualified individuals submitted by the State Board of Education. Members serve three-year terms and may not serve more than two consecutive terms. With the approval of the Governor, the Secretary of Juvenile Services may remove a board member for immorality, misconduct in office, incompetency, willful neglect of duty, or failure to attend meetings. Members are not compensated.

The DJS Board of Education sets bylaws, rules, and regulations for the DJS education department, and the DJS superintendent must establish curriculum guides and courses of study for the education centers. Each child in the custody of DJS must be assessed to determine the child's educational needs, and a personal education plan must be prepared for each child.

**Current Law:** Facilities operated by DJS must provide educational programs that are designed to meet the particular needs of their populations.

**Background:** In response to reform initiatives proposed by the Governor, Chapter 53 of 2003 requires the Maryland State Department of Education (MSDE) to assume control of the educational programs at Hickey on July 1, 2004 if funding for the takeover is provided in the State budget. The proposed fiscal 2005 State budget includes \$10.1 million for the initiative. The Governor's proposed DJS reforms, released during his gubernatorial campaign, suggested that MSDE provide educational services at all State-operated juvenile detention centers and commitment facilities in the coming years.

**State Fiscal Effect:** *DJS has not responded to requests for fiscal information on the bill. If DJS provides relevant information by which cost estimates can be made, a revised fiscal note will be prepared.*

Special fund revenues that would be generated from local payments of per pupil current expenses are estimated at \$8.0 million in fiscal 2005. This estimate is based on the projected average daily population of 2,000 in DJS committed placements and applicable local appropriations that would average approximately \$4,000 per pupil. Revenues

would increase in future years as local jurisdictions increase per pupil appropriations. Assuming 3% annual growth in per pupil appropriations, revenues would be approximately \$9.0 million by fiscal 2009.

If the bill only requires the DJS education department to provide educational services to children in facilities operated by DJS, the bill could be accomplished with existing resources and the additional special fund revenues from local jurisdictions. All DJS facilities already include education centers, and DJS has central office education personnel who could be reassigned to the newly-established DJS education department. The special fund revenues would allow DJS to enhance existing education programs.

If the bill requires the DJS education department to provide services to all children under the supervision of DJS, this could include children in DJS contracted facilities, children on probation, and children on aftercare supervision. This would require a substantial expansion of existing programs. Not including children on informal supervision, as many as 12,500 children would be served by the DJS education department at any one time. The DJS education department would be responsible for nearly as many students as the Wicomico County Public School System, which budgeted for approximately \$120 million in operating revenues in fiscal 2004. The total cost of the new department would be offset by existing expenditures for DJS education programs, the \$10 million budgeted for MSDE to assume control of Hickey School educational programs, and revenues derived from charging local jurisdictions for children sent to out-of-home placements. However, general fund expenditures would increase by an estimated \$50 million to \$75 million to expand the DJS education department to this level exclusive of any capital costs.

The DJS Board of Education could be appointed with existing resources and would serve without compensation.

**Local Expenditures:** Each local jurisdiction would be required to pay the local current expenses per pupil to the DJS education department for each child who is placed into an out-of-home placement with DJS during the prior year. Using an estimate of \$4,000 per pupil, local jurisdictions would pay an estimated \$8.0 million to the newly-established education department in fiscal 2005. Assuming 3% annual increases in per pupil appropriations, this amount would escalate to approximately \$9.0 million by fiscal 2009.

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### **Additional Information**

**Prior Introductions:** None. In 2001, HB 532 would have required MSDE to take over the education programs at all facilities operated by the Department of Juvenile Justice. The bill was not reported out of the House Committee on Ways and Means.

**Cross File:** HB 1139 (Delegate Zirkin, *et al.*) – Ways and Means.

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

**Fiscal Note History:** First Reader - March 16, 2004  
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