

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 158 (Chairman, Ways and Means Committee)
 (By Request – Departmental – Education)

Ways and Means

Budget and Taxation

Education - Disabled Student Transportation Grant

This departmental bill bases disabled student transportation grants on more recent counts of students who receive special transportation services. Instead of basing the grants on counts from the second prior fiscal year, counts from the previous fiscal year would be used beginning in fiscal 2006.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: General fund expenditures would decrease by an estimated \$57,600 in FY 2006. Future year expenditure decreases reflect the projected decline in the number of disabled students in need of special transportation services. Revenues would not be affected.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	(57,600)	(59,400)	(154,000)	(129,000)
Net Effect	\$0	\$57,600	\$59,400	\$154,000	\$129,000

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

Local Effect: Aggregate school revenues would decrease by an estimated \$57,600 in FY 2006 and by an estimated \$129,000 in FY 2009. The impacts on local school systems would vary.

Small Business Effect: The Maryland State Department of Education (MSDE) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: The State distributes a disabled student transportation grant to each of the 24 local boards of education annually. To calculate the amount of the grant, the number of disabled students in need of special transportation services in the second prior fiscal year is multiplied by a per pupil amount. The per pupil amount is \$600 in fiscal 2004, \$700 in fiscal 2005, \$800 in fiscal 2006, \$900 in fiscal 2007, and \$1,000 in fiscal 2008 and each fiscal year thereafter.

Background: One of the changes made in the Bridge to Excellence in Public Schools Act of 2002 was to require the use of more recent enrollment data in the calculation of State aid. As a result of the legislation, formulas based on enrollments of at-risk students (*i.e.*, students eligible for free and reduced price meals, special education students, and students with limited English proficiency) use counts from the prior fiscal year instead of the second prior year. The Act, however, failed to alter the timing of enrollment counts for the disabled student transportation grant. The Enrollment Committee, which was established by the Bridge to Excellence Act and charged with examining issues relating to student enrollment counts, noticed the oversight and recommended that, for the sake of uniformity, disabled student transportation grants use a prior year student count like other State aid formulas.

State Expenditures: General fund expenditures for disabled student transportation grants would decrease by an estimated \$57,600 in fiscal 2006. The estimated decreases are entirely due to projected declines in the statewide enrollment of students in need of special transportation services. **Exhibit 1** shows the projected number of disabled students transported in this school year and for the next four years.

Exhibit 1
Projected Number of Students In Need of Special Transportation Services
2003 to 2007

	<u>Sept 03</u>	<u>Sept 04</u>	<u>Sept 05</u>	<u>Sept 06</u>	<u>Sept 07</u>
Disabled Students	29,423	29,351	29,285	29,131	29,002

Local Fiscal Effect: Overall funding for local school systems through disabled student transportation grants could decrease from fiscal 2006 to 2009. However, the impacts on individual counties would vary. In general, counties with increasing enrollments would receive slightly larger annual grants, and counties with declining enrollments would receive slightly smaller annual grants. The projected impact on each county is shown in **Exhibit 2**.

Exhibit 2
Estimated Impact of HB 158
Fiscal 2006 to 2009

<u>County</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Allegany	(\$3,200)	(\$1,800)	(\$5,000)	(\$5,000)
Anne Arundel	(10,400)	(12,600)	(7,000)	(12,000)
Baltimore City	(99,200)	(93,600)	(126,000)	(101,000)
Baltimore	(8,800)	(3,600)	(22,000)	(31,000)
Calvert	4,000	4,500	3,000	1,000
Caroline	(800)	0	(1,000)	(1,000)
Carroll	2,400	2,700	0	2,000
Cecil	2,400	0	2,000	2,000
Charles	4,000	6,300	4,000	4,000
Dorchester	(800)	(900)	(1,000)	(1,000)
Frederick	4,800	7,200	8,000	11,000
Garrett	0	(900)	(1,000)	(1,000)
Harford	(3,200)	(4,500)	(5,000)	(8,000)
Howard	12,000	13,500	11,000	11,000
Kent	0	0	(2,000)	(1,000)
Montgomery	25,600	21,600	19,000	19,000
Prince George's	11,200	3,600	(29,000)	(17,000)
Queen Anne's	0	0	(1,000)	0
St. Mary's	4,800	0	1,000	2,000
Somerset	0	900	0	0
Talbot	0	0	(1,000)	(1,000)
Washington	(1,600)	(900)	0	0
Wicomico	(800)	0	(1,000)	(1,000)
Worcester	0	(900)	0	(1,000)
Total	(\$57,600)	(\$59,400)	(\$154,000)	(\$129,000)

Additional Information

Prior Introductions: None.

Cross File: None.

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

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Analysis by: Mark W. Collins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510