

**Department of Legislative Services**  
 Maryland General Assembly  
 2006 Session

**FISCAL AND POLICY NOTE**

House Bill 42 (Delegate Pugh)  
 Ways and Means

**Education - Expansion of the Juvenile Services Alternative Education Program**

This bill requires juvenile services alternative education programs to be established in Baltimore City and Prince George’s County. A circuit court judge from each of these jurisdictions; the Prince George’s County Executive, or the executive’s designee; the Mayor of Baltimore City, or the Mayor’s designee; and one resident from each jurisdiction must be appointed to the program’s advisory council.

**Fiscal Summary**

**State Effect:** General fund expenditures would increase by an estimated \$1 million in FY 2007 to provide start-up funding for juvenile services alternative education programs in Baltimore City and Prince George’s County. Beginning in FY 2008, general fund expenditures would increase by an estimated \$4 million annually to contract with private agencies for the operation of the programs. Revenues would not be affected.

(\$ in millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1.0	4.0	4.0	4.0	4.0
Net Effect	(\$1.0)	(\$4.0)	(\$4.0)	(\$4.0)	(\$4.0)

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

**Local Effect:** Local school expenditures would increase by an estimated \$1.4 million in Baltimore City and \$1.3 million in Prince George’s County in FY 2008 to pay tuition for students sent to the programs. Future year expenditures for the school systems would reflect inflation in per pupil spending.

**Small Business Effect:** Minimal.

## Analysis

**Current Law:** The State Board of Education must establish a juvenile services alternative education program in a county designated by the State Superintendent of Schools. The program is for public school students who are suspended, expelled, or identified as candidates for suspension or expulsion. Students may also be ordered to attend the program as a condition of probation by the local juvenile court. A local board of education sending a student to the program must pay the program the basic current expenses per pupil.

With the advice of a six-member Juvenile Services Alternative Education Program Advisory Board, the State Board of Education organizes the program and selects a private agency to administer the program.

**Background:** The Juvenile Justice Alternative Education Pilot Program was established by Chapter 685 of 2001, and the fiscal 2002 State budget included \$500,000 in start-up costs for the program. The program was based in Prince George's County. Two years later, Chapter 433 eliminated "pilot" from the program's title and required local school systems sending students to the program to pay tuition beginning in fiscal 2006. However, State funding for the program was eliminated after fiscal 2004. The proposed fiscal 2007 State budget does not include funding for the program.

The program that started in Prince George's County is still operating as an alternative high school, but it is run by the county with county funds and has never been operated by a private agency as required for a juvenile services alternative education program. Whether the existing school meets the other statutory requirements for the program, such as accepting student referrals from juvenile court and the establishment of an advisory board for the school, could not be confirmed.

**State Expenditures:** General fund expenditures would increase by an estimated \$1 million in fiscal 2007 to provide approximately \$500,000 in start-up costs for each of the two programs. This estimate is based on the fiscal 2002 start-up funding provided to the Juvenile Justice Alternative Education Pilot Program.

It is assumed that private agencies would be identified to operate the programs some time in fiscal 2007 and would begin accepting students in the 2007-2008 school year. Based on annual State expenditures for the operation of the original Juvenile Justice Alternative Education Pilot Program, each program would need approximately \$2 million annually beginning in fiscal 2008 to contract with a private agency for program operations. In total, general fund expenditures would increase by \$4 million per year in fiscal 2008 and each year thereafter.

**Local Expenditures:** Baltimore City and Prince George's County would be required to pay the local per pupil current expenses for each student sent to one of the programs. In fiscal 2006, Baltimore City has budgeted expenditures of \$12,042 per pupil and Prince George's County has budgeted for expenditures of \$10,724 per pupil. Assuming these numbers increase by 5% per year and students start attending the juvenile services alternative education programs in fiscal 2008, local school expenditures would increase by \$1.4 million in Baltimore City and \$1.3 million in Prince George's County. By fiscal 2011, the estimated increases are \$1.7 million and \$1.5 million, respectively. These estimates assume the programs would hold 120 students each and would operate at approximately 90% capacity.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 12, 2006  
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