

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE

House Bill 1394 (Delegate Frush)
 Ways and Means

Education - Juvenile Services Alternative Education Program

This bill requires the State Board of Education to establish a Juvenile Services Alternative Education Program (JSAEP) in a county designated by the State Superintendent of Schools. Except for a student who is adjudicated delinquent and placed in a facility by the juvenile court, a student in the designated JSAEP county who is suspended, expelled, or identified as a candidate for suspension or expulsion must attend JSAEP, with the local school system paying JSAEP the basic current expenses per pupil for each student transferred to the program. The Maryland State Department of Education (MSDE) must oversee the program with the advice of a JSAEP advisory board established in the bill, and the State Board of Education must select a private agency to administer the program with the advisory board's advice.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$59,000 in FY 2008 to provide administrative oversight for JSAEP. Future year expenditure estimates reflect annualization, regular salary increases, and inflation. The estimate assumes that the cost of operating the program would be borne exclusively by the local school system in which JSAEP is located. Revenues would not be affected.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	59,000	74,300	78,100	82,200	86,400
Net Effect	(\$59,000)	(\$74,300)	(\$78,100)	(\$82,200)	(\$86,400)

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

Local Effect: Assuming JSAEP is reestablished in Prince George's County and is operated in an existing alternative education center, Prince George's County Public

Schools (PGCPS) could support JSAEP with existing budgeted resources. School system funds would be redirected to a contract for the operation of PGCPS.

Small Business Effect: None.

Analysis

Bill Summary: The private agency selected by the State Board of Education to administer JSAEP must have at least three years of experience serving suspended and expelled students and must provide proof of student progress in reading and math. JSAEP must promote self-discipline, ensure that students in the program receive appropriate educational services during the terms of their suspensions and expulsions, and offer services to facilitate students' transition back to their regular public schools. Local boards of education must consider course credit earned by a student while in JSAEP as credit earned in a local school.

JSAEP may be operated in a facility owned by a private party or a local board of education.

Current Law: Local boards of education are required to provide a continuum model of prevention and intervention activities and programs that encourage and promote positive behavior and reduce disruption. Each local board must develop special programs for students who exhibit disruptive classroom behavior. Two or more local boards may establish special programs for their joint use.

Alternative education programs are operated and overseen by local boards of education. The Maryland Public Charter School Program allows a nonprofit, nonsectarian entity to apply to the local board of education to establish a public charter school.

Background: The Juvenile Justice Alternative Education Pilot Program was originally established by Chapter 685 of 2001, and the fiscal 2002 State budget included \$500,000 in start-up costs for the Prince George's County program. Two years later, Chapter 433 of 2003 eliminated "pilot" from the program's title and required local school systems sending students to the program to pay tuition for the students beginning in fiscal 2006. However, State funding for the program was eliminated after fiscal 2004, and the program was repealed in 2006 (Chapter 304).

The program that had started in Prince George's County is still operating as Green Valley Academy, but it is now run by the county with county funds and was never operated by a

private agency, as was required for the program. Prince George's County also operates Annapolis Road Academy Alternative High.

State Expenditures: General fund expenditures could increase by an estimated \$59,016 in fiscal 2008, which accounts for the bill's July 1, 2007 effective date and a 90-day start-up delay. This estimate reflects the cost of hiring an education specialist at MSDE to meet with the JSAEP advisory board, select a private agency to run the program, and oversee the implementation and operations of the program. A salary, fringe benefits, one-time start-up costs, and ongoing operating expenses are included in the estimate. The estimate assumes that the program will be located in Prince George's County in an existing alternative school and that the cost of a contract for the private agency can be paid exclusively with the per pupil current expenses forwarded to JSAEP by PGCPs.

Salaries and Fringe Benefits	\$54,081
Operating Expenses	<u>4,935</u>
Total FY 2008 State Expenditures	\$59,016

Future year expenditures reflect: (1) full salaries with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Local Fiscal Effect: Assuming the bill would result in JSAEP re-starting in Prince George's County, PGCPs could continue to support its existing alternative education programs with budgeted funds. Since the program was changed in 2004 to require the local school system to pay tuition for students at the school, the State has not provided any funding for the program. It is assumed that this pattern would continue. The funds currently spent for operations of the alternative school would be redirected to a contract for the administration of JSAEP. In fiscal 2007, the per pupil current expenses in PGCPs, including student transportation and State aid for at-risk student populations, is projected to be approximately \$12,300.

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 - March 22, 2007
bfl/rhh

Analysis by: Mark W. Collins

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