

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

House Bill 284

(Chair, Ways and Means Committee)(By Request -
Departmental - Education)

Ways and Means

Education, Health, and Environmental Affairs

**Education - Children in Out-of-County Living Arrangements - Payments for
Children with Disabilities**

This departmental bill replaces obsolete language regarding students with disabilities who are placed in out-of-county living arrangements with terminology that is consistent with the federal Individuals with Disabilities Education Act (IDEA).

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: None. The change is technical and will not affect State payments for children in out-of-county living arrangements.

Local Effect: None. The change is technical and does not affect local school expenditures.

Small Business Effect: The Maryland State Department of Education 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

Bill Summary: Reference to a child who is “handicapped and needs public school Intensity IV or V Special Education Services” is replaced with reference to “a student

with a disability who needs an LRE-C or LRE-F placement.” An additional reference to a child who is “handicapped” is altered to refer instead to a child who is “disabled.”

LRE-C, or Least Restrictive Environment C, is defined as a setting in which a child is enrolled in a comprehensive school and receives special education and related services in regular education settings less than 40% of the school day. LRE-F, or Least Restrictive Environment F, is defined as a setting in which a child receives special education and related services for greater than 50% of the school day in a public separate day facility that does not include programs for students without disabilities.

Current Law: Generally, if a child is placed by a State agency, a licensed child placement agency, or a court in a county other than the county in which the child’s parent or legal guardian resides, the sending county (where the child’s parent or guardian resides) must pay the receiving county (where the child will attend school). If the receiving county determines that a child in an out-of-county living arrangement is “handicapped and needs public school Intensity IV or V Special Education Services,” the sending county must pay the receiving county three times the lesser of the two counties’ local per pupil expense. The same applies for students without disabilities, absent multiplication by three. If the local current expense per pupil in the sending county is less than the receiving county, the State pays the difference to the receiving county.

A child with a disability who needs special education and related services that cannot be provided in a public school must be placed in an appropriate nonpublic educational program. For those children in nonpublic placements approved by the Maryland State Department of Education, the county contributes an amount equal to the local share of the basic cost of educating a child without disabilities plus two times the total basic cost. Any costs above this base amount are split on a 70% State/30% local basis.

IDEA requires that a student with disabilities be provided a free appropriate public education in the least restrictive environment, in accordance with the Individualized Education Program specific to the individual needs of the student.

State and Local Expenditures: The Maryland State Department of Education advises that the bill will not affect the number of students for whom payments must be made from one school system to another within the State. Therefore, State and local school expenditures are not affected.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Cecil and Carroll counties, Maryland State Department of Education, Department of Legislative Services

Fiscal Note History: First Reader - February 7, 2012
mm/mwc Revised - House Third Reader - March 21, 2012

Analysis by: Scott P. Gates

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

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Education - Children in Out-of-County Living Arrangements -
Payments for Children with Disabilities

BILL NUMBER: HB 284

PREPARED BY: Maryland State Department of Education

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.