

Department of Legislative Services  
Maryland General Assembly  
2017 Session

FISCAL AND POLICY NOTE  
Third Reader

Senate Bill 595

(Senator Nathan-Pulliam, *et al.*)

Education, Health, and Environmental Affairs  
and Budget and Taxation

Ways and Means

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**Residential Boarding Education Programs for At-Risk Youth - Eligibility**

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This bill extends eligibility to participate in a public residential boarding education program for at-risk youth to students enrolled in grade 7 or higher if students otherwise meet the eligibility requirements in current law and the Maryland State Department of Education (MSDE) approves a plan required to be submitted by the program operator.

The bill takes effect July 1, 2017.

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**Fiscal Summary**

**State Effect:** MSDE can review any submitted plan with existing resources. The bill does not otherwise directly affect State finances; State funding for the SEED School is capped at 400 students.

**Local Effect:** The bill does not directly affect local operations or finances.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** MSDE may contract with a private nonprofit or public entity to provide at-risk youth in the State enrolled in grade 7 or higher with the opportunity to participate in a residential boarding education program. The program may be a part of the one established under current law provisions, as discussed below. The operator must submit a plan to MSDE that includes (1) all grade levels from which students will be enrolled; (2) the timeframe during which enrollment will occur; (3) the circumstances under which an

operator will enroll students; (4) the process by which students will be selected; (5) if applicable, a description of how students will be integrated into an existing educational curriculum and residential student life; and (6) any other information MSDE requests. MSDE must review and approve the plan, if it is consistent with the educational purposes in statute.

**Current Law/Background:** Chapter 397 of 2006 established a public residential boarding school for at-risk youth (the SEED School) that is operated under the supervision of MSDE. At-risk youth include economically disadvantaged students, students with disabilities, or students with records of family issues or school difficulties, as specified. Eligible students must also be currently enrolled in grade 5 or grade 6. Chapter 397 also established mandatory funding levels; subsequent legislation altered the funding provisions. The total amount of mandatory State funding appropriated each year may not exceed an amount adequate to fund the per pupil allocation for 400 students in any fiscal year.

MSDE contracted in July 2007 with a nonprofit organization, the SEED Foundation, which also operates a similar school in the District of Columbia, to operate the school beginning with the 2008-2009 school year. The school provides at-risk students with a remedial curriculum for middle school students and a college preparatory curriculum for high school students. The school program also includes extracurricular activities, college admission counseling, health and mental health services, tutoring, community service opportunities, and a residential student life program. Students may apply to the program from any school system in the State. Students who are selected for participation through a lottery system (held in mid-May each year) may continue to live at and attend the school through high school graduation. The SEED School is governed by a 25-member board of trustees established in State law.

In the 2016-2017 school year, the SEED School will serve 403 students in grades 6 to 12 from up to 16 local school systems. MSDE advises that leadership of the SEED School recently studied the opportunity to begin enrolling students who are in grades 7 or higher, and concluded that this would help balance class sizes and provide enrollment opportunities to older students. The proposed fiscal 2018 State budget includes \$15.3 million in funding for the SEED School (\$10.4 million general funds/\$4.9 million special funds that represent local school system payments). Although State funding is capped at 400 students, the program is not prohibited from receiving funds from other sources.

**State and Local Fiscal Effect:** Local school systems with students enrolled in the SEED School pay 85% of the local cost per pupil for each student (which vary depending on the jurisdiction). Depending on the specifics of any submitted plan, allowing older students to enroll in the SEED School may alter the number of students from particular jurisdictions who attend the school, thereby potentially impacting local school system payments.

However, the bill does not directly impact State or local finances, as it does not increase mandatory funding levels nor specify how and from what jurisdictions older children are to be enrolled.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1475 (Delegate A. Washington, *et al.*) - Ways and Means.

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

**Fiscal Note History:** First Reader - February 21, 2017  
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