

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 1229
 Ways and Means

(Delegate Cain, *et al.*)
 Education, Health, and Environmental Affairs

Restorative Schools Fund and Grants - Establishment

This bill establishes the Restorative Schools Fund and a grant program to provide funds to local school systems and individual schools for training on, and implementation and evaluation of, restorative approaches that build and sustain positive learning communities. Funding for the program is as provided in the annual State budget. Grants to local school systems must be used to develop and support restorative approaches, as specified. Expenditures from the fund are supplemental to funding that otherwise would be appropriated to schools and school systems for these purposes. The Maryland State Department of Education (MSDE) must establish procedures for the grant program if funding is provided in the State budget. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: General fund expenditures increase by \$3.0 million annually beginning in FY 2020, as discussed below, which includes funds for MSDE to administer the program. Special fund revenues and expenditures increase by \$2.9 million annually beginning in fiscal 2020.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
SF Revenue	\$2,932,300	\$2,916,900	\$2,914,200	\$2,911,300	\$2,908,400
GF Expenditure	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
SF Expenditure	\$2,932,300	\$2,916,900	\$2,914,200	\$2,911,300	\$2,908,400
Net Effect	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)

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

Local Effect: Some local school systems receive annual funding totaling approximately \$2.9 million, as early as FY 2020. Accordingly, local school system expenditures for purposes supported by the fund and grant program increase by similar annual amounts.

Small Business Effect: Small businesses that provide training on restorative practices may benefit.

Analysis

Current Law:

Suspension and Expulsion in General

In accordance with rules developed by each local school board, a principal may suspend a student for cause for up to 10 school days. The principal must provide the suspended student and the student's parents with a conference during the suspension period and a list of community resources. Upon request by a principal, a local superintendent may suspend a student for more than 10 days or expel a student, subject to investigation, conferencing, and appeal procedures in statute. A student may not be suspended or expelled only for attendance-related offenses but may be subject to in-school suspension for those offenses.

A student who has been suspended or expelled may not return to the classroom until the principal confers with (1) the teacher(s) who referred the student (if appropriate); (2) other appropriate school personnel; (3) the student; and (4) the student's parent or guardian.

If disruptive behavior results in action less than suspension, the principal or designee must confer with the teacher who referred the student prior to the student returning to the teacher's classroom.

Suspension and Expulsion of Young Children

Chapters 843 and 844 of 2017 prohibit students in public prekindergarten, kindergarten, or first or second grades from being suspended or expelled, except that:

- a student in those grades may be expelled if required by federal law (generally, for bringing a firearm to school); and
- a student in those grades may be suspended for up to five days if the school administration, in consultation with a school psychologist or other mental health professional, determines that there is an imminent threat of serious harm to other students or staff that cannot be reduced or eliminated through interventions and supports.

For students in prekindergarten through grade 2 who are suspended or who commit an act that would otherwise be grounds for suspension, local school systems must provide intervention and support to address the student's behavior. Intervention and support include (1) positive behavior interventions and supports; (2) a behavior intervention plan; (3) a referral to a student support team; (4) a referral to an individualized education program; and (5) a referral for appropriate community-based services.

Restorative Practices

The school system must remedy the effect of a student’s behavior through appropriate intervention methods including restorative practices. Restorative practices are practices conducted in a whole-school ethos or culture that supports peacemaking and solves conflict by building a community and addressing harm in a school setting and that:

- are conducted by trained staff;
- focus on repairing the harm to the community through dialogue that emphasizes individual accountability; and
- help build a sense of belonging, safety, and social responsibility in the school community.

Background: During the 2017-2018 school year, 8,139 students (0.9% of total enrollment) were suspended *in school* a total of 12,091 times. In addition, 38,502 students (4.5%) were subject to *out-of-school suspension or expulsion* a total of 63,606 times.

State Fiscal Effect: Though annual funding is at the Governor’s discretion, it is assumed that in order to provide a viable grant program, general fund expenditures increase by \$3.0 million annually beginning in fiscal 2020. This includes the cost of hiring one education program specialist in MSDE to administer the grant program. It assumes a 90-day start-up delay and includes a salary and fringe benefits, one-time start-up costs, ongoing travel expenses, and other ongoing operating expenses totaling \$67,750 in fiscal 2020.

Position	1
Salary and Fringe Benefits	\$60,390
One-time Start-up Costs	4,890
Other Ongoing Operating Expenses	<u>2,469</u>
Total FY 2020 State Expenditures	\$67,749

Future year expenditures reflect full salaries with annual increases and employee turnover and ongoing operating expenses.

Special fund revenues and expenditures increase by approximately \$2.9 million annually beginning in fiscal 2020, reflecting the costs for MSDE to administer the program being deducted from the estimated total cost of \$3.0 million before the remainder is appropriated to the special fund established by the bill.

Local Fiscal Effect: Local school systems (and individual schools) that receive grant funding will realize, statewide, an annual funding increase totaling \$2.9 million as early as fiscal 2020. Accordingly, local school system expenditures for training on, and

implementation and evaluation of, restorative approaches will increase by similar annual amounts, statewide. Local school systems may choose to supplement these efforts with support from other funding sources, but the bill does not impose any requirement to do so.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Anne Arundel County Public Schools; Baltimore City Public Schools; Maryland State Department of Education; Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2019
mm/rhh Third Reader - March 26, 2019
Revised - Amendment(s) - March 26, 2019

Analysis by: Scott P. Gates

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