

**Department of Legislative Services**  
Maryland General Assembly  
2022 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 656

Finance

(Senator Klausmeier)

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**Children – Residential Treatment Centers – Education Funding**

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This bill authorizes a core service agency, local addictions authority, or local behavioral health authority, subject to the availability of funding in the State budget, to approve funding for a youth's educational costs during a residential treatment center (RTC) admission for medical or psychiatric purposes. This authorization applies if (1) a youth is screened for voluntary or involuntary admission to determine whether a less restrictive alternative can be provided and (2) the educational costs for the youth are not otherwise covered under the State and local cost sharing formula for nonpublic placements for students with disabilities. The bill expresses the intent of the General Assembly that general funds be provided annually, beginning in fiscal 2024, to the Maryland Department of Health (MDH) for administrative and educational costs under the bill. **The bill takes effect July 1, 2022.**

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**Fiscal Summary**

**State Effect:** General fund expenditures increase, potentially significantly, beginning in FY 2024, depending on the amount of funds provided in the annual budget. MDH is unable to estimate the number of youths who will be served under the bill. Accordingly, a reliable estimate of additional educational costs covered under the bill is not feasible at this time. MDH can otherwise implement the bill's requirements using existing resources.

**Local Effect:** State and county appropriations received by local public school systems are not affected.

**Small Business Effect:** None.

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## Analysis

**Current Law:** “Core service agency” means the designated county or multicounty authority that is responsible for planning, managing, and monitoring publicly funded mental health services. “Local addictions authority” means the designated county or multicounty authority that is responsible for planning, managing, and monitoring publicly funded substance-related disorders and addictive disorder services. “Local behavioral health authority” means the designated county or multicounty authority that is responsible for planning, managing, and monitoring publicly funded mental health, substance-related disorder, and addictive disorder services.

The federal Individuals with Disabilities Education Act (IDEA) requires that a child with disabilities be provided a free appropriate public education in the least restrictive environment from birth through the end of the school year in which the student turns 21 years old, in accordance with an individualized family service plan (IFSP) or individualized education program (IEP) specific to the individual needs of the child. An IFSP is for children with disabilities from birth up to age 3, and up to age 5 under Maryland’s Extended IFSP Option if a parent chooses the option. An IEP is for students with disabilities age 3 through 21. Local school systems are required to make a free appropriate public education available to students with disabilities from age 3 through 21. However, the State, under its supervisory authority required by IDEA, has the ultimate responsibility for ensuring that this obligation is met.

The State and local governments share in the costs of nonpublic placements for special education children who cannot receive an appropriate education in public school. For those children in nonpublic placements approved by the Maryland State Department of Education, the county (including Baltimore City) 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.

If a youth with an IEP has been approved for a nonpublic special education placement, educational costs in an RTC are covered by their local school system. However, if a nonpublic special education placement has not been approved for a youth with an IEP (*i.e.*, the child has been receiving education in a public school setting), the parents must undergo a Voluntary Placement Agreement process and are obliged to pay child support.

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## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** HB 766 (Delegate Kaiser) - Ways and Means.

**Information Source(s):** Prince George's County Public Schools; Governor's Office; Maryland State Department of Education; Department of Budget and Management; Maryland Department of Health; Department of Juvenile Services; Department of Legislative Services

**Fiscal Note History:** First Reader - February 20, 2022  
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