

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 202 (Delegate Cain, *et al.*)
 Ways and Means

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. 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, 2020.**

Fiscal Summary

State Effect: General fund expenditures increase by \$3.1 million annually beginning in FY 2021, as discussed below, which includes funds for MSDE to administer the grant program. Special fund revenues and expenditures increase by \$3.0 million, which reflects the awarding of grants to local school systems and individual schools.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
SF Revenue	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
GF Expenditure	\$3,076,500	\$3,091,800	\$3,094,100	\$3,097,300	\$3,100,700
SF Expenditure	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Net Effect	(\$3,076,500)	(\$3,091,800)	(\$3,094,100)	(\$3,097,300)	(\$3,100,700)

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

Local Effect: Local school system revenues and expenditures increase by approximately \$3.0 million annually, as early as FY 2021.

Small Business Effect: None.

Analysis

Current Law: Chapter 691 of 2019 requires local school board regulations related to student discipline to provide for restorative practices. It defines “restorative approaches” as a relationship-focused student discipline model that (1) is preventative and proactive; (2) emphasizes building strong relationships and setting clear behavioral expectations that contribute to the school community well-being; (3) in response to behavior that violates clear behavioral expectations, focuses on accountability for any harm done by the problem behavior; and (4) addresses ways to repair the relationships affected by the problem behavior with the voluntary participation of an individual who was harmed.

There is no State grant program that provides funds targeted at implementing this requirement.

Background: During the 2018-2019 school year, 7,905 students (0.9% of total enrollment) were suspended in school a total of 11,868 times. In addition, 40,393 students (4.7%) were subject to out-of-school suspension or expulsion a total of 67,550 times.

State Fiscal Effect: The bill does not include a requirement to provide funding for the grant program. Instead, MSDE must develop procedures for applying for and awarding grants if the Governor makes an appropriation to the fund in the State budget. This analysis assumes implementation of the bill, including an annual general fund appropriation of \$3.0 million beginning in fiscal 2021 to capitalize the fund and establish a viable grant program; special fund revenues and expenditures increase commensurately.

MSDE advises that it needs two education specialists to administer the program, one to manage the grant program and one to provide technical assistance to schools on restorative practices, establish professional development programs, conduct root cause data analysis, and other related tasks. However, the bill does not require MSDE to provide these services, only to provide grants that enable local school systems or individual schools to conduct these activities. As the bill specifies that the new fund may be used only to provide grants (and, thus, not for administrative costs), general funds are also needed to administer the grant program.

Accordingly, general fund administrative expenditures increase by \$76,453 in fiscal 2021, which accounts for a 90-day start-up delay from the bill’s July 1, 2020 effective date. This estimate reflects the cost of hiring one education program specialist to manage the grant program and fund. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1
Salary and Fringe Benefits	\$71,087
Operating Expenses	<u>5,366</u>
Total FY 2021 State Administrative Expenditures	\$76,453

Future year administrative expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses.

Local Fiscal Effect: Consistent with the funding assumption above, some local school systems apply for and receive grant funding totaling approximately \$3.0 million annually, as early as fiscal 2021. As there is no matching fund requirement, local school system expenditures for purposes supported by the fund and grant program increase by similar amounts annually.

Additional Information

Prior Introductions: HB 1229 of 2019 passed the House as amended and received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee.

Designated Cross File: None.

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

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mr/rhh

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