

**Department of Legislative Services**  
 Maryland General Assembly  
 2017 Session

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

House Bill 1187 (Delegate Gaines, *et al.*)  
 Appropriations

**Department of Juvenile Services - Youth Services Bureau - Budget  
 Appropriation**

This bill requires the Governor to appropriate any funding in the State budget for an eligible youth services bureau (YSB) in the budget for the Department of Juvenile Services (DJS).

The bill takes effect June 1, 2017.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$96,600 in FY 2018, and by at least \$93,400 annually thereafter, for DJS to hire an administrator to oversee YSBs, to the extent that funding is appropriated or otherwise directed to YSBs. Although not otherwise impacting overall State expenditures, general fund expenditures for DJS increase due to the receipt of any funding allocated specifically for YSBs; general fund expenditures for the Maryland State Department of Education (MSDE) decrease correspondingly. Revenues are not affected.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	96,600	93,400	97,400	101,700	106,200
Net Effect	(\$96,600)	(\$93,400)	(\$97,400)	(\$101,700)	(\$106,200)

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law/Background:** A YSB is a community-based entity that is operated to (1) provide community-oriented delinquency prevention, youth suicide prevention, drug and alcohol abuse prevention, and youth development; (2) ameliorate conditions that contribute to delinquency, youth suicide, drug and alcohol abuse, and family disruption; and (3) function as an advocate of youth needs. The State and local government must jointly fund an eligible YSB; the State must provide 75% of the funding, as provided in the State budget. Pursuant to statutory language, DJS is required to monitor the operations of each YSB that receives State funding, annually evaluate the effectiveness of each YSB, and discontinue funding a YSB that is ineffective or that, for two years, fails to meet eligibility guidelines for State funding.

Although DJS meets these minimal requirements, it does not handle oversight of YSBs, as funding for YSBs is in the Children’s Cabinet Interagency Fund (CCIF). The Governor’s Office for Children (GOC) awards funds from CCIF to local management boards (LMBs), which award funding to YSBs. Although YSBs are not specifically funded in the budget, in most recent fiscal years, including fiscal 2017, budget language has restricted a specified amount of funding to LMBs to be allocated to YSBs. The fiscal 2017 budget restricted \$1.8 million of the appropriation for this purpose. However, unlike in prior years, the funds were not released to CCIF and are included in the list of planned reversions at the close of fiscal 2017. Some YSBs were ultimately funded in fiscal 2017 through LMBs. The Governor’s proposed fiscal 2018 budget includes \$18.1 million in total grant funding for LMBs.

**State Expenditures:** General fund expenditures increase by \$96,636 in fiscal 2018, which assumes that funding is once again restricted to fund YSBs in fiscal 2018, and ultimately released to DJS. This estimate reflects the cost of hiring one administrator to work with local jurisdictions, develop funding priorities, and monitor outcomes for YSBs. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1
Salary and Fringe Benefits	\$90,871
Operating Expenses	<u>5,765</u>
<b>Total FY 2018 State Expenditures</b>	<b>\$96,636</b>

Future year expenditures reflect annual salary increases and employee turnover and ongoing operating expenses. Depending on the level of funding for YSBs in future years, an additional administrator may be required. Because GOC continues to be responsible for awarding funds for other purposes to LMBs under the bill, there are no savings in administrative costs for GOC.

Although the bill's effective date is June 1, 2018, this estimate assumes that no costs are incurred until fiscal 2018. In addition, to the extent that funds are not restricted for or otherwise appropriated to YSBs, these expenditures are not realized.

Although not otherwise impacting overall State expenditures, general fund expenditures for DJS increase due to the receipt of any funding allocated specifically for YSBs; general fund expenditures for MSDE (the fiscal administrator of CCIF) decrease correspondingly.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 784 (Senator Madaleno, *et al.*) - Budget and Taxation.

**Information Source(s):** Governor's Office; Governor's Office for Children; Department of Budget and Management; Department of Juvenile Services; Department of Legislative Services

**Fiscal Note History:** First Reader - March 3, 2017  
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