

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 432
 Appropriations

(Delegate Lierman, *et al.*)

Budget and Taxation

**Public Safety – Grant Programs and Funding (Public Safety and Violence
 Prevention Act of 2018)**

This bill establishes the Maryland Violence Intervention and Prevention Program Fund and a related advisory council within the Governor’s Office of Crime Control and Prevention (GOCCP). The Governor may annually appropriate up to \$10 million to the fund. In addition, for fiscal 2020 through 2023, the bill requires the Governor to appropriate a total of \$2.4 million in the annual State budget for miscellaneous grants to Baltimore City, Prince George’s County, the Department of State Police (DSP), the Children and Parent Resource Group, Inc., and the Baltimore Chesapeake Bay Outward Bound School. The Executive Director of GOCCP must establish outcome-based performance measures related to the grant programs. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: General fund administrative expenditures increase by \$42,900 in FY 2019; future years reflect annualization, the capitalization of the new fund, and the bill’s mandated appropriations for miscellaneous grants. Special fund revenues and expenditures increase by an estimated \$10 million annually beginning in FY 2020. **This bill establishes several mandated appropriations beginning in FY 2020.**

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
SF Revenue	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
GF Expenditure	\$42,900	\$12,501,000	\$12,499,900	\$12,504,200	\$12,508,700
SF Expenditure	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Net Effect	(\$42,900)	(\$12,501,000)	(\$12,499,900)	(\$12,504,200)	(\$12,508,700)

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

Local Effect: Local grant revenues and expenditures increase significantly beginning in FY 2020.

Small Business Effect: None. Small businesses are not directly affected by the bill.

Analysis

Bill Summary:

Maryland Violence Intervention and Prevention Program Fund

The stated purpose of the fund, which is administered by the Executive Director of GOCCP in consultation with the Maryland Violence Intervention and Prevention Advisory Council, is to (1) support effective violence reduction strategies by providing competitive grants to local governments and nonprofit organizations to fund evidence-based health programs or evidence-informed health programs and (2) evaluate the efficacy of the programs funded as a result of the bill.

The fund consists of (1) money appropriated in the State budget to the fund; (2) investment earnings; and (3) any other money from any other source accepted for the benefit of the fund. The fund must be used (1) to support effective violence reduction strategies by providing competitive grants to local governments and nonprofit organizations to fund evidence-based health program or evidence-informed health programs and (2) in an amount up to 5% of the fund, for the evaluation of the efficacy of evidence-based health program or evidence-informed health programs awarded grants through the fund. Expenditures from the fund may be made only in accordance with the State budget.

Money distributed from the fund may not be used to (1) supplant funding that would otherwise be available for violence intervention or prevention programs or (2) fund suppression activities by law enforcement.

The fund is subject to audit by the legislative auditor, as specified.

Maryland Violence Intervention and Prevention Advisory Council

The council consists of the Executive Director of GOCCP and individuals appointed by the President of the Senate, the Speaker of the House, and the executive director, as specified. A member of the council may not receive compensation but is entitled to reimbursement for travel expenses.

The council is governed by a majority vote and must:

- advise the executive director on the allocation of funds for the evaluation of the efficacy of evidence-based health programs or evidence-informed health programs that receive funding under the bill, as specified;
- provide input to the executive director on the administration of the fund;
- assist the executive director in establishing procedures for (1) local governments and nonprofit organizations to apply for funding and (2) the distribution of funding;
- create guidelines for funding eligibility;
- review and publish specified reports; and
- advise the Governor and the executive director on the implementation of gun violence prevention programs in the State.

An independent, third-party researcher selected by the council must undertake an evaluation of the efficacy of evidence-based health programs or evidence-informed programs that receive funding pursuant to the bill. The results of the evaluation must be posted to GOCCP's website.

The bill establishes provisions relating to the application process for local governments and nonprofit organizations. Funding awards to local governments and nonprofit organizations must be made for a minimum duration of three consecutive fiscal years. Preference must be given to local governments or nonprofit organizations that meet specified requirements, and funding awards must be commensurate with (1) the levels of gun violence in the jurisdiction served by the local government or nonprofit organization and (2) the strength of the application.

A local government or nonprofit organization that receives funding pursuant to the bill must (1) provide a cash or in-kind match equivalent to 33% of the amount awarded, except as specified and (2) use the award to implement evidence-based health programs or evidence-informed health programs, as specified. Grantees must submit a specified report to the executive director at the end of each grant cycle that is posted to the GOCCP website.

Miscellaneous Grant Programs

Mandated Appropriations: For fiscal 2020 through 2023, the bill requires the Governor, for each year, to appropriate funds in the annual State budget as follows:

- \$425,000 to Baltimore City for the Law Enforcement Assisted Diversion (LEAD) Program;
- \$360,000 to Baltimore City for the Baltimore City State's Attorney's Office for the relocation of victims and witnesses of crime;

- \$466,600 to DSP, in coordination with the Attorney General, to form a designated unit of law enforcement officers to investigate firearm trafficking, straw purchases, the movement of illegal firearms, and other specified offenses;
- \$300,000 for the Baltimore Chesapeake Bay Outward Bound School in Baltimore City;
- \$100,000 to Baltimore City to support “strategic decision support centers” in the Eastern District and Western District of Baltimore City. “Strategic decision support center” means a facility that is equipped with technology and systems that function as intelligence centers for law enforcement and enable functions including data integration, the study of crime trends, and the development of predictive and technology-based approaches in detecting and investigating criminal activity;
- at least \$250,000 for the Children and Parent Resource Group, Inc.; and
- \$475,000 to Prince George’s County to be used by the Chief of Police for a criminal apprehension and suppression initiative focused on reducing violent crime.

The funds appropriated under these miscellaneous grant provisions must be used solely to supplement, and not supplant, funds otherwise available to the affected entities.

A local government or nonprofit entity that receives funding under the miscellaneous grant provisions (1) may use the funding only in accordance with the bill’s provisions and (2) must comply with specified data sharing and reporting requirements established by the Executive Director of GOCCP as a condition of receiving funding.

Outcome-based Performance Measures: The Executive Director of GOCCP must establish outcome-based performance measures to track the performance of any activity or program supported by funds received under the miscellaneous grant programs established by the bill. By October 1, 2020, and every October 1 thereafter, GOCCP must place on its website, in an easily accessible location, a filterable data display showing all required data collected pertaining to outcome-based performance measures for the previous fiscal year. In addition, GOCCP must annually notify, in writing, the Governor and the Legislative Policy Committee when the filterable data display has been updated. The executive director must adopt regulations to carry out these provisions.

Current Law/Background: GOCCP is empowered to develop collaborative and deliberative approaches to impact crime through the management of Maryland’s criminal justice resources. The agency’s mission is to serve as a coordinating office that advises the Governor on criminal justice strategies. In that role, GOCCP plans, promotes, and funds efforts with government entities, private organizations, and the community to advance public policy, enhance public safety, reduce crime and juvenile delinquency, and serve victims.

In October 2017, Governor Hogan announced the award of almost \$3.6 million in grants to combat violent crime across the State. The grants will be distributed by GOCCP to 55 agencies statewide in fiscal 2018.

Maryland Safe Streets Initiative

The Maryland Safe Streets Initiative is an offender-based model established to reduce crime by instituting collaboration and information sharing among all levels of government. The initiative focuses all criminal justice resources on a core group of violent offenders who commit the majority of local offenses. Maryland Safe Streets jurisdiction officials build a coalition of partners, create custom strategies to meet the model's core goals, and maintain a management structure to measure progress and hold partners accountable. Coalition strategies demonstrate a data-driven approach of proactive crime analysis and multi-jurisdictional information sharing across local, State, and federal levels. Through the initiative, GOCCP partners with local jurisdictions that demonstrate a need to reverse crime trends and a commitment to strengthening partnerships across criminal justice systems of the jurisdiction.

In fiscal 2018, GOCCP expects to distribute almost \$2 million in grants to 10 agencies statewide. Funding is distributed through an application process to eligible jurisdictions with violent crime rates significantly higher than the State average and a population larger than 10,000.

Gun Violence Reduction Grant

The Responsible Gun Safety Act of 2000 established the Maryland Cease Fire Council to assist in the establishment of programs designed to reduce the incidence of firearm-related crime. GOCCP, in conjunction with the council, evaluates grant applications under the program. The Gun Violence Reduction Grants support programs that target criminals and juveniles who use or illegally possess firearms, law enforcement and prosecution programs that support firearms reduction, covert investigations and debriefing of arrestees and offenders for information related to illegal firearms trafficking, and initiatives that support the identification of illegal firearms traffickers and the tracing of firearms.

Fiscal 2018 funding was made available to all law enforcement and State's Attorneys, allowing multiple entities to apply within one jurisdiction. GOCCP expects to distribute approximately \$900,000 in grants to 21 agencies statewide in fiscal 2018.

Sex Offender and Compliance Enforcement

The Sex Offender and Compliance Enforcement Program provides support to 24 law enforcement agencies in the State with specialized units that primarily handle the

sex offender registry within local jurisdictions. The funds assist law enforcement agencies in duties related to sex offender registration, compliance verification, and enforcement against violent sex offenders.

In fiscal 2018, GOCCP expects to distribute \$728,900 in grants to 24 law enforcement agencies statewide.

State Expenditures: General fund administrative expenditures for GOCCP increase by \$42,939 in fiscal 2019, with costs increasing to \$132,066 by fiscal 2023 to administer the new fund and the miscellaneous grant programs established by the bill. The bill’s various authorized and mandated appropriations result in an increase in general fund expenditures of \$12.4 million annually from fiscal 2020 to 2023, as discussed below.

Administrative Costs for GOCCP

General fund expenditures for GOCCP increase by \$42,939 in fiscal 2019, which accounts for a six-month start-up delay. This estimate reflects the cost of hiring one program manager to assist with the establishment of procedures for and the administration of the Maryland Violence Intervention and Prevention Program Fund. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1
Salary and Fringe Benefits	\$37,736
Other Operating Expenses	<u>5,203</u>
Total FY 2019 State Expenditures	\$42,939

This analysis assumes that it takes some time for the council to be appointed and for GOCCP, in consultation with the council, to establish application procedures for local governments as well as procedures for the distribution of money from the fund. Thus, it is assumed that only administrative costs are incurred in fiscal 2019 and that grant funding from the new fund is not appropriated or awarded until fiscal 2020.

Because the bill does not explicitly authorize the new special fund to be used to cover GOCCP’s administrative costs, this analysis assumes that additional general funds beyond those provided to capitalize the new special fund are needed to cover those costs.

Future year expenditures reflect (1) a full salary for the program manager with annual increases and employee turnover and ongoing operating expenses and (2) the cost of hiring one contractual fiscal specialist to assist with the administration of the miscellaneous grant programs established by the bill to provide funding to Baltimore City, Prince George’s County, DSP, the Children and Parent Resource Group, Inc., and the Baltimore Chesapeake Bay Outward Bound School.

Capitalizing the Maryland Violence Intervention and Prevention Program Fund

Beginning in fiscal 2020, general fund expenditures increase by up to \$10 million annually to capitalize the new fund, as authorized by the bill. For purposes of this fiscal and policy note, it is assumed that \$10 million annually is appropriated to the new fund. As noted above, it is assumed that this funding is not appropriated, and that grants from the special fund are not awarded, until fiscal 2020 so that GOCCP has time to work with the council to establish the necessary procedures for the fund. If timing permits once the procedures have been established, applications for grant awards could be accepted and reviewed in fiscal 2019 so that grant awards could be made at the start of fiscal 2020.

Special fund revenues to and expenditures from the new fund increase correspondingly. This analysis does not reflect any additional special fund revenues that may accrue to the fund from investment earnings or from other sources. Accordingly, fund activity could be higher. This analysis also assumes that all appropriated special funds are spent each year.

Mandated Appropriations for the Miscellaneous Grant Programs

For fiscal 2020 through 2023 only, general fund expenditures increase by an additional \$2,376,600 annually due to the bill's mandated appropriations to Baltimore City, Prince George's County, DSP, the Children and Parent Resource Group, Inc., and the Baltimore Chesapeake Bay Outward Bound School.

Local Fiscal Effect: Local grant revenues and expenditures increase significantly for local jurisdictions that apply for and are awarded funds from the Maryland Violence Intervention and Prevention Program Fund beginning in fiscal 2020. Generally, in order to qualify for a grant from the new fund pursuant to the bill, a local government must provide either a cash or in-kind match equivalent to 33% of the amount awarded; however, this matching fund requirement may be waived if the local government is able to demonstrate good cause, as specified. While the total grant funding awarded to local jurisdictions as a result of the bill is significant given the \$10 million annual authorized appropriation, the distribution of awards among jurisdictions cannot be predicted.

In addition to any grants Baltimore City and Prince George's County may receive from the new special fund each year, grant revenues and expenditures increase from fiscal 2020 to 2023 for both Baltimore City and Prince George's County as a result of the miscellaneous grant programs established by the bill. Baltimore City grant revenues and expenditures increase by \$885,000 annually, as follows:

- \$425,000 annually to use as an operating grant for the LEAD Program, a pilot program that provides a way for public safety officials to work with behavioral

health providers by diverting low-level drug offenders to treatment and support services, rather than imprisonment and prosecution;

- \$360,000 annually for the Baltimore City State's Attorney's Office for the relocation of victims and witnesses of crime; and
- \$100,000 annually to be used to support strategic decision support centers in the Eastern District and Western District of the city.

Prince George's County grant revenues and expenditures increase by \$475,000 annually for the Chief of Police for a criminal apprehension and suppression initiative focused on reducing violent crime.

As a condition of receiving funds under the bill, local governments must submit specified reports and comply with any data sharing and additional reporting requirements established by GOCCP.

Additional Comments: Although nonprofit organizations are not considered small businesses, the bill has a meaningful effect on nonprofit organizations that receive grant funding under the bill and are able to expand services as a result of the bill's provisions. In addition to the mandated appropriations for the LEAD Program in Baltimore City (\$425,000 annually for fiscal 2020 through 2023), the Children and Parent Resource Group, Inc. (\$250,000 annually for fiscal 2020 through 2023), and the Baltimore Chesapeake Bay Outward Bound School (\$300,000 annually for fiscal 2020 through 2023), nonprofit organizations are eligible for grants through the Maryland Violence Intervention and Prevention Program Fund beginning in fiscal 2020.

Additional Information

Prior Introductions: None.

Cross File: SB 545 (Senator Conway) - Budget and Taxation.

Information Source(s): Anne Arundel, Baltimore, Garrett, and Montgomery counties; Comptroller's Office; Governor's Office of Crime Control and Prevention; Department of Budget and Management; Maryland Department of Health; Department of State Police; Department of Legislative Services

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