

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 664

(Delegate D. Barnes, *et al.*)

Ways and Means

Education, Health, and Environmental Affairs

**State Department of Education - Nonprofit Youth Development Program -
 Established**

This bill establishes the Nonprofit Youth Development Program within the Maryland State Department of Education (MSDE). The State Superintendent of Schools must review grant applications and award grants to qualifying nonprofit organizations to fund development of career skills, entrepreneurship education, business partnerships, or technology skills for at-risk youth between the age of 14 and 23, with priority given to organizations serving areas with high concentrations of at-risk youth living in poverty. Grantees must be nonprofit organizations based in the State that have gross annual revenues of \$500,000 or less; are current on tax obligations in the State; and have been in active business for at least three years. Funding for the program is as provided in the annual State budget. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: General fund expenditures increase by \$500,000 annually beginning in FY 2020. MSDE can likely administer the program with existing resources.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	500,000	500,000	500,000	500,000	500,000
Net Effect	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)

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

Local Effect: None. Grants are provided to nonprofit organizations only.

Small Business Effect: None.

Analysis

State Expenditures: 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 \$500,000 annually, beginning in fiscal 2020. The Department of Legislative Services anticipates that MSDE can handle administration of the program without incurring an increase in costs, depending on the number of applications for the program. To the extent there are significant numbers of applications, MSDE may need to hire a contractual staffer to review applications and select grant awardees. Any costs are assumed to be minimal.

Additional Information

Prior Introductions: HB 682 of 2018, a similar bill, received a hearing in the House Ways and Means Committee, but no further action was taken on the bill. Its cross file, SB 438, received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee.

Cross File: None.

Information Source(s): Maryland State Department of Education; Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2019
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