

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

Senate Bill 486 (Senator Young, et al.)  
Finance and Budget and Taxation

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**Office for Children, Youth, and Families - Children First Commission**

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This bill establishes a Children First Commission and a Children First Fund in the Office for Children, Youth, and Families (OCYF). The purpose of the commission is to develop recommendations for improving educational and recreational programs for children and adolescents and to provide grants to organizations to meet these recommendations.

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**Fiscal Summary**

**State Effect:** General fund administrative expenditures could increase by \$121,000 in FY 1997. FY 1998 expenditures increase to \$25.2 million, which includes \$25 million in funding that the Governor must appropriate to the Children First Fund. Future year expenditures assume the Governor's appropriation to the fund remains constant.

(in millions)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GF Expenditures*	0.121	25.137	25.142	25.148	25.153
Net Effect	(\$0.121)	(\$25.137)	(\$25.142)	(\$25.148)	(\$25.153)

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

*\* reflects administrative costs only*

**Local Effect:** Potential indeterminate increase in revenues and expenditures due to the bill's penalty provision.

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**Fiscal Analysis**

**Bill Summary:**

*Commission's Membership*

This bill provides for the following:

- Establishes a 15-member Children First Commission;

- Members' terms are set at three years;
- Members may not receive a salary but are entitled to reimbursement for expenses; and
- OCYF is required to provide staff support.

### *Commission's Responsibilities*

The commission must do the following:

- Make recommendations on how to establish partnerships in neighborhoods to promote the well-being of children and adolescents;
- Make recommendations on how to establish constructive before and after school educational and recreational programs;
- Identify programs that ensure students come to school ready to learn;
- Recommend educational and recreational activities that will help to eliminate barriers to learning; and
- Submit an annual report to the Governor on or before December 31 that describes the commission's activities, findings, and recommendations.

### *Children First Fund*

Provisions of the special fund include:

- Establishes a Children First Fund in OCYF;
- Governor is required to appropriate at least \$25 million in fiscal 1998 to this fund;
- The commission is required to submit an annual budget to the Governor beginning in fiscal 1999;
- Proceeds from the fund are to go to various grants to applicants for the purpose of meeting the objectives of the commission;
- The commission is required to report annually to the Governor, the General Assembly, and the Department of Fiscal Services on or before January 15 on the status of the fund;
- Any unspent moneys remaining in the fund at the end of the fiscal year shall remain in the fund and may not revert to the general fund; and
- Each county and Baltimore City is authorized to establish an Advisory Children First Commission.

**State Expenditures:** Beginning in fiscal 1998, the Governor is required to include in the State budget at least \$25 million to be earmarked for the Children First Fund. After fiscal 1998, the commission is required to submit an annual budget to the Governor. The fund is to provide grants to organizations to develop and operate programs that meet the commission's objectives.

General fund administrative expenditures could increase by an estimated \$121,000 in fiscal 1997, which reflects the bill's October 1, 1996 effective date. This estimate reflects the cost of hiring an Administrator, a Fiscal Administrator, and an Office Secretary to review and approve grants and administer the disbursements of grants. These positions would be required beginning in fiscal 1997 to establish grant application guidelines and to develop and implement a fiscal monitoring system. It includes salaries of \$74,111, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$98,385
Equipment	14,999
Operating Expenses	<u>7,645</u>

**Total FY 1997 State Administrative Expenditures    \$121,029**

Future year administrative expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

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**Information Source(s):** Executive Department (Office for Children, Youth, and Families), Department of Fiscal Services

**Fiscal Note History:**    First Reader - February 19, 1996  
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