

Department of Legislative Services  
 Maryland General Assembly

FISCAL NOTE

House Bill 1069 (Delegate Marriott. *et al.*)

Commerce and Government Matters

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Commission on Concentrated Poverty in Maryland

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This bill establishes a 19-member Commission on Concentrated Poverty in Maryland to study the causes and effects of concentrated poverty, quantify the fiscal impact on State and local budgets and neighborhood economic development, evaluate the effectiveness of public poverty policies, and develop recommendations to alleviate existing conditions and prevent the spread of concentrated poverty. The Office of the Governor is to provide staffing for the commission. The commission is to report to the Governor and the General Assembly by July 1, 1999.

The bill takes effect July 1, 1998.

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Fiscal Summary

**State Effect:** General fund expenditures increase by \$99,900 in FY 1999 only, assuming that future year duties of the commission could be accomplished with existing staff resources. Revenues would not be affected.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	99,900	0	0	0	0
Net Effect	(\$99,900)	\$0	\$0	\$0	\$0

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

**Local Effect:** None.

**Small Business Effect:** None.

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Fiscal Analysis

**State Expenditures:** The Office for Children, Youth, and Families advises that general fund expenditures could increase by an estimated \$111,420 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of three new positions (one Administrator, one Fiscal Specialist, and one Administrative Aide) to provide staffing, research, and analysis for the commission. It includes salaries and fringe benefits (\$85,395), one-time start-up costs (\$24,225), and ongoing operating expenses (\$1,800).

The Department of Legislative Services (DLS) advises that general fund expenditures could increase by an estimated \$99,921 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of contractual rather than permanent positions, since the bill does not require ongoing study after the commission's July 1, 1999 report to the Governor and the General Assembly. The estimate includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$74,346
Other Operating Expenses	<u>25,575</u>
<b>Total FY 1999 State Expenditures</b>	<b>\$99,921</b>

Future year expenditures assume that staffing for the commission could be handled with existing budgeted resources, since the study on the effects of concentrated poverty will be completed by July 1, 1999.

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**Information Source(s):** Office for Children, Youth, and Families; Department of Health and Mental Hygiene (Community and Public Health Administration); Department of Legislative Services

**Fiscal Note History:** First Reader - March 16, 1998

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Analysis by: Sue Friedlander

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710