

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE

House Bill 857 (Delegate Hubbard. *et al.*)

Ways and Means

Education - Early Childhood - Home Visiting

This bill establishes an early childhood home visitation program to support early child development and education among low-income families. The Maryland State Department of Education (MSDE) will supervise and monitor the program. The bill requires MSDE to appoint a non-governmental intermediary that will be responsible for awarding grants to applicants with early childhood home visitation programs. Applicants must submit to the non-governmental intermediary a proposal that identifies more than one project to receive funds under the program. The Governor must include funds in the State budget for the program. MSDE must report to the Governor and General Assembly by January 1st of each year on the program, progress, and expenditures for each individual home visiting project for the previous year. By January 1, 2002, MSDE must provide the Governor and General Assembly with an evaluation report on the progress of the program.

This bill takes effect July 1, 1999.

Fiscal Summary

State Effect: General fund expenditures would increase by \$5.4 million in FY 2000. Future year expenditures reflect increases in the grant amount to providers of early childhood programs. General fund revenues could increase by an indeterminate amount depending on the success of raising revenues from non-State sources.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	-	-	-	-	-
GF Expenditures	\$5,390,800	\$8,029,700	\$10,656,700	(\$10,658,800)	\$10,660,900
Net Effect	(\$5,390,800)	(\$8,029,700)	(\$10,656,700)	(\$10,658,800)	(\$10,660,900)

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

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

Background: Based on findings from the 1997 Task Force on Education Funding Equity, Accountability, and Partnerships, a large portion of public school students are “at-risk” of not performing at a high academic level. Many of these students come from low income families or families with limited English proficiency skills. According to the task force, one of the best indicators of students “at-risk” of performing poorly in school is whether they are eligible for free or reduced priced meals.

State Effect: The early childhood home visitation program will provide grants to organizations providing intervention services to families with incomes below 200% of the federal poverty level. The program must (1) focus on a child’s development and education from birth to six years old; (2) promote long-term family involvement in a child’s development and education; (3) use an assessment tool to systematically identify the family’s needs; (4) initiate services as early as possible; (5) include extensive outreach and linkages with other services to meet the family’s needs; and (6) include individual home visiting projects.

Individual home visiting projects must include a schedule of regular visits between a home visitor and the family of a child and the child. The home visits are designed to demonstrate and promote appropriate developmental and learning activities, improve parenting skills, establish reasonable expectations for a child’s development and education; and document advancements in the development and education of the child and the quality of the home learning environment.

Pursuant to the legislation, the Governor must include \$5 million in the fiscal 2000 State budget for home visiting projects under the program. The required funding increases to \$7.5 million in fiscal 2001 and \$10 million in fiscal 2002 and thereafter. The funding would be allocated to all county governments through a formula based on the number of families whose incomes are at or below 200% of the poverty level. Based on data from the 1990 Census, almost 1 million State residents live in households with incomes below 200% of the poverty level. Over 32% of these residents live in Baltimore City. Allegany, Garrett, and Somerset counties and Baltimore City had around 40% of their population at or below 200% of the poverty level. **Exhibit 1** shows the number of persons living below 200% of the poverty level in 1990 on a county-by-county basis. In addition, the exhibit shows the estimated State funding allocation per jurisdiction using the 1990 census.

MSDE must appoint a non-governmental intermediary to award the grants to organizations. The non-governmental intermediary must collect and evaluate the requests for proposals and identify effective proposals for funding. In addition, the non-governmental intermediary must raise non-State funds to enhance overall funding for the program and assist local governments in building and strengthening public and nonpublic partnerships for the establishment of individual home visiting projects. It is assumed that the non-governmental intermediary, as part of its contract, would either receive a percentage of the revenues raised for early childhood programs or an amount provided by the State. In any event, the cost for hiring a third-party intermediary outside of MSDE could be significant. For illustrative purposes, if the intermediary receives a 5% commission, State expenditures could total \$250,000 in fiscal 2000, assuming a \$5 million program. By fiscal 2002, the cost could increase to \$500,000, assuming a \$10 million program.

In addition, MSDE will have to hire one program coordinator at the State headquarters at a first year cost of \$40,800 to select an intermediary, supervise and monitor the program, and review the intermediary's performance. In addition, MSDE would have to spend \$100,000 to hire an outside program evaluator to develop an evaluation design and measure the projects' impact on families and their children. In sum, State expenditures could increase by \$5,390,800 in fiscal 2000. The following table shows the projected cost for the program for fiscal 2000 through 2003.

Category	FY 2000	FY 2001	FY 2002
Project Grants	\$5,000,000	\$7,500,000	\$10,000,000
Intermediary	\$250,000	\$375,000	\$500,000
Evaluator	\$100,000	\$100,000	\$100,000
MSDE	\$40,800	\$54,700	\$56,700
Total	\$5,390,800	\$8,029,700	\$10,656,700

Information Source(s): Maryland State Department of Education, Department of Legislative Services

Fiscal Note History: First Reader - March 12, 1999

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Exhibit 1
Early Childhood Home Visitation Program
Data from the 1990 Census

<u>County</u>	<u>Persons Living Below 200% of Poverty Level</u>	<u>Percent of State Total</u>	<u>Estimated State Funding Allocation \$5 Million Program</u>	<u>County Population</u>	<u>Percent of County Population that is Below 200% of Poverty Level</u>
Allegany	28,453	3.0%	\$152,241	71,894	39.6%
Anne Arundel	56,586	6.1%	302,771	411,259	13.8%
Baltimore City	301,910	32.3%	1,615,408	714,672	42.2%
Baltimore	104,802	11.2%	560,756	677,714	15.5%
Calvert	7,430	0.8%	39,755	50,900	14.6%
Caroline	8,415	0.9%	45,026	26,427	31.8%
Carroll	14,996	1.6%	80,238	120,053	12.5%
Cecil	15,602	1.7%	83,480	69,421	22.5%
Charles	13,923	1.5%	74,497	99,730	14.0%
Dorchester	10,416	1.1%	55,732	29,751	35.0%
Frederick	22,414	2.4%	119,929	146,192	15.3%
Garrett	11,562	1.2%	61,864	27,537	42.0%
Harford	26,650	2.9%	142,594	178,074	15.0%
Howard	15,567	1.7%	83,293	185,080	8.4%
Kent	5,068	0.5%	27,117	16,928	29.9%
Montgomery	82,031	8.8%	438,917	748,385	11.0%
Prince George's	108,695	11.6%	581,586	711,067	15.3%
Queen Anne's	6,190	0.7%	33,120	33,507	18.5%
St. Mary's	17,490	1.9%	93,582	73,418	23.8%
Somerset	7,799	0.8%	41,730	19,724	39.5%
Talbot	6,999	0.7%	37,449	30,044	23.3%
Washington	29,138	3.1%	155,907	113,257	25.7%
Wicomico	22,106	2.4%	118,281	71,156	31.1%
Worcester	10,228	1.1%	54,726	34,401	29.7%
Total	934,470	100.0%	\$5,000,000	4,660,591	20.1%

Source: Maryland Office of Planning
Prepared by the Department of Legislative Services