

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1172 (Delegate Shriver)

Ways and Means

Education - Early Childhood Literacy - Grants

This bill requires the State Board of Education to distribute early childhood literacy grants each year to organizations that (1) promote early childhood literacy during well child visits in health care settings; and (2) solicit corporate funding for promoting early childhood literacy. Organizations must use grants to purchase books that are distributed at well child visits in health care settings and train pediatricians and other health care providers on methods of promoting literacy to all Maryland children. The Governor must include funds in the State budget each year for this purpose beginning in fiscal 2001.

This bill takes effect June 1, 2000.

Fiscal Summary

State Effect: General fund expenditures could increase by at least \$132,750 annually beginning in FY 2001. Revenues could increase to the extent that the State board and the project coordinator are successful at soliciting corporate and private donations for the program.

Local Effect: None.

Small Business Effect: Minimal. Each medical practice selected to participate in the program would receive about \$3,000 in books which would be distributed to children.

Analysis

Background: Reach Out and Read is a national program that seeks to make early childhood literacy an integral part of pediatric primary care. Pediatricians encourage parents to read aloud to their young children and give books to their parents to take home at all pediatric check-ups from six months to five years of age. The program is based on the belief that reading aloud to children is the most important task that a parent can do to help their children to enjoy books and to start school ready to learn. The Annie E. Casey Foundation funded this program in 12 primary care clinics in Baltimore City in 1997.

State Fiscal Effect: The early childhood literacy grants provided for in this legislation are based on the national Reach Out and Read program. State funding to establish a pilot initiative in Maryland could total \$132,750 in fiscal 2001. This program would be coordinated with the Maryland Chapter of the American Academy of Pediatrics and would include ten private practices: nine new practices in Baltimore County serving low-income families and one existing practice in Talbot County.

Approximately 5,000 children would participate in the program in the first year and would receive a free book at their semi-annual checkup. This is based on 500 children receiving services at each medical practice. Each children's book costs approximately \$3 which represents a 40% to 60% savings on the book's list price.

The administration of the program will be contracted out by the Maryland State Department of Education to a nonprofit organization. The American Academy of Pediatrics advises that a project coordinator would have to be hired to solicit corporate donations and to implement the program at different medical practices. The following table shows the projected cost for the program as identified by the American Academy of Pediatrics. Funding for children's books accounts for about 22% of the projected cost of the program. Salaries and operating expenses account for 78%. It is assumed that the project coordinator would raise additional corporate funding to expand this program to include additional practices that would serve more children.

<u>Expense Category</u>	<u>Amount</u>	<u>Percent</u>
Salaries and Benefits	\$73,750	56%
Operating Expenses	\$29,000	22%
Children's Books	\$30,000	22%
Total	\$132,750	100%

Additional Information

Prior Introductions: None.

Cross File: SB 750 (Senator Kasemeyer, *et al.*) - Economic and Environmental Affairs and Budget and Taxation.

Information Source(s): Maryland State Department of Education, American Academy of Pediatrics (Maryland Chapter), Reach Out and Read, Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2000
jir/jr

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