

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

Senate Bill 517 (Senator Conwav. *et al.*)

Finance

Maryland Youthbuild Act

This emergency bill establishes the Maryland Youthbuild Program for the purpose of providing disadvantaged youth aged 16 to 24 with opportunities for employment, education, leadership development, entrepreneurial skills development, and training in the construction and rehabilitation of housing for special needs and low-income households. The Secretary of Human Resources must establish, implement, and administer the Youthbuild program and the Secretary of Housing and Community Development must provide grants for the program.

Fiscal Summary

State Effect: General fund expenditures would increase by \$1,050,000 in FY 2001. This estimate assumes \$950,000 in grants for Youthbuild programs. Future year expenditures reflect inflation and the elimination of one-time start-up costs. Revenues would not be affected.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	1,050,000	1,042,600	1,046,900	1,051,500	1,056,300
Net Effect	(\$1,050,000)	(\$1,042,600)	(\$1,046,900)	(\$1,051,500)	(\$1,056,300)

Note: () = decrease; GF = general funds

Local Effect: None.

Small Business Effect: Meaningful impact on non-profit organizations that receive a grant to operate a Youthbuild program. Also, some small construction businesses may benefit

from the additional skilled labor available as a result of the program.

Analysis

Bill Summary: The Maryland Youthbuild Program will provide funds to: (1) provide education, job training, counseling services, and leadership development training to program participants; and (2) construct and rehabilitate housing for disadvantaged persons. A training subsidy or stipend is provided to program participants for the time spent at the worksite in construction training. The subsidy would not affect the public assistance benefits that a participant might otherwise receive.

Individuals must participate in a Youthbuild program for at least six months, but no longer than two years. Grantees must assist graduates of Youthbuild programs to find employment, particularly jobs in the construction field. The Department of Human Resources (DHR) is authorized to reserve up to 5% of the Youthbuild program appropriation to contract with Youthbuild USA for technical assistance, management, supervision, and coordination of Youthbuild programs.

Current Law: Maryland has not established a State funded Youthbuild program; however, four Youthbuild sites are operating in the State.

Background: The Youthbuild program began in 1978 when a group of teenagers in New York City expressed a desire to renovate abandoned buildings and revitalize their community. The program expanded nationwide in 1988 and today there are about 129 operating Youthbuild programs in 43 states, including four in Maryland.

The purpose of the Youthbuild program is to encourage unemployed young adults to rebuild their communities and their own lives with a commitment to work, education, responsibility, and family. Economically disadvantaged young people aged 16 to 24 acquire construction skills and receive educational services and leadership training while rehabilitating or constructing new housing for low income and homeless people in their communities. Based on the national mode, participants spend alternate weeks on the job site and in educational programs. The Youthbuild program promotes involvement in a positive peer group and in the community.

According to Youthbuild USA, approximately 60% of program participants remained for the full length of the program and 85% of those completing the program were placed in college or jobs averaging \$7.50 a hour. In 1999, around 5,500 youths participated in the program and since 1993 over 2,000 units of low-income housing have been built or reconstructed by the Youthbuild students.

State Fiscal Effect: General fund expenditures could increase by \$1,050,000 in fiscal 2001, to establish and administer a viable Youthbuild program.

Public and private not-for-profit agencies would receive funding to establish Youthbuild programs throughout the State. It is assumed that at least \$950,000 in grant funds is needed to support a viable program in two locations. Of this amount, 5% (\$47,500) can be reserved to contract with Youthbuild USA for technical assistance, management, supervision, and coordination of Youthbuild programs. Administrative costs would total \$100,000 in fiscal 2001, which includes \$88,700 in salaries and benefits for two additional positions. DHR would need to hire one human service specialist to administer the program and the Department of Housing and Community Development (DHCD) would need one program administrator to award the grants.

DHR requested two additional positions to administer the Youthbuild program; however, the Department of Legislative Services advises that DHCD and Youthbuild USA could provide technical assistance and thus only one additional position is warranted.

Additional Information

Prior Introductions: A similar bill was introduced at the 1999 session as SB 166. It passed the Senate with amendments but was not reported from the House Appropriations Committee.

Cross File: HB 1182 (Delegate V. Jones - Appropriations) is identified as a cross file although it is different.

Information Source(s): Department of Human Resources, Department of Housing and Community Development, YouthBuild USA, Department of Legislative Services

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