

Department of Legislative Services
 Maryland General Assembly
 2001 Session

FISCAL NOTE

House Bill 1289
 Appropriations

Delegate Marriott)

Commission on Concentrated Poverty in Maryland

This bill establishes a 21-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, 2002.

The bill takes effect July 1, 2001.

Fiscal Summary

State Effect: General fund expenditures increase by \$97,500 in FY 2002 only, assuming that future year duties of the commission could be accomplished with existing staff resources. Revenues would not be affected.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	97,500	0	0	0	0
Net Effect	(\$97,500)	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: None applicable.

Background: It is estimated that there are approximately 90,000 Maryland children growing up and attending school in neighborhoods with concentrated poverty, and substantial evidence exists that the life chances of these children are diminished. Moreover, schools in the State with a high concentration of children living in poverty show poor academic performance. Data show that Maryland has some 255 of these schools located in 16 school systems, including 148 schools in Baltimore City, 41 in Prince George's County, 12 in Allegany County, and 10 in Montgomery County. In addition, while the State poverty rate has been falling over the past 25 years (for example, from 11.3% to 10.1% in the Baltimore metropolitan region), the concentration of poverty is increasing in a larger number of neighborhoods.

State Fiscal Effect: The Department of Legislative Services advises that general fund expenditures could increase by an estimated \$97,523 in fiscal 2002 which reflects the cost of one contractual administrator to provide staffing, research, and analysis for the commission. Since the bill does not require ongoing study after the commission's July 1, 2002 report to the Governor and the General Assembly, a permanent position is not necessary. The estimate also includes contractual services, one-time start-up costs, and ongoing operating expenses.

Salary and Fringe Benefits	\$51,093
Contractual Services - Fiscal Impact Study and Surveys	41,300
Other Operating Expenses	<u>5,130</u>
Total FY 2002 State Expenditures	\$97,523

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, 2002.

Additional Information

Prior Introductions: Substantially similar bills were introduced during the 1998 and 2000 sessions as HB 1069 and HB 1063, respectively. Both bills received an unfavorable report from the House Commerce and Government Matters Committee.

A similar resolution was introduced in the 1997 session as House Joint Resolution 23 and received an unfavorable report from the House Commerce and Government Matters Committee.

Cross File: None.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader – March 2, 2001
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