

**Department of Legislative Services**  
 Maryland General Assembly  
 2005 Session

**FISCAL AND POLICY NOTE**

House Bill 1303 (Delegate Bohanan)  
 Judiciary

**Juvenile Delinquency Prevention and Diversion Programs**

This bill establishes a Subcabinet Coordinating Council on Juvenile Delinquency Prevention and Diversion Programs in the Office for Children, Youth, and Families (OCYF). The council's purpose is to: (1) build capacity to serve youth in their communities and at home; (2) reduce reliance on institutions as the primary mode of intervention for juvenile offenders; (3) promote positive outcomes for court-involved youth; and (4) fund practices that prevent juvenile crime and delinquency. The bill also establishes a Juvenile Delinquency Prevention and Diversion Program Fund to support these programs.

The bill takes effect July 1, 2005, contingent on the Governor including \$10 million in the fiscal 2007 budget and \$20 million in the fiscal 2008 budget to implement this bill. Otherwise, the bill will be null and void.

**Fiscal Summary**

**State Effect:** General fund expenditures could increase by \$53,000 in FY 2006 and annually thereafter for personnel costs. General fund expenditures could increase by \$10 million in FY 2007 and \$20 million in FY 2008 to capitalize the fund. General fund revenues could increase beginning in FY 2007 to reflect any interest income earned by the new special fund being credited to the general fund. Special fund revenues and expenditures could increase beginning in FY 2007.

(\$ in millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
GF Revenue	\$0	-	-	-	-
SF Revenue	0	10.0	20.0	-	-
GF Expenditure	.1	10.1	20.1	-	-
SF Expenditure	0	10.0	20.0	-	-
Net Effect	(\$.1)	(\$10.1)	(\$20.1)	\$0	\$0

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

**Local Effect:** Legislative Services assumes that any additional local management board (LMB) administrative costs that could not be absorbed by a board's existing staff would be covered by a portion of the grant funds awarded.

**Small Business Effect:** Meaningful to the extent that small businesses receive additional funds to provide juvenile delinquency prevention and diversion programs.

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## Analysis

**Bill Summary:** The council must: (1) set standards for juvenile delinquency prevention and diversion programs; (2) develop requests for proposals for juvenile delinquency prevention and diversion programs; and (3) award grants to selected jurisdictions to establish juvenile delinquency prevention and diversion programs. The first request for proposals must be developed and issued by January 1, 2006.

Juvenile delinquency prevention and diversion programs must be community-based; nonresidential; located in areas of the State with the greatest need; and coordinated, monitored, and supported by LMBs. LMBs must apply to the council for local juvenile delinquency prevention and diversion program funds. Before submitting an application, the LMB must convene a local planning group. The group must assess the adequacy, availability, and accessibility of current community-based services that focus on preventing and diverting individuals from the juvenile justice system and address increasing the individual's personal responsibility and self-sufficiency. The group also must identify unserved areas and recommend programs that can address the unmet needs of youth and their families.

LMBs also must: (1) develop a request for funds based on the group's recommendations; (2) award funds to local agencies or organizations to provide the services; (3) monitor and evaluate juvenile delinquency prevention and diversion programs; (4) provide technical assistance to programs; (5) promote cost-effectiveness strategies; (6) measure outcomes; and (7) report quarterly to OCYF.

The council must report annually by December 31 to the General Assembly on the implementation and effectiveness of juvenile delinquency and diversion programs.

The Juvenile Delinquency Prevention and Diversion Program Fund is a special, nonlapsing fund consisting of money appropriated in the State budget for the fund and any other money from any other source accepted for the fund's benefit. Any investment earnings must be credited to the State's general fund. The fund may only support juvenile delinquency prevention and diversion programs.

**Current Law:** Each local jurisdiction must establish and maintain an LMB to ensure the implementation of a local interagency service delivery system for children, youth, and families. Within OCYF, there is a State Coordinating Council that must, among other duties, oversee local coordinating councils and plan and coordinate with the local councils concerning providing adequate services to children in need of residential placement and enhanced services to children with intensive needs.

**State Fiscal Effect:** The bill takes effect on July 1, 2005, but is contingent on the Governor including \$10 million in the fiscal 2007 proposed budget and \$20 million in the fiscal 2008 proposed budget. The fiscal 2007 budget will be introduced on January 18, 2006, after the coordinating council is required to develop and issue requests for proposals (RFPs) under the bill. Nevertheless, Legislative Services assumes that general fund expenditures could increase beginning in fiscal 2006 to hire an administrator to staff the council and develop the RFPs. Legislative Services further assumes funding at the required level would be appropriated in the fiscal 2007 and 2008 budgets and that the funding source would be the general fund. As interest income earned by the special fund must be credited to the general fund, general fund revenues would increase in fiscal 2007 and subsequent years.

General fund expenditures could increase by an estimated \$53,044 in fiscal 2006, which accounts for a 90-day start-up delay and an effective date of July 1, 2005. This estimate reflects the cost of hiring one administrator to staff the council and develop the RFPs. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses

Salaries and Fringe Benefits	\$48,783
Operating Expenses	<u>4,261</u>
<b>Total FY 2006 State Expenditures</b>	<b>\$53,044</b>

Future year general fund expenditures reflect: (1) full salaries with 4.6% annual increases and 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) capitalization of the new fund.

Special fund revenues and expenditures could increase by \$10 million in fiscal 2007 and \$20 million in fiscal 2008. Future year special fund revenues and expenditures could increase to the extent that additional money is deposited into the fund for these programs.

**Additional Comments:** Absent reauthorization, OCYF will terminate June 30, 2005. SB 222 and its cross file HB 293 would reauthorize OCYF as a permanent entity not subject to termination.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Juvenile Services, Washington County, Montgomery County, Kent County, Department of Human Resources, Governor's Office (Office for Children, Youth, and Families), Maryland State Department of Education, Department of Health and Mental Hygiene, Baltimore City, Department of Legislative Services

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