

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

**FISCAL AND POLICY NOTE
Revised**

Senate Bill 773
Finance

(Senator Lawlah, *et al.*)

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.

Fiscal Summary

State Effect: General fund expenditures could increase by \$55,000 in FY 2006, to establish a viable program. General fund expenditures could increase by \$6.1 million in FY 2007 to capitalize the new special fund and continue related program costs. Future general fund expenditures reflect annualization and inflation. Correspondingly, special fund revenues and expenditures would increase beginning in FY 2007. 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.

(\$ in millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
GF Revenue	-	-	-	-	-
SF Revenue	.1	6.1	6.1	6.2	6.3
GF Expenditure	.1	6.1	6.1	6.2	6.3
SF Expenditure	.1	6.1	6.1	6.2	6.3
Net Effect	(\$0.1)	(\$6.1)	(\$6.1)	(\$6.2)	(\$6.3)

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.

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.

Background: The Youth Strategies Initiative, formerly called the Youth Strategies Consolidated Grant, was started in January 2001 with the goal that all children of the State can maximize their potential and become law-abiding residents. It seeks to establish effective and coordinated local service delivery systems that meet the needs of youth in each jurisdiction.

State Fiscal Effect: This bill does not specify the amount that must be appropriated for the Juvenile Delinquency Prevention and Diversion Program Fund. However, for purposes of this analysis, it is assumed that general fund expenditures could increase by \$55,044 in fiscal 2006, which reflects a 90-day start-up delay. This estimate reflects OCYF hiring one administrator to staff the council and develop the requests for proposals. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salary and Fringe Benefits	\$48,783
Operating Expenses	<u>6,261</u>
Total FY 2006 State Expenditures	\$55,044

It is assumed that general fund expenditures would increase by \$6,066,150 in fiscal 2007, \$5,997,481 to capitalize the special fund and \$68,669 for the administrator and operating expenses.

The annual appropriation included in this analysis is based on the Youth Strategies Initiative fiscal 2006 proposed budget allowance of \$5,938,098. The Youth Strategies Initiative serves a similar population for a similar purpose, under the Subcabinet for Children, Youth, and Families and the Governor's Office of Crime, Control, and Prevention.

Additionally, 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.

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

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, as amended in the Senate, would extend OCYF's termination date to July 1, 2006. HB 293, as amended in the House, would eliminate OCYF and transfer its duties, personnel, and funds to the Department of Health and Mental Hygiene, the Department of Human Resources, and the Maryland State Department of Education.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Juvenile Services, Washington County, Montgomery County, Prince George's County, Kent County, Worcester County, Judiciary (Administrative Office of the Courts), Governor's Office (Children, Youth, and Families), Maryland State Department of Education, Department of Legislative Services

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Analysis by: Lisa A. Daigle

Direct Inquiries to:
(410) 946-5510
(301) 970-5510