

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 133

(Delegate Hixson, *et al.*)

Ways and Means

Education, Health, and Environmental Affairs
and Budget and Taxation

Education - Maryland Infants and Toddlers Program - Grants - Funding

This bill requires the Governor to include in the annual State budget an amount for the Maryland Infants and Toddlers Program that is at least equal to the amount appropriated for the program in the previous year's budget.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: Mandating that funding for the infants and toddlers program equal or exceed the funding level from the previous fiscal year would not necessarily increase expenditures; however, it would reduce flexibility in the general fund budget. Revenues would not be affected.

Local Effect: Local revenues from the infants and toddlers program would not necessarily increase but would be subject to a minimum amount that the Governor must include in the proposed budget.

Small Business Effect: None.

Analysis

Current Law: Funding for the Maryland Infants and Toddlers Program is discretionary. Subject to the availability of funding for the infants and toddlers program in the annual State budget, the Maryland State Department of Education (MSDE) must distribute grants for each county according to the program's statutory formula. The formula is

based on enrollment and a per pupil cost, of which the State pays 20% in fiscal 2007 and beyond. In addition, an inflation factor is applied to the per pupil funding level each year.

Background: The Maryland Infants and Toddlers Program provides a system of comprehensive community-based intervention services for very young children (birth through age two) with developmental delays and disabilities. MSDE oversees local programs established in the 23 counties and Baltimore City. State funding for the programs passes through MSDE’s budget and is distributed to the local school system or the local health department in each jurisdiction, whichever acts as the lead agency.

The Maryland Infants and Toddlers Act of 2002 (Chapter 312) established the discretionary formula for the infants and toddlers program. The Bridge to Excellence in Public Schools Act (Chapter 288 of 2002) provided a \$4.8 million special fund appropriation for the program in fiscal 2003 through an increase in the cigarette tax. This funding was added to a \$433,250 general fund allocation, bringing fiscal 2003 funding for the program to \$5.2 million. Since then, annual State funding and the allocation of the funding to the counties has matched the fiscal 2003 amounts. **Exhibit 1** shows the annual distribution of infants and toddlers funding over the last four years.

Exhibit 1
Annual State Funding for the Infants and Toddlers Program
Fiscal 2003 to 2006

Allegany	\$73,355	Harford	\$262,352
Anne Arundel	446,602	Howard	276,160
Baltimore City	668,393	Kent	3,452
Baltimore	758,145	Montgomery	1,090,399
Calvert	56,095	Prince George’s	602,805
Caroline	28,910	Queen Anne’s	44,876
Carroll	139,806	St. Mary’s	89,752
Cecil	70,766	Somerset	8,630
Charles	110,895	Talbot	30,636
Dorchester	43,150	Washington	93,635
Frederick	205,394	Wicomico	65,156
Garrett	14,239	Worcester	16,397

MSDE advises that it requested the full formula amount in fiscal 2007, but the proposed fiscal 2007 State budget included the same \$5.2 million that has been allocated to the program over the last four fiscal years. This is the amount that is included in the approved fiscal 2007 State budget. MSDE reports that State funds currently cover

approximately 10% of the total costs for services provided through the infants and toddlers program. Local funds support approximately 64% of the costs, and federal grants and Medicaid pay another 25%.

State Expenditures: Beginning in fiscal 2008, the bill requires the Governor to include in the annual State budget an amount for the infants and toddlers program that is at least equal to the amount appropriated in the prior fiscal year. The approved fiscal 2007 State budget includes \$5.2 million in general funds for the program, the same amount that has been provided since fiscal 2003. It is assumed that the program will continue at the current funding level with or without this bill; therefore, mandating the continuation of the current funding would not represent an increase in general fund expenditures. It does, however, limit flexibility in the budgeting process.

Local Revenues: State aid from the infants and toddlers program would not necessarily increase as a result of the bill; it is assumed that the funding level will remain at \$5.2 million per year with or without the bill. Funding for the program would not, however, be subject to budget reductions in the Governor's annual budget proposal.

Additional Information

Prior Introductions: None.

Cross File: SB 367 (Senator Hollinger, *et al.*) – Education, Health, and Environmental Affairs and Budget and Taxation.

Information Source(s): Maryland State Department of Education, Department of Legislative Service

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