

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 534

(Senator Klausmeier, *et al.*)

Budget and Taxation

Health and Government Operations

Senior Citizen Activities Centers - Capital Improvement Grants Program -
Maximum Grant Amount

This bill increases from \$600,000 to \$800,000 the maximum amount the State may award for a project under the Senior Citizen Activities Centers' Capital Improvement Grants Program.

Fiscal Summary

State Effect: General obligation (GO) bond or general fund PAYGO expenditures would not necessarily increase as a result of the bill. No effect on revenues.

Local Effect: Potential meaningful for a unit of local government that could receive a grant of up to \$800,000, instead of the current maximum grant of \$600,000.

Small Business Effect: None.

Analysis

Current Law: A senior citizens community center is a community or neighborhood facility in which a broad spectrum of services are provided to individuals who are 60 or older or to their spouses. Services provided include health, social, nutritional, educational, and recreational services.

A unit of local government may apply to the Secretary of Aging for a grant for the cost of: planning, design, construction, acquisition, conversion, renovation, or improvement of a project; developing a master plan; purchasing capital equipment for a project; leasing a

project; or making a subgrant to a nonprofit for one of the previously mentioned purposes.

If the Secretary approves a grant application, the Secretary must file a report describing the scope of the project with the Board of Public Works that includes a recommendation that the board make the requested funds available.

Except as otherwise provided, a State grant for a project may not exceed the lesser of \$600,000 or 50% of the cost of eligible work remaining unpaid after any federal grant is applied. A State grant to develop a master plan may not exceed the lesser of \$15,000 or 50% of the plan's development cost. Under certain conditions, the Board of Public Works may authorize a grant for a project that exceeds 50% of the cost of eligible work remaining unpaid after any federal grant is applied.

Background: The fiscal 2008 capital budget allowance includes \$1,320,000 for three senior citizen activity center projects funded under this program.

State Expenditures: GO bond or general fund PAYGO expenditures would not necessarily be affected by increasing the maximum grant award for a single project because the grant amount is discretionary.

The Maryland Department of Aging (MDoA) advises that increasing the maximum allowable grant from \$300,000 to \$600,000 in 1998 resulted in an annual increase in MDoA's capital budget request. MDoA thus advises that increasing the maximum by 33% would increase the department's capital budget request for the program by 33% as well beginning in fiscal 2009.

The Department of Legislative Services disagrees with this assessment. The bill does not require MDoA to increase the total amount of grants awarded under this program. The bill allows MDoA to award a single grant in an amount up to \$800,000, instead of the current maximum of \$600,000. It could however, result in fewer awards or other grant recipients receiving lower awards.

Additional Information

Prior Introductions: None.

Cross File: HB 880 (Delegate Aumann, *et al.*) – Health and Government Operations.

Information Source(s): Maryland Department of Aging, Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2007
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