

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 995
Appropriations

(Delegate Boteler, *et al.*)

Charles H. Hickey, Jr. School - Cessation of Operations - Transfer of Property

This bill requires, under specified conditions, the transfer of the real property and all rights of physical control over the real property of the Charles H. Hickey, Jr. School from the Department of Juvenile Services to the Department of Natural Resources, notwithstanding the power of the Board of Public Works to transfer property between units of the Executive Branch. The bill stipulates that the transfer shall not occur until after DJS ceases to operate the school as provided under Title 9, Subtitle 2 – Department of Juvenile Services of the Human Services Article. The bill requires that property transferred under the bill become a part of Gunpowder Falls State Park.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances because DJS plans to continue operating the school as a juvenile facility. Accordingly, the bill's provision requiring the transfer of the property to DNR would likely *not* be triggered. However, *if* the property were ever transferred to DNR, general fund expenditures could increase significantly for DNR to maintain the property as part of Gunpowder Falls State Park.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: DJS is authorized to establish and operate the facilities that are necessary to properly diagnose, care for, train, educate, and rehabilitate children who need specified

juvenile services. One of the facilities that DJS is specifically authorized to operate is the Charles H. Hickey, Jr. School.

With some exceptions, State law permits BPW to transfer any property, and all rights of physical custody and control over the property, from a unit of the Executive Branch of the State government to another unit of the Executive Branch of the State government. The transferred property still remains subject to the continuing general jurisdiction of BPW. Under the State clearinghouse process, State and local agencies are allowed to express an interest in State excess real property and BPW decides how the property will be disposed.

Background: On June 30, 2005, Governor Ehrlich ordered that the Charles H. Hickey, Jr. School be closed and be replaced with a new regional detention center. The school, which housed some of the State's most serious juvenile offenders, was a secure 130-bed facility sitting on approximately 219 acres of land in northeastern Baltimore County. Approximately 70 acres of the school's land border the Gunpowder Falls River and tributaries of the river. The school officially closed on November 30, 2005; however, DJS continues to operate a 72-bed detention center on the site.

The DJS Capital Improvement Program includes approximately \$37.6 million in general obligation bonds from fiscal 2010 through 2013 to design and construct a modern detention facility on the site. The facility will be for high-risk juvenile offenders who require detention pending a court disposition and for youth pending post-adjudication placement. The facility will contain program space for admissions, housing, somatic and mental health services, dietary services, counseling, and recreation. According to DJS, the current detention center will remain operational until the new detention facility is established.

State Fiscal Effect: The bill is not anticipated to materially affect State operations or finances because DJS plans to continue operating the school as a juvenile facility. Accordingly, the bill's provision requiring the transfer of the property to DNR would likely *not* be triggered.

However, *if* the property were ever transferred to DNR for inclusion in Gunpowder Falls State Park, and assuming that, in the absence of this bill, the property would not otherwise be transferred to the department, DNR's expenditures could increase significantly. A reliable estimate of any such increase would depend on when the transfer would occur.

For illustrative purposes, if the transfer were to occur on July 1, 2009, general fund expenditures would increase by an estimated \$539,573 in fiscal 2010. This estimate reflects the cost of hiring one park supervisor, two park technicians, and five seasonal

maintenance employees to manage the land within the park. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- estimated costs are based on actual DNR costs to operate similar park facilities in other areas;
- DNR would maintain the undeveloped portions of the property and secure and stabilize the on-site infrastructure until such time as DNR can properly assess how best to utilize the existing property;
- training for new employees; and
- a significant amount of equipment would need to be purchased (including trucks, front-end loaders, mowers, chain saws, GPS units, fence posts, safety equipment, uniforms, and other supplies).

Full-time Positions	2
Seasonal (contractual) Positions	5
Salaries and Fringe Benefits	\$225,638
Equipment/Supplies	275,743
Other Ongoing Operating Expenses	<u>38,192</u>
Total FY 2010 DNR Expenditures	\$539,573

Future year expenditures would reflect ● 4.4% annual increases in salaries and 3% employee turnover (for full-time positions); ● 4.4% annual increases in salaries and 6.8% employee turnover (for contractual employees); and ● 2% annual increases in ongoing operating expenses.

It is assumed that general funds would be needed to cover any costs incurred by DNR. If general funds were not provided, DNR advises that it would need to redirect existing special funds from other park-related activities in order to cover the bill's costs.

If DJS ceases to operate the facility and the property is transferred to DNR in accordance with this bill, it would prevent alternative future uses or disposal of the property, which would also likely have fiscal impacts. However, because DJS plans to continue operating the facility, any other potential impacts cannot be predicted.

Additional Information

Prior Introductions: Similar legislation was introduced as SB 6/HB 116 of 2006. SB 6 passed the Senate and was referred to the House Appropriations Committee. Appropriations held a hearing on both bills but no further action was taken.

Cross File: None.

Information Source(s): Department of Juvenile Services, Department of Natural Resources, Department of Legislative Services

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