

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

Senate Bill 691 (Senator Benson, *et al.*)

Education, Health, and Environmental Affairs
and Budget and Taxation

Maryland After-School and Summer Opportunity Fund Program - Funding Requirement

This bill re-establishes the After-School and Summer Opportunity Fund (ASOF) as a nonlapsing special fund; and requires the Governor to provide at least \$5 million to the fund in the annual State budget. The fund's purpose is to provide grants to nonprofit organizations in accordance with provisions regarding after-school and summer opportunity programs.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: General fund expenditures increase by \$5.0 million annually for ASOF, with corresponding increases in special fund revenues and expenditures. General fund expenditures also increase by \$148,800 in FY 2016, for the Governor's Office of Children (GOC) to hire additional staff to administer and monitor the grants awarded pursuant to the bill. Future year general fund expenditures reflect annualization and inflation. General fund revenues may increase minimally from investment earnings of the fund. **This bill establishes a mandated appropriation beginning in FY 2017.**

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
GF Revenue	-	-	-	-	-
SF Revenue	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
GF Expenditure	\$5,148,800	\$5,190,700	\$5,199,500	\$5,208,800	\$5,218,500
SF Expenditure	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Net Effect	(\$5,148,800)	(\$5,190,700)	(\$5,199,500)	(\$5,208,800)	(\$5,218,500)

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

Local Effect: None.

Small Business Effect: Minimal. Nonprofit organizations may be awarded grants from program funding.

Analysis

Bill Summary: GOC must administer the fund as directed by the executive committee of the Advisory Board on After-School and Summer Opportunity Programs. The fund is a special, nonlapsing fund, consisting of money appropriated in the State budget and money from any other source accepted for the benefit of the fund. Any investment earnings of the fund are credited to the general fund of the State.

Current Law/Background: Chapter 586 of 1999 originally established the Maryland After-School Opportunity Fund and Program to provide funding to organizations with after-school programs for children. Chapter 586 also established an advisory board and required the executive committee to consult with the advisory board in reviewing and updating a comprehensive plan of after-school opportunity programs. The plan was required to address (1) the integration of funding sources; (2) maximization of federal funding opportunities; (3) the promotion of the use of school buildings and local public transportation resources for after-school opportunity programs; (4) the use of local child care resource and referral centers for technical assistance purposes; (5) the promotion of continued expansion of high-quality after-school opportunity programs in the State; and (6) the consideration of implementing the full range of options for improving the delivery of after-school opportunity programs. The board issued its first comprehensive plan in 1999.

Chapters 530 and 531 of 2012 transferred the Maryland After-School Opportunity Fund and Program from the Maryland State Department of Education to GOC and renamed the program the Maryland After-School and Summer Opportunity Fund Program. Chapters 530 and 531 also required the executive committee to use the Maryland Out of School Time (MOST) Programs' Quality Standards Framework to monitor and assess participating after-school and summer programs and required the comprehensive plan to also address, where needed, technical assistance for compliance with the MOST quality framework.

The MOST quality framework was developed to assist various out-of-school programs that serve the State's youth. The framework is designed to serve as a guide for programs by setting standards of program quality. The framework includes seven foundational areas that are considered to be the essential elements of program quality improvement: (1) youth

program design and accountability; (2) youth program leadership and sustainability; (3) physical environment and youth program climate; (4) health and safety; (5) staffing and professional development; (6) youth development, including relationships, programming/activities, and youth participation/engagement; and (7) family/caring adult and community engagement.

Due to budget constraints, the program has not been funded since fiscal 2004. Pursuant to the responsibilities as set forth in Chapters 530 and 531, the advisory board issued an updated comprehensive plan and recommendations in October 2014. One recommendation of the advisory board was to make available consistent and reliable funding for quality out-of-school time programs. The plan noted that 80% of a young person’s life is spent outside of the school day and year and that nearly one-third of school-age children spend an average of 10 hours per week unsupervised during the out-of-school hours. The plan advised that out-of-school time programs are critical supports to families and can keep young people safe. The programs provide more time for learning as well as an opportunity for individualized instruction and support. In addition, programs can connect young people to healthy food and offer exposure to careers and higher education options. However, access to these programs is limited. The plan noted that costs associated with child care rank second only to housing costs among the burdens on family budgets and that often the children who could most benefit from the programs are the ones who are least likely to be able to afford them.

State Expenditures: General fund expenditures increase by \$5 million annually beginning in fiscal 2016 for ASOF. The funding is mandated under the bill beginning in fiscal 2017. General fund expenditures also increase by \$148,784 in fiscal 2016 for GOC to hire two full-time program specialists. Because GOC does not currently monitor grantees directly, the Department of Legislative Services agrees with GOC’s estimate that additional staff is needed to administer the grant process, monitor grant recipients to ensure compliance with requirements established by the advisory board and the MOST framework, and provide additional technical expertise to the advisory board and grant applicants and recipients. This estimate assumes an October 1, 2015 start date, following a 90-day start-up delay, salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	2
Salaries and Fringe Benefits	\$139,336
Mandatory Funding	\$5,000,000
Operating Expenses	<u>9,448</u>
Total FY 2016 State Expenditures	\$5,148,784

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Governor's Office for Children, Department of Budget and Management, Maryland State Department of Education, Department of Legislative Services

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min/rhh

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