

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
 Enrolled - Revised

House Bill 1402
 Ways and Means

(Delegate McIntosh, *et al.*)

Budget and Taxation

Education - Public School Opportunities Enhancement Act

This bill establishes a Public School Opportunities Enhancement Program and Grant in the Maryland State Department of Education (MSDE). MSDE must develop and administer the grant program to assist local school systems, public community schools, and nonprofit organizations in the State in expanding or creating extended day and summer enhancement programs and to assist nonprofit organizations in the State and community schools in expanding or supporting existing educational programming during the school day.

For fiscal 2018 through 2021, the Governor must include \$7.5 million annually in the State budget for the program. Specified counties are eligible to participate in the program. If the grantee is a local school system, the local school system must provide at least an equal match to State grant funding.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: General fund expenditures increase by \$7.5 million annually from FY 2018 through 2021 for MSDE to administer the program and award grants. Additional funding will be required to continue the program after FY 2021 when the mandated funding ends. Revenues are not affected. **This bill establishes a mandated appropriation in FY 2018 to 2021.**

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	7,500,000	7,500,000	7,500,000	7,500,000
Net Effect	\$0	(\$7,500,000)	(\$7,500,000)	(\$7,500,000)	(\$7,500,000)

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

Local Effect: Local school systems, including certain public community schools, in eight eligible counties (including Baltimore City) may receive up to approximately \$7.3 million through the grant program established by the bill in FY 2018 through 2021 (grants may also be awarded to nonprofit organizations). Local school systems that receive grants must provide matching funds that at least equal the State grant.

Small Business Effect: None.

Analysis

Bill Summary: MSDE, in consultation with the Department of Natural Resources (DNR), must develop a comprehensive plan for extended day or summer enhancement programs by December 1, 2016, and review and update the plan annually.

MSDE must use the Maryland Out-of-School Time (MOST) Program's quality standards framework to monitor and assess the quality of the extended day and summer enhancement programs provided by nonprofit organizations receiving funding. A local school system, community school, or a nonprofit organization may apply to MSDE for a grant to:

- expand or create an extended day and summer enhancement program;
- expand or create a summer enhancement program; or
- establish new educational or recreational partnerships with specified entities.

Also, a nonprofit organization may apply to MSDE for a grant to support existing educational programming during the school day, including the recruitment, training, and ongoing professional development of new teachers.

Only those community schools that exist in the State and use a community school strategy that is recognized by MOST are eligible for a grant. In awarding grants to nonprofit organizations, MSDE must give priority to Maryland-based nonprofit organizations and nonprofit organizations operating in Maryland on or before July 1, 2016. Also, to qualify for a grant, a grantee must provide programs in a county in which at least 50% of public school students as a percentage of full-time equivalent students qualify for free lunch under the National School Lunch Program (NSLP). Grants must be allocated to grantees based on the number of schools in each county for which at least 50% of their students qualify for a free lunch under NSLP. Selection criteria for MSDE to use in determining grantees are specified.

Grantees must ensure that extended school day and summer enhancement programs include an educational component. The grantee must also provide educational programs that align with the Maryland College- and Career-Ready Standards (MCCRS).

MSDE must establish policies and procedures for administering the grant program and must adopt regulations to carry out the bill's provisions. MSDE must report to the General Assembly by December 31 of each year on the effectiveness of the programs and services funded under the bill.

Current Law/Background: In the current 2015-2016 school year, more than 50% of public school students qualify for free lunch under NSLP in Baltimore City and Allegany, Caroline, Dorchester, Kent, Prince George's, Somerset, and Wicomico counties. To be eligible for free lunch under NSLP, a child must be from a family with an annual income at 130% or less than the federal poverty guidelines, which is \$31,525 for a child from a family of four for the 2015-2016 school year.

MOST is a statewide youth development organization, dedicated to more and better opportunities in the out of school hours for all of Maryland's young people. MOST is 1 of 50 statewide afterschool networks made possible by the support of the Charles Stewart Mott Foundation and public and private matching funding. The MOST program's quality standards framework includes both administrative quality and program quality standards, as follows:

Administrative Quality Standards:

- youth program design and accountability;
- youth program leadership and sustainability;
- health, safety and program space; and
- youth program staffing and professional development; and

Program Quality Standards:

- youth program climate;
- youth development; and
- family/caring adult and community engagement.

MSDE administers the Maryland 21st Century Community Learning Centers (21st CCLC) federal grant. The purpose of the 21st CCLC is to create community learning centers that provide students with academic enrichment opportunities as well as additional services designed to complement their regular academic program. Community learning centers must offer families of participating students' literacy instruction and related educational development programs. Activities target students and parents of students who attend schools eligible for Title I school wide programs or schools that serve a high percentage of

pupils from low-income families. The program supports 89 current grantees that operate 200 learning centers in Maryland.

Beginning with the 2013-2014 school year, MCCRS, a new college- and career-ready curriculum, aligned with the Common Core State Standards, was fully implemented in Maryland schools. As a result of the new curriculum, Maryland also required a new assessment system. The Partnership for Assessment of Readiness for College and Careers assessments in English language arts and mathematics, which are aligned with MCCRS, were administered statewide for the first time in the 2014-2015 school year to students in grades 3 through 8 and high school.

State Fiscal Effect: General fund expenditures to administer the program, in the form of MSDE administrative costs and grants to entities providing services funded under the bill, increase by \$7.5 million annually in fiscal 2018 through 2021, as discussed below.

Additional personnel will be required to administer the grant program, evaluate grantee use of funds, and to report annually on overall performance of grantee programs. MSDE advises that an additional full-time program coordinator, full-time program specialist, and full-time administrative specialist will be required. However, the Department of Legislative Services advises that only a full-time program coordinator/specialist and a full-time administrative specialist is needed to meet the requirements of the bill.

	<u>FY 2018</u>	<u>FY 2019</u>
Positions	2	
Salary and Fringe Benefits	\$158,169	\$164,407
Program Grants	7,326,839	7,329,264
Operating Expenses	<u>14,992</u>	<u>6,329</u>
Total State Expenditures	\$7,500,000	\$7,500,000

Future year administrative costs reflect full salaries with annual increases, employee turnover, and annual increases in ongoing operating expenses. Approximately \$7.3 million will be available each year through fiscal 2021 for grants. After mandated funding ends in fiscal 2021, additional funding will be required to continue the program.

MSDE and DNR can develop the comprehensive plan in fiscal 2017 and update it annually with existing resources.

Local Fiscal Effect: Based upon current counts of students eligible for free lunch through NSLP, it is anticipated that grant funding totaling approximately \$7.3 million through the program in each of fiscal 2018 to 2021 will be provided to entities (local school systems, public community schools, and nonprofit organizations) in Baltimore City and Allegany, Caroline, Dorchester, Kent, Prince George’s, Somerset, and Wicomico counties. To the

extent that grantees are local school systems, they must provide matching funds at least equal to the State grant amount.

Additional Comments: Nonprofits that provide services and programs that are eligible for grant funding under the bill may benefit.

Additional Information

Prior Introductions: None.

Cross File: SB 1125 (Senator Ferguson) - Budget and Taxation.

Information Source(s): Baltimore City, Howard County, Maryland State Department of Education, Department of Budget and Management, Department of Natural Resources, Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2016
kb/rhh Revised - House Third Reader - March 22, 2016
Revised - Enrolled Bill - April 4, 2016

Analysis by: Scott P. Gates

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