

Department of Legislative Services  
 Maryland General Assembly  
 2017 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 454 (Delegate Lierman, *et al.*)  
 Ways and Means

Education - Healthy Out of School Time Heroes Recognition Program

This bill establishes the Healthy Out of School Time (HOST) Heroes Recognition Program and HOST Heroes Program Grant, which the Maryland State Department of Education (MSDE) must administer. Grants of up to \$5,000 may be awarded to a HOST Heroes program annually. The bill also establishes the HOST Heroes Program Fund as a special fund to provide assistance to any program designated as or applying to become a HOST Heroes Program.

Fiscal Summary

**State Effect:** General fund expenditures increase by an estimated \$125,000 annually beginning in FY 2018 to support the HOST Heroes Program Fund. Special fund revenues and expenditures increase correspondingly, reflecting the fund’s receipt of the general fund appropriations and corresponding expenditures as grants are awarded to HOST Heroes programs. MSDE can implement a grant program of this size with existing resources.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
SF Revenue	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
GF Expenditure	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
SF Expenditure	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Net Effect	(\$125,000)	(\$125,000)	(\$125,000)	(\$125,000)	(\$125,000)

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

**Local Effect:** None.

**Small Business Effect:** Potential meaningful to the extent that a small business is awarded grant funding.

## Analysis

**Bill Summary:** “Out of school time” means before or after the school day, on weekends and holidays, and during vacations and summer breaks. MSDE must develop a process for an out of school time program to be recognized as a HOST Heroes program and create a certificate to be awarded to qualifying programs. A qualifying program must meet the National Out of School Time Healthy Eating and Physical Education standards. A program designation is valid for one calendar year, beginning January 1, 2018, and each January 1 thereafter. MSDE must maintain and annually update a list of out of school time programs that are designated as HOST Heroes programs.

The bill also establishes a HOST Heroes Program Grant. MSDE must develop and administer the grant program and establish related policies and procedures, including the grant application process and criteria for awarding grants. Grantees must be designated as HOST Heroes programs to qualify for the grants; awards to a grantee may not exceed \$5,000 each calendar year.

The HOST Heroes Program Fund is a special, nonlapsing fund, consisting of money appropriated in the State budget, as well as 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. The fund must be used to support innovation, training, or technical assistance for HOST Heroes programs. Money expended from the fund for a HOST Heroes program is supplemental to and not intended to take the place of funding that otherwise would be appropriated.

MSDE must adopt regulations to carry out the bill’s provisions.

### **Current Law/Background:**

#### *Recent Initiatives Regarding Out of School Time*

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 board issued its first comprehensive plan in 1999. Chapters 530 and 531 of 2012 transferred the fund and program from MSDE to the Governor’s Office for Children and renamed the program the Maryland After-School and Summer Opportunity Fund Program. Chapters 530 and 531 also required the executive committee to use specified standards to monitor and assess participating after-school and summer programs. The program has not been funded since fiscal 2004 and was repealed by Chapter 32 of 2016.

In its place, Chapter 32 of 2016 established a Public School Opportunities Enhancement Program and Grant in MSDE. The Act required MSDE to 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, as well as to assist nonprofit organizations in the State and community schools in expanding or supporting existing educational programming during the school day.

Pursuant to Chapter 32, for fiscal 2018 through 2021, the Governor must include \$7.5 million annually in the State budget for the program. The proposed fiscal 2018 budget includes the mandated funding, but the funding is eliminated contingent on the Budget Reconciliation and Financing Act of 2017 (BRFA). The BRFA also makes future year funding discretionary.

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 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.

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. Chapter 32 specified additional selection criteria and qualifications for the grant, including that grant applicants 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. If the grantee is a local school system, the local school system must provide at least an equal match to State grant funding.

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.

### *Healthy Out of School Time Framework*

The National Institute on Out-of-School Time collaborated with other entities to form the HOST coalition, which created evidence-based, healthy eating and physical activity

standards that foster the best possible nutrition and physical activity outcomes for children in grades K-12 attending out of school time programs. The HOST Healthy Eating and Physical Activity Standards include standards regarding (1) content and quality; (2) staff training; (3) social support; (4) program support; and (5) environmental support. Standards also address a nutrition education curriculum, and require programs that offer nutrition education classes to ensure that materials presented to children are evidence based, objective, and delivered by qualified personnel.

**State Fiscal Effect:** General fund expenditures increase by an estimated \$125,000 annually beginning in fiscal 2018 to support the fund. MSDE advises that based on available data at least 200 programs may be eligible for the grant. For purposes of this estimate, it is assumed that the maximum grant allowable (\$5,000) will not be awarded to each of these programs. Instead, the estimate assumes that MSDE will annually either fund 25 of these programs at the maximum level or provide 50 programs with grants of \$2,500. This assumption also takes into account MSDE's authority to establish criteria for awarding grants; the Department of Legislative Services notes that MSDE can limit expenditures with the grant process and criteria it develops. For example, MSDE may elect to use grant funding to support programs with fewer resources or those in designated jurisdictions, or restrict programs from receiving grants in consecutive years.

Based on these assumptions, it is assumed that MSDE can use existing resources to implement the bill (other than funding the grants). If, however, funding increases in future years to the extent that a greater number of programs are awarded grants, additional staff support may be required. *For illustrative purposes only*, if MSDE requires a part-time specialist to oversee the grant program, including the monitoring of grant recipients, general fund expenditures increase by approximately \$60,000 annually.

Special fund revenues and expenditures increase correspondingly each fiscal year by an amount equivalent to the general fund appropriation to the fund for that year, assuming all available funding is spent each fiscal year.

**Small Business Effect:** Potential meaningful for any small business that qualifies as a HOST Heroes program and is awarded grant funding.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 806 (Senator King, *et al.*) - Education, Health, and Environmental Affairs.

**Information Source(s):** Baltimore City; Harford and Montgomery counties; Maryland State Department of Education; National Institute on Out-of-School Time; Department of Legislative Services

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Analysis by: Jennifer K. Botts

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