

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 438 (Senator Ramirez)
 Education, Health, and Environmental Affairs

**State Department of Education - Nonprofit Youth Development Program -
 Established**

This bill establishes the Nonprofit Youth Development Program within the Maryland State Department of Education (MSDE). Beginning in fiscal 2020, the Governor must include at least \$1.0 million for grants through the program in the annual State budget. The State Superintendent of Schools must review grant applications and award grants to qualifying nonprofit organizations to fund development of career skills, entrepreneurship education, business partnerships, or technology skills for at-risk youth between the age of 14 and 23. The State Superintendent must develop and administer the program in collaboration with the People for Change Coalition, Inc., and must give priority for grants to organizations based in Baltimore City and Prince George’s County. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: General fund expenditures increase by \$1.0 million annually beginning in FY 2020. MSDE can likely administer the program with existing resources. **This bill establishes a mandated appropriation beginning in FY 2020.**

(\$ in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	1.00	1.00	1.00	1.00
Net Effect	\$0.00	(\$1.00)	(\$1.00)	(\$1.00)	(\$1.00)

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

Local Effect: None. Grants are provided to nonprofit organizations only.

Small Business Effect: Nonprofit organizations that are small businesses, particularly in Baltimore City and Prince George’s County, may benefit from grant funding.

Analysis

Bill Summary: Grantees must be nonprofit organizations based in the State that have gross annual revenues of \$500,000 or less; are current on tax obligations in the State; and have been in active business for at least three years. The award to a grantee may not exceed \$50,000 each year and grant funds must be awarded to qualifying nonprofit organizations as follows: 30% to develop pilot programs that further the purpose of the program and 70% to fund existing programs that further the purpose of the program.

State Fiscal Effect: General fund expenditures increase by \$1.0 million annually, beginning in fiscal 2020. MSDE can handle administration of the program without incurring an increase in costs, depending on the number of applications for the program. To the extent there are significant numbers of applications, MSDE may need to hire a contractual staffer to review applications. Any costs are assumed to be minimal.

Additional Information

Prior Introductions: None.

Cross File: HB 682 (Delegate D. Barnes, *et al.*) – Ways and Means.

Information Source(s): Prince George’s County; Maryland State Department of Education; Department of Budget and Management; Department of Legislative Services

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