

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 822

(Delegate Lierman, *et al.*)

Appropriations and Judiciary

Maryland Violence Intervention and Prevention Program Fund and Advisory Council - Alterations

This bill (1) requires the Governor to include in the annual budget bill an appropriation of \$10 million to the Maryland Violence Intervention and Prevention Program Fund, of which at least \$5 million must be from general funds; (2) alters the authorized uses of the fund; and (3) alters the application requirements for grants from the fund. In addition, the bill (1) alters the membership of the Maryland Violence Intervention and Prevention Advisory Council and expands its duties and (2) expands the duties of the Executive Director of the Governor's Office of Crime Control and Prevention (GOCCP) relating to the fund and the council. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: General fund expenditures increase by \$10 million annually beginning in FY 2022 due to the mandated appropriation; special fund revenues/expenditures increase correspondingly. **This bill establishes a mandated appropriation beginning in FY 2022.**

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
SF Revenue	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
GF Expenditure	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
SF Expenditure	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Net Effect	\$0	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)

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

Local Effect: Local grant revenues and expenditures increase significantly beginning in FY 2022 due to the additional funding provided as a result of the mandated appropriation.

Small Business Effect: None.

Analysis

Bill Summary:

Fund Uses: The fund must be used for (1) the evaluation of the efficacy of evidence-based health programs or evidence-informed health programs awarded grants through the fund, *in an amount not less than 5% but not greater than 10% of the fund* and (2) specified administrative costs in an amount not greater than 4% of the fund. The fund may also still be used to support effective violence reduction strategies, as provided under current law.

Preference for awarding funds must be given to local governments or nonprofit organizations that serve an area disproportionately affected by violence, as specified, and that serve a population identified as having the highest risk of perpetrating or being victimized by violence in the near future.

Application Requirements: The requirements for an application are expanded to require a local government or nonprofit organization to provide, at a minimum, a plan for the collection of relevant data.

Council Membership and Duties: The council is altered to include four individuals from community-based or “hospital-based violence intervention programs” that use evidence-based health programs or evidence-informed health programs, as specified. “Hospital-based violence intervention program” means a violence intervention program that (1) is operated by a hospital or an individual or entity in collaboration with a hospital and (2) provides intensive counseling, case management, and social services to individuals who are recovering from injuries resulting from violence.

The council’s duties are expanded to require the council to advise the executive director on (1) the allocation of funds for the evaluation of the efficacy of evidence-based health programs or evidence-based health programs in accordance with specified provisions expanding the duties of the executive director (described below); (2) the distribution of funding awards; and (3) public outreach and communications regarding the fund.

Executive Director Duties: The executive director must, at least 60 days before the application becomes available to local governments and nonprofit organizations, post a notice of the application’s availability on a publicly accessible website. The executive director must forward all applications to the council for review and comment at least 30 days before decisions regarding the distribution of funding awards.

The bill repeals existing provisions requiring (1) an independent, third-party researcher selected by the council to undertake an evaluation of the efficacy of evidence-based health programs or evidence-informed programs that receive funding and (2) the results of the

evaluation to be posted to GOCCP's website. Instead, under the bill, the executive director must, in consultation with the council, order an ongoing evaluation of the efficacy of each evidence-based health program or evidence-informed health program that receives funding from the fund and retain a sufficient number of independent, third-party evaluators to maintain compliance with the bill's provisions. The evaluations must be:

- grouped by similar program models, as determined by the council;
- grouped by independent, third-party evaluators; and
- ongoing for the three-year grant period.

An evaluation of an evidence-based health program or evidence-informed health program that receives funding from the fund may be conducted only by an evaluator with specialized expertise in the specific model that the evaluator is assigned to evaluate. The results of the ordered evaluation must be posted to GOCCP's website.

Current Law:

Maryland Violence Intervention and Prevention Program Fund

Chapter 148 of 2018 established the Maryland Violence Intervention and Prevention Program Fund, as a nonlapsing fund, which is administered by the Executive Director of GOCCP in consultation with the council, is to (1) support effective violence reduction strategies by providing competitive grants to local governments and nonprofit organizations to fund evidence-based health programs or evidence-informed health programs and (2) evaluate the efficacy of the programs funded as a result.

The fund consists of (1) money appropriated in the State budget to the fund; (2) investment earnings; and (3) any other money from any other source accepted for the benefit of the fund. The Governor is authorized, but not required, to annually appropriate up to \$10 million to the fund. The fund must be used (1) to support effective violence reduction strategies by providing competitive grants to local governments and nonprofit organizations to fund evidence-based health program or evidence-informed health programs and (2) in an amount up to 5% of the fund, for the evaluation of the efficacy of evidence-based health program or evidence-informed health programs awarded grants through the fund. Expenditures from the fund may be made only in accordance with the State budget.

Money distributed from the fund may not be used to (1) supplant funding that would otherwise be available for violence intervention or prevention programs or (2) fund suppression activities by law enforcement.

The fund is subject to audit by the legislative auditor, as specified.

Maryland Violence Intervention and Prevention Advisory Council

Chapter 148 also established the Maryland Violence Intervention and Prevention Advisory Council within GOCCP. The council consists of the Executive Director of GOCCP and individuals appointed by the President of the Senate, the Speaker of the House, and the executive director, as specified. A member of the council may not receive compensation but is entitled to reimbursement for travel expenses. The council is governed by a majority vote and must:

- advise the executive director on the allocation of funds for the evaluation of the efficacy of evidence-based health programs or evidence-informed health programs that receive funding, as specified;
- provide input to the executive director on the administration of the fund;
- assist the executive director in establishing procedures for (1) local governments and nonprofit organizations to apply for funding and (2) the distribution of funding;
- create guidelines for funding eligibility;
- review and publish specified reports; and
- advise the Governor and the executive director on the implementation of gun violence prevention programs in the State.

An independent, third-party researcher selected by the council must undertake an evaluation of the efficacy of evidence-based health programs or evidence-informed programs that receive funding. The results of the evaluation must be posted to GOCCP's website.

Local governments and nonprofit organizations may apply for grants from the fund. Funding awards to local governments and nonprofit organizations must be made for a minimum duration of three consecutive fiscal years. Preference must be given to local governments or nonprofit organizations that meet specified requirements, and funding awards must be commensurate with (1) the levels of gun violence in the jurisdiction served by the local government or nonprofit organization and (2) the strength of the application.

A local government or nonprofit organization that receives funding must (1) provide a cash or in-kind match equivalent to 33% of the amount awarded, except as specified, and (2) use the award to implement evidence-based health programs or evidence-informed health programs, as specified. Grantees must submit a specified report to the executive director at the end of each grant cycle that is posted to the GOCCP website.

Miscellaneous Grant Programs

Mandated Appropriations: Chapter 148 also requires, for fiscal 2020 through 2023, the Governor, for each year, to appropriate funds in the annual State budget as follows:

- \$425,000 to Baltimore City for the Law Enforcement Assisted Diversion (LEAD) Program;
- \$360,000 to Baltimore City for the Baltimore City State’s Attorney’s Office for the relocation of victims and witnesses of crime;
- \$466,600 to the Department of State Police (DSP), in coordination with the Attorney General, to form a designated unit of law enforcement officers to investigate firearm trafficking, straw purchases, the movement of illegal firearms, and other specified offenses;
- \$300,000 for the Baltimore Chesapeake Bay Outward Bound School in Baltimore City;
- \$100,000 to Baltimore City to support “strategic decision support centers” in the Eastern District and Western District of Baltimore City. “Strategic decision support center” means a facility that is equipped with technology and systems that function as intelligence centers for law enforcement and enable functions including data integration, the study of crime trends, and the development of predictive and technology-based approaches in detecting and investigating criminal activity;
- at least \$250,000 for the Children and Parent Resource Group, Inc.; and
- \$475,000 to Prince George’s County to be used by the Chief of Police for a criminal apprehension and suppression initiative focused on reducing violent crime.

The funds appropriated under these miscellaneous grant provisions must be used solely to supplement, and not supplant, funds otherwise available to the affected entities.

A local government or nonprofit entity that receives funding under the miscellaneous grant provisions (1) may use the funding only in accordance with the law’s provisions and (2) must comply with specified data sharing and reporting requirements established by the Executive Director of GOCCP as a condition of receiving funding.

Outcome-based Performance Measures: The Executive Director of GOCCP must establish outcome-based performance measures to track the performance of any activity or program supported by funds received under the miscellaneous grant programs. By October 1, 2020, and every October 1 thereafter, GOCCP must place on its website, in an easily accessible location, a filterable data display showing all required data collected pertaining to outcome-based performance measures for the previous fiscal year. In addition, GOCCP must annually notify, in writing, the Governor and the Legislative Policy

Committee when the filterable data display has been updated. The executive director must adopt regulations to carry out these provisions.

Background: In an effort to support Baltimore City in its fight against crime, the State has taken on a larger role in combatting crime within the city. The State's role is a multifaceted one, consisting of providing grant and aid funding, providing direct law enforcement assistance, and increasing State personnel working within the court systems. Agencies from across State government are involved in the effort. The Department of Legislative Services estimates that more than \$247.1 million in aid is provided to Baltimore City for public safety-related efforts in the Governor's proposed fiscal 2021 budget.

Pursuant to Chapter 148, the Governor's fiscal 2021 budget includes \$1.91 million in mandated funding for the LEAD Program (\$425,000), Baltimore City State's Attorney's Office (\$360,000), DSP (\$466,600), Baltimore Chesapeake Bay Outward Bound School (\$300,000), Baltimore City to support "strategic decision support centers" (\$100,000), Children and Parent Resource Group, Inc. (\$250,000), and Prince George's County (\$475,000).

The fiscal 2019 budget included \$5 million in general funds for the Violent Intervention and Prevention Program Fund. No additional funding has been included for the fund since then, but the Department of Budget and Management advises that GOCCP plans to use specified portions of the fund balance remaining from the fiscal 2019 appropriation in both fiscal 2020 and 2021.

State Fiscal Effect:

Mandated Funding for the Violent Intervention and Prevention Program Fund

General fund expenditures increase by \$10.0 million annually beginning in fiscal 2022 due to the bill's mandated appropriation. Of that amount, at least \$5 million annually must be general funds. GOCCP advises that it is unlikely that it will be able to use federal funds to meet the bill's mandated appropriation. In the absence of any other funding source, this analysis assumes that the entire mandated appropriation must be met with general funds. To the extent that funds are received from another source, the need for general funds beyond the \$5 million is reduced.

Beginning in fiscal 2022, special fund revenues increase by \$10.0 million annually, reflecting the general funds received, and special fund expenditures increase correspondingly to provide grants to local governments and nonprofit organizations.

Administrative Expenses

GOCCP currently staffs the council and administers the fund; however, because statute does not authorize the use of the fund to cover administrative costs, such costs are currently paid for with general funds. Under the bill, the fund may be used in an amount not greater than 4% of the fund for administrative costs, including oversight of the fund, public outreach and education about the fund, and technical assistance and best practice education for grantees. Thus, based on the \$10 million annual mandated appropriation, GOCCP is authorized to use up to \$400,000 annually beginning in fiscal 2022 from the fund for administrative costs. The actual amount of general funds used for administrative costs under current law is unclear; however, under the bill, those costs, up to \$400,000 annually, and any associated positions, shift from general funds to special funds. Because the amount GOCCP currently spends on administration is unclear, this shift has not been accounted for in this analysis.

Local Fiscal Effect: Local grant revenues and expenditures increase significantly for local jurisdictions that apply for and are awarded funds from the fund beginning in fiscal 2022. Generally, in order to qualify for a grant from the fund pursuant to Chapter 148, a local government must provide either a cash or in-kind match equivalent to 33% of the amount awarded; however, this matching fund requirement may be waived if the local government is able to demonstrate good cause, as specified. This is not changed under the bill. While the total grant funding awarded to local jurisdictions as a result of the bill is significant given the \$10 million annual mandated appropriation, the distribution of awards among jurisdictions cannot be predicted.

Additional Comments: Although nonprofit organizations are not considered small businesses, the bill has a meaningful effect on nonprofit organizations that receive additional grant funding as a result of the bill and are able to expand services.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 708 (Senator Carter) - Judicial Proceedings and Budget and Taxation.

Information Source(s): Baltimore City; Howard, Montgomery, and Prince George's counties; Maryland Association of Counties; City of Bowie; Maryland Municipal League; Governor's Office of Crime Control and Prevention; Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - February 23, 2020
rh/lgc

Analysis by: Shirleen M. E. Pilgrim

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