

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 438

(Senator McCray)

Education, Health, and Environmental Affairs

Ways and Means

Young Readers Programs - Establishment (Young Readers Program Expansion Act)

This bill establishes the Baltimore City Young Readers Program in the Governor’s Office of Crime Prevention, Youth, and Victim Services (GOCPYVS). The purpose of the program is to work with an “early reader organization” to mail free, high-quality books to children in Baltimore City. The bill also establishes the Young Readers Matching Grant Program to provide matching grants to an “affiliated service” to support the establishment and operation of the affiliated service. For each fiscal year, the Governor must include in the annual budget bill an appropriation of \$200,000 for the Baltimore City Young Readers Program and \$250,000 for the Young Readers Matching Grant Program.

Fiscal Summary

State Effect: General fund expenditures increase by \$250,000 in FY 2023 for grant funding and staff, as discussed below; future years reflect ongoing administrative costs and the bill’s mandated appropriation to the grant program. Although discretionary, this analysis assumes funding is provided in FY 2023. **This bill establishes two mandated appropriations beginning in FY 2024.**

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	250,000	250,000	250,000	250,000	250,000
Net Effect	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)

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

Local Effect: For a county that is an affiliated service and applies for and receives a matching grant, county revenues and expenditures increase, as discussed below.

Small Business Effect: None.

Analysis

Bill Summary: “Early reader organization” means a nonprofit organization that (1) is tax exempt as a § 501(c)(3) organization and (2) whose mission is to mail to children free, high-quality books designed to aid the development of reading skills. “Affiliated service” means a book-gifting service performed by a nonprofit organization that is tax exempt or a unit of a State, county, or municipal government that forms an affiliated partnership with an early reader organization.

The deputy director of the Division of Children and Youth must administer both programs and carry out the Baltimore City Young Readers Program with an early reader organization partner.

The purpose of the grant program is to provide grants to affiliated services to (1) support the establishment and operation of affiliated services and (2) contribute an amount equal to the amount of funding provided for the operation of an affiliated service. A grant application must include a plan to ensure that the affiliated service is able to gift books to eligible children, including children in low-income zip codes within its area of service. A program grant must be distributed to an affiliated service that qualifies for the program.

Current Law: In fiscal 2016, the Governor’s Office for Children implemented the Governor’s Young Readers Program in Baltimore City with funds from the Children’s Cabinet Interagency Fund (CCIF). The program is a partnership between GOCPYVS, the Banneker-Douglass Museum Foundation, and Dolly Parton’s Imagination Library to mail a free book each month to all children up to the age of five in Baltimore City, regardless of family income. As of September 2019, approximately 7,882 children were enrolled in the program.

There are 12 program affiliates of Dolly Parton’s Imagination Library in the State, 11 of which are separate from the State-funded program in Baltimore City. These affiliate programs serve children in Allegany, Caroline, Frederick, Garrett, Howard, Kent, Montgomery, Prince George’s, Queen Anne’s, and Talbot counties, as well as the Lower Eastern Shore, which serves Dorchester, Somerset, Wicomico, and Worcester counties. The affiliate programs are funded through local libraries, United Way organizations, and other local programs. Together, the program is available in 15 State jurisdictions.

The 2019 *Joint Chairmen’s Report* required the Governor’s Office for Children to submit a [Report on the Governor’s Young Readers Program Expansion](#). At the time, the Governor’s Office for Children hoped to expand the program to unaffiliated counties in the State (Anne Arundel, Baltimore, Calvert, Carroll, Cecil, Charles, Harford, St. Mary’s, and

Washington counties). The five-year cost to implement the program statewide was anticipated to cost as much as \$13.8 million to serve 60% of eligible children.

State Fiscal Effect:

Baltimore City Young Readers Program

The bill codifies the existing Governor’s Young Readers Program, which is currently funded through the CCIF and serves Baltimore City. In fiscal 2021, the Governor’s Young Readers Program received a general fund appropriation of \$244,895; the fiscal 2022 working appropriation for the program is \$246,193. The Governor’s proposed fiscal 2023 budget includes \$246,193 for the program. Although the bill establishes an annual appropriation of \$200,000 for the Baltimore City Young Readers Program, the program is already funded at an amount greater than this mandate. Thus, there is no fiscal effect for this mandated appropriation under the bill.

Young Readers Matching Grant Program

The bill also establishes a Young Readers Matching Grant Program to be administered by the deputy director of the Division of Children and Youth. GOCPYVS advises that additional staff is required to operate the grant program. Thus, GOCPYVS general fund expenditures increase by \$60,232 in fiscal 2023, which reflects the bill’s October 1, 2022 effective date. This estimate reflects the cost of hiring one full-time grants coordinator to receive and approve grant applications and distribute grant awards and associated operating expenses. The estimate assumes these administrative costs are part of the annual mandated appropriation and remaining funds are used for grants.

Position	1.0
Salary and Fringe Benefits	\$52,889
Grant Funding	189,768
Operating Expenses	<u>7,343</u>
Total FY 2023 State Expenditures	\$250,000

Future years reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Local Fiscal Effect: Under the bill, a county that is an affiliated service may apply for a matching grant to establish and operate an affiliate service to gift books to eligible children. For a county that applies for and receives a matching grant, revenues and expenditures increase accordingly.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 383 (Delegates Korman and Solomon) - Ways and Means.

Information Source(s): Caroline, Howard, Montgomery, and Prince George's counties; Maryland Association of Counties; Governor's Office of Crime Prevention, Youth, and Victim Services; Maryland State Library Agency; Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2022
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