HB 1469

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 1469
(Delegate B. Barnes)

Maggie McIntosh School Arts Fund - Established

This bill establishes the Maggie McIntosh School Arts Fund as a special fund administered by Arts Every Day to provide grants to specified schools in Baltimore City to purchase art supplies for classrooms and provide arts experiences to students. The fund must be used to expand the arts curriculum for students in public schools in Baltimore City, as defined in Section 5-223 of the Education Article. Beginning in fiscal 2023, $250,000 annually must be allocated from the remaining money in the State Lottery Fund after other specified distributions are made. The bill takes effect July 1, 2022.

Fiscal Summary

State Effect: General fund revenues decrease by $250,000 annually beginning in FY 2023. Special fund revenues and expenditures increase correspondingly for the Maggie McIntosh School Arts Fund. This bill establishes a mandated distribution beginning in FY 2023.

<table>
<thead>
<tr>
<th></th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>GF Revenue</td>
<td>($250,000)</td>
<td>($250,000)</td>
<td>($250,000)</td>
<td>($250,000)</td>
<td>($250,000)</td>
</tr>
<tr>
<td>SF Revenue</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>SF Expenditure</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Net Effect</td>
<td>($250,000)</td>
<td>($250,000)</td>
<td>($250,000)</td>
<td>($250,000)</td>
<td>($250,000)</td>
</tr>
</tbody>
</table>

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

Local Effect: Baltimore City Public Schools revenues and expenditures increase from grant funding under the bill by up to $250,000 annually, beginning in FY 2023.

Small Business Effect: Small businesses that sell art supplies and/or provide art experience services may benefit.
Analysis

Current Law:

State Lottery Fund

Each month, after payments to lottery winners and agents and to the State Lottery for operating expenses, the Comptroller must make payments from the State Lottery Fund to:

- the Maryland Stadium Facilities Fund (an amount not to exceed $20 million in any fiscal year);
- the Baltimore City Public School Construction Financing Fund (an amount equal to $20 million in each fiscal year that bonds are outstanding);
- the Racing and Community Development Financing Fund (an amount equal to $17 million in each fiscal year that bonds are outstanding);
- the Michael Erin Busch Sports Fund (an amount equal to $1.0 million);
- a grant of $150,000 to the Maryland Humanities Council for Maryland History Day;
- Anne Arundel County and Baltimore City in an amount determined by a specified hold harmless provision relating to the distribution of local impact grants; and
- the State’s general fund (the balance of all remaining funds).

Additionally, the Comptroller must deposit 10% of the money that remains in the State Lottery Fund from the proceeds of ticket sales from instant ticket lottery machines by veterans’ organizations into the Maryland Veterans Trust Fund.

Concentration of Poverty Grants

Concentration of Poverty Grants (CPGs) have two components. First, each qualifying school receives a personnel grant to employ a community school coordinator with specified qualifications and provide full-time coverage by at least one health care practitioner. A county that provides health coverage or community school services with funds other than the personnel grant must continue to provide those services through fiscal 2030. Second, per pupil grants are provided for each qualifying school following the completion of a specified needs assessment. The personnel grant is a State-funded categorical amount that increases with inflation. Per pupil grants are only wealth equalized for districts that receive the minimum State funding (40%) under the compensatory education formula; for all other districts, the State pays the full amount. The local funding percentage is based on the compensatory education wealth equalization formula.

School concentration percentages are based on a three-year average of compensatory education enrollment in each public school. Under Chapter 55 of 2021, the three-year
enrollment count excludes the 2020-2021 school year. A percentage increment of per pupil funding for each of six years of eligibility, culminating in 100% funding by the seventh year, is specified in statute.

**State Fiscal Effect:** The bill requires that $250,000 be distributed from the State Lottery Fund to the Maggie McIntosh School Arts Fund beginning in fiscal 2023. Except for the limited specified distributions described above, all revenues received by the State Lottery Fund accrue to the general fund. Accordingly, overall special fund expenditures for the State Lottery Fund are not affected; however, general fund revenues decrease by $250,000 annually beginning in fiscal 2023. Special fund revenues and expenditures for the Maggie McIntosh School Arts Fund increase correspondingly as funds are received and used for authorized purposes. It is assumed that any administrative costs are covered by Arts Every Day, and not the State.

---

**Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Arts Every Day; Maryland State Department of Education; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

**Fiscal Note History:**

<table>
<thead>
<tr>
<th>rh/mcr</th>
<th>First Reader - March 14, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Third Reader - March 22, 2022</td>
</tr>
<tr>
<td></td>
<td>Revised - Amendment(s) - March 22, 2022</td>
</tr>
<tr>
<td></td>
<td>Enrolled - June 7, 2022</td>
</tr>
<tr>
<td></td>
<td>Revised - Amendment(s) - April 8, 2022</td>
</tr>
</tbody>
</table>

Analysis by: Scott P. Gates  
Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510