

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 810 (Senator A. Washington)
 Finance and Budget and Taxation

Maryland Priority Out-of-School Time Program – Alterations

This bill renames the Public Schools Opportunities Enhancement Program (PSOEP) and associated grant program to instead be the Maryland Priority Out-of-School Time (MPOST) Program and transfers MPOST and the associated grant program from the Maryland State Department of Education (MSDE) to the Governor’s Office of Crime Prevention, Youth, and Victim Services (GOCPYVS). The bill alters a specified eligibility threshold for the grant program and requires prioritization of at-risk youth and violence prevention in grant applications. A grantee remaining in the program is no longer assured a grant equal to the prior year grant. GOCPYVS must develop a specified comprehensive plan by December 1, 2023, and annually update the plan. Beginning in fiscal 2024, the bill increases the mandated annual appropriation for the program from \$3.0 million to \$8.5 million. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: General fund expenditures increase by \$5.5 million beginning in FY 2024; although the mandated appropriation does not apply to FY 2024, this analysis assumes a discretionary increase in that year. GOCPYVS requires three additional positions to administer the program, which are funded by the mandated appropriation. **This bill increases a mandated appropriation beginning in FY 2025.**

(\$ in millions)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	5.5	5.5	5.5	5.5	5.5
Net Effect	(\$5.5)	(\$5.5)	(\$5.5)	(\$5.5)	(\$5.5)

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

Local Effect: Eligible local school systems receive a portion of increased grant funding under the bill. The change in eligibility requirements may exclude certain school systems from funding in future in fiscal years.

Small Business Effect: None.

Analysis

Current Law: Chapter 32 of 2016 established PSOEP and 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 and to assist nonprofit organizations in the State and community schools in expanding or supporting existing educational programming during the school day.

To qualify for a grant, grantees must provide specified services in a county in which at least 50% of public school students qualify for a free lunch under the National School Lunch Program (NSLP). (The bill changes this threshold to at least 60%.) If the grantee is a local school system, the local school system must provide at least an equal match to State grant funding. Chapter 32 required the Governor to include \$7.5 million annually in the State budget for the program for fiscal 2018 through 2021. However, the Budget Reconciliation and Financing Act of 2017 (Chapter 23) reduced the mandated appropriation for PSOEP for fiscal 2018 from \$7.5 million to \$2.5 million. Under Chapter 361 of 2018, beginning in fiscal 2019, and for each year thereafter (no longer ending after fiscal 2021), the Governor must appropriate at least \$3.0 million annually. Also, a grantee that remains eligible for the program must receive as much grant funding as in the prior fiscal year.

State Expenditures: The bill does not prohibit funds appropriated for the program from being used for program administration; therefore, this analysis assumes that the funds can be used for that purpose. General fund expenditures to administer the program, in the form of GOCPYVS administrative costs and grants to entities providing services funded under the bill, increase by \$5.5 million annually beginning as early as fiscal 2024 due to the mandated appropriation; fiscal 2024 funding is discretionary. It is assumed that MSDE PSOEP staff are reassigned to other duties, and thus MSDE staffing levels are not altered.

This estimate also reflects the cost to GOCPYVS of hiring one grants specialist, one administrative officer, and one financial compliance officer to evaluate grant proposals, distribute grant monies, monitor and report on grant programs, develop and

update plans, coordinate with grantees, and assure financial compliance. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	3.0
Salaries and Fringe Benefits	\$278,059
Program Grants	5,198,919
Operating Expenses	<u>23,022</u>
Net Increase in FY 2024 State Expenditures	\$5,500,000

Local Fiscal Effect: Based upon current counts of students eligible for free lunch through NSLP, it is anticipated that entities (local school systems, public community schools, and nonprofit organizations) in Baltimore City, Allegany, Baltimore, Dorchester, Kent, Prince George’s, Somerset, and Wicomico counties will be eligible for MPOST grant funding totaling approximately \$8.2 million annually, an increase of \$5.5 million annually over current law. To the extent that grantees are local school systems, they must provide matching funds at least equal to the State grant amount. However, based on these NSLP counts, entities in Caroline, Cecil, Garrett, Talbot, and Washington counties were eligible for PSOEP grants but will not be eligible under the new eligibility criteria for MPOST grants.

Additional Comments: Nonprofit organizations that provide services and programs that are eligible for grant funding under the bill may benefit.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Anne Arundel County Public Schools; Governor’s Office of Crime Prevention, Youth, and Victim Services; Maryland State Department of Education; Department of Budget and Management; Department of Natural Resources; Department of Legislative Services

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