

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1305 (Delegates Miller and Buckel)
 Ways and Means

Maryland Consortium on Coordinated Community Supports - Workgroup and Study

This bill requires the Maryland Consortium on Coordinated Community Supports (MCCCS) to convene a stakeholder workgroup to examine the effectiveness of the consortium’s framework for the creation of coordinated community supports partnerships, as specified. The workgroup must submit a report of its findings and recommendations to the General Assembly by December 1, 2025. Additionally, the bill prohibits the consortium from awarding any grant funding for fiscal 2026 and conditions the award of grant funding for fiscal 2027 on certain findings of the workgroup report. **The bill takes effect July 1, 2025, and terminates June 30, 2026.**

Fiscal Summary

State Effect: Coordinated Community Supports Partnership Fund expenditures decrease significantly, by as much as \$40 million, under the bill’s prohibition against awarding grants in FY 2026. Special fund expenditures likely increase by an indeterminate amount in future years once grant awards resume, as discussed below. Even so, there is likely no net effect on *total* special fund expenditures over several years, just a delay in spending funding intended for FY 2026. MCCCS can convene the workgroup and complete the required study within existing budgeted resources. Revenues are not affected.

(\$ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	(40.0)	-	-	-	-
Net Effect	\$40.0	(\$-)	(\$-)	(\$-)	(\$-)

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

Local Effect: Local revenues and expenditures may decrease in FY 2026 to the extent that a jurisdiction funds staff or services with grants from MCCCS, as discussed below. Local school systems can likely participate in the workgroup with existing resources.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Workgroup Membership

The workgroup must consist of the chair of MCCC, the State Superintendent of Schools (or their designee); the Chair of the Accountability and Implementation Board (or their designee); one representative each from a small, midsized, and large local school system; and any other members as determined by the chair of MCCC.

Workgroup Charge

The workgroup must generally examine whether MCCC's framework is effective in granting awards to community providers that meet the needs determined by a local school system and whether grant awards are equitably distributed across the State.

The workgroup must also (1) analyze the effectiveness of the community supports partnerships pilot hub model in matching community behavioral health service providers with the needs of local school systems as determined by a local school system; (2) examine reports of grantees on key performance measures to determine whether grantees are providing services that have anticipated behavioral health outcomes; (3) review existing requirements for provider and consortium collaboration with local school systems to determine whether the service needs of every local school system are being acknowledged and considered in the awarding of grants; and (4) review all the grants awarded by the consortium in February 2024 to determine whether the number and amount of grants awarded were equitably distributed throughout the State.

Grant Funding

The bill prohibits MCCC from awarding any grant funding for fiscal 2026. Grant funding may resume in fiscal 2027 if the report of the workgroup finds that (1) the pilot hub model is an effective method for organizing community supports partnerships because it successfully matches community behavioral health service providers to the needs determined by local school systems and (2) the grants awarded by the consortium are equitably distributed throughout the State to meet the needs of all school children and their families in every local school system. However, the bill terminates at the end of fiscal 2026 and would, thus, not be in effect in fiscal 2027.

Current Law: Chapter 36 of 2020, the Blueprint for Maryland's Future, established MCCC within the Maryland Community Health Resources Commission. The consortium must complete certain tasks related to the development of coordinated community supports

partnerships to meet student behavioral health needs and other related challenges in a holistic, nonstigmatized, and coordinated manner, including developing a statewide framework for the creation of a coordinated community supports partnership, implementing a related grant program (described below), evaluating a payment reimbursement program for providers, and developing a program for uninsured students. In addition, in consultation with the Maryland State Department of Education, the consortium must develop best practices for the creation of a positive classroom for all students.

MCCCS is tasked with implementing a grant program for coordinated community supports partnerships and developing a model for expanding available behavioral health services and support to all students through the maximization of public funding through Medicaid, among other financing efforts. Special funds from the Blueprint for Maryland's Future Fund (BMFF) support the Coordinated Community Supports Partnership Fund. The fund may be used only for (1) providing reimbursement under a memorandum of understanding to the National Center for School Mental Health and other technical assistance providers to support the work of MCCCS; (2) providing grants to coordinated community supports partnerships to deliver services and supports to meet students' holistic behavioral health needs and to address other related challenges; and (3) associated administrative costs.

Chapter 36 required the Governor to appropriate increasing minimum funding levels for MCCCS's grant program beginning in fiscal 2022. Due to the timing of the Governor's veto and the General Assembly's veto override for Chapter 36, the fiscal 2022 budget did not provide funding for MCCCS. Chapter 713 of 2022 further increased mandated grant funding each year. As a result, the mandated funding levels are \$110 million in fiscal 2025 and \$130 million annually beginning in fiscal 2026. Considering the delayed timing of grant distribution, \$70 million was reduced in fiscal 2025, providing a total appropriation of \$40 million for MCCCS grants.

State Fiscal Effect: The fiscal 2026 budget as introduced includes a \$90 million special fund reduction from BMFF for the fund, contingent on the enactment of legislation that level funds the mandate for MCCCS to the fiscal 2025 appropriation (\$40 million). The Budget Reconciliation and Financing Act of 2025 also reduces the amount that the Governor must provide annually for the Coordinated Community Supports Partnership Fund to \$40 million beginning in fiscal 2025.

Thus, under the bill, special fund expenditures decrease – by as much as \$40 million – in fiscal 2026 as grant awards are paused. This analysis assumes that the appropriation to the Coordinated Community Supports Partnership Fund is not affected (so that \$40 million in revenues accrue to the fund); instead, the authorization to actually *expend* that appropriation is affected. Accordingly, as much as \$40 million may carry forward as fund balance to fiscal 2027. While the bill specifies that grant awards *may* resume in fiscal 2027

if the workgroup report includes the bill's specified findings, this analysis assumes that such spending likely occurs as it normally would in fiscal 2027 as the bill terminates at the end of fiscal 2026 and, thus, will not be in effect for fiscal 2027. Nevertheless, this provision may affect the amount of funding for grants appropriated in the fiscal 2027 budget (which will be approved before termination of the bill) as well as the timing of future awards. Regardless, beginning in fiscal 2028, there is no reduction in grant awards due to the bill. Further, while overall special fund expenditures for grant awards are likely not affected over a several year period, special fund expenditures for grant awards likely increase beginning in fiscal 2027 as unspent carryover funds from fiscal 2026 are expended.

This analysis assumes that overall administrative expenditures for MCCCOS remain unchanged as staff associated with grant administration continue to support fiscal 2025 awards. Additionally, such staff may be redirected to support the workgroup and creation of the report absent the ability to award grant dollars for fiscal 2026.

MCCCOS advises that, for fiscal 2026 grants, it issued a request for applications in December 2024. The request generated 150 proposals requesting \$151 million. The actual level of funding that may be awarded in fiscal 2026, absent the bill, depends on the final allocation in the fiscal 2026 budget and any remaining funds carried over from fiscal 2025.

Local Fiscal Effect: MCCCOS advises that it has awarded grants to local behavioral health authorities and local management boards for the implementation of pilot hubs. To the extent these grants would continue in fiscal 2026 in the absence of the bill, revenues and expenditures for local governments may decrease, or local funding may be required to continue to support such staff and/or services.

Small Business Effect: To the extent that MCCCOS, in the absence of the bill, would award grants to behavioral health providers that qualify as small businesses, these providers are affected.

Additional Comments: Appendix 1 shows MCCCOS grantees and announced funding for the grant term March 2024 to June 2025.

Additional Information

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

Designated Cross File: None.

Information Source(s): Accountability and Implementation Board; Maryland Department of Health; Maryland State Department of Education; Maryland Association of County Health Officers; Montgomery County Public Schools; Department of Legislative Services

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Appendix 1
Community Supports Service and Hub Grants by Jurisdiction
Grant Term of March 2024 to June 2025
(\$ in Thousands)

<u>Jurisdiction</u>	<u>Total Services Grants</u>	<u>Total Services Funding</u>	<u>Estimated Students Served</u>	<u>Total Hub Pilot Funding</u>	<u>Total Consortium Funding</u>
Allegany	1	\$825	\$5,727	\$410	\$1,235
Anne Arundel	8	11,115	8,744	520	11,635
Baltimore City	11	12,010	28,046	480	12,490
Baltimore	8	8,870	6,305	585	9,455
Calvert	7	2,900	2,518		2,900
Caroline	2	655	4,712		655
Carroll	2	1,630	813		1,630
Cecil	5	2,470	7,850		2,470
Charles	4	3,965	5,108		3,965
Dorchester	5	1,465	2,073	410	1,875
Frederick	12	7,640	6,566		7,640
Garrett	2	1,305	700	*	1,305
Harford	7	4,535	5,611	410	4,945
Howard	5	4,960	3,420	550	5,510
Kent	2	975	1,873	*	975
Montgomery	8	8,395	3,255	505	8,900
Prince George's	18	24,070	39,020		24,070
Queen Anne's	4	1,405	5,267	*	1,405
Somerset	2	945	1,799	*	945
St. Mary's	2	2,020	680	300	2,320
Talbot	1	790	250	*	790
Washington	6	4,105	2,420		4,105
Wicomico	2	965	650		965
Worcester	3	1,300	493	575.0	1,875
Total	127	\$109,315	143,900	\$4,745	\$114,060

* Denotes local jurisdictions served by hub pilot grantees that operate in multiple counties. The awards for these grants are shown in Allegany, Dorchester, and Worcester counties.

Note: One grant of \$845,000 for a program in Prince George's County is currently on hold and not included in this exhibit.

Source: Maryland Community Health Resources Commission