

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 97 (Senator McCray)

Budget and Taxation and Education, Energy,
 and the Environment

Education - Youth Enhancement Program - Establishment

This bill establishes the Youth Enhancement Program in the Maryland State Department of Education (MSDE) to provide grants to nonprofit organizations that are headquartered in a central location in Baltimore City and provide services to specified early adolescent children and young adults. Beginning in fiscal 2027, the Governor must include \$1.0 million in the annual budget bill for the program. By October 1 following each year MSDE disburses grants, the recipient nonprofit organization(s) must submit a report to MSDE that provides data on the services provided to targeted individuals and tracks student progress through the education system. Beginning December 1, 2028, MSDE must submit an annual report to the General Assembly about the program. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: General fund expenditures increase by \$56,000 in FY 2026 for start-up staffing costs, and by approximately \$1.1 million beginning FY 2027, which includes the bill’s mandated appropriation. **This bill establishes a mandated appropriation beginning in FY 2027.**

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	56,000	1,064,100	1,067,000	1,070,000	1,073,000
Net Effect	(\$56,000)	(\$1,064,100)	(\$1,067,000)	(\$1,070,000)	(\$1,073,000)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: MSDE must administer the program and establish application procedures for nonprofit organizations to apply to the program.

To receive a grant under the program, nonprofits must provide services to early adolescent children and young adult children who (1) reside in or attend any public school in Baltimore City or Baltimore County; (2) qualify for free or reduced price meals at the time of receiving services from a nonprofit organization; and (3) are members of a historically disadvantaged group who face obstacles to achievement that may be effectively mitigated by long-term mentorship.

Eligible nonprofits are those that are headquartered in a central location in Baltimore City and provide services that specifically address and adapt to the needs of targeted individuals from early adolescence to adulthood. Services must focus on mentoring and academic and social instruction that includes continuous engagement into adulthood in lifelong health and wellness (including athletics, exercise, and nutrition), mental health, character development, and college and career readiness. The services must be provided during out-of-school time and out-of-work time and delivered partly by individuals who previously received services from the nonprofit organization.

Current Law:

Blueprint for Maryland's Future

Blueprint for Maryland's Future (Blueprint) legislation, Chapter 771 of 2019, Chapters 36 and 55 of 2021, and Chapter 33 of 2022, established new programs and updated education funding formulas to, among other provisions, provide additional support for schools serving high concentrations of students living in poverty through the Concentration of Poverty Grant (CPG) Program. CPGs have two components, a personnel grant and a per-pupil grant.

Personnel Grants are provided 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. If the personnel grant provided to an eligible school exceeds the costs to employ those positions and provide health coverage, the eligible school may use excess funds to provide wraparound services and complete the community school needs assessment. The personnel grant is a State-funded categorical amount that increases with inflation. For fiscal 2025, each eligible school receives a grant of \$273,805.

Per-pupil Grants are provided for each qualifying school following the completion of a

community school needs assessment, and each eligible school must use the per-pupil grant to provide wraparound services and other programs and services as identified in the school needs assessment. CPG funds must generally be distributed by the local school board to each eligible school. However, if the local school system has at least 40 eligible schools, the local board may expend up to 50% of CPG personnel and per-pupil grants on behalf of eligible schools in accordance with a plan developed in consultation with eligible schools that ensures that each eligible school receives the required positions/coverage and services. 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. For fiscal 2025, the State share of per-pupil grant funding is approximately \$193.3 million.

Community School means a public school that establishes a set of strategic partnerships between the school and other community resources that leverage shared accountability, collaborative leadership, capacity building, and authentic family and community engagement, using a student-centered framework to promote inclusive student achievement, positive learning conditions, and the well-being of students, families, educators, and the community through a variety of engaging practices including the provision of wraparound services. “Wraparound services” provided by a community school, according to its implementation plan, may involve extended learning time and an extended school year as well as any of a wide range of specified services, supports and practices. CPG grant funding supports the creation of community schools, as receipt of a grant requires the hiring of a school community coordinator and eventual provision of wraparound services in accordance with the statutory definitions of a community school. However, receipt of CPG funding is not a requirement for the establishment of a community school.

21st Century Community Learning Center

MSDE currently manages the federal [21st Century Community Learning Center](#) program, which awards grants to local education agencies and nonprofit organizations. These programs provide students with academic enrichment opportunities as well as additional services designed to complement their regular academic program.

State Expenditures:

General fund expenditures increase by \$55,991 beginning fiscal 2026, and by \$1.1 million beginning in fiscal 2027, which accounts for a 90-day start-up delay from the bill’s July 1, 2025 effective date, and the mandated appropriation beginning in fiscal 2027. MSDE has determined that one contractual full-time position is needed to implement this bill. However, the Department of Legislative Services advises that the added responsibilities incurred by this legislation are permanent and, thus, may more

appropriately be performed by regular employees. This estimate reflects the cost of hiring one regular half-time education program specialist to establish the program, including developing application procedures as specified in the bill, and conducting outreach with potential grantees in advance of the mandated funding. The specialist will also manage grant awards and distribution and reporting requirements beginning in fiscal 2027. The estimate includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. As the bill does not authorize the use of the mandated appropriation for administrative costs, this analysis assumes that MSDE requires additional general funds to administer the program.

Position	0.5
Salary/Salaries and Fringe Benefits	\$49,036
Operating Expenses	<u>6,955</u>
Total FY 2026 State Expenditures	\$55,991

Future year expenditures reflect mandated funding amounts, full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Additional Comments: MSDE advises that there are several active mentoring programs in the Baltimore Region, including Baltimore Youth Coalition, Mentoring Male Teens in the Hood, Thread, The Y of Central Maryland’s Big Brothers Big Sisters Program, and other mentoring models. MSDE additionally advises that both Baltimore City Public Schools and Baltimore County Public Schools operate mentoring programs.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Baltimore County; Baltimore City Public Schools; Baltimore County Public Schools; Department of Legislative Services

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