
BILL: **SB0370** - Community Schools - Rental Assistance for Community School Families Program and Fund - Establishment **DATE:** January 31, 2024

SUBJECT: Letter of Information **COMMITTEE:** Senate Budget and Taxation

POSITION: Information only

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In considering the best strategy to make financial aid for housing available to high-need families, including those whose children attend public schools that are community schools, the Maryland State Department of Education (MSDE) provides this information for your consideration of Senate Bill (SB) 370 – *Community Schools - Rental Assistance for Community School Families Program and Fund – Establishment*:

Community schools are guided by a community-based needs assessment and are charged with building effective local partnerships. Families can be linked to needed services using existing nonprofit infrastructure. A service managed at the state level may not be as flexible as local service providers in meeting the needs of families. In addition to funds to bring delinquent accounts up to date, families seeking this type of aid frequently need additional support in tenant/landlord relations, legal matters, employment, and longer-term financial planning. Existing local organizations are better positioned to provide a more robust menu of services.

SB 370

SB 370 creates a new program that can serve up to an estimated 1,600 families over a year. For families identified as eligible, the Rental Assistance for Community School Families Program of MSDE will provide rental and utility payments directly to the landlord or utility company. The support may be provided for up to 12 months with the opportunity of an extension of three months if the criteria are met.

SB 370 proposes a rental assistance program with its own eligibility criteria and other requirements that would require new processes for the determination of eligibility and management of payments. For example, using \$500 as an example of the amount of monthly support a family may be eligible for, over 1,600 families can be served if each is supported for 12 months. This is 1,600 individual payments each month to a landlord or utility company. Payments at this volume could require fiscal compliance monitors.

For a program of this size and complexity, a unit (or branch) within the Department would need to be established and staffed to develop eligibility systems, conduct training, provide support for community school liaisons, and create and manage the fiscal component of this legislation.

Specialists would be needed to support community school coordinators, validate eligibility, approve families for financial support, and track payments over time. A preliminary estimate is that the total staffing cost would be approximately \$900,000 to \$1,000,000. This is approximately 10% of the \$10,000,000 fund and aligns with the costs of staff relative to the total grant in managing large grant programs.

Currently, the Community Schools team is comprised of one Executive Director and one Coordinator. In FY 2024, 454 community schools in 22 local education agencies (LEAs) receiving Concentration of Poverty Grants. As more schools become eligible for Concentration of Poverty funds, the total number of community schools in Maryland is projected to exceed 550 by 2027. The current duties of the team include providing support and professional development to LEAs and Community School leaders. As schools are identified, MSDE reviews and approves a comprehensive needs assessment and implementation plan. The implementation plan must be reviewed and updated every three years. In any given year, at least 150 community schools will be conducting this review.

Additional Resources

The Maryland Department of Housing and Community Development (DHCD) includes programs to assist renters. These include the Emergency Rental Assistance program to serve renters who are in arrears with rent and/or utility payments. The Emergency Rental Assistance program has locations to apply in every county. Note that the proposed program has specific eligibility criteria and ways to access help that may be different from those of the Emergency Rental Assistance program.

Many direct services agencies, nonprofits, churches, community-based organizations, and local governments provide emergency rental and utility assistance. These groups have expertise in housing, the rental market, and identifying unscrupulous landlords, among other areas. They typically provide counseling to find longer-term solutions and can address other needs of the renter.

The expectations as noted in the bill are not aligned with the responsibilities of MSDE.

Please contact Akilah Alleyne, Ph.D., Executive Director of Governmental Affairs, at 410-767-0504, or akilah.alleyne@maryland.gov, if additional information is needed.