

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 709
Appropriations

(Delegate Valentino-Smith, *et al.*)

Human Services - Youth Services Bureaus - Funding

This bill requires the Governor to appropriate at least \$1.8 million annually to fund eligible youth services bureaus (YSBs) beginning in fiscal 2022. Each YSB must receive at least \$100,000 annually or \$100,000 for each local jurisdiction served if the YSB serves more than one jurisdiction. The bill also repeals the requirement that a YSB provide alternative leisure activities and makes other changes relating to YSBs. **This bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: No impact in FY 2021. No overall effect on State expenditures to the extent funding is provided from the existing appropriation to the Children’s Cabinet Interagency Fund (CCIF), as discussed below. **This bill establishes a mandated appropriation beginning in FY 2022.**

Local Effect: Local grant revenues increase by an estimated \$872,400 beginning in FY 2022 compared with funding received in FY 2020. Local expenditures increase by an estimated \$218,100 beginning in FY 2022 to provide matching funds, as discussed below. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary/Current Law: A YSB is a community-based entity that is operated to (1) provide community-oriented delinquency prevention, youth suicide prevention, drug and alcohol abuse prevention, and youth development; (2) ameliorate conditions that

contribute to delinquency, youth suicide, drug and alcohol abuse, and family disruption; and (3) function as an advocate of youth needs.

To be eligible to receive State funding, a YSB must provide, at convenient hours and free of charge or at a reasonable rate based on the client's family income:

- individual, family, or group counseling;
- referral and information services;
- crisis intervention, including intervention relating to youth suicide prevention;
- alcohol and drug abuse assessment and referral services by staff who have received specified assessment and referral training;
- informal counseling; and
- in accordance with the needs of the community and subject to the availability of funds, (1) tutoring; (2) employment assistance; (3) community education, including training and information relating to youth suicide prevention; (4) aftercare services; and (5) other specialized services.

Under the bill, references to drug and alcohol abuse are replaced with drug and alcohol *use disorder*. The requirement that staff training be received from a specified entity (the Office of Education and Training for Addiction Services or from any other qualified entity as determined by the Maryland Department of Health) is repealed.

Under current law, the State and local government must jointly fund an eligible YSB. The State must provide 75% of the funding, as provided in the State budget. Each eligible YSB must submit a proposed annual budget to the Department of Juvenile Services (DJS). The proposed DJS budget must list the eligible YSBs and estimate the amount of State funds to be allocated to each YSB. A local governing body that provides matching funds may choose to have State funds paid directly to the private sponsor or to the local governing body.

The bill repeals the requirement that the proposed DJS budget list eligible YSBs and their estimated funding and *requires* that the local governing body have State funds paid directly to the private sponsor of the YSB.

DJS is required to (1) monitor the operation of each YSB that receives State funding; (2) annually evaluate the effectiveness of each YSB; and (3) discontinue funding a YSB that is ineffective or that, for two years, fails to meet eligibility requirements.

Background: In practice, DJS does not handle oversight or funding of YSBs. Although YSBs are not specifically funded as a program or line item in the budget, grants are provided from CCIF. The Maryland State Department of Education houses the CCIF and

acts as the fiscal agent for the fund. The Governor's Office for Children (now administratively part of the Governor's Office of Crime Prevention, Youth, and Victim Services) awards funds from CCIF to local management boards (LMBs), which award funding to YSBs.

There are 13 YSBs in the State located in Baltimore, Carroll, Charles, Montgomery, and Prince George's counties. As of fiscal 2020, Montgomery County YSBs did not receive State funding. Tri-County YSB, located in Waldorf, serves three jurisdictions (Calvert, Charles, and St. Mary's counties).

According to the Maryland Association of Youth Services Bureaus, approximately 99% of youth served at YSBs were not adjudicated (found guilty of committing a delinquent act) within two years after ending treatment. However, over the last four years, several YSBs have closed or reduced services due to funding uncertainties.

State Expenditures: According to the Governor's Office of Crime Prevention, Youth, and Victim Services, in fiscal 2020, 10 YSBs received a total of \$927,644 in grants from CCIF (total CCIF funding in fiscal 2020 was \$18.5 million). The Governor's proposed fiscal 2021 budget includes \$22.0 million for CCIF, though no portion of these funds is mandated for YSBs. This analysis assumes that, in fiscal 2022, a minimum of \$1.8 million of CCIF funds would be restricted for YSBs and distributed as required under the bill. Thus, overall State expenditures are not impacted. However, mandating this funding for YSBs results in fewer funds being available for other programs funded from CCIF.

Local Fiscal Effect: The bill requires the Governor to provide at least \$1.8 million annually for YSBs, with a minimum of \$100,000 provided to each YSB and \$100,000 per jurisdiction provided to YSBs that serve more than one jurisdiction. Compared with funding provided to YSBs in fiscal 2020, if a total of \$1.8 million is distributed in fiscal 2022, revenues increase for four jurisdictions (Baltimore, Charles, Montgomery and Prince George's counties) and all but one YSB receives additional funding. However, net funding to Carroll County YSBs declines. Expenditures for all counties except Carroll County increase due to a greater matching fund requirement.

For example, Montgomery County's four YSBs received no CCIF funding in fiscal 2020. Montgomery County provides \$81,209 in local funds to support its four YSBs. Under the bill, Montgomery County revenues increase by \$400,000 from additional grant funding, while expenditures increase by a net of \$18,791 to provide matching funds.

In fiscal 2020, Carroll County YSBs received approximately \$322,793 for two YSBs. Under the bill, Carroll County grant revenues decrease by approximately \$122,793. Expenditures also decrease by approximately \$30,698 due to a reduction in the amount of matching funds required.

Charles County's two YSBs, which serve three jurisdictions, received \$136,450 in CCIF funds in fiscal 2020. Under the bill, Charles County would receive \$600,000 in revenues, an increase of approximately \$463,543. Additionally, Charles County would be required to provide an additional \$115,886 in matching funds.

Prince George's County received \$291,885 in CCIF funds in fiscal 2020 for four YSBs. Additionally, these YSBs received \$150,000 from the Prince George's County Council and \$50,000 from county general funds. Under the bill, Prince George's County grant revenues increase by approximately \$108,000, and expenditures for additional matching funds increase by \$27,000. To the extent that Prince George's County can reduce local funding of YSBs and supplant with these additional State funds, Prince George's expenditures may decrease by \$123,000.

Additional Comments: The bill creates a mandatory funding minimum for all eligible YSBs and eliminates competitive funding for YSBs at the discretion of LMBs. This may result in funding being reduced or eliminated for other local programs that provide similar youth services. Additionally, smaller YSBs may not require \$100,000 or local jurisdictions may not be able to provide an adequate match as required.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 490 (Senator Peters, *et al.*) - Budget and Taxation.

Information Source(s): Baltimore City; Howard, Montgomery, and Prince George's counties; Department of Budget and Management; Department of Human Services; Governor's Office of Crime Prevention, Youth, and Victim Services; Maryland Association of Youth Services Bureaus; Department of Legislative Services

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