

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 99

(Chair, Finance Committee)(By Request - Departmental -
Disabilities)

Finance

Health and Government Operations

**Department of Disabilities - Assistive Technology Loan Program - Board of
Directors**

This departmental bill removes the requirement that at least one of the four members of the Assistive Technology Loan Program (ATLP) Board of Directors – who must have disabilities or assist individuals with disabilities – also be a member of the Maryland Commission on Disabilities. The bill also staggers the terms of the board members appointed by the Governor.

Fiscal Summary

State Effect: None. However, ATLP may realize minimal administrative efficiencies as board members’ terms are staggered, allowing for greater continuity of operations.

Local Effect: None. The bill does not affect local government finances.

Small Business Effect: The Maryland Department of Disabilities (MDOD) has determined that this bill has minimal or no impact on small businesses (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: The bill requires that the terms of members appointed to the board by the Governor be staggered. Two members, one appointed under the category of having significant experience in finance, accounting, investment management, or consumer lending and one appointed under the category of having disabilities or assisting individuals

with disabilities, must be appointed to a new term or replaced each year, beginning October 1, 2016.

The bill specifies that a member appointed to the board on October 1, 2016, with a term expiring in 2016 or 2017 is not considered to have served a full term and, thus, may serve two additional terms.

Current Law: The board consists of 11 members, including the Secretary of Information Technology (or designee), a representative from the Developmental Disabilities Administration (appointed by the Secretary of Health and Mental Hygiene), and a representative of the State Department of Education Division of Rehabilitative Services (appointed by the State Superintendent of Schools).

The other eight members are appointed by the Governor, four of whom are required to have significant experience in finance, accounting, investment management, or consumer lending, and four of whom have disabilities or assist individuals with disabilities. In addition, at least one of the members who has disabilities or assists individuals with disabilities must also be a member of the Maryland Commission on Disabilities.

The term for members appointed by the Governor is four years, and at the end of a term, members serve until their successor is appointed and qualifies. Members appointed by the Governor may not serve more than two consecutive terms. The terms of all current members began October 1, 2015, and end September 30, 2019. In order for the board to conduct business, statute requires that a quorum, or six members, be present.

Background: MDOD advises that the board reviews and makes decisions on individual loan applications, which requires reviewing credit scores, banking histories, and other financial documents. Members who do not have prior expertise must be trained by ATLP staff. By allowing new board members whose terms expire in 2016 or 2017 to serve two additional full terms, fewer resources may need to be devoted to such training.

MDOD further advises that eliminating the requirement that at least one of the four members of the board – who must have disabilities or assist individuals with disabilities – also be a member of the Maryland Commission on Disabilities lessens the difficulty of finding a suitable candidate. Due to the time commitment required by the commission and the board, it has been difficult to find a qualified individual. This position on the board is currently vacant, and no candidate has been identified. Additionally, the terms of the commission and ATLP do not align; commissioners are appointed to three-year terms, while board members are appointed to four-year terms. As a result, a member of the board who was a commissioner at the time of appointment could no longer be a commissioner before the completion of the term on the board. MDOD also notes that

there is no overlap between the work done by ATLP and the commission, and that the requirement seems superfluous.

Finally, MDOD advises that staggering the terms of members appointed by the Governor reduces the risk of losing a quorum (defined as 6 of the 11 members on the board) at the end of the appointed members' terms. Though current law states that members serve until a replacement is confirmed, if enough members leave at the end of their terms, the board may not be able to function if new candidates cannot be identified. Due to the specific nature of the work, it can be challenging to find qualified replacements.

ATLP, within the Office for Individuals with Disabilities, originated in 1999. The program has been overseen by MDOD since 2004. The program helps individuals with disabilities purchase assistive technology equipment to enable them to become more independent and more productive. Loans of up to \$50,000 are available, with unsecured loans of up to \$7,500 offered. Between October 1, 2014, and September 30, 2015, ATLP issued \$417,777 in loans. All loans have below-market interest rates. Funds can be used to purchase a wide variety of assistive technology, defined as any device that helps a person with a disability live more independently and productively. Examples include computers and adaptive peripherals, home modifications, adapted vehicles, hearing and vision aids, and augmentative communication devices.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Disabilities, Department of Legislative Services

Fiscal Note History: First Reader - January 13, 2016
md/ljm Revised - Senate Third Reader - March 22, 2016

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Assistive Technology Loan Program – Board of Directors - Membership

BILL NUMBER: SB 99

PREPARED BY: Anne Blackfield, 410-767-3652

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This bill will have no impact on small business. It is an internal bill affecting Health Services Article 7-605 that provides technical changes to the membership of the Assistive Technology Loan Program Board of Directors.