

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 51

(Delegate Rosenberg, *et al.*)

Health and Government Operations

Finance

Public Health - Maryland Pediatric Cancer Fund and Commission

This bill (1) establishes the Pediatric Cancer Research Commission to oversee the award of competitive grants from the Maryland Pediatric Cancer Fund; (2) limits the authorized uses of the fund to providing grants to eligible applicants to conduct pediatric cancer research only (repealing the authorization that funds may be used to provide grants for pediatric cancer *prevention* and *treatment*); (3) authorizes a specified promotional account to allocate funds to a State-based childhood cancer organization; and (4) authorizes the specified promotional account to be used to educate the State scientific community about the opportunities for childhood cancer research through the fund (in addition to promoting donations to the fund under current law).

Fiscal Summary

State Effect: General fund expenditures for the Maryland Department of Health (MDH) increase by \$52,900 in FY 2025 for staff. Future years reflect annualization, inflation, and elimination of one-time costs. While the bill primarily alters the purposes for which existing funds may be used, grant expenditures may increase to the extent that expanded use of the promotional account increases demand for grants. Any expense reimbursements for commission members are assumed to be absorbable within existing budgeted resources.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	52,900	60,500	63,200	66,000	69,000
Net Effect	(\$52,900)	(\$60,500)	(\$63,200)	(\$66,000)	(\$69,000)

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The commission must:

- develop criteria, standards, and requirements for the review of applications for pediatric cancer research grants from the fund;
- establish procedures and guidelines to be used in the review, evaluation, ranking, and rating of the research grant proposals;
- review grant applications to ensure that each application is complete and satisfies the developed criteria, standards, and requirements;
- develop disclosure and recusal guidelines to be followed by commission members when considering grant applications;
- establish standards for the oversight of awards; and
- conduct progress reviews of grant recipients.

The commission comprises the Secretary of Health (or designee) and various members appointed by the Governor. A member of the commission (1) must disclose to the State Ethics Commission whether the member is employed by or has a financial interest in an entity that may apply for grant funds and (2) may not receive compensation but is entitled to reimbursement for expenses under standard State travel regulations.

Current Law: Chapters 253 and 254 of 2022 established the Maryland Pediatric Cancer Fund within MDH. The fund is authorized only to provide grants for eligible physicians, hospitals, laboratories, educational institutions, and other organizations and persons to conduct pediatric cancer research, *prevention*, and *treatment*. Expenditures from the fund must be made in accordance with the State budget, and money expended from the fund is supplemental to and not intended to take the place of funding otherwise appropriated to pediatric cancer research, *prevention*, and *treatment*.

Chapters 253 and 254 required the Governor, in fiscal 2023, to include an appropriation of \$5.0 million to the fund or, if not included, to include \$5.0 million in the fiscal 2024 budget. Each year, MDH may use up to 5% of the amount appropriated to the fund for a promotional account to be used to promote donations to the fund.

State Fiscal Effect: General fund expenditures for MDH increase by \$52,920 in fiscal 2025, which accounts for the bill's October 1, 2024 effective date. This estimate reflects the cost of hiring one part-time (0.25) physician program manager to participate on the commission as the Secretary's designee. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	0.25
Salary and Fringe Benefits	\$46,272
Operating Expenses	<u>6,648</u>
FY 2025 Administrative Expenditures	\$52,920

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses. Any expense reimbursements for members of the commission are assumed to be minimal and absorbable within existing budgeted resources.

While the bill primarily alters the purposes for which existing funds may be used, actual grant expenditures may increase to the extent that there is increased demand for research grants due to the expanded use of the promotional account. However, the fiscal 2025 budget as introduced withdraws \$5.0 million in general funds, representing the entire fiscal 2024 appropriation for the fund, through a deficiency appropriation. A separate action in the Budget Reconciliation and Financing Act of 2024 would transfer \$5.0 million from the fund (available from a fiscal 2023 appropriation) to the general fund.

Additional Information

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

Designated Cross File: SB 13 (Senator Jackson) - Finance.

Information Source(s): Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - January 31, 2024
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Analysis by: Amber R. Gundlach

Direct Inquiries to:
(410) 946-5510
(301) 970-5510