Department of Legislative Services

Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1163 (Delegate Atterbeary)
Appropriations Budget and Taxation

State Department of Education - Division of Rehabilitation Services - Funding

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This bill authorizes the Governor to include in the annual budget bill an increase in the general fund appropriation to ensure the State's share of funding under the federal rehabilitation acts for the Division of Rehabilitation Services (DORS) within the Maryland State Department of Education is met. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: The bill is authorizing in nature and is consistent with the Governor's current budgetary authority, and therefore has no direct effect on State finances or operations.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: DORS is generally responsible for efforts to rehabilitate and place in gainful employment individuals who are disabled and susceptible to rehabilitation and to rehabilitate individuals to function more independently. DORS is also responsible for providing a coordinated set of activities for transitioning students with a disability that promotes movement from school to postschool activities, including postsecondary education, vocational training, integrated employment, supported employment, adult services, independent living, and community participation.

The State Board of Education must cooperate with the appropriate federal agencies in administering the rehabilitation acts of the U.S. Congress and do what is necessary to secure the benefit of the rehabilitation acts.

Under federal regulations (34 CFR § 361.60), the federal share of funding to a State's public vocational rehabilitation program is 78.7%; thus, in order for a State to receive its fully allotted share of the federal vocational rehabilitation grant, the State must contribute 21.3% in funding for the vocational program. The State must also maintain at least its prior year funding amount for the program in order to attain its fully allotted federal share (34 CFR § 361.62).

Chapter 331 of 2022 established a commission to study DORS. The commission was tasked with evaluating and making recommendations on specified subjects related to improvements to DORS's programs and services. In its December 2022 report, among other recommendations, the commission recommended ensuring in statute (1) the provision of general funds to meet the 21.3% matching requirement and (2) 74 new positions to eliminate the vocational rehabilitation waitlist, reduce counselor caseload levels, and expand training and services in community-based settings.

Maryland Budget Process

The Maryland Constitution requires the Governor to submit, and the General Assembly to pass, a balanced budget. Generally, the General Assembly cannot add more spending to the budget introduced by the Governor, nor can general funds be used to restore reductions made by the General Assembly after adoption of the budget, except through an approved deficiency appropriation in the following year's budget.

Beginning with the 2023 session (fiscal 2024 budget bill), the General Assembly may amend the budget to increase appropriations made by the Governor as well as add items to appropriations for Executive Branch agencies if the total appropriation for the Executive Branch does not exceed the total proposed appropriation submitted by the Governor. Prior to the 2023 session, the legislature could only add or increase funding for the General Assembly and the Judiciary.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 934 and HB 1222 of 2023.

Designated Cross File: SB 859 (Senators Zucker and Guzzone) - Budget and Taxation.

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

Fiscal Note History: First Reader - February 20, 2024
js/hlb Third Reader - March 14, 2024

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