SB 354

Department of Fiscal Services

Maryland General Assembly

FISCAL NOTE

Senate Bill 354 (Senator Ruben, et al.)
Finance

State Residential Centers for Developmentally Disabled Individuals

This bill requires at least one of the State residential centers (SRC) that serve the needs of individuals with developmental disabilities be located in southern Maryland (Anne Arundel, Calvert, Charles and St. Mary's counties) or in the Washington suburban region (Montgomery and Prince George's counties). The Governor is required to include in the annual budget general funds sufficient to cover the cost of operating a southern Maryland or Washington suburban SRC.

This bill takes effect June 1, 1996.

Fiscal Summary

State Effect: State funding for Great Oaks Center, the only center located in southern Maryland or the Washington suburban region, could increase by a range of $10.8 to $16.4 million in general funds in FY 1997. General fund revenues could increase by an estimated $2.9 million.

Local Effect: None.

Fiscal Analysis

Background: The State currently operates five residential centers (Great Oaks, Rosewood, Brandenburg, Potomac and Holly Centers). The Department of Health and Mental Hygiene (DHMH) plans to close Great Oaks by June 30, 1996. Great Oaks Center, located in Silver Spring, is the only center located in southern Maryland or the Washington suburban region.

State Effect: Expenditures could increase by a range of $10.8 to $16.4 million in general funds in fiscal 1997 if Great Oaks remains open, since DHMH plans to close Great Oaks in fiscal 1996 and there are no funds in the proposed fiscal 1997 budget for the operation of Great Oaks. The current census is 100 clients. The fiscal 1996 appropriation of $16.4 million is based on an average daily population of 121 clients. The bill stipulates that there must be an SRC in the southern Maryland/Washington suburban region, but is silent as to the number of clients who might reside in the SRC. The Developmental Disabilities Administration advises that a census of 65 is the lowest number that would allow for reasonable operation of the facility, in which case, expenditures could increase by an estimated $10.8 million. The lower end of the range is more likely, given the trend toward downsizing institutions.

These additional expenditures would be partially offset by additional revenues from cost recoveries (Medicaid, Medicare and other insurers). Recoveries have averaged $45,000 per client for fiscal 1994-1996, so general fund revenues could increase by an estimated $2.9 million, assuming a census of 65.

Information Source(s): Department of Health and Mental Hygiene (Developmental Disabilities Administration), Department of Fiscal Services

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