

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 768 (Senators Roesser and Haines)
Judicial Proceedings

Maryland Traumatic Brain Injury and Spinal Cord Injury Rehabilitation Fund and Advisory Board

This bill establishes a Maryland Traumatic Brain Injury and Spinal Cord Injury Rehabilitation Fund in the Maryland State Department of Education. The purpose of the fund is to assist individuals who have suffered a traumatic brain injury or spinal cord injury and their families in paying for services that are not covered by the individual’s health insurance, Medicare, medical assistance, or other public or private health benefit program. The fund consists of revenues from fines relating to certain traffic violations, investment earnings derived from money in the fund, and federal matching funds. The bill also establishes a 13-member advisory board within the Division of Rehabilitation Services.

Fiscal Summary

State Effect: Special fund revenues could increase by \$300,000 in FY 1998. Future year revenues reflect annualization and increases in the number of traffic citations issued. Special fund expenditures could increase by \$300,000 in FY 1998. Future year special fund expenditures reflect inflation.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
SF Revenues	\$300,000	\$404,000	\$408,000	\$412,000	\$416,000
SF Expenditures	300,000	404,000	408,000	412,000	416,000
Net Effect	\$0	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: Meaningful impact on small businesses that provide health care services to disabled citizens. The actual impact would depend on the number and size of contracts received by each business. Approximately \$325,000 annually will be available for services for individuals with traumatic brain or spinal cord injuries.

Fiscal Analysis

State Revenues: The bill requires individuals convicted of, or receiving probation prior to judgement, for any violation of the Maryland Vehicle Law which is punishable by imprisonment to pay an additional \$25 fee. This fee would be imposed in approximately 16,000 cases. Accordingly, special fund revenues to the rehabilitation fund would be \$300,000 in fiscal 1998, which reflects the bill's October 1, 1997 effective date, or \$400,000 on an annualized basis. Future year revenues assume a 1% increase in cases. Additional revenue resulting from investment earnings and federal grants is not known; however, it could be significant.

State Expenditures: Expenditures for the rehabilitation fund would be at least \$300,000 in fiscal 1998 (from fee revenues only). Of this amount, \$73,433 (24%) is for administrative expenses and \$226,567 (76%) is available for health care services for individuals with traumatic brain and spinal cord injuries. In future years, approximately \$325,000 (81% of funds) would be available for health care services.

Administrative Expenses

Special fund administrative expenditures could increase by an estimated \$73,433 in fiscal 1998, which reflects the bill's October 1, 1997 effective date. This estimate includes the cost of hiring one Staff Specialist and one part-time Office Secretary to administer the fund and coordinate health care services for disabled individuals. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$48,433
One-time Computer Programming Costs	10,000
Operating Expenses	<u>15,000</u>

Total FY 1998 Administrative Expenditures \$73,433

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

Programmatic Expenses

Approximately \$226,600 is available for health care services for individuals with traumatic brain and spinal cord injuries in fiscal 1998. In future years, funds available for health care services increases to \$325,000. Health care services for clients could be expanded further depending upon whether the State receives federal matching funding. **Exhibit 1** shows the types of services eligible for funding under this bill. In addition, since the bill requires the fund to be the payer of last resort, general fund expenditures for the State's health benefit programs and medical assistance would not be affected.

Exhibit 1

Types of Services Eligible for Funding
Case Management
Rehabilitative Therapies and Services
Attendant Care
Home Accessibility Modifications
Equipment Necessary for Activities
Family Support Services
Other Recommended Services

Information Source(s): Maryland State Department of Education (Division of Rehabilitation Services), Judiciary (District Court), Department of Fiscal Services

Fiscal Note History: First Reader - February 19, 1997

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