

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 1219 (Delegate Owings, *et al.*)  
Environmental Matters

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Maryland Independent Living Services Act

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This bill establishes a Maryland Statewide Independent Living Council (MSILC) as an entity independent of State government. The majority of the council's members must be individuals with disabilities. The council is required, in conjunction with the "designated State unit", to develop a State plan for a network of centers for independent living and for independent living services for individuals with physical or mental disabilities. The centers are eligible for federal and State funds if they meet certain programmatic and fiscal standards.

The bill takes effect July 1, 1997.

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Fiscal Summary

**State Effect:** Potential significant increase in general funds, depending on the MSILC's funding priorities. Revenues would not be affected.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful effect on small businesses as discussed below.

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Fiscal Analysis

**Bill Summary:** The bill establishes the council's executive director and a chief staff officer positions as State positions. The council is required to supervise and evaluate its executive director and any other staff needed to carry out its functions in accordance with federal rehabilitation law.

The State plan is required to set priorities for expenditure of federal and State funds. The council and head of the designated State unit are required to provide grants for establishment

of centers for independent living. The minimum annual allocation for each center of independent living is \$200,000 in combined federal and State funds, subject to the availability of funds. The priority for distribution of State funds is (1) existing centers; (2) centers which receive less than the minimum annual allocation; and (3) new centers.

**Background:** There are currently four private nonprofit centers for independent living in Maryland which receive funding directly from the federal government. A Statewide Independent Living Council (SILC), established by executive order, already exists. It is supported and staffed by the Maryland State Department of Education (MSDE), Division of Rehabilitative Services. MSDE has statutory authority (Education Article 21-302) to administer the federal rehabilitation acts and a State plan approved by the U.S. Department of Education.

MSDE administers \$958,000 in combined federal (\$466,000) and State (\$492,000) independent living funds. The two smallest independent living centers in the State each receive \$45,000 to supplement federal grants; \$700,000 is used to purchase assistive technology and home modifications for persons with disabilities; and the balance (\$167,000) is used for rehabilitation training for older, blind individuals to teach independent living skills.

MSDE uses its vocational rehabilitation program to provide support, including procurement and eligibility determination, for its independent living services program. The infrastructure consists of 425 service delivery positions and 22 offices statewide. The existing council is staffed by MSDE with two positions, one professional and one administrative, neither of which are solely devoted to the council.

**State Effect:** MSDE advises that the bill would effectively end the provision of independent living services on the part of MSDE and the existing council. This would result in increased expenditures of \$958,000 in general (\$492,000) and federal (\$466,000) funds, because MSDE assumes that its \$958,000 current funds would be transferred to the jurisdiction of the new council. Therefore, an additional \$958,000 in general funds would be required so that the State can continue to provide the same independent living services.

The Department of Fiscal Services advises that expenditures would increase to the extent that the new council materially changes independent living service funding priorities such that individuals now being served by the State would no longer be served. The bill's provision adding two new State positions could result in less funds for direct provision of services, since council staffing is currently being done with existing resources. It is not clear from the bill's provisions where the new positions would reside within State government or whether they would be funded through the \$958,000 in current independent living services

funds or would require additional general funds. Further, the bill's \$200,000 minimum annual allocation for each center of independent living would result in \$800,000 of the \$958,000 in current funding going to the four current centers. It appears, therefore, as if the decisions made by the four centers will prove crucial in determining the extent to which independent living services funding priorities would depart from the current ones.

**Small Business Effect:** Small business community rehabilitation and employment agencies could be significantly affected by the bill, depending on how the Maryland Statewide Independent Living Council established by the bill administers federal and State rehabilitation funds.

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**Information Source(s):** Maryland State Department of Education, Office on Aging, Department of Human Resources, Department of Health and Mental Hygiene, Department of Fiscal Services

**Fiscal Note History:** First Reader - February 26, 1997  
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Analysis by: Sue Friedlander  
Reviewed by: John Rixey

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 841-3710  
(301) 858-3710