

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 112 (Senator Dorman)

Finance

Employment in Recovery Pilot Program

This bill establishes an Employment in Recovery Pilot Program in the Department of Health and Mental Hygiene (DHMH), to be administered by the Alcohol and Drug Abuse Administration (ADAA). The program is to provide demonstration grants to local jurisdictions or local health departments to provide substance abusers undergoing treatment with access to education and job skills training to improve their ability to obtain meaningful employment after completing treatment. The Governor is required to provide funding for the program in the annual budget.

The bill takes effect July 1, 1998. The program is in effect for three years and terminates June 30, 2001.

Fiscal Summary

State Effect: General fund expenditures could increase by \$300,000 in FY 1999, assuming 300 individuals are served at \$1,000 each. Future year expenditures increase with inflation. Revenues would not be affected.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	300,000	303,000	306,000	0	0
Net Effect	(\$300,000)	(\$303,000)	(\$306,000)	\$0	\$0

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

Local Effect: No net fiscal impact. Any increased expenditures would be offset by an equal increase in revenues.

Small Business Effect: Potential meaningful.

Fiscal Analysis

Bill Summary: ADAA, in conjunction with the Department of Labor, Licensing, and Regulation (DLLR) and the Department of Human Resources (DHR), is to review local proposals for demonstration grant funding and approve up to three proposals for implementation. At least one demonstration program must be located in a rural region and at least one must be located in an urban/suburban region. The bill requires that ADAA report to the Governor and the General Assembly on July 1, 1999 and each subsequent July 1 on the status of the program.

State Expenditures: The Alcohol and Drug Abuse Administration anticipates that three demonstration programs would serve a total of 300 individuals at a cost of \$1,000 per individual. Therefore, general fund expenditures could increase by \$300,000 in fiscal 1999. The fiscal 1999 budget for the Alcohol and Drug Abuse Administration does not include any new funds for an Employment in Recovery Pilot Program. However, the Governor has indicated that if this bill is adopted he intends to fund the program within existing budgeted resources, although a particular dollar amount has not been specified. Accordingly, the number of individuals served by the program will depend on the amount of funds made available.

State general fund expenditures could decrease in the long-term to the extent that the demonstration projects facilitate successful recovery from substance abuse addiction and produce a decline in crime and the need for incarceration and State cash assistance.

The costs of reviewing the demonstration grant proposals can be handled with existing budgeted resources.

Local Effect: No net fiscal impact. Expenditures and revenues could increase by an equal amount for local jurisdictions that choose to apply for a demonstration grant and receive State funding.

Small Business Effect: The bill requires applicants for demonstration grants to include a description of the applicant's plan for collaborating with local businesses to provide vocational training, support services, and aftercare support services. Accordingly, the bill could favorably affect small business substance abuse treatment providers and small businesses that provide vocational training and support services such as money management and transportation services. In addition, small businesses could benefit from an increase in the number of people in Maryland's workforce resulting from the bill's requirements.

Additional Comments: Admissions to substance abuse treatment programs in Maryland exceeded 65,000 during fiscal 1996. Two-thirds were male and one-third were female. Fewer than half of those admitted were employed. Approximately 36% of treatment admissions originated in the criminal justice system. As of May 1997, 1,350 people were on

waiting lists for substance abuse treatment. Baltimore City currently provides publicly funded treatment to 16,000 to 17,000 substance abusers annually.

Information Source(s): Department of Health and Mental Hygiene (Alcohol and Drug Abuse Administration, Community and Public Health Administration); Department of Labor, Licensing, and Regulation; Department of Human Resources; Baltimore City; Garrett, Anne Arundel, Dorchester, and Montgomery counties

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Analysis by: Sue Friedlander	Direct Inquiries to:
Reviewed by: John Rixey	John Rixey, Coordinating Analyst
	(410) 841-3710
	(301) 858-3710