

Department of Legislative Services

Maryland General Assembly

FISCAL NOTE

Revised

House Bill 253 (Delegate Healey, *et al.*)
(Task Force on Multiracial Designations)

Commerce & Government Matters

State Government - Forms - Racial Identification

This amended bill provides that in the preparation of a form that requires identification of race, a department or independent unit must include the following racial categories: American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or other Pacific Islander, and White. A form that requires identification of individuals by race must include: (1) instructions that multiracial respondents may select all applicable racial categories; and (2) a separate question about whether a respondent is of Hispanic or Latino origin, with the question preceding the racial category question.

This bill is effective July 1, 1998 and the standards shall be applicable to a data collection form that is created or revised after the effective date and the standards shall be applicable to all data collection forms no later than January 1, 2002.

Fiscal Summary

State Effect: Expenditures could increase by a minimal amount. Revenues would not be affected.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

Background: After a 10-month review process, the Task Force on Multiracial Designations, created by Chapter 300 of 1996, presented its report and recommendations on December 1, 1997. The increasing racial and ethnic diversity of the Maryland population has resulted in growing criticism of the categories currently used to collect race and ethnicity information. The task force reviewed information from federal documents, public hearings, and an assessment of costs involved in making changes to State forms.

State Expenditures: Expenditures could increase for certain State agencies. For instance, the University System of Maryland advises it would spend \$15,000 in fiscal 1999 to modify paper forms and \$32,000 in fiscal 2000 for computer programming changes. The Motor Vehicle Administration estimates costs to revise forms at \$60,000 and costs for computer reprogramming at \$100,000, based on 1,000 hours of work at \$100 per hour. In addition, the Maryland State Department of Education (MSDE), which maintains about 15 databases that include race information, estimates costs at \$200,000 for software development, \$50,000 for data collection instruments, \$25,000 for policy formation, and \$75,000 for training, for a total cost to the department of \$350,000. The Department of Budget and Management (DBM) advises that if the data processing systems for its Office of Human Resources are required to track and maintain all possible combinations of race categories asked, the approximately 300,000 lines of code in the systems would have to be reviewed and modified at a cost of about \$3 per line, for a total cost estimate of \$900,000. The Department of Public Safety and Correctional Services also estimates significant costs to modify computer systems.

However, since many State agencies, including MSDE and DBM, likely will be required to make changes in their data collection forms to comply with revised federal reporting standards, expenditure increases resulting solely from this bill are expected to be minimal. The revised standards of federal Directive 15 are substantially similar to the standards established by this bill. To the extent that expenses are incurred by State agencies, Legislative Services advises that if other programming changes are required before the January 1, 2002 date by which the standards must be applicable to all data collection forms under this bill, economies of scale could be realized.

Further, the Department of Human Resources, Department of Health and Mental Hygiene, Department of Housing and Community Development, Department of Business and Economic Development, Department of Natural Resources, and the Office on Aging, advise that making any necessary changes could be handled with existing resources.

Information Source(s): Task Force on Multiracial Designations, Department of Budget

and Management, Department of General Services, Department of Education, Department of Business and Economic Development, University System of Maryland, Department of Transportation (Motor Vehicle Administration), Department of Housing and Community Development, Department of Human Resources, Department of Health and Mental Hygiene, Department of Natural Resources, Department of Public Safety and Correctional Services (Maryland Parole Commission), Department of Legislative Services

Fiscal Note History: First Reader - February 6, 1998
Inc Revised - Updated Information - February 16, 1998
Revised - House Third Reader - March 18, 1998

Analysis by: Sarah Dickerson

Reviewed by: John Rixev

Direct Inquiries to:

John Rixev, Coordinating Analyst

(410) 841-3710

(301) 858-3710