

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE

House Bill 469
 Ways and Means

(Delegate Benson, *et al.*)

Education, Health, and
 Environmental Affairs

State Department of Education - Division of Library Development and Services -
 Distribution of Accessible Information to Disabled Individuals

This bill requires the Maryland State Department of Education (MSDE) to provide eligible blind and disabled individuals with access to an audio news and information service produced by a qualified entity. The Department of Budget and Management (DBM) must provide MSDE with an annual payment equal to the cost incurred to provide audio news and information services to blind and physically disabled individuals. The services are funded through the Universal Service Trust Fund (USTF).

Fiscal Summary

State Effect: USTF expenditures would increase by \$16,700 in FY 2004 and by \$50,000 annually beginning in FY 2005. Existing USTF revenues would be used to cover the additional expenditures. The monthly telephone surcharge is not affected.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	16,700	50,000	50,000	50,000	50,000
Net Effect	(\$16,700)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: Pursuant to this legislation, a qualified entity is a nonprofit organization that produces audio editions of daily newspapers available for interstate distribution using high-speed computer and telecommunications technology and provides a means of program administration and reader registration on the Internet. DBM, in consultation with the Governor's Office for Individuals with Disabilities, must enter into an agreement with MSDE regarding the annual payment for audio news and information services for blind and disabled persons.

Current Law: Revenues credited to USTF are used to provide telecommunications devices for disabled individuals.

Background: Lack of access to news and information is a persistent problem for blind and visually impaired people due to the inability to read print. To address this need, the Maryland State Library for the Blind and Physically Handicapped (LBPH) was established to provide patrons with audio and Braille editions of books and magazines. However, this service has not included daily newspapers due to the need for rapid and low-cost daily distribution.

Modern computer and telecommunications technology is making access to newspapers possible; however, most individuals, especially senior citizens, who use Braille and audio books do not have daily access to this technology or the skills needed to receive newspapers online. Distribution of newspapers in an audio format by telephone is more practical. The National Federation of the Blind has developed a new technology called "NFB-NEWSLINE" which allows for distribution of newspapers in an audio format by telephone. Using this technology, blind or disabled readers dial an access number to reach a distribution center and select the desired information from menu choices presented.

In states where this news and information service is available, blind and disabled persons have access to 86 daily newspapers, including the *Baltimore Sun*, the *Washington Post*, *USA Today*, and *The Wall Street Journal*. By 6:00 a.m., each day's edition of these papers can be heard simply by dialing in on any touchtone telephone. Monday through Saturday editions stay on for two days, while Sunday editions stay on for a week.

State Fiscal Effect: The cost to provide this service for one year is estimated at \$50,000. The service began in Maryland in March 2002 and was funded with a one-year federal grant. MSDE intends to fund the service for an additional year through budgeted resources within the Division of Library Development and Services. Beginning in March 2004, a permanent funding source would be needed to continue the service.

Pursuant to this legislation, funding for the service would be paid through USTF. This fund supports three activities: the Maryland Relay Program; equipment for eligible individuals (e.g., TTY equipment); and outreach. The fund is supported by a monthly surcharge on each telephone line (\$0.20). Each year, USTF has to submit to the Public Service Commission an estimate of activity and the surcharge is adjusted accordingly.

As shown in **Exhibit 1**, USTF expenditures average approximately \$7.2 million a year and revenues from the monthly telephone surcharge average approximately \$7.8 million a year. In addition, USTF has a current accumulated fund surplus of approximately \$4.1 million. Due to these factors, USTF can cover the \$50,000 annual cost of providing audio news and information services to blind and physically disabled individuals with existing revenues and without increasing the monthly telephone surcharge. Since the current funding source for the audio news program will expire in March 2004, special fund expenditures would increase by \$16,700 in fiscal 2004 to cover the four remaining months in that fiscal year. Beginning in fiscal 2005, special fund expenditures would increase by \$50,000 annually.

Exhibit 1
USTF Revenues and Expenditures in Fiscal 2004

Revenues	\$7,800,000
Expenditures	<u>7,200,000</u>
Fund Surplus	600,000
Cost for Audio News Service	50,000
Adjusted Fund Surplus	<u>\$550,000</u>

Source: DBM (USTF)

Additional Information

Prior Introductions: None.

Cross File: SB 240 (Senator Conway, *et al.*) – Education, Health, and Environmental Affairs.

Information Source(s): Maryland State Department of Education, Governor’s Office (Individuals with Disabilities), Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2003
ncs/jr

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