

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE

House Bill 542 (Delegate Nathan-Pulliam, *et al.*)
 Rules and Executive Nominations

**Department of Legislative Services - Fiscal Notes - Health-Related
 Socioeconomic Impact Analysis**

This bill requires the Department of Legislative Services (DLS) to include a health-related socioeconomic impact analysis in the fiscal and policy note of legislation with a health-related impact. The analysis must include the impact at both the State and local level and relevant State and local laws.

Fiscal Summary

State Effect: General fund expenditures could increase by \$362,800 in FY 2005. Future year expenditures reflect annualization and inflation. Revenues would not be affected.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	362,800	310,700	326,300	342,900	360,600
Net Effect	(\$362,800)	(\$310,700)	(\$326,300)	(\$342,900)	(\$360,600)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: State law specifies that a bill cannot be voted on unless a fiscal note accompanies the bill. DLS prepares a fiscal and policy note on all bills and joint resolutions prior to a committee hearing.

Background: The fiscal and policy note includes a bill summary, a description of current law, an analysis of the bill's impact on State and local government revenues and expenditures over a five-year period, an identification of any local mandates, an analysis of the economic impact on small businesses, a summary of relevant policy and background information, and a listing of prior year introductions. The department publishes between 2,000 and 2,500 first reader fiscal and policy notes each legislative session. Currently, 18 staff positions are assigned to the fiscal and policy note function.

Small Business Impact Statements

Chapter 121 of 1995 required a small business impact statement to be included in the fiscal note of each bill. Executive agencies are required to prepare the statements on legislation sponsored by the Administration or departments, and DLS is required to prepare the statements on all other legislation.

State Fiscal Effect: General fund expenditures within DLS could increase by \$362,800 in fiscal 2005, which reflects the bill's October 1, 2004 effective date. This estimate reflects the cost of hiring four senior policy analysts to conduct health-related socioeconomic impact analysis. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses as illustrated below:

Salaries and Fringe Benefits	\$202,100
Studies/Health Impact Models	100,000
Training	36,000
Office Equipment and Computers	19,000
Ongoing Operating Expenses	<u>5,700</u>
Total FY 2005 Expenditures	\$362,800

Future year expenditures reflect: (1) salaries with 4.6% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - March 10, 2004
fnote1/ljm

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