

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE

House Bill 969 (Delegate Boutin, *et al.*)
 Health and Government Operations

Commission for the Blind - Establishment

This bill establishes a Commission for the Blind within the Department of Human Resources (DHR) and transfers all appropriations, property, supplies, personnel, and funds from the Maryland State Department of Education (MSDE) Division of Rehabilitation Services to the commission. All existing division contracts and agreements relating to providing services for blind individuals will be binding on the commission. All reimbursements from the Social Security Administration for the successful rehabilitation of blind recipients of Supplemental Security Income or Disability Insurance that are either received or claimed after the bill's effective date must be assigned to the commission.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: General fund expenditures for DHR could increase by \$176,600 in FY 2005, to hire four individuals. Future years assume a continuation of the transfer and inflation. DHR also could incur a one-time cost of \$1.5 million to establish a case management system.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
GF Revenue	\$0	\$0	\$0	\$0	\$0
SF Revenue	0	0	0	0	0
FF Revenue	0	0	0	0	0
GF Expenditure	176,600	216,800	229,200	242,500	256,800
SF Expenditure	0	0	0	0	0
FF Expenditure	0	0	0	0	0
Net Effect	(\$176,600)	(\$216,800)	(\$229,200)	(\$242,500)	(\$256,800)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The commission must:

- develop and carry out a State plan for vocational rehabilitation services for blind individuals;
- provide independent living and social services for blind and visually impaired individuals;
- establish and maintain an orientation and adjustment center or centers to provide training to facilitate employment, education, and independent living;
- establish and maintain a small business enterprise program for blind individuals and serve as the licensing agency for blind individuals;
- establish and administer a statewide program for certifying individuals who are qualified to teach braille to blind individuals;
- assist in purchasing adaptive technology equipment aids and appliances from specialty vendors for use by blind or visually impaired individuals;
- provide technical assistance to MSDE and local education systems in providing auxiliary aids and services to blind students to ensure compliance with the Individuals with Disabilities Education Act;
- provide technical assistance to State agencies to ensure information technology purchased or used is accessible to blind or visually impaired individuals;
- review consumer satisfaction with commission programs and perform functions of the Statewide Rehabilitation Council;
- apply for and receive money from any governmental unit to support commission programs;
- develop and administer programs to aid in providing services to blind individuals; and
- adopt regulations to carry out commission programs.

The commission must publish an annual report which must include information necessary to evaluate the commission's progress in meeting the needs of blind individuals in the State.

The commission must appoint an executive director knowledgeable and experienced in rehabilitation and related services for the blind. Preference must be given to blind individuals. The executive director must serve as secretary to the commission and be the commission's chief administrative officer. The executive director is entitled to compensation provided for in the State budget and may employ staff as needed in accordance with the State budget.

Any applicant or recipient of commission services who is dissatisfied with any commission action or decision may file a complaint. After receiving the complaint, the commission's executive director must inform the individual of the voluntary option of mediation to resolve the problem. The commission must pay for the mediation costs. If the problem cannot be solved by mediation, the executive director must convene an arbitration panel that will give notice, conduct a hearing, and render a decision.

Current Law: The State Board of Education must: (1) disburse all funds provided and administer all programs established under MSDE's Division of Rehabilitation Services for rehabilitating disabled individuals; (2) appoint and fix compensation for necessary personnel to administer these services; (3) rehabilitate and place in gainful occupation individuals eligible for benefits from the division; (4) rehabilitate eligible individuals to function more independently; (5) adopt necessary rules and regulations to administer these services; (6) annually report to the Governor on the administration of these services; and (7) cooperate with other public and private departments, agencies, and institutions to rehabilitate disabled individuals, provide for the independent living rehabilitation of severely disabled individuals, study rehabilitation problems, and develop and provide programs, facilities, and services.

MSDE must license vending facility managers in federal buildings in the State. It also must license blind persons to manage vending facilities in State, county, and municipal buildings and in all privately-owned buildings and premises in the State. The division is the licensing agency for all vending facilities within the State.

The division includes an Employment Program Fund that may be used to contract with nonprofit rehabilitation and employment agencies for supported employment placements, competitive work placements, and transitional employment. A community rehabilitation and employment agency accredited by the division is eligible to receive these funds.

Background: In federal fiscal 2003, which ended September 30, 2003, MSDE served 1,172 clients through individual plans for employment. These plans may include attending a community college, attending a community rehabilitation program, or

purchasing equipment. Clients typically receive services for 29 months. Program success is determined by the individual getting a job and keeping it for 90 days.

State Fiscal Effect: DHR general fund expenditures could increase by \$176,572 in fiscal 2005, which accounts for a 90-day start-up delay. This estimate reflects hiring four employees: a program manager, two human services specialists, and a secretary; and travel expenses for commissioners. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$150,528
Travel	2,154
Operating Expenses	<u>23,890</u>
Total FY 2005 State Expenditures	\$176,572

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

DHR also might incur a one-time cost of \$1,500,000 in general funds to establish a computerized case management system for its new blind and visually impaired clients. MSDE spent this amount in developing its case management system.

These additional costs are necessary because MSDE cannot transfer over its existing computer case management system, which serves other individuals besides the blind and visually impaired. Certain administrative personnel, who do not exclusively provide services for blind and visually impaired individuals, likewise would not transfer from MSDE to DHR.

Additionally, DHR revenues and expenditures would increase by \$6.7 million (\$3.2 million federal funds, \$2.8 million special funds, and \$0.7 million general funds), which accounts for the funds being transferred from MSDE to DHR. MSDE reports 40 employees would transfer to DHR. MSDE revenues and expenditures would decline by an identical amount.

Additional Information

Prior Introductions: None.

Cross File: SB 251 (Senator Klausmeier) – Finance.

Information Source(s): Department of Human Resources, Maryland State Department of Education, Department of Legislative Services

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mll/hlb

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