

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 1199 (Delegate Hubbard, *et al.*)
 Health and Government Operations and Appropriations

**Developmental Disabilities Administration - Waiting List Equity Fund -
 Appropriation**

This bill authorizes the Department of Health and Mental Hygiene (DHMH) to transfer a maximum of 10% of the funds allocated from the Cigarette Restitution Fund (CRF) to rural, underserved areas of Maryland. These funds will provide community-based services to sustain individuals in their own homes or in community-based living options. For each of the fiscal years 2007 through 2017, \$5 million of the CRF must be appropriated for the Developmental Disabilities Administration (DDA) Waiting List Equity Fund.

Fiscal Summary

State Effect: No effect in FY 2006. Beginning in FY 2007, total expenditures could increase by \$8.1 million (\$5 million special/\$3.1 million federal). No effect on special or general fund revenues.

(\$ in millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	0	-	-	-
SF Expenditure	0	5.0	5.0	5.0	5.0
FF Expenditure	0	3.1	3.1	3.1	3.1
Net Effect	\$0	(\$8.1)	(\$8.1)	(\$8.1)	(\$8.1)

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

Local Effect: None.

Small Business Effect: Meaningful for DDA providers that are considered small businesses.

Analysis

Current Law: Subject to an appropriation in the annual operating budget, DHMH must use the Waiting List Equity Fund for providing community-based services to individuals eligible for, but not receiving, DDA services.

The CRF is a special, nonlapsing fund supported by revenue from a settlement with the five major tobacco companies. The CRF must be used to fund: the Tobacco Use Prevention and Cessation Program; the Cancer Prevention, Education, Screening, and Treatment Program; and other programs that serve health-related purposes as specified in statute. For each fiscal year for which CRF appropriations are made, at least 50% of the appropriations must be made for these programs. The State will pay the last of five installments to the Law Offices of Peter G. Angelos, P.C. in fiscal 2006, making an additional \$30 million available to the CRF in fiscal 2007. Beginning in fiscal 2008, Maryland could receive about \$28 million annually in strategic contribution payments, which reflects the State's legal contributions to the tobacco settlement.

Background: The waiting list initiative, which ended in fiscal 2003, was a five-year initiative to provide at least one State service to each person on the waiting list for community services. At the end of fiscal 2003, the initiative had provided at least one requested service to each of the 5,977 individuals on the waiting list as of January 1, 1998. Despite significant increases in recent community placements, the current waiting list for community services includes nearly 15,000 individuals.

State Expenditures: No effect in fiscal 2006 because the bill requires the appropriation of CRF funds to provide services to individuals on DDA's waiting list beginning in fiscal 2007. Beginning in fiscal 2007, waiting list expenditures could increase by a total of \$8,064,516 (\$5,000,000 special/\$3,064,516 federal). Federal funds match 38% of the total costs for services. Currently, DHMH has identified \$7.8 million in potential expenditures for services to individuals on the waiting list would receive as a result of this bill.

Future years assume a stable amount of special and federal fund expenditures and a stable number of individuals served using these funds.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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