

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

Senate Bill 489
 Finance

(Senator Astle, *et al.*)

Division of Services for the Blind - Establishment

This bill establishes a Division of Services for the Blind within the Department of Disabilities (DoD) and transfers all appropriations, property, supplies, personnel, and funds from the Maryland State Department of Education's (MSDE) Division of Rehabilitation Services to the DoD division. The bill establishes a Board of Services for the Blind to direct the division and establish its policies. All existing MSDE division contracts and agreements relating to providing services for blind individuals will be binding on the DoD division. 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 DoD division.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: General fund expenditures could increase by \$1.7 million in FY 2006 for four new employees (\$136,947) and for a computerized case management system (\$1.5 million in FY 2006 only). Future years reflect only the costs of the new positions.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1,664,700	189,900	201,800	214,600	228,500
Net Effect	(\$1,664,700)	(\$189,900)	(\$201,800)	(\$214,600)	(\$228,500)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The Division of Services for the Blind must:

- develop and carry out a State plan for vocational rehabilitation services for blind individuals;
- provide independent living and social services to blind individuals;
- provide orientation and adjustment services;
- establish and maintain a small business enterprise program for blind individuals;
- serve as the State licensing agency for blind individuals under the federal Randolph-Sheppard Act;
- assist the purchase of adaptive technology equipment, aids, and appliances for use by blind individuals;
- provide technical assistance to MSDE and local education agencies in providing auxiliary aids and services to blind students to ensure compliance with the federal Individuals with Disabilities Act;
- provide technical assistance to State agencies to ensure information technology purchased or used by the agencies is accessible to blind individuals;
- review consumer satisfaction with division programs and perform other functions of the Statewide Rehabilitation Council;
- apply for and receive money from any governmental unit or from any other source to support division programs and carry out division duties;
- receive, disburse, and account for funds appropriated in the State budget for use by the Board of Trustees of Blind Industries and Services of Maryland; and
- adopt regulations to carry out programs.

The Board of Services for the Blind must publish an annual report that includes a list of accomplishments, findings, and recommendations for improvements based on the division's performance. The report must contain information needed to evaluate the division's progress in meeting blind individual's needs in Maryland.

Any applicant for or recipient of division services who is dissatisfied with any action taken or decision made regarding services may file a complaint with the division. On receiving the complaint, the division's director must inform the individual of an available voluntary mediation process. The mediation must be conducted by a qualified and impartial mediator and the mediation's cost must be paid by the division. If mediation

does not resolve the dispute, the individual may request the director to convene an arbitration panel to render a decision, which the director must do.

Current Law: Chapter 425 of 2004 created the Department of Disabilities to be the principal agency responsible for developing, maintaining, revising, and enforcing statewide disability policies and standards throughout State government.

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.

The Blind Industries and Services of Maryland is a State-established nonprofit training and employment provider for the blind in Baltimore and may operate centers in other parts of the State. Its board is authorized to spend part of its endowment fund and annual income to establish training and employment centers and open a store to sell items made by the blind.

Background: In 2004, MSDE reorganized its Division of Rehabilitation Services by creating an Office for Blindness and Vision Services. As a result, all employees under the office provide services only to people who are blind or vision impaired. Previously, certain employees who provided services to people who are blind or vision impaired may not have exclusively worked with those individuals.

In federal fiscal 2004, which ended September 30, 2004, MSDE served 1,419 individuals who are blind and visual impaired through individual plans for employment. These plans may include attending a community college, attending a community rehabilitation program, or by purchasing of equipment or medical devices. Clients typically receive services for 29 months. Program success is determined by individuals obtaining and retaining employment for 90 days. Additionally, in 2004, MSDE served 589 individuals compared to 465 in 2003, through its Independent Living Older Blind grant.

State Fiscal Effect: The bill would require DoD to perform the same services already being provided by MSDE’s Office for Blindness and Vision Services. The fiscal 2006 budget allowance for the office is \$7.6 million (\$3.7 million federal/\$3.0 million special/\$879,926 general). Forty-five MSDE employees would transfer to DoD. DoD general fund expenditures could increase by an estimated \$1,664,692 in fiscal 2006, which accounts for a 90-day start-up delay. This estimate reflects the cost of creating a computerized case management system, hiring two fiscal accounts clerks, and two accountants. The fiscal clerks will process daily invoices generated by the counselors and teachers and handle the administrative bills. The accountants will manage the federal grant money, handle federal reporting requirements, and perform other duties. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Case Management System	\$1,500,000
Salaries and Fringe Benefits	136,947
Operating Expenses	<u>27,745</u>
Total FY 2006 State Expenditures	\$1,664,692

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.

Currently, staff in the Governor’s Office is responsible for handling DoD’s fiscal services needs. This analysis assumes that with the transfer of duties from MSDE to DoD, DoD will need to hire a fiscal staff (two fiscal accounts clerks and two accountants) to provide the fiscal services required for MSDE’s office that is moving to DoD. Existing MSDE staff that provide these fiscal services do not work exclusively for this office. As a result, they will not transition to DoD under this bill. Legislative Services assumes the Governor’s Office will continue handling DoD’s other fiscal services needs as it does now. If the Governor’s Office would be able to provide the fiscal services for the new division, either in whole or in part, general fund expenditures would be reduced.

Additional Information

Prior Introductions: Similar bills, SB 251/HB 969 of 2004 that would have established a Commission for the Blind within the Department of Human Resources, had hearings in the Finance Committee and the Health and Government Operations Committee, respectively, but no further action was taken. SB 619/HB 704, also introduced in the 2004 session, which would have required the Blind Industries of Maryland Board of Trustees to oversee the provision of rehabilitation services eligible to blind individuals in Maryland, had hearings in the Finance Committee and Ways and Means Committee, respectively, but no further action was taken.

Cross File: HB 837 (Delegate Benson, *et al.*) – Health and Government Operations.

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

Fiscal Note History: First Reader - February 23, 2005
mp/jr

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