

Department of Legislative Services  
 Maryland General Assembly  
 2008 Session

FISCAL AND POLICY NOTE

House Bill 1583 (Delegate Ross)  
 Health and Government Operations and Appropriations

Maryland Substance Abuse Fund - Oxford House World Services

This bill requires an annual grant of \$250,000 be provided from the Maryland Substance Abuse Fund to the Board of Directors of Oxford House, Inc., located in Silver Springs, Maryland. In addition, the bill requires the Governor to appropriate \$250,000 in the State budget for the fund beginning in fiscal 2010.

The bill takes effect June 1, 2008.

Fiscal Summary

**State Effect:** General fund expenditures would increase by \$250,000 annually beginning in FY 2010 to award an annual grant to Oxford House, Inc. No effect on revenues. **This bill establishes a mandated appropriation beginning in FY 2010.**

| (in dollars)   | FY 2009 | FY 2010     | FY 2011     | FY 2012     | FY 2013     |
|----------------|---------|-------------|-------------|-------------|-------------|
| Revenues       | \$0     | \$0         | \$0         | \$0         | \$0         |
| GF Expenditure | 0       | 250,000     | 250,000     | 250,000     | 250,000     |
| Net Effect     | \$0     | (\$250,000) | (\$250,000) | (\$250,000) | (\$250,000) |

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

**Local Effect:** None.

**Small Business Effect:** None.

Analysis

**Current Law:** Chapter 237 of 2004 established the Maryland Substance Abuse Fund as a nonlapsing special fund to be used for evaluation and treatment of criminal defendants

for drug or alcohol abuse problems. The fund is primarily capitalized by the \$150 administrative fee paid to the court by a defendant who receives a disposition of *nolle prosequi* – or *stet* – along with the requirement of drug and alcohol treatment. The fund has to be used by the Alcohol and Drug Abuse Administration in the following priority order for (1) planning expenses and related costs incurred by local drug and alcohol councils; (2) planning expenses and related costs incurred by any State unit designated to coordinate planning by local drug and alcohol councils and review grant requests from local governments; and (3) substance abuse evaluation and treatment services, including services provided through a drug treatment court. Administrative expenditures from the fund may be made only in accordance with the State budget. Disbursements from the fund have to supplement, and may not substitute for, any other funds appropriated for substance abuse evaluation and treatment services.

**Background:** The Maryland Substance Abuse Fund is projected to receive \$28,000 in revenues in fiscal 2009. Prior year allocations include \$25,000 in fiscal 2008 and \$28,650 in fiscal 2007. According to DHMH, the fund has never received more than \$35,450 annually.

Oxford House, Inc. is a publicly supported, nonprofit 501(c)3 corporation which acts as an umbrella organization for a national network of Oxford houses. Houses offer sober living environments to individuals recovering from alcoholism and drug addiction. A recovering individual can live in an Oxford house for as long as he or she • does not drink alcohol or use drugs; and • pays an equal share of the house expenses. The first Oxford house was started in 1975 in Silver Spring, Maryland.

A number of states besides Maryland have entered into grant agreements to introduce Oxford houses to their respective states. Such grants were authorized in 1988 by the Federal Anti-Drug Abuse Act, which, as later amended, authorized states to establish a revolving loan fund to provide start-up funds for groups that wanted to open sober living environments similar to the Oxford house model. The \$4,000 loans pay the first month's rent and security deposit, assisting recovering people in finding affordable housing.

**State Fiscal Effect:** As fee revenue is not sufficient to cover the required grant award, it is assumed that general funds would be required. Thus, general fund expenditures would increase by \$250,000 annually beginning in fiscal 2010 to award the annual grant to Oxford House Inc.

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## 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 17, 2008  
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