

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE

House Bill 1285 (Chair, Appropriations Committee)
 Judiciary and Appropriations

Drinking Driver Monitor Program - Fee

This bill increases the monthly fee for the Drinking Driver Monitor Program from \$45 to \$55 and removes the termination date on the fees so all program participants would be required to pay the fee after fiscal 2010.

The bill takes effect July 1, 2008.

Fiscal Summary

State Effect: Special fund revenues and expenditures increase by \$1.4 million in FY 2009 and 2010 with corresponding reductions in general fund expenditures to account for the increased DDMP fee. Out-years after FY 2010 reflect the impact of eliminating the termination provision and continuing to assess the higher fee to program participants. Out-years assume stable caseload and no further changes in fees.

(\$ in millions)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
SF Revenue	\$1.4	\$1.4	\$7.7	\$7.7	\$7.7
GF Expenditure	(1.4)	(1.4)	(7.7)	(7.7)	(7.7)
SF Expenditure	1.4	1.4	7.7	7.7	7.7
Net Effect	\$1.4	\$1.4	\$7.7	\$7.7	\$7.7

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: All supervisees placed in DDMP by the Division of Parole and Probation are subject to a \$40 monthly supervision fee and charged a monthly program fee of \$45. The \$45 DDMP monthly program fee is scheduled to terminate on June 30, 2010. DPP must pay all DDMP fees into the DDMP Fund. DPP may exempt a supervisee wholly or partly from the DDMP fee if the supervisee has diligently tried but has been unable to obtain employment sufficient to pay the fee, or the supervisee is a higher education or vocational student and the certification status was submitted to DPP by the institution. A supervisee with a handicap that limits employment, a supervisee who supports dependents and for whom payment of the fee would be a hardship, or a supervisee with other extenuating circumstances is also eligible for a partial or complete fee waiver.

Background: Special program fees for DDMP were established by the Budget Reconciliation and Financing Act of 2005 (Chapter 444). The fees were set at \$45 per month, a level expected to generate \$7.6 million annually and allow DDMP to be self-supporting. However, the fees have only generated about \$6.5 million annually, resulting in general fund deficiency appropriations of \$1.0 million in fiscal 2006 and \$1.5 million in fiscal 2007 that were used to cover the full operating costs of the program. Similarly, the proposed fiscal 2009 State budget includes a \$1.5 million general fund deficiency appropriation for fiscal 2008 to again cover the difference between DDMP expenditures and the program's revenues.

DDMP participants pay a \$45 monthly fee currently, in addition to the \$40 monthly supervision fee assessed to all DPP supervisees. Enactment of the legislation would increase total DDMP participant payments from \$85 to \$95 per month.

State Fiscal Effect: DDMP fee revenues and expenditures would increase by an estimated \$1.4 million in fiscal 2009 due to the \$10 fee increase. This represents increased payments from about 11,700 DDMP supervisees each month, or a 73% collection rate. The proposed fiscal 2009 State budget includes a \$1.4 million general fund reduction that is contingent on the enactment of legislation increasing the DDMP fee. The \$1.4 million increase in special fund revenues and expenditures and the commensurate \$1.4 million decrease in general fund expenditures would continue in fiscal 2010. The estimated amount assumes a 73% collection rate, the rate of collection for fiscal 2007.

Currently, DDMP fees are scheduled to terminate after fiscal 2010. The bill eliminates the termination date, meaning fee revenues would continue to fund DDMP after fiscal 2010. Thus, DDMP fee revenues and expenditures would increase by about \$7.7 million

annually beginning in fiscal 2011, reducing general fund expenditures by an equivalent amount.

Additional Comments: SB 91/HB 101 of 2008, the Administration's Budget Reconciliation and Financing Act of 2008, include identical provisions to this bill. HB 602, HB 1379, and HB 1522 also relate to disbursements to and/or from the Rate Stabilization Fund

Additional Information

Prior Introductions: None.

Cross File: SB 536 (Chair, Budget and Taxation Committee) – Budget and Taxation and Judicial Proceedings.

Information Source(s): Judiciary (Administrative Office of the Courts), Maryland Department of Transportation, Department of Public Safety and Correctional Services, Department of Legislative Services

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mll/ljm

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