

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 368

(Senator Conway)

Education, Health, and Environmental Affairs

Health and Government Operations

Procurement - Preferences - Employment Works Program

This bill establishes the Employment Works Program within the Department of General Services, repeals references to sheltered workshops for individuals with disabilities in State procurement law, and assigns the purchasing preference previously reserved for sheltered workshops to the new program. The Secretary of General Services must designate Maryland Works, Inc., or another appropriate entity, to facilitate the distribution of procurement contracts to community service providers that participate in Employment Works.

The bill takes effect July 1, 2008.

Fiscal Summary

State Effect: No material effect on State procurement spending. Potential increases in State contract costs stemming from the preference program are presumed to be negligible. The bill changes the name and broadens the definition of an existing program to reflect current practice. The bill's broader definition of eligible community service providers encompasses sheltered workshops in current law as well as agencies promoting community-based supported employment for individuals with disabilities.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: A community service provider is defined as an entity that is: • organized under the laws of the United States or the State of Maryland, • accredited for participation in Employment Works by the Division of Rehabilitation Services in the Maryland State Department of Education, • operated in the interest of individuals who have a mental or physical disability, and • does not inure net income wholly or partly to the benefit of any shareholder or other individual.

The bill also makes technical and administrative changes to the State Pricing and Selection Committee for Rehabilitation and Employment Programs. The Pricing and Selection Committee is charged with maintaining a current list of community service providers and the services or products they can provide under the State preference program. Maryland Works or another designated coordinating entity will:

- identify potentially eligible contracts for supplies and services;
- establish procedures for the selection of eligible community service providers;
- establish procedures for remediation of noncompliance with State or program policies;
- provide training and technical assistance to participating providers;
- conduct cost analyses and market research for the Pricing and Selection Committee; and
- serve as a monitoring agent for the program.

Current Law: Under State procurement law, a State agency and State aided or controlled entities must procure services and supplies from Maryland Correctional Enterprises (MCE), Blind Industries and Services of Maryland, or sheltered workshops for individuals with disabilities, in that order of preference. Only if none of those entities produces or provides the desired supplies or services may a State agency issue a competitive procurement.

Sheltered workshops are defined as agencies that are: • organized under the laws of the United States or Maryland, • certified by the Wage and Hour Division of the U.S. Department of Labor, • accredited by the Division of Rehabilitation Services of the Maryland State Department of Education, and • operated in the interest of individuals who have a mental or physical disability.

The Pricing and Selection Committee establishes procedures and policies for the procurement of supplies and services from sheltered workshops. Maryland Works

facilitates the distribution of procurement contracts for supplies and services among sheltered workshops.

Background: Sheltered workshops and supported employment services represent different approaches to helping individuals with disabilities have productive careers. Sheltered workshops offer opportunities for disabled adults to work with their peers under supervised arrangements. Supported employment seeks to place disabled adults in community-based jobs with assistance and supervision from a trained, on-site job coach.

Maryland Works is a statewide membership association of at least 19 community service organizations that specialize in creating employment opportunities for individuals with disabilities. It serves over 17,000 Marylanders with disabilities, more than 11,000 of whom are in employment settings. As the manager of the current purchasing preference program for sheltered workshops, it administers \$41 million in State contracts for supplies and services.

Additional Information

Prior Introductions: None.

Cross File: HB 805 (Delegate Weldon, *et al.*) – Health and Government Operations.

Information Source(s): Department of General Services; Maryland Works; Maryland State Department of Education; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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