

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 1019

(Senator Pugh)

Finance

**Developmental Disabilities Administration - Disparity Study - Funding to
Nonprofit Organizations**

This bill requires the Developmental Disabilities Administration (DDA) to contract with an independent consultant to complete a disparity study to determine whether nonprofit organizations with majority minority boards receive significantly less funding from DDA, given their availability, than nonprofit organizations that do not have majority minority boards. By June 30, 2013, DDA must submit the results to the Department of Health and Mental Hygiene (DHMH), the Maryland Department of Transportation, the Governor's Office of Minority Affairs, and designated standing committees of the General Assembly.

The bill takes effect July 1, 2012, and terminates June 30, 2013.

Fiscal Summary

State Effect: General fund expenditures by DDA increase by \$25,000 in FY 2013 to contract with a consultant to conduct the mandated study. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Community-based service providers must be licensed by DDA before providing services to individuals with developmental disabilities. Individuals who have been approved for services by DDA may then select from among

licensed providers who provide the services for which they are eligible, consistent with their individual service plans. DDA then reimburses the providers according to a preapproved rate schedule for actual services provided. DDA does not contract directly with service providers, nor does it assign individuals with developmental disabilities to specific licensed service providers.

The Community Services Reimbursement Rate Commission, an independent body operated by DHMH, assesses rates paid to providers, wages paid to direct care workers, the solvency of providers, and other related issues, and it issues annual reports with recommendations to the Secretary and the General Assembly. The commission's recommendations must be considered in the development of budgets for DHMH and DDA. The commission was dormant from April 2009 through October 2011, but it has since resumed operating.

DDA advises that it licenses about 185 service providers, the vast majority of which are nonprofit organizations.

State Fiscal Effect: DDA advises that the consultant contract mandated by the bill costs approximately \$25,000, and that the study can be completed in one or two months.

Additional Information

Prior Introductions: None.

Cross File: HB 1318 (Delegate B. Robinson, *et al.*) - Rules and Executive Nominations.

Information Source(s): Board of Public Works, Department of Budget and Management, Department of General Services, Department of Health and Mental Hygiene, Maryland Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - March 20, 2012
mm/rhh

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