

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 51

(Senator Jackson, *et al.*)

Budget and Taxation

Appropriations

Maryland Pediatric Cancer Fund - Establishment

This bill establishes the Maryland Pediatric Cancer Fund within the Maryland Department of Health (MDH). Funds may only be used to provide grants to eligible physicians, hospitals, laboratories, educational institutions, and other organizations and persons to conduct pediatric cancer research, prevention, and treatment. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: General fund expenditures may increase by \$5.1 million in FY 2023 due to appropriations to the fund and administrative costs for MDH. The proposed FY 2023 State budget restricts \$5.0 million in funding to be used for the program. Future administrative costs reflect ongoing expenditures. **This bill may establish a mandated appropriation for FY 2024.**

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	5.1	0.1	0.1	0.1	0.1
Net Effect	(\$5.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: MDH must (1) administer the fund and provide pediatric cancer research grants; (2) adopt regulations implementing the bill; and (3) report annually specified information about the program.

Each year, MDH may use up to 5% of the amount appropriated for a promotional account to be used to promote donations to the fund. Expenditures from the fund may be made only in accordance with the State budget, and money expended from the fund is supplemental to and not intended to take the place of funding otherwise appropriated to pediatric cancer research. In fiscal 2023, the Governor must include an appropriation of \$5.0 million to the fund. If this amount is not included, \$5.0 million must be included in the fiscal 2024 budget.

Current Law: The Maryland Cancer Fund, which receives funds from income tax checkoff donations, is distributed by MDH through the annual budget process to eligible entities for cancer research, prevention, and treatment.

State Expenditures: The Governor must include an appropriation of \$5.0 million to the fund in fiscal 2023. The proposed fiscal 2023 State budget restricts \$5.0 million in funding to be used for the program. However, if the adopted fiscal 2023 budget does not include the appropriation, then general fund expenditures increase by \$5.0 million in fiscal 2024 instead. Expenditures may also increase in fiscal 2024 and future fiscal years to the extent additional funds are appropriated to the program.

MDH requires one program administrator to administer the fund and distribute grants. Therefore, general fund expenditures increase by \$104,900 in fiscal 2023, reflecting the bill's July 1, 2022 effective date. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$92,591
Operating Expenses	<u>12,301</u>
Total FY 2023 MDH Expenditures	\$104,892

Future year expenditures reflect a salary with annual increases and employee turnover as well as ongoing operating expenses.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Comptroller's Office; Maryland Department of Health;
Department of Legislative Services

Fiscal Note History: First Reader - January 17, 2022
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