

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 226

(Chair, Appropriations Committee)(By Request -
Departmental - Disabilities)

Appropriations

Finance

**Department of Disabilities - Housing Programs and Affiliated Foundations -
Establishment**

This departmental bill requires the Maryland Department of Disabilities (MDOD) to oversee and administer affordable and accessible housing programs. MDOD may establish one or more affiliated foundations to work with the Maryland Assistive Technology Program (MDTAP), the Assistive Technology Guaranteed Loan Program (ATLP), the Office of Disability Employment Advancement and Policy (ODEAP), and affordable and accessible housing programs. By September 1 each year, MDOD must submit a specified report to the Governor, the Legislative Policy Committee, and the State Ethics Commission (SEC). Each year, MDOD must hire an independent certified public accountant (CPA) to audit an affiliated foundation. The bill may not be construed to limit or restrict the authority of MDOD or other authorized governmental entities to determine eligibility for any program, benefit, or service or make policy decisions.

Fiscal Summary

State Effect: The bill’s requirements can likely be handled with existing budgeted resources, as discussed below. To the extent that an affiliated foundation is established and provides contributions, MDOD special fund revenues and expenditures may increase by an indeterminate amount.

Local Effect: The bill does not materially affect local government operations of finances.

Small Business Effect: MDOD has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: The purpose of an affiliated foundation is to:

- solicit and accept funds and partner with individuals, corporations, and other entities to support innovative projects designed to maintain, expand, and enhance MDTAP, ATLP, ODEAP, and affordable and accessible housing programs; and
- promote activities that (1) enhance awareness of, access to, and effective use of assistive technology (AT), accessible information technology, and environmental adaptations that allow individuals with disabilities to participate in employment, education, housing, transportation, public safety, recreation, health care, and other aspects of daily life; (2) support training, technical assistance, and reasonable accommodations that promote the hiring and retention of individuals with disabilities in private and public-sector employment; and (3) create opportunities for integrated, affordable, and accessible housing for individuals with disabilities to live in the communities of their choice.

An affiliated foundation may not (1) be considered an agency or instrumentality of the State or a unit of the Executive Branch; (2) make, influence, or participate in determinations regarding eligibility for any program, benefit, or services administered or supported by MDOD; or (3) establish, influence, or implement public policy, program standards, priorities, or eligibility criteria for MDOD. A financial obligation or liability of an affiliated foundation may not be considered a debt or an obligation of the State or MDOD.

Operating Policies

MDOD must develop policies for operating each affiliated foundation, including the affiliated foundation name, and submit each policy to the Office of the Attorney General (OAG) and SEC for review and, if appropriate, specified approval.

OAG must review policies developed by MDOD for form and legal sufficiency and, if appropriate, approve the policies for use in governing MDOD's relationship with the affiliated foundation. SEC must review policies developed by MDOD that pertain to conflicts of interest and, if appropriate, approve the policies for use in governing an official or employee of the department who also serves as a director or an official of the affiliated foundation.

Solicitation and Receipt of Contributions

An affiliated foundation may solicit and receive contributions from businesses, governmental entities, nonprofit organizations, and individuals interested in the promotion

of programs and units administered or supported by MDOD. In accordance with the authority to receive funds from any public or private source to carry out the powers and duties of the department, the Secretary of Disabilities must receive and deposit funds from an affiliated foundation into a separate special fund.

Contributions accepted by MDOD from an affiliated foundation are supplemental to and not intended to take the place of funding that otherwise would be appropriated for MDOD.

If an affiliated foundation has not been audited within the past year, the affiliated foundation *may not* solicit and receive contributions, and MDOD *may not* accept contributions from the affiliated foundation.

Departmental Officials or Employees and Affiliated Foundations

Notwithstanding specified Maryland Public Ethics Law, an MDOD official or employee may become a director or an official of an affiliated foundation. The official or employee may not be compensated, directly or indirectly, by the affiliated foundation but may be reimbursed for *bona fide* expenses incurred in the performance of activities undertaken on behalf of the affiliated foundation as authorized by MDOD and the board of directors of the affiliated foundation.

MDOD must notify SEC in writing whenever the department allows an official or employee to serve as a director or an official of an affiliated foundation. Within 30 days after receipt of the notice, SEC must notify the department of any objections or concerns pertaining to the joint service identified in the notice. On receipt of a notice from SEC, MDOD must reexamine the joint service identified in the notice.

Required Report

By September 1 each year, MDOD must submit a specified report on (1) the names of the officials and employees serving as a director or an official of an affiliated foundation and (2) how policies for operating each affiliated foundation have been implemented in the preceding calendar year.

Current Law: MDOD is the principal unit of State government responsible for developing, maintaining, revising, and enforcing statewide disability policies and standards. The department must oversee and administer constituent services and ombudsmen programs, ATLP, the Office of Personal Assistance Services (including the Attendant Care Program), Telecommunications Access of Maryland, Telecommunications Devices and Distribution of Accessible Information for Disabled Individuals, ODEAP, and MDTAP.

The Secretary of Disabilities must review, coordinate, and concur with any application for federal aid, waivers, or grants specific to services for individuals with disabilities and submitted by or through any unit of State government. Except as otherwise prohibited by law, the Secretary may apply for, receive, and use grant-in-aid, funds, or services from the federal government or any of its units, or any public or private source made available to MDOD for use in carrying out the powers and duties of the Secretary or the department.

Maryland Technology Assistance Program

Chapters 419 and 420 of 2025 codified the federally funded Maryland Technology Assistance Program into statute as MDTAP to (1) increase access to AT devices and services for individuals with disabilities; (2) support the State's efforts to improve the provision of AT to individuals with disabilities of all ages, including underrepresented populations, through comprehensive statewide programs of technology-related assistance; (3) ensure statewide access to AT lending libraries that allow individuals with disabilities and those supporting individuals with disabilities to learn about, try, and borrow AT devices through short-term loans; and (4) implement activities required by federal grants, including funding authorized under the federal 21st Century Assistive Technology Act.

Chapters 419 and 420 also established the Assistive Technology Services Fund to receive revenue from AT services provided by the program, including AT assessments and training, and digital accessibility training, website evaluations, and remediation services. The fund may only be used to support the operations of the program, including the purchase of AT devices.

Assistive Technology Guaranteed Loan Program

MDTAP operates ATLP to provide eligible individuals with disabilities and their families low-interest loans to buy AT equipment to help the individual live, work, and learn more independently. An applicant must demonstrate (1) that the loan or subsidy of loan interest will be used to buy AT; (2) the ability to repay the loan; (3) creditworthiness; and (4) the inability to qualify for a loan from a lending institution without a loan guarantee or interest subsidy.

Office of Disability Employment Advancement and Policy

Chapter 1 of 2025 established ODEAP. As it relates to the employment, training, and career-readiness of individuals with disabilities, the purpose of ODEAP includes (1) the development and implementation of strategies in the State Disabilities Plan; (2) performing specified duties necessary to support statewide policies and standards; (3) collecting information and data from units of State government; and (4) beginning July 1, 2026, implementing the Maryland as a Model Employer Initiative.

The purpose of the initiative must include:

- promoting the recruitment, hiring, retention, and career advancement of people with disabilities across State government;
- conducting and coordinating outreach to job seekers with disabilities and State government to encourage participation in the initiative;
- developing and delivering trainings to State agencies and units addressing best practices, resources, and relevant federal and State laws pertaining to the employment of people with disabilities;
- assisting State government agencies and units to attract qualified job seekers with disabilities to available positions;
- promoting access to and acquisition of AT for new State employees with disabilities;
- evaluating State employment practices and policies and making recommendations regarding ways to reduce barriers for job seekers and employees with disabilities;
- collecting from each unit of State government, as part of unit plans required to implement the State Disabilities Plan, performance goals related to hiring and retention efforts for employees with disabilities and any data deemed necessary by the Secretary to demonstrate performance outcomes; and
- reporting on the initiative's outcomes.

Maryland Public Ethics Law – Public Officials and Employees

The Maryland Public Ethics Law sets out requirements, prohibitions, and procedures that affect State officials in the Legislative, Executive, and Judicial branches of government for the purpose of maintaining people's trust in government and protecting against the improper influence and appearance of improper influence of government. The Public Ethics Law is generally administered by SEC with the Joint Committee on Legislative Ethics and the Commission on Judicial Disabilities.

An official or employee generally may not participate in a matter if (1) the official or employee or a qualifying relative has an interest in the matter and the official or employee knows of the interest or (2) if a business entity with a specified relationship to the official or employee is a party to the matter. An official or employee may not be employed by an entity that is a party to a contract that binds or purports to bind to the State under specified circumstances.

Background: The bill requires MDOD to oversee and administer affordable and accessible housing programs. Currently, MDOD oversees the [Affordable Apartments Program](#), which was founded in partnership with the Weinberg Foundation, to provide affordable and accessible rental housing options for people with disabilities.

MDOD advises that the creation of affiliated foundations would provide opportunities to support programs and units of the department that need additional sources of funding for sustainability or expansion, and that are good candidates for future innovative public-private partnerships. MDOD further advises that, while the department will continue to directly seek support for the programs specified under the bill, the creation of affiliated foundations offers increased opportunities to fundraise, apply for grants unavailable to government agencies, and explore innovative partnerships.

MDOD has determined that the following programs would benefit from a partnership with an affiliated foundation:

- **MDTAP** is fully funded through federal grants, which have not kept pace with program costs, including personnel, and the future of federal funding is unclear. Funding insufficiency and uncertainty has limited the program's ability to expand or update AT lending libraries.
- **ATLP** relies on loan repayments and interest for sustainability but is limited in its ability to expand. The program has previously received federal grants for additional support, but the future of these grants is uncertain.
- **ODEAP**, although recently established, has been approached by philanthropists that would prefer not to partner with a governmental entity but are interested in supporting the program.
- **Affordable and accessible housing programs**, such as the Affordable Apartments Program, would benefit from private partnerships. MDOD advises that partnership with the Weinberg Foundation has ended, preventing the program from expanding.

State Fiscal Effect: MDOD can oversee and administer affordable and accessible housing programs using existing budgeted resources.

The bill authorizes MDOD to establish affiliated foundations to work with MDTAP, ATLP, ODEAP, and affordable and accessible housing programs. This analysis assumes that the bill's authorization for MDOD to *establish* one or more affiliated foundations does not directly affect State finances, since, under the bill, an affiliated foundation may not (1) be considered an agency or instrumentality of the State or a unit of the Executive Branch; (2) make, influence, or participate in determinations regarding eligibility for any program, benefit, or services administered or supported by MDOD; or (3) establish, influence, or implement public policy, program standards, priorities, or eligibility criteria for MDOD. Likewise, a financial obligation or liability of an affiliated foundation may not be considered a debt or an obligation of the State or MDOD. It is assumed that any foundation's finances are maintained separately from MDOD's, as non-State funds. The department can likely maintain contact with the affiliated foundation, including the development of operating policies, using existing budgeted resources.

However, the bill requires MDOD to hire an independent CPA to annually audit each affiliated foundation and submit an associated report. To the extent that these funds are not absorbable, general fund expenditures may increase by an indeterminate, although likely minimal, amount annually beginning the first fiscal year after an affiliated foundation is established.

To the extent that an affiliated foundation is established and contributes funds to MDOD for the programs specified under the bill, MDOD special fund revenues and expenditures increase by an indeterminate amount beginning as early as the first fiscal year after the foundation is established.

Additional Comments: Chapter 443 of 2025, among other things, authorized the Department of Natural Resources (DNR) to establish one or more affiliated foundations to work with the Maryland Park Service, the Maryland Forest Service, the Wildlife and Heritage Service, the Office of Outdoor Recreation, and the Natural Resources Police. The Act established similar purposes, policies, and requirements for the affiliated foundations and DNR as those established under this bill.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 22 (Chair, Finance Committee)(By Request - Departmental - Disabilities) - Finance.

Information Source(s): Office of the Attorney General; Maryland Department of Disabilities; State Ethics Commission; Department of Legislative Services

Fiscal Note History: First Reader - January 27, 2026
jg/jc Third Reader - March 20, 2026
Revised - Amendment(s) - March 20, 2026

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Department of Disabilities - Housing Programs and Affiliated Foundations - Establishment

BILL NUMBER: HB 226

PREPARED BY: Anne Blackfield

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This bill will have no impact on small businesses.