

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 502 (The Speaker, et al.) (By Request - Administration)
Appropriations

Office of Disability Employment Advancement and Policy and Maryland as a
Model Employer Initiative - Established

This Administration bill establishes the Office of Disability Employment Advancement and Policy (ODEAP) in the Maryland Department of Disabilities (MDOD) to, among other things, implement the Maryland as a Model Employer Initiative. Beginning July 1, 2026, ODEAP is responsible for implementation and oversight of the initiative. By December 1 of that year and annually thereafter, ODEAP must submit an annual report to the Governor and the General Assembly on the progress and outcomes of the initiative and recommendations developed by the initiative for continued improvement of State government employment practices for people with disabilities. The Secretary of Disabilities may adopt regulations to implement the bill. The bill may not be construed to establish an entitlement program. The bill takes effect July 1, 2025.

Fiscal Summary

State Effect: No effect in FY 2026. MDOD general fund expenditures increase by \$1.38 million in FY 2027 to establish ODEAP and for contractual technology services and assistive technology purchases, as discussed below. Future years reflect elimination of one-time costs, annualization, inflation, and ongoing costs. Revenues are not affected.

Table with 6 columns: (in dollars), FY 2026, FY 2027, FY 2028, FY 2029, FY 2030. Rows include Revenues, GF Expenditure, and Net Effect.

Local Effect: The bill does not directly affect local governmental operations or finances.

Small Business Effect: The Administration has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary: The purpose of ODEAP, as it relates to the employment, training, and career-readiness of individuals with disabilities, 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, as specified; and (4) implementing the 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 assistive technology 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, as specified.

Current Law: MDOD must oversee and administer constituent services and ombudsmen programs, the Assistive Technology Guaranteed Loan Program, the Office of Personal Assistance Services (including the Attendant Care Program), Telecommunications Access of Maryland, and Telecommunications Devices and Distribution of Accessible Information for Disabled Individuals.

Unless the disclosure of information is otherwise prohibited, each unit of State government must provide to the Secretary of Disabilities (1) at the request of the Secretary, information regarding current programs and services for individuals with disabilities and (2) information regarding new or proposed programs and services for individuals with disabilities.

State Disabilities Plan

The State Disabilities Plan must be revised at least once every four years. The Secretary must review the plan and may approve or amend the plan as deemed necessary. The Secretary must submit an analysis of the State's progress in implementing the plan and related performance objectives to the Governor and the General Assembly by December 1 each year. The State Disabilities Plan must assess the provision of and resources for support services for individuals with disabilities, and provide for the coordination of support services that:

- ensure compliance with the federal Americans with Disabilities Act and other relevant federal and State provisions intended to protect the civil rights of individuals with disabilities;
- are necessary for individuals with disabilities to achieve maximum participation in the mainstream of the community in the most integrated setting possible; and
- address, on a statewide basis, the improvement of (1) the capacity of communities to support individuals with disabilities with personal attendant care and other self-directed long-term care options; (2) the availability of accessible, integrated, and affordable housing options; (3) reliable transportation options; (4) employment and training options, as specified; (5) somatic and behavioral health options; (6) accessible and universally designed technology; (7) support services for children, youth, and their families to enable them to achieve successful learning; (8) family support services, including respite care; and (9) crime control, public safety, and correctional services that appropriately take into account the needs and rights of individuals with disabilities.

By July 1 each year, each unit of State government must develop a unit plan to implement the State Disabilities Plan that contains an implementation schedule and measurable strategic performance objectives. The Secretary may request amendments to a unit plan if the Secretary determines that the unit plan does not comply with the State Disabilities Plan. By July 1 each year, each unit of State government must also provide MDOD with a specified evaluation of the unit's performance in accordance with the unit's developed plan. The evaluation must assess the unit's performance against the strategic performance objectives and identify and measure consumer satisfaction, gaps in services, the number of individuals waiting for services and the progress made on achieving performance objectives.

The 2020-2023 [State Disabilities Plan](#) highlighted goals related to developing self-direction, financial well-being, and health and wellness for people living with disabilities, and maximizing resources and accessible communication among State agencies.

Discrimination in Employment

Under § 20-602 of the State Government Article, it is State policy to assure that all persons have equal opportunity in employment and in all labor management-union relations. As such, State law generally prohibits discrimination in employment on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, genetic information, or disability (unrelated in nature and extent so as to reasonably preclude the performance of the employment).

Subject to limited exceptions, on any of these bases or because of an individual's refusal to submit to or make available the results of a genetic test, an employer may not (1) fail or refuse to hire, discharge, or otherwise discriminate against any individual with respect to the individual's compensation, terms, conditions or privileges or (2) limit, segregate, or classify its employees or applicants for employment in any way that deprives or tends to deprive any individual of employment opportunities or otherwise adversely affect the individual's status as an employee. An employer is also prohibited from failing or refusing to make a reasonable accommodation for the known disability of an otherwise qualified employee or an applicant for employment; however, State law does not require an employer to reasonably accommodate a disability if the accommodation would cause undue hardship on the conduct of the employer's business. Furthermore, an employer may not (1) engage in the harassment (including sexual harassment) of an employee or (2) discriminate or retaliate against an employee or applicant because the employee/applicant has opposed any practice prohibited by State law relevant to employment discrimination or made a charge, testified, assisted, or participated in an investigation, proceeding, or hearing related to such laws. Additional prohibitions – including those specific to interns, employment agencies, and labor organizations – are also specified in statute.

In general, the above prohibitions are applicable to employers that have 15 or more employees (based on the number of employees working in each of 20 or more calendar weeks in the current or preceding calendar year). Provisions relating to harassment allegations apply to employers with 1 or more employees. Statute also specifically prohibits units, officers, or employees of the State, a county, or a municipal corporation from engaging in these discriminatory acts.

Background: MDOD advises that ODEAP is intended to improve MDOD's operations by creating better support for the department's programs, policy coordination, research, and grants management related to improving employment opportunities and outcomes for people with disabilities within the State. The bill also significantly increases the scope of MDOD's employment policy and work through the creation of the State as a Model Employer Initiative – designed to align Maryland with the national model. The initiative implements strategies to improve hiring and retention of workers with disabilities

within the State workforce so that the State may serve as a model for private-sector employers.

State Expenditures: The fiscal 2026 budget as introduced does not include funding for the establishment of ODEAP. MDOD advises that ODEAP will be established July 1, 2026, when the office is required to assume responsibility for the implementation and oversight of the Maryland as a Model Employer Initiative. Therefore, this analysis assumes that there is no effect in fiscal 2026.

MDOD general fund expenditures increase by approximately \$1.4 million in fiscal 2027, which accounts for a one-year start-up delay from the bill's July 1, 2025 effective date. This estimate reflects the cost of hiring (1) one program manager to direct the implementation of employment activities and policy development; (2) three program coordinators to collaborate with State agencies to provide training, identify employment opportunities for individuals with disabilities, support newly hired employees, and locate qualified job candidates; (3) one researcher to collect data and publish reports related to ODEAP outcomes; (4) one project manager to oversee the Maryland as a Model Employer Initiative; and (5) one fiscal officer. This analysis assumes that staff begin on July 1, 2026, when ODEAP is expected to be established. It includes salaries, fringe benefits, one-time start-up costs, ongoing operating expenses, contractual technology services, and assistive technology purchases, as discussed below.

Positions	7.0
Salaries and Fringe Benefits	\$746,500
Contractual Services	365,000
Assistive Technology Purchases	200,000
Operating Expenses	<u>71,593</u>
Total FY 2027 State Expenditures	\$1,383,093

As shown above, MDOD advises that general fund expenditures increase by approximately \$200,000 annually, beginning in fiscal 2027, to promote access to and acquisition of assistive technology for new State employees with disabilities, as required by the bill. Additionally, general fund expenditures increase by \$365,000 in fiscal 2027, and \$215,000 annually thereafter, for contractual services to collect data from units of State government (as required by the bill) and to provide technical assistance for assistive technology and devices.

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Additional Information

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

Designated Cross File: SB 433 (The President, *et al.*) (By Request - Administration) - Finance.

Information Source(s): Department of Budget and Management; Maryland Department of Disabilities; Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - February 7, 2025
js/jc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Office of Disability Employment Advancement and Policy and Maryland
as a Model Employer Initiative - Established

BILL NUMBER: HB 502

PREPARED BY: Governor's Legislative Office

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

N/A.