

Department of Legislative Services  
 Maryland General Assembly  
 2018 Session

FISCAL AND POLICY NOTE  
 Enrolled

House Bill 1096 (Delegate Waldstreicher, *et al.*)  
 Health and Government Operations Education, Health, and Environmental Affairs

State Government - Veteran Employment and Transition Success Program

This bill establishes the Veteran Employment and Transition Success Program and Fund in the Maryland Department of Veterans Affairs (MDVA). The purpose of the program is to provide grants to assist transitioning veterans in obtaining a certification, license, or registration under the Health Occupations Article. MDVA must adopt regulations to establish the administration of the program and specify which individuals are eligible for a grant. **The bill terminates September 30, 2022.**

Fiscal Summary

**State Effect:** Special fund revenues increase by at least \$500,000 in FY 2019 through FY 2022 from general fund capitalization of the fund. General fund expenditures increase by at least \$541,400 in FY 2019 to capitalize the fund and hire staff. Future years reflect annualization and continued capitalization through FY 2022 and termination of the program in FY 2023. Special fund expenditures increase correspondingly to provide grants from the fund.

| (in dollars)   | FY 2019     | FY 2020     | FY 2021     | FY 2022     | FY 2023    |
|----------------|-------------|-------------|-------------|-------------|------------|
| SF Revenue     | \$500,000   | \$500,000   | \$500,000   | \$500,000   | \$0        |
| GF Expenditure | \$541,400   | \$545,800   | \$547,300   | \$548,900   | \$12,600   |
| SF Expenditure | \$500,000   | \$500,000   | \$500,000   | \$500,000   | \$0        |
| Net Effect     | (\$541,400) | (\$545,800) | (\$547,300) | (\$548,900) | (\$12,600) |

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

**Local Effect:** None.

**Small Business Effect:** Minimal.

## Analysis

**Bill Summary:** Subject to the availability of money in the fund, the program may provide an eligible individual a grant. The fund is a special, nonlapsing fund administered by the Secretary of Veterans Affairs to be used only to provide grants under the program in accordance with the State budget. The fund consists of money appropriated in the State budget, investment earnings, and money accepted from any other source for the benefit of the fund.

### **Current Law/Background:**

#### *Health Occupations and Veterans*

Chapters 154 and 155 of 2013 (also known as the Veterans Full Employment Act of 2013) require health occupations boards to expedite the licensure, certification, or registration of a service member, veteran, or military spouse. The boards must also assign an advisor to assist the individual with the application process and provide specified information to assist in the licensing, certification, or registration process. The Maryland Department of Health (MDH) must also credit specified military training and education completed by a service member toward licensure or certification requirements.

In calculating an individual's years of practice in a health occupation, each health occupations board must give credit to the individual for all relevant experience as a service member. Each board must credit any training and education provided by the military and completed by a service member toward any education or training requirements for licensure, certification, or registration if the training or education is determined by the board to be (1) substantially equivalent to the training or education required by the board and (2) not otherwise contrary to any other licensing requirement.

If a service member, veteran, or military spouse meets the requirements for licensure, certification, or registration, each health occupations board must expedite the licensure, certification, or registration process and issue the credential within 15 days after receiving a completed application.

If a health occupations board determines that a service member, veteran, or military spouse does not meet the education, training, or experience requirements for licensure, certification, or registration, a representative of the board must assist the individual in identifying programs that offer relevant education or training or ways of obtaining needed experience.

Each health occupations board must publish information on its website related to the expedited licensing process and any related assistance and services provided by the board to service members, veterans, and military spouses.

In addition, each health occupations board may allow a licensee or certificate holder who is a member the U.S. Armed Forces deployed outside the United States or its territories to (1) renew the license or certificate after the expiration of the renewal period without payment of a penalty or reinstatement fee if the late renewal is a direct result of the deployment and (2) complete any continuing education or continuing professional competency requirements or criminal history records check required for licensure within a reasonable time after renewing the license or certificate.

**Exhibit 1** lists the health occupations boards within MDH.

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**Exhibit 1**  
**Health Occupations Boards in the Maryland Department of Health**

Acupuncture  
Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists  
Chiropractic  
Dental  
Dietetic Practice  
Environmental Health Specialists  
Massage Therapy  
Morticians and Funeral Directors  
Nursing  
Nursing Home Administrators  
Occupational Therapy  
Optometry  
Pharmacy  
Physical Therapy  
Physicians  
Podiatry  
Professional Counselors and Therapists  
Psychologists  
Residential Child Care Program Professionals  
Social Work

Source: Department of Legislative Services

According to MDH, since 2013, approximately 860 veterans have received “expedited” licenses or certifications from health occupations boards; of these, 514 (60%) were from the State Board of Physicians (which regulates physicians, physician assistants, naturopathic doctors, and numerous allied health professionals) and 140 (16%) were from the State Board of Dental Examiners (which regulates dentists and dental hygienists).

*Veteran Employment in Maryland*

MDVA advises that there are approximately 400,000 veterans in Maryland. **Exhibit 2** compares Maryland veterans to nonveterans and veterans nationwide in median per capita income, educational attainment, labor force participation, unemployment rate, poverty level, and disability status.

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**Exhibit 2**  
**Comparing Maryland Veterans to Nonveterans and Nationwide Veterans**  
**Calendar 2016**

|   | <b>Maryland</b>           |                        | <b>U.S.</b>            |
|---|---------------------------|------------------------|------------------------|
|   | <u><b>Nonveterans</b></u> | <u><b>Veterans</b></u> | <u><b>Veterans</b></u> |
| Median Per Capita Income                      | \$36,526                  | \$54,194               | \$39,494               |
| Educational Attainment (Bachelor’s or Higher) | 39.4%                     | 37.8%                  | 28.3%                  |
| Labor Force Participation Rate                | 80.0%                     | 81.6%                  | 75.9%                  |
| Unemployment Rate                             | 5.4%                      | 3.8%                   | 4.7%                   |
| At or Below Federal Poverty Level             | 9.1%                      | 5.4%                   | 6.9%                   |
| Disability Status                             | 12.5%                     | 21.9%                  | 29.3%                  |

Source: 2016 American Community Survey One-year Estimates; U.S. Census Bureau

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**State Fiscal Effect:**

*Capitalization of the Fund*

The purpose of the grant program is to assist transitioning veterans in obtaining certification, licensure, or registration under the Health Occupations Article. However, the bill does not specify the scope of the intended financial assistance. MDVA assumes that the purpose of the program is to assist veterans with required fees and to fund education programs for certification, licensure, and registration.

Therefore, general fund expenditures for MDVA increase by at least \$500,000 annually in fiscal 2019 through 2022. This estimate reflects the cost of capitalizing the fund with \$500,000 in general funds each year to ensure viability of the fund and meaningful grant funding for eligible veterans. To the extent that funds are received from another source, such as federal or private grant funding, general fund expenditures to capitalize the fund may be reduced.

Correspondingly, in fiscal 2019 through 2022, special fund revenues increase by \$500,000 annually to reflect general funds received, and special fund expenditures increase by up to \$500,000 annually to reflect grants awarded.

*Administrative Expenses*

MDVA advises that it does not have the expertise nor the resources to administer such a program for the State’s approximately 400,000 veterans, and that additional staff are therefore required.

The Department of Legislative Services (DLS) agrees that additional staff are required to administer the program. As MDVA may develop and set the criteria for the program, including eligibility requirements, DLS advises that the bill’s requirements can likely be handled with one full-time contractual administrator.

Therefore, general fund expenditures for MDVA increase by \$41,449 in fiscal 2019, which accounts for the bill’s October 1, 2018 effective date. This estimate reflects the cost for MDVA to hire one full-time, contractual employee to develop and administer the grant program. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

|   |                 |
|---|-----------------|
| Contractual Position                    | 1               |
| Salary and Fringe Benefits              | \$36,090        |
| Operating Expenses                      | <u>5,359</u>    |
| <b>Total FY 2019 State Expenditures</b> | <b>\$41,449</b> |

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses, as well as the bill’s September 30, 2022 termination date.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of Health; Maryland Department of Veterans Affairs; U.S. Census Bureau; Department of Legislative Services

**Fiscal Note History:**     First Reader - March 5, 2018  
md/jc                         Third Reader - March 27, 2018  
                                      Revised - Amendment(s) - March 27, 2018  
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