



**Committee:** HHS  
**Committee Review:** At a future date  
**Staff:** Christine Wellons, Chief Legislative Attorney  
**Purpose:** To introduce agenda item – no vote expected

AGENDA ITEM #1F  
February 10, 2026  
**Introduction**

## **SUBJECT**

Bill 12-26, Finance – Payments to Service Providers for Persons with Developmental Disabilities

Lead Sponsor: Council President at the Request of the County Executive

## **EXPECTED ATTENDEES**

None

## **COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION**

- N/A

## **DESCRIPTION/ISSUE**

Bill 12-26 would:

- (1) amend requirements concerning the formulation of payment to certain service providers for persons with developmental disabilities in the County;
- (2) amend eligibility criteria to receive payment; and
- (3) generally amend the law governing the payment to providers of direct services to persons with developmental disabilities.

## **SUMMARY OF KEY DISCUSSION POINTS**

- The County Executive explained: “This bill amends the County Code by eliminating the requirement that the Department of Health and Human Services (DHHS) provide the County Executive and County Council with a calculation of an amount of payment under the DD Supplement considering State reimbursements, the cost of providing services, and a wage target equivalent to 125% of the County minimum wage. As providers of services to people with developmental disabilities no longer use the wage target in their request for funding, and the requirement to pay staff 125% of the County’s minimum wage was removed from the Operating Budget Resolution in Fiscal Year 2020, this bill is needed to reflect current practices.”

## **This report contains:**

Bill 12-26  
Memorandum of the County Executive

© 1  
© 4

**Alternative format requests for people with disabilities.** If you need assistance accessing this report you may [submit alternative format requests](#) to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at [adacompliance@montgomerycountymd.gov](mailto:adacompliance@montgomerycountymd.gov)

Bill No. 12-26  
Concerning: Finance – Payments to  
Service Providers for Persons with  
Developmental Disabilities  
Revised: 2/2/2026 Draft No. 1  
Introduced: February 10, 2026  
Expires: December 7, 2026  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: \_\_\_\_\_  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

---

Lead Sponsor: Council President at the Request of the County Executive

---

**AN ACT** to:

- (1) amend requirements concerning the formulation of payment to certain service providers for persons with developmental disabilities in the County;
- (2) amend eligibility criteria to receive payment; and
- (3) generally amend the law governing the payment to providers of direct services to persons with developmental disabilities.

By amending

Montgomery County Code  
Chapter 20, Finance  
Section 20-83

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

1           **Sec. 1. Section 20-83 is amended as follows:**

2   **20-83. Payment to providers of direct services to persons with developmental**  
 3   **disabilities.**

4           (a)   *Definitions.* In this Section:

5               (1)   *Developmental disability* means developmental disability as  
 6               defined in Section 7-101 of the Health - General Article of the  
 7               Maryland Code.

8               (2)   *Direct [service worker] support professional* means an employee  
 9               of a service provider that provides direct treatment or services to  
 10              persons with developmental disabilities for at least 50 percent of  
 11              their work hours.

12              (3)   *Service provider* means an organization providing direct  
 13              residential, meaningful day (including employment and  
 14              community development services) or support services to clients  
 15              through the Developmental Disabilities Administration of the  
 16              Maryland Department of Health.

17           (b)   *Payment.* Each year, to the extent that funds are appropriated, the Director  
 18           of Finance must make a payment to each eligible service provider in  
 19           recognition of the higher cost of living in Montgomery County compared  
 20           to other parts of Maryland.

21           [(c)   *Recommended amount of payment.* The Director of Health and Human  
 22           Services must, by February 1 of each year, recommend to the Executive  
 23           and Council the amount of the payment, considering:

24               (1)   the State reimbursement rates to service providers;

25               (2)   the total cost of providing services, including wages; and

- (3) the additional operating support needed to allow each service provider to pay direct service workers, on average, 125 percent of the County minimum wage.]

[(d)] (c) *Eligibility for payment.* To receive a payment under this Section, a service provider must:

- (1) demonstrate to the Department of Health and Human Services that it pays direct [service workers] support professionals at a rate specified in the Council's current operating budget resolution; [and]
- (2) meet any other eligibility standards set in regulation; and
- (3) provide services in Montgomery County to clients who reside in Montgomery County.

[(e)] (d) *Regulations.* The Executive may issue regulations under Method (2) to implement this Section.



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
County Executive

MEMORANDUM

January 9, 2026

TO: Natali Fani-González, President  
Montgomery County Council

FROM: Marc Elrich, County Executive *Marc Elrich*

SUBJECT: Bill XX-26 – Payment to Providers of Direct Services to Persons with  
Developmental Disabilities

Attached for your review is Bill XX-26. For nearly 30 years, Montgomery County has used County funds to subsidize the cost of operations for providers of services to people with developmental disabilities in an equitable and administratively efficient system, known colloquially as the Developmental Disabilities (DD) Supplement. The County's FY26 budget allocates \$22.3 million for the DD Supplement.

This bill amends the County Code by eliminating the requirement that the Department of Health and Human Services (DHHS) provide the County Executive and County Council with a calculation of an amount of payment under the DD Supplement considering State reimbursements, the cost of providing services, and a wage target equivalent to 125% of the County minimum wage. As providers of services to people with developmental disabilities no longer use the wage target in their request for funding, and the requirement to pay staff 125% of the County's minimum wage was removed from the Operating Budget Resolution in Fiscal Year 2020, this bill is needed to reflect current practices.

I appreciate the Council's consideration of the proposed Bill. If you have any questions, please contact Leslie Frey in the Department of Health and Human Services.

Enclosures: Bill XX-26 – Payment to Providers of Direct Services to Persons with  
Developmental Disabilities  
Fiscal Impact Statement  
Legislative Request Report

cc: Tommy Heyboer, Chief of Staff to the Council President, Montgomery County Council  
Craig Howard, Executive Director, Montgomery County Council  
Richard S. Madaleno, Chief Administrative Officer  
Earl Stoddard, Assistant Chief Administrative Officer  
Luisa Cardona, Assistant Chief Administrative Officer  
Tricia Swanson, Director of Strategic Partnerships  
Dr. James Bridgers, Director, Department of Health and Human Services  
Leslie Frey, Intergovernmental Relations Legislative Analyst, Department of Health and Human Services

Bill No. \_\_\_\_\_  
Concerning: \_\_\_\_\_  
Revised: \_\_\_\_\_ Draft No. \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: \_\_\_\_\_  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

---

By: Council President at the request of the County Executive

---

**AN ACT** to:

- (1) Amend the Code concerning the formulation of the payment to service providers in the County;
- (2) Require services to be provided in the County and to County residents; and
- (3) Generally amend the law governing the Payment to providers of direct services to persons with developmental disabilities.

By amending

Montgomery County Code  
Chapter 20, Finance  
Section 20-83

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<b>[Single boldface brackets]</b>	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
<b>[[Double boldface brackets]]</b>	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

**Sec. 1. Section 20-83 is amended as follows:**

**20-83. Payment to providers of direct services to persons with developmental disabilities.**

(a) Definitions. In this Section:

(1) Developmental disability means developmental disability as defined in Section 7-101 of the Health - General Article of the Maryland Code.

(2) Direct [service worker] **support professional** means an employee of a service provider that provides direct treatment or services to persons with developmental disabilities for at least 50 percent of their work hours.

(3) Service provider means an organization providing direct residential, meaningful day (including employment and community development services) or support services to clients through the Developmental Disabilities Administration of the Maryland Department of Health.

(b) Payment. Each year, to the extent that funds are appropriated, the Director of Finance must make a payment to each eligible service provider in recognition of the higher cost of living in Montgomery County compared to other parts of Maryland.

[(c) Recommended amount of payment. The Director of Health and Human Services must, by February 1 of each year, recommend to the Executive and Council the amount of the payment, considering:

(1) the State reimbursement rates to service providers;

(2) the total cost of providing services, including wages; and

(3) the additional operating support needed to allow each service provider to pay direct service workers, on average, 125 percent of the County minimum wage.]

(c) Eligibility for payment. To receive a payment under this Section, a service provider must:

(1) demonstrate to the Department of Health and Human Services that it pays direct [service workers] **support professionals** at a rate specified in the Council's current operating budget resolution; [and]

(2) meet any other eligibility standards set in regulation[.]; **and**

**(3) provide services in Montgomery County to clients who reside in Montgomery County.**

(d) Regulations. The Executive may issue regulations under Method (2) to implement this Section. (2017 L.M.C., ch. 37, §1.)

*Approved:*

---

Natali Fani-González, President, County Council Date

*Approved:*

---

Marc Elrich, County Executive Date

*This is a correct copy of Council action.*

---

Sara Tenenbaum, Clerk of the Council Date

APPROVED AS TO FORM AND LEGALITY  
OFFICE OF THE COUNTY ATTORNEY

By: Trevor Ashbarry

Date: 1/6/2026



# Fiscal Impact Statement

Office of Management and Budget

**Bill XX-25**

**Payment to providers of direct services to persons with developmental disabilities**

**Bill Summary**

This bill updates terminology related to Direct Support Professionals serving individuals with developmental disabilities; requires that Direct Support Professionals must provide services in Montgomery County to clients who reside in Montgomery County; and removes reference to a "recommended amount of payment" calculation.

**Fiscal Impact Summary**

The bill is not expected to impact County revenues or expenditures.

Fiscal Year	26	27	28	29	30	31	Total
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

**Fiscal Impact Analysis**

There is no anticipated fiscal impact from the bill. Existing law requires the Director of Health and Human Services to recommend to the County Executive and County Council the amount of payment for providers of direct services to persons with developmental disabilities. Existing law requires the calculation consider the State reimbursement rates for service providers; the total cost of providing services, including wages; and the additional operating support needed to allow each service provider to pay direct service workers, on average, 125 percent of the County minimum wage. However, actual appropriations are not required to align with this calculation. This bill removes the requirement to recommend an appropriation amount. There is no fiscal impact because neither existing law, nor this bill require a specific appropriation for the Developmental Disability Provider Supplement. In addition, the bill codifies the existing practice of requiring that Direct Support Professionals provide services in Montgomery County to clients who reside in Montgomery County. As this aligns with existing practice, no fiscal impact is expected.

**Staff Impact**

The bill is not expected to impact staff time or duties.

**Actuarial Analysis**

The bill is not expected to impact retiree pension or group insurance costs.

**Information Technology Impact**

The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

**Other Information**

*Later actions that may impact revenue or expenditures if future spending is projected*

The bill does not authorize future spending.



---

*Contributors*

Grace Pedersen, Office of Management and Budget  
Lauren Byers, Department of Health and Human Services  
Kim Mayo, Department of Health and Human Services  
Leslie Frey, Department of Health and Human Services

---



## LEGISLATIVE REQUEST REPORT

BILL: Bill XX-XX Section 20-83, Payments to service providers

**DESCRIPTION:** This bill amends Section 20-83 by eliminating the requirement that the Department of Health and Human Services (DHHS) provide the amount of payment of the Developmental Disabilities (DD) Supplement to the County Executive and County Council.

**PROBLEM:** Current law requires DHHS to provide a funding projection by February 1st each year based on the estimated amount of funding needed for the DD providers to pay their direct support staff at least on average 125% of the minimum wage. However, providers of services to people with developmental disabilities no longer use the wage target in their request for funding and the requirement to pay staff 125% of the County minimum wage was removed from the Operating Budget Resolution in Fiscal Year 2020. This bill is needed to reflect current practices.

**GOALS AND:** To align County Code with current practice regarding the funding formula for the DD supplement.

### **OBJECTIVES**

**COORDINATION:** The Office of the County Executive

**FISCAL IMPACT:** None. See also the Office of Management and Budget.

**ECONOMIC:** None. Per DHHS, this bill will not ultimately change the amount requested by DD providers for the supplement as they have not used the formula in statute since FY20.

### **IMPACT**

**EVALUATION:** NA

**EXPERIENCE:** NA  
**ELSEWHERE**

**SOURCE OF:** DHHS  
**INFORMATION**

**APPLICATION:** NA  
**WITHIN**  
**MUNICIPALITIES**

**PENALTIES:** NA