



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

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

Boldface	<i>Heading or defined term.</i>
Underlining	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
Double underlining	<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

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

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

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

38 [e] (d) Regulations. The Executive may issue regulations under Method (2) to
39 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 

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

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

January 9, 2026

Page 2 of 2

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

Boldface	<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 defined in Section
6 7-101 of the Health - General Article of the Maryland Code.

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

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

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

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

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

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

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

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

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

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

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

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

34 *Approved:*

Natali Fani-González, President, County Council

Date

37 *Approved:*

Marc Elrich, County Executive

Date

40 *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