Montgomery County Council

Committee: HHS
Committee Review: Completed
Staff: Christine Wellons, Chief Legislative Attorney
Purpose: Final action – vote expected

AGENDA ITEM #9B
July 28, 2026
Action

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

N/A

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- The HHS Committee voted (3-0) to recommend the enactment of Bill 12-26 as introduced.

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

- As explained by the County Executive: "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."

- After thorough review and discussion, the HHS Committee recommended (3-0) the enactment of the bill as introduced. The bill will reflect current budgetary practice. Under the current practice, a consortium of providers, the Inter-Agency Coordinating Committee on Developmental Disabilities (InterACC), annually recommends the amount of payments to the Council and Executive.

This report contains:

Staff report

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

Agenda Item #9B
July 28, 2026
Action

M E M O R A N D U M

July 23, 2026

TO: County Council

FROM: Christine Wellons, Chief Legislative Attorney

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

PURPOSE: Action – roll call vote expected

Committee Recommendation: The Health and Human Services (HHS) Committee voted (3-0) to recommend the enactment of Bill 12-26 as introduced.

Bill 12-26, Payments to Service Providers for Persons with Developmental Disabilities, was introduced on February 10, 2026. The Lead Sponsor is the Council President on behalf of the County Executive.

A public hearing occurred on March 10.

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.

BACKGROUND

The County Executive explained his request for the legislation as follows: "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."

BILL SPECIFICS

Bill 12-26 would amend provisions of Section 20-83 {Payment to providers of direct services to persons with developmental disabilities} of the County Code, which provides that: "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."

Currently, the amount of the payments is recommended by the Director of Health and Human Services to the Executive and Council based upon:

(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.

Bill 12-26 would delete this requirement of the Director to recommend the payment amount to the Council and Executive.

As explained by the Executive, the reason to delete the requirement is that: "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."

SUMMARY OF IMPACT STATEMENTS

Fiscal Impact. According to the Office of Management and Budget, "The bill is not expected to impact County revenues or expenditures."

Economic Impact. The Office of Legislative Oversight (OLO) "anticipates that Bill 12-26 would have an insignificant impact on economic conditions in the County, as measured by the Council's priority indicators." As the program changes would not affect appropriation of the Development Disabilities Supplement program, "the Bill would not materially affect program participants."

Racial Equity and Social Justice Impact. OLO "anticipates Bill 12-26 would have a minimal impact on racial equity and social justice (RESJ) in the County. Aligning County law to the County's current practices related to payments to services providers for people with developmental disabilities is not likely to meaningfully benefit or burden community members by race and ethnicity nor impact racial and social inequities in the County." As such, OLO does not offer any recommended RESJ-related amendments.

Climate assessment. "The Office of Legislative Oversight (OLO) anticipates Bill 12-26 will have no impact on the County's contribution to addressing climate change as it is proposing updates to an existing payment process to service providers for persons with developmental disabilities in the County."

SUMMARY OF PUBLIC HEARING

The County Council held a public hearing on Bill 12-26 on March 10, 2026, at which no speakers testified. The Council did not receive any written testimony regarding the bill.

SUMMARY OF THE HHS COMMITTEE'S WORKSESSION

Participating in the worksession, which occurred on July 23, were Dr. Patrice McGhee, Chief, Aging and Disability Services, Department of Health and Human Services (DHHS); and Kim Mayo, Administrator, Community Support Network, DHHS.

The Committee thoroughly reviewed the bill, including the issues discussed below, and voted (3-0) to recommend the enactment of the bill as introduced.

1. **Explanation of Current Budgetary Practices**

As explained by the Executive, Bill 12-26 would remove outdated provisions of law regarding how DHHS makes budgetary requests to the Council concerning payments to service providers. Currently, a consortium of 44 providers -- the Inter-Agency Coordinating Committee on Developmental Disabilities (InterACC) – makes the annual budget request to the Council and Executive based on updated metrics.

Dr. McGhee and Ms. Mayo indicated that DHHS will share metrics with the Committee.

2. **Ongoing Budget Considerations; Wages for Direct Support Professionals**

In the Executive's request for Bill 12-26, the Executive stated that "the requirement to pay staff 125% of the County's minimum wage was removed from the Operating Budget Resolution in Fiscal Year 2020."

The current operating budget resolution (Resolution No. 20-1132) provides as follows:

> This resolution appropriates $22,903,479 to the Department of Health and Human Services to provide payments to organizations providing direct services to clients of residential, community-supported living arrangements, day habilitation, or supportive employment provided through the Developmental Disabilities Administration. In order to receive a payment under this appropriation, an organization must provide any documentation requested by the Department of Health and Human Services and the organization must be in compliance with the Montgomery County Minimum Wage law. Section G of this resolution includes entities eligible to receive the non-competitive payments.

The Committee discussed the difficult and valuable work provided by support professionals and asked the Department to update the Committee in a timely manner regarding state and federal support for service providers, effects on wages, and effects on services to individuals with developmental disabilities.

Dr. McGhee and Dr. Mayo indicated that DHHS conducts an annual survey regarding customer satisfaction with developmental disability services. The survey results will be provided to the Committee.

Next Step: Roll call vote to enact Bill 12-26, as recommended (3-0) by the HHS Committee.

This packet contains:	Circle #
Bill 12-26	1
County Executive Memo	4
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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	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets**]**	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets**]]**	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

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***]** <u>*support professional*</u> 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.**]**

[(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

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

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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	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets**]**	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets**]]**	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

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**]** **<u>support professional</u>** 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: OBJECTIVES To align County Code with current practice regarding the funding formula for the DD supplement.

COORDINATION: The Office of the County Executive

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

ECONOMIC: IMPACT 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.

EVALUATION: NA

EXPERIENCE: ELSEWHERE NA

SOURCE OF: INFORMATION DHHS

APPLICATION: WITHIN MUNICIPALITIES NA

PENALTIES: NA

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

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

Summary

The Office of Legislative Oversight (OLO) anticipates Bill 12-26 would have a minimal impact on racial equity and social justice (RESJ) in the County. Aligning County law to the County's current practices related to payments to service providers for people with developmental disabilities is not likely to meaningfully benefit or burden community members by race and ethnicity nor impact racial and social inequities in the County.

Purpose of RESJ Impact Statements

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.[1] This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.[2]

Purpose of Bill 12-26

According to the County Executive, as part of the Developmental Disabilities (DD) Supplement, the County subsidizes "the cost of operations for providers of services to people with developmental disabilities in an equitable and administratively efficient system."[3]

The purpose of Bill 12-26 is to modify the DD Supplement program to reflect current County practices. If enacted, Bill 12-26 would:[4]

- Remove the requirement for the Department of Health and Human Services (DHHS) to recommend a payment amount to service providers for persons with developmental disabilities; and
- Change eligibility for payments to require service providers to provide services in Montgomery County to clients who reside in Montgomery County.

The Council introduced Bill 12-26 on behalf of the County Executive on February 10, 2026.

This RESJIS builds on the one for Bill 10-23, which OLO published in March 2023.[5] Please refer to this RESJIS for background on intellectual and developmental disabilities and racial equity.

Anticipated RESJ Impacts

To consider the anticipated impact of Bill 12-26 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

OLO anticipates Bill 12-26 would have a minimal impact on RESJ in the County. As explained by the Office of Management and Budget (OMB), this Bill would align County law with the County's existing practices for determining payment amounts and eligibility for payments to service providers for people with developmental disabilities.[6] This is not likely to meaningfully benefit or burden community members by race and ethnicity nor impact racial and social inequities in the County.

Recommended Amendments

The County's RESJ Act requires OLO to consider whether to recommend amendments to bills that could reduce racial and social inequities and advance RESJ.[7] OLO anticipates Bill 12-26 would have a minimal impact on RESJ in the County. As such, OLO does not offer recommended amendments.

Caveats

Two caveats to this RESJIS should be noted. First, predicting the impact of bills on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council's decision-making process rather than determine it. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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[1] Definition of racial equity and social justice adopted from M. Gamblin et al., "Applying Racial Equity to U.S. Federal Nutrition Programs," Bread for the World and Racial Equity Tools.
[2] Ibid.
[3] Memo from County Executive to Council President, Introduction Staff Report for Bill 12-26, Montgomery County Council, Introduced February 10, 2026, pg. (4).
[4] Bill 12-26, Introduction Staff Report for Bill 12-26.
[5] RESJIS for Bill 10-23, Office of Legislative Oversight, March 2023.
[6] Fiscal Impact Statement, Introduction Staff Report for Bill 12-26, pg. (9).
[7] Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.

Climate Assessment

Office of Legislative Oversight

BILL 12-26: FINANCE – PAYMENTS TO SERVICE PROVIDERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 12-26 will have no impact on the County's contribution to addressing climate change as it is proposing updates to an existing payment process to service providers for persons with developmental disabilities in the County.

BACKGROUND AND PURPOSE OF BILL 12-26

According to the County Executive, as part of the Developmental Disabilities (DD) Supplement, the County subsidizes "the cost of operations for providers of services to people with developmental disabilities in an equitable and administratively efficient system."[1]

Bill 12-26 aims to modify the DD Supplement program to reflect current County practices. It would do so by:

- Removing the requirement for the Department of Health and Human Services (DHHS) to recommend a payment amount to service providers for persons with developmental disabilities; and
- Changing eligibility for payments to require service providers to provide services in Montgomery County to clients who reside in Montgomery County.[2]

The Council introduced Bill 12-26 on behalf of the County Executive on February 10, 2026.

ANTICIPATED IMPACTS

As the Bill is proposing updates to an existing payment process to service providers for persons with developmental disabilities in the County, OLO anticipates Bill 12-26 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.[3] OLO does not offer recommendations or amendments as Bill 12-26 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help increase the County's community climate resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

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[1] Marc Elrich to Natali Fani-González, Memorandum: Bill 12-26 – Payment to Providers of Direct Services to Persons with Developmental Disabilities, January 9, 2026.
[2] Montgomery County Council, Introduction Staff Report for Bill 12-26, Finance – Payments to Service Providers for Persons with Developmental Disabilities, February 10, 2026.
[3] Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

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

Summary

The Office of Legislative Oversight (OLO) anticipates that Bill 12-26 would have an insignificant impact on economic conditions in the County, as measured by the Council's priority economic indicators. The Bill would make procedural changes to the Developmental Disabilities (DD) Supplement. In its Fiscal Impact Statement, the Office of Management and Budget (OMB) concluded that the program changes outlined in the Bill would not affect appropriations for the DD Supplement program. For this reason, OLO anticipates the Bill would not materially affect program participants.

Background and Purpose of Bill 12-26

According to the County Executive, as part of the DD Supplement, the County subsidizes "the cost of operations for providers of services to people with developmental disabilities in an equitable and administratively efficient system."[1]

Bill 12-26 aims to modify the DD Supplement program to reflect current County practices. It would do so by revising (1) requirements concerning the payment calculation to certain service providers for persons with developmental disabilities in the County and (2) eligibility criteria to receive payment.[2]

The Council introduced Bill 12-26 on behalf of the County Executive on February 10, 2026.

Information Sources, Methodologies, and Assumptions

As required by Section 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Bill 12-26 on residents and private organizations, using the Council's priority economic indicators as the measure. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.[3]

In its Fiscal Impact Statement, OMB concluded that the program changes outlined in the Bill would not affect appropriates for the DD Supplement program. For this reason, OLO anticipates that the Bill would not materially affect program participants and therefore concludes it would have insignificant economic impacts in terms of the Council's priority indicators.

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[1] Marc Elrich to Natali Fani-González, Memorandum: Bill XX-26 – Payment to Providers of Direct Services to Persons with Developmental Disabilities, January 9, 2026.
[2] Montgomery County Council, Introduction Staff Report for Bill 12-26, Finance – Payments to Service Providers for Persons with Developmental Disabilities, February 10, 2026.
[3] Montgomery County Code, "Sec. 2-81B, Economic Impact Statements."

Variables

Not applicable

Impacts

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Not applicable

Discussion Items

Not applicable

Caveats

Two caveats to the economic impact analysis conducted here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

Contributions

Stephen Roblin, PhD (OLO) prepared this report.