

THE 90 DAY REPORT

A Review of the
2021 Legislative Session



Department of Legislative Services
Maryland General Assembly

The Department of Legislative Services
General Assembly of Maryland
Prepared this document

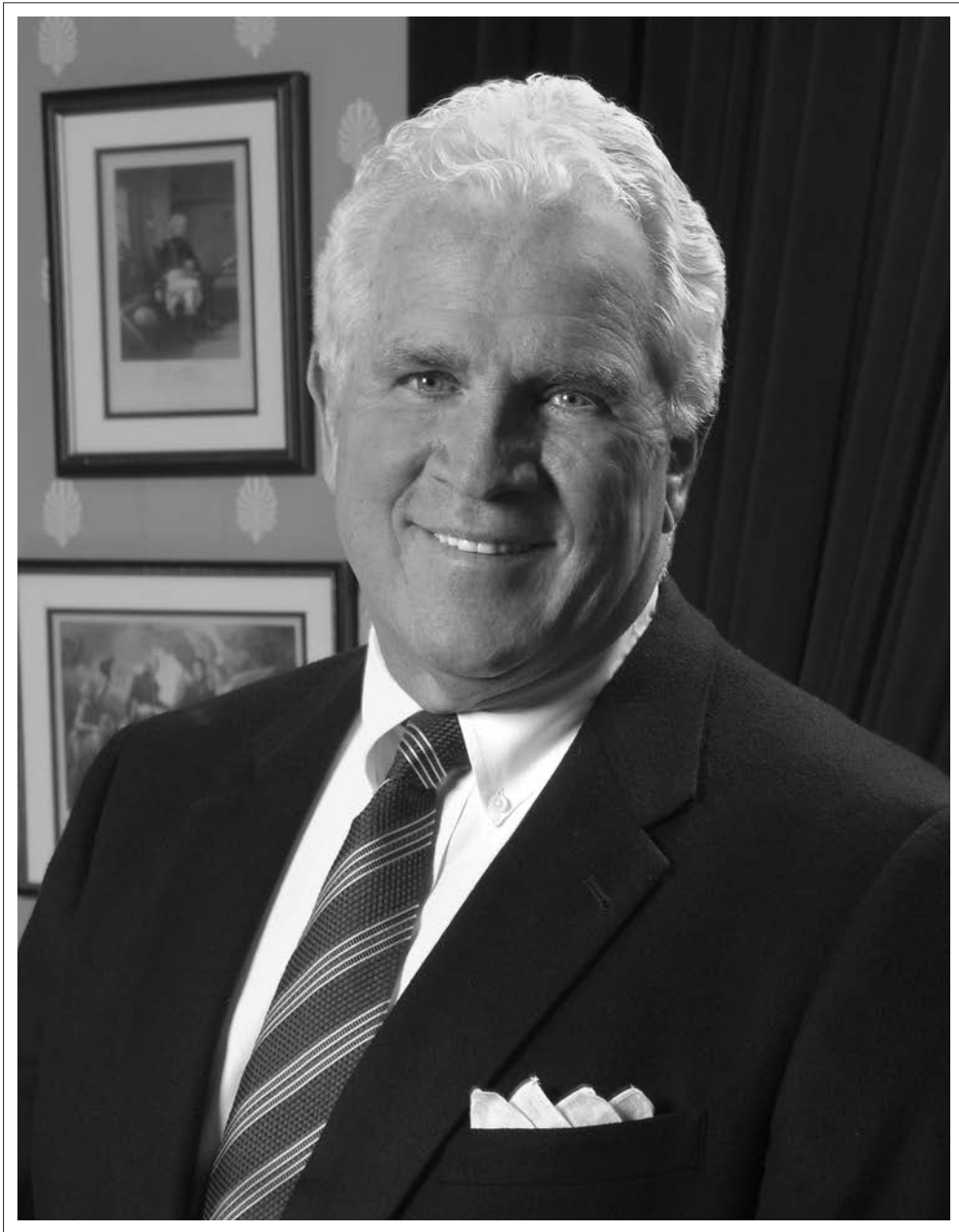
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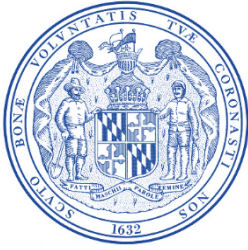
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The staff of the Department of Legislative Services (DLS) dedicate this *90 Day Report* to Senate President Thomas V. Mike Miller, Jr. DLS staff join the many in the State who are mourning the loss of President Miller and he will be greatly missed. We will always be grateful for President Miller's leadership, his kindness, and for his unwavering support of the nonpartisan staff in the department.



DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

April 16, 2021

The Honorable Bill Ferguson, President of the Senate
The Honorable Adrienne A. Jones, Speaker of the House of Delegates
Members of the General Assembly

Ladies and Gentlemen:

We are pleased to present you with *The 90 Day Report – A Review of the 2021 Legislative Session*.

The 90 Day Report is divided into 12 parts, each dealing with a major policy area. Each part contains a discussion of the majority of bills passed in that policy area, including background information and comparisons to current law, as well as a discussion of significant bills that did not pass. Part A contains information relating to the operating budget, capital budget, and aid to local governments.

We trust that this report will be a useful source of information for you. The department's report on the fiscal effects of legislation from the 2021 session will be issued after the Governor has taken final action on all bills.

Sincerely,

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Part A

Budget and State Aid

Operating Budget

Overview

The public health and economic crisis created by the global COVID-19 pandemic generated significant fiscal uncertainty following the 2020 session, which contributed to two rounds of budget reductions implemented by the Board of Public Works during the 2020 interim. Over the course of calendar 2020, the availability of multiple rounds of federal aid and more accurate revenue data indicated that the State's fiscal position was not quite as dire as originally thought at the start of the pandemic.

Governor Lawrence J. Hogan, Jr. responded to the uncertain economic and fiscal climate by proposing a fiscal 2022 budget that provided tax relief to individuals and businesses impacted by the pandemic and substantial reductions to mandated spending. The budget ultimately enacted by the General Assembly was very different than the budget proposed by the Governor as federal stimulus legislation passed in December 2020 and March 2021 provided substantial resources to the State that were not included in the initial budget, and the general fund estimate was revised upward in March 2021 by almost \$900 million over fiscal 2021 and 2022. Governor Hogan responded to the improved outlook by adding \$5.4 billion of federal funds and more than \$840 million of general funds to the budget. The additional spending allowed the State to respond to the pandemic, expand capital spending through the use of pay-as-you-go (PAYGO), and invest in key legislative priorities including broadband accessibility, employment training and apprenticeships, State employees, and healthy schools.

The fiscal 2022 budget approved by the General Assembly eliminates the structural deficit, and preserves about \$2.1 billion of general funds for the future. This includes an estimated cash balance of \$679 million and a Rainy Day Fund balance of \$1.4 billion (equivalent to 6.8% of general fund revenues). Enhancements are provided to assist households, schools, and businesses weather the pandemic, increase provider rates, expand access to broadband, and increase employee compensation. The availability of \$6.5 billion in additional federal aid not yet appropriated in the budget may further enhance the State's ability to preserve its own resources for future needs.

Budget in Brief

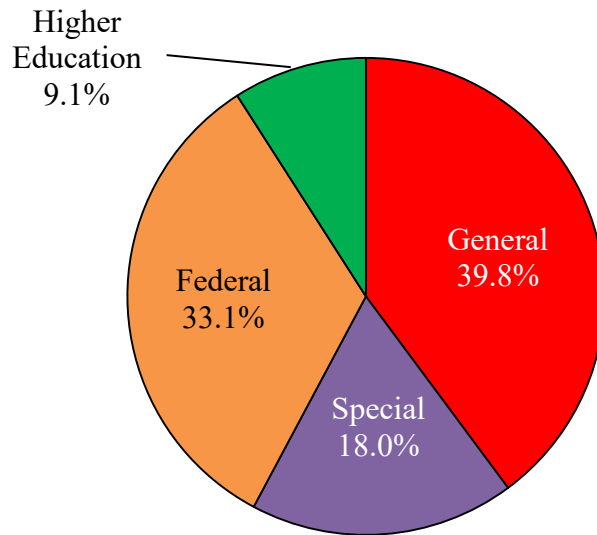
House Bill 588 (enacted) provides \$52.4 billion in appropriations for fiscal 2022 – a decrease of approximately \$2.3 billion (4.2%) from fiscal 2021, after accounting for a net \$6.3 billion in spending added across both years by supplemental budgets. **Exhibit A-1.1** illustrates fiscal 2022 spending by fund source and purpose. General fund spending accounts for 39.8% of the total budget. Federal funds account for a significantly larger percentage of the budget compared to previous years, approximately 33.1% of all spending, as the legislative appropriation reflects nearly \$2.0 billion in federal aid to respond to the COVID-19 pandemic. Special funds constitute 18.0% of the budget with higher education revenue providing the remaining 9.1%. State agency operations constitute the largest area of spending, accounting for 40.7% of the total budget, followed by entitlements (28.8%) and aid to local governments (18.8%). Remaining appropriations fund PAYGO capital spending, debt service on State general obligation (GO) bonds, and appropriations to the Reserve Fund.

General fund appropriations increase by \$2.0 billion, or 10.9%, when compared to the fiscal 2021 adjusted working appropriation. Absent the \$555.6 million increase to fulfill statutory obligations for appropriations to the Reserve Fund, the majority of the growth is attributable to an additional \$919.9 million in funding provided for the Medicaid program resulting from the need to back-fill for one-time federal fund support in fiscal 2021, enrollment growth, and a technical adjustment to reflect diversion of premium tax revenue that is used to support Medicaid as special funds to the General Fund.

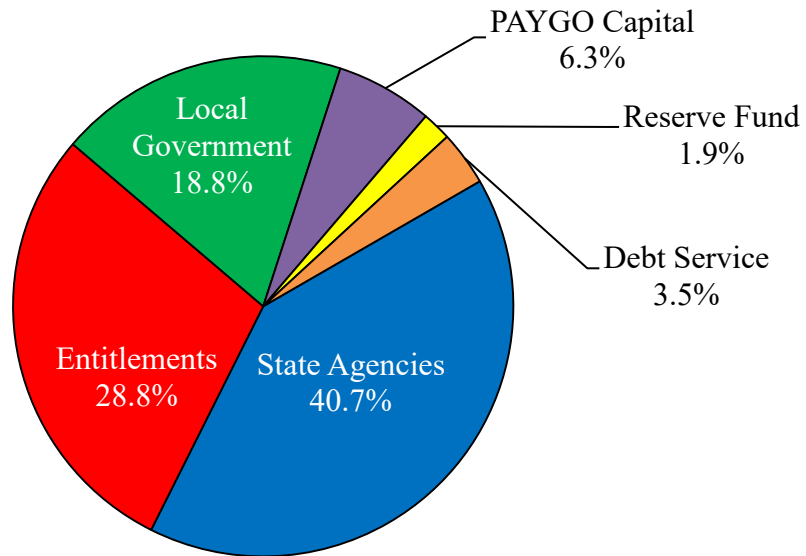
The use of general fund PAYGO to support capital projects that would otherwise be funded through GO bonds accounts for \$393.3 million of the overall growth. General funds used to support debt service also nearly double in fiscal 2022, as an increased amount of bond premiums are diverted from debt service payments to capital projects and other expenses, such as the State's \$125 million commitment to the Washington Metropolitan Area Transit Authority (WMATA) capital grant. General fund spending on state agency operations is nearly level-funded compared to the fiscal 2021 working appropriation. Education aid supported by general funds declines slightly in fiscal 2022, by 0.4%, due to pandemic-related enrollment declines; however, the decrease is more than offset by an increase in the use of special funds from the Blueprint for Maryland's Future Fund to hold jurisdictions harmless from declines in enrollment and address learning loss associated with the pandemic. For a more detailed discussion of education and other local aid issues, see the subpart *State Aid to Local Governments* within this Part A of the *90 Day Report*.

Exhibit A-1.1
Maryland’s \$52.4 Billion Fiscal 2022 Budget

Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go

Special funds decrease by a net \$786.3 million, or 7.7%, compared to the fiscal 2021 working appropriation. The Governor's *Maryland Strong: Economic Recovery Initiative* and *Senate Bill 496 (Ch. 39)*, the RELIEF Act, allocated \$586 million in State support in the fiscal 2021 working appropriation for one-time pandemic-related relief that was not carried forward in fiscal 2022. Additional detail on this funding is provided in subpart *COVID-19 Pandemic Response and Recovery Funding* within this section. Funding for entitlements also decreases by \$211.7 million, or 19.9%, the majority of which is attributable to a technical adjustment to reflect the diversion of premium tax revenue that used to support Medicaid as special funds to the General Fund. These reductions are partially offset by an increase in special funds, primarily from the Blueprint for Maryland's Future Fund, used to support education aid programs. Special fund education aid increases by nearly \$305 million, or 60.9%, to provide resources for a variety of Blueprint initiatives, along with \$214 million for hold harmless grants to local school systems with funding formulas negatively impacted by the pandemic.

Federal fund spending reflected in the budget decreases by a net \$3.4 billion, or 16.5%, as a greater proportion of federal stimulus funds is appropriated in the current fiscal year than in the legislative appropriation. As is discussed throughout this section, \$4.6 billion in federal funds was included in the fiscal 2021 working appropriation, with the majority dedicated to providing funds for education aid, Medicaid, and various other relief programs. Final legislative action on the fiscal 2022 budget recognizes nearly \$1.9 billion in federal aid. It is estimated that \$6.5 billion in funding remains to be appropriated, some portion of which will be allocated by the Administration via budget amendment throughout the course of fiscal 2022. Excluding the federal stimulus funds, federal funding declines by \$690 million in fiscal 2022 as spending on Supplemental Nutrition Assistance Program (SNAP) benefits drops reflecting the expectation that demand will drop with improving economic conditions.

Current unrestricted and current restricted funding for higher education in the fiscal 2022 budget totals \$4.8 billion. This reflects a net decrease of \$98.9 million compared to the fiscal 2021 working appropriation, largely the result of a decrease in recognized federal COVID-19 assistance received directly by the institutions. Additional stimulus funds available for fiscal 2022 are anticipated to be recognized by budget amendment during the fiscal year and may negate this reduction in funding. General fund support for higher education increases by \$19.7 million, or 1.3%, over fiscal 2021, and the budget assumes in-state tuition rates will rise by 2%.

With respect to personnel, the size of the regular State workforce decreases by 440 positions to 80,084 regular positions in fiscal 2022. All State employees received a 2.0% general salary increase effective January 1, 2021. In addition, the budget provided \$100 million in funding for response pay for frontline workers across fiscal 2021 and 2022 and \$74 million for a \$1,000 bonus for all State employees in April 2021. Law enforcement union members are provided with a 4% salary and merit increase. The Judiciary's budget provides for a 3.5% merit increase. There is no funding for merit salary increases for most State employees, although there are agreements and other provisions for raises in fiscal 2022 and 2023 that are conditional on meeting various revenue targets. For a more detailed discussion of personnel and employee compensation issues, see the subpart *Personnel* within this section.

Framing the Session: 2020 Interim Activity

The near complete shutdown of the State and the economy for eight weeks beginning in March 2020 generated a pandemic-induced recession that resulted in a nearly 14% decrease in employment between February and April 2020. In response to this economic crisis, the Board of Revenue Estimates (BRE) released revised guidance on the potential impact that the pandemic would have on general fund revenues in May 2020. Based on the limited and preliminary data available at that time, BRE estimated that fiscal 2020 general fund revenues were expected to fall short of the March 2020 estimate by at least \$925 million. Similarly, fiscal 2021 revenues were expected to be down by at least \$2.0 billion, and fiscal 2022 revenues were projected to be \$2.6 billion less than estimated in March.

In response to the historic unemployment claims, rapidly increasing caseloads across nearly all entitlement programs, and anticipation of significant job losses and business closures, the Administration implemented a spending and hiring freeze in April 2020 and enacted \$120.7 million in fiscal 2020 general fund reductions through the Board of Public Works (BPW) on May 18, 2020. On July 1, 2020, the Administration returned to BPW with an additional \$413.2 million (\$394.9 million in general funds) in reductions for fiscal 2021. Reduced funding to higher education accounted for nearly half of the general fund actions taken by BPW. In October 2020, the Governor also announced the use of \$250.0 million in fund balance from the Rainy Day Fund to provide fiscal relief to businesses and organizations across the State that were impacted by the pandemic.

As **Exhibit A-1.2** shows, the fiscal 2020 budget closed in a far better position than anticipated in May, with a general fund surplus of \$704 million. This \$358 million increase over the estimate at the close of the 2020 session reflected the savings from the BPW reductions along with \$342 million in excess general fund reversions, half of which was due to the use of federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to offset salary expenses.

Exhibit A-1.2
Evolution of the General Fund Balance
Fiscal 2020
(\$ in Millions)

	<u>2020</u>
Estimated Closing Balance (July 2020)	\$346
Revenue and Transfers	
Adjustment to Revenues	-\$105
Spending	
Board of Public Works Actions	\$121
Fiscal 2020 Closeout Reversions Above Estimate	158
General Fund Savings due to CARES Funding Offset	184
Revised Closing Balance	\$704

CARES: Coronavirus Aid, Relief, and Economic Security Act

Source: Department of Legislative Services

During fall 2020, BRE released revised fiscal estimates in September and December that were used to inform the guidance provided by the Spending Affordability Committee (SAC) in putting together the fiscal 2022 budget. The revised economic forecast presented in September indicated that, although the State's fiscal situation was worse than pre-pandemic estimates, the magnitude was far less severe than forecast in May. The estimate for fiscal 2022, for example, surpassed the May projection by \$2.1 billion. The improved outlook reflected the uneven impact of the pandemic on different sectors of the economy. Retail sales, especially at restaurants and bars, were most directly impacted by the pandemic. Sales decreased as a result of State-imposed closures on certain establishments and the general reluctance of consumers to spend time in enclosed spaces. In addition, consumer spending was directed toward essential goods such as groceries, the bulk of which are not subject to the sales tax. Spending also shifted increasingly to online establishments, with the majority of the revenues from those sales directed toward the Blueprint Fund for education. In contrast, personal income for certain sectors, particularly higher wage sectors, increased as select categories of jobs were able to more smoothly transition to remote work.

The result of the mixed and uncertain fiscal outlook at the end of calendar 2020 was a net downward general fund revision of \$609 million for fiscal 2021 and \$312 million for fiscal 2022 compared to the pre-pandemic March 2020 official estimate. This left a \$632 million cash shortfall and a projected \$816 million structural deficit to be addressed in fiscal 2022.

SAC Recommendations

SAC prepared its final report to the Governor in December 2020, which made recommendations concerning the fiscal 2022 spending limit, use of fund balances, and State employment.

Spending Limit and Sustainability: The anticipated availability of significant amounts of federal stimulus funding positioned the State with a manageable cash shortfall. However, concerns were raised regarding historical experiences with relying on one-time federal funding to support ongoing expenses and the potential long-term effect that can have on exacerbating the structural spending gap. SAC recommended that the budget, as introduced and enacted, not harm the structural outlook of the State and limit the fiscal 2022 structural imbalance to no more than \$700 million.

Fund Balances: Although not as dire as once anticipated, the committee recognized the anticipated cash shortfall in fiscal 2022 and subsequent years, along with the uncertainty of general fund revenue performance in the near future. SAC further recognized that the Rainy Day Fund might need to be utilized to resolve the budget deficit but recommended that the fiscal 2022 operating budget prioritize the preservation of cash reserves by maintaining a minimum closing fund balance of \$100 million in the General Fund and either keeping the Rainy Day Fund balance at the equivalent of at least 5% of general fund revenues or identifying an aggressive repayment plan if the 5% threshold were to be breached. In addition, SAC recommended that discretionary federal stimulus funds be used for one-time expenses or funding specific to the pandemic and that the Governor acknowledge these additional federal resources through the budget process.

Personnel: Ongoing high vacancy rates and understaffing for critical classes of positions, combined with the stresses born by essential personnel working during the pandemic, particularly those in the public health, public safety, Unemployment Insurance (UI), and direct care nursing positions, led SAC to recommend that the Administration prioritize hiring staff at the Maryland Department of Labor (MDL) to speed the processing of UI claims and at the Maryland Department of Health (MDH) to adequately staff State facilities and provide critical public health services.

Governor's Spending Plan as Introduced

As introduced, the Governor's budget plan for the current fiscal year assumed \$50.4 billion in total spending, leaving an estimated closing balance in the General Fund of \$264.4 million in fiscal 2021. This included a net \$2.7 billion in deficiency appropriations, including the withdrawal of \$274.1 million in general funds due to the availability of federal dollars offset by the addition of \$157.2 million in special funds and \$2.8 billion in federal funds. Approximately \$228 million in additional general funds were provided for COVID-19-related operating expenses, and an additional \$41.5 million was allocated to accelerate a 4% rate increase for select service providers. The budget also recognized \$201.8 million in planned general fund reversions attributable to the availability of federal CARES Act funding, and an additional \$35.0 million in unspecified reversions.

The fiscal 2022 budget plan proposed \$50.0 billion in total spending, reflecting a \$363 million (0.7%) decrease from the fiscal 2021 spending plan. The relative level funding of the total budget masked significant change among the different funds, as the allowance did not recognize federal stimulus funding beyond fiscal 2021, assuming the exhaustion of temporary federal CARES Act funding and the decline of federal SNAP expenditures due to the presumed economic recovery. In addition, special funds in fiscal 2022 declined significantly due to one-time fiscal 2021 spending for pandemic relief funded from the Rainy Day Fund and anticipated shortfalls in Transportation Trust Fund revenues. As a result, the Governor's allowance reflected general fund growth of nearly \$2.0 billion (11%), which was offset by a \$696 million (7%) decrease in special funds and a \$1.6 billion (10%) reduction in federal funds.

The budget, as introduced, met all of the SAC spending goals by providing a \$192.3 million closing general fund balance and the equivalent of 5% of general fund revenues in the Rainy Day Fund. The Governor's allowance also met the SAC recommendation to limit the structural imbalance by reducing the structural gap to \$76 million. **Exhibit A-1.3** details the Governor's original general fund spending plan for fiscal 2021 and 2022.

Achieving these goals required *House Bill 589 (passed)*, the Budget Reconciliation and Financing Act (BRFA) of 2021, which reduced spending by \$826 million and generated \$224 million in additional revenue. This included \$578.2 million in contingent general fund reductions, the largest of which was a one-time \$422 million reduction to the fiscal 2022 appropriation to the Rainy Day Fund. Deferring the Program Open Space repayment and eliminating contributions to the pension and post-employment benefit accounts for one year saved an additional \$93.9 million. The Administration's budget plan limited growth in the funding formulas that provide aid to private, nonprofit and community colleges, resulting in more than \$56.0 million in savings. The allowance also proposed using \$200 million in fund balance from the Reinsurance Program Provider Assessment Fund to cover Medicaid expenses and assumed savings of \$35 million based on a provision that altered the Medicaid Deficit Assessment.

Exhibit A-1.3
Governor’s Original Budget Plan – General Funds
Fiscal 2021-2022
(\$ in Millions)

	<u>2021</u>	<u>2022</u>
Opening Balance	\$703.5	\$264.4
BRE Revenues	18,773.6	19,808.2
RELIEF Act	-616.7	-\$20.0
Additional Revenues	32.4	93.0
Transfers	128.8	110.6
Subtotal	\$18,318.1	\$19,991.8
Appropriations/Deficiencies	\$19,315.8	\$20,825.3
Board of Public Works - July 1, 2020	-394.9	
Contingent Reductions	-100.0	-726.4
Reversions	-63.7	-35.0
Subtotal	\$18,757.1	\$20,063.9
Adjusted Closing Balance	\$264.4	\$192.3

BRE: Board of Revenue Estimates

Source: Maryland Budget Highlights, Fiscal 2022

Included in the Administration’s balancing plan were four other pieces of legislation to provide \$617 million of general fund tax relief in fiscal 2021 and \$52 million in fiscal 2022, as shown in **Exhibit A-1.4**.

Exhibit A-1.4
General Fund Impact of Administration Tax Relief Proposals

	<u>2021</u>	<u>2022</u>
RELIEF Act – <i>Senate Bill 496 (Ch. 39)</i>		
Repeal State and Local Income Taxes on Unemployment Benefits	-\$50.0	-\$20.0
Stimulus Payments for Earned Income Tax Credit Recipients of Up to \$750 (families)/\$450 (individuals)	-266.7	
Sales Tax Vendor Credit of Up to \$3,000 for Four Months	-300.0	
Other Tax Changes		
Military Retirement Income <i>Senate Bill 574/House Bill 734 (both failed)</i>		-\$18.4
Hometown Heroes <i>Senate Bill 573/House Bill 735 (both failed)</i>		-6.8
Expand Research and Development Tax Credit <i>Senate Bill 196 (passed)</i>		-6.5
Total Revenue Reduction	-\$616.7	-\$51.7

Source: Department of Legislative Services

Legislative Consideration of the Budget

Following submission of the budget in January 2021, the Governor submitted five supplemental budgets adding a net of just over \$6.3 billion, primarily recognizing funding from various federal stimulus bills, *i.e.*, the CARES Act, the Consolidated Appropriations Act, and the American Rescue Plan Act. In recognition of the extraordinary increase in government assistance, enhanced confidence in the efficacy and availability of a COVID-19 vaccine, and a better understanding of how Maryland’s economy and tax base limited the impact of the pandemic on general fund revenues, BRE revised its fiscal 2021 and 2022 general fund revenue estimates upward by a combined \$897 million across the two fiscal years. Legislative actions added \$116 million in general fund revenues through veto overrides of legislation from the 2020 session. Legislative initiatives passed during the 2021 session, including *Senate Bill 496 (Ch. 39)* and *Senate Bill 218 (Ch. 40)*, reduce general fund revenues by \$734 million and increase spending by \$687 million. These actions, when combined with \$952 million in reductions, contribute to an estimated closing general fund balance of \$1.4 billion in fiscal 2021 and \$679 million in fiscal 2022, as seen in **Exhibit A-1.5**.

Exhibit A-1.5
Final Legislative Budget Action – General Funds
Fiscal 2021-2022
(\$ in Millions)

	<u>2021</u>	<u>2022</u>
Opening Balance	\$703	\$1,440
BRE Revenues	\$19,198	\$20,281
Veto Overrides	34	82
RELIEF Act	-394	-190
Additional Revenues/Other Legislation	620	-37
Transfers	129	
Subtotal	\$19,586	\$20,136
Appropriations/Deficiencies	\$19,316	\$20,825
Board of Public Works - July 1, 2020	-\$395	
Supplemental Budgets	432	620
RELIEF Act	178	
Contingent Reductions	-325	-105
Legislative Reductions	-114	-408
Targeted Reversions	-206	0
Reversions	-35	-35
Subtotal	\$18,850	\$20,897
Adjusted Closing Balance	\$1,440	\$679

BRE: Board of Revenue Estimates

Source: Department of Legislative Services

Supplemental Budgets

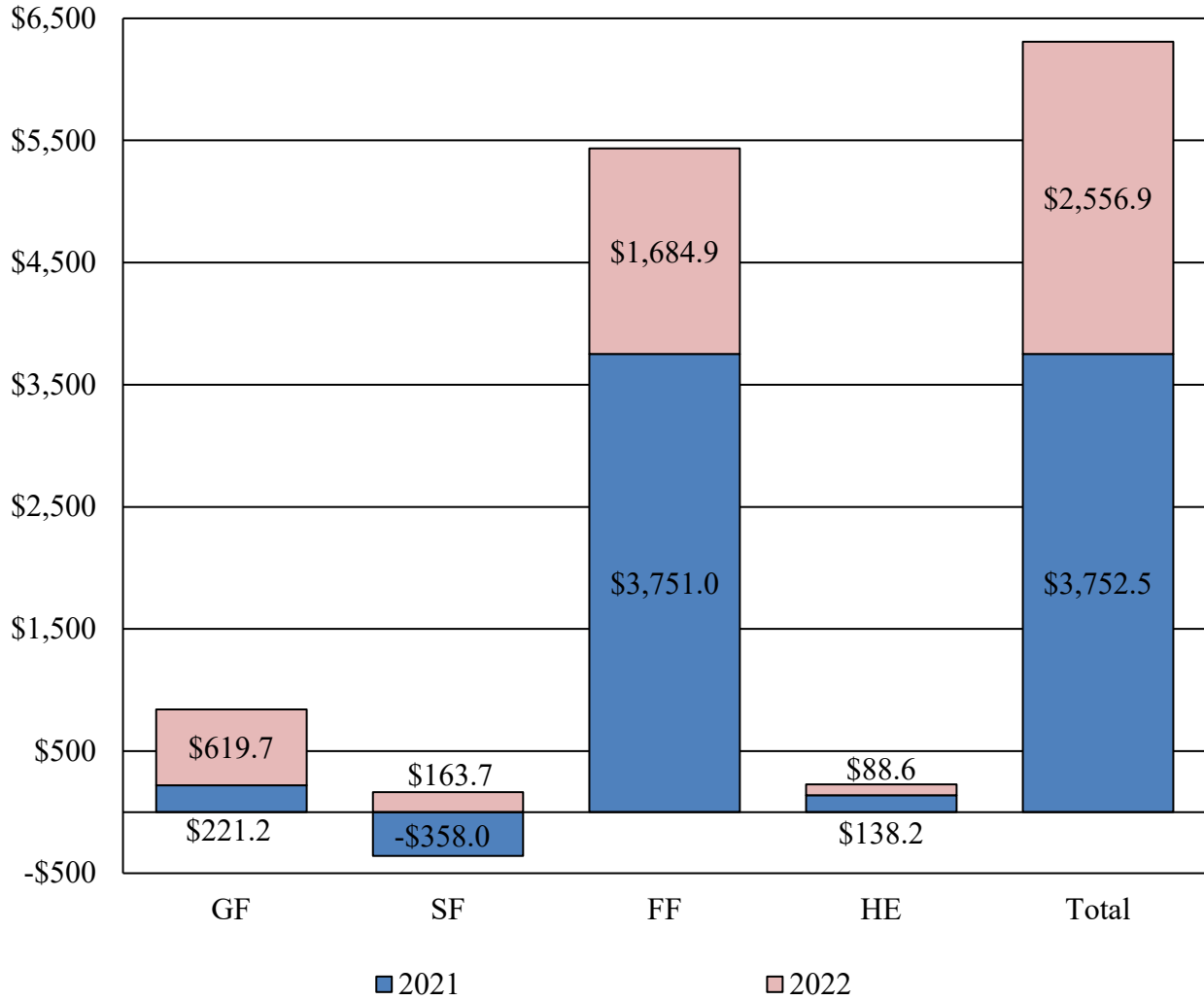
As shown in Exhibits A-1.6 and A-1.7, the five supplemental budgets submitted by the Governor added just over \$6.3 billion in funding, with \$3.8 billion in fiscal 2021 and \$2.6 billion in fiscal 2022.

Exhibit A-1.6 Summary of Supplemental Budgets

<u>Supplemental</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total</u>
#1	\$10,088,425	\$150,000,000	\$1,431,251,313	\$0	\$1,591,339,738
#2	-65,321,008	1,508,626	872,768,659	0	808,956,277
#3	54,444,308	12,642,930	7,038,172	0	74,125,410
#4	48,816,218	259,000,000	491,376,806	226,795,769	1,025,988,793
#5	792,840,583	-617,416,877	2,633,491,254	31,984	2,808,946,944
Total	\$840,868,526	-\$194,265,321	\$5,435,926,204	\$226,827,753	\$6,309,357,162

Source: Department of Legislative Services

Exhibit A-1.7
Summary of Supplemental Budgets
Fiscal Year Appropriations by Fund
Fiscal 2021–2022
(\$ in Millions)



GF: general funds
 SF: special funds
 FF: federal funds
 HE: health education funds

Source: Department of Legislative Services

As shown in the exhibits, over 86% of the funding provided in the supplemental budgets was federal funds. In addition to the \$5.4 billion noted as federal funds, \$226.8 million of higher education funding added in Supplemental Budget No. 4 also derives from federal funds, which increases the total amount of federal fund support to almost \$5.7 billion. Of this funding, almost \$5.5 billion is derived as follows:

- \$4.5 billion from the various federal stimulus bills, *i.e.*, the CARES Act, the Consolidated Appropriations Act, and the American Rescue Plan Act of 2021;
- \$551 million in federal emergency assistance funding received through the Maryland Emergency Management Agency; and
- \$434 million in Pandemic-Electronic Benefit Transfer (P-EBT) funds received to support food assistance for families and children who would have received free and reduced-price meals had schools been operating in person.

The additional federal funding supports pandemic-related public health expenses, rental housing assistance, aid to schools, support for child care providers, transit and highway expenses, and social services. Supplemental Budget No. 5 included flexible funds from the American Rescue Plan Act, which are allocated to support a number of legislative priorities and to preserve resources for the General Fund, K-12 education, human services, and energy programs. A detailed list of these expenses is provided in subpart *Legislative Priorities* later in this section.

Almost \$841 million in general fund expenditures were added in the supplemental budgets. Major areas of increased general fund expenditures include:

- \$376 million of general fund PAYGO to backfill support for a variety of projects that were originally supported with GO bonds;
- \$341 million of Federal Emergency Management Agency (FEMA)-related expenditures in MDH;
- \$54 million as part of \$74 million in total fund expenditures to provide a one-time \$1,000 bonus in April 2021 to permanent State employees;
- \$50 million to support the relocation of State agencies from State Center to other locations in Baltimore City;
- \$41 million to support other general fund PAYGO projects;
- \$30 million to maintain Medicaid physician evaluation and management rates at 93% of the Medicare rate;

- \$23 million for a variety of health-related programming (primarily targeted at nursing programs) in the University System of Maryland (USM);
- \$15 million in fiscal 2022 interest payments based on deferrals of UI payments authorized under the RELIEF Act;
- \$15 million to maintain a temporary \$100 monthly increase in Temporary Cash Assistance payments through calendar 2021;
- \$14 million to support higher than budgeted overtime costs in various State-operated health facilities; and
- \$10 million to increase disparity grants for six jurisdictions: Caroline, Dorchester, Prince George’s, Somerset, Washington, and Wicomico counties.

The increase in general fund expenditures was partially offset by reductions including:

- \$200 million that had been included in the original budget in the Department of Budget and Management (DBM) for unspecified COVID-19 related activities in fiscal 2021; and
- \$106 million in general fund reductions backfilled with American Rescue Plan Act funds.

Overall, special fund spending is reduced by the supplemental budgets. The three notable areas of special fund activity are in the Blueprint for Maryland’s Future Fund, the Maryland Department of Transportation (MDOT), and the Comptroller:

- Supplemental Budget No. 1 increased spending from the Blueprint Fund by \$150 million, spending that was part of the RELIEF Act. However, this funding was part of a total of \$431 million of Blueprint funding that was subsequently withdrawn in Supplemental Budget No. 5 and backfilled with American Rescue Plan Act funding, allowing for the accrual of overall fund balance in the Blueprint Fund.
- Supplemental Budget No. 4 added \$233 million in federal Consolidated Appropriations Act stimulus funds in MDOT, including funding that allowed the department to add additional bonding capacity. In total, \$259 million in special funds were added across the various modes.
- In the Comptroller’s office, \$177.8 million of funding added as special funds to support additional payments to certain low-income residents as part of the RELIEF Act was withdrawn in Supplemental Budget No. 5 and backfilled with American Rescue Plan Act funding.

Legislative Reductions

Legislative action to the budget and through the BRFA of 2021 reduced fiscal 2021 appropriations by a net \$336.7 million in all funds. This includes authorizing the use of \$210.4 million in funds from the Local Income Tax Reserve Fund Account in lieu of general funds to temporarily cover COVID-19-related expenses anticipated to be reimbursed by FEMA and an additional \$112 million in general fund savings generated from favorable entitlement utilization trends and the enhanced federal Medicaid match.

Legislative actions reduced the fiscal 2022 budget by a net \$245.8 million across all fund types. General fund reductions total \$513.3 million, with approximately 97% of the decrease occurring within MDH to recognize savings from the enhanced federal Medicaid match, favorable utilization trends, and the availability of fund balance from the Reinsurance Fund to cover Medicaid expenses. These actions are offset by \$423.3 million in special and federal funds to backfill for the general fund savings. *House Bill 940 (passed)* also increased special fund spending by creating a supplementary appropriation to fund \$14.3 million in education expenses from revenues generated by sports wagering.

A more detailed discussion of the actions taken in the BRFA of 2021 is discussed in the subpart *Budget Reconciliation and Financing Act* of this section. Legislative actions also restored approximately \$616 million in funding from reductions proposed by the Administration. A detailed list of the restorations is provided in subpart *Legislative Priorities* later in this section.

Final Actions Related to SAC

Maintaining Structural Balance: SAC had recommended that the fiscal 2022 general fund structural deficit not exceed \$700 million. Final revenue and spending actions by the General Assembly resulted in a structural surplus of \$70 million in fiscal 2022. **The structural budget goal for fiscal 2022 was met.**

General Fund and State Reserve Fund Balances: Per the recommendation to maintain a fiscal 2022 cash balance of at least \$100 million as well as a minimum of 5% balance in the Rainy Day Fund, legislative action resulted in (1) an estimated closing fund balance of \$679 million and (2) an estimated Rainy Day Fund balance of \$1.4 billion, or 6.8%, of estimated general fund revenues. **Final action on the budget met the SAC recommendation to maintain at least a \$100.0 million general fund balance in addition to a balance in the Rainy Day Fund of 5% of estimated general fund revenues.**

State Employment: In response to the recommendation acknowledging the burdens of State employees during the pandemic, the budget approved by the legislature includes a \$1,000 bonus for all State employees and \$100 million in additional funding for frontline workers, including response pay bonuses retroactive to September, when it had been discontinued. Although the Division of Unemployment Insurance within MDL continues to have high vacancy rates, the budget does provide over \$173 million in funding, including \$3 million provided through the RELIEF Act, to augment call center staff and respond to the surge of pandemic claims. The budget

also includes salary increases and retention bonuses for select public safety personnel, and the BRFA of 2021 includes a provision for a 4.5% cost-of-living adjustment (COLA) for select union members effective in July 2022 contingent on meeting certain revenue targets. **The personnel goals for fiscal 2022 were met.**

Summary of 2021 Session Spending

Exhibit A-1.8 illustrates total spending for fiscal 2021 and 2022 based on final legislative action at the 2021 session. Across all funds, spending in the current fiscal year increases by \$4.1 billion, or 8.2%, compared to the Governor’s budget as introduced. Over 90% of this increase is the reflection of federal stimulus funds in the budget, as general fund spending only grows by \$92.6 million compared to the fiscal 2021 working appropriation introduced in January. Similarly, the fiscal 2022 allowance grew by \$2.4 billion during legislative consideration of the budget, of which just under \$2.0 billion (82.5%) was additional appropriated federal funds. General fund growth between the allowance and the legislative appropriation was limited to an additional \$106.4 million.

When comparing the revised fiscal 2021 working appropriation to the fiscal 2022 legislative appropriation, the State’s operating budget decreases by nearly \$2.1 billion (3.8%). This reduction is somewhat misleading, however, as up to \$6.5 billion in additional funding from the Consolidated Appropriations Act and the American Rescue Plan Act of 2021 remain unappropriated and will be brought into the budget during fiscal 2022 via budget amendment.

Exhibit A-1.8
Final Legislative Budget Action – All Funds
Fiscal 2021-2022
(\$ in Millions)

	<u>2021</u>	<u>2022</u>
Governor’s Allowance	\$50,390	\$50,027
Supplemental Budgets	3,963	2,557
Contingent Reductions	-225	-47
RELIEF Act	514	0
Supplementary Appropriation	0	14
Legislative Reductions	-112	-94
Adjusted Spending	\$54,530	\$52,458

Source: Department of Legislative Services

Outlook for Future Budgets

As shown in **Exhibit A-1.9**, fiscal 2022 is projected to end with a fund balance of \$679 million. In fiscal 2022, ongoing revenues exceed ongoing spending by \$63 million. This structural surplus, however, is replaced by a structural deficit of \$370 million in fiscal 2023 with smaller structural deficits projected for the remaining period of the forecast and declining to a deficit of just \$5 million in fiscal 2026. Between fiscal 2022 and 2026, ongoing revenues are projected to grow at an average annual rate of 3.9%, while ongoing spending is projected to grow at an average annual rate of 4.0%.

Legislation passed during the 2021 session decreases revenues by \$276.7 million and increases spending by \$1.1 billion for the five-year period ending with fiscal 2026. Legislation affecting revenues with a projected five-year impact of \$50 million or more includes:

- House Bill 732 of 2020 (Ch. 37) imposes a tax on the gross revenues of specified digital advertising and increases various taxes imposed on cigarettes, electronic smoking devices, and other tobacco products. This legislation was passed during the 2020 session and enacted through a veto override during the 2021 session. These provisions increase general fund revenues by \$92.1 million in fiscal 2022 and by \$81.6 million in fiscal 2026.
- **Senate Bill 496 (Ch. 39)** establishes several enhanced tax benefits for individuals and businesses. For tax years 2020 through 2022, the Act expands the State refundable earned income credit. In tax years 2020 and 2021, the Act exempts from the State income tax certain unemployment benefits received by an individual if the taxpayer has federal adjusted gross income of \$75,000 or less (\$100,000 if married filing jointly). The expansion of the refundable earned income credit reduces general funds by \$160.4 million in fiscal 2022 and fiscal 2023. The exemption from State income tax of unemployment benefits reduces general fund revenues by \$30 million in fiscal 2022.
- **Senate Bill 218 (Ch. 40)** expands eligibility of the State and local earned income tax credits, and thereby the State and local poverty level credits, by allowing a taxpayer to claim the tax credits notwithstanding certain federal requirements. The Act also creates a refundable credit against the State income tax equal to \$500 for each dependent child who is a qualified dependent under the age of 17 years and has a disability. These provisions reduce general fund revenues by \$67.0 million annually in fiscal 2022 and 2023.

Legislation affecting spending with a projected five-year impact of \$50 million or more includes:

- **Senate Bill 1/House Bill 1 (Chs. 41 and 42)** provide an additional \$577.0 million (in total) for Maryland's historically black colleges and universities (HBCU) from fiscal 2023 through 2032 to be distributed and used as specified, contingent on final settlement of *The Coalition for Equity and Excellence in Maryland Higher Education, et al. v. Maryland Higher Education Commission, et al.* lawsuit by June 1, 2021. An HBCU Reserve Fund is

created to hold unused funds at the end of each fiscal year. General fund spending increases between \$60.8 million and \$61.7 million each year from fiscal 2023 through 2026 due to enactment of this legislation.

- House Bill 1 of 2020 (Ch. 20 of 2020) authorizes the Maryland Stadium Authority (MSA) to issue up to \$2.2 billion in revenue bonds, backed by annual payments from the Education Trust Fund beginning in fiscal 2022, for public school construction projects in the State. The Act also expands school construction costs eligible for State funding and increases or establishes new mandated State funding for other public school construction programs. The legislation, passed during the 2020 legislative session, was contingent on enactment of the Blueprint for Maryland’s Future legislation and became effective when the veto of the Blueprint legislation was overridden during the 2021 session. General fund spending under the Act increases by \$40 million per year for fiscal 2023 through 2026.
- **House Bill 737 (Ch. 26)** alters the enhanced State funding provided under the disparity grant program to jurisdictions with a local income tax rate of 3.2% by (1) increasing the minimum grant amount from 67.5% to 75%; and (2) repealing the termination date for the enhanced funding. This legislation, passed during the 2020 legislative session, was enacted through a veto override during the 2021 session. General fund spending under Chapter 26 increases between \$16.0 million and \$17.0 million per year in fiscal 2023 through 2026.
- **Senate Bill 66 (Ch. 74)** creates the Office of Statewide Broadband (OSB) within the Department of Housing and Community Development (DHCD) as the successor to the Office of Rural Broadband, albeit with expanded responsibilities. The Act establishes the Digital Inclusion Fund and the Digital Connectivity Fund within DHCD to provide grants to local governments and nonprofits to increase access to high-speed Internet and to assist in the development of affordable broadband Internet infrastructure, as specified. The Act also transfers the Rural Broadband Coordination Board and the Rural Broadband Assistance Fund from the Department of Commerce to OSB. General fund spending under the Act increases an average of \$15.3 million per year for fiscal 2023 through 2026.
- **Senate Bill 943 (passed)** increases, beginning in fiscal 2023, mandated appropriations by \$2.5 million each for the Center for Maryland Advanced Ventures at the University of Maryland and the University of Maryland Center for Economic and Entrepreneurship Development. A portion of the mandated funding is for the development and location of technology companies in Baltimore City and Prince George’s County. In addition, for fiscal 2023 through 2027, the Governor must appropriate at least an additional \$4.0 million to the University System of Maryland Office to increase the estimated funding guideline attainment levels of USM institutions as specified. General fund spending under the bill increases between \$13.9 million and \$14.2 million per year for fiscal 2023 through 2026.

Exhibit A-1.9
General Fund Budget Outlook
Fiscal 2022 – 2026
(\$ in Millions)

	Leg. Approp. <u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	Average Annual Change <u>2022-2026</u>
Revenues						
Opening Fund Balance	\$1,440	\$679	\$381	\$0	\$0	
Transfers	0	927	286	18	0	
One-time Revenues – Legislation	-30	0	0	0	0	
Subtotal One-time Revenue	<i>\$1,409</i>	<i>\$1,606</i>	<i>\$667</i>	<i>\$18</i>	<i>\$0</i>	
Ongoing Revenues	\$20,325	\$21,166	\$21,815	\$22,655	\$23,508	
Revenue Adjustments – Legislation	-159	-174	46	40	35	
Subtotal Ongoing Revenue	<i>\$20,166</i>	<i>\$20,992</i>	<i>\$21,860</i>	<i>\$22,695</i>	<i>\$23,543</i>	3.9%
Total Revenues and Fund Balance	<i>\$21,575</i>	<i>\$22,597</i>	<i>\$22,527</i>	<i>\$22,713</i>	<i>\$23,543</i>	2.2%
Ongoing Spending						
Operating Spending	\$20,187	\$21,279	\$21,984	\$22,746	\$23,441	
Ongoing (Reductions)/Additions	-84	-82	-85	-87	-90	
Ongoing Spending – Legislation	0	165	192	198	198	
Subtotal Ongoing Spending	<i>\$20,103</i>	<i>\$21,362</i>	<i>\$22,091</i>	<i>\$22,857</i>	<i>\$23,549</i>	4.0%

	Leg. Approp. <u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	Average Annual Change <u>2022-2026</u>
One-time Spending	\$793	\$855	\$655	\$327	\$336	
Total Spending	\$20,897	\$22,217	\$22,746	\$23,184	\$23,884	3.4%
Ending Balance	\$679	\$381	-\$219	-\$471	-\$341	
Rainy Day Fund Balance	\$1,358	\$1,052	\$1,092	\$1,136	\$1,179	
Balance over 5% of General Fund Revenues	343	0	0	0	0	
As % of General Fund Revenues	6.7%	5.0%	5.0%	5.0%	5.0%	
Structural Balance	\$63	-\$370	-\$231	-\$161	-\$5	

Source: Department of Legislative Services

Budget Reconciliation and Financing Act

As summarized in **Exhibit A-1.10, *House Bill 589 (passed)***, the BRFA of 2021, has an overall impact of \$263.4 million on the fiscal 2022 budget plan. General fund actions total \$468.3 million, of which the majority (\$430.2 million) results from expenditure reductions. Special fund actions result in a net increase of \$209.0 million in special fund spending. Federal fund expenditures are reduced by \$4.2 million.

Exhibit A-1.10 Actions in the Budget Reconciliation and Financing Act of 2021 (\$ in Millions)

Reversions and Expenditure Reductions	\$430.2
Revenue Actions	3.0
Transfers to General Fund	35.1
<i>General Fund Subtotal</i>	<i>\$468.3</i>
Special Fund Contingent Appropriations	-\$250.0
Special Fund Reductions	41.0
<i>Special Fund Subtotal</i>	<i>-\$209.0</i>
 <i>Federal Fund Reductions</i>	 <i>\$4.2</i>
 Grand Total	 \$263.4

Source: Department of Legislative Services

Expenditure Reductions Related to Fund Swaps

The vast majority of the general fund expenditure reductions (\$413.9 million) result from provisions that authorize the use of alternative fund sources in lieu of general funds. The largest of these fund swaps (\$210.4 million) results from a provision authorizing MDH and other appropriate State agencies to temporarily charge COVID-19-related expenditures to the Local Reserve Account while awaiting federal disaster relief funds. The Local Reserve Account will be repaid from federal reimbursements or by the general fund if the charges are not fully reimbursed.

Additional general fund reductions totaling \$200.0 million result from a provision that authorizes transfers of the same amount from the health insurance provider assessment instituted for the State Reinsurance Program to Medicaid in fiscal 2021 and 2022. The fiscal 2021 special fund appropriation in Medicaid is increased by \$100.0 million as a result of this provision.

General fund reductions totaling \$3.5 million result from transfers to the Behavioral Health Administration (BHA) Community Services program that are authorized from the Maryland Medical Cannabis Commission (\$2.0 million) and the State Board of Professional Counselors and Therapists (\$1.5 million) funds.

Changes to Mandates

The BRFA of 2021 alters several mandates and reduces fiscal 2022 spending. Two of these actions are one-time, while one is ongoing.

- A one-time reduction to the operating budget funding requirement for the Maryland Transit Administration (MTA) in fiscal 2022 to be at least at the same level as fiscal 2021, rather than an increase of 4.4%. This action results in a special fund reduction of \$38.0 million in the operating budget for MTA and a special fund appropriation of \$150.0 million in the capital program for MTA.
- Permanently lowering the mandate for the Maryland Health Benefit Exchange from \$35.0 million to \$32.0 million beginning in fiscal 2022. This action reduces special fund expenditures by \$3.0 million and federal fund expenditures by \$4.2 million due to the federal participation in activities reduced due to this change. This action also increases general fund revenue by \$3.0 million per year because premium tax revenue not otherwise distributed goes to the General Fund.
- A one-time elimination of the mandate for the Department of Natural Resources Fisheries Research and Development Fund, resulting in a reduction of \$1.8 million in general fund expenditures.

The BRFA of 2021 also contains two provisions that alter mandates with no net change to State spending in the current or future years but change either the source of the mandates or uses of the funds. In particular, the transfer tax repayment schedule is altered to:

- increase the share of the repayment dedicated to the Critical Maintenance Program in fiscal 2022 from \$6.0 million to \$21.9 million;
- include a pilot dredging project at Deep Creek Lake in fiscal 2022 (\$1.2 million);
- include \$2.5 million for the Next Generation Farmland Acquisition Program in each of fiscal 2023 through 2027 (a total of \$12.5 million);
- include the Maryland Agricultural and Resource-Based Industry Development Corporation in fiscal 2025 (\$2.735 million) with specified distributions; and

- reduce the amount distributed to other transfer tax funded programs through the formula by \$17.1 million on or before June 30, 2022, \$12.7 million on or before June 30, 2026, and \$2.5 million on or before June 30, 2030.

The source of the funding for the Senior Prescription Drug Assistance Program (SPDAP) and Community Health Resources Commission (CHRC) are also altered by:

- retaining the current distribution of the Carefirst Premium Tax Exemption in fiscal 2022 but authorizing the use of the Maryland Health Benefit Exchange Fund from the health insurance provider assessment to support the remaining costs of SPDAP not covered by the distribution in that year only;
- altering the distribution of the Carefirst Premium Tax Exemption beginning in fiscal 2023 to solely support SPDAP; and
- requiring a diversion of the first \$8.0 million of the health insurance provider assessment to CHRC in fiscal 2023 and 2024, in lieu of funds from the Carefirst Premium Tax Exemption that supported CHRC prior to fiscal 2023.

Other Fiscal 2021 and Prior Year Expenditure Reductions

The BRFA of 2021 includes several actions that reduce general fund expenditures prior to fiscal 2022, totaling \$14.5 million. These actions reduce expenditures for:

- Nonpublic placements in Aid to Education due to higher accruals than needed to pay fiscal 2020 costs (\$7.5 million);
- BHA provider reimbursements due to higher accruals than needed to pay fiscal 2020 costs (\$5.0 million);
- Statewide salary actions in DBM Statewide Expenses program that are higher than needed to pay fiscal 2021 costs (\$1.8 million); and
- an improper encumbrance identified in the fiscal 2020 Statewide Closeout Audit in the Maryland State Department of Education Headquarters (\$235,000).

Transfers

As shown in Exhibit A-1.10, the BRFA of 2021 includes provisions authorizing transfers totaling \$35.1 million to the General Fund through three provisions: (1) \$30.0 million in fiscal 2021 from the reserve account used to pay State employee unemployment compensation benefits; (2) \$5.0 million in fiscal 2021 from the Rate Stabilization Fund identified in the fiscal 2020 Statewide Closeout Audit as being improperly retained; and (3) \$100,000 in fiscal 2022

from the Maryland-National Capital Park and Planning Commission from certain funds collected in Prince George’s County.

Miscellaneous Provisions

The BRFA of 2021 also contains additional provisions that do not directly impact spending but clarify requirements, address special fund uses or revenue availability, contain costs, or address the impact of COVID-19.

Revenue and Special Fund Provisions

- Require 10% of the revenue from certain raffles to be deposited into the Michael Erin Busch Sports Fund and alter a portion of authorized uses of the proceeds of those raffles to benefit a certain area rather than a jurisdiction as a whole, with both alterations to sunset June 30, 2024.
- Alter the allowable uses of The Blueprint for Maryland’s Future Fund to include one-time grants to address enrollment declines related to the pandemic and to ensure that all jurisdictions receive an increase over fiscal 2021, and grants to address learning loss, summer school, school re-opening, and trauma and behavioral health needs related to COVID-19;
- Establish a special fund to support maternal and child health improvements through December 2025 from broad based and uniform assessments.
- Require certain nonwithholding income tax revenues if realized and not needed for certain purposes to be deposited into the Fiscal Responsibility Fund to be used to provide for up to a 4.5% COLA for employees in a certain bargaining unit in fiscal 2023 and authorizing the use of the fund for that purpose in fiscal 2023 only.

Cost Containment/Address COVID-19 Impacts

- Waive the requirement that MSA submit an annual report on additional tax revenues for certain facilities for fiscal 2021 due to the impact of the COVID-19 pandemic.
- Limit the rate increase in rates for providers who have rates set by the Interagency Rates Committee to 4% over the rates in effect on January 1, 2021.
- Authorize a reduced number of Governor’s Budget Books to be printed in fiscal 2022 only due to the COVID-19 pandemic.
- Prevent individuals who retired from MDH or MDL and were rehired for no more than two years to assist in the administration of federally funded grants or unemployment

insurance related to the COVID-19 pandemic from being subject to a reduction in their retirement allowance for that service.

Clarify or Alter Requirements

- Reduce the eligible costs for private wastewater treatment plant facilities in the Bay Restoration Fund to 50%.
- Clarify and streamline the existing process for conducting property tax assessments for land actively used as a country club or golf course.
- Require local funding for education in fiscal 2022 to exceed the fiscal 2021 level for the local school system to qualify for one-time education grants in fiscal 2022.
- Require employees in Department of Public Safety and Correctional Services facilities closed effective June 30, 2021, to be transferred to vacant positions in other facilities no later than July 1, 2021 without the loss of compensation, status, or benefits.

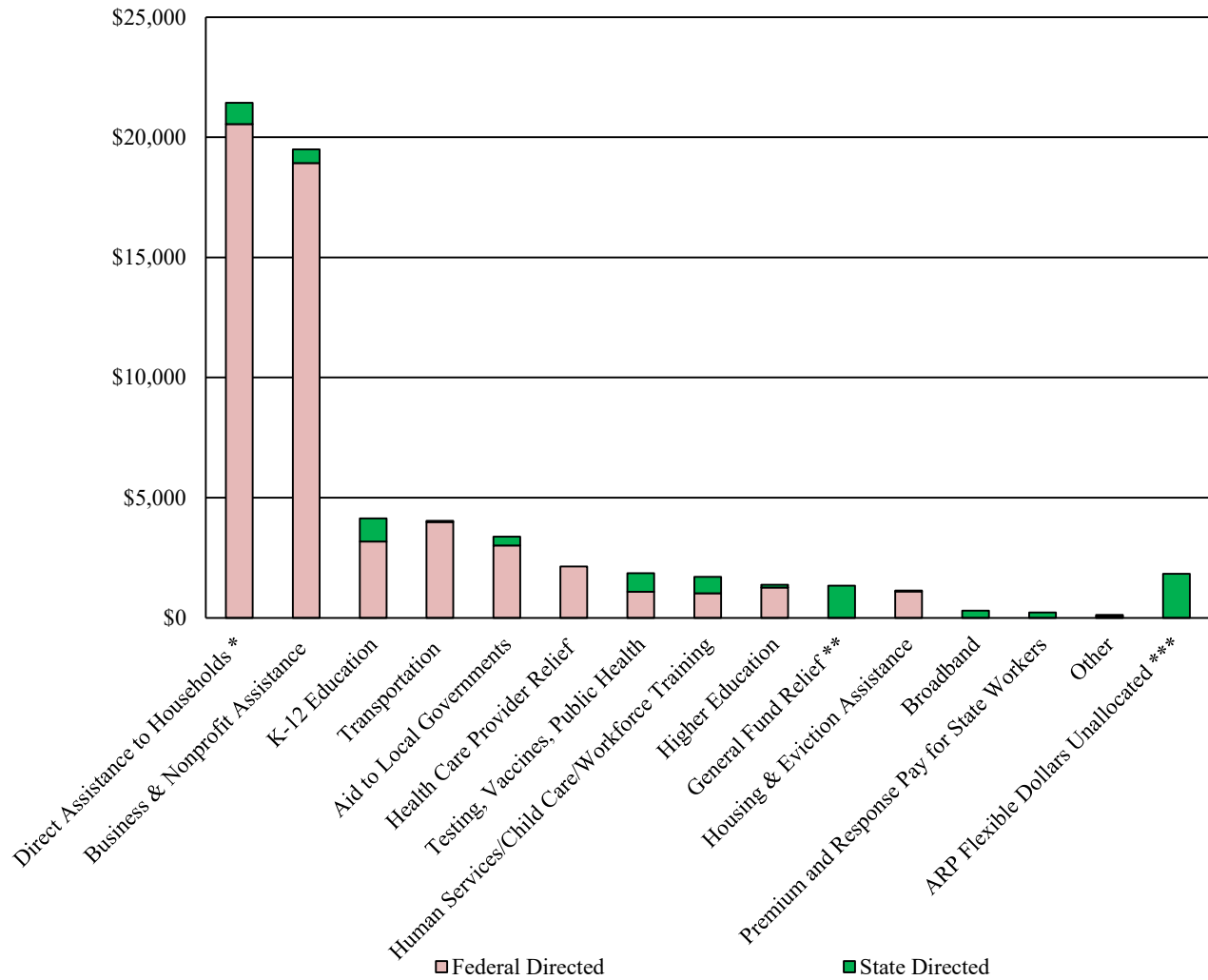
Selected Budgetary Initiatives and Enhancements

COVID-19 Pandemic Response and Recovery Funding

Since the start of the pandemic in March 2020, three federal stimulus packages have been authorized to assist with the COVID-19 response and recovery effort: the CARES Act, the Consolidated Appropriations Act, and the American Rescue Plan Act. In addition, nearly \$1.0 billion in State resources have been committed, primarily through the RELIEF Act and the *Governor's Maryland Strong: Economic Recovery Initiative*. As **Exhibit A-1.11** illustrates, it is estimated that combined State and federal resources committed to the COVID-19 pandemic to date total \$64.5 billion.

Approximately one-third of the total State and federal stimulus funds available (\$21.4 billion) are in the form of direct assistance payments to households, with another \$20.9 billion provided as direct assistance to businesses and other private entities. More than \$4.1 billion is allocated to K-12 schools and another \$3.4 billion flows to county and municipal governments. Transportation related funding, including WMATA, exceeds \$4.0 billion. Approximately \$16 billion of the federal stimulus money will flow through the State budget. The State appropriated \$1.6 billion of federal stimulus funding in fiscal 2020, \$7.3 billion is recognized in the fiscal 2021 and 2022 budgets, and just under \$7.0 billion remains to be appropriated.

Exhibit A-1.11
COVID-19 Response Spending Totals \$64.5 Billion
Federal and State Resources
(\$ in Millions)



*Includes federal stimulus payments to individuals authorized in Coronavirus Aid, Relief, and Economic Security Act and American Rescue Plan Act, Supplemental Nutrition Assistance Program benefits (including Pandemic-Electronic Benefit Transfer) above pre-pandemic spending levels in fiscal 2020 and 2021, federally funded unemployment insurance enhancements in calendar 2020, and tax relief authorized in RELIEF Act and SB 218.

**Enhanced Medicaid match and use of Coronavirus Relief Fund to offset general fund costs.

***If allowable under forthcoming federal guidance, the Administration intends to allocate to transportation projects and the Unemployment Insurance Trust Fund.

Source: Department of Legislative Services

Of the \$64.5 billion in funding available, the State had discretion to direct the expenditure of approximately \$8.2 billion, or 12.7%. Approximately \$1.3 billion was used for general fund relief, utilizing enhanced Medicaid matching funds and Coronavirus Relief Funds to offset general fund expenses. A total of \$1.3 billion in legislative priorities were funded by the Governor in Supplemental Budget No. 5. A detailed list of these expenses is provided in subpart *Legislative Priorities* later in this section.

State Funded Stimulus Initiatives

On October 22, 2020, the Governor announced the use of \$250 million from the Rainy Day Fund in fiscal 2021 to provide assistance to restaurants, small businesses, local entertainment venues, and arts organizations impacted by the pandemic. The majority of these funds were allocated to the Department of Commerce, with \$35 million allocated for the Main Street Communities program in the Department of Housing and Community Development, \$20 million to support a layoff aversion program in MDL, and \$5 million for programs administered by TEDCO to support rural businesses.

On February 15, 2021, the Governor signed *Senate Bill 496 (Ch. 39)*, the RELIEF Act, emergency legislation designed to provide income tax relief to certain taxpayers, economic impact payments of up to \$500 to certain taxpayers, and other forms of more immediate assistance to businesses and employers impacted by the COVID-19 pandemic. The bill also authorized the Governor to spend a total of \$686 million in fiscal 2021, a portion of which is to assist schools in reopening in-person classroom instruction and for summer school instruction; the balance is to provide financial assistance to individuals, businesses, and nonprofit organizations and funding for specified State agencies. *Senate Bill 218 (Ch. 40)*, which became law on March 5, 2021, expands the eligibility for the earned income tax credit to include filers with an Individual Taxpayer Identification Number and creates a refundable income tax credit for certain taxpayers who have a dependent child with a disability.

Exhibits A-1.12 and **A-1.13** provide detail on the provisions of Chapters 39 and 40 impacting general fund revenues and increasing spending. Specific revenue actions in the RELIEF Act exempt unemployment benefits paid to taxpayers with federally adjusted gross income at or below \$75,000 for an individual and \$100,000 for a married couple filing a joint return from State and local income taxes, expand the value of the refundable earned income tax credit to 100% of the federal Earned Income Tax Credit for individuals and 45% for families, allow businesses to retain a portion of the sales tax they collect for three months, and exempt certain federal, State, and local COVID-19-relief payments from taxation. With the Administration's appropriation of a significant portion of the federal stimulus funding, approximately 95% of the State funded stimulus spending was ultimately backfilled with available federal revenues.

Exhibit A-1.12
RELIEF Act
Impact on General Fund Revenues
Fiscal 2021 - 2022

	<u>2021</u>	<u>2022</u>
General Fund Revenues		
Sales Tax Vendor Discount	-\$186	\$0
Exempt Most Unemployment Insurance Benefits from State Income Tax	-50	-30
Alter Earned Income Tax Credit*	-224	-228
Revenue Total	-\$460	-\$250

*General fund revenue impact from the alterations to the earned income tax credit (EIC) also reflect revenue loss from expanding EIC eligibility under Chapter 40 of 2021.

Source: Department of Legislative Services

Exhibit A-1.13
RELIEF Act
Spending Detail
(\$ in Millions)

Human Services

Utility Arrearage Assistance with Priority for Low Income Households	\$83
Temporary Disability Assistance Program: Temporarily restore coverage for people disenrolled during the pandemic and increase the monthly benefit by \$100 for final five months of fiscal 2021	22
Grants to Food Banks	10

Business and Nonprofit Assistance

Restaurant Assistance	\$22
Grants to Nonprofits	20
Grants to Businesses that do Not Collect Sales Tax	10
Hotel/Motel Assistance	10
Entertainment Venue Assistance	10
Grants to Disadvantaged Businesses	10
Local Workforce Development Boards	7
Arts Council Grants	5
Rural Broadband	2

Main Streets Grants	2
MARBIDCO	2
TEDCO – Rural and Agricultural Business Grants	1.5
Small Business Marketing – Tourism	1
Help Businesses Transition to Online Sales and Encourage Telework	0.5
Transportation	
MDOT – Transit (\$10 Million) and Highways (\$10 Million)	\$20
Aid to Commuter and Shuttle Bus Operators	8
Unemployment Insurance	
\$1,000 One-time Grants for UI Applications in Adjudication	\$32
Additional UI Caseworkers	3
Workshare Marketing	1
Health	
Behavioral Health Crisis Services	\$20
Reduce Health Disparities	14
Grants to DDA Providers	5
Housing	
Housing Debt/Emergency Housing	\$15
Maryland Legal Services Corporation	3
Education	
Summer School and Tutoring (Blueprint Fund)	\$50
Concentration of Poverty (Blueprint Fund)	45
Crisis Intervention/Mental Health (Blueprint Fund)	25
Tutoring and Supplemental Instruction (Blueprint Fund)	20
Community Colleges – Job Skills Training	10
Delivery of In-person Education (Blueprint Fund)	10
Juvenile Services – Bolster Educational Services	1
Other	
Stimulus Payments to People Qualifying for EITC in Tax Year 2019	\$177.8
Disparity Grant	5
Volunteer Fire Companies	4
Total Spending	\$686.8

EITC: Earned Income Tax Credit

MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation

MDOT: Maryland Department of Transportation

TEDCO: Technology Development Corporation

UI: Unemployment Insurance

Source: Department of Legislative Services

Medical Assistance Program

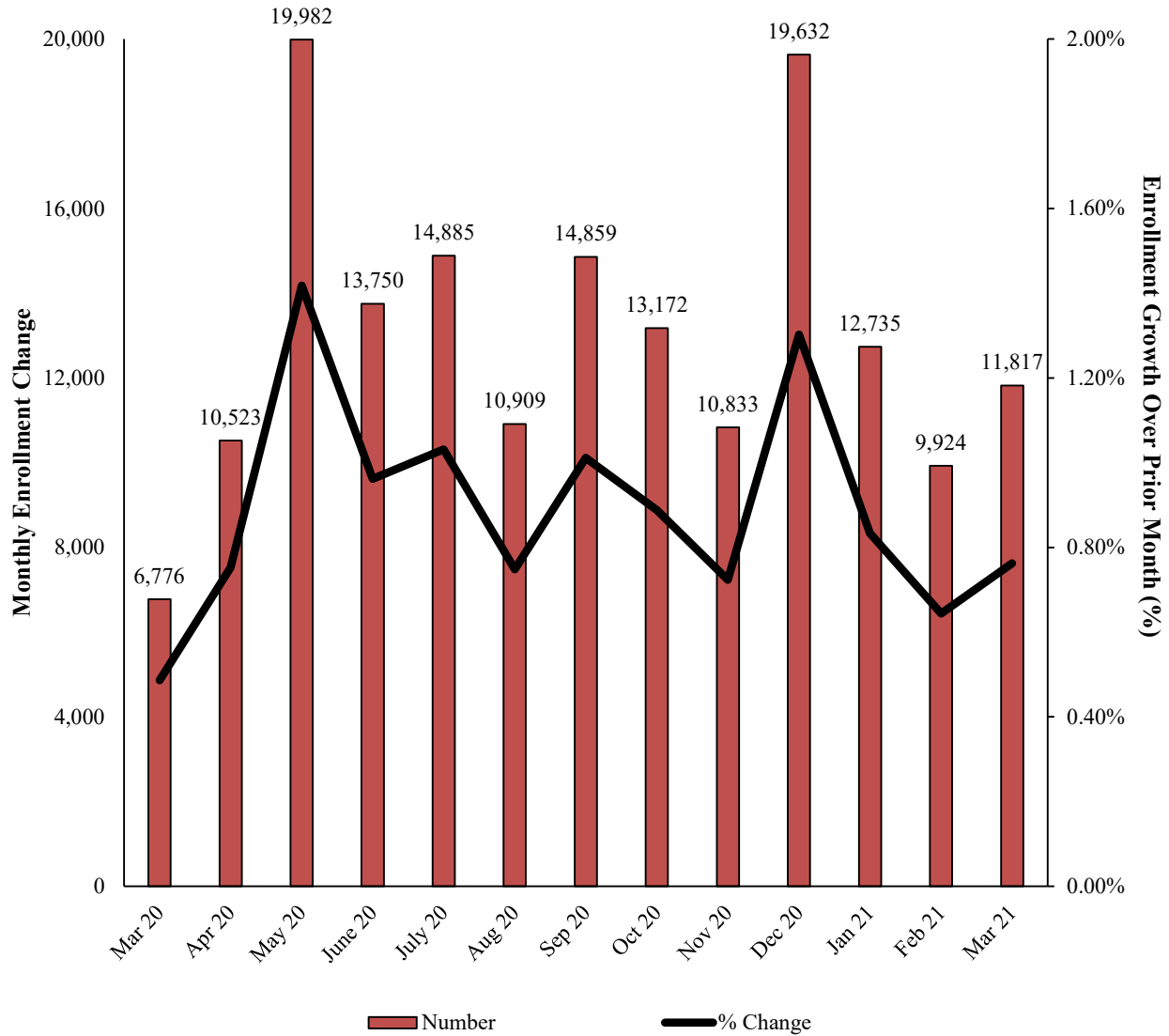
The Medical Care Programs Administration is responsible for administering the Medical Assistance Program (Medicaid) and the Maryland Children’s Health Program (MCHP) that provide comprehensive health benefits, including behavioral health services, to over 1.5 million Marylanders.

Enrollment Surges During COVID-19 Pandemic

Since March 2020, Medicaid enrollment has increased by just over 163,000, a combination of higher need based on the economic dislocation caused by COVID-19 and also the impact of the Families First Coronavirus Response Act, one consequence of which delayed annual redeterminations. Specifically, that Act provided an enhanced Federal Medical Assistance Percentage of 6.2 percentage points on qualifying expenses during a national health emergency declared by the U.S. Secretary of Health and Human Services. The enhanced match on MCHP funding is 4.34 percentage points. That declaration was made in March 2020 and applied to certain Medicaid claims made beginning January 1, 2020. In order to qualify for the enhanced match, state Medicaid programs are required, among other things, to maintain eligibility requirements; not increase premiums beyond those in place as of January 1, 2020; cover services without cost-sharing for COVID-19 testing and treatment; and (with limited exceptions) not terminate Medicaid coverage for those on the program at the time of the public health emergency declaration.

As shown in **Exhibit A-1.14**, monthly enrollment growth has not been even, but outside of program expansion, overall enrollment growth in the past year is the largest in program history.

Exhibit A-1.14
Medicaid Month-over-Month Enrollment Growth
March 2020 – March 2021

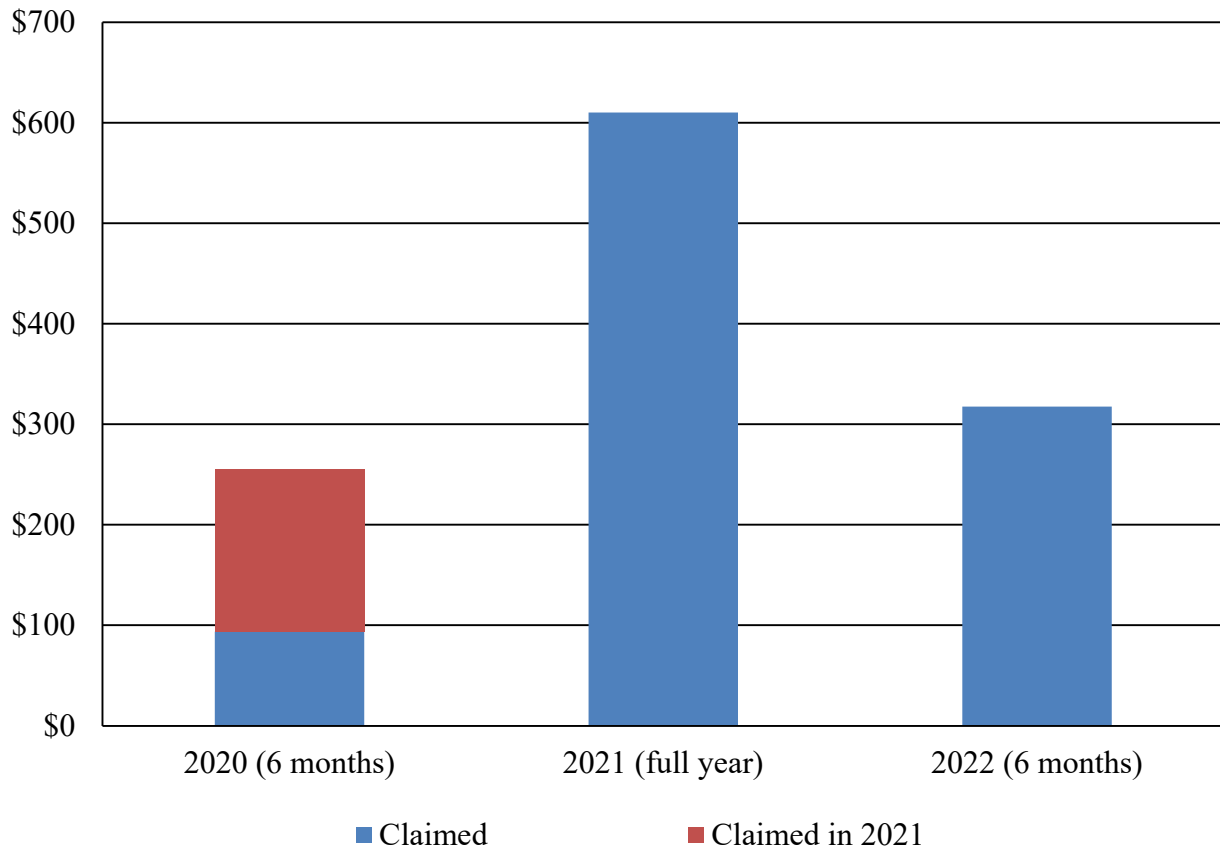


Source: Maryland Department of Health; Department of Legislative Services

Enhanced Federal Match Yields General Fund Relief

The enhanced match available under the Families First Coronavirus Response Act, as noted above, could be claimed beginning in January 2020. The public health emergency declaration has since been extended through December 2021. The enhanced match applies to certain claims in the Medicaid program, and also for Medicaid waiver funding in the Developmental Disabilities Administration. As shown in **Exhibit A-1.15**, general fund relief resulting from the enhanced match is anticipated to total just under \$1.2 billion over calendar 2020 and 2021.

Exhibit A-1.15
Claimed and Anticipated Federal Enhanced Matching Funds
Fiscal 2020 – 2022
(\$ in Millions)



Note: Includes enhanced federal funds claimed by the Developmental Disabilities Administration.

Source: Department of Legislative Services

General Fund Support for Medicaid Grows Significantly in Fiscal 2022

As shown in **Exhibit A-1.16**, the fiscal 2022 budget is anticipated to grow by \$781 million (6.2%) in fiscal 2022 compared to fiscal 2021. Growth is driven by enrollment and utilization (\$410 million across all programs); rate increases, including the annualization of accelerated fiscal 2022 rate increases that were implemented January 1, 2021, maintaining Medicaid evaluation and management physician fees at 93% of the Medicare rate, and a one-time 2% additional rate increase for nursing homes (\$135 million); funding the Medicare Part D clawback payment after a one-time reduction in fiscal 2021 (\$65 million); and lowering savings from pharmacy rebates (\$58 million).

Exhibit A-1.16
Medical Care Programs Administration
Funding Support
Fiscal 2020 – 2022
(\$ in Millions)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>\$ Change</u> <u>2021-2022</u>	<u>% Change</u> <u>2021-2022</u>
General Funds	\$3,509.0	\$3,145.6	\$4,065.7	\$920.1	29.3%
Special Funds	983.1	1,031.2	840.4	-190.8	-18.5%
Federal Funds	7,265.5	8,494.6	8,546.3	51.7	0.6%
Total Funds	\$11,757.6	\$12,671.4	\$13,452.4	\$781.1	6.2%

Source: Department of Legislative Services

As also shown in the exhibit, general fund growth is significantly higher than overall growth, especially in percentage terms. In addition to underlying program changes, this reflects the availability of one-time federal funds in fiscal 2021 that are not anticipated to be available in fiscal 2022 (\$467 million) and a technical adjustment that, beginning in fiscal 2022, redirected certain premium tax revenues from the Rate Stabilization Fund that supported Medicaid to the General Fund (\$189 million).

Medicaid Program Changes

The fiscal 2022 budget contains several program changes, two of which were added by Supplemental Budget No. 5. These changes include:

- \$1.8 million in funding for an additional 36 individuals for a new Program of All-inclusive Care for the Elderly (PACE) program in addition to the existing program, Hopkins ElderPlus.
- \$8.3 million to support 12 months of postpartum Medicaid coverage (including full dental coverage) for Medicaid enrollees who qualify by virtue of pregnancy rather than the current two months of postpartum coverage. This funding supports the change effective January 1, 2022.
- \$10.1 million to add 400 new waiver slots under the Community Options program.

Personnel

Employee costs total \$9.6 billion in fiscal 2022 and represent 18.3% of the State budget. The fiscal 2022 budget included funding for a 2% general salary increase effective January 1, 2021, for all State employees. In fiscal 2022, personnel costs decrease by \$190 million, or 1.9%, from the fiscal 2021 working appropriation (including deficiency funding). The decrease is primarily due to high COVID-related salary costs in MDH in fiscal 2021. The budget also includes one-time fiscal 2021 costs of \$74 million for a \$1,000 bonus for all State employees.

Employee Compensation

The fiscal 2022 budget, as introduced, provided \$106 million in funding for the annualization of a 2.0% general salary increase effective January 1, 2021. Supplemental budgets provided a combined \$100 million in fiscal 2021 and 2022 for enhanced pay for frontline workers retroactive to September 2020, when one level of the enhancements had been discontinued, as well as funding for both levels of the enhancements through the end of calendar 2021. Approximately \$17 million is provided for a 4% increase and increments for the State Law Enforcement Officers Labor Alliance union. The fiscal 2022 legislative appropriation also includes funding for a 3.5% merit increase for judicial employees. There is approximately \$14 million provided for the annual salary review, which is targeted at fiscal series employees and increasing State employees' minimum wage to \$15 per hour. The BRFA of 2021, as passed, includes a provision restricting revenue volatility revenues, if realized, to be used to provide employees belonging to the American Federation of State, County, and Municipal Employees represented bargaining units up to a 4.5% COLA in fiscal 2023.

Pension Funding

Retirement contributions increase by \$67 million in fiscal 2022, or 3.8%, due to employee salary increases and investment losses in prior years. The approved budget more than fully funds

the State's actuarially required contribution and provides \$100 million of supplemental contributions. The State Retirement Agency set rates for fiscal 2022 with the assumption that the supplemental contribution would not be made in fiscal 2021; however, the contribution was in fact made.

Retiree Prescription Drug Coverage

Fiscal 2022 includes funding to continue State prescription drug coverage for Medicare-eligible retirees, and the forecast assumes continued funding for this purpose for the full fiscal year, as a pending lawsuit has delayed transition of coverage to Medicare Part D.

Workforce Changes

The State workforce decreases by 440 regular positions from fiscal 2021 to 80,084 regular positions in fiscal 2022, as shown in **Exhibit A-1.17**. The budget as introduced by the Administration funded 80,033 positions. Supplemental budgets created 49 new positions. Legislative action on the budget eliminated 3 new Maryland State Department of Education positions, and added 5 positions for the Department of Legislative Services.

Exhibit A-1.17
Regular Full-time Equivalent Position Changes
Fiscal 2021 – 2022

<u>Department/Service Area</u>	<u>2021 Working Appropriation</u>	<u>2022 Allowance</u>	<u>Supplemental Budget</u>	<u>Legislative Changes</u>	<u>2022 Legislative Appropriation</u>
Largest Six State Agencies					
Public Safety and Correctional Services*	9,613	9,251	2	0	9,253
Transportation	9,058	9,058	0	0	9,058
Human Services	6,118	5,991	0	0	5,991
Health	6,356	6,365	8	0	6,373
State Police	2,459	2,480	4	0	2,484
Juvenile Services	1,996	1,996	0	0	1,996
<i>Subtotal</i>	<i>35,599</i>	<i>35,140</i>	<i>14</i>	<i>0</i>	<i>35,154</i>
Other Executive					
Legal (Excluding Judiciary)	1,483	1,484	0	0	1,484
Executive and Administrative Control	1,592	1,588	1	0	1,589
Financial and Revenue Administration	2,075	2,075	0	0	2,075
Budget and Management and DoIT	507	502	0	0	502
Retirement	189	188	0	0	188
General Services	646	646	10	0	656
Natural Resources	1,341	1,352	2	0	1,354
Agriculture	412	412	0	0	412
Labor, Licensing, and Regulation	1,378	1,355	0	0	1,355
MSDE and Other Education	1,976	1,965	20	-3	1,982
Housing and Community Development	331	331	2	0	333

<u>Department/Service Area</u>	<u>2021 Working Appropriation</u>	<u>2022 Allowance</u>	<u>Supplemental Budget</u>	<u>Legislative Changes</u>	<u>2022 Legislative Appropriation</u>
Commerce	188	188	0	0	188
Environment	883	880	0	0	880
<i>Subtotal</i>	<i>13,002</i>	<i>12,967</i>	<i>35</i>	<i>-3</i>	<i>12,999</i>
Executive Branch Subtotal	48,601	48,106	49	-3	48,152
Higher Education	27,089	27,092	0	0	27,092
Judiciary	4,068	4,068	0	0	4,068
Legislature	767	767	0	5	772
Total	80,524	80,033	49	2	80,084

DoIT: Department of Information Technology
MSDE: Maryland State Department of Education

*The fiscal 2022 allowance for Department of Public Safety and Correctional Services has been adjusted to reflect 350 vacant positions abolished in language in the budget bill as introduced.

Source: Department of Budget and Management; Department of Legislative Services

Legislative Priorities

Through its own actions, the General Assembly expressed its spending priorities by restoring \$616.0 million in funding reductions proposed by the Administration and restricting an additional \$4.9 million for specific purposes. **Exhibit A-1.18** details the specific restrictions and restorations.

Recognizing the unique opportunity the availability of \$3.9 billion of flexible federal resources from the American Rescue Plan Act presented, the legislature worked with the Administration on the best uses of the funds. The agreement was formalized in Supplemental Budget No. 5 which added \$1.6 billion to the budget for various legislative priorities and for fund swaps that allowed the State to save general funds, Blueprint Funds, Temporary Assistance for Needy Families block grant dollars, and Strategic Energy Investment Funds for the future. The fiscal 2022 budget assumes the Administration will implement another \$556 million of fund swaps that will generate additional State savings. The remaining \$1.7 billion of flexible federal stimulus funds are reserved, pending federal guidance on the allowable uses, for transportation projects, stabilizing the UI Trust Fund, and offsetting any penalties applied against the State for tax reductions that became law after March 3, 2021. **Exhibit A-1.19** details the uses of the flexible American Rescue Plan Act dollars.

Exhibit A-1.18
Legislative Budget Priorities
(\$ in Millions)

Administration General Fund Reductions Restored by General Assembly

Restore Appropriation to Rainy Day Fund Bringing Balance to 6.8% of General Fund Revenues	\$422.0
Restore Funds to Address Unfunded Liabilities for Retirement System and Retiree Health Benefits	50.0
Restore Program Open Space Repayment	43.9
No Increase in Medicaid Deficit Assessment on Hospital Charges	35.0
Restore Full Funding of Formula Aid for Independent Colleges and Universities	29.8
Restore Full Funding for Community College Aid Formula	26.6
No Increase to Local Share of Department of Assessments and Taxation Costs	3.9
Fully Fund Arts Council	2.9
Fully Fund Mandated Increase for Maryland Public Television	0.8
Restore Funds for Attorney General's Consumer Protection Unit	0.7
Fully Fund Increase to Annapolis PILOT Payment	0.4
Total Administration Reductions Restored	\$616.0

General Funds Restricted (Fenced) for Legislative Purposes

Deep Creek Lake Pilot Dredging Project	\$2.2
Baltimore Symphony Orchestra	1.5
Grant to Chesapeake Bay Foundation for Educational Programming	0.5
Reduce Waitlists for Services at Area Agencies on Aging	0.3
Nonprofit Micro Bridge Loans	0.2
Boys and Girls Clubs of Southern Maryland	0.1
Grant to Montgomery County Agricultural Center Inc. to Pay Stormwater Fees	0.1
Center for Infant and Child Loss at University of Maryland, Baltimore Campus	0.1
Total Funds Restricted	\$4.9

Source: Department of Legislative Services

Exhibit A-1.19
Use of Flexible Funds Available to State from American Rescue Plan Act
(\$ in Millions)

Legislative Initiatives Funded in Supplemental Budget No. 5

Broadband Accessibility	\$300
Extend Response Pay for Essential State Workers from September 2020 to December 2021	100
School HVAC/Ventilation	80
Employment Training/Apprenticeships	75
Extend Enhanced Temporary Cash Assistance & Temporary Disability Benefits through Calendar 2021	46
Blueprint Spending in Fiscal 2023 to Address Learning Loss	46
Temporary Nursing Home Rate Increase	26
Fund Costs of HB 606 – Assistance with Utility Bills for Households of Modest Means	20
Expand Telework for State Employees	10
Additional Funds for \$1,000 Payments to UI Applicants with Suspended Cases	8
Home Detention for Early Release	5
Private Sector Telework	5
Other	5
Fund Swaps to Preserve Resources for Future	
General Funds	\$840
Blueprint Funds	435
Temporary Assistance for Needy Families Block Grant	140
Strategic Energy Investment Fund	30
Additional Planned Uses Pending Federal Guidance (not included in budget)	
Transportation Priorities and Unemployment Insurance Trust Fund	\$1,600
Reserved for Potential Penalty for Reducing State Taxes After March 3, 2021	133
Total	\$3,899

Source: Department of Legislative Services

By the Numbers

A number of exhibits summarize legislative budget action, as described below.

Exhibit A-1.20, the fiscal note on the budget bill depicts the Governor's allowance, funding changes made through the five supplemental budgets, legislative reductions, and final appropriations for fiscal 2021 and 2022 by fund source. The Governor's original request provided for \$50.0 billion in fiscal 2022 expenditures and \$2.7 billion in fiscal 2021 deficiencies.

Supplemental budgets provided a net of \$6.3 billion in additional spending across fiscal 2021 and 2022, of which \$5.4 billion was federal funds. This increase was offset by modest actions taken in the operating budget and BRFA of 2021 to reduce spending in fiscal 2021 by \$336.7 million and nearly \$140.5 million in fiscal 2022. When all actions are considered, the fiscal 2021 appropriation of \$54.7 billion reflects an increase of \$4.4 billion, or 8.6%, over the \$50.4 billion working appropriation provided in the Governor's allowance. The fiscal 2022 legislative appropriation grows by \$2.4 billion, or 4.8%, compared to the budget as introduced, yet reflects a \$2.3 billion decrease from the adjusted fiscal 2021 working appropriation. **Exhibit A-1.21** provides detail for the budget changes by major expenditure category by fund.

Exhibit A-1.20
Fiscal Note – Summary of the Fiscal 2022 Budget Bill - *House Bill 588*

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>
Governor’s Allowance					
Fiscal 2021 Budget	\$18,757,431,610	\$9,878,674,459	\$17,033,043,572	\$4,720,166,433	\$50,389,316,074
Fiscal 2022 Budget	20,790,269,812 ⁽²⁾	9,182,958,136 ⁽³⁾	15,383,111,598	4,670,789,010	50,027,128,556
Supplemental Budget No. 1					
Fiscal 2021 Deficiencies	\$10,088,425	\$45,000,000	\$1,411,858,219	\$0	\$1,466,946,644
Fiscal 2022 Budget	0	105,000,000	19,393,094		124,393,094
Subtotal	\$10,088,425	\$150,000,000	\$1,431,251,313	\$0	\$1,591,339,738
Supplemental Budget No. 2					
Fiscal 2021 Deficiencies	-\$117,352,950	\$35,482	\$507,066,704	\$0	\$389,749,236
Fiscal 2022 Budget	52,031,942	1,473,144	365,701,955	0	419,207,041
Subtotal	-\$65,321,008	\$1,508,626	\$872,768,659	\$0	\$808,956,277
Supplemental Budget No. 3					
Fiscal 2021 Deficiencies	\$54,444,308	\$12,642,930	\$7,038,172	\$0	\$74,125,410
Subtotal	\$54,444,308	\$12,642,930	\$7,038,172	\$0	\$74,125,410
Supplemental Budget No. 4					
Fiscal 2021 Deficiencies	\$3,079,652	\$10,700,000	\$337,236,270	\$138,185,749	\$489,201,671
Fiscal 2022 Budget	45,736,566	248,300,000	154,140,536	88,610,020	\$536,787,122
Subtotal	\$48,816,218	\$259,000,000	\$491,376,806	\$226,795,769	\$1,025,988,793
Supplemental Budget No. 5					
Fiscal 2021 Deficiencies	\$303,504,357 ⁽⁴⁾	-\$38,190,104 ⁽⁴⁾	\$1,487,839,811	\$0	\$1,753,154,064
Fiscal 2022 Budget	521,886,740	-191,076,259	1,145,651,443	31,984	1,476,493,908
Subtotal	\$825,391,097	-\$229,266,363	\$2,633,491,254	\$31,984	\$3,229,647,972

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>
Budget Reconciliation and Financing Act of 2021					
Fiscal 2021 Deficiencies	-\$224,869,550	\$0	\$0	\$0	-\$224,869,550
Fiscal 2022 Contingent Reductions	-105,294,000	62,500,000 ⁽⁵⁾	-4,156,408	0	-46,950,408
Subtotal	-\$330,163,550	\$62,500,000	-\$4,156,408	\$0	-\$271,819,958
Chapter 39 of 2021 (RELIEF Act)					
Fiscal 2021 Budget	\$177,800,000	\$336,000,000	\$0	\$0	513,800,000
Subtotal	\$177,800,000	\$336,000,000	\$0	\$0	\$513,800,000
House Bill 940 of 2021 (Sports Gambling)					
Fiscal 2022 Budget		\$14,300,000			\$14,300,000
Subtotal		\$14,300,000			\$14,300,000
Legislative Reductions					
Fiscal 2021 Deficiencies	-\$114,093,103	-\$35,000,000	\$37,300,000 ⁽⁶⁾	\$0	-\$111,793,103
Fiscal 2022 Budget	-408,005,983	69,988 ⁽⁶⁾	314,400,000 ⁽⁶⁾	0	-93,535,995
Total Reductions	-\$522,099,086	-\$34,930,012	\$351,700,000	\$0	-\$205,329,098
Appropriations					
Fiscal 2021 Budget	\$18,850,032,749	\$10,209,862,767	\$20,821,382,748	\$4,858,352,182	\$54,739,630,446
Fiscal 2022 Budget	20,896,625,077	9,423,525,009	17,378,242,218	4,759,431,014	52,457,823,318
Change	\$2,046,592,328	-\$786,337,758	-\$3,443,140,530	-\$98,921,168	-\$2,281,807,128

⁽¹⁾ Reflects \$2.7 billion in proposed deficiencies, including the withdrawal of \$274.1 million in general funds and the addition of \$157.2 million in special funds, \$2.8 billion in federal funds, \$1.0 million in current unrestricted funds, and \$21 million in current restricted funds. Assumes \$35.0 million in unspecified general fund reversions and includes \$28.4 million in targeted general fund reversions, \$0.7 million in targeted special fund reversions, and \$173.4 million in targeted general fund salary reversions replaced with the Coronavirus Aid, Relief, and Economic Security Act funding. Excludes \$70.3 million in special funds that double counts general fund (\$40.0 million) and special fund (\$30.3 million) spending.

⁽²⁾ Assumes \$35.0 million in unspecified general fund reversions.

⁽³⁾ Assumes \$177.8 million in RELIEF Act general fund support is replaced with federal funds, \$177.8 million in withdrawn special funds is not reflected as those funds are not included in the fiscal 2021 budget, and \$210.4 million in general fund contingent reductions are backfilled by special funds.

⁽⁴⁾ Excludes \$10.0 million that double counts general fund spending.

⁽⁵⁾ Assumes \$103.5 million in special funds to backfill for general fund reductions.

⁽⁶⁾ Assumes \$2.4 million in special funds and \$354.7 million in federal funds (\$37.3 million in fiscal 2021, \$317.4 million in fiscal 2022) to backfill for general fund reductions.

Source: Department of Legislative Services

Exhibit A-1.21
State Expenditures – General Funds
Fiscal 2020 – 2022
(\$ in Millions)

<u>Category</u>	<u>Actual 2020</u>	<u>Working Appropriation 2021</u>	<u>Legislative Appropriation 2021</u>	<u>\$ Change 2021 to 2022</u>	<u>% Change</u>
Debt Service	\$287.0	\$131.0	\$260.0	\$129.0	98.5%
County/Municipal	296.2	314.4	311.2	-3.1	-1.0%
Community Colleges	330.3	330.8	371.5	40.7	12.3%
Education/Libraries	6,403.2	6,617.0	6,590.7	-26.3	-0.4%
Health	41.8	34.4	52.3	17.9	52.1%
<i>Aid to Local Governments</i>	<i>\$7,071.5</i>	<i>\$7,296.6</i>	<i>\$7,325.8</i>	<i>\$29.1</i>	<i>0.4%</i>
Foster Care Payments	\$202.3	\$206.2	\$210.2	\$4.0	1.9%
Assistance Payments	43.3	127.7	103.0	-24.7	-19.3%
Medical Assistance	3,483.5	3,118.5	4,038.4	919.9	29.5%
Property Tax Credits	88.4	96.3	93.7	-2.6	-2.7%
<i>Entitlements</i>	<i>\$3,817.4</i>	<i>\$3,548.8</i>	<i>\$4,445.4</i>	<i>\$896.6</i>	<i>25.3%</i>
Health	\$1,590.1	\$1,948.5	\$1,700.4	-\$248.0	-12.7%
Human Services	367.9	370.4	395.3	24.9	6.7%
Juvenile Services	259.6	246.2	253.6	7.4	3.0%
Public Safety/Police	1,496.8	1,442.3	1,571.5	129.2	9.0%
Higher Education	1,577.9	1,577.2	1,588.7	11.5	0.7%
Other Education	467.2	491.6	538.1	46.5	9.5%
Agriculture/Natural Res./Environment	134.4	131.4	157.8	26.4	20.1%
Other Executive Agencies	800.6	877.6	871.4	-6.3	-0.7%

<u>Category</u>	<u>Actual 2020</u>	<u>Working Appropriation 2021</u>	<u>Legislative Appropriation 2021</u>	<u>\$ Change 2021 to 2022</u>	<u>% Change</u>
Judiciary	536.3	558.6	586.5	27.9	5.0%
Legislative	97.6	104.2	106.2	2.0	1.9%
State Agencies	\$7,328.3	\$7,747.9	\$7,769.4	\$21.5	0.3%
Total Operating	\$18,504.2	\$18,724.3	\$19,800.5	\$1,076.2	5.7%
Capital ⁽¹⁾	52.1	68.2	461.4	393.3	576.9%
Subtotal	\$18,556.3	\$18,792.5	\$20,262.0	\$1,469.5	7.8%
Reserve Funds	405.2	114.0	669.6	555.6	487.4%
Appropriations	\$18,961.5	\$18,906.5	\$20,931.6	\$2,025.1	10.7%
Reversions	0.0	-56.5	-35.0	21.5	-38.0%
Grand Total	\$18,961.5	\$18,850.0	\$20,896.6	\$2,046.6	10.9%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2021 working appropriation reflects \$43.4 million in deficiencies, \$28.4 million in targeted reversions, \$173.4 million in reductions to be replaced with federal funds, and \$224.9 million in reductions contingent on the Budget Reconciliation and Financing Act of 2021 (BRFA). The fiscal 2022 legislative appropriation includes \$105.3 million in reductions contingent on the BRFA.

Source: Department of Legislative Services

Exhibit A-1.21 (Continued)
State Expenditures – Special and Higher Education Funds*
Fiscal 2020 – 2022
(\$ in Millions)

<u>Category</u>	<u>Actual 2020</u>	<u>Working Appropriation 2021</u>	<u>Legislative Appropriation 2022</u>	<u>\$ Change 2021 to 2022</u>	<u>% Change</u>
Debt Service	\$1,381.4	\$1,618.9	\$1,574.3	-\$44.6	-2.8%
County/Municipal	366.3	432.6	448.1	15.5	3.6%
Community Colleges	0.0	8.8	0.0	-8.8	-100.0%
Education/Libraries	682.0	500.4	805.3	304.9	60.9%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$1,048.3</i>	<i>\$941.8</i>	<i>\$1,253.4</i>	<i>\$311.6</i>	<i>33.1%</i>
Foster Care Payments	\$2.8	\$3.3	\$2.8	-\$0.5	-14.7%
Assistance Payments	14.3	33.4	14.1	-19.3	-57.8%
Medical Assistance	979.3	1,025.6	833.7	-191.9	-18.7%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$996.4</i>	<i>\$1,062.3</i>	<i>\$850.6</i>	<i>-\$211.7</i>	<i>-19.9%</i>
Health	\$423.0	\$675.1	\$466.6	-\$208.5	-30.9%
Human Services	81.6	87.2	94.9	7.7	8.8%
Juvenile Services	2.8	3.3	3.4	0.1	2.6%
Public Safety/Police	246.2	285.0	325.4	40.4	14.2%
Higher Education	4,627.3	4,976.5	4,857.9	-118.6	-2.4%
Other Education	72.9	80.9	94.1	13.2	16.3%
Transportation	1,712.5	1,970.2	2,013.9	43.6	2.2%

<u>Category</u>	<u>Actual 2020</u>	<u>Working Appropriation 2021</u>	<u>Legislative Appropriation 2022</u>	<u>\$ Change 2021 to 2022</u>	<u>% Change</u>
Agriculture/Natural Res./Environment	276.2	304.0	282.1	-22.0	-7.2%
Other Executive Agencies	616.2	1,266.6	823.9	-442.7	-35.0%
Judiciary	53.7	72.7	67.6	-5.1	-7.0%
Legislative	0.0	0.0	0.0	0.0	n/a
State Agencies	\$8,112.4	\$9,721.6	\$9,029.7	-\$691.9	-7.1%
Total Operating	\$11,538.4	\$13,344.6	\$12,708.0	-\$636.6	-4.8%
Prior Year Deficiencies	0.0	144.6	0.0	-144.6	-100.0%
Capital	\$2,016.4	\$1,579.0	\$1,474.9	-\$104.1	-6.6%
Transportation	1,583.7	1,131.7	982.3	-149.4	-13.2%
Environment	177.7	216.4	259.8	43.4	20.1%
Other	254.9	230.9	232.8	1.9	0.8%
Grand Total	\$13,554.8	\$15,068.2	\$14,183.0	-\$885.3	-5.9%

* Includes higher education fund (current unrestricted and current restricted) net of general and special funds.

Note: The fiscal 2021 working appropriation reflects \$80.2 million of deficiencies, \$0.7 million in targeted reversions, \$210.4 million in additional spending due to fund swaps, and \$336 million in spending authorized by budget amendment pursuant to Chapter 39 of 2021 (the RELIEF Act). It excludes \$40 million that double counts general fund spending and \$30.3 million that double counts other special fund spending. The fiscal 2022 legislative appropriation excludes \$10 million that double counts general fund spending and reflects \$41.0 million in reductions contingent on the Budget Reconciliation and Financing Act of 2021 offset by \$105.9 million of additional special fund spending due to funding swaps. It also includes a supplementary appropriation of \$14.3 million from HB 940 of 2021.

Source: Department of Legislative Services

Exhibit A-1.21 (Continued)
State Expenditures – Federal Funds
Fiscal 2020 – 2022
(\$ in Millions)

<u>Category</u>	<u>Actual 2020</u>	<u>Working Appropriation 2021</u>	<u>Legislative Appropriation 2022</u>	<u>\$ Change 2021 to 2022</u>	<u>% Change</u>
Debt Service	\$10.4	\$11.0	\$11.0	\$0.0	0.0%
County/Municipal	82.3	74.7	74.7	0.0	0.0%
Community Colleges	0.0	7.4	0.0	-7.4	-100.0%
Education/Libraries	1,086.2	2,027.1	1,178.3	-848.7	-41.9%
Health	0.0	0.0	13.5	13.5	n/a
<i>Aid to Local Governments</i>	<i>\$1,168.5</i>	<i>\$2,109.2</i>	<i>\$1,266.5</i>	<i>-\$842.6</i>	<i>-40.0%</i>
Foster Care Payments	\$84.5	\$78.5	\$86.6	\$8.0	10.2%
Assistance Payments	1,336.5	2,584.4	1,368.9	-1,215.5	-47.0%
Medical Assistance	7,155.0	8,350.6	8,372.0	21.5	0.3%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$8,576.0</i>	<i>\$11,013.5</i>	<i>\$9,827.5</i>	<i>-\$1,186.1</i>	<i>-10.8%</i>
Health	\$1,750.3	\$2,629.3	\$2,067.7	-\$561.5	-21.4%
Human Services	601.4	655.2	603.2	-52.0	-7.9%
Juvenile Services	3.1	4.4	5.5	1.2	26.7%
Public Safety/Police	37.4	34.2	36.3	2.2	6.4%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	379.7	472.8	349.8	-123.0	-26.0%
Transportation	430.3	227.7	227.4	-0.3	-0.1%

<u>Category</u>	<u>Actual 2020</u>	<u>Working Appropriation 2021</u>	<u>Legislative Appropriation 2022</u>	<u>\$ Change 2021 to 2022</u>	<u>% Change</u>
Agriculture/Natural Res./Environment	64.4	82.0	73.3	-8.7	-10.6%
Other Executive Agencies	794.0	2,223.4	1,238.4	-984.9	-44.3%
Judiciary	0.4	1.0	0.3	-0.7	-68.5%
State Agencies	\$4,060.9	\$6,329.8	\$4,602.1	-\$1,727.8	-27.3%
Total Operating	\$13,815.9	\$19,463.6	\$15,707.1	-\$3,756.5	-19.3%
Capital	1,143.7	1,357.8	1,353.3	-4.5	-0.3%
Transportation	971.2	1,233.3	1,217.5	-15.9	-1.3%
Environment	106.0	53.1	53.2	0.0	0.0%
Other	66.4	71.3	82.7	11.4	15.9%
Subtotal		\$20,821.4	\$17,060.4	-\$3,761.0	-18.1%
Reserve Funds		0.0	317.8	317.8	n/a
Grand Total	\$14,959.6	\$20,821.4	\$17,378.2	-\$3,443.1	-16.5%

Note: The fiscal 2021 working appropriation includes \$6.5 billion in deficiencies and \$37.3 million in additional federal fund spending due to funding swaps. The fiscal 2022 legislative appropriation reflects \$7.2 million in reductions of which \$4.2 million is contingent on the Budget Reconciliation and Financing Act of 2021 offset by \$317.4 million in additional federal fund spending due to funding swaps.

Source: Department of Legislative Services

Exhibit A-1.21 (Continued)
State Expenditures – State Funds
Fiscal 2020 – 2022
(\$ in Millions)

<u>Category</u>	<u>Actual 2020</u>	<u>Working Appropriation 2021</u>	<u>Legislative Appropriation 2021</u>	<u>\$ Change 2021 to 2022</u>	<u>% Change</u>
Debt Service	\$1,668.4	\$1,749.9	\$1,834.3	\$84.4	4.8%
County/Municipal	662.5	747.0	759.3	12.3	1.7%
Community Colleges	330.3	339.6	371.5	31.9	9.4%
Education/Libraries	7,085.1	7,117.5	7,396.0	278.5	3.9%
Health	41.8	34.4	52.3	17.9	52.1%
<i>Aid to Local Governments</i>	<i>\$8,119.8</i>	<i>\$8,238.5</i>	<i>\$8,579.2</i>	<i>\$340.7</i>	<i>4.1%</i>
Foster Care Payments	\$205.1	\$209.5	\$213.0	\$3.5	1.7%
Assistance Payments	57.5	161.1	117.1	-44.0	-27.3%
Medical Assistance	4,462.8	4,144.1	4,872.2	728.0	17.6%
Property Tax Credits	88.4	96.3	93.7	-2.6	-2.7%
<i>Entitlements</i>	<i>\$4,813.8</i>	<i>\$4,611.1</i>	<i>\$5,296.0</i>	<i>\$684.9</i>	<i>14.9%</i>
Health	\$2,013.1	\$2,623.6	\$2,167.1	-\$456.6	-17.4%
Human Services	449.4	457.6	490.2	32.6	7.1%
Juvenile Services	262.3	249.5	256.9	7.5	3.0%
Public Safety/Police	1,743.0	1,727.2	1,896.8	169.6	9.8%
Higher Education	6,205.1	6,553.7	6,446.6	-107.1	-1.6%
Other Education	540.1	572.5	632.2	59.7	10.4%
Transportation	1,712.5	1,970.2	2,013.9	43.6	2.2%
Agriculture/Natural Res./Environment	410.7	435.4	439.9	4.4	1.0%

<u>Category</u>	<u>Actual 2020</u>	<u>Working Appropriation 2021</u>	<u>Legislative Appropriation 2021</u>	<u>\$ Change 2021 to 2022</u>	<u>% Change</u>
Other Executive Agencies	1,416.8	2,144.2	1,695.3	-449.0	-20.9%
Judiciary	589.9	631.3	654.1	22.8	3.6%
Legislative	97.6	104.2	106.2	2.0	1.9%
State Agencies	\$15,440.7	\$17,469.5	\$16,799.1	-\$670.4	-3.8%
Total Operating	\$30,042.6	\$32,068.9	\$32,508.6	\$439.6	1.4%
Prior Year Deficiencies	0.0	144.6	0.0	-144.6	-100.0%
Capital ⁽¹⁾	2,068.5	1,647.2	1,936.4	289.2	17.6%
Transportation	1,583.7	1,131.7	982.3	-149.4	-13.2%
Environment	178.0	216.6	260.5	43.9	20.3%
Other	306.8	298.9	693.5	394.6	132.0%
Subtotal	\$32,111.1	\$33,860.7	\$34,444.9	\$584.2	1.7%
Reserve Funds	405.2	114.0	669.6	555.6	487.4%
Appropriations	\$32,516.3	\$33,974.7	\$35,114.6	\$1,139.9	3.4%
Reversions	0.0	-56.5	-35.0	21.5	-38.0%
Grand Total	\$32,516.3	\$33,918.2	\$35,079.6	\$1,161.3	3.4%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2021 appropriation reflects \$123.6 million in deficiencies, \$224.9 million in reductions contingent on the Budget Reconciliation and Financing Act of 2021 (BRFA), \$29.2 million in targeted reversions, \$173.4 million in general fund reductions to be replaced with federal funds, \$210.4 million in additional special fund spending due to funding swaps, and \$336.0 million in spending authorized by budget amendment pursuant to Chapter 39 of 2021 (the RELIEF Act). It excludes \$70.3 million that double counts other spending. The fiscal 2022 legislative appropriation excludes \$10 million that double counts other spending and reflects \$146.3 million in reductions contingent on the BRFA offset by \$105.9 million of additional special fund spending due to funding swaps. It also includes a supplementary appropriation of \$14.3 million from HB 940 of 2021.

Source: Department of Legislative Services

Exhibit A-1.21 (Continued)
State Expenditures – All Funds
Fiscal 2020 – 2022
(\$ in Millions)

<u>Category</u>	<u>Actual 2020</u>	<u>Working Appropriation 2021</u>	<u>Legislative Appropriation 2022</u>	<u>\$ Change 2021 to 2022</u>	<u>% Change</u>
Debt Service	\$1,678.7	\$1,760.9	\$1,845.3	\$84.4	4.8%
County/Municipal	744.8	821.7	834.1	12.3	1.5%
Community Colleges	330.3	347.0	\$371.5	24.5	7.1%
Education/Libraries	8,171.4	9,144.5	\$8,574.3	-570.2	-6.2%
Health	41.8	34.4	\$65.8	31.4	91.3%
<i>Aid to Local Governments</i>	<i>\$9,288.3</i>	<i>\$10,347.6</i>	<i>\$9,845.7</i>	<i>-\$501.9</i>	<i>-4.9%</i>
Foster Care Payments	\$289.7	\$288.0	\$299.6	\$11.5	4.0%
Assistance Payments	1,394.1	2,745.5	\$1,486.0	-1,259.5	-45.9%
Medical Assistance	11,617.8	12,494.7	\$13,244.2	749.5	6.0%
Property Tax Credits	88.4	96.3	\$93.7	-2.6	-2.7%
<i>Entitlements</i>	<i>\$13,389.8</i>	<i>\$15,624.6</i>	<i>\$15,123.5</i>	<i>-\$501.1</i>	<i>-3.2%</i>
Health	\$3,763.4	\$5,252.9	\$4,234.8	-\$1,018.1	-19.4%
Human Services	1,050.8	1,112.8	\$1,093.4	-19.4	-1.7%
Juvenile Services	265.5	253.8	\$262.5	8.6	3.4%
Public Safety/Police	1,780.4	1,761.4	\$1,933.2	171.8	9.8%
Higher Education	6,205.1	6,553.7	\$6,446.6	-107.1	-1.6%
Other Education	919.8	1,045.3	\$982.0	-63.3	-6.1%
Transportation	2,142.8	2,197.9	\$2,241.3	43.3	2.0%
Agriculture/Natural Res./Environment	475.1	517.4	\$513.2	-4.3	-0.8%
Other Executive Agencies	2,210.8	4,367.6	\$2,933.7	-1,433.9	-32.8%

<u>Category</u>	<u>Actual 2020</u>	<u>Working Appropriation 2021</u>	<u>Legislative Appropriation 2022</u>	<u>\$ Change 2021 to 2022</u>	<u>% Change</u>
Judiciary	590.3	632.3	\$654.4	22.1	3.5%
Legislative	97.6	104.2	\$106.2	2.0	1.9%
State Agencies	\$19,501.6	\$23,799.3	\$21,401.2	-\$2,398.2	-10.1%
Total Operating	\$43,858.5	\$51,532.5	\$48,215.7	-\$3,316.8	-6.4%
Prior Year Deficiencies	0.0	144.6	0.0	-144.6	-100.0%
Capital ⁽¹⁾	3,212.2	3,005.0	3,289.7	284.7	9.5%
Transportation	2,554.9	2,365.0	\$2,208.5	-156.6	-6.6%
Environment	284.0	264.1	\$313.7	49.6	18.8%
Other	373.2	375.9	\$767.5	391.6	104.2%
Subtotal	\$47,070.7	\$54,682.1	\$51,505.4	-\$3,176.7	-5.8%
Reserve Funds	405.2	114.0	987.5	873.5	766.2%
Appropriations	\$47,475.8	\$54,796.1	\$52,492.8	-\$2,303.3	-4.2%
Reversions	0.0	-56.5	-35.0	21.5	-38.0%
Grand Total	\$47,475.8	\$54,739.6	\$52,457.8	-\$2,281.8	-4.2%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2021 appropriation reflects \$6.7 billion in deficiencies, \$224.9 million in reductions contingent on the Budget Reconciliation and Financing Act of 2021 (BRFA), \$29.2 million in targeted reversions, \$173.4 million in general fund reductions to be replaced with federal funds, \$247.7 million in additional special and federal fund spending due to funding swaps, and \$336.0 million in spending authorized by budget amendment pursuant to Chapter 39 of 2021 (the RELIEF Act). It excludes \$70.3 million that double counts other spending. The fiscal 2022 legislative appropriation excludes \$10 million that double counts other spending and reflects \$150.5 million in reductions contingent on the BRFA offset by \$423.3 million of additional special and federal fund spending due to funding swaps. It also includes a supplementary appropriation of \$14.3 million from HB 940 of 2021.

Source: Department of Legislative Services

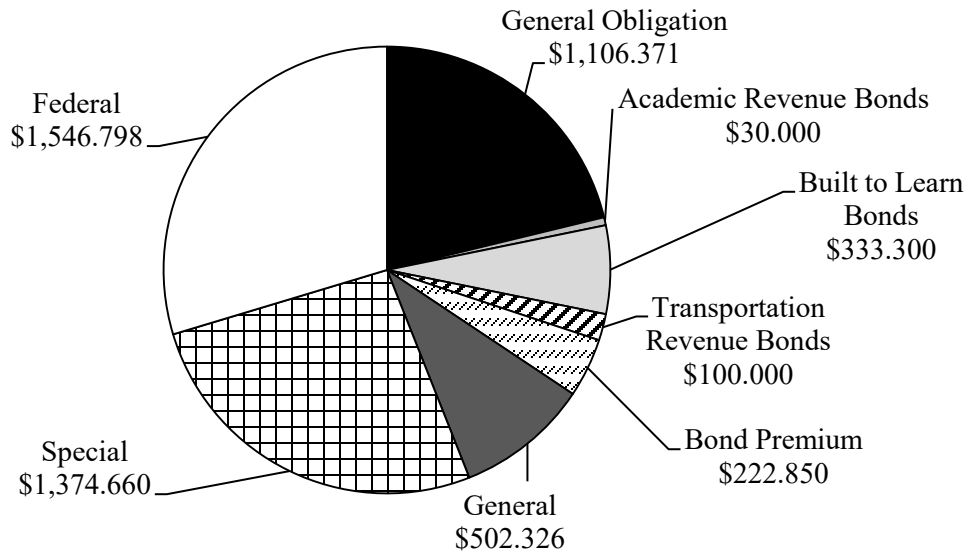
Capital Budget

The General Assembly passed a fiscal 2022 capital program totaling \$5.216 billion, including \$2.274 billion for the transportation program through the *Consolidated Transportation Program* (CTP). Apart from the CTP, the program totals \$2.945 billion: \$1.106 billion is funded with general obligation (GO) bonds authorized in *House Bill 590 (enacted)*, the Maryland Consolidated Capital Bond Loan (MCCBL) of 2021; \$1.25 billion is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$222.9 million is funded with attained and estimated bond premium proceeds; \$333.3 million for school construction projects is funded with revenue bonds through the Built to Learn program; and \$30.0 million is funded with Academic Revenue Bonds (ARB) for University System of Maryland (USM) facilities authorized in *House Bill 1341 (Ch. 111)*. The budget also includes \$34.0 million for fiscal 2021 deficiency appropriations using attained bond premium proceeds available in the Annuity Bond Fund.

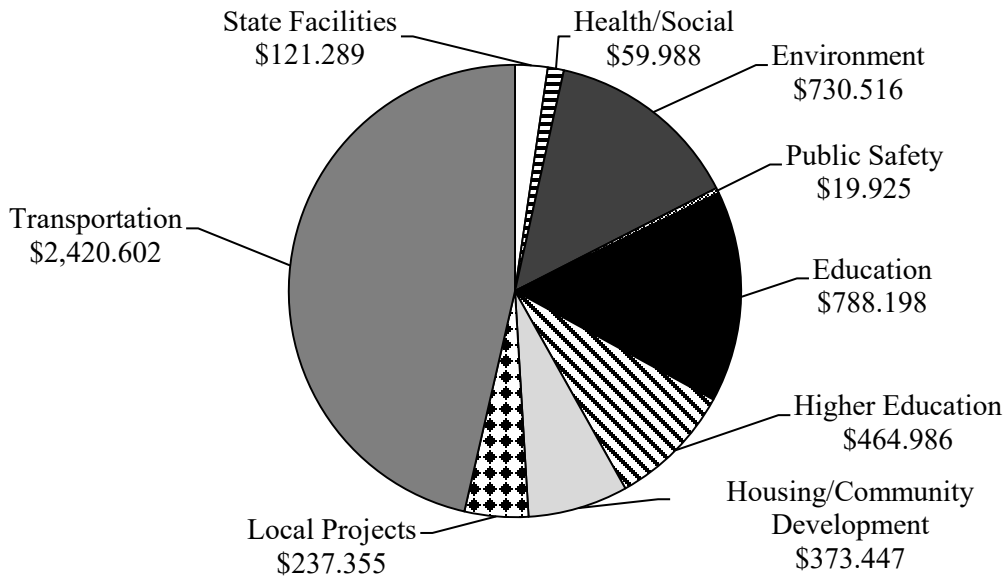
Exhibit A-2.1 provides a summary of the capital program by uses and sources, **Exhibit A-2.2** provides a detailed list of capital projects and programs by function and fund source, and **Exhibit A-2.3** provides the individual legislative bond initiative projects funded in the MCCBL of 2021.

**Exhibit A-2.1
Fiscal 2022 Capital Program Sources and Uses
(\$ in Millions)**

Sources



Uses



Source: Department of Legislative Services

Exhibit A-2.2
Capital Program for the 2021 Session

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>			<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Bond Premium</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
DA0201A	State Facilities MDOD: Accessibility Modifications	\$1,825,000	\$0	\$0	\$0	\$0	\$0	\$1,825,000
DA03	MSA: Department of Legislative Services Building	28,650,000	11,350,000	0	0	0	0	40,000,000 ¹
DB01A	HSMCC: Maryland Heritage Interpretive Center	4,792,000	0	0	0	0	0	4,792,000
DE0201A	BPW: Construction Contingency Fund	2,500,000	0	0	0	0	0	2,500,000
DE0201C	BPW: Fuel Storage Tank Replacement Program	1,000,000	0	0	0	0	0	1,000,000
DE0201D	BPW: State House Exterior and Grounds Restoration	2,750,000	0	0	0	0	0	2,750,000
DE0201F	BPW: Courts of Appeal Building	2,836,000	0	0	0	0	0	2,836,000
DE0201G	BPW: State House Portraits	300,000	0	0	0	0	0	300,000
DE0602S4	BPW: Bard Building Demolition	0	0	0	7,400,000	0	0	7,400,000
D06E02	DGS Facilities Renewal	0	0	0	30,283,000	0	0	30,283,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
D06E02	Washington County District Court Addition	0	0	0	5,275,000	0	0	5,275,000
D06E02	Building Demolition Brooklandville Property	0	0	0	1,500,000	0	0	1,500,000
D06E02	Facilities Renewal 45 Calvert St. Annapolis	0	0	0	2,500,000	0	0	2,500,000
D06E02	Facilities Renewal Hagerstown District Court	0	0	0	1,300,000	0	0	1,300,000
D06E02	Facilities Renewal 16 Francis St. Annapolis	0	0	0	2,000,000	0	0	2,000,000
D06E02	Facilities Renewal Hyattsville District Court	0	0	0	1,500,000	0	0	1,500,000
D06E02	Facilities Renewal 2100 Guilford Ave. Baltimore City	0	0	0	3,200,000	0	0	3,200,000
DH0104A	MD: Havre de Grace Combined Support Maintenance Shop Automotive and Surface Equipment Facility	5,028,000	0	0	0	0	0	5,028,000
FB04A	DoIT: Public Safety Communications System	5,300,000	0	0	0	0	0	5,300,000
	Subtotal	\$54,981,000	\$11,350,000	\$0	\$54,958,000	\$0	\$0	\$ 121,289,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
DA0701A	Health/Social MDOA: Senior Centers Capital Grant Program	\$1,105,000	\$0	\$0	\$0	\$0	\$0	\$1,105,000
D06E02	MDH: Decommissioned Buildings Demolition	0	0	0	1,300,000	0	0	1,300,000
MA01A	MDH: Community Health Facilities Grant Program	6,500,000	0	0	0	0	0	6,500,000
MA01B	MDH: Federally Qualified Health Centers Grant Program	2,500,000	0	0	0	0	0	2,500,000
ML10A	MDH: Clifton T. Perkins Hospital North Wing Renovation	106,000	0	0	0	0	0	106,000
D06E02	UMMS: Comprehensive Cancer Center	0	0	0	12,000,000	0	0	12,000,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Center Phase III	2,500,000	0	0	0	0	0	2,500,000
VE01A	DJS: Baltimore City Juvenile Justice Center Education Expansion	2,550,000	0	0	0	0	0	2,550,000
VE01B	DJS: New Female Detention Center	23,427,000	0	0	0	0	0	23,427,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00AF	MISC: MedStar Franklin Square Hospital – New Surgical Tower	2,000,000	0	0	0	0	0	2,000,000
ZA01A	MHA: Anne Arundel Medical Center	336,000	0	0	0	0	0	336,000
ZA01B	MISC: Carroll Hospital Center	756,000	0	0	0	0	0	756,000
ZA01C	MHA: Doctors Community Hospital	54,000	0	0	0	0	0	54,000
ZA01D	MHA: Holy Cross Health	1,092,000	0	0	0	0	0	1,092,000
ZA01E	MHA: Kennedy Krieger Children’s Hospital	1,000,000	0	0	0	0	0	1,000,000
ZA01F	MHA: MedStar Southern Maryland Hospital	840,000	0	0	0	0	0	840,000
ZA01G	MHA: Sheppard Pratt Health System	952,000	0	0	0	0	0	952,000
ZA01H	MHA: University of Maryland St. Joseph Medical Center	970,000	0	0	0	0	0	970,000
	Subtotal	\$46,688,000	\$0	\$0	\$13,300,000	\$0	\$0	\$59,988,000
	Environment							
DH0106A	MD: Resilient Maryland Revolving Loan Fund	\$25,000,000	\$0	\$0	\$0	\$0	\$0	\$25,000,000 ²

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
KA0510B	DNR: Critical Maintenance Program	0	0	0	21,930,475	1,175,000	0	23,105,475 ³
KA0510D	DNR: Program Open Space – Local	0	0	0	4,673,685	48,701,423	0	53,375,108 ³
KA05A	DNR: Community Parks and Playgrounds Program	2,500,000	0	0	2,500,000	0	0	5,000,000
KA05B	DNR: Natural Resources Development Fund	751,000	0	0	2,102,847	9,696,000	0	12,549,847 ³
D06E02	DNR: Natural Resources Development Fund Bridge and Dam Assessments and Repairs	0	0	0	2,000,000	0	0	2,000,000
KA05C	DNR: Program Open Space – State	0	0	0	6,267,083	47,964,714	3,000,000	57,231,797 ³
KA05D	DNR: Rural Legacy Program	0	0	0	1,036,524	19,000,537	0	20,037,061 ³
KA05E	DNR: Local Parks and Playgrounds Infrastructure	85,000,000	0	0	0	0	0	85,000,000
KA0906A	DNR: Ocean City Beach Maintenance Program	0	0	0	0	2,000,000	0	2,000,000
KA1401A	DNR: Waterway Improvement Fund	0	0	0	1,500,000	12,150,000	2,500,000	16,150,000
KA1402A	DNR: Resiliency Through Restoration Initiative Program	2,770,000	0	0	0	0	0	2,770,000
KA1701A	DNR: Oyster Restoration Program	260,000	0	0	0	0	0	260,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
LA1111A	MDA: Maryland Agricultural Land Preservation Program	0	0	0	3,534,546	45,517,785	0	49,052,331 ³
LA15A	MDA: Maryland Agricultural Cost-Share Program	5,000,000	0	0	0	0	0	5,000,000
UA0104A	MDE: Hazardous Substance Cleanup Program	0	0	0	750,000	0	0	750,000
UA0111A	MDE: Bay Restoration Fund	0	0	0	0	75,000,000	0	75,000,000 ⁴
UA0112A	MDE: Bay Restoration Fund Septic System Program	0	0	0	0	15,000,000	0	15,000,000
UA01A	MDE: Comprehensive Flood Management Program	23,754,000	0	0	0	0	0	23,754,000 ⁵
UA01B	MDE: Maryland Drinking Water Revolving Loan Fund	4,034,000	0	0	0	39,090,000	14,724,000	57,848,000
UA01C	MDE: Maryland Water Quality Revolving Loan Fund	7,687,000	0	0	0	130,701,000	38,435,000	176,823,000
UA01D	MDE: Mining Remediation Program	500,000	0	0	0	0	0	500,000
UA01E	MDE: Supplemental Assistance Program	3,000,000	0	0	0	0	0	3,000,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
UA01F	MDE: Water Supply Financial Assistance Program	2,557,000	0	0	0	0	0	2,557,000
UB00A	MES: Infrastructure Improvement Fund	7,881,000	0	0	0	8,871,000	0	16,752,000
	Subtotal	\$170,694,000	\$0	\$0	\$46,295,160	\$454,867,459	\$58,659,000	\$730,515,619
	Public Safety							
QS0101A	DPSCS: Jessup Region Electrical Infrastructure Upgrade	\$3,681,000	\$0	\$0	\$0	\$0	\$0	\$3,681,000
D06D02	DSP: New Berlin Barrack	0	0	0	11,402,000	0	0	11,402,000
WA01B	DSP: New Tactical Operations Building	177,000	0	0	0	0	0	177,000
ZB02A	DPSCS: Frederick County Adult Detention Center Phase IV Medical Addition	2,809,000	0	0	0	0	0	2,809,000
ZB02B	DPSCS: St. Mary's County Adult Detention Center Upgrades, Housing and Medical Units	1,856,000	0	0	0	0	0	1,856,000
	Subtotal	\$8,523,000	\$0	\$0	\$11,402,000	\$0	\$0	\$19,925,000
	Education							
RA0702A	MSDE: Aging Schools Program	\$6,109,000	\$0	\$0	\$0	\$0	\$0	\$6,109,000
RA0702B	MSDE: Non-Public School Security Improvements	2,000,000	0	0	1,500,000	0	0	3,500,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
RA0702C	MSDE: Public School Safety Grants	0	0	0	10,000,000	0	0	10,000,000
RA0702E	MSDE: Public School Construction Program	220,000,000	65,000,000	0	0	0	0	285,000,000 ⁶
RA0702F	MSDE: Senator James E. "Ed" DeGrange Nonpublic Aging Schools Program	3,500,000	0	0	0	0	0	3,500,000
RA0702G	MSDE: Supplemental Capital Grant Program	60,000,000	0	0	0	0	0	60,000,000
RA0702	IAC: Healthy School Facilities Fund	30,000,000	0	0	0	0	40,000,000	70,000,000 ⁷
RA11A	IAC: Built to Learn	0	0	333,300,000	0	0	0	333,300,000 ⁸
RE01A	MSLA: Public Library Capital Grant Program	5,000,000	0	0	2,500,000	0	0	7,500,000
RE01B	MSD: New Emergency Notification System – Columbia Campus	4,275,000	0	0	0	0	0	4,275,000
	MSD: Veditz Building Renovation	5,014,000	0	0	0	0	0	5,014,000
	Subtotal	\$335,898,000	\$65,000,000	\$333,300,000	\$14,000,000	\$0	\$40,000,000	\$788,198,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
	Higher Education							
RB21B	UMB: School of Social Work Addition and Renovation	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$2,500,000
D06E02	UMB: Central Electric Substation and Infrastructure	0	0	0	11,307,000	0	0	11,307,000
RB22A	UMCP: Campus Building Systems and Infrastructure Improvements	5,000,000	0	5,000,000	0	0	0	10,000,000
RB22C	UMCP: New School of Public Policy	2,500,000	0	0	0	0	0	2,500,000
RB22D	UMCP: Interdisciplinary Engineering Building	4,000,000	0	0	0	0	0	4,000,000
RB22E	UMCP: Quantum and Advanced Computing Infrastructure	10,000,000	0	0	0	0	0	10,000,000
RB22F	UMCP: Cole Field House Signage and Messaging Board	375,000	0	0	0	0	0	375,000
D06E02	UMCP: Chemistry Building Wing 1 Replacement	0	0	0	45,190,000	0	0	45,190,000
RB23A	BSU: Communication Arts and Humanities Building	3,600,000	0	0	0	0	0	3,600,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
D06E02	TU: New College of Health Professions Building	0	0	0	50,684,000	0	0	50,684,000
D06E02	UMES: School of Pharmacy and Health Professions Building	0	0	0	22,716,000	0	0	22,716,000
D06E02	FSU: Education and Health Sciences Center	0	0	0	46,655,000	0	0	46,655,000
RB26B	FSU: Challenger Center	3,000,000	0	0	0	0	0	3,000,000
RB27B	CSU: Percy Julian Renovation	0	0	0	32,851,000	0	0	32,851,000
RB31A	CSU: New Dormitory and Student Union	3,000,000	0	0	0	0	0	3,000,000
RB31B	UMBC: Utility Upgrades and Site Improvements	6,936,000	0	0	0	0	0	6,936,000
RB31B	UMBC: Sherman Hall Renovation	7,000,000	0	0	0	0	0	7,000,000
RB36A	USMO: University of Maryland at Southern Maryland Third Academic Building	4,829,000	0	0	0	0	0	4,829,000
RB36RB	USMO: Capital Facilities Renewal	0	0	25,000,000	0	0	0	25,000,000
D06E02	USM Facilities Renewal	0	0	0	3,800,000	0	0	3,800,000
RC00A	BCCC: Deferred Maintenance Program	4,000,000	0	0	0	0	0	4,000,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
D06E02	SMCM: Academic Building and Auditorium	0	0	0	20,013,000	0	0	20,013,000
RD00B	SMCM: Campus Infrastructure Improvements	1,500,000	0	0	1,500,000	0	0	3,000,000
D06E02	MHEC: Community College Construction Grant Program	0	21,500,000	0	55,880,000	0	0	77,380,000 ⁹
RI00B	MHEC: Community College Facilities Renewal Grant Program	3,794,000	0	0	0	0	0	3,794,000
RM00A	MSU: Campus Expansion Phase I – Lake Clifton High School Demolition	5,000,000	0	0	0	0	0	5,000,000
RM00B	MSU: Deferred Maintenance and Site Improvements	10,000,000	0	0	0	0	0	10,000,000
RM00C	MSU: New Health and Human Services Building Phase II	33,072,000	0	0	0	0	0	33,072,000
RM00D	MSU: New Science Center Phase I	784,000	0	0	0	0	0	784,000
ZA00Z	MICUA: Maryland Independent College and University Association – Johns Hopkins University	5,000,000	0	0	0	0	0	5,000,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00AA	MICUA: Maryland Independent College and University Association – Mount St. Mary’s University	2,000,000	0	0	0	0	0	2,000,000
ZA00AB	MICUA: Maryland Independent College and University Association – St. John’s College	5,000,000	0	0	0	0	0	5,000,000
	Subtotal	\$122,890,000	\$21,500,000	\$30,000,000	\$290,596,000	\$0	\$0	\$464,986,000
	Housing and Community Development							
DB01B	HSMCC: Deferred Maintenance	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$2,000,000
DW0108A	MDP: Maryland Archaeological Conservation Laboratory Expansion and Renovation	653,000	0	0	0	0	0	653,000
DW0111A	MDP: African American Heritage Preservation Grant Program	1,000,000	0	0	0	0	0	1,000,000
DW0111B	MDP: Maryland Historical Trust Capital Grant Fund	600,000	0	0	0	0	0	600,000
DW0111C	MDP: Maryland Historical Trust Loan Fund	0	0	0	0	300,000	0	300,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
DW0112A	MDP: Historic Revitalization Tax Credit	0	0	0	7,000,000	2,000,000	0	9,000,000
S00A2516	DHCD: Local Government Infrastructure Fund – Broadband	0	0	0	0	0	142,780,000	142,780,000 ¹⁰
SA2402A	DHCD: Community Development Grant Program	0	0	0	0	0	10,000,000	10,000,000
SA24A	DHCD: Baltimore Regional Neighborhoods Initiative	6,000,000	0	0	6,000,000	0	0	12,000,000 ¹¹
SA24B	DHCD: Community Legacy Program	6,000,000	0	0	0	0	0	6,000,000
SA24C	DHCD: National Capital Strategic Economic Development Fund	3,000,000	0	0	4,000,000	0	0	7,000,000 ¹²
SA24D	DHCD: Neighborhood Business Development Program	15,000,000	0	0	500,000	2,200,000	0	17,700,000
SA24E	DHCD: Seed Community Development Anchor Institution Fund	5,000,000	0	0	5,000,000	0	0	10,000,000
SA24F	DHCD: Strategic Demolition Fund	28,163,620	0	0	0	0	0	28,163,620 ¹³

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
SA2515A	DHCD: Housing and Building Energy Programs	0	0	0	0	8,350,000	1,000,000	9,350,000
SA25A	DHCD: Homeownership Programs	22,000,000	0	0	0	4,000,000	0	26,000,000
SA25C	DHCD: Partnership Rental Housing Program	10,000,000	0	0	0	0	0	10,000,000 ¹⁴
SA25D	DHCD: Rental Housing Programs	42,000,000	0	0	0	16,500,000	9,000,000	67,500,000 ¹⁵
SA25E	DHCD: Shelter and Transitional Housing Facilities Grant Program	3,000,000	0	0	0	0	0	3,000,000
SA25F	DHCD: Special Loan Programs	4,000,000	0	0	0	4,400,000	2,000,000	10,400,000
	Subtotal	\$148,416,620	\$0	\$0	\$22,500,000	\$37,750,000	\$164,780,000	\$373,446,620
	Local Projects							
D06E02	Druid Hill Clinic	\$0	\$0	\$0	\$1,500,000	\$0	\$0	\$1,500,000
D06E02	Baltimore City Swimming Pool Improvements	0	0	0	3,000,000	0	0	3,000,000
D06E02	Greenway Trail	0	0	0	1,500,000	0	0	1,500,000
D06E02	Madison Park North Redevelopment	0	0	0	500,000	0	0	500,000
D06E02	Mary Havin Health and Wellness Center	0	0	0	500,000	0	0	500,000
D06E02	Warrior Canine Facility	0	0	0	125,000	0	0	125,000
D06E02	DeMatha High School	0	0	0	500,000	0	0	500,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
D06E02	Cape St. Claire Shoreline Restoration	0	0	0	250,000	0	0	250,000
Y01A02	Deep Creek Lake Dredging	0	0	0	1,200,000	0	0	1,200,000 ³
ZA00A	MISC: African American Museum and Cultural Center	500,000	0	0	0	0	0	500,000
ZA00B	MISC: Bainbridge Naval Training Center Site Redevelopment	1,500,000	0	0	0	0	0	1,500,000
ZA00C	MISC: Bladensburg World War I Memorial	320,000	0	0	0	0	0	320,000
ZA00D	MISC: Brewer Hill Cemetery	100,000	0	0	0	0	0	100,000
ZA00E	MISC: Carroll County Public Safety Training Center	1,000,000	0	0	0	0	0	1,000,000
ZA00F	MISC: Chesapeake Bay Maritime Museum – Capital Improvements	140,000	0	0	0	0	0	140,000
ZA00G	MISC: City of Annapolis – Stanton Community Center Renovation	500,000	0	0	0	0	0	500,000
ZA00H	MISC: City of Brunswick – New Emergency Operations Center	500,000	0	0	0	0	0	500,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00I	MISC: Community Arts LLC – Frederick Sports Mural	50,000	0	0	0	0	0	50,000
ZA00J	MISC: Cumberland Economic Development Corporation – Baltimore Street Access	750,000	0	0	0	0	0	750,000
ZA00K	MISC: Days End Farm Horse Rescue – Facility Acquisition	100,000	0	0	0	0	0	100,000
ZA00L	MISC: Delmarva Community Services – Chesapeake Grove Intergenerational Center	500,000	0	0	0	0	0	500,000
ZA00M	MISC: Frederick County – Animal Control Addition	100,000	0	0	0	0	0	100,000
ZA00N	MISC: Frederick County – New Green Valley Fire Station Water and Sewer Line Extension	500,000	0	0	0	0	0	500,000
ZA00O	MISC: Garrett College – Community Education and Performing Arts Center	700,000	0	0	0	0	0	700,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00P	MISC: Garrett County – High Schools Athletic Facilities Renovations	1,100,000	0	0	0	0	0	1,100,000
ZA00Q	MISC: Hagerstown Revitalization	2,250,000	0	0	0	0	0	2,250,000
ZA00R	MISC: Helping Up Mission – Women’s and Children’s Center	500,000	0	0	0	0	0	500,000
ZA00S	MISC: Hippodrome Foundation	3,000,000	0	0	0	0	0	3,000,000
ZA00T	MISC: Historic Annapolis Restoration	1,000,000	0	0	0	0	0	1,000,000
ZA00U	MISC: KEYS Development – KEYS Community Healing Center	1,000,000	0	0	0	0	0	1,000,000
ZA00V	MISC: Level82 Fund – Hilton Recreation Center Renovation	500,000	0	0	0	0	0	500,000
ZA00W	MISC: Lexington Market	2,000,000	0	0	0	0	0	2,000,000
ZA00X	MISC: Living Classrooms Opportunity Hub	500,000	0	0	0	0	0	500,000
ZA00Y	MISC: Maryland Center for History and Culture – Building Renovations	2,000,000	0	0	0	0	0	2,000,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00AC	MISC: Maryland State Fair – Renovations	500,000	0	0	0	0	0	500,000
ZA00AD	MISC: Maryland Veterans Memorial Museum	150,000	0	0	0	0	0	150,000
ZA00AE	MISC: Maryland Zoo in Baltimore – Infrastructure Improvements	5,750,000	0	0	0	0	0	5,750,000
ZA00AG	MISC: Merriweather Post Pavilion – Renovation	4,000,000	0	0	0	0	0	4,000,000
ZA00AH	MISC: National Aquarium in Baltimore	2,000,000	0	0	0	0	0	2,000,000
ZA00AI	MISC: National Cryptologic Museum Foundation – Cyber Center of Education and Innovation	100,000	0	0	0	0	0	100,000
ZA00AJ	MISC: Nexus-Woodbourne Family Healing – Capital Improvements	500,000	0	0	0	0	0	500,000
ZA00AK	MISC: NorthBay Education – Capital Improvements	1,000,000	0	0	0	0	0	1,000,000
ZA00AL	MISC: Nourish Now – New Warehouse	600,000	0	0	0	0	0	600,000
ZA00AM	MISC: Peale Center	400,000	0	0	0	0	0	400,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00AN	MISC: Pearlstone Center – Campus Renovation and Expansion	500,000	0	0	500,000	0	0	1,000,000
ZA00AO	MISC: Pikesville Armory Foundation – Pikesville Armory Renovation	1,000,000	0	0	0	0	0	1,000,000
ZA00AP	MISC: Sinai Hospital of Baltimore, Inc.	1,000,000	0	0	0	0	0	1,000,000
ZA00AQ	MISC: St. Michaels Community Center – Renovation	500,000	0	0	0	0	0	500,000
ZA00AR	MISC: The Velocity Companies LLC. – Hampton Park Sustainable Parking Infrastructure	500,000	0	0	0	0	0	500,000
ZA00AS	MISC: The YMCA of Central Maryland – Infrastructure Improvements and New YMCA Family Center	1,000,000	0	0	0	0	0	1,000,000
ZA00AT	MISC: Town of Emmitsburg – Water Treatment Plant Water Clarifier	1,000,000	0	0	0	0	0	1,000,000
ZA00AU	MISC: Vehicles for Change – Capital Equipment Eastern Shore Expansion	200,000	0	0	0	0	0	200,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00AV	MISC: YMCA of Frederick County – South County Family YMCA	565,000	0	0	0	0	0	565,000
ZA00AW	MISC: YMCA of Hagerstown	565,000	0	0	0	0	0	565,000
ZA00AX	MISC: YMCA of Metropolitan Washington – Facility Upgrades	1,000,000	0	0	0	0	0	1,000,000
ZA00AY	MISC: YMCA of the Chesapeake – Queen Anne’s County Family YMCA and Senior Center	565,000	0	0	0	0	0	565,000
ZA00AZ	MISC: Prince George’s County Amphitheatre at Central Park	11,000,000	0	0	0	0	0	11,000,000
ZA00BA	MISC: Baltimore Museum of Art	4,000,000	0	0	0	0	0	4,000,000
ZA00BB	MISC: Greenway Avenue Stadium	750,000	0	0	0	0	0	750,000
ZA00BC	MISC: Bay Sox Stadium	500,000	0	0	0	0	0	500,000
ZA00BD	MISC: The League for People with Disabilities – Facility Upgrade	500,000	0	0	0	0	0	500,000
ZA00BE	MISC: Andre De Shields Center for the Arts	500,000	0	0	0	0	0	500,000
ZA00BF	MISC: Burtonsville Commuter Parking	4,500,000	0	0	0	0	0	4,500,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00BG	MISC: Friends House Retirement Community	100,000	0	0	0	0	0	100,000
ZA00BI	MISC: Downtown Hyattsville Parking Garage	2,500,000	0	0	0	0	0	2,500,000
ZA00BJ	MISC: Riverdale Park Hiker Biker Trail - Lighting Project	1,000,000	0	0	0	0	0	1,000,000
ZA00BK	MISC: Lake Arbor – Park Project	1,000,000	0	0	0	0	0	1,000,000
ZA00BL	MISC: White Flint Transit Station – Rebranding	250,000	0	0	0	0	0	250,000
ZA00BM	MISC: City of Laurel Multi-Service Center	2,500,000	0	0	0	0	0	2,500,000
ZA00BN	MISC: Rash Field	500,000	0	0	0	0	0	500,000
ZA00BO	MISC: Maryland Council for Special Equestrians	100,000	0	0	0	0	0	100,000
ZA00BP	MISC: USS Constellation	2,500,000	0	0	0	0	0	2,500,000
ZA00BQ	MISC: Baltimore Penn Station Redevelopment	3,000,000	0	0	1,000,000	0	0	4,000,000
ZA00BR	MISC: VFW Free State Post 217 – Parking Lot	75,000	0	0	0	0	0	75,000
ZA00BS	MISC: Riviera Beach Volunteer Fire Department	100,000	0	0	0	0	0	100,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00BT	MISC: Glen Burnie Improvement Association – Third Avenue Park	35,000	0	0	0	0	0	35,000
ZA00BU	MISC: Baltimore Washington Medical Center – Critical Care Unit	3,000,000	0	0	0	0	0	3,000,000
ZA00BV	MISC: Cross Street Market	400,000	0	0	0	0	0	400,000
ZA00BW	MISC: Forest Park Senior Center	250,000	0	0	0	0	0	250,000
ZA00BX	MISC: Oliver Community Center	200,000	0	0	0	0	0	200,000
ZA00BY	MISC: Asian American Center of Frederick	300,000	0	0	0	0	0	300,000
ZA00BZ	MISC: Gilchrist Center Baltimore	500,000	0	0	0	0	0	500,000
ZA00CA	MISC: City of Annapolis – Parks and Playgrounds	1,000,000	0	0	0	0	0	1,000,000
ZA00CB	MISC: Gwynns Falls Trail	1,500,000	0	0	0	0	0	1,500,000
ZA00CC	MISC: Prologue Outreach Center	400,000	0	0	0	0	0	400,000
ZA00CD	MISC: Liberty Road Volunteer Fire Company	500,000	0	0	0	0	0	500,000
ZA00CE	MISC: North County High School Field House	1,200,000	0	0	0	0	0	1,200,000
ZA00CF	MISC: Central Avenue Connector Trail	1,500,000	0	0	0	0	0	1,500,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00CG	MISC: Willet Branch Greenway	550,000	0	0	0	0	0	550,000
ZA00CH	MISC: Greenbelt Station Hiker and Biker Trail	250,000	0	0	0	0	0	250,000
ZA00CJ	MISC: Innovative Center for Autonomous Systems	250,000	0	0	0	0	0	250,000
ZA00CK	MISC: Attick Towers Apartments	2,000,000	0	0	0	0	0	2,000,000
ZA00CL	MISC: Greenmount Corridor Redevelopment Project	2,000,000	0	0	0	0	0	2,000,000
ZA00CM	MISC: Community Playgrounds Revitalization	50,000	0	0	0	0	0	50,000
ZA00CN	MISC: Reginald F. Lewis Museum of Maryland African American History and Culture	1,000,000	0	0	0	0	0	1,000,000
ZA00CO	MISC: Baltimore County Schools Parks and Playgrounds	2,000,000	0	0	0	0	0	2,000,000
ZA00CP	MISC: Zeta Sigma Foundation Community Center	100,000	0	0	0	0	0	100,000
ZA00CQ	MISC: Community Empowerment and Wellness Center	600,000	0	0	0	0	0	600,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00CR	MISC: Coppin Heights West North Avenue Revitalization Project	300,000	0	0	0	0	0	300,000
ZA00CS	MISC: Port Discovery	500,000	0	0	0	0	0	500,000
ZA00CT	MISC: Roberta's House	500,000	0	0	0	0	0	500,000
ZA00CU	MISC: Blue Line Corridor Public Art Projects	500,000	0	0	0	0	0	500,000
ZA00CV	MISC: Friendsville Veterans Memorial	100,000	0	0	0	0	0	100,000
ZA00CW	MISC: Baltimore City Farms	100,000	0	0	0	0	0	100,000
ZA00CX	MISC: Glen Burnie – Street Lights	200,000	0	0	0	0	0	200,000
ZA00CY	MISC: First Fruits Farms	150,000	0	0	0	0	0	150,000
ZA00CZ	MISC: Ohr Chadash Academy	250,000	0	0	0	0	0	250,000
ZA00DA	MISC: Green Branch Athletic Complex	6,000,000	0	0	0	0	0	6,000,000
ZA00DB	MISC: Prince George's County Public Schools – Turf Fields	9,200,000	0	0	0	0	0	9,200,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00DC	MISC: Johns Hopkins Medicine New Medical Research Building, Children’s Medical and Surgical Center, and North Tower Annex	2,000,000	0	0	0	0	0	2,000,000
ZA00DD	MISC: New Cultural Center	1,000,000	0	0	0	0	0	1,000,000
ZA00DE	MISC: Doctor First Mobile Communication System	500,000	0	0	0	0	0	500,000
ZA00DF	MISC: Germantown Volunteer Fire Department	3,250,000	0	0	0	0	0	3,250,000
ZA00DG	MISC: West Arlington – Playground Project	100,000	0	0	0	0	0	100,000
ZA00DH	MISC: Chesapeake Bay Environmental Center – Pavilion and Kayak Launch	125,000	0	0	0	0	0	125,000
ZA00DI	MISC: Annapolis Overhead Utilities Undergrounding	250,000	0	0	0	0	0	250,000
ZA00DJ	MISC: Kettering Largo Mitchellville Boys and Girls Club	100,000	0	0	0	0	0	100,000
ZA00DK	MISC: Maryland Fire-Rescue Services Memorial	250,000	0	0	0	0	0	250,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00DL	MISC: Talbot County – Athletic Fields	200,000	0	0	0	0	0	200,000
ZA00DM	MISC: Neighborhood Service Center	200,000	0	0	0	0	0	200,000
ZA00DN	MISC: Olney Satellite Police Station and Community Facility	100,000	0	0	0	0	0	100,000
ZA00DO	MISC: City of District Heights Senior Day Facility	500,000	0	0	0	0	0	500,000
ZA00DP	MISC: Blue Line Corridor – Infrastructure	8,900,000	0	0	0	0	0	8,900,000
ZA00DQ	MISC: Harriet Tubman Statue	50,000	0	0	0	0	0	50,000
ZA00DR	MISC: VERGE Data Analytics Platform	500,000	0	0	0	0	0	500,000
ZA00DS	MISC: Prince George’s Indoor Sport Facility	300,000	0	0	0	0	0	300,000
ZA00DT	MISC: Sheppard Pratt Hospital	2,500,000	0	0	0	0	0	2,500,000
ZA00DU	MISC: Kennedy Krieger Institute – Gompers School Building	1,000,000	0	0	0	0	0	1,000,000
ZA00DV	MISC: Upper Marlboro – Streetscape Improvements	450,000	0	0	0	0	0	450,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00DW	MISC: Woodlawn Senior Center	3,000,000	0	0	0	0	0	3,000,000
ZA00DX	MISC: West Arlington – Water Tower	250,000	0	0	0	0	0	250,000
ZA00DY	MISC: Tradepoint Atlantic – Infrastructure Improvements	3,000,000	0	0	0	0	0	3,000,000
ZA00DZ	MISC: Severn Intergenerational Center	2,000,000	0	0	0	0	0	2,000,000
ZA00EA	MISC: Howard County Asian American Cultural Center	500,000	0	0	0	0	0	500,000
ZA00EB	MISC: National Great Blacks in Wax Museum	750,000	0	0	0	0	0	750,000
ZA00EC	MISC: Old Town Bowie – Historic Properties	300,000	0	0	0	0	0	300,000
ZA00ED	MISC: Montgomery County Route 355 Bus Rapid Transit Project	6,000,000	0	0	0	0	0	6,000,000
ZA00EE	MISC: Savage Mill Trail	250,000	0	0	0	0	0	250,000
ZA00EF	MISC: Ellicott City Main Street Building Reconstruction	500,000	0	0	0	0	0	500,000
ZA00EG	MISC: Patapsco Regional Greenway	1,250,000	0	0	0	0	0	1,250,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00EH	MISC: Chesapeake Beach – Park Projects	150,000	0	0	0	0	0	150,000
ZA00EI	MISC: North Beach – Park Projects	150,000	0	0	0	0	0	150,000
ZA00EJ	MISC: Maryland Science Center	500,000	0	0	0	0	0	500,000
ZA00EK	MISC: Family Crisis Center	175,000	0	0	0	0	0	175,000
ZA00EL	MISC: Hagerstown Minor League Baseball Stadium	1,500,000	0	0	8,500,000	0	0	10,000,000
ZA00EM	MISC: Ellicott City Quaker Second School Building	100,000	0	0	0	0	0	100,000
ZA00EN	MISC: Warner Street Entertainment District	3,000,000	0	0	0	0	0	3,000,000
ZA00EO	MISC: Pleasant View Park	250,000	0	0	0	0	0	250,000
ZA00EP	MISC: Baltimore Museum of Industry	413,500	0	0	0	0	0	413,500
ZA00EQ	MISC: St. Ambrose Housing	1,000,000	0	0	0	0	0	1,000,000
ZA00ER	MISC: Parkville High School Turf Field and Athletic Facilities	700,000	0	0	0	0	0	700,000
ZA00ES	MISC: Towson Armory Building	500,000	0	0	0	0	0	500,000
ZA00ET	MISC: Caplan’s Facade Restoration	500,000	0	0	0	0	0	500,000
ZA00EU	MISC: East Columbia 50+ Center	1,000,000	0	0	0	0	0	1,000,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00EV	MISC: Fort Washington Medical Center	700,000	0	0	0	0	0	700,000
ZA00EW	MISC: Hyattsville Police and Public Safety Headquarters	500,000	0	0	0	0	0	500,000
ZA00EX	MISC: Maenner House	241,500	0	0	0	0	0	241,500
ZA00EY	MISC: Mission of Love	760,000	0	0	0	0	0	760,000
ZA00EZ	MISC: Ocean City Lifesaving Museum	450,000	0	0	0	0	0	450,000
ZA00FA	MISC: Good Food Markets – Addison Plaza	250,000	0	0	0	0	0	250,000
ZA00FB	MISC: Benjamin Banneker Parkway Signage	50,000	0	0	0	0	0	50,000
ZA00FC	MISC: Patuxent River Naval Air Museum and Visitor Center	100,000	0	0	0	0	0	100,000
ZA00FD	MISC: Friends of Patterson Park	1,000,000	0	0	0	0	0	1,000,000
ZA00FE	MISC: Employ Prince George’s, Inc.	250,000	0	0	0	0	0	250,000
ZA00FF	MISC: Graces Quarters Robotic Research Collaboration Campus	300,000	0	0	0	0	0	300,000
ZA00FG	MISC: Uplift Foundation	300,000	0	0	0	0	0	300,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00FH	MISC: College Park Trail Connections	200,000	0	0	0	0	0	200,000
ZA00FI	MISC: Ellicott City Multicultural Pedestrian Bridge	150,000	0	0	0	0	0	150,000
ZA00FJ	MISC: North Avenue Zero Energy Housing	100,000	0	0	0	0	0	100,000
ZA00FK	MISC: Pride of Baltimore II	100,000	0	0	0	0	0	100,000
ZA00FL	MISC: Gibson Grove	150,000	0	0	0	0	0	150,000
ZA00FM	MISC: Kennedy Krieger Institute – Center for Neuroscience of Social Injustice	2,500,000	0	0	0	0	0	2,500,000
ZA00FN	MISC: Rock Hall Town Hall	250,000	0	0	0	0	0	250,000
ZA00FO	MISC: Paint Branch Trail and Trolley Trail	443,000	0	0	0	0	0	443,000
ZA00FP	MISC: Meals on Wheels of College Park	250,000	0	0	0	0	0	250,000
ZA00FQ	MISC: Manna Food Center	150,000	0	0	0	0	0	150,000
ZA00FR	MISC: McElderry Park Resource Center	75,000	0	0	0	0	0	75,000
ZA00FS	MISC: Liberty Senior Center Pavilions	150,000	0	0	0	0	0	150,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
ZA00FT	MISC: Bus Stop Enclosures	150,000	0	0	0	0	0	150,000
ZA00FU	MISC: Sidewalk Installation	200,000	0	0	0	0	0	200,000
ZA00FV	MISC: Randallstown Library	100,000	0	0	0	0	0	100,000
ZA00FW	MISC: District Heights Senior Center	200,000	0	0	0	0	0	200,000
ZA00FX	MISC: Diggs Johnson Museum	155,000	0	0	0	0	0	155,000
ZA00FY	MISC: Oakwood Village Community Signs	2,000	0	0	0	0	0	2,000
ZA00FZ	MISC: Baltimore Pumphouse	75,000	0	0	0	0	0	75,000
ZA00GA	MISC: Exercise Pavilion	150,000	0	0	0	0	0	150,000
ZA00GB	MISC: Parking Lot Expansion	200,000	0	0	0	0	0	200,000
ZA00GC	MISC: Robert W. Johnson Community Center	100,000	0	0	0	0	0	100,000
ZA00GD	MISC: Greenhaven Wharf Bulkhead Repair	250,000	0	0	0	0	0	250,000
ZA02	Local House Initiatives	20,000,000	0	0	0	0	0	20,000,000
ZA03	Local Senate Initiatives	20,000,000	0	0	0	0	0	20,000,000
	Subtotal	\$218,280,000	\$0	\$0	\$19,075,000	\$0	\$0	\$237,355,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
	Transportation							
Section 16	Howard Street Tunnel	\$0	\$0	\$0	\$21,500,000	\$0	\$0	\$21,500,000
	MDOT: Section 16 Washington Metropolitan Transit Authority Upgrades	0	125,000,000	0	0	0	0	125,000,000
	Subtotal	\$0	\$125,000,000	\$0	\$21,500,000	\$0	\$0	\$146,500,000
Current Year Total (Excluding Transportation CTP)		\$1,106,370,620	\$222,850,000	\$363,300,000	\$493,626,160	\$492,617,459	\$263,439,000	\$2,942,203,239
Transportation CTP		\$0	\$0	\$100,000,000	\$8,700,000	\$882,042,578	\$1,283,359,409	\$2,274,101,987
Current Year Total (Including Transportation CTP)		\$1,106,370,620	\$222,850,000	\$463,300,000	\$502,326,160	\$1,374,660,037	\$1,546,798,409	\$5,216,305,226
Deauthorizations		-\$1,370,620	\$0	\$0	\$0	\$0	\$0	-\$1,370,620
Current Year Total (Less Deauthorizations)		\$1,105,000,000	\$222,850,000	\$463,300,000	\$502,326,160	\$1,374,660,037	\$1,546,798,409	\$5,214,934,606
	Fiscal 2021 Deficiencies							
SA24F	DHCD: Strategic Demolition Fund	\$0	\$3,000,000	\$0	\$0	\$0	\$0	\$3,000,000
RM00B	MSU: Deferred Maintenance and Site Improvements	0	2,000,000	0	0	0	0	2,000,000

Budget Code	Project Title	Bonds			Current Funds (PAYGO)			Total Funds
		GO	Bond Premium	Revenue	General	Special	Federal	
RI00B	MHEC: Community College Facilities Renewal Grant Program	0	6,791,000	0	0	0	0	6,791,000
RD00B	SMCM: Campus Infrastructure Improvements	0	1,000,000	0	0	0	0	1,000,000
RB36RB	USMO: Capital Facilities Renewal	0	21,209,000	0	0	0	0	21,209,000
	Subtotal	\$0	\$34,000,000	\$0	\$0	\$0	\$0	\$34,000,000
Entire Budget Total Including Fiscal 2021 Deficiencies		\$1,106,370,620	\$256,850,000	\$463,300,000	\$502,326,160	\$1,374,660,037	\$1,546,798,409	\$5,250,305,226

BCCC: Baltimore City Community College
 BPW: Board of Public Works
 BSU: Bowie State University
 CSU: Coppin State University
 CTP: Consolidated Transportation Program
 DGS: Department of General Services
 DHCD: Department of Housing and Community Development
 DJS: Department of Juvenile Services
 DNR: Department of Natural Resources
 DoIT: Department of Information Technology
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 FSU: Frostburg State University
 GO: general obligation
 HSMCC: Historic St. Mary's City Commission
 IAC: Interagency Commission on School Construction
 MD: Military Department
 MDA: Maryland Department of Agriculture
 MDE: Maryland Department of the Environment
 MDH: Maryland Department of Health
 MDOA: Maryland Department of Aging
 MDOT: Maryland Department of Transportation

MDP: Maryland Department of Planning
 MES: Maryland Environmental Service
 MHA: Maryland Hospital Association
 MHEC: Maryland Higher Education Commission
 MICUA: Maryland Independent College and University Association
 MDOD: Maryland Department of Disabilities
 MISC: miscellaneous
 MSA: Maryland Stadium Authority
 MSD: Maryland School for the Deaf
 MSDE: Maryland State Department of Education
 MSLA: Maryland State Library Agency
 MSU: Morgan State University
 PAYGO: pay-as-you-go
 SMCM: St. Mary's College of Maryland
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore
 UMMS: University of Maryland Medical System
 USM: University System of Maryland
 USMO: University System of Maryland Office

¹ Includes \$11.35 million of fiscal 2021-2022 bond premium proceeds authorized in Section 16 of the Capital Budget Bill (HB 590).

² The Capital Budget Bill (HB 590) authorizes \$25 million for the Resilient Maryland Revolving Loan Fund contingent upon the enactment of SB 901. Should SB 901 not be enacted, \$12.5 million would go to the Comprehensive Flood Management Program under the Department of the Environment, and \$12.5 million would be authorized for the design, construction, and capital equipping of a new Department of Legislative Services building.

³ The Governor's proposed contingent reduction of \$43.9 million of general funds reflecting the fiscal 2022 mandated appropriation for the Program Open Space (POS) repayment established in Chapter 10 of 2016 as amended was struck in the operating budget bill as passed. The funds were allocated as follows: \$21.9 million for the DNR Critical Maintenance Program; \$1.2 million for the dredging of Deep Creek Lake; and the remaining \$20.8 million allocated through the POS formula.

⁴ Language in the fiscal 2022 Operating Budget Bill (HB588) restricts the grant for the Valley Proteins Wastewater Treatment Plant enhanced nutrient removal upgrade to no more than 50% of the eligible project costs.

⁵ Comprehensive Flood Management – The budget authorizes the funds to be used as follows: \$1.4 million for Annapolis City Dock Stormwater and Flood Mitigation; \$2.4 million for Ellicott City H7 Mitigation Pond; \$370,000 for Ellicott City Maryland Avenue Culverts; \$1.789 million for Windmill Sanitary Sewer Pump Relocation; \$5.0 million for flood mitigation along Hillen Road in Baltimore City; \$5.0 million for Ellicott City H4 Dry Flood Mitigation Pond; \$5.0 million for Calvert Hills/College Park Storm Drain Improvements in Prince George's County; \$5,000 for North Beach Flooding Mitigation in Calvert County; and \$2.7 million for Beaver Creek Dam Flooding Mitigation in Prince George's County.

⁶ Includes \$65 million of fiscal 2021-2022 bond premium proceeds authorized in Section 16 of the Capital Budget Bill (HB 590).

⁷ This includes \$40 million of federal PAYGO funds available through the American Rescue Plan Act and budgeted under R00A07.02. This does not include an additional \$40 million of federal funds made available through the American Rescue Plan Act appropriated in the Dedicated Purpose Account for fiscal 2023.

⁸ The capital budget includes \$333 million in revenue bonds issued by the MSA for school construction projects in fiscal 2022.

⁹ Includes \$21.5 million of fiscal 2021-2022 bond premium proceeds authorized in Section 16 of the Capital Budget Bill (HB 590) of which \$1.5 million is restricted for the purposes of providing funds for the Dr. Charlene Mickens Dukes Student Center (Prince George's Community College). Does not include the use of \$7.566 million from the Community College Facility Grant Program fund balance.

¹⁰ This includes \$126.6 million of federal PAYGO funds available through the American Rescue Plan Act of which \$97.6 million is budgeted in the Dedicated Purpose Account.

¹¹ The Capital Budget Bill (HB 590) restricts \$500,000 to be used as a grant for the Pennsylvania Avenue Black Arts & Entertainment District project and \$200,000 for the North East Housing affordable housing project.

¹² The Capital Budget Bill (HB 590) restricts \$1.0 million to provide a grant to the East-West CDC Foundation for a mixed use redevelopment project.

¹³ The Capital Budget Bill (HB 590) restricts \$1.0 million for the Perkins Somerset Oldtown redevelopment project, \$700,000 for the demolition of specified properties, and \$2.0 million for the demolition of the former Allegany High School.

¹⁴ The Capital Budget Bill (HB 590) restricts \$4.0 million for the Perkins Somerset Oldtown redevelopment project.

¹⁵ The Capital Budget Bill (HB 590) restricts \$5.0 million for the Perkins Somerset Oldtown redevelopment project.

Source: Department of Legislative Services

Exhibit A-2.3
Legislative Bond Initiative Projects
2021 Session

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>
Allegany				
Allegany County Informational Historic Markers	\$15,000			\$15,000
Civil Air Patrol Squadron Building	50,000			50,000
Youth Robotics and Engineering Center	75,000	\$75,000		150,000
Subtotal	\$140,000	\$75,000	\$0	\$215,000
Anne Arundel				
American Legion Post 226		\$40,000		\$40,000
Anne Arundel County Community Garden	\$10,000			10,000
Anne Arundel County Fair		85,000		85,000
Banneker-Douglass Museum		75,000		75,000
Cape St. Claire Beach Replenishment	250,000		\$250,000	500,000
Chesapeake Children's Museum Amphitheater	25,000			25,000
Chesapeake Region Accessible Boating, Inc.	75,000			75,000
Chrysalis House		250,000		250,000
Elks Camp Barrett		89,200		89,200
Langton Green Community Farm	95,000			95,000
Lindale Middle School	250,000			250,000
North County High School Field House			1,200,000	1,200,000
Northeast High School Physical Endurance Training Course	100,000			100,000
PAL Park Field	45,000			45,000
Pascal Crisis Stabilization Center	150,000	150,000		300,000
Peerless Rens Club	70,000			70,000
Resiliency and Education Center at Kuhn Hall	250,000			250,000
Rockbridge Academy		500,000		500,000
Shadyside Community Center		37,000		37,000
Stanton Community Center		100,000		100,000
VFW Post 160	500,000			500,000
YWCA Domestic Violence Safe House Shelter	100,000			100,000
Subtotal	\$1,920,000	\$1,326,200	\$1,450,000	\$4,696,200

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>
Baltimore City				
Arch Social Club Historic Site Restoration	\$300,000	\$350,000		\$650,000
Archbishop Curley High School		100,000		100,000
Artistic Laborers in Visual Exaltation	200,000			200,000
Baltimore Museum of Industry			\$413,500	413,500
Baltimore Unity Hall		100,000		100,000
BraveHeart Living	300,000			300,000
Central Baltimore Partnership	250,000		250,000	500,000
Clinton Street Community Center	75,000			75,000
Community Empowerment and Wellness Center		100,000	600,000	700,000
Coppin Heights West North Avenue Revitalization Project			300,000	300,000
Creative Alliance	250,000			250,000
Eager Park Community		65,400		65,400
Frederick P. Blue Workforce Development Center	125,000			125,000
Gaudenzia Foundation Inc		450,000		450,000
Gilchrist Center Baltimore			500,000	500,000
Govans Ecumenical Development Corporation		100,000		100,000
Hampden Family Center	110,000			110,000
Heart of America		170,000		170,000
Ivy Family Support Center	300,000			300,000
Kennedy Krieger Institute – Center for the Neuroscience of Social Injustice			2,500,000	2,500,000
Langston Hughes Community, Business and Resource Center		150,000		150,000
North Avenue Zero Energy Housing		150,000	100,000	250,000
North Central Park		350,000		350,000
Northeast Market		100,000		100,000
Northwood Commons Project		500,000		500,000
Ohr Chadash Academy		100,000	250,000	350,000
Oliver Community Center			200,000	200,000
Parren Mitchell House		300,000		300,000
Philemon Ministry's Step Up House		100,000		100,000
Pimlico Market Cafe		175,000		175,000
Port Discovery	250,000		500,000	750,000
Pride of Baltimore II		350,000	100,000	450,000
Radecke Park		220,000		220,000
Roberta's House			500,000	500,000
Roland Park Community Foundation	250,000			250,000
Social Settlement House		100,000		100,000

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>
Solo Gibbs Playground		190,000		190,000
South Baltimore Community Land Trust	350,000			350,000
St. Ambrose Housing			1,000,000	1,000,000
Temple X Experiential Community Center	200,000			200,000
The Club Expansion at Collington Square		200,000		200,000
The Compound		200,000		200,000
The Garden Community of Baltimore		100,000		100,000
The Urban Oasis		250,000		250,000
Upton Planning Committee Project	200,000			200,000
USS Constellation			2,500,000	2,500,000
Venable Greenspace	250,000			250,000
Zeta Sigma Foundation Community Center			100,000	100,000
Subtotal	\$3,410,000	\$4,970,400	\$9,813,500	\$18,193,900
Baltimore				
600 Frederick Road Facility	\$200,000			\$200,000
Aviation Career Trade School		\$125,000		125,000
Born2Bmore Boys and Girls Club		200,000		200,000
Community Learning Center		200,000		200,000
Community Therapy Clinic	50,000			50,000
Double Rock Park	150,000			150,000
Family Crisis Center		325,000	\$175,000	500,000
First Fruits Farm	125,000	125,000		250,000
First Fruits Farm Packaging and Distribution Facility			150,000	150,000
Friends of the Patapsco Valley State Park – Simkins Site	540,000			540,000
Friends of the Patapsco Valley State Park – Trail Center	340,000			340,000
Graham Equestrian Center		100,000		100,000
Kenwood High School Turf Field	400,000			400,000
Linover Park		100,000		100,000
Maryland Council for Special Equestrians			100,000	100,000
Morning Star Family Life Center		200,000		200,000
National Center on Institutions and Alternative Expansion	500,000			500,000
Overlea High School Electronic Sign	60,000			60,000
Parkville High School Turf Field and Athletic Facilities			700,000	700,000
Prologue Outreach Center			400,000	400,000
Reisterstown Sportsplex	250,000			250,000
St. Luke’s Affordable House Project	100,000			100,000
Torah Institute	250,000			250,000

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>
Towson Armory Building			500,000	500,000
Subtotal	\$2,965,000	\$1,375,000	\$2,025,000	\$6,365,000
Calvert				
Calverton School Memorial Turf Field		\$300,000		\$300,000
Subtotal	\$0	\$300,000	\$0	\$300,000
Caroline				
Federalsburg Activity Center	\$100,000			\$100,000
Greensboro Elementary School – Judy Hoyer Early Learning Center	500,000			500,000
Subtotal	\$600,000	\$0	\$0	\$600,000
Carroll				
Carroll County Youth Service Bureau	\$75,000	\$45,000		\$120,000
Freedom District Elementary School Playground		25,000		25,000
Hampstead Volunteer Fire Company Security System		175,000		175,000
Subtotal	\$75,000	\$245,000	\$0	\$320,000
Cecil				
Cecil County Farm Museum	\$95,000			\$95,000
Elkton Colored School Museum and Cultural Center		\$250,000		250,000
Subtotal	\$95,000	\$250,000	\$0	\$345,000
Charles				
Addie E. Thomas Community Center	\$250,000			\$250,000
American Legion, Randolph Furey, Post 170		\$150,000		150,000
Historic Willing Helpers Society	30,000			30,000
Hospice of Charles County	200,000			200,000
Lions Camp Merrick Pool		75,000		75,000
Waldorf Urban Park & Amphitheater		100,000		100,000
Subtotal	\$480,000	\$325,000	\$0	\$805,000
Dorchester				
Cambridge Cemetery		\$75,000		\$75,000
Chesapeake Grove Intergenerational Center	500,000			500,000
Fraternal Order of Police Lodge 27		250,000		250,000
Harriet Tubman Mural Pavilion		250,000		250,000
Maces Lane Community Center	500,000			500,000
Subtotal	\$1,000,000	\$575,000	\$0	\$1,575,000

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>
Frederick				
African American Heritage Center	\$150,000	\$50,000		\$200,000
Fredericktowne Players		100,000		100,000
Mountain City Elks Lodge No. 382		50,000		50,000
Ranch Residence Hall	50,000			50,000
Town of New Market Stormwater Infrastructure		285,000		285,000
Subtotal	\$200,000	\$485,000	\$0	\$685,000
Garrett				
Friendsville Veterans Memorial		\$100,000	\$100,000	\$200,000
Subtotal	\$0	\$100,000	\$100,000	\$200,000
Harford				
American Legion Post No. 47 Dock		\$100,000		\$100,000
Coppermine Edgewood Athletic Facility		250,000		250,000
Harford Community College Work Force Training	260,000			260,000
IWLA Conservation and Education Center		350,000		350,000
Sexual Assault/Spousal Abuse Resource Center		150,000		150,000
Subtotal	\$260,000	\$850,000	\$0	\$1,110,000
Howard				
Caplan's Facade Restoration			\$500,000	\$500,000
Days End Farm Horse Rescue Firehouse		\$400,000		400,000
East Columbia 50+ Center			1,000,000	1,000,000
Ellicott City Quaker Second School Building			100,000	100,000
Harriet Tubman Cultural Center	\$750,000			750,000
Harriet Tubman Cultural Center Playground	200,000			200,000
Humanim		150,000		150,000
Patuxent Commons		500,000		500,000
The Community Ecology Institute		75,000		75,000
Tiber Park		126,230		126,230
Subtotal	\$950,000	\$1,251,230	\$1,600,000	\$3,801,230
Kent				
Kent County Family YMCA		\$250,000		\$250,000
Kent Cultural Alliance	\$125,000	125,000		250,000
Subtotal	\$125,000	\$375,000	\$0	\$500,000
Montgomery				
A Wider Circle Community Service Center	\$50,000			\$50,000

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>
Burtonsville Commuter Parking	500,000		\$4,500,000	5,000,000
Damascus Recreational Park	225,000			225,000
Dolores R. Miller Park		\$20,000		20,000
Fox Chapel Neighborhood Park		150,000		150,000
Friends House Retirement Community	100,000		100,000	200,000
Gibson Grove	400,000		150,000	550,000
Great Seneca Highway Pedestrian Bridge	250,000			250,000
Interfaith Works Vocational Services Center	350,000			350,000
Islamic Community Center		250,000		250,000
Ivymount School, Inc.	450,000			450,000
Jewish Foundation for Group Homes, Inc.	150,000			150,000
Lincoln Park Community Center	250,000			250,000
Long Branch Stream Valley Signature Bridge	100,000	100,000		200,000
Madison House New Day Pavilion	75,000			75,000
Montgomery Community Media	100,000			100,000
Montgomery County Homeless Youth Drop-In Center	65,000			65,000
Olney Satellite Police Station and Community Facility		75,000	100,000	175,000
Progress Place Gazebo		30,000		30,000
Randolph Hills Local Park		150,000		150,000
Sandy Spring Museum		100,000		100,000
Silver Spring Artspace		285,000		285,000
South Germantown Recreational Park	150,000			150,000
Town of Brookeville Road Improvements		200,000		200,000
Warrior Canine Connection		500,000	125,000	625,000
Wheaton Regional Park	100,000	100,000		200,000
Willet Branch Greenway			550,000	550,000
Subtotal	\$3,315,000	\$1,960,000	\$5,525,000	\$10,800,000
Prince George's				
Alice Ferguson Foundation – Hard Bargain Farm Environmental Center	\$200,000			\$200,000
Attick Towers Apartments			\$2,000,000	2,000,000
Berwyn Heights Senior Center	165,000			165,000
Bishop McNamara High School	250,000	\$250,000		500,000
Blue Line Corridor Public Art Projects	500,000		500,000	1,000,000
Bowie Lions Club		10,000		10,000
Boys and Girls Club Sports Park	125,000			125,000
Brentwood Town Center	400,000			400,000
Camp Springs Elks Lodge No. 2332		40,000		40,000
College Park Trail Connections		200,000		200,000

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>
Cree Drive Project		125,000		125,000
Crossland High School Weight Room		23,670		23,670
Delta Cultural Center	140,000			140,000
DeMatha Catholic High School		500,000	500,000	1,000,000
Elizabeth Seton High School		250,000		250,000
Fort Washington Medical Center			700,000	700,000
Foundation for Arts, Music and Education		175,000		175,000
Fountain Food Pantry		30,000		30,000
Helpers To Good Inc.	225,000			225,000
Henson Creek Golf Course Club House		200,000		200,000
Hyattsville Police and Public Safety Headquarters			500,000	500,000
Hyattsville Teen Activity and Mentoring Center	400,000			400,000
Joe’s Movement Emporium	200,000			200,000
Luminis Health Doctors Community Medical Center		750,000		750,000
Maenner House		58,500	241,500	300,000
Maenner House Annex	125,000	125,000		250,000
Maryland Intergenerational Family Life Center		75,000		75,000
Melwood Horticultural Training Facilities		450,000		450,000
Mission of Love Charities	240,000		760,000	1,000,000
Morningside Volunteer Fire Department and Job Training Center	50,000	50,000		100,000
Mount Rainier Public Safety Community Training and Workout Center		300,000		300,000
Prince George’s Cultural Arts Foundation Amphitheater	400,000	250,000		650,000
Tucker Road Ice Rink Marquee Sign		100,000		100,000
United Communities Against Poverty	20,000			20,000
Subtotal	\$3,440,000	\$3,962,170	\$5,201,500	\$12,603,670
Somerset				
Crisfield Elks Lodge No. 1044		\$100,000		\$100,000
Crisfield Waterfront Development		100,000		100,000
Subtotal	\$0	\$200,000	\$0	\$200,000
St. Mary’s				
Patuxent River Naval Air Museum and Visitor Center			\$100,000	\$100,000
Ridge Volunteer Fire Department	\$500,000			500,000
St. Mary’s County Sports Complex		\$150,000		150,000
Subtotal	\$500,000	\$150,000	\$100,000	\$750,000

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>
Talbot				
HOPE Center		\$150,000		\$150,000
St. Michaels Community Center		500,000		500,000
Subtotal	\$0	\$650,000	\$0	\$650,000
Washington				
Boonsboro Weir Wall	\$115,000			\$115,000
Hagerstown Aviation Museum	50,000	\$100,000		150,000
Robert W. Johnson Community Center			\$100,000	100,000
Smithsburg High School Athletic Facilities		200,000		200,000
Springfield Barn	160,000			160,000
Subtotal	\$325,000	\$300,000	\$100,000	\$725,000
Wicomico				
Christian Shelter Thrift Store		\$75,000		\$75,000
Fruitland Volunteer Fire Company	\$50,000			50,000
Vehicles for Change		200,000		200,000
Subtotal	\$50,000	\$275,000	\$0	\$325,000
Worcester				
Ocean City Lifesaving Museum	\$150,000		\$450,000	\$600,000
Subtotal	\$150,000	\$0	\$450,000	\$600,000
Total Senate and House Initiatives	\$20,000,000	\$20,000,000	\$26,365,000	\$66,365,000

Source: Department of Legislative Services

Capital Budget Outlook

The State's fiscal outlook changed dramatically during the session and resulted in a capital program passed by the General Assembly that is \$764 million greater than was introduced by the Governor, with all but \$10 million of this increase allocated to the PAYGO portion of the capital program. This expansion was possible due to the enactment of the federal American Rescue Plan Act, providing Maryland with more than \$4 billion of flexible funding and an almost \$900 million increase in the general fund revenue estimates for fiscal 2021 and 2022 by the Board of Revenue Estimates.

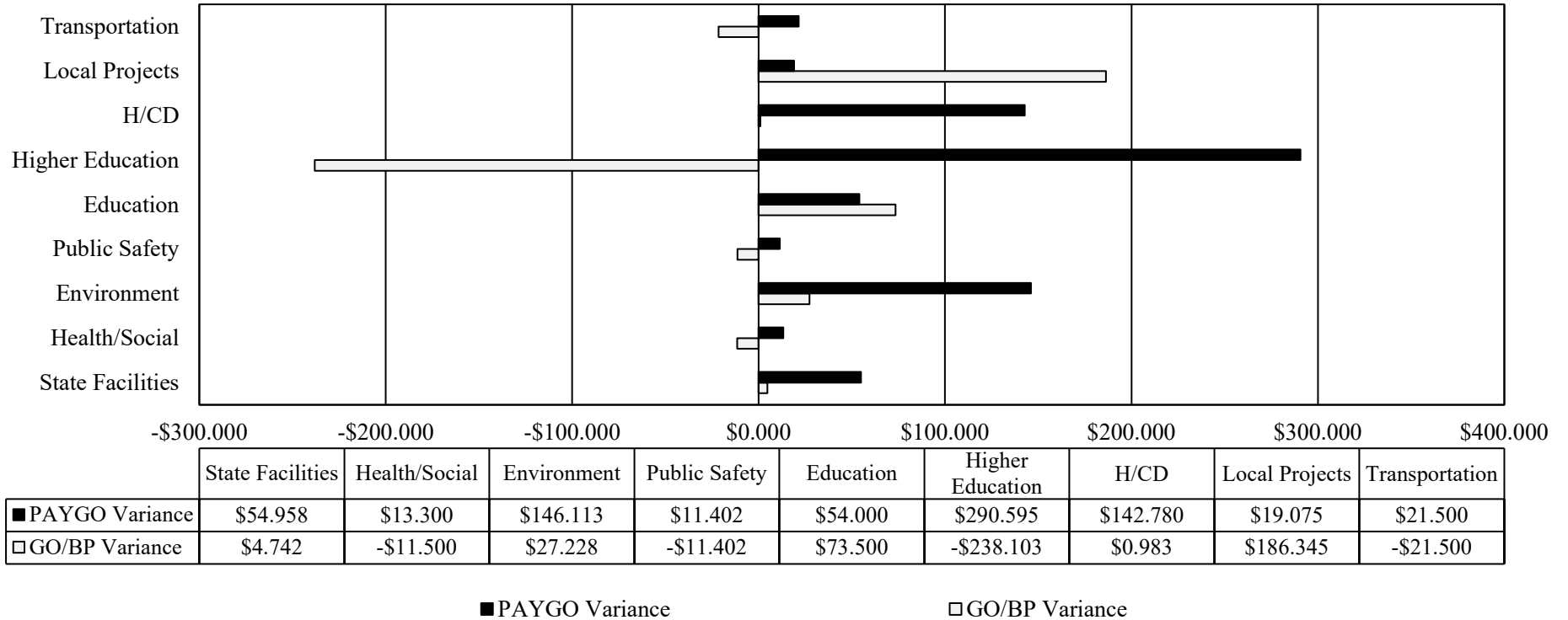
Recognizing that much of the additional available revenues are temporary in nature, the General Assembly looked to invest funds in the capital program and bolster cash reserves. To facilitate an expansion of the capital program, the budget committees cut \$386.9 million of

GO bonds from projects that it supported but requested the Governor to fund with PAYGO funds. The Governor’s Supplemental Budget No. 5 fully restored these GO bond reductions with general and federal funds, which facilitated the reprogramming of the GO bond funds for legislative capital priorities. In total, Supplemental Budget No. 5 provided \$604.8 million of PAYGO funds above what was originally included in the budget. This includes federal funds of \$142.8 million to fund the continued build out of State and local broadband infrastructure and \$40.0 million in federal funds to support expansion of the Healthy School Facility Fund. An additional \$40 million of federal funds is deposited in the Dedicated Purpose Account (DPA) for the Healthy School Facility Fund in fiscal 2023.

Other enhancements to the PAYGO capital program include the Governor’s withdrawal of a proposed diversion to the State general fund of \$100.6 million of special funds derived from the transfer tax for Program Open Space (POS) related programs and the legislature’s restoration of \$43.9 million of general funds in the DPA for the fiscal 2022 mandated POS repayment, which the Governor originally proposed be deferred by one year. These actions are discussed in more detail later in this section.

Exhibit A-2.4 illustrates the major structural differences by category in the proposed and authorized uses for both the GO bond and PAYGO portions of the capital program.

Exhibit A-2.4
Differences in Proposed and Authorized GO and PAYGO Funding by Activity
 (\$ in Millions)

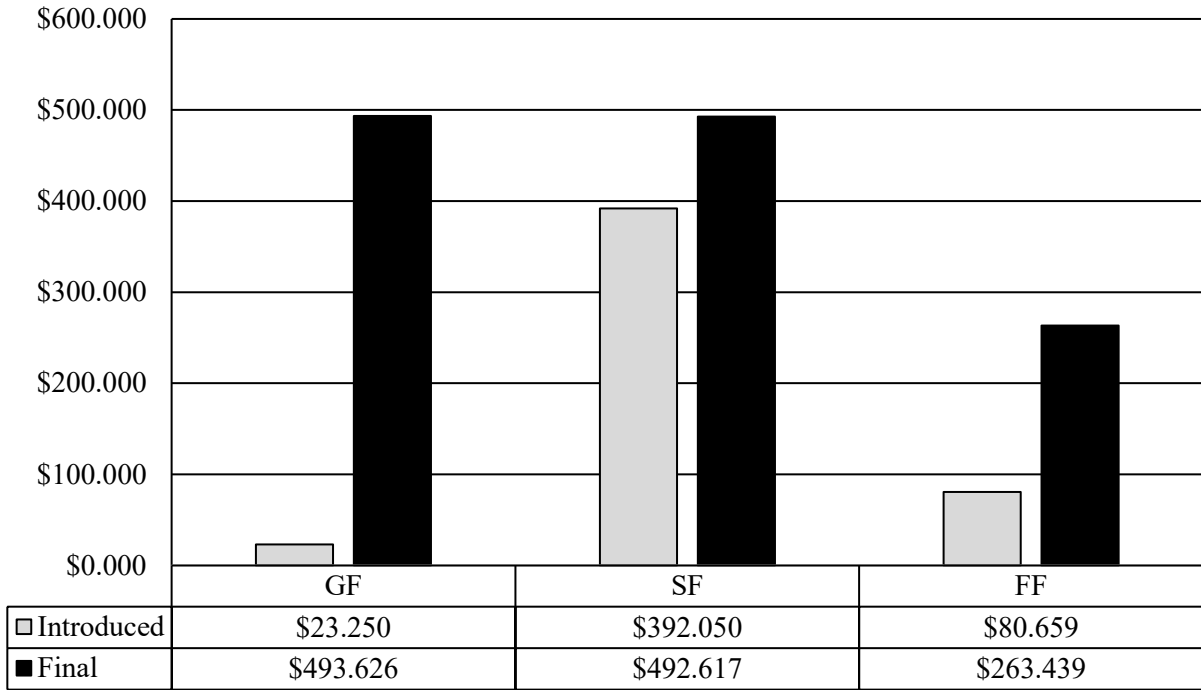


BP: bond premium
 GO: general obligation
 H/CD: Housing/Community Development
 PAYGO: pay-as-you-go

Source: Department of Legislative Services

Exhibit A-2.5 shows the capital PAYGO funding level as introduced and as passed, and **Exhibit A-2.6** shows how the additional PAYGO funds were more broadly allocated.

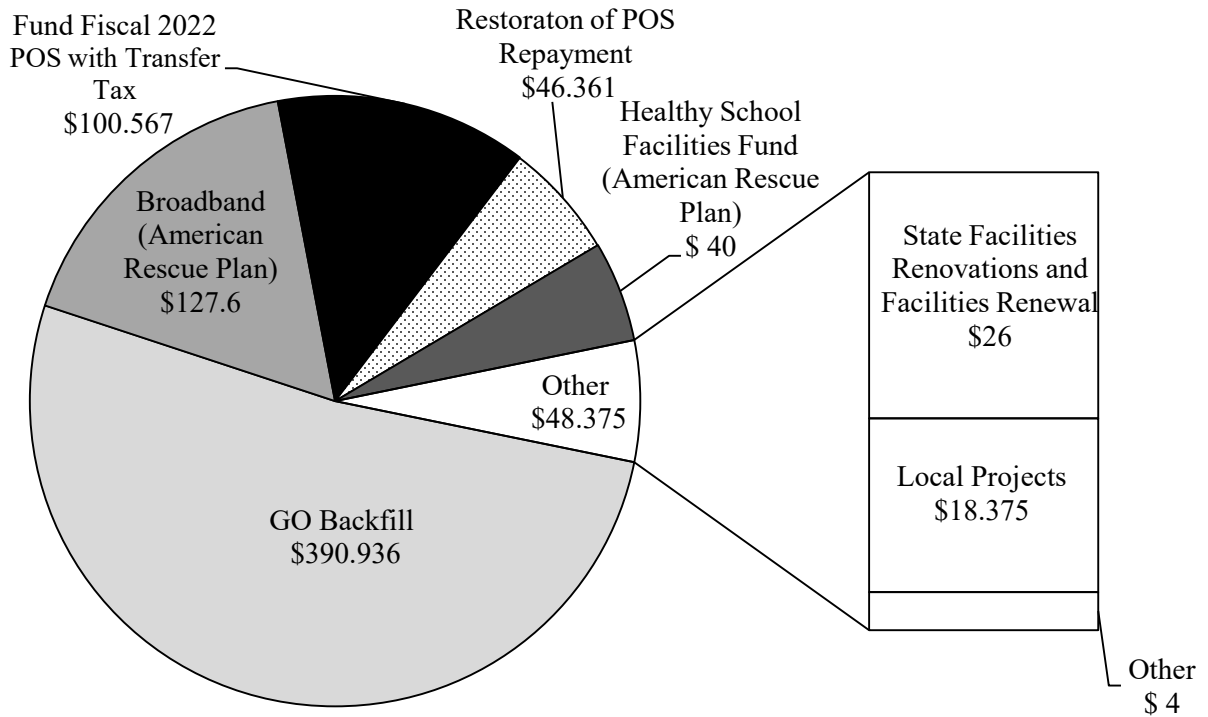
Exhibit A-2.5
Capital PAYGO Funding Levels
 (\$ in Millions)



FF: Federal Funds
 GF: General Funds
 PAYGO: Pay as you go
 SF: Special Funds

Source: Department of Legislative Services

**Exhibit A-2.6
Allocation of Additional PAYGO Funds
(\$ in Millions)**



GO: General Obligation Bonds
 PAYGO: Pay as you go
 POS: Program Open Space

Source: Department of Legislative Services

Bond Premiums

The capital program is supplemented with \$256.9 million of bond premium revenues, including \$125 million to fund a portion of a mandated capital grant to the Washington Metropolitan Area Transit Authority, \$65 million to supplement the Public School Construction Program (PSCP), \$21.5 million to supplement the Community College Construction Grant Program, \$11.4 million to partially fund a new Department of Legislative Services (DLS) building; and \$34 million to fund various deficiency appropriations that support shovel-ready higher education facility maintenance and renewal projects.

Revenue Bonds

The capital program is supported with \$30.0 million of ARBs for USM facilities authorized in *House Bill 1341 (Ch. 111)*.

With the General Assembly’s override of the Governor’s veto of the Blueprint for Maryland’s Future – Implementation (Chapter 36 of 2021), the Built to Learn Act of 2020 took effect. This authorizes the use of up to \$125 million annually from the Education Trust Fund to support the debt service on \$2.2 billion of revenue bonds for school construction projects programmed to be issued by the Maryland Stadium Authority (MSA) from fiscal 2022 through 2026. The first issuance of an estimated \$333 million is anticipated in fiscal 2022.

GO Bond Preauthorizations

The MCCBL of 2021 includes \$503.8 million of GO bond authorizations that will not take effect until fiscal 2023 and \$589.0 million that will not take effect until fiscal 2024 and 2025. Many of these preauthorizations either continue the funding for existing construction contracts or allow projects expected to be contracted during fiscal 2022 to proceed without the full amount of the construction authorization provided in the fiscal 2022 budget. Some preauthorizations express the General Assembly’s support of local projects, which are not contracted by the State but rather by local governments and local and private organizations. **Exhibit A-2.7** shows the preauthorizations for fiscal 2023 through 2025 included in the MCCBL of 2021.

Exhibit A-2.7 Preauthorizations Included in House Bill 590

<u>Agency</u>	<u>Project Title</u>	<u>Fiscal 2023</u>	<u>Fiscal 2024</u>	<u>Fiscal 2025</u>
MSA	Department of Legislative Services Building	\$12,000,000	\$60,000,000	
BPW	New Courts of Appeal Building	30,000,000	45,000,000	\$24,000,000
HSMCC	Maryland Heritage Interpretive Center	10,846,000		
MDP	Maryland Archaeological Conservation Laboratory	9,958,000		
DoIT	Public Safety Communications System	2,650,000		
DNR	Natural Resources Development Fund	4,515,000		
DPSCS	Jessup Region Electrical Infrastructure Upgrade	6,273,000		
DPSCS	High Temperature Distribution and Perimeter Security Improvements	11,840,000		
UMB	Central Electric Substation and Electrical Infrastructure Upgrades	925,000		
UMCP	Chemistry Building Wing I Replacement	48,317,000	5,330,000	
BSU	Communication Arts and Humanities Building	40,703,000	75,094,000	16,342,000
TU	New College of Health Professions Building	73,152,000	31,120,000	
MSD	Veditz Building Renovation	6,935,000		
MHEC	Community College Construction Grant Program	56,402,000	14,799,000	
MSU	New Health and Human Services Building	56,250,000	42,339,000	

<u>Agency</u>	<u>Project Title</u>	<u>Fiscal 2023</u>	<u>Fiscal 2024</u>	<u>Fiscal 2025</u>
MES	Infrastructure Improvement Fund	6,524,000	3,082,000	
DJS	Baltimore City Juvenile Justice Center	7,182,000		
DJS	New Female Detention Center	26,360,000	36,640,000	
DSP	New Berlin Barrack, Forensic Lab, and Garage	9,763,000		
UMB	School of Social Work Addition and Renovation I	2,500,000	50,000,000	
UMCP	Interdisciplinary Engineering Building	7,000,000	74,000,000	70,000,000
CSU	New Dormitory and Student Union	9,000,000		
UMBC	Sherman Hall Renovation	40,000,000	40,000,000	
MISC	Rash Field	500,000		
MISC	Johns Hopkins Medicine New Medical Research Building	7,500,000		
MISC	Bay Sox Stadium	500,000		
MISC	Family Crisis Center	500,000		
MISC	Morning Star Family Life Center	1,400,000		
MISC	Pikesville Armory Foundation – Pikesville Armory Renovation	2,500,000		
MISC	Hippodrome Foundation	3,000,000		
MISC	Burtonsville Crossing Shopping Center	3,500,000		
MISC	Old Town Bowie – Historic Properties	500,000		
MISC	New Cultural Center	1,000,000	1,000,000	
MISC	Warrior Canine Connection	500,000		
MISC	Howard County Asian American Cultural Center	250,000	250,000	
MISC	Asian American Center of Frederick	700,000		
MISC	Overlea High School Electronic Sign	150,000		
MISC	Marley Neck School Center	100,000		
MISC	Fort Washington Medical Center	1,542,000		
MISC	Studio 541 Museum	193,400		
MISC	Prologue Outreach Center	150,000		
MISC	Baltimore Unity Hall	100,000		
MISC	Capitol Heights – Seat Pleasant Boys and Girls Club	100,000		
	Preauthorization Totals	\$503,780,400	\$478,654,000	\$110,342,000

BPW: Board of Public Works
 BSU: Bowie State University
 CSU: Coppin State University
 DoIT: Department of Information Technology
 DJS: Department of Juvenile Services
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 HSMCC: Historic St. Mary's City Commission
 MDP: Maryland Department of Planning
 MES: Maryland Environmental Service

MHEC: Maryland Higher Education Commission
 MISC: miscellaneous
 MSA: Maryland Stadium Authority
 MSD: Maryland School for the Deaf
 MSU: Morgan State University
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus

Additional Actions

House Bill 1374 (passed) includes amendments to prior authorizations that, among other changes, extend matching fund deadlines, extend deadlines for expending or encumbering funds, alter the purposes for which funds may be used, modify certification requirements, rename grant recipients, and alter project locations. This legislation also removes the matching fund requirements for miscellaneous and Legislative Bond Initiative grants authorized in the 2019 and 2020 sessions to provide relief to nonprofit and local government grant recipients negatively impacted by the COVID-19 pandemic.

Higher Education

The overall State-funded portion of the fiscal 2022 capital program for all segments of higher education is \$443.5 million. Of the total funding, public four-year institutions, including regional higher education centers, receive \$367.8 million, or 79.1%, of funding; and independent institutions receive \$12.0 million, or 2.5%, of funding. Community colleges receive \$85.2 million, or 18.3% of funding, which includes \$3.8 million for the facilities renewal grant program and \$4.0 million for Baltimore City Community College. **Exhibit A-2.8** shows the fiscal 2022 capital funding by four-year institutions and segments.

Exhibit A-2.8
Fiscal 2022 Higher Education Capital Funding by Institution
(\$ in Millions)

<u>Institution</u>	<u>Capital Funding</u>
University of Maryland, Baltimore Campus	\$13.807
University of Maryland, College Park Campus	72.065
Bowie State University	3.600
Towson University	50.684
University of Maryland Eastern Shore	22.716
Frostburg State University	49.655
Coppin State University	35.851
University of Maryland Baltimore County	13.936
USM – Facility Renewal	28.800
USM – Southern Maryland Higher Education Center	4.829
Morgan State University	48.856
St. Mary’s College of Maryland	23.013
Independent Institutions	12.000
Community Colleges	85.174
Total	\$464,986

USM: University System of Maryland

Note: Includes general obligation bonds, bond premiums, academic revenue bonds, and general funds. Does not include the use of \$7.6 million available in Community College Facility Grant Fund balance. Also does not include the use of \$34 million of bond premiums available in the Annuity Bond Fund budgeted as special funds to support fiscal 2021 deficiency appropriations for shovel ready facility maintenance and renewal projects at USM institutions, Morgan State University, and St. Mary’s College of Maryland.

Source: Department of Legislative Services

Public School Construction

As illustrated in **Exhibit A-2.9**, the fiscal 2022 budget provides \$771.4 million for public school construction programs. The largest fund source is revenue bonds to be issued by MSA as authorized by the Built to Learn Act. Bond funds comprised of \$321.6 million of GO bond authorizations as well as \$65 million of authorized bond premium proceeds provide most of the remaining funds. The budget was further supplemented with \$40 million of federal funds for the Healthy School Facility Fund, bringing the total allocation for the fund to \$70 million.

Exhibit A-2.9
Fiscal 2022 School Construction Funding By Program and Fund Source
(\$ in Millions)

	<u>Revenue</u> <u>Bonds</u>	<u>GO</u> <u>Bonds</u>	<u>Bond</u> <u>Premiums</u>	<u>Federal</u> <u>Funds</u>	<u>General</u> <u>Funds</u>	<u>Total</u>
Built to Learn	\$333.3	\$0.0	\$0.0	\$0.0	\$0.0	\$333.3
Public School Construction Program	0.0	220.0	65.0	0.0	0.0	285.0
Healthy Schools Facility Fund	0.0	30.0	0.0	40.0	0.0	70.0
Supplemental Capital Grant Program	0.0	60.0	0.0	0.0	0.0	60.0
Public School Safety Grant Program	0.0	0.0	0.0	0.0	10.0	10.0
Aging Schools Program	0.0	6.1	0.0	0.0	0.0	6.1
Senator James E. “Ed” DeGrange	0.0					0.0
Nonpublic Aging Schools Program	0.0	3.5	0.0	0.0	0.0	3.5
Nonpublic School Safety	0.0					0.0
Improvements Program	0.0	2.0	0.0	0	1.5	3.5
Total	\$333.0	\$321.6	\$65.0	\$40.0	\$11.5	\$771.4

GO: general obligation

Note: Approximately \$333.3 million in revenue bonds for the Built to Learn program is anticipated to be available in fiscal 2022. Projects prioritized for funding have been previously approved by the Interagency Commission on School Construction but have not yet received an allocation. Figures do not include \$40 million of federal funds from the American Rescue Plan Act budgeted in the Dedicated Purpose Account for fiscal 2023.

Source: Department of Legislative Services

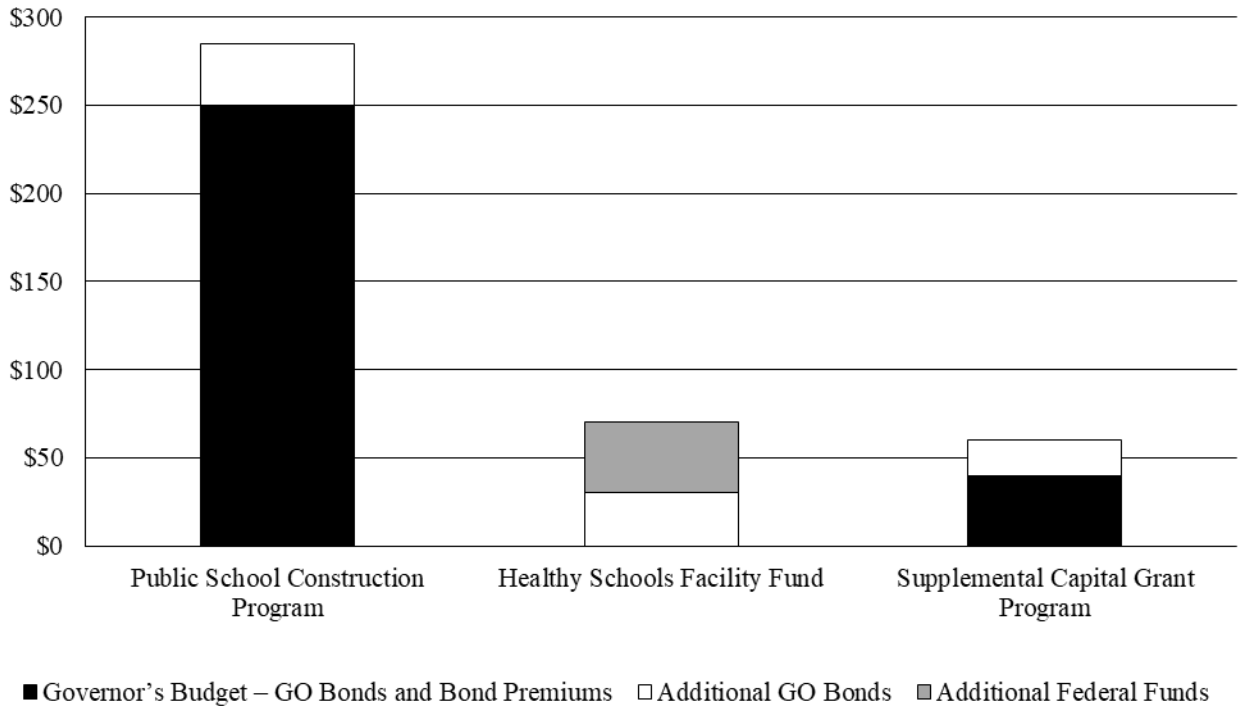
The final budget passed by the General Assembly provides \$125 million more for public school construction than was included in the budget as introduced. The significant enhancements include:

- \$35 million more in GO bonds for the traditional PSCP for a total allocation of \$285 million. This is comprised of both GO bonds and bond premium proceeds to restore the funding level programmed in the 2020 session *Capital Improvement Program* for fiscal 2022 and to the level assumed for the Built to Learn Act.
- \$70 million for the Healthy School Facility Fund. The Governor’s budget did not provide funding for the program, as the funding mandate included in the Built to Learn Act did not apply at the time the budget was introduced. The General Assembly added \$30 million of GO bond funds for the program, which was subsequently enhanced with \$40 million of federal funds.

- \$20 million more for the Supplemental Capital Grant Program, also known as the Enrollment Growth and Relocatable Classrooms Program, for a total allocation of \$60 million. This includes \$40.0 million allocated through the mandated statutory formula and \$20.0 million to be allocated outside of the formula with specific allocations to jurisdictions as set forth in the capital budget bill.

Exhibit A-2.10 illustrates the additional funding by program and fund source from what was originally introduced.

Exhibit A-2.10
Public School Construction Program Funding Enhancements
Fiscal 2022 by Fund Type
(\$ in Millions)



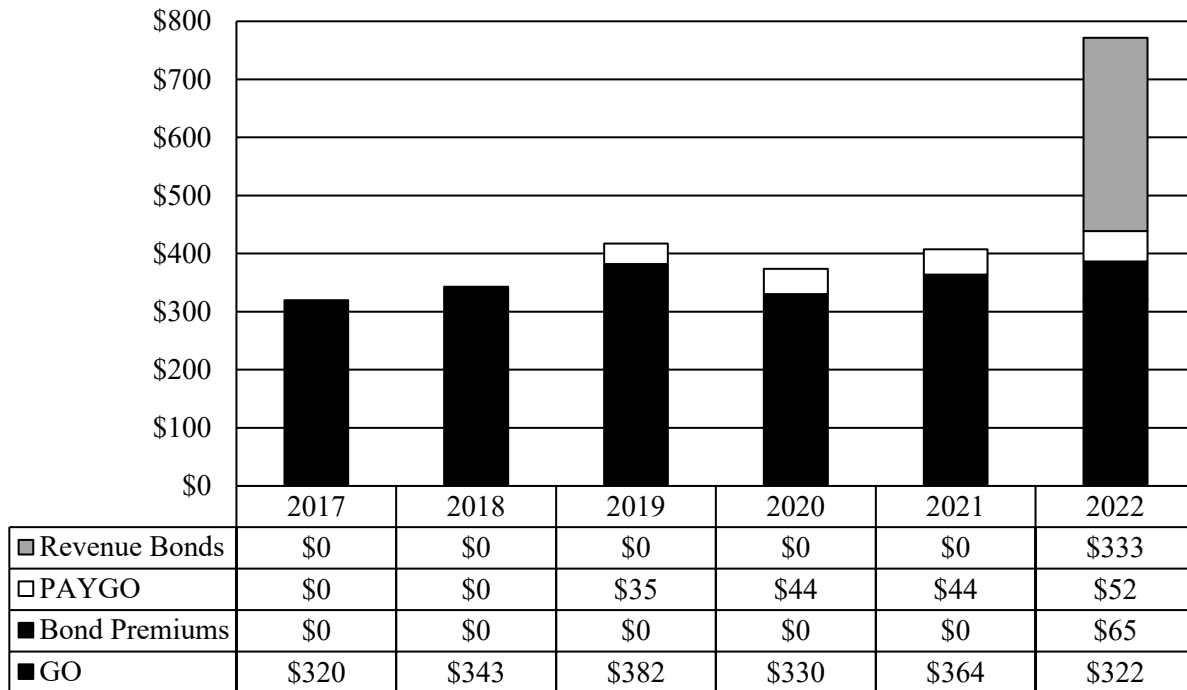
GO: general obligation

Note: \$65 million in bond premiums for the Public School Construction Program in fiscal 2022 is included as GO in this chart. Numbers may not sum due to rounding.

Source: Department of Legislative Services

Exhibit A-2.11 shows the funding allocation by fund source provided for public school construction from fiscal 2017 to 2022.

Exhibit A-2.11
Public School Construction Funding
Fiscal 2017-2022
(\$ in Millions)



GO: general obligation
 PAYGO: pay-as-you-go

Note: \$65 million in bond premiums for the Public School Construction Program in fiscal 2022 is included as GO in this chart.

Source: Department of Legislative Services

For a further discussion of school construction programs and funding, see Part L – Education of this *90 Day Report*.

Transfer Tax Funded Programs

The Governor’s budget as introduced proposed several changes to transfer tax funded programs, which included:

- a reduction of \$100.6 million in transfer tax special funds (\$69.6 million in the Department of Natural Resources POS and \$31.0 million in the Maryland Department of Agriculture's Maryland Agricultural Land Preservation Foundation) contingent upon a provision in the Budget Reconciliation and Financing Act (BRFA) of 2021, allocating the transfer tax revenues to the General Fund and replacing the funding with GO bonds; and
- a reduction of \$43.9 million for the mandated fiscal 2022 POS repayment contingent on a provision in the BRFA of 2021 delaying the transfer tax repayment by a year.

The Governor later withdrew the BRFA provision to allocate \$100.6 million of transfer tax revenues to the General Fund and replaced the funding with GO bonds. The General Assembly rejected the Governor's BRFA provision relating to the mandated fiscal 2022 POS repayment, thus restoring the repayment of \$43.9 million of which \$40.7 million supports capital purposes. In addition, the General Assembly modified the fiscal 2022 repayment to provide an additional \$15.9 million for the Critical Maintenance Program and \$1.2 million for a State Lakes Protection and Restoration Fund pilot dredging project at Deep Creek Lake.

As shown in **Exhibit A-2.12**, these changes altered both the amount and components of funding for the traditionally transfer tax funded programs.

Exhibit A-2.12
Programs Traditionally Funded with Transfer Tax Revenue
Fiscal 2022

	Transfer Tax Special Funds Originally Replaced with GO Bonds	Transfer Tax Regular Special Funds	Transfer Tax Repayment General Funds	Other Special Funds	Federal Funds	GO Bond Funds	Total
Department of Natural Resources							
Program Open Space							
State ¹	\$34.0	\$10.0	\$5.6	\$0.0	\$3.0	\$0.0	\$52.6
Local	0.0	48.7	4.7	0.0	0.0	0.0	53.4
Capital Development ²	18.6	2.2	24.0	0.0	0.0	0.8	45.5
Rural Legacy Program ³	17.0	2.0	1.0	0.0	0.0	0.0	20.0
Heritage Conservation Fund	0.0	4.0	0.7	0.0	0.0	0.0	4.6
Department of Agriculture							
Agricultural Land Preservation ⁴	31.0	6.0	3.5	8.5	0.0	0.0	49.1
Total⁵	\$100.6	\$72.9	\$39.5	\$8.5	\$3.0	\$0.8	\$225.2

GO: general obligation

¹ The Baltimore City Direct Grant of \$6.0 million is a component of the \$10.0 million transfer tax regular special funds. The \$3.0 million in federal funds may also be used for Program Open Space (POS) local purposes.

² The Capital Development transfer tax special funds that were originally replaced with GO bonds are allocated as follows: Natural Resources Development Fund – \$9.7 million for five projects and the majority of the Albert Powell Fish Hatchery Improvements project; and \$8.9 million for Maryland Environmental Service’s Water and Wastewater Projects at State parks. The Capital Development transfer tax regular special funds are allocated as follows: Critical Maintenance Program – \$1,175,000; and Ocean City Beach Maintenance – \$1,000,000. The Capital Development GO bond funding reflects \$0.8 million for the remainder of the Albert Powell Fish Hatchery Improvements project.

³ The Rural Legacy Program funding does not include the \$5.0 million in GO bonds pursuant to § 5-9A-09 of the Natural Resources Article as this is considered an expression of General Assembly intent and not an established mandate.

⁴ The Agricultural Land Preservation funding reflects \$8.5 million in county participation funding.

⁵ The total amount for the general fund POS repayment only reflects the capital portion – another \$3.1 million goes to fund operations of the Park Service in the Department of Natural Resources. Figure does not include \$1.2 million allocated to fund the dredging of Deep Creek Lake.

Source: Department of Budget and Management; Department of Legislative Services

Transfer Tax Repayment Plan Out-year Modifications

The BRFA of 2021 modifies the transfer tax repayment plan in the out-years, reducing the amount allocated through the transfer tax formula in fiscal 2023 through 2027 to accommodate new mandates for the Next Generation Farmland Acquisition Program (\$2.5 million annually during the five-year period) and the Maryland Agricultural and Resource-Based Industry Development Corporation (\$2.7 million in fiscal 2025).

Other Significant Environmental Funding Initiatives

Comprehensive Flood Management Program

The General Assembly added \$17.8 million in GO bond funding for the Comprehensive Flood Management Program for a total of \$23.8 million. The funding addresses flooding concerns for an additional five projects. In addition, the General Assembly added language to provide flexibility on the use of funding for prior and future authorized projects with the requirement that notification be provided to the General Assembly of any changes in the use of funding for prior and future authorized projects.

Local Parks and Playgrounds Infrastructure Program

The General Assembly provided \$85.0 million for the new Local Parks and Playgrounds Infrastructure Program. The program provides grants to the county administrative units managing local parks to design, construct, and capital equip indoor and outdoor park infrastructure and other capital-eligible projects that enhance recreational amenities including, but not limited to, trails, playgrounds, and recreational facilities. The funding is allocated to all 23 counties and Baltimore City and is designed both to be additive to local government budgets and to be used on shovel-ready projects accessible by the public.

Resilient Maryland Revolving Loan Fund

The General Assembly also added \$25.0 million in GO bond funds to finance the Resilient Maryland Revolving Loan Fund within the Maryland Emergency Management Agency. The fund will provide loans for local resilience projects that address mitigation of all hazards, including natural disasters, contingent on the enactment of *Senate Bill 901 (passed)* (Public Safety – Emergency Management – Resilient Maryland Revolving Loan Fund). In the event that *Senate Bill 901* is not enacted, \$12.5 million of the funding would be allocated to the Comprehensive Flood Management Program and \$12.5 million to the DLS building.

State Aid to Local Governments

Overview

State aid to local governments will total \$8.8 billion in fiscal 2022, representing a \$317.4 million, or 3.7%, increase over fiscal 2021. Direct aid will increase by \$287.9 million, and State funding for retirement payments will increase by \$29.5 million. As in prior years, local school systems will receive the largest increase in State funding, though not in terms of percentage change. **Exhibit A-3.1** compares State aid by governmental entity in fiscal 2021 and 2022.

Exhibit A-3.1
State Aid to Local Governments
(\$ in Millions)

	<u>FY 2021</u>	<u>FY 2022</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$6,510.7	\$6,743.7	\$233.0	3.6%
Libraries	63.6	64.4	0.8	1.3%
Community Colleges	294.2	325.6	31.3	10.7%
Local Health	61.4	65.8	4.4	7.2%
County/Municipal	741.1	759.3	18.2	2.5%
Subtotal – Direct Aid	\$7,671.0	\$7,958.9	\$287.9	3.8%
Retirement Payments	\$815.9	\$845.4	\$29.5	3.6%
Total	\$8,486.9	\$8,804.2	\$317.4	3.7%

Source: Department of Legislative Services

Major Changes to Public School State Aid Including COVID-19 Relief

House Bill 1300 of 2020, passed by the General Assembly in March 2020, implemented the Blueprint for Maryland’s Future, which was first established by Chapter 771 of 2019, substantially altering State aid and State policy for public schools. The Governor vetoed the bill for policy reasons and the General Assembly overrode the veto during the 2021 legislative session. The bill became law as Chapter 36 of 2021. Because House Bill 1300 was not law at the time of the fiscal 2022 allowance, effectively, provisions of Chapter 36 pertaining to fiscal 2022 State aid were not mandated. *House Bill 1372 (Ch. 55)*, among other provisions, revises Chapter 36 to account for the timing of its enactment. The budget and Chapter 55 also address conditions brought

about by the COVID-19 pandemic, including unusually low enrollment counts for public school formula aid, by offsetting decreases in formula aid and extending by one year funding of certain programs under Chapter 771 of 2019. Combined, these provisions impact funding for public schools in both fiscal 2021 and 2022, and to a large degree, draw upon federal funding related to COVID-19. Chapter 55 and these budget provisions, including the sources of federal funding, are discussed in greater detail in Part L – Education of this *90 Day Report*.

Fiscal 2022 hold harmless grants constitute one measure providing COVID-19 funding relief for public schools. In response to the sharp decline in fall 2020 student enrollment resulting from COVID-19 and the implementation of online instruction, hold harmless grants provide \$209.4 million to offset considerable decreases in enrollment-based formula aid (including, but not limited to, otherwise decreased funding under the foundation program and other major aid programs, such as compensatory education). Hold harmless grants also effectively provide level funding for special education transportation and assure certain levels of increased State aid overall for public schools in each county and Baltimore City.

Under Chapter 55, to address the effects of COVID-19, local boards of education must in fiscal 2021 and 2022, implement a specified summer school program, provide certain tutoring and supplemental instruction, and use specified funds to address trauma and behavioral health issues. The budget provides COVID-19 relief funding totaling \$45.0 million in fiscal 2021 and \$211.6 million in fiscal 2022 to assist local boards in implementing these requirements.

Federal Funding under the American Rescue Plan Act

Local governments in Maryland are scheduled to receive \$2.3 billion in direct federal funding under the American Rescue Plan Act. Allowable uses of the federal funds include (1) responding to or mitigating the public health emergency with respect to the COVID-19 pandemic or its negative economic impacts; (2) providing government services to the extent of the reduction in revenue; (3) making necessary investments in water, sewer, or broadband infrastructure; and (4) responding to workers performing essential work during the COVID-19 pandemic by providing premium pay to eligible workers or by providing grants to eligible employers that have eligible workers who perform essential work. **Exhibit A-3.2** shows the level of federal funding under the American Rescue Plan Act in fiscal 2022. Baltimore City is scheduled to receive \$670.3 million, county governments are scheduled to receive \$1.1 billion, and municipal governments are scheduled to receive \$588.7 million.

Exhibit A-3.2
Federal Aid to Local Governments
American Rescue Plan Act
(\$ in Millions)

County	County	Municipal	Total
Allegany	\$13.7	\$30.4	\$44.1
Anne Arundel	112.3	6.7	119.1
Baltimore City	670.3	0.0	670.3
Baltimore	160.5	0.0	160.5
Calvert	17.9	6.7	24.7
Caroline	6.5	10.2	16.7
Carroll	32.7	43.9	76.5
Cecil	20.0	24.9	44.8
Charles	31.7	11.2	42.9
Dorchester	6.2	13.2	19.4
Frederick	50.3	37.2	87.5
Garrett	5.6	5.6	11.3
Harford	49.5	33.6	83.1
Howard	63.2	0.0	63.2
Kent	3.8	6.5	10.3
Montgomery	203.8	100.1	303.9
Prince George's	176.4	160.9	337.3
Queen Anne's	9.8	6.1	15.8
St. Mary's	22.0	3.2	25.2
Somerset	5.0	5.1	10.0
Talbot	7.2	16.1	23.4
Washington	29.3	31.2	60.5
Wicomico	20.1	20.7	40.8
Worcester	10.1	15.0	25.1
Total	\$1,727.7	\$588.7	\$2,316.4

Source: Department of Legislative Services

Changes by Program

Both direct State aid and State aid for retirement increase for Baltimore City and all counties in Maryland in fiscal 2022. **Exhibit A-3.3** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A-3.4** shows total State aid in fiscal 2021 and 2022 by program. A more detailed discussion of the changes in State aid in fiscal 2022 follows the exhibits.

Exhibit A-3.3
State Aid to Local Governments
Fiscal 2022 Legislative Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total	Change Over FY 2021	Percent Change
			Public Schools	Libraries	Health						
Allegany	\$16,617	\$7,900	\$91,946	\$868	\$2,048	\$119,378	\$8,597	\$127,975	\$3,738	3.0%	
Anne Arundel	46,901	36,183	427,982	2,552	4,928	518,546	74,285	592,831	20,353	3.6%	
Baltimore City	284,565	0	970,344	9,525	8,815	1,273,249	65,038	1,338,288	61,401	4.8%	
Baltimore	26,690	52,231	783,946	6,646	5,815	875,327	105,418	980,745	33,243	3.5%	
Calvert	5,546	3,026	95,282	568	915	105,337	14,631	119,969	2,928	2.5%	
Caroline	6,940	2,017	67,199	351	1,044	77,552	5,295	82,847	2,552	3.2%	
Carroll	6,784	10,282	147,307	1,126	2,393	167,891	22,107	189,998	4,758	2.6%	
Cecil	9,993	7,446	115,578	897	1,675	135,589	14,761	150,351	3,390	2.3%	
Charles	4,719	10,599	210,768	1,268	2,090	229,445	24,324	253,768	9,945	4.1%	
Dorchester	7,328	1,318	54,120	322	1,021	64,109	4,130	68,240	3,281	5.1%	
Frederick	10,681	14,348	287,810	1,661	2,777	317,278	37,382	354,659	11,139	3.2%	
Garrett	6,601	4,518	24,995	179	1,032	37,325	3,675	41,000	1,513	3.8%	
Harford	8,396	14,763	242,919	1,884	3,137	271,098	31,645	302,743	8,912	3.0%	
Howard	8,810	25,759	301,011	1,103	2,397	339,080	64,968	404,049	12,310	3.1%	
Kent	1,390	592	11,006	117	917	14,022	1,869	15,891	701	4.6%	
Montgomery	32,897	57,255	832,821	3,509	4,255	930,738	175,124	1,105,862	34,278	3.2%	
Prince George's	110,674	40,449	1,330,214	7,722	6,886	1,495,944	123,415	1,619,359	58,221	3.7%	
Queen Anne's	2,327	2,409	39,468	207	876	45,288	6,496	51,783	1,220	2.4%	
St. Mary's	3,456	3,195	120,976	867	1,386	129,881	14,385	144,265	4,263	3.0%	
Somerset	9,233	1,234	38,022	327	934	49,749	3,138	52,886	2,121	4.2%	
Talbot	2,932	2,127	18,106	124	704	23,993	4,017	28,010	1,214	4.5%	
Washington	14,650	11,971	207,067	1,489	2,608	237,784	19,080	256,865	8,909	3.6%	
Wicomico	18,524	6,554	174,409	1,188	1,932	202,607	13,945	216,552	6,659	3.2%	
Worcester	8,337	2,693	22,799	175	1,216	35,220	7,674	42,894	2,109	5.2%	
Unallocated	104,346	6,698	127,606	19,768	4,000	262,418	0	262,418	18,192	7.4%	
Total	\$759,338	\$325,569	\$6,743,700	\$64,442	\$65,802	\$7,958,850	\$845,398	\$8,804,248	\$317,350	3.7%	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.3 (Cont.)
State Aid to Local Governments
Fiscal 2021 Working Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	\$16,234	\$7,019	\$89,533	\$859	\$2,175	\$115,820	\$8,417	\$124,237	
Anne Arundel	46,006	33,004	416,500	2,516	4,832	502,857	69,621	572,479	
Baltimore City	278,165	0	917,387	9,549	8,747	1,213,848	63,039	1,276,887	
Baltimore	26,180	47,499	759,453	6,541	5,770	845,443	102,059	947,502	
Calvert	5,415	2,875	93,045	546	897	102,779	14,262	117,040	
Caroline	6,206	1,861	65,915	345	1,045	75,372	4,922	80,294	
Carroll	6,452	9,424	144,291	1,107	2,340	163,612	21,628	185,240	
Cecil	10,078	6,875	113,217	890	1,660	132,720	14,240	146,960	
Charles	4,517	9,580	203,396	1,211	2,080	220,784	23,039	243,823	
Dorchester	7,312	1,256	51,105	317	1,006	60,996	3,963	64,959	
Frederick	10,154	12,618	280,581	1,623	2,754	307,730	35,791	343,521	
Garrett	6,231	4,313	24,323	176	1,028	36,070	3,417	39,488	
Harford	8,064	13,413	236,348	1,820	3,103	262,748	31,083	293,831	
Howard	8,530	22,407	294,964	1,062	2,327	329,290	62,449	391,739	
Kent	1,337	564	10,279	111	1,062	13,354	1,836	15,190	
Montgomery	31,960	51,761	809,221	3,459	4,223	900,623	170,961	1,071,584	
Prince George's	110,195	35,691	1,281,371	7,641	6,834	1,441,731	119,406	1,561,138	
Queen Anne's	2,226	2,250	38,636	206	878	44,196	6,368	50,563	
St. Mary's	3,319	3,389	117,227	841	1,334	126,110	13,892	140,002	
Somerset	8,250	971	37,293	321	936	47,771	2,995	50,766	
Talbot	2,801	1,916	17,337	121	692	22,868	3,928	26,796	
Washington	13,758	10,420	201,445	1,460	2,632	229,714	18,241	247,955	
Wicomico	18,885	6,132	168,872	1,166	1,881	196,935	12,958	209,893	
Worcester	7,886	2,484	21,690	170	1,158	33,389	7,396	40,785	
Unallocated	100,931	6,506	117,254	19,535	0	244,226	0	244,226	
Total	\$741,092	\$294,228	\$6,510,681	\$63,593	\$61,391	\$7,670,986	\$815,913	\$8,486,898	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.3 (Cont.)
State Aid to Local Governments
Dollar Difference Between Fiscal 2022 Legislative Appropriation and Fiscal 2021 Working Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	\$384	\$880	\$2,412	\$9	-\$127	\$3,558	\$179	\$3,738	
Anne Arundel	895	3,179	11,482	36	96	15,689	4,664	20,353	
Baltimore City	6,400	0	52,958	-24	68	59,402	2,000	61,401	
Baltimore	510	4,732	24,493	105	45	29,884	3,359	33,243	
Calvert	131	151	2,237	21	18	2,559	370	2,928	
Caroline	734	156	1,284	7	-1	2,180	372	2,552	
Carroll	331	858	3,016	19	53	4,278	480	4,758	
Cecil	-85	570	2,361	7	15	2,869	521	3,390	
Charles	201	1,019	7,372	57	11	8,661	1,284	9,945	
Dorchester	16	63	3,015	5	15	3,113	168	3,281	
Frederick	528	1,730	7,230	37	23	9,548	1,591	11,139	
Garrett	371	204	672	3	5	1,255	258	1,513	
Harford	332	1,349	6,572	64	34	8,351	561	8,912	
Howard	280	3,353	6,047	41	70	9,790	2,520	12,310	
Kent	53	28	726	6	-145	668	33	701	
Montgomery	937	5,494	23,600	51	33	30,115	4,163	34,278	
Prince George's	479	4,758	48,843	81	52	54,213	4,008	58,221	
Queen Anne's	101	159	832	1	-2	1,092	128	1,220	
St. Mary's	137	-193	3,749	26	52	3,771	493	4,263	
Somerset	983	263	728	6	-2	1,978	143	2,121	
Talbot	131	211	769	3	12	1,125	89	1,214	
Washington	891	1,551	5,622	29	-24	8,070	839	8,909	
Wicomico	-361	423	5,536	23	51	5,672	987	6,659	
Worcester	451	209	1,109	4	58	1,832	277	2,109	
Unallocated	3,416	192	10,353	232	4,000	18,192	0	18,192	
Total	\$18,246	\$31,341	\$233,018	\$849	\$4,411	\$287,865	\$29,485	\$317,350	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.3 (Cont.)
State Aid to Local Governments
Percent Change: Fiscal 2022 Legislative Appropriation Over Fiscal 2021 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	2.4%	12.5%	2.7%	1.0%	-5.8%	3.1%	2.1%	3.0%
Anne Arundel	1.9%	9.6%	2.8%	1.4%	2.0%	3.1%	6.7%	3.6%
Baltimore City	2.3%	n/a	5.8%	-0.3%	0.8%	4.9%	3.2%	4.8%
Baltimore	1.9%	10.0%	3.2%	1.6%	0.8%	3.5%	3.3%	3.5%
Calvert	2.4%	5.2%	2.4%	3.9%	2.0%	2.5%	2.6%	2.5%
Caroline	11.8%	8.4%	1.9%	1.9%	-0.1%	2.9%	7.6%	3.2%
Carroll	5.1%	9.1%	2.1%	1.8%	2.3%	2.6%	2.2%	2.6%
Cecil	-0.8%	8.3%	2.1%	0.8%	0.9%	2.2%	3.7%	2.3%
Charles	4.5%	10.6%	3.6%	4.7%	0.5%	3.9%	5.6%	4.1%
Dorchester	0.2%	5.0%	5.9%	1.5%	1.5%	5.1%	4.2%	5.1%
Frederick	5.2%	13.7%	2.6%	2.3%	0.8%	3.1%	4.4%	3.2%
Garrett	5.9%	4.7%	2.8%	1.7%	0.4%	3.5%	7.5%	3.8%
Harford	4.1%	10.1%	2.8%	3.5%	1.1%	3.2%	1.8%	3.0%
Howard	3.3%	15.0%	2.1%	3.8%	3.0%	3.0%	4.0%	3.1%
Kent	4.0%	4.9%	7.1%	5.5%	-13.6%	5.0%	1.8%	4.6%
Montgomery	2.9%	10.6%	2.9%	1.5%	0.8%	3.3%	2.4%	3.2%
Prince George's	0.4%	13.3%	3.8%	1.1%	0.8%	3.8%	3.4%	3.7%
Queen Anne's	4.5%	7.1%	2.2%	0.7%	-0.2%	2.5%	2.0%	2.4%
St. Mary's	4.1%	-5.7%	3.2%	3.1%	3.9%	3.0%	3.5%	3.0%
Somerset	11.9%	27.1%	2.0%	1.8%	-0.2%	4.1%	4.8%	4.2%
Talbot	4.7%	11.0%	4.4%	2.2%	1.8%	4.9%	2.3%	4.5%
Washington	6.5%	14.9%	2.8%	2.0%	-0.9%	3.5%	4.6%	3.6%
Wicomico	-1.9%	6.9%	3.3%	1.9%	2.7%	2.9%	7.6%	3.2%
Worcester	5.7%	8.4%	5.1%	2.5%	5.0%	5.5%	3.7%	5.2%
Unallocated	3.4%	2.9%	8.8%	1.2%	n/a	7.4%	n/a	7.4%
Total	2.5%	10.7%	3.6%	1.3%	7.2%	3.8%	3.6%	3.7%

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.4
Total State Aid to Local Governments

<u>Program</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Difference</u>
Foundation Aid	\$3,218,368,959	\$3,170,727,031	-\$47,641,928
Supplemental Program	46,620,083	46,620,083	0
Geographic Cost of Education Index	149,532,468	147,691,955	-1,840,513
Net Taxable Income Education Grant	69,732,482	47,238,027	-22,494,455
Tax Increment Financing Education Grants	1,312,728	1,057,223	-255,505
Foundation – Special Grants	9,487,532	0	-9,487,532
Declining Enrollment Education Grants	7,633,437	0	-7,633,437
Compensatory Education	1,364,738,738	1,286,664,932	-78,073,806
Student Transportation – Regular	282,192,610	285,021,237	2,828,627
Student Transportation – Special Education	27,994,000	3,035,000	-24,959,000
Special Education – Formula	314,871,453	311,093,332	-3,778,121
Special Education – Nonpublic Placements	123,899,400	126,999,400	3,100,000
Special Education – Infants and Toddlers	10,389,104	10,389,104	0
Limited English Proficiency Grants	348,240,587	334,286,759	-13,953,828
Guaranteed Tax Base	41,232,314	49,864,008	8,631,694
Prekindergarten Expansion Program	26,644,000	26,644,000	0
School Safety Grants	10,600,000	10,600,000	0
Blueprint – Concentration of Poverty	64,447,747	116,912,737	52,464,990
Blueprint – Mental Health Coordinators	2,000,000	2,000,000	0
Blueprint – Prekindergarten	64,032,481	53,674,670	-10,357,811
Blueprint – Special Education	65,468,589	65,468,589	0
Blueprint – Teacher Salary Incentives	75,000,001	75,000,001	0
Blueprint – Transitional Supplemental Instruction	23,000,000	23,000,000	0
Blueprint – Hold Harmless	0	209,384,067	209,384,067
Blueprint – Early Education	45,558,350	54,742,016	9,183,666
Blueprint – COVID-19 Relief	45,000,000	211,575,818	166,575,818
Food Service	14,086,664	15,166,664	1,080,000
SEED School	10,844,230	10,930,964	86,734
Judy Hoyer Centers	10,575,000	10,575,000	0
Teacher Development	4,520,000	4,520,000	0
Next Generation Scholars	5,000,000	5,000,000	0
Public School Opportunities	3,000,000	3,000,000	0
Out-of-county Foster Placements	1,900,000	2,000,000	100,000
Head Start	3,000,000	3,000,000	0
Other Education Aid	19,758,503	19,817,260	58,757
Total Primary and Secondary Education	\$6,510,681,460	\$6,743,699,877	\$233,018,417

<u>Program</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Difference</u>
Library Formula	\$44,058,137	\$44,674,374	\$616,237
Library Network	19,535,167	19,767,513	232,346
Total Libraries	\$63,593,304	\$64,441,887	\$848,583
Community College Formula	\$249,720,041	\$290,092,215	\$40,372,174
Optional Retirement	17,000,000	16,900,000	-100,000
Grants for ESOL Programs	4,918,896	4,578,289	-340,607
Small College Grants	7,300,589	7,300,590	1
Other Community College Aid	15,288,377	6,697,717	-8,590,660
Total Community Colleges	\$294,227,903	\$325,568,811	\$31,340,908
Highway User Revenue	\$236,865,000	\$254,229,001	\$17,364,001
Elderly and Disabled Transportation Aid	4,305,908	4,305,908	0
Paratransit Grants	1,408,450	1,408,450	0
Total Transportation	\$242,579,358	\$259,943,359	\$17,364,001
Police Aid	\$74,518,472	\$74,592,937	\$74,465
Fire and Rescue Aid	15,000,000	15,000,000	0
9-1-1 Grants	58,042,886	58,042,886	0
Baltimore City Direct Police Grant	9,180,113	9,180,113	0
Safe Streets Program	3,600,000	3,600,000	0
State's Attorney Grants	2,905,955	2,905,955	0
Violent Crime Grants	2,292,489	2,292,489	0
Vehicle Theft Prevention	1,886,020	1,886,020	0
Drug Enforcement Grants	1,214,610	1,214,610	0
Maryland Criminal Intelligence Network	5,089,746	6,503,865	1,414,119
Police Recruitment and Retention	1,300,000	1,300,000	0
Rape Kit Testing Grant Fund	1,917,299	1,000,000	-917,299
Other Public Safety Aid	6,015,552	5,431,509	-584,043
Total Public Safety	\$182,963,142	\$182,950,384	-\$12,758
Wastewater Treatment – Nutrient Removal	\$8,000,000	\$11,000,000	\$3,000,000
Critical Area Grants	157,950	110,408	-47,542
Total Recreation/Environment	\$8,157,950	\$11,110,408	\$2,952,458
Local Health Formula	\$61,390,734	\$65,801,553	\$4,410,819
Disparity Grant	\$163,321,523	\$158,216,682	-\$5,104,841
Gaming Impact Grants	\$89,752,188	\$91,791,691	\$2,039,503
Teachers Retirement Supplemental Grants	27,658,661	27,658,661	0
Adult Education	8,011,986	8,011,986	0

<u>Program</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Difference</u>
Statewide Voting Systems	3,848,586	3,465,437	-383,149
Revenue Equity Program	3,233,836	3,843,517	609,681
Payments in Lieu of Taxes (PILOT)	1,818,870	1,666,422	-152,448
PILOT – Park Service	2,100,000	2,400,000	300,000
PILOT – Forest Service	144,708	144,708	0
Instant Bingo	2,370,000	2,370,000	0
Behavioral Health Crisis Response	4,000,000	5,000,000	1,000,000
Senior Citizens Activities Center	1,131,382	764,888	-366,494
Total Other Direct Aid	\$144,070,217	\$147,117,310	\$3,047,093
Total Direct Aid	\$7,670,985,591	\$7,958,850,271	\$287,864,680
Retirement – Teachers	\$750,289,290	\$778,950,780	\$28,661,490
Retirement – Libraries	20,245,183	20,493,217	248,034
Retirement – Community Colleges	45,378,132	45,953,995	575,863
Total Payments-in-behalf	\$815,912,605	\$845,397,992	\$29,485,387
Total State Aid	\$8,486,898,196	\$8,804,248,263	\$317,350,067

ESOL: English for Speakers of Other Languages

Primary and Secondary Education

Hold Harmless Grants and COVID-19 Relief: As detailed above, the fiscal 2022 budget includes a total of \$209.4 million in order to effectively level fund special education transportation aid and to offset other funding decreases, largely resulting from low enrollment counts. Also, as detailed above, a total of \$45.0 million in fiscal 2021 and \$211.6 million in fiscal 2022 in COVID-19 relief funding is provided.

Foundation Program: The foundation formula ensures a minimum funding level per pupil and requires local governments to provide a local match. The formula is calculated based on a per pupil amount and student enrollment. Less wealthy school systems, as measured by the assessable base and net taxable income (NTI), receive more aid per pupil than wealthier school systems. State aid under the foundation program will total \$3.2 billion in fiscal 2022, a \$47.7 million, or 1.5%, decrease from the prior year. The decrease is attributable to a statewide enrollment decline of 2.3% that is only partially offset by a 0.8% inflationary increase in the per pupil foundation amount, from \$7,331 to \$7,390. The 0.8% increase in the per pupil foundation amount is equivalent to the increase in the Consumer Price Index (CPI) for all urban consumers (commonly known as CPI-U) for the Washington statistical area. Statute provides that the inflationary adjustment is the lesser of CPI-U or the Implicit Price Deflator for State and local government up to 5.0%. Under

Chapter 36 as modified by Chapter 55, a multi-year phase-in of per pupil funding increases begins in fiscal 2023.

In addition, \$46.6 million in supplemental grants will be provided to nine local school systems in fiscal 2022. The supplemental grants were first established during the 2007 special session to guarantee increases of at least 1% in State education aid for all local school systems during two years, fiscal 2009 and 2010.

Geographic Cost of Education Index: Geographic Cost of Education Index (GCEI) is a mandated formula that accounts for the differences in the costs of educational resources among local school systems. Thirteen local school systems are eligible for GCEI funds in fiscal 2022, receiving a total of \$147.7 million in fiscal 2022. This represents a decrease of \$1.8 million, or 1.2%, compared to the prior year. Under Chapter 36, GCEI funding will be replaced by Comparable Wage Index funding beginning in fiscal 2024.

NTI Grants: Pursuant to Chapter 4 of 2013, State education aid formulas that include a local wealth component must be calculated twice, once using an NTI amount for each county based on tax returns filed by September 1 and once using an NTI amount based on tax returns filed by November 1. Each local school system then receives the higher State aid amount resulting from the two calculations. Fiscal 2022 funding of NTI grants totals \$47.2 million, a \$22.5 million, or 32.3%, decrease compared to fiscal 2021. This decrease is primarily a result of unusually low enrollment counts used for the various formulas that are components of NTI grant calculations. NTI grants are repealed after fiscal 2022.

Tax Increment Financing Grants: Chapter 258 of 2016 authorized grants in fiscal 2018 and 2019 for counties that establish a tax increment financing development district after May 1, 2016, and qualify for State disparity grant funding. If the amount of State education aid for the county calculated as reduced by the tax increment is greater than the amount of State aid calculated without excluding the tax increment, the difference is provided as a grant to the local school system. Chapter 387 of 2018 extended the grant for fiscal 2020 and beyond. Grants totaling \$1.1 million in fiscal 2022 benefit Baltimore City and Prince George's County. Tax increment financing grants are repealed after fiscal 2022. However, specified tax increment wealth is subtracted within the definition of local wealth used for education funding formulas for fiscal 2023 and subsequent years.

Guaranteed Tax Base: The Bridge to Excellence in Public Schools Act included an add-on grant for jurisdictions with less than 80% of statewide per pupil wealth that contributed more than the minimum required local share under the foundation program in the prior year. The grant is based on local support for education relative to local wealth. The grant cannot exceed 20% of the per pupil foundation amount. Eight local school systems qualify for grants totaling \$49.9 million in fiscal 2022, an increase of \$8.6 million over the prior year.

Compensatory Education Program: The compensatory education formula provides additional funding based on the number of students eligible for free and reduced-price meals (FRPM). The formula is calculated using the number of eligible students and 97% of the per pupil foundation amount. The State share of the formula cost is 50%. Funds are distributed to each

local school system based on eligible enrollment in the school system and local wealth with the State paying no less than 40% of formula funding for each local school system. State aid under the compensatory education program will total \$1.3 billion in fiscal 2022. The \$78.1 million decrease in fiscal 2022 is based on a modest increase in inflation more than offset by a 24,477 decline in student counts from fall 2019 to fall 2020. Currently, approximately 41% of students statewide qualify for compensatory education funding. Under Chapter 36 as modified by Chapter 55, a multi-year phase-in of per pupil funding increases begins in fiscal 2023.

Concentration of Poverty School Grant Program: This program provides grants to public schools in which at least 70% of the students were eligible for FRPM. For both fiscal 2020 and 2021, the State must distribute a grant to each local school system equal to \$248,833 for each eligible school; that same amount must be distributed by the local school system to each eligible school. However, if the local school system has at least 40 eligible schools, the local school system may distribute the funds in accordance with a plan developed in consultation with eligible schools that ensures that each eligible school receives the required positions and services. Statewide grant totals are estimated at \$116.9 million in fiscal 2022, an increase of \$52.5 million over fiscal 2021. Chapters 36 and 55 alter and extend the program indefinitely.

Transitional Supplemental Instruction: This program provides additional academic support using evidence-based programs and strategies that meet the expectations of strong or moderate evidence as defined in the federal Every Student Succeeds Act. Transitional Supplemental Instruction includes one-on-one and small-group tutoring with a certified teacher, a teaching assistant, or any other trained professional; cross-age peer tutoring; and screening, identifying, and addressing literacy deficits. Struggling learners are students who perform below grade level in English/language arts or reading in kindergarten through grade 3. In fiscal 2020 and 2021, the State distributed to local boards of education funds totaling \$23.0 million. In addition to the supplemental instruction component of COVID-19 relief grants, \$23.0 million is also provided in fiscal 2022. The program is extended and enhanced under Chapter 36 through fiscal 2024, but funding phases downward in fiscal 2025 and 2026 and is repealed after fiscal 2026.

Special Education: State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements.

The special education formula is calculated based on 74% of the annual per pupil foundation amount and the number of special education students from the prior fiscal year. The State share of program cost is 50% statewide with a floor of 40% for each local school system. State formula funding for public special education programs will total \$311.1 million in fiscal 2022, a decrease of \$3.8 million, or 1.2%, compared to the prior year, based on a modest increase in inflation more than offset by a 2,244 decline in student counts from fall 2019 to fall 2020. Under Chapter 36, a multi-year phase-in of per pupil funding increases begins in fiscal 2023. Chapter 771 of 2019 provided an additional \$65.5 million for public school special

education in fiscal 2020 and 2021. This same amount of funding is extended into fiscal 2022 as well.

Funding for nonpublic placements totals \$127.0 million in fiscal 2022, a \$3.1 million, or 2.5% increase. The costs for these students, who are placed in nonpublic day or residential facilities, are shared by the local school system and the State. The local school system contributes an amount equal to the local share of the basic cost of educating a child without disabilities plus two times the total basic cost. Any costs above this are split 70% State/30% local. *Senate Bill 958/House Bill 1365 (both passed)* require the Governor to include in the annual budget bill an appropriation to provide, in fiscal 2023, an increase in funding for nonpublic placements that amounts to an increase of approximately 3.4% over the amount approved by the Maryland State Department of Education in fiscal 2022.

Infants and Toddlers Program: This program involves a statewide community-based interagency system of comprehensive early intervention services for eligible children until the beginning of the school year following a child's fourth birthday. State funding for infants and toddlers programs will total \$10.4 million in fiscal 2022, the same annual amount that has been provided since fiscal 2009. Annual increases in State funding for the program are scheduled to begin in fiscal 2023.

Limited English Proficiency: The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. This formula provides additional funds based on the number of students for whom English is a second language. The formula is calculated based on eligible enrollment and 99% of the per pupil foundation amount. Like the compensatory formula, the State pays 50% of the formula costs statewide with a floor of 40% for each local school system. Fiscal 2022 funding totals \$334.3 million. The \$14.0 million, or 4.0%, decrease is based on a modest increase in inflation more than offset by a 4,411 decline in LEP student counts from fall 2019 to fall 2020. Under Chapter 36, a multi-year phase-in of per pupil funding increases begins in fiscal 2023.

Prekindergarten Funding: Under Chapter 361 of 2018, beginning in fiscal 2020, mandatory annual State funding for prekindergarten expansion grants increased to \$26.6 million. However, fiscal 2021 funding totaling \$72.2 million substantially exceeded this requirement. Fiscal 2022 funding totals \$81.4 million. Also, per Chapter 771 of 2019, prekindergarten supplemental grants for four-year-olds enrolled in full-day prekindergarten total \$64.0 million in fiscal 2021. The fiscal 2022 budget includes \$53.7 million in supplemental grants. Beginning in fiscal 2023, under Chapter 55, a new publicly funded full-day prekindergarten program for voluntary full-day prekindergarten for four-year-olds and three-year-olds from low-income families is phased in. The prekindergarten expansion grant program is modified and funds appropriated to the Prekindergarten Expansion Fund are consolidated into the new full-day prekindergarten formula after fiscal 2025.

Judy Hoyer and Ulysses Currie Head Start Programs: These programs provide financial support for the establishment of centers that provide full-day, comprehensive, early education programs and family support services that will assist in preparing children to enter school ready to

learn. The programs also provide funding to support early childhood educators and statewide implementation of an early childhood assessment system. Chapters 555 and 556 of 2018 require an annual State funding level of \$3.0 million for Head Start, which was named the Ulysses Currie Head Start Program by the legislation. The fiscal 2022 budget includes \$10.6 million for Judy Hoyer programs and \$3.0 million for the Ulysses Currie Head Start program. The number of Judy Centers and State funding will increase annually for multiple years beginning in fiscal 2023.

Teacher Development and Salary Incentives: State aid for teacher development totals \$4.5 million in fiscal 2022, level with both fiscal 2020 and 2021 funding. This includes \$96,000 for the Governor's Teacher Excellence Award Program, which distributes awards to teachers for outstanding performance and also includes \$600,000 for national certification fees. It also includes funds totaling \$3.8 million for Quality Teacher Incentives, which are used to recruit and retain quality teachers by providing stipends to teachers achieving National Board Certification.

Chapter 771 of 2019 provided \$75.0 million in incentive grants for increased teacher salaries in each of fiscal 2020 and 2021. These grants are provided to a local school system if the local board provides a negotiated and funded average salary increase for teachers of at least 3.0% in fiscal 2020. Funding is dependent on local boards providing the required documentation. The fiscal 2022 budget includes \$75.0 million to provide level funding with the two prior fiscal years.

Innovative Programs: Funding for Innovative Programs totals \$27.8 million in fiscal 2022, level with the prior year. This includes full funding (\$9.0 million) for three programs established under Chapter 361 of 2018: the Learning in Extended Academic Programs grant program; the Maryland Early Literacy Initiative; and the Career and Technology Education Innovation grant program. This also includes funding for School-based Health Centers and for the Healthy Families/Home Visits program, discussed below.

School-based Health Centers: The fiscal 2022 budget includes \$2.6 million for school-based health centers that provide primary medical care as well as social, mental health, and health education services for students and their families. This amount reflects virtually level funding since fiscal 2012. Under Chapter 36, as modified by Chapter 55, State funding for School-based Health Centers increases to \$9.0 million annually beginning in fiscal 2023.

Healthy Families/Home Visits Program: The Healthy Families Program aims to promote positive parenting to enhance child health and development and to prevent child abuse and neglect through home visits prenatally through early childhood. Fiscal 2022 funding remains level at \$4.6 million.

Student Transportation: The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants consist of three components: regular student ridership funds; special education student ridership funds; and additional enrollment funds. The fiscal 2022 budget includes \$285.0 million for regular transportation services, an increase of \$2.8 million over fiscal 2021. The fiscal 2022 budget also includes \$3.0 million for special transportation services, a decrease of \$25.0 million compared to fiscal 2021, due to an 89.2% decrease in students transported during fall 2020. As discussed above, the hold harmless grants provided in fiscal 2022 compensate for this funding decrease.

School Safety Grants: The fiscal 2022 budget includes \$10.6 million in State funding for public school safety grants, level with fiscal 2021 funding.

Food and Nutrition Services: In addition to federal funds, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced-price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. Chapter 560 of 2018 makes the State responsible for the student share of the costs of (1) reduced-price breakfasts provided under the federal School Breakfast Program and (2) reduced-price lunches provided under the National School Lunch Program by fiscal 2023 and phases in this responsibility beginning in fiscal 2020. Qualifying public and nonpublic schools are eligible for reimbursement. Chapter 562 of 2018 requires minimum annual funding of \$7.6 million for Maryland Meals for Achievement. The fiscal 2022 budget includes \$15.2 million in State aid for food and nutrition services, an increase of \$1.1 million.

Teachers' Retirement Payments: State retirement costs for public school teachers and other professional public school personnel will total an estimated \$779.0 million in fiscal 2022, an increase of \$28.7 million (3.8%) compared to fiscal 2021.

Local Libraries

Library Aid Program: The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. Overall, the State provides 40% of the minimum program, and the counties provide 60%. The State/local share of the minimum program varies by county depending on local wealth. Fiscal 2022 funding totals \$41.7 million, a \$616,200 increase compared to fiscal 2021. In addition, Baltimore City will receive \$3.0 million to support expanded operations throughout the library system. [*Senate Bill 477/House Bill 436 \(both passed\)*](#) repeal the termination of this annual funding and it will continue in fiscal 2023 and subsequent years, subject to certain expectations regarding continued expanded hours of operations.

State Library Network: The State provides funds to libraries designated as resource centers, including the State Library Resource Center in Baltimore City, and to regional resource centers, including the Eastern Resource Center in Salisbury, the Southern Resource Center in Charlotte Hall, and the Western Resource Center in Hagerstown. Participating regional resource centers must receive a minimum amount of funding for each resident of the area served to be used for operating and capital expenses. Fiscal 2022 State library network funding totals \$19.8 million, an increase of \$232,300 over fiscal 2021.

Retirement Payments: The State pays 100% of the retirement costs for local library employees. Fiscal 2022 funding totals \$20.5 million, an increase of \$248,000 compared to fiscal 2021.

Community Colleges

Senator John A. Cade Formula Funding: The Cade funding formula aid is based on a percentage (27% in fiscal 2022) of the current year's State funding formula results for selected four-year public higher education institutions and the total number of full-time equivalent students at the community colleges. The total is then distributed to each community college based on the previous year's direct grant, enrollment, and a small-size factor. Fiscal 2022 funding totals \$290.1 million, an increase of \$40.4 million, or 16.2%, over fiscal 2021 funding.

Special Programs: State funding in fiscal 2022 will total \$6.7 million for small college grants and \$600,000 for Allegany/Garrett counties unrestricted grants. Funding for statewide and regional programs will total \$6.7 million. The English as a Second Language Program will receive \$4.6 million, a decrease of \$340,600 compared to the prior year. The budget also adds \$8.8 million in fiscal 2021 for workforce readiness grants.

Retirement Payments: Fiscal 2022 funding totals \$46.0 million for community college retirement payments, an increase of \$575,900 compared to fiscal 2021. State funding for the optional retirement program totaling \$16.9 million reflects a decrease of \$100,000 compared to fiscal 2021.

Local Health Departments

The State provides funds to support the delivery of public health services, including child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of the departments. The funding formula is adjusted annually for inflation and statewide population growth for the second preceding fiscal year. The annual adjustment is generally allocated to each county based on its percentage share of State funds distributed in the previous fiscal year. The need to address a substantial change in community health needs as determined by the Secretary of Health may also affect allocations of the annual adjustment. The fiscal 2022 budget includes \$65.8 million for local health grants, which is a 7.2% increase over the fiscal 2021 amount.

The General Assembly passed legislation that will enhance State aid to local health departments beginning in fiscal 2023. **Senate Bill 563 (passed)** establishes a new base level of State funding for the core public health services formula of \$70.0 million in fiscal 2025 and \$80.0 million in fiscal 2026. Beginning in fiscal 2027, State funding must be the greater of the (1) funding provided by the formula for the immediately preceding fiscal year or (2) actual funds appropriated for the immediately preceding year adjusted for inflation and population growth.

County and Municipal Governments

Approximately 8.6% of State aid is allocated to county and municipal governments to finance general government, transportation, public safety, and environmental projects. County and municipal governments will receive \$759.3 million in fiscal 2022, an increase of \$18.2 million over fiscal 2021 funding. The major State aid programs assisting county and municipal

governments include transportation aid, disparity grants, adult education, teacher retirement supplemental grants, police aid, and gaming impact aid.

Highway User Revenue: The State has shared various transportation revenues with the counties and municipalities through the local highway user revenue program. Allocations to counties and municipalities from the Gasoline and Motor Vehicle Revenue Account (GMVRA) have been based on the percentage of road miles and vehicle registrations within each local jurisdiction.

Chapters 330 and 331 of 2018 require 100% of the funds in the GMVRA of the Transportation Trust Fund (TTF) to be retained by the TTF beginning in fiscal 2020. Beginning in that same year, instead of directly sharing GMVRA revenue with local governments, the Maryland Department of Transportation must provide capital transportation grants to local governments based on the amount of revenue allocated to the GMVRA. For fiscal 2020 through 2024, capital grants equivalent to 13.5% of the revenue allocated to the GMVRA must be provided to local governments as follows: Baltimore City (8.3%); counties (3.2%); and municipalities (2.0%).

Beginning in fiscal 2025, capital grants equivalent to 9.6% of the revenue allocated to the GMVRA must be provided to local governments as follows: Baltimore City (7.7%); counties (1.5%); and municipalities (0.4%); this is equivalent to the previous GMVRA distribution to localities.

The fiscal 2022 allocation is based on projected TTF revenue from motor fuel taxes, motor vehicle titling taxes, motor vehicle registration fees, and corporate income taxes. Based on this formula, the fiscal 2022 budget includes a total of \$254.2 million for local highway funding, which is a \$17.4 million increase from fiscal 2021. Baltimore City will receive \$156.3 million, county governments will receive \$60.3 million, and municipal governments will receive \$37.7 million.

Special Transportation Grants: State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2022, and State funding for paratransit grants will total \$1.4 million, both of which are the same amounts as were provided in fiscal 2021.

Police Aid Formula: Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The Maryland State Police recovers 30% of the State crime laboratory costs relating to evidence-testing services from each county's formula allocation. Funding for fiscal 2022 totals \$74.6 million, a slight increase over the fiscal 2021 amount, resulting from minor increases in population and the number of sworn officers in some municipalities.

Fire, Rescue, and Ambulance Service: The State provides formula grants through the Senator William H. Amoss Fire, Rescue, and Ambulance Fund to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The program supports the purchase of fire and rescue equipment and capital building improvements

and is funded through the Maryland Emergency Medical System Operations Fund. Fiscal 2022 funding totals \$15.0 million, which is the same fiscal 2021.

9-1-1 Emergency Systems Grants: The State 9-1-1 system is supported by a State and a local fee on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. Chapters 301 and 302 of 2019 doubled the State 9-1-1 fee, allowed counties to double their 9-1-1 fees, and required the fee to be assessed on each phone line on a customer account as opposed to being assessed once per account. State funding to local 9-1-1 emergency systems will total \$58.0 million in fiscal 2022, which is the same as the fiscal 2021 amount.

Targeted Public Safety Grants: State funding for targeted public safety grants will total \$33.4 million in fiscal 2022. Funding for fiscal 2022 includes \$15.3 million in targeted grants for Baltimore City and \$4.7 million in targeted grants for Prince George's County. This funding also includes \$13.5 million for several statewide initiatives (*i.e.*, Maryland Criminal Intelligence Network, Internet Crimes Against Children Task Force, S.T.O.P. gun violence grants, police recruitment and retention, community program fund, day reporting centers, rape kit testing grants, domestic violence grants, law enforcement and correctional officers training grants, sex offender and compliance enforcement, and body armor grants).

Vehicle Theft Prevention: This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for vehicle theft prevention, deterrence, and educational programs. Funds are used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund and from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$1.9 million in fiscal 2022, the same amount that was provided in fiscal 2021.

Wastewater Treatment – Nutrient Removal Program: The Maryland Department of the Environment provides grants to local governments to assist with operation and maintenance costs associated with enhanced nutrient removal at wastewater treatment facilities. The fiscal 2022 budget includes \$11.0 million in funding, which is a \$3.0 million increase over the fiscal 2021 amount.

Disparity Grants: The disparity grant program provides noncategorical State aid to low-wealth jurisdictions for county government purposes. The program reflects the State's policy to improve fiscal equity among jurisdictions by making less affluent jurisdictions less dependent on their own tax base to fund public services. Specifically, disparity grants address the differences in the abilities of counties to raise revenues from the local income tax, which for most counties is one of the larger revenue sources.

Based on the statutory formula, Baltimore City and nine counties (Allegany, Caroline, Cecil, Dorchester, Garrett, Prince George's, Somerset, Washington, and Wicomico) qualify for disparity grants. Of these jurisdictions, seven currently impose the maximum 3.2% local income tax rate. Three jurisdictions (Caroline, Dorchester, and Washington) increased their local income

tax rate in recent years as a way to receive additional State funding. The fiscal 2022 budget includes \$158.2 million for disparity grants, a \$5.1 million decrease from the prior year.

The State budget includes the \$15.2 million in enhanced State funding required under Chapter 26 of 2021 (House Bill 737 of 2020). Of this amount, \$5.0 million will be provided in fiscal 2021 to three counties (Dorchester, Prince George's, and Wicomico) through Chapter 39 of 2021 (RELIEF Act). The remaining \$10.2 million will be allocated to six counties (Caroline, Dorchester, Prince George's, Somerset, Washington, and Wicomico) in fiscal 2022.

Gaming Impact Grants: From the proceeds generated by video lottery terminals at video lottery facilities in the State, generally 5.5% is distributed to local governments in which a video lottery facility is operating. In addition, 5% of table game revenues are distributed to local jurisdictions where a video lottery facility is located. Gaming impact grants total \$91.8 million in fiscal 2022, an increase of \$2.0 million, or 2.3%, over fiscal 2021 levels.

Teacher Retirement Supplemental Grants: Grants totaling \$27.7 million are distributed annually to nine counties (including Baltimore City) to help offset the impact of sharing teachers' retirement costs with the counties.

Revenue Equity Program: Chapter 692 of 2017 established a State Forest, State Park, and Wildlife Management Area Revenue Equity Program to make annual payments, beginning in fiscal 2019, to counties that have a certain amount of State forests, State parks, and wildlife management areas that are exempt from the property tax. The grants replace payment in lieu of taxes (PILOT) payments in the affected counties. The fiscal 2022 budget includes \$3.8 million for Allegany, Dorchester, Garrett, and Somerset counties, which represents a \$609,700 increase over the fiscal 2021 amount.

Forest Service and Maryland Park Service – PILOT: Each county in which any State forest or park is located annually receives 15% of the net revenues derived from the forest or park located in that county, including concession operations. If the forest or park reserve comprises 10% or more of its total land area, the county annually receives 25% of the net revenues derived from the reserve. The original intent of the county payments was to offset the loss in property taxes to counties in which the State owned a significant amount of acreage. In fiscal 2021, Forest Service payments to local governments totaled \$144,700, and Maryland Park Service payments to local governments totaled \$2.1 million. In fiscal 2022, Forest Service payments to local governments will again total \$144,700, and Maryland Park Service payments to local governments will total \$2.4 million.

Senior Citizen Activities Center Operating Fund: The Senior Citizen Activities Center Operating Fund is a nonlapsing fund that consists of appropriations from the State budget. The fund supplements any other funding for senior citizen activities centers in the State budget; it may not be used to replace existing funding. Funding is distributed to counties based on a competitive grant process, with at least 50% of the funds distributed based on need for senior citizen activities centers in counties determined by the Maryland Department of Aging to meet criteria related to economic distress. The fiscal 2022 budget includes \$764,900 for the program.

Adult Education: The State provides funding for adult education services, including classes on basic skills in reading, writing, and math, or learning to speak and understand the English language. Grants also assist adults to prepare to earn a high school diploma through GED tests or the National External Diploma Program. The fiscal 2022 budget includes \$8.0 million for adult education programs, level with fiscal 2021 funding.

Behavioral Health Crisis Response: Chapters 209 and 210 of 2018 established the Behavioral Health Crisis Response Grant Program in the Maryland Department of Health to provide funds to local jurisdictions to establish and expand community behavioral health crisis response systems. The fiscal 2022 budget includes \$5.0 million for the fund, an increase of \$1.0 million over the fiscal 2021 amount.

County Level Detail

This section includes information for each county on State aid, State funding of selected services, and capital projects in the county. The three parts included under each county are described below.

Direct Aid and Retirement Payments

Direct Aid: The State distributes aid or shares revenue with the counties, municipalities, and Baltimore City through over 80 different programs. The fiscal 2022 State budget includes \$8.0 billion to fund these programs. Part A, Section 1 of each county's statistical tables compares aid distributed to the county in fiscal 2021 and 2022.

Retirement Payments: County teachers, librarians, and community college faculty are members of either the teachers' retirement or pension systems maintained and operated by the State. The State pays a portion of the employer share of the retirement costs on behalf of the counties for these local employees. These payments total \$845.4 million in fiscal 2022. Although these funds are not paid to the local governments, each county's allocation is estimated from salary information collected by the State retirement systems. These estimates are presented in Part A, Section 2 of each county.

Estimated State Spending on Health and Social Services

The State funds the provision of health and social services in the counties either through local governments, private providers, or State agencies in the counties. Part B of each county shows the fiscal 2022 estimated allocation of appropriations, excluding federal funds, for health services, social services, and senior citizen services.

Health Services: The Department of Health, through its various administrations, funds in whole or in part community health programs that are provided in the local subdivisions. In addition, the Medicaid program provides funding for medical services for low-income persons. General fund spending totals \$5.2 billion statewide for these programs in fiscal 2022. In addition, \$71.1 million in special funds, primarily from the Cigarette Restitution Fund (CRF), will also be spent on these programs in fiscal 2022. Special funds in the Medicaid program are expected to

total \$711.7 million in fiscal 2022. This does not include spending at the State mental health hospitals, developmental disability facilities, or chronic disease centers.

- ***Behavioral Health Services:*** The Behavioral Health Administration was formed from the combination of the Alcohol and Drug Abuse Administration with the Mental Health Administration. Substance abuse programs include primary and emergency care, intermediate care facilities, halfway houses and long-term care programs, outpatient care, and prevention programs. Community mental health services are developed and monitored at the local level by Core Service Agencies. The Core Service Agencies have the clinical, fiscal, and administrative responsibility to develop a coordinated network of services for all public mental health clients of any age within a given jurisdiction. These services include inpatient hospital and residential treatment facility stays, outpatient treatment, psychiatric rehabilitation services, counseling, and targeted case management services. The fiscal 2022 budget includes \$919.3 million in general funds and \$21.1 million in special funds for these programs.
- ***Family Health and Chronic Disease Services:*** The Prevention and Health Promotion Administration funds a variety of community-based programs through the local health departments and private sector agencies in each of the subdivisions. These programs include maternal health (family planning, pregnancy testing, prenatal and perinatal care, *etc.*) and infant and child health (disease prevention, child health clinics, specialty services, *etc.*). The Administration is also responsible for chronic and hereditary disease prevention (cancer, heart disease, diabetes, *etc.*) and the prevention and control of infectious diseases, including HIV/AIDS. Fiscal 2022 funding for these programs totals \$44.7 million in general funds, which includes funding for kidney disease treatment services that was formerly included under the Medicaid program. Additional funding of \$50.0 million comes primarily from the CRF for tobacco use prevention and cessation and for cancer prevention and screening at the local level.
- ***Medicaid:*** The Medical Assistance Program funds medical services for low-income Marylanders. The program covers physician services, hospital inpatient and outpatient services, and pharmacy services. Medicaid funding for mental health services is included under the Behavioral Health Services category. The fiscal 2022 funding for the Medicaid program totals \$3.5 billion in general funds and \$711.7 million in special funds.
- ***Developmental Disabilities:*** The Developmental Disabilities Administration's community-based programs include residential services, day programs, transportation services, summer recreation for children, individual and family support services, including respite care, individual family care, behavioral support services, and community-supported living arrangements. The fiscal 2022 budget includes \$736.8 million in general funds for these purposes.

Social Services: The Department of Human Services; the Governor's Office of Crime Prevention, Youth, and Victim Services; and the Department of Housing and Community Development provide funding for various social and community services in the subdivisions.

Part B of each county's statistical tables shows fiscal 2022 estimates of funding for those programs that are available by subdivision. Note that fiscal 2022 funding for homeless services, women's services, foster care, and temporary cash assistance is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2021 funding and may change.

- **Homeless Services:** The State funds programs which provide emergency and transitional housing, food, and transportation for homeless families and individuals. Funding is available by county for the housing counselor program, the homeless solutions program, and the ending youth homelessness program. The fiscal 2022 budget includes \$6.5 million in general funds for these programs.
- **Women's Services:** The State provides funding for a variety of community-based programs for women. These include the domestic violence program, rape crisis centers, crime victim's services, and services for homeless women and children. Total fiscal 2022 funding for these programs equals \$5.1 million in general funds.
- **Adult Services:** The State social services departments in each of the subdivisions provide a variety of services to disabled, elderly, neglected, and exploited adults. Services include information and referral, crisis intervention, case management, protective services, in-home aid, and respite care for families. The fiscal 2022 budget includes \$12.5 million in general funds for these purposes.
- **Child Welfare Services:** The State social services departments in each of the subdivisions offer programs to support the healthy development of families, assist families and children in need, and protect abused and neglected children. Services include adoptive services, foster care programs, family preservation programs, and child protective services. The fiscal 2022 budget includes \$145.3 million in general funds for these programs.
- **Foster Care:** The foster care program places children who cannot remain in the care of their parents or legal guardian in alternate settings. The program includes payments to foster family homes, group homes, and residential facilities for neglected children. The fiscal 2022 budget includes \$210.2 million in general fund spending for the program.
- **Temporary Cash Assistance (TCA):** The TCA program provides financial assistance to dependent children and other family members deprived of support due to the death, incapacitation, underemployment, or unemployment of one or both parents. The fiscal 2022 budget anticipates general fund spending of \$55.9 million for this program.

Senior Citizen Services: The Department of Aging funds a variety of services for senior citizens mostly through local area agencies on aging. In Part B of each county, these programs have been combined into two broad categories: long-term care and community services. The total fiscal 2022 funding is \$15.8 million in general funds for these purposes. In this report, the fiscal 2022 general funds are allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2021 funding and may change.

- **Long-term Care:** This category includes the following programs: vulnerable elderly, senior care, senior guardianship, and the ombudsman program. The total fiscal 2022 funding is \$10.8 million in general funds for these programs.
- **Community Services:** Included in this category are the senior information and assistance program, the senior nutrition program, the community for life program, and the hold harmless grant. Fiscal 2022 funding for these programs totals \$5.0 million in general funds.

Capital Grants and Capital Projects for State Facilities

Selected State Grants for Capital Projects: The State provides capital grants for public schools, community colleges, local jails, community health facilities, water quality projects, waterway improvements, homeless shelters, and other cultural, historical, and economic development projects. Projects are funded from either bond sales or current revenues. Part C lists projects in the counties authorized by the fiscal 2022 State operating and capital budgets. Projects at regional community colleges are shown for each county that the college serves. Similarly, projects at wastewater treatment plants that serve more than one county are shown for each county served. The projects listed for the various loan programs are those currently anticipated for fiscal 2022. The actual projects funded and/or the amount of funding for specific projects could change depending on which projects are ready to move forward and final costs.

The fiscal 2022 budget includes \$425.0 million in funding for local school construction projects including \$10.0 million in general funds, \$310.0 million in general obligation bonds, \$65 million in bond premium revenue, and \$40 million in federal funds for the healthy school facility program. The general fund appropriation is for school security improvements. An additional \$333.3 million in revenue bonds to be issued by the Maryland Stadium Authority as authorized by the Built to Learn Act of 2020 is anticipated for fiscal 2022.

As of the publication of this report, \$210.0 million of the local school construction program has been allocated to specific projects, representing 75% of anticipated funding for the regular program. These projects are listed in Part C for each county, but the allocation of school construction funding will not be finalized until May 2021. Therefore the school construction projects funded and/or the amount of the funding for specific projects could change.

The capital budget includes \$60.0 million for the Supplemental Capital Grant Program for Local School Systems. This program is available to school systems with significant enrollment growth or relocatable classrooms. The funding has not been allocated to specific projects, but this report shows the total grants each of the six qualifying school systems will receive in fiscal 2022 per the distribution specified in the capital budget.

Capital Projects for State Facilities Located in the County: Part D for each county shows capital projects, authorized by the fiscal 2022 operating and capital budgets, at State facilities and public colleges and universities by the county in which the facility is located. If a facility is located in more than one county, such as a State park, the total amount of the capital project is shown for all relevant counties. For each capital project, the total authorized amount is given regardless of

funding source, although federally funded projects are shown separately. For the universities, projects funded from both academic and auxiliary revenue bonds are included. The projects funded with auxiliary revenue bonds are those anticipated for fiscal 2022, but the actual projects funded and/or the amount of funding for specific projects could be different. This report does not include transportation projects.

Allegany County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$43,431	\$41,939	-\$1,492	-3.4%
Compensatory Education	22,064	20,881	-1,183	-5.4%
Student Transportation	5,116	5,090	-26	-0.5%
Special Education	7,525	7,116	-409	-5.4%
Limited English Proficiency Grants	117	119	2	1.5%
Guaranteed Tax Base	4,603	5,094	491	10.7%
Declining Enrollment Grants	1,032	0	-1,032	-100.0%
Blueprint Funding	4,469	10,507	6,038	135.1%
Prekindergarten Grants	130	130	0	0.0%
Other Education Aid	1,046	1,071	24	2.3%
Primary and Secondary Education	\$89,533	\$91,946	\$2,412	2.7%
Libraries	\$859	\$868	\$9	1.0%
Community Colleges	7,019	7,900	880	12.5%
Health Formula Grant	2,175	2,048	-127	-5.8%
Transportation ¹	2,735	2,926	190	7.0%
Police and Public Safety ¹	843	844	1	0.1%
Fire and Rescue Aid ¹	349	349	0	0.0%
Disparity Grant	7,299	7,299	0	0.0%
Teachers Retirement Supplemental Grant	1,632	1,632	0	0.0%
Gaming Impact Aid	2,525	2,602	78	3.1%
Other Direct Aid	851	966	115	13.5%
Total Direct Aid	\$115,820	\$119,378	\$3,558	3.1%
Aid Per Capita (\$)	\$1,645	\$1,695	\$51	3.1%
Property Tax Equivalent (\$)	2.89	2.95	0.06	2.2%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Allegany County for teachers, librarians, and community college faculty are estimated to be \$8,597,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$84,377,000
Family Health and Chronic Disease	676,000
Developmental Disabilities	15,149,000
Behavioral Health Services	14,960,000

Social Services

Homeless Services	118,000
Women's Services	299,000
Adult Services	250,000
Child Welfare Services	3,249,000
Foster Care	2,554,000
Temporary Cash Assistance	943,000

Senior Citizen Services

Long-term Care	182,000
Community Services	54,000

C. Selected State Grants for Capital Projects

Public Schools*

Center for Career and Technical Education – renovations (roof)	\$328,500
Fort Hill High School – renovations (boilers)	1,423,110

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Public Libraries

LaVale Library – renovation and expansion	1,637,000
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Allegany College of Maryland

Campuswide – facilities renewal	474,250
Technology Building – renovation	1,416,000

Strategic Demolition Fund

Allegany High School – demolition	2,000,000
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Program Open Space

Park acquisition and development	594,119
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Community Parks and Playgrounds

Church Street Playground	185,000
Countywide – indoor and outdoor park infrastructure	1,000,000
Lonaconing Town Parks	80,310

Chesapeake Bay Restoration Fund

Frostburg – combined sewer overflow	981,313
Mill Race – combined sewer overflow	14,954,974

Water Supply Financial Assistance Program

Luke – water distribution system	722,000
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Waterway Improvement

Westernport – boat launch	121,000
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Mining Remediation Program

Upper George's Creek – stream sealing	500,000
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Other Projects

Allegany County Informational Historic Markers	15,000
Civil Air Patrol Squadron Building	50,000
Cumberland Economic Development Corporation – Baltimore Street project	750,000
Greenway Avenue Stadium	750,000
Youth Robotics and Engineering Center	150,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Rocky Gap State Park – boating facilities improvements	\$250,000
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University System of Maryland

Frostburg State – Challenger Center	3,000,000
Frostburg State – Education Professions and Health Sciences Center	46,655,000
Frostburg State – five dorm renovation	1,000,000

Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$233,121	\$232,101	-\$1,020	-0.4%
Compensatory Education	73,680	74,814	1,134	1.5%
Student Transportation	27,425	25,701	-1,724	-6.3%
Special Education	30,999	31,148	150	0.5%
Limited English Proficiency Grants	19,269	19,273	5	0.0%
Geographic Cost of Education Index	10,885	10,777	-108	-1.0%
Blueprint Funding	18,901	31,779	12,878	68.1%
Other Education Aid	2,221	2,389	168	7.6%
Primary and Secondary Education	\$416,500	\$427,982	\$11,482	2.8%
Libraries	\$2,516	\$2,552	\$36	1.4%
Community Colleges	33,004	36,183	3,179	9.6%
Health Formula Grant	4,832	4,928	96	2.0%
Transportation ¹	7,934	8,490	556	7.0%
Police and Public Safety ¹	9,031	9,067	36	0.4%
Fire and Rescue Aid ¹	996	996	0	0.0%
Gaming Impact Aid	27,970	28,272	303	1.1%
Other Direct Aid ¹	75	75	0	0.0%
Total Direct Aid	\$502,857	\$518,546	\$15,689	3.1%
Aid Per Capita (\$)	\$868	\$895	\$27	3.1%
Property Tax Equivalent (\$)	0.52	0.52	0.00	0.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Anne Arundel County for teachers, librarians, and community college faculty are estimated to be \$74,285,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$291,250,000
Family Health and Chronic Disease	1,816,000
Developmental Disabilities	48,548,000
Behavioral Health Services	72,371,000

Social Services

Homeless Services	366,000
Women's Services	364,000
Adult Services	249,000
Child Welfare Services	7,838,000
Foster Care	7,707,000
Temporary Cash Assistance	3,250,000

Senior Citizen Services

Long-term Care	761,000
Community Services	259,000

C. Selected State Grants for Capital Projects**Public Schools***

Crofton Area High School – construction	\$14,215,480
North County High School – renovations (HVAC/fire safety)	3,786,592
Supplemental Capital Grant Program for Local School Systems	7,301,164

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Public Libraries

Riviera Beach Library – construction	163,000
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Anne Arundel Community College

Campuswide – facilities renewal	474,250
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Community Health Facilities Grant Program

People Encouraging People, Inc.	500,000
Serenity Sistas, Inc.	547,000

Senior Center Capital Grant Program

Severn Intergenerational Center	800,000
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Program Open Space

Park acquisition and development	6,447,255
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	9,000,000
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Comprehensive Flood Mitigation Program

Annapolis – city dock stormwater and flood mitigation	1,400,000
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Waterway Improvement

Annapolis – Adaptive Boating Center	250,000
Annapolis – Burtis Basin docks	51,000
Annapolis – floating dock installation	250,000
Annapolis Fire Department – fire boat equipment	1,100
Dividing Creek – maintenance dredging	147,000
Grays Creek and Hunters Harbor – maintenance dredging	222,000

Rock Creek – dredge material placement site	375,000
Severn River – headwaters maintenance dredging	375,000
Yantz and Saltworks Creeks – dredging	110,000

Coastal Resiliency Program

Deale Beach – shoreline enhancements	330,000
Honeysuckle Drive – shoreline enhancements	360,000

Other Projects

American Legion Post 226	40,000
Annapolis – park and playground improvements	1,000,000
Annapolis – Stanton Community Center	600,000
Annapolis – underground utilities	250,000
Anne Arundel County – Glen Burnie street lights	200,000
Anne Arundel County – Greenhaven Wharf bulkhead	250,000
Anne Arundel County – Shadyside Community Center	37,000
Anne Arundel County Community Garden	10,000
Anne Arundel County Fairgrounds	85,000
Anne Arundel Medical Center	336,000
Baltimore Washington Medical Center – Critical Care Unit	3,000,000
Banneker-Douglass Museum	75,000
Brewer Hill Cemetery	100,000
Cape St. Claire Improvements Association, Inc. – beach replenishment	500,000
Chesapeake Children’s Museum	25,000
Chesapeake Region Accessible Boating, Inc.	75,000
Chrysalis House, Inc.	250,000
Elks Camp Barrett	89,200
Fort Meade Kuhn Hall – Resiliency and Education Center	250,000
Glen Burnie Improvement Association – Third Avenue Park	35,000
Historic Annapolis, Inc.	1,000,000
Langton Green Community Farm	95,000
Lindale Middle School – track facility	250,000
Maryland Fire Rescue Services Memorial	250,000
National Cryptologic Museum	100,000
North County High School – field house	1,200,000
Northeast High School – physical endurance training course	100,000
PAL Park Field	45,000
Pascal Crisis Stabilization Center	300,000
Peerless Rens Club	70,000
Riviera Beach Volunteer Fire Company	100,000

Part A – Budget and State Aid

A-145

Rockbridge Academy	500,000
Severn Intergenerational Center	2,000,000
Shipley’s Choice Community Association – playgrounds	50,000
St. John’s College – Mellon Hall	5,000,000
VFW Post 160	500,000
YWCA Domestic Violence Safe House Shelter	100,000

D. Capital Projects for State Facilities in the County

General Government

45 Calvert Street – facilities renewal	\$2,500,000
Courts of Appeal Building	2,836,000
General Assembly – Department of Legislative Services building	40,000,000
State House – exterior and grounds restoration	2,750,000
State House – portraits	300,000
Wineland Building – facilities renewal	2,000,000

Department of Public Safety and Correctional Services

Jessup Region – electrical infrastructure upgrade	3,681,000
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Department of Natural Resources

Sandy Point State Park – boat ramp and marina parking improvements	250,000
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Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$381,704	\$378,559	-\$3,145	-0.8%
Compensatory Education	289,071	297,507	8,436	2.9%
Student Transportation	21,270	18,585	-2,685	-12.6%
Special Education	59,037	58,618	-419	-0.7%
Limited English Proficiency Grants	35,446	37,354	1,908	5.4%
Guaranteed Tax Base	15,880	21,305	5,425	34.2%
Declining Enrollment Grants	4,989	0	-4,989	-100.0%
Geographic Cost of Education Index	22,641	22,679	38	0.2%
Blueprint Funding	80,576	128,985	48,409	60.1%
Prekindergarten Grants	1,055	1,055	0	0.0%
Other Education Aid	5,718	5,696	-22	-0.4%
Primary and Secondary Education	\$917,387	\$970,344	\$52,958	5.8%
Libraries	\$9,549	\$9,525	-\$24	-0.3%
Health Formula Grant	8,747	8,815	68	0.8%
Transportation	146,019	156,683	10,664	7.3%
Police and Public Safety	15,256	15,256	0	0.0%
Fire and Rescue Aid	1,375	1,375	0	0.0%
Disparity Grant	79,052	76,194	-2,858	-3.6%
Teachers Retirement Supplemental Grant	10,048	10,048	0	0.0%
Gaming Impact Aid	24,673	23,418	-1,254	-5.1%
Other Direct Aid	1,744	1,591	-152	-8.7%
Total Direct Aid	\$1,213,848	\$1,273,249	\$59,402	4.9%
Aid Per Capita (\$)	\$2,045	\$2,145	\$100	4.9%
Property Tax Equivalent (\$)	2.74	2.87	0.13	4.8%

2. Retirement Payments

City teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Baltimore City for teachers and librarians are estimated to be \$65,038,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$1,009,515,000
Family Health and Chronic Disease	7,454,000
Developmental Disabilities	49,389,000
Behavioral Health Services	241,621,000

Social Services

Homeless Services	1,356,000
Women's Services	1,096,000
Adult Services	2,988,000
Child Welfare Services	54,934,000
Foster Care	77,371,000
Temporary Cash Assistance	25,601,000

Senior Citizen Services

Long-term Care	1,822,000
Community Services	554,000

C. Selected State Grants for Capital Projects**Public Schools***

Charles Carroll Barrister Elementary School #34 – renovations (HVAC)	\$2,916,000
Digital Harbor High School #416 – renovations (HVAC)	900,000
Edgecombe Circle Elem. School #62 – renovations (roof/windows/doors)	7,304,250
Fallstaff Elementary/Middle School #241 – renovations (HVAC)	3,456,000
Garrett Heights Elem./Middle School #212 – renovations (roof/fire alarm)	1,119,750
Gwynn Falls Elementary School #60 – renovations (fire alarm/heater)	594,000
Paul Laurence Dunbar Middle School #133 – renovations (classroom A/C)	2,415,750
Yorkwood Elementary School #219 – renovations (roof/HVAC)	6,138,000

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Community Health Facilities Grant Program

Tuerk House, Inc.	1,300,000
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Federally Qualified Health Centers Grant Program

Park West Health System, Inc.	1,100,000
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Partnership Rental Housing Program

Housing Authority – Perkins Somerset Oldtown redevelopment	4,000,000
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Strategic Demolition Fund

Housing Authority – Perkins Somerset Oldtown redevelopment	1,000,000
Project C.O.R.E	18,081,810

Program Open Space

Baltimore City Direct Grant	6,000,000
Park acquisition and development	4,250,338

Community Parks and Playgrounds

Citywide – indoor and outdoor park infrastructure	10,000,000
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Comprehensive Flood Mitigation Program

Community of Ednor Gardens-Lakeside	5,000,000
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Waterway Improvement

Living Classroom Foundation – marina improvements and replacement	350,000
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Other Projects

Andre De Shields Center for the Arts	500,000
Arch Social Club, Inc.	650,000
Archbishop Curley High School	100,000
Artistic Laborers in Visual Exaltation, Inc.	200,000
Baltimore City – Greenway Trail	1,500,000
Baltimore City – Madison Park North Redevelopment	500,000
Baltimore City – Penn Station redevelopment	4,000,000
Baltimore City – swimming pool renovations	3,000,000
Baltimore City – Warner Street Entertainment District	3,000,000
Baltimore City – Waverly community greenspace	250,000
Baltimore City Health Department – Druid Health Clinic	1,500,000
Baltimore City Parks and Recreation – city farms	100,000
Baltimore Museum of Art	4,000,000
Baltimore Museum of Industry	413,500
Baltimore Public Markets Corporation – Northeast Market	100,000
Baltimore Pumphouse	75,000
Baltimore Zoo – infrastructure improvements	5,750,000
BraveHeart Assisted Living	300,000
Center for Community Arts, Education, and Job Training	100,000
Central Baltimore Partnership, Inc. – Safe and Healthy Homes	250,000
Central Baltimore Partnership, Inc. – Greenmount corridor redevelopment	2,000,000
Clinton Street Community Center	75,000
Community Empowerment and Wellness Center	700,000
Coppin Heights Community Development – West North Ave. revitalization	300,000
Creative Alliance	250,000
Cross Street Market	400,000
East Baltimore Development, Inc.	65,400
Forest Park Senior Center	250,000
Frederick P. Blue Workforce Development Center	125,000
Friends of Patterson Park	1,000,000
Gaudenzia Foundation, Inc.	450,000
Gilchrist Hospice Care, Inc.	500,000
Govans Ecumenical Development Corporation	100,000
Hampden Family Center	110,000
Heart of America	170,000
Helping Up Mission	500,000

Hippodrome Foundation, Inc. – France-Merrick Performing Arts Center	3,000,000
Ivy Family Support Center	300,000
Johns Hopkins Health System – Children’s Medical and Surgical Center	2,000,000
Johns Hopkins University – Milton S. Eisenhower Library	5,000,000
Kennedy Krieger Children’s Hospital	1,000,000
Kennedy Krieger Institute	1,000,000
Kennedy Krieger Institute – Center for Neuroscience of Social Injustice	2,500,000
KEYS Development – Community Healing Center	1,000,000
Langston Hughes Community, Business and Resource Center	150,000
Level82 Fund – Hilton Recreation Center	500,000
Lexington Market	2,000,000
Living Classrooms Opportunity Hub	500,000
Mary Harvin Transformation Center	500,000
Maryland Center for History and Culture	2,000,000
Maryland School for the Blind – construction	1,622,543
Maryland Science Center	500,000
McElderry Park Resource Center	75,000
National Aquarium in Baltimore	2,000,000
National Great Blacks in Wax Museum	750,000
Nexus-Woodbourne Family Healing, Inc.	500,000
Northwood Commons	500,000
Ohr Chadash Academy	350,000
Oliver Community Center	200,000
Parks and People Foundation, Inc. – Gwynns Falls Trail	1,500,000
Parks and People Foundation, Inc. – North Central Park	350,000
Parks and People Foundation, Inc. – Radecke Park	220,000
Parks and People Foundation, Inc. – Solo Gibbs Playground	190,000
Parren Mitchell House	300,000
Peale Museum	400,000
Philemon Ministry’s Step Up House	100,000
Pimlico Market Cafe	175,000
Port Discovery Children’s Museum	750,000
Pride of Baltimore II	450,000
Reginald F. Lewis Museum of Maryland African American History & Culture	1,000,000
Rise Tek Global LLC – VERGE data analytics platform	500,000
Roberta’s House	500,000
Roland Park Community Foundation, Inc.	250,000
Schreiber Brothers Development LLC – North Avenue Zero Energy Housing	250,000
Sinai Hospital	1,000,000
Social Settlement House	100,000
South Baltimore Community Land Trust	350,000

St. Ambrose Housing Aid Center, Inc.	1,000,000
Strong City Baltimore, Inc. – Club at Collington Square	200,000
Temple X Experiential Community Center	200,000
The Compound, Inc.	200,000
The Garden Community of Baltimore	100,000
The League for People with Disabilities	500,000
The Urban Oasis, Inc.	250,000
The Y of Central Maryland	1,000,000
Upton Planning Committee, Inc.	200,000
USS Constellation – renovations	2,500,000
Waterfront Partnership of Baltimore, Inc. – Rash Field	500,000
West Arlington – playground improvements	100,000
West Arlington – water tower	250,000
Zeta Sigma Foundation Community Center	100,000

D. Capital Projects for State Facilities in the City

General Government

2100 Guilford Avenue – renovations	\$3,200,000
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Department of Juvenile Services

Baltimore City Juvenile Justice Center – expansion	2,550,000
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Department of Housing and Community Development

North East Housing Initiative	200,000
Pennsylvania Avenue Black Arts and Entertainment District	500,000

Baltimore City Community College

Bard Building – demolition	7,400,000
Campuswide – deferred maintenance	4,000,000

Morgan State University

Campuswide – deferred maintenance and site improvements	10,000,000
Health and Human Services Building	33,072,000
Lake Clifton High School demolition	5,000,000
Science Center – Washington Service Center demolition	784,000

University System of Maryland

Baltimore – electric substation and electrical infrastructure	11,307,000
Baltimore – School of Social Work	2,500,000
Coppin State – dormitory and student union	3,000,000
Coppin State – Percy Julian Building	32,851,000

Other

University of Maryland Medical System – cancer treatment/organ transplant	12,000,000
University of Maryland Medical System – shock trauma center	2,500,000

Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$425,219	\$416,752	-\$8,467	-2.0%
Compensatory Education	160,497	143,875	-16,622	-10.4%
Student Transportation	35,414	31,642	-3,772	-10.7%
Special Education	64,110	63,891	-219	-0.3%
Limited English Proficiency Grants	32,799	32,380	-419	-1.3%
Geographic Cost of Education Index	6,490	6,369	-120	-1.9%
Blueprint Funding	29,660	83,245	53,585	180.7%
Prekindergarten Grants	1,000	1,000	0	0.0%
Other Education Aid	4,265	4,793	528	12.4%
Primary and Secondary Education	\$759,453	\$783,946	\$24,493	3.2%
Libraries	\$6,541	\$6,646	\$105	1.6%
Community Colleges	47,499	52,231	4,732	10.0%
Health Formula Grant	5,770	5,815	45	0.8%
Transportation	8,657	9,264	607	7.0%
Police and Public Safety	12,777	12,681	-97	-0.8%
Fire and Rescue Aid	1,746	1,746	0	0.0%
Teachers Retirement Supplemental Grant	3,000	3,000	0	0.0%
Total Direct Aid	\$845,443	\$875,327	\$29,884	3.5%
Aid Per Capita (\$)	\$1,022	\$1,058	\$36	3.5%
Property Tax Equivalent (\$)	0.91	0.92	0.01	0.8%

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Baltimore County for teachers, librarians, and community college faculty are estimated to be \$105,418,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$601,841,000
Family Health and Chronic Disease	3,475,000
Developmental Disabilities	176,148,000
Behavioral Health Services	119,042,000

Social Services

Homeless Services	427,000
Women's Services	549,000
Adult Services	981,000
Child Welfare Services	11,030,000
Foster Care	28,863,000
Temporary Cash Assistance	7,073,000

Senior Citizen Services

Long-term Care	1,574,000
Community Services	447,000

C. Selected State Grants for Capital Projects**Public Schools***

Northeast Area at Ridge Road Elementary School – construction	\$13,380,398
Red House Run Elementary School – construction	13,659,470
Supplemental Capital Grant Program for Local School Systems	9,437,181

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Community College of Baltimore County

Campuswide – facilities renewal	474,250
Essex – Wellness and Athletics Center renovation and addition	4,214,000

Community Health Facilities Grant Program

Key Point Health Services, Inc.	315,000
Main Street Housing, Inc.	307,000

Federally Qualified Health Centers Grant Program

Baltimore Medical System, Inc.	800,000
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Senior Center Capital Grant Program

Edgemere Senior Center	250,000
Overlea-Fullerton Senior Center	55,000

Program Open Space

Park acquisition and development	7,255,441
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	10,000,000
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Waterway Improvement

Bowleys Quarters Volunteer Fire Department – purchase fire/rescue boat	50,000
County Fire Department – purchase fire/rescue boat	15,000

Other Projects

Baltimore County – Benjamin Banneker Parkway signage	50,000
Baltimore County – Double Rock Park	150,000
Baltimore County – Franklin Boulevard and Quarry Place parking lot	200,000

Baltimore County – Liberty Road bus stop enclosures	150,000
Baltimore County – Liberty Road sidewalks	200,000
Baltimore County – Liberty Senior Center	150,000
Baltimore County – Linover Park	100,000
Baltimore County – Owings Mills exercise pavilion	150,000
Baltimore County – Randallstown Library	100,000
Baltimore County – Reisterstown Sportsplex	250,000
Baltimore County – school playgrounds and parks	2,000,000
Baltimore County – Tradepoint Atlantic infrastructure improvements	3,000,000
Baltimore County – Woodlawn Senior Center	3,000,000
Born2Bmore Boys and Girls Club	200,000
Community Learning Center	200,000
Community Therapy Clinic	50,000
Diggs Johnson Museum	155,000
Family Crisis Center	500,000
First Fruits Farms	400,000
Friends of the Patapsco Valley State Park – Simkins Site	540,000
Friends of the Patapsco Valley State Park – Trail Center	340,000
Glenn L. Martin Maryland Aviation Museum – Aviation Career Trade School	125,000
Graces Quarters Robotic Research Collaboration Campus	300,000
Graham Equestrian Center	100,000
JK Elm, Inc. – 600 Frederick Road	200,000
Kenwood High School – turf field	400,000
Liberty Road Volunteer Fire Company	500,000
Maryland Council for Special Equestrians, Inc.	100,000
Maryland State Fairgrounds	500,000
MedStar Franklin Square Hospital	2,000,000
Morning Star Family Life Center	200,000
National Center on Institutions and Alternatives	500,000
Oakwood Community Village Association, Inc.	2,000
Overlea High School – electronic sign	60,000
Parkville High School – athletic facilities	700,000
Pearlstone Conference and Retreat Center	1,000,000
Pikesville Armory	1,000,000
Prologue Outreach Center	400,000
Sheppard Pratt Health System	3,452,000
St. Luke’s United Methodist Church – affordable housing facility	100,000
Torah Institute	250,000
Towson Armory	500,000
University of Maryland St. Joseph Medical Center	970,000

D. Capital Projects for State Facilities in the County

Department of Public Safety and Correctional Services

Brooklandville – building demolition \$1,500,000

Department of Natural Resources

Gunpowder Falls State Park – Dundee Creek Marina 200,000

North Point State Park – waterfront improvements 343,000

Maryland Environmental Service

Woodstock – wastewater treatment plant upgrades 3,514,000

University System of Maryland

Baltimore County – Sherman Hall 7,000,000

Baltimore County – The Commons renovation 5,100,000

Baltimore County – utility upgrades 6,936,000

Towson University – College of Health Professions Building 50,684,000

Towson University – Glen Towers addition and renovation 20,000,000

Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$63,961	\$59,871	-\$4,090	-6.4%
Compensatory Education	10,075	9,401	-674	-6.7%
Student Transportation	6,412	6,313	-100	-1.6%
Special Education	5,572	5,484	-88	-1.6%
Limited English Proficiency Grants	607	608	1	0.2%
Geographic Cost of Education Index	2,398	2,312	-86	-3.6%
Blueprint Funding	3,387	10,656	7,269	214.6%
Other Education Aid	633	639	6	1.0%
Primary and Secondary Education	\$93,045	\$95,282	\$2,237	2.4%
Libraries	\$546	\$568	\$21	3.9%
Community Colleges	2,875	3,026	151	5.2%
Health Formula Grant	897	915	18	2.0%
Transportation ¹	1,934	2,062	127	6.6%
Police and Public Safety ¹	805	809	4	0.5%
Fire and Rescue Aid ¹	306	306	0	0.0%
Other Direct Aid	2,370	2,370	0	0.0%
Total Direct Aid	\$102,779	\$105,337	\$2,559	2.5%
Aid Per Capita (\$)	\$1,111	\$1,138	\$28	2.5%
Property Tax Equivalent (\$)	0.80	0.80	0.00	0.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Calvert County for teachers, librarians, and community college faculty are estimated to be \$14,631,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$43,550,000
Family Health and Chronic Disease	626,000
Developmental Disabilities	7,016,000
Behavioral Health Services	10,075,000

Social Services

Homeless Services	535,000
Women's Services	191,000
Adult Services	104,000
Child Welfare Services	1,483,000
Foster Care	2,967,000
Temporary Cash Assistance	322,000

Senior Citizen Services

Long-term Care	133,000
Community Services	43,000

C. Selected State Grants for Capital Projects**Public Schools***

Beach Elementary School – construction	\$9,123,750
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* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Public Libraries

Twin Beaches Library – construction	2,000,000
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College of Southern Maryland

Campuswide – facilities renewal	474,250
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La Plata – Student Resource Center	1,629,000
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Program Open Space

Park acquisition and development	641,688
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	1,000,000
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North Beach Wetlands Overlook Park Nature Center	110,000
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Comprehensive Flood Mitigation Program

North Beach – flooding pump/equipment	95,000
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Waterway Improvement

Calvert Marine Museum – boat basin pier and bulkhead replacement	200,000
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Chesapeake Beach – dredge material placement site	250,000
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St. Leonard Volunteer Fire Department – purchase fire/rescue boat	25,000
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Other Projects

Calverton School – turf field	300,000
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Chesapeake Beach – parks and playgrounds	150,000
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North Beach – parks and playgrounds	150,000
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D. Capital Projects for State Facilities in the County

Department of Planning

Maryland Archeological Conservation Laboratory – expansion and renovation \$653,000

Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$31,595	\$30,506	-\$1,089	-3.4%
Compensatory Education	16,193	14,614	-1,578	-9.7%
Student Transportation	3,001	2,994	-7	-0.2%
Special Education	3,267	2,982	-286	-8.7%
Limited English Proficiency Grants	3,094	2,825	-269	-8.7%
Guaranteed Tax Base	2,170	2,356	186	8.6%
Blueprint Funding	4,210	8,555	4,346	103.2%
Prekindergarten Grants	1,470	1,470	0	0.0%
Other Education Aid	915	898	-18	-1.9%
Primary and Secondary Education	\$65,915	\$67,199	\$1,284	1.9%
Libraries	\$345	\$351	\$7	1.9%
Community Colleges	1,861	2,017	156	8.4%
Health Formula Grant	1,045	1,044	-1	-0.1%
Transportation ¹	1,448	1,555	106	7.3%
Police and Public Safety ¹	345	352	7	2.0%
Fire and Rescue Aid ¹	313	313	0	0.0%
Disparity Grant	3,415	4,035	621	18.2%
Teachers Retirement Supplemental Grant	685	685	0	0.0%
Total Direct Aid	\$75,372	\$77,552	\$2,180	2.9%
Aid Per Capita (\$)	\$2,256	\$2,321	\$65	2.9%
Property Tax Equivalent (\$)	2.73	2.73	0.00	0.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Caroline County for teachers, librarians, and community college faculty are estimated to be \$5,295,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$34,430,000
Family Health and Chronic Disease	592,000
Developmental Disabilities	7,502,000
Behavioral Health Services	7,127,000

Social Services

Homeless Services	462,000
Women's Services	56,000
Adult Services	119,000
Child Welfare Services	1,422,000
Foster Care	944,000
Temporary Cash Assistance	250,000

Senior Citizen Services

Long-term Care	392,000
Community Services	82,000

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects**Public Schools***

Greensboro Elementary School – construction	\$2,430,000
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* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Public Libraries

Denton Library – renovation	70,000
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Program Open Space

Park acquisition and development	280,212
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	1,000,000
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Denton – Fourth Street Park	197,262
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Waterway Improvement

Choptank Marina – auxiliary parking lot expansion and surfacing	150,000
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Choptank Marina – fuel tank and seawall redesign	55,000
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Other Projects

Federalsburg Activity Center, Inc.	100,000
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Greensboro Elementary School – Judy Hoyer Early Learning Center	500,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Tuckahoe State Park – boat ramp replacement	\$150,000
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Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$95,953	\$92,834	-\$3,119	-3.3%
Compensatory Education	14,889	11,724	-3,166	-21.3%
Student Transportation	10,859	10,737	-123	-1.1%
Special Education	11,531	11,024	-507	-4.4%
Limited English Proficiency Grants	1,217	1,169	-49	-4.0%
Geographic Cost of Education Index	2,563	2,503	-60	-2.3%
Blueprint Funding	5,625	15,558	9,934	176.6%
Prekindergarten Grants	420	420	0	0.0%
Other Education Aid	1,234	1,338	105	8.5%
<i>Primary and Secondary Education</i>	<i>\$144,291</i>	<i>\$147,307</i>	<i>\$3,016</i>	<i>2.1%</i>
Libraries	\$1,107	\$1,126	\$19	1.8%
Community Colleges	9,424	10,282	858	9.1%
Health Formula Grant	2,340	2,393	53	2.3%
Transportation ¹	4,466	4,783	317	7.1%
Police and Public Safety ¹	1,590	1,605	15	0.9%
Fire and Rescue Aid ¹	396	396	0	0.0%
Total Direct Aid	\$163,612	\$167,891	\$4,278	2.6%
Aid Per Capita (\$)	\$971	\$997	\$25	2.6%
Property Tax Equivalent (\$)	0.77	0.77	0.00	0.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Carroll County for teachers, librarians, and community college faculty are estimated to be \$22,107,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$79,928,000
Family Health and Chronic Disease	905,000
Developmental Disabilities	18,111,000
Behavioral Health Services	20,883,000

Social Services

Homeless Services	251,000
Women's Services	143,000
Adult Services	106,000
Child Welfare Services	2,410,000
Foster Care	3,214,000
Temporary Cash Assistance	277,000

Senior Citizen Services

Long-term Care	258,000
Community Services	64,000

C. Selected State Grants for Capital Projects

Public Schools*

Career and Technology Center – construction \$6,350,000

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Community Health Facilities Grant Program

Way Station, Inc. 1,200,000

Program Open Space

Park acquisition and development 1,441,991

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure 1,500,000

Hampstead War Memorial Park 200,000

New Windsor Town Park 50,825

Other Projects

Carroll County – Freedom District Elementary School playground 25,000

Carroll County – Public Safety Training Center 1,000,000

Carroll County Youth Service Bureau 120,000

Carroll Hospital Center 756,000

Hampstead Volunteer Fire Company 175,000

Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$65,785	\$63,567	-\$2,219	-3.4%
Compensatory Education	23,185	20,477	-2,708	-11.7%
Student Transportation	5,764	5,732	-32	-0.6%
Special Education	8,208	8,389	181	2.2%
Limited English Proficiency Grants	1,376	1,263	-113	-8.2%
Declining Enrollment Grants	664	0	-664	-100.0%
Blueprint Funding	7,564	15,414	7,851	103.8%
Other Education Aid	671	736	66	9.8%
Primary and Secondary Education	\$113,217	\$115,578	\$2,361	2.1%
Libraries	\$890	\$897	\$7	0.8%
Community Colleges	6,875	7,446	570	8.3%
Health Formula Grant	1,660	1,675	15	0.9%
Transportation ¹	2,463	2,634	171	6.9%
Police and Public Safety ¹	1,010	1,006	-4	-0.4%
Fire and Rescue Aid ¹	315	315	0	0.0%
Disparity Grant	1,846	1,601	-244	-13.2%
Gaming Impact Aid	4,446	4,438	-8	-0.2%
Total Direct Aid	\$132,720	\$135,589	\$2,869	2.2%
Aid Per Capita (\$)	\$1,290	\$1,318	\$28	2.2%
Property Tax Equivalent (\$)	1.18	1.18	0.00	0.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Cecil County for teachers, librarians, and community college faculty are estimated to be \$14,761,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor’s Office of Crime Prevention, Youth and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$80,247,000
Family Health and Chronic Disease	613,000
Developmental Disabilities	9,827,000
Behavioral Health Services	15,732,000

Social Services

Homeless Services	122,000
Women’s Services	117,000
Adult Services	146,000
Child Welfare Services	3,061,000
Foster Care	6,214,000
Temporary Cash Assistance	952,000

Senior Citizen Services

Long-term Care	152,000
Community Services	105,000

C. Selected State Grants for Capital Projects**Public Schools***

Cecil Manor Elementary School – renovations (HVAC)	\$1,180,510
Chesapeake City Elementary School – construction	2,462,250

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Cecil College

Campuswide – facilities renewal	474,250
Facilities Management Building and entrance/roadway construction	3,776,000

Program Open Space

Park acquisition and development	748,578
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	1,500,000
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Chesapeake Bay Restoration Fund

Elk Neck WWTP – enhanced nutrient removal	4,837,925
Perryville WWTP – enhanced nutrient removal	5,721,769
Triumph Industrial Park – county sanitary sewer connection	3,575,000

Hazardous Substance Cleanup Program

Montgomery Brothers – dump site	100,000
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Other Projects

Bainbridge Development Corporation	1,500,000
Cecil County Farm Museum	95,000
Elkton Colored School Museum and Cultural Center	250,000
NorthBay Education, Inc.	1,000,000

Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$124,601	\$122,478	-\$2,122	-1.7%
Compensatory Education	36,634	39,368	2,734	7.5%
Student Transportation	12,205	11,440	-765	-6.3%
Special Education	10,945	10,648	-297	-2.7%
Limited English Proficiency Grants	3,924	4,051	127	3.2%
Guaranteed Tax Base	791	1,685	893	112.9%
Geographic Cost of Education Index	3,897	3,847	-50	-1.3%
Blueprint Funding	8,873	15,566	6,694	75.4%
Prekindergarten Grants	100	100	0	0.0%
Other Education Aid	1,427	1,584	158	11.1%
<i>Primary and Secondary Education</i>	<i>\$203,396</i>	<i>\$210,768</i>	<i>\$7,372</i>	<i>3.6%</i>
Libraries	\$1,211	\$1,268	\$57	4.7%
Community Colleges	9,580	10,599	1,019	10.6%
Health Formula Grant	2,080	2,090	11	0.5%
Transportation ¹	2,715	2,904	189	7.0%
Police and Public Safety ¹	1,408	1,420	12	0.9%
Fire and Rescue Aid ¹	394	394	0	0.0%
Total Direct Aid	\$220,784	\$229,445	\$8,661	3.9%
Aid Per Capita (\$)	\$1,352	\$1,405	\$53	3.9%
Property Tax Equivalent (\$)	1.14	1.15	0.01	0.6%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Charles County for teachers, librarians, and community college faculty are estimated to be \$24,324,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$86,129,000
Family Health and Chronic Disease	994,000
Developmental Disabilities	15,376,000
Behavioral Health Services	19,200,000

Social Services

Homeless Services	535,000
Women's Services	295,000
Adult Services	154,000
Child Welfare Services	3,693,000
Foster Care	3,729,000
Temporary Cash Assistance	774,000

Senior Citizen Services

Long-term Care	224,000
Community Services	93,000

C. Selected State Grants for Capital Projects

Public Schools*

Benjamin Stoddert Middle School – construction	\$4,349,848
Dr. Gustavus Brown Elementary School – construction	2,745,000
Eva Turner Elementary School – construction	732,208

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

College of Southern Maryland

Campuswide – facilities renewal	474,250
La Plata – Student Resource Center	1,629,000

Program Open Space

Park acquisition and development	1,317,707
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	3,000,000
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Chesapeake Bay Restoration Fund

La Plata – stormwater upgrades	181,736
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Other Projects

American Legion, Randolph Furey, Post 170	150,000
Charles County – Waldorf Urban Park and Amphitheater	100,000
Historic Willing Helpers Society	30,000
Hospice of the Chesapeake Foundation, Inc. – Inpatient Care Center	200,000
Lions Camp Merrick	75,000
Maryland Veterans Memorial Museum	150,000
Pleasant Grove Missionary Baptist Church – Addie E. Thomas Com. Center	250,000

Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$24,195	\$24,333	\$138	0.6%
Compensatory Education	13,387	13,932	545	4.1%
Student Transportation	2,742	2,681	-61	-2.2%
Special Education	1,942	1,900	-43	-2.2%
Limited English Proficiency Grants	964	945	-19	-1.9%
Guaranteed Tax Base	1,400	1,913	513	36.6%
Declining Enrollment Grants	407	0	-407	-100.0%
Blueprint Funding	3,930	6,261	2,331	59.3%
Prekindergarten Grants	1,395	1,395	0	0.0%
Other Education Aid	743	760	17	2.3%
Primary and Secondary Education	\$51,105	\$54,120	\$3,015	5.9%
Libraries	\$317	\$322	\$5	1.5%
Community Colleges	1,256	1,318	63	5.0%
Health Formula Grant	1,006	1,021	15	1.5%
Transportation ¹	1,821	1,943	121	6.6%
Police and Public Safety ¹	356	369	13	3.7%
Fire and Rescue Aid ¹	330	330	0	0.0%
Disparity Grant	3,975	3,733	-243	-6.1%
Teachers Retirement Supplemental Grant	309	309	0	0.0%
Other Direct Aid	521	645	124	23.9%
Total Direct Aid	\$60,996	\$64,109	\$3,113	5.1%
Aid Per Capita (\$)	\$1,910	\$2,008	\$98	5.1%
Property Tax Equivalent (\$)	2.03	2.09	0.06	2.7%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Dorchester County for teachers, librarians, and community college faculty are estimated to be \$4,130,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$39,980,000
Family Health and Chronic Disease	674,000
Developmental Disabilities	2,928,000
Behavioral Health Services	8,192,000

Social Services

Homeless Services	462,000
Women's Services	56,000
Adult Services	222,000
Child Welfare Services	1,461,000
Foster Care	1,039,000
Temporary Cash Assistance	360,000

Senior Citizen Services

Long-term Care	581,000
Community Services	218,000

Note: Senior citizen services funding supports services in Dorchester, Somerset, Wicomico and Worcester counties.

C. Selected State Grants for Capital Projects**Public Schools***

Cambridge-South Dorchester High School – renovations (roof)	\$1,437,750
Choptank Elementary School – renovations (roof)	1,125,000

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Program Open Space

Park acquisition and development	240,549
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Community Parks and Playgrounds

Cambridge – Cornish Park	200,900
Countywide – indoor and outdoor park infrastructure	1,000,000
Vienna Playground	137,040

Chesapeake Bay Restoration Fund

Valley Proteins WWTP – enhanced nutrient removal	12,786,550
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Waterway Improvement

Cambridge Municipal Marina – improvements	250,000
Crocheron Wharf – boat ramp repairs and improvements	250,000
Smithville Road – boat ramp replacement	250,000

Other Projects

Cambridge – cemetery fencing	75,000
Chesapeake Grove – Harry and Jeanette Weinberg Center	500,000
Chesapeake Grove – Intergenerational Center	500,000
Fraternal Order of Police Lodge 27	250,000
Harriet Tubman Mural Pavilion	250,000
Harriet Tubman Statue	50,000
Maces Lane Community Center	500,000

Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$176,560	\$176,199	-\$360	-0.2%
Compensatory Education	37,450	37,154	-296	-0.8%
Student Transportation	14,573	13,887	-687	-4.7%
Special Education	19,551	19,093	-458	-2.3%
Limited English Proficiency Grants	11,496	11,367	-129	-1.1%
Geographic Cost of Education Index	7,434	7,457	23	0.3%
Blueprint Funding	11,223	20,321	9,099	81.1%
Prekindergarten Grants	550	550	0	0.0%
Other Education Aid	1,744	1,782	39	2.2%
<i>Primary and Secondary Education</i>	<i>\$280,581</i>	<i>\$287,810</i>	<i>\$7,230</i>	<i>2.6%</i>
Libraries	\$1,623	\$1,661	\$37	2.3%
Community Colleges	12,618	14,348	1,730	13.7%
Health Formula Grant	2,754	2,777	23	0.8%
Transportation ¹	7,013	7,517	503	7.2%
Police and Public Safety ¹	2,540	2,565	24	1.0%
Fire and Rescue Aid ¹	600	600	0	0.0%
Total Direct Aid	\$307,730	\$317,278	\$9,548	3.1%
Aid Per Capita (\$)	\$1,186	\$1,222	\$37	3.1%
Property Tax Equivalent (\$)	0.90	0.90	0.00	0.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Frederick County for teachers, librarians, and community college faculty are estimated to be \$37,382,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$116,619,000
Family Health and Chronic Disease	866,000
Developmental Disabilities	20,603,000
Behavioral Health Services	30,672,000

Social Services

Homeless Services	408,000
Women's Services	139,000
Adult Services	217,000
Child Welfare Services	4,108,000
Foster Care	3,919,000
Temporary Cash Assistance	720,000

Senior Citizen Services

Long-term Care	361,000
Community Services	104,000

C. Selected State Grants for Capital Projects**Public Schools***

Blue Heron Elementary School – construction	\$3,750,000
Brunswick Elementary School – construction	1,700,000
Rock Creek School – construction	3,000,000
Waverley Elementary School – construction	3,375,000
Supplemental Capital Grant Program for Local School Systems	5,789,688

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Public Libraries

Middletown Library – construction	1,000,000
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Frederick Community College

Linganore Hall – renovation	3,048,000
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Local Jails and Detention Centers

County Adult Detention Center – medical addition	2,809,000
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Program Open Space

Park acquisition and development	1,543,721
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	6,000,000
New Market Community Park – basketball court	31,451

Other Projects

African American Heritage Center	200,000
Asian American Center of Frederick	300,000
Brunswick – emergency operations center	500,000
Community Arts Inc. – Frederick Sports Mural	50,000
Emmitsburg – water treatment plant water clarifier	1,000,000
Frederick County – animal control addition	100,000
Frederick County – Green Valley Fire Station water and sewer line extension	500,000
Fredericktowne Players, Inc.	100,000
Mount St. Mary’s University – Coad Science Building	2,000,000
Mountain City Elks Lodge No. 382	50,000
New Market – stormwater infrastructure	285,000

Ranch Residence Hall	50,000
YMCA of Frederick County	565,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Cunningham Falls State Park – boat ramp ADA improvements	\$150,000
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Maryland Environmental Service

Cunningham Falls State Park – sewer line upgrade	\$500,000
Cunningham Falls State Park – water treatment plant	256,000
Victor Cullen – wastewater treatment plant upgrades	2,000,000

Other

School for the Deaf – Veditz Building	5,014,000
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Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$13,053	\$11,842	-\$1,211	-9.3%
Compensatory Education	4,466	4,407	-59	-1.3%
Student Transportation	3,279	3,302	23	0.7%
Special Education	850	794	-55	-6.5%
Limited English Proficiency Grants	29	32	3	10.9%
Declining Enrollment Grants	106	0	-106	-100.0%
Blueprint Funding	1,345	3,408	2,062	153.3%
Prekindergarten Grants	125	125	0	0.0%
Other Education Aid	1,070	1,085	15	1.4%
Primary and Secondary Education	\$24,323	\$24,995	\$672	2.8%
Libraries	\$176	\$179	\$3	1.7%
Community Colleges	4,313	4,518	204	4.7%
Health Formula Grant	1,028	1,032	5	0.4%
Transportation ¹	1,723	1,841	118	6.8%
Police and Public Safety ¹	223	220	-3	-1.4%
Fire and Rescue Aid ¹	306	306	0	0.0%
Disparity Grant	2,131	2,131	0	0.0%
Teachers Retirement Supplemental Grant	406	406	0	0.0%
Other Direct Aid	1,441	1,697	256	17.8%
Total Direct Aid	\$36,070	\$37,325	\$1,255	3.5%
Aid Per Capita (\$)	\$1,243	\$1,286	\$43	3.5%
Property Tax Equivalent (\$)	0.76	0.77	0.01	1.3%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Garrett County for teachers, librarians, and community college faculty are estimated to be \$3,675,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$28,459,000
Family Health and Chronic Disease	538,000
Developmental Disabilities	4,260,000
Behavioral Health Services	5,875,000

Social Services

Homeless Services	142,000
Women's Services	251,000
Adult Services	27,000
Child Welfare Services	1,519,000
Foster Care	1,623,000
Temporary Cash Assistance	150,000

Senior Citizen Services

Long-term Care	130,000
Community Services	31,000

C. Selected State Grants for Capital Projects

Federally Qualified Health Centers Grant Program

Western Maryland Health Care Corporation \$374,000

Program Open Space

Park acquisition and development 298,125

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure 1,000,000

Oakland Broadford Park – multi-use trails 125,000

Other Projects

Friendsville Veterans Memorial 200,000

Garrett College – Community Education and Performing Arts Center 700,000

Garrett County – high school athletic facilities 1,100,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Deep Creek Lake – dredging \$1,200,000

Deep Creek Lake State Park – boat dock replacement 200,000

Maryland Environmental Service

New Germany State Park – water/wastewater/collection system upgrades 1,359,000

Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$150,152	\$147,022	-\$3,130	-2.1%
Compensatory Education	36,191	35,891	-300	-0.8%
Student Transportation	14,082	13,700	-382	-2.7%
Special Education	19,327	19,246	-81	-0.4%
Limited English Proficiency Grants	2,939	2,913	-26	-0.9%
Blueprint Funding	10,918	21,346	10,428	95.5%
Prekindergarten Grants	1,800	1,800	0	0.0%
Other Education Aid	938	1,000	62	6.7%
<i>Primary and Secondary Education</i>	\$236,348	\$242,919	\$6,572	2.8%
Libraries	\$1,820	\$1,884	\$64	3.5%
Community Colleges	13,413	14,763	1,349	10.1%
Health Formula Grant	3,103	3,137	34	1.1%
Transportation ¹	4,613	4,939	326	7.1%
Police and Public Safety ¹	2,872	2,878	6	0.2%
Fire and Rescue Aid ¹	579	579	0	0.0%
Total Direct Aid	\$262,748	\$271,098	\$8,351	3.2%
Aid Per Capita (\$)	\$1,029	\$1,061	\$33	3.2%
Property Tax Equivalent (\$)	0.86	0.87	0.01	1.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Harford County for teachers, librarians, and community college faculty are estimated to be \$31,645,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor’s Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$132,317,000
Family Health and Chronic Disease	1,229,000
Developmental Disabilities	22,108,000
Behavioral Health Services	28,376,000

Social Services

Homeless Services	319,000
Women’s Services	299,000
Adult Services	253,000
Child Welfare Services	4,266,000
Foster Care	10,228,000
Temporary Cash Assistance	886,000

Senior Citizen Services

Long-term Care	403,000
Community Services	127,000

C. Selected State Grants for Capital Projects**Public Schools***

Belair Middle School – renovations (roof)	\$1,128,750
Center for Educational Opportunity – renovations (roof)	1,859,513
Joppatowne High School – construction	6,519,750

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Harford Community College

Chesapeake Welcome Center – renovation and addition	2,817,000
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Program Open Space

Park acquisition and development	2,150,827
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Community Parks and Playgrounds

Aberdeen – Rock Glenn Park	157,000
Countywide – indoor and outdoor park infrastructure	1,500,000

Waterway Improvement

Havre de Grace – marina dredging	150,000
Havre de Grace – Water Street boat ramp parking lot	133,500

Hazardous Substance Cleanup Program

Former Ames Shopping Plaza – hazardous waste remediation	50,000
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Other Projects

American Legion Post No. 47	100,000
Coppermine Edgewood Athletic Facility	250,000
Harford Community College Foundation, Inc. – work force training facility	260,000
Izaak Walton League of America, Inc. – Conservation and Education Center	350,000
Sexual Assault/Spousal Abuse Resource Center	150,000

D. Capital Projects for State Facilities in the County**Military Department**

Havre de Grace Surface Equipment & Automotive Maintenance Facility	\$5,028,000
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Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$190,190	\$183,455	-\$6,735	-3.5%
Compensatory Education	34,920	35,840	920	2.6%
Student Transportation	20,363	18,785	-1,578	-7.7%
Special Education	19,391	19,862	471	2.4%
Limited English Proficiency Grants	10,966	10,634	-332	-3.0%
Geographic Cost of Education Index	6,310	6,180	-130	-2.1%
Blueprint Funding	10,584	23,980	13,395	126.6%
Prekindergarten Grants	660	660	0	0.0%
Other Education Aid	1,579	1,615	36	2.3%
Primary and Secondary Education	\$294,964	\$301,011	\$6,047	2.1%
Libraries	\$1,062	\$1,103	\$41	3.8%
Community Colleges	22,407	25,759	3,353	15.0%
Health Formula Grant	2,327	2,397	70	3.0%
Transportation	3,919	4,163	244	6.2%
Police and Public Safety	3,888	3,924	35	0.9%
Fire and Rescue Aid	634	634	0	0.0%
Gaming Impact Aid	89	89	0	0.0%
Total Direct Aid	\$329,290	\$339,080	\$9,790	3.0%
Aid Per Capita (\$)	\$1,011	\$1,041	\$30	3.0%
Property Tax Equivalent (\$)	0.58	0.58	0.00	0.0%

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Howard County for teachers, librarians, and community college faculty are estimated to be \$64,968,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$136,711,000
Family Health and Chronic Disease	836,000
Developmental Disabilities	40,390,000
Behavioral Health Services	28,074,000

Social Services

Homeless Services	237,000
Women's Services	118,000
Adult Services	38,000
Child Welfare Services	3,546,000
Foster Care	3,080,000
Temporary Cash Assistance	928,000

Senior Citizen Services

Long-term Care	395,000
Community Services	112,000

C. Selected State Grants for Capital Projects**Public Schools***

New High School #13 School – construction	\$11,250,000
Talbott Springs Elementary School – construction	800,000
Supplemental Capital Grant Program for Local School Systems	9,358,846

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Howard Community College

Mathematics and Athletics Complex	13,844,000
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Community Health Facilities Grant Program

Mission First Housing Development Corporation	800,000
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Program Open Space

Park acquisition and development	3,816,242
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	8,000,000
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Comprehensive Flood Mitigation Program

Ellicott City – H4 dry flood mitigation pond	5,000,000
Ellicott City – H7 mitigation pond	2,400,000
Ellicott City – Maryland Avenue culverts	370,000

Other Projects

Columbia Center for the Theatrical Arts	1,000,000
Days End Farm Horse Rescue, Inc.	500,000
Howard County – Asian American Cultural Center	500,000
Howard County – Caplan’s department store facade	500,000
Howard County – East Columbia 50+ Center	1,000,000
Howard County – Ellicott City Main Street building reconstruction	500,000
Howard County – Ellicott City pedestrian bridge	150,000
Howard County – Harriet Tubman Cultural Center	950,000
Howard County – Patapsco Regional Greenway	1,250,000
Howard County – Savage Mill Trail	250,000
Howard County – Tiber Park	126,230
Howard County Historical Society – Ellicott City Quaker School	100,000

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Aid to Local Government – Howard County

Humanim, Inc.	150,000
Merriweather Post Pavilion	4,000,000
Mission First Housing Development Corporation – Patuxent Commons	500,000
The Community Ecology Institute	75,000

D. Capital Projects for State Facilities in the County

Department of Health

Perkins Hospital Center – north wing renovation	\$106,000
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Maryland State Police

Tactical Services Facility – operations building	177,000
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Other

School for the Deaf – Columbia Campus emergency notification system	4,275,000
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Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$3,398	\$3,442	\$44	1.3%
Compensatory Education	2,868	2,509	-359	-12.5%
Student Transportation	1,719	1,727	9	0.5%
Special Education	792	768	-24	-3.0%
Limited English Proficiency Grants	226	219	-7	-3.1%
Declining Enrollment Grants	99	0	-99	-100.0%
Geographic Cost of Education Index	132	128	-4	-3.2%
Blueprint Funding	526	1,724	1,199	228.0%
Other Education Aid	521	488	-32	-6.2%
Primary and Secondary Education	\$10,279	\$11,006	\$726	7.1%
Libraries	\$111	\$117	\$6	5.5%
Community Colleges	564	592	28	4.9%
Health Formula Grant	1,062	917	-145	-13.6%
Transportation ¹	827	888	61	7.3%
Police and Public Safety ¹	195	188	-8	-3.9%
Fire and Rescue Aid ¹	315	315	0	0.0%
Total Direct Aid	\$13,354	\$14,022	\$668	5.0%
Aid Per Capita (\$)	\$688	\$722	\$34	5.0%
Property Tax Equivalent (\$)	0.44	0.46	0.02	4.2%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Kent County for teachers, librarians, and community college faculty are estimated to be \$1,869,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$26,672,000
Family Health and Chronic Disease	566,000
Developmental Disabilities	3,449,000
Behavioral Health Services	4,571,000

Social Services

Homeless Services	462,000
Women's Services	56,000
Adult Services	73,000
Child Welfare Services	756,000
Foster Care	422,000
Temporary Cash Assistance	107,000

Senior Citizen Services

Long-term Care	392,000
Community Services	82,000

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects

Program Open Space

Park acquisition and development \$179,722

Community Parks and Playgrounds

Chestertown – Wilmer Park 209,394

Countywide – indoor and outdoor park infrastructure 1,000,000

Chesapeake Bay Water Quality Projects

Rock Hall WWTP – enhanced nutrient removal 1,500,000

Chesapeake Bay Restoration Fund

Rock Hall WWTP – enhanced nutrient removal 4,953,803

Waterway Improvement

Rock Hall Volunteer Fire Department – purchase fire/rescue boat 50,000

Other Projects

Kent County Family YMCA 250,000

Kent Cultural Arts Center 250,000

Rock Hall – Town Hall 250,000

Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$388,036	\$384,202	-\$3,834	-1.0%
Compensatory Education	148,570	133,784	-14,786	-10.0%
Student Transportation	47,626	42,164	-5,462	-11.5%
Special Education	63,538	64,244	707	1.1%
Limited English Proficiency Grants	81,960	77,169	-4,791	-5.8%
Geographic Cost of Education Index	39,977	39,382	-595	-1.5%
Blueprint Funding	32,340	84,467	52,127	161.2%
Prekindergarten Grants	1,580	1,580	0	0.0%
Other Education Aid	5,594	5,829	235	4.2%
<i>Primary and Secondary Education</i>	<i>\$809,221</i>	<i>\$832,821</i>	<i>\$23,600</i>	<i>2.9%</i>
Libraries	\$3,459	\$3,509	\$51	1.5%
Community Colleges	51,761	57,255	5,494	10.6%
Health Formula Grant	4,223	4,255	33	0.8%
Transportation ¹	13,559	14,527	968	7.1%
Police and Public Safety ¹	16,406	16,375	-31	-0.2%
Fire and Rescue Aid ¹	1,995	1,995	0	0.0%
Total Direct Aid	\$900,623	\$930,738	\$30,115	3.3%
Aid Per Capita (\$)	\$857	\$886	\$29	3.3%
Property Tax Equivalent (\$)	0.44	0.45	0.01	1.1%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Montgomery County for teachers, librarians, and community college faculty are estimated to be \$175,124,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$488,988,000
Family Health and Chronic Disease	2,474,000
Developmental Disabilities	116,043,000
Behavioral Health Services	100,099,000

Social Services

Homeless Services	279,000
Women's Services	224,000
Adult Services	600,000
Child Welfare Services	67,000
Foster Care	18,044,000
Temporary Cash Assistance	3,552,000

Senior Citizen Services

Long-term Care	1,603,000
Community Services	432,000

C. Selected State Grants for Capital Projects**Public Schools***

Cold Springs Elementary School – renovations (HVAC)	\$993,750
Colonel E. Brooke Lee Middle School – construction	9,782,250
Forest Oak Middle School – renovations (roof)	941,250
Gaithersburg Middle School – renovations (HVAC)	3,225,000
Judith A. Resnik Elementary School – renovations (HVAC)	1,725,000
Monocacy Elementary School – renovations (HVAC)	862,500
Montgomery Blair High School – renovations (roof)	726,000
North Bethesda Middle School – renovations (roof)	753,750
Ronald McNair Elementary School – renovations (HVAC)	731,250
Spark M. Matsunaga Elementary School – renovations (HVAC)	1,425,000
Thomas W. Pyle Middle School – construction	294,762
Twinbrook Elementary School – renovations (roof)	788,250
Watkins Mill High School – renovations (HVAC)	2,062,500
Supplemental Capital Grant Program for Local School Systems	15,199,088

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Montgomery College

Campuswide – facilities renewal	474,250
Catherine and Isiah Leggett Math and Science Building	11,630,000

Community Health Facilities Grant Program

Cornerstone Montgomery, Inc.	457,000
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Federally Qualified Health Centers Grant Program

Mary's Center for Maternal and Child Care, Inc.	289,000
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Program Open Space

Park acquisition and development	9,645,074
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Community Parks and Playgrounds

Pepco Powerline Trail	10,000,000
Rockville – Potomac Woods Park playground	122,750

Chesapeake Bay Restoration Fund

Poolesville Wastewater Plant – denitrification upgrade	6,188,671
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Other Projects

A Wider Circle Community Service Center	50,000
Brookeville – road improvements	200,000
Damascus Recreational Park	225,000
Fox Chapel Neighborhood Park	150,000
Friends House Retirement Community, Inc.	200,000
Friends of White Flint – transit station rebranding	250,000
Gaithersburg – Great Seneca Highway pedestrian bridge	250,000
Gaithersburg – Pleasant View Park	250,000
Germantown Volunteer Fire Department	3,250,000
Gibson Grove	550,000
Holy Cross Hospital	1,092,000
Interfaith Works Vocational Services Center	350,000
Islamic Community Center	250,000
Ivymount School, Inc.	450,000
Jewish Foundation for Group Homes, Inc.	150,000
Laytonsville – Dolores R. Miller Park	20,000
Long Branch Stream Valley – pedestrian bridge	200,000
Madison House Autism Foundation, Inc. – pavilion	75,000
Manna Food Center	150,000
Montgomery Community Television, Inc.	100,000
Montgomery County – Burtonsville commuter parking facility	5,000,000
Montgomery County – Route 355 bus rapid transit	6,000,000
Montgomery County Homeless Youth Drop-In Center	65,000
Nourish Now	600,000
Olney Chamber of Commerce – Satellite Police Station & Community Facility	175,000
Randolph Hills Local Park	150,000
Rockville – Lincoln Park Community Center	250,000
Sandy Spring Museum	100,000
Silver Spring Artspace	285,000
South Germantown Recreational Park	150,000
The Sheperd’s Table, Inc. – Progress Place gazebo	30,000
Warrior Canine Connection, Inc.	625,000
Wheaton Regional Park	200,000
Willet Branch Greenway	550,000

Prince George’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$618,514	\$593,987	-\$24,527	-4.0%
Compensatory Education	298,754	254,469	-44,285	-14.8%
Student Transportation	45,654	41,502	-4,152	-9.1%
Special Education	69,929	70,192	264	0.4%
Limited English Proficiency Grants	126,627	117,340	-9,287	-7.3%
Geographic Cost of Education Index	45,950	45,228	-721	-1.6%
Blueprint Funding	69,302	200,363	131,062	189.1%
Prekindergarten Grants	2,106	2,106	0	0.0%
Other Education Aid	4,536	5,025	489	10.8%
Primary and Secondary Education	\$1,281,371	\$1,330,214	\$48,843	3.8%
Libraries	\$7,641	\$7,722	\$81	1.1%
Community Colleges	35,691	40,449	4,758	13.3%
Health Formula Grant	6,834	6,886	52	0.8%
Transportation ¹	14,211	15,198	986	6.9%
Police and Public Safety ¹	19,528	19,567	39	0.2%
Fire and Rescue Aid ¹	1,742	1,742	0	0.0%
Disparity Grant	39,442	36,273	-3,168	-8.0%
Teachers Retirement Supplemental Grant	9,629	9,629	0	0.0%
Gaming Impact Aid	25,643	28,265	2,622	10.2%
Total Direct Aid	\$1,441,731	\$1,495,944	\$54,213	3.8%
Aid Per Capita (\$)	\$1,585	\$1,645	\$60	3.8%
Property Tax Equivalent (\$)	1.36	1.35	-0.01	-1.1%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Prince George’s County for teachers, librarians, and community college faculty are estimated to be \$123,415,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor’s Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$527,756,000
Family Health and Chronic Disease	12,683,000
Developmental Disabilities	92,095,000
Behavioral Health Services	97,379,000

Social Services

Homeless Services	677,000
Women’s Services	464,000
Adult Services	725,000
Child Welfare Services	11,605,000
Foster Care	22,474,000
Temporary Cash Assistance	5,095,000

Senior Citizen Services

Long-term Care	1,295,000
Community Services	431,000

C. Selected State Grants for Capital Projects**Public Schools***

Charles Flowers High School – renovations (HVAC)	\$2,181,437
New Glenridge Middle School – construction	9,702,818
William Schmidt Outdoor Educational Center – construction	4,297,182
William Wirt Middle School – construction	8,273,320
Supplemental Capital Grant Program for Local School Systems	12,914,033

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Prince George’s Community College

Campuswide – facilities renewal	474,250
Dr. Charlene Mickens Dukes Student Center	1,500,000
Marlboro Hall – renovation and addition	24,137,000

Program Open Space

Park acquisition and development	8,209,539
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Community Parks and Playgrounds

Central Avenue Connector Trail	10,000,000
Riverdale Park – Field of Dreams Park	177,750

Chesapeake Bay Restoration Fund

Parkway Basin – sanitary sewer reconstruction	649,280
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Comprehensive Flood Mitigation Program

Beaverdam Creek – flooding mitigation	2,700,000
Calvert Hills/College Park – Guilford Run storm drain improvement	5,000,000

Waterway Improvement

County Fire Department – water safety rescue equipment	24,000
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Hazardous Substance Cleanup Program

Anacostia River – Northeast and Northwest Branches	100,000
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Coastal Resiliency Program

Hyattsville – urban flooding enhancements	340,000
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Other Projects

African American Museum and Cultural Center	500,000
Alice Ferguson Foundation, Inc. – Hard Bargain Farm Environmental Center	200,000
Bay Sox Stadium	500,000
Berwyn Heights – Senior Center	165,000
Bishop McNamara High School – La Reine Science and Innovation Center	500,000
Bladensburg World War I Memorial Peace Cross	320,000
Bowie Lions Club	10,000
Brentwood – Town Center	400,000
Camp Springs Elks Lodge No. 2332	40,000
Central Avenue Connector Trail	1,500,000
College Park – Attick Towers Apartments	2,000,000
College Park City-University Partnership, Inc. – bike trail improvements	400,000
COZ Apt. LP – Hampton Park sustainable parking	500,000
Crossland High School – weight room	23,670
Delta Cultural Center	140,000
DeMatha Catholic High School – Engineering, Arts, and Robotics Building	1,000,000
District Heights – Senior Center	200,000
District Heights – senior day facility	500,000
Doctors Community Medical Center	804,000
Elizabeth Seton High School – cafeteria improvements	250,000
Employ Prince George’s, Inc.	250,000
Forest Heights – Cree Drive improvements	125,000
Fort Washington Medical Center	700,000
Fort Washington Tucker Road Ice Rink	100,000
Foundation for Arts, Music and Education	175,000
Fountain Food Pantry	30,000
Good Food Markets, Inc. – Addison Plaza	250,000
Green Branch Athletic Complex	6,000,000
Greenbelt – Greenbelt Station Hiker and Biker Trail	250,000
Helpers To Good, Inc.	225,000
Henson Creek Golf Course – club house	200,000
Huntington City Community Development Corporation – Maenner House	550,000
Huntington City Community Development Corporation – Old Town Bowie	300,000
Hyattsville – downtown parking garage	2,500,000
Hyattsville – police and public safety headquarters	500,000
Hyattsville – Teen Activity and Mentoring Center	400,000

Kettering Largo Mitchellville Boys and Girls Club	100,000
Lake Arbor – park project	1,000,000
Laurel – multi-service center	2,500,000
Maryland Intergenerational Family Life Center	75,000
Meals on Wheels of College Park	250,000
MedStar Southern Maryland Hospital	840,000
Melwood Horticultural Training Center, Inc.	450,000
Mission of Love Charities, Inc.	1,000,000
Morningside Volunteer Fire Department	100,000
Mount Rainier – Public Safety Community Training and Workout Center	300,000
Paint Branch Trail and Trolley Trail	443,000
Prince George’s Arts and Humanities Council, Inc. – public art projects	1,000,000
Prince George’s County – blue line corridor transportation infrastructure	17,600,000
Prince George’s County – high school athletic facilities	9,200,000
Prince George’s County Amphitheatre at Central Park	11,000,000
Prince George’s County Boys and Girls Club, Inc. – Sports Park	125,000
Prince George’s Cultural Arts Foundation, Inc.	650,000
Prince George’s Pride Lacrosse, Inc. – indoor sport facility	300,000
Riverdale Park Hiker Biker Trail – lighting project	1,000,000
United Communities Against Poverty, Inc.	20,000
Uplift Foundation	300,000
Upper Marlboro – streetscape improvements	450,000
VFW Free State Post 217 – parking lot improvements	75,000
World Arts Focus, Inc. – Joe’s Movement Emporium	200,000

D. Capital Projects for State Facilities in the County

General Government

Hyattsville District Court	\$1,500,000
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Department of Juvenile Services

Cheltenham Youth Facility – new female detention center	23,427,000
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Maryland Environmental Service

Cheltenham Youth Center – water treatment plant upgrade	230,000
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Department of Housing and Community Development

East-West CDC Foundation, Inc. 1,000,000

University System of Maryland

Bowie State – Communication Arts and Humanities Building	3,600,000
College Park – campus farm upgrades	3,700,000
College Park – campuswide infrastructure improvements	10,000,000
College Park – Chemistry Building	45,190,000
College Park – Cole Field House	375,000
College Park – high rise residence halls renovations	8,780,000
College Park – Interdisciplinary Engineering Building	4,000,000
College Park – quantum and advanced computing infrastructure	10,000,000
College Park – School of Public Policy	2,500,000
College Park – south campus recreation center	9,000,000

Queen Anne’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$23,357	\$20,865	-\$2,492	-10.7%
Compensatory Education	5,121	4,794	-327	-6.4%
Student Transportation	3,736	3,727	-9	-0.2%
Special Education	2,117	2,077	-40	-1.9%
Limited English Proficiency Grants	953	907	-46	-4.8%
Declining Enrollment Grants	38	0	-38	-100.0%
Geographic Cost of Education Index	605	583	-22	-3.7%
Blueprint Funding	1,585	5,377	3,792	239.3%
Prekindergarten Grants	461	461	0	0.0%
Other Education Aid	664	676	13	1.9%
<i>Primary and Secondary Education</i>	\$38,636	\$39,468	\$832	2.2%
Libraries	\$206	\$207	\$1	0.7%
Community Colleges	2,250	2,409	159	7.1%
Health Formula Grant	878	876	-2	-0.2%
Transportation ¹	1,475	1,574	99	6.7%
Police and Public Safety ¹	446	448	2	0.4%
Fire and Rescue Aid ¹	306	306	0	0.0%
Total Direct Aid	\$44,196	\$45,288	\$1,092	2.5%
Aid Per Capita (\$)	\$877	\$899	\$22	2.5%
Property Tax Equivalent (\$)	0.50	0.52	0.02	2.3%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Queen Anne's County for teachers, librarians, and community college faculty are estimated to be \$6,496,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$24,513,000
Family Health and Chronic Disease	517,000
Developmental Disabilities	4,230,000
Behavioral Health Services	5,568,000

Social Services

Homeless Services	462,000
Women's Services	56,000
Adult Services	50,000
Child Welfare Services	929,000
Foster Care	569,000
Temporary Cash Assistance	164,000

Senior Citizen Services

Long-term Care	126,000
Community Services	25,000

C. Selected State Grants for Capital Projects**Public Schools***

Kennard Elementary School – renovations (roof)	\$663,000
Kent Island High School – renovations (roof)	1,487,927

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Public Libraries

Kent Island Library – renovation and expansion	130,000
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Program Open Space

Park acquisition and development	391,368
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	1,000,000
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Chesapeake Bay Restoration Fund

Southern Kent Island – sanitary project	6,760,000
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Waterway Improvement

Centreville Landing – parking lot and bulkhead enhancements	250,000
Chesapeake Heritage and Visitor Center – boat ramp and pier	250,000
Crumpton Landing – boat ramp and bulkhead replacement	250,000
Southeast Creek Landing – dredging	100,000

Other Projects

Chesapeake Bay Environmental Center	125,000
YMCA of the Chesapeake – Queen Anne’s County Family YMCA/Senior	565,000

D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Hillsboro Natural Resources Police – shooting range	\$100,000
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St. Mary's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$76,112	\$73,811	-\$2,301	-3.0%
Compensatory Education	19,377	16,435	-2,942	-15.2%
Student Transportation	7,671	7,295	-376	-4.9%
Special Education	6,423	6,283	-140	-2.2%
Limited English Proficiency Grants	1,272	1,127	-145	-11.4%
Geographic Cost of Education Index	251	247	-4	-1.6%
Blueprint Funding	5,030	14,663	9,633	191.5%
Prekindergarten Grants	194	194	0	0.0%
Other Education Aid	897	920	24	2.6%
<i>Primary and Secondary Education</i>	<i>\$117,227</i>	<i>\$120,976</i>	<i>\$3,749</i>	<i>3.2%</i>
Libraries	\$841	\$867	\$26	3.1%
Community Colleges	3,389	3,195	-193	-5.7%
Health Formula Grant	1,334	1,386	52	3.9%
Transportation ¹	2,056	2,188	131	6.4%
Police and Public Safety ¹	956	962	6	0.6%
Fire and Rescue Aid ¹	306	306	0	0.0%
Total Direct Aid	\$126,110	\$129,881	\$3,771	3.0%
Aid Per Capita (\$)	\$1,111	\$1,144	\$33	3.0%
Property Tax Equivalent (\$)	0.95	0.97	0.02	2.3%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for St. Mary’s County for teachers, librarians, and community college faculty are estimated to be \$14,385,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor’s Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$61,014,000
Family Health and Chronic Disease	708,000
Developmental Disabilities	7,819,000
Behavioral Health Services	12,561,000

Social Services

Homeless Services	535,000
Women’s Services	222,000
Adult Services	89,000
Child Welfare Services	2,250,000
Foster Care	3,275,000
Temporary Cash Assistance	1,021,000

Senior Citizen Services

Long-term Care	160,000
Community Services	48,000

C. Selected State Grants for Capital Projects**Public Schools***

Mechanicsville Elementary School – construction	\$4,116,750
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* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

College of Southern Maryland

Campuswide – facilities renewal	474,250
La Plata – Student Resource Center	1,629,000

Local Jails and Detention Centers

County Adult Detention Center – upgrades, housing, and medical units	1,856,000
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Program Open Space

Park acquisition and development	726,497
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	1,500,000
Leonardtown Alley Network	225,000

Waterway Improvement

Bushwood Wharf – pier repair	125,000
Ridge Volunteer Fire Department – purchase fire/rescue boat	50,000
Snow Hill Park – boat ramp	500,000
St. Patricks Creek – federal navigation channel maintenance dredging	800,000

Coastal Resiliency Program

Myrtle Point – shoreline enhancements	1,100,000
Piney Point Lighthouse and Museum – shoreline enhancements	640,000

Other Projects

Innovative Center for Autonomous Systems	250,000
Ridge Volunteer Fire Department	500,000
St. Mary’s County – Patuxent River Naval Air Museum and Visitor Center	100,000
St. Mary’s County – Sports Complex	150,000

D. Capital Projects for State Facilities in the County**Maryland Environmental Service**

Point Lookout State Park – water distribution and sewer collection system \$6,756,000

Historic St. Mary's City Commission

Deferred maintenance program 2,000,000

Maryland Heritage Interpretive Center 4,792,000

St. Mary's College

Academic Building and Auditorium – construction 20,013,000

Campuswide – infrastructure improvements 3,000,000

University System of Maryland

Southern Maryland Regional Higher Education Center 4,829,000

Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$14,987	\$14,788	-\$199	-1.3%
Compensatory Education	10,532	10,689	157	1.5%
Student Transportation	2,095	2,070	-25	-1.2%
Special Education	1,937	1,916	-21	-1.1%
Limited English Proficiency Grants	667	695	28	4.1%
Guaranteed Tax Base	1,743	2,011	268	15.4%
Declining Enrollment Grants	206	0	-206	-100.0%
Blueprint Funding	3,601	4,323	722	20.1%
Prekindergarten Grants	200	200	0	0.0%
Other Education Aid	1,325	1,331	5	0.4%
Primary and Secondary Education	\$37,293	\$38,022	\$728	2.0%
Libraries	\$321	\$327	\$6	1.8%
Community Colleges	971	1,234	263	27.1%
Health Formula Grant	936	934	-2	-0.2%
Transportation ¹	947	1,007	61	6.4%
Police and Public Safety ¹	236	236	0	0.0%
Fire and Rescue Aid ¹	315	315	0	0.0%
Disparity Grant	5,950	6,757	808	13.6%
Teachers Retirement Supplemental Grant	382	382	0	0.0%
Other Direct Aid	420	535	115	27.3%
Total Direct Aid	\$47,771	\$49,749	\$1,978	4.1%
Aid Per Capita (\$)	\$1,865	\$1,942	\$77	4.1%
Property Tax Equivalent (\$)	3.13	3.23	0.10	3.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Somerset County for teachers, librarians, and community college faculty are estimated to be \$3,138,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$30,509,000
Family Health and Chronic Disease	559,000
Developmental Disabilities	7,471,000
Behavioral Health Services	8,096,000

Social Services

Homeless Services	373,000
Women's Services	81,000
Adult Services	121,000
Child Welfare Services	1,707,000
Foster Care	907,000
Temporary Cash Assistance	406,000

Senior Citizen Services

Long-term Care	581,000
Community Services	218,000

Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools*

Greenwood Elementary School – renovations (windows/doors) \$405,000

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Program Open Space

Park acquisition and development 172,281

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure 1,000,000

Waterway Improvement

Crisfield – depot piers and walkways 90,000

Dames Quarter – bulkhead and pier improvements 150,000

St. Peters Creek Marina – bulkhead and finger pier replacement 50,000

Tylerton – dock and harbor improvements 75,000

Other Projects

Crisfield – waterfront development 100,000

Crisfield Elks Lodge No. 1044 100,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Janes Island State Park – boat ramp repair and transient slip repairs \$100,000

Somers Cove Marina – bulkhead replacement and site improvements 2,000,000

Somers Cove Marina – general maintenance 100,000

Maryland Environmental Service

Eastern Correctional Institution – co-generation plant upgrades 637,000

Eastern Correctional Institution – wastewater treatment plant upgrade 1,500,000

University System of Maryland

Eastern Shore – Nuttle Hall Residence renovation 800,000

Eastern Shore – School of Pharmacy and Allied Health Professions 22,716,000

Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,892	\$4,757	-\$135	-2.8%
Compensatory Education	5,886	5,413	-473	-8.0%
Student Transportation	1,875	1,873	-2	-0.1%
Special Education	1,256	1,247	-9	-0.7%
Limited English Proficiency Grants	1,478	1,399	-79	-5.3%
Blueprint Funding	820	2,288	1,468	178.9%
Prekindergarten Grants	715	715	0	0.0%
Other Education Aid	415	413	-2	-0.4%
<i>Primary and Secondary Education</i>	<i>\$17,337</i>	<i>\$18,106</i>	<i>\$769</i>	<i>4.4%</i>
Libraries	\$121	\$124	\$3	2.2%
Community Colleges	1,916	2,127	211	11.0%
Health Formula Grant	692	704	12	1.8%
Transportation ¹	2,073	2,196	123	5.9%
Police and Public Safety ¹	406	414	8	2.0%
Fire and Rescue Aid ¹	322	322	0	0.0%
Total Direct Aid	\$22,868	\$23,993	\$1,125	4.9%
Aid Per Capita (\$)	\$615	\$645	\$30	4.9%
Property Tax Equivalent (\$)	0.26	0.27	0.01	3.3%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Talbot County for teachers, librarians, and community college faculty are estimated to be \$4,017,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$28,389,000
Family Health and Chronic Disease	556,000
Developmental Disabilities	5,083,000
Behavioral Health Services	6,056,000

Social Services

Homeless Services	462,000
Women's Services	56,000
Adult Services	75,000
Child Welfare Services	1,380,000
Foster Care	897,000
Temporary Cash Assistance	128,000

Senior Citizen Services

Long-term Care	392,000
Community Services	82,000

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects**Public Schools***

Easton High School – renovations (roof)	\$906,000
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* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Program Open Space

Park acquisition and development	407,879
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	1,000,000
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Chesapeake Bay Restoration Fund

Trappe WWTP – enhanced nutrient removal	3,965,723
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Comprehensive Flood Mitigation Program

Windmill Sanitary Sewer Pump Station – relocation	1,789,000
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Waterway Improvement

Easton Point – boat ramp and parking lot improvements	50,000
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St. Michaels – Harbor Road boat slip improvements	30,000
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Hazardous Substance Cleanup Program

Glebe Road	100,000
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Other Projects

Chesapeake Bay Maritime Museum	140,000
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HOPE Center	150,000
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Neighborhood Service Center, Inc.	200,000
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St. Michaels Community Center	1,000,000
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Talbot County – athletic fields	200,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Black Walnut Point – shore erosion control	\$185,000
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Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$109,599	\$105,150	-\$4,449	-4.1%
Compensatory Education	47,083	44,942	-2,140	-4.5%
Student Transportation	8,038	7,951	-87	-1.1%
Special Education	10,270	10,073	-197	-1.9%
Limited English Proficiency Grants	3,079	2,959	-121	-3.9%
Guaranteed Tax Base	7,021	7,501	481	6.8%
Declining Enrollment Grants	93	0	-93	-100.0%
Blueprint Funding	13,201	25,367	12,167	92.2%
Prekindergarten Grants	1,606	1,606	0	0.0%
Other Education Aid	1,455	1,517	61	4.2%
Primary and Secondary Education	\$201,445	\$207,067	\$5,622	2.8%
Libraries	\$1,460	\$1,489	\$29	2.0%
Community Colleges	10,420	11,971	1,551	14.9%
Health Formula Grant	2,632	2,608	-24	-0.9%
Transportation ¹	4,146	4,439	294	7.1%
Police and Public Safety ¹	1,486	1,505	18	1.2%
Fire and Rescue Aid ¹	345	345	0	0.0%
Disparity Grant	7,781	8,361	579	7.4%
Total Direct Aid	\$229,714	\$237,784	\$8,070	3.5%
Aid Per Capita (\$)	\$1,521	\$1,574	\$53	3.5%
Property Tax Equivalent (\$)	1.67	1.69	0.02	1.1%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Washington County for teachers, librarians, and community college faculty are estimated to be \$19,080,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$136,501,000
Family Health and Chronic Disease	926,000
Developmental Disabilities	32,585,000
Behavioral Health Services	27,893,000

Social Services

Homeless Services	387,000
Women's Services	252,000
Adult Services	375,000
Child Welfare Services	4,850,000
Foster Care	6,693,000
Temporary Cash Assistance	1,571,000

Senior Citizen Services

Long-term Care	271,000
Community Services	150,000

C. Selected State Grants for Capital Projects**Public Schools***

Eastern Elementary School – renovations (roof)	\$399,000
Paramount Elementary School – renovations (roof)	854,250
Smithsburg High School – renovations (roof/HVAC)	4,490,724
Washington County Technical High School – renovations (electrical)	444,750
Williamsport High School – renovations (electrical)	352,000

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Hagerstown Community College

Learning Resource Center – renovation	1,175,000
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Community Health Facilities Grant Program

The Arc of Washington County, Inc.	750,000
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Program Open Space

Park acquisition and development	1,131,770
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Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure	1,500,000
Hancock – Widmyer Splash Park	200,000

Chesapeake Bay Water Quality Projects

Hancock – wastewater system	1,500,000
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Chesapeake Bay Restoration Fund

Hancock – wastewater system	7,952,608
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Waterway Improvement

Hancock – boat ramp improvements	250,000
Williamsport Volunteer Fire Department – purchase fire/rescue boat	17,500

Hazardous Substance Cleanup Program

Garden State Tannery	100,000
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Other Projects

Boonsboro – Weir Wall	115,000
Hagerstown – minor league baseball stadium	1,500,000
Hagerstown Aviation Museum	150,000
Hagerstown-Washington County Industrial Foundation – sports/event facility	8,500,000
Robert W. Johnson Community Center	100,000
Smithsburg High School – athletic facilities	200,000
Washington County – Hagerstown revitalization	2,250,000
Williamsport – Springfield Barn	160,000
YMCA of Hagerstown	565,000

D. Capital Projects for State Facilities in the County**General Government**

Hagerstown District Court	\$1,300,000
Washington County District Court	5,275,000

Department of Natural Resources

Albert Powell Fish Hatchery – improvements	8,719,000
Greenbrier State Park – dock improvements	200,000

Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$80,045	\$76,163	-\$3,882	-4.9%
Compensatory Education	46,288	45,918	-370	-0.8%
Student Transportation	5,864	5,767	-97	-1.6%
Special Education	7,933	7,353	-580	-7.3%
Limited English Proficiency Grants	7,305	7,127	-179	-2.4%
Guaranteed Tax Base	7,625	8,000	375	4.9%
Blueprint Funding	10,412	20,638	10,225	98.2%
Prekindergarten Grants	1,800	1,800	0	0.0%
Other Education Aid	1,600	1,644	44	2.7%
Primary and Secondary Education	\$168,872	\$174,409	\$5,536	3.3%
Libraries	\$1,166	\$1,188	\$23	1.9%
Community Colleges	6,132	6,554	423	6.9%
Health Formula Grant	1,881	1,932	51	2.7%
Transportation ¹	3,419	3,660	241	7.0%
Police and Public Safety ¹	1,129	1,127	-2	-0.2%
Fire and Rescue Aid ¹	337	337	0	0.0%
Disparity Grant	12,431	11,832	-600	-4.8%
Teachers Retirement Supplemental Grant	1,568	1,568	0	0.0%
Total Direct Aid	\$196,935	\$202,607	\$5,672	2.9%
Aid Per Capita (\$)	\$1,901	\$1,955	\$55	2.9%
Property Tax Equivalent (\$)	2.85	2.83	-0.02	-0.5%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Wicomico County for teachers, librarians, and community college faculty are estimated to be \$13,945,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$104,346,000
Family Health and Chronic Disease	1,137,000
Developmental Disabilities	23,754,000
Behavioral Health Services	22,248,000

Social Services

Homeless Services	373,000
Women's Services	81,000
Adult Services	32,000
Child Welfare Services	2,875,000
Foster Care	2,151,000
Temporary Cash Assistance	1,050,000

Senior Citizen Services

Long-term Care	581,000
Community Services	218,000

Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools*

Beaver Run Elementary School – construction \$4,924,908

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Wor-Wic Community College

Applied Technology Building 15,750,000

Campuswide - facilities renewal 474,250

Community Health Facilities Grant Program

Lower Shore Clinic, Inc. 905,000

Program Open Space

Park acquisition and development 753,278

Community Parks and Playgrounds

Countywide – indoor and outdoor park infrastructure 1,500,000

Chesapeake Bay Restoration Fund

Fruitland – Tuxents Branch drainage 1,490,648

Water Supply Financial Assistance Program

Pittsville – water treatment plant upgrade 968,000

Waterway Improvement

Cedar Hill Marina – bulkhead replacement 250,000

Hazardous Substance Cleanup Program

Elite Free State Cleaners 100,000

Other Projects

Christian Shelter, Inc. Thrift Store 75,000

Fruitland Volunteer Fire Company 50,000

Vehicles for Change, Inc. 400,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Johnson WMA – shooting range \$100,000

University System of Maryland

Salisbury – student recreation center 1,500,000

Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2021</u>	<u>FY 2022</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$7,061	\$7,019	-\$42	-0.6%
Compensatory Education	7,559	7,827	269	3.6%
Student Transportation	3,404	3,392	-12	-0.4%
Special Education	1,743	1,714	-29	-1.7%
Limited English Proficiency Grants	430	413	-17	-4.0%
Blueprint Funding	869	1,777	907	104.3%
Other Education Aid	624	657	33	5.3%
Primary and Secondary Education	\$21,690	\$22,799	\$1,109	5.1%
Libraries	\$170	\$175	\$4	2.5%
Community Colleges	2,484	2,693	209	8.4%
Health Formula Grant	1,158	1,216	58	5.0%
Transportation ¹	2,405	2,564	159	6.6%
Police and Public Safety ¹	694	687	-7	-1.0%
Fire and Rescue Aid ¹	380	380	0	0.0%
Gaming Impact Aid	4,408	4,706	299	6.8%
Total Direct Aid	\$33,389	\$35,220	\$1,832	5.5%
Aid Per Capita (\$)	\$639	\$674	\$35	5.5%
Property Tax Equivalent (\$)	0.20	0.21	0.01	3.8%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2022 State payments for Worcester County for teachers, librarians, and community college faculty are estimated to be \$7,674,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health; the Department of Aging; the Department of Human Services; the Department of Housing and Community Development; and the Governor's Office of Crime Prevention, Youth, and Victim Services fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2022 allocations for various programs excluding federal funds. Note that for many programs, the amounts shown for a county are based on the county's share of prior year funding (fiscal 2021) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$37,108,000
Family Health and Chronic Disease	680,000
Developmental Disabilities	4,239,000
Behavioral Health Services	9,222,000

Social Services

Homeless Services	373,000
Women's Services	81,000
Adult Services	62,000
Child Welfare Services	1,618,000
Foster Care	1,340,000
Temporary Cash Assistance	284,000

Senior Citizen Services

Long-term Care	581,000
Community Services	218,000

Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools*

Stephen Decatur Middle School – construction \$3,610,500

* The final allocation of fiscal 2022 school construction funding will be made in May 2021.

Wor-Wic Community College

Applied Technology Building 15,750,000

Campuswide – facilities renewal 474,250

Program Open Space

Park acquisition and development 730,905

Community Parks and Playgrounds

Berlin – Stephen Decatur Park 99,000

Countywide – indoor and outdoor park infrastructure 1,000,000

Water Supply Financial Assistance Program

Pocomoke City – water tanks 867,000

Waterway Improvement

Ocean City – maintenance dredging 248,500

Ocean City Fire Department – fire/rescue boat engine replacement 50,000

South Point – public boat ramp and bulkhead replacement & improvements 250,000

Other Projects

Ocean City Lifesaving Museum 600,000

D. Capital Projects for State Facilities in the County

Maryland State Police

Berlin Barrack, Forensic Lab, and Garage \$11,402,000

Department of Natural Resources

Natural Resources Police – marine facility maintenance dredging	50,000
Ocean City Beach Maintenance Program	2,000,000
Pocomoke River State Park – Milburn Landing boat ramp repairs	100,000

Part B Taxes

Property Tax

Property Tax Administration

Homeowners' and Homestead Property Tax Credit Programs

The Homeowners' Property Tax Credit Program is a State funded program that provides credits against State and local real property taxes for homeowners who qualify based on a sliding scale of property tax liability and income. The fiscal 2022 State budget includes \$64.0 million in funding for the program. Approximately 45,000 individuals are eligible to receive the property tax credit each year.

The Homestead Property Tax Credit Program (assessment caps) provides tax credits against State, county, and municipal real property taxes for owner-occupied residential properties for the amount of real property taxes resulting from an annual assessment increase that exceeds a certain percentage or "cap" in any given year. The State requires the cap on assessment increases to be set at 10% for State property tax purposes; however, local governments have the authority to lower the cap. A majority of local subdivisions have assessment caps below 10%, including 21 counties in fiscal 2021.

Senate Bill 593/House Bill 158 (both passed) alter the definition of total real property tax for purposes of calculating the homeowners' property tax credit by specifying that the total real property tax does not include any adjustment for any other property tax credit against the property tax imposed on the dwelling. Homeowners must receive a refund of any additional homeowners' property tax credits they are owed for the prior three years due to the revised calculation of the credit. The refunds are paid from the Local Reserve Account. The bills require an annual appropriation in the State budget to the Local Reserve Account in fiscal years 2023 through 2037 to repay the cost of refunds issued.

House Bill 610 (passed) alters the definition of legal interest, as it pertains to the homeowners' property tax credit, to include an interest in a dwelling as a surviving family member

who stands to inherit the dwelling of a deceased homeowner under the terms of (1) the deceased homeowner's will or trust or a nonprobate instrument of writing or (2) under the laws of intestate succession. As a result, certain surviving family members of a homeowner who stand to inherit the dwelling of the homeowner are eligible to receive the homeowners' property tax credit.

House Bill 610 also requires contracts of sale for residential real property to include a notice about the homestead tax credit. In addition, buyers of residential property must be presented with a document at the settlement for the property that explains how to apply for the tax credit online and also includes a complete application for the credit. In addition, **House Bill 610** requires the State Department of Assessments and Taxation (SDAT) to contract with a consultant to review all public informational materials and forms produced by SDAT concerning the homestead and homeowners tax credits. On or before February 1, 2022, SDAT is required to report to the Senate Budget and Taxation Committee and the House Committee on Ways and Means on the recommendations submitted by the consultant and the actions the department has taken or plans to take to implement the recommendations.

Special Use Assessment for Country Club and Golf Course Property

The Budget Reconciliation and Financing Act of 2020 (Ch. 538) included a provision that altered the special use assessment for country clubs and golf courses that enter into or extend the term of a specified agreement with SDAT on or after June 1, 2020. The assessment increased from \$1,000 per acre to the lesser of market value or \$2,000 per acre (year one), \$3,500 per acre (year two), and \$5,000 per acre (year three). Beginning in the fourth year of the agreement or the extended term, the annual per acre assessment increases by a specified percentage based on a calculated assessment rate index.

House Bill 589 (passed), the Budget Reconciliation and Financing Act of 2021, includes a provision that clarifies the special use assessment rates established by Chapter 538 so that, beginning with the first assessment occurring after the expiration of a special use assessment agreement, the special use assessment rate is equal to the lesser of market value or \$5,000 per acre. Assessment increases are phased in over a three-year period as with all other real property.

Property Tax Exemptions

There is an existing 100% exemption from property taxes for the dwelling house of a disabled active duty service member, disabled veteran, or surviving spouse who meets certain requirements. In some instances, there is a delay in the time a veteran applies to the federal government for disability benefits and when a State and local property tax exemption is granted due to the time it takes to process claims at the federal level. As a result, the individual has to pay State and local property taxes while the application is being processed. **Senate Bill 269/House Bill 1311 (both passed)** require the State, a county, or a municipality to provide a property tax refund to a disabled active duty service member, disabled veteran, or surviving spouse if the individual applies for the refund within three calendar years of becoming eligible for the exemption. The bills apply retroactively for three years.

Property Tax Credits

Urban Agricultural Property

Local governments are authorized to grant a five-year property tax credit for property that is used for specified urban agricultural purposes. *House Bill 497 (Ch. 95)* alters this property tax credit by repealing the requirement that if the property ceases to be used for urban agricultural purposes, the owner of the property is liable for all property taxes that would have been imposed if the property tax credit for urban agricultural property had not been granted.

Business Entities during a State of Emergency

Senate Bill 887/House Bill 1137 (both passed) authorize county and municipal governments to grant a property tax credit for real or personal property owned or leased by a business entity affected by a declared state of emergency.

Airport Noise Zones

Counties and municipalities are authorized to grant a property tax credit for owner-occupied residential real property situated entirely or in part within the 75 Loudness Day Night (LDN) noise contour as established by the airport noise zone surrounding the Baltimore-Washington International Thurgood Marshall Airport. *House Bill 1180 (passed)* alters the tax credit to include residential properties within the 65 LDN noise contour.

Regional Institution Strategic Enterprise Zone Program

The Regional Institution Strategic Enterprise (RISE) Zone Program aims to promote economic and community development within communities anchored around a qualified institution. *Senate Bill 778/House Bill 1279 (both passed)* alter the existing RISE Zone Program by generally replacing the program's existing income tax and property tax credits with a rental assistance grant program and enhanced biotechnology investment incentive and cybersecurity investment incentive income tax credits. The bills also terminate program tax credits and benefits on January 1, 2028. For a further discussion of *Senate Bill 778/House Bill 1279*, see the subpart "Income Tax" within this part of this *90 Day Report*.

Tax Sales

Homeowner Protection Program

House Bill 852 (passed) establishes the Homeowner Protection Program, within SDAT, for the purpose of diverting vulnerable homeowners from the private tax lien sale process into an alternative program with the primary purpose of (1) minimizing tax collection costs to homeowners; (2) assisting homeowners to pay their taxes; and (3) allowing homeowners to remain in their homes.

Homeowners must submit an application to SDAT to enroll in the program. Enrollment in the program is open to homeowners who reside in a dwelling with an assessed value of \$300,000 or less and have a combined income of \$60,000 or less. Priority for enrollment is given to elderly and disabled homeowners. The number of homeowners who may enroll in the program is determined annually by SDAT based on the funding available for the program. SDAT purchases the tax lien of a homeowner enrolled in the program from the county or municipal corporation, or, if the lien has been sold to a private investor, from the private investor. SDAT is required to conduct intensive outreach to homeowners enrolled in the program to help them pay the taxes due. SDAT may enter into an installment payment plan with a homeowner to pay the taxes due or help the homeowner to apply for existing tax credits and public and private programs and benefits. SDAT may charge interest on the tax debt of a homeowner at a rate of 6% or less, but interest may be waived entirely at SDAT's discretion. Other than interest, SDAT may not impose any fees or costs on a homeowner in addition to the taxes owed.

A homeowner enrolled in the program is protected from foreclosure for three years. While a homeowner is enrolled in the program, SDAT must pay the county or municipal corporation the full amount of any tax lien that becomes due on the homeowner's dwelling, and the county or municipal corporation is required to withhold the dwelling from tax sale. After three years, if a homeowner has not paid the taxes due, SDAT is authorized to foreclose on the homeowner's dwelling using an *in rem* judicial process and sell the property at public auction for market value. Any amount paid for the dwelling at auction that exceeds the taxes due is returned to the homeowner and any other persons with an interest in the dwelling. SDAT is authorized to purchase the dwelling if the minimum bid is not made or exceeded at the auction.

House Bill 852 establishes the Homeowner Protection Fund to support the program. The fund consists of tax and interest payments made by homeowners enrolled in the program and money appropriated in the State budget to the fund. The bill requires the Governor to include an appropriation of \$750,000 in the annual budget bill in each of fiscal 2023, 2024, and 2025 to fund the program.

Nondelinquent Taxes

Senate Bill 325 (Ch. 108) alters the amount that a person must pay to a local tax collector to redeem a property sold at a tax sale by requiring that only delinquent taxes accruing after the date of the tax sale be paid, instead of any taxes accruing after the date of the tax sale.

Vacant Lots

House Bill 1182 (Ch. 87) requires a county tax collector to sell a property at a tax sale if, among other requirements, the property is a vacant lot no more than 15 feet wide, the tax on the property is in arrears for at least eight years, and a specified adjoining property owner petitions the tax collector to sell the property.

Owner-Occupied Residential Real Property

House Bill 252 (Ch. 75) authorizes a county or municipality to withhold owner-occupied residential property from tax sale during the period from June 1, 2021, through June 30, 2023.

Baltimore City

House Bill 1219 (passed) establishes that the notice sent to an owner of property in Baltimore City, at least 30 days prior to the first advertisement of a property before a tax sale, must be sent by first class certified mail.

House Bill 1222 (passed) requires that when notice is sent to the owner of a property in Baltimore City at least 30 days prior to the first advertisement of the property before a tax sale, the notice must include an itemized list of the source and amount of each tax due that the collector seeks to recover through the tax sale.

Prince George’s County

House Bill 981 (passed) limits the properties for which the tax collector in Prince George’s County must conduct a tax sale by limited auction (prior to conducting a public auction) to abandoned property consisting of either a vacant lot or improved property cited as vacant and unfit for habitation on a housing or building violation notice. In addition, the bill alters the existing list of eligible individuals that may participate in the limited auction by requiring that (1) an eligible federal employee be employed by a federal agency located in the county and (2) an eligible veteran be employed in the county. *House Bill 981* also establishes that if a purchaser at a limited auction was not an eligible participant, in addition to the certificate of sale for the property being void, any right or interest of the holder of the certificate of sale is void and any payment received by the collector at the sale must be forfeited and applied to any taxes in arrears on the property.

Local Property Taxes

Montgomery County

House Bill 571 (passed) allows Montgomery County to authorize an abatement of any overdue property tax for taxable years beginning on or after July 1, 2018, (1) on a dwelling transferred to a disabled active duty service member, disabled veteran, or surviving spouse who applies for and qualifies for a specified property tax exemption and (2) for which the transferee is liable.

Prince George’s County

House Bill 1010 (passed) authorizes Prince George’s County to enter into a payment in lieu of taxes agreement with owners of specified low-income housing developments.

Wicomico County

Senate Bill 794/House Bill 1179 (both passed) authorize Wicomico County or a municipality in the county to grant a property tax credit for real property that is used for a hotel or residential development project. In order to qualify for the tax credit, the project must (1) be newly constructed or involve substantial rehabilitation or revitalization of existing structures and (2) substantially increase the assessed value of the property.

Income Tax

RELIEF Act

Senate Bill 496 (Ch. 39) establishes several enhanced tax benefits for individuals and businesses. For tax years 2020 through 2022, the Act expands the State refundable earned income credit. The value of the refund for qualified individuals increases from 28% to 45% of the federal earned income tax credit, minus any pre-credit State income tax liability. For individuals without a qualifying child, the value of the credit is increased to 100% of the federal credit, subject to a maximum of \$530. A taxpayer without a qualifying child will claim this fully refundable credit instead of the nonrefundable and refundable State earned income credits provided under current law.

The Act also requires the Comptroller to issue an economic impact payment of up to \$500 to a resident who claimed the State earned income credit in tax year 2019. These payments are exempt from the State income tax.

In tax years 2020 and 2021, the Act exempts from the State income tax the unemployment benefits received by an individual if the benefits were paid by the Maryland Department of Labor or by a jurisdiction with which the State has a reciprocal taxation agreement (currently Pennsylvania, Virginia, West Virginia, and the District of Columbia). In order to qualify, a taxpayer must have a federal adjusted gross income of \$75,000 or less (\$100,000 if married filing jointly).

In tax years 2020 and 2021, the Act exempts from the State income tax a coronavirus relief payment received by a person. A coronavirus relief payment is a federal, State, or local government grant or forgiven loan (1) provided to a person for the purpose of assisting with the economic hardships resulting from the coronavirus pandemic and (2) applied for on or after March 5, 2020. The Comptroller must publish guidance regarding eligibility for the exemption, including a list of eligible grants and loans.

The Act authorizes the Public Service Commission to distribute grants to utility companies to assist households with utility arrearages. Forgiven utility arrearages may result in taxable income under certain circumstances. To address this, *Senate Bill 787 (passed)* creates a subtraction modification against the State income tax for certain utility arrearage amounts forgiven in tax year 2021.

The net effect on State finances of these various income tax provisions will be a decrease of about \$556.8 million in fiscal 2021, \$244.4 million in fiscal 2022, and \$162.3 million in fiscal 2023.

For a more detailed discussion of the RELIEF Act’s other provisions, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Expansion of the Earned Income Credit and Child Tax Credit

Under the State earned income credit program, a taxpayer may be eligible for both a refundable and nonrefundable earned income credit against the State income tax and a nonrefundable credit against the local income tax. Maryland generally conforms to the federal eligibility standards – only those individuals who claim the federal earned income tax credit may claim the State credit. In addition to these benefits, taxpayers who claim the nonrefundable State earned income credit may be eligible to claim the State and local poverty tax credits.

Senate Bill 218 (Ch. 40) expands eligibility of the State and local earned income tax credits, and thereby the State and local poverty level credits, by allowing a taxpayer to claim the tax credits notwithstanding certain federal requirements, which generally require that a taxpayer have a valid Social Security number at the time of tax filing.

The Act also creates a refundable credit against the State income tax equal to \$500 for each dependent child who is a qualified dependent under Section 152 of the Internal Revenue Code and is under the age of 17 years and has a disability. In order to qualify, a taxpayer must have federal adjusted gross income of \$6,000 or less. The credit is reduced by the amount of any federal child tax credit claimed for the child in the year.

The provisions of the Act apply to tax years 2020 through 2022. It is estimated that the Act will decrease general fund revenues by \$67.0 million annually in fiscal 2021 through 2023.

Tax Credit Legislation

New Tax Credits

Senate Bill 885 (passed) creates a refundable credit against the State income tax for 20% of the rehabilitation and new construction costs incurred for a qualified catalytic revitalization project in the State. The Department of Housing and Community Development must administer the credit and may not award (1) an initial credit certificate for more than one project within a two-year period and (2) more than \$15.0 million in tax credits for each project.

The net effect of the legislation on State finances is a decrease of about \$3.1 million in fiscal 2022, \$6.1 million in fiscal 2023, \$9.1 million in fiscal 2024, \$6.1 million in fiscal 2025, and \$9.1 million in fiscal 2026.

Tax Credit Extensions, Expansions, or Alterations

Senate Bill 19 (Ch. 112) alters the biotechnology investment incentive tax credit by (1) reducing the percentage value of the tax credit; (2) terminating the program effective June 30, 2028; (3) establishing the objective and goals of the program; and (4) requiring the Department of Commerce to report specified information about the program. The Act also alters several program eligibility requirements.

Senate Bill 160 (Ch. 113) alters the cybersecurity investment incentive tax credit by (1) extending the program termination date to June 30, 2025; (2) expanding the applicability of the program to technology companies, rather than solely cybersecurity companies; (3) establishing certain reporting requirements and an evaluation and recommendation process for determining eligible industry sectors; (4) establishing the objective and goals of the program; and (5) specifying that a qualified investor may not be a founder or current employee of the company receiving the investment if the company has been in active business for more than five years. The Act extends a \$2.0 million annual mandated appropriation for two years (fiscal 2024 and 2025).

Chapters 515 and 516 of 2000 established the Research and Development (R&D) Tax Credit Program. Under current law, a business can claim a basic and growth tax credit for certain R&D expenses. **Senate Bill 196 (Ch. 114)** alters the tax credit by (1) extending the program termination date to June 30, 2025; (2) eliminating the basic credit and increasing to \$12.0 million the amount of growth tax credits that can be awarded each year; (3) requiring that \$3.5 million of the total tax credits awarded annually be set aside for qualified small businesses; (4) limiting to \$250,000 the maximum value of the tax credit; and (5) establishing the objective and goals of the program. It is estimated that the Act will decrease State revenues by \$7.4 million in fiscal 2023, \$9.3 million in fiscal 2024, and \$10.9 million annually in fiscal 2025 and 2026.

The job creation tax credit provides a tax credit to businesses that expand or establish a facility in Maryland resulting in the creation of new jobs. **Senate Bill 186 (passed)** (1) extends the termination date for the job creation tax credit to January 1, 2027; (2) establishes an enhanced tax credit for the hiring of a qualified veteran; and (3) extends program eligibility to small businesses who hire a qualified veteran. The bill also repeals the Hire Our Veterans Tax Credit. As a result, the net effect on State finances will be a decrease of about \$4.0 million annually beginning in fiscal 2022.

Under current law, the job creation tax credit requires a business to meet certain eligibility requirements, including that the business pay a qualified position for which the tax credit is claimed at least 120% of the State minimum wage. **House Bill 278 (passed)** requires a qualified position pay at least (1) for an employee classification for which there is a prevailing wage rate, the prevailing wage or (2) for any other employee classification, 150% of the State minimum wage. The bill also requires a qualified position to provide certain benefits including career advancement training, paid sick leave, and retirement benefits. Under current law, an enhanced tax credit can be claimed if the qualified position is located within a revitalization area. The bill specifies that a revitalization area includes a Tier I county.

The Regional Institution Strategic Enterprise (RISE) Zone Program aims to promote economic and community development within communities anchored around institutions of higher education. Businesses that are located within a zone and meet program requirements qualify for tax credits and priority consideration for specified State financial assistance programs. ***Senate Bill 778/House Bill 1279 (both passed)*** alter the program by (1) establishing for qualified businesses a rental assistance grant program and enhanced biotechnology investment incentive and cybersecurity investment incentive tax credits; (2) limiting to 500 acres the maximum size of a zone; (3) limiting existing income tax and property tax credits to businesses that locate in a RISE zone before January 1, 2023; (4) expanding the purposes of the program; and (5) terminating program tax credits and benefits effective January 1, 2028.

The Historic Revitalization Tax Credit Program, administered by the Maryland Historical Trust (MHT), provides tax credits for commercial, small commercial, and owner-occupied residential property rehabilitations. ***Senate Bill 659/House Bill 865 (both passed)*** increase to \$5.0 million the total amount of small commercial tax credits that MHT may award, thereby increasing small commercial credit funding by a total of \$1.0 million. ***Senate Bill 447/House Bill 539 (both passed)*** alter the definition of a certified historic structure and single-family, owner-occupied residence to include certain structures that are located on property owned by the Department of Natural Resources (DNR) or one of its units and occupied by a person under an agreement with DNR by which the person pays for rehabilitation of the structure as a condition of occupancy. ***Senate Bill 885*** requires the Governor, for fiscal 2023 and 2024, to include in the budget bill an appropriation of at least \$12.0 million to the Historic Revitalization Tax Credit Reserve Fund.

Under current law, income tax credits may be claimed by a licensed physician or nurse practitioner who serves without compensation as a preceptor in an approved preceptorship program. ***Senate Bill 102/House Bill 1252 (both passed)*** extend the termination dates of the preceptor tax credits to June 30, 2026. The bills also (1) establish a physician assistant preceptor income tax credit and (2) alter eligibility for the licensed physician preceptorship tax credit by specifying that, in order to qualify, each rotation worked by a qualifying preceptor must consist of at least 100 hours of community-based clinical training.

Chapters 232 and 233 of 2017 created a tax credit against the State income tax for eligible food donations made by a qualified farm. ***Senate Bill 539/House Bill 752 (both passed)*** extend the food donation income tax credit through tax year 2023.

House Bill 7 (passed) alters the existing venison donation income tax credit by extending eligibility to certain donations made to the Montgomery County Deer Donation Program. The bill also establishes, beginning in fiscal 2023, a Venison Donation Grant Program to be administered by DNR. ***Senate Bill 769/House Bill 1017 (both passed)*** require a venison donation program to annually report specified information to the Comptroller.

Subtraction Modification Legislation

Senate Bill 622/House Bill 711 (both passed) create a subtraction modification against the State income tax for a person who makes a qualified donation to a diaper bank or a charitable entity registered with the Comptroller. The maximum value of the subtraction modification is equal to \$1,000 of the qualified donation.

House Bill 1178 (passed) allows a taxpayer to designate an account with a financial institution as a first-time homebuyer savings account. An eligible account holder may claim a subtraction modification for (1) the amount contributed, up to \$5,000, during the taxable year to a designated account and (2) the earnings, including interest and other income on the principal, from the designated account during the tax year. The subtraction modification may be claimed for up to 10 years and for a maximum earnings amount of \$50,000 during the 10-year period.

Senate Bill 48/House Bill 10 (both passed) expand the existing living organ donor State income tax subtraction modification by (1) increasing from \$7,500 to \$10,000 the maximum value of the subtraction modification and (2) allowing individuals to deduct unreimbursed child or elder care expenses and medication expenses attributable to a qualified organ donation.

Tax Administration

The counties and Baltimore City are required to levy a local income tax. *Senate Bill 133/House Bill 319 (both passed)* authorize local governments to impose the county income tax on a bracket basis and require all local governments to impose a minimum tax rate of 2.25%. The bills also alter the local income tax rates that a jurisdiction must impose in order to qualify for enhanced State disparity grant funding, subject to the jurisdiction imposing the county income tax on a bracket basis.

Current law provides for a general one-year decoupling provision under the State personal and corporate income tax relating to certain amendments to the Internal Revenue Code. *Senate Bill 578/House Bill 495 (both passed)* alter this decoupling provision by specifying that the provision also applies to certain amendments to the Internal Revenue Code that affect State revenues in any taxable year that precedes the calendar year in which the amendment is enacted.

Senate Bill 480/House Bill 421 (both passed) provide, for fiscal 2022 and 2023, supplemental funding for the University of Maryland School of Law, the University of Baltimore School of Law, and the Maryland Volunteer Lawyers Service to operate tax clinics for low-income State residents.

Sales Tax

Peer-to-peer Car Sharing

A peer-to-peer car sharing program is an online platform that is in the business of connecting vehicle owners with drivers to enable the sharing of motor vehicles for financial

consideration. Chapter 852 of 2018 established a (1) regulatory framework for peer-to-peer car sharing in the State and (2) a sales and use tax rate of 8% for related sales and charges, which was to terminate June 30, 2020, reverting to the standard 6% rate. Chapter 567 of 2020 extended the termination date of the 8% tax rate through June 30, 2021. *House Bill 1209 (passed)* repeals the June 30, 2021 termination date for the 8% sales and use tax imposed on peer-to-peer car sharing. In addition, beginning in fiscal 2022, the bill imposes a sales and use tax rate of 11.5% on peer-to-peer car sharing if the vehicle is part of a fleet of vehicles that includes more than 10 vehicles owned by the same person. The sales and use tax revenue from peer-to-peer car sharing is distributed to the Transportation Trust Fund and the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund in the same manner as the sales and use tax revenue from short-term vehicle rentals.

Vendor Collection Credit

In order to cover expenses for collecting the State sales and use tax, persons filing timely returns are allowed to take a vendor credit against the gross tax remitted in an amount equal to 1.2% of the first \$6,000 collected and 0.9% of the excess, capped at \$500 per filing period (monthly basis).

Senate Bill 496 (Ch. 39), the Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act, is the General Assembly’s principal economic relief response to the COVID-19 pandemic and authorizes, among other things, eligible vendors to retain an increased vendor tax credit for the three consecutive months following enactment. The amount of the vendor credit allowed is equal to the lesser of the amount of sales and use tax collected during the month the vendor qualifies for the increased credit or \$3,000. To be eligible, a vendor (1) must file a timely sales and use tax return or consolidated return and (2) the gross amount of sales and use tax remitted with the return may not exceed \$6,000. This credit is claimed in lieu of the standard vendor credit authorized under current law. For a further discussion of Chapter 39, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Senate Bill 257/House Bill 337 (both passed) authorize a qualified job training organization to claim a vendor collection credit in an amount equal to 100% of the gross amount of the sales and use taxes that are collected by the vendor. A vendor may not claim more than \$100,000 in credits in any calendar year. A “qualified job training organization” is defined as an organization that (1) is located in the State; (2) is tax exempt under Internal Revenue Code 501(c)(3); (3) conducts retail sales of donated items; and (4) provides job training and employment services to individuals with workplace disadvantages or disabilities. In addition, the organization must use a majority of its revenue for job training and job placement programs (1) that assist individuals with growth in employment hours; (2) for individuals with low income, workplace disadvantages, disabilities, or barriers to employment; or (3) for veterans.

Digital Products and Codes

During the 2020 session, the General Assembly passed House Bill 932. The Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 session, and the bill

became Chapter 38 of 2021. Chapter 38 imposes the sales and use tax on specified digital products and codes. For a detailed discussion of Chapter 38, see the subpart “Sales Tax” within Part B – Taxes of the *2020 Session Major Issues Review*.

Among other provisions, *Senate Bill 787 (passed)* generally clarifies the implementation of Chapter 38. The bill specifies, among other things, which existing sales and use tax exemptions and other provisions of law governing the sales and use tax apply to digital products and codes. In addition, the definitions of digital product and digital code are altered. Certain types of digital instruction, seminars, discussions, and professional services are excluded from the definition of digital product. A digital code is defined to include a number, symbol, alphanumeric sequence, barcode, or similar code.

Cecil County – Exemption for Federal Facilities Redevelopment Areas

Senate Bill 294/House Bill 582 (both passed) exempt from the sales and use tax a sale of construction material or warehousing equipment if the material or equipment is purchased by a person solely for use in a specified federal facilities redevelopment area in Cecil County. To qualify for the exemption, the buyer must provide the vendor with evidence of eligibility for the exemption issued by the Comptroller. A “federal facilities redevelopment area” is defined as any real property in Cecil County that (1) was previously owned at any time by the federal government; (2) was transferred from the federal government to the State or to the Bainbridge Development Corporation; and (3) is entirely under the environmental oversight and management of a specified State hazardous substance response plan or the voluntary cleanup program.

Miscellaneous Taxes

Digital Advertising Gross Revenues Tax

During the 2020 session, the General Assembly passed House Bill 732. The Governor vetoed the bill, and the General Assembly overrode the veto during the 2021 session. The bill became law as Chapter 37 in February 2021. Chapter 37 imposes a tax on the annual gross revenues of a business derived from specified digital advertising services in the State. The Act requires a business with at least \$100.0 million in global annual gross revenues to pay the tax at a rate determined by the business’s global annual gross revenues. Revenues from the tax are distributed to the Blueprint for Maryland’s Future Fund, after the Comptroller’s costs to administer the tax are deducted.

Following the enactment of Chapter 37, *Senate Bill 787 (passed)* exempts a broadcast entity and news media entity from the digital advertising gross revenues tax and prohibits a person from directly passing on the cost of the tax to a customer through a separate fee, surcharge, or line-item.

Tobacco and Electronic Smoking Device Taxes

Chapter 37 also increases various taxes imposed on cigarettes, electronic smoking devices, and other tobacco products (OTP). The Act increases the tobacco tax rate from \$2.00 to \$3.75 per pack of cigarettes and increases the OTP tax rate for all products other than cigars and pipe tobacco from 30% to 53% of the wholesale price. The tax rate remains at 15% for premium cigars, 30% for pipe tobacco, and 70% for all other cigars. The Act also imposes a one-time floor tax on cigarettes and OTP. *Senate Bill 787* makes clarifying changes to specify the date on which the floor tax is assessed and required to be remitted to the Comptroller, consistent with the effective date of Chapter 37.

Senate Bill 883/House Bill 1324 (both passed) modify tobacco tax provisions as they apply to out-of-state sellers of premium cigars and pipe tobacco and clarify the definition of an “out-of-state seller” as it applies to the tobacco tax. The bills also require a person located outside of Maryland to be licensed as a remote tobacco seller in order to sell premium cigars or pipe tobacco to consumers in the State. Finally, the bills modify the definition of “other tobacco products,” as it applies to OTP licensing and tobacco tax provisions, to exclude specified tobacco pipes from OTP excise taxes and specify that the sales and use tax rate for tobacco pipes is 12% of the taxable price. For a further discussion of *Senate Bill 883/House Bill 1324*, see the subpart “Business Regulation” within Part H – Business and Economic Issues of this *90 Day Report*.

Tax Evaluation and Reporting

House Bill 1086 (passed) alters the Tax Credit Evaluation Act, which provides for the review of State tax credits, by eliminating the Tax Credit Evaluation Committee. The Department of Legislative Services (DLS) must evaluate a tax credit, exemption, or preference on request from the Senate Budget and Taxation Committee, the House Ways and Means Committee, the Executive Director of Legislative Services, or the Director of the Office of Policy Analysis of Legislative Services. For each evaluation conducted, DLS must report its findings to the General Assembly. Beginning on October 1, 2022, DLS must evaluate at least once every 10 years each income tax credit that is primarily claimed by businesses and has an annual fiscal impact exceeding \$5.0 million and publish on its website a schedule of the evaluations that will be conducted. Lastly, a unit of State government is required to report the measures that have been taken to implement a tax credit within one year after its enactment.

Senate Bill 591/House Bill 712 (both passed) expand the scope of a tax incidence study that the Bureau of Revenue Estimates (BRE) must submit to the Governor and the General Assembly by (1) including toll charges imposed by the State; (2) requiring the study to include the aggregate impact of the taxes and charges among taxpayers of different income levels; and (3) requiring a governmental unit involved in the implementation and administration of the taxes subject to the study to promptly provide information to BRE and otherwise cooperate with BRE.

Tax Collections and Enforcement

House Bill 804 (passed) establishes a whistleblower reward program administered by the Comptroller's Office. A whistleblower who voluntarily provides original information to the Comptroller in a sworn affidavit that results in a final assessment in a covered enforcement action, or a successful outcome against a taxpayer in a related action, is entitled to receive a monetary award of at least 15%, but not more than 30%, of the taxes, penalties, and interest collected through the enforcement action or related action. The bill also provides protections against retaliation against a whistleblower and establishes rules regarding disclosure of the whistleblower's identity. Lastly, the bill extends from 7 to 10 years the statute of limitations for tax collections and applies the extension retroactively to any assessment or collection, which is not barred before October 1, 2021.

Transportation

Subject to available funding, a person who purchased a qualified plug-in electric vehicle or a qualified fuel cell electric vehicle prior to July 1, 2020, may claim a credit against the vehicle excise tax equal to 100% of the excise tax imposed, not to exceed \$3,000. **House Bill 44 (passed)** requires the transfer from the Strategic Energy Investment Fund to the Transportation Trust Fund of the lesser of \$10.0 million or the amount of vehicle excise tax credits applied for prior to July 1, 2020.

Recordation and Transfer Taxes

House Bill 815 (passed) clarifies that, with regard to the State agricultural land transfer tax, Chapters 566 and 567 of 2019 apply to a transfer under a contract of sale dated on or after July 1, 2019. The bill authorizes a person who paid the tax under a contract of sale dated prior to July 1, 2019, to seek a refund of any excess tax paid.

House Bill 933 (passed) authorizes Anne Arundel County to increase the county transfer tax rate on a written instrument conveying title to real property or a leasehold interest in real property if the actual consideration is \$1.0 million or more. An increased transfer tax rate does not apply when the real property transferred provides affordable housing for moderate- or low-income individuals in the county, including the City of Annapolis. Any revenue generated from the increase in the transfer tax rate must be paid to the Housing Trust Special Revenue Fund established under the bill.

Miscellaneous Local Taxes

Senate Bill 529/House Bill 901 (both passed) require the City of Annapolis to allocate 3% of hotel tax revenues to both the Annapolis Art in Public Places Commission and the Affordable Housing Trust Fund. The City of Annapolis and Anne Arundel County are required to establish special funds for the distribution of hotel tax revenues to certain community organizations. The bills also establish reporting requirements and oversight of the hotel tax revenues provided to community organizations.

Baltimore City must appropriate at least 40% of its hotel tax revenue to Visit Baltimore for the marketing and operations of the convention center and tourism promotion. *Senate Bill 789/House Bill 1301 (both passed)* extend the required appropriation for five years through fiscal 2027 and alter the calculation of the amount appropriated.

House Bill 528 (passed) authorizes St. Mary’s County to impose a building excise tax on any building construction in the county. Revenues from the tax must be deposited in the county general fund and may be used for any lawful purpose in the county. The county’s existing authority to impose a development impact fee is repealed.

Part C

State Government

State Agencies, Offices, and Officials/Regulations

State Agencies – Establishment, Organization, and Reorganization

Maryland Environmental Service

The Maryland Environmental Service (MES) is an instrumentality of the State and a self-supporting, not-for-profit public corporation that serves State, local, and federal agencies and the private sector through designing, planning, financing, constructing, operating, and monitoring projects for water and wastewater treatment, solid waste management, composting, recycling, dredged material management, hazardous materials cleanup, stormwater services, and renewable energy.

Senate Bill 2 (Ch. 72) makes significant changes to the governance and administration of MES, including changes to (1) the Board of Directors; (2) the director and other MES officers; (3) spending and procurement provisions; (4) training and other policies; and (5) personnel matters, including collective bargaining.

The Act alters the composition of the Board of Directors, changes the appointment process and qualifications for certain members, establishes procedures for board meetings, and removes certain MES officers from the board. The Director of MES, renamed to be the executive director, is removed as the presiding officer of the Board of Directors but remains the administrative head. The Act requires the Board of Directors to observe a certain standard of care and receive annual training on the standard of care required and also to adopt a conflict of interest policy. Additionally, the Board of Directors must annually evaluate the executive director in accordance with certain criteria.

The executive director must appoint a diversity officer to coordinate the development and implementation of a diversity policy for MES and to assist employees in resolving grievances related to alleged violations of the diversity policy or State or federal antidiscrimination laws. Also,

the Board of Directors must adopt certain policies; receive annual training on ethics, harassment, diversity, and other policies; and submit certain reports each year to certain persons.

Additionally, the Act requires MES to submit to the Board of Public Works (BPW) for approval certain contracts with a value of \$250,000 or more. MES also must notify its Board of Directors of certain nonemergency expenditures and receive approval from the Board of Directors for nonemergency expenditures greater than \$200,000. MES is required to submit a full and detailed operating and capital budget each year to the Department of Budget and Management and the budget must specify MES's revenue sources in a certain manner. The Act also requires certain audits and assessments.

Senate Bill 2 also clarifies the authority of MES employees to enter into collective bargaining agreements. Further, the Act adds requirements for MES's personnel system and requires MES to follow a certain process for filling certain MES positions.

Maryland Department of Emergency Management and the 9-1-1 Board

Senate Bill 658/House Bill 990 (both passed) establish the Maryland Department of Emergency Management (MDEM) as a principal department of the Executive Branch of State government and as the successor to the Maryland Emergency Management Agency (MEMA). All duties and responsibilities associated with MEMA's existing functions continue under MDEM. The bills also transfer the Maryland 9-1-1 Board from the Department of Public Safety and Correctional Services (DPSCS) to MDEM. Employees transferred under the bills are transferred without any change in pay and retain all rights, status, and merit system and retirement status they may have on the date of transfer.

Governor's Office of Immigrant Affairs

Senate Bill 85/House Bill 15 (both passed) establish the Governor's Office of Immigrant Affairs to assist immigrants in the State and to advise the Governor on matters relating to immigrants in the State. The bills establish the appointment, powers, duties, and responsibilities of both the office and office director. The director must report to the Governor and the General Assembly detailing the activities of the office. Specific responsibilities of the office include:

- establishing a network of neighborhood-based opportunity centers that provide immigration services to immigrants;
- assisting immigrants in matters relating to immigration status, including assisting with the naturalization process and applications for Deferred Action for Childhood Arrivals;
- connecting immigrants to business resources that use immigrants' skills, employment referral programs, and other workforce development programs;

- developing and leveraging immigrants’ skills to benefit the immigrants’ communities and the State;
- establishing a toll-free, multilingual hotline and a website for purposes including disseminating information about the programs and services offered by the office, referring for services, and receiving complaints relating to fraud and other related crimes against immigrants;
- ensuring that individuals referred by the office are directed to persons who are in compliance with the Maryland Immigration Consultant Act, or authorized by the Federal Office of Legal Access Programs;
- reducing exploitation of immigrants and using information developed by the office through the hotline, to assist law enforcement in combating crimes against immigrants;
- advising the Governor and the director concerning matters affecting immigrants in the State in order to promote and encourage the full participation of immigrants in the State’s civic and economic life; and
- coordinating with other State agencies and otherwise using the resources of the State to serve the needs of immigrants.

Commission on LGBTQ Affairs

The Governor’s Office of Community Initiatives (GOCI) coordinates community and volunteer service activities in the State and develops and coordinates the Governor’s policy agenda affecting community programs and initiatives. The office also advises the Governor on policies to enhance and improve the delivery of community and volunteer services, in addition to coordinating the Governor’s ethnic and cultural commissions.

House Bill 130 (passed) establishes the Commission on LGBTQ Affairs in GOCI. The commission must (1) assess the challenges facing lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; (2) collect data across State agencies on the implementation of LGBTQ-inclusive policies and complaints alleging discrimination based on sexual orientation or gender identity; (3) study and establish best practices for inclusion of LGBTQ individuals and communities; (4) inform the Executive and Legislative branches of State government on issues concerning women and LGBTQ persons; (5) offer testimony on issues concerning women and LGBTQ persons before legislative and administrative bodies; (6) act as a clearinghouse for activities to avoid duplication of efforts; (7) create surveys and appoint certain advisory committees; and (8) publish an annual report, and any other material the commission considers necessary, that includes recommendations on policies for LGBTQ adults and youth that work to end discriminatory practices in the State.

Bureau of Revenue Estimates

The Bureau of Revenue Estimates (BRE) serves as economic staff for the Comptroller's Office and staff for the Board of Revenue Estimates. BRE forecasts and analyzes the State and national economies; forecasts, analyzes, and monitors State revenues; and analyzes the effects of State and federal tax legislation on the State's revenues. BRE also provides updates and analyses of the State's economy, revenue performance, and revenue forecasts to the bond rating agencies prior to every bond sale and otherwise as needed.

BRE also serves as legislative staff for the Comptroller's Office on all tax bills as well as other types of legislation. BRE staff prepares fiscal notes for all legislation on taxes administered by the Comptroller's Office and acts as a primary contact with legislative staff on tax and revenue issues. BRE staff attends hearings on tax bills and prepares and gives testimony representing the Comptroller's Office on matters of tax legislation.

Senate Bill 314/House Bill 113 (both passed) reorganize BRE within the Comptroller's Office and alters the operations of BRE and the Board of Revenue Estimates. The bills require the board to announce its meeting schedule at the beginning of each fiscal year and maintain a website that provides (1) access to the revenue estimates, projections, and reports developed by the board; (2) a schedule of upcoming board meetings and agendas for open meetings of the board; (3) links to live video streaming of each open meeting of the board; (4) a complete and unedited archived video recording of each open meeting for which live video streaming was made available for a minimum of five years after the date of the meeting; (5) access to reports and projections of the general fund of the State, the Blueprint for Maryland's Future Fund, the Education Trust Fund, and the Transportation Trust Fund; (6) access to reports and projections of appropriations for, distributions from, and funds maintained by Program Open Space; and (7) any other information the board considers relevant.

The bills also alter certain BRE reporting requirements. BRE is required to submit certain revenue estimate reports in December, March, and September of each year, and the bills require BRE to submit the March revenue estimates report by a date that allows the board to meet before the passage of the annual budget bill in the first chamber of the General Assembly to vote on the budget bill in that year. The report, along with the December and September revenue estimate reports, must be reviewed and approved by the Revenue Monitoring Committee before the estimates may be formally adopted by the board. In addition, every four years, BRE must submit a report on the strengths and weaknesses of BRE in the preceding four years, including (1) the accuracy of BRE estimates of State revenue; (2) the impact of the revenue volatility cap on reporting; and (3) the challenges faced by BRE in forecasting State revenues.

The Department of Legislative Services is required to submit a report to the General Assembly on BRE operations, including (1) an analysis of the transparency and usability of data and reports produced by BRE; (2) an overview of appropriations for BRE and major expenditures; (3) an analysis of the staffing needs of BRE; and (4) issues preventing BRE from carrying out its duties. The report must cover the operations of BRE during the same period as the report issued by BRE.

Maryland Technology Development Corporation

Senate Bill 80/House Bill 6 (both passed) add four members to the Board of Directors of the Maryland Technology Development Corporation (TEDCO), require at least one of the two existing board members representing colleges and universities to represent an historically black college or university, and specify that any single college or university may not be represented on the board for more than two consecutive terms. The two-term limit applies only to terms being served on or after the effective date of the bill. Of the four additional members, two are appointed by the President of the Senate and two are appointed by the Speaker of the House. The bills also rename TEDCO's executive director position to be the chief executive officer. Requirements and duties of the position are otherwise unchanged.

Maryland Office of the Inspector General for Health

Senate Bill 12/House Bill 393 (both passed) rename the Office of the Inspector General (OIG) in the Maryland Department of Health to be the Maryland Office of the Inspector General for Health and establish it as an independent unit of the State. The bills specify the Inspector General's appointment process, term limits, and required qualifications. Funding and staff from the current OIG will transfer to the new office.

By December 1 annually, the office must submit a report to the Governor, specified committees of the General Assembly, and the Secretary of Health on its activities during the immediately preceding fiscal year, including (1) investigations of fraud, waste, and abuse of departmental funds undertaken by the office; (2) a summary of matters referred to the Medicaid Fraud Control Unit by the office; (3) recoveries by the office of mistaken claims paid or payments obtained in error or fraudulent claims paid to or obtained by a provider; (4) recoveries by the office of the cost of benefits mistakenly paid or obtained in error, or fraudulently paid to or obtained by a recipient; and (5) a summary of matters referred to prosecutive authorities and resulting prosecutions and convictions. The report shall also include any regulatory or statutory changes necessary to ensure compliance with applicable federal and State law.

Compensation to Erroneously Convicted Individuals

Senate Bill 14/House Bill 742 (Chs. 76 and 77) make several changes to existing provisions pertaining to payments by BPW to an individual erroneously convicted, sentenced, and confined under State law for a crime the individual did not commit.

The Acts repeal provisions regarding BPW's discretion to grant payments to an individual erroneously convicted, sentenced, and confined in the State for a crime the individual did not commit. The Acts also repeal eligibility based on a certification from a State's Attorney under specified statutory provisions that a conviction was in error. Instead, BPW must compensate such an individual upon receipt of an order granting a petition for eligibility from an Administrative Law Judge (ALJ) in the Office of Administrative Hearings (OAH).

An ALJ in OAH must issue an order that an individual is eligible for compensation and benefits from the State/BPW for being erroneously convicted, sentenced, and confined (as described below) if:

- the individual has received a full pardon from the Governor stating that the individual's conviction has been shown conclusively to be in error; or
- the ALJ finds by clear and convincing evidence that (1) the individual was convicted, sentenced, and subsequently confined for a felony; (2) the individual's conviction for the felony was reversed or vacated and either the charges were dismissed or the individual was found not guilty on retrial; (3) the individual did not commit the felony for which they were convicted, sentenced, and subsequently confined and was not an accessory or accomplice to the felony; and (4) the individual did not commit or suborn perjury, fabricate evidence, or by the individual's own conduct cause or bring about the conviction, which specifically does not include making a false confession or false admission or entering a guilty plea.

In determining the weight and admissibility of evidence presented by the parties, an ALJ may, in the interest of justice, give due consideration to the passage of time, death or unavailability of witnesses, the destruction of evidence, or any other factor.

If the ALJ issues an order of eligibility, the order must include the monetary award owed to the individual calculated in a certain manner, reasonable attorney's fees and expenses, additional benefits to be awarded to the individual, and, if the ALJ determines that it is in the interests of the individual, a recommendation for an expedited payment schedule.

The Acts provide for requirements for petitioning for an order of eligibility, the method of calculating compensation and benefits, and specify additional benefits that may be awarded. The Acts also provide for adjustments of awards for other funds received by the individual from a certain civil suit or settlement agreement. BPW is required to pay the compensation ordered in a certain manner and report annually to the General Assembly on compensation and services awarded to erroneously convicted individuals.

The Acts apply retroactively to any application for compensation or benefits pending on or after the effective date of the Acts. Notwithstanding any prior compensation awarded, the Acts must be construed to apply retroactively to allow a person to apply for modification of any compensation awarded by BPW between January 1, 1984, and July 1, 2005, inclusive.

Cybersecurity and Technology

Office of Statewide Broadband

Senate Bill 66 (Ch. 74) establishes the Office of Statewide Broadband (OSB) within the Department of Housing and Community Development (DHCD) as the successor to the Office of Rural Broadband and expands the office’s responsibilities. The stated purpose of OSB is to ensure that every resident of the State is supported in the adoption of reliable, universal, high-quality broadband Internet service at an affordable price and has the tools necessary to use the Internet and take advantage of Internet resources. Among other duties, OSB is required to prepare a statewide plan to (1) ensure 98% connectivity to universal, affordable, reliable broadband Internet no later than December 31, 2025; (2) ensure that every State resident has the ability to connect to universal, affordable, reliable broadband Internet that exceeds the Federal Communications Commission standard for upload and download speeds no later than December 31, 2026; and (3) establish key performance indicators relating to infrastructure, adoption, and speed. OSB must submit the plan to the Governor and the General Assembly on or before July 1, 2022, and also submit certain annual reports.

The Act also establishes the Digital Inclusion Fund and the Digital Connectivity Fund within DHCD to provide grants to local governments and nonprofits to increase access to high-speed Internet and to assist in the development of affordable broadband Internet infrastructure, as specified. The Act also transfers the Rural Broadband Coordination Board and the Rural Broadband Assistance Fund from the Department of Commerce to OSB.

Cybersecurity Strategy

Senate Bill 49 (passed) expands the responsibilities of the Secretary of Information Technology to include (1) advising and consulting with the Legislative and Judicial branches of State government regarding a cybersecurity strategy; (2) advising and overseeing a consistent cybersecurity strategy for units of State government, including institutions of higher education; and (3) developing guidance on consistent cybersecurity strategies for counties, municipal corporations, school systems, and all other political subdivisions of the State. None of the Secretary’s new responsibilities may be construed as establishing a mandate for any of these local government entities.

Public Information Act

Maryland’s Public Information Act (PIA) establishes that all persons are entitled to have access to information about the affairs of government and the official acts of public officials and employees. Each governmental unit that maintains public records must identify a representative whom a member of the public may contact to request a public record. Public records are any records that are made or received by a covered public agency in connection with the transaction of public business. The scope is broad, and all “records” possessed by an agency generally fall within the definition of “public records.” However, some records are not subject to public inspection due

to exceptions provided for in the law. Examples of these protected records include an individual's medical information, records used for security procedures, and a contractor's trade secrets.

Maryland Driver Privacy Act

House Bill 23 (passed) modifies the PIA to require an officer, an employee, an agent, or a contractor of the State or a political subdivision to deny inspection of records that contain specified personal information, and deny inspection using facial recognition searches, by any federal agency seeking access for the purpose of enforcing federal immigration law unless provided with a valid warrant. In addition, a person who receives specified personal information under PIA may not disclose the information to a federal agent or federal agency for the purpose of federal immigration enforcement unless presented with a valid warrant. The Motor Vehicle Administration, the Department of State Police, and DPSCS must submit an annual report to the General Assembly on records requests from federal agencies seeking access for immigration enforcement purposes. Finally, the bill restricts access to databases operated by State and local law enforcement agencies.

Equitable Access to Records Act

House Bill 183 (passed) makes various revisions to the PIA, including (1) expanding the duties and jurisdiction of the Public Information Act Compliance Board (PIACB) to include additional types of PIA disputes; (2) modifying provisions pertaining to the filing of written complaints to PIACB and modifies the timelines and procedures for the review and resolution of complaints; (3) expanding the duties of the Office of Public Access Ombudsman; (4) requiring a custodian to adopt a specified proactive disclosure policy; and (5) establishing staffing requirements for the Office of the Attorney General. The bill states that it may not be applied or interpreted to have any effect on or application to any exceptions to disclosure requirements under PIA.

Address Confidentiality Programs

Senate Bill 109 (Ch. 124) merges the Address Confidentiality Program for victims of domestic violence and the Human Trafficking Address Confidentiality Program into a single Address Confidentiality Program administered by the Secretary of State (SOS). Program eligibility is expanded to include survivors of threatened, attempted, or actual domestic violence, sexual assault, stalking, harassment, or human trafficking. Eligible applicants are expanded to include individuals who reside in the same household as an eligible applicant or program participant. The Act authorizes SOS to cancel the participation of a program participant under specified circumstances and further authorizes SOS to cancel program participation if SOS determines that a program participant's actual address is readily accessible to the general public.

Inspection of Records Relating to Police Misconduct

Senate Bill 178 (Ch. 62) establishes that, except for a record of a “technical infraction,” a record relating to an administrative or criminal investigation of misconduct by a police officer, including an internal affairs investigatory record, a hearing record, and a record relating to a disciplinary decision, is not a personnel record for purposes of PIA. Thus, those records are not subject to mandatory denial of inspection under PIA; instead, they are subject to discretionary denial as provided under PIA. However, a custodian may deny inspection by a person in interest only under specified conditions that apply to the denial of various investigatory records. The Act must be construed to apply prospectively to any PIA request made on or after the Act’s October 1, 2021 effective date, regardless of when the requested record was created.

For a discussion of the provisions of this Act pertaining to no-knock warrants, see the subpart “Public Safety” within Part E – Crimes, Corrections, and Public Safety of this *90 Day Report*.

Public Funds

Influence on Collective Bargaining

House Bill 13 (passed) prohibits a unit of State or local government from knowingly using public funds to influence the decisions of public employees to support, oppose, or join certain organizations that represent or seek to represent employees.

Maryland Funding Accountability and Transparency Act

The Maryland Funding Accountability and Transparency Act of 2008 (Chapter 659 of 2008) requires the Department of Information Technology (DoIT) to develop and operate a free, public, searchable website that includes detailed information on State payments of \$25,000 or more, beginning with data for fiscal 2008. Payments to State employees and retirees as compensation or retirement allowance, respectively, are exempt from inclusion on the website.

Senate Bill 244/House Bill 251 (both passed) alter the Maryland Funding Accountability and Transparency Act to require DoIT to update payment data on the existing searchable website on a monthly basis. The bills also require nonbudgeted State agencies to submit their payment data for inclusion in the website.

State History and Designations

Historic St. Mary’s City Fort to 400 Commission

The 400th anniversary of the founding of Maryland takes place on March 25, 2034. *Senate Bill 946/House Bill 1364 (both passed)* establish the Historic St. Mary’s City Fort to 400 Commission to plan, produce, and facilitate commemoration of the State’s 400th anniversary. The Division of Tourism, Film, and the Arts in the Department of Commerce must provide staff for the commission, assisted by the Maryland Historical Trust and the Maryland State Archives.

By September 1, 2022, the commission must submit to the Governor and the General Assembly a plan of action for the commemoration of the 400th anniversary of the founding of Maryland.

State Song

Senate Bill 8/House Bill 667 (both passed) repeal the State song, *Maryland! My Maryland!*

Elections

Absentee Voting/Ballot Drop Boxes

Due to concerns about the safety of in-person voting during the coronavirus pandemic, the number of voters casting absentee ballots in the 2020 elections greatly increased compared to previous elections. The State, and the local boards of elections, implemented many procedures to make absentee voting (referred to by election officials as “mail-in voting”) more accessible and convenient in 2020. These procedures included deploying hundreds of ballot drop boxes across the State that voters could use to return voted absentee ballots and sending (1) absentee ballots to all voters in the primary election and (2) absentee ballot applications to all voters in the general election. *Senate Bill 683 (Ch. 56)* and *House Bill 1048 (passed)* make several changes to increase access to absentee voting and improve the absentee voting process. The measures create a permanent absentee ballot list that any voter may apply to join. Voters on the list will receive an absentee ballot automatically for each election without having to apply for it. The State Board of Elections (SBE) is required to send a written communication to each voter on the list before each election confirming certain information and instructing the voter to notify the local board of elections if certain changes have occurred, such as a change in address. A voter is removed from the permanent absentee ballot list under certain circumstances, including if the voter fails to return an absentee ballot for two consecutive statewide general elections.

Additionally, *Senate Bill 683* and *House Bill 1048* define “ballot drop box” and establish procedures for determining the locations of ballot drop boxes. A local board must consider certain factors when determining the location of a ballot drop box (which are similar to the factors described further below with respect to early voting center locations) and submit ballot drop box locations to the State Administrator of Elections for approval. The State Administrator must require a local board to reconsider a ballot drop box location that does not meet the factors and may add ballot drop boxes in the county if the ballot drop box locations submitted after reconsideration by the local board still do not meet the factors. The measures also establish security requirements for ballot drop boxes, including monitoring by security cameras at all times. In addition, a local board must remove election-related materials from ballot drop boxes at least once each day in accordance with chain of custody procedures established by SBE. The measures prohibit canvassing, electioneering, or posting campaign material in a manner that obstructs access to a ballot drop box and prohibit placing campaign material or any other unauthorized material on a ballot drop box.

Senate Bill 683 and *House Bill 1048* also require each local board of elections to send an absentee ballot application to each eligible voter at least 60 days before the statewide primary elections in 2022 and 2024. This requirement does not apply to voters on the permanent absentee ballot list. Further, SBE must contract with a usability consultant on or before August 1, 2021, to review all the public informational materials and forms related to absentee voting produced by SBE and make recommendations for their improvement. SBE is required to report to the Senate Education, Health, and Environmental Affairs Committee and the House Ways and Means Committee (1) on or before February 1, 2022, on the consultant’s recommendations and the actions SBE has taken or plans to take to implement the recommendations and (2) on or before January 15, 2023, on the number of voters who voted in each precinct polling place in the State in 2018, 2020, and 2022.

The State and local governments are expected to incur various costs to implement *Senate Bill 683* and *House Bill 1048*, the most significant of which (among costs that have been quantified) is the cost for local boards of elections to send absentee ballot applications to voters before the 2022 and 2024 primary elections (estimated to be \$2.5 million in fiscal 2022 and \$2.2 million in fiscal 2024).

Early Voting

The General Assembly also passed legislation to expand access to early voting. *House Bill 745 (Ch. 43)* alters the number of early voting centers each county must establish based on the number of registered voters in the county, as shown in **Exhibit C-1.1**.

Exhibit C 1.1 Early Voting Centers

Previous Requirements		<i>House Bill 745</i>	
Registered Voters <u>In a County</u>	Early Voting <u>Centers*</u>	Registered Voters <u>In a County</u>	Early Voting <u>Centers*</u>
<125,000	1	<50,000	1
125,000-200,000	3	50,000-100,000	2
200,000-300,000	4	100,000-200,000	3
300,000-450,000	7	200,000-300,000	5
>450,000	11	300,000-400,000	7
		400,000-500,000	9
		500,000-600,000	
		≥600,000	

*An existing authorization for counties to establish one early voting center in addition to the required centers is continued under *House Bill 745*.

The Act also requires a local board to take into account the following factors when determining the location of an early voting center:

- accessibility of the early voting center to historically disenfranchised communities, including cultural groups, ethnic groups, and minority groups;
- proximity of the early voting center to dense concentrations of voters;
- accessibility of the early voting center by public transportation;
- equitable distribution of early voting centers throughout the county; and
- maximization of voter participation, including through the use of community centers and public gathering places as locations for early voting centers.

As a result of additional early voting centers being required in certain counties, local government expenditures are expected to increase collectively by \$830,000 annually in fiscal 2022 and 2023, by \$900,000 annually in fiscal 2024 and 2025, and by \$1.1 million annually thereafter. State general fund expenditures are expected to increase by \$100,000 annually in fiscal 2022 and 2023, by \$105,000 annually in fiscal 2024 and 2025, and by \$120,000 annually thereafter.

Senate Bill 596/House Bill 206 (both passed) expand early voting center hours by requiring that the centers be open from 7:00 a.m. to 8:00 p.m. on each early voting day during each

regular election, rather than from 8:00 a.m. to 8:00 p.m. each early voting day during presidential general elections and 10:00 a.m. to 8:00 p.m. each early voting day during other regular elections.

Voting by Incarcerated Individuals

Individuals who are incarcerated are eligible to vote only if they are being detained while awaiting trial or are serving a sentence of imprisonment for a misdemeanor. *House Bill 222 (passed)* requires SBE to adopt regulations establishing a program to inform individuals who are incarcerated in a correctional facility and have the right to vote of upcoming elections and how they may exercise their right to vote. The bill applies to both State and local correctional facilities, including those operated by the Department of Public Safety and Correctional Services (DPSCS), the Department of Juvenile Services, and the sheriff of a county or other unit of government with responsibility for operating a local correctional facility or county detention center.

The regulations must require SBE or local boards to (1) disseminate information on eligibility requirements to register to vote and voter registration applications to eligible voters in a correctional facility at least 30 days before the deadline to register to vote before each election; (2) disseminate instructions on absentee voting, absentee ballot applications, and absentee ballots before each election in a timely manner; (3) provide frequent opportunities for eligible voters in a correctional facility to register to vote and to vote; and (4) provide for the timely return of voter registration applications, absentee ballot applications, and absentee ballots completed by eligible voters in a correctional facility. The bill also requires SBE to submit an annual report to the Senate Education, Health, and Environmental Affairs Committee and the House Ways and Means Committee on the implementation of the bill.

House Bill 222 also requires DPSCS to (1) provide each individual who is released from a correctional facility with a voter registration application and documentation informing the individual that the individual's voting rights have been restored; (2) display a sign in each parole and probation office indicating that any individual who is no longer incarcerated has the right to vote; and (3) post a notice on the department's website indicating that any individual who is no longer incarcerated has the right to vote.

Senate Bill 525 (passed) requires the Baltimore City centralized booking facility to provide a ballot drop box that eligible voters incarcerated at the facility may use to submit absentee ballot applications, absentee ballots, and voter registration forms to SBE or a local board of elections. The Baltimore City centralized booking facility must (1) disseminate written information about how and when to use the ballot drop box to each eligible voter incarcerated at the facility and (2) monitor the ballot drop box at all times. The State is required to pay for the ballot drop box. The Baltimore City Board of Elections is required to collect election-related materials deposited in the ballot drop box on at least a weekly basis and must submit an annual report to certain committees of the General Assembly on materials submitted using the ballot drop box. SBE must adopt regulations in collaboration with DPSCS to implement the bill.

Student and Military Voters

Senate Bill 283/House Bill 156 (both passed) include various measures to make it easier for students enrolled in institutions of higher education and members of the military to vote. The bills require public institutions of higher education to designate a staff member to serve as the student voting coordinator. The student voting coordinator is required to develop and implement a student voting plan to increase student voter registration and voting. The student voting plan must include, among other things, (1) wide dissemination of information about voter registration and voting opportunities to all students; (2) provision of voter registration materials on campus; (3) collaboration with the local board on the placement of an early voting center or precinct polling place on campus if requested by the local board; and (4) encouragement and support of student organizations working to increase student participation in elections. The bills also require private nonprofit institutions of higher education that receive operating or capital funding from the State to provide a link to the State's online voter registration system on the home page of the online portal used by students to register for course work. Public institutions of higher education are required to provide such a link under existing law. The bills require public institutions of higher education and private nonprofit institutions of higher education that receive State funds to relocate the link if there are fewer than 15 clicks on the link in any calendar year. The institutions are required to report annually on (1) the use of the link and (2) their efforts to encourage the use of the link and to improve access to voter registration for students.

Senate Bill 283/House Bill 156 also include provisions to increase access to voter registration and voting by members of the military. The bills require SBE to establish a process for an individual to submit the federal post card application electronically and use a common access card to sign a federal post card application. The federal post card application is a form required by federal law that absent uniformed services voters and overseas voters may use to simultaneously register to vote and request an absentee ballot. The common access card is an identification card issued by the U.S. Department of Defense to active-duty military personnel, eligible reserve personnel, Department of Defense civilian employees, and eligible Department of Defense contractor personnel.

Additionally, the bills require local boards of elections to contact and obtain input from large residential institutional communities, including institutions of higher education, military installations, continuing care retirement communities, and senior communities, when establishing precinct boundaries and designating the location of polling places.

Election Calendar

House Bill 738 (Ch. 117) establishes earlier dates, prior to primary and general elections, after which (1) successor candidates or nominees for Governor or Lieutenant Governor may no longer be designated in the event of a candidate's or nominee's death, withdrawal/declination, or disqualification and (2) the existing Governor and Lieutenant Governor unit remain on the ballot. The Act also establishes earlier dates for (1) submission of plain language summaries of constitutional amendment and referendum ballot questions to SBE and (2) public availability of the complete text of ballot questions.

Campaign Finance

The State provides public campaign financing to eligible gubernatorial tickets under the Public Financing Act. *Senate Bill 415 (passed)* makes various changes to the gubernatorial public financing system. The most significant changes include (1) requiring participating tickets to accept only small private contributions from individuals; (2) matching small private contributions with public funds on a sliding scale; (3) altering the amount of small private contributions a ticket must raise to qualify for the program; (4) requiring a participating ticket to raise small private contributions to receive public funds in the general election; (5) repealing expenditure limits for participating tickets; and (6) requiring the Governor to include appropriations for the system in the annual budget bill in certain fiscal years.

Under the existing system, participating gubernatorial tickets may accept private contributions up to the normal contribution limits from any contributor, including business entities and political action committees, but only that part of a monetary or in-kind contribution from an individual that does not exceed \$250 is eligible to be matched with public funds. *Senate Bill 415* prohibits participating tickets from accepting private contributions except private contributions from individuals that do not exceed \$250 in the aggregate during the election cycle. A participating ticket may, however, accept a contribution or loan from a member of the gubernatorial ticket or a spouse of a member of the gubernatorial ticket of up to \$50,000.

Under the existing system, in the primary election, each dollar of an eligible private contribution is matched with public funds at a one-to-one ratio, unless the participating ticket is unopposed. *Senate Bill 415* provides public matching funds for eligible private contributions on a sliding scale (with an “eligible private contribution” being a monetary private contribution of up to \$250 in the aggregate for the election cycle, from a resident of the State, and that is accompanied by documentation that the contribution is made with the donor’s personal funds). The first \$50 of an eligible private contribution is matched with public funds at an eight-to-one ratio, the second \$50 of an eligible private contribution is matched with public funds at a six-to-one ratio, the third \$50 of an eligible private contribution is matched with public funds at a two-to-one ratio, and the remaining \$100 of an eligible private contribution is not matched with public funds.

The existing system requires gubernatorial tickets, to qualify to participate in the public financing system, to raise “seed money” in an amount equaling 10% or more of the expenditure limit for the election. In 2018, the amount of seed money a qualifying ticket was required to raise was \$279,837. *Senate Bill 415* requires a gubernatorial ticket to raise 1,500 eligible private contributions and an aggregate total of \$120,000 to qualify to participate.

The existing system provides a lump sum public contribution for the general election equal to the expenditure limit to an eligible gubernatorial ticket that is nominated. A gubernatorial ticket is not required to raise eligible private contributions to receive a public contribution in the general election. *Senate Bill 415* repeals the lump sum public contribution for the general election and requires a participating gubernatorial ticket to raise eligible private contributions to receive public funds in the general election. The eligible private contributions are matched with public funds at the ratios described above.

The existing system limits total expenditures by participating gubernatorial tickets in accordance with a formula that is based on the population of the State and inflation. The expenditure limit applies separately to the primary and the general election. In 2018, the expenditure limit was \$2,798,370. *Senate Bill 415* repeals the expenditure limit. Participating gubernatorial tickets are authorized to spend as much as they can raise, provided that they abide by the contribution and loan limits described above. However, the amount of public contributions a gubernatorial ticket may receive is limited to \$3 million in each of the primary and the general elections.

The gubernatorial public financing system is funded through the Fair Campaign Financing Fund, which receives funding from a variety of sources, including a checkoff on the State income tax return and various penalties, fines, and fees imposed under State election law. There is currently \$3.8 million in the Fair Campaign Financing Fund. *Senate Bill 415* establishes a process that requires the Governor to include an appropriation in the annual budget bill for the appropriate fiscal year sufficient to supplement the balance in the fund in order to provide a full public contribution to two gubernatorial tickets in the primary election and one gubernatorial ticket in the general election. The bill also separately requires the Governor to include in the annual budget bill, for fiscal 2023, an appropriation of at least \$4.0 million to the fund. Under the bill, general fund expenditures increase by \$2.2 million in fiscal 2022 and by \$4.0 million in fiscal 2023. General fund expenditures increase in future years to the extent that the balance in the Fair Campaign Financing Fund is insufficient to provide a full public contribution to two gubernatorial tickets in the primary election and one gubernatorial ticket in the general election and additional funds are needed to make up the difference.

Senate Bill 415 also authorizes SBE to impose a civil penalty up to \$1,000 for certain violations of campaign finance law committed by an eligible gubernatorial ticket or an agent of an eligible gubernatorial ticket.

House Bill 1350 (passed) requires the treasurer of a campaign finance entity to approve, rather than make, all disbursements for the campaign finance entity. The bill also requires campaign finance entities to submit bank statements with their campaign finance reports for a certain period of time if the campaign finance entity is liable for a civil penalty imposed for (1) making a disbursement in an unauthorized manner; (2) failure to maintain a campaign bank account; (3) making a disbursement by an unauthorized method; (4) failure to maintain detailed and accurate account books and records; (5) fundraising during the General Assembly session in an unauthorized manner; and (6) failure to sufficiently report all contributions received and expenditures made on a campaign finance report. Bank statements submitted under the bill must document all expenditures made by or on behalf of the campaign finance entity during the reporting period and have all personal identifying information redacted. A campaign finance entity must submit a bank statement with the first campaign finance report due after it became liable for the specified civil penalty and continue to submit the statements until the later of (1) the conclusion of the election cycle in which the campaign finance entity became liable for the civil penalty or (2) the due date of the last campaign finance report that is due within two years after the campaign finance entity became liable for the civil penalty. After a campaign finance entity has submitted bank statements with at least one campaign finance report, SBE may, at its discretion, waive the

requirement that the campaign finance entity submit bank statements with subsequent campaign finance reports.

Senate Bill 310 (passed) requires a campaign finance entity of an individual to terminate and file a final campaign finance report within eight years after the later of (1) the end of the individual’s most recent term of office and (2) the date of the election in which the individual last was a filed candidate. The bill repeals a provision that allows a campaign finance entity of an individual to continue until eight years after the payment of the final debt or other obligation of the entity. The bill also requires the State Administrator to, not later than six months before a campaign finance entity is required to terminate, notify the responsible officers of the campaign finance entity and the candidate of the date by which the campaign finance entity must (1) pay all outstanding obligations; (2) dispose of all its remaining assets in accordance with State law; and (3) terminate and file a final campaign finance report. The bill also alters the scope of an existing provision so that any termination of a campaign finance entity does not limit the right of (1) SBE, or the State Prosecutor or the State’s Attorney, to pursue an enforcement action against the former responsible officers of, or any candidate formerly affiliated with, the campaign finance entity, or (2) a creditor to bring an action against the former responsible officers of, or any candidate affiliated with, the campaign finance entity.

General Assembly

Senate Bill 55 (passed) requires that, beginning January 1, 2024, to be eligible to serve as a Senator or Delegate in the General Assembly, a person must have maintained a primary place of abode in the district the person has been chosen to represent for a specified period of time before the person’s election. The bill is a constitutional amendment and will not take effect unless approved by the voters in the 2022 general election. For a more detailed discussion of ***Senate Bill 55***, see the subpart “General Assembly” within this part of this *90 Day Report*.

Political Parties

House Bill 1343 (passed) alters the manner in which members of the Anne Arundel County Republican Party Central Committee are elected by requiring the election of three members from each councilmanic district of the county and one member from the county at large, rather than the election of three members from each legislative district wholly within the county and one member from any legislative district partially within the county.

Ethics

Disclosures, Training, and Use of Confidential Information

The Maryland Public Ethics Law sets forth various requirements, prohibitions, and procedures relating to conflicts of interest and financial disclosure that apply to State and public officials and employees.

Among other things, *House Bill 1058 (passed)* establishes various disclosure requirements that apply to specified officials in the Executive Branch. For example, the bill requires the Governor, Lieutenant Governor, Attorney General, Treasurer, Comptroller, and Secretaries of principal departments in the Executive Branch to disclose certain conflicts of interest to the General Assembly and the State Ethics Commission (SEC). The bill also requires SEC to provide specified notice to the Joint Ethics Committee when authorizing specified employment or a specified financial interest by the Governor, Lieutenant Governor, Attorney General, Treasurer, or Comptroller.

In addition, *House Bill 1058* makes several other modifications to the Ethics Law as it applies to State and public officials and employees. Specifically, the bill (1) expands the types of interests attributable to an individual for purposes of financial disclosure; (2) requires certain officials to disclose specified information relating to any financial or contractual relationship with the University of Maryland Medical System or a governmental or quasi-governmental entity of the State or a local government in the State; (3) prohibits former officials and employees from using specified confidential information acquired by reason of the individual's former public position for personal economic benefit or the economic benefit of another; and (4) requires State officials subject to the jurisdiction of SEC to receive a training course on the requirements of the Ethics Law.

Acceptance of Gifts and Prohibited Retaliation

Senate Bill 4/House Bill 363 (both passed) prohibit a State or public official or employee from retaliating against an individual for reporting or participating in an investigation of a potential violation of the Maryland Public Ethics Law. In addition, the bills generally prohibit an official or employee from knowingly accepting a gift, directly or indirectly, from an entity that the official or employee knows or has reason to know is an association, or any entity acting on behalf of an association, that is engaged only in representing counties or municipal corporations, subject to existing exceptions.

Participation in Land Use Decisions in Prince George's County

The Maryland Public Ethics Law generally prohibits a member of the Prince George's County Council from voting or participating in a proceeding on an application for a land use decision in the county if the member, or a slate to which the member belongs or belonged during a specified period, received a specified payment from any of the applicants or agents of the applicants.

House Bill 980 (passed) exempts a member from the above prohibition if the proceeding in which the member participates is part of a countywide zoning map amendment that is recommended by the Prince George's County Planning Board, where the intent is to implement an approved general plan by repealing and replacing all zoning categories applicable to land in Prince George's County. In addition, the bill generally prohibits, during the period when the District Council of Prince George's County is adopting and approving a countywide zoning map amendment, the planning board from recommending and the district council from approving

specified zone intensification requests that differ substantially from the applicable zoning category or classification recommended in the Proposed Guide to New Zones adopted by the district council on July 16, 2019. Finally, the bill requires a member who receives a payment or transfer from an applicant, agent, or entity that requests a specified zone intensification to (1) return the payment or transfer and (2) make note in the public record of the returned payment or transfer before the adoption of the countywide zoning map amendment. The bill terminates December 31, 2022.

Procurement

Emergency Procurement

During the COVID-19 pandemic, State agencies were challenged to acquire pandemic-related resources, including personal protective equipment and COVID-19 test kits. To expedite procurement when needed resources became available, State procurement officers relied more frequently on emergency procurement methods, which lack the procedural safeguards and the normal review required for traditional competitive procurements. To address concerns related to the limited oversight of emergency procurement, *Senate Bill 829/House Bill 1091 (both passed)* establish a statutory definition of “emergency” for the purpose of deciding when to use an emergency procurement and further require, under specified circumstances, that emergency procurements be approved in advance by the chief procurement officer (CPO) at the Department of General Services (DGS). Prior approval by CPO is not necessary if delaying an emergency procurement by up to 48 hours would likely result in imminent harm. CPO must approve or disapprove the request within 48 hours; if CPO does not respond within 48 hours, the request is considered to be approved.

The bills also require the Special Secretary of the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA), in consultation with the Secretary of Transportation and the Attorney General, to establish guidelines for each State agency to consider when determining the appropriate minority business enterprise (MBE) participation goal and outreach for an emergency procurement contract.

Additionally, the measures codify and expand reporting requirements related to emergency procurements. Among the changes, they require that within 15 days after awarding a contract or modification by emergency procurement that exceeds \$50,000, an agency must submit to the Board of Public Works (BPW) and the appropriate control agency specified information about the procurement, including the justification for the use of the emergency procurement procedure.

Finally, the bills extend authority to conduct expedited procurements to all agencies, rather than only the Maryland Port Commission and the Maryland Aviation Administration.

Senate Bill 780/House Bill 1003 (both passed) require the Governor or the head of a unit, when authorizing an emergency procurement during a declared state of emergency, to provide specified notice to the Legislative Policy Committee (LPC) within 72 hours after the execution of the contract or the expenditure of funds. LPC may request that the Office of Legislative Audits

conduct an audit of an emergency procurement contract authorized during a declared state of emergency. The bills also require the Governor to provide specified notice to LPC and, if applicable, the Administrative, Executive, and Legislative Review Committee (AELR), within 72 hours after suspending the effect of a statute, rule, or regulation during a declared state of emergency, as authorized under State law.

Procurement Preferences

Minority Business Enterprise Program

The State's MBE program requires that a statewide goal for MBE contract participation be established biennially through the regulatory process under the Administrative Procedure Act. The biennial statewide MBE goal is established by the Special Secretary of GOSBA, in consultation with the Secretary of Transportation and the Attorney General. The current goal is 29% of the total value of contracts awarded, with applicable subgoals for women- and minority-owned businesses.

Senate Bill 689 (passed) expands the duties of the Special Secretary to include (1) establishing a mentoring program in which large and established MBEs mentor start-up and small MBEs; (2) conducting a feasibility study for providing one-on-one assistance to MBEs in submitting competitive and successful bids and proposals for procurement contracts; (3) providing training and educational opportunities for nonminority prime contractors regarding their duties under the State's MBE program; and (4) establishing an annual awards program to recognize localities that demonstrate the highest excellence in MBE support.

Under current law, a firm that is owned by a woman (or women) who is also a member of a racial or ethnic minority may be certified as both a woman-owned MBE and a minority-owned MBE. However, for the purpose of meeting MBE goals on a specific contract, a dually certified firm may be counted as either a woman-owned firm or a minority-owned firm, but not both. *Senate Bill 697 (passed)* alters this by allowing a business that is certified as a woman-owned business and as a business owned by a member of an ethnic or racial minority to be counted as a business owned by both (1) a woman (or women) and (2) a member of an ethnic or racial minority.

Senate Bill 909 (passed) requires GOSBA – prior to the release of funds to a recipient of a State capital grant of \$3.0 million or more from a miscellaneous grant program, a House of Delegates initiative, or a Senate initiative – to review the project for subcontracting opportunities under the State's MBE program and, if practicable, establish MBE subgoals for the project. If GOSBA establishes MBE subgoals for a capital project, the recipient must (1) certify to DGS that the recipient expects to achieve the subgoals or (2) request a waiver of all or part of the subgoals from GOSBA. GOSBA must review each request for a waiver and report the revised subgoals to DGS. The bill also establishes oversight and reporting requirements for GOSBA and DGS. The application of MBE subgoals to grant recipients takes effect July 1, 2022.

Small Business Reserve Program and Veteran-owned Small Business Reserve Program

Senate Bill 598/House Bill 790 (Chs. 78 and 79) repeal the statewide goal that at least 1% of the value of procurement contracts be made to veteran-owned small business enterprises (VSBE) and instead require the Special Secretary of GOSBA to adopt a statewide goal by regulation. The Acts also specify that contract goals for VSBEs must be based on both prime contracting and subcontracting opportunities for VSBEs, as determined through an analysis of the scope of work presented in the solicitation documents. The Acts include provisions to align management of the VSBE preference program with existing preference program management structures. They also specify that verification of a business owner's prior active military service does not have to come only from the Maryland Department of Veteran Affairs. Finally, the measures establish an Advisory Committee on VSBEs within GOSBA. The committee must (1) review GOSBA's annual report to LPC on the VSBE program to identify areas for improvement and recommend actions to achieve those improvements and (2) ensure that a continuous oversight and improvement structure exists for the program.

Invasive Plant Species

House Bill 92 (passed) bars State funds from being used to purchase or plant an invasive plant species for an outdoor project, beginning July 1, 2022. The prohibition does not apply if the plant species is commonly used for agricultural or horticultural purposes and is being maintained for the purposes of education or research.

Certified Local Farm Enterprise Program

During the 2019 interim, DGS, the Maryland Department of Agriculture (MDA), and the Maryland Agriculture and Resource-Based Industry Development Corporation (MARBIDCO) led a workgroup to study strategies for increasing the procurement of food grown in Maryland under State contracts. During the 2020 session, the General Assembly passed Senate Bill 985 and House Bill 1488 to implement recommendations of that workgroup. The Governor vetoed both bills due to concerns regarding the economic challenges resulting from the COVID-19 pandemic. The General Assembly overrode the vetoes during the 2021 session, and the bills became law as Chapters 2 and 32 in February 2021.

Chapters 2 and 32 establish the Certified Local Farm Enterprise Program in MDA to encourage State agencies (including public four-year universities) to achieve an overall goal of 20% of the agency's food purchases being made from certified local farm enterprises. The Office for the Certified Local Farm Enterprise Program is established in MDA to administer the program. The measures further establish a Certified Local Farm Enterprise Food Aggregation Grant Fund, administered by MARBIDCO, to establish and operate food aggregation, storage, processing, and distribution sites across the State through grants and near-equity investments.

Procurement Review and Oversight

Senate Bill 564/House Bill 871 both passed) merge the Council for the Procurement of Health, Educational, and Social Services with the Procurement Improvement Council (PIC) and modifies PIC membership. The measures expand PIC's authority to include providing a forum for the discussion of the use of eMaryland Marketplace (eMM) and compliance with a requirement that State and local entities publish notices of procurements or notices of procurement awards on eMM, and it requires PIC to report on these topics. The bills express legislative intent that a business, or representative of a business, that participates in PIC will not be favored in, disfavored in, or disqualified from State procurement based on participation with PIC.

In general, each unit of State government must notify the Maryland Department of Planning (MDP) in writing of any real property that is in excess of its needs. MDP must then (1) study the proper disposition of the property; (2) determine whether any unit of State or local government is interested in the property; and (3) make an appropriate recommendation to the unit that referred the property and to BPW. However, the Military Department is subject to a different process for the disposal of superfluous armories, which gives the local jurisdiction in which an armory is located the right of first refusal to purchase the armory. *Senate Bill 342 (Ch. 130)* alters that process by conforming it to current law regarding the disposal of excess and surplus State real property. Only if no unit of State government is interested in the property can the Military Department offer it for sale, first to the local government with a right of refusal, and then to the public, as described above (and with BPW's approval).

Senate Bill 326 (passed) generally exempts Baltimore City Community College (BCCC) from most provisions of State procurement law and from State oversight of its (1) capital improvement projects valued at \$500,000 or less and (2) information technology policies, standards, and procurement. BPW must review and approve procurements for capital improvements and services valued at more than \$500,000, and the bill establishes responsibilities for review of procurements of lesser values. BCCC must adopt procurement procedures and policies consistent with the purposes of State procurement law and submit them for review and approval by AELR and BPW.

Prevailing Wage

Contractors and subcontractors working on eligible public works projects in Maryland must pay their employees the prevailing wage rate. "Public works" are structures or works, including a bridge, building, ditch, road, alley, waterwork, or sewage disposal plant, that are constructed for public use or benefit or paid for entirely or in part by public money. Any public works contract valued at less than \$500,000 is not required to pay prevailing wages. Prevailing wages are wages paid to at least 50% of workers in a given locality who perform the same or similar work on projects that resemble the proposed public works project. The State Commissioner of Labor and Industry is responsible for determining prevailing wages for each public works project and job category based on annual surveys of contractors and subcontractors working on both public works and private construction projects.

Senate Bill 35/House Bill 37 (Chs. 57 and 58) expand the applicability of the State’s prevailing wage law to include (1) a public work project contract with a value of \$250,000 or more (instead of \$500,000 or more) and (2) a public work project for which State funds constitute at least 25% of the construction costs (instead of at least 50% of construction costs). The Acts apply only to a public work project contract executed on or after October 1, 2021. Legislative bond initiatives that receive State funds in the capital budget are exempt from the Acts’ requirements. On April 8, 2021, the Governor vetoed the bills, citing concerns about increasing the cost of doing business with the State and the continued economic impact of the COVID-19 pandemic. The General Assembly overrode both vetoes before the end of the 2021 session.

Senate Bill 95/House Bill 174 (both passed) require investor-owned gas and/or electric utilities to require contractors and subcontractors on specified underground projects to pay their employees at least the applicable prevailing wage rate. The bills apply to projects involving the construction, reconstruction, installation, demolition, restoration, or alteration of any of the company’s underground gas or electric infrastructure, and any related traffic control activities.

Personnel

Impact of Budget Actions on State Employees

The fiscal 2022 budget includes a 2.0% cost-of-living adjustment (COLA) for most State employees, effective January 1, 2021, and all State employees receive a \$1,000 one-time bonus in April 2021. The budget also includes funding for Level 1 and Level 2 response pay for front line workers, retroactive from September 2020 through December 2021, and raising the State employee minimum wage to \$15 per hour. Funding is also provided for law enforcement bargaining unit members to receive a 4.0% COLA and unspecified merit increases. The budget also includes funding for a 3.5% merit increase for employees in the Judicial Branch.

The Budget Reconciliation and Financing Act of 2021, **House Bill 589 (passed)**, includes a provision restricting estimated nonwithholding income tax revenues, if realized, to be used to provide American Federation of State, County, and Municipal Employees members a COLA of up to 4.5% for fiscal 2023. Also, if fiscal 2021 revenues exceed the estimate by certain amounts, the State has agreed to provide a \$500 bonus and a 1% COLA for fiscal 2023 to members of the American Federation of Teachers and Maryland Professional Employees Council bargaining units, as well as nonrepresented and exempt employees. For a more detailed discussion of the impact of budget actions on State employees, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Collective Bargaining

Chapter 341 of 2001 extended collective bargaining rights to several categories of higher education personnel at public four-year institutions of higher education and Baltimore City Community College (BCCC); however, faculty and students were excluded. At BCCC, specified nonfaculty employees, including nonexempt, exempt, and sworn police officers, have collective

bargaining rights. Out of the 15 local community colleges in the State, employees of 12 community colleges do not have collective bargaining rights. Alternatively, employees of the Community College of Baltimore County, Montgomery College, and Prince George's Community College have the right to collectively bargain. At the Community College of Baltimore County, classified (nonfaculty) employees have collective bargaining rights. At Montgomery College, all employees (including faculty) except supervisory, confidential employees, and student assistants have collective bargaining rights. At Prince George's Community College, all eligible classified (nonfaculty) employees of the college, including all skilled professional service and skilled and nonskilled service employees, have collective bargaining rights.

Senate Bill 746/House Bill 894 (both passed) authorize collective bargaining and establish a collective bargaining process for public employees of all community colleges in the State, including full-time faculty, part-time faculty, and specified staff. The State Higher Education Labor Relations Board oversees collective bargaining between public employees and the community colleges, including conducting elections, certifying an exclusive representative, and settling disputes.

Beginning on September 1, 2022, collective bargaining with regard to hours and other nonfinancial terms and conditions of employment may begin for employees of the larger community colleges (Anne Arundel Community College, the Community College of Baltimore County, Frederick Community College, Harford Community College, Howard Community College, Montgomery College, Prince George's Community College, and the College of Southern Maryland). Beginning on September 1, 2023, collective bargaining with regard to hours and other nonfinancial terms and conditions of employment may begin for employees of the smaller community colleges (Allegany College of Maryland, Carroll Community College, Cecil College, Chesapeake College, Garrett College, Hagerstown Community College, and Wor-Wic Community College). Beginning on July 1, 2023 and July 1, 2024, respectively, negotiations with regard to wages are authorized for the larger and smaller community colleges. Beginning on October 1, 2024, full-time and part-time faculty at BCCC may collectively bargain under the bills. Beginning in fiscal 2026, the Governor must include funding to accommodate costs for BCCC in the annual budget bill as specified.

The bills repeal existing collective bargaining laws for the Community College of Baltimore County, Montgomery College, and Prince George's Community College, but do not apply to collective bargaining units, contracts, or agreements in existence prior to September 1, 2022.

Senate Bill 9 (passed) generally requires the Chancellor of the University System of Maryland (USM) to act on behalf of USM and its constituent institutions rather than the institutions' presidents under current law, for the purpose of collective bargaining. If an exclusive representative represents more than one bargaining unit of USM employees and requests to bargain a consolidated memorandum of understanding (MOU), the Chancellor and the exclusive representative must negotiate certain delineated terms of one consolidated MOU to apply to all bargaining units for employees of all USM institutions represented by that exclusive representative. The bill also requires other delineated matters to be negotiated between the

president of an institution and the exclusive representative and prohibits these matters from being included in a consolidated MOU negotiated for all of USM. If a matter is not delineated as part of a consolidated MOU and is particular to a system institution, on mutual agreement and in writing, the matter may be negotiated between the president of the institution and the exclusive representative. If the parties cannot agree on the designation of the matter, the matter shall be negotiated as part of a consolidated MOU. Finally, the bill specifies that good faith negotiations for State employees and employees of public four-year institutions and BCCC include facilitating the meaningful use of a fact finder.

Senate Bill 717/House Bill 904 (both passed) alter the circumstances under which an exclusive representative is permitted access to new employees of the State, institutions of USM, Morgan State University, St. Mary's College of Maryland, and BCCC. An exclusive representative must be permitted to meet with a new employee within the employee's first full pay period, or at a new employee program held within 14 days of the employee's start date. The meeting must be in person unless the exclusive representative elects to meet virtually due to a public health concern. The time an exclusive representative may collectively address all new employees is increased to 30 minutes, but a longer time may be negotiated. The bills alter how the exclusive representative must be notified of a new employee's start date and specifies the information that must be provided about each new employee. A State agency or entity generally must provide the exclusive representative of the relevant bargaining unit at least 10 days' notice of the start date of a new employee. Notice must be provided electronically within 5 days of an employee's first check-in and include specified information about a new employee except the employee's Social Security number. The exclusive representative must consider the information provided as confidential and may not disclose the information except under specified circumstances.

Compensation and Benefits

Chapters 13 and 14 of 2020 (the COVID-19 Public Health Emergency Protection Act) authorized the Governor, for the duration of the emergency, to order the Maryland Department of Health to authorize an alternative workweek for an employee of a State health care facility that is open 24 hours a day and seven days a week. The alternative workweek may allow the employee to work hours or shifts that are not the typical 40 hours per week for State employees. Chapters 13 and 14 terminate April 30, 2021.

Senate Bill 542/House Bill 673 (both passed) are emergency bills that authorize the Secretary of Health to allow an employee of a State health care facility that is open 24 hours a day and seven days a week to work an alternative workweek if the workweek is consistent with any applicable collective bargaining agreement or for an employee not covered by an applicable agreement or any other written agreement. An employee who works an alternative workweek as authorized under the bills is considered a full-time employee. Generally, the bills apply to nurses working at State health care facilities and allows the nurses to work 12-hour shifts over a three-day period rather than 40 hours per week, which is similar to the hours nurses work at private health care facilities. The bills are contingent on the termination of Chapters 13 and 14 of 2020.

House Bill 73 (passed) establishes a statewide telework policy by altering existing telework requirements for Executive Branch agencies and applying the policies to the Legislative and Judicial branches. The bill repeals the goal to have at least 15% of eligible employees in the Executive Branch participating in a telework program. The bill requires designated officials in all three branches of government and public institutions of higher education to establish a telework program and adopt related policies and guidelines. Each official must, to the extent practicable, maximize the number of eligible employees participating in a telework program. Beginning in fiscal 2023, each official must also negotiate criteria for designated telework positions if the affected employees are covered by collective bargaining. Each official must issue guidelines to ensure the adequacy of information and security protection for information and information systems used while teleworking. Officials in the Executive Branch must coordinate with the Department of Information Technology when developing the guidelines. The bill establishes other requirements for the guidelines, including controlling access to and protecting unit information and information systems, limiting the introduction of vulnerabilities to unit information systems, and preventing inappropriate use of official time or resources. An eligible employee must receive and acknowledge the guidelines before participating in a telework program.

The bill also establishes the Office of Telework Assistance and the Business Telework Assistance Grant Program in the Department of Commerce (Commerce). The office must develop best practices for telework policies in consultation with the business community and specified government agencies, adopt guidelines on best practices, and assist businesses in implementing telework policies, among other things. The purpose of the grant program is to assist and support the business community in implementing telework policies through awarding grants for the purchase of hardware, software, and other technical services or equipment. In awarding a grant, Commerce must prioritize small businesses and consider the number of employees and need for teleworking for a business applicant. The Governor must include \$1.0 million annually in the State budget for the program. The fiscal 2022 budget includes at least \$9.0 million to assist businesses to implement telework policies.

Additionally, the bill requires each governing body of a county or municipality or the governing body's designee to establish a countywide or municipalitywide telework program and adopt related policies and guidelines.

For further discussion of the local government impact of **House Bill 73**, see the subpart "Local Government – Generally" within Part D – Local Government of this *90 Day Report*.

Pensions and Retirement

Payment of Benefits

Current law provides death benefits to specified surviving family members when a member of the State Retirement and Pension System (SRPS) dies during active membership. If the death occurs out of or in the course of actual performance of duty, and without willful negligence, a "line-of-duty" death benefit consists of a return of the member's accumulated contributions as well

as a monthly allowance equal to two-thirds of the member's average final compensation. **Senate Bill 642/House Bill 922 (both passed)** clarify that members of SRPS who die before July 1, 2022, and for whom COVID-19 caused or contributed to their death, may be eligible for the line-of-duty death benefit. The bills specify the conditions that must be met and the documentation that must be provided in order to qualify for the benefit and also make payment of the enhanced benefit retroactive to any qualifying death that occurred on or after March 5, 2020.

Senate Bill 761/House Bill 1336 both passed) address the membership status of the executive directors of two State agencies: the Alcohol and Tobacco Commission (ATC); and the State Retirement Agency (SRA). Under current law, the executive director of ATC is a member of the Employees' Pension System (EPS). The bills require that the executive director of ATC be a sworn police officer and a member of the Law Enforcement Officers' Pension System (instead of EPS) as a condition of employment. The executive director of SRA serves at the pleasure of the SRPS Board of Trustees and thus is not eligible for immediate vesting rights provided under current law to agency heads who serve at the pleasure of the Governor. The bills require that an executive director of SRA who commences service on or after January 1, 2021, have immediate vesting rights in EPS.

Senate Bill 680 (passed) addresses two circumstances in which payment of benefits has been denied under current law to individuals who might otherwise be eligible for benefits. With regard to the first circumstance, under current law, SRPS members earn a vested, or deferred, benefit if they separate from employment after they vest in a plan but before they qualify for a normal or early retirement benefit. Generally, the vested benefit is paid when a member reaches retirement age, but it may not be paid if the former member is employed by any employer that participates in SRPS. The bill allows payment of a vested benefit to a former member who is employed by a participating employer but is in a position that is not eligible for membership in SRPS.

With regard to the second circumstance, current law allows members, at the time of retirement, to elect an optional benefit that provides an actuarially reduced benefit in exchange for providing a benefit to a designated beneficiary when the retiree dies. The selection of an optional benefit may not be changed once the first retirement benefit payment is made. **Senate Bill 680** requires SRA to accept, under specified conditions, a change of election form that was completed and mailed in a timely fashion (*i.e.*, before the first payment was made) but was not received timely by the agency. If SRA determines that the form was submitted in a timely fashion, it must adjust the allowance paid to provide the amount to which the beneficiary would have been entitled.

Reemployment Limitation

In general and subject to specified exceptions, SRPS retirees who are reemployed by the same employer from which they retired are subject to an offset of their benefit payments if their compensation exceeds specified limits. A provision of **House Bill 589 (passed)**, the Budget Reconciliation and Financing Act of 2021 (BRFA), exempts retirees of the Maryland Department of Health (MDH) or the Maryland Department of Labor (MDL) from the benefit offset if they are rehired by those same agencies for specified purposes. Specifically, (1) an MDH retiree who is

rehired for no more than two years to assist in the administration of federally funded grants related to the COVID-19 pandemic and (2) an MDL retiree who is rehired for no more than two years to assist with the administration of unemployment benefits related to the COVID-19 pandemic, are exempt from the offset. For a further discussion of the BRFA of 2021, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Retiree Health Care Eligibility

The Maryland Constitution requires judges to retire at age 70. Under the Judges’ Retirement System (JRS), judges vest after five years, but if they reach mandatory retirement age before vesting, State pension law provides them with a prorated retirement benefit. JRS retirees must also accrue five years of service in order to qualify for enrollment in the State’s health insurance plan for retirees and for a partial premium subsidy. *House Bill 607 (passed)* makes an individual who retires directly from JRS at the mandatory retirement age with fewer than five years of creditable service eligible to enroll and participate in the State health insurance plan. It also entitles the retiree or the retiree’s surviving spouse or dependent child to a State subsidy of the insurance premium equal to one-sixteenth of the full State subsidy for each year of the retiree’s service.

Participating Governmental Units

Local governments may elect to participate in specified SRPS plans as participating governmental units (PGUs). In general, a PGU does not require State legislation to join an SRPS plan, unless it wants to establish conditions for its entry. *Senate Bill 606/House Bill 456 (both passed)* make Kent County detention center officers members of the Correctional Officers’ Retirement System (CORS) as a condition of their employment, subject to Kent County beginning participation in CORS. Any past service credit earned by the officers in EPS transfers to CORS, but the affected officers are exempt from provisions in current law that require them to pay the difference in contribution rates between the two plans for past service.

SRPS Governance

Current law requires the State to purchase a bond for each SRPS fiduciary; the bond is required before a fiduciary exercises custody or control of any SRPS assets. *Senate Bill 641/House Bill 844 (both passed)* authorize the State to satisfy the statutory requirement by instead purchasing an insurance policy. The Treasurer, in consultation with the SRPS Board of Trustees, must determine the type and amount of coverage provided by the insurance policy. The bills conform statute to current practice.

General Assembly

Eligibility to Serve as a Senator or Delegate

A person is eligible to serve as a senator or delegate if the person is (1) at least age 25 or 21, respectively; (2) is a citizen of the State; (3) has resided in the State for at least one year preceding election; and (4) *has resided in* the district to which he or she has been elected to represent for six months preceding election or, if the district has been established for less than six months prior to the date of election, as long as the district has been established.

Senate Bill 55 (passed) proposes a constitutional amendment that, if approved by the voters at the next general election, alters eligibility requirements for the office of senator or delegate. Specifically, the proposed amendment requires, beginning January 1, 2024, a person to have *maintained a primary place of abode* in the district that the person has been chosen to represent for six months preceding election or, if applicable, as long as the district has been established.

Notice of Emergency Procurements and Other Emergency Actions

In March 2020, the Governor declared a state of emergency and the existence of a catastrophic health emergency to deploy resources and implement the emergency powers of the Governor to control and prevent the spread of COVID-19. The declaration has since been renewed several times. ***Senate Bill 780/House Bill 1003 (both passed)*** require the Governor or the head of a unit to provide specified notice to the Legislative Policy Committee (LPC) when authorizing an emergency procurement during a declared state of emergency. LPC may request that the Office of Legislative Audits (OLA) conduct an audit of an emergency procurement contract authorized during a state of emergency. In addition, the bills require the Governor to provide notice to LPC and, if applicable, the Administrative, Executive, and Legislative Review Committee within 72 hours after suspending the effect of a statute, rule, or regulation during a state of emergency. For a more detailed discussion of ***Senate Bill 780/House Bill 1003***, see the subpart “Procurement” within this part of this *90 Day Report*.

Office of Legislative Audits

State law authorizes OLA to conduct separate investigations of acts or allegations of fraud, waste, or abuse in the obligation, expenditure, receipt, or use of State resources. The Legislative Auditor is responsible for determining whether an investigation must be conducted in conjunction with a required audit or separately. OLA currently operates a fraud hotline, administered by OLA’s Fraud Investigation Unit, to receive allegations of fraud, waste, and abuse of State government resources.

Senate Bill 922/House Bill 756 (both passed) codify OLA’s hotline program and require each unit of State government to post and distribute specified information prepared by OLA relating to the reporting of fraud, waste, and abuse. In addition, the bills require OLA, in consultation with the Office of the Attorney General and the Office of the State Prosecutor, to evaluate and develop appropriate statutory or regulatory language to

(1) enhance the authority, duties, and powers of OLA related to investigations of acts or allegations of fraud, waste, or abuse; (2) coordinate and cooperate with appropriate prosecutorial entities to maximize the effectiveness of investigations conducted by OLA; and (3) require State agencies to report any instance of possible criminal or unethical behavior in the obligation, expenditure, receipt, or use of State resources at the agency to OLA unless otherwise prohibited by law. OLA must report its findings to the Joint Audit and Evaluation Committee by December 1, 2021.

Commissions, Task Forces, and Workgroups with Legislative Membership

Each year, the General Assembly creates various groups to conduct in-depth studies of public policy issues. The following bills create commissions, task forces, workgroups, or other groups that include members of the General Assembly in their memberships:

- *Senate Bill 52/House Bill 78 (both passed)*, which establish a Maryland Commission on Health Equity;
- *Senate Bill 299/House Bill 548 (both passed)*, which establish a Commission on Trauma-Informed Care;
- *Senate Bill 444/House Bill 658 (both passed)*, which establish a Workgroup to Study the Transformation of Manufacturing in Maryland's Emerging Digital Economy;
- *Senate Bill 764 (passed)*, which establishes a Workgroup on Adaptive Reuse of Vacant Commercial Spaces;
- *Senate Bill 783/House Bill 1293 (Chs. 80 and 81)*, which establish a West North Avenue Development Authority in Baltimore City;
- *Senate Bill 103 (passed)*, which establishes a Task Force to Study Canine Breeding Facilities and Sourcing Standards;
- *Senate Bill 392/House Bill 606 (both passed)*, which establish a Workgroup on Low-Income Utility Assistance;
- *House Bill 1007 (passed)*, which establishes a Geothermal Energy Workgroup;
- *Senate Bill 786 (passed)*, which establishes an Advisory Board on the Transfer of Control of the Police Department of Baltimore City;
- *House Bill 316 (passed)*, which establishes a Workgroup on Home Detention Monitoring;
- *Senate Bill 723/House Bill 831 (both passed)*, which establish a Maryland Food Resiliency Council; and

- ***Senate Bill 946/House Bill 1364 (both passed)***, which establish a Historic St. Mary’s City Fort to 400 Commission.

For additional discussion of the above legislation, see the appropriate subject area parts of this *90 Day Report*.

Program Evaluation (Sunset Review)

The Maryland Program Evaluation Act (MPEA) is used by the General Assembly as a mechanism to monitor and evaluate approximately 60 regulatory boards, commissions, and other activities and units of the Executive Branch of State government. The Department of Legislative Services may evaluate entities subject to the MPEA as directed by LPC, the Joint Audit and Evaluation Committee, the Executive Director of Legislative Services, the Director of the Office of Program Evaluation and Government Accountability, or by legislation. Most such entities are subject to termination. Accordingly, the evaluation process is better known as sunset review.

This session, legislation extended the termination dates of the following regulatory entities by 10 years to July 1, 2032, as discussed further in the appropriate subject area parts of this *90 Day Report*:

- ***Senate Bill 125 (Ch. 122)*** extends the termination date of the State Board of Chiropractic Examiners;
- ***Senate Bill 247 (Ch. 123)*** extends the termination date of the State Board of Podiatric Medical Examiners;
- ***Senate Bill 281 (Ch. 102)*** extends the termination date of Office of the Commissioner of Financial Regulation; and
- ***Senate Bill 206 (passed)*** extends the termination date of the State Collection Agency Licensing Board.

In addition, ***Senate Bill 34/House Bill 299 (both passed)*** establish a regulatory program subject to the evaluation and reestablishment provisions of the MPEA. Specifically, the bills require the State Board of Physicians to license and regulate genetic counselors in the State. The program established by the bills terminates July 1, 2031. For a more detailed discussion of ***Senate Bill 34/House Bill 299***, see the subpart “Health Occupations” within Part J – Health and Human Services of this *90 Day Report*.

Part D

Local Government

Local Government – Generally

Baltimore City

Baltimore Police Department

The Baltimore Police Department has been under State control since 1860. The law governing the department was substantially revised by Chapter 203 of 1966. Under Chapter 203, the department was “constituted and established as an agency and instrumentality of the State of Maryland.” Chapter 203 established that the department is operated by a single police commissioner who was to be appointed and subject to removal by the Governor. The city retained responsibility for funding the department. Chapters 39 and 40 of 2009 established that the police commissioner is subject to removal at the pleasure of the mayor. While the city is responsible for funding the department, the State retains the ability to amend the law relating to the department in order to implement policy changes.

Senate Bill 786 (passed) establishes the Baltimore Police Department as an agency and instrumentality of Baltimore City, rather than the State of Maryland. It is contingent on the passage of an amendment to the Charter of Baltimore City and the ratification of the amendment by voters.

For a more detailed discussion of *Senate Bill 786*, see the subpart “Public Safety” within Part E – “Crimes, Corrections, and Public Safety” of this *90 Day Report*.

Counties

County Indebtedness

Chapter 428 of 2004 established the Bay Restoration Fund (BRF), which is administered by the Water Quality Financing Administration within the Maryland Department of the Environment. The primary purpose of the fund is to support upgrades to Maryland’s 67 major publicly owned wastewater treatment plants with enhanced nutrient removal technology. Funds

are also used for septic system upgrade grants, among other things, and the Maryland Department of Agriculture's (MDA) Cover Crop Program.

As a revenue source for the fund, Chapter 428 also established a bay restoration fee on users of wastewater facilities, septic systems, and sewage holding tanks. Chapter 150 of 2012 doubled the fee for most users (until July 1, 2030). Of the fee revenue collected from users of septic systems and sewage holding tanks, 60% must be deposited into a separate account, commonly referred to as the Septics Account. The remaining funds collected from users of septic systems and sewage holding tanks (40%) must be transferred to the Maryland Agricultural Water Quality Cost Share Program within MDA to provide financial assistance to farmers for planting cover crops.

Senate Bill 701/House Bill 878 (both passed) authorize a county to borrow money and incur indebtedness through the issuance and sale of notes in anticipation of the receipt of the county's allocation of funds from the Septics Account within BRF. A county may expend the net proceeds of the sale of notes to make specified grants and loans or to refund one or more issues of notes.

Clean Energy Loan Program

Chapter 743 of 2009 authorized a county or municipality to enact an ordinance or a resolution establishing a clean energy loan program to provide loans to residential property owners, including low-income residential property owners, and commercial property owners, to finance energy efficiency projects and renewable energy projects.

A program must require a property owner to repay a loan through a surcharge on the owner's property tax bill. The surcharge must be limited to an amount that allows the local government to recover the costs associated with issuing bonds to finance the loan and costs associated with administering the program.

House Bill 517 (passed) expands the types of projects that may be financed under a clean energy loan program to include water efficiency projects, environmental remediation projects, and resiliency projects. The bill specifies that projects may be refinanced under a clean energy loan program and requires that the ordinance establishing a clean energy loan program include a provision requiring that a loan be repaid over a term that may not exceed the useful life of the project.

Animal Control

Senate Bill 159/House Bill 281 (both passed) require a new officer of a humane society or animal control to satisfactorily complete at least 80 hours of training for animal care and control professionals to be approved by the appropriate unit of a county, including Baltimore City, or municipality within the first 12 months of employment.

The bills also require an officer of a humane society or animal control to satisfactorily complete at least six hours of continuing education each year that is approved by the appropriate unit of a county or municipality.

Senate Bill 338/House Bill 563 (both passed) require an animal control facility operated by a county, including Baltimore City, or municipality to waive the adoption fee for a dog or cat adopted by a veteran who presents specified identification that notes the individual is a veteran. An animal control facility may limit the number of adoption fee waivers granted to an individual to one dog and one cat within a six-month period.

Use of Public Funds

House Bill 13 (passed) prohibits a unit of State, county, or municipal government from knowingly using public funds to influence the decisions of public employees to (1) support or oppose an employee organization that represents or seeks to represent the employees of the unit or government or (2) become a member of an employee organization.

Teleworking

House Bill 73 (passed) establishes the Office of Telework Assistance and the Business Telework Assistance Grant Program in the Department of Commerce and provides that the Governor must include \$1.0 million annually in the State budget for the program. The bill also (1) requires the Judicial and Legislative branches of State government to each maintain a telework program; (2) alters the statewide telework program that must be maintained by the Executive Branch; and (3) requires public institutions of higher education to comply with the statewide telework program.

In addition, *House Bill 73* requires counties and municipalities to establish a telework program and adopt related policies and guidelines that apply to governmental entities and employees of the county or municipality. The head of a local government entity may designate the positions for which an employee would be eligible to telework. Each local government entity, in its discretion, may maximize the number of eligible employees participating in a telework program.

For a more detailed discussion of *House Bill 73*, see the subpart “Personnel” within Part C – “State Government” of this *90 Day Report*.

Housing

Senate Bill 687/House Bill 90 (both passed) require the Department of Housing and Community Development (DHCD) to administer its programs and activities to “affirmatively further fair housing.”

The bills establish that local jurisdictions have a duty to affirmatively further fair housing. The housing element of a local comprehensive plan that is enacted or amended on or after January 1, 2023, must include an assessment of fair housing to ensure that the local jurisdiction is

affirmatively furthering fair housing. Upon request of a local jurisdiction, the Maryland Department of Planning, in consultation with DHCD, must provide technical assistance for the purpose of developing the housing element of the comprehensive plan. However, the bills also specify that the requirement to include the assessment of fair housing in the housing element of the local comprehensive plan does not require a local jurisdiction to take, or prohibit the local jurisdiction from taking, a specific action to affirmatively further fair housing.

In addition, *Senate Bill 687/House Bill 90* require a local jurisdiction that completed or revised an Assessment of Fair Housing under the federal U.S. Department of Housing and Urban Development's most recently published Affirmatively Furthering Fair Housing Rule, or an analysis of impediments to fair housing prior to the Affirmatively Furthering Fair Housing Rule, to incorporate relevant portions of the Assessment of Fair Housing or analysis of impediments into the housing element of the local jurisdiction's comprehensive plan by reference. These provisions must be incorporated the next time the local jurisdiction amends its comprehensive plan.

For a more detailed discussion of *Senate Bill 687/House Bill 90*, see the subpart "Housing and Community Development" within Part H – "Business and Economic Issues" of this *90 Day Report*.

Bi-county Agencies

Maryland has three bi-county agencies that operate within and on behalf of the residents of both Montgomery County and Prince George's County – the Washington Suburban Sanitary Commission (WSSC), the Maryland-National Capital Park and Planning Commission (M-NCPPC), and the Washington Suburban Transit Commission (WSTC).

WSSC is among the largest water and wastewater utilities in the country, providing water and sewer services to 1.8 million residents in Montgomery and Prince George's counties. It has approximately 475,000 customer accounts, serves an area of around 1,000 square miles, and currently employs more than 1,700 people. The commission operates three reservoirs, two water filtration plants, and six wastewater treatment plants. The six wastewater treatment facilities, as well as the Blue Plains Advanced Wastewater Treatment Plant, handle more than 200 million gallons of wastewater per day. The commission maintains more than 5,700 miles of water main lines and more than 5,500 miles of sewer main lines.

M-NCPPC was empowered by the State in 1927 to acquire and administer a regional system of parks within the Maryland-Washington Metropolitan District and administer a general plan for the physical development of the area. Additionally, in 1970, M-NCPPC became responsible for managing the Prince George's County public recreation program.

WSTC, established in 1965, is responsible for administering the Washington Suburban Transit District and is authorized to develop a transportation system, including mass transit facilities, for Montgomery and Prince George's counties. It coordinates mass transit programs with the two county governments, the Washington Metropolitan Area Transit Authority (WMATA), and the Maryland Department of Transportation (MDOT). MDOT provides annual operating

grants to the commission, which then provides funding to WMATA for operation of the Metrorail, Metrobus, and MetroAccess systems.

Washington Suburban Sanitary Commission

Board of Ethics – Fees for Late-filed Financial Disclosure Statements

As established under WSSC regulations, WSSC’s independent Board of Ethics is responsible for administering WSSC’s Code of Ethics and acts on complaints of violations. The Code of Ethics sets forth requirements for the filing of financial disclosure statements by specified employees and members of WSSC advisory boards and committees. *House Bill 501 (passed)* requires a respondent in a complaint reviewed by WSSC’s Board of Ethics, who is found to have filed a required financial disclosure statement late, to pay a fee of \$5 for each day the filing is late, up to a maximum of \$500.

Audio and Video Streaming and Archiving of Commission Meetings – Financial Assistance to Eligible Ratepayers

WSSC meetings are subject to the Open Meetings Act. Among other requirements, WSSC must determine the times and places of its open meetings, prepare minutes of the meetings, and retain the minutes in the usual corporate form. *House Bill 789 (passed)* requires WSSC to stream live video or live teleconference audio or other audio of its open meetings and to maintain on its website a complete and unedited archived recording of each open meeting. If WSSC is unable to comply with the recording requirements because of a technical failure that entirely prevents or affects the quality of the audio or video stream, the validity of any action taken during the meeting is not affected if (1) WSSC otherwise complies with its other meeting requirements and the Open Meetings Act and (2) the inability to comply is not due to WSSC’s willful action. The bill further requires WSSC to make good faith efforts to adhere to the recording requirements and the maintenance of a complete and unedited archived recording of each meeting on its website.

Chapter 474 of 2015 required WSSC to establish a customer assistance program to provide financial assistance with water and sewer bills to eligible ratepayers. *House Bill 789* also specifies that financial assistance provided as part of the Customer Assistance Program can include the reduction or waiver of fees, including late fees.

Maryland-National Capital Park and Planning Commission

Mandatory Referral Review

A public board, public body, or public official is required to refer certain activities in the Maryland-Washington Regional District to M-NCPPC. The proposed location, character, grade, and extent of the activity must be referred and approved by M-NCPPC. An official referral to M-NCPPC is deemed approved if M-NCPPC fails to act within 60 days of submission. If M-NCPPC disapproves a mandatory referral, they must notify the submitting entity of its reasons

for the disapproval. The submitting entity may overrule the disapproval of M-NCPPC and proceed with the activity as proposed.

House Bill 464 (passed) establishes guidelines for what constitutes a complete submission referral to M-NCPPC for specified activities in the Maryland-Washington Regional District and designates timelines and feedback required of M-NCPPC following receipt of a mandatory referral.

The bill defines a “complete submission” as an explanatory narrative accompanied by an engineering or architectural drawing that depicts the proposed location, character, grade, and extent of the activity subject to a mandatory referral. Within three business days after receiving a submission, M-NCPPC must notify the submitting entity that the submission is (1) complete and accepted by M-NCPPC if the referral adequately reviews the proposed location, character, grade, and extent of the activity or (2) rejected as incomplete by M-NCPPC. If a submission is rejected, M-NCPPC must provide an itemized list of the information required for the submission to be complete.

If a submitting entity submits an amendment to the original rejected referral submission, M-NCPPC must notify the submitting entity of the completeness of the amended submission within 3 business days. If the amendment was rejected as incomplete, M-NCPPC must act on the amended submission within 60 days of receiving the amendment.

If a submission is rejected as incomplete after an entity has submitted amendments at least three times, the entity may notify M-NCPPC that it is unable to provide additional information on the submission through reasonable means. After receipt of such notice, M-NCPPC must (1) accept the submission as complete and (2) act on the submission within 60 days.

Prince George’s County – Nontraditional Recreational Opportunities

M-NCPPC is comprised of the Montgomery County Planning Board and the Prince George’s County Planning Board. In Prince George’s County, the planning board also administers the county’s public recreation program. **House Bill 444 (passed)** requires the Prince George’s County Planning Board to incorporate nontraditional recreational opportunities into the county’s recreation programs.

The bill defines “nontraditional recreational opportunities” as sports, recreational activities, programs, or facilities in the county with a reasonable promise of growth in (1) popularity or (2) participation or demand among youth populations that are otherwise under-represented or underserved by traditional recreational activities. Nontraditional recreational opportunities may include (1) skate parks; (2) lacrosse walls; (3) remote-controlled car courses; (4) pickleball courts; (5) disc golf courses; (6) cricket fields; (7) pump tracks; and (8) any other new or innovative recreation or leisure activity recommendation included in a park and recreation plan.

House Bill 444 also establishes the Nontraditional Recreation Fund. M-NCPPC is required to deposit in the fund revenues from the development and maintenance of nontraditional recreation

opportunities in Prince George’s County and to use the revenues (1) for capital improvement projects that contribute to providing nontraditional recreational opportunities; (2) to provide patrons of the commission access to equipment necessary to participate in nontraditional recreational opportunities; and (3) for supplies and other direct program costs associated with providing nontraditional recreational opportunities in the county.

Part E

Crimes, Corrections, and Public Safety

Criminal Law

Crimes Involving Substance Use

Decriminalization of Drug Paraphernalia

Senate Bill 420 (passed) alters the definition of “controlled paraphernalia” to remove a hypodermic syringe, needle, or any other object or combination of objects adapted to administer a controlled dangerous substance (CDS) by hypodermic injection. The bill also alters the prohibition on the use of or possession with the intent to use drug paraphernalia to provide that the prohibition does not apply if the paraphernalia will be used to inject, ingest, inhale, or otherwise introduce CDS into the human body, and removes a measuring spoon as an item commonly used to illegally manufacture, distribute, or dispense a CDS for purposes of establishing an unlawful intent to use controlled paraphernalia. Finally, the bill reduces the penalties for offenses involving controlled paraphernalia and drug paraphernalia.

Crimes by Police Officers

In response to incidents across the country in which citizens were seriously injured or killed by police officers and other acts of misconduct involving police officers, the General Assembly considered extensive legislation relating to police reform during the 2021 session. Among the legislation considered, some bills contained criminal prohibitions against certain conduct by police officers.

Use of Force

Common law allowed police officers to use any force necessary to effectuate a felony arrest; however, in *Tennessee v. Garner*, 471 U.S. 1 (1985), the U.S. Supreme Court held that when a police officer is pursuing a fleeing suspect, the officer may not use deadly force to prevent escape unless “the officer has probable cause to believe that the suspect poses a significant threat of death or serious physical injury to the officer or others.” In *Graham v. Connor*, 490 U.S. 386

(1989), the Supreme Court expanded its definition to include the objective reasonableness standard. The court held that the Fourth Amendment “reasonableness” inquiry is “whether the officers’ actions are ‘objectively reasonable’ in light of the facts and circumstances confronting them, without regard to their underlying intent or motivation. The ‘reasonableness’ of a particular use of force must be judged from the perspective of a reasonable officer on the scene, and its calculus must embody an allowance for the fact that police officers are often forced to make split-second decisions about the amount of force necessary in a particular situation.” In *Randall v. Peaco*, 175 Md. App. 320 (2007), the Court of Special Appeals applied principles of the *Graham v. Connor* case and stated that the test for determining the objective reasonableness of an officer’s conduct for purposes of deciding a claim of excessive force brought under the State constitution is the test that the Supreme Court announced in *Graham v. Connor*.

Senate Bill 71 (Ch. 60) prohibits a police officer from using force against a person unless, under the totality of the circumstances, the force is necessary and proportional to (1) prevent an imminent threat of physical injury to a person or (2) effectuate a legitimate law enforcement objective. Additionally, the Act requires that a police officer cease the use of force as soon as (1) the person on whom the force is used is under the officer’s control or no longer poses an imminent threat of physical injury or death to the officer or another or (2) the police officer determines that force will no longer accomplish a legitimate law enforcement objective. A police officer who intentionally violates this standard, resulting in serious physical injury or death to a person, is guilty of a misdemeanor, punishable by a maximum penalty of 10 years imprisonment.

Prohibition on Sexual Activity

A law enforcement officer may not engage in sexual contact, vaginal intercourse, or a sexual act with a person in the custody of the law enforcement officer. Violators are guilty of a misdemeanor, punishable by maximum penalties of three years imprisonment and/or a \$3,000 fine. **Senate Bill 43 (passed)** expands the list of individuals a law enforcement officer is statutorily prohibited from engaging in sexual contact, vaginal intercourse, or a sexual act with to include (1) a person who is a victim, witness, or suspect in an open investigation that the law enforcement officer is conducting, supervising, or assisting with if the law enforcement officer knew or should have known that the person is a victim, witness, or suspect in the investigation and (2) a person requesting assistance from or responding to the law enforcement officer in the course of the officer’s official duties.

For a more detailed discussion of police reform legislation, see the subpart “Public Safety” within this part of this *90 Day Report*.

Hate Crimes

Mitigation and Defense based on Discovery of Victim’s Status

Under certain circumstances, a homicide may be mitigated to manslaughter if a provocation recognized as being adequate as a matter of law exists. If the defense of mitigation prevails, the homicide is not malicious and the offense is reduced from murder to manslaughter. A person charged with assault in the first or second degree, reckless endangerment, or causing a prison

employee to come into contact with bodily fluid may assert any judicially recognized defense. *House Bill 231 (passed)* establishes that the discovery or perception of, or belief about, another person’s race, color, national origin, sex, gender identity, or sexual orientation, whether or not accurate, (1) does not constitute legally adequate provocation to mitigate a killing from the crime of murder to manslaughter and (2) is not a defense to the crime of assault in any degree.

Gender Identity and Antibias Education

Senate Bill 220/House Bill 128 (both passed) alter the list of protected classes under existing hate crime statutes to include “gender identity,” as defined in § 20-101 of the State Government Article. The bills also (1) authorize a sentencing court to order a person convicted of a hate crime to complete an antibias education program and (2) require the University System of Maryland to manage the development of an antibias education program. “Gender identity” means the gender-related identity, appearance, expression, or behavior of a person, regardless of the person’s assigned sex at birth, which may be demonstrated by consistent and uniform assertion of the person’s gender identity or any other evidence that the gender identity is sincerely held as part of the person’s core identity.

Crimes Involving Children

Continuing Course of Abuse

First-degree child abuse occurs when a parent or other person who has permanent or temporary care, custody, or responsibility for the supervision of a minor commits abuse resulting in severe physical injury to or the death of the minor. A violator is guilty of a felony and subject to imprisonment for up to 25 years. If the violation results in the death of a victim who was at least age 13, a violator is subject to imprisonment for up to 40 years. A violator is subject to life imprisonment if the violation results in the death of a victim who was younger than age 13.

Second-degree child abuse occurs when a parent or other person who has permanent or temporary care, custody, or responsibility for the supervision of a minor causes abuse to a minor. A violator is guilty of a felony and subject to imprisonment for up to 15 years. A person who violates these child abuse prohibitions after being convicted of a prior violation of these provisions is guilty of a felony, punishable by imprisonment for up to 25 years. If the violation results in the death of the victim, the violator is subject to life imprisonment.

Senate Bill 505/House Bill 277 (both passed) establish that it is a violation of the State’s prohibition on first-degree child abuse to engage in a continuing course of conduct that includes three or more acts of second-degree child abuse. Violators are subject to the existing penalties for first-degree child abuse.

Crimes Involving Animals

Harm to Service Animals

Senate Bill 607/House Bill 234 (both passed) prohibit a person from willfully and maliciously killing, injuring, or interfering with the use of a service animal under specified circumstances. A person who violates the prohibitions against killing or injuring a service animal is guilty of a misdemeanor and subject to imprisonment for up to two years and/or a \$2,500 maximum fine. A person who violates the prohibition against interfering with the use of a service animal is guilty of a misdemeanor and subject to imprisonment for up to one year and/or a \$1,000 maximum fine. Violators may also be ordered to pay full restitution for all damages arising out of the offense.

Miscellaneous

Crimes Involving Computers

Senate Bill 623/House Bill 425 (both passed) prohibit a person from knowingly possessing “ransomware” with the intent to use the ransomware for the purpose of introduction into the computer, computer network, or computer system of another person without the authorization of the other person. The prohibition does not apply to a person who has a bona fide scientific, educational, governmental, testing, news, or other similar justification for possessing ransomware. Violators are guilty of a misdemeanor, punishable by imprisonment for up to two years and/or a maximum fine of \$5,000. The bills also (1) prohibit committing a ransomware offense – or other prohibited acts, as currently specified – with the intent to interrupt or impair the functioning of a health care facility or a public school and (2) alter existing monetary penalties for specified computer-related offenses.

Life-Threatening Injury Involving a Motor Vehicle or Vessel

Existing law prohibits a person from causing the death of another due to driving, operating, or controlling a vehicle or vessel in “a criminally negligent manner.” A person acts in a criminally negligent manner when the person should be aware, but fails to perceive, that the person’s conduct creates a substantial and unjustifiable risk that manslaughter will occur and the failure to perceive is a gross deviation from the standard of care that is exercised by a reasonable person. *Senate Bill 17 (passed)* establishes the offense of life-threatening injury by motor vehicle or vessel – criminal negligence. A person is prohibited from causing a life-threatening injury to another as a result of driving, operating, or controlling a motor vehicle or vessel in a criminally negligent manner. A violator is guilty of a misdemeanor, and on conviction, is subject to maximum penalties of imprisonment for one year and/or a fine of \$5,000.

Indecent Exposure

Senate Bill 270 (passed) establishes that the offense of indecent exposure includes engaging in an act of masturbation in public, whether or not the person’s genitalia are exposed.

Violators are guilty of a misdemeanor and subject to the existing statutory penalty of imprisonment for up to three years and/or a \$1,000 maximum fine.

Criminal Procedure

Police Reform

Investigation and Prosecution of Deaths Caused by Police Officers

According to the Governor’s Office of Crime Prevention, Youth, and Victim Services (GOCPYVS), in 2019 there were 31 police-related civilian deaths. The Medical Examiner’s Office classified 18 of the cases as a homicide by law enforcement with all of the cases involving the fatal shooting of the individual. Fifty percent of these 18 civilians were African American, 44% were White, and 6% were Hispanic or Latinx.

As part of the comprehensive police reform measures introduced during the 2021 session, *Senate Bill 600 (passed)* seeks to increase the oversight and uniformity of investigations of civilian deaths involving a police officer by creating an Independent Investigative Unit within the Office of the Attorney General. The Unit is required to investigate all alleged or potential police-involved deaths of a civilian, and may investigate any other crimes related to police misconduct that are discovered during an investigation. The Unit may act with the full powers, rights, privileges, and duties of a State’s Attorney, including the use of a grand jury in any county. Within 15 days after the completion of an investigation, the Unit must submit a confidential report of its findings to the State’s Attorney that has jurisdiction to prosecute the matter. The Governor is required to include funding in the State budget sufficient to provide for the full and proper operation of the Unit.

The bill also prohibits police departments from purchasing certain surplus military equipment, including weaponized aircrafts, drones, or vehicles, destructive devices, firearm silencers, or grenade launchers.

Body-worn Cameras and Use of Force

Another bill introduced as part of comprehensive police reform measures, *Senate Bill 71 (Ch. 60)*, requires, by specified timeframes, the Department of State Police (DSP) and county law enforcement agencies to require the use of a body-worn camera (BWC) by each law enforcement officer employed by the law enforcement agency who regularly interacts with members of the public as part of the officer’s official duties, subject to the agency’s policy on the use of BWCs. Among other provisions, the Act also (1) establishes specific standards for and related requirements regarding the use of force by a police officer and (2) extends the termination date for the Law Enforcement Body Camera Task Force created by Chapter 309 of 2020, and requires the task force to undertake additional responsibilities.

For a further discussion of Chapter 60, see the subpart “Criminal Law” within this part of this *90 Day Report*. For a more detailed discussion of police reform legislation, see the subpart “Public Safety” within this part of this *90 Day Report*.

Post-conviction Procedures and Standards

Juveniles Convicted as Adults

In *Graham v. Florida*, 560 U.S. 48 (2010), the Supreme Court held that it is unconstitutional to sentence a juvenile offender to life imprisonment without the possibility of parole for non-homicide crimes. Subsequent Supreme Court decisions have provided further restrictions and guidance on the sentencing of juvenile offenders, in part due to the acknowledgement that the brain development of children necessitates treating juvenile offenders as unique from adult offenders. *Senate Bill 494 (Ch. 61)* prohibits a court from imposing a sentence of life imprisonment without the possibility of parole or release on a minor convicted as an adult. It also entitles an individual to a hearing to reduce the duration of the individual's sentence if the individual was convicted as an adult for a crime committed as a minor, was sentenced before October 1, 2021, and has been imprisoned for the offense for at least 20 years. The Act also authorizes the court to impose less than the minimum sentence required under law for a minor convicted as an adult. For a more detailed discussion of the Act, see the subpart "Juvenile Law" within this part of this *90 Day Report*.

Diminution Credits

Inmates sentenced to a State correctional facility are generally entitled to earn diminution of confinement credits to reduce the lengths of their incarcerations. However, inmates who are serving sentences for specified crimes/circumstances are subject to further restrictions regarding the maximum number of credits that may be earned or altogether prohibited from earning such credits. Diminution credits are made for good conduct, work tasks, education, and special projects or programs. *House Bill 89 (passed)* authorizes diminution credits to reduce the term of confinement of an inmate who successfully obtains (1) an intermediate high academic certificate; (2) a certificate of completion of a technical or vocational training program, as specified; (3) a State High School Diploma by Examination; (4) a high school diploma; (5) an associate degree; or (6) a bachelor's degree. In general, the deduction allowed is 60 days per program completed and is in addition to any other deduction awarded. However, for an inmate serving a sentence for a crime of violence, the deduction may not exceed 40 days. Further, an inmate serving a sentence for murder in the first degree or a sexual offense requiring registration on the Maryland Sex Offender Registry is not entitled to the diminution credits provided under the bill. The bill has prospective application only and does not have any effect on awards of diminution credits before the October 1, 2021 effective date.

Parole

Generally, an inmate sentenced to life imprisonment is not eligible for parole until the inmate has served 15 years, or the equivalent of 15 years with allowances for diminution credits. *Senate Bill 202 (passed)* increases this time period to 20 years, or the equivalent of 20 years with allowances for diminution credits, for individuals sentenced to life imprisonment for a crime committed on or after October 1, 2021.

The Maryland Parole Commission has the exclusive power to authorize the parole of an inmate in State correctional facilities. The Patuxent Board of Review has the exclusive power to recommend an inmate of the Patuxent Institution for parole to the Secretary of Public Safety and Correctional Services or the Governor. However, the parole of any person serving a parole-eligible term of life in either a State correctional facility or the Patuxent Institution requires the approval of the Governor. *Senate Bill 202* eliminates the role of the Governor in the parole process for individuals serving life imprisonment.

The bill also modifies requirements for parole hearings. Generally, a hearing is conducted with two commissioners who must decide whether the inmate is suitable for parole by unanimous vote. If the two commissioners cannot come to a unanimous decision, a three-commissioner panel rehears the case and decides whether the inmate is suitable for parole by majority decision. The bill modifies this requirement for individuals who have been sentenced to life imprisonment for a crime committed on or after October 1, 2021, by requiring affirmative votes by at least six commissioners in order to approve the inmate for parole.

Expungements and Related Case Records

Eligibility for Expungements

Individuals eligible for expungement must initiate the process by filing a petition with the court. An individual must also wait a certain period of time to petition for expungement, with the time period varying depending on the disposition of the case. In general, § 10-105 of the Criminal Procedure Article applies to expungements of criminal charges that resulted in a disposition other than a conviction and § 10-110 of the Criminal Procedure Article applies to expungements of convictions. Generally, a petition for expungement under § 10-105 based on an acquittal, a *nolle prosequi*, or a dismissal may not be filed within three years after the disposition, unless the petitioner files a written waiver and release of all tort claims arising from the charge.

Senate Bill 201 (passed) essentially establishes automatic expungements for cases resulting in specified dispositions. Specifically, the bill requires that, beginning October 1, 2021, any police record, court record or other record maintained by the State or a political subdivision of the State relating to the charging of a crime or a civil offense under § 5-601 (c)(2)(ii) of the Criminal Law Article (possession of less than 10 grams of marijuana), including a must-appear violation of the Transportation Article, must be expunged three years after a disposition of the charge if no charge in the case resulted in a disposition other than acquittal; dismissal; not guilty; or *nolle prosequi* (other than *nolle prosequi* with a requirement of drug or alcohol treatment).

Because some defendants may qualify for expungement prior to the automatic expungement process established in the bill (if willing to waive potential tort claims), the bill also requires that notice be provided of the existing right to petition-based expungement. After disposition of all charges of a case eligible for an expungement described above, the court must notify the defendant of the defendant's right to expungement under § 10-105 of the Criminal Procedure Article (petition-based expungement). The court must notify the defendant by mail if

the defendant is not present in court for the disposition. The required notice by the court must include a written form for general waiver and release of all tort claims relating to the charge or charges eligible for expungement.

The bill has a potentially significant fiscal impact due to new personnel expenses in the Judiciary, as well as potential additional staffing needs in DSP and the Department of Public Safety and Correctional Services (DPSCS).

As referenced above, § 10-110 of the Criminal Procedure Article authorizes an individual convicted of any of a list of approximately 100 specified offenses or an attempt, a conspiracy, or a solicitation of any of these offenses, to file a petition for expungement of the conviction, subject to specified procedures and requirements. *Senate Bill 114 (passed)* adds a conviction under § 16-303 of the Transportation Article (driving on a canceled, suspended, refused, or revoked license/privilege) to the list of offenses that can be expunged. The bill also establishes that the subsequent offender penalty under § 16-303 only applies when a person commits a violation of § 16-303 within three years of a prior conviction under § 16-303. The bill has the potential for a significant fiscal impact based upon increased personnel needs in the Judiciary.

During the 2020 session, the General Assembly passed House Bill 1336, but the Governor vetoed the bill. The General Assembly overrode the veto during the 2021 session, and the bill became Chapter 31 of 2021. Among other provisions (discussed below), Chapter 31 adds fourth-degree burglary to the list of misdemeanors eligible for expungement under § 10-110 of the Criminal Procedure Article.

Records Displayed on Case Search

The Maryland Judiciary Case Search is a website maintained by the Maryland Judiciary that provides Internet-based access to various Maryland case records. Accessible records include District Court traffic, criminal, and civil case records and criminal and civil case records for the circuit courts. Information is removed from view on Maryland Judiciary Case Search through expungement and shielding only.

Possession of marijuana is a misdemeanor, punishable by imprisonment for up to six months and/or a \$1,000 maximum fine. However, as of 2014, possession of less than 10 grams of marijuana is a civil offense punishable by a fine of up to \$100 for a first offense and \$250 for a second offense. The maximum fine for a third or subsequent offense is \$500.

During the 2020 session, the General Assembly passed House Bill 83, but the Governor vetoed the bill. The the General Assembly overrode the veto during the 2021 session, and the bill became Chapter 21 of 2021. Chapter 21 prohibits the Maryland Judiciary Case Search from in any way referring to the existence of a District Court criminal case in which a charge of possession of marijuana under § 5-601 of the Criminal Law Article is the only charge in the case and the charge was disposed of before October 1, 2014. In addition to provisions regarding expungement, Chapter 31 (as originally discussed above) also prohibits the Maryland Judiciary Case Search from in any way referring to the existence of records of a charge in a case with electronic records if the charge

resulted in acquittal, dismissal, or *nolle prosequi*, except *nolle prosequi* with the requirement of drug or alcohol treatment.

Partial Expungements

Chapter 31 also establishes the Partial Expungement Workgroup. The workgroup, which is to be staffed by GOCPYVS, is required to study and develop a plan and legislative recommendations for enabling the expungement of criminal charges that are currently not eligible for expungement under the “unit rule.” The unit rule applies to expungements under §§ 10-105 and 10-110, and states that if two or more charges, other than one for a minor traffic violation, arise from the same incident, transaction, or set of facts, they are considered to be a unit. If a person is not entitled to expungement of one charge or conviction in a unit, the person is not entitled to expungement of any other charge in the unit.

Senate Bill 874/House Bill 882 (both passed) are emergency bills that make several alterations to the workgroup established in Chapter 31 as discussed above. These changes include (1) renaming the workgroup as the Workgroup to Study Partial Expungement; (2) altering the composition of the workgroup; (3) changing the method of selection for the chair of the workgroup; (4) modifying the workgroup’s reporting deadline; and (5) altering the termination date of the workgroup. Under the bills, the workgroup must report its plan and legislative recommendations to the General Assembly by January 5, 2022. As a result of the bills, Section 3 of Chapter 31 (which established the original workgroup) terminates June 30, 2022.

Pretrial Procedures and Services

Charging by Citation

Statute includes provisions relating to circumstances under which a police officer is required to issue a citation, as well as circumstances under which an officer is given the discretion to charge by citation. A police officer must issue a citation for possession of marijuana or any misdemeanor or local ordinance violation that does not carry a penalty of imprisonment or for which the maximum penalty of imprisonment is 90 days or less, except for (1) failure to comply with a peace order or protective order; (2) violation of a condition of pretrial or post-trial release; (3) possession of an electronic control device after conviction of a drug felony or a crime of violence; (4) violation of an out-of-state domestic violence order; or (5) abuse or neglect of an animal. A police officer may also charge by citation, as specified, for (1) the sale of an alcoholic beverage to an underage drinker or intoxicated person; (2) malicious destruction of property valued at less than \$500; and (3) misdemeanor theft of property or services with a value of at least \$100 but less than \$1,500. A police officer may charge a defendant by citation only if (1) the officer is satisfied with the defendant’s evidence of identity; (2) the officer reasonably believes that the defendant will comply with the citation; (3) the officer reasonably believes that the failure to charge on a statement of charges will not pose a threat to public safety; (4) the defendant is not subject to arrest for another criminal charge arising out of the same incident; and (5) the defendant complies with all lawful orders by the officer.

Senate Bill 671/House Bill 445 (both passed) establish that a police officer is not required to charge a defendant by citation for a misdemeanor or local ordinance that carries a penalty of imprisonment for 90 days or less if the misdemeanor or violation involves serious injury or an immediate health risk. The bills also expand the offenses for which an officer may charge by citation to include possession of a controlled dangerous substance other than marijuana. The criteria that must be met before an officer may charge by citation are altered to allow for the issuance of a citation even if a defendant is subject to arrest for another criminal charge arising out of the same set of circumstances. However, the defendant must not be subject to arrest for an alleged misdemeanor involving serious injury or immediate health risks or an alleged felony arising out of the same incident, or subject to arrest based on an outstanding warrant, as specified. The bills also make conforming changes to statutory provisions pertaining to an application to the Governor for extradition of a person charged with a crime by citation in Maryland.

Recall of Arrest Warrants

An individual may file an application for a statement of charges with a District Court commissioner. After reviewing an application for a statement of charges, a District Court commissioner may issue a summons or an arrest warrant. A District Court commissioner may issue an arrest warrant only if the commissioner finds that there is probable cause to believe that the defendant committed the offense charged in the charging document and (1) the defendant previously failed to respond to a summons or citation; (2) the defendant's whereabouts are unknown and the issuance of a warrant is necessary to subject the defendant to the court's jurisdiction; (3) the defendant is in custody for another offense; or (4) there is probable cause to believe that the defendant poses a danger to another person or to the community. ***Senate Bill 862/House Bill 366 (both passed)*** authorize a District Court judge or a circuit court judge, on a finding of good cause, to recall an arrest warrant issued by a District Court commissioner and issue a summons in its place.

Home Detention Monitoring

Generally, under § 5-201 of the Criminal Procedure Article, in accordance with eligibility criteria, conditions, and procedures required under the Maryland Rules, the court may require, as a condition of a defendant's pretrial release, that the defendant be monitored by a private home detention monitoring agency (PHDMA) licensed under Title 20 of the Business Occupations and Professions Article. A defendant placed in private home detention must pay the agency's monitoring fee directly to the PHDMA. According to DPSCS, the limited number of companies providing these services in the State charge fees ranging from \$10 to \$18 per day. ***House Bill 316 (passed)*** prohibits a pretrial defendant from being required to pay a PHDMA for any costs or fees incurred if the defendant (1) qualifies as indigent under § 16-210 of the Criminal Procedure Article (eligibility for services of the Office of the Public Defender) or (2) is provided a private home detention monitoring device or global positioning system device by the State or a local jurisdiction. Instead, the State must pay a PHDMA for any costs or fees incurred by defendants who meet this criteria. The bill specifies the intent of the General Assembly that the implementation of this requirement be funded in fiscal 2022 by federal funds, subject to availability. The fiscal 2022 budget includes \$5.0 million to reflect funding provided by the American Rescue Plan to support

home monitoring of individuals released early from correctional facilities due to the pandemic. The bill takes effect July 1, 2021; these provisions remain effective until one year after the end of the Governor’s proclamation of the COVID-19 Catastrophic Health Emergency/State of Emergency, as specified.

The bill also establishes the Workgroup on Home Detention Monitoring, which must (1) study and make recommendations regarding the costs and availability of both publicly and privately provided pretrial home detention monitoring systems and (2) submit a report of its findings and recommendations to the Governor and the General Assembly by December 31, 2021. The workgroup terminates June 30, 2022.

Pretrial Services Program Grant

Chapter 771 of 2018 established the Pretrial Services Program Grant Fund to provide grants to eligible counties to establish pretrial services programs or to improve existing pretrial services programs to comply with specified requirements. An eligible county is (1) a county that does not provide defendants with pretrial services or (2) a county that does provide defendants with pretrial services but seeks to improve the services to comply with specified requirements for grant recipients. Chapter 771 terminates June 30, 2023.

House Bill 126 (passed) prohibits a pretrial services program that receives a grant from the Pretrial Services Program Grant Fund from charging a fee to any defendant for participation in the program. The bill also extends the termination date of the fund from June 30, 2023, to June 30, 2028.

Evidence

Court Orders Allowing the Use of Cell Site Simulators

A “cell site simulator” is a device that mimics a cell tower and captures identifying information of electronic devices in the range of the device. A court is authorized to issue an order authorizing or directing a law enforcement officer to use a cell site simulator or obtain location information from an electronic device if there is probable cause to believe that (1) a misdemeanor or felony has been, is being, or will be committed by the owner or user of the electronic device or the individual about whom electronic location information is being sought and (2) the information sought by the cell site simulator or the location information being sought is evidence of, or will lead to evidence of, the misdemeanor or felony being investigated or will lead to the apprehension of an individual for whom an arrest warrant has previously been issued. An application from law enforcement for a court order must be in writing, be accompanied by an affidavit setting forth the basis of the probable cause, and meet specified content and procedural requirements.

House Bill 477 (passed) authorizes an application for a court order to be submitted to a judge in person, by secure fax, or by secure electronic mail. The submitted application must be accompanied by the required affidavit and a proposed court order, as specified. The applicant and judge may converse about the application in person, via telephone, or via video. A judge may issue a court order by signing the court order, indicating or writing the date and time of issuance of the

order, and delivering the signed and dated court order, the application, and the affidavit to the applicant via in-person delivery, secure fax, or secure electronic mail, as specified.

Use of Genealogical DNA Analysis

Direct-to-consumer genetic genealogy services have expanded greatly in recent years. Once consumers have access to their genetic profile, some choose to voluntarily upload their information to third-party sites for comparison. Access to this data has been utilized by law enforcement in recent years, as it gives them an expanded DNA database in which they could find potential perpetrators of crimes, or their family members, using DNA evidence. The use of such information by law enforcement has been largely unregulated.

Senate Bill 187/House Bill 240 (both passed) establish numerous requirements and procedures regarding the use of “Forensic genetic genealogical DNA analysis and search” (FGGS) by law enforcement. The bills prohibit law enforcement from initiating FGGS without first obtaining judicial authorization and certifying before the court that the forensic sample and the criminal case meet specified criteria. As part of this process, a law enforcement agent must submit a sworn affidavit, with prosecutorial approval, asserting specified facts regarding the crime being investigated, testing that has already been conducted on the forensic sample, and the progress of the investigation. The bills restrict FGGS to certain databases that meet specified notice requirements and establish requirements regarding informed consent that must be met prior to obtaining a DNA sample from a third party to assist in FGGS.

The bills also require law enforcement seeking to collect a covert DNA sample from a potential putative perpetrator or a third party to meet specified criteria, including (1) required notification to the authorizing court prior to collection of the covert sample; (2) with respect to a covert sample from a third party, an affidavit submitted by investigative authorities to the court that seeking informed consent from a third party presents specified risks to the investigation; and (3) a proffer by investigative authorities to the court of their plan to collect the sample without unduly intrusive surveillance and invasions of privacy. The bills also specify requirements regarding testing, use, and destruction of the sample. The law enforcement officer conducting the covert collection must report back to the court every 30 days about the progress of the covert collection, as specified. Absent a showing of good cause, efforts to collect a covert sample must cease after six months.

The bills also require DNA samples and genetic genealogical information to be destroyed in a specified manner, require genealogists participating in an FGGS to turn over records relating to an investigation at the completion of the investigation, and require a prosecutor to make certain disclosures regarding information obtained during an FGGS.

Furthermore, a defendant charged with a crime of violence or convicted of a crime of violence who seeks post-conviction DNA testing is entitled to seek judicial authorization for an FGGS by filing an affidavit with an appropriate court certifying that specified factors are met. The State must be notified of a defendant’s application for judicial authorization for an FGGS; the bills establish related procedural requirements, including those relating to the collection of covert DNA samples on behalf of a defendant.

The Office of Health Care Quality (OHCQ) in the Maryland Department of Health must (1) establish a licensing program for laboratories performing specified testing on evidence in support of an FGGS by October 1, 2022, and (2) establish a licensing program for individuals performing genetic genealogy by October 1, 2024. Prohibitions may not be placed on any laboratory conducting specified types of testing or on genetic genealogists participating in an FGGS before the relevant required licensing program is established. However, laboratories and genetic genealogists must apply for the required license within one year after OHCQ establishes the relevant licensing program. OHCQ must also develop a training program on obtaining informed consent for a DNA sample from a third party and identify and approve one or more genetic counselors to administer the training. The bills also require the Maryland Forensic Laboratory Advisory Committee to perform related functions, as specified.

Finally, GOCPYVS must submit a publicly available report, on an annual basis, on the number of requests for FGGS and related information to the Governor and the General Assembly. A panel that includes specified stakeholders must review the report each year and make policy recommendations.

Victims of Crime

Under Maryland law, a victim of crime or a delinquent act (or a representative in the event the victim is deceased, disabled, or a minor) has a broad range of specific rights during the criminal justice process. The State Board of Victim Services within GOCPYVS has a mission of ensuring that all crime victims in the State receive justice and are treated with dignity and compassion through comprehensive victim services.

Senate Bill 484/House Bill 193 (Chs. 85 and 86) require a law enforcement agency to provide a victim a private room, upon request, in which the victim may report information relating to a crime under Title 3 of the Criminal Law Article. Title 3 of the Criminal Law Article specifies crimes, other than homicide, that primarily involve injury to a person rather than property. Those crimes include (1) suicide; (2) assault, reckless endangerment, and related crimes; (3) sexual crimes; (4) robbery; (5) kidnapping; (6) abuse and other offensive conducts; (7) extortion and other threats; (8) stalking and harassment; (9) surveillance and other crimes against privacy; (10) threat of mass violence; (11) human trafficking; and (12) labor trafficking. The Acts also require the State Board of Victim Services to develop a poster to notify victims of the right to request a private room and require each law enforcement agency to display the poster.

Juvenile Law

In general, the juvenile court has jurisdiction over a child alleged to be delinquent, in need of supervision, or who has received a citation for specified violations. The juvenile court does not have jurisdiction over children at least age 16 who are alleged to have committed specified violent crimes, children age 14 and older charged with a crime punishable by life imprisonment, and children who have previously been convicted as an adult of a felony and are subsequently alleged to have committed an act that would be a felony if committed by an adult. However, a circuit court

may transfer a case involving such a child to the juvenile court if such a transfer is believed to be in the interests of the child or society (“reverse waiver”). A reverse waiver is not permitted in limited circumstances related to specified prior convictions of the child or when the alleged crime is murder in the first degree and the child was 16 or 17 years old at the time that the alleged crime was committed.

Juvenile Justice Reform

Chapter 253 of 2019 established the Juvenile Justice Reform Council. Among other duties, the council must use a data-driven approach to develop a statewide framework of policies to invest in strategies to increase public safety and reduce recidivism of youth offenders. The council was required to report its final findings and recommendations to the Governor and the General Assembly by December 1, 2020. *House Bill 1187 (passed)* extends Chapter 253 of 2019 until June 30, 2022, and requires the Juvenile Justice Reform Council to submit a supplemental report on its findings and recommendations to the Governor and the General Assembly by October 1, 2021.

The bill also requires the Governor, beginning in fiscal 2023, to appropriate at least \$2.0 million annually for a grant to Roca Baltimore, LLC, an organization that applies a direct intervention model to engage youth as an approach to disrupt cycles of poverty and urban violence.

Juveniles Convicted as Adults

In *Graham v. Florida*, 560 U.S. 48 (2010), the Supreme Court held that it is unconstitutional to sentence a juvenile offender to life without the possibility of parole for nonhomicide crimes. In *Miller v. Alabama*, 567 U.S. 460 (2012), the U.S. Supreme Court held that a mandatory sentence of life without the possibility of parole may not be imposed on a juvenile offender. However, courts may still impose life imprisonment without the possibility of parole on a juvenile offender after considering mitigating factors. In *Montgomery v. Louisiana*, 136 S. Ct. 718 (2016), the court held that *Miller* applies retroactively and that states may remedy sentences that are in violation of *Miller* by extending parole eligibility to, rather than resentencing, offenders mandatorily sentenced to life without the possibility of parole for crimes they committed as juveniles.

Senate Bill 494 (Ch. 61), the Juvenile Restoration Act, authorizes a court, when sentencing a minor convicted as an adult, to impose a sentence less than the minimum term required under law and is prohibited from imposing a sentence of life imprisonment without the possibility of parole or release. The Act also authorizes an individual to file a motion with the court to reduce the duration of the individual’s sentence if the individual (1) was convicted as an adult for an offense committed when the individual was a minor; (2) was sentenced for the offense before October 1, 2021; and (3) has been imprisoned for at least 20 years for the offense.

If an individual files a motion to reduce the duration of the sentence under the Act’s provisions, the court must conduct a hearing and the individual must be present at the hearing unless that right is waived. This requirement may be satisfied if the hearing is conducted by video

conference. The individual may introduce evidence in support of the motion at the hearing, and the State may introduce evidence in support of or in opposition to the motion at the hearing. Notice of the hearing must be given to the victim or the victim’s representative, as specified.

After a hearing, the court may reduce the duration of a sentence imposed if the court determines that the individual is not a danger to the public and the interests of justice will be better served by a reduced sentence. The court must consider specified factors when determining whether to reduce the duration of a sentence, including (1) the individual’s age at the time of the offense; (2) the nature of the offense and the history and characteristics of the individual; (3) whether the individual has substantially complied with the rules of the institution in which the individual has been confined; (4) whether the individual has completed an educational, vocational, or other program; (5) whether the individual has demonstrated maturity, rehabilitation, and fitness to reenter society sufficient to justify a sentence reduction; (6) any statement offered by a victim or a victim’s representative; (7) any report of a physical, mental, or behavioral examination of the individual conducted by a health professional; (8) the individual’s family and community circumstances at the time of the offense, including any history of trauma, abuse, or involvement in the child welfare system; (9) the extent of the individual’s role in the offense and whether and to what extent an adult was involved in the offense; (10) the diminished culpability of a juvenile as compared to an adult, including an inability to fully appreciate risks and consequences; and (11) any other factor the court deems relevant.

The court must issue a written decision that addresses the specified factors. If the court denies or grants, in part, a motion to reduce the duration of the sentence, the individual may not file a second motion for at least three years. If the court denies or grants, in part, a second motion to reduce the duration of the sentence, the individual may not file a third motion for at least three years. With regard to any specific sentence, an individual may not file a fourth motion to reduce the duration of the sentence.

Juvenile Records

During the 2020 session, the General Assembly passed Senate Bill 314 establishing that, subject to certain exceptions, certain provisions relating to the confidentiality of juvenile records apply to all police and court records concerning a child excluded from the jurisdiction of the juvenile court from the time of the child’s arrest until (1) the time for the filing of a motion to transfer to juvenile court under the Maryland Rules has expired and no such motion has been filed or (2) a motion to transfer to juvenile court has been denied. In addition, the bill establishes certain exceptions to provisions of law relating to the confidentiality of juvenile police records. The Governor vetoed the bill but the General Assembly overrode the veto during the 2021 session, and the bill became law in March 2021 as Chapter 12.

Sexting

In the case of *In re: S.K.*, 466 Md. 61 (2019), the Maryland Court of Appeals upheld a juvenile court’s ruling that a 16-year-old girl who texted to her friends a video of herself participating in a consensual sexual act with another person was delinquent under statutory

prohibitions against distribution of child pornography and displaying an obscene item to a minor. In the opinion, the Court of Appeals noted that other states have responded to the issues surrounding teenage sexting with specific legislation, including provisions such as separate offenses as applied to minors, affirmative defenses for minors, and lower penalties if the minor is found delinquent. Further, the court noted that Maryland has not passed any such legislation and recognized that there may be compelling reasons for treating teenage sexting differently than child pornography. The court stated that while legislation to specially address sexting by minors has been unsuccessful in the past, “in light of these policy concerns, such legislation ought to be considered by the General Assembly in the future.”

House Bill 180 (passed) establishes special procedures for juveniles who commit certain offenses involving or arising out of sexting. Specifically, the bill (1) establishes that, in juvenile court proceedings for violations of specified obscenity and child pornography laws, it is a mitigating factor that the violation involved or arose out of sexting; (2) prohibits the juvenile court from making certain dispositions for these violations, except under certain circumstances; (3) authorizes the juvenile court to order a child to participate in an educational program on the risks and consequences of sexting; and (4) establishes that a child who violates a provision of Title 11, Subtitle 2 of the Criminal Law Article (Obscene Matter) is not subject to sex offender registration.

Sexting means (1) the sending of a photograph, image, or video that depicts sexual conduct or sexual excitement, as those terms are defined in § 11-101 of the Criminal Law Article, of oneself to another or of oneself and the recipient by mobile telephone, computer, or other electronic or digital device or (2) the receipt and retention of a photograph, image, or video described above. Sexting does not include conduct described above if (1) the sender is more than four years older than the recipient; (2) the recipient is more than four years older than the sender; (3) the child did not consent to committing the conduct constituting the violation; or (4) the child was coerced, threatened, or intimidated into committing the conduct constituting the violation.

It is a mitigating factor in a juvenile court proceeding for a violation of § 11-203 (sale or display of obscene item to minor), § 11-207 (production or distribution of child pornography), or § 11-208 (possession of child pornography) of the Criminal Law Article that the violation involved or arose out of sexting. When determining a disposition on a finding that a child committed a violation of §§ 11-203, 11-207, or 11-208, the juvenile court (1) must take into consideration whether the mitigating factor described above applies to the case; (2) may not make a disposition of community detention or commit the child to the custody or under the guardianship of the Department of Juvenile Services (DJS), the Maryland Department of Health, or a public or licensed private agency if the violation involved or arose out of sexting, unless the court finds and explains on the record, verbally and in writing, that extraordinary circumstances exist to warrant committed custody; and (3) may order a child whose violation involved or arose out of sexting to participate in an age-appropriate educational program on the risks and consequences of possessing, sending, displaying, and publishing photographs, images, and videos that depict sexual conduct or sexual excitement.

Department of Juvenile Services

Educational Programs

Currently, the Maryland State Department of Education (MSDE) is responsible for educating juveniles within residential facilities operated by DJS. *Senate Bill 497 (passed)* repeals statutory provisions regarding the Juvenile Services Education Program within MSDE and instead establishes a Juvenile Services Education Board as an independent unit within DJS to oversee and provide for educational services to all juveniles who are in a residential facility operated by DJS. For a more detailed discussion of *Senate Bill 497*, see the subpart “Education – Primary and Secondary” within Part L – Education of this *90 Day Report*.

Departmental Deputy Secretaries

The Secretary of Juvenile Services, with the approval of the Governor, may appoint two deputy secretaries as necessary. *Senate Bill 146 (Ch. 128)* authorizes the appointment of three deputy secretaries. Deputy Secretaries serve at the pleasure of the Secretary, have the duties provided by law or delegated by the Secretary, and are entitled to the compensation provided in the State budget.

Public Safety

Law Enforcement

Maryland Police Accountability Act of 2021

Due to growing concerns surrounding police misconduct, on May 30, 2020, Speaker of the House Adrienne A. Jones and House Judiciary Committee Chairman Luke Clippinger created an interim Workgroup to Address Police Reform and Accountability in Maryland. The workgroup was charged with (1) reviewing policies and procedures relating to the investigation of police misconduct, including the Law Enforcement Officers’ Bill of Rights (LEOBR); (2) determining the viability of uniform statewide use of force policies and arrest procedures; (3) reviewing practices regarding the use of body cameras and disclosure of body camera footage; and (4) identifying national best practices for independent prosecution of law enforcement-related crimes.

The workgroup held eight meetings between June and October 2020 and received testimony from Maryland Police Training and Standards Commission (MPTSC), national experts on criminology and policing, public interest advocates, members of the public, law enforcement representatives, the Office of the Public Defender, and State’s Attorneys.

On December 1, 2020, the workgroup published a report with 12 multi-part recommendations. Many of the recommendations were incorporated into *House Bill 670 (Ch. 59)*. Numerous other pieces of legislation relating to police reform were also considered during the 2021 session.

Police Discipline and Law Enforcement Programs and Procedures: House Bill 670 takes effect July 1, 2022, as specified, and makes various changes that generally relate to law enforcement including altering requirements for police officers during traffic stops, establishing higher education financial assistance programs for police officers, increasing civil liability limits applicable to police misconduct lawsuits, and repealing LEOBR and establishing provisions that relate to a statewide accountability and discipline process for police officers.

Traffic Stops: At the commencement of a traffic stop or other stop, absent exigent circumstances, a police officer must (1) display proper identification to the stopped individual and (2) provide to the stopped individual the officer's name, the officer's identification number, as specified, and the reason for the traffic stop or other stop. A police officer's failure to comply with these requirements (1) may be grounds for administrative disciplinary action against the officer and (2) may not serve as the basis for the exclusion of evidence under the exclusionary rule. A police officer may not prohibit or prevent a citizen from recording the police officer's actions if the citizen is otherwise acting lawfully and safely.

Educational Assistance: The Act establishes the Maryland Loan Assistance Repayment Program for Police Officers to assist in the repayment of a higher education loan owed by a police officer who meets specified requirements. The Office of Student Financial Assistance must adopt regulations to implement the program, which must include a limit on the total amount of assistance provided by the office in repaying the loan of an eligible individual, based on the individual's total income and outstanding higher education loan balance. The Governor must include an annual appropriation of at least \$1.5 million in the State budget for the program.

The Act also establishes the Maryland Police Officers Scholarship Program to provide tuition assistance. A recipient of a scholarship must meet specified requirements, including satisfying any additional criteria that the Maryland Higher Education Commission may establish. A recipient of a scholarship must repay the commission the funds received if the recipient does not satisfy or fulfill the specified program requirements. The Governor must include in the annual budget bill an appropriation of at least \$8.5 million to the commission to award scholarships, of which \$6.0 million must be used for students intending to become police officers after graduation and \$2.5 million must be used for existing police officers.

Civil Liability: The Act increases the limits on civil liability for claims subject to the Maryland Tort Claims Act (MTCA) and the Local Government Tort Claims Act (LGTC) that arise from intentional tortious acts or omissions or a violation of a constitutional right committed by a law enforcement officer to \$890,000 for all claims arising out of the same incident or occurrence, regardless of the number of claimants or beneficiaries who share in the award for both economic and noneconomic damages. For the MTCA, the limit is increased from \$400,000 to a single claimant for injuries arising from a single incident or occurrence, and for the LGTC, the limit is increased from \$400,000 per an individual claim and \$800,000 per total claims that arise from the same occurrence.

Police Accountability and Discipline: LEOBR was enacted in 1974 to guarantee police officers specified procedural safeguards in any investigation that could lead to disciplinary action.

It extends to police officers of specified State and local agencies but does not extend to any correctional officers in the State. LEOBR extends uniform protections to officers in two major components of the disciplinary process: (1) the conduct of internal investigations of complaints that may lead to a recommendation of disciplinary action against a police officer; and (2) procedures that must be followed once an investigation results in a recommendation that an officer be discipline. The Act repeals LEOBR in its entirety and establishes new provisions relating to a discipline process for police officers.

Police Accountability Boards: The Act requires each county to have a police accountability board to (1) hold quarterly meetings with heads of law enforcement agencies and otherwise work with law enforcement agencies and the county government to improve matters of policing; (2) appoint civilian members to charging committees and trial boards; (3) receive complaints of police misconduct filed by members of the public; (4) on a quarterly basis, review outcomes of disciplinary matters considered by charging committees; and (5) by December 31 each year, submit a report to the governing body of the county that identifies any trends in the disciplinary process of police officers in the county and makes recommendations on changes to policy that would improve police accountability in the county. The local governing body must (1) establish the membership of a police accountability board, establish the budget and staff for a police accountability board, appoint a chair of the police accountability board who has relevant experience to the position and (2) establish the procedures for record keeping by a police accountability board. An active police officer may not be a member of a police accountability board.

House Bill 670 also establishes requirements for the contents of a complaint of police misconduct filed with a police accountability board and the process after the complaint is filed.

Administrative Charging Committees: The Act requires each county to have one administrative charging committee to serve countywide law enforcement agencies and local law enforcement agencies within the county. In addition, there must be at least one statewide administrative charging committee to serve statewide and bi-county law enforcement agencies. The Act establishes the composition and requirements for the committees and requires that before serving as a member of an administrative charging committee, an individual must receive training on matters relating to police procedures from MPTSC.

In executing its duties, an administrative charging committee may (1) request information or action from the law enforcement agency, as specified; (2) if the police officer is not administratively charged, make a determination that the allegations against the police officer are unfounded or the police officer is exonerated; and (3) record, in writing, any failure of supervision that caused or contributed to a police officer's misconduct.

Disciplinary Matrix: ***House Bill 670*** requires MPTSC to develop and adopt, by regulation, a model uniform disciplinary matrix for use by each law enforcement agency in the State. Each law enforcement agency must adopt the matrix.

Within 15 days after an administrative charging committee issues an administrative charge against a police officer, the chief of the law enforcement agency must offer discipline to the police

officer who has been administratively charged in accordance with the disciplinary matrix. The chief may offer the same discipline that was recommended by the administrative charging committee or a higher degree of discipline within the applicable range of the disciplinary matrix but may not deviate below the discipline recommended by the administrative charging committee.

If the police officer accepts the chief's offer of discipline, then the offered discipline must be imposed. If the police officer does not accept the chief's offer of discipline, then the matter must be referred to a trial board. At least 30 days before a trial board proceeding begins, the police officer must be (1) provided a copy of the investigatory record; (2) notified of the charges against the police officer; and (3) notified of the disciplinary action being recommended.

Trial Board Process: The Act requires each law enforcement agency to establish a trial board process to adjudicate matters for which a police officer is subject to discipline. A small law enforcement agency may use the trial board process of another law enforcement agency by mutual agreement.

Proceedings of a trial board must be open to the public, with specified exceptions. A law enforcement agency has the burden of proof by a preponderance of the evidence. A police officer may be disciplined only for cause. Within 30 days after the date of issuance of a decision of a trial board, the decision may be appealed by the employee. An appeal taken from a trial board decision must be on the record. A trial board decision that is not appealed is final.

Suspensions and Terminations: Pending an investigatory, administrative charging committee, and trial board process, the chief may impose an emergency suspension with or without pay under specified circumstances and under specified circumstances, the suspended police officer is entitled to receive back pay. The chief must terminate the employment of a police officer who is convicted of a felony and may terminate the employment of a police officer who receives a probation before judgment for a felony or is convicted of a misdemeanor committed in the performance of duties as a police officer; misdemeanor second degree assault; or a misdemeanor involving dishonesty, fraud, theft, or misrepresentation.

In connection with a disciplinary matter, a police officer may be required to submit to blood alcohol tests; blood, breath, or urine tests for controlled dangerous substances; polygraph examinations; or interrogations that specifically relate to the subject matter of the investigation; however, the test, examination, and interrogation are not admissible or discoverable in a criminal proceeding against the officer, and the polygraph examination is not admissible or discoverable in a civil or criminal proceeding against the officer. If a police officer is required to submit to a test, examination, or interrogation and the police officer refuses to do so, the law enforcement agency may commence an action that may lead to a punitive measure as a result of the refusal.

Victims' Rights Advocates: *House Bill 670* further requires each law enforcement agency to designate an employee as a victims' rights advocate to act as the contact for the public within the agency on matters related to police misconduct with specified duties.

Each law enforcement agency must create a database that enables a complainant to enter the complainant's case number to follow the status of the case.

Rights of Police Officers: A police officer who is the subject of a complaint of police misconduct and a complainant may have the assistance of a representative in connection with disciplinary proceedings. In addition, a police officer may not be discharged, disciplined, demoted, or denied promotion, transfer, or reassignment, or otherwise discriminated against or threatened in regard to the police officer’s employment because the police officer (1) disclosed information that evidences mismanagement, a waste of government resources, a danger to public health or safety, or a violation of law or policy committed by another police officer or (2) lawfully exercised constitutional rights. A police officer may not be denied the right to bring suit arising out of the police officer’s official duties. A police officer has the same rights to engage in political activity as a State employee, except when on duty. A law enforcement agency may not prohibit secondary employment by a police officer.

Collective Bargaining: A law enforcement agency may not negate or alter any of the requirements of the Act through collective bargaining.

Expungement and Destruction of Records: A record relating to an administrative or criminal investigation of misconduct by a police officer, including an internal affairs investigatory record, a hearing record, and records relating to a disciplinary decision, may not be expunged or destroyed by a law enforcement agency.

MPTSC: *House Bill 670* alters the composition of the MPTSC and adds to the duties of MPTSC by requiring the commission to (1) develop a training program for individuals who will be serving as a member of a trial board, administrative charging committee, or the commission; (2) hold law enforcement agencies accountable for violations of the Maryland Use of Force Statute and work with the Comptroller and the Governor’s Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) to ensure that State grant funding is withheld from a law enforcement agency that violates those provisions; (3) develop and require a test and training for implicit bias (subject to the availability of implicit bias testing standards that are generally accepted by experts in the field of police psychology), as specified.

The requirements for certification of a police officer by MPTSC are expanded to require each individual to submit to (1) a specified mental health screening (instead of a psychological evaluation) and (2) a specified physical agility assessment.

The commission may suspend or revoke the certification of a police officer if the police officer violates the Maryland Use of Force Statute. The commission must revoke the certification of a police officer if the police officer was convicted of a felony, was convicted of perjury or another misdemeanor relating to truthfulness and veracity; or was previously fired or resigned while being investigated for serious misconduct or use of excessive force.

The commission must create a statewide database to track police officer decertification due to improper use of force. An individual who applies for a position as a police officer must disclose to the hiring law enforcement agency all prior instances of employment as a police officer at other law enforcement agencies and authorize the hiring law enforcement agency to obtain the police officer’s full personnel and disciplinary record from each law enforcement agency that previously

employed the police officer. The hiring law enforcement agency must certify to the commission that the law enforcement agency has reviewed the applicant's disciplinary record.

Swat Team Reports: *House Bill 670* also restores the data collection and reporting program related to law enforcement "SWAT team" activities that was established by Chapters 542 and 543 of 2009 and that terminated June 30, 2014. Beginning July 1, 2022, the information must be reported every six months to GOCPYVS. GOCPYVS must analyze and summarize the reports submitted by law enforcement agencies and by September 1 each year, GOCPYVS must publish the report on its website and submit it to the Governor, the General Assembly, and each law enforcement agency. GOCPYVS must report noncompliance to MPTSC. MPTSC must request compliance, and GOCPYVS and MPTSC must jointly report further noncompliance, as specified.

Use of Force Reporting: By March 1 each year, each law enforcement agency must submit to MPTSC the number of use of force complaints made against its police officers during the previous calendar year, as specified and by July 15 each year, MPTSC must post on its website and submit to the General Assembly a compendium of the information submitted by the law enforcement agencies. If a law enforcement agency has not submitted the report by July 1 for the previous calendar year, GOCPYVS may not make any grant funds available to that law enforcement agency.

Posting Complaints: The Act requires each law enforcement agency to post in a prominent public location an explanation of the procedures for filing a complaint of police officer misconduct and a request to obtain records relating to an administrative or criminal investigation of misconduct by a police officer under the Public Information Act (PIA).

Body-worn Cameras, Employee Programs, and Use of Force: *Senate Bill 71* contains provisions relating to body-worn cameras (BWC), employee programs, and use of force.

Body-worn Cameras: By July 1, 2023, the Department of State Police (DSP), the Anne Arundel County Police Department, the Howard County Police Department, and the Harford County Sheriff's Office must require the use of a BWC by each law enforcement officer employed by the law enforcement agency who regularly interacts with members of the public as part of the law enforcement officer's official duties, subject to the agency's policy on the use of BWCs. A law enforcement agency of a county that is not subject to the July 1, 2023 deadline must comply with the aforementioned requirement by July 1, 2025.

A law enforcement agency subject to the Act's BWC requirements must develop and maintain a written policy consistent with the policy published by MPTSC for the use of BWCs. The policy must specify which law enforcement officers employed by the law enforcement agency are required to use BWCs. A BWC that possesses the requisite technological capability must automatically record and save at least 60 seconds of video footage immediately prior to the officer activating the record button on the device.

A law enforcement agency may not negate or alter any of the requirements or policies established in accordance with the Act through collective bargaining.

The Act extends the termination date of the Law Enforcement Body Camera Task Force from June 30, 2021, to June 30, 2023 and expands the required duties of the Task Force. The Task Force must report its findings and recommendations to the General Assembly by December 1, 2022.

Employee Programs: The Act alters a provision of current law that requires each law enforcement agency to establish a confidential and nonpunitive early intervention policy for counseling officers who receive three or more citizen complaints within a 12-month period to require the establishment of a confidential and nonpunitive early intervention system to identify police officers who are at risk of engaging in the use of excessive force and to provide the officers with training, behavioral interventions, reassignments, or other appropriate responses to reduce the risk of the use of excessive force. Such a system may not prevent the investigation of or imposition of discipline for any particular complaint. In addition, the Act requires each law enforcement agency to provide access to an employee assistance program for all police officers that the law enforcement agency employs, which must provide access to specified confidential mental health services.

Maryland Use of Force Statute: Each police officer must sign an affirmative written sanctity of life pledge to respect every human life and act with compassion toward others. A police officer may not use force against a person unless, under the totality of the circumstances, the force is necessary and proportional to (1) prevent an imminent threat of physical injury to a person or (2) effectuate a legitimate law enforcement objective. A police officer must cease the use of force as soon as (1) the person on whom the force is used is under the police officer’s control or no longer poses an imminent threat of physical injury or death to the police officer or to another person or (2) the police officer determines that force will no longer accomplish a legitimate law enforcement objective. The Act also specifies duties for a police officer, a police supervisor, and a law enforcement agency relating to the use of force. A police officer who intentionally violates the Act’s use of force requirements, resulting in serious physical injury or death to a person is guilty of a misdemeanor, punishable by imprisonment for up to 10 years.

General fund expenditures are projected to increase by \$2.6 million in fiscal 2023 for the Department of State Police to comply with the Act’s BWC requirements. Significant expenditures are also expected for certain counties to comply with the Act’s BWC requirements.

Search Warrants and Inspection of Records Relating to Police Misconduct: *Senate Bill 178 (Ch. 62)* contains provisions relating to search warrants and inspection of records relating to police misconduct.

Search Warrants: The Act requires an application for a no-knock search warrant to be approved in writing by a police supervisor and the State’s Attorney. It repeals as an authorized basis for a no-knock search warrant that the property subject to seizure may be destroyed, disposed of, or secreted, and sets forth a number of items that must be included in an application for a no-knock search warrant. The Act also requires that a no-knock search warrant be executed between 8:00 a.m. and 7:00 p.m., absent exigent circumstances. In addition, the Act reduces, from

15 days to 10 days, the time within which a search warrant must be executed after issuance and sets forth requirements and prohibitions for police officers while executing a search warrant.

Inspection of Records: The Act establishes that, except for a record of a “technical infraction,” a record relating to an administrative or criminal investigation of misconduct by a law enforcement officer, including an internal affairs investigatory record, a hearing record, and records relating to a disciplinary decision, is not a personnel record for purposes of PIA. Thus, such records are not subject to mandatory denial of inspection under PIA; instead, they are subject to discretionary denial as provided under PIA. However, a custodian must allow inspection of such records by the U.S. Attorney, the Attorney General, the State Prosecutor, or the State’s Attorney for the jurisdiction relevant to the record. In addition, a custodian must redact the portions of a record that reflects medical information of the person in interest, personal contact information of the person in interest or a witness, or information relating to the family of the person in interest. A custodian may redact the portions of a record to the extent that the record reflects witness information. A custodian must notify the person in interest when the record is inspected, but may not disclose the identity of the requestor to the person in interest. “Technical infraction” means a minor rule violation by an individual solely related to the enforcement of administrative rules that (1) does not involve an interaction between a member of the public and the individual; (2) does not relate to the individual’s investigative, enforcement, training, supervision, or reporting responsibilities; and (3) is not otherwise a matter of public concern.

The Act must be construed to apply prospectively to any PIA request made on or after the bill’s October 1, 2021 effective date, regardless of when the requested record was created.

Search Warrant Reporting: A law enforcement agency must report specified information relating to search warrants executed by the law enforcement agency during the prior calendar year to GOCPYVS. MPTSC, in consultation with GOCPYVS, must develop a standardized format for each law enforcement agency to use in reporting the data.

GOCPYVS must analyze and summarize the reports submitted by law enforcement agencies. By September 1 each year, GOCPYVS must submit a report of the analyses and summaries to the Governor and General Assembly and publish the report on its website. If a law enforcement agency fails to comply with the reporting requirements, after specified notifications, GOCPYVS and MPTSC must jointly report the noncompliance to the Governor and Legislative Policy Committee of the General Assembly.

Surplus Military Equipment and Investigation of Deaths Caused by Police Officers: *Senate Bill 600 (passed)* prohibits a law enforcement agency from receiving certain equipment from a surplus program operated by the federal government. It also establishes an Independent Investigative Unit within the Office of the Attorney General (OAG) to investigate police-involved deaths. For a further discussion of *Senate Bill 600*, see the subpart “Criminal Procedure” within this part of this *90 Day Report*.

Baltimore City

Control of the Police Department of Baltimore City: *Senate Bill 786 (passed)* establishes the Baltimore Police Department (BPD) as an agency and instrumentality of Baltimore City (rather than the State of Maryland) contingent on the passage of an amendment to the Charter of Baltimore City that provides the transfer of control of BPD to Baltimore City and its ratification by the voters of Baltimore City at either the 2022 or the 2024 general election. In addition, the bill establishes an Advisory Board on the Transfer of Control of the Police Department of Baltimore City to study potential issues related to the transfer.

Promotional Appointments: *Senate Bill 752 (passed)* (1) alters provisions relating to the number of applicants included on an eligible list prepared for use by the Commissioner of BPD when making promotional appointments to require that such appointments be made from the top or highest 25% of the positions on the list, as specified, instead of the top or highest five positions on the list; (2) requires that subsequent appointments be filled from the top or highest remaining and available candidates on the eligible list; and (3) renames the procedure from the “Rule of Five” to the “Rule of 25%.” In addition, the bill authorizes the commissioner to remove eligible appointees from the list under specified circumstances.

Nondisparagement Clauses: *Senate Bill 364 (passed)* prohibits the inclusion of and declares unenforceable a nondisparagement clause in a settlement agreement or any general release of liability between the parties to a claim or suit asserting misconduct in the performance of duties by a law enforcement officer of a law enforcement agency of an institution of higher education. The bill only applies in Baltimore City. For a further discussion of *Senate Bill 364*, see the subpart “Civil Actions and Procedures” within Part F – Courts and Civil Proceedings of this *90 Day Report*.

Prohibited Sexual Activity

Senate Bill 43 (passed) expands the list of individuals with which a law enforcement officer is statutorily prohibited from engaging in certain sexual activity. For a further discussion of *Senate Bill 43*, see the subpart “Criminal Law” within this part of this *90 Day Report*.

Reporting on Monetary Settlements and Judgements

House Bill 1248 (passed) requires, by March 1, 2022, and each March 1 thereafter, each local law enforcement agency to report to GOCPYVS specified information on each use of force incident, for the previous calendar year, involving a police officer employed by the law enforcement agency that resulted in a monetary settlement or judgment against the law enforcement agency. GOCPYVS must (1) adopt procedures for the collection and analysis of the required information; (2) by June 30 each year, compile and submit an annual report on the required information to the General Assembly; and (3) annually post the required report on its website.

Administration of Ketamine

Senate Bill 78 (passed) requires the Maryland Institute for Emergency Medical Services Systems (MIEMSS), by October 1, 2022, and annually through 2024, to collect specified data from State and local emergency medical services (EMS) providers on the administration of ketamine by EMS providers in the prior 12-month period. The data collected may not contain information that reveals the identity of an individual who received a medical treatment using ketamine. By December 1, 2022, and annually through 2024, the Director of MIEMSS must report to the General Assembly on the data collected.

Retired Law Enforcement K-9s

According to DSP, the average service life of a law enforcement dog is eight years, followed by an expected post service life of four years. **Senate Bill 156 (Ch. 90)** requires a State or local law enforcement agency that removes a publicly owned dog used in law enforcement work from duty to reimburse an individual who takes possession of the dog, as specified, for reasonable and necessary veterinary treatment provided to the dog. The Act establishes limits on the amount of reimbursement and allows State and local law enforcement agencies to accept donations to meet the bill's requirements. The Act also (1) establishes the K-9 Compassionate Care Fund within DSP to provide for veterinary care of retired State law enforcement dogs adopted pursuant to the bill and (2) authorizes a local law enforcement agency to establish a separate fund, as specified.

Firearms

Rifles and Shotguns

During the 2020 session, the General Assembly passed Senate Bill 208/House Bill 4 which require, with specified exceptions, that a licensed firearms dealer facilitate the sale, rental, or transfer of a rifle or shotgun and set forth other requirements and prohibitions relating to the sale of rifles and shotguns. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 session, and the bills became law in February 2021 as Chapters 11 and 35.

Study Extension

House Bill 1186 (passed) extends the termination date of Chapter 491 of 2020 from December 31, 2022, to December 31, 2024, and modifies the provisions of that Act. Specifically, the bill extends the requirement for OAG to (1) study information regarding "firearm crimes" committed in the State since August 1, 2015, as specified; (2) identify specified information for each 9-1-1 request for emergency assistance involving a firearm crime; (3) study information regarding "firearm injuries and fatalities" occurring in the State since July 1, 2020, as specified; and (4) with regard to "crime firearms," study, report, compile, collect, and gather specified information. The bill also authorizes OAG to access certain information from the District Court concerning certain protective orders for specified research purposes. In addition, the bill (1) extends, by one year, specified dates by which OAG must report to the Governor and the General Assembly specified findings and conclusions regarding firearm crimes committed,

firearm injuries and fatalities occurring, and crime firearms recovered and (2) requires an additional report with similar specified information.

Correctional Services

Immigrant Detention

Federal law does not mandate that state and local law enforcement agencies become involved in immigration efforts. However, federal law does prohibit a state or local government from prohibiting or in any way restricting any government entity or official from sending to or receiving from the U.S. Immigration, Customs, and Enforcement Division (ICE) information regarding the citizenship or immigration status, lawful or unlawful, of any individual. It also prohibits restrictions on any of the following with respect to information regarding the immigration status, lawful or unlawful, of any individual (1) sending such information to, or requesting or receiving such information from, ICE; (2) maintaining such information; or (3) exchanging such information with any other federal, state, or local government authority.

House Bill 16 (passed) prohibits the State or any local jurisdiction from (1) entering into an agreement of any kind for the detention of individuals in an immigration detention facility owned, managed, or operated, in whole or in part, by a private entity; (2) paying, reimbursing, subsidizing, or defraying in any way any costs related to the sale, purchase, construction, development, ownership, management, or operation of an immigration detention facility that is or will be owned, managed, or operated, in whole or in part, by a private entity; (3) receiving any payment related to the detention of individuals in an immigration detention facility owned, managed, or operated in whole or in part, by a private entity; or (4) otherwise giving any financial incentive or benefit to any private entity or person in connection with the sale, purchase, construction, development, ownership, management, or operation of an immigration detention facility that is or will be owned, managed, or operated, in whole or in part, by a private entity.

With specified exceptions and requirements, the State, local governments, and specified State and local agents are prohibited from approving a zoning variance or issuing a permit for the construction of a building or the reuse of existing buildings or structures by any private entity for use as an immigration detention facility. The State, local governments, and specified State and local agents are prohibited from entering into or renewing an immigration detention agreement. Those with an existing immigration detention agreement must exercise the termination provision contained in the immigration detention agreement no later than October 1, 2022. In any dispute over an immigration detention agreement with the State, the provisions of the bill govern. However, the bill's provisions may not be construed to authorize or prohibit the State, local governments, and specified State and local agents from entering into an agreement with the federal government under 8 U.S.C. § 1357(g).

Additionally, *House Bill 16* prohibits law enforcement agents, during the performance of regular police functions, from (1) inquiring about an individual's citizenship, immigration status, or place of birth during a stop, a search, or an arrest; (2) detaining, or prolonging the detention of

an individual for the purpose of investigating the individual's citizenship or immigration status or based on the suspicion that the individual has committed a civil immigration violation; (3) transferring an individual to federal immigration authorities unless required by federal law; or (4) coercing, intimidating, or threatening an individual based on the actual or perceived citizenship or immigration status of the individual or the individual's family.

Education Requirements

The Federal Bureau of Prisons requires inmates who do not have a high school diploma or GED certificate to participate in an education program for a minimum of 240 hours or until they obtain the GED. In Maryland, the Correctional Education Council is required to develop and recommend an educational and workforce training program for adult correctional institutions in the State. Generally, these programs require an inmate to take education classes for at least 120 calendar days or participate in a workforce skills training program, as specified. After earning their GED or high school diploma, inmates are eligible for occupational programs or advanced education at a local partnering college. *Senate Bill 86 (Ch. 98)* doubles the minimum number of days, from 120 calendar days to 240 calendar days, that a nonexempt inmate must participate in the mandatory education program.

Inmate Training and Job Act of 2021

Senate Bill 800 (passed) establishes the Inmate Training and Job Pilot Program at specified institutions of postsecondary education to provide educational and vocational training opportunities for inmates in the 12 months preceding their release. For further discussion of the Inmate Training and Job Pilot Program, see the subpart "Higher Education" within Part L – Education of this *90 Day Report*.

Warrant Apprehension Unit

The Warrant Apprehension Unit (WAU) was operationally transferred to the Intelligence and Investigative Division (IID) in the Department of Public Safety and Correctional Services (DPSCS) in 2015. WAU within DPSCS is authorized to (1) execute warrants for the retaking of offenders; (2) execute warrants for the arrest of probationers for whom a warrant is issued for an alleged violation of probation; (3) obtain and execute search warrants in connection with offenders in the State's home detention program as authorized by statute; and (4) arrest offenders in the State's home detention program as authorized by statute. WAU employees who are authorized to make arrests must meet minimum qualifications required by MPTSC and satisfactorily complete training prescribed by the commission. An employee in the unit who is authorized to make arrests is also authorized to exercise the powers of a peace officer and a police officer. *Senate Bill 118 (Ch. 127)* codifies the transfer of the WAU to the IID in the department. The authorizations and requirements for WAU are not changed by the bill.

Prerelease Unit for Women

During the 2020 session, the General Assembly passed Senate Bill 684 to, among other requirements, require the Commissioner of Correction within DPSCS to operate a comprehensive

rehabilitative prerelease unit for women that is a separate structure in which specified services are provided, has security features for specified female inmates, and matches a specified security level. The Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 session and the bill became Chapter 16 of 2021.

Diminution Credits – Education

House Bill 89 (passed) authorizes diminution credits to reduce the term of confinement of an inmate who completes certain educational programs. For a further discussion of House Bill 89, see the subpart “Criminal Procedure” within this part of this *90 Day Report*.

Crime Prevention Measures

Crime Plan and Law Enforcement Councils

During the 2020 session, the General Assembly passed Senate Bill 907 to establish the Law Enforcement Coordinating Council within DSP to prevent and reduce crime, among other requirements. The Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 session and the bill became Chapter 19 of 2021.

Public Resources Organizing to End Crime Together Program

During the 2020 session, the General Assembly passed Senate Bill 929 which establishes the Public Resources Organizing to End Crime Together (P.R.O.T.E.C.T.) Program and related requirements for DSP, DPSCS, the Department of Juvenile Services, and GOCPYVS with mandated appropriations. The Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 session and the bill became Chapter 20 of 2021.

Maryland Violence Intervention and Prevention Program Fund and Advisory Council – Alterations

During the 2020 session, the General Assembly passed Senate Bill 708 to alter provisions relating to the Maryland Violence Intervention and Prevention Program Fund and advisory council with mandated appropriations. The Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 session and the bill became Chapter 17 of 2021.

Emergency and Crisis Management

Maryland Department of Emergency Management

Senate Bill 658/House Bill 990 (both passed) establish the Maryland Department of Emergency Management (MDEM) as a principal department of the Executive Branch of State government and as the successor to the Maryland Emergency Management Agency (MEMA). All duties and responsibilities associated with MEMA’s existing functions continue under MDEM. The bills also transfer the Maryland 9-1-1 Board from DPSCS to MDEM. Employees transferred

under the bills are transferred without any change in pay and retain all rights, status, and merit system and retirement status they may have on the date of transfer.

9-1-1 System Alterations

Senate Bill 714/House Bill 989 (both passed) make various changes to the regulatory structure governing the State’s 9-1-1 system related to 9-1-1 service outages, Maryland 9-1-1 Board composition and responsibilities, authorized uses of the 9-1-1 Trust Fund, and multi-line telephone systems. The bills also establish study and reporting requirements for the University System of Maryland and the Commission to Advance Next Generation 9-1-1 Across Maryland.

Resilient Loan Fund

Senate Bill 901 (passed) establishes the Resilient Maryland Revolving Loan Fund within MEMA. The revolving loan fund is a special, nonlapsing fund with the stated purpose of providing loans for local resilience projects that address mitigation of all hazards, including natural disasters.

States of Emergency

Senate Bill 780/House Bill 1003 (both passed) require the Governor or the head of a unit, when authorizing an emergency procurement during a declared state of emergency, to provide specified notice to the Legislative Policy Committee (LPC) within a specified time. The bills also require the Governor to provide specified notice to LPC and, if applicable, the Administrative, Executive, and Legislative Review Committee within a specified time after suspending the effect of a statute or rule or regulation during a declared state of emergency as authorized under State law. For a further discussion of *Senate Bill 780/House Bill 1003*, see the subpart “Procurement” within Part C – State Government of this *90 Day Report*.

Maryland Behavioral Health and Public Safety Center of Excellence

Senate Bill 857/House Bill 1280 (Chs. 68 and 69) establish the Maryland Behavioral Health and Public Safety Center of Excellence within GOCPYVS. For a further discussion of *Senate Bill 857/House Bill 1280*, see the subpart “Public Health – Generally” within Part J – Health and Human Services of this *90 Day Report*.

Miscellaneous – Residential Construction

House Bill 784 (passed) requires a builder (or a builder’s agent) of specified new housing units to provide each buyer or prospective buyer with the option to include in or on the garage, carport, or driveway either (1) an “electric vehicle charging station” capable of providing at least “Level 2 charging” or (2) a dedicated electric line of sufficient voltage to support the later addition of such a charging station. The builder (or the builder’s agent) must provide notice of these options and other specified information to each buyer or prospective buyer. The bill applies only prospectively to any new construction for which a building permit is issued on or after the bill’s October 1, 2021 effective date.

Part F

Courts and Civil Proceedings

Judges and Court Administration

Courts of Appeals and Special Appeals – Renaming

The Maryland Constitution establishes the Court of Appeals as the highest court in the State. Among other powers, the Court of Appeals adopts rules to govern practice, procedure, and judicial administration and may review a case decided by the Court of Special Appeals by exercising its discretion in granting a petition for *certiorari* (*i.e.*, on review) or electing to transfer a case filed in, but not already decided by, the Court of Special Appeals. The Court of Special Appeals is established by statute, pursuant to constitutional authorization, as an intermediate appeals court with statewide jurisdiction. It hears almost all initial appeals from circuit courts and orphans' courts.

Senate Bill 666/House Bill 885 (Chs. 82 and 83) propose an amendment to the Maryland Constitution that, if approved by the voters at the 2022 general election, renames the Court of Appeals as the Supreme Court of Maryland and renames the Court of Special Appeals as the Appellate Court of Maryland. A Justice of the Supreme Court of Maryland is the successor to a Judge of the Court of Appeals, and the Chief Justice of the Supreme Court of Maryland is the successor to the Chief Judge of the Court of Appeals. A Judge of the Appellate Court of Maryland is the successor to a Judge of the Court of Special Appeals, and the Chief Judge of the Appellate Court of Maryland is the successor to the Chief Judge of the Court of Special Appeals. The Clerk of the Supreme Court of Maryland is the successor to the Clerk of the Court of Appeals, and the Clerk of the Appellate Court of Maryland is the successor to the Clerk of the Court of Special Appeals. Previous names and titles have the same meaning as the new names and titles in all laws, executive orders, rules, regulations, policies, or documents created by a State official, employee, or unit.

Orphans' Courts

Under the Maryland Constitution, each county elects, for a term of four years, three judges to the orphans' court of their respective jurisdictions, with the exception of Harford and

Montgomery counties, where a circuit court judge sits as the orphans' court. The orphans' courts are the State's probate courts. The courts supervise the handling of estates and also have certain jurisdiction over the guardianship of minors and their property.

House Bill 681 (passed) establishes the Task Force to Study the Maryland Orphans' Courts. The task force must (1) examine the composition and purpose of the orphans' courts; (2) review and compare the orphans' courts in each local jurisdiction; (3) analyze and compare the laws and practices of other states relating to probate courts; (4) examine any other research, analysis, or guidance related to the best practices of probate courts; and (5) make recommendations on how to improve the orphans' courts. The task force must report its findings and recommendations to the Governor and the General Assembly by January 1, 2022.

Circuit Court Real Property Records Improvement Fund

The Circuit Court Real Property Records Improvement Fund supports all personnel and operating costs within the land records offices of the clerks of the circuit court. It further supports the maintenance costs of the Electronic Land Records Online Imagery System and its website. Since fiscal 2008, the fund has also been supporting the Judiciary's major information technology development projects. Revenues for the fund are generated through a recordation surcharge on all real estate transactions and surcharges on specified cases filed in the appellate courts, circuit courts, and District Court.

House Bill 251 (passed) authorizes the Judiciary to transfer up to \$12.0 million of the fiscal 2021 general fund appropriation for the Judiciary to the Circuit Court Real Property Records Improvement Fund on or before June 30, 2021. The bill also prohibits any amount transferred from reverting to the General Fund.

For a further discussion of **House Bill 251**, see the subpart "State Agencies, Offices, and Officials/Regulations" within Part C – State Government of this *90 Day Report*.

Counsel Appearance Fees

Under § 7-204 of the Courts and Judicial Proceedings Article, circuit court clerks in specified jurisdictions are required to collect fees for docketing the appearance of counsel. The appearance fees vary depending on the type of action being brought and the jurisdiction. Generally, the appearance fees are deposited into locally administered accounts and used for specified purposes that are locally funded, such as for the benefit of the circuit court law library and related equipment. Statutory provisions under § 7-204 neither specifically authorize nor prohibit the collection of appearance fees for counsel in domestic violence protective order cases.

Under § 4-504(c) of the Family Law Article, however, a petitioner in a domestic violence protective order case may not be required to pay a filing fee or costs for the issuance or service of an interim, temporary, or final protective order or a witness subpoena. Furthermore, eligibility for federal funding associated with the Violence Against Women Act requires that there be no fees or costs involved for victims who seek a protective order. **House Bill 744 (passed)** prohibits a circuit

court clerk from collecting a fee for docketing the appearance of a petitioner’s or a respondent’s counsel in a domestic violence protective order case. Although the Judiciary advises that the bill does not represent a substantive change, as it reflects existing practice, the bill does provide additional statutory clarification that appearance fees are not to be collected in such cases, while further ensuring that federal funding is protected.

Maryland Legal Services Corporation

The Maryland Legal Services Corporation (MLSC) is a statutorily created entity that provides funding for legal services in civil proceedings for persons with limited incomes. It receives State funding through the MLSC Fund. In addition to State funding from the Unclaimed Property Fund, as discussed below, the MLSC Fund receives funding from surcharges applied to civil filings in circuit court and the District Court. Attorneys are also required to place small or short-term client trust funds into an Interest on Lawyer Trust Accounts account, the interest on which is paid into the MLSC Fund. MLSC does not provide legal services directly but provides grants to eligible organizations that assist indigent clients in civil proceedings.

Funding

Abandoned Property: Statutory provisions under Title 17 of the Commercial Law Article set forth procedures regarding the treatment of abandoned property in the State, including procedures relating to the sale of abandoned property. All funds received by the State under Title 17 must be credited by the Comptroller to the Unclaimed Property Fund. ***Senate Bill 413/House Bill 514 (both passed)*** increase, from \$2.0 million to \$8.0 million, the required annual distribution by the Comptroller from the Unclaimed Property Fund to the MLSC Fund.

RELIEF Act: Senate Bill 496 (Ch. 39) authorizes \$3.0 million for a grant from the Administrative Office of the Courts to MLSC to pay for legal assistance for individuals facing eviction. For a further discussion of ***Senate Bill 496***, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Access to Counsel in Evictions Program

House Bill 18 (passed) establishes the Access to Counsel in Evictions Program, to be administered by MLSC, in order to provide specified low-income tenants in the State with access to legal representation in proceedings to evict or terminate a tenancy or housing subsidy. The bill establishes the Access to Counsel in Evictions Special Fund, also administered by MLSC, to fully implement access to legal representation in evictions and other related proceedings in the State. MLSC may contract with a designated organization (a nonprofit entity) to provide all or part of the services required under the bill and must designate and contract with appropriate community groups to conduct outreach and provide education to tenants locally and throughout the State regarding tenants’ rights and the access to legal representation. For a more detailed discussion of ***House Bill 18***, see the subpart “Real Property” within this part of this *90 Day Report*.

Court Dog Program

The Court Dog and Child Witness Program was established by Chapters 161 and 162 of 2020 to provide a facility dog or therapy dog to a child witness in any circuit court proceeding or other related court process. The program is voluntary in the circuit courts of counties that elect to participate. *Senate Bill 7/House Bill 186 (both passed)* rename the Court Dog and Child Witness Program to be the Court Dog Program and expand the voluntary program to any participating circuit court or District Court that offers a Veterans Treatment Court Program. A “Veterans Treatment Court” means a court-supervised, comprehensive, and voluntary treatment-based program for veterans. As of 2020, seven jurisdictions in Maryland are served by operational Veterans Treatment Courts (Anne Arundel, Dorchester, Prince George’s, Somerset, Wicomico, and Worcester counties and Baltimore City). The program’s expansion allows a facility dog or therapy dog to be provided to a veteran who is participating in a Veterans Treatment Court proceeding or related court process or meeting in the State, including (1) a status review with a judge or magistrate; (2) a meeting with an attorney; or (3) a meeting with a probation, pretrial, or court case manager.

Civil Actions and Procedures

Landlord/Tenant

In response to the COVID-19 pandemic’s economic impacts, the General Assembly considered a number of measures to provide relief to residential tenants. *House Bill 18 (passed)*, among other things, establishes access to counsel for individuals meeting certain qualifications in specified eviction and housing subsidy proceedings and modifies the procedures relating to failure-to-pay rent actions. The bill requires that, before a landlord may file a complaint for failure to pay rent, the landlord must provide the tenant with written notice of the landlord’s intent to file a claim in the District Court to recover possession of the residential premises if the tenant does not cure the unpaid rent within 10 days after the notice was provided to the tenant. For a more detailed discussion of *House Bill 18*, see the subpart “Real Property” within this part of this *90 Day Report*.

Amount in Controversy

Article 23 of the Maryland Declaration of Rights preserves the right to a jury trial in all civil proceedings where the amount in controversy exceeds \$15,000. *Senate Bill 669 (passed)* is a proposed constitutional amendment that, if approved by the voters at the November 2022 general election, would increase this amount in controversy threshold to more than \$25,000. *Senate Bill 670 (passed)* makes a corresponding statutory change necessary to implement the constitutional amendment and will take effect only if the amendment is approved by the voters.

Susceptible or Older Adults

Senate Bill 327 (passed) establishes a civil cause of action that a financially exploited “susceptible adult” or “older adult” may bring against a financial exploiter of the susceptible or

older adult. The cause of action authorized under the bill survives the death of the susceptible or older adult and is in addition to and cumulative with any other criminal or administrative claims, legal or equitable cause of action, and other remedies available to the susceptible or older adult. The bill authorizes specified individuals, as well as the Consumer Protection Division and the Division of Securities within the Office of the Attorney General, to bring an action on behalf of a susceptible or older adult. A plaintiff in an action brought under the bill may recover compensatory damages, treble damages, and other specified remedies.

Evidence

Senate Bill 335 (passed) requires a nongovernmental corporate party to file a copy of a disclosure statement (1) identifying any parent corporation and publicly held corporation owning 10% or more of its stock; (2) identifying any member or owner in a joint venture or limited liability corporation; (3) identifying all parties in a partnership or limited liability partnership; (4) identifying any corporate member, if the party is any other unincorporated association; or (5) stating that there is no such corporation. A nongovernmental corporate party must file one copy of the disclosure statement with its first appearance, pleading, petition, motion, response, or other request addressed to the court. The nongovernmental corporate party must file a supplemental statement if any of the relevant information changes.

Settlement and Judgment

The Baltimore City Code prohibits settlement agreements between Baltimore City and claimants for claims involving police misconduct or unlawful discrimination from including “non-disparagement clauses” that require the claimant to waive the claimant’s rights to make specified statements regarding the claim. *Senate Bill 364 (passed)* prohibits the inclusion of and declares unenforceable a nondisparagement clause in a settlement agreement or any general release of liability between the parties to a claim or suit asserting misconduct in the performance of duties by a law enforcement officer of a law enforcement agency of an institution of higher education. The bill only applies to a claim or suit arising in Baltimore City.

Peace Orders

An individual who does not meet specified relationship requirements under the domestic violence protective order statutes may file a petition for a peace order with the District Court or the District Court commissioner that alleges the commission of specified acts against the petitioner by the respondent, if the act occurred within 30 days before the filing of the petition. Such acts include an act that causes serious bodily harm, an act that places the petitioner in fear of imminent serious bodily harm, harassment, stalking, trespass, and malicious destruction of property.

Among the types of relief that may be included in a final peace order are provisions requiring a respondent to refrain from committing specified acts, contact, and harassment and to stay away from a person’s residence, school, or place of employment. Final peace orders can also direct the respondent or petitioner to participate in counseling or mediation and order either party to pay filing fees and costs. Relief granted in a final peace order is effective for the period stated

in the order but may not exceed six months. Statutory provisions set forth circumstances under which a final peace order may be modified, rescinded, or extended and a process for the shielding of related court records.

House Bill 289 (passed) authorizes an employer to file a petition for a peace order that alleges the commission of specified acts against the petitioner's employee at the employee's workplace. An employer must notify an employee before petitioning for a peace order. The bill extends application of most statutory provisions relating to the filing, issuance, modification, and extension of peace orders and the shielding of related court records to peace orders filed by employers on this basis. The bill prohibits an employer from retaliating against an employee for not providing information for or testifying at a peace order proceeding. Under the bill, an employer is immune from civil liability that may result from the failure of the employer to file a petition on behalf of an employee; however, this immunity provision terminates October 1, 2023.

Change of Name

Maryland Rule 15-901 governs the procedures for a petition for a change of name, except for name changes related to adoption or divorce. Unless the court on motion of the petitioner orders otherwise, notice of the name change action must be published one time in a newspaper of general circulation, as specified under the Rule. **Senate Bill 581/House Bill 39 (both passed)** require that a court, on motion by the petitioner, waive this publication requirement.

Family Law

Child Abuse and Neglect

Identification, Prevention, and Reporting – Online Course

Child abuse is the physical or mental injury of a child younger than age 18 that indicates the child's health or welfare is harmed or at substantial risk of being harmed by a (1) parent; (2) family or household member; (3) person who has permanent or temporary care or custody of the child; (4) person who has responsibility for supervision of the child; or (5) person who exercises authority over the child because of the person's position or occupation. Child abuse is also any sexual abuse of a child, whether physical injuries are sustained or not.

Health care practitioners, police officers, educators, and human service workers who are acting in a professional capacity, and who have reason to believe that a child has been subjected to abuse, must make a specified oral and written report to the local department of social services or the appropriate law enforcement agency. In general, members of these specified professions receive training on how to identify, prevent, and report suspected child abuse.

A person other than a health care practitioner, police officer, educator, or human service worker is also required to report child abuse to the local department of social services or the appropriate law enforcement agency. However, these individuals may not have the training necessary to identify the signs of abuse and to know how to prevent and report it to the appropriate

entities. *House Bill 9 (Ch. 84)* requires the Department of Human Services (DHS) to post on its website a free online course on the identification, prevention, and reporting of child abuse.

Investigation – Preliminary Report to State’s Attorney

After receiving a report of suspected abuse or neglect of a child who lives in Maryland that is alleged to have occurred in the State, the local department of social services and/or the appropriate law enforcement agency must promptly investigate the report to protect the health, safety, and welfare of the child or children. The local department, the appropriate law enforcement agencies, the State’s Attorney in each county and Baltimore City, the local health officer, and the local child advocacy center must enter into a written agreement that specifies standard operating procedures for the investigation and prosecution of suspected cases of child abuse or neglect.

Within 10 days after receiving the first notice of suspected abuse of a child who lives in this State that is alleged to have occurred in this State, the local department of social services or law enforcement agency must report the preliminary investigation findings to the local State’s Attorney. Within 5 business days after the investigation is completed, the local department and the law enforcement agency, if the law enforcement agency participated in the investigation, must make a complete written report of the findings to the local State’s Attorney.

Senate Bill 267 (Ch. 129) repeals the requirement for a local department of social services or a law enforcement agency to report, within 10 days after receiving the first notice of suspected child abuse that is alleged to have occurred in this State, the preliminary findings of the investigation to the local State’s Attorney. According to DHS, the preliminary report is obsolete because, in accordance with the current multidisciplinary practice model, the Office of the State’s Attorney is involved in a child abuse investigation at the outset of the case.

Military Family Advocacy Programs

Reports and records concerning child abuse and neglect are confidential and may not be disclosed unless permitted by one of a number of statutory exceptions. The disclosure of information regarding an applicant for or recipient of social services or child welfare services is not prohibited to an officer or employee of any state or local government, the United States, or a fiduciary institution if the officer or employee is entitled to the information in an official capacity and the disclosure is necessary to administer public assistance, medical assistance, social services, or child welfare service programs.

Military Family Advocacy Programs are programs established by the U.S. Department of Defense to address child abuse and neglect in military families. At military institutions where a memorandum of understanding (MOU) exists between such programs and local child welfare agencies, each agency agrees to shared case management, allowing the military program to coordinate with civilian child welfare agencies and provide military-specific services when appropriate. Federal law requires the Secretary of Defense to request each state to allow for the reporting to the Secretary of any report that the state receives of known or suspected instances of child abuse and neglect in which the person having care of the child is a member of the U.S. Armed Forces (or a spouse of the member).

Senate Bill 369/House Bill 646 (both passed) require a local department of social services that has a U.S. military installation located within its jurisdiction to enter into an MOU with the Military Family Advocacy Program. An MOU must establish procedures and protocols for (1) identifying an individual alleged to have committed abuse or neglect as military personnel; (2) reporting by a local department to a military family advocacy program when an investigation implicating military personnel has been initiated; and (3) maintaining confidentiality requirements under State and federal law.

Child Support

Chapters 383 and 384 of 2020 made numerous changes to statutory provisions regarding child support obligations, including (1) revising the schedule of basic child support obligations used to calculate child support amounts under the State’s child support guidelines; (2) establishing circumstances under which a court is authorized to decline to establish a child support obligation; and (3) requiring a court to take specified actions if there is a dispute as to whether a parent is “voluntarily impoverished.” The changes are set to take effect October 1, 2021, and have prospective application only. DHS previously anticipated that a new child support management system would be available in advance of this effective date and that necessary computer programming to reflect the 2020 legislation could be incorporated into the scheduled implementation of the new system. However, because of unanticipated delays with implementation, if Chapters 383 and 384 take effect as scheduled, DHS will need to incorporate its changes into both the new system and the existing child support system and will incur expenses to do so. ***House Bill 1339 (passed)*** therefore delays, until July 1, 2022, the effective date for Chapters 383 and 384.

Marriage Licenses and Certificates

Each circuit court clerk must keep in the clerk’s office a marriage license book that includes specified information, including a complete record of each license issued and a properly indexed record of the name of each individual who intends to be married. ***Senate Bill 488/House Bill 449 (both passed)*** specify that the clerk may keep this information as an electronic record.

The bills also repeal obsolete references to “husband” and “wife” beneath the designated spaces for the names of the parties to be married on a marriage license and certificate and instead substitute references to “party one” and “party two.”

Human Relations

Discrimination in Employment

In general, State law prohibits discrimination in employment based on an individual’s race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, genetic information, gender identity, or disability. The Maryland Commission on Civil Rights (MCCR) is

the State agency charged with the enforcement of laws prohibiting discrimination in employment, housing, public accommodations, and State contracting.

An individual alleging employment discrimination may file a complaint with MCCR within specified timeframes (a timely filed administrative complaint is generally necessary in order to bring a subsequent civil action that alleges an unlawful employment practice). Complaints regarding discrimination in employment must be filed with MCCR or a federal or local human relations commission. *Senate Bill 455/House Bill 290 (both passed)* increase the time for filing a complaint with MCCR alleging an unlawful employment practice other than harassment from within six months to within 300 days after the date on which the alleged discriminatory act occurred. The bills specify that a complaint filed with a federal human relations commission within six months or a local human relations commission within 300 days is deemed to have complied with the requirements.

On or before January 1 of each year, MCCR must submit a report on its work to the Governor and the General Assembly. *Senate Bill 236/House Bill 257 (both passed)* require the county office of civil rights, or other appropriate agency, in Baltimore City and Anne Arundel, Baltimore, Howard, Montgomery, and Prince George’s counties to annually report to MCCR the number of employment discrimination complaints received. For each complaint, the entities must also report (1) the type of discrimination alleged; (2) the category of job held by the complainant; (3) whether the complainant is a public or private-sector employee; (4) the complainant’s country of origin; and (5) whether the appropriate agency determined that a violation occurred. In turn, MCCR must include in its annual report a review of the county data and any recommendations for policy changes to address noted discriminatory trends.

Real Property

COVID-19 and Housing

The public health and economic consequences of the COVID-19 pandemic brought increased attention to housing-related issues and prompted governmental efforts to ensure that individuals maintain safe and continuous housing during the pandemic, including eviction moratoria, rental assistance, and increased funding for free legal services for low-income Marylanders.

State and Local Actions to Mitigate the Effects of COVID-19 on Housing

On December 17, 2020, Governor Lawrence J. Hogan, Jr. signed Executive Order 20-12-17-02, amending and extending several previous executive orders. In general, the order (1) prohibits an eviction if a residential, commercial, or industrial tenant can demonstrate substantial loss of income due to COVID-19 or the state of emergency and catastrophic health emergency; (2) prohibits the initiation of residential foreclosures until at least January 31, 2021 (currently extended until May 4, 2021); (3) prohibits a foreclosure on a property from proceeding unless the loan servicer provided specified types of notice to the borrower of the borrower’s right

to request forbearance; and (4) prohibits repossession by creditors of personal property used as a residence, including mobile homes, trailers, and live-aboard boats, until the state of emergency and catastrophic health emergency is lifted. Payments, including rental payments and mortgages, are not excused under the order.

In addition to actions taken by the Governor, the Judiciary imposed a temporary administrative moratorium on evictions and foreclosure actions. Further, local governments established rental assistance programs to provide direct relief to tenants. To support local rental assistance efforts, the State allocated \$20.0 million to the Department of Housing and Community Development to make grants to local assistance programs via the Maryland Eviction Prevention Partnership.

Federal RELIEF Act Funds for Rental Assistance and Legal Assistance

Under the RELIEF Act, *Senate Bill 496 (Ch. 39)*, \$15.0 million is authorized for the Department of Housing and Community Development to provide grants to pay for up to 30 days of emergency housing. Additionally, *Senate Bill 496* authorizes \$3.0 million for a grant from the Administrative Office of the Courts to the Maryland Legal Services Corporation (MLSC) to pay for legal assistance for individuals facing eviction.

For a more detailed discussion of *Senate Bill 496*, see the subpart “Operating Budget” within Part A – Budget of this *90 Day Report*.

Landlord and Tenant

As noted above, the COVID-19 pandemic brought increased focus on housing issues and spurred efforts to expand protections for tenants at risk of eviction. While not limited in duration or application to the state of emergency or the pandemic, the General Assembly passed several bills concerning residential tenants.

Evictions – Access to Counsel

House Bill 18 (passed) requires that before a landlord may file a complaint for failure to pay rent, the landlord must provide the tenant with written notice of the landlord’s intent to file a claim in the District Court to recover possession of the residential premises if the tenant does not cure the unpaid rent within 10 days after the notice is provided to the tenant. The notice must be in a form created by the Maryland Judiciary and contain certain information.

House Bill 18 also creates the Access to Counsel in Evictions Program to be administered by MLSC. MLSC is a statutorily created entity that provides funding for legal services in civil proceedings for persons with limited incomes.

The program provides individuals who occupy a residential property under a claim of legal right other than the owner and whose household income is not greater than 50% of the median income in the State (adjusted for household size) with access to legal representation in judicial or administrative proceedings to evict or to terminate a tenancy or housing subsidy. If feasible, legal

representation should begin no later than the individual’s first scheduled appearance in a covered proceeding. The bill contains additional provisions regarding the timing of initiation of legal representation.

MLSC may contract with designated organizations (nonprofit entities) to provide all or part of the services required under the bill and must designate and contract with appropriate community groups to conduct outreach and provide education to tenants locally and throughout the State regarding tenants’ rights and the access to legal representation.

A local jurisdiction may enact a local law providing for legal representation in eviction proceedings in the jurisdiction. If a local jurisdiction enacts a substantially similar program, MLSC must direct funding that would have been allocated under the bill’s provisions for the benefit of that jurisdiction’s tenants to the local program.

House Bill 18 further establishes (1) an Access to Counsel in Evictions Task Force and (2) an Access to Counsel in Evictions Special Fund, which is a special fund to be administered by MLSC for the purpose of providing funding to fully implement access to legal representation in evictions and other related proceedings in the State. Access to legal representation established by the bill (1) is subject to the availability of funding and (2) must be phased in over time as MLSC determines appropriate, with the goal of full implementation before October 1, 2025. Priority in funding during the phase-in period will be given to tenants in a local jurisdiction that provides or agrees to provide significant additional local funding to effectuate access to counsel in the local jurisdiction.

Termination of Tenancy by Landlord

Senate Bill 401 (passed) alters statutory provisions that specify the amount of time prior to the expiration of a tenancy (lease) that a landlord is required to provide written notice to a tenant of the intent to repossess the property. The bill has statewide application and applies to (1) any residential lease that is executed on or after the bill’s October 1, 2021 effective date and (2) residential leases that were executed prior to October 1, 2021, that have expired and resulted in a tenancy created under specified provisions of § 8-402 of the Real Property Article, on or after the bill’s effective date. Finally, except for property meeting specified criteria, the bill creates an exception to the standard notice requirements if a landlord receives a notice of intent to foreclose and desires to terminate a tenancy.

Tenant Screening

Senate Bill 691/House Bill 861 (both passed) prohibit a landlord who accepts a “reusable tenant screening report” containing certain information about a prospective tenant from charging the prospective tenant a fee for the landlord to access the reusable tenant screening report or an application fee. A landlord that accepts a reusable tenant screening report may (1) require a prospective tenant to certify that there has not been a material change to the tenant’s name, address, bankruptcy status, criminal history, or eviction history since the date the report was generated and (2) reject an application for tenancy, prior to the execution of a lease agreement, if a prospective

tenant made a material change to a reusable tenant screening report. A landlord must notify prospective tenants regarding whether the landlord accepts reusable tenant screening reports.

Commercial Leases

Personal Liability Clauses in Commercial Leases

In addition to having an effect on housing, the COVID-19 pandemic has also affected the commercial real estate market. **House Bill 719 (passed)** establishes that a “personal liability clause” included in a commercial lease is unenforceable during the period of the state of emergency and catastrophic health emergency beginning March 5, 2020 and ending 180 days after the expiration or rescission of the Governor’s proclamation if (1) as a result of the Governor’s proclamation issued March 5, 2020, or other proclamations issued related to the COVID-19 outbreak, the tenant was required to either cease serving food or beverages for on-premises consumption or close to the public because of its status as a nonessential business or a specific provision contained in an executive order or proclamation and (2) the default causing the individual to become wholly or partially personally liable occurred between March 23, 2020, and September 30, 2020, inclusive. The period beginning with the Governor’s proclamation of March 5, 2020 and ending on the expiration or rescission of the Governor’s proclamation may not be considered for the calculation of time limitations restricting the filing of an action alleging liability that accrued during the state or emergency and catastrophic health emergency under a personal liability clause of a commercial lease.

The bill defines a “personal liability clause” as a clause or provision in a commercial lease or an associated agreement that requires an individual who is not a commercial tenant under the commercial lease to become personally liable to the commercial landlord, in whole or in part, for fees or charges, including rent, taxes, utility fees, or fees for routine building maintenance, owed by the commercial tenant in the event of a default.

Common Ownership Communities

Meetings

Subject to certain statutory requirements, rules governing a meeting of the governing body of a cooperative housing corporation, condominium association, or homeowners association are generally dictated by the governing documents of the common ownership community.

Senate Bill 686/House Bill 1023 (both passed) permit, notwithstanding the requirements of a common ownership community’s governing documents, the applicable governing body of a cooperative housing corporation, condominium, or homeowners association to authorize any meetings to be conducted or attended by telephone conference, video conference, or similar electronic means, subject to specified standards. The bills also (1) address the use of electronic means for meeting quorum and voting and (2) establish that floor nominations are generally not required if at least one candidate has been nominated to fill each open position on a board or governing body. The inability of a member, unit owner, or lot owner to join a meeting due to technical difficulties does not invalidate the meeting or any action taken at the meeting.

Senate Bill 535/House Bill 593 (both passed) establish procedures by which a homeowners association may call an additional meeting of the board of directors or other governing body, if the number of lot owners present in person or by proxy at a meeting is insufficient to constitute a quorum. The bills also make numerous clarifying and technical changes to corresponding provisions of the Maryland Condominium Act and (1) specify that the notice of the original meeting of the council of unit owners must contain the date, time, and place of the additional meeting; (2) specify that an additional meeting called must occur no less than 15 days after the initial properly called meeting; (3) specify that notice of the additional meeting must be provided, as specified, no less than 10 days before the additional meeting; and (4) newly authorize delivery of notice of the additional meeting by advertising in a newspaper published in the county where the condominium is located or, if the condominium has a website, by posting on the homepage of the website.

Property Use Standards and Restrictions

Senate Bill 144/House Bill 110 (both passed) establish standards relating to the approval, installation, and use of electric vehicle recharging equipment in condominiums and homeowners associations.

House Bill 248 (passed) prohibits a condominium or homeowners association from prohibiting or unreasonably restricting an owner from contracting with a private entity to collect organic waste materials from the owner for composting at a composting facility and, for homeowners associations only, prevents the prohibition or unreasonable restriction of a lot owner from composting organic waste materials for the owner’s personal or household use, as specified.

Restrictions on Property Use

House Bill 322 (passed) prohibits specified restrictions on use from imposing unreasonable limitations on “low-impact landscaping” as long as the property owner (1) owns or has the right to exclusive use of the property and (2) maintains and regularly tends to the low-impact landscaping. Restrictions on use include covenants, restrictions, or conditions included in, among other instruments, deeds, declarations, or contracts. “Low-impact landscaping” means landscaping techniques that conserve water, lower maintenance costs, provide pollution prevention, and create habitat for wildlife. The bill may not be construed to prohibit a restriction on use from including reasonable design and aesthetic guidelines regarding the type, number, and location of low-impact landscaping features and does not apply to a restriction on use on historic property that is listed in, or determined by the Director of the Maryland Historical Trust to be eligible for inclusion in, the Maryland Register of Historic Properties.

House Bill 1347 (passed) prohibits specified restrictions on use from imposing unreasonable limitations on the location and use of a “portable basketball apparatus” as long as the property owner owns or has the right to exclusive use of the area in which placement and use of the apparatus is to occur. An unreasonable limitation includes a limitation that significantly (1) increases the cost of using the apparatus or (2) decreases the ability to use the apparatus as designed and intended. The bill does not apply to a restriction on use on historic property that is

listed in, or determined by the Director of the Maryland Historical Trust to be eligible for inclusion in, the Maryland Register of Historic Properties.

Sale of Property

Escrow Agents and Trust Money

House Bill 19 (passed) clarifies requirements enacted by Chapter 349 of 2019 relating to the written agreements entered into when an escrow agent agrees to hold trust money for certain residential real estate transactions. The agreements dictate the distribution of deposit money maintained in a trust account when a dispute arises over the distribution of the trust money between a buyer and a seller.

Notice Requirements

A mobile home park owner that enters into a contract for sale of the mobile home park must provide notice of the sale to each resident in the mobile home park and the Department of Housing and Community Development. **Senate Bill 474/House Bill 384 (both passed)** alter the timing of this required notice from 5 days after entering into a contract for sale to not less than 30 days before the date of the sale.

A zone of dewatering influence is an area designated by the Maryland Department of the Environment around a surface mine in karst terrain under specified statutory provisions. The purpose of a zone of dewatering influence is to provide relief for a property owner within the zone who experiences a sinkhole or water supply failure. **House Bill 399 (passed)** requires a contract of sale for property located within Baltimore, Carroll, Frederick, or Washington counties to include notice regarding the advisability of contacting the Maryland Department of the Environment (MDE) to determine if the subject property is within a zone of dewatering influence and that specified remedies are available for a property impacted by dewatering. The bill also establishes specified contractual rights for purchasers that do not receive the required notice and requires MDE to develop and publish on its website a searchable map of zones of dewatering influence as identified by MDE under existing statutory provisions.

Estates and Trusts

Electronic Execution of Wills, Powers of Attorney, and Advance Directives

Under current law, generally, every will must be (1) in writing; (2) signed by the testator, or by another person on behalf of the testator, in the testator's presence and by the testator's express direction; and (3) attested and signed by two or more credible witnesses in the presence of the testator. In addition, Chapters 322 and 323 of 2019 established that, for the purpose of serving as a witness to the signing of a will, a witness is not in the presence of the testator if the witness is in

a different physical location than the testator, regardless of whether the testator can observe the witness through electronic audio-video or other technological means.

House Bill 1261 (passed) changes the method in which wills, powers of attorney (POA), and advance directives may be executed by (1) allowing wills and POAs to be executed electronically and witnessed remotely; (2) allowing written or electronic advance directives to be witnessed remotely; and (3) establishing requirements and protections for the proper use of electronic signing and remote witnessing. The bill defines “electronic presence” for the purpose of remote witnessing as two or more individuals communicating in real time using electronic audio-visual means to the same extent as if the individuals were in the physical presence of each other. The bill also modifies the statutory definition of “will” and expands a provision regarding the execution of a will outside of the State. Finally, the bill establishes that wills, POAs, and advance directives executed in conformance with specified executive orders issued in response to the COVID-19 pandemic during the time that those executive orders were in effect are deemed in conformity with the bill’s provisions. The bill applies retroactively to any will, POA, or advance directive executed on or after March 10, 2020.

Probate

Custodianship of Wills

Under current law, only a testator or a testator’s agent may deposit a will for safekeeping with the Register of Wills of the county in which the testator resides. Following a testator’s death, a custodian of a testator’s will must deliver it to the register for the county in which the estate should be administered. A custodian who willfully fails or refuses to deliver a will to the register after being informed of the death of the testator is liable to a person aggrieved for the damages sustained by reason of the failure or refusal.

House Bill 1266 (passed) alters provisions governing the custodianship and deposit of wills by (1) establishing duties and requirements applicable to a custodian of a will; (2) allowing a person having custody of a will, other than the testator or the testator’s agent, to deposit the will for safekeeping with a Register of Wills; and (3) authorizing an attorney to dispose of a will in a specified manner under certain conditions. A violator of the bill’s provisions or other existing provisions governing the custodianship and deposit of wills is liable to a person aggrieved for the damages sustained as a result of the violation. However, an attorney or Register of Wills who disposes of a will in accordance with the bill’s provisions is not liable to the testator or any other person for damages sustained by the testator or other person as a result of the disposal of the will.

Finally, **House Bill 1266** adds to the “Maryland Statutory Form Limited Power of Attorney” under the Maryland General and Limited Power of Attorney Act by including, under the optional specific grants of authority, an option to authorize an agent to demand the delivery of the principal’s will from the custodian of the will and, on delivery of the principal’s will, take custody of the will subject to statutory requirements.

Orphans' Courts

The orphans' courts are the State's probate courts. The courts supervise the handling of estates and also have certain jurisdiction over the guardianship of minors and their property. **House Bill 681 (passed)** establishes the Task Force to Study the Maryland Orphans' Courts. The task force must report its findings and recommendations to the Governor and the General Assembly by January 1, 2022. For a more detailed discussion of this legislation, see the subpart "Judges and Court Administration" within this part of this *90 Day Report*.

Guardians of Property of Minors or Disabled Persons

Under current law, at the time of the appointment of a guardian of the property of a minor or disabled person, the title to all property of the minor or disabled person that is held at the time of the appointment or acquired later vests in the guardian. A guardian of a minor or disabled person may, without court authorization or confirmation, pay or apply income and principal from the estate as needed for the minor or disabled person.

House Bill 1000 (passed) prohibits a guardian of the property of a minor or disabled person, who is not a family member of the minor or disabled person, from distributing or disbursing property without court authorization or confirmation if the distribution or disbursement would financially benefit (1) the guardian (except for specified reasonable compensation and reimbursement for expenses); or (2) a family member of the guardian. "Family member" means a child, parent, spouse, grandparent, brother, sister, uncle, or aunt by blood, adoption, or marriage. A guardian who violates this prohibition is liable for breach of the guardian's fiduciary duty to the minor, disabled person, or other interested persons for resulting damage or loss to the same extent as a trustee of an express trust.

Maryland Revised Uniform Anatomical Gift Act

The Maryland Revised Uniform Anatomical Gift Act governs donations of all or part of a human body (that take effect after the donor's death) for the purpose of transplantation, therapy, research, training, or education. **Senate Bill 265/House Bill 301 (both passed)** (1) allow for anatomical gifts made with only a general intent to be used for research or education as well as transplantation or therapy (with the exception of gifts for which a document of gift was registered before July 1, 2022); (2) establish that, beginning July 1, 2022, a donor may designate the purpose for the anatomical gift, as specified; and (3) require, by July 1, 2022, related educational materials to be produced and displayed at each Motor Vehicle Administration location. The bills also repeal specified requirements that certain first responders or hospitals conduct a reasonable search of an individual believed to be dead or whose death is imminent for documents related to the individual's status as an anatomical gift donor. The bills take effect January 1, 2022.

Part G

Transportation and Motor Vehicles

Transportation

Transportation Trust Fund Revenues

The Transportation Trust Fund (TTF) was created in 1971 as a dedicated fund to pay for the activities of the Maryland Department of Transportation (MDOT) and its modal units. All department expenditures are made through the TTF and may be used for any lawful purpose related to the exercise of the department's rights, powers, duties, and obligations subject to the appropriation limits approved within the annual State budget.

COVID-19 Relief – Federal and State Funding

The COVID-19 pandemic has had a widespread impact on the transportation sector and on MDOT's revenues, services, and budget. To help alleviate these impacts, federal COVID-19 relief and economic stimulus funding has been provided through passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan Act. State COVID-19 relief was provided through passage of the RELIEF Act.

CARES Act funding totaling \$496.5 million was allocated over fiscal 2020 and 2021, primarily to help fund transit and airport operations in light of reduced revenue attainment resulting from the dramatic drop in passenger counts. CRRSA Act funding totaling \$233.3 million was allocated across the MDOT budget for operations, thereby freeing up State funds for use in partially restoring capital funding that had been deferred due to COVID-19 related revenue declines.

RELIEF Act funds totaling \$20.0 million were allocated in fiscal 2021 to restore cost containment reductions in transit and highway funding. Additionally, \$8.0 million was provided to assist private commuter and shuttle bus operators experiencing revenue declines due to COVID-19-related reductions in service demand. For additional information on federal and State

COVID-19-related funding, see subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Resource Sharing Agreements

Resource sharing agreements (RSA) are contractual agreements between State agencies and other entities, usually private companies, allowing the entities to use the State’s rights-of-way, communications infrastructure (telecommunications towers), and/or real estate in exchange for a payment (monetary or in-kind). The Budget Reconciliation and Financing Act (BRFA) of 2019 reduced MDOT’s revenues by requiring that any revenue received by MDOT from RSAs be credited to the Major Information Technology Development Project Fund instead of the TTF. ***Senate Bill 240 (passed)*** reverses the changes made by the BRFA of 2019 by requiring MDOT’s RSA revenues to once again be credited to the TTF. MDOT collects approximately \$5 million annually from its RSAs.

Multi-modal Programs and Impacts

MDOT’s responsibilities to operate and maintain the State’s transportation systems are carried out through modal units that are organized by mode of transportation. For example, the State Highway Administration is in charge of maintaining the State’s highways and roadways, the Maryland Transit Administration (MTA) is in charge of operating many of the State’s transit systems, and the Maryland Aviation Administration is responsible for maintaining the State’s airports. Similarly, though not a modal unit within MDOT, the Maryland Transportation Authority (MDTA) is responsible for operating and maintaining the State’s toll facilities. There are numerous programs, procedures, and policies that apply uniquely to each of MDOT’s modal units, MDOT itself, or MDTA, and there are others that directly affect each transportation agency.

Senate Bill 359/House Bill 80 (both passed) establish the Urban Tree Program within MDOT, each of its modal units, and MDTA. MDOT must consult with other relevant State agencies, local governments, businesses, communities, and residents to develop the program, and through the program, MDOT and MDTA must replace trees that are removed during the construction of any transportation facilities project.

Senate Bill 824/House Bill 1328 (both passed) require MDOT and units of local government to allow joint trenching by broadband providers. “Trenching” means a construction project in which a highway right-of-way surface is opened or removed for the purpose of laying or installing conduit, fiber, or similar infrastructure in excess of one mile in length. For a further discussion of these bills, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

MDOT and MDTA have had significant issues with theft of copper wire from lighting facilities on their properties. To help address this issue, ***Senate Bill 170 (passed)*** expressly prohibits a person from willfully altering, disconnecting, tampering with, removing, or otherwise interfering with a transportation-related “component for electrical current transmission and storage” or an “intelligent transportation system” if the component or system has been placed by

the authority of a public body or official. The bill establishes penalties for a violation that are similar to existing penalties for theft.

Mass Transit

Zero-emission Buses

MTA's bus fleet comprises about 775 total buses, and MTA is currently studying the feasibility of converting the bus fleet to zero-emissions vehicles with a focus on the cost of the vehicles, the reliability of the vehicles, and the infrastructure necessary to accommodate such a fleet. *Senate Bill 137 (passed)* prohibits MTA, beginning in fiscal 2023, from entering into a contract to purchase buses for its transit bus fleet that are not zero-emission buses; however, MTA may purchase an alternative-fuel bus instead if it determines that no available zero-emission bus meets the performance requirements for a particular use. Additionally, the full cost of any zero-emission and alternative-fuel buses purchased must be paid from the TTF, and MTA must ensure the development of charging infrastructure to support the operation of zero-emission buses in the State transit bus fleet.

Purple Line Marketing Plan

The Purple Line is a 16.2-mile light rail line that will extend from Bethesda, in Montgomery County, to New Carrollton, in Prince George's County. The Purple Line will operate largely at street level in a combination of dedicated and semi-exclusive rights-of-way, and also, for some segments, on elevated structures and in tunnels. *Senate Bill 97 (passed)* requires MTA to develop and implement a marketing plan to generate interest in the Purple Line before the start of operations and promote the use of the Purple Line after the start of operations with the goal of maximizing ridership.

For the fiscal year preceding the calendar year in which the Purple Line is scheduled to open, the Governor must include in the annual budget bill an appropriation from the TTF of \$500,000 for the plan; however, it is unclear at this time when the Purple Line will become operational. While it was originally scheduled to open in December 2022, the recent departure of the design-build contractor has resulted in significant project delays.

Transit Funding and Projects and Purple Line Construction Zone Grant Program

The Maryland Metro/Transit Funding Act (Chapters 351 and 352 of 2018) mandates additional capital and operating spending for MTA and requires MTA to complete an assessment of its unconstrained capital needs. While Chapters 351 and 352 were originally set to terminate June 30, 2022, *Senate Bill 199/House Bill 114 (both passed)* extend the act by seven years and make other changes to how MTA is funded. Specifically, the bills require:

- MTA's operating appropriation in each of fiscal 2023 through 2029 to be equal to or greater than the fiscal 2022 appropriation;

- MDOT to include in the *Consolidated Transportation Program* each year a report that provides MTA's state of good repair budget for the current fiscal year and projections for the subsequent year;
- the Governor to include in the annual State budget minimum levels of funding that range from \$318.6 million to \$502.1 million for MTA's state of good repair needs for fiscal 2023 through 2029; and
- MTA to annually submit an accounting report for the projects that it identifies pursuant to the capital needs assessment required by the Maryland Metro/Transit Funding Act.

The bills also include two requirements that are not directly related to MTA and transit funding. First, the bills establish a Purple Line Construction Zone Grant Program in the Department of Commerce (Commerce) to provide funds to qualified small businesses to assist in offsetting business revenue lost as a result of the construction of the Purple Line light rail project in Montgomery and Prince George's counties and mandate a general fund appropriation of \$1.0 million in each of fiscal 2023 and 2024. The fiscal 2022 operating budget includes \$500,000 in Commerce for the grant program.

Second, the bills require MDOT to conduct a study on the feasibility, including the cost, of extending MARC rail service to Western Maryland. MDOT must submit a report of its findings and recommendations to the Governor and General Assembly by July 1, 2023.

Southern Maryland Rapid Transit Project

The Southern Maryland Rapid Transit Project is a proposed high-capacity, fixed-route rapid transit service, with light rail transit as the preferred option, operating in a dedicated, grade-separated 18.7-mile transitway in the Maryland Route 5/U.S. Route 301 corridor from the Branch Avenue Metrorail Station in Prince George's County to Waldorf and White Plains in Charles County.

Contingent on the receipt of federal funds, *Senate Bill 81/House Bill 414 (both passed)* require the Governor to redirect at least \$5.0 million from other transportation projects from fiscal 2023 through 2027, to provide matching funds needed to conduct an environmental impact study for the project under the National Environmental Policy Act (NEPA), and require MDOT to promptly undertake all steps necessary to complete the design, engineering, and NEPA process and secure a record of decision for the project.

Motor Vehicles

Negligent Driving

Chapter 334 of 2011 created the misdemeanor offense of criminally negligent manslaughter by vehicle or vessel. A person may not cause the death of another due to driving,

operating, or controlling a vehicle or vessel in a criminally negligent manner. *Senate Bill 17 (passed)* establishes the offense of causing a life-threatening injury by driving, operating, or controlling a motor vehicle or vessel in a criminally negligent manner. A violator is guilty of a misdemeanor and on conviction is subject to maximum penalties of imprisonment for one year or a fine of \$5,000 or both.

For a more detailed discussion of *Senate Bill 17*, see the subpart “Criminal Law” within Part E – Crimes, Corrections, and Public Safety of this *90 Day Report*.

Licensing and Registration

Applications and Renewals for Licenses, Permits, and Identification Cards

House Bill 730 (passed) alters several provisions that restrict when and how a driver’s license or identification card may be renewed or a learner’s permit may be obtained. Specifically, the bill (1) allows the extension of an identification card expiration date for up to 90 days (to aid in gathering documents needed for REAL ID compliance); (2) repeals a requirement that the copy of a school attendance record required for applicants for a learner’s instructional permit be a certified copy (to facilitate electronic transactions); (3) allows the Motor Vehicle Administration (MVA) to renew a driver’s license within 12 months, rather than 6 months, before expiration (to allow more drivers to become REAL ID compliant through the regular renewal process); (4) allows MVA to renew a driver’s license without the individual appearing in person if the individual’s photograph was taken less than 16 years before renewal (to facilitate electronic transactions by taking into consideration drivers who had photographs taken for corrected or duplicate drivers licenses); and (5) extends the period of time, from one to two years, during which MVA may accept a certification of acceptable visual acuity from a licensed physician or optometrist for driver’s license renewal purposes (to facilitate electronic transactions while remaining in line with the standard medical guidance).

Penalties for Displaying a Canceled, Revoked, or Suspended Driver’s License

A person may not display (or cause or permit to be displayed) any canceled, revoked, or suspended driver’s license. A person convicted of any of these violations is subject to imprisonment for up to two months or a fine of up to \$500 or both. *Senate Bill 20/House Bill 115 (both passed)* repeal imprisonment as a possible penalty for a person convicted of these violations and reduce, from 12 to 3, the points assessed for these violations.

Rules of the Road

Automated Enforcement

State law authorizes the use of various automated enforcement systems, including speed monitoring systems (speed cameras) and vehicle height monitoring systems.

House Bill 626 (passed) authorizes Prince George’s County and municipalities within the county to place vehicle height monitoring systems on highways in Prince George’s County if

authorized by the appropriate governing body after notice and a public hearing, similar to the authorization for such systems currently in place for Baltimore City (and, beginning October 1, 2021, in Baltimore County). The bill also establishes requirements for Prince George's County (and municipalities within the county) that must be met before a vehicle height monitoring system may be installed. Specifically, county and municipal workgroups must be convened and perform specified tasks, including the development of maps, processes, and exemptions. Should the authorization be used, a local government agency may issue warnings or citations to a vehicle owner for violating a State or local law restricting the presence of certain vehicles at certain times. A local government agency must issue a warning for a vehicle's first violation; the maximum fine for a citation is \$250 for a second violation and \$500 for a third or subsequent violation.

House Bill 619 (passed) authorizes the placement of speed cameras in Prince George's County on highways in residential districts with a maximum posted speed limit of 35 miles per hour, as is currently authorized in Montgomery County.

House Bill 967 (passed) authorizes Baltimore City to place two speed cameras on Interstate 83, subject to existing signage and placement requirements for speed cameras. The bill also requires a real-time display, proximate to signage indicating that speed cameras are in use, of a driver's traveling speed. From the fines collected as a result of violations enforced by speed cameras on Interstate 83, any balance remaining after cost recovery must be distributed to the Baltimore City Department of Transportation to be used solely to assist in covering the cost (in a supplemental manner) of roadway improvements on Interstate 83 in Baltimore City. An agency must mail a warning notice instead of a citation for a violation recorded by a speed camera within the first 90 days that the speed camera is in operation.

Senate Bill 888 (passed) similarly authorizes the placement of speed cameras in Anne Arundel County on Maryland Route 175 (Jessup Road) between the Maryland Route 175/295 interchange and the Anne Arundel County-Howard County line, subject to specified signage, placement, and real-time speed posting requirements. From the fines collected as a result of violations enforced by speed cameras authorized under the bill, any balance remaining after cost recovery must be distributed to the State Highway Administration to be used solely to assist in covering the cost of speed reduction measures and roadway and pedestrian safety improvements on Maryland Route 175 between the Maryland Route 175/295 interchange and the Anne Arundel County-Howard County line.

Speed Limits in Montgomery County

Unless there is a special danger that requires a lower speed, the maximum lawful speeds on a State highway are (1) 15 miles per hour (MPH) in alleys in Baltimore County; (2) 30 MPH on all highways in a business district and on undivided highways in a residential district; (3) 35 MPH on divided highways in a residential district; (4) 50 MPH on undivided highways in other locations; and (5) 55 MPH on divided highways in other locations. If, on the basis of an engineering and traffic investigation, a local authority determines that a maximum speed is greater or less than reasonable or safe under existing conditions on any part of a highway in its jurisdiction, the local authority may establish a reasonable and safe maximum speed limit for that part of the

highway in a manner specified in State statute. Calvert County may decrease the speed limit in certain areas of the county to no less than 15 MPH without performing an engineering and traffic investigation.

House Bill 562 (passed) authorizes Montgomery County and municipalities located in Montgomery County to decrease the maximum speed limit to no less than 15 MPH on a highway after performing an engineering and traffic investigation. The bill prohibits the county or a municipality from implementing a new speed monitoring system on any portion of a highway for which the speed limit has been decreased under the bill’s authorization.

Accidents Resulting in Injury or Death of a Vulnerable Individual

Senate Bill 293/House Bill 118 (both passed) prohibit an individual from causing the serious physical injury or death of a vulnerable individual as a result of the individual operating a motor vehicle in violation of any rule of the road specified in the Maryland Vehicle Law. “Vulnerable individual” is defined as a pedestrian; an individual lawfully riding or leading an animal on a highway, shoulder, crosswalk, or sidewalk; or an individual lawfully operating or riding, on a highway, shoulder, crosswalk, or sidewalk, a bicycle, a farm tractor or other farm equipment, a play vehicle, a motor scooter, a motorcycle, an animal-drawn vehicle, an electric personal assistive mobility device, or a wheelchair. A violator is guilty of a misdemeanor and is subject to a maximum fine of \$2,000. An individual charged with a violation must appear in court and may not prepay the fine. The court may, in addition to imposing a fine, order a violator to participate in a motor vehicle safety course and perform up to 150 hours of community service. MVA must suspend the driver’s license of an individual convicted of a violation for at least seven days and up to six months.

Unified Truck Travel

Truck platooning is the practice whereby trucks that are properly equipped with vehicle-to-vehicle communication technology follow each other closely, especially on long-haul routes, in order to improve safety and create operational efficiencies. MVA advises that the “following too closely” provisions in the Maryland Vehicle Law prohibit the safe operation of truck platooning by requiring that trucks leave enough space between them to allow an overtaking vehicle to occupy the space. **Senate Bill 291 (Ch. 118)** authorizes the driver of a non-lead truck in a group of trucks to travel without leaving enough space for an overtaking vehicle to enter and occupy the space between them if the trucks are (1) traveling in a unified manner with electronically coordinated speed and braking systems and (2) being operated in a reasonable and prudent manner with due regard for the speed of any other vehicles and of the traffic on and the condition of the highway.

Required Signage for Regional Mall Parking Lots

The owner or operator of a parking lot (or the owner’s or operator’s agent) that is publicly accessible may not have a vehicle towed or otherwise removed from the parking lot unless the owner, operator, or agent has conspicuously placed signs that meet specified size and content requirements. At least one of these signs must be placed for every 7,500 square feet of parking

space in the parking lot. *Senate Bill 501 (passed)* requires signage with specified towing information to be placed at every entrance to the parking lot of a regional mall (defined as a shopping mall with at least two anchor stores and at least 400,000 square feet, excluding leased area for the anchor stores, of gross leasable area). The owner or operator of a regional mall parking lot or its agent may not have a vehicle towed or otherwise removed unless the signage requirement under the bill is met.

Equipment and Inspections

Safety Glass Replacement Standards

The owner of a motor vehicle may not have broken glass in the windshield of the vehicle replaced with any glass other than safety glass. Similarly, the owner of a motor vehicle may not have safety glass, broken or otherwise, in doors, windows, or wings of the motor vehicle replaced with any glass other than safety glass. *House Bill 519 (passed)* requires MVA to adopt regulations establishing standards and requirements for aftermarket safety glass replacement that meet or exceed certain standards. Specifically, the regulations adopted by MVA must (1) require that the products and services used meet or exceed original equipment manufacturer specifications; (2) require the use of motor vehicle safety glass that meets certain specifications approved by the American National Standards Institute, in accordance with relevant federal regulations and standards; and (3) meet or exceed the standards and requirements of the American National Standards Institute/Auto Glass Safety Council/Automotive Glass Replacement Safety Standard.

Commercial Motor Vehicle Inspections

Generally, commercial motor vehicles must be inspected, maintained, and repaired by a preventive maintenance technician at least every 25,000 miles or every 12 months, whichever occurs first. However, Class E (dump truck) trucks that have been in operation for 18 years or more from the vehicle's model year or first registration date, whichever occurs later, must have the vehicle inspected, maintained, and repaired by a preventive maintenance technician at least every 12,500 miles or every 6 months, whichever occurs first.

House Bill 250 (passed) increases the mileage at which Class F (tractor) vehicles and certain Class E (truck) and Class E (dump truck) vehicles must be inspected, maintained, and repaired by a preventive maintenance technician. Specifically, a Class F (tractor) vehicle that has been in operation for five years or less from the vehicle's model year must be inspected, maintained, and repaired by a preventive maintenance technician at least every 35,000 miles or every 12 months, whichever occurs first. A Class E (truck) or a Class E (dump truck) vehicle that has been in operation for five years or less from the vehicle's model year must be inspected, maintained, and repaired by a preventive maintenance technician at least every 50,000 miles or every 12 months, whichever occurs first, if the vehicle is a zero-emission electric vehicle or a fuel cell electric vehicle.

Motor Vehicle Inspection Certificates

Generally, if a person transfers a used motor vehicle, the person has to obtain an inspection certificate from an inspection station. The inspection requirement does not apply to transfers between spouses, parents and children, vehicle co-owners, or vehicles that are not to be both titled and registered in Maryland, among other exceptions. *Senate Bill 681/House Bill 1315 (both passed)* exempt the transfer of a used vehicle from a business entity to the majority owner of the business entity from the requirement to obtain a motor vehicle safety inspection certificate if (1) the vehicle is primarily driven by the majority owner; and (2) the business entity has been dissolved or is in the process of dissolution.

Miscellaneous

Clean Cars Act

House Bill 44 (passed) reestablishes through fiscal 2023 the Electric Vehicle Recharging Equipment Rebate Program and increases to \$1.8 million the maximum amount of rebates the Maryland Energy Administration (MEA) may award in each year. The bill also requires MEA to transfer from the Strategic Energy Investment Fund (SEIF) to the Transportation Trust Fund (TTF) the lesser of \$10.0 million or the actual total outstanding amount of qualified plug-in electric vehicle and fuel cell electric vehicle tax credits applied for before July 1, 2020, to offset the reduction in TTF revenue due to the tax credit. By December 1, 2021, MEA, in consultation with the Maryland Department of Transportation, must submit a specified report to specified committees of the General Assembly on the impact of zero emission vehicles registered in the State on the TTF.

In addition, *House Bill 44* requires MVA and the Maryland Department of the Environment to submit a joint report to specified committees of the General Assembly on proposed changes to the vehicle emissions inspection program. The report must provide specified information regarding (1) legislative and regulatory changes necessary to effect proposed changes to the program; (2) the projected fiscal impact of the proposed changes on the TTF; (3) information on how the proposed changes may impact air quality, and any discussions and approvals sought by the U.S. Environmental Protection Agency; and (4) an environmental justice analysis of the impact of running the program and assessing fees only on citizens who own older cars, and a recommendation on whether to pay vehicle emissions inspection program expenses from vehicle registration fees. MVA may not select a proposed awardee for a new contract to operate the vehicle emissions inspection program prior to the submission of the report and may not award a contract to a new vendor before March 1, 2022.

Personal Delivery Devices

Senate Bill 726 (passed) generally authorizes a “personal delivery device” (PDD) to operate without registration on roadways, shoulders, sidewalks, footpaths, bicycle trails, and crosswalks in the State effective July 1, 2022. The bill establishes various standards and requirements that must be adhered to by PDDs operating under the bill’s various authorizations. Among other things, an operator of a PDD must provide at least 30 days’ notice before operation

to the governing body of each county and municipality within which the operator intends to operate the PDD and must comply with all applicable local ordinances, regulations, and rules. The bill also requires MVA to develop a pilot process for authorizing the operation of PDDs by October 1, 2021, and report to the General Assembly on its progress by December 31, 2021.

Required Information for Commercial Motor Carriers

Senate Bill 140/House Bill 1074 (both passed) require an employer of commercial motor vehicle drivers to provide a prospective employee driver with (1) its U.S. Department of Transportation number; and (2) the website address for the Federal Motor Carrier Safety Administration's Safety and Fitness Records (better known as SAFER) System. The information must be provided on a bona fide offer of employment. The bills only apply to an employer that is regulated by the Federal Motor Carrier Safety Administration, operates a physical place of business in the State, and employs more than one driver in the State.

Part H

Business and Economic Issues

Business Occupations

Architects

Generally, all architectural documents prepared in connection with the addition, alteration, construction, or design of a building, an integral part of a building, or a group of buildings, which are intended for public use or residential use, must be signed, sealed, and dated by a licensed architect. However, a person may not be required to employ a licensed architect in connection with the alteration or repair of an existing building or structure in a municipality if the alteration or repair does not exceed \$5,000 in estimated costs, including labor and materials, and meets specified other requirements. *Senate Bill 93/House Bill 294 (both passed)* increase the thresholds for the exemption from the requirement to employ a licensed architect to either \$10,000 or \$25,000, depending on the scope of the repairs.

Barbers

A barbershop may not employ more than one apprentice barber per master barber and may not employ more than three apprentices in total. *House Bill 1317 (passed)* increases, from one to three, the number of apprentice barbers that a barbershop may employ per master barber. Additionally, the bill removes the limit on the total number of apprentice barbers that a barbershop, as a whole, may employ.

Electricians

The State Board of Master Electricians within the Maryland Department of Labor issues master electrician licenses to qualified individuals under the Maryland Master Electricians Act. Each county is required to adopt licensing qualifications comparable to or more stringent than specified State qualifications or require a State license and enforce compliance with State licensing requirements. Throughout the 2020 interim, the Workgroup to Study Licensing and the Provision of Electrical Services in Maryland convened to study statewide licensing for master, apprentice,

journeyperson, and low-voltage electricians; the role of local governments in licensure; and other issues.

Senate Bill 762 (passed) implements many of the recommendations of the workgroup. The bill repeals local authority to issue electrical licenses beginning on July 1, 2021, and replaces it with authority to issue registrations. The bill also establishes statewide electrician licenses for journeypersons and apprentices, a statewide electrical code, continuing education requirements, and enforcement authority for the renamed State Board of Electricians. In addition, at least one licensed master electrician or journeyperson electrician must be present at each job site where electrical services are provided. The bill further includes an intent provision clarifying that the amended Maryland Electricians Act continue to be interpreted to *not* apply to the low-voltage industry or the provision of limited energy services.

Professional Land Surveyors

House Bill 684 (passed) alters the definition of “practice land surveying” for purposes of the Maryland Professional Land Surveyors Act and excludes specified individuals from the general licensure requirement to practice land or property line surveying under the Act. Specifically, the bill exempts professionals who use various measurement devices to help determine topography and contours, so long as those individuals are certified by an entity deemed acceptable to the State Board for Professional Land Surveyors.

Public Accountants

A degree required for licensure as a certified public accountant must be awarded by a school, college, university, or other institution that meets one of four requirements related to accreditation or other recognition or approval. Specifically, the degree-awarding institution must be a member of the American Assembly of Collegiate Schools of Business; be a member of the Association of Collegiate Business Schools and Programs; be accredited by or be a constituent unit of an institution accredited by either (1) the Middle States Association of Colleges and Schools or (2) the equivalent regional accrediting association for other regional areas; or be recognized and approved by the State Board of Public Accountancy. *Senate Bill 141 (Ch. 99)* updates obsolete references to certain of these entities that have changed their names.

Business Regulation

Tobacco

In Maryland, a person must be licensed in order to act as an other tobacco product (OTP) manufacturer, storage warehouse, wholesaler, retailer, or tobacconist in the State. Chapter 37 of 2021 expanded the definition of OTP to mean a product that is intended for human consumption or likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled, or ingested in any manner that is made of, derived from, or contains tobacco or nicotine, with specified exclusions. OTP (1) includes cigars, premium cigars, pipe tobacco, snuff, snus, filters,

rolling papers, pipes, and hookahs and (2) excludes cigarettes, electronic smoking devices, or drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration under the federal Food, Drug, and Cosmetic Act.

A person is generally prohibited from selling or shipping OTP, ordered or purchased by mail or through a computer network, telephonic network, or other electronic network by a consumer or unlicensed recipient, directly to a consumer or unlicensed recipient in the State. These provisions of law, however, do not apply to a seller located outside the State when selling, holding for sale, shipping, or delivering premium cigars or pipe tobacco to consumers in the State.

Senate Bill 883/House Bill 1324 (both passed) create a licensing framework, overseen by the Executive Director of the Alcohol and Tobacco Commission, for remote (meaning out-of-state) sales of premium cigars and pipe tobacco in Maryland – such that a person located outside the State must have a remote tobacco seller license to sell those products to a consumer in the State. A remote tobacco seller license authorizes the licensee to sell premium cigars and pipe tobacco through a common carrier or private delivery service to a consumer in the State by receiving and filling orders that the consumer transmits by electronic means. In addition to various application, licensing, and enforcement requirements, the bills make various changes to the taxation of tobacco products for out-of-state sellers. For further discussion of the taxation components of the bills, see the subpart “Miscellaneous Taxes” within Part B – Taxes of this *90 Day Report*.

Miscellaneous

Battery-charged Fence Systems

Senate Bill 135/House Bill 261 (both passed) define “battery-charged fence system” as a security system and establish a basic regulatory framework and limitations for local governments. Specifically, the bills authorize local governments to (1) require a person who provides a battery-charged fence security system to comply with a local alarm ordinance or with local registration or permit requirements; (2) require a person who operates or causes to be operated a battery-charged fence security system to comply with a local alarm ordinance or with local registration or permit requirements; (3) require an installer, on completion of a newly installed battery-charged fence security system, to submit to the local government an affidavit containing specified information; and (4) inspect the newly installed system after receipt of an affidavit, as specified. However, a local government may not (1) impose additional installation or operational requirements; (2) require additional permits or fees, as specified; (3) prohibit the use of a battery-charged fence security system that is intended to be used for security; or (4) require additional permits or fees, other than those specified in the bills.

Business Identifier Task Force

Senate Bill 366/House Bill 441 (Chs. 88 and 89) require the State Department of Assessments and Taxation to convene a task force to study the adoption of a unique business identifier for each licensed and registered business within the State to be used by specified State agencies. On or before December 1, 2021, the task force must study and make specified

recommendations to the Governor and the General Assembly related to the adoption of a Maryland Identification Number.

Cemeteries

The Office of Cemetery Oversight in the Maryland Department of Labor regulates two types of trust funds related to cemetery services: perpetual care trust funds; and preneed trust accounts. The income from a perpetual care trust fund must be used only for the perpetual care of the cemetery, as defined, and may not be used to care for memorials or monuments. *Senate Bill 192/House Bill 5 (both passed)* increase the amount that may be withdrawn from a perpetual care trust fund, subject to specified conditions. The Director of the Office of Cemetery Oversight may limit or prohibit a fund balance distribution authorized under the bills for specified reasons. By December 1, 2027, the office must report to specified committees of the General Assembly on the number of cemeteries that have selected an alternative distribution method under the bills, the annual investment performance of the related trust funds, and any recommendations for legislation related to perpetual care trust funds.

Collection Agencies

Senate Bill 206 (passed) extends the termination date for the State Collection Agency Licensing Board within the Office of the Commissioner of Financial Regulation by 10 years, from July 1, 2022, to July 1, 2032.

Corporate Diversity

House Bill 1210 (passed) requires, beginning July 1, 2022, certain entities that do business in the State to demonstrate diversity on their board or to demonstrate support for “underrepresented communities” before qualifying for a “State benefit” of \$1.0 million or more within a single fiscal year. The bill’s requirements related to underrepresented communities do not apply to (1) sole proprietors; (2) limited liability companies that are owned by a single member; (3) privately held companies where at least 75% of the shareholders are family members; or (4) entities with a budget that is less than \$5.0 million and that do not qualify for State benefits. Under the bill, underrepresented communities include members who self-identify as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaskan Native, or a community whose members self-identify with one or more of those racial or ethnic groups.

The bill also requires the Department of Commerce and the Governor’s Office of Small, Minority, and Women Business Affairs to (1) develop and maintain a State equity report to assess diversity data for each entity related to underrepresented communities and (2) adopt regulations to carry out the requirements of the bill, including directives for State agencies and entities to comply with those requirements.

Lodging Establishments

Chapter 319 of 2020 established bed height requirements for accessible rooms in lodging establishments. *Senate Bill 610 (passed)* postpones by one year each deadline for phasing in the bed height requirements over a four-year time period. Specifically, under the bill, at least 25% of rooms must be furnished by December 31, 2022; at least 50% by December 31, 2023; at least 75% by December 31, 2024; and 100% by December 31, 2025.

Retail Pet Stores

Under Chapter 237 of 2018, a “retail pet store,” as defined, is prohibited from offering for sale or otherwise transferring or disposing of cats and dogs. *Senate Bill 103 (passed)* alters the definition of a “retail pet store” that is prohibited from selling cats or dogs to (1) include brokers; (2) no longer specify that the store must be open to the public; and (3) exclude an establishment at which the animals being sold were born. The bill also establishes the Task Force to Study Canine Breeding Facilities and Sourcing Standards, which is required to study canine breeding facilities, including online sales of canines through breeding facilities. In conducting the study, the task force must review specified information and recommend any legislative actions necessary to create standards regulating the sale or purchase of dogs. The report is due to the Governor and specified committees of the General Assembly by December 1, 2021.

Public Service Companies

Renewable Energy

Maryland’s Renewable Energy Portfolio Standard (RPS) was enacted in 2004 to facilitate a gradual transition to renewable sources of energy. Electric companies (utilities) and other electricity suppliers must submit renewable energy credits equal to a percentage specified in statute each year or else pay an Alternative Compliance Payment (ACP) equivalent to their shortfall.

Senate Bill 65 (passed) excludes black liquor, or any product derived from black liquor, from eligibility for inclusion in the RPS as a “Tier 1” resource, by excluding them from the definition of “qualifying biomass.” Other eligible forms of qualifying biomass are unchanged. The exclusion applies to all RPS compliance years beginning January 1, 2022, or later.

According to testimony, the economic ripple effects of the COVID-19 pandemic included impacts on the capacity of the solar industry to meet solar Tier 1 targets for the next few years. In response, the bill reduces the amount of solar energy required under the RPS each year from 2022 through 2029, while leaving the nonsolar requirement generally unchanged, before realigning with current law beginning in 2030 when the total Tier 1 requirement reaches 50%, and the solar requirement reaches 14.5%. The bill also increases solar ACPs beginning in 2023, before gradually returning to near-parity with current law by 2030. Nonsolar ACPs are unchanged.

Large hydropower facilities were able to claim renewable status as Tier 2 resources only through 2020. *Senate Bill 65* continues Tier 2 in perpetuity at 2.5% beginning in 2021; Tier 2 is

in addition to Tier 1. A presently existing obligation or contract right may not be impaired in any way by the bill.

Generally, municipal electric utilities are not exempt from Maryland's RPS. *Senate Bill 153/House Bill 367 (both passed)* limit the annual Tier 1 percentage requirements of the State's RPS for municipal electric utilities to 20.4% in total, including at least 1.95% from solar energy and up to 2.5% from offshore wind. The bills also require municipal electric utilities to purchase Tier 2 renewable energy credits in 2021 only. Tier 2 otherwise terminated after 2020 under existing law but was indefinitely extended under *Senate Bill 65*.

Senate Bill 460/House Bill 419 (both passed) require the Maryland Energy Innovation Institute (MEII) and the Maryland Clean Energy Center (MCEC) to implement an accelerator program for Maryland-based technology companies engaged in clean energy innovation. MCEC is also designated as a green bank for the State and must work in conjunction with other local and private green banks. The Strategic Energy Investment Fund must transfer at least \$2.1 million annually to the Maryland Energy Innovation Fund, which must be apportioned to MEII (at least \$0.9 million) and MCEC (at least \$1.2 million). In fiscal 2022 only, the transfer is offset by the amount transferred under a separate provision of law.

House Bill 1007 (passed) creates a carve-out for post-2022 geothermal systems in Tier 1 of the RPS, beginning in 2023 at 0.05% and increasing each year until reaching 1.0% in 2028 and later, subject to specified requirements and ACPs. A large post-2022 geothermal system is eligible for inclusion in the RPS only if the company installing the system provides certain employment compensation and benefits to its employees; compliance with that requirement must be regulated and enforced by the Maryland Department of Labor. The Maryland Energy Administration must staff a related workgroup created by the bill and complete a related technical study.

Senate Bill 549/House Bill 682 (both failed) would have authorized thermal biomass systems, for purposes of the RPS, to use food waste, qualifying biomass, or animal manure as a source of fuel, regardless of the relative mix of those fuel sources.

Utility Regulation

Limited-income Customers and Assistance

Limited-income Mechanisms and Arrearages Management: One of the major economic impacts of the COVID-19 pandemic has been a significant increase in demand for financial assistance to low-income households for electricity and gas service. During summer 2020, many customers accumulated significant arrearages for utility services, lacking income to pay for the services, but required to use them to support household activities such as working from home and remote learning. During that time, utility services were subject to moratoriums on service terminations for nonpayment. The State moratoriums on utility service terminations expired on October 1, 2020, with electric and gas utilities technically authorized to begin terminations as of November 15, 2020. The Public Service Commission (PSC) conducted proceedings to require electric and gas utilities to allow customers to enter into extended payment plans of one year for most accounts and two years for households receiving certain public assistance. Although

governmental agencies and public service companies encouraged affected households to seek help before terminations took effect, many households were still left facing the prospect of termination of electric or gas services.

In order to address potential termination of electric and gas services both as a result of the pandemic and longer-term systemic issues, *Senate Bill 392/House Bill 606 (both passed)* generally require utilities to adopt a “limited-income mechanism,” subject to the approval of PSC and other specified requirements. The mechanism may take the form of a program, tariff provision, credit, rate, rider, or other means to assist an eligible limited-income customer to afford utility service. If an approved mechanism requires that the Office of Home Energy Programs (OHEP) must certify an eligible limited-income customer’s qualifications to participate in the mechanism, OHEP must do so before the customer may participate. The bills also expand eligibility under the Electric Universal Service Program.

The bills also establish the Workgroup on Low-Income Utility Assistance, staffed by the Department of Human Services. The workgroup must examine the forms of federal, State, local, and private assistance available to low-income residential electric and natural gas customers. By January 1, 2022, the workgroup must submit a report of the study, findings, and recommendations, including recommended legislation and regulatory changes, to the Senate Finance Committee and the House Economic Matters Committee.

The Governor’s Supplemental Budget No. 5 includes federal funding of \$10.0 million in fiscal 2021 and \$10.0 million in fiscal 2022 for OHEP to support the utility arrearage and bill assistance provisions of *Senate Bill 392/House Bill 606* (House Bill 606, at the time the supplemental budget was introduced, required the transfer of certain State funds to a special fund in OHEP to support specified energy assistance). For fiscal 2023 only, the Governor must appropriate to OHEP an amount equal to the unexpended appropriation to OHEP for fiscal 2021 that was included in Supplemental Budget No. 5. This is in addition to other forms of pandemic-related assistance for which households may be eligible under the RELIEF Act, *Senate Bill 496 (Ch. 39)*, including \$83.0 million in funding for utility arrearage assistance.

For further discussion of the RELIEF Act, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

For further discussion of the social services impacts of *Senate Bill 392/House Bill 606*, see the subpart “Social Services” within Part J – Health and Human Services of this *90 Day Report*.

Customer Choice for Assisted Households: The Electric Customer Choice and Competition Act of 1999 facilitated the restructuring of the electric utility industry in Maryland. The resulting system of customer choice allows the customer to purchase electricity from a competitive supplier or to continue receiving electricity under standard offer service (SOS). *Senate Bill 31/House Bill 379 (both passed)* require the PSC, by January 1, 2023, to establish an administrative process to approve supply offers for electricity or gas for households in the State that receive energy assistance through a program administered by OHEP, subject to specified requirements. An approved supply offer must include a commitment to charging at or below the SOS rate for customers receiving energy assistance. Beginning July 1, 2023, unless PSC has

approved the supply offer, a third-party retail supplier is prohibited from charging a customer receiving assistance from an OHEP program, receiving funds from an OHEP program, and taking other specified actions.

Billing Issues

Senate Bill 79/House Bill 473 (both passed) authorize community solar energy subscribers and residential electric choice customers to maintain their subscriptions or contracts at a new service address, if the new address is within the same utility service territory as the old address. The bills apply to electric companies, electric cooperatives, and municipal utilities that participate in the affected programs. An electric company or a subscriber organization may not terminate a customer's contract or subscription due to a change of address that meets the requirements of the bills.

Senate Bill 856/House Bill 842 (both passed) require an electric company, on request of a retail electricity customer, to provide the customer the historic usage and billing information for the customer's account for at least the 12 preceding months. The information must be made available to the customer in one of the following forms, as requested by the customer: (1) information accessible on the electric company's website; (2) information provided electronically in a searchable PDF format; or (3) a physical document sent to the customer at the customer's billing address.

Certificate of Public Convenience and Necessity

Senate Bill 83/House Bill 298 (both passed) require the Power Plant Research Program to include an evaluation of the impact of electric power plants on climate change as part of its ongoing research. Separately, PSC, in supervising and regulating public service companies, must consider (1) the maintenance of fair and stable labor standards for affected workers and (2) additional specified climate effects and greenhouse gas (GHG) emissions. Relatedly, PSC may not take final action on a Certificate of Public Convenience and Necessity (CPCN) without considering the effect of climate change on the project and, for a generating station, the impact of the project on GHG emissions and its consistency with the State's GHG emissions reduction goals.

Senate Bill 417/House Bill 777 (both passed) establish a six-month deadline for the Maryland Department of the Environment and the Department of Natural Resources to review and make recommendations on a completed application for a CPCN. The bills also add additional specificity for evaluations and recommendations made by the two departments. PSC determines when a CPCN application is complete and may waive the six-month deadline for good cause or on agreement of the parties to the proceeding. A provision that allows State agencies to modify recommendations after the public CPCN hearing is repealed.

Office of People's Counsel and Climate Issues

House Bill 30 (passed) requires the Office of People's Council (OPC), in determining whether the interests of residential and noncommercial users are affected, to consider the public safety, economic welfare, and environmental interests of the State and its residents, including the

State’s progress in meeting its greenhouse gas emissions reductions goals. The bill makes a conforming change to the types of experts OPC may hire or retain. The amount that OPC may assess for its costs and expenses is increased from 0.05% to 0.074% of certain public service company intrastate operating revenues, commensurate with the increase authorized for PSC under Chapter 54 of 2020. The bill also adds OPC as a member of the Maryland Commission on Climate Change and the Maryland Zero Emission Electric Vehicle Infrastructure Council.

Electric Companies

Net Energy Metering

Generally, net energy metering is the measurement of the difference between the electricity that is supplied by an electric company and the electricity that is generated by an eligible customer-generator and fed back to the electric company over the eligible customer-generator’s billing period. *Senate Bill 407/House Bill 569 (both passed)* double the statewide limit on net metered capacity from 1,500 megawatts to 3,000 megawatts.

Community Choice Aggregation

House Bill 768 (passed) establishes the Community Choice Aggregation Pilot Program and authorizes Montgomery County to form a “community choice aggregator,” beginning December 31, 2023, under specified conditions. PSC must adopt related regulations by that date, including those related to risk mitigation for SOS customers. The pilot program must begin on the date the county gives notice to PSC of its intent to form a community choice aggregator, or April 1, 2024, whichever is earlier; the program ends seven years after beginning, but no earlier than April 1, 2031. The bill also establishes a related workgroup and various study and reporting requirements.

Electric Cooperatives

Under current law, an annual meeting of the members of an electric cooperative must be held at the time and place provided in the bylaws. *Senate Bill 561/House Bill 648 (both passed)* authorize an electric cooperative to hold annual and special meetings virtually, or with a combination of in-person and virtual attendance, and make related administrative and conforming changes.

Gas Companies

On August 17, 2016, the four-story Flower Branch apartment building in Silver Spring caught fire and exploded. An adjacent building was also heavily damaged. The accident resulted in seven fatalities. The National Transportation Safety Board determined that the probable cause of the explosion was the failure of an indoor service regulator with an unconnected vent line that allowed natural gas into the meter room where the gas then accumulated and ignited. *Senate Bill 503/House Bill 345 (both passed)* require gas service regulators to be installed or relocated outside of specified structures, subject to certain requirements and exemptions. By January 1, 2022, each gas company must file a plan with the PSC to relocate gas service regulators

in multifamily residential structures. After considering specified information, PSC must issue a final order approving or disapproving each plan by January 1, 2023. If PSC issues an order disapproving a plan, the gas company must submit a new plan within 60 days. Until the plans are fully implemented, gas companies must update PSC annually on the progress made in the previous year, and PSC must in turn report that information to the Governor and the General Assembly.

Telecommunications and Broadband

Office of Statewide Broadband

In 2017, Executive Order 01.01.2017.14 established the Office of Rural Broadband (ORB) within the Department of Information Technology; in 2020, the office was moved to instead be housed within the Department of Housing and Community Development (DHCD). The purpose of ORB is to support the State's efforts to provide affordable, high-speed Internet service to every Maryland home.

The COVID-19 pandemic, and the remote work and schooling necessitated by it, served to highlight both the importance of reliable broadband service and the lack of such service in various portions of the State. *Senate Bill 66 (Ch. 74)* establishes the Office of Statewide Broadband (OSB) within DHCD as the successor to ORB, and gives OSB expanded responsibilities. The Governor must include sufficient funding in the annual operating budget to employ two additional staff members. Among other new responsibilities, OSB must:

- prepare a statewide plan by July 1, 2022, which must be submitted to the Governor and the General Assembly, to (1) ensure 98% connectivity to universal, affordable, reliable broadband Internet by December 31, 2025; (2) ensure that every resident of the State has the ability to connect to broadband Internet that exceeds the Federal Communications Commission (FCC) standard for upload and download speeds by December 31, 2026; and (3) establish key performance indicators relating to infrastructure, adoption, and speed;
- create a statewide audit of the availability, reliability, and affordability of broadband Internet services in every county, which must include specified data;
- collect pricing data directly from broadband Internet providers and assess the actual upload and download speeds experienced by consumers;
- create a website that houses a publicly accessible map that shows (in addition to any information provided by FCC) which residences do and do not have access to broadband Internet, prices and plans in different areas, and other available State geographic and demographic data;
- review existing laws, policies, and regulations regarding access to the rights-of-way and easements of public utilities and recommend changes to encourage the development of broadband Internet;

- support efforts to increase the digital literacy of residents, nonprofit organizations, and business owners;
- collaborate with local education agencies and community colleges to ensure that students have the ability to connect to broadband Internet that allows for full engagement in remote learning without disruptive lagging and periodic disconnection; and
- estimate and identify the amount and type of funding needed to connect residents to affordable high-speed Internet.

The Act also establishes the Digital Inclusion Fund and the Digital Connectivity Fund within DHCD to provide grants to local governments and nonprofits to increase access to high-speed Internet and to assist in the development of affordable broadband Internet infrastructure, as specified. The Act also transfers the Rural Broadband Assistance Fund from the Department of Commerce to OSB, though spending from that fund is still subject to the Rural Broadband Coordination Board. The Act terminates June 30, 2030.

The fiscal 2022 budget includes \$300.0 million of federal stimulus funds for broadband initiatives, including the deployment of infrastructure and subsidized devices and services for low-income households. There is also language in the budget bill directing that, on enactment of *Senate Bill 66*, OSB will manage the funds. *Senate Bill 496 (Ch. 39)*, the RELIEF Act, also provides \$2.0 million to the Office of the Secretary of Housing and Community Development to provide grants for rural broadband programs.

For further discussion of the RELIEF Act, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Joint Trenching Authority

Senate Bill 824/House Bill 1328 (both passed) require the Maryland Department of Transportation (MDOT) and units of local government to allow joint trenching by broadband providers, as specified. MDOT and local governments are authorized to assess fees to certain broadband providers that participate in joint trenching; fees collected by MDOT are distributed to special funds that support broadband development. To the extent practicable, the State must appropriate federal funding for the purpose of improving broadband access and adoption. MDOT must adopt regulations to implement the bills, as specified. The bills expressly authorize local governments to adopt policies to extend broadband access to underserved areas, contingent on the enactment of *Senate Bill 66*. The bills’ requirements and authorizations do not apply to a county or municipality within the Washington Suburban Sanitary District.

Transportation

In addition to its better-known role in the regulation of electric and gas utility rates, PSC also regulates persons engaged in the public transportation of individuals for-hire in vehicles such as cars, vans, limousines, and buses. This includes issuing relevant permits for the vehicles and

issuing related licenses to authorize drivers to operate those vehicles for hire. *Senate Bill 429/House Bill 558 (both passed)* make administrative changes to the for-hire driver's license application process, generally to facilitate the receipt of driver photographs. The bills also remove a requirement for Baltimore City taxicab drivers to complete an education course, remove a general requirement related to the display of specified information on taxicabs, and remove taxicabs from the limited list of motor vehicles not required to have seat belts in the vehicle. Finally, provisions related to 15 or fewer passenger limousines are expanded to encompass all motor vehicles, including a corresponding authorization to be operated by a licensed transportation network operator.

Underground Facilities

During the 2020 session, the General Assembly passed Senate Bill 877. The Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 session, and the bill became law in February 2021 as Chapter 18. The Act makes various changes to the Maryland Underground Facilities Damage Prevention Authority, its composition and powers, and specifies related procedures for the ongoing protection of underground facilities. By October 1, 2021, any previously detectable or underground facility locatable during planned or emergency work must be restored to be detectable or locatable. Also, beginning on that date, except as otherwise provided, any newly installed specified underground facility must be detectable or locatable. Nothing in the Act may be construed to abrogate, modify, or infringe on the permitting requirements or any requirement of any permit issued by any governmental agency or entity.

Insurance (Other Than Health Insurance)

Regulation and Administration

Federal Home Loan Banks

The Federal Home Loan Banks (FHLB) are member-owned cooperatives that provide competitively priced financing to their members, which include banks, credit unions, community development financial institutions, and insurance company members.

Senate Bill 458/House Bill 504 (both passed) prohibit the Insurance Commissioner, after the fourteenth day following the filing of a delinquency proceeding for an insurer-member, from staying an FHLB or prohibiting it from exercising its rights regarding collateral pledged by an insurer-member. After the appointment of a receiver for an insurer and within 10 business days following a request from the receiver, the bills require an FHLB to establish specified processes and timelines related to the release of capital, repayment of fees, operation of deposits and other accounts, and possible redemption or repurchase of stock. If requested by the receiver for an insurer-member, the bills require an FHLB to provide any options available to the insurer-member to renew or restructure a loan.

Maryland Insurance Administration Notices

Senate Bill 226 (Ch. 105) authorizes the Maryland Insurance Administration (MIA) to send a notice or other communication using electronic means if (1) the notice or other communication is required to be provided in writing; (2) the recipient has provided an email address to MIA to receive notices or other communications; (3) the notice or other communication is sent to that email address; and (4) MIA maintains proof that the notice was sent to the recipient using that email address. While MIA may require entities that it regulates to use electronic communications, consumers and other nonlicensees who interact with the agency may still use traditional mail to communicate with the agency.

Reinsurance

The purpose of the model laws developed by the National Association of Insurance Commissioners (NAIC) is to promote uniformity and consistency across state borders while maintaining a state-based regulatory system for insurance. In the area of reinsurance, the NAIC “Credit for Reinsurance Model Law” (#785) is intended to ensure adequate regulation of insurers and reinsurers and adequate protection for those to whom they owe obligations. *Senate Bill 120 (Ch. 104)* adopts changes made in 2019 to that model law. Broadly, the Act authorizes the Commissioner to adopt rules and regulations governing a foreign reinsurer that is not (1) considered a reciprocal jurisdiction; (2) certified as a reinsurer in the State; or (3) certified or licensed in a specific number of states while maintaining at least \$250 million in capital and surplus.

Motor Vehicle Insurance

Generally, when a motor vehicle liability insurer proposes to cancel or fail to renew a policy, the insurer must notify the insured of its intent, by certified mail, at least 45 days before the proposed cancellation or expiration date of the policy. *Senate Bill 110 (Ch. 103)* repeals the requirement that such a notice be sent to an insured in triplicate. As a result, only a single copy of the notice needs be sent to the insured rather than three copies. Additionally, consumer appeals of cancellation or nonrenewal may be submitted online to MIA instead of by mail using a duplicate copy.

House Bill 221 (failed) would have required a private passenger motor vehicle insurer that used credit information, on written request from an applicant or insured, to provide reasonable exceptions to the insurer’s rates, ratings, classifications, company or tier placement, or underwriting rules or guidelines for an applicant or insured who had experienced and whose credit information had been directly influenced by a specified event that was generally out of the control of the applicant or insured. An insurer would have been required to notify applicants and insureds that reasonable exceptions were available and include information about how an applicant or insured could have inquired further regarding exceptions.

Homeowner's Insurance

Generally, an insurer may not cancel or refuse to renew coverage for a homeowner's insurance policy based on an insured's claims history for weather-related claims unless there were three or more weather-related claims within the preceding three-year period. However, an insurer could consider weather-related events if the insurer notified the insured in writing of reasonable or customary repairs or replacement specific to the insured's premises or dwelling that the insured failed to make and which, if made, would have prevented the loss for which the claim was made.

House Bill 641 (failed) would have prohibited a homeowner's insurer from considering a claim for a weather-related event for the purpose of cancelling or refusing to renew coverage for a policy if the claim was for an amount of loss less than the insured's deductible under the policy or was resolved with no payout to or on behalf of the homeowner by the insurer.

Premium Tax

Title 6 of the Insurance Article imposes a 2% premium tax on each authorized insurance company, surplus lines broker, or unauthorized insurance company that sells, or an individual who independently procures, any type of insurance coverage upon a risk that is located in the State. Revenues accrue to the general fund.

Chapter 507 of 2017 exempted the Maryland Automobile Insurance Fund (MAIF) from paying the premium tax for its automobile insurance policies through fiscal 2022. *Senate Bill 149/House Bill 457 (both passed)* make permanent that exemption, meaning that MAIF is no longer required to pay the premium tax for its automobile insurance policies.

Horse Racing and Gaming

Sports and Event Wagering

Chapter 492 of 2020 authorized sports and event wagering generally, subject to voter referendum, which was approved by Maryland voters in November 2020. *House Bill 940 (passed)*, an emergency bill, implements sports wagering in the State and provides for regulation of sports wagering and fantasy gaming competitions. The State Lottery and Gaming Control Commission (SLGCC) must generally regulate sports wagering to the same extent that it regulates the operation of video lottery terminals (VLT) and table games in the State. SLGCC must report annually by December 1 to the Governor and the General Assembly regarding the operation of sports wagering.

House Bill 940 establishes the Sports Wagering Application Review Commission (SWARC) to review and award applications for sports wagering facility and mobile sports wagering licensure. A sports wagering facility licensee may accept wagers made by an individual physically present on the licensee's specified property. Sports wagering facility licensees designated in the bill include video lottery operators with more than 1,000 VLTs and specified

professional sports franchises (Class A-1), video lottery operators with 1,000 or fewer VLTs and a specified horse racing licensee (Class A-2), and the Maryland State Fairgrounds and certain satellite simulcast betting and commercial bingo facilities (Class B-1 or B-2). Class B-2 licenses are reserved for applicants with less than (1) 25 employees or (2) \$3,000,000 in annual gross receipts. Applicants may also compete for an additional 30 Class B-1 or B-2 facility licenses and 60 mobile sports wagering licenses. Mobile wagers are restricted to individuals physically located in the State. SWARC must actively seek to achieve diversity when awarding licenses and encourage small, minority, and women-owned businesses to apply for sports wagering licenses. Licensees retain 85% of sports wagering proceeds, with the remainder distributed to the Blueprint for Maryland's Future Fund (BMFF). Certain other revenues are distributed to the Problem Gambling Fund and the newly established Small, Minority-Owned, and Women-Owned Business Sports Wagering Assistance Fund, the purpose of which is to provide grants or loans to small, minority-owned, and women-owned businesses to facilitate participation in the sports wagering industry.

In addition to the regulation of sports wagering, *House Bill 940* requires fantasy competition operators to register with SLGCC before offering a fantasy competition or related services in the State and requires fantasy competition operators to remit certain proceeds to SLGCC, which in turn distributes the funds to the BMFF.

Lastly, the bill (1) requires the Governor to include in the State budget for fiscal 2023 an appropriation of \$1,500,000 each for Morgan State University and Bowie State University to establish centers for the study of data analytics and sports gaming at each university and (2) from sports wagering proceeds credited to the BMFF for fiscal 2022, includes supplementary appropriations for certain programs authorized by Chapter 36 of 2021.

Video Lottery Facilities and Proceeds

House Bill 532 (passed) alters the distribution of VLT proceeds from the video lottery facility in Allegany County after the first 10 years of operations, and beginning July 1, 2023, increases the percentage of VLT proceeds to be paid to the facility licensees in Baltimore City and Cecil County, subject to certain requirements. The bill also reduces the minimum average payout percentages for individual VLTs and gaming floors. Any amount of local impact grants distributed to Anne Arundel County or Baltimore City as a result of a specified hold harmless provision must be paid from the State Lottery Fund. Lastly, the bill repeals a prohibition regarding the development of lodging facilities within 10 miles of the Worcester County VLT facility.

State Lottery Fund

Senate Bill 660/House Bill 937 (both passed) require the Comptroller to pay a grant of \$150,000 directly from the State Lottery Fund to the Maryland Humanities Council for Maryland History Day beginning in fiscal 2022.

Local Gaming

House Bill 530 (passed) requires the St. Mary's County Commissioners to designate a person to administer the issuance of certain bingo licenses in the county and transfers various bingo administration duties from the county sheriff to the designee. The commissioners may adopt regulations, in consultation with the designee, to administer and enforce bingo activities in the county.

Chapter 99 of 2015 authorized a certain charitable foundation that is affiliated with a professional football team in Prince George's County to obtain a permit to conduct a raffle in that county. ***House Bill 589 (passed)***, the Budget Reconciliation and Financing Act of 2021, includes a provision that permits raffle tickets to be sold by the charitable foundation on the Internet or otherwise to individuals not physically present on the property owned or controlled by the team and on all game days, rather than only home games. For each raffle, 10% of the proceeds must be deposited into the Michael Erin Busch Sports Fund, with the remainder designated for the benefit of the residents of the common ownership and cooperative communities located within a one-mile radius of the property, rather than all county residents.

Horse Racing

Senate Bill 919/House Bill 1259 (both passed) alter the calculation of the distribution to the Fair Hill Improvement Fund from the amount wagered on race days at the Fair Hill Natural Resources Management Area. The bills also alter specified requirements regarding racing at the Fair Hill Natural Resources Management Area.

Senate Bill 533/House Bill 482 (both passed) alter the membership of the Maryland-Bred Race Fund Advisory Committee and expand the circumstances under which a horse may be registered with the Maryland Horse Breeders Association.

Economic Development

RELIEF Act

The Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act (also known as the RELIEF Act), ***Senate Bill 496 (Ch. 39)***, is an emergency bill that provides income tax relief, economic impact payments, and other forms of assistance to businesses and employers struggling from the fallout of the COVID-19 pandemic. The Act funds several initiatives that promote economic development and recovery in the State through the Recovery Now Fund.

The Maryland Economic Development Assistance Authority and Fund in the Department of Commerce receives the following funding:

- \$10.0 million to provide grants of up to \$9,000 to businesses that (1) do not engage in a business activity that requires the business to collect sales and use tax and (2) can demonstrate a need for assistance. At least 15% of the funds must be distributed to disadvantaged businesses;
- \$10.0 million to provide funding to local governments to provide grants of up to \$25,000 to businesses that (1) are considered hotels, motels, or bed-and-breakfast inns and (2) can demonstrate a need for assistance. If a business is a part of a franchise with multiple locations, the business must be owned by a local franchise;
- \$22.0 million to provide local governments with funding to distribute grants of up to \$12,000 to businesses that (1) are primarily engaged as caterers, drinking places, restaurants, or other eating places and (2) demonstrate a need for assistance. At least 15% of the amount of the grants distributed must be distributed to disadvantaged businesses; and
- \$500,000 to provide grants to assist businesses with setting up an online sales framework and to offer employees telework opportunities.

Other funding directly relevant to economic development includes the following:

- the Maryland State Arts Council (MSAC) receives \$5.0 million to provide emergency grants to artists, art districts, and art organizations;
- the Small, Minority, and Women-Owned Businesses Account (SMWOBA) receives \$10.0 million to be used in accordance with Title 5, Subtitle 15 of the Economic Development Article;
- the Maryland Technology Development Corporation (TEDCO) receives \$1.5 million to provide grants to rural and agricultural businesses in the State;
- the Maryland Agricultural and Resource-Based Industry Development Corporation receives \$2.0 million to provide grants to rural and agricultural businesses; and
- the Maryland Tourism Development Board receives \$1.0 million to market small businesses for tourism.

The Maryland Small Business Development Financing Authority is also authorized to convert up to \$50,000 of coronavirus pandemic-related financing provided to a small business in fiscal 2021 or 2022 into a grant.

For further discussion of the RELIEF Act, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Small Business Support

Small, Minority, and Women-Owned Businesses Account – Alterations

The purpose of SMWOBA, administered by the Department of Commerce, is to provide investment capital and loans to small, minority, and women-owned businesses, primarily in the jurisdictions and communities surrounding a video lottery facility. Grants are provided to eligible fund managers, who then provide funds to specific businesses. *House Bill 853 (Ch. 116)*, an emergency bill, expands the eligible uses of SMWOBA to include grants in areas declared to be federal disaster areas or subject to a federal or State declaration of emergency. In those circumstances, eligible fund managers may provide financial assistance in the form of a grant or by converting a prior loan to a grant. This authority is limited to \$50,000 on either form of assistance to a single business and an aggregate limit of \$10.0 million in a fiscal year.

Small Business Financing – Capital Access Program

House Bill 829 (passed) establishes a Capital Access Program in the Department of Commerce to stimulate opportunities for small businesses that may have difficulty in obtaining business financing to have access to credit by establishing a loan loss reserve program.

Purple Line Construction Zone Grant Program

The Purple Line is a 16.2-mile light rail line that will extend from Bethesda, in Montgomery County, to New Carrollton, in Prince George’s County. The Purple Line will operate largely at street level in a combination of dedicated and semi-exclusive rights-of-way and also includes segments on elevated structures and in tunnels.

Senate Bill 199/House Bill 114 (both passed), in addition to other provisions affecting transportation planning and funding more directly, establish a Purple Line Construction Zone Grant Program to provide funds to qualified small businesses to assist in offsetting business revenue lost as a result of the construction of the Purple Line. The bills require the Department of Commerce to provide \$1.0 million in general funds to the grant program in fiscal 2023 and 2024, with a maximum single award amount of \$50,000. For a more detailed discussion of the bills, see the subpart “Transportation” within Part G – Transportation and Motor Vehicles of this *90 Day Report*.

Small Business Development Center Network Fund

The Small Business Development Center offers free business consulting services to new and existing small businesses. The network is organized across five regions with more than 20 offices located throughout the State; in order to receive federal funds, the State must provide at least a one-to-one match. During the 2020 session, the General Assembly passed Senate Bill 493, increasing the minimum required general fund appropriation to at least \$1,150,000 beginning in fiscal 2022 from at least \$950,000 under current law. The Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 session, and the bill became law in February 2021 as Chapter 5.

Maryland Technology Development Corporation

TEDCO is an independent entity established by the General Assembly to facilitate the creation of technology companies and encourage collaboration between these emerging businesses and federal and State research laboratories.

Comprehensive Technical Assistance Program

To provide technical assistance to any business that qualifies for financial assistance in the portfolio of TEDCO, *Senate Bill 459/House Bill 987 (both passed)* establish the Comprehensive Technical Assistance Program. Services provided by the program include providing applied training services and offering experienced advisors. TEDCO is required to provide a detailed description of the implementation of the program in its annual report.

Maryland Small Business Innovation Research and Technology Transfer Incentive Program

The U.S. Small Business Administration's Office of Technology administers the Small Business Innovation Research and Technology Transfer (SBIR/STTR) programs, which are competitive federal grant programs for small high-tech innovative businesses. To enhance federally awarded SBIR/STTR grants, the General Assembly passed Senate Bill 398/House Bill 514 during the 2020 session. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 session, and the bills became law in February 2021 as Chapters 8 and 25. The Acts establish the Maryland SBIR/STTR Program, administered by TEDCO. *House Bill 654 (passed)* requires the program to prioritize awards to and investments in eligible small businesses that are engaged in research and development activities that assist in the prevention of, preparedness for, or response to a public health crisis in the State. The bill also broadens an existing coordination and marketing requirement between the program and comparable State and county programs to specifically include minority-owned, women-owned, and rural small businesses.

Pre-Seed Builder Fund

House Bill 1211 (passed) establishes the Pre-Seed Builder Fund in TEDCO as the successor to a similar fund established in TEDCO regulations. The fund supports the development of startup companies run by entrepreneurs from socially or economically disadvantaged backgrounds that hinder access to traditional forms of capital and executive networks at the pre-seed stage. The bill requires the Governor to include in the annual State budget an appropriation in the following amounts: \$5.0 million in fiscal 2023; \$6.2 million in fiscal 2024; and \$7.5 million annually beginning in fiscal 2025.

Inclusion Fund

Senate Bill 639 (passed) establishes the Inclusion Fund in TEDCO to provide capital investment in technology-based businesses that (1) would qualify for investment under the Builder Fund, as provided in TEDCO regulations; (2) are at least 30% owned by individuals who

demonstrate economic disadvantage; and (3) are controlled and managed for at least one year after the time of investment by an individual or individuals who demonstrate economic disadvantage.

Maryland Innovation Initiative University Partnership Pilot Program

Senate Bill 732 (passed) establishes the Maryland Innovation Initiative (MII) University Partnership Pilot Program. The pilot program is administered by MII, which already exists within TEDCO. The program expands opportunities at Bowie State University and Frostburg State University for technology validation, entrepreneurial development, and industry engagement. Each university must pay an annual contribution of \$50,000 to qualify for participation, and only these universities may submit project proposals for funding under the pilot program. The Governor must include an appropriation in the State budget of \$500,000 in fiscal 2023 and 2024 for the program. The bill terminates June 30, 2024.

TEDCO Board Member Composition – Alterations

Senate Bill 80/House Bill 6 (both passed) add four members to the board of directors of TEDCO – two appointed by each Presiding Officer, generally subject to the same qualifications as the members appointed by the Governor. The bills also require at least one of the two existing board members representing colleges and universities to represent an historically black college or university, and specifies that any single college or university may not be represented on the board for more than two consecutive terms.

Technology and Manufacturing

Transforming Manufacturing in a Digital Economy Workgroup

Senate Bill 444/House Bill 658 (both passed) establish the Workgroup to Study the Transformation of Manufacturing in Maryland’s Emerging Digital Economy, staffed by the Department of Commerce, to prepare the manufacturing industry in the State for the transformational challenges presented by emerging technologies. The focus of the workgroup includes identifying new technologies that are shaping the future of work, examining the statutory and regulatory authority for manufacturing, and examining financial support for manufacturers to be more competitive. The workgroup includes two members of the Senate and two members of the House of Delegates. The workgroup must submit its findings and recommendations to the Governor and the General Assembly by December 1, 2022. The bills terminate June 30, 2023.

Partnership for Workforce Quality Program – Alterations

The Partnership for Workforce Quality Program provides reimbursable grants that match investments made by Maryland’s manufacturing and technology companies in employee training. The program is designed specifically to upskill or retain existing Maryland-based employees of manufacturers or businesses threatened by the pressure of increased competition. Consequently, the program does not cover new employee workforce development or technology-based training. *House Bill 1342 (Ch. 115)* expands the eligible use of funds under the program to include training for *new* employees.

Maryland Industrial Development Financing Authority – Marketing Plan

The Maryland Industrial Development Financing Authority (MIDFA) promotes significant economic development by providing financing support to manufacturing, industrial, and technology businesses located in or moving to Maryland. *Senate Bill 609 (passed)* requires MIDFA to (1) work to increase the utilization of its programs and funds to assist minority and women-owned businesses in the State and (2) consider incentives to encourage the use of its credit insurance services. MIDFA must develop and implement a marketing plan to increase awareness of its credit insurance services. The plan must identify methods to increase the utilization of such services by community banks and other financial institutions that make loans to historically disadvantaged businesses and businesses in rural areas of the State.

Advanced Clean Energy and Clean Energy Innovation Investments and Initiatives

The Maryland Clean Energy Center (MCEC) was established by Chapter 137 of 2008 with the purpose, among other things, of (1) promoting economic development and jobs in the clean energy industry sector and (2) promoting the deployment of clean energy technology. Chapters 364 and 365 of 2017 established the Maryland Energy Innovation Institute (MEII) in the A. James Clark School of Engineering at the University of Maryland, College Park Campus to (1) collaborate with academic institutions in the State to participate in clean energy programs and (2) develop and attract private investment in clean energy innovation.

Senate Bill 460/House Bill 419 (both passed) require MEII and MCEC to implement an accelerator program for Maryland-based technology companies engaged in clean energy innovation. MEII must also coordinate with TEDCO in supporting technology companies engaged in clean energy innovation and must provide an annual summary to the Governor, the Maryland Energy Administration, and the General Assembly on clean energy businesses and investments in the State. For a more detailed discussion of the bills, including an ongoing funding source, see the subpart “Public Service Companies” within this part of this *90 Day Report*.

Maryland Stadium Authority

Youth and Amateur Sports Grants Program and Michael Erin Busch Sports Fund

During the 2020 session, the General Assembly passed House Bill 1659. The Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 session, and the bill became law in February 2021 as Chapter 33. The Act establishes the Youth and Amateur Sports Grants Program to bring new youth and amateur sporting events to the State and attract sports fans, participants, and tourists. Generally, grants of up to \$75,000 may be awarded to nonprofit organizations, counties, business entities, or individuals to bring youth and amateur sporting events to the State. The Act also establishes the Michael Erin Busch Sports Fund to provide funding for the program. At least \$1.0 million in State Lottery Funds must be allocated to the fund each year.

Hagerstown Multi-Use Sports and Events Facility

The Maryland Stadium Authority (MSA) was established in 1986 as an independent unit in the Executive Department to be responsible for the construction, operation, and maintenance of facilities for use by professional baseball and/or football teams. MSA's authority has been expanded over time to include other projects, such as convention centers and schools. *Senate Bill 926 (passed)* authorizes MSA to issue up to \$59.5 million in bonds for the purpose of financing acquisition, design, and construction expenses in connection with the Hagerstown Multi-Use Sports and Events Facility, subject to specified requirements. The facility, which will not be owned by MSA, will be used for minor league baseball games, other events, and related activities and includes fields and field houses; offices; parking lots and garages; access roads; food service facilities; and other functionally related structures, improvements, furnishings, or equipment. The bill requires the Governor to include an annual appropriation of \$3.75 million in the State budget until the bonds that have been issued to finance the facility are no longer outstanding.

Art Initiatives

Maryland Arts Capital Grant Program

MSAC is a 17-member State agency established in 1967. The council's mission is to encourage and invest in the advancement of the arts for the people of the State, which the council accomplishes largely through grants to arts organizations and local arts agencies. The council also makes grants to enhance the availability of artists in public schools, further the creative work of individual artists, and support the preservation of folk and traditional arts. *Senate Bill 323/House Bill 310 (both passed)* establish the Maryland Arts Capital Grant Program, administered by the council, to award grants to organizations with an operating budget under \$3.0 million that participate in the council's Grants for Organizations Program or Community Arts Development Program or are open to the public and provide cultural educational experiences. A grant may be awarded for the acquisition of, expansion of, renovation of, or major repairs to a facility or other infrastructure that is operated by an eligible recipient. No more than 15% of funds may be used for operating expenses. For any fiscal year, an organization may not receive a grant of more than \$1.0 million for a single project. From fiscal 2024 through 2029, the Governor must include \$3.0 million in the State operating or capital budget for the program.

Baltimore Symphony Orchestra

In response to the Baltimore Symphony Orchestra's (BSO) past financial difficulties, the General Assembly passed Senate Bill 1065/House Bill 1658 during the 2020 session. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 session, and the bills became law in February 2021 as Chapters 1 and 34. The Acts require the Governor to include annual appropriations in the State budget for BSO through fiscal 2026. The required amount is as follows: (1) \$1.3 million in fiscal 2023; (2) \$1.1 million in fiscal 2024; (3) \$0.9 million in fiscal 2025; and (4) \$0.7 million in fiscal 2026. The Acts also establish related financial reporting requirements for BSO for five years, beginning in 2022.

Arts and Entertainment Districts

Maryland was among the first states to enact an arts or cultural district designation program through legislation in 2001. Since then, 29 districts have been designated as arts and entertainment districts in which artists may receive tax benefits if they are engaged in certain artistic works. *Senate Bill 256 (passed)* alters the definition of “artistic work” by (1) explicitly stating that the work may be generated either alone or with others; (2) explicitly including certain types of art, such as a photograph, functional art, storytelling, and digital or new media; and (3) explicitly including products generated through a combination of the listed categories. The definition of “arts entertainment enterprise” is broadened to include creating, selling, or sharing artistic work rather than only visual or performing arts.

Housing and Community Development

Neighborhood Revitalization

RELIEF Act Funding

The Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act (also known as the RELIEF Act), *Senate Bill 496 (Ch. 39)*, is an emergency bill that provides income tax relief, economic impact payments, and other forms of assistance to businesses and employers struggling from the fallout of the COVID-19 pandemic. The Act funds several initiatives that promote community development and recovery in the State through the Recovery Now Fund. The Department of Housing and Community Development (DHCD) receives the following funding:

- \$20.0 million to distribute to local governments to provide grants to nonprofits that can demonstrate need, with priority given to organizations that have not received assistance through the Neighborhood Revitalization Program;
- \$15.0 million to provide grants to pay for up to 30 days of emergency housing;
- \$10.0 million in funding to provide grants to live entertainment venues or promoters of live performances, with priority to those that (1) suffered closures or cancellations due to capacity limitations because of the pandemic and (2) did not previously receive adequate State or federal stimulus funds to cover fixed costs; and
- \$2.0 million to establish a grant program to help preserve the State’s main street economies.

For further discussion of the RELIEF Act, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Regional Programs

Chapter 29 of 2016 established the Baltimore Regional Neighborhood Initiative Program. The program provides strategic investment in local housing and businesses and focuses on areas where modest investment will have an appreciable neighborhood revitalization impact. *Senate Bill 699/House Bill 867 (both passed)* make permanent the annual mandated appropriation of \$12.0 million for the program.

Chapter 732 of 2019 established the National Capital Strategic Economic Development Program. The program provides financial assistance to specified government agencies, entities controlled by housing authorities, and community development organizations in the “national capital region” for community enhancement projects. *Senate Bill 509 (passed)* redefines “national capital region” to mean a sustainable community in Montgomery County or Prince George’s County and permanently extends program funding mandates totaling \$7.2 million annually beyond fiscal 2025.

Senate Bill 783/House Bill 1293 (Chs. 81 and 80) establish the West North Avenue Development Authority for the purpose of developing a comprehensive neighborhood revitalization strategy in Baltimore City. The authority applies to the portion of West North Avenue in Baltimore City between the 600 Block and the 3200 Block, inclusive, and a surrounding “buffer” zone.

Statewide Programs

The Neighborhood Business Development Program provides grants and loans to community-based economic development activities in revitalization areas designated by local governments. *Senate Bill 365 (Ch. 91)* expands the purposes of the program to include retaining (in addition to creating) small businesses and other food-related enterprises that provide access to healthy food and increases the cap on loans available. It also specifies that loans can be used for operating costs incurred in providing access to healthy food in food deserts and requires DHCD to forgive such loans after five years if the recipient maintains continuous operations at the same location during that time.

Housing Initiatives

Fair Housing

Senate Bill 687/House Bill 90 (both passed) require DHCD to administer programs related to housing and community development in a manner that affirmatively furthers fair housing and ensure that it is collaborating with and supporting nonprofit and governmental entities devoted to furthering fair housing. The bills also prohibit DHCD from taking any action materially inconsistent with this requirement. Furthermore, political subdivisions and housing authorities are required to submit an assessment of fair housing to DHCD as part of the housing element of a comprehensive plan.

On or before December 1, 2023, and every five years thereafter, DHCD must submit a report to the Governor and to the General Assembly on, among other things, the efforts by the State, political subdivisions, and housing authorities to promote fair housing choice and racial and economic housing integration, and the results of those efforts. Finally, local jurisdictions are required to affirmatively further fair housing through their housing and urban development programs. To ensure this requirement is met, the housing element of a comprehensive plan enacted or amended on or after January 1, 2023, must include an assessment of fair housing.

Senate Bill 859/House Bill 1239 (both passed) establish the Appraisal Gap from Historic Redlining Financial Assistance Program and Recovery Now Fund within DHCD. The purpose of the program is to provide financial assistance to affordable housing developers working in low-income census tracts in order to help close “appraisal gaps” that occur in in historically redlined neighborhoods.

In addition to an ongoing annual reporting requirement, DHCD must conduct a study, aggregated by race, zip codes, and census tracts, of housing values, appraisals, and refinancing rates across the State over the past 30 years, including the impact of State and federal policies, such as infrastructure (road, park, and water and sewer) and other investments, on those communities. DHCD must submit the findings of the study to the Governor and the General Assembly by June 30, 2022.

Housing Development

Chapter 410 of 2014 established the Energy-Efficient Homes Construction Loan Program and Recovery Now Fund within DHCD to provide loans to construct low-energy homes and net-zero homes. ***Senate Bill 77/House Bill 70 (both passed)*** require DHCD, when providing assistance under the program for a net-zero home, to give preference to applications that will use the services of small and minority-owned, women-owned, and veteran-owned businesses in the State in the clean energy industry.

Senate Bill 636 (passed) establishes the Passive House Pilot Program in DHCD. The program assists nonprofit organizations in providing students with career and technical educational experiences through the renovation of residential properties to become passive houses. The bill also establishes a fund for the program to cover property acquisition and renovation costs.

Senate Bill 764 (passed) establishes the Workgroup on Adaptive Reuse of Vacant Commercial Spaces, staffed by DHCD. The workgroup includes two members of the Senate and two members of the House of Delegates. The workgroup’s responsibilities include studying the feasibility and limitations of converting vacant or underutilized commercial spaces into residential or mixed-use residential and commercial spaces, identifying the sources of State funds available to developers interested in these developments, identifying and studying similar programs in other states, and making recommendations regarding legislation to achieve these goals. By November 30, 2021, the workgroup must report its findings and recommendations to the Governor and the General Assembly.

Homebuyer Assistance

Senate Bill 637 (passed) authorizes the Community Development Administration within DHCD to administer the Live Near Your School Program. The program administers community development projects that provide current students and recent graduates of public institutions of higher education with grants to buy homes in sustainable communities that are near the school attended by the student or graduate. The Administration is also authorized to administer a home buyer assistance program that assists current students and recent graduates in receiving low-interest loans to purchase homes near the school attended.

Broadband

Senate Bill 66 (Ch. 74) establishes the Office of Statewide Broadband within DHCD as the successor to the Office of Rural Broadband. For further discussion of *Senate Bill 66*, see the subpart “Public Service Companies” within this Part of this *90 Day Report*.

Workers’ Compensation

If an employee covered under workers’ compensation insurance has suffered an accidental personal injury, compensable hernia, or occupational disease, the employee is entitled to compensation benefits paid by the employer, its insurer, the Subsequent Injury Fund, or the Uninsured Employers’ Fund, as appropriate. Workers’ compensation benefits include wage replacement, medical treatment, and vocational rehabilitation expenses. Wage replacement benefits are calculated based on the covered employee’s average weekly wage, while medical benefits are generally fully or partially covered depending on how the treatment is related to the personal injury, hernia, or occupational disease.

Public Safety Employee Benefits

Normally, an employee who is awarded compensation for a permanent partial disability for a period of less than 75 weeks is eligible to receive weekly benefits of one-third of the employee’s average weekly wage, but that amount may not exceed 16.7% of the State average weekly wage. However, a public safety employee who is awarded compensation for a permanent partial disability for a period of fewer than 75 weeks is compensated by the employer or its insurer at an enhanced rate that is equal to the rate for claims that are determined to be compensable for 75 to 249 weeks. This amounts to approximately double the weekly benefits for a public safety employee, or two-thirds of the employee’s average weekly wage, but that amount may not exceed one-third of the State average weekly wage.

Senate Bill 651/House Bill 85 (both passed) alter the definition of “public safety employee” as it applies to these enhanced benefits to include Baltimore County correctional officers and detention officers. In doing so, these correctional officers and detention officers become eligible for the enhanced workers’ compensation benefits for claims arising on or after October 1, 2021.

Unemployment Insurance

Unemployment Insurance (UI) generally provides temporary, partial wage replacement benefits of up to \$430 per week to individuals who are unemployed through no fault of their own and who are willing to work, able to work, and actively seeking employment. Both the federal and state governments have responsibilities for UI programs. Generally, funding for the program is provided by employers through UI taxes paid to both the federal government for administrative and other expenses and to the states for deposit in their UI trust funds. Using federal tax revenues, the UI program is administered pursuant to state law by state employees. The Division of Unemployment Insurance (DUI) within the Maryland Department of Labor (MDL) administers the State's UI program.

Each state law prescribes the tax structure, qualifying requirements, benefit levels, and disqualification provisions. These laws must, however, conform to broad federal guidelines.

Employer Contributions and Reimbursements

Most Maryland employers pay State UI taxes, although State and local governments and some nonprofit organizations reimburse the Unemployment Insurance Trust Fund (UITF) for claims paid in lieu of paying taxes. For most Maryland employers, the State UI tax rate is a function of (1) the employer's specific unemployment claims history and (2) the applicable tax table (designated "Table A" down through "Table F"), which is based on the State's UITF balance and applies to most taxable employers.

Applicable Tax Table

At a joint press conference with the President of the Senate and the Speaker of the House, on March 31, 2021, the Governor announced that \$1.1 billion in federal funds available to the State under the American Rescue Plan Act of 2021 would be allocated for UITF. MDL estimates revenue from Table F contributions in calendar 2021 at approximately \$863 million, after adjusting for the provision in Chapter 39 of 2021 (the RELIEF Act) that allows for the noncharging of pandemic claims. With the infusion of \$1.1 billion in federal funds, MDL estimates that the State will be able to pay off its loan, resulting in a year-end balance of approximately \$894 million, and trigger use of Table C for calendar 2022.

Senate Bill 811 (Ch. 73) requires the Governor, based on the availability of qualified federal funds and notwithstanding any other provision of law, for fiscal 2022, to include in the annual budget bill an appropriation of funds toward replenishment of UITF in an amount sufficient to result in Table C of the table of rates for UI taxes applying in calendar 2022. The appropriation may be used for administrative costs, including the repayment of federal funds. Additionally, notwithstanding any other provision of law, the Act requires Table C to apply in calendar 2023. The Act went into effect on April 13, 2021, and terminates December 31, 2023.

RELIEF Act

With respect to UI issues, *Senate Bill 496 (Ch. 39)* the Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act (1) exempts from the State income tax the UI benefits received by an individual whose federal adjusted gross income does not exceed a certain amount for taxable years 2020 and 2021; (2) sets a “computation date” of July 1, 2019, for an employer’s experience rating, if that date results in a lower rate of contribution, through the second July 1 after the COVID-19 state of emergency ends; and (3) authorizes employers employing fewer than 50 employees to defer contribution payments for certain quarters in calendar 2021 and authorizes nonprofit organizations and government entities of the same size to defer certain reimbursement payments during the same period of time. Additionally, the RELIEF Act authorizes the Secretary of Labor to allow such entities to further defer payments and reimbursements in 2022.

Other provisions of the Act provide funding for three specific purposes related to UI. First, the Act provides \$32.0 million for the Revenue Administration Division within the Office of the Comptroller to provide \$1,000 grants to individuals who have not received UI benefits as a result of pending adjudication of their claims. Supplemental Budget No. 5 contains an additional \$8.0 million for this purpose. Second, the Act provides \$3.0 million for DUI to “augment staffing to assist Maryland residents with accessing unemployment insurance benefits.” Third, the Act provides \$1.0 million for a contract with a professional marketing and communications firm to develop and implement a marketing campaign for the State’s Work Sharing Program. The enacted legislation went into effect on February 15, 2021.

For further discussion of *Senate Bill 496*, see the subpart “Operating Budget” within Part A – Budget and State Aid, and subpart “Income Tax” within Part B – Taxes, of this *90 Day Report*.

Payment Plans

Senate Bill 816/House Bill 908 (Chs. 48 and 47) enhance existing requirements for employer payment plans when Table F is in effect and require the Secretary of Labor to offer payment plans when other tax tables are in effect. The Acts also alter a provision in *Senate Bill 496 (Ch. 39)* to require that small employers still submit employment and contribution *reports*, even if they elect to defer the *payment* of UI taxes as originally authorized under Chapter 39. Additionally, for calendar 2021, if the federal government is not providing emergency unemployment relief for nonprofit organizations and governmental entities for the entirety of the calendar quarter ending September 30, the Acts authorize a nonprofit organization or governmental entity that employs 50 or more individuals to defer certain reimbursement payments for the calendar quarter ending September 30. The enacted legislation went into effect on April 9, 2021.

Claims for Benefits

Generally, an eligible UI claimant must be paid a weekly benefit amount that is computed by (1) determining the claimant’s weekly benefit amount based on qualifying income; (2) adding any allowance for a dependent to which the claimant is entitled; and (3) subtracting any wages exceeding \$50 payable to the claimant for the week. *Senate Bill 819/House Bill 1139 (Chs. 53*

and 52) temporarily increase from \$50 to \$200 the wages that are disregarded for purposes of determining a UI claimant’s weekly benefit amount. The Acts terminate concurrent with the expiration of the state of emergency declared by the Governor due to the COVID-19 pandemic, at which point the income disregard level will return to \$50. The enacted legislation went into effect on April 9, 2021.

Senate Bill 893/ House Bill 1002 (Chs. 65 and 49) require MDL to take specified actions in administering the State UI program; most of the requirements relate to enhancing applicant and claimant services and enhancing general program administrative procedures. MDL must begin implementing a system through which a claimant may consent, as part of any weekly claim certification, to the sharing of relevant collected information by MDL with the Maryland Health Benefit Exchange (MHBE) and the Maryland Department of Health to determine whether the individual qualifies for free or low-cost health insurance and, if so, to help the individual enroll. MHBE must open a special or other enrollment period for an individual who consents to share the information. The Acts also require MDL to provide demographic and related claimant information to the chief elected official of a county upon request, subject to specified requirements. The enacted legislation went into effect on April 13 and April 9, 2021, respectively, pursuant to Article II, Section 17(b) of the Maryland Constitution.

Work Sharing

The State has adopted an optional Short-Time Compensation Program, more commonly known as work sharing, as allowed under federal law. Maryland employers who participate in work sharing can retain employees by temporarily reducing the hours of work among employees within an affected unit. The employees with reduced work hours receive partial UI benefits – the same percentage as the hourly reduction – to supplement lost wages. For example, an employer could reduce hours by 20%, and then those affected employees would be entitled to 80% of their normal earnings, plus 20% of their UI benefit. *Senate Bill 771/House Bill 1143 (Chs. 64 and 54)* expand applicability of work sharing to include individuals who are rehired following a temporary closure or layoff due to the COVID-19 pandemic, subject to federal guidance. The range of reduced work hours under potential work sharing plans is expanded from 20% to 50%, to 10% to 60%, the maximum allowed under federal law. The Acts also require MDL to ensure that the work sharing program has sufficient staff and resources to complete the processing of a complete application within 10 days. MDL must send a related notice to employers within 30 days of the effective date of the Acts and must contract with a professional marketing and communications firm for a marketing campaign about the work sharing program. The Acts authorize various funding sources to cover the cost of the marketing campaign, including Chapter 39 of 2021. The enacted legislation went into effect on April 13 and April 9, 2021, respectively, pursuant to Article II, Section 17(b) of the Maryland Constitution.

Work sharing benefits were 100% federally funded under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act through December 2020, which has been extended twice through subsequent federal legislation. Work sharing benefits are now federally funded through early September 2021. Work sharing recipients were eligible for the full \$600 federal

add-on payment that was available under the CARES Act through July 2020 and are eligible for the full current \$300 add-on payment through early September 2021.

Administration

The COVID-19 pandemic raised questions about the resiliency of the State's UI system during periods of high unemployment. *Senate Bill 817/House Bill 907 (Chs. 46 and 45)* require MDL, in consultation with the Department of Legislative Services (DLS), to study and make recommendations regarding various reforms to the UI system. In conducting the study and making recommendations, MDL must (1) report monthly to DLS and the Joint Committee on Unemployment Insurance Oversight on the status of the study; (2) consult with the U.S. Department of Labor, other state UI agencies, and other stakeholders; and (3) examine and consider any report or recommendation made by the National Academy of Social Insurance Unemployment Insurance Task Force of 2021. By July 1, 2021, MDL must submit an interim report to the joint committee, and by December 1, 2021, MDL must submit a final report to the Governor, the joint committee, the Senate Finance Committee, and the House Economic Matters Committee. The enacted legislation went into effect on April 9, 2021.

In an effort to make DUI activities more transparent, *Senate Bill 818/House Bill 1138 (Chs. 51 and 50)* require MDL to post specified information related to the State's UI program on its website on a weekly and monthly basis. The Acts also establish, during a "disaster," additional actions MDL must take affecting the UI system and exempt the department from specified procurement laws related to staffing. The Assistant Secretary for DUI must oversee compliance with the disaster-related requirements. The enacted legislation went into effect on April 9, 2021.

Labor and Industry

Employment Standards

Safety Standards and Worker Protections during a Catastrophic Health Emergency

On March 5, 2020, the Governor declared a state of emergency and the existence of a catastrophic health emergency to deploy resources to control and prevent the spread of COVID-19. The declaration has been renewed several times (most recently March 18, 2021) and has resulted in, among other things, a stay-at-home order, and required closure of all nonessential businesses until May 15, 2020. *House Bill 581 (passed)* is an emergency bill that establishes various safety protections and benefits for "essential workers" and various requirements for "essential employers," when the Governor proclaims a catastrophic health emergency due to a communicable disease. The bill defines "essential worker" as an individual who performs a duty or work responsibility during an emergency that cannot be performed remotely or is required to be completed at the worksite and provides services that the essential employer determines to be essential or critical to its operations. "Essential employer" is a person that employs an essential worker and includes a unit of State or local government. The bill applies to essential employers in

industries and sectors identified by the Governor or a federal or State agency as critical to remain in operation during the emergency.

The bill generally requires that an essential employer comply with existing federal and State safety standards, provide safety equipment (subject to availability), take proactive steps to minimize the risk of transmission of the communicable disease that is the subject of the emergency, and pay for the cost of testing if an essential worker does not have access to a free test or if insurance or other benefits do not cover the cost of the test. If the federal or State government provides funding for public health emergency leave, an essential employer must provide up to 112 hours of paid leave for full-time workers and lesser amounts for part-time workers. In addition, an essential worker has a right to refuse to perform an assigned task under State occupational safety and health standard standards. Further, essential workers may file complaints with the Commissioner of Labor and Industry, who is responsible for enforcing the bill's provisions.

In terms of State agency responsibilities, within two weeks of the bill going into effect, the Secretary of Labor must adopt a federal Emergency Temporary Standard for COVID-19 if one has been promulgated by the federal government; otherwise, the Secretary of Labor must adopt a State standard. On or before August 1, 2021, the Maryland Department of Health, in consultation with the Department of Labor and local health departments, must develop a template health emergency preparedness plan that provides for a coordinated response to complaints about unsafe working conditions during a catastrophic health emergency. The bill further requires those same agencies to submit a report to the General Assembly on or before October 1, 2021, regarding recommendations for potential legislation to enhance the agencies' enforcement authority during a catastrophic health emergency. On or before January 1, 2022, the Maryland Occupational Safety and Health must report to the General Assembly on specified enforcement actions related to COVID-19.

Bereavement Leave

Under the Maryland Flexible Leave Act, a private-sector employer who provides paid leave to its employees must allow an employee to use earned paid leave to care for an immediate family member. *Senate Bill 473/House Bill 56 (both passed)* expand Maryland's Flexible Leave Act by authorizing employees of employers with at least 15 employees to use earned paid leave for bereavement leave. An employee is allowed to use bereavement leave for the death of the employee's immediate family member, including an adult child of the employee.

Teleworking

In accordance with Chapter 83 of 2013, the Executive Branch of State government has a telework program; the Legislative and Judicial branches of State government, at their own initiative, have a telework program with similar policies and guidelines. In addition to expanding the telework program for State employees, *House Bill 73 (passed)* establishes the Office of Telework Assistance and the Business Telework Assistance Grant Program in the Department of Commerce. The office and program aim to assist, encourage, and incentivize private-sector businesses to develop and implement their own telework policies. Beginning in fiscal 2023 and each fiscal year thereafter, the Governor must include in the annual budget bill an appropriation of

at least \$1.0 million for the program. For a more detailed discussion of the bill, see the subpart “Personnel” in Part C – State Government of this *90 Day Report*.

Wages

Secure Wage

The federal Fair Labor Standards Act (FLSA) requires workers to be paid a minimum hourly wage and overtime compensation be paid for work over 40 hours in a week. However, certain types of employees are exempt from the FLSA minimum wage and overtime pay requirements. The Maryland Wage and Hour Law is the State complement to the FLSA, which specifies minimum wage and overtime requirements for employers and employees in the State. *Senate Bill 107/House Bill 685 (both passed)* require an employer to pay specified wages and benefits – called a “secure wage” – to a covered employee beginning January 1, 2022. A “covered employee” is a nonexempt employee under the FLSA who performs work at a “heightened security interest location,” which includes Baltimore/Washington International Thurgood Marshall Airport and Pennsylvania Station in Baltimore. Employees of retail or food establishments, airlines, construction companies, and rental car companies are exempt from the bills’ requirements.

The bills apply to a covered employee only if at least 50% of the covered employee’s time during any workweek is performed at a heightened security interest location. Specifically, an employer must pay a covered employee an hourly wage rate of at least:

- \$13.50 per hour beginning January 1, 2022;
- \$14.25 per hour beginning January 1, 2023;
- \$15.00 per hour beginning January 1, 2024; and
- \$16.00 per hour beginning January 1, 2025.

In addition, starting on January 1, 2026, an employer must also pay a covered employee an additional supplement benefit rate with a value of at least \$1.00 per hour, which is determined by either applying the full supplement benefit to assist in covering the employee’s share of health or other benefits, excluding any existing paid leave; applying a portion of the supplement benefit to assist in covering the employee’s share of health or other benefits, excluding paid leave, and paying the balance in cash; or paying the entire supplement benefit in cash. Further, an employer must pay overtime wages of at least 1.5 times the usual hourly wage required under the bills for each hour over 40 hours that a covered employee works during one workweek. Lastly, an employer may not include a tip credit amount as part of the wage of a covered employee whose duties include providing passengers with wheelchair or other related assistance. These tipped employees are entitled to be paid the required secure wage and to retain all tips received.

The commissioner must enforce the bills’ provisions, but a person aggrieved by a regulation adopted by the commissioner, or by an order to pay wages issued by the commissioner,

may file an action. Similarly, if an employer pays less than the wages required, the covered employee may bring an action against the employer. Finally, a covered employee or employer who violates certain provisions of the bills is guilty of a misdemeanor and on conviction is subject to a fine of up to \$1,000. Covered employees are exempted from the minimum wage and enforcement requirements of the Maryland Wage and Hour Law.

Prevailing Wage

Contractors and subcontractors working on eligible public works projects in Maryland must pay their employees the applicable prevailing wage rate determined by the commissioner.

Senate Bill 35/House Bill 37 (Chs. 57 and 58) require that a public work contract valued at \$250,000 or more that receives 25% or more in State funding pay the State prevailing wage to employees working on the project. The Acts exempt legislative bond initiatives from the prevailing wage law. For a more detailed discussion of the bills, see the subpart “Procurement” in Part C – State Government of this *90 Day Report*.

Senate Bill 95/House Bill 174 (both passed) require investor-owned gas and electric utilities to require contractors and subcontractors on underground projects to pay their employees at least the applicable prevailing wage rate. The bills apply to projects involving the construction, reconstruction, installation, demolition, restoration, or alteration of any underground gas or electric infrastructure of the company and any related traffic control activities.

Workforce Training

The Division of Workforce and Development and Adult Learning in the Maryland Department of Labor focuses on helping businesses maintain the skilled workforce they need to be competitive in today’s economy, as well as helping people get jobs. *Senate Bill 307 (passed)* establishes a Direct Care Workforce Innovation Program within the division. The purpose of the program is to provide matching grants to eligible entities to create and expand on successful recruitment and retention strategies for direct care workers in the State. To receive a matching grant under the program, an eligible entity must submit an application that includes a project plan. The bill specifies the content of the project plan and provides how the division must evaluate and select eligible entities. The program includes a matching grant requirement, and an eligible entity receiving a matching grant must use the grant to supplement, not supplant, the amount of funds that would be available to address the recruitment, retention, or advancement of direct care workers.

Beginning in fiscal 2023 and each fiscal year thereafter, the Governor must include in the annual budget bill an appropriation of at least \$250,000 for the program. The maximum amount of the grant for each eligible entity is \$50,000 annually, and each grant awarded is valid for at least three years.

Lay Offs

The Economic Stabilization Act establishes a quick-response program to provide both employers and employees with services to help mitigate the impact on employees due to a reduction in operations. *Senate Bill 801/House Bill 1154 (both passed)* alter definitions, thresholds, and notification requirements for employers under the Economic Stabilization Act. Among the changes, the bills establish two exemptions from the notice requirement, specify that the chief local elected official needs to be notified (rather than all elected officials), and clarify that a seller and a purchaser must provide notice when all or part of a business is sold.

Statewide Alcoholic Beverages

Regulation of Alcoholic Beverages

Retail Sale or Delivery for Off-premises Consumption

On March 19, 2020, in response to the spread of COVID-19 in the State and citing the protection of public health by furthering the goals of social distancing and promotion of compliance with isolation and quarantine protocols, the Governor issued an executive order expanding alcoholic beverage delivery and carryout services. The order allowed licensed establishments to deliver or sell alcoholic beverages for off-premises consumption despite any restrictions inherent in their licenses. The order remains effective until after the termination of the state of emergency and rescission of the proclamation of a catastrophic health emergency.

Senate Bill 205/House Bill 12 (both passed) authorize local alcoholic beverages licensing boards to adopt regulations authorizing specified license holders to provide alcoholic beverages by delivery or sale for off-premises consumption on a temporary basis. In considering whether to adopt these regulations, a local licensing board must weigh the need to promote economic recovery for small businesses in the wake of the COVID-19 pandemic and the need to protect public health and welfare.

The bills limit an alcoholic beverages license holder to delivering or selling alcoholic beverages that are authorized under its license. Local licensing boards may not increase a license fee or otherwise charge extra for the expanded privileges authorized under the bills, but may set a limit on the amount of alcohol that may be sold or delivered in a single transaction.

Senate Bill 205/House Bill 12 also require the Alcohol and Tobacco Commission (ATC) and the Maryland Department of Health (MDH) jointly to conduct a study on the impact of the expansion of access to alcohol under the bills and the Governor's Declaration of State of Emergency and Existence of Catastrophic Health Emergency – COVID-19. ATC and MDH must report to the General Assembly on the findings of the study by December 31, 2022. The bills terminate on June 30, 2023.

Manufacturer’s Licenses and Off-site Permits

Senate Bill 821/House Bill 1232 (both passed) are emergency bills that make various temporary changes to the regulation of alcoholic beverage manufacturers in the State. Broadly, the bills significantly alter provisions on off-site and special event permits and alter the licensing fees and privileges of several manufacturer’s licenses. With respect to permits, the bills repeal specified manufacturer’s permits and establish a manufacturer off-site permit and a brewery special event permit. With respect to licensing, the bills alter the fee structure for most manufacturer’s licenses, authorize most manufacturers to sell and deliver their own alcoholic beverage products to consumers if specified procedures are followed, alter the limitations of the Class 7 limited beer wholesaler’s license, and alter the privileges associated with Class 1 distillery licenses and Class 8 farm-brewery licenses. The consumer delivery provisions in particular are intended to help manufacturers return to economic health after suffering the impacts of the pandemic, similar to *Senate Bill 205/House Bill 12*.

A manufacturer off-site permit may be issued to the holder of a specified manufacturer’s license. The permit authorizes the holder to provide samples of and to sell alcoholic beverages produced by the holder. The brewery special event permit may be issued to the holder of a specified brewery license and authorizes the license holder to conduct a special event to provide samples and sell products manufactured by the license holder.

Existing law provides that alcoholic beverage manufacturer’s licenses may be issued by ATC for a set annual fee. These bills instead authorize ATC to determine the annual license fee, as long as the fee does not exceed a specified cap, which is the existing annual fee. The bills also authorize most alcoholic beverage manufacturers to sell and deliver their products in accordance with specified rules.

In addition, the bills increase certain barrel limits for a Class 7 limited beer wholesaler’s license, and allow the holders of Class 1 distillery and Class 8 farm brewery licenses to sell and deliver their products directly to individuals in the State who meet specified criteria. The bills terminate on December 31, 2022.

Industry Practice Prohibition

House Bill 185 (passed) prohibits an alcoholic beverages license holder in the State, or an employee of a license holder, from conditioning the sale of alcoholic beverages for on-premises consumption on the purchase of more than one serving of an alcoholic beverage at a time. The issuer of an alcoholic beverages license may revoke or suspend the license for violating this prohibition. In addition, the bill establishes criminal penalties for a violation, which include a fine or possible imprisonment.

Alcohol and Tobacco Commission

Senate Bill 761/House Bill 1336 (both passed) include the Executive Director of ATC in the State's retirement and pension plan and provide that the Executive Director has the designation of a peace officer. This gives the Executive Director the same status as other ATC employees in the pension system. For a further discussion of **Senate Bill 761/House Bill 1336**, see the subpart "Pensions and Retirement" within Part C of this *90 Day Report*.

Local Alcoholic Beverages

Legislation

Allegany County

Class B-D Beer, Wine, and Liquor License: Senate Bill 677/House Bill 883 (both passed) establish a Class B-D beer, wine, and liquor license that authorizes the holder to sell beer, wine, and liquor for on-premises consumption, as specified. The bills also authorize the board of license commissioners to issue up to two licenses in a single year. A license holder must complete a Food Alcohol Ratio Report once every licensing cycle.

Gift Basket Permit: Senate Bill 731/House Bill 1059 (both passed) establish a gift basket permit that may be issued to a person whose primary business is the sale and delivery of flowers or specified gift baskets. The permit holder may not hold any other alcoholic beverages license or permit in the county. The permit holder's annual sales from alcoholic beverages may not exceed 10% of the holder's annual gross sales.

Annual Fees: Senate Bill 679/House Bill 880 (both passed), both emergency bills, authorize the board of license commissioners to reimburse license holders for certain annual license fees, as specified, for the 2020 through 2021 licensing period. The board must also waive or impose lower annual fees relating to the same types of licenses for the 2021 through 2022 licensing period.

Anne Arundel County

Class MT (Movie Theater) License: *Senate Bill 489/House Bill 679 (both passed)* establish a Class MT (movie theater) beer and wine license. The board of license commissioners may issue the license to the owner of a movie theater in the county that holds a crowd control training certification. The license authorizes the sale of beer and wine for on-premises consumption, as specified.

Annual Fees: *Senate Bill 944/House Bill 1136 (both passed)*, both emergency bills, require the board of license commissioners, if funding is available, to reimburse each license holder in the county the entire amount of the annual license fee for specified licenses for the 2020 through 2021 licensing period. If the balance of fees remitted to the county by the Comptroller is not sufficient to reimburse each license holder in the county the entire amount of the annual license fee for specified licenses for the 2020 through 2021 licensing period, the board must reimburse each license holder (1) a percentage of the annual license fee in proportion to the total amount of the balance of fees remitted to the county by the Comptroller and (2) for the following year, the remaining balance of the annual license fee that was not reimbursed during the previous fiscal year or a percentage of the annual license fee in proportion to the total amount of the balance of fees remitted to the county by the Comptroller.

Alcoholic Beverages Inspectors: *Senate Bill 490 (passed)* requires the board of license commissioners to hire a full-time chief inspector, as specified, and removes the authorization for the board to hire a part-time chief inspector.

Baltimore City

Class B-D-7 Licenses: *Senate Bill 547/House Bill 868 (both passed)* authorize the board of license commissioners to issue a Class B-D-7 license in the 4800 block of Harford Road in the 45th alcoholic beverages district under specified circumstances. *House Bill 256 (passed)* alters the hours of sale for a Class B-D-7 license holder located in Baltimore City along specified geographic boundaries.

Alcoholic Beverages Licenses (40th District): *House Bill 1288 (passed)* generally restricts license holders in specified geographical areas in the 40th alcoholic beverages district in Baltimore City from selling alcoholic beverages before 10:00 a.m. or after 10:00 p.m. Specified classes of licenses are exempt from the restriction on hours of operation. The board may issue a Class B-D-7 license and a Class C beer, wine, and liquor (BWL) license in the 40th alcoholic beverages district, as specified.

Alcoholic Beverages Licenses (46th District): *Senate Bill 426/House Bill 572 (both passed)* authorize specified holders of a Class 9 limited distillery license in the 46th alcoholic beverages district, who also hold a Class D (6-day) BWL license under specified circumstances, to apply to the board of license commissioners to convert the existing Class D (6-day) BWL license into a Class D (7-day) BWL license. The bills also authorize the board to issue (1) a Class D beer and light wine license for an establishment in a specified geographic boundary that has executed a memorandum of understanding with Brewer's Hill Neighbors, Inc., and (2) a Class B BWL license

for a restaurant at a specified address. The bills make permanent provisions established by Chapters 676 and 677 of 2019 pertaining to interactions between a specified Class 1 distillery and retail dealer in Port Covington. In addition, the bills repeal specified authorizations to issue or transfer a license within specific geographic areas.

Geographic Boundaries of Alcoholic Beverages Districts: Senate Bill 472 (passed) updates specified statutory references to the boundaries of Baltimore City's alcoholic beverages districts, so that they are defined as coterminous with the legislative districts in the Legislative Districting Plan of 2012, rather than the Legislative Districting Plan of 2002. The bill requires the board of license commissioners to exempt an activity made unlawful by the bill's change in reference to district boundaries under specific circumstances.

Baltimore County

Class D BWL License: Senate Bill 424/House Bill 555 (both passed) authorize the board of license commissioners to issue a Class D BWL license for use by a drugstore.

Board of License Commissioners: Senate Bill 38/House Bill 677 (both passed) require that each member of the board of license commissioners be a resident and voter of the county.

Calvert County

Annual Fees: House Bill 1016 (passed) requires the board of license commissioners to reimburse each license holder in the county the entire amount of the annual fee for any license that authorizes the sale of alcoholic beverages for on-premises consumption only at a bar or restaurant.

Charles County

Class 4 Limited Winery License: Senate Bill 833/House Bill 1018 (both passed) authorize a Class 4 limited winery license holder in the county to hold or have a financial interest in one retail license that does not apply to the premises for which the Class 4 limited winery license applies.

Frederick County

Barbershop and Beauty Salon Beer and Wine License: Senate Bill 694/House Bill 1270 (both passed) increase, from 5 ounces to 12 ounces, the maximum amount of beer that the holder of a barbershop or a beauty salon beer and wine license may provide to a customer for on-premises consumption.

Consumption Permits: Senate Bill 793/House Bill 1242 (both passed) establish a beer and wine consumption permit and a beer, wine, and liquor consumption permit in the county. The board of license commissioners may issue these permits to holders of Class A licenses, as specified.

Stadium License: Senate Bill 693/House Bill 1240 (both passed) repeal the authorization for the license holder of a stadium license in the county to sell beer and wine in Styrofoam

containers on the licensed premises to conform with existing State law banning specified uses of expanded polystyrene food service products.

Wine Definition: *Senate Bill 792/House Bill 1272 (both passed)* increase, from 21% to 22%, the maximum percentage of alcohol by volume for wine that Class 3 wineries and Class 4 limited wineries holding a Class A wine license in the county may sell, as specified. Additionally, the maximum percentage of alcohol by volume for alcoholic beverages that a restaurant holding a Class B BWL hotel or restaurant license may sell for off-premises consumption increases from 14.5% to 22%.

Garrett County

Alcoholic Beverages Act of 2021: *Senate Bill 451/House Bill 632 (both passed)* remove the one-time issuing fees for new Class C (club and organization) BWL licenses and new art establishment licenses. The bills also authorize a Class C per diem BWL license holder to purchase liquor, in addition to beer and wine, from a wholesaler.

Gift Basket Permit: *Senate Bill 731/House Bill 1059* establish a gift basket permit that may be issued to a person whose primary business is the sale and delivery of flowers or specified gift baskets. The permit holder may not hold any other alcoholic beverages license or permit in the county. The permit holder's annual sales from alcoholic beverages may not exceed 10% of the holder's annual gross sales.

Harford County

Assisted Living Program License: *Senate Bill 386/House Bill 312 (both passed)* establish a Class ALP (assisted living program) BWL license. The board of license commissioners may issue the license to a manager of an assisted living program that is licensed by the Department of Human Services and may be operated under a management agreement, as specified.

Gift Basket Permit: *Senate Bill 390/House Bill 1100 (both passed)* establish a gift basket permit in the county. The bills authorize the board of license commissioners to issue the permit to a person (1) whose primary business is the sale and delivery of flowers; (2) whose business includes the sale and delivery of gift baskets of flowers, food, or other items; and (3) who does not hold any other alcoholic beverages license or permit. The board is prohibited from issuing a permit for use in conjunction with or on the premises of a chain store, supermarket, or discount house. A permit holder may sell and deliver, to consumers of a legal drinking age located in the county, gift baskets containing specified volumes of beer, wine, or liquor products, purchased from a retail license holder.

Howard County

Class A Alcoholic Beverages License – Quota: *House Bill 1151 (passed)* modifies the maximum number of Class A licenses of any type that the board of license commissioners may issue by authorizing the board to issue up to six Class A licenses in each election district in the county. The board may issue more than six Class A licenses in any election district if the total

number of Class A licenses in any election district does not exceed one Class A license of any type for every 4,000 residents of the election district.

Class B BWL License – Off-premises Consumption: *House Bill 1152 (passed)* authorizes the holder of a Class B BWL license to sell beer, wine, and liquor in sealed containers for off-premises consumption only to a person who has purchased prepared food from the premises. The bill repeals the beer and wine (B-SBW) off-sale permit that a Class B BWL license holder previously needed to obtain to sell beer and wine for off-premises consumption, as specified. The board of license commissioners may limit the quantity of alcoholic beverages sold in a single transaction for off-premises consumption, as specified.

Retail Delivery: *House Bill 1155 (passed)* authorizes the holder of a Class A license or an employee of the license holder to deliver alcoholic beverages within the county. An employee making a delivery must be at least 18 years old. The deliverer and recipient must both sign a form indicating that (1) the recipient claimed to be 21 years old and presented documentation to that effect; (2) the recipient knows it is a criminal offense for alcoholic beverages to be given to an individual under 21 years old; and (3) the deliverer examined the recipient's identification. A delivery may not be made unless the purchaser or another individual at least 21 years old designated by the purchaser is physically present to receive the beverages at the place and time of delivery and pays for the purchase at the time of the order.

Alcoholic Beverages Inspectors: *House Bill 1191 (passed)* requires the Howard County Police Department to employ inspectors to assist the board. The bill specifies that the chief of the county police department must have final selection authority over the hiring of the inspectors. An inspector who investigates an alcoholic beverages license violation is authorized to issue a civil citation, as specified.

Montgomery County

Seating Requirements: *House Bill 430 (passed)* repeals the capacity requirements for an applicant of a BWL Community Performing Arts Facility alcoholic beverages license.

Draft Beer for Off-site Consumption in Damascus: *House Bill 432 (passed)* authorizes the board of license commissioners to issue a refillable or nonrefillable container permit for draft beer to the holder of a Class H beer and wine license if the licensed premises is in Damascus (12th election district).

Annual Fees: *House Bill 428 (passed)*, an emergency bill, requires the board of license commissioners to refund the annual fees and late fees for each alcoholic beverages license issued for the 2020 to 2021 licensing period, as specified. The bill also requires the board to waive the late fees for alcoholic beverages licenses issued for the 2021 to 2022 licensing period, as specified.

Prince George's County

Class BLX License: *Senate Bill 739 (passed)* authorizes an establishment in Prince George's County located within a specified area on the campus of the University of

Maryland, College Park Campus that is issued a Class BLX license to offer entertainment when individuals under the age of 21 years are present, as specified.

Violations and Penalties; Sunday Off-sale Permit: *House Bill 974 (passed)* authorizes the board of license commissioners to issue a Sunday off-sale permit to any Class A or Class B license holder with an off-sale privilege. An applicant for a Sunday off-sale permit must commit to spending a minimum of \$50,000 to rehabilitate and renovate the licensed premises within one year after the permit is issued. By January 1, 2023, the board must conduct a study of Sunday off-sale permits to determine (1) how many permit holders failed to make the required reinvestment and (2) how many times the reinvestment requirement was waived.

House Bill 974 also prohibits the board of license commissioners from approving or renewing a license for a license holder or a stockholder of a corporation convicted of a felony related to operations under the license for at least 10 years and requires the board to revoke such a license. In addition, the bill provides that a license holder or employee who violates provisions on selling or providing alcoholic beverages to an underage individual is guilty of a misdemeanor and is subject to imprisonment not exceeding 2 years or a fine not exceeding \$2,000, or both.

Queen Anne's County

Places of Worship: *Senate Bill 855/House Bill 323 (both passed)* remove the prohibition on the board of license commissioners issuing an alcoholic beverages license to an establishment located within 500 feet of a place of worship.

Unannounced Inspections: *Senate Bill 854/House Bill 349 (both passed)* alter the requirement for an alcoholic beverages inspector to inspect at unannounced times every licensed premises in the county from at least once every 60 days to at least once every 180 days.

St. Mary's County

Distillery On-site Consumption Permit: *House Bill 529 (passed)* authorizes the board of license commissioners to issue an on-site consumption permit to the holder of a Class 1 distillery license for use at the location of the licensed premises. The permit authorizes the sale of mixed drinks made from liquor produced by the distillery that are mixed with other nonalcoholic ingredients for on-premises consumption. An application for a permit must be made at least 30 days before the permit is to take effect.

Annual Fees: *House Bill 814 (passed)*, an emergency bill, requires the board of license commissioners to waive the entire annual licensing fee for the 2021 through 2022 licensing period for any alcoholic beverages license that authorizes the holder to sell alcoholic beverages for on-premises consumption only at a bar or restaurant if the license holder paid the fee for the 2020 through 2021 licensing period.

Washington County

Special Event Permits for Wineries: *House Bill 1108 (passed)*, an emergency bill, increases, from 32 to 60, the number of times in a year that specified wineries may use a special event permit. The bill terminates June 30, 2023.

Wicomico County

License Alterations: *Senate Bill 715/House Bill 795 (both passed)* repeal the requirement that the holder of a Class B BWL (golf course) license must have average daily receipts from the sale of food for each month that exceed the average daily receipts from the sale of alcoholic beverages. The bills also expand the authorized days in which a holder of a Class A BWL license may sell beer, wine, and liquor to Monday through Sunday from 6 a.m. to midnight instead of Monday through Saturday from 6 a.m. to midnight.

Part I

Financial Institutions, Commercial Law, and Corporations

Financial Institutions

Office of the Commissioner of Financial Regulation

Extension of Termination

The Office of the Commissioner of Financial Regulation (OCFR) within the Maryland Department of Labor supervises the activities of the financial services industry through periodic on-site examinations and off-site monitoring programs. The mission of OCFR is to ensure that the citizens of Maryland are able to conduct their financial transactions through safe, sound, and well-managed institutions that comply with Maryland law, while providing a flexible, yet sound, regulatory environment that promotes fair competition, encourages innovative business development, and supports the economy of Maryland. *Senate Bill 281 (Ch. 102)* extends the termination date for OCFR by 10 years to July 1, 2032.

Report on the Banking Environment in the State

Senate Bill 933 (passed) requires OCFR to submit a report to the General Assembly, by December 31, 2021, analyzing the banking environment in the State. The report must (1) include the number and types of State and federal banks and other financial institutions by jurisdiction; (2) identify banking deserts in the State where citizens have limited access to financial services or are living in areas without a credit union or bank branch; and (3) recommend strategies to ensure that residents of underserved jurisdictions have access to financial services.

Nondepository Financial Institutions

Currently, certain nondepository financial institutions must apply for a license through the National Multistate Licensing System and then obtain a paper license from OCFR in order to conduct business in the State. As a result, licensees have a unique National Multistate Licensing System-issued identification number and a separate OCFR-issued license number. *Senate Bill 251 (Ch. 101)* eliminates the requirement that certain nondepository financial institutions obtain a

paper license with OCFR. Instead, affected licensees must obtain a single electronic license issued by the National Multistate Licensing System in order to conduct business in the State.

Credit Union Powers

If OCFR approves, a credit union may engage in any additional activity, service, or other practice in which, under federal law, a federal credit union may engage. A credit union must provide OCFR with written notice at least 45 calendar days before engaging in any activity, service, or other practice authorized under federal law. The notice required must include a description of the proposed activity, service, or other practice. *House Bill 1004 (passed)* modifies the process for, and circumstances under which, a Maryland-chartered credit union may engage in any additional activity, service, or other practice that is already authorized for federal credit unions. The bill allows a credit union to undertake an action after filing a notice of intention to do so with OCFR if (1) OCFR does not reject or modify the proposal under the terms specified by the bill and (2) 45 calendar days have elapsed.

Maryland Money Transmission Act

Maryland law requires the licensing of virtual currency companies whose activities are covered by the Maryland Money Transmission Act (MMTA). *Senate Bill 219 (Ch. 100)* expands MMTA by updating the definition of “money transmission” to clarify that certain forms of value, like cryptocurrencies and prepaid access system cards, are items of monetary worth and are therefore subject to regulation under MMTA and incorporates other applicable federal definitions by reference to align State law with federal law. Additionally, the Act updates the reporting requirements for money transmitters and requires the use of the Nationwide Multistate Licensing System and Registry. Finally, the Act reduces the fee associated with the establishment of ancillary branches and money transmission kiosks and addresses certain operational processes of licensees.

Security Questions

Senate Bill 185 /House Bill 741 (both passed) require a financial institution to allow a customer to choose from at least two security question options for each security question, if the financial institution requires a customer to provide an answer to a security question in connection with the provision of an account. The requirement applies prospectively and does not apply to any customer accounts created before October 1, 2021.

Commercial Law – Generally

Credit Regulation

Under the Maryland Mortgage Lending Law, a mortgage lender may not make a mortgage loan without giving due regard to a borrower’s ability to repay the mortgage. “Due regard” involves consideration of the borrower’s debt-to-income ratio as well as income and asset verification, as specified. There are no comparable requirements for applications for other types

of credit extension. Federal regulations specify the factors that federally chartered financial institutions may and may not consider when evaluating loan applications.

House Bill 1213 (passed) requires certain financial institutions to adhere to specified federal regulations when evaluating an application for a primary residential mortgage loan or an extension of credit. Under the bill, State-chartered banking institutions, credit unions, savings and loan associations, community development financial institutions, and specified credit grantors must follow the federal provisions. These include consideration of the following verifiable alternative indications of creditworthiness: (1) history of rent or mortgage payments; (2) history of utility payments; (3) school attendance; and (4) work attendance. In addition, on request by the applicant, any entity subject to the bill must consider other verifiable alternative indications of creditworthiness that the applicant presents or makes available to the entity.

Financial Services Licensing and NMLS

Maryland has gradually moved from maintaining a standalone licensing system for many financial services to participating in the Nationwide Multistate Licensing System (NMLS). Currently, nondepository licensees must apply for an electronic license through NMLS and then obtain a paper license from the Office of the Commissioner of Financial Regulation (OCFR). As a result, licensees have a unique NMLS-issued identification number *and* a separate OCFR-issued license number. ***Senate Bill 251 (Ch. 101)*** eliminates the separate OCFR licensing requirement for collection agencies, credit services businesses, lenders, installment lenders, mortgage lenders, mortgage loan originators, sales finance companies, check cashing services, money transmission businesses, and debt management services businesses. These entities will instead obtain a single electronic license issued by NMLS that serves as their OCFR license. The Act also makes numerous conforming changes related to consumer notification requirements, surrendering of licenses, and other requirements.

Commercial Law - Consumer Protection

Assisted Living Programs

An assisted living program is a residential or facility-based program that provides housing and supportive services, supervision, personalized assistance, health-related services, or a combination of those services that meets the needs of individuals who need assistance with the activities of daily living. In Maryland, assisted living programs are licensed by the Office of Health Care Quality (OHCQ).

Senate Bill 507/House Bill 554 (both passed) require an assisted living program that was appointed as a representative payee for residents to report to the Consumer Protection Division (CPD) of the Office of the Attorney General by June 1 each year. An assisted living program must report on the use of the following benefits by residents during the immediately preceding year: (1) Social Security benefits; and (2) other federal, State, or local government funds that are allocated for the purpose of assisting individuals who are aged, disabled, or blind. Additionally, OHCQ must notify CPD of the appointment of an assisted living program as a resident's

representative payee within a reasonable time after being made aware of the appointment. The bills also require OHCQ to refer an allegation of an unfair, abusive, or deceptive trade practice by an assisted living program to CPD and to the Office of Inspector General within the Maryland Department of Health. For a more detailed discussion of these bills, see the subpart “Health Care Facilities and Regulation” within Part J – Health and Human Services of this *90 Day Report*.

Corporations and Associations

State Department of Assessments and Taxation

Annual Reports

All Maryland (domestic) and non-Maryland (foreign) legal entities are required to file an annual report every year by April 15 (or June 15 if an extension is applied for) with the State Department of Assessments and Taxation (SDAT). When a foreign legal entity fails to file a required annual report, the charter for that entity is forfeited the same year. Domestic legal entities, however, are given a one-year grace period to get annual report filings current with the department. This policy, while beneficial to domestic legal entities, is not authorized by statute. *House Bill 839 (passed)* provides an additional year for domestic corporations, domestic limited liability companies, domestic limited liability partnerships, domestic limited partnerships, and domestic statutory trusts to file with SDAT before being placed on a list whereby the charter is forfeited.

Resident Agents of Foreign Corporations

Senate Bill 320 (Ch. 107) authorizes a foreign corporation to certify that SDAT is the corporation’s resident agent when registering or qualifying with the department. Previously, SDAT could be designated as a resident agent for all foreign business entities except for foreign corporations, which were required to hire agents to receive documentation on the corporation’s behalf. The Act authorizes SDAT to act as a resident agent for a foreign corporation that does business in the State without a resident agent or with a resident agent who cannot be found or served with the exercise of reasonable diligence.

Filing Fees

Business entities that file articles of dissolution and certificates of cancellation with SDAT must pay a \$100 nonrefundable processing fee. Foreign entities are required to pay a \$25 nonrefundable processing fee to file an application of termination. *House Bill 647 (passed)* repeals both of these fees.

Fees Review

In Maryland, there is a tax on business-owned personal property that is imposed and collected by local governments. Personal property generally includes business property, including furniture, fixtures, office and industrial equipment, machinery, tools, supplies, inventory, and any

other property not classified as real property. To provide for uniform assessments, SDAT is responsible for assessing all personal property.

At the beginning of each calendar year, SDAT notifies business entities on record that a personal property tax return must be filed by April 15 (for reports filed in calendar 2020, the filing deadline was extended to July 15, 2020, due to the COVID-19 pandemic). An annual report fee is required to be paid to SDAT with the personal property tax return. The fee is for the privilege of maintaining the legal entity’s existence in the State. **Exhibit I-1.1** identifies the amount of the report fee that each legal entity is required to pay.

Exhibit I-1.1
Annual Reporting Fee Requirement

<u>Business Entity</u>	<u>Fee</u>	<u>Business Entity</u>	<u>Fee</u>
Stock Corp	\$300	Domestic Statutory Trust	\$300
Nonstock Corp	0	Foreign Statutory Trust	300
Foreign Insurance Corp	300	Real Estate Investment Trust	300
Foreign Interstate Corp	0	Certified Family Farm	100
Limited Liability Company	300	Sole Proprietorship	0
Limited Liability Partnership	300	General Partnership	0
Limited Partnership	300	Amended Return	0

Source: Department of Legislative Services

House Bill 356 (passed) requires SDAT, by January 1, 2022, to (1) review the filing fees and associated requirements of neighboring states that are equivalent or substantially similar to filing fees in Maryland and (2) report recommendations to the General Assembly that would make Maryland more competitive with neighboring states, including whether to establish less frequent filing requirements, decrease fees, or establish a sliding fee scale.

Corporate Names

Professional Entity

Under the Maryland Professional Service Corporation Act, the name of a professional corporation must contain the surname of one or more of the corporation’s stockholders unless (1) the name of the corporation is approved by the appropriate licensing unit; (2) the licensing unit issues a certificate of authorization for use of the corporate name to the corporation or its incorporator; and (3) the certificate of authorization is attached to the articles of incorporation document in which the name is adopted. In order to obtain a certificate of authorization, the

professional corporation, or its incorporator, must file an application with the licensing unit and pay the required fee, as set by the licensing unit. Chapter 335 of 2016 exempted professional corporations in which a majority of the stockholders are individuals who are licensed, certified, or otherwise authorized to practice a health occupation under the Health Occupations Article from the requirements that the corporation name be approved by the appropriate licensing unit and professional organization, including physicians. The exemption does not apply to a professional corporation that provides dental services.

House Bill 1153 (passed) exempts the State Board of Physicians from the requirement to approve the name of a professional entity whose members are licensed physicians. The bill requires SDAT to notify the Maryland State Medical Society (MedChi) on receipt of the application of a specified professional entity. When MedChi receives a specified notice from SDAT, they may (1) take no further action or (2) if there is reason to believe that the name is deceptive or misleading, refer the application to the Maryland Department of Health for further action.

Trade Name Certificate

As a result of the COVID-19 pandemic, SDAT reports that Maryland financial institutions were not processing Paycheck Protection Program (PPP) loan applications unless the entity could provide a certificate of good standing. Many filers had to contact SDAT to bring the entity out of forfeited status and back into good standing because, in prior years, these filers only registered a trade name and did not actually register the business itself with SDAT. As a result, the filer could not successfully apply for a PPP loan since the entity was not in good standing with the department as it technically did not exist. ***Senate Bill 181 (Ch. 106)*** requires certain business entities to disclose the identification number assigned by SDAT for the associated business on a trade name certificate that is filed with the department before engaging in business.

Corporations and Real Estate Investment Trusts – Miscellaneous Revisions

Senate Bill 263/House Bill 781 (both passed) make various changes to laws governing corporate actions for corporations and real estate investment trusts (REIT) as applicable, including with respect to forum selection requirements, remote stockholders meetings, the Maryland Control Share Acquisition Act (MCSAA), and premature stock issuances. The bills also make other technical and clarifying changes.

Forum Selection

The bills clarify that a corporation's charter or bylaws may require that any internal corporate claim be brought only in specified circuit courts of the State or a federal court sitting in the State. Courts outside the State may also be designated as additional venues. As REITs are subject to this provision of law, the clarification also applies to venues for these internal claims for REITs.

Remote Stockholders Meetings

Under current law, a corporation may allow stockholders to participate in a meeting by means of a conference telephone or other communications equipment if all participants can hear each other at the same time. Under the bills, this requirement is revised to allow for participation by conference telephone or other communications equipment if all participants can read or hear the proceedings of the meeting substantially concurrently with the proceedings.

The bills allow a board to hold a stockholders meeting either partially or entirely remotely. The bills eliminate a provision requiring a board of directors, at the request of a stockholder, to provide a place for a stockholders meeting. The bills also make REITs subject to this provision of law, so that the authorization for remote meetings also applies to REITs.

Maryland Control Share Acquisition Act

Under MCSAA, holders of “control shares” of a corporation acquired in a “control share acquisition” have no voting rights with respect to the control shares except to the extent approved by a two-thirds vote of other stockholders (*i.e.*, excluding the interested holders of the control shares themselves). Though MCSAA does not apply to certain types of corporations, a corporation registered under the Investment Company Act of 1940 as a closed-end investment company may opt in to MCSAA.

The bills clarify that shares acquired prior to the time a corporation is subject to MCSAA (*i.e.*, including if and when it opts in to the Act) are excluded from the definition of control share acquisition that, in turn, determines voting rights. Under MCSAA, holders of control shares have no voting rights with respect to control shares acquired in a control share acquisition (unless two-thirds approval from other stockholders is obtained).

Control shares mean shares of stock that would, if aggregated with all other shares of the corporation’s stock (including shares excluded from a control share acquisition), entitle a person, as specified, to vote for corporation directors within three specified ranges of voting power. The bills clarify that the definition of control shares includes shares of stock acquired within the three specified ranges of voting power, even if the initial shares acquired within the applicable range of voting power are excluded from a control share acquisition.

Premature Stock Issuance

A corporation must file articles supplementary with SDAT if, under a power contained in its charter, the corporation’s board of directors classifies or reclassifies any unissued stock. Stock issued by a corporation prior to the time the articles supplementary become effective ceases to be voidable as a result of the failure to file the articles supplementary at the time the articles supplementary become effective. A right or liability accrued because a corporation issued stock before the articles supplementary are effective is extinguished at the time the articles supplementary become effective, except to the extent that the person with the right or liability has acted detrimentally in reliance on the right or liability solely because the stock was issued.

The bills provide for this same dynamic – *i.e.*, prematurely issued stock or shares cease to be voidable on an effective date and rights or liabilities extinguish, save for detrimental reliance – with respect to articles of amendment filed by a corporation, articles supplementary filed by a REIT, or an amendment to a REIT’s declaration of trust.

Other Technical and Clarifying Changes

The bills eliminate a provision in the law that explicitly authorizes a corporation registered as an open-end investment company under the Investment Company Act of 1940 (*i.e.*, most commonly, a mutual fund) to effect certain reverse stock splits with the approval of a majority of the board of directors and without stockholder action. Chapters 292 and 293 of 2020 generally authorized open-end investment companies to amend their charters with majority approval of the entire board of directors. Accordingly, the bills eliminate the specific authorization (which extends to REITs as well) with respect to reverse stock splits as superfluous.

The bills also eliminate, as superfluous, a provision explicitly acknowledging that a board of directors may remove any officer or agent of the corporation if the board in the board’s judgment finds that removal will serve the best interests of the corporation. This revision is made in light of the fact that the Maryland General Corporation Law already, and generally, requires directors to act with a reasonable belief that their actions are in the best interests of the corporation.

Electric Cooperatives

Senate Bill 561/House Bill 648 (both passed) authorize an electric cooperative to hold annual and special meetings virtually, or with a combination of in-person and virtual attendance, and make related administrative and conforming changes. For a more detailed discussion of these bills, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

Part J

Health and Human Services

Public Health – Generally

COVID-19 Response

Since March 2020, the State has experienced a public health crisis due to COVID-19. As of April 12, 2021, Maryland reported a total of 427,715 confirmed cases, 39,352 individuals ever hospitalized, and 8,284 confirmed deaths. The pandemic prompted Governor Lawrence J. Hogan, Jr. to declare a state of emergency and the existence of a catastrophic health emergency on March 5, 2020. This declaration, which initiated a series of executive actions to control and prevent the spread of COVID-19, has been renewed several times.

The continued impact of the COVID-19 pandemic prompted action at the federal level, as well as legislation requiring and authorizing actions by the State and others to respond to COVID-19. The federal government passed a series of bills to provide funding to states to support COVID-19 response efforts. As of April 2021, \$4.1 billion in federal funds has been allocated to the Maryland Department of Health (MDH) for the State’s COVID-19 response, including \$737.1 million for testing and contact tracing and \$281.5 million for vaccine distribution. The federal American Rescue Plan Act of 2021 (ARPA) provides additional federal aid; state awards from some funding sources allocated through ARPA have not been announced, but are likely to substantially increase the available federal funding to the State for COVID-19 response. An additional \$5.9 billion in federal funds has been allocated to counties, local health departments (LHD), and health care providers.

COVID-19 Testing, Contact Tracing, and Vaccination

Senate Bill 741/House Bill 836 (both passed) are emergency bills that require MDH, by June 1, 2021, to adopt and implement a two-year plan to respond to COVID-19. MDH must also develop a plan for vaccinating residents of the State, provide grants to local jurisdictions and specified health care providers, and convene a Maryland Public Health Modernization Workgroup. Certain institutions of higher education and health care providers must adopt and implement plans relating to the control and prevention of COVID-19. The bills also mandate health insurance

coverage of COVID-19 testing and administration without cost-sharing. For further discussion of the health insurance provisions under these bills, see the subpart “Health Insurance” within this part of this *90 Day Report*.

COVID-19 Response Plan: The two-year plan, to be adopted in collaboration with LHDs and the Maryland State Department of Education (MSDE), must include, among other things, measures to enhance State and local public health efforts to monitor, prevent, and mitigate the spread of COVID-19; establish specific monthly testing goals; identify and address unmet contact tracing and related outbreak prevention efforts; and have a design that addresses the disproportionate impact of the pandemic on underserved and minority communities in the State.

Vaccination Plan: By June 1, 2021, MDH must submit to the General Assembly a comprehensive COVID-19 vaccination plan that includes target metrics for vaccinating residents and a strategy for outreach and distribution of vaccines to individuals who are not receiving the vaccine due to lack of access or vaccine hesitancy.

Maryland Public Health Modernization Workgroup: By December 1, 2021, the workgroup must make recommendations regarding how to establish a modern and effective public health system with a capacity to monitor, prevent, control, and mitigate the spread of infectious disease; and the establishment of a Maryland Public Health Jobs Corps to respond to COVID-19 or similar outbreaks.

Mandated Funding: *Senate Bill 741/House Bill 836* require MDH, in both fiscal 2021 and 2022, to provide local jurisdictions with (1) at least \$25 million in grants to expand capacity for COVID-19 testing and contact tracing or for other purposes related to COVID-19 response for which federal funding is authorized and (2) at least \$15 million to vaccinate residents. MDH must also provide specified grant funding to assisted living programs and home health agencies to cover the cost of COVID-19 testing for residents, patients, and staff. In addition, the Governor must include additional funding in the budget – up to \$5.5 million in fiscal 2021 and \$22.0 million in fiscal 2022 – to cover the cost of COVID-19 testing for nursing home staff and residents during calendar 2021. Any funding appropriated under the bills may consist only of specified federal funds.

Testing and Infection Control and Prevention Plans: For calendar 2021 and 2022, assisted living programs and nursing homes must adopt and implement COVID-19 testing plans for residents and staff. Home health agencies must adopt and implement a COVID-19 infection control and prevention plan for patients and staff that ensures regular screening for COVID-19 and testing or referral for testing for COVID-19 under certain circumstances. For calendar 2021, an institution of higher education that has residence halls for students must establish a COVID-19 security plan that includes screening and testing procedures that will keep students, faculty, and staff safe while on campus for face-to-face instruction during the pandemic.

RELIEF Act

The Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act (also known as the RELIEF Act), *Senate Bill 496 (Ch. 39)*, is an emergency bill that provides

assistance to businesses and employers struggling from the fallout of the COVID-19 pandemic. The Act funds several initiatives that promote recovery and public health in the State through the Recovery Now Fund, including:

- \$20.0 million for grants to community mental health and substance use disorder (SUD) service providers, including \$15.0 million for mobile crisis and stand-alone walk-in crisis services and \$5.0 million for providers serving people directed to treatment under a court order;
- \$14.0 million for the Maryland Community Health Resources Commission (MCHRC) to provide grants to reduce health disparities, improve health outcomes, improve access to primary care, promote primary and secondary prevention services, and reduce health care costs and hospital admissions and readmissions; and
- \$5.0 million for MCHRC to provide grants to community providers of services for people with developmental disabilities to support pandemic-related reopening, transformation, and revenue loss.

For further discussion of the RELIEF Act, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Emergency Medical Services and Administration of Vaccines

Senate Bill 67 (passed), an emergency bill, authorizes a paramedic to administer influenza and COVID-19 immunizations during calendar 2021 and 2022, under specified circumstances. Among other requirements, the immunizations must be part of a population health outreach effort conducted by the appropriate LHD or a hospital or health system in the State.

Health Equity

Racial and ethnic minorities are more likely to experience poor health outcomes as a consequence of their social determinants of health, which include access to health care, education, employment, economic stability, housing, public safety, and neighborhood and environmental factors. Data consistently shows ongoing and in some cases growing health disparities in Maryland, and many of these disparities have been worsened due to the COVID-19 pandemic.

Maryland Commission on Health Equity

Senate Bill 52/House Bill 78 (both passed) establish the Maryland Commission on Health Equity. Among other duties, the commission must (1) examine and make recommendations regarding incorporating health considerations into decision making, implicit bias training, training on collection of patient self-identified data, and specified national standards; (2) foster collaboration between units of government and develop policies to improve health and reduce health inequities; (3) identify measures for monitoring and advancing health equity in the State;

and (4) establish a State plan for achieving health equity in alignment with other statewide planning activities.

The commission, in collaboration with the State-designated health information exchange (HIE), must establish an advisory committee to make recommendations on data collection, needs, quality, reporting, evaluation, and visualization. The recommendations include defining the parameters of a health equity data set to be maintained by the HIE, the contents of which shall be aggregated and reported to the public or the commission.

Health Equity Resource Communities

Senate Bill 172/House Bill 463 (both passed) establish a process for designation of Health Equity Resource Communities (HERCs) in which State resources must be targeted to reduce health disparities and improve health outcomes. An HERC is defined as a contiguous geographic area that (1) demonstrates measurable and documented health disparities and poor health outcomes; (2) is small enough to allow for the incentives offered under the bills to have a significant impact on improving health outcomes and reducing health disparities, including racial, ethnic, geographic, and disability-related health disparities; (3) is designated by MCHRC; and (4) has a minimum population of 5,000 residents.

The bills also require MCHRC to establish a Pathways to Health Equity Program, which terminates June 30, 2023, to provide the foundation and guidance for a permanent HERC program and provide grant funding to specified entities. MCHRC must issue a request for proposals (RFP) for applicants that meet certain criteria and demonstrate how the proposed program could be self-sustainable as an HERC. A Pathways to Health Equity Fund is established to support the program, which consists of up to \$14.0 million authorized for MCHRC from the Recovery Now Fund under the RELIEF Act.

Senate Bill 172/House Bill 463 also require MCHRC to establish an HERC Advisory Committee by July 1, 2021, to provide initial and ongoing assistance and guidance regarding program evaluation and data collection metrics for HERCs. By October 1, 2022, MCHRC must issue an RFP to designate areas as HERCs. An HERC Reserve Fund is established to support HERCs and provide supplemental funding for specified behavioral health programs. The fund consists of money appropriated in the State budget to the fund in fiscal 2023 through 2025 from the Maryland Health Benefit Exchange (MHBE) Fund. In fiscal 2023 through 2025, the Governor must transfer \$15.0 million from the MHBE Fund to the HERC Reserve Fund as an appropriation in the State budget.

Office of Minority Health and Health Disparities

In August 2020, the President of the Senate appointed a Senate workgroup to address environmental justice, health care disparities, and wealth and economic opportunity for minority Marylanders. The workgroup issued a report in January 2021, with recommendations relating to health disparities, including implicit bias training for all individuals licensed and certified under the Health Occupations Article. *Senate Bill 5/House Bill 28 (both passed)* require applicants for the renewal of a license or certificate issued by a health occupations board to attest to completion

of an approved implicit bias training program the first time they renew their license or certificate after April 1, 2022. Beginning in fiscal 2023, the Governor must include in the annual budget bill an appropriation for the Office of Minority Health and Health Disparities (OMHHD) that is the greater of either \$1,788,314 or 0.012% of the total funds appropriated to MDH in that fiscal year.

Senate Bill 565/House Bill 309 (both passed) require the director of OMHHD to meet with representatives from the Maryland Health Care Commission (MHCC) and MDH at least annually to examine the collection of health data that includes race and ethnicity information in the State and identify any changes for improving such data that is accessible by OMHHD. OMHHD must respond to requests for health data that includes race and ethnicity information within 30 days after receipt of the request. By January 1, 2022, OMHHD, in coordination with MHCC and MDH, must establish, submit to the General Assembly, and implement a specified data plan. The bill also alters the *Health Care Disparities Policy Report Card* published by OMHHD and requires each health occupations board to include on application and renewal forms an option for the applicant to provide their race and ethnicity information and encourage provision of such information.

Medicaid

Overview and Funding

The Medical Care Programs Administration within MDH is responsible for administering the Medical Assistance Program (Medicaid) and the Maryland Children’s Health Program that provide comprehensive somatic and behavioral health benefits to almost 1.4 million Marylanders. For a discussion of Medicaid funding, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Telehealth

COVID-19 led to rapid adoption of telehealth as many health care facilities were closed in April and May of 2020. The increased need for telehealth prompted government and private payors to authorize reimbursement for a wider range of telehealth encounters, including telephone communications. ***Senate Bill 3/House Bill 123 (Chs. 70 and 71)*** expand Medicaid reimbursement requirements for health care services provided through telehealth. The Acts require coverage of telehealth regardless of the location of the patient at the time services are provided and extend coverage to include audio-only telephone conversations (until June 30, 2023). The Acts also expand required Medicaid reimbursement to include health care services provided by all types of health care providers that appropriately provide telehealth services. With certain limitations and for a two-year period only, reimbursement must be provided for a health care service appropriately provided through telehealth on the same basis and at the same rate as if the service were delivered in person.

Requirements for Behavioral Health Services: Senate Bill 3/House Bill 123 include specific requirements for reimbursement of behavioral health services. Telehealth services provided to Medicaid recipients must include counseling and treatment for SUDs and mental

health conditions. Medicaid may not exclude from coverage a behavioral health care service provided in person solely because the service may also be provided through telehealth. MDH must revise Medicaid telehealth regulations to ensure that requirements for reimbursement of mental health and SUD services comply with the federal Mental Health Parity and Addiction Equity Act.

Other Provisions: *Senate Bill 3/House Bill 123* also establish telehealth coverage requirements for health insurance carriers and require MHCC to submit a report on the impact of providing telehealth services in accordance with the Acts. For further discussion of the insurance coverage requirements and the MHCC report, see the subpart “Health Insurance” within this part of this *90 Day Report*.

Applied Behavior Analysis Services

Applied behavior analysis (ABA) is a form of therapy for children with autism spectrum disorder that consists of the design, implementation, and evaluation of environmental modifications using behavioral stimuli and consequences to produce significant improvements in human behavior. *Senate Bill 469/House Bill 598 (both passed)* prohibit MDH from conditioning reimbursement of ABA services provided to Medicaid recipients under the Early and Periodic Screening, Diagnosis, and Treatment benefit on the presence or availability of the parent or caregiver in the setting where ABA services are provided. Medicaid may establish reasonable standards for the involvement of a parent or caregiver when authorizing reimbursement for these services.

Pregnancy and Perinatal Services

Senate Bill 923 (passed) requires Medicaid to extend coverage for eligible pregnant women with family incomes of up to 250% of the federal poverty level for one year immediately following the end of the woman’s pregnancy (current coverage is for only 60 days). Covered benefits must include dental care, in addition to the comprehensive medical and other health care services provided under current law.

Dental Prophylaxis Care and Oral Health Exams

Comprehensive dental coverage is mandatory for children enrolled in Medicaid, but dental benefits for most Medicaid-eligible adults are optional. All nine Medicaid managed care organizations cover dental cleanings and oral examinations twice a year, but on a voluntary basis. *Senate Bill 485/House Bill 547 (both passed)* prohibit Medicaid from including a frequency limitation on covered dental cleanings or oral health exams that requires those services to be provided at an interval greater than 120 days within a plan year.

Maternal Health

Senate Bill 777/House Bill 1349 (both passed) rename the Maryland Prenatal and Infant Care Coordination Services Grant Program Fund as the Maryland Prenatal and Infant Care Grant Program Fund and expand the fund’s purpose to include awarding grants to federally qualified health centers (FQHCs), hospitals, and providers of prenatal care to provide and promote prenatal

care to women who would otherwise not receive such care. The bills increase the amount of funding the Governor must provide for the fund in the annual budget from \$100,000 to \$1.1 million in fiscal 2023, \$2.1 million in fiscal 2024, and \$3.1 million beginning in fiscal 2025. The additional funding must be used for grants to FQHCs, hospitals, and providers of prenatal care. Beginning in calendar 2023, the Secretary of Health must submit an annual report on grant distributions.

Behavioral Health

Maryland Behavioral Health and Public Safety Center of Excellence

The 2020 final report of the Commission to Study Mental and Behavioral Health recommended development of a mental health-criminal justice center of excellence. *Senate Bill 857/House Bill 1280 (Chs. 68 and 69)* establish the Maryland Behavioral Health and Public Safety Center of Excellence within the Governor’s Office of Crime Prevention, Youth, and Victim Services. The center’s activities must include strategic planning, technical assistance, State and local government coordination, and facilitation of train-the-trainer courses for the Sequential Intercept Model (SIM). SIM is a systems-level framework for criminal justice and behavioral health stakeholders to prevent entrance into and minimize penetration into the criminal justice system, and engage individuals with behavioral health services and recovery supports as they transition into the community from the criminal justice system.

The center must develop (1) a statewide model for law enforcement-assisted diversion; (2) recommendations for pretrial services; (3) procedures for sharing deflection and diversion statistics between relevant State agencies; (4) recommendations for statewide implementation of law enforcement-assisted diversion programs; and (5) a statewide model for community crisis intervention services other than law enforcement. The center must host one State SIM Summit each year, and produce and update annually a specified statewide strategic plan. *Senate Bill 857/House Bill 1280* also require each local jurisdiction to develop a two-year community health and public safety plan in collaboration with the center and other stakeholders that must include recommendations for the enhancement of local behavioral health care and crisis response systems and a racial impact analysis.

Crisis Response Services

Senate Bill 286/House Bill 108 (both passed) alter the Behavioral Health Crisis Response Grant Program and the Maryland Behavioral Health Crisis Response System (BHCRS) in the Behavioral Health Administration (BHA).

Behavioral Health Crisis Response Grant Program: The program funds local jurisdictions to establish and expand community behavioral health crisis response systems. *Senate Bill 286/House Bill 108* modify the priorities for awarding grants to local behavioral health authorities by requiring prioritization of proposals that serve all members of the immediate community with cultural competency and appropriate language access, evidence a plan of linking individuals in crisis to peer support and family support services after stabilization, and meet other specified criteria. The bills extend the requirement that the Governor provide a \$5.0 million annual

appropriation for the program through fiscal 2025. Beginning in fiscal 2023, at least one-third of the mandated appropriation must be used to award competitive grants for mobile crisis teams.

Maryland Behavioral Health Crisis Response System: Crisis communication centers located in each jurisdiction provide a single point of entry to BHCRS and coordination with the local core service agency or local behavioral health authority, police, emergency medical service personnel, and behavioral health providers. *Senate Bill 286/House Bill 108* require a crisis communication center to coordinate with 3-1-1, 2-1-1, or other local mental health hotlines and alter how specified data must be publicly reported and disaggregated.

Mental Health Services Phone Call Program

2-1-1 Maryland is the primary information and referral telephone number for health and human services in the State. *Senate Bill 719/House Bill 812 (Chs. 66 and 67)*, require MDH to make recommendations to 2-1-1 Maryland regarding the establishment of an opt-in mental health services phone call program that requires a call center to make periodic calls to persons who have opted into the program and attempts to connect persons with a mental health provider upon request.

Services for Veterans

Matching Grant Program: *Senate Bill 550/House Bill 872 (both passed)* establish the Sheila E. Hixson Behavioral Health Services Matching Grant Program for Service Members and Veterans administered by MDH. The program must award competitive matching grants to local nonprofit organizations to establish and expand community behavioral health programs that (1) serve the behavioral health needs of eligible individuals in the locality served by the nonprofit organization; (2) meet national standards; (3) integrate the delivery of mental health and substance use treatment; and (4) connect eligible individuals to appropriate community-based care in a timely manner on discharge from the community behavioral health program. The bills authorize the Governor to include an annual appropriation of \$2.5 million for the program beginning in fiscal 2022.

Mental Health First Aid: If behavioral health services are not available or accessible at the federal level, MDH must connect eligible veterans to behavioral health services that may be available through BHA until federal services can be obtained. *Senate Bill 164/House Bill 605 (both passed)* require MDH to include mental health first aid among the behavioral health services for which MDH provides service coordination for eligible veterans. Mental health first aid must consist of training for veterans and their immediate family members on how to identify and respond to signs of mental illness and SUDs.

Services for Children and Young Adults

Reporting Requirements: The Director of BHA is required to prepare an annual report on public behavioral health services for children and young adults. *Senate Bill 520/House Bill 1243 (both passed)* modify and expand the required contents of the report by requiring inclusion of information on usage of outpatient and substance-related disorders program services, the number and percentage of children and young adults admitted to residential treatment centers, and the

number and percentage of children and young adults provided services through telehealth. Data in the annual report must be grouped by race and ethnicity. The bills also require that additional information be included in the Social Services Administration’s annual report on voluntary placement agreements for children and young adults.

Consent to Treatment: *Senate Bill 41 (passed)* lowers the age, from 16 to 12, for a minor to give informed consent in certain situations. Specifically, a minor who is at least age 12 and is determined by a health care provider to be mature and capable of giving informed consent has the same capacity as an adult to consent to consultation, diagnosis, and treatment of a mental or emotional disorder by the health care provider or a clinic. A minor younger than age 16 may not consent to the use of prescription medications to treat a mental or emotional disorder unless consent is authorized under other provisions of law. A health care provider may decide to provide information about treatment to a parent, guardian, or custodian of a minor unless the health care provider believes that the disclosure will lead to harm to the minor or deter the minor from seeking care.

Specialty Mental Health System

MDH uses an administrative services organization (ASO) to authorize services and pay claims for the Maryland Public Behavioral Health System, the delivery system for publicly funded specialty mental health services. The transition to a new ASO vendor (Optum) in January 2020, resulted in technical and system failures that impacted payments to behavioral health providers. ***Senate Bill 638/House Bill 919 (both passed)*** require the Maryland Insurance Commissioner to enforce statutory performance standards relating to the payment of claims against the ASO that is responsible for administering the delivery system for specialty mental health services.

The bills also specifically subject the ASO to (1) the requirement to pay interest on unpaid clean claims; (2) specified fines and penalties for certain violations of clean claims requirements; and (3) the Insurance Commissioner’s enforcement authority in connection with any investigation or examination of potential violations of clean claims provisions. The bills specify certain actions the Insurance Commissioner must take related to complaint investigations, examinations, and imposition of interest and penalties relating to the ASO. If the Insurance Commissioner conducts an examination of the ASO, the ASO may not use State funds or pass on to the State any expenses related to the examination.

Behavioral Health Programs

Senate Bill 96 (passed) specifies that regulations adopted by BHA must require a behavioral health program to establish and implement a safety plan for the safety of the individuals served by the program as part of the requirements for licensure. If a behavioral health program is required to adopt a community relations plan as part of its accreditation, the program must submit the plan to BHA. The bill also establishes similar requirements on health care facilities. For a discussion of these requirements, see the subpart “Health Care Facilities and Regulation” within this part of this *90 Day Report*.

Admissions of Minors to Facilities

Senate Bill 466/House Bill 689 (both passed) authorize a licensed certified social worker-clinical or a licensed clinical professional counselor, in conjunction with a physician, to certify an individual for involuntary admission to a facility or a Veterans' Administration hospital and assent to the voluntary admission of a minor to the child or adolescent unit of a State facility.

Adverse Childhood Experiences

Adverse childhood experiences (ACEs) are potentially traumatic events that occur in a child's life such as physical or emotional abuse, neglect, caregiver mental illness or substance abuse, and household violence.

Youth Behavior Risk Surveillance System: Senate Bill 548/House Bill 771 (both passed) require MSDE, in coordination with MDH, to include at least five questions from the Centers for Disease Control and Prevention Youth Risk Behavior Survey on ACEs or positive childhood experiences in the Youth Risk Behavior Surveillance System survey (renamed the Youth Risk Behavior Survey/Youth Tobacco Survey under the bills). MDH must publish a data summary and trends report with State and county-level data in a biennial report submitted to the Governor and General Assembly.

Study and Implementation of an ACEs AWARE Program: Senate Bill 299/House Bill 548 (both passed) establish the Commission on Trauma-Informed Care in the Department of Human Services (DHS). Among other duties, the commission must study and implement an ACEs Aware program, in consultation with DHS, MDH, and MHCC. The program is intended to screen for ACEs and toxic stress to provide targeted, evidence-based interventions to support individual and family health. As part of the study, the commission must propose a process to set up training and an accreditation process for providers in the program and explore the possibility for third-party reimbursement (including Medicaid) for screenings under the program. For a more detailed description of the commission see the subpart "Social Services" within this part of this *90 Day Report*.

Health Information and Records

Health Information Exchanges

MHCC designated the Chesapeake Regional Information System for our Patients (CRISP) as the statewide HIE in 2009, and the infrastructure became operational in 2010. An HIE allows clinical information to move electronically among disparate health information systems.

House Bill 1375 (passed) requires MHCC to adopt regulations that require CRISP to develop and maintain a consent management application. Among other requirements, the consent management application must allow a person in interest to opt-out of having electronic health information shared or disclosed by an HIE, provide an HIE with the opt-out status of a person, and prohibit an HIE from sharing or disclosing the information if the person has opted out of having the information shared or disclosed. MHCC must establish penalties for noncompliance with

regulations governing the privacy and security of protected health information. An HIE and a payor must transmit the response to a request for clinical information received through CRISP in accordance with specified regulations.

Senate Bill 748/House Bill 1022 (both passed) require a nursing home, on request of MDH, to electronically submit clinical information to CRISP. CRISP may provide this information to health care providers, federal and State officials, and other specified entities. If approved by MHCC, the information may be combined with other data maintained by CRISP to facilitate a State health improvement program, mitigation of a public health emergency, and improvement of patient safety. The bills also require an electronic health network (EHN) to provide electronic health care transactions to CRISP for certain public health and clinical purposes and prohibit an EHN from charging a fee to a health care provider, health care payor, or to CRISP for providing the required information. Regulations adopted by MHCC must limit redisclosure of financial information, restrict data of patients who have opted out of records sharing through CRISP or an HIE authorized by MHCC, and restrict data from health care providers that possess sensitive health care information.

Medical Records

House Bill 849 (passed) prohibits a health care provider or a representative of the health care provider from charging a fee for providing copies of a medical record requested by the patient (or other specified persons on behalf of a patient) that will be used to support a claim or appeal for Social Security Disability Income or Social Security benefits.

Birth Registration and Gestational Carriers

A gestational carrier is a woman other than an intended parent or gamete donor who agrees to become pregnant for an intended parent with the intention of gestating and delivering the child of the intended parent. ***Senate Bill 215/House Bill 549 (both passed)*** require, if applicable, that a copy of the order of the court establishing parentage be attached to a birth certificate. In any case that involves a gestational carrier in which parentage is determined by a court of competent jurisdiction, the forms provided by the Secretary of Health must record an indication that the delivery of birth was by a gestational carrier, the identity of the gestational carrier, all relevant medical information regarding the gestational carrier and the delivery; and information regarding the intended parents. On receipt of the forms and order of the court establishing parentage, the Division of Vital Records in MDH must immediately seal the forms provided by the court and register the certificate of birth in accordance with the order of the court.

Drugs and Devices

Vending Machine Sales

Senate Bill 499/House Bill 107 (both passed) allow the sale of over-the-counter drugs and pharmaceuticals in a vending machine by repealing a prohibition on the sale, distribution, or disposal of drugs, medicines, pharmaceutical preparations, or medicinal preparations by means of a vending machine or similar device.

Prescription Drug Affordability Board

The Prescription Drug Affordability Board was established in 2019 to make determinations, collect data, and identify certain prescription drug products that may cause affordability challenges for the State's health care system and patients. If the board finds that is in the best interest of the State to establish a process for setting upper payment limits for prescription drug products that it determines have led or will lead to an affordability challenge, the board must draft a plan of action. If drafted, the board must submit the plan to the Legislative Policy Committee (LPC) for approval. *House Bill 1034 (passed)* repeals the July 1, 2021 deadline by which the board must submit a plan of action, if drafted, to the LPC for approval.

Cosmetic Products

Animal Testing

Senate Bill 282/House Bill 611 (both passed) prohibit a manufacturer, beginning July 1, 2022, from selling or offering for sale in the State, a cosmetic if the manufacturer knows or reasonably should have known that the final product or its individual components were developed or manufactured using animal testing conducted on or after January 1, 2022. The bill establishes a number of exemptions to this prohibition and provides for civil penalties.

Prohibited Ingredients

House Bill 643 (passed) prohibits a person from knowingly manufacturing, selling, delivering, holding, or offering for sale in the State, a cosmetic product that contains any of 24 listed intentionally added ingredients, including formaldehyde, mercury, and several per- and polyfluoroalkyl substances and their salts, with certain exceptions. Violations of the bill's provisions are subject to certain civil and criminal penalties.

Miscellaneous Health Programs, Requirements, and Task Forces

Maryland Office of the Inspector General for Health

Senate Bill 12/House Bill 393 (both passed) rename the Office of the Inspector General (OIG) in MDH to be the Maryland Office of the Inspector General for Health and establishes the office as an independent unit of the State. The bills specify there is an Inspector General (IG) position in the office, the IG's appointment process, term limits, and required qualifications. Funding and staff from the OIG will transfer to the new office. Subject to the advice and consent of the Senate, the Governor, the Attorney General, and the State Treasurer must unanimously appoint the IG for a five-year term. The bills also require the office to submit an annual report to the Governor, specified legislative committees, and the Secretary of Health on its activities, specified recoveries made by the office, and other matters.

Long-term Care Planning

Senate Bill 652/House Bill 599 (both passed) require MDH to develop and publish materials to assist Maryland residents with long-term care family planning. The materials developed must be consistent with recommendations made in the final report of the Task Force on Long-Term Care Education and Planning. MHCC, the Department of Disabilities, and the Maryland Department of Aging must update their websites in accordance with recommendations of the task force.

School-based Health Centers

Senate Bill 830/House Bill 1148 (both passed) require MDH, in conjunction with MSDE, to report to the General Assembly on a plan to transfer administration of school-based health center (SBHC) grants and any related functions from MSDE to the Bureau of Maternal and Child Health (BMCH) in MDH. The Governor must transfer administration of SBHC grants and any related functions from MSDE to BMCH by July 1, 2022. The Secretary of Health, in consultation with MSDE and other stakeholders, must develop guidelines to support the expansion of SBHCs.

Task Force on Oral Health

Senate Bill 100/House Bill 368 (both passed) establish the Task Force on Oral Health in Maryland. The duties of the task force include analyzing current access to dental services in the State, identifying areas where a significant number of residents are not receiving oral health care services, identifying barriers to receiving dental services in areas in need, and making recommendations to increase access to dental services.

Local Health Departments

Senate Bill 563 (passed) requires MDH to conduct an evaluation and assessment of the technology, communications, and information services used by LHDs, made available by MDH, and shared or coordinated through LHDs. By December 15, 2021, MDH must report findings and recommendations regarding the current capacity of LHDs to effectively maintain, share, and analyze data regarding communicable diseases, medical and health trends, and other information, as well as recommendations to enhance LHD services through major projects or technology initiatives, improvements to internal processes for procurement of technology, noncentralized hardware or software upgrades, and best practices used by other public health units of government.

The bill also alters State funding for the Core Public Health Services formula beginning in fiscal 2025. For further discussion of the funding requirements in *Senate Bill 563*, see the subpart “Aid to Local Government” within Part A – Budget and State Aid of this *90 Day Report*.

Health Occupations

In General

Implicit Bias Training

Under the Health Occupations Article, health care practitioners are subject to a range of requirements for both initial and renewal licenses and certificates. Based on a recommendation of the January 2021 *Report of the Senate President's Advisory Workgroup on Equity and Inclusion*, ***Senate Bill 5/House Bill 28 (both passed)*** require applicants for the renewal of a license or certificate issued by a health occupations board to attest to completion of an approved implicit bias training program the first time they renew their license or certificate after April 1, 2022. For further discussion of ***Senate Bill 5/House Bill 28*** and other health equity legislation, see the subpart “Public Health – Generally” within this part of this *90 Day Report*.

Study of a Common Information Technology Platform

The Department of Information Technology (DoIT) is working to consolidate all of the State's licensure and certification platforms into a single platform known as the OneStop portal. The ultimate goal of the project is to retire outdated State paper-based applications and legacy databases used by many State agencies for licensing, as these systems can be expensive to maintain and present significant cybersecurity risks. ***Senate Bill 262/House Bill 224 (both passed)*** require that DoIT consult with the health occupations boards to review the information technology platforms used by each board and make recommendations on the feasibility and cost of developing a common and standardized platform for use by each board.

Pharmacists

Administration of Childhood Immunizations

In response to concerns that routine childhood vaccines fell sharply during the COVID-19 pandemic, the U.S. Department of Health and Human Services issued an order authorizing any licensed pharmacist with specified training to order and administer any vaccine approved by the U.S. Food and Drug Administration to children ages 3 to 18. Vaccines must be ordered and administered in accordance with the U.S. Centers for Disease Control and Prevention's Advisory Committee on Immunization Practices, immunization schedules, and the pharmacist must meet additional requirements including (1) completing a specified practical training program; (2) having a current certificate in basic cardiopulmonary resuscitation; (3) completing a minimum of two hours of continuing pharmaceutical education related to immunizations; (4) complying with specified recordkeeping and reporting requirements; and (5) informing each child vaccination patient and adult caregiver of the importance of well-child visits with a pediatric primary care provider and referring the patient to such a provider when appropriate. ***Senate Bill 736/House Bill 1040 (both passed)*** authorize a pharmacist, from July 1, 2021, to June 30, 2023, to continue to administer such vaccines to children ages 3 to 18 under the same requirements as the federal

order. If the federal order is repealed or otherwise expires before January 1, 2022, this authorization ends April 30, 2022.

The bills also require Maryland Department of Health’s Prevention and Health Promotion Administration (PHPA) to submit certain reports. By December 1, 2021, PHPA must report on information it determines is important for setting policies authorizing pharmacists to administer vaccines to children. By December 1, 2022, PHPA must report on information related to the vaccination of children in the State.

Maintenance Injectable and Self-administered Medications

A “maintenance injectable medication” is a medication that is administered by injection other than intravenously and treats a chronic need, condition, or disorder. *Senate Bill 84 (passed)* authorizes a licensed pharmacist to administer a maintenance injectable medication that is not a biological product to a patient. By September 1, 2021, the State Board of Pharmacy, in consultation with the State Board of Physicians (MBP) and the State Board of Nursing, must adopt regulations establishing specified standard procedures. The bill also requires specified insurers, nonprofit health service plans, and health maintenance organizations, as well as Medicaid and Maryland Children’s Health Program, to provide coverage for the administration of a self-administered medication or maintenance injectable medication rendered by a licensed pharmacist to the same extent as services rendered by any other licensed health care practitioner for patient assessment regarding the administration of self-administered or maintenance injectable medications.

Therapeutically Equivalent Brand-name Drugs or Devices

Senate Bill 537/House Bill 429 (both passed) permit a pharmacist to substitute a therapeutically equivalent brand-name drug or device product for any originally prescribed generically equivalent drug or device product if (1) the prescriber does not expressly state that the prescription must be dispensed only as directed; (2) the substitution is recognized, as specified; and (3) the consumer is charged less for the substitution than the originally prescribed drug or device. A pharmacist must inform a retail consumer of the availability of a therapeutically equivalent brand name drug that is the lowest cost alternative to the originally prescribed generically equivalent drug and the approximate cost difference as compared to the originally prescribed drug.

Notification Procedures Prior to Closing a Pharmacy

Senate Bill 298 (passed) specifies the customer notification procedures that a pharmacy owner must follow prior to closing a pharmacy for more than 7 consecutive days. At least 14 days before the anticipated closing of the pharmacy, the pharmacy owner must post a notice in the pharmacy and on the pharmacy’s website and provide written and verbal notice to each client who picks up a prescription or refill. Each notice must indicate the date of the anticipated closing; the name of the pharmacy to which the closing pharmacy will transfer customers’ prescriptions and records; and that a customer may request the closing pharmacy to send the customer’s prescriptions

and records to another pharmacy. The State Board of Pharmacy must adopt specified regulations to define “closing of a pharmacy” and provide exceptions to the notice requirements.

Physicians

Licensure of Genetic Counselors

MBP has regulatory authority over physicians, physician assistants, radiographers, radiation therapists, nuclear medicine technologists, radiologist assistants, respiratory care practitioners, polysomnographic technologists, athletic trainers, perfusionists, and naturopathic doctors. *Senate Bill 34/House Bill 299 (both passed)* require individuals, on or after January 1, 2024, to be licensed to practice genetic counseling by MBP before practicing genetic counseling in the State. The bill also establishes a Genetic Counseling Advisory Committee within MBP and requires that MBP adopt regulations for the licensure and practice of genetic counseling.

Approval of Names of Entities with Physician Membership

Professional corporations where a majority of the stockholders are individuals who are licensed, certified, or otherwise authorized to practice a health occupation under the Health Occupations Article are exempt from the Maryland Professional Service Corporation Act’s corporate name approval requirements. However, a professional corporation of physicians whose majority are not licensed in Maryland are still required to obtain approval from MBP and MedChi. *House Bill 1153 (passed)* exempts MBP from the requirement to approve the name of a professional entity whose members are licensed physicians. For further discussion of *House Bill 1153*, see the subpart “Corporations and Associations” within Part I – Financial Institutions, Commercial Law, and Corporations of this *90 Day Report*.

Nurses

An individual must be licensed by the State Board of Nursing (BON) to practice as a nurse in the State, and an individual must be certified by BON to practice as a nursing assistant or medication technician in the State.

Certified Nursing Assistant Certificate Renewal

Senate Bill 13 (passed) authorizes a certified nursing assistant to renew a certificate if the certificate holder did not complete 16 hours of required active practice within the two-year period preceding renewal by instead providing satisfactory evidence of completion of an approved nursing assistant refresher training program as an alternative to completing an approved nursing assistant training program.

Delegation of Tasks

Senate Bill 476/House Bill 95 (both passed) specify that an advanced practice registered nurse (APRN) may delegate a nursing or other technical task to an assistant if (1) the assistant performs only the tasks that the assistant is trained to perform and (2) the delegating APRN

provides instruction to and on-site supervision of the assistant performing the delegated task. BON must adopt specified regulations regarding the implementation of these provisions.

Certified Nursing Assistant Advisory Committee

Senate Bill 744 (passed) alters the membership, qualifications and terms of members, and meeting requirements for the Certified Nursing Assistant Advisory Committee within BON including, among other things, that (1) BON must appoint an alternate for each of the six nursing assistant members; (2) BON must fill any vacancy within 60 days; and (3) the advisory committee must meet at the request of the executive director.

Licensure of Certified Midwives

An individual must be licensed as a certified nurse-midwife to practice nurse midwifery in the State or licensed as a direct-entry midwife in order to practice direct-entry midwifery in the State. ***Senate Bill 684/House Bill 758 (both passed)*** establish a licensing and regulatory system under BON for a licensed certified midwife to practice certified midwifery. BON must (1) establish standards for the practice of certified midwifery; (2) maintain a list of all licensed certified midwives; (3) set applicable fees; and (4) initiate specified disciplinary action.

Interstate Licensure Compacts

In general, interstate licensure compacts are intended to facilitate the practice of specific professions with the goal of improving access to services and simplifying the process for obtaining licensure in multiple states. As of April 2021, three Maryland health occupations boards participate in national interstate licensure compacts: the State Board of Physical Therapy Examiners; MBP; and BON. Compact legislation is typically contingent upon the adoption of similar legislation in a certain number of other states.

- ***Senate Bill 500/House Bill 970 (both passed)***, enter Maryland into the Psychology Interjurisdictional Compact for psychologists. The contingency that 6 other states enact similar legislation has been met; 17 states (including Delaware, Pennsylvania, and Virginia) and the District of Columbia participate in the compact as of April 2021.
- ***Senate Bill 571/House Bill 736 (both passed)***, emergency Administration bills, enter Maryland into the Interstate Licensed Professional Counselors Compact for professional counselors. The bills are contingent upon the enactment of similar legislation in 9 other states.
- ***Senate Bill 183/House Bill 288 (both passed)*** enter Maryland into the Audiology and Speech-Language Pathology Interstate Licensure Compact for audiologists and speech-language pathologists. The bills are contingent upon the enactment of similar legislation in 9 other states. As of March 2021, 7 states have enacted similar legislation and an additional 13 states have introduced similar legislation.

- ***Senate Bill 139/House Bill 540 (Chs. 93 and 94)*** enter Maryland into the Interstate Occupational Therapy Licensure Compact for occupational therapists. The bills are contingent upon the enactment of similar legislation in 9 other states. As of April 2021, only 1 state (Virginia) has enacted such legislation, while 12 other states have introduced similar legislation.

Professional Counselors and Social Workers

Assent to and Certificates for Admission

An application for the involuntary admission of an individual to a facility or Veterans' Administration (VA) hospital must be accompanied by the certificates of either one physician and one psychologist, two physicians, or one physician and one psychiatric nurse practitioner. Before a minor's voluntary admission to a child or adolescent unit of a State facility, a physician and psychologist, two physicians, or a physician and psychiatric nurse practitioner must assent to admission. ***Senate Bill 466/House Bill 689 (both passed)*** authorize a licensed certified social worker-clinical (LCSW-C) or a licensed clinical professional counselor in conjunction with a physician, to certify an individual for involuntary admission to a facility or a VA hospital and assent to the voluntary admission of a minor to the child or adolescent unit of a State facility.

Maryland Social Workers Act

Senate Bill 597/House Bill 811 (both passed) rename the Maryland Social Workers Act as the Maryland Social Workers *Practice Act* and make alterations including (1) requiring an individual employed by the federal government and licensed to practice social work in the State to comply with the Act; (2) repealing obsolete provisions related to a licensed graduate social worker and the practice of graduate social work; (3) altering the definition of "licensed certified social worker"; (4) altering the number of required hours of specified supervision for an LCSW-C; (5) redefining the social worker rehabilitation committee as the "social worker rehabilitation process"; (6) requiring the board to include disciplinary history, if applicable, on each electronic license record; (7) specifying that the board must approve certain licensees to provide supervision in accordance with board regulations; and (8) increasing the penalty for violating certain provisions of the Act from \$5,000 to \$10,000.

Alcohol and Drug Trainees – Practice Through Telehealth

An individual may practice clinical alcohol and drug counseling or alcohol and drug counseling without a license or certification, respectively, for a limited period of time as a trainee under the supervision of an approved supervisor while fulfilling experiential or course of study requirements. ***Senate Bill 646/House Bill 1287 (both passed)*** expressly permit an individual to use telehealth when practicing clinical alcohol and drug counseling without a license or alcohol and drug counseling without certification if the individual is working as a trainee.

Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists and Music Therapists

An individual must be licensed by the State Board of Examiners for Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists to practice audiology, provide hearing aid services, or practice speech-language pathology in Maryland.

Appointment of Board Members and Requirements for Licensees

Senate Bill 523/House Bill 600 (both passed) (1) alter provisions regarding the nomination of members to the board; (2) specify how a licensee of the board must represent themselves to the public and notify the board of a change in contact information; (3) require the board to maintain an electronic list of licensees; (4) include the board in provisions relating to information about courses in cultural and linguistic competency; and (5) make other technical and clarifying changes.

Licensure of Audiology Assistants

Senate Bill 379/House Bill 161 (both passed) require an individual, on or after October 1, 2022, to be licensed by the board as an “audiology assistant” before the individual may assist a licensed audiologist in the practice of audiology. An audiology assistant must assist the practice of audiology under the general supervision of a licensed audiologist.

Licensure of Music Therapists

The practice of music therapy includes the clinical and evidence-based use of music interventions to accomplish individualized goals within a therapeutic relationship. *Senate Bill 82 (passed)* requires an individual to be licensed with the board by January 1, 2022, in order to practice music therapy in the State. *Senate Bill 82* also alters the name of the board to be the State Board of Examiners for Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists; alters the name of the board’s special fund to reflect the addition of the new license; and adds two board members who are music therapists practicing in the State. A licensed music therapist may not represent to the public that the individual is authorized to treat a communication disorder.

Podiatrists

The State Board of Podiatric Medical Examiners is responsible for licensing, regulating, and disciplining podiatrists. *Senate Bill 247 (Ch. 123)* extends the termination date of the board by 10 years to July 1, 2032, subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act (MPEA).

Chiropractors

The State Board of Chiropractic Examiners is responsible for ensuring that chiropractors and chiropractic assistants are properly educated, trained, and licensed and comply with laws and regulations pertaining to their respective scope of practice, including education requirements.

Senate Bill 125 (Ch. 122) extends the termination date for the board by 10 years to July 1, 2032, subject to the evaluation and reestablishment provisions of MPEA.

Dentists and Dental Hygienists

The State Board of Dental Examiners (BDE) regulates and issues licenses for the practice of dentistry and dental hygiene in the State. **Senate Bill 836 (passed)** requires BDE to study its compliant and disciplinary process; the manner in which disciplinary action is publicly reported; whether a dentist should be required to carry malpractice insurance; and how the board's disciplinary process compares with that of other Maryland health occupations boards, other dental boards in other states, and best practices. By November 1, 2021, BDE must report its findings and recommendations to the Governor and the General Assembly regarding actions necessary to improve the process of disciplining dentists in the State and the disclosure of disciplinary actions.

Physical Therapists

The State Board of Physical Therapy Examiners requires applicants to take and pass a physical therapy exam administered by the Federation of State Boards of Physical Therapy, as well as the Maryland Jurisprudence Exam administered directly by the board. **Senate Bill 517/House Bill 210 (both passed)** authorize the board to issue a temporary license to practice physical therapy or limited physical therapy to an applicant who, except for passing a required exam, has met the appropriate education and experience requirements for a physical therapist or physical therapy assistant license. The bills authorize a temporary license holder to practice physical therapy or limited physical therapy under "direct supervision" until (1) 90 days after issuance; (2) the board issues a full license; or (3) the board revokes the temporary license.

Massage Therapists

The State Board of Massage Therapy Examiners licenses massage therapists and registers massage therapy practitioners. **Senate Bill 745/House Bill 1039 (both passed)** alter and clarify the definition of massage therapy, specify that massage therapy programs must be accredited by the Commission on Massage Therapy Accreditation, and alter requirements relating to criminal history record checks required to obtain licensure or registration. The bills authorize the board to place certain licenses on inactive status and to reactivate a license under specified circumstances.

Funeral Establishments and Crematories

Senate Bill 180/House Bill 604 (both passed) require a licensed funeral establishment or crematory in possession of the unclaimed remains of a veteran or an eligible dependent for which a veterans service organization has not taken possession to (1) notify the Maryland Department of Veterans Affairs (MDVA) of the status of the remains and (2) transfer the remains to MDVA for appropriate disposition.

Residential Child Care Program Professionals

House Bill 873 (passed) requires the State Board for Certification of Residential Child Care Program Professionals to maintain an electronic roster of all individuals certified by the board for purposes of electronically verifying certification. The roster must be posted on the board's website. An individual without website access may contact the board to verify a certificate.

Environmental Health Specialists

Senate Bill 516/House Bill 65 (both passed) repeal the State Board of Environmental Health Specialists Fund and instead require the board to pay any money collected from fees into the general fund. Accordingly, the board becomes a general funded health occupations board.

Health Care Facilities and Regulations

Hospital Financial Assistance Policies and Debt Collection

Each hospital in the State is required to develop a financial assistance policy for providing free and reduced-cost care to patients who lack health care coverage, or whose health care coverage does not pay the full cost of the hospital bill. Each hospital in the State is also required to have a debt collection policy. *Senate Bill 514/House Bill 565 (both passed)* alter requirements relating to hospital debt collection policies and payment plans and prohibit a hospital from taking specified actions when collecting debt. Specifically the bills alter hospital financial assistance policy requirements and establish requirements related to interest payments and payment plans. Regarding hospital debt collection, the bills include detailed provisions related to when and how a hospital can make reports to consumer reporting agencies, initiate court actions, and use debt collectors. In addition, hospitals are required to submit an annual report to the Health Services Cost Review Commission (HSCRC), including the number of patients against whom the hospital has filed an action to collect the debt owed, the number of patients the hospital has and has not reported or classified with a bad debt, and the total dollar amount of the charges for hospital services provided to patients but not collected by the hospital for patients covered by insurance, including the out-of-pocket costs for patients covered by insurance, and patients without insurance.

HSCRC must develop and report on guidelines for an income-based payment plan and study the impact on uncompensated care of providing specified refunds or requiring hospitals to forgive specified judgments or strike specified adverse information. The Maryland Health Care Commission (MHCC) must examine and report on the feasibility of using the State-designated Health Information Exchange (HIE) to support the determination of patients' financial status for determining eligibility for free or reduced-cost care or an income-based payment plan.

Health Facilities

In General

The Maryland Department of Health's (MDH) Office of Health Care Quality (OHCQ) licenses all freestanding kidney dialysis centers, including facilities that provide hemodialysis or chronic peritoneal dialysis. *Senate Bill 111/House Bill 484 (both passed)* prohibit a kidney dialysis center, a facility operated by MDH or a health officer, or a health care provider's office from providing peritoneal dialysis or hemodialysis treatment services unless the individual performing the procedure is trained in the technique being performed.

Assisted Living

Assisted living programs in the State are licensed by OHCQ to meet the needs of individuals who need assistance with activities of daily living. While most program residents receive their benefit payments directly, some residents need assistance in managing their benefits. Payments to these residents may be paid through a representative payee (including organizational representative payees) who receives the benefit check on behalf of the resident and provides for the residents personal needs. *Senate Bill 507/House Bill 554 (both passed)* require an assisted living program that was appointed as a representative payee to report specified information to the Consumer Protection Division (CPD) of the Office of Attorney General by June 1 of each year. OHCQ must notify CPD of the appointment of an assisted living program as the resident's representative payee within a reasonable time after being made aware of the appointment. OHCQ must also refer an allegation of an unfair, abusive, or deceptive trade practice by an assisted living program to CPD and to the Office of Inspector General within MDH.

If an assisted living program has an Alzheimer's special care unit, the facility must provide a written description of the special care unit to MDH, including staff training and staffing pattern requirements. *Senate Bill 204/House Bill 416 (both passed)* require MDH to establish the number of dementia-specific training hours and content to be completed by Alzheimer's special care unit staff, as well as the number of staff sufficient to meet needs of residents. MDH must also revise the regulations for assisted living programs, including regulations for Alzheimer's special care units, by December 1, 2022.

Nursing Homes

A nursing home provides non-acute care to patients suffering from a disease, chronic illness, condition, disability of advanced age, or terminal disease requiring maximal nursing care without hospital services. MDH licenses all nursing home facilities in the State, and OHCQ generally conducts an unannounced site visit and a full survey of each licensed nursing home at least once per year. When a nursing home changes ownership, the person acquiring the facility must notify MDH in writing. *Senate Bill 704/House Bill 674 (both passed)* require MDH to conduct specified surveys if the ownership of a licensed nursing home is transferred to a person that does not own or operate another nursing home in the State at the time of the transfer. MDH must conduct a full survey within three months after the date of the transfer and an unannounced

on-site follow-up survey that covers any deficiencies noted in the initial full survey within 120 days after the initial survey was completed.

During the COVID-19 public health emergency, facilities providing elder care were especially vulnerable. ***Senate Bill 748/House Bill 1022 (both passed)*** require a nursing home, on request of MDH, to electronically submit clinical information to the State-designated HIE. If approved by MHCC, the information may be combined with other data maintained by HIE to facilitate a State health improvement program, mitigation of a public health emergency, and improvement of patient safety. The information may not be used for any other purpose, including licensing and certification. For further discussion of electronic health care transactions as regulated by these bills, see the subpart “Public Health” within this part of this *90 Day Report*.

House Bill 983 (passed) requires MDH to develop specified guidelines, consistent with federal requirements, relating to restrictions on visitation that a nursing home may impose to reduce the spread of COVID-19 or another disease that constitutes a catastrophic health emergency. During a catastrophic health emergency issued by the Governor, visitation in nursing homes must be prioritized to balance the physical needs of residents with the mental and spiritual needs of the residents and family members resulting from isolation and separation during the emergency.

Mental and Behavioral Health Facilities

The State licenses and regulates health facilities to promote quality care for patients and safe work environments for staff. In furtherance of these goals, the General Assembly may pass legislation that modifies licensing procedures, safety standards, and reporting requirements of health facilities. Before MDH approves the operation of a health facility with behavioral health services, ***Senate Bill 96 (passed)*** requires a facility to implement a safety plan for individuals served by the facility and, under certain conditions, a community relations plan. For a discussion of the requirements established for behavioral health programs, see the subpart “Public Health” within this part of this *90 Day Report*.

Senate Bill 815/House Bill 881 (both passed) require a licensed residential treatment center, a State facility, or a hospital with a separately identified inpatient psychiatric service, to report a complaint of sexual abuse or sexual harassment of a patient within 24 hours of receiving the complaint. A complaint must be reported to the Behavioral Health Administration (BHA) and OHCQ in MDH, the Child Protective Services unit in the Department of Human Services (if the complaint involves a minor) and the State designated protection and advocacy system. BHA and OHCQ must collaborate to develop and implement a uniform system for facilities to report complaints. OHCQ must enforce specified requirements, and MDH must adopt necessary regulations to implement the requirements of the bills.

Residence Service Agencies

A residential service agency (RSA) is any person that is engaged in a nongovernmental business of employing, or contracting with, individuals to provide home health care for compensation to an unrelated sick or disabled individual in the home of the individual. An RSA

includes any agency that employs or contracts with individuals directly for hire as home health care providers. MDH must adopt regulations that set standards for the care, treatment, health, safety, welfare, and comfort of individuals who receive home health care services through an RSA. The regulations must also provide for the licensing of RSAs.

Senate Bill 384/House Bill 652 (both passed) require the Office of the Attorney General, in consultation with MDH and the Maryland Department of Labor, to produce a guidance document concerning the application of employee protection laws to the employment of personal care aides by RSAs. The guidance document must be completed by December 30, 2021, and revised and updated each year. The Secretary of Health must provide the most current version of the guidance document to each licensed RSA. As a condition of having a license to operate as an RSA, each RSA must certify to MDH, on a form developed by MDH, that an RSA employee with authority over pay and personnel has read, understands, and will comply with the guidance document. The form must contain a checkbox for an RSA to indicate whether the RSA uses personal care aides designated as independent contractors.

Senate Bill 275/House Bill 141 (both passed) generally require each RSA to ensure that, beginning July 1, 2022, within 45 days after an individual's start of employment, direct care and supervisory staff receive three hours of online or in-person training on dementia. An RSA must also ensure selected staff receive two hours of online or in-person continuing education training regarding Alzheimer's disease and dementia each calendar year. Staff already employed by an RSA on October 1, 2021, who have not received equivalent training, must complete the three-hour training by August 15, 2022.

Health Insurance

Mandated Coverage, Reimbursement, and Cost-sharing

Telehealth

COVID-19 triggered a rapid adoption of telehealth as many health care facilities were closed for in-person visits in April and May 2020. The increased need for telehealth prompted government and private payors to accommodate this expansion by allowing reimbursement for a wider range of telehealth encounters, including telephone communications. ***Senate Bill 3/House Bill 123 (Chs. 70 and 71)*** expand health insurance coverage and reimbursement requirements for health care services provided through telehealth.

Coverage Requirements: The bills require a health insurance carrier to provide coverage of telehealth regardless of the location of the patient at the time that the services are provided and extend coverage to include, for a two-year period, audio-only telephone conversations between a health care provider and a patient. A carrier may not exclude from coverage or deny coverage for a behavioral health care service that is a covered benefit under a health insurance policy or contract when provided in-person solely because the service may also be provided through a covered

telehealth benefit. The bills also clarify that telehealth coverage must include counseling and treatment for substance use disorders and mental health conditions.

Reimbursement Requirements: From July 1, 2021, through June 30, 2023, a carrier must provide reimbursement for a health care service appropriately provided through telehealth on the same basis and at the same rate as if the health care service were delivered in person. Reimbursement does not include (1) clinic facility fees, except as specified, or (2) any room and board fees. Additionally, a health insurance carrier may not impose as a condition of reimbursement of a covered health care services delivered through telehealth that the health care service be provided by a third-party vendor designated by the carrier.

Study Requirements: By December 1, 2022, the Maryland Health Care Commission, in consultation with specified entities, must submit a report to specified legislative committees on the impact of providing telehealth services as required under the bills. Among other requirements, the report must include an analysis of the impact of the use of telehealth on disparities in access to health care services, an assessment of the efficiency and effectiveness of telehealth services and in-person visits, and an assessment of patient awareness of and satisfaction with telehealth coverage and care. The report must include recommendations on coverage of telehealth services and payment levels for telehealth services relative to in-person care.

As part of the report, the Maryland Insurance Administration (MIA) must study how telehealth can support efforts to ensure health care provider network sufficiency and the impact of changes in access to coverage of telehealth services under health benefit plans on the ability of consumers to choose in-person care versus telehealth care as the modality of receiving a covered service.

Medicaid Requirements: [Senate Bill 3/House Bill 123](#) also alter telehealth coverage and reimbursement requirements for Medicaid. For further discussion of these requirements, see the subpart “Public Health – Generally” within this part of this *90 Day Report*.

COVID-19 Testing Mandate

[Senate Bill 741/House Bill 836 \(both passed\)](#) require health insurance carriers to provide coverage for COVID-19 tests and related items and services for the administration of COVID-19 tests as required by specified federal legislation and any applicable federal regulations or guidance. Coverage must be provided without a copayment, coinsurance requirement, or deductible for COVID-19 tests and related items and services for their administration. For further discussion of [Senate Bill 741/House Bill 836](#), see the subpart “Public Health – Generally” within this part of this *90 Day Report*.

State-based Young Adult Health Insurance Subsidies

Chapters 104 and 105 of 2020 required the Maryland Health Benefit Exchange (MHBE) to submit a report on the potential design, implementation, and effects of establishing State-based, individual market health insurance subsidies in Maryland. MHBE worked with an actuarial firm and established a workgroup to complete the required report. The workgroup’s recommendations

included that MHBE target subsidies at young adults (with subsidies phasing out to age 40) with incomes up to 400% of the federal poverty level (FPL). MHBE suggested that the legislature may want to consider a pilot program of approximately two to three years to allow MHBE to gather enough credible data to refine long-term projections of program costs.

Senate Bill 729/House Bill 780 (both passed) require MHBE to establish and implement a State-Based Young Adult Health Insurance Subsidies Pilot Program. MHBE must establish subsidy eligibility and payment parameters for the pilot program for calendar 2022 and 2023. In establishing the parameters, MHBE must consider young adults who are between 18 and 40 years old with incomes between 133% and 400% FPL. Subject to available funds, in fiscal 2022 through 2024, MHBE may designate up to \$20.0 million in funds from the MHBE Fund to be used for the pilot program to provide annual subsidies in calendar 2022 and 2023.

Specialty Mental Health Services

Senate Bill 638/House Bill 919 (both passed) require the Maryland Insurance Commissioner to enforce statutory performance standards relating to the payment of claims against the administrative services organization that is responsible for administering the Maryland Public Behavioral Health System, the delivery system for publicly funded specialty mental health services. For a further discussion of **Senate Bill 638/House Bill 919**, see the subpart “Public Health – Generally” within this part of this *90 Day Report*.

Pharmacy Benefits Managers

In December 2020, the U.S. Supreme Court ruled in *Rutledge v. Pharmaceutical Care Management Association* that the federal Employee Retirement Income Security Act of 1974 (ERISA) did not preempt an Arkansas state law regulating pharmacy benefits manager (PBM) reimbursement and ERISA plans. In light of this decision, **House Bill 601 (passed)** alters provisions of law that regulate PBMs by repealing a blanket exclusion from the law for self-funded ERISA plans.

The bill retains the scope of several provisions so that they continue to apply more narrowly to health insurance carriers or PBMs that perform pharmacy benefit management services on behalf of a carrier, such as provisions relating to beneficiary choice of pharmacy and audits of pharmacies and pharmacists by PBMs. Simultaneously, the bill alters other provisions to apply more broadly to purchasers, which include self-funded ERISA plans and PBMs that provide services on behalf of purchasers, such as provisions relating to maximum allowable cost pricing and disputes regarding cost pricing and reimbursement.

House Bill 601 also alters requirements regarding review and approval of certain contract forms and filings by the Insurance Commissioner and requires MIA to report to specified committees of the General Assembly on the scope of the Supreme Court’s *Rutledge* decision and how to apply it to the regulation of PBMs under Maryland law.

Social Services

Public Assistance

RELIEF Act

The COVID-19 pandemic has created substantial challenges for households working to achieve economic stability. *Senate Bill 496 (Ch. 39)* the Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act provides fiscal 2021 and 2022 funding to mitigate the adverse effects of the pandemic. Among other actions, the Act allocates \$115 million in fiscal 2021 for various forms of public assistance.

Following the start of the pandemic and related shutdowns, the dollar value of residential arrearages owed to utilities has increased substantially over the same month in the prior year. The RELIEF Act allocates \$83 million in fiscal 2021 to the Public Service Commission (PSC) for distribution directly to utility companies to reduce utility arrearages. Assistance is prioritized for households that have qualified for Department of Human Services (DHS) Office of Home Energy Assistance Program (OHEP) benefits over the prior four years, then for residential special needs customers, and then for the oldest arrearages.

At the beginning of the pandemic and related shutdowns, DHS offered waivers of certain requirements (including medical certification of disability) in the Temporary Disability Assistance Program (TDAP) and extended recertification time periods. Following the end of the waiver of verification requirements and a temporary restart of recertification, the number of TDAP recipients decreased substantially due to challenges associated with reduced in-person operations and the access to medical professionals to certify disabilities. For example, following a June 2020 peak (17,649), December 2020 enrollment fell to historic lows (7,491) resulting, in part, from case closures for documentation issues and failure to reapply. Except as the result of a final determination of a Supplemental Security Income claim, the RELIEF Act retroactively reenrolls TDAP participants denied payments on or after July 1, 2020, and prevents removal of participants from the program until July 1, 2021. Prior to the enactment of the RELIEF Act, DHS had begun a more limited re-enrollment program.

The fiscal 2022 budget, as introduced, provided \$37 million in fiscal 2022 for an additional \$100 per recipient per month benefit for Temporary Cash Assistance (TCA) participants from January through June 2021. The RELIEF Act extends this benefit to TDAP participants for February through June 2021. Specifically, the RELIEF Act provides \$22 million to support the required re-enrollment and additional benefit for TDAP recipients. In addition, Supplemental Budget No. 5 to the fiscal 2022 budget provides \$46 million to continue the additional benefit for both programs through the end of calendar 2021.

The RELIEF Act also allocates \$10 million of additional funds in fiscal 2021 to the Office of Grants Management for the Maryland Food Bank and the Capital Area Food Bank for distribution of funding and food to local food banks and pantries. The Act's funding is provided in addition to the annual grant DHS provides to these organizations each year.

For a further discussion of the RELIEF Act and the 2021 budget bill, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Energy Assistance

OHEP administers energy assistance programs, including the Electric Universal Services Program (EUSP) and the Maryland Energy Assistance Program (MEAP), which assist households with incomes at or below 175% of the Federal Poverty Level (FPL) to afford energy bills and minimize crises. EUSP provides bill payment and arrearage assistance to electric customers. MEAP, funded through the federal Low-Income Home Energy Assistance Program, provides bill payment assistance for a variety of heating fuels and natural gas arrearage assistance. Arrearage assistance is available to households once every seven years.

Eligibility: *Senate Bill 392/House Bill 606 (both passed)* requires utility companies to adopt a “limited income mechanism” for customers with annual income at or below 175% FPL, at or below 200% of FPL for customers age 67 or older, or customers that otherwise meet a broader designation approved by PSC. For a further discussion of how these bills affect utility companies, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

In addition, the bills alter eligibility for EUSP and make other administrative changes for OHEP, including:

- expanding eligibility for EUSP to customers age 67 or older that have an income at or below 200% FPL;
- reducing the amount of time that must elapse between a customer’s receipt of arrearage assistance under EUSP from seven to five fiscal years;
- exempting arrearage assistance received in calendar 2020 and 2021 from the limitation on receipt of arrearage assistance;
- requiring customers whose application for bill assistance or arrearage retirement be provided at least three months to cure a deficiency if an application was denied due to deficient documentation and prohibits utility termination during the curing;
- staffing a workgroup on low-income utility assistance and the feasibility of expanding or establishing new services; and
- providing any administrative support (including eligibility determinations) deemed necessary under the limited-income mechanism developed by PSC.

Supplemental Budget No. 5 provides \$10 million in fiscal 2021 and 2022 to implement the utility bill and arrearage assistance measures provided in *Senate Bill 392/House Bill 606*. To the extent

the \$10 million supplemental funding is not expended in fiscal 2021, the bills require the amount of unexpended fiscal 2021 funds to be appropriated in fiscal 2023.

Heat and Eat: To receive Supplemental Nutrition Assistance Program (SNAP) benefits most noncategorically eligible households must meet a gross income test (130% of FPL) and a net income test (100% of FPL). Deductions to income for these calculations include a certain percent of earned income, child care, medical expenses, and certain shelter expenses. Shelter expenses can include utility costs including the application of a certain utility allowance in lieu of documenting energy costs. If households receive a federal Low-Income Home Energy Assistance Program benefit of a certain level, the utility allowance can be applied, which increases the likelihood the household would receive the shelter deduction. Higher deductions typically translates to higher benefit levels. *Senate Bill 913/House Bill 101 (both passed)* establish a Heat and Eat program in SNAP. Under this program, DHS must apply a standard utility allowance (SUA) to the shelter deduction in the calculation of gross income for the purpose of SNAP eligibility determinations. SUA is defined as a MEAP benefit of at least \$21. SNAP cases that would most benefit from the measure are households whose energy-related expenses are not factored into current income calculations for SNAP eligibility, such as housing assistance program participants who do not have an energy bill in the participant's name.

While DHS estimates that applying SUA in the calculation of gross income for determining SNAP benefit levels may increase federal MEAP expenditures by as much as \$8.6 million, this calculation likely substantially overstates the fiscal impact of the legislation because it assumes MEAP benefits for all SNAP cases would increase by \$21, which will not occur. During the ongoing state of emergency due to the COVID-19 pandemic, all households are receiving the maximum SNAP allotment. However, after the state of emergency ends, *Senate Bill 913/House Bill 101* could increase the average SNAP benefit for some cases by approximately \$59, which could potentially increase federal SNAP expenditures for the entitlement program by more than \$1 million, depending on the SNAP caseload at the time.

To improve coordination of benefits, the bills also require DHS to study the feasibility of creating automatic eligibility for a household to participate in MEAP if the household already participates in SNAP. The automatic eligibility could make entrance into MEAP easier, increase participation among eligible households, and potentially improve economic stability outcomes through enhanced coordination of the two assistance programs.

Critical Medical Needs Program: OHEP also administers the Critical Medical Needs Program (CMNP). CMNP serves critical medically vulnerable individuals that may have a severe health condition that will be aggravated due to the termination or noncontinuation of electric or gas service, or need life-support equipment. CMNP helps ensure that service continues or is restored for critical medically vulnerable individuals by assisting in obtaining financial assistance through the use of navigators.

A complete CMNP application must include a completed certification of serious illness or need for life support equipment form. *Senate Bill 907/House Bill 945 (both passed)* allow a critical medically vulnerable individual, who is at least 60 years old and assisted by a navigator,

to provide certification from a medical provider of a severe health condition within 90 days after applying for CMNP.

Senate Bill 846/House Bill 969 (both passed) establish the Power to the People Pilot Program on or before July 1, 2021, and mandate \$80,000 in funding for the program in fiscal 2023 and in 2024 to expand access to CMNP. Under the pilot, the United Way of Central Maryland must establish a screening intake process to identify callers to the 2-1-1 helpline who may be critical medically vulnerable individuals. The intake specialists then conduct screenings, assist with CMNP applications, and refer individuals who are unable to pay their utility bills to the Fuel Fund of Maryland for additional cash assistance and community resources. The Fuel Fund of Maryland is required to coordinate with OHEP and the United Way of Central Maryland to assist these individuals with utility bill balances, provide cash assistance, and community services.

Temporary Cash Assistance

The Governor was required to include sufficient funds in the budget to ensure that the value of the TCA benefit, combined with federal SNAP benefits, was equivalent to at least 61% of Maryland Minimum Living Level (an inflation-adjusted calculation of the income necessary to support a minimal standard of living for a family of three in Maryland). During the 2020 session, the General Assembly passed Senate Bill 452, but the Governor vetoed the bill due to concerns regarding the economic challenges resulting from the pandemic. The General Assembly overrode the veto during the 2021 session and the bill became law as Chapter 13 in February 2021. Prior to enactment, Chapter 13 increases the level of benefit that must be funded from 61% to 61.25%, beginning in fiscal 2022. However, because the General Assembly overrode the veto in the 2021 session, the funding cannot be mandated for fiscal 2022 and the mandate will become effective starting in fiscal 2023.

Social Services for Children and Vulnerable Adults

DHS supervises child welfare programs and programs to protect vulnerable adults and individuals with disabilities through the Social Services Administration.

Senate Bill 592/House Bill 258 (both passed) modify and create reporting requirements for DHS and the Maryland State Department of Education (MSDE). In addition, to existing requirements DHS is required to report to the General Assembly:

- incidences of abuse or neglect of a child who, in the immediately preceding 24 months, was not removed from their home following an investigation that found indicated or unsubstantiated abuse or neglect;
- the number of children in the custody of a local department or child placement agency who have a sibling in the custody of a different local department or child placement agency;
- the health and mental health care provided;

- the number of children not enrolled in school for more than one week immediately following a change in placement; and
- the number of children in an institution of postsecondary education, apprenticeship, or adult education program.

The bill removes a requirement that DHS report the number of foster youth receiving in-home services. In addition, MSDE must publish an annual report with information on educational stability, discipline, youth with certain education plans, and certain outcomes for children and foster youth in the Child Welfare System.

Senate Bill 299/House Bill 548 (both passed) establish the Commission on Trauma Informed Care in DHS to coordinate a statewide initiative to prioritize the trauma-responsive and trauma-informed delivery of state services that impact children, youth, families, and older adults. In addition, the Commission is charged with studying and implementing an Adverse Childhood Experiences (ACEs) Aware program, in consultation with DHS, the Maryland Department of Health, and the Maryland Health Care Commission. For a further discussion of the ACEs Aware program see the subpart “Public Health” of this part of this *90 Day Report*.

Community Services

Under current law, grants can be made to aging-in-place programs hosted by nonprofit organizations or Area Agencies on Aging, dependent on the availability of resources in the budget. During the 2020 session, the General Assembly passed House Bill 498, but the Governor vetoed the bill due to concerns regarding the economic challenges resulting from the pandemic. The General Assembly overrode the veto during the 2021 session and the bill became law as Chapter 24 in February 2021. Chapter 24 creates a mandated appropriation of at least \$100,000 for aging-in-place programs and requires that 20% of the appropriation be used to support senior villages. Senior villages are local, member-driven, nonprofit organizations that support members who choose to age in place by fostering social connections and coordinating volunteer help.

Chapter 341 of 2020 created a coordinator of autism strategy position and an advisory stakeholder group on autism-related needs in the Maryland Department of Disabilities (MDOD). However, the fiscal 2022 budget does not include funding for these purposes in MDOD, but instead provides funding for the position contingent on the enactment of legislation creating the position in the Governor’s Office of Community Initiatives (GOCI). ***House Bill 718 (passed)*** moves the position from MDOD to GOCI and requires the Governor to fund the position and the advisory group.

House Bill 189 (passed) establishes a pilot program in the Department of Housing and Community Development (DHCD) Division of Neighborhood Revitalization to provide grant funds to nonprofit organizations to support mobile laundry services for homeless populations that lack access to clean water and laundry services. The bill requires the nonprofit organizations to leverage matching funds equal to half the State grant. The pilot program is established from October 1, 2021, to September 30, 2025, and requires DHCD to evaluate the effectiveness of the

program and make a recommendation to the Governor and General Assembly whether the program should continue beyond the pilot.

To coordinate Maryland's response in addressing food insecurity throughout the State, *Senate Bill 723/House Bill 831 (both passed)* establish the Maryland Food System Resiliency Council, which is comprised of representatives of several State agencies, members of the General Assembly, and specified members appointed by the Maryland Emergency Management Agency. Among other duties, the council must work toward the goal of addressing the food insecurity crisis in the State resulting from the COVID-19 pandemic and resulting economic crisis. In working toward its stated goals, the council must engage and collaborate with interested stakeholders, including residents of the State with lived experience of food insecurity. For a more detailed discussion of the council, see the subpart "Agriculture" within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Part K

Natural Resources, Environment, and Agriculture

Natural Resources

Forest Conservation and Tree Plantings

Forest Conservation

The Forest Service within the Department of Natural Resources (DNR) administers the Forest Conservation Act (FCA), though it is mostly implemented at the local level. The FCA establishes minimum forest conservation requirements for land development, and local governments with planning and zoning authority are required to develop local forest conservation programs that meet or are more stringent than the requirements of the FCA. Under the FCA, proposed construction activities go through a process of evaluation of existing vegetation on a site and development of a forest conservation plan for the site that defines how forest area will be retained and/or afforestation or reforestation will be undertaken, including through the use of off-site forest mitigation banks.

The FCA defines “forest mitigation banking” to mean the intentional restoration or creation of forests undertaken expressly for the purpose of providing credits for afforestation or reforestation requirements with enhanced environmental benefits from future activities. Historically, local forest mitigation banking programs have provided credits to developers who preserve existing forested lands by recording restrictive easements that run in perpetuity. However, the Office of the Attorney General recently issued an opinion concluding that the placement of a protective easement on an *already existing* forest, as opposed to *intentionally created or restored* forest, does not qualify as mitigation banking under the FCA. As a result, at least some local governments have suspended the granting of credits for existing forest.

House Bill 991 (passed) modifies the definition of “forest mitigation banking” under the FCA to include “qualified conservation.” Specifically, under the bill, “forest mitigation banking” means the intentional restoration, creation, or qualified conservation of forests undertaken expressly for the purpose of providing credits for afforestation or reforestation requirements with enhanced environmental benefits from future activities. “Qualified conservation” is defined as the

conservation of all or a part of an existing forest that (1) was approved on or before December 31, 2020, by the appropriate State or local forest conservation program for the purpose of establishing a forest mitigation bank and (2) is encumbered in perpetuity by a restrictive easement, covenant, or another similar mechanism recorded in the county land records to conserve its character as a forest. As such, the bill retroactively allows qualified conservation that was completed in a forest mitigation bank on or before December 31, 2020, to be used, under both State and local forest conservation programs, to meet FCA's afforestation or reforestation requirements. However, the bill limits the afforestation or reforestation credit that may be granted for the use of qualified conservation to no more than 50% of the forest area encumbered in perpetuity.

Tree Plantings

House Bill 991 establishes a new policy of the State to support and encourage public and private tree-planting efforts, with the goal of planting and helping to maintain 5,000,000 sustainable native trees in the State by the end of calendar 2031. The bill provides that it is the intent of the General Assembly that at least 500,000 of those trees be planted in underserved areas. The Governor must formally pledge the State's commitment to achieving the bill's tree planting goals through the U.S. Chapter of the World Economic Forum's One Trillion Trees Initiative.

To help achieve these goals, **House Bill 991** alters and directs additional resources to a number of existing programs and initiatives.

Plantings on Public and Private Land: In fiscal 2023, \$2.5 million must be transferred from the Wastewater Account of the Bay Restoration Fund (BRF) to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund for tree plantings on public and private land, and for fiscal 2024 through 2031, the Governor must include an annual appropriation of \$2.5 million in the State budget for tree plantings on public and private land.

Plantings in Underserved Urban Areas: **House Bill 991** also establishes an Urban Trees Program, administered by the Chesapeake Bay Trust, for the purpose of making grants to qualified organizations for native tree-planting projects in underserved urban areas. In fiscal 2023, \$10.0 million must be transferred from the Wastewater Account of the BRF to the Chesapeake Bay Trust for the Urban Trees Program, and for fiscal 2024 through 2031, the Governor must include an annual appropriation of \$10.0 million in the State budget for the program.

Plantings on Agricultural Land: In fiscal 2023 through 2031, inclusive, **House Bill 991** provides that a landowner who enrolls land planted with a forested streamside buffer receives a one-time signing bonus of up to \$1,000 per acre of land enrolled in the Conservation Reserve Enhancement Program (CREP). In fiscal 2023, \$2.5 million must be transferred from the Wastewater Account of the BRF for tree plantings under CREP and other tree-planting programs on agricultural land, and for fiscal 2024 through 2031, the Governor must include an annual appropriation of \$2.5 million in the State budget for tree plantings under CREP and other tree planting programs on agricultural land.

Increased Staffing: *House Bill 991* requires that for fiscal 2023 through 2031, \$1.25 million from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund be used to fund a tree program coordinator position in the Maryland Department of the Environment (MDE) and 13 contractor positions within DNR’s Forest Service to provide technical assistance, planning, and coordination related to tree plantings, tree buffer management, and forest management.

Study on Forest Cover and Tree Canopy

House Bill 991 requires the Harry R. Hughes Center for Agro-Ecology, in consultation with DNR and other various State agencies, to conduct a technical study to review changes in forest cover and tree canopy in the State and report the findings to the Governor and the General Assembly by December 1, 2023. The findings of the study are intended to aid the General Assembly in considering legislative and other changes to the FCA and the forest mitigation banking program.

Commission for the Innovation and Advancement of Carbon Markets and Sustainable Tree Plantings

Lastly, *House Bill 991* establishes a Commission for the Innovation and Advancement of Carbon Markets and Sustainable Tree Plantings. The commission must develop (1) a plan to achieve the State’s carbon mitigation goal of planting 5 million native trees by 2030; (2) a plan to ensure that the planted trees are properly maintained; (3) recommendations regarding the establishment of a Maryland-based carbon offset market to support the State’s tree-planting goals; and (4) recommendations on reviewing State policies to reduce and fully mitigate the clearing of trees during the construction of State highways and other transportation projects. The commission is required to report its plan and recommendations to the Governor and the General Assembly by October 31, 2022.

Enforcement

Senate Bill 324/House Bill 204 (both passed) establish various tracking and reporting requirements for MDE and DNR concerning the enforcement of environmental and natural resources laws.

As they pertain to DNR, *Senate Bill 324/House Bill 204* require DNR to submit by September 30 each year a report to the Governor and the General Assembly on information relating to the enforcement of natural resources and conservation laws for the prior fiscal year. Specifically, the annual report must include the following information on a statewide basis: (1) with respect to the enforcement of State conservation laws, the total number of inspections conducted, the total number of citations and warnings issued, and the total number of violations that led to a conviction; (2) with respect to the enforcement of the State Boat Act, the total number of inspections, the total number of citations and warnings issued, and the total number of boating accidents; and (3) with respect to activities reported to the Maryland Wildlife Crime Stoppers, the total number of reported incidents (including the total number that led to formal charges and convictions), and the total number of rewards of financial compensation distributed. The report is also required to include,

for each of the Eastern, Southern, Western, and Central regions of the State, (1) the total number of inspections of commercial and recreational fishing, crabs, oysters, game and wildlife, and boating and (2) the total number of oyster citations and warnings issued, the total number of operating-under-the-influence citations issued, and the total number of boating accidents, including the total number of fatalities and the total dollar amount of resulting property damage.

For a further discussion of the requirements for MDE, see the subpart “Environment” within this part of this *90 Day Report*.

Power Plant Research Program

DNR’s Power Plant Research Program (PPRP), in cooperation with several specified State agencies, is responsible for evaluating sites for their suitability for use as electric power plant sites, including evaluating related environmental and land use considerations. This information is then used by the Public Service Commission (PSC) in considering requests for new power plants and associated transmission lines.

Senate Bill 417/House Bill 777 (both passed) set a finite timeline for PPRP to complete the review of applications for certificates of public convenience and necessity (CPCN) associated with power plant construction. The bills require the Secretary of Natural Resources and the Secretary of the Environment to jointly submit the results of certain studies, investigations, and reports and recommend licensing conditions for a proposed project within 6 months after PSC deems the CPCN application to be complete. PSC may waive this deadline for good cause or on agreement of the parties to the CPCN proceeding. For a further discussion of *Senate Bill 417/House Bill 777*, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

Hunting and Fishing

Hunting

Archery Hunting Safety Zones – Allegany and Garrett Counties

Generally, a person, other than the owner or occupant, may not shoot or discharge a firearm or other deadly weapon while hunting, or shoot at any game bird or mammal present, within 150 yards of a dwelling house, residence, church, or other building or camp occupied by human beings without the advance permission of the owner or occupant (an area known as the “safety zone”). *Senate Bill 453/House Bill 637 (both passed)* decrease the archery hunting safety zone in Allegany and Garrett counties from 150 yards to 50 yards, a distance that is consistent with the archery hunting safety zones in Calvert, Carroll, Cecil, Frederick, Harford, Montgomery, St. Mary’s, and Washington counties.

Organized Killing Contests

The Department of Natural Resources (DNR) issues permits for a person to hunt, either individually or in a group, a fur-bearing mammal, including coyotes, foxes, and raccoons. **House Bill 293 (passed)** prohibits a person from sponsoring, conducting, or participating in a contest organized in Maryland that has the objective of killing a coyote, fox, or raccoon for prizes or monetary rewards. However, the bill may not be construed to prohibit (1) a landowner or the landowner’s agent or lessee from killing coyotes, foxes, or raccoons on the landowner’s property if the killing is not part of an organized contest or (2) lawful dog training or dog performance competitions. A person is subject to a \$50 fine for each coyote, fox, or raccoon killed in violation of the bill.

Venison Donation

Chapters 172 and 173 of 2018 established a tax credit for qualified expenses incurred to donate certain processed deer meat to a nonprofit venison donation program. Through the program, an individual can claim a credit of up to \$50 for the expenses incurred to butcher and process an antlerless deer, generally not exceeding a total of \$200 each taxable year, if the hunter complied with applicable State hunting laws and regulations. The tax credit program terminates June 30, 2023. **Senate Bill 769/House Bill 1017 (both passed)** require venison donation programs that accept donations of processed deer meat to report to the Comptroller, on or before January 31 each year, the name and address of, and the number of deer donated by, each donor who intended to claim the venison donation income tax credit. The bills also require DNR to report to the General Assembly by December 31, 2021, on the testing of deer brought to deer processors for chronic wasting disease.

Fishing

Aquaculture

Aquaculture Leases: Chapters 173 and 174 of 2009 required DNR to establish Aquaculture Enterprise Zones (AEZ) in the Chesapeake Bay, within which DNR could issue a pre-approved aquaculture lease to any person. Subsequently, DNR altered the shellfish aquaculture leasing program in a manner that reduced the utility and function of AEZs. As a result, in February 2019, DNR eliminated the only two AEZs that had been established, converting one of the AEZs and a portion of the other into public shellfish fishery areas. **Senate Bill 350 (passed)** repeals provisions governing AEZs in the Chesapeake Bay. The bill also authorizes DNR to issue an “enterprise lease” in the waters of the State for assessing the feasibility of cultivating native or naturalized species of aquatic plants for commercial purposes. DNR is prohibited from issuing an enterprise lease for nonnative species. The bill establishes application procedures, location restrictions, public notice provisions, and protest processes for enterprise leases; these provisions are substantially similar to those applicable to shellfish aquaculture leases. An applicant for an enterprise lease must pay a nonrefundable application fee, and DNR, in consultation with the Aquaculture Coordinating Council, must establish an annual amount of rent. The term of an

enterprise lease may not exceed five years, and it may not be assigned, transferred, or renewed. The size of an enterprise lease may not exceed two acres.

Study on the Application of Tidal Wetlands Permit Requirements to Aquaculture Operations: Chapters 236 and 237 of 2019 established that certain equipment attached to a pier that is associated with a shellfish nursery operation is not a “nonwater-dependent project” and is not subject to certain wetlands license and permit requirements. Chapters 236 and 237 do not apply generally to equipment used for oyster aquaculture, raising questions about the use of certain dock-based equipment (including tumblers used to sort and clean farm-raised oysters) by aquaculture operations. ***Senate Bill 442/House Bill 799 (both passed)*** require the Aquaculture Coordinating Council, in consultation with the Maryland Department of the Environment (MDE), to (1) review MDE policies regarding the application of State or tidal wetlands license and permit requirements to aquaculture operations in the State and (2) by December 1, 2021, report to the Governor and the General Assembly its findings and recommendations, including any proposed legislation, on changes necessary to eliminate conflicts or redundancies in the oversight of aquaculture operations by MDE and DNR.

Mobile Locator Application for Waters of the State

DNR establishes boundaries for various areas on the waters of the State, including oyster sanctuaries, public shellfish fishery areas, and submerged aquatic vegetation (SAV) protection zones, and places markers and other navigational aids to identify those areas. In addition, an aquaculture leaseholder must mark the aquaculture lease perimeter and an individual registered to use a pound net must mark the pound net stakes. ***House Bill 800 (passed)*** requires DNR to develop a mobile application for use by an individual while on the waters of the State. The purpose of the mobile application is to use interactive maps to aid an individual in determining the individual’s location, in real time, relative to (1) aquaculture leases; (2) demonstration leases; (3) registered pound net sites; (4) natural oyster bars; (5) oyster sanctuaries; (6) public shellfish fishery areas; (7) SAV Protection Zones; (8) Yates bars; or (9) any other areas DNR deems relevant. The bill authorizes DNR to contract with a third party to develop the application.

Shrimp Fishery Licensing and Regulations

Although the presence of shrimp in the Chesapeake Bay and interest in commercial harvest of the shrimp has been growing, shrimp are not explicitly regulated as a fishery under State fisheries laws. ***Senate Bill 343 (Ch. 119)*** prohibits a person from catching shrimp for commercial purposes unless the person first obtains a license from DNR. The Act also authorizes DNR to adopt regulations (1) governing any aspect of the shrimp fishery and (2) establishing and implementing a pilot program related to fishing for shrimp. The regulations may authorize DNR to establish by public notice for the shrimp fishery closed areas, catch limits, seasons, size limits, gear restrictions, and reporting requirements.

Opposition to Federal Regulations on Wild Caught Blue Catfish

Senate Joint 4 (passed) urges the U.S. Congress to amend specified federal law and return federal oversight responsibilities related to the processing and inspection of wild invasive catfish

caught in the Chesapeake Bay to the U.S. Food and Drug Administration, rather than the U.S. Department of Agriculture. The joint resolution states that the rules promulgated by the U.S. Department of Agriculture requiring the inspection of fish of the order Siluriformes are unnecessary and burdensome and have led to unintended consequences, including deflating the market for blue catfish caught in Maryland waters and harming harvesters and the Chesapeake Bay ecosystem.

Licenses and Stamps

DNR is authorized to develop and implement an electronic system for the sale and issuance of licenses, permits, and registrations and the recording and releasing of security interests. *House Bill 545 (passed)* requires DNR to make available and, on request, issue any recreational hunting or fishing license or stamp (except for a recreational boat license for which a special Chesapeake Bay and coastal sport fishing license decal is issued for attachment to the applicable boat) in a digital or electronic format. An individual may satisfy any requirement under the Natural Resources Article of the Maryland Code to possess or display the recreational licenses or stamps by possessing or displaying the document in a digital or electronic format as provided by DNR. The bill repeals requirements that an angler's license holder or a hunting license holder electronically or physically sign the license.

Environment

Reduction of Greenhouse Gas Emissions, Climate Change, and Tree Planting

The Public Service Commission (PSC) ensures safe, reliable, and economic public utility and transportation service to citizens of Maryland by, among other things, regulating public service companies in the State. The Office of the People's Counsel (OPC) represents the interests of residential and noncommercial users of natural gas, electricity, telephone, and private water service before PSC, various federal regulatory commissions, and the courts. *House Bill 30 (passed)* requires OPC, in determining whether the interests of residential and noncommercial users are affected by each matter before PSC, to consider the public safety, economic welfare, and environmental interests of the State and its residents, including the State's progress in meeting its greenhouse gas emissions (GHG) reduction goals. Under the bill, OPC is also required to hire at least one assistant people's counsel to focus on environmental issues, and the amount that OPC may assess for its costs and expenses is increased. Finally, the bill adds the People's Counsel as a member of the Maryland Commission on Climate Change and the Maryland Zero Emission Electric Vehicle Infrastructure Council.

Senate Bill 414/House Bill 583 (both failed) would have made broad changes to the State's approach to reducing statewide GHG emissions and addressing climate change. Among other things, the bills would have (1) increased the statewide GHG emissions reduction requirement and required the State to achieve net-zero statewide GHG emissions by a certain time; (2) established new commissions and working groups; (3) required the Maryland Department of Labor to adopt

new energy conservation requirements for buildings; (4) established State tree-planting goals; (5) increased and extended energy efficiency and conservation program requirements administered by PSC; and (6) established requirements for the purchase of zero-emission vehicles in the State fleet, including buses. The tree planting goals that were included in *Senate Bill 414/House Bill 583* were incorporated into the final version of *House Bill 991 (passed)*, which is discussed below. The zero-emission bus requirements were incorporated into *Senate Bill 137 (passed)*. For a more detailed discussion of *Senate Bill 137*, see the subpart “Transportation” within Part G – Transportation and Motor Vehicles of this *90 Day Report*.

House Bill 991 establishes, among other things, that it is the policy of the State to support and encourage public and private tree-planting efforts, with the goal of planting and helping to maintain 5,000,000 sustainable native trees in the State by the end of calendar 2031. Further, the bill establishes the intent of the General Assembly that at least 500,000 of those trees be planted in an “underserved area.” The Maryland Department of the Environment (MDE) is responsible for tracking the State’s progress toward meeting these goals and serves as the lead agency to receive tree data from the Maryland Department of Agriculture (MDA), the Department of Natural Resources (DNR), and the Chesapeake Bay Trust. The bill also establishes (1) a five million tree program coordinator position within MDE, and requires the coordinator to consolidate the tree planting data, and (2) reporting requirements for the coordinator. For additional discussion of *House Bill 991*, see the subparts “Natural Resources” and “Agriculture” within this part of this *90 Day Report*.

Additionally, *Senate Bill 359/House Bill 80 (both passed)* require the Maryland Department of Transportation (MDOT) to develop an urban tree program to replace trees that are removed during the construction of a transportation facility project, including the area impacted by the Purple Line project. For a more detailed discussion of *Senate Bill 359/House Bill 80*, see the subpart “Transportation” within Part G – Transportation and Motor Vehicles of this *90 Day Report*.

Environmental and Natural Resources Complaints, Inspections, and Enforcement

Senate Bill 324/House Bill 204 (both passed) establish various tracking and reporting requirements for MDE and DNR with respect to the enforcement of environmental and natural resources laws. Among other things, MDE must maintain specified complaint data and develop and maintain a website with specified information and data relating to the enforcement of certain environmental laws, and DNR must submit an annual report with specified data regarding the enforcement of natural resources and conservation laws.

Water Quality Financing Administration

The mission of MDE’s Maryland Water Quality Financing Administration is to provide financial assistance in the form of low-interest rate loans and/or grant funding for, among other things, clean water and drinking water capital projects across the State. The administration

administers the Bay Restoration Fund (BRF), Maryland’s Drinking Water Revolving Loan Fund (DWRLF), and Maryland’s Water Quality Revolving Loan Fund (WQRLF).

Bay Restoration Fund

Chapter 428 of 2004 established BRF. The primary purpose of the fund is to support upgrades to Maryland’s 67 major publicly owned wastewater treatment plants with enhanced nutrient removal technology; funds are also used for septic system upgrade grants, among other things. As a revenue source for the fund, Chapter 428 established a bay restoration fee on users of wastewater facilities, septic systems, and sewage holding tanks; Chapter 150 of 2012 doubled the fee for most users (until July 1, 2030). Of the fee revenue collected from users of septic systems and sewage holding tanks, 60% must be deposited into a separate account, commonly referred to as the Septics Account. The remaining funds collected from users of septic systems and sewage holding tanks (40%) must be transferred to the Maryland Agricultural Water Quality Cost Share Program within MDA to provide financial assistance to farmers for planting cover crops.

Senate Bill 701/House Bill 878 (both passed) authorize counties to borrow money and incur indebtedness through the issuance and sale of notes in anticipation of the receipt of the county’s allocation of funds from the Septics Account within BRF. The bills also specify the authorized uses of the net proceeds of the sale of any such notes.

The Clean Water Commerce Act of 2017 (Chapters 366 and 367) expanded the authorized uses of BRF’s Wastewater Account to include (after funding other specified BRF priorities) the purchase of cost-effective nitrogen, phosphorus, or sediment load reductions in support of the State’s efforts to restore the health of the Chesapeake Bay. The 2017 Clean Water Commerce Act is scheduled to terminate on June 30, 2021. *Senate Bill 119/House Bill 507 (both passed)* reauthorize and modify the Clean Water Commerce Act through June 30, 2030, and require MDE to transfer \$20.0 million annually from the BRF Wastewater Account to the Clean Water Commerce (CWC) Account, a new account within BRF established by the bills. The CWC Account must be used to purchase “environmental outcomes” to help the State achieve the Chesapeake Bay Total Maximum Daily Load (TMDL). The bills also establish requirements for the provision and verification of environmental outcomes, among other things.

House Bill 991, mentioned above, also affects BRF by requiring MDE, after paying for eligible costs associated with upgrading wastewater treatment plants, to transfer the following amounts from BRF’s Wastewater Account in fiscal 2023: (1) \$10.0 million to the Chesapeake Bay Trust for the Urban Trees Program established by the bill; (2) \$2.5 million to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to be used for tree planting on public and private land; and (3) \$2.5 million to MDA to fund tree plantings under the Conservation Reserve Enhancement Program and other tree-planting programs on agricultural land.

Revolving Loan Funds

WQRLF was created in 1988 to provide low-interest loans to public entities for wastewater and other water quality capital projects. Other assistance is provided through purchasing, guaranteeing, or refinancing debt. Authorized uses of the fund include grants, negative-interest

loans, forgiveness of principal, subsidized interest rates, and other forms of assistance as authorized or required by federal law.

House Bill 94 (passed) expands the authorized uses of the guarantee authority under the WQRLF by repealing a restriction that the WQRLF be used only to guarantee, or purchase insurance for, bonds, notes, or other evidences of obligation issued by a local government for the purpose of financing all or a portion of the cost of a wastewater facility, if such action would improve credit market access or reduce interest rates. The bill also authorizes the WQRLF to be used (1) to provide loan guarantees for similar revolving funds established by municipalities or intermunicipal agencies and (2) to serve as guarantee for long-term pay for success contracts, green bonds, or environmental impact bonds by any public, private, or nonprofit entity for the purchase of outcomes that provide a water quality benefit.

The DWRLF was created in 1993 to provide below-market-rate loans for drinking water projects. The revolving loan fund provides financial assistance for a wide variety of projects to facilitate compliance with national primary drinking water standards that protect or improve the quality of the State's drinking water resources. **Senate Bill 349 (Ch. 131)** makes changes to the statute governing the DWRLF to conform State law to federal law. The Act increases the maximum term limit for loans made from the DWRLF and increases the maximum amount of loan subsidies that can be issued to disadvantaged communities. In addition, the Act increases the time period after the completion of a drinking water facility when annual principal and interest payments begin. Finally, the Act clarifies the authorized uses of funds in the DWRLF to include uses authorized or required by relevant provisions of the federal Safe Drinking Water Act.

Water Quality and Land Management

Drinking Water

House Bill 1069 (passed) requires an owner of a residential rental property that is served by a private water supply well to provide for water quality testing every three years and disclose the results to current and prospective tenants. When a water quality test reveals that a private water supply well is contaminated, the owner must notify MDE and the local health department and address the contamination. There are civil penalties for a person who violates the bill's provisions.

Chapter 386 of 2017 required MDE, in consultation with the Maryland State Department of Education, the Department of General Services, and the Maryland Occupational Safety and Health, to adopt regulations to require periodic testing for the presence of lead in each "drinking water outlet" located in an occupied public or nonpublic school building. Chapter 386 defined "elevated level of lead" to mean a lead concentration in drinking water that exceeds the standard recommendation by the U.S. Environmental Protection Agency in technical guidance. Chapter 557 of 2019 expressed the intent of the General Assembly that schools work proactively to reduce the concentration of lead in drinking water outlets to a level below five parts per billion and that specified funds be made available to schools for that purpose.

Senate Bill 546/House Bill 636 (both passed) (1) redefine "elevated level of lead" to mean a lead concentration in drinking water that exceeds five parts per billion (ppb) for the purposes of

the required lead water testing and remedial measures in public and nonpublic schools and (2) make conforming changes to existing notice and remediation requirements. If a water test sample for a drinking water outlet was analyzed on or before June 1, 2021, and the analysis indicated a concentration of lead that was more than 5 ppb but less than 20 ppb, a school must take appropriate remedial measures by August 1, 2022.

Septic Systems

Senate Bill 22/House Bill 407 (both passed) repeal certain requirements related to the certification of those engaged in the business of property transfer inspections for septic systems and instead require that by July 1, 2022, any person (unless exempted) who engages in the business of inspecting a septic system must obtain an on-site wastewater property transfer inspection license issued by MDE. The licensing requirement does not apply to an individual who inspects a septic system as part of their duties as an employee of the federal government, the State, or a local government. By January 1, 2022, MDE must adopt regulations that establish license eligibility criteria, minimum training standards, license terms, and fees for license applications and renewals. There is an administrative penalty for violators; penalties are deposited into the Septics Account within BRF.

Stormwater Management

The General Assembly first enacted the Stormwater Management Act in 1982 and has amended it several times since. The intent of the Stormwater Management Act is to reduce, as much as possible, the adverse effects of stormwater runoff. MDE is charged with implementing the Stormwater Management Act and is required to adopt rules and regulations that establish criteria and procedures for stormwater management in Maryland. *Senate Bill 227/House Bill 295 (both passed)* require MDE to update these stormwater management regulations and criteria once every five years to incorporate the most recent “precipitation data,” defined in the bills as historical data that describes the relationship between precipitation intensity, duration, and return period. Among other things, in updating the regulations, MDE must conduct specified public outreach and consult with specified entities. The bills also (1) establish new related reporting requirements for MDE and (2) require MDE to submit a climate load allocation addendum to the Chesapeake Bay TMDL Phase III Watershed Implementation Plan, as well as updated two-year milestones, to the U.S. Environmental Protection Agency by December 31, 2025.

Wetlands Permits and Licenses

The Aquaculture Coordinating Council is made up of government, industry, academic, and nonprofit organization representatives. The council has various responsibilities relating to advancing Maryland aquaculture, including formulating and making proposals for such advancement, to the Governor and specified committees of the General Assembly, by September 1 each year. *Senate Bill 442/House Bill 799 (both passed)* require the Aquaculture Coordinating Council, in consultation with MDE, to (1) review MDE policies regarding the application of State or tidal wetlands license and permit requirements to aquaculture operations in the State and (2) in addition to its existing annual reporting requirement, report to the Governor and General Assembly

its findings and recommendations, including any proposed legislation, on changes necessary to eliminate conflicts or redundancies in the oversight of aquaculture operations by MDE and DNR.

Oil

The Maryland Oil Disaster Containment, Clean-up and Contingency Fund (Oil Fund) was established in 1986 to provide funding to MDE's oil pollution prevention programs, such as permitting, enforcement, and oil spill response. The Oil Contaminated Site Environmental Cleanup Fund (Reimbursement Fund) was established in 1993 to reimburse underground storage tank owners for costs incurred during site cleanups. Fees imposed on each barrel of oil transferred in the State are credited to these funds. *Senate Bill 661 (passed)* extends the 8.0 cents per barrel fee assessed on oil transferred into the State until July 1, 2024; beginning July 1, 2024, the fee is 5.0 cents per barrel. Until July 1, 2024, 7.75 cents of the per barrel fee are credited to the Oil Fund and 0.25 cents are credited to the Reimbursement Fund. The bill also authorizes (1) residential owners of heating oil tanks to apply for assistance from the Reimbursement Fund through June 30, 2024, and (2) in fiscal 2022 through 2029, funds from the Oil Fund to be used to provide such reimbursements.

Solid Waste Management and Recycling

Oversight and Management of Solid Waste and Recycling

Senate Bill 116/House Bill 164 (both passed) require MDE's Office of Recycling to promote the development of markets for recycled materials and recycled products in the State. The bills establish various requirements for the office, including expanded reporting requirements, and require the office to coordinate its activities with the Department of Commerce, the Department of General Services, MDOT, the Maryland Environmental Service, the Northeast Maryland Waste Disposal Authority, local governments, and private organizations.

Facility and Product Specific Processing Bans and Restrictions

Senate Bill 483/House Bill 264 (both passed) require certain generators of large quantities of "food residuals" to separate the food residuals from other solid waste and ensure that the food residuals are diverted from final disposal in a refuse disposal system. The food residual diversion requirements only apply to a person who (1) meets specified threshold amounts of food residuals generated and (2) generates the food residuals at a location that is within a 30-mile radius of an organics recycling facility that has the capacity to, and is willing to, accept and process all of the person's food residuals for recycling, and is willing to enter into a contract to accept and process the person's food residuals. The diversion requirements apply (1) beginning January 1, 2023, for a person who generates at least two tons of food residuals each week and (2) beginning January 1, 2024, for a person who generates at least one ton of food residuals each week. Affected generators may apply to MDE for a waiver. MDE must establish related guidelines and mapping systems as well as a plan to implement the bills. Further, MDE must issue warnings for violations; after receiving a warning, a violator is subject to specified civil penalties.

Maryland’s recycling policy is guided by the Maryland Recycling Act (MRA), which sets mandatory recycling rates for State government and local jurisdictions, as well as a voluntary statewide waste diversion goal of 60% and a voluntary statewide recycling goal of 55% by 2020. Each county (including Baltimore City) must prepare a recycling plan that addresses how the jurisdiction will achieve its mandatory recycling rate. *House Bill 280 (passed)* alters the definition of “recyclable materials” for the purposes of MRA to exclude incinerator ash. The bill also repeals a county’s authority to use one or more resource recovery facilities (that were in operation as of January 1, 1988) to achieve a 5% reduction in its solid waste stream for the purposes of meeting required solid waste reductions and mandatory recycling rates under MRA.

Prohibition on Balloon Releases

Senate Bill 716/House Bill 391 (both passed) prohibit, with specified exceptions, a person from (1) knowingly and intentionally releasing, or causing to be released, a balloon into the atmosphere or (2) organizing or participating in a “mass balloon release,” as defined. The bills establish a civil penalty of up to \$100 per violation for organizing or participating in a mass balloon release. A person who violates the prohibition against knowingly and intentionally releasing, or causing to be released, a balloon into the atmosphere must watch an educational video and/or perform community service. Generally, MDE must enforce the prohibitions, but MDE is authorized to delegate enforcement authority to specified local authorities. A person with delegated enforcement authority must report each violation to MDE.

Environmental Standing and Environmental Justice

Senate Bill 334/House Bill 76 (both passed) establish that a person who meets the threshold standing requirements under the federal Clean Water Act (CWA) has an unconditional right and the authority to intervene in a civil action initiated by the State in State court to require compliance with certain water pollution control measures. A person exercising this right to intervene must act in accordance with applicable practices, procedures, and laws in the State. A person who meets the requirements to intervene under the bills has the same rights as an interested person or aggrieved party under CWA, including the right to apply for judicial appeal.

The Commission on Environmental Justice and Sustainable Communities (CEJSC) was established by executive order in 2001 and codified in 2003. CEJSC is tasked with examining issues of “environmental justice” and sustainable communities for all Marylanders. *Senate Bill 674/House Bill 1207 (both passed)* make several changes to CEJSC, including (1) altering the composition of the commission and provisions governing the appointment of members and the designation of the chair; (2) requiring that, to the extent practicable, the membership reflect the racial, gender, ethnic, and geographic diversity of the State; (3) requiring MDE to provide new commission members with an orientation that reviews environmental justice issues in the State and the previous work of CEJSC; (4) requiring CEJSC to meet at least six times per calendar year and to hold at least four “community listening sessions” per calendar year, in accordance with specified requirements; and (5) altering and expanding the required duties of CEJSC.

Agriculture

Nutrient and Sediment Management

Purchase of Nutrient and Sediment Load Reductions

The Clean Water Commerce Act of 2017 (Chapters 366 and 367 of 2017) expanded the authorized uses of the Bay Restoration Fund’s (BRF) Wastewater Account to include the purchase of cost-effective nitrogen, phosphorus, or sediment load reductions to support the State’s efforts to restore the health of the Chesapeake Bay. The measure, which is scheduled to terminate on June 30, 2021, prohibited the purchase of nitrogen, phosphorus, and sediment load reductions from the agricultural sector. *Senate Bill 119/House Bill 507 (both passed)* reauthorize and modify the Clean Water Commerce Act through June 30, 2030, and require the Maryland Department of the Environment (MDE) to transfer \$20.0 million annually from the BRF Wastewater Account to the newly established Clean Water Commerce Account. The bills specify the percentages of the Clean Water Commerce Account that must be used to procure environmental outcomes from various sources, including at least 35% for “agricultural practices”. An agricultural practice is defined under the bills as a best management practice that is approved by the Chesapeake Bay Program Partnership and implemented on land or water that is used for the production or processing of an agricultural crop and includes agricultural, horticultural, silvicultural, and aquacultural operations. For a further discussion of *Senate Bill 119/House Bill 507*, see the subpart “Environment” within this part of this *90 Day Report*.

Tree Plantings on Agricultural Land

The Conservation Reserve Enhancement Program (CREP) is a voluntary program implemented by the U.S. Department of Agriculture and the State with the purpose of enrolling up to 100,000 acres of agricultural land in the State. Participants remove cropland and marginal pastureland from agricultural production and install conservation practices, such as native grasses and trees, to, among other things, improve water quality and reduce nutrient and sediment loading from crop fields. Eligible participants receive payments in return. To maximize participation in CREP, *House Bill 991 (passed)* requires, in fiscal 2023 through 2031, that a landowner who enrolls land planted with a forested streamside buffer receive a one-time signing bonus of up to \$1,000 per acre of land enrolled in CREP. The bill requires MDE to transfer \$2.5 million in fiscal 2023 from the BRF Wastewater Account to the Maryland Department of Agriculture (MDA) to fund tree planting under CREP and other tree planting programs on agricultural land. In fiscal 2024 through 2031, the Governor must appropriate \$2.5 million in the annual State budget to fund tree planting on agricultural land. For a further discussion of the tree planting measures included in *House Bill 991*, see the subpart “Natural Resources” within this part of this *90 Day Report*.

Maryland Agricultural Water Quality Cost-Share Program

The Maryland Agricultural Water Quality Cost-Share Program (MACS) is one of several initiatives established to improve water quality and achieve State water quality goals.

Administered by MDA, MACS provides farmers with grants to cover up to 87.5% of the cost of implementing best management practices that reduce soil and nutrient runoff from farmland. The fiscal 2022 capital budget includes \$5.0 million in general obligation bond funding for the installation of best management practices under MACS. *Senate Bill 344 (Ch. 120)* increases the amount of State funding that projects that are being considered for State cost-sharing are eligible to receive under MACS from 87.5% to 100%. The Act terminates June 30, 2026.

Soil Conservation Districts – Baltimore City

There are 24 soil conservation districts (SCD) in 23 counties in the State (Frederick County contains two districts) established in statute and with boundaries corresponding to county boundaries, except for Frederick County, and include all land and water and incorporated areas. SCDs function under the supervision of the district board of supervisors who must be interested and knowledgeable in the conservation of soil, water, and related natural resources. In general, SCDs provide technical assistance to farmers, developers, and landowners to control soil erosion and protect water quality. *Senate Bill 616 (passed)* authorizes a Baltimore City Soil Conservation District to be established and continued with boundaries corresponding to the boundaries of Baltimore City.

Agricultural Land Preservation

Joint Resolutions 16 and 17 of 2002 created a statewide goal to, by 2022, triple the number of acres, now considered to be a goal of 1,030,000 total acres, of productive agricultural land preserved by the Maryland Agricultural Land Preservation Foundation, the Maryland GreenPrint Program, the Rural Legacy Program, and local preservation programs. *Senate Bill 692/House Bill 860 (both passed)* establish the agricultural land preservation goal in statute, extend the deadline from 2022 to 2030, and also include acres preserved through the Maryland Environmental Trust and the Next Generation Farmland Acquisition Program (Next Gen Program) as contributing toward the goal. As of November 18, 2020, 829,491 acres, or 80.5% of the goal, have been preserved under these programs, not including the Next Gen Program.

Agricultural Promotion

Southern Maryland Regional Agricultural Center

In addition to other specified powers, the Tri-County Council for Southern Maryland may enter into contracts and agreements; borrow money and accept advances, loans, grants, contributions, and any other form of assistance from the federal government, the State, or other public or private source; and execute any instrument and act as necessary, convenient, or desirable to carry out its powers and specified purposes. The council is generally prohibited from owning or leasing property, except office space for its own use. However, in order to carry out specified purposes, the council may use any money available to it to finance the purchase or lease of property by one or more Southern Maryland counties, the Maryland Food Center Authority, or another entity, as determined by the council, that is authorized to finance or purchase property. *Senate Bill 51/House Bill 639 (both passed)* authorize the Tri-County Council for Southern Maryland to

act as a property manager, as defined in the bills, for the Southern Maryland Regional Agricultural Center owned by and located within St. Mary's County.

Buildings Used for Agritourism in Calvert County

The construction, alteration, or modification of an agricultural building for which agritourism is an intended subordinate use is exempted from adhering to the Maryland Building Performance Standards in several counties. In those counties, an existing agricultural building used for agritourism is not considered a change of occupancy that requires a building permit if specified conditions are met. *House Bill 801 (passed)* exempts an agricultural building in Calvert County from obtaining a change of occupancy permit if (1) the building's use of agritourism does not require it to be occupied by more than 200 people at any one time and (2) the width of the egress for the building meets specified building code standards.

Neonicotinoids

Chapters 661 and 662 of 2016 established certain restrictions on the sale and use of neonicotinoid pesticides, allowing for retail sales only from certain registered dealers and use only by certified pesticide applicators and farmers, or persons working under the supervision of a certified applicator or farmer, and veterinarians. *Senate Bill 375/House Bill 208 (both passed)* establish that a neonicotinoid pesticide may only be sold at retail to a certified applicator or farmer. The bills also require a retailer to store neonicotinoid pesticides in a manner that is inaccessible to a customer without assistance.

Invasive and Nuisance Plant Species

Use of State Funds

Chapter 142 of 2011 established the framework for identifying and regulating invasive plant species in the State. In general, a person may not propagate, import, transfer, sell, purchase, transport, or introduce any living part of a tier 1 invasive plant in the State, subject to specified exceptions. A "tier 1 invasive plant" includes invasive plant species that cause or are likely to cause severe harm within the State. In addition, a person may not (1) sell or offer for sale at a retail outlet a tier 2 invasive plant unless the retail outlet posts, in a conspicuous manner in proximity to all tier 2 plant displays, a sign identifying the plants as tier 2 plants or (2) provide landscaping services to plant or supply for planting a tier 2 invasive plant unless the person provides to the customer a list of tier 2 invasive plants. A "tier 2 invasive plant" includes invasive plant species that cause or are likely to cause substantial negative impact within the State.

House Bill 92 (passed) prohibits State funds from being used to purchase or plant an invasive plant species for an outdoor project. The bill provides an exception if the plant is commonly used for agricultural or horticultural purposes and is maintained for education or research. For a further discussion of *House Bill 92*, see the subpart "Procurement" within Part C – State Government of this *90 Day Report*.

Multiflora Rose

Chapter 460 of 1982, as codified in the Agriculture Article, (1) declares that multiflora rose may be a public and common nuisance on land used for agricultural production; (2) requires a person who owns land where multiflora rose is grown to maintain the land in accordance with management techniques prescribed by MDA to prevent spread to adjoining property used for agricultural production; (3) requires the Secretary of Agriculture to make an investigation as to the extent of any proscribed infestation, upon receiving certain signed, written complaints; and (4) requires a landowner to initiate compliance action within 30 days of written notice from the Secretary of a violation. Additionally, the Secretary may accept, use, or expend funds made available from any private or public source to carry out these provisions. According to MDA, the State's agricultural industry has multiflora rose contained and under control, thus *Senate Bill 352 (Ch. 121)* repeals the entire Multiflora Rose Management subtitle.

Food Insecurity

To coordinate Maryland's response in addressing food insecurity throughout the State, *Senate Bill 723/House Bill 831 (both passed)* establish the Maryland Food System Resiliency Council, which is comprised of representatives of several State agencies, members of the General Assembly, and members appointed by the Maryland Emergency Management Agency (including a representative of a public school, specified food council organizations, specified experts, and one farmer, among others). The council must meet regularly for a period of at least two years and work toward the following goals: (1) to address the food insecurity crisis in the State resulting from the COVID-19 pandemic and resulting economic crisis, as specified; (2) to develop specified equity and sustainability policy recommendations to increase the long-term resiliency of the food system, as specified; (3) to expand the impact of existing food council organizations by providing coordination and facilitation of knowledge exchange at the State level and supporting identification and application of grants to operating funds to support existing and new food council organizations as needed; and (4) to develop a strategic plan to increase the production and procurement of Maryland certified food, as specified. In working toward its stated goals, the council must engage and collaborate with interested stakeholders, including residents of the State with lived experience of food insecurity and food council organizations and similar local level food system convening organizations. The council must submit to the General Assembly (1) an interim report on key findings and activities by November 1, 2021; (2) a report on the council's recommendations for a long-term structure for a statewide food policy council by November 1, 2022; and (3) an annual report on the key findings and activities undertaken by the council beginning on November 1, 2023.

Departmental Programs and Functions

Certified Local Farm Enterprise Program

During the 2020 session, the General Assembly passed Senate Bill 985 and House Bill 1488. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 session, and the bills became law in February 2021 (Chs. 2 and 32). The Acts

establish the Certified Local Farm Enterprise Program and office within MDA to encourage State agencies, including public four-year universities, to achieve an overall goal of purchasing 20% of food from certified local farm enterprises. A certified local farm enterprise is one that meets specified nutrient management requirements and is certified by MDA. Among other things, the office must adopt regulations to maximize notice to, and the opportunity to participate in the food procurement process by, a wide range of local farm enterprises. MDA must develop and maintain a directory of all certified local farm enterprises and make the directory accessible to the public on its website. The Acts also establish a nonbudgeted Certified Local Farm Enterprise Food Aggregation Grant Fund within the Maryland Agricultural and Resource-Based Industry Development Corporation to establish and operate food aggregation, storage, processing, and distribution sites across the State through grants and near-equity investments. For a more detailed discussion of Chapters 2 and 32, see the subpart “Procurement” within Part C – State Government of this *90 Day Report*.

Urban Agriculture Grant Program

Senate Bill 673/House Bill 269 (both passed) establish the Urban Agriculture Grant Program in MDA to increase the viability of urban farming and improve access to urban-grown foods. The bills also establish the Urban Agriculture Grant Fund to provide grants to nonprofit organizations that distribute the grant money to urban agricultural producers. A nonprofit organization is qualified to receive a grant if MDA determines that the nonprofit organization (1) is incorporated or maintains its principal place of business in Baltimore City and (2) works to increase the viability of urban farming and improve access to urban-grown foods. MDA must adopt regulations, subject to the availability of funding, to provide grants under the fund. The regulations must, among other things, establish a review board to implement a competitive grant application process and establish specified requirements regarding grant applications and grant distributions. In adopting the regulations, MDA must seek and prioritize input from urban agriculture farms and farmer advocates.

Part L

Education

Education – Primary and Secondary

State Funding

State Aid to Public Schools

Fiscal 2022 education aid was impacted by several factors, including the Governor’s veto of House Bill 1300 of 2020 (Blueprint for Maryland’s Future – Implementation) and the COVID-19 pandemic. The General Assembly overrode the veto during the 2021 legislative session (Ch. 36), discussed in more detail below, but as a result of the Governor’s veto, fiscal 2022 mandated funding in Chapter 36 was not an effective mandate. As a result, the fiscal 2022 education formulas were calculated based on the formulas in law before Chapter 36 was enacted. **Exhibit L-1** shows fiscal 2022 changes in major State education aid programs. Overall, State aid for public schools increases by \$261.7 million, or 3.6%, in fiscal 2022, to \$7.5 billion. State aid provided directly to the local boards of education increases by \$233 million, or 3.6%, while retirement aid increases by \$28.7 million, or 3.8%. This includes special funds from the Blueprint for Maryland’s Future Fund and federal funds received by the State for COVID-19 relief that are being provided for additional Blueprint programs to address the impacts of COVID-19 on public schools. A detailed description of State education aid programs and allocations by school system can be found in Part A – Budget and State Aid of this *90 Day Report*.

Due to the COVID-19 pandemic, 2020-2021 public school student enrollment counts were unusually low and there was a decrease of 19,704 students, or 2.3%, in full-time equivalent enrollment, resulting in decreased State aid through the major formula aid programs. Enrollment also decreased by 6.6% for free and reduced-price meal (FRPM) students, 2.0% for special education students; 4.7% for limited English proficiency students, and 89.2% for special education transportation students. These decreases are more than offset by discretionary hold harmless grants provided in fiscal 2022 from the Blueprint for Maryland’s Future Fund totaling \$209.4 million. These grants are intended to provide level funding for special education transportation grants and also to provide an increase in direct State aid of at least \$50,000 for each local school system over fiscal 2021.

Exhibit L-1
State Aid for Education
Fiscal 2021 and 2022
(\$ in Thousands)

<u>Program</u>	<u>2021</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Foundation Program	\$3,218,369	\$3,170,727	-\$47,642	-1.5%
NTI and TIF Grants	71,045	48,295	-22,750	-32.0%
Geographic Cost of Education Index	149,532	147,692	-1,841	-1.2%
Supplemental Grants	46,620	46,620	0	0.0%
Foundation Special Grants	9,488	0	-9,488	-100.0%
Declining Enrollment Grants	7,633	0	-7,633	-100.0%
Blueprint Hold Harmless Grants	0	209,384	209,384	
Compensatory Education Program	1,364,739	1,286,665	-78,074	-5.7%
Special Education Formula	314,871	311,093	-3,778	-1.2%
Nonpublic Special Education	123,899	126,999	3,100	2.5%
Limited English Proficiency	348,241	334,287	-13,954	-4.0%
Guaranteed Tax Base	41,232	49,864	8,632	20.9%
Student Transportation	310,187	288,056	-22,130	-7.1%
Blueprint Prekindergarten Grants	90,676	80,319	-10,357	-11.4%
Blueprint Early Childhood	45,558	54,742	9,184	20.2%
School Safety Grants	10,600	10,600	0	0.0%
Blueprint COVID-19 Relief	45,000	211,576	166,576	370.2%
Other Blueprint Programs*	229,916	282,381	52,465	22.8%
Other Programs	83,074	84,399	1,325	1.6%
Direct Aid Subtotal	\$6,510,681	\$6,743,700	\$233,019	3.6%
Teachers' Retirement	\$750,289	\$778,951	\$28,661	3.8%
Grand Total	\$7,260,970	\$7,522,651	\$261,680	3.6%

NTI: Net Taxable Income

TIF: Tax Increment Financing

Blueprint: Blueprint for Maryland's Future Grant Program

*Other Blueprint programs include Concentration of Poverty, Special Education, Mental Health Service Coordinators, Transitional Supplemental Instruction, and Teacher Salary Incentive Grants.

Source: Department of Legislative Services

In addition to the Blueprint hold harmless grants, the fiscal 2022 budget includes at least level funding for Blueprint programs funded in fiscal 2020 and 2021. Funding for early childhood programs, including prekindergarten, increases \$9.2 million, which nearly offsets the decline in prekindergarten supplemental grants due to enrollment decreases of 10.4%. Concentration of Poverty grants increase by a total of \$51.7 million to continue the expansion of personnel grants

to schools with at least 70% FRPM students and to begin to fund per pupil grants for schools with at least 80% FRPM students in fiscal 2022 consistent with *House Bill 1372 (Ch. 55)*, which is discussed in detail below.

Also under Chapter 55, to address the effects of COVID-19, local boards of education must implement summer school programs in calendar 2021 and 2022, provide tutoring and supplemental instruction in the 2021-2022 and 2022-2023 school years (fiscal 2022 and 2023), and use specified funds in fiscal 2021 and 2022 to address trauma and behavioral health issues. **Exhibit L-2** shows federal funds for COVID-19 relief totaling \$45.0 million in fiscal 2021 and \$211.6 million in fiscal 2022 to assist local boards in implementing these requirements. In addition, \$174.8 million is provided in fiscal 2021 to address shortfalls in Education Trust Fund revenues in fiscal 2020 and 2021 due to the COVID-19 pandemic’s impact on gaming in Maryland. The Budget Reconciliation and Financing Act of 2021, as introduced, used Blueprint for Maryland’s Future fund balance to backfill the shortfall.

Exhibit L-2
COVID-19 Federal Funds for State Education Aid

	<u>FY 2021</u>	<u>FY 2022</u>
School Reopening	\$10,000,000	\$0
Summer School	25,000,000	25,000,000
Behavioral Health	10,000,000	15,000,000
Supplemental Instruction and Tutoring	0	151,575,818
Transitional Supplemental Instruction	0	20,000,000
Education Trust Fund Backfill	174,845,017	
Total	\$219,845,017	\$211,575,818

Source: Department of Legislative Services

Beginning in fiscal 2023, funding mandated by Chapters 36 and 55 will be required to be included in the annual budget bill, unless general fund revenues decrease by more than 7.5% in any fiscal year as specified in Chapter 55. As a result of the use of COVID-19 federal funds and the veto override and passage of several revenue bills that dedicate additional funding to the Blueprint Fund, and based on current estimates by the Department of Legislative Services, there will be sufficient funding available in the Blueprint Fund to cover the funding requirements of Chapters 36 and 55 through fiscal 2026.

K-12 Education Federal COVID-19 Funding

In addition to the COVID-19 federal funds discussed above that were allocated by the State from American Rescue Plan funds for public K-12 education aid, federal COVID-19 relief funds were provided specifically for K-12 education through the CARES Act, Coronavirus Response and Relief Supplemental Appropriations, and the American Rescue Plan. Total funds to date for

Maryland K-12 education in all three rounds of federal relief total \$3.3 billion: \$3.0 billion allocated from Elementary and Secondary School Emergency Relief Fund I, II, and III funds; \$210 million in Coronavirus Relief funds; and \$82.3 million in Governor’s Emergency Education Relief Fund I and II grants. In addition, Maryland will receive an undetermined allocation of American Rescue Plan funding designated for nonpublic schools, services covered under Part B of the Individual with Disabilities Act (IDEA), and wraparound services for homeless and at-risk students.

Of the \$3.3 billion in federal funds for Maryland K-12 schools, \$2.8 billion is allocated to local education agencies (LEAs) and the School for Education Evolution and Development School for relief and reopening, including funds for tutoring and \$287.6 million is allocated to the Maryland State Department of Education (MSDE) for programs to address student learning loss and provide summer enrichment and afterschool programs. **Exhibit L-3** shows these and additional allocations totaling \$3.3 billion. All of these funds have been allocated except MSDE funds for State programs, administrative costs, and \$10 million for competitive innovation grants (a portion of which may go to nonpublic schools and higher education institutions).

Exhibit L-3
Federal COVID-19 Relief Funds for K-12 Education
Fiscal 2020-2021
(\$ in Millions)

<u>Program or School</u>	<u>Total</u>
LEAs and SEED School Relief and Reopening	\$2,825.0
MSDE State Programs	287.6
Technology Expenses for LEAs	118.7
Nonpublic School Relief and Reopening	35.9
Competitive Innovative Grants	13.3
MSDE Administrative Costs	15.1
State Wireless Network	15.0
Maryland Schools for the Blind and the Deaf	1.4
Total	\$3,312.0

LEA: local education agency

SEED: School for Education Evolution and Development

MSDE: Maryland State Department of Education

Source: Maryland State Department of Education; Department of Legislative Services

Blueprint for Maryland’s Future

Chapters 701 and 702 of 2016 established the Commission on Innovation and Excellence in Education (also known as the Kirwan Commission) to review and make recommendations on innovative education delivery mechanisms and other strategies to prepare Maryland students for the 21st century workforce and global economy.

House Bill 1300 of 2020 (Ch. 36) implements the final recommendations made by the Kirwan Commission in the policy areas of (1) early childhood education; (2) high-quality and diverse teachers and leaders; (3) college and career readiness pathways; (4) governance and accountability; and (5) more resources to ensure all students are successful. The bill also contains numerous provisions relating to education funding and funding formulas. On May 7, 2020, the Governor vetoed the bill, citing concerns regarding the economic challenges resulting from the COVID-19 pandemic. The General Assembly voted to override the Governor's veto on February 12, 2021, and the law took effect 30 days later.

The Foundation Program is the major State general education aid program for public schools, accounting for nearly half of direct State education aid. For each school system, a formula determines the State and local shares of a minimum per pupil funding level, or “foundation.” The foundation formula was altered by Chapter 36 of 2021, as were a number of other newly created or existing funding formulas including compensatory aid, concentration of poverty grants, transitional supplemental instruction grants, and several others as well as local maintenance of effort (MOE) funding requirements beginning in fiscal 2022. Chapter 36 also included many alterations, expansions, and the creation of new education programs that were phased in over the bill's 12-year timeframe beginning in fiscal 2022. For a detailed description of House Bill 1300 of 2020, see Part L – Primary and Secondary Education of the *2020 Session Major Issues Report*. Due to the Governor's veto of House Bill 1300 of 2020, many of the funding and programmatic dates in the Blueprint for Maryland's Future needed to be adjusted.

Chapter 55 generally makes revisions to Chapter 36 to account for the delayed enactment of the bill. The inception of specified programs and requirements, the due dates for various reports, and the timeframe for certain provisions are extended, generally by one year. Additionally, to account for the effects of COVID-19 on school enrollment, the full-time equivalent enrollment count for the 2020-2021 school year is excluded in each instance that this count would otherwise be used for determining the “enrollment count.” The foundation per pupil amount is increased beginning in fiscal 2025, to cover specified educational technology costs. In using these additional funds, local boards of education must prioritize the purchase of digital devices. New MOE requirements are delayed to begin in fiscal 2023, and the calculation of MOE for fiscal 2023 is specified. To address the effects of the COVID-19 pandemic, LEAs must implement a summer school program, provide tutoring and supplemental instruction, and use funds to address trauma and behavioral health issues.

School Construction Funding

The Interagency Commission on School Construction (IAC) within MSDE administers several State school construction programs. In fiscal 2022, a total of \$431.1 million is authorized in general obligation (GO) bonds, bond premiums, and pay-as-you-go (PAYGO) funds for public school construction. Additionally, \$7.0 million is authorized in GO bonds and PAYGO funds for the DeGrange Nonpublic Aging Schools Program and the Nonpublic School Security Improvements Program. This does not include revenue bonds related to Chapter 20 of 2020 – Built to Learn Act, which is discussed below.

The Public School Construction Program (PSCP) receives the largest allocation in the fiscal 2022 budget with \$285 million in new GO funds, which includes \$65 million in bond premium proceeds. The Governor's budget authorized \$250 million for PSCP, although the preliminary figure announced by the Governor was \$280 million. The General Assembly added \$35 million in GO bonds to increase the total to more than the preliminary figure. IAC approved 75% allocations (based on \$280 million) in December 2020 and released preliminary 100% allocations in March 2021 (based on \$250 million total), as shown in **Exhibit L-4**. IAC will make final allocations totaling \$285 million in May 2021.

Exhibit L-4
Public School Construction Program
75% Approved and 100% Preliminary Allocations
Fiscal 2022
(\$ in Millions)

<u>Local Education Agency</u>	<u>75% Approved</u>	<u>100% Preliminary Allocation</u>
Allegany	\$1.7	\$2.2
Anne Arundel	18.9	22.3
Baltimore	30.0	32.3
Calvert	11.8	11.8
Caroline	2.4	3.3
Carroll	6.8	9.9
Cecil	3.6	4.0
Charles	7.8	9.0
Dorchester	2.9	2.9
Frederick	11.8	13.9
Garrett	0.7	1.9
Harford	9.5	11.4
Howard	12.1	14.2
Kent	0.0	0.0
Montgomery	24.3	28.1
Prince George's	18.1	20.1
Queen Anne's	2.1	2.1
St. Mary's	4.1	5.0
Somerset	0.2	0.2
Talbot	0.9	1.0
Washington	6.5	7.9
Wicomico	4.9	9.8
Worcester	3.6	3.7
Baltimore City	23.5	29.8
MD School for the Blind	1.6	1.6
Statewide		0.5
Unallocated		36.0

<u>Local Education Agency</u>	75%	100% Preliminary
Total	<u>Approved</u>	<u>Allocation</u>
	\$210.0	\$285.0

Note: Does not include recycled funds. Statewide allocation is for State design review fees. Numbers may not sum due to rounding. Unallocated includes funds reserved by the Interagency Commission on School Construction for the statewide contingency fund.

Source: Interagency Commission on School Construction

The Supplemental Capital Grant Program, also known as the Enrollment Growth and Relocatable Classroom Program, provides additional school construction funds for LEAs with significant enrollment growth or relocatable classrooms. In fiscal 2022, LEAs that qualify for this program are allocated \$60 million, \$40 million in mandated funds as required by Chapter 355 of 2015, and \$20 million added by the General Assembly outside of the statutory formula with specific allocations set forth in the capital budget bill. Chapter 20 of 2020 changed the eligibility criteria for this program; beginning in fiscal 2022, LEAs with an average of more than 250 relocatable classrooms (instead of 300) in use in the last five years qualify, which includes Baltimore County. **Exhibit L-5** shows the distribution of these funds in fiscal 2022.

Exhibit L-5
Enrollment Growth and Relocatable Classroom Program
Fiscal 2022
(\$ in Millions)

<u>Local Education Agency</u>	<u>Initial Allocation</u>	<u>Additional Funds</u>	<u>Total</u>
Anne Arundel	\$5.7	\$1.6	\$7.3
Baltimore County	7.6	1.9	9.5
Frederick	2.9	2.8	5.7
Howard	3.9	5.5	9.4
Montgomery	11	4.2	15.2
Prince George's	8.9	4.0	12.9
Total	\$40.0	\$20.0	\$60.0

Note: Numbers may not sum due to rounding.

Source: Maryland Capital Consolidated Bond Loan of 2021; Department of Legislative Services

Additional public school construction funds provided in fiscal 2022 include \$70 million for the Healthy School Facility Fund. Due to the Governor's veto of House Bill 1372 of 2020, funding mandated by Chapter 20 of 2020 was not required to be included in the fiscal 2022 capital budget. However, the General Assembly added \$30 million in GO bonds to restore funding for the program. In addition, \$40 million PAYGO from federal COVID-19 funds is included in fiscal 2022 to address school air ventilation issues. An additional \$40 million in federal COVID-19 funds is reserved in the Dedicated Purpose Account for the program in fiscal 2023 for the same purpose. In addition, \$10 million in PAYGO general funds was added by the Governor in Supplemental Budget No. 5 for the Public School Safety Grant Program, which provides funding for security- and safety-related improvements. The capital budget also includes \$6.1 million in GO bonds for the Aging Schools Program, which provides grants for the renovation of aging schools.

Built to Learn Act

The Built to Learn Act of 2020, enacted into law as Chapter 20 of 2020, was contingent on the enactment of House Bill 1300 of 2020. With the Governor's veto of House Bill 1300 and the subsequent veto override by the General Assembly in February 2021, Chapter 20 took effect immediately. The most significant provisions of Chapter 20 authorize the Maryland Stadium Authority (MSA) to issue up to \$2.2 billion in revenue bonds, backed by annual payments from the Education Trust Fund beginning in fiscal 2022, for State public school construction projects, including support for a public-private partnership (P3) agreement for Prince George's County. It also modified the Workgroup on the Assessment and Funding of School Facilities (Funding

Workgroup), which was established by Chapter 14 of 2018 (21st Century School Facilities Act) to consider how to use the results of the statewide public school facility assessment required by Chapter 14 to prioritize State funding for school construction projects. (For a detailed description of the Built to Learn Act, see Part L – Primary and Secondary Education of the *2020 Session Major Issues Review*.) However, the delay in the Act taking effect rendered funding mandates for fiscal 2022 ineffective.

Senate Bill 551 (passed) generally revises dates and provisions in Chapter 20 to account for the delayed implementation of the Act. It also expands the purposes of the Funding Workgroup to include other issues related to State funding of school construction projects. The bill makes changes to the process for awarding grants from the Healthy School Facility Fund. Finally, it includes other temporary, or one-time changes to State funding for school construction projects. Each of these provisions is discussed in greater detail below.

Prince George’s County P3 Agreement: The bill extends by two years, from July 1, 2022, to July 1, 2024, the deadline for Prince George’s County to enter into a P3 agreement that can receive State funding for availability payments under Chapter 20; it makes commensurate changes to related payment, reporting, and evaluation schedules. The bill adds MSA as a signatory to the memorandum of understanding (MOU) that must be completed to implement the P3 agreement. It also specifies that IAC may not unreasonably withhold or delay its approval of the P3 agreement, which is required under current law.

Funding Workgroup: In addition to the issues it must consider under Chapter 14 of 2018, the Funding Workgroup must consider and make recommendations in the following areas:

- factors used to develop the State and local cost-share formula for school construction projects, including incorporating related changes to the formulas used to calculate State education aid under the Blueprint for Maryland’s Future (the cost-share formula was last updated in 2004 after the 2002 Bridge to Excellence in Public Schools Act modified school funding formulas);
- methods used to establish gross area baselines and the maximum State construction allocation for public school construction projects;
- the purpose and implementation of the Local Share of School Construction Costs Revolving Loan Fund, which was established by Chapter 14 of 2018 but never funded; and
- the long-term effects of school construction decisions on the life-cycle costs of public school facilities.

Healthy School Facility Fund: The bill adds pipe insulation and roofs to the list of factors that IAC must consider in awarding grants from the fund. It repeals the cap of \$15 million that may be awarded to any single school system. Baltimore City Public Schools must establish a procedure for prioritizing projects for awards from the fund in fiscal 2023 and 2024, and IAC must award grants to schools with eligible projects in accordance with the school system’s priorities.

Although funding was not initially included in the fiscal 2022 budget due to the Act's delayed implementation, as discussed above under School Construction, the fund receives a total of \$70 million in fiscal 2022.

Temporary or One-time Changes: Under current law, the State share of public school construction projects is recalculated every two years based on measures of local wealth and other components. For fiscal 2023 and 2024, the bill prevents the State share of public school construction projects from decreasing from fiscal 2022 levels. In calculating the gross area baseline and maximum State allocation for specified public school construction projects, IAC must use the local school system's enrollment projection instead of its own projection. Finally, MSA must make a one-time transfer of \$10.0 million from the Baltimore City Public School Construction Facilities Fund created as part of the Baltimore City School Construction Revitalization Act of 2013 to Baltimore City Public Schools for specified school construction projects.

Other Operating Budget Funding Requirements

State-aided Educational Institutions: MSDE provides annual grants to nonprofit organizations (known as State-Aided Institutions, or SAIs) to provide enriching educational experiences to students and teachers, which cannot be replicated in the classroom. Funding of SAIs is not mandated. **Senate Bill 882/House Bill 1053 (both passed)** require the Governor to include, in the annual budget bill for fiscal 2023, an appropriation to each SAI grant recipient that is equal to the greater of the funding amount that the SAI received in fiscal 2020, 2021, or 2022. In addition, the Governor must provide a total of \$150,000 under Funding for Educational Organizations, Other Institutions in the fiscal 2023 annual budget bill.

Nonpublic Special Education Schools: The State and local governments share in the costs for the education of special education children who cannot receive an appropriate education in public school. For those children in nonpublic placements approved by MSDE, the county contributes an amount equal to the local share of the basic cost of educating a child without disabilities plus two times the total basic cost. Any costs above this base amount are split on a 70% State/30% local basis. **Senate Bill 958/House Bill 1365 (both passed)** require the Governor to include in the annual budget bill an appropriation to provide, in fiscal 2023, an increase in State funding for nonpublic special education placements that amounts to (1) an increase of 4% over the amount approved by MSDE in fiscal 2022, exclusively for direct classroom positions, related services positions, and general support positions and (2) an additional increase of not less than 2% or the Consumer Price Index for All Urban Consumers, whichever is greater, over the amount approved by MSDE in fiscal 2022 for all other categories of expenditure.

Adult High School Pilot Program: Chapter 608 of 2017 established the Adult High School Pilot Program jointly administered and supervised by MSDE and the Maryland Department of Labor. The program provides an alternative method for adults who did not graduate from high school to earn a high school diploma and potentially earn postsecondary education credits and industry-recognized certification in an environment that meets the needs of an adult learner. **Senate Bill 630 (passed)** authorizes the Adult High School Pilot Program to provide grants to an adult high school. The Governor must include in the State budget an appropriation of State general

or federal funds of \$250,000 in fiscal 2022 and \$250,000 per pilot program beginning in fiscal 2023 and annually thereafter. In fiscal 2022, the program must provide a \$250,000 grant to the current pilot program proposing to operate in the Cherry Hill neighborhood of Baltimore City.

Statewide Education Policy

Administration of Schools

Juvenile Services Education Program: *Senate Bill 497 (passed)* repeals statutory provisions regarding the Juvenile Services Education (JSE) Program within MSDE and instead establishes a JSE Board as an independent unit within the Department of Juvenile Services (DJS) to oversee and provide for educational services to all juveniles who are in a DJS residential facility, as specified. Beginning in fiscal 2023, the Governor must include sufficient funds in the State budget for DJS and the board to implement the bill’s requirements. The JSE Board is an independent unit with DJS. The JSE Board and DJS are required to develop an MOU carefully delineating each entity’s duties in the provision of juvenile education services.

The JSE Board must appoint a JSE Superintendent to operate JSE programs within DJS. A juvenile in the custody of DJS who is enrolled in a school at the time the juvenile is taken into custody may not be disenrolled from that school until after disposition of the juvenile’s case. The JSE Superintendent must develop an educational plan for each juvenile in DJS custody for more than four weeks and must, with the aid of DJS and in consultation with county boards of education, develop a plan for the re-enrollment of a juvenile in the juvenile’s home school.

Under the bill, JSE programs are subject to certain evaluations, including being visited by Expert Review Teams by the end of a specified year, and must submit an implementation plan to the Accountability and Implementation Board consistent with the Blueprint for Maryland’s Future. Additionally, DJS must contract with a public or private entity to conduct an empirical evaluation of the JSE Board’s, the superintendent’s, and DJS’s policies and practices regarding the education services provided to juveniles in residential facilities and is subject to evaluation under the provisions of the Program Evaluation Act.

Student Financial Aid: *Senate Bill 664 (passed)* requires each county board of education to encourage and assist as many high school seniors as possible in completing and submitting a Free Application for Federal Student Aid (FAFSA) or Maryland State Financial Aid Application (MSFAA), if the student is ineligible to submit a FAFSA, by the deadline for eligibility for State financial aid set by the Maryland Higher Education Commission. To achieve that objective, each county board must develop an outreach plan with specified elements and submit a copy to specified entities by October 1 each year beginning in 2022. By July 1 each year, beginning in 2023 and ending in 2028, each county board must submit to the Maryland Longitudinal Data System a report containing specified data regarding student completion of FAFSAs and MSFAAs. The bill also includes reporting requirements for county boards about their outreach plans and about the number of students who completed FAFSAs in the previous year.

Summer School Fees: *House Bill 394 (passed)* prohibits a county board of education from charging a student an enrollment fee for a summer school course if (1) the student attends school in the local school system; (2) credit for the course is a high school graduation requirement in that local school system; and (3) the student had previously taken the course, but did not successfully complete or receive credit for the course.

School District Energy Policies: *House Bill 630 (passed)* requires each school district, beginning July 1, 2022, to adopt or update a school district energy policy and provides for the contents of the policy. A school district is required to post its energy policy on the district’s website and update the policy every three years. On or before January 1, 2022, IAC is required to coordinate with the Department of the Environment and the Maryland Energy Administration (MEA) to develop a standardized reporting template that school districts can use to report energy use. IAC is also required to coordinate with MEA and the Maryland Clean Energy Center to study and make recommendations on how to expand and provide additional funding for the Maryland Net Zero Energy School Initiative Grant Program and to report its findings and recommendations to the Governor and General Assembly on or before December 1, 2021.

Lead Remediation: *Senate Bill 546/House Bill 636 (both passed)* alters the definition of “elevated level of lead” to mean a lead concentration in drinking water that exceeds 5 parts per billion. A school is required, on or before August 1, 2022, to take appropriate remedial measures to address a drinking water outlet for which a test sample analyzed on or before June 1, 2021, indicated a concentration of lead that was more than 5 parts per billion but less than 20 parts per billion. For a more detailed discussion of this issue, see the subpart “Environment” within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Student Safety

Child Sexual Abuse Prevention in Hiring Process: A county board may not knowingly hire or retain any individual who has been convicted of specified crimes, including crimes of violence and child sexual abuse. Chapter 55 of 2019 established a process for hiring public school and nonpublic school employees who have direct contact with minors. This process, an “employment history review,” includes requirements for specific documentation, of instances for which an individual has ever been disciplined for allegations of “child sexual abuse” or “sexual misconduct.”

House Bill 373 (passed) revises the employment history review by limiting the period for which the prospective employee must report former employment in which the individual had contact with minors to the previous 10 years. A county board or nonpublic school is authorized to hire an applicant as an emergent employee for a period of 60 days or less pending review of previous employment information and records only if the individual meets specified criteria. During this 60 day period, the applicant is not authorized to work alone with minors unless the applicant works in the immediate vicinity of a permanent employee or, if the applicant is a school vehicle driver, is subject to audio and video monitoring and recording that is promptly reviewed by school administrators.

The bill also authorizes a county board or nonpublic school to share an applicant's employment history review completed by another county board or nonpublic school or a current or former employer, as specified. Likewise, a contracting agency may use an employment history review that is completed by a current or former employer that is a contracting agency, if the applicant (1) swears that the completed review includes all prior employment required to be reported and (2) provides information about any subsequent employment.

Student Transportation: MSDE generally requires Type I and Type II school vehicles (yellow school buses) to be used to transport students to and from school and school-related activities when local school system sponsored transportation services are provided. However, MSDE does allow other vehicles to be used in some limited circumstances on application for a waiver. ***Senate Bill 448/House Bill 72 (both passed)*** authorize a county board to provide transportation to and from school using a vehicle other than a Type I or Type II school vehicle when a school vehicle cannot reasonably be provided for specified groups of public school students. MSDE and the Motor Vehicle Administration are required to adopt regulations establishing minimum vehicle and driver safety standards for transportation using a vehicle other than a Type I or Type II school vehicle.

Additionally, the bills require each county board to submit a report to MSDE on or before September 1, 2025, including information from a specified five-year period. MSDE must submit a report of a compilation of the county board reports and a copy of its regulations to specified committees of the General Assembly on or before December 1, 2025. The bills sunset after five years, on June 30, 2026.

Students Registered as Sex Offenders: Generally, a child age 5 to 17 must attend public school regularly unless the child is otherwise receiving regular, thorough instruction in the studies usually taught to public school students of the same age at an alternative setting (*i.e.*, a private or home school). Unless otherwise specified in statute, a registered sex offender may not knowingly enter onto real property (1) that is used for public or nonpublic elementary or secondary education or (2) on which a registered family child care home, a licensed child care home or child care institution, or a home used for informal child care is located.

Senate Bill 515 (passed) authorizes a student who is a registered sex offender to receive an education in accordance with State law in (1) a location other than a public or nonpublic elementary or secondary school; (2) a Regional Institute for Children and Adolescents; or (3) a nonpublic education program offering special education and related services if the registrant has notified an agent or employee of the nonpublic educational program that the registrant is required to register and has been given specific written permission to attend the nonpublic educational program. Each county board is required to develop and adopt a policy that enables a registrant who is a student to receive an education in an alternative location.

Electric Retractable Room Partitions: ***House Bill 83 (passed)*** prohibits a school employee from operating an electric retractable room partition in a school building unless (1) the partition includes a safety sensor that automatically stops the movement of the partition; (2) no students are present in the school building; or (3) the room or area where the partition is

located is locked or otherwise free of or inaccessible to students. Annual safety reviews evaluations, or exercises must include information and demonstrations about the safety and efficacy of electric retractable room partitions. MSDE is required to develop and disseminate model safety guidelines to each county board of education and nonpublic school.

Student and Educator Health

Prohibition on Retaliation for Not Returning to In-person Work: [*House Bill 1322*](#) (*passed*) requires that, during the 2020-2021 school year and during a state of emergency related to the COVID-19 pandemic, teachers and other educational support professionals be allowed to work remotely, to the extent practicable, if the individual has not received a COVID-19 vaccine or has not been fully vaccinated under specified guidelines. A county board is required to make accommodations to facilitate an individual's decision to instruct or work remotely. During the 2020-2021 school year, a teacher or other educational support professional may apply for an accommodation to instruct or work remotely if the individual meets specified conditions. The Governor, State Superintendent of Schools, the State Board of Education, county superintendents, and county boards of education are prohibited from suspending or revoking a specified certificate or disciplining, suspending, terminating, or otherwise retaliating against a teacher or education support professionals for not returning to a school building for in-person instruction during the 2020-2021 school year.

Provision of Menstrual Hygiene Products: [*Senate Bill 427/House Bill 205*](#) (*both passed*) require each county board of education to ensure that each public school provide, at no charge to the students, menstrual hygiene products via dispensers in the women's restrooms at the school. A public middle or high school must install menstrual hygiene product dispensers in at least two women's restrooms on or before October 1, 2022, and in all women's restrooms on or before August 1, 2025. A public elementary school must install a dispenser in at least one restroom on or before October 1, 2022. The State will pay for the cost of purchasing and installing the required dispensers, based on requests for reimbursements submitted by county boards of education. The Governor must include \$500,000 in the budget in fiscal 2023 for this purpose.

Pregnant and Parenting Students: [*Senate Bill 438/House Bill 401*](#) (*both passed*) require MSDE to develop a model policy to support the educational and parenting goals and improve the educational outcomes of pregnant and parenting students. The model policy must require each high school to designate a private lactation space and to provide lactating students with access to a refrigerator located reasonably close to the lactation space. The policy must also require schools to designate at least one staff member to connect, to the extent practicable, pregnant and parenting students with resources to find child care, early childhood education services, and transportation services. Finally, the policy must incorporate the attendance policy for pregnant and parenting students, provide relevant training to school personnel, and be published in the local school system's student handbook. Each county board is required to establish a policy based on the model policy.

Center for Disease Control and Prevention Student Surveys: The Center for Disease Control and Prevention provides an annual survey to states called the Youth Risk Behavior Survey

and Youth Tobacco Survey (YRBS/YTS). The Maryland YRBS/YTS is an on-site survey of students in Maryland public middle and high schools, focusing on behaviors that contribute to the leading causes of death and disability, including alcohol and other drug use, tobacco use, sexual behaviors, unintentional injuries and violence, and poor physical activity and dietary behaviors. ***Senate Bill 548/House Bill 771 (both passed)*** require MSDE, in coordination with the Maryland Department of Health (MDH) to include at least five questions on adverse childhood experiences or positive childhood experiences in the YRBS/YTS. MSDE must work in coordination with MDH to implement the survey per current practice. By May 31, 2023, and beginning in fiscal 2024 and each even-numbered fiscal year thereafter, MDH must publish a data summary and trends report with State and county-level data from the YRBS/YTS.

Students with Disabilities

Timeline for Independent Educational Evaluations: IDEA requires that a child with disabilities be provided a free appropriate public education in the least restrictive environment from birth through the end of the school year in which the student turns 21 years old, in accordance with an individualized family service plan or individualized education program (IEP) specific to the individual needs of the child. Under current law, a parent may request an independent educational evaluation at public expense if the parent disagrees with the educational evaluation conducted by the local school system. ***Senate Bill 371/House Bill 716 (both passed)*** expand the circumstances under which a parent may make a request. These bills authorize a parent to submit a written request for the local school system to conduct an educational evaluation and (1) if the local school system does not respond to the request within 30 days or (2) the local school system approves the request but the educational evaluation meeting does not occur, through no fault of the parent, within 60 days after the date on which the local school system received the request or, during a state of emergency, 90 days after the date on which the local school system received the request, the parent may request an independent educational evaluation at public expense.

Learning Continuity Plans: ***Senate Bill 300/House Bill 714 (both passed)*** require, beginning October 1, 2021, that an IEP include a learning continuity plan to be implemented during emergency conditions, as specified. An IEP team is required to develop a learning continuity plan during the development of a student's initial IEP, or at the IEP's next scheduled revision, and to periodically update the plan. An IEP team is also required to make a reasonable attempt to notify the parent or guardian of a child who requires an IEP that a learning continuity plan is in place and to seek input from the parent or guardian on how the learning continuity plan will best operate under emergency conditions. An IEP team that had an IEP in effect during the 2020-2021 school year may fulfill the requirements of establishing a learning continuity plan by, on or before October 1, 2021, reviewing the provision of the IEP during the 2020-2021 school year with the parent or guardian of the child requiring the IEP, and amending the IEP accordingly.

Higher Education

Operating Funding

State support for higher education in the fiscal 2022 budget totals \$2.3 billion, an increase of \$107.1 million, or 4.9%, over fiscal 2021 as shown in **Exhibit L-6**. Public four-year institutions and community colleges receive the bulk of the new State funds, totaling \$76.9 million, which includes new general funds and Higher Education Investment Funds.

Exhibit L-6 State Support for Higher Education Fiscal 2021 and 2022

	<u>2021¹</u>	<u>2022²</u>	<u>\$ Change</u> <u>2021-2022</u>	<u>% Change</u> <u>2021-2022</u>
University System of Maryland	\$1,461,985,900	\$1,496,368,495	\$34,382,595	2.35%
Morgan State University	107,496,780	113,050,232	5,553,452	5.17%
St. Mary's College	26,455,132	29,612,759	3,157,627	11.94%
MHEC Special Grants ³	6,810,239	6,683,641	-126,598	-1.86%
MHEC Grants for Maryland 529	12,465,750	10,067,500	-2,398,250	-19.24%
Community Colleges ⁴	340,823,819	371,522,803	30,698,984	9.01%
BCCC	36,802,261	39,880,068	3,077,807	8.36%
Independent Institutions	59,024,905	88,810,065	29,785,160	50.46%
MHEC Administration	7,021,192	7,490,562	469,370	6.69%
MHEC Student Financial Aid	131,633,950	134,154,498	2,520,548	1.91%
Total	\$2,190,519,928	\$2,297,640,623	\$107,120,695	4.89%

BCCC: Baltimore City Community College

MHEC: Maryland Higher Education Commission

¹ Fiscal 2021 general funds are adjusted to reflect general salary increases and deficiencies and the transfer of funds from MHEC to University of Maryland, Baltimore Campus for the WellMobile and to the University of Maryland Global Campus for management of the Waldorf Center.

² Fiscal 2022 general funds are adjusted to reflect general salary increases and anticipated transfers from MHEC to University of Maryland, Baltimore Campus for the WellMobile and to University of Maryland Global Campus for management of the Waldorf Center.

³ Special grants funded with State general and special funds are included.

⁴ Community College funds include the Senate John A. Cade formula, other programs, and fringe benefits.

Note: Includes general funds and Higher Education Investment Funds. Does not include federal funds, including COVID-19 relief funds allocated by the State.

Source: Maryland State Budget Books; Department of Legislative Services

Public Four-year Institutions

The University System of Maryland (USM) receives an increase of \$34.4 million, or 2.4%, over fiscal 2021, which includes \$38.0 million for the annualization of the fiscal 2021 general salary increase. Also included is \$2.4 million increase mandated by Chapter 765 of 2019, which includes \$2.0 million for the MPowering Joint Steering Council, a strategic partnership between the University of Maryland, Baltimore Campus (UMB) and the University of Maryland, College Park Campus (UMCP); and \$400,000 to the University of Maryland Baltimore County (UMBC) to further its economic development and research activities. Additionally, \$23.5 million is provided to fund various health professions and public health programs at USM institutions.

Morgan State University (MSU) receives an increase of \$5.6 million, or 5.2%, over fiscal 2021, which includes an increase of \$2.6 million in general funds, \$1.9 million in salary enhancements, and \$1.8 million to hire additional police officers. St. Mary's College of Maryland (SMCM) receives an increase of \$3.2 million, or 11.9%, in State support over fiscal 2021. This increase is the result of an increase of \$2.9 million related to the funding formula and \$0.4 million for operational expenses related to COVID-19.

The budget assumes a 2% increase in resident undergraduate tuition at the public four-year institutions; however, this is contingent upon approval of the governing boards.

Independent Institutions

Independent institutions receive \$88.8 million through the Joseph A. Sellinger formula in fiscal 2022, an increase of \$29.8 million, or 50.5%, from fiscal 2021. The significant increase in fiscal 2022 reflects the July 2020 Board of Public Works (BPW) cost containment action that level funded fiscal 2021 at the fiscal 2020 level.

Community Colleges

State funding for local community colleges increases by \$30.7 million, or 9.0%, over fiscal 2021. Funding under the Senator John A. Cade Funding formula grows by \$40.2 million while funding for community college retirement programs increases by \$476,000. The large growth in fiscal 2022 reflects the July 2020 BPW cost containment action that level funded the Cade formula funding in fiscal 2021 at the fiscal 2020 level. This is offset by \$10 million provided in *Senate Bill 496 (Ch. 39)* (RELIEF Act) to community colleges for job skills training expenditures in fiscal 2021.

Baltimore City Community College

Baltimore City Community College (BCCC), Maryland's only State-administered community college, has a separate statutory funding formula. In fiscal 2021, due to an ongoing decline in student enrollment, BCCC's hold harmless clause maintained direct State support at the fiscal 2020 statutory level of \$39.5 million. BPW further reduced this amount by \$3.2 million in July 2020 as a cost containment measure. In fiscal 2022, BCCC returned to the hold harmless level of \$39.5 million as their funding formula, based on enrollment, was less than the previous hold

harmless total. When including English for Speakers of Other Languages funding of \$0.4 million, total State support for BCCC amounts to \$39.9 million, \$3.1 million, or 8.4%, greater than fiscal 2021.

Financial Aid

State support for student financial aid increases by \$2.5 million, or 1.9%, to \$134.1 million in fiscal 2022. The small growth in fiscal 2022 reflects a fiscal 2021 deficiency appropriation of \$3.5 million for the Maryland Community College Promise Scholarship and an additional \$1.3 million for the Edward T. and Mary A. Conroy Memorial Scholarship and Jean B. Cryor Memorial Scholarship Program. For fiscal 2022, the Promise Scholarship is funded at the mandated \$15 million level. The largest need-based aid program, the Delegate Howard P. Rawlings Educational Excellence Awards Program, receives \$88.1 million, which is the same amount provided in fiscal 2021. These figures do not include State matching contributions for qualifying Maryland 529 accounts, which total \$10.1 million in fiscal 2022 (down from \$12.5 million in fiscal 2021 including deficiency).

Federal COVID-19-related Funds

Like K-12 education, higher education institutions received direct allocations of federal COVID-19 funding across three rounds of federal stimulus funding through the Higher Education Emergency Relief Fund (HEERF) I, II, and III. Maryland institutions – public, independent, and for-profit institutions – received a total of \$215.5 million in fiscal 2020 from HEERF I under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, with at least 50% required to be used for emergency student financial aid grants. Maryland’s historically black colleges and universities (HBCUs) also got a separate allocation of \$44.8 million in fiscal 2020. Under Coronavirus Response and Relief Supplemental Appropriations (CRRSA), a total of \$368.9 million is provided to Maryland institutions from HEERF II, of which \$101.5 million was required to be spent on student financial aid and \$50.7 million was allocated to the HBCUs. As shown in **Exhibit L-7**, the public four-year institutions received the majority of these funds totaling \$204.8 million, not including \$15.1 million of funding authorized in the CARES Act, of which \$137.8 million will be expended in fiscal 2021 and the remaining in fiscal 2022. Community colleges receive \$122.7 million, and four-year independent institutions receive \$35.0 million; it is assumed these funds are spent in fiscal 2021 but a portion may be spent in fiscal 2022. (For-profit institutions receive \$6.3 million.)

Exhibit L-7
Allocation of Federal Higher Education Emergency Relief Funds (HEERF II)
Fiscal 2021 and 2022

	<u>Fiscal 2021</u>	<u>Fiscal 2022</u>	<u>Total</u>
UM Baltimore	\$2,965,115	\$0	\$2,965,115
UM College Park	32,838,845	0	32,838,845
Bowie State University	2,245,000	22,796,447	25,041,447
Towson University	27,802,351	0	27,802,351
UM Eastern Shore	2,383,911	12,877,224	15,261,135
Frostburg State University	6,416,427	271,054	6,687,481
Coppin State University	3,363,953	7,005,749	10,369,702
University of Baltimore	933,200	3,573,599	4,506,799
Salisbury University	2,700,000	6,793,680	9,493,680
UM Global Campus	11,921,557	5,578,552	17,500,109
UM Baltimore County	15,200,168	55,367	15,255,535
USM Subtotal	\$108,770,527	\$58,951,672	\$167,722,199
Morgan State University ¹	\$27,339,677	\$23,078,415	\$50,418,092
St. Mary's College	1,716,025	0	1,716,025
Public Four-year Subtotal	\$137,826,229	\$82,030,087	\$219,856,316
Community Colleges	\$122,721,025		\$122,721,025
Independent Institutions	34,966,140		34,966,140
For-profit Institutions	6,329,807		6,329,807
Total	\$164,016,972		\$164,016,972

UM: University of Maryland

USM: University System of Maryland

¹ Includes \$15.1 million in funding authorized in the Coronavirus Aid, Relief, and Economic Security Act of 2020.

Source: U.S. Department of Education; Department of Legislative Services

The CRRSA expanded the use of the institutional portion of the funds allowing institutions to be reimbursed for costs dating back to March 13, 2020, the date of the declaration of the national emergency. HEERF II can be used to defray COVID-related costs including lost revenue, technology costs associated with the transition to distance learning, and faculty and staff training.

In March 2021, the American Rescue Plan was signed into law authorizing \$40 billion in HEERF III that will be available to institutions through September 30, 2023. While the

U.S. Department of Education has yet to allocate the funds, it is estimated Maryland institutions will receive \$661.0 million of these funds.

In addition, State supported institutions received \$31.2 million from the Governor's Coronavirus Relief Fund for reimbursement of public safety personnel and COVID-19-related expenses in fiscal 2020 from the CARES Act. As shown in **Exhibit L-8**, in fiscal 2021, they receive \$26.7 million from the Coronavirus Relief Fund. Independent institutions received \$2.6 million from the Governor's Emergency Education Relief Fund (GEER) II in fiscal 2021 for reimbursement of COVID-19-related costs. Community colleges also received a total of \$17.4 million to support workforce development programs from GEER I and II.

Exhibit L-8
State Allocation of COVID-19 Federal Funds
Fiscal 2021

Governor's Coronavirus Relief Fund

University System of Maryland Institutions	\$22,913,169
Morgan State University	2,459,665
St. Mary's College of Maryland	480,500
Baltimore City Community College	877,798
Total	\$26,731,132

Governor's Emergency Education Relief Fund

Community Colleges	\$17,400,000
Independent Institutions	2,600,000
Total	\$20,000,000

Source: U.S. Department of Education; Department of Legislative Services

Capital Funding

Capital funding for public four-year institutions totals \$444.2 million for fiscal 2022, including \$30.0 million in academic revenue bonds for USM institutions authorized by [*House Bill 1341 \(passed\)*](#) and \$234.7 million in pay-as-you-go. Local community colleges receive \$59.7 million for the Community College Construction Grant Program and \$3.8 million for the facilities renewal grant program. In addition, Garrett Community College receives \$0.7 million for a Community Education and Performing Arts Center. Baltimore City Community College receives \$4.0 million, and independent institutions receive \$12.0 million in capital funding for fiscal 2022.

For information on authorized capital projects, see subpart “Capital Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Historically Black Colleges and Universities

In 2020, the General Assembly passed House Bill 1260 mandating an additional \$577 million for Maryland’s HBCUs over a 10-year period if certain conditions were met. The Governor vetoed the legislation, which was intended to bring about resolution of a 14-year lawsuit in which the State has been a defendant. The plaintiff, which represents current and former HBCU students, alleges that policies of the State’s higher education system are in violation of federal law. To date, there has been no final decision or resolution of the lawsuit. Instead of overriding the Governor’s veto, new legislation was introduced in the 2021 session.

Senate Bill 1/House Bill 1 (Chs. 42 and 41), both emergency measures, provide an additional \$577.0 million (in total) for Maryland’s HBCUs from fiscal 2023 through 2032 to be distributed and used as specified, contingent on a final settlement of the *Coalition for Equity and Excellence in Maryland Higher Education, et al. v. Maryland Higher Education Commission, et al.* lawsuit by June 1, 2021. The funding under the Acts is supplemental to, and may not supplant, funds appropriated to public institutions of higher education in the State budget. Specified Cigarette Restitution Fund revenues, if available, must be used instead of general funds. The Acts create an HBCU Reserve Fund to hold unused funds at the end of each fiscal year.

The Acts also establish a program evaluation unit in the Maryland Higher Education Commission (MHEC) to evaluate new programs and substantial program modifications. The unit established under the Acts must assist MHEC in reviewing and evaluating proposals for new academic programs and substantial modifications of existing academic programs in accordance with current law. Additionally, the Act requires the USM William E. Kirwan Center for Academic Innovation, in collaboration with UMUC Ventures, to work with the State’s HBCUs with the goal of developing and offering online academic programs.

The Acts also require the Department of Legislative Services (DLS) to contract with a consultant to study the capacity and capability of MHEC to carry out the current policies and practices and new policies or practices established in accordance with the bill for the purpose of (1) evaluating, streamlining, improving, and making recommendations on such policies and practices with respect to academic program review; (2) enhancing the economic competitiveness of the State by ensuring the responsiveness of institutions of higher education to market demand; and (3) effectively supporting the State’s workforce development requirements. DLS is required to submit an interim report by December 1, 2021, and a final report on or before September 1, 2022.

Institutions of Higher Education

Collective Bargaining

University System of Maryland and Other Institutions of Higher Education: *Senate Bill 9 (passed)* requires the Chancellor of USM to act on behalf of USM and its constituent institutions, rather than the institutions' presidents, for the purposes of collective bargaining. An exclusive representative that represents more than one bargaining unit of USM employees may request to bargain a consolidated memorandum of understanding that addresses specified matters. Other specified matters must be negotiated separately by the president of a USM institution, or their designee, and the exclusive representative. Further, the bill alters the collective bargaining process for State employees and employees of public four-year institutions and BCCC. For a more detailed discussion of this issue, see the subpart "Personnel" within Part C – State Government of this *90 Day Report*.

Community Colleges and Baltimore City Community College: Chapter 341 of 2001 extended collective bargaining rights to many categories of higher education personnel at public four-year institutions of higher education and BCCC but excluded all faculty and students from the benefit. Most local community college employees do not have collective bargaining rights. *Senate Bill 746/House Bill 894 (both passed)* establish a collective bargaining process for local community college employees, including full-time faculty, part-time faculty, and specified staff but excluding officers, supervisory or confidential employees, and student assistants. Implementation is delayed until September 1, 2022 or 2023, and bargaining over wages is delayed until July 1, 2023 or 2024, depending on the institution. Full-time and part-time faculty at BCCC may also collectively bargain under this process beginning on October 1, 2024. Beginning in fiscal 2026, the Governor must include funding to accommodate costs due to collective bargaining for BCCC in the annual budget bill. Except under specified circumstances, the bills do not apply to collective bargaining units, contracts, or agreements in existence prior to September 1, 2022. For a more detailed discussion of this issue, see the subpart "Personnel" within Part C – State Government of this *90 Day Report*.

Student Athletes

Student athletes have no explicit rights in State law beyond those granted to all students, and institutions of higher education have no explicit responsibilities regarding student athletes. *Senate Bill 439/House Bill 125 (both passed)* – the Jordan McNair Safe and Fair Play Act – establish requirements regarding college student athletes at public institutions of higher education. An athletic program must adopt and implement guidelines related to the health and safety of student athletes. By October 1 each year, beginning in 2021, the USM Intercollegiate Athletics Workgroup, MSU, and SMCMM must report on student athletes at each institution, including any student athlete policy changes related to the health and safety of student athletes. Beginning July 1, 2023, USM institutions, MSU, and athletic associations, including the National Collegiate Athletic Association, must follow certain rules regarding student athlete compensation for the use of the student's name, image, or likeness.

Admissions and Transfers

Maryland Higher Education Outreach and College Access Program: Chapters 200 and 201 of 2015 established the Maryland Higher Education Outreach and College Access Pilot Program as a two-year pilot program administered by MHEC for eligible nonprofit organizations that meet specified requirements to increase low-income students attending and succeeding in college. Chapter 399 of 2018 extended the termination date for the pilot program by three years, through September 2022. ***House Bill 98 (passed)*** makes the pilot program permanent. MHEC must also continue to submit an annual report about the program. Beginning in fiscal 2023, the Governor must include \$200,000 annually in the State budget for the program.

Transfers between Public Institutions of Higher Education: ***Senate Bill 886/House Bill 460 (both passed)*** requires MHEC to require a receiving public institution of higher education that denies the transfer of a credit or course to an enrolled student to notify the sending public institution and the enrolled student, including the rationale for the denial. The transfer coordinator or institutional designee of the sending institution must conduct a review, in conjunction with the receiving institution’s designee, within a time period set by MHEC. Each public institution of higher education must submit an annual report to MHEC listing any denials of transfer of a credit or a course and the reasons for each.

Use of Criminal History in Admissions: Chapter 2 of 2018 generally prohibited an institution of higher education that receives State funds from using an undergraduate admissions application that contains questions about the criminal history of the applicant, except if the institution uses a third-party admissions application under certain circumstances. ***Senate Bill 127 (passed)*** prohibits an institution of higher education that receives State funds from disqualifying an applicant from undergraduate admission based on the applicant’s criminal history obtained from a third-party admissions application. Further, an institution may not make inquiries into or consider information about a student’s criminal history for the purpose of admission, including to deny or limit a student’s admission into a particular academic program. However, the bill authorizes an institution of higher education to develop a process for determining or restricting access to campus residency for a student who has been convicted of (1) a sexual crime under Title 3, Subtitle 3 of the Criminal Law Article; (2) a crime of violence under Title 14 of the Criminal Law Article; or (3) a substantially similar crime in another state.

Incentive Payments Related to Foreign Students: Generally, an institution of higher education may not pay a commission, a bonus, or any other incentive payment based on success in securing enrollments or the award of financial aid to a person or entity engaged in student recruitment or admission activity. ***Senate Bill 927 (passed)*** allows an institution of higher education to pay incentives for the recruitment of a foreign student who is (1) residing in a foreign country and (2) not eligible to receive federal student assistance.

University System of Maryland

University of Maryland Strategic Partnership: Chapter 25 of 2016 established the Center for Maryland Advanced Ventures at the University of Maryland (CMAVUM), which must be located at UMB in Baltimore City, and the University of Maryland (UM) Center for Economic

and Entrepreneurship Development (UMCEED), which must be located at UMCP. The Governor must include at least \$4.0 million each year in the State budget for CMAVUM and at least \$6.0 million each year to UMCEED. It also provided \$4 million in State funding to increase funding guideline attainment for specified USM institutions for each of fiscal 2018 through 2021, which is included in the institutions' base budgets in subsequent fiscal years. Funding guidelines have been used since fiscal 2001 to assess how public four-year institutions in Maryland are funded relative to their peers (except SMCM) using a calculation that uses state funding, fees, and projected enrollment at each institution.

Senate Bill 943 (passed) creates the Center for Cybersecurity at UMBC and requires the Governor to annually include \$3.0 million in the State budget for the Center beginning in fiscal 2023. The bill also increases, beginning in fiscal 2023, by \$2.5 million the annual mandated appropriations to each of CMAVUM and UMCEED, a portion of which must be used for the development and location of technology companies in Baltimore City or Prince George's County, respectively. The bill also requires that for fiscal 2023 through 2027, the Governor must appropriate at least an additional \$4.0 million to the USM Office to increase the estimated funding guideline attainment levels of USM institutions as specified.

State Funding of Institutions of Higher Education: Senate Bill 433/House Bill 173 (Ch. 44/passed) require the University of Maryland School of Medicine to provide clinical care at the University of Maryland Capital Region Medical Center by assigning certain faculty to the center, and the Governor must include at least \$5.0 million in the annual budget in each of fiscal 2023 through 2025 to fund this requirement. The Act and the bill further require the University of Maryland School of Medicine to provide clinical care at its rural hospitals by assigning certain faculty to each hospital, and the Governor must include at least \$2.0 million in the annual budget in each of fiscal 2023 through 2025 to fund this requirement. The Act and the bill also specify that State appropriations calculated under the Senator John A. Cade Funding Formula for local community colleges, the BCCC funding formula, and the Joseph A. Sellinger funding formula for specified private nonprofit institutions of higher education include appropriations, regardless of where they are budgeted, designated for the general operation of four-year public institutions of higher education, including personnel-related appropriations.

Review and Spending of Student Fees: USM Board of Regents has adopted policies on the establishment of tuition and mandatory fees, including that the president of a USM institution must consult with students before the establishment of or a change in student fees. ***Senate Bill 895 (passed)*** requires that, when setting mandatory and nonmandatory student fees, the president of each USM institution must present information on such fees for review by the student fee committee of record. The information presented to the committee must include (1) the amount of the fee; (2) the students who will be charged the fee; and (3) the proposed use of revenues from the fee. Unless the student fee committee of record reviews an exception to the use of the fee, revenues derived from fees as reviewed by the committee must be spent by the campus unit or department that requested the fee in a manner consistent with the intended purpose for which the fee exists.

Small Business Development Center Network Fund: During the 2020 session, the General Assembly passed Senate Bill 493, which was vetoed by the Governor. The General Assembly overrode the veto during the 2021 session, and the bill was enacted as Chapter 15. The Act increases the minimum general fund appropriation to the Small Business Development Center by \$200,000 annually.

Maryland Innovation Initiative University Partnership Pilot Program: The MII University Partnership Pilot Program exists within the Maryland Technology Development Corporation. ***Senate Bill 732 (passed)*** codifies the MII University Partnership Pilot Program. For a more detailed discussion of this issue, see the subpart “Economic Development” within Part H – Business and Economic Issues of this *90 Day Report*.

Procurement Authority of Baltimore City Community College

State law exempts USM, MSU, and SMCM from certain provisions of procurement law. ***Senate Bill 326 (passed)*** makes BCCC exempt from many of the same procurement provisions, except for oversight of capital contracts with a value that exceeds \$500,000, and generally expands its procurement authority after (1) the college adopts certain procurement procedures and policies and (2) those new policies are approved by the Joint Committee on Administrative, Executive, and Legislative Review and BPW. For a more detailed discussion of this issue, see the subpart “Procurement” within Part C – State Government of this *90 Day Report*.

Financial Assistance

Scholarships and Tuition Assistance

Maryland Corps Program Fund: During the 2020 session, the General Assembly passed Senate Bill 845, which was vetoed by the Governor. The General Assembly overrode the veto during the 2021 session, and the bill was enacted as Chapter 9. It expands the purpose and authorized uses of the Maryland Corps Program Fund and mandates annual funding for the program beginning in fiscal 2023.

Workforce Development Sequence Scholarship: Chapter 149 of 2017, the More Jobs for Marylanders Act, established Workforce Development Sequence Scholarships for eligible students who are enrolled in a workforce development sequence at a community college, which was defined as courses that are related to job preparation or an apprenticeship, licensure or certification, or job skills enhancement. ***Senate Bill 845/House Bill 905 (Chs. 97 and 96)*** expand eligibility for the Workforce Development Sequence Scholarship to include a Maryland resident or graduate of a Maryland high school who is enrolled directly in a registered apprenticeship program that partners with a public community college in the State.

Next Generation Scholars of Maryland Program: ***House Bill 1245 (passed)*** alters the eligibility criteria for students to prequalify for the Guaranteed Access Grant so that a student in grade 9 or 10 who is eligible for free or reduced-price meals as specified automatically prequalifies for the award if the student meets other existing eligibility requirements. The bill also makes the

\$5.0 million mandated appropriation to the Next Generation Scholars of Maryland Program permanent beginning in fiscal 2024.

Maryland Community College Promise Scholarship: Chapter 554 of 2018 created a scholarship program in Maryland to provide tuition assistance to students who attend a community college in the State and who meet specified eligibility criteria, including an income limitation. **Senate Bill 308 (passed)** exempts applicants for the Maryland Community College Promise Scholarship from the high school grade point average requirements, for an initial award, if the applicant graduated from high school five or more years before the date of application.

Maryland Police Officers Scholarship Program: House Bill 670 (Ch. 59) establishes the Maryland Police Officers Scholarship Program to provide tuition assistance for students (1) attending a degree program that would further the student's career in law enforcement at a public four-year institution in the State with the intent to be a police officer after graduation or (2) who are currently police officers attending a degree program that would further the officer's career in law enforcement at an eligible institution. A recipient of a scholarship must (1) be a Maryland resident or have graduated from a Maryland high school; (2) be accepted for admission or currently enrolled at an eligible institution as a full-time or part-time undergraduate or graduate student, as specified; (3) sign a letter of intent to perform the service obligation on completion of the recipient's required studies; and (4) satisfy any additional criteria MHEC may establish. A current police officer that meets the eligibility criteria is also eligible for a scholarship. The Governor must annually include in the budget bill an appropriation of at least \$8.5 million to MHEC to award scholarships, and MHEC must use (1) \$6.0 million for scholarships to students intending to become police officers after graduation and (2) \$2.5 million for scholarships to existing police officers to attend an eligible institution and remain a police officer after graduation.

Maryland Loan Assistance Repayment Program for Police Officers: House Bill 670 (Ch. 59) also establishes the Maryland Loan Assistance Repayment Program for Police Officers in the State. The Office of Student Financial Assistance within MHEC must distribute funds from the program to assist in the repayment of a higher education loan owed by a police officer who (1) receives a graduate, professional, or undergraduate degree from a public college or university in the State; (2) obtains eligible employment; and (3) satisfies any other criteria established by the office. "Eligible employment" means to work as a police officer in the State for at least two years. The Governor must include an annual appropriation of at least \$1.5 million in the State budget for the program.

For a discussion of other provisions of this Act, see the subpart "Public Safety" within Part E – Crimes, Corrections, and Public Safety of this *90 Day Report*.

Foster Care Recipients and Homeless Youth: Specified foster care recipients and unaccompanied homeless youth are eligible for a tuition waiver for all credit-bearing and noncredit courses and mandatory fees to attend a public institution of higher education in Maryland. **Senate Bill 155/House Bill 216 (both passed)** expand the definition of "homeless youth" who are eligible to receive a tuition waiver by removing the requirements that the youth (1) be "unaccompanied"; and (2) qualify as an independent student under federal law. The bills also alter the method by

which an individual is determined to be a homeless youth for the purpose of a tuition waiver and repeals the requirement that only a financial aid administrator can verify the status. In addition, a foster care recipient or homeless youth who receives a tuition waiver must receive priority consideration for on-campus housing. Each public institution of higher education must make the application for the tuition waiver available to current and prospective students and notify students about the application. Each public institution must establish an appeals process for the tuition waiver. Finally, each public institution must designate a homeless and foster student liaison with specified expertise to assist specified students with applying for financial aid.

Other Financial Assistance

Live Near Your School Program: *Senate Bill 637 (passed)* authorizes the Community Development Administration (CDA) within the Department of Housing and Community Development to administer the Live Near Your School Program and a related home buyer assistance program. The home buyer assistance program is authorized to assist current students and recent graduates, as defined by the bill, in receiving low-interest loans to purchase homes near the public institution of higher education attended by the individual. In addition, CDA is authorized to administer community development projects that provide current students and recent graduates with grants to buy homes in sustainable communities that are near the school attended by the student or graduate.

Maryland E-Nnovation Initiative Program and Admissions and Amusement Tax Distributions: The Maryland E-Nnovation Initiative Fund (MEIF) and Program authorizes nonprofit institutions of higher education in the State that meet specified eligibility requirements to create research endowments and, upon securing matching private donations and approval, receive MEIF awards that may be distributed to the endowments. During the 2020 session, the General Assembly passed Senate Bill 465, which requires the Governor to continue funding the MEIF Program at \$8.5 million annually through fiscal 2026. The Governor vetoed the bill, the General Assembly overrode the veto during the 2021 session, and the bill became law as Chapter 14. Chapter 14 also makes permanent a specified distribution from the State admissions and amusement tax on electronic bingo and electronic tip jars to MEIF. For information on other provisions of the Act, see the 2020 Session *71 Day Report*.

Student Wellness and Career Programs

Student Wellness

Student Identification Cards: *Senate Bill 405/House Bill 466 (both passed)* require institutions of higher education to provide the telephone number for Maryland's Helpline, or an on-campus crisis center that operates 24 hours a day and 365 days a year, directly on student identification cards or a sticker affixed to the card, if the institution provides such a card. The bills also permit institutions to provide numbers for the National Suicide Prevention Lifeline, Crisis Text Line, National Domestic Violence Hotline, or any on-campus crisis center on student identification cards.

COVID-19 Plans: Many of Maryland’s institutions of higher education have put into place plans for addressing COVID-19. **Senate Bill 741/House Bill 836 (both passed)**, emergency bills, require, for calendar 2021, an institution of higher education that has residence halls for students to establish a COVID-19 security plan that includes screening and testing procedures that will keep students, faculty, and staff safe while on campus for face-to-face instruction during the pandemic. The plan must be posted on the website of the institution of higher education and made available to the public. For a more detailed discussion of this issue, see the subpart “Public Health – Generally” within Part J – Health and Human Services of this *90 Day Report*.

Hunger-Free Campus Grant Program: Senate Bill 767/House Bill 891 (both passed) establish the Hunger-Free Campus Grant Program for public institutions of higher education or regional higher education centers administered by MHEC. MHEC must allocate grant funding to any public institution or regional higher education center that pledges a matching contribution to be used to implement the goals of the program and is designated as a hunger-free campus, according to the standards set in the bills. Beginning in fiscal 2023, the Governor must include \$150,000 annually in the budget for the program. MHEC must incorporate a plan for addressing any basic needs insecurity of higher education students into the 2026-2030 State Plan for Higher Education. Within two years after establishing the program, MHEC must report on the implementation of the bills.

Career Programs

Maryland Technology Internship Program: Chapter 642 of 2014 created the Maryland Technology Internship Program (MTIP) to increase student understanding of employment opportunities in the State and foster business retention and development, job creation, workforce development, and new investment in the State. **House Bill 307 (passed)** incorporates technology-based nonprofit organizations into the existing MTIP, allowing them to participate in the same way as technology-based businesses and units of State and local government, if they meet specified requirements. In addition, the bill decreases the cumulative grade point average required for an intern to participate in MTIP from 3.0 to 2.5.

Legal Education Success Collaborative: Senate Bill 526/House Bill 1268 (both passed) establish the Legal Education Success Collaborative between the University of Baltimore (UB) School of Law, the University of Maryland (UM) School of Law, and Maryland HBCUs to increase diversity in the legal field. Beginning in fiscal 2023, the Governor must appropriate \$125,000 to each scholars program at the UB School of Law and the UM School of Law. The UB School of Law and the UM School of Law must each match up to \$125,000 of the State appropriation.

Inmate Training and Job Pilot Program: Senate Bill 800 (passed) establishes the Inmate Training and Job Pilot Program at specified institutions of postsecondary education to provide educational and vocational training opportunities for inmates in the 12 months preceding their release. MHEC and each participating institution must administer the program in cooperation with the Division of Correction at the Department of Public Safety and Correctional Services. Each institution’s program must have an individualized plan for success, a professor or other staff

member serving as the primary contact for program participants, and at least three students serving as program mentors. Program participants must take courses through a suitable format that are credit bearing and count toward a degree, certificate, or license. The bill establishes various reporting and information collection requirements to track program participation and outcomes. The Governor must include in the annual budget bill an appropriation for the pilot program in the amount of \$300,000 in fiscal 2023, \$330,000 in fiscal 2024, and \$363,000 in each of fiscal 2025 and 2026.

Education – Local Bills

Local Boards of Education

Cecil County

Senate Bill 823/House Bill 692 (both passed) increase the maximum number of terms a member of the Cecil County Board of Education may serve from two to three terms. The bills also increase, by \$1,500, the minimum compensation provided to school board members. The minimum compensation for the board president increases from \$4,000 to \$5,500 annually, while the minimum compensation for other voting board members increases from \$3,500 to \$5,000 annually. The salary increases take effect for terms of office, or for a member appointed or elected to fill out an unexpired term, beginning on or after July 1, 2021.

Charles County

Senate Bill 749/House Bill 1060 (both passed) add two new members to the Charles County Board of Education and alter the selection method for board members by requiring that eight board members be elected from the county commissioner districts (two from each of the four districts) and one board member be elected from the county at large. (Under current law, the seven board members are elected from the county at large.) An elected member may not serve more than two consecutive terms. In addition, the bills provide the student member with voting rights, subject to certain restrictions.

Howard County

House Bill 1190 (passed) requires the Howard County Board of Education to submit specified reports to the General Assembly and the county delegation beginning in the 2021-2022 school year. This includes an annual report on the program capacity of each permanent school facility based on the rates set by the county board. Each year that student enrollment at a facility is not within 10% of target utilization, the county board must also submit a report on a plan to adjust student enrollment to meet target utilization. If student enrollment at a facility is not within 20% of target utilization, the county board must implement specified processes to assess the need for a redetermination of the geographic attendance area. If the outcome of the assessment is not a redetermination of the geographic attendance area, the county board must submit a report explaining the reason that redetermination was not appropriate and a plan to adjust student enrollment to meet target utilization.

The Howard County Board of Education is not currently required to allow public testimony from households affected by redistricting. In November 2019, the Howard County Board of Education approved a redistricting plan for the 2020-2021 school year. The plan, which changed the attendance area for more than 5,400 students in the county, was the culmination of the largest redistricting effort in the county's history. The approved redistricting plan is intended to reduce overcrowding and advance socioeconomic equity. *House Bill 1142 (passed)* requires that, if the redistricting plan proposed by the Howard County Board of Education differs from the plan proposed by the county superintendent, the board must allow public testimony from one or more members of a household whose school assignment is changed only in the board's plan before the final vote is taken on either plan.

Education – Miscellaneous

Maryland Senator Edward J. Kasemeyer College Investment Plan

The College Affordability Act of 2016 first authorized Maryland 529 Investment Plan accounts established after December 31, 2016, to be eligible for a State matching contribution, subject to specified income and other requirements. The Governor is required to provide \$3 million annually to fund the matching contributions, but since fiscal 2019, the cost to fund eligible applications has exceeded the mandated appropriation for State matching contributions (and, thus, required deficiency appropriations to meet the demand). *Senate Bill 779/House Bill 1238 (both passed)* add requirements for receiving a State matching contribution within the Maryland Senator Edward J. Kasemeyer College Investment Plan. Specifically, the bills require an account holder (in addition to the beneficiary) to be a resident of Maryland and file income taxes on or before July 15 of each year. The bills also alter the income measurement used to determine eligibility for the matching contribution to be Maryland adjusted gross income (instead of Maryland taxable income). A qualified beneficiary must be younger than age 26 in the calendar year before the account holder submits an application to receive a State contribution. The bills also establish a \$9,000 cap on the total State contribution amount received over an account holder's lifetime. Finally, the bills authorize the Maryland 529 Board to aggregate and distribute administrative fees across all Maryland 529 programs.

Maryland Longitudinal Data System

Chapter 190 of 2010 established the Maryland Longitudinal Data System (MLDS) and Center to contain individual-level student data and workforce data from all levels of education and the State's workforce and to conduct related research. *House Bill 854 (passed)* adds child welfare data, consisting of out-of-home placement data, family preservation services data, and child protective services data, to the data collected, analyzed, and reported on by the MLDS Center. To that end, the bill adds the Social Services Administration within the Department of Human Services to the entities required to provide data sets to MLDS and adds the Secretary of Human Services or the Secretary's designee to the membership of the Governing Board of the MLDS Center. The center must develop a clear and easy-to-understand graphic data dashboard that is published annually on its website with information, disaggregated by county, on the experience of

children who were provided with out-of-home placement and how out-of-home placement affected their participation in higher education, as specified. The bill also changes the method by which the center must annually provide dual enrollment information from a report to a graphic data dashboard.

The Career Preparation Expansion Act (Chapters 694 and 695 of 2018) requires the Maryland Higher Education Commission (MHEC) to collect and provide to the MLDS Center specified professional and occupational license and industry and vocational certificate data for students receiving licenses and certificates. *House Bill 320 (passed)* transfers the responsibility for providing that data to the MLDS Center from MHEC as an intermediary directly to the specified State licensing authorities and third-party industry certifiers.

Early Childhood

The State Board of Education must adopt rules and regulations for licensing and operating child care centers that meet specified requirements. Regulations also specify numerous requirements for employees of child care centers. *Senate Bill 436/House Bill 597 (both passed)* require regulations adopted by the State to establish probationary employment qualifications for an individual who is applying for the first time to be a child care teacher in a child care center in the State that serves preschool or school-age children who are at least age three. If, at the end of a six-month probationary period, the individual has not completed specified preservice training, the child care center must terminate or reassign the individual.

House Bill 776 (passed) requires the Maryland State Department of Education (MSDE) to conduct a study of the Infant and Early Childhood Mental Health Consultation Project. As part of the study, MSDE must, among other things, review the goals of the project, assess the need for new services, report on progress the project has made, and consider ways to integrate the project with other specified services. MSDE must report its findings to the Governor and the General Assembly on or before January 1, 2022.

Senate Bill 711/House Bill 944 (both passed) establish the Growing Family Child Care Opportunities Pilot Program in MSDE to provide grants to establish and support local pilot programs in the State that increase the supply and ensure the sustainability of family child care providers in specified areas of the State. Among other specified requirements, grant recipients must provide technical assistance and financial incentives for recruited individuals as they navigate MSDE's process to become a registered family child care provider. In fiscal 2023 and 2024, the Governor must include \$450,000 in the State budget for the program. To the extent authorized under federal law, the Governor must use federal funds to satisfy the mandated appropriations.

School-based Health Centers

School-based health centers (SBHCs) are health centers located in a school or on a school campus that provide on-site comprehensive preventive and primary health services. Services may also include behavioral health, oral health, and ancillary and supportive services. Currently, MSDE is responsible for SBHC guidelines and administers SBHC State grant funds. The Maryland

Department of Health (MDH) assists MSDE through the Office of Population Health Improvement. *Senate Bill 830/House Bill 1148 (both passed)* require MSDE and MDH to develop a plan to transfer primary responsibility for administering SBHC grants and related functions from MSDE to MDH. By July 1, 2022, the Governor must implement the plan. SBHCs currently require approval from MSDE to render telehealth services. *Senate Bill 278/House Bill 34 (both passed)* are emergency bills that require MSDE and MDH to allow health care practitioners in SBHCs to provide services through telehealth.

Libraries – Statewide

Senate Bill 524/House Bill 1000 of 2020 – Building Lifelong Library Learners Act – were passed during the 2020 session and vetoed by the Governor. The General Assembly overrode both vetoes during the 2021 session, and the bills were enacted as Chapters 6 and 27, respectively. They prohibit a public library from charging a fine and establish restrictions on charging a fee for overdue library materials for a minor. Further, the Acts increase the per capita funding amounts for the State Library Resource Center (SLRC), the Maryland Library for the Blind and Physically Handicapped (which receives 25% of SLRC’s appropriation), and county public library systems beginning in fiscal 2022 (delayed to fiscal 2023 due to the Governor’s veto). Finally, the Acts increase the annual mandated appropriation for county library capital projects, from \$5.0 million to \$7.5 million each year, beginning in fiscal 2022 (also delayed to fiscal 2023).

Senate Bill 432/House Bill 518 (both passed) require a publisher who offers to license an electronic literary product to the public to also offer to license the electronic literary product to public libraries in the State on reasonable terms that enable public libraries to provide library users with access to the electronic literary product effective January 1, 2022. The terms of a license may include (1) limitations on the number of people that may access the product simultaneously; (2) limitations on the duration of access to the product; or (3) other specified limitations. Violation of the bills’ requirement is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA’s civil and criminal penalty provisions.

Libraries – Local

Enoch Pratt Free Library

Senate Bill 477/House Bill 436 (both passed) require the Governor to continue to provide \$3.0 million in the State budget annually beginning in fiscal 2023 to support additional operating expenses for branches of the Enoch Pratt Free Library (EPFL) that increase their operating hours above the hours in effect as of January 1, 2016. In order to receive grant funding from the Maryland State Library Agency, Baltimore City must (with public and/or private funds) provide a 25% funding match to support additional EPFL operating expenses. The bills also express the intent of the General Assembly that the increased operating hours be utilized to advance the library’s commitment to equity, inclusion, and greater access to library resources, programs, and services. The Mayor and City Council of Baltimore City must report annually on the EPFL branches with increased operating hours and an evaluation of the impact of the increased operations.

Baltimore County Public Library – Collective Bargaining

Since it is a charter county, Baltimore County may establish a local library agency, have a board of library trustees, provide for the board's selection, and determine its powers. Baltimore County has a board of library trustees. Currently, employees of the Howard, Montgomery, and Prince George's county public library systems may bargain collectively. *Senate Bill 138/House Bill 45 (both passed)* establish a collective bargaining process for full- or part-time nonmanagement employees, as specified, of the Baltimore County Public Library. Under the bills, an employee may form, join, and participate in an employee organization; bargain collectively through a representative of their choice; and engage in lawful concerted activities for their mutual aid and protection. An employee also may refuse to join or participate in the activities of an employee organization.

Schools for the Blind and the Deaf

Senate Bill 556 (passed) extends collective bargaining rights to specified nonsupervisory faculty at the Maryland School for the Deaf.

Senate Bill 720/House Bill 1054 (both passed) require the Secretary of Budget and Management to develop a single, uniform pay plan for teachers and other professional personnel at the Maryland School for the Blind (MSB). In developing the pay plan, the Secretary must consider recommendations from the Board of Directors of MSB based on its review of comparable salaries in Baltimore County and must include classifications and pay grades based on the duties, responsibilities, education, and training required. Beginning with the third fiscal year the pay plan is in effect, and every third fiscal year thereafter, the Secretary must, after reviewing the recommendations of the board, adjust the pay plan, if necessary, to ensure that salaries in the pay plan are adequate to recruit and retain qualified teachers and other professional personnel. The Secretary must incorporate these adjustments into the budget recommendations for the Governor's review and approval for inclusion in the annual budget request.

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