

THE 90 DAY REPORT

A Review of the
2022 Legislative Session



Department of Legislative Services
Maryland General Assembly

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

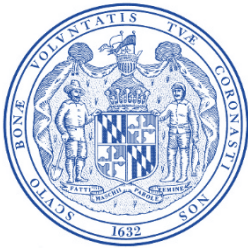
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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

April 15, 2022

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 2022 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 2022 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

Unprecedented federal aid provided in response to the COVID-19 pandemic contributed to better than anticipated revenue performance, providing the State with a historic general fund surplus. Recognizing that the availability of the sizable general fund balance was partially dependent on one-time revenue sources and acknowledging the potential risks of high inflation and other economic uncertainties, spending by both the Administration and the legislature during the 2022 session was focused on one-time investments in capital infrastructure, facility renewal, and assistance to individuals and businesses impacted by the pandemic.

Governor Lawrence J. Hogan, Jr. introduced a fiscal 2023 budget that increased general fund spending by 13% and increased the Rainy Day Fund balance to 16%. As part of his fiscal plan, the Governor also proposed legislation to eliminate business filing fees for online filers and phase-out taxes on retirement income over six years. At the 2022 session, the General Assembly passed bills that provide about \$350 million of tax relief in fiscal 2023 and made numerous other long-term funding commitments to operating and capital priorities. The fiscal 2023 budget provides over \$5 billion in capital investments, fulfills all mandates, and provides State employees with over \$590 million in compensation enhancements. Final action on the budget leaves an estimated general fund cash balance of \$219 million at the end of fiscal 2023, in addition to \$2.4 billion in the Rainy Day Fund. While the near-term cash position is favorable, achieving budget balance beginning in fiscal 2024 may require transfers from the Rainy Day Fund due to a robust non-binding plan to use the general fund for capital projects.

Budget in Brief

Senate Bill 290 (enacted) provides over \$61.0 billion in appropriations for fiscal 2023 – a decrease of approximately \$1.6 billion (2.6%) from fiscal 2022, after accounting for a net \$4.4 billion in spending added across both years by supplemental budgets. **Exhibit A-1.1** illustrates fiscal 2023 spending by fund source and purpose. General fund spending accounts for 45.9% of the total

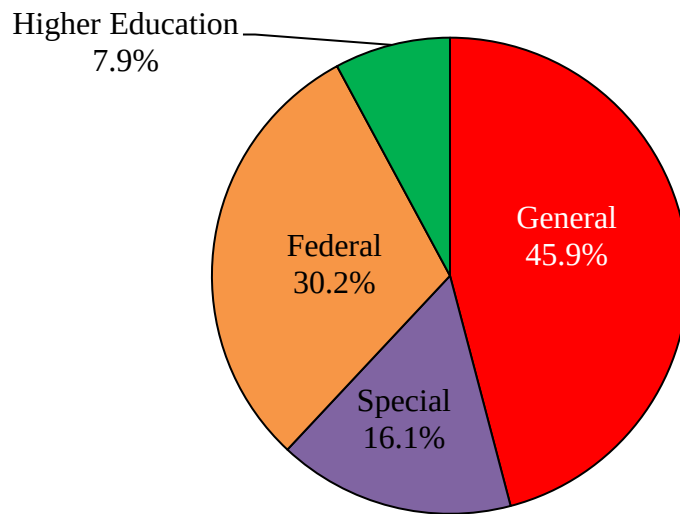
budget. Federal funds continue to account for a larger percentage of the budget compared to prepandemic years, approximately 30.2% of all spending, as the legislative appropriation reflects the continuation of federal aid to respond to the COVID-19 pandemic. Special funds constitute 16.1% of the budget with higher education revenue providing the remaining 7.9%. State agency operations constitute the largest area of spending, accounting for 39.3% of the total budget, followed by entitlements (27.2%) and aid to local governments (17.2%). Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State general obligation (GO) bonds, and appropriations to the Reserve Fund.

General fund appropriations increase by \$6.9 billion, or 32.6%, when compared to the fiscal 2022 adjusted working appropriation. Approximately half of the growth is attributable to fulfilling the statutorily required appropriation to the Rainy Day Fund and the addition of \$1.6 billion in general fund PAYGO to support capital projects that would otherwise be funded through GO bonds. Funding for the Medicaid program and other health-related agencies increases by nearly \$1.2 billion, primarily due to an 8% provider rate increase for most service providers, along with the need to backfill for one-time federal fund support in fiscal 2022.

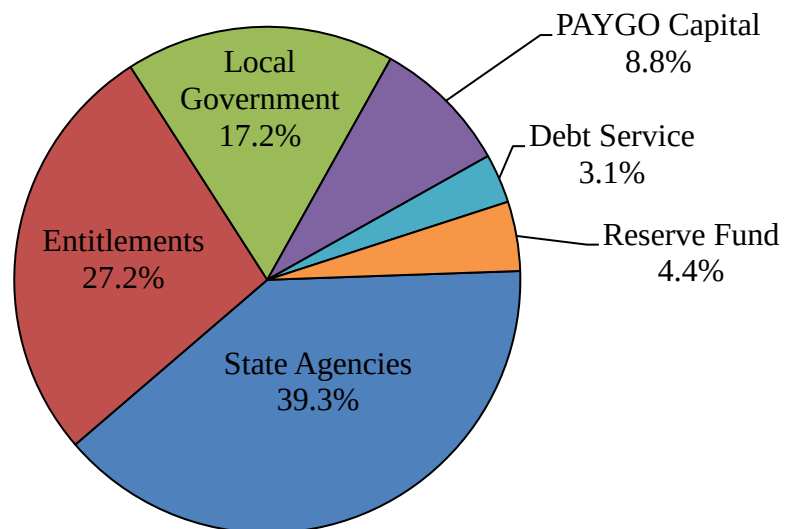
General funds used to support debt service grow by \$170 million, as the majority of bond premiums are diverted from debt service payments to capital projects in fiscal 2023. Compensation enhancements for State employees account for approximately \$300 million of the growth in general fund spending on State agency operations, while the need to backfill for fiscal 2022 federal fund support for public safety salaries accounts for an additional \$350 million of the over \$2.0 billion net increase in agency appropriations. Education aid supported by general funds grows by \$500 million in fiscal 2023 attributable to changes in the statutory formulas, growth in funding for student transportation costs, and \$125 million in new funding for the Education Effort Adjustment. 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 \$61.0 Billion Fiscal 2023 Budget

Where It Comes From: Budget By Fund Source



Where It Goes: Budget By Purpose



PAYGO: pay-as-you-go

Source: Department of Legislative Services

Special funds decrease by a net \$334.3 million, or 3.3%, compared to the fiscal 2022 working appropriation. Funding for the transportation program decreases by nearly \$600 million, primarily within the capital program, reflecting the removal of one-time funding for the second installment of the Purple Line Settlement Payment (\$150 million) and the advanced repayment of Private Activity Bonds for the Purple Line project (\$341 million). Special funds used to support debt service also decline by nearly \$94 million reflecting less fund balance available from the Annuity Bond Fund and the continued diversion of bond premiums to support capital projects. These reductions are partially offset by a \$90 million increase in special funds for local aid, primarily from the Blueprint for Maryland's Future Fund used to support education aid programs.

Federal fund spending reflected in the budget decreases by a net \$8.1 billion, or 30.6%, as a greater proportion of federal stimulus funds is appropriated in the current fiscal year than in the legislative appropriation. Of note, however, is that the fiscal 2023 budget only reflects \$154 million of the over \$8 billion in funding the State anticipates receiving over the next five years from the federal Infrastructure Investment and Jobs Act. The fiscal 2022 working appropriation includes \$6.4 billion in federal stimulus aid, including \$1.1 billion added through supplemental budgets during consideration of the fiscal 2023 budget. Final legislative action on the fiscal 2023 budget recognizes nearly \$1.3 billion in federal stimulus aid. Excluding the federal stimulus funds, federal funding declines by \$3.0 billion in fiscal 2023 as enhanced federal matching funds provided to Medicaid during the COVID-19 national public health emergency are expected to end and spending on Supplemental Nutrition Assistance Program (SNAP) benefits drops reflecting the end of the emergency allotments and the expectation that demand will drop with improving economic conditions.

Own-source revenues for the State's public four-year higher education institutions and Baltimore City Community College (BCCC) decline by \$53.4 million to \$4.8 billion in fiscal 2023. State operating support excluding PAYGO for these institutions increases by \$370.4 million, or 21%, in fiscal 2023, bringing total revenues for higher education to \$6.9 billion, a 4.5% increase over fiscal 2022.

With respect to personnel, the size of the regular State workforce increases by 227 positions to 80,904 regular positions in fiscal 2023. The budget provides most State employees a 1% cost-of-living adjustment (COLA), increments, and \$1,000 or \$1,500 bonuses effective January 1, 2022; and a 3% COLA and increments effective July 1, 2022. Law enforcement union members are provided with a 7% COLA and increments effective July 1, 2022. The Judiciary's budget provides for a 3.5% merit increase. For a more detailed discussion of personnel and employee compensation issues, see the subpart "Personnel" within this Part A of the *90 Day Report*.

Framing the Session: 2021 Interim Activity

Fiscal 2021 ended with a fund balance of \$3.2 billion, of which \$1.7 billion was attributable to revenues exceeding forecasts. With unprecedented levels of federal assistance to help sustain incomes and the economy during the COVID-19 pandemic, wages and capital gains revenue increased, sales tax revenues surged, and corporate income tax revenues rose 28.4%. State agencies

also contributed to the higher than anticipated closing balance by reverting nearly \$185 million at the close of the fiscal year, as increased federal aid reduced the need for general fund support. **Exhibit A-1.2** illustrates how the State’s improved fiscal position carried forward into the current fiscal year and, when combined with the upward revision of nearly \$1.5 billion in general fund revenues, generated a projected surplus of \$4.0 billion for the start of fiscal 2023.

Exhibit A-1.2
Evolution of the General Fund Balance
Fiscal 2021-2022
(\$ in Millions)

	<u>2021</u>	<u>2022</u>
Estimated Closing Balance – July 2021	\$1,439	\$679
Revenue and Transfers		
Adjustment to Revenues	\$1,711	\$1,482
Transfers	-96	
Higher Than Anticipated Fiscal 2021 Fund Balance		1,800
Spending		
Reversions Above Estimate	\$185	\$250
Net Deficiency Appropriations		-122
Estimated Closing Balance – December 2021	\$3,239	\$4,089

Source: Department of Legislative Services

Spending Affordability Committee Recommendations

The Spending Affordability Committee (SAC) prepared its final report to the Governor in December 2021, which made recommendations concerning the fiscal 2023 spending limit, use of fund balances, and State employment.

Spending Limit and Sustainability: Unprecedented levels of federal aid put the State in a better than anticipated fiscal position going into the 2022 session, but the Board of Revenue Estimates (BRE) cautioned against the potential for economic uncertainties and inflation to have a negative impact on out-year revenue growth. As such, SAC recommended that structural balance be maintained in fiscal 2023 in order to support ongoing budget sustainability.

Fund Balances and Use of Surplus: The availability of significant cash surpluses presented the opportunity for the State to invest resources toward unmet needs and priorities; however, recognizing that the magnitude of the surplus was one-time in nature, SAC recommended that a minimum balance of \$200 million be retained in the General Fund at the close of fiscal 2023

and that a balance equal to 9% of general fund revenues be retained in the Rainy Day Fund. Any remaining surplus funds should largely be directed toward one-time spending on facility maintenance, capital infrastructure, and cybersecurity.

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, and direct care nursing positions, led SAC to recommend that the Administration provide State employees with general and targeted compensation enhancements, along with exploring options for expanding the use of bonuses and apprenticeship programs.

Governor's Spending Plan as Introduced

As introduced, the Governor's budget plan for the current fiscal year assumed \$61.4 billion in total spending, including \$21.1 billion in general funds, which left an estimated closing balance in the General Fund of \$3.7 billion in fiscal 2022. This spending included a net \$4.5 billion in deficiency appropriations, including \$3.7 billion in federal funds reflecting additional stimulus aid along with funding for SNAP assistance and other entitlement programs. General fund deficiencies added \$612.7 million to the working appropriation, nearly half of which was for employee compensation enhancements discussed in greater detail later in this section. An additional \$100 million was allocated to the Dedicated Purpose Account (DPA) to support multi-year expenditures associated with addressing statewide cybersecurity concerns. The budget also included \$350 million in contingent general fund reductions recognizing the availability of federal stimulus funds to support public safety salaries in fiscal 2022, along with \$33 million in planned general fund reversions attributable to the availability of enhanced federal matching funds and other carryover savings from the Medicaid and Maryland Developmental Disabilities Administration programs, in addition to \$35.0 million in unspecified reversions.

The fiscal 2023 budget plan proposed \$58.0 billion in total spending, reflecting a \$3.3 billion (5.4%) decrease from the fiscal 2022 spending plan. The net reduction in funding for the total budget masked significant change among the different funds, as general fund spending increased by \$4.6 billion (21.9%) due to a \$2.4 billion mandatory appropriation to the Rainy Day Fund and the need to backfill the loss of temporary federal aid. Absent the appropriation to the Rainy Day Fund, general fund growth was limited to 13.3%. The increase in general funds was outweighed by the loss of \$7.8 billion in federal funds, a 30.6% decrease in the total federal fund appropriation for the State, although the Governor's allowance included no appropriations from the Infrastructure Investment and Jobs Act, which is expected to provide the State with more than \$2.8 billion in new funding over the next five years.

The Administration's budget plan included a proposed tax and fee relief package consisting of two pieces of legislation impacting fiscal 2023 revenues. The plan assumed the combined loss of \$224 million in general fund revenues in fiscal 2023. As introduced, fiscal notes for the bills estimated that the total revenue loss would grow to over \$1.0 billion by fiscal 2027.

As introduced, the budget met the primary SAC spending goals by providing a \$583.7 million closing general fund balance and the equivalent of 15.9% of general fund revenues in the Rainy Day Fund. The Governor’s allowance also maintained structural balance by leaving an estimated surplus of \$289 million. **Exhibit A-1.3** details the Governor’s original general fund spending plan for fiscal 2022 and 2023.

Exhibit A-1.3
Governor’s Budget Plan – General Funds
Fiscal 2022-2023
(\$ in Millions)

	<u>2022</u>	<u>2023</u>
Opening Balance	\$3,239.1	\$3,724.0
BRE Revenues	21,591.5	22,789.0
Retirement Tax Elimination Act – <i>Senate Bill 405 (Ch.4)/House Bill 420</i>	0.0	-188.0
Business Filing Fee – <i>Senate Bill 403/House Bill 409 (both failed)</i>	0.0	-36.0
Additional Revenues	19.1	40.5
Subtotal	\$21,610.6	\$22,605.5
Appropriations/Deficiencies	\$21,544.3	\$25,780.9
Back of the Bill Reductions	-350.0	0.0
Reversions	-68.6	-35.0
Subtotal	\$21,125.7	\$25,745.9
Adjusted Closing Balance	\$3,724.0	\$583.7

BRE: Board of Revenue Estimates

Source: Maryland Budget Highlights, Fiscal 2023

Legislative Consideration of the Budget

Following submission of the budget in January 2022, the Governor submitted five supplemental budgets adding about \$4.4 billion, including nearly \$2.3 billion in general fund spending of which \$1.2 billion was supported by fund balance transfers from the Rainy Day Fund. Approximately \$1.3 billion of the supplemental funding recognized additional federal stimulus funds, over half of which was provided for local school systems. In recognition of strong year-to-date revenue collections and upward adjustments for both wage and non-wage income growth, BRE revised its fiscal 2022 and 2023 general fund revenue estimates upward by a combined \$1.6 billion across the two fiscal years. Legislative actions resulted in \$102.8 million in federal fund reductions to the working appropriation and a net increase of \$18.4 million in general

fund spending to the fiscal 2023 budget, as funds were added to the legislative and judicial budgets to support implementation of legislation.

Legislative initiatives enacted during the 2022 session reduced general fund revenues available to support the operating budget by more than \$1.2 billion. Modifications to the State's tax structure enacted in response to the Administration's tax relief package reduce general fund revenues by approximately \$351 million in fiscal 2023; these modifications include an income tax credit for many retirees, a work opportunity tax credit for employers who hire individuals with barriers to employment, sales tax exemptions related to a variety of child and health care expenses, and other miscellaneous tax relief. Additionally, *House Bill 1450 (Ch. 33)* alters the distribution of certain sales tax revenues between the General Fund and the Blueprint for Maryland's Future Fund, adding \$46.9 million in general fund revenues in fiscal 2022 but diverting \$800 million of fiscal 2023 revenues to the Blueprint Fund to cover the out-year costs of the Blueprint implementation. *Senate Bill 744 (passed)* directs an additional \$30 million to the Rental Housing Fund to increase and preserve rental housing throughout the State. *House Bill 897 (Ch. 61)* authorizes the Maryland Stadium Authority to issue bonds for a variety of projects, which reduces revenues by an estimated \$24.6 million in fiscal 2023 to cover the debt service costs. In sum, these actions leave an estimated closing general fund balance of \$4.6 billion in fiscal 2022 and \$219 million in fiscal 2023, as seen in **Exhibit A-1.4**.

Exhibit A-1.4
Final Legislative Budget Action – General Funds
Fiscal 2022-2023
(\$ in Millions)

	<u>2022</u>	<u>2023</u>
Opening Balance	\$3,239	\$4,634
BRE Revenues	\$22,459	\$23,526
Tax Relief		-351
Reserve for Future Blueprint Costs	47	-800
Reserve for Rental Housing Loan Program Fund		-30
Transfers		1,266
Additional Revenues/Other Legislation	19	-1
Subtotal	\$22,525	\$23,610
Appropriations/Deficiencies	\$21,544	\$25,780
Back of the Bill Reductions	-350	
Supplemental Budgets	4	2,271
Legislative Additions		43
Legislative Reductions		-24
Reversions	-69	-45
Subtotal	\$21,130	\$28,025
Adjusted Closing Balance	\$4,639	\$219

BRE: Board of Revenue Estimates

Source: Department of Legislative Services

Exhibit A-1.5 provides a summary explanation for how the \$6.1 billion in general fund surplus, after accounting for the BRE revenue adjustments in December 2021 and March 2022, was allocated by the legislature during consideration of the fiscal 2023 budget.

Exhibit A-1.5
Where Did the Surplus Go?
(\$ in Millions)

Surplus

Fiscal 2022 surplus when budget was submitted minus deficiencies	\$3,961
December Board of Revenue Estimates adjustment for fiscal 2023	541
March Board of Revenue Estimates adjustment for fiscal 2022 and 2023	1,604
Total	\$6,106

Uses

PAYGO capital funded in fiscal 2023	\$2,047
Raise Rainy Day Fund balance to 10%	1,293
Transfer funds to Blueprint for Maryland’s Future Fund for future Blueprint costs	800
Employee compensation (salary enhancements/bonuses in fiscal 2022 and 2023)	645
Tax relief	350
Legislative priorities funded in supplemental budget	558
<i>4% provider rate increase (\$110)</i>	
<i>COVID-19 recovery assistance for health care providers (\$90)</i>	
<i>Arts and tourism grants (\$50)</i>	
<i>Increase cash assistance benefits by \$45 per month per person (\$35)</i>	
<i>Autism waiver (\$30)</i>	
<i>Victims of crime assistance (\$35)</i>	
<i>Expand Medicaid dental benefits to adults (\$26)</i>	
<i>Western Maryland Economic Future Investment Program (\$20)</i>	
<i>Other (\$162)</i>	
Cybersecurity	200
Expand capacity to serve people experiencing a mental health crisis	35
Other	109
Fencing for legislative priorities (cannabis, paid family leave, climate solutions, etc.)	69
Total	\$6,106

PAYGO: pay-as-you-go

Source: Department of Legislative Services

Supplemental Budgets and Funding Legislative Priorities

As shown in **Exhibit A-1.6**, the five supplemental budgets submitted by the Governor added close to \$4.4 billion in funding, almost evenly split between general and federal funds. Of the \$2.3 billion in additional general fund appropriations, approximately \$1.7 billion was for one-time expenditures, consistent with the SAC recommendation to limit the spending impacts on the structural outlook. **Exhibit A-1.7** provides a summary of the supplemental spending by purpose.

Exhibit A-1.6 Summary of Supplemental Budgets Spending by Fund (\$ in Millions)

<u>Supplemental Budget</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total</u>
#1	\$69.3	\$-8.6	\$419.2	\$0.6	\$480.5
#2	100.0				100.0
#3	191.5		100.2		291.7
#4	1,194.8	131.9	1,471.7	26.6	2,825.0
#5	719.8	-100.0	51.4		671.2
Total	\$2,275.4	\$23.2	\$2,042.6	\$27.2	\$4,368.4

Source: Department of Legislative Services

Exhibit A-1.7 Summary of Supplemental Budgets Spending by Purpose (\$ in Millions)

	<u>General</u>	<u>Special</u>	<u>Federal</u>
PAYGO for General Assembly	\$800.0		
Legislative operating budget priorities (items previously fenced)	547.8		\$100.2
Administration PAYGO includes UMMS Comprehensive Cancer Center (\$75) and UMMS Capital Region Oncology Center (\$27)	248.8		154.7
Education effort adjustment	125.5		
Cybersecurity/major IT	100.0		

	<u>General</u>	<u>Special</u>	<u>Federal</u>
Reinsurance fund balance directed to Medicaid		\$100.0	
30-day motor fuel tax holiday	100.0		
Rural Maryland Economic Development Program	50.0		
MEMSOF	21.1	-11.1	
Rental housing grants (PAYGO)	50.0		
Expand capacity for individuals experiencing mental health crisis	35.0		
DPSCS salaries and U.S. Department of Labor audit	30.0		
Need-based financial aid (USM, MSU, SMCM)	22.0		
Bonuses for child care providers	16.0		
Child Care Capital Support Revolving Loan Fund	15.0		
Stem cell research fund	10.5		
Cancer research grants to academic health centers	10.0		
Neighborhood revitalization funding for Prince George's County	20.0		
ARPA funds for school systems			726.5
Other federal stimulus funds			332.9
Federal student meals funding			220.0
Opioid settlement		24.2	
Fund swaps	-45.7	-100	145.7
Other	119.3	10.2	362.6
Total	\$2,275.3	\$23.3	\$2,042.6

ARPA: American Rescue Plan Act

DPSCS: Department of Public Safety and Correctional Services

IT: information technology

MEMSOF: Maryland Emergency Medical System Operations Fund

MSU: Morgan State University

PAYGO: pay-as-you-go

SMCM: St. Mary's College of Maryland

UMMS: University of Maryland Medical System

USM: University System of Maryland

Source: Department of Legislative Services

Recognizing the unique opportunity presented by the availability of a \$6.1 billion cash surplus, the legislature worked with the Administration throughout the course of the 2022 session on the best uses of the funds. Per the agreement between the two branches, over \$1.4 billion of the funding added through supplemental budgets supported legislative priorities, while \$350 million in tax relief was provided and a fund balance in the Rainy Day Fund equal to 10% of general fund revenues was maintained based on the revised March estimate. These priorities, along with \$94.1 million in additional funding restricted by the legislature for priorities not funded by the Governor, are outlined in **Exhibit A-1.8**. The legislature restricted the remaining Rainy Day Fund appropriation above the 10% benchmark to allocate a combined \$69 million toward implementing legislation pertaining to cannabis reform, paid family leave, climate change, and abortion access.

Exhibit A-1.8
Legislative Budget Priorities
(\$ in Millions)

Priorities Funded Through Supplemental Budgets

Shift capital projects proposed by Administration from bonds to cash	\$800.0
4% provider rate increase for nursing homes, Medicaid home- and community-based services, developmental disabilities, behavioral health, and foster care providers	109.9
One-time assistance to hospitals for workforce support	50.0
Apprenticeships	25.0
Arts and tourism grants	50.0
Increase monthly temporary cash assistance and temporary disability assistance grants by \$45 per individual	35.0
Expand Autism waiver to serve about 1,350 children on waitlist	30.0
Expand Medicaid dental coverage to adults (contingent upon enactment of SB 150/HB 6)	26.9
COVID-19 relief for assisted living facilities	20.0
One-time assistance to nursing homes	20.0
Western Maryland Economic Future Investment Program (SB 474/HB 838)	20.0
Restore victim assistance funds for Victims of Crime Act Program	35.0
Historic revitalization tax credit	10.0
Implement strategic plan for the universities at Shady Grove	5.0
Child care funding including stabilization grants, increased rates for providers of therapeutic child care, and scholarship program enhancements	8.9
Provide \$500 bonus to each noncertified education support professional	8.0
Mental Health: 9-8-8 (contingent upon enactment of SB 241/HB 293)	5.0
Allocate funds to the Small, Minority, and Women-Owned Businesses Account for fund managers	4.0
Pediatric cancer research (contingent upon enactment of SB 51 or HB 775)	5.0
Expand Maryland Corps Program	5.0
Loan assistance repayment programs for physicians and nurses	4.0
Nonpublic special education schoolteacher salaries	4.0
Enhanced Alzheimer's services and research	3.5
Establish Maryland State Police gun center (contingent upon enactment of SB 861)	3.4
Grants to violence prevention and interruption organizations	2.5
Formerly Incarcerated Youth Grant Program (contingent upon enactment of SB 904 – <i>failed</i>)	1.2
Baltimore Regional Neighborhood Initiative with \$40K earmarked for Southeast CDC	1.04
Grant to Downtown Partnership of Baltimore, Inc.	1.0
National Capital Strategic Economic Development Fund	1.0

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Treasurer’s Office personnel and salary needs	1.1
State Board of Elections public communications for general election	0.5
Prosecutorial transparency reporting (contingent upon enactment of SB 763/HB 1429)	0.6
State center redevelopment plan	0.5
Parole and probation review of murders of offenders under supervision	0.3
Maryland New Start Act (contingent upon enactment of SB 554/HB 158)	0.2
Disparity grant funding for jurisdictions that experienced decline despite maintaining income tax rates	15.4
Street and sidewalk improvements in Baltimore City to comply with Americans with Disabilities Act	10.0
New unified financial aid system for higher education	8.0
Grants to police departments to acquire license plate readers	5.0
Homeowner Protection Fund	1.3
Learning in extended academic programs	4.5
Local management boards	1.5
Grants to domestic violence centers	3.0
Grant to Center for Neuroscience of Social Injustice at the Kennedy Krieger Institute	2.3
Greater Baltimore Regional Integrated Crisis System	2.0
Grant to Children’s National Hospital	1.5
Funds to initiate Maryland School for the Blind pay plan	1.2
Grants to police departments to coordinate task forces that cross jurisdictional boundaries	1.0
Grant to ROCA for operations outside Baltimore City	1.0
Grant to Vision for Baltimore	1.0
Grant to Thread	0.8
Additional grant to Schaefer Center for Public Policy	0.6
Pride of Baltimore	0.3
Bowie State University to hire a Project Specialist for the Maryland Truth and Reconciliation Commission	0.1
Total funded in Supplemental Budgets	\$1,357.8

Priorities Restricted from Rainy Day Fund Appropriation

Cannabis reform implementation (contingent upon enactment of HB 837 and ratification of a constitutional amendment)	\$46.5
Paid family leave (contingent upon enactment of SB 275/HB 496)	10.0
Climate solutions implementation funding (contingent upon enactment of SB 528)	9.0
Abortion care clinical training care fund (contingent upon enactment of SB 890/HB 937)	3.5
Total Restricted	\$69.0

Priorities Restricted from Agency Budgets

Forgiveness of overpayments to behavioral health providers	\$13.0
Office of Home Energy Programs: assistance with bill payment assistance and arrearages (special funds)	9.3
Grants to business development, youth sports, and cultural programs	1.0
National Center for Victims of Crime	0.8
Grant to Prince George's Financial Services Corporation	0.3
Grant to Employ Prince George's, Inc.	0.3
Play Sports Coalition	0.2
Military Bowl Foundation	0.2
Grant to Visit Baltimore for wayfinding signs	0.1
Total Restricted	\$25.1

Source: Department of Legislative Services

Final Actions Related to SAC

Maintaining Structural Balance: SAC had recommended that the fiscal 2023 general fund budget maintain structural balance. Final revenue and spending actions by the General Assembly resulted in a structural surplus of \$276 million in fiscal 2023. **The structural budget goal for fiscal 2023 was met.**

General Fund and State Reserve Fund Balances: Per the recommendation to maintain a fiscal 2023 cash balance of at least \$200 million, a minimum of 9% balance in the Rainy Day Fund, and direct the use of cash surplus toward one-time investments in capital infrastructure, cybersecurity, and facilities maintenance, legislative action resulted in (1) an estimated closing fund balance of \$219 million; (2) an estimated Rainy Day Fund balance of \$2.4 billion, or 10%, of estimated general fund revenues compared to the revised March 2022 revenue estimate; and (3) allocated over \$2.0 billion in general fund PAYGO toward capital investments, \$210 million toward cybersecurity, and over \$200 million toward facilities renewal and deferred maintenance. **Final action on the budget met the SAC recommendation to maintain at least a \$200.0 million general fund balance in addition to a balance in the Rainy Day Fund of 9% of estimated general fund revenues.**

State Employment: In response to the recommendation acknowledging the challenges of recruiting and retaining State employees, the budget approved by the legislature includes \$832 million for the following salary actions:

- a 1% COLA, increments, and a \$1,500 bonus effective January 1, 2022, for positions represented by Maryland Professional Employees Council, American Federation of Teachers, and non-represented positions;

- a 2% COLA, increments, and a \$1,000 bonus for positions represented by American Federation of State, County and Municipal Employees (AFSCME) effective January 1, 2022. AFSCME members who were part of a grievance with the State over pandemic pay also received a \$2,500 bonus as part of a settlement agreement;
- a 3% COLA and increments for all employees except for those represented by the State Law Enforcement Officers Labor Alliance (SLEOLA) effective July 1, 2022;
- a 7% COLA and increments for SLEOLA-represented employees effective July 1, 2022; and
- funding for Annual Salary Reviews (ASR) for several high-vacancy job classes and additional funding for continued pandemic response pay.

The approved budget also includes \$25 million in funding for apprenticeship programs. The budget committees also directed the Maryland Department of Labor to establish workgroups to study public safety, health, and transportation vacancies in State employment and the potential for the creation of apprenticeship programs to assist in recruiting for the State workforce. **The personnel goals for fiscal 2023 were met.**

Outlook for Future Budgets

As shown in **Exhibits A-1.9**, fiscal 2023 is projected to end with a fund balance of \$219 million. In fiscal 2023, ongoing revenues exceed ongoing spending by \$276 million. This structural surplus grows in every year but fiscal 2026 and is projected to reach \$729 million by fiscal 2027. Between fiscal 2023 and 2027, ongoing revenues are projected to grow at an average annual rate of 3.4%, while ongoing spending is projected to grow at an average annual rate of 3.0%.

Legislation passed during the 2022 session decreases revenues by \$3.9 billion and increases spending by \$1.54 billion (excluding the effect of HB 1450 which reduces general fund spending by \$1.03 billion over fiscal 2026 to 2027) for the five-year period ending with fiscal 2027. Legislation affecting revenues with a projected five-year impact of \$50 million or more includes:

- **Senate Bill 405/House Bill 1468 (Chs. 3 and 4)** create a nonrefundable credit against the State income tax for a resident (1) who is at least age 65 and (2) whose federal adjusted gross income does not exceed \$100,000 (\$150,000 if married filing jointly). The amount of the tax credit is equal to (1) \$1,000 for an individual or if only one of the individuals filing a joint return is an eligible individual; and (2) \$1,750 if married filing jointly and both individuals are at least age 65. The bill also expands the State subtraction modification for retired law enforcement; correctional officer; and fire, rescue, and emergency services personnel. Under the Acts, general fund revenues decrease annually between \$291 million in fiscal 2023 and \$332 million in fiscal 2027.

- **House Bill 1450 (Ch. 33)** alters the distribution of certain sales and use tax revenues to the Blueprint for Maryland's Future Fund. By June 2023, the Comptroller must distribute \$800 million in income tax revenues to the Blueprint Fund. Under Chapter 33, general fund revenues decrease by \$800 million in fiscal 2023 and by approximately \$100 million annually in fiscal 2024 through 2027 while Blueprint revenues increase by a corresponding amount.
- **House Bill 1187 (passed)** increases the amount of funds from the Gasoline and Motor Vehicle Revenue Account (GMVRA) that the Maryland Department of Transportation (MDOT) must annually provide to local governments beginning in fiscal 2024. Additionally, also beginning in fiscal 2024, the bill increases (1) the portion of the corporate income tax revenue that must be distributed to a special fund for distribution to GMVRA and an administrative cost account within the Comptroller's Office; and (2) the portion of that special fund that must be distributed to the administrative cost account. Under the bill, general fund revenues decrease by \$52 million in fiscal 2024, \$73 million in fiscal 2025, \$97 million in fiscal 2026, and \$104 million in fiscal 2027.
- **House Bill 897 (Ch. 61)** authorizes the Maryland Stadium Authority (MSA) to issue up to \$200.0 million in bonds for "sports entertainment facilities," and up to \$400.0 million in bonds for Prince George's County Blue Line Corridor facilities, subject to specified requirements. The Act establishes three funds and the Major Sports and Entertainment Event Program in MSA, along with a bus rapid transit system grant program in MDOT, all of which are funded by State Lottery Fund distributions. The Act also exempts construction material purchased for specified projects from the sales and use tax, subject to specified requirements. Finally, the Act establishes reporting requirements and legislative intent relating to Laurel Park and Pimlico racing facilities. Under Chapter 61, general fund revenues decrease by \$25 million in fiscal 2023 with the annual loss increasing gradually to \$77 million by fiscal 2027.
- **House Bill 896 (Ch. 60)** increases the amount of taxable or tax-exempt bonds that MSA may issue for sports facilities at Camden Yards to \$1.2 billion, split evenly between the football and baseball stadiums (and the sports facilities directly related to their operation), and specifies renovation as an additional purpose. The Comptroller must distribute up to \$90.0 million (instead of up to \$20.0 million) annually from State lottery revenues to the Maryland Stadium Facilities Fund. Under Chapter 60, general fund revenues decrease by \$16 million in fiscal 2024, \$32 million in fiscal 2025, \$48 million in fiscal 2026, and \$64 million in fiscal 2027.
- **Senate Bill 598/House Bill 2 (Chs. 5 and 6)** create a nonrefundable credit against the State income tax for up to 50% of the federal Work Opportunity Tax Credit claimed by an employer with respect to a qualified individual who is employed in the State. Under Chapters 5 and 6, general fund revenues decrease annually between \$21 million in fiscal 2023 and \$24 million in fiscal 2027.

- **House Bill 1179 (passed)** increases the lottery agent sales commission from 5.5% to 6.0% of gross lottery sales. Under the bill, general fund revenues decrease annually between \$10 million in fiscal 2023 and \$15 million in fiscal 2027.
- **Senate Bill 316/House Bill 282 (Chs. 7 and 8)** exempt from the State sales and use tax the sale of the following items: diapers, baby bottles, baby bottle nipples, and infant car seats. Under Chapters 7 and 8, general fund revenues decrease by \$10 million in fiscal 2023 and by \$11 million annually between fiscal 2024-2027.

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

- **House Bill 1450 (Ch. 33)** alters the distribution of certain sales and use tax revenues to the Blueprint for Maryland's Future Fund. The availability of additional revenue to Blueprint permits the fund to support Blueprint implementation costs in fiscal 2026, fiscal 2027, and subsequent years that otherwise would have been assumed by the general fund. Under Chapter 33, general fund spending decreases by \$260 million in fiscal 2026 and \$770 million in fiscal 2027.
- **Senate Bill 150/House Bill 6 (both passed)** require Medicaid, beginning January 1, 2023, to provide dental services, including diagnostic, preventive, restorative, and periodontal services, for adults with household incomes up to 133% of the federal poverty level. Under the bills, general fund spending increases annually between \$53 million and \$55 million from fiscal 2024 through 2027. Funding is included in the fiscal 2023 budget to initiate the program.
- **House Bill 1290 (Ch. 32)** generally implements the recommendations of the Workgroup on the Assessment and Funding of School Facilities, including changes to State funding levels for school construction, State/local cost-share formulas, school construction project approval requirements, and the implementation of and use of data from the ongoing statewide school facility assessment. Under Chapter 32, mandated general fund spending on school construction programs increases by \$70 million in fiscal 2024 and by \$60 million annually in fiscal 2025 and 2026.
- **Senate Bill 541 (Ch. 39)** makes various changes to State law affecting the Maryland Park Service, parks and forests in the State, land conservation, and State lakes, relating to (1) funding for parks, land conservation, State lakes, and forest-related purposes; (2) parks staff and volunteers; (3) management of parks and park infrastructure; and (4) new parks/amenities and other considerations. Under Chapter 39, general fund spending increases by \$132 million in fiscal 2024 and decreases between \$3 million and \$4 million annually from fiscal 2025-2027.
- **Senate Joint 4/House Joint 3 (JR. 2 and 3)** proposed that judicial salaries increase for fiscal 2023 through 2026, pursuant to the recommendation of the Judicial Compensation

Commission. Salaries recommended by the commission automatically took effect 50 days after introduction of the resolutions since they were not amended by the General Assembly. Under the resolutions, general fund spending increases by \$12 million in fiscal 2024, \$18 million in fiscal 2025, and by \$24 million annually in fiscal 2026 and 2027. The fiscal 2023 budget includes \$5.9 million to begin implementation of the recommendations.

- **House Bill 413 (Ch. 59)** extends the existing State health insurance provider fee assessment through calendar 2028 to assist in the continued stabilization of the individual health insurance market. Chapter 59 increases general fund costs for Medicaid as managed care organizations are required to pay the fee. General fund spending for Medicaid increases by \$11 million in fiscal 2024 and by approximately \$22 million annually in fiscal 2025 to 2027.
- **Senate Bill 289/House Bill 27 (both passed)** alter the Historic Revitalization Tax Credit Program by (1) extending through fiscal 2031 the termination date of the program; (2) requiring the Governor to provide a minimum appropriation to the existing commercial credit program and small commercial project trust account established by the bill; and (3) increasing the maximum value of the commercial tax credit. The bills also create an enhanced enterprise zone property tax credit for certain properties that can be claimed over a 13-year period. Under the bills, general fund spending increases by \$10 million in fiscal 2024 and by \$22 million annually between fiscal 2025-2027.
- **House Bill 1080 (Ch. 28)** requires Medicaid, subject to the limitations of the State budget, to provide comprehensive medical care and other health care services to noncitizen pregnant women who would be eligible for Medicaid but for their immigration status and to their children up to the age of one. The Maryland Department of Health (MDH) must apply for a waiver from the federal Centers for Medicare and Medicaid Services that maximizes federal funding and the individuals who would be eligible for Medicaid under the bill. Under Chapter 28, general fund spending increases by \$15 million annually between fiscal 2024 to 2027.
- **House Bill 734 (Ch. 23)** (1) changes eligibility for the Guaranteed Access Grant under the Delegate Howard P. Rawlings Educational Excellence Awards Program and extends eligibility for services through a related program; (2) authorizes a private career school to award scholarships under the Edward T. and Mary A. Conroy Memorial Scholarship Program and the Jean B. Cryor Memorial Scholarship Program; (3) expands the eligibility requirements for the Veterans of the Afghanistan and Iraq Conflicts Scholarship to include the stepchildren of specified qualified individuals; (4) expands the focus of the near completer communication campaign; and (5) makes a technical change to the 2+2 Scholarship Program. Beginning in fiscal 2024, the Act establishes minimum mandated appropriations for three programs and increases an existing mandated appropriation for another program. Under Chapter 23, general fund spending increases by \$14 million annually between fiscal 2024 through 2027.

- Senate Bill 812/House Bill 1346 (both passed)** significantly expand and enhance the State’s regulatory framework for State and local government cybersecurity. The Governor must include an appropriation in the annual budget bill in an amount necessary to cover the costs of implementing a required statewide cybersecurity strategy without the need for the Department of Information Technology to operate a charge-back model for cybersecurity services provided to units of State and local government. For fiscal 2023, funds may be transferred by budget amendment from DPA to implement the bill. Under the bills, general fund spending increases by \$8 million in fiscal 2024, \$18 million in fiscal 2025, \$9 million in fiscal 2026, and \$19 million in fiscal 2027.
- Senate Bill 228 (Ch. 37)** makes significant changes to the Maryland Corps Program, including allowing participants to transition to the workforce (as well as to an institution of higher education). Under the restructured Maryland Corps Program, in addition to other specified expenses, program funding is to be used to (1) expand the Chesapeake Conservation Corps and the Maryland Conservation Corps; and (2) create a Maryland Civilian Climate Corps and a Maryland Historic Trades Corps. The Governor must appropriate the following amounts to the Maryland Corps Program Fund: \$5 million in fiscal 2024; \$10 million in fiscal 2025; \$15 million in fiscal 2026; and \$20 million in fiscal 2027 and each fiscal year thereafter.

Exhibit A-1.9
General Fund Budget Outlook
Fiscal 2023-2027
(\$ in Millions)

	Leg. Approp. 2023	2024	2025	2026	2027	Avg. Annual Change 2023-2027
Revenues						
Opening Fund Balance	\$4,634	\$219	\$0	\$0	\$0	
Transfers	1,166	231	15	129	0	
One-time Revenues	100	0	0	0	0	
One-time Revenues – Legislation	-830	-15	-1	0	0	
Subtotal One-time Revenue	\$5,070	\$435	\$14	\$129	\$0	
Ongoing Revenues	23,566	24,706	25,577	26,364	27,298	
Revenue Adjustments – Legislation	-393	-590	-639	-727	-766	
Subtotal Ongoing Revenue	\$23,174	\$24,116	\$24,937	\$25,637	\$26,531	3.4%
Total Revenues and Fund Balance	\$28,244	\$24,551	\$24,952	\$25,766	\$26,531	-1.6%

	Leg. Approp. <u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	Avg. Annual Change <u>2023-2027</u>
Ongoing Spending						
Operating Spending	\$22,822	\$23,360	\$23,958	\$25,019	\$26,251	
Ongoing (Reductions)/Additions	42	22	23	23	24	
Ongoing Spending – Legislation	33	219	260	8	-483	
Subtotal Ongoing Spending	\$22,898	\$23,602	\$24,240	\$25,050	\$25,792	3.0%
One-time Spending	\$5,127	\$949	\$712	\$717	\$623	
Total Spending	\$28,025	\$24,551	\$24,952	\$25,766	\$26,415	-1.5%
Ending Balance	\$219	\$0	\$0	\$0	\$117	
Rainy Day Fund Balance	\$2,350	\$2,130	\$2,136	\$2,028	\$2,048	
Balance over 5% of General Fund Revenues	1,174	927	893	750	726	
As % of General Fund Revenues	10.2%	8.9%	8.6%	7.9%	7.7%	
Structural Balance	\$276	\$514	\$697	\$587	\$740	

Source: Department of Legislative Services

Selected Budgetary Initiatives and Enhancements

Education

State funding for education, including higher education, increases by over \$1.2 billion in fiscal 2023, despite total funding decreasing by \$1.9 billion compared to the adjusted working appropriation. The net decrease across all funds is reflective of the considerable amount of federal stimulus aid budgeted for local school systems in the current fiscal year that does not carryforward into the fiscal 2023 budget.

Education – Primary and Secondary

State aid for education and libraries grows by \$571.4 million, or 7.7%, providing local school systems with nearly \$8.0 billion in funding for the upcoming fiscal year. Fiscal 2023 was the first year of full implementation of formulas enacted in Chapters 36 and 55 of 2021, which increases mandated per pupil allocations; however, growth in the funding formulas was somewhat mitigated by lower than anticipated enrollment due to the continuing impacts of the COVID-19 pandemic. Changes in funding for State aid programs funded with the Blueprint for Maryland's

Future Fund result in an overall increase of nearly \$240 million, or 37.7%, from that fund and over \$300 million in additional spending across all Blueprint purposes.

Supplemental budgets added over \$1.3 billion in spending for primary and secondary education across fiscal 2022 and 2023, including over \$800 million in federal stimulus aid to be passed through to local schools. The \$205 million in additional general funds provided through supplemental budgets primarily supported the \$125 million appropriation for the Education Effort Adjustment and \$14 million in other Blueprint initiatives not funded in the Governor’s allowance, but also included over \$50 million in funding for legislative priorities to expand the Autism waiver program by 1,350 slots, provide compensation enhancements for nonpublic and noncertified education staff, and expand the LEAP program. The fiscal 2023 budget also includes approximately \$255.7 million in total funds (\$96.4 million in general funds) to help families access child care services, mainly through the Child Care Scholarship program, and to support the child care industry.

Additional discussion of funding for primary and secondary education is found in Part L – Education of this *90 Day Report*.

Education – Higher Education

Excluding general fund PAYGO, State support for public four-year higher education institutions and BCCC in fiscal 2023 increases by \$370.4 million, or 21.0%, compared to the fiscal 2022 working appropriation adjusted for statewide personnel increases, deficiency appropriations, supplemental appropriations, and funds included in the DPA. The largest portion of this increase supports statewide personnel adjustments (\$138.0 million) across the institutions and fully restoring funding that was reduced in a fiscal 2021 Board of Public Works action for the University System of Maryland (\$93.8 million). Additional increases are related to mandated funding, the largest of which is due to Chapters 41 and 42 of 2021 for the Historically Black Colleges and Universities (\$37.5 million). Supplemental Budgets No. 1 and No. 4 provided a combined \$27.2 million for the institutions, the largest component of which is \$22.0 million for additional financial support for the public four-year institutions. Supplemental Budget No. 5 includes \$5.6 million in the DPA for legislative priorities at three institutions, the largest of which is \$5.0 million to assist in the implementation of the new strategic plan at the Universities of Shady Grove. Additional discussion of Higher Education funding is found in Part L – Education of this *90 Day Report*.

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 1.6 million Marylanders. As shown in **Exhibit A-1.10**, the fiscal 2023 Medicaid budget grew by \$313.4 million in total funds over the fiscal 2022 working appropriation after accounting for additional rate increases and other legislative priorities appropriated through supplemental budgets.

Exhibit A-1.10
Medicaid and MCHIP Budget Summary
Fiscal 2021-2023
(\$ in Millions)

	Actual <u>2021</u>	Working <u>2022</u>	Legislative Appropriation <u>2023</u>	Amt. Change <u>2022-2023</u>	% Change <u>2022-2023</u>
General Funds	\$3,207.3	\$3,854.8	\$4,740.1	\$885.2	23.0%
Special Funds	1,025.7	824.6	754.5	-70.1	-8.5%
Federal Funds	8,365.2	8,947.0	8,445.2	-501.8	-5.6%
Total Funds	\$12,598.2	\$13,626.4	\$13,939.8	\$313.4	2.3%

MCHP: Maryland Children's Health Plan
 Medicaid: Medical Assistance Program

Note: Includes Medicaid spending for behavioral health services, with exception to the Administrative Services Organization contract for \$14.5 million (\$7.3 million in general funds and \$7.2 million in federal funds) in fiscal 2021 and \$26.0 million (\$12.2 million in general funds and \$13.9 million in federal funds) in fiscal 2022 and 2023. A fiscal 2022 deficiency for service year 2021 behavioral health claims is included in fiscal 2021 actual expenditures, accounting for \$338.8 million in total funds (\$111.7 million in general funds and \$227.2 million in federal funds).

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

General fund support for Medicaid and MCHIP grew substantially compared to the 2.3% total fund growth as general fund spending in fiscal 2023 grows by \$885.2 million (23.0%) over fiscal 2022, mainly to backfill enhanced federal matching funds provided during the COVID-19 national public health emergency. The Families First Coronavirus Response Act provided a 6.2 percentage point increase on the Federal Medical Assistance Percentage (FMAP) for Medicaid and a 4.34 percentage point increase on the FMAP for MCHIP through the quarter in which the public health emergency ends. Based on the current end date for the national public health emergency in mid-April, the enhanced FMAP is expected to continue through the end of fiscal 2022. Across MDH, the fiscal 2022 working appropriation recognizes a total of \$568.5 million in estimated federal fund claiming attributed to the COVID-19 enhanced FMAP. General fund spending therefore increases in fiscal 2023 to backfill the one-time federal aid.

Fiscal 2023 general fund spending also increases by \$85.9 million for behavioral health provider reimbursements. The budget as introduced recorded these reimbursements as special fund revenue from anticipated recoupments of provider overpayments; however, Supplemental Budget No. 5 implemented a fund swap, reflecting an accounting change related to the provider recoupments. Under this fund swap, general funds were added and an equivalent amount of special

funds were removed (an additional portion of the fund swap occurred in the Behavioral Health Administration Community Services budget). The supplemental budget also included the assumption of \$100 million of general fund revenue representing those anticipated fiscal 2023 recoupments completing the accounting change for the recoupments.

Provider Rate Increases and Other Program Expansion

The largest driver of net growth in the fiscal 2023 Medicaid budget is a \$497.2 million increase in total funds for various provider rate increases. **Exhibit A-1.11** outlines fiscal 2023 rate changes by service or provider type. As introduced, the budget fully funded mandated provider rate increases in accordance with Chapters 10 and 11 of 2019. Supplemental Budget No. 3 also added \$127.2 million in total funds to provide an additional 4% rate increase to Medicaid providers receiving mandated rate increases. Other discretionary rate increases included \$68.5 million to raise physician evaluation and management (E&M) fees to 100% of Medicare rates and \$19.6 million to be allocated across all dental services rates. MDH has typically maintained E&M fees at a minimum of 93% of Medicare rates in recent years.

Exhibit A-1.11 Medicaid Provider Rate Changes Fiscal 2023 (\$ in Millions)

	<u>Rate Change</u>
Managed care organization calendar 2022 (2.7%)	\$140.6
Nursing homes (8%)	107.5
Behavioral health services (7.25%)	82.4
Physician evaluation and management (rising to 100% of Medicare)	68.5
Community First Choice (8%)	33.2
Dental services	19.6
Hospital inpatient and outpatient services	17.2
Medical day care (8%)	10.8
Private duty nursing (8%)	9.2
Durable Medical Equipment (restore to 85% of Medicare)	5.2
Home- and community-based services (8%)	2.1
Personal Care (8%)	0.9
Rare and expensive case management services (4%)	0.1
Total	\$497.2

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

In addition to significant provider rate increases, the fiscal 2023 budget grows due to the following expansions of Medicaid programs and services.

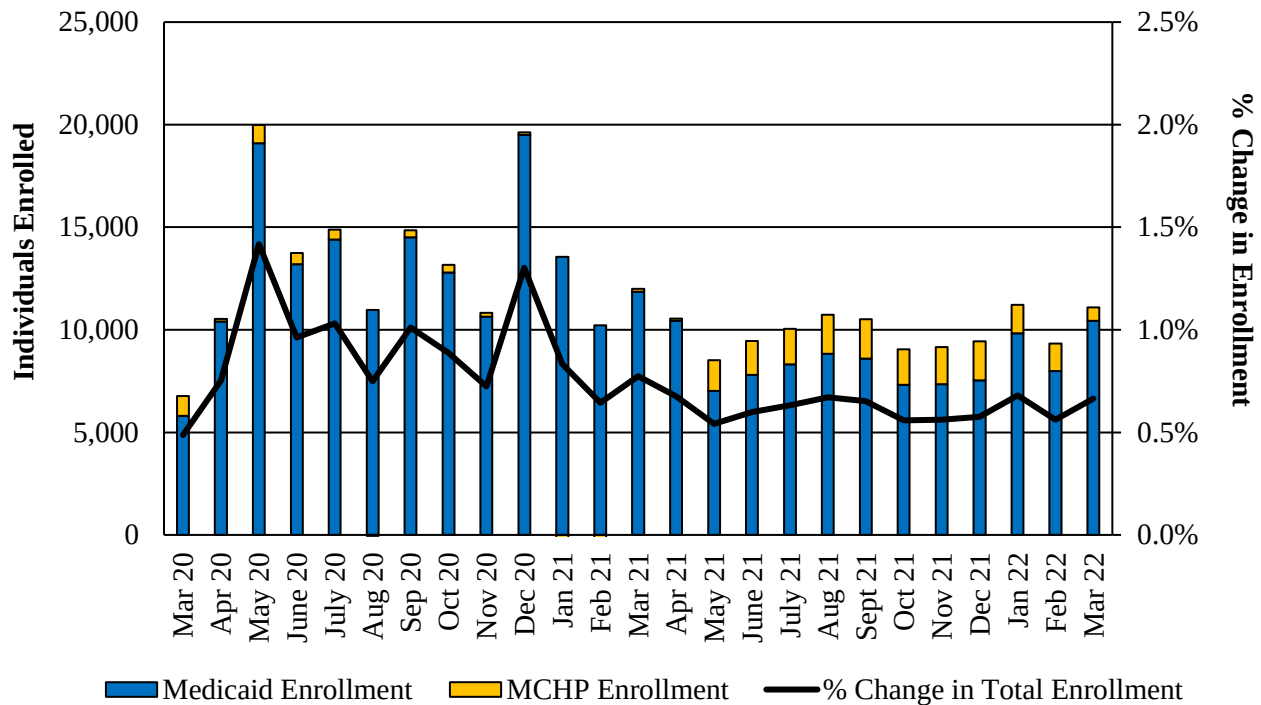
- Supplemental Budget No. 5 appropriated \$82.3 million in total funds to expand Medicaid dental coverage to eligible adults. The legislature reduced this appropriation by \$6 million to a total of \$76.3 million based on updated spending projections. This funding was contingent on enactment of [*Senate Bill 150/House Bill 6 \(passed\)*](#), which are discussed in further detail in the “Public Health” subpart within Part J – Health and Human Services of this *90 Day Report*.
- Under the Home and Community-based Options Waiver program (Community Options Waiver), \$12.6 million was allocated to support 400 additional slots in fiscal 2023. MDH also plans to fill six vacant positions to aid the program in filling slots efficiently, considering there were over 21,000 individuals on the Community Options Waiver registry as of November 5, 2021.
- Effective January 1, 2022, as part of the five-year renewal of MDH’s HealthChoice Waiver program, the statewide Assistance in Community Integration Services (ACIS) pilot program expanded from 600 to 900 slots. As a result, fiscal 2023 ACIS program expenditures increase by \$4.8 million compared to fiscal 2022.
- The fiscal 2023 budget allocated \$4.6 million to expand Employed Individuals with Disabilities program eligibility by removing the current income threshold at 300% of federal poverty guidelines, among other changes to income and asset requirements.

Enrollment

Since the onset of the COVID-19 pandemic, Medicaid and MCHP enrollment has grown to record high levels, largely due to the economic impacts of the pandemic causing higher need and the suspension of eligibility redeterminations throughout the national COVID-19 state of emergency, which is a condition of receiving the enhanced federal matching funds.

As shown in **Exhibit A-1.12**, month-over-month Medicaid enrollment grew rapidly after March 2020, averaging 13,075 new enrollees per month between March 2020 and March 2021. However, while enrollment growth has leveled off slightly since then with an average of 9,925 new enrollees per month between April 2021 and March 2022, net enrollment growth remains slightly elevated as individuals are not being disenrolled.

Exhibit A-1.12
Month-over-month Change in Medicaid and MCHP Enrollment
March 2020-March 2022



MCHP: Maryland Children's Health Program
 Medicaid: Medical Assistance Program

Source: Maryland Department of Health; Department of Legislative Services

Overall Medicaid enrollment is expected to decline by approximately 3.4% in fiscal 2023 as MDH resumes eligibility redetermination. States are eligible for the enhanced FMAP through the quarter in which the COVID-19 public health emergency ends, and therefore would not resume redeterminations until the following quarter. The budget assumes that the national COVID-19 public health emergency ends in mid-April as currently scheduled and that redeterminations resume in the beginning of fiscal 2023.

Personnel

Employee costs total \$10.2 billion in fiscal 2023 and represent 17% of the State budget. The fiscal 2023 budget included funding for a 1% general salary increase, increments, and one-time bonuses effective January 1, 2022, for most State employees, as well as 3% increases and increments effective July 1, 2022. In fiscal 2023, personnel costs increase by \$446 million, or

4.6%, from the fiscal 2022 working appropriation (including deficiency funding). The increase is primarily due to the annualization of statewide salary actions effective in January 2022 as well as actions effective in July 2022.

Employee Compensation

The fiscal 2023 budget, as introduced, provided \$832.5 million in funding for various statewide salary actions across fiscal years 2022 and 2023. In addition to the general increases and bonuses noted above, funding was also provided for bonuses for correctional officers (\$13.5 million) and ASR (\$11.3 million). Supplemental budgets provided an additional \$8.4 million in funds for spending related to the AFSCME settlement over a pandemic pay grievance with the State and additional ASRs for three high-vacancy classes.

Pension Funding

Retirement contributions increase by \$31.9 million in fiscal 2023, or 2.9%, due to a combination of a change in assumptions made about future returns and increasing payroll, offset by large fiscal 2021 returns and a Board of Trustees decision to recognize a portion of the returns earlier than is typical. The fiscal 2023 budget fully funds the State's actuarially required contribution and provides an additional \$100 million of supplemental contributions.

Retiree Prescription Drug Coverage

Fiscal 2023 includes funding to continue State prescription drug coverage for Medicare-eligible retirees, as a pending lawsuit has delayed transition of coverage to Medicare Part D.

Workforce Changes

The State workforce increases by 227 regular positions from fiscal 2022 to 80,904 regular positions in fiscal 2023, as shown in **Exhibit A-1.13**. The budget as introduced by the Administration funded 80,718 positions. Supplemental budgets created 119 new positions. Legislative action on the budget added 41 positions for the Judiciary and 26 positions for the Department of Legislative Services.

Exhibit A-1.13
Regular Full-time Equivalent Position Changes
Fiscal 2022-2023

<u>Department/Service Area</u>	<u>2022 Working Appropriation</u>	<u>2023 Allowance</u>	<u>Supplemental Budget</u>	<u>Legislative Changes</u>	<u>2023 Legislative Appropriation</u>
Largest Six State Agencies					
Public Safety and Correctional Services	9,229	9,217	0	0	9,217
Transportation	9,058	9,058	0	0	9,058
Human Services	5,991	5,971	0	0	5,971
Health	6,370	6,335	2	0	6,337
State Police	2,506	2,506	4	0	2,510
Juvenile Services	1,996	2,167	0	0	2,167
Subtotal	35,149	35,253	6	0	35,259
Other Executive					
Legal (Excluding Judiciary)	1,493	1,494	6	0	1,500
Executive and Administrative Control	1,603	1,659	3	0	1,662
Financial and Revenue Administration	2,115	2,116	40	0	2,156
Budget and Management and DoIT	505	507	0	0	507
Retirement	188	187	0	0	187
General Services	656	661	27	0	688
Natural Resources	1,353	1,353	27	0	1,380
Agriculture	412	409	0	0	409
Labor	1,355	1,350	0	0	1,350
MSDE and Other Education	2,004	1,849	10	0	1,859
Housing and Community Development	333	333	0	0	333
Commerce	188	188	0	0	188
Environment	880	880	0	0	880
Subtotal	13,086	12,986	113	0	13,100
Executive Branch Subtotal	48,235	48,240	119	0	48,359
Higher Education	27,603	27,601	0	0	27,601
Judiciary	4,068	4,103	0	41	4,144
Legislature	772	775	0	26	801
Total	80,677	80,718	119	67	80,904

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

Note: Numbers may not sum due to rounding.

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

By the Numbers

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

Exhibit A-1.14, the fiscal note on the budget bill, depicts the Governor's allowance, funding changes made through the five supplemental budgets, legislative additions and reductions, and final appropriations for fiscal 2022 and 2023 by fund source. The Governor's original request provided for \$58.0 billion in fiscal 2023 expenditures and \$4.5 billion in fiscal 2022 deficiencies.

Supplemental budgets provided a net of \$4.4 billion in additional spending across fiscal 2022 and 2023, of which nearly \$2.3 billion was general funds and \$2.0 billion was federal funds. Legislative actions on the budget resulted in a net reduction of \$84.4 million across both budget years. When all actions are considered, the fiscal 2022 appropriation of \$62.6 billion reflects an increase of \$1.2 billion, or 2.0%, over the \$61.4 billion working appropriation provided in the Governor's allowance. The fiscal 2023 legislative appropriation grows by \$3.0 billion, or 5.1%, compared to the budget as introduced, yet reflects a \$1.6 billion decrease from the adjusted fiscal 2022 working appropriation. **Exhibit A-1.15** through **Exhibit A-1.19** provides detail for the budget changes by major expenditure category by fund.

Exhibit A-1.14
Fiscal Note – Summary of the Fiscal 2023 Budget Bill - *Senate Bill 290*

Part A – Budget and State Aid

	<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 2022 Budget	\$21,125,743,797	\$10,067,521,895	\$25,361,060,529	\$4,836,940,614	\$61,391,266,835
Fiscal 2023 Budget	25,745,866,219 ⁽²⁾	9,923,620,584	17,595,013,893	4,783,572,250	58,048,072,946
Supplemental Budget No. 1					
Fiscal 2022 Deficiencies	-\$143,603,127	-\$1,778,770	\$153,494,874	\$0	\$8,112,977
Fiscal 2023 Budget	\$212,871,716	-6,864,974	265,735,442	0	471,742,184
Subtotal	\$69,268,589	-\$8,643,744	\$419,230,316	\$0	\$479,855,161
Supplemental Budget No. 2					
Fiscal 2022 Deficiencies	\$100,000,000	\$0	\$0	\$0	\$100,000,000
Fiscal 2023 Budget	0	0	0	0	0
Subtotal	\$100,000,000	\$0	\$0	\$0	\$100,000,000
Supplemental Budget No. 3					
Fiscal 2022 Deficiencies	\$3,250,000	\$0	\$0	\$0	\$3,250,000
Fiscal 2023 Budget	188,228,450	0	100,228,097	0	288,456,547
Subtotal	\$191,478,450	\$0	\$100,228,097	\$0	\$291,706,547
Supplemental Budget No. 4					
Fiscal 2022 Deficiencies	\$44,694,135	\$108,608,360	\$1,092,315,556	\$0	\$1,245,618,051
Fiscal 2023 Budget	1,150,148,641	23,255,844	379,386,974	0	\$1,552,791,459
Subtotal	\$1,194,842,776	\$131,864,204	\$1,471,702,530	\$0	\$2,798,409,510
Supplemental Budget No. 5					
Fiscal 2022 Deficiencies	\$0	\$0	\$0	\$0	\$0
Fiscal 2023 Budget	\$709,831,817 ⁽⁴⁾	-\$100,000,000	\$51,400,000	\$0	\$661,231,817
Subtotal	\$709,831,817	-\$100,000,000	\$51,400,000	\$0	\$661,231,817
Legislative Reductions					
Fiscal 2022 Deficiencies	\$0	\$0	-\$102,778,968	\$0	-\$102,778,968
Fiscal 2023 Budget	-24,571,951 ⁽⁵⁾	0	0	0	-24,571,951
Total Reductions	-\$24,571,951	\$0	-\$102,778,968	\$0	-\$127,350,919
Legislative Additions					
Fiscal 2022 Deficiencies	\$0	\$0	\$0	\$0	\$0
Fiscal 2023 Budget	\$43,000,000	\$0	\$0	\$0	\$43,000,000
Total Additions	\$43,000,000	\$0	\$0	\$0	\$43,000,000
Appropriations					
Fiscal 2022 Budget	\$21,130,084,805	\$10,174,351,485	\$26,504,091,991	\$4,836,940,614	\$62,645,468,895
Fiscal 2023 Budget	28,025,374,892	9,840,011,454	18,391,764,406	4,783,572,250	61,040,723,002
Change	\$6,895,290,087	-\$334,340,031	-\$8,112,327,585	-\$53,368,364	-\$1,604,745,893

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⁽¹⁾ Reflects \$4.46 billion in proposed deficiencies, including the \$612.7 million in general funds, \$102.3 million in special funds, \$3.7 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 \$33.6 million in targeted general fund reversions and \$350.0 million in back of the bill reductions in the Department of Public Safety and Correctional Services due to available federal stimulus funds, replaced by a \$250.0 million deficiency appropriation and a \$100.0 million budget amendment. Excludes \$20.7 million in special funds that double counts general fund spending.

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

⁽³⁾ Excludes \$195.9 million in special funds that double counts general fund (\$28.9 million) and special fund (\$167.0 million) spending.

⁽⁴⁾ Assumes \$10.0 million in unspecified general fund reversions.

⁽⁵⁾ Includes \$2.95 million of general funds that were contingent on the enactment of legislation which failed to pass, of this amount \$1.75 million is reduced from Supplemental Budget No. 4 and \$1.2 million is reduced from Supplemental 5.

Source: Department of Legislative Services

Exhibit A-1.15
State Expenditures – General Funds
Fiscal 2021-2023
(\$ in Millions)

Category	2021 Actual	2022 Working Appropriation	2023 Legislative Appropriation	2023 Legislative Priorities ⁽¹⁾	Adjusted 2023 Legislative Appropriation	\$ Change 2022 to 2023	% Change
Debt Service	\$131.0	\$260.0	\$430.0	\$0.0	\$430.0	\$170.0	65.4%
County/Municipal	\$311.0	\$314.7	\$388.5	\$0.0	\$388.5	\$73.8	23.4%
Community Colleges	330.2	371.5	435.3	0.0	435.3	63.8	17.2%
Education/Libraries	6,620.9	6,601.2	7,102.0	0.0	7,102.0	500.8	7.6%
Health	35.0	60.4	74.9	0.0	74.9	14.5	24.0%
Aid to Local Governments	\$7,297.1	\$7,347.9	\$8,000.8	\$0.0	\$8,000.8	\$652.9	8.9%
Foster Care Payments	\$206.2	\$215.2	\$240.5	\$0.0	\$240.5	\$25.3	11.7%
Assistance Payments	116.1	104.4	133.9	0.0	133.9	29.4	28.2%
Medical Assistance	3,102.9	3,978.7	4,751.3	0.0	4,751.3	772.5	19.4%
Property Tax Credits	82.2	102.9	96.1	0.0	96.1	-6.9	-6.7%
Entitlements	\$3,507.4	\$4,401.3	\$5,221.7	\$0.0	\$5,221.7	\$820.4	18.6%
Health	\$1,984.1	\$1,729.1	\$2,142.2	\$8.5	\$2,150.7	\$421.6	24.4%
Human Services	384.7	398.5	402.3	0.0	402.3	3.8	0.9%
Juvenile Services	244.1	254.9	280.9	0.0	280.9	26.0	10.2%
Public Safety/Police	1,417.7	1,272.3	1,682.3	1.5	1,683.8	411.5	32.3%
Higher Education	1,596.7	1,544.0	1,783.2	0.0	1,783.2	239.3	15.5%
Other Education	481.3	604.0	717.5	0.0	717.5	113.5	18.8%
Agriculture/Natural Res./Environment	129.1	172.7	177.1	1.5	178.6	5.9	3.4%
Other Executive Agencies	791.6	1,149.4	1,818.3	53.8	1,872.0	722.7	62.9%
Judiciary	555.3	586.5	627.7	0.0	627.7	41.2	7.0%
Legislative	104.8	106.2	137.2	0.0	137.2	31.0	29.2%
State Agencies	\$7,689.3	\$7,817.5	\$9,768.7	\$65.3	\$9,834.0	\$2,016.4	25.8%
Total Operating	\$18,624.9	\$19,826.7	\$23,421.2	\$65.3	\$23,486.4	\$3,659.7	18.5%
Capital ⁽²⁾	\$56.7	\$458.7	2,042.9	\$3.8	\$2,046.7	\$1,588.0	346.2%
Subtotal	\$18,681.5	\$20,285.4	\$25,464.1	\$69.0	\$25,533.1	\$5,247.6	25.9%
Reserve Funds ⁽³⁾	\$114.0	\$879.6	\$2,606.3	-\$69.0	\$2,537.3	\$1,657.6	188.4%
Appropriations	\$18,795.5	\$21,165.1	\$28,070.4	\$0.0	\$28,070.4	\$6,905.3	32.6%
Reversions	\$0.0	-\$35.0	-45.0	\$0.0	-\$45.0	-\$10.0	28.6%
Grand Total	\$18,795.5	\$21,130.1	\$28,025.4	\$0.0	\$28,025.4	\$6,895.3	32.6%

⁽¹⁾ The General Assembly reduced the allowance in the Rainy Day Fund by \$69 million but provided authorization for those funds to be used for a variety of purposes. However, spending the \$69 million is at the discretion of the Governor.

⁽²⁾ Includes the Historic Revitalization Tax Credit Reserve Fund. Fiscal 2023 includes \$1.3 billion budgeted in the Dedicated Purpose Account of which \$10 million is for the Historic Revitalization Tax Credit Reserve Fund.

⁽³⁾ The fiscal 2023 legislative appropriation for the Reserve Funds excludes \$370 million budgeted in the Dedicated Purpose Account in supplemental budget #5. The amount is included in various other categories where it is intended to be transferred by budget amendment.

Note: The fiscal 2022 working appropriation reflects \$262.7 million in deficiencies, \$4.3 million in supplemental deficiencies, and \$33.6 million in targeted reversions. The fiscal 2023 legislative appropriation reflects \$2.3 billion from supplemental budgets #1 through #5.

Exhibit A-1.16
State Expenditures – Special and Higher Education Funds*
Fiscal 2021-2023
(\$ in Millions)

Category	2021 Actual	2022 Working Appropriation	2023 Legislative Appropriation	\$ Change 2022 to 2023	% Change
Debt Service	\$1,549.8	\$1,574.3	\$1,480.5	-\$93.9	-6.0%
County/Municipal	\$434.2	\$460.2	\$477.5	\$17.3	3.8%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	674.8	805.3	875.9	70.6	8.8%
Health	0.0	0.0	0.0	0.0	n/a
Aid to Local Governments	\$1,108.9	\$1,265.5	\$1,353.4	\$87.9	6.9%
Foster Care Payments	\$2.8	\$2.8	\$2.9	\$0.1	5.0%
Assistance Payments	12.6	14.4	13.7	-0.7	-4.7%
Medical Assistance	1,025.7	824.6	754.5	-70.1	-8.5%
Property Tax Credits	0.0	9.9	0.0	-9.9	-100.0%
Entitlements	\$1,041.1	\$851.6	\$771.1	-\$80.5	-9.5%
Health	\$1,185.3	\$466.3	\$582.4	\$116.1	24.9%
Human Services	75.4	95.0	147.0	52.0	54.8%
Juvenile Services	1.5	3.4	2.3	-1.1	-32.1%
Public Safety/Police	238.4	138.5	139.4	0.9	0.6%
Higher Education	4,643.0	4,981.0	4,924.8	-56.3	-1.1%
Other Education	89.3	101.9	189.3	87.4	85.7%
Transportation	1,672.8	2,011.6	1,879.5	-132.1	-6.6%
Agriculture/Natural Res./Environment	268.0	288.7	337.8	49.0	17.0%
Other Executive Agencies	930.9	1,072.6	1,085.9	13.3	1.2%
Judiciary	49.7	67.6	64.5	-3.1	-4.6%
State Agencies	\$9,154.2	\$9,226.7	\$9,352.9	\$126.2	1.4%
Total Operating	\$12,854.0	\$12,918.1	\$12,957.8	\$39.7	0.3%
Capital	\$1,752.9	\$2,093.2	\$1,665.7	-\$427.4	-20.4%
Transportation	1,307.5	1,557.2	1,090.4	-466.7	-30.0%
Environment	216.4	259.8	217.4	-42.4	-16.3%
Other	229.0	276.2	357.9	81.7	29.6%
Subtotal	\$14,606.9	\$15,011.3	\$14,623.6	-387.7	-2.6%
Reserve Funds	0.0	0.0	0.0	0.0	n/a
Grand Total	\$14,606.9	\$15,011.3	\$14,623.6	-\$387.7	-2.6%

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

Note: The fiscal 2022 working appropriation includes \$102.3 million in deficiencies and \$106.8 million in supplemental deficiencies. The fiscal 2023 legislative appropriation reflects -\$83.6 million from supplemental budgets #1 through #5. Fiscal 2021 excludes \$5.6 million, fiscal 2022 excludes \$20.7 million, and 2023 excludes \$195.9 million that double counts other spending.

Exhibit A-1.17
State Expenditures – Federal Funds
Fiscal 2021-2023
(\$ in Millions)

Category	2021 Actual	2022 Working Appropriation	2023 Legislative Appropriation	\$ Change 2022 to 2023	% Change
Debt Service	\$9.3	\$11.0	\$9.0	-\$2.0	-18.2%
County/Municipal	\$88.2	\$74.7	\$74.8	\$0.1	0.1%
Community Colleges	8.8	0.0	0.0	0.0	n/a
Education/Libraries	1,770.6	3,599.9	1,072.6	-2,527.3	-70.2%
Health	3.7	13.5	0.0	-13.5	-100.0%
Aid to Local Governments	\$1,871.2	\$3,688.1	\$1,147.4	-\$2,540.8	-68.9%
Foster Care Payments	\$83.9	\$90.8	\$90.5	-\$0.3	-0.3%
Assistance Payments	2,504.2	4,296.3	2,072.7	-2,223.5	-51.8%
Medical Assistance	8,145.3	9,188.0	8,459.1	-728.9	-7.9%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
Entitlements	\$10,733.4	\$13,575.1	\$10,622.3	-\$2,952.8	-21.8%
Health	\$2,508.3	\$2,703.5	\$2,130.8	-\$572.7	-21.2%
Human Services	662.1	710.8	597.1	-113.7	-16.0%
Juvenile Services	7.8	5.5	6.9	1.4	24.6%
Public Safety/Police	86.7	390.3	38.5	-351.7	-90.1%
Higher Education	1.2	0.0	0.0	0.0	n/a
Other Education	318.7	844.4	415.5	-428.9	-50.8%
Transportation	495.7	227.5	419.7	192.2	84.5%
Agriculture/Natural Res./Environment	75.7	84.9	83.0	-1.9	-2.2%
Other Executive Agencies	2,694.3	2,613.6	1,106.6	-1,506.9	-57.7%
Judiciary	3.3	6.6	0.8	-5.8	-87.8%
State Agencies	\$6,853.8	\$7,586.9	\$4,798.9	-\$2,788.0	-36.7%
Total Operating	\$19,467.6	\$24,861.1	\$16,577.6	-\$8,283.5	-33.3%
Capital	\$938.9	\$1,534.9	\$1,642.9	\$108.1	7.0%
Transportation	827.8	1,314.4	1,244.0	-70.4	-5.4%
Environment	53.1	58.8	213.5	154.7	263.2%
Other	58.0	161.7	185.5	23.8	14.7%
Subtotal	\$20,406.6	\$26,396.0	\$18,220.5	-8,175.5	-31.0%
Reserve Funds	0.0	108.1	171.2	63.1	58.4%
Grand Total	\$20,406.6	\$26,504.1	\$18,391.8	-\$8,112.3	-30.6%

Note: The fiscal 2022 working appropriation includes \$3.8 billion in deficiencies, \$1.2 billion in supplemental deficiencies and legislative cuts to the deficiencies. The fiscal 2023 legislative appropriation reflects \$796.8 million from supplemental budgets #1 through #5.

Exhibit A-1.18
State Expenditures – State Funds
Fiscal 2021-2023
(\$ in Millions)

<u>Category</u>	<u>2021 Actual</u>	<u>2022 Working Appropriation</u>	<u>2023 Legislative Appropriation</u>	<u>2023 Legislative Priorities ⁽¹⁾</u>	<u>Adjusted 2023 Legislative Appropriation</u>	<u>\$ Change 2022 to 2023</u>	<u>% Change</u>
Debt Service	\$1,680.8	\$1,834.3	\$1,910.5	\$0.0	\$1,910.5	\$76.1	4.2%
County/Municipal	\$745.2	\$774.9	\$866.0	\$0.0	\$866.0	\$91.1	11.8%
Community Colleges	330.2	371.5	435.3	0.0	435.3	63.8	17.2%
Education/Libraries	7,295.7	7,406.5	7,977.9	0.0	7,977.9	571.4	7.7%
Health	35.0	60.4	74.9	0.0	74.9	14.5	24.0%
Aid to Local Governments	\$8,406.0	\$8,613.4	\$9,354.2	\$0.0	\$9,354.2	\$740.8	8.6%
Foster Care Payments	\$209.0	\$218.0	\$243.4	\$0.0	\$243.4	\$25.4	11.7%
Assistance Payments	128.7	118.8	147.6	0.0	147.6	28.8	24.2%
Medical Assistance	4,128.6	4,803.3	5,505.7	0.0	5,505.7	702.5	14.6%
Property Tax Credits	82.2	112.8	96.1	0.0	96.1	-16.8	-14.9%
Entitlements	\$4,548.5	\$5,252.9	\$5,992.8	\$0.0	\$5,992.8	\$739.9	14.1%
Health	\$3,169.4	\$2,195.4	\$2,724.6	\$8.5	\$2,733.1	\$537.7	24.5%
Human Services	460.1	493.5	549.3	0.0	549.3	55.8	11.3%
Juvenile Services	245.5	258.3	283.2	0.0	283.2	24.9	9.6%
Public Safety/Police	1,656.1	1,410.8	1,821.7	1.5	1,823.2	412.4	29.2%
Higher Education	6,239.7	6,525.0	6,708.0	0.0	6,708.0	183.0	2.8%
Other Education	570.6	706.0	906.8	0.0	906.8	200.8	28.4%
Transportation	1,672.8	2,011.6	1,879.5	0.0	1,879.5	-132.1	-6.6%
Agriculture/Natural Res./Environment	397.1	461.4	514.9	1.5	516.4	54.9	11.9%
Other Executive Agencies	1,722.5	2,222.0	2,904.2	53.8	2,958.0	736.0	33.1%
Judiciary	605.0	654.1	692.2	0.0	692.2	38.1	5.8%
Legislative	104.8	106.2	137.2	0.0	137.2	31.0	29.2%
State Agencies	\$16,843.6	\$17,044.2	\$19,121.6	\$65.3	\$19,186.8	\$2,142.6	12.6%
Total Operating	\$31,478.9	\$32,744.9	\$36,379.0	\$65.3	\$36,444.3	\$3,699.4	11.3%
Capital ⁽²⁾	\$1,809.5	\$2,551.9	\$3,708.7	\$3.8	\$3,712.4	\$1,160.5	45.5%
Transportation	1,307.5	1,557.2	1,090.4	0.0	1,090.4	-466.7	-30.0%
Environment	216.6	260.5	217.4	0.0	217.4	-43.1	-16.5%
Other	285.4	734.1	2,400.8	3.8	2,404.5	1,670.4	227.5%
Subtotal	\$33,288.4	\$35,296.7	\$40,087.7	\$69.0	\$40,156.7	\$4,859.9	13.8%
Reserve Funds ⁽³⁾	\$114.0	\$879.6	\$2,606.3	-\$69.0	\$2,537.3	\$1,657.6	188.4%
Appropriations	\$33,402.4	\$36,176.4	\$42,694.0	\$0.0	\$42,694.0	\$6,517.6	18.0%
Reversions	\$0.0	-\$35.0	-\$45.0	\$0.0	-\$45.0	-\$10.0	28.6%
Grand Total	\$33,402.4	\$36,141.4	\$42,649.0	\$0.0	\$42,649.0	\$6,507.6	18.0%

⁽¹⁾ The General Assembly reduced the allowance in the Rainy Day Fund by \$69 million but provided authorization for those funds to be used for a variety of purposes. However, spending the \$69 million is at the discretion of the Governor.

⁽²⁾ Includes the Historic Revitalization Tax Credit Reserve Fund. Fiscal 2023 includes \$1.3 billion budgeted in the Dedicated Purpose Account of which \$10 million is for the Historic Revitalization Tax Credit Reserve Fund.

⁽³⁾ The fiscal 2023 legislative appropriation for the Reserve Funds excludes \$370 million budgeted in the Dedicated Purpose Account in supplemental budget #5. The amount is included in various other categories where it is intended to be transferred by budget amendment.

Note: The fiscal 2022 working appropriation includes \$365.0 million in deficiencies, \$111.2 million in supplemental deficiencies, and \$33.6 million in targeted reversions. The fiscal 2023 legislative appropriation reflects \$2.2 billion from supplemental budgets #1 through #5. Fiscal 2021 excludes \$5.6 million, fiscal 2022 excludes \$20.7 million, and 2023 excludes \$195.9 million of special funds that double counts other spending.

Exhibit A-1.19
State Expenditures – All Funds
Fiscal 2021-2023
(\$ in Millions)

<u>Category</u>	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Working</u> <u>Appropriation</u>	<u>2023</u> <u>Legislative</u> <u>Appropriation</u>	<u>Legislative</u> <u>2023</u> <u>Priorities</u> ⁽¹⁾	<u>Adjusted</u> <u>2023</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u> <u>2022 to 2023</u>	<u>% Change</u>
Debt Service	\$1,690.1	\$1,845.3	\$1,919.5	\$0.0	\$1,919.5	\$74.1	4.0%
County/Municipal	\$833.3	\$849.7	\$940.8	\$0.0	\$940.8	\$91.1	10.7%
Community Colleges	339.0	371.5	435.3	0.0	435.3	63.8	17.2%
Education/Libraries	9,066.2	11,006.4	9,050.5	0.0	9,050.5	-1,955.9	-17.8%
Health	38.7	73.9	74.9	0.0	74.9	1.0	1.4%
Aid to Local Governments	\$10,277.2	\$12,301.5	\$10,501.5	\$0.0	\$10,501.5	-\$1,800.0	-14.6%
Foster Care Payments	\$292.9	\$308.8	\$333.9	\$0.0	\$333.9	\$25.1	8.1%
Assistance Payments	2,632.9	4,415.1	2,220.3	0.0	2,220.3	-2,194.8	-49.7%
Medical Assistance	12,273.9	13,991.3	13,964.8	0.0	13,964.8	-26.4	-0.2%
Property Tax Credits	82.2	112.8	96.1	0.0	96.1	-16.8	-14.9%
Entitlements	\$15,281.8	\$18,828.0	\$16,615.1	\$0.0	\$16,615.1	-\$2,212.9	-11.8%
Health	\$5,677.7	\$4,898.8	\$4,855.3	\$8.5	\$4,863.8	-\$35.0	-0.7%
Human Services	1,122.3	1,204.2	1,146.3	0.0	1,146.3	-57.9	-4.8%
Juvenile Services	253.3	263.8	290.1	0.0	290.1	26.3	10.0%
Public Safety/Police	1,742.8	1,801.1	1,860.2	1.5	1,861.7	60.7	3.4%
Higher Education	6,240.9	6,525.0	6,708.0	0.0	6,708.0	183.0	2.8%
Other Education	889.3	1,550.4	1,322.3	0.0	1,322.3	-228.1	-14.7%
Transportation	2,168.4	2,239.1	2,299.2	0.0	2,299.2	60.2	2.7%
Agriculture/Natural Res./Environment	472.8	546.3	597.9	1.5	599.4	53.1	9.7%
Other Executive Agencies	4,416.7	4,835.6	4,010.8	53.8	4,064.6	-771.0	-15.9%
Judiciary	608.3	660.7	693.0	0.0	693.0	32.3	4.9%
Legislative	104.8	106.2	137.2	0.0	137.2	31.0	29.2%
State Agencies	\$23,697.3	\$24,631.1	\$23,920.5	\$65.3	\$23,985.7	-\$645.4	-2.6%
Total Operating	\$50,946.5	\$57,606.0	\$52,956.6	\$65.3	\$53,021.9	-\$4,584.1	-8.0%
Capital ⁽²⁾	\$2,748.5	\$4,086.7	\$5,351.6	\$3.8	\$5,355.4	\$1,268.6	31.0%
Transportation	2,135.3	2,901.8	2,344.4	0.0	2,344.4	-557.4	-19.2%
Environment	269.7	319.3	451.1	0.0	451.1	131.8	41.3%
Other	343.4	865.6	2,556.1	3.8	2,559.8	1,694.2	195.7%
Subtotal	\$53,694.9	\$61,692.7	\$58,308.2	\$69.0	\$58,377.2	-\$3,315.5	-5.4%
Reserve Funds ⁽³⁾	\$114.0	\$987.7	\$2,777.5	-\$69.0	\$2,708.5	\$1,720.8	174.2%
Appropriations	\$53,808.9	\$62,680.5	\$61,085.7	\$0.0	\$61,085.7	-\$1,594.7	-2.5%
Reversions	\$0.0	-\$35.0	-\$45.0	\$0.0	-\$45.0	-\$10.0	28.6%
Grand Total	\$53,808.9	\$62,645.5	\$61,040.7	\$0.0	\$61,040.7	-\$1,604.7	-2.6%

⁽¹⁾ The General Assembly reduced the allowance in the Rainy Day Fund by \$69 million but provided authorization for those funds to be used for a variety of purposes. However, spending the \$69 million is at the discretion of the Governor.

⁽²⁾ Includes the Historic Revitalization Tax Credit Reserve Fund. Fiscal 2023 includes \$1.3 billion budgeted in the Dedicated Purpose Account of which \$10 million is for the Historic Revitalization Tax Credit Reserve Fund.

⁽³⁾ The fiscal 2023 legislative appropriation for the Reserve Funds excludes \$370 million budgeted in the Dedicated Purpose Account in supplemental budget #5. The amount is included in various other categories where it is intended to be transferred by budget amendment.

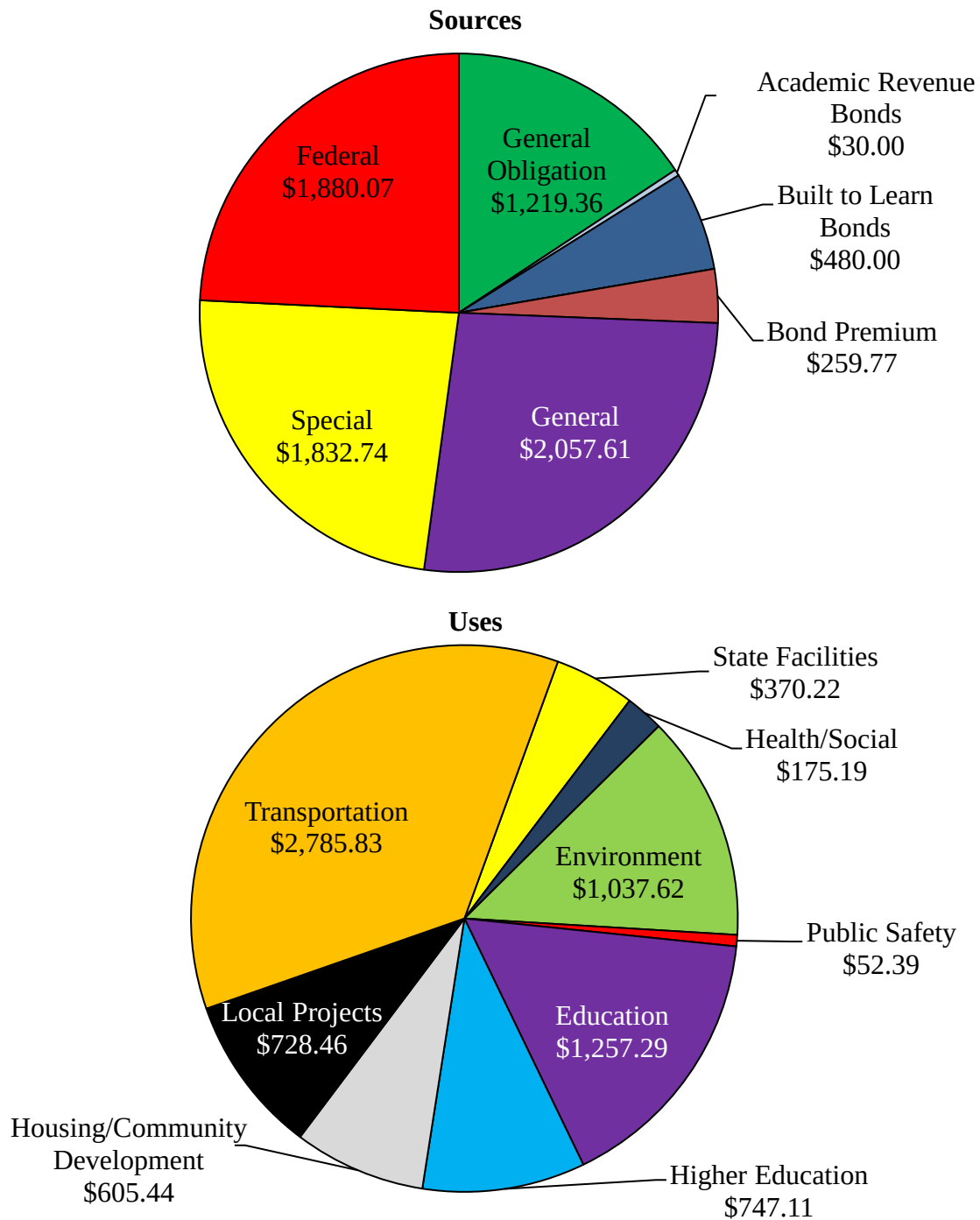
Note: The fiscal 2022 working appropriation includes \$4.2 billion in deficiencies, \$1.4 billion in supplemental deficiencies, legislative cuts to the deficiencies, and \$33.6 million in targeted reversions. The fiscal 2023 legislative appropriation includes \$3.0 billion from supplemental budgets #1 through #5. Fiscal 2021 excludes \$5.6 million, fiscal 2022 excludes \$20.7 million, and 2023 excludes \$195.9 million of special funds that double counts other spending.

Capital Budget

The General Assembly passed a fiscal 2023 capital program totaling \$7.760 billion, including \$2.567 billion for the transportation program through the *Consolidated Transportation Program* (CTP). Apart from the CTP, the program totals \$5.192 billion: \$1.219 billion is funded with general obligation (GO) bonds authorized in [*Senate Bill 291 \(passed\)*](#), the Maryland Consolidated Capital Bond Loan (MCCBL) of 2022; \$3.203 billion is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$260 million is funded with attained and estimated bond premium proceeds; \$480 million for school construction projects is funded with revenue bonds through the Built to Learn program; and \$30 million is funded with Academic Revenue Bonds (ARB) for University System of Maryland (USM) facilities authorized in [*Senate Bill 1007 \(passed\)*](#). The budget also includes \$24.9 million for fiscal 2022 PAYGO deficiency appropriations.

Exhibit A-2.1 provides a summary of the capital program by uses and sources, and **Exhibit A-2.2** provides a detailed list of capital projects and programs by function and fund source. The attached links to the Maryland General Assembly webpage provide a list of the [*miscellaneous capital grants*](#) and [*legislative bond initiative funded projects*](#) funded in the MCCBL of 2022.

Exhibit A-2.1
Fiscal 2023 Capital Program Sources and Uses
(\$ in Millions)



Source: Department of Legislative Services

Exhibit A-2.2
Capital Program for the 2022 Session

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	GO	Revenue	General	Special	Federal	Total Funds
State Facilities							
D55P04A	MDVA: New State Veterans Home	\$0	\$0	\$63,261,000	\$0	\$0	\$63,261,000
DA0101A	MDEM: Headquarters Renovation and Expansion	0	0	9,090,000	0	0	9,090,000
DA0201A	MDOD: Accessibility Modifications	2,244,000	0	0	0	0	2,244,000
DA03A	MSA: New Legislative Services Building	12,000,000	0	0	0	0	12,000,000
DB01B	HSMCC: Maryland Heritage Interpretive Center	0	0	12,011,000	0	0	12,011,000
DB01C	HSMCC: Site Improvements	2,000,000	0	0	0	0	2,000,000
DB01D	MHEC: Leonard Calvert House Exhibit	683,000	0	0	0	0	683,000
DE0201A	BPW: Construction Contingency Fund	5,000,000	0	5,000,000	0	0	10,000,000
DE0201B	BPW: Facilities Renewal Fund	0	0	110,000,000	0	0	110,000,000
DE0201C	BPW: Fuel Storage Tank Replacement Program	1,000,000	0	0	0	0	1,000,000
DE0201D	BPW: State House Exterior and Grounds Restoration	0	0	26,123,000	0	0	26,123,000
DE0201E	BPW: Renovation to 2100 Guilford Avenue	0	0	28,884,000	0	0	28,884,000
DE0201F	BPW: Washington County District Court Renovation and Expansion	0	0	4,650,000	0	0	4,650,000
DE0201G	BPW: Courts of Appeal Building	830,000	0	0	0	0	830,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
DE0201H	BPW: New Harford County District Court	0	0	12,000,000	0	0	12,000,000
DE0201I	BPW: Shillman Building Conversion	0	0	34,265,000	0	0	34,265,000
DH0104A	MD: Camp Fretterd Access Control Point	553,000	0	0	0	2,833,000	3,386,000
DH0104B	MD: Frederick Readiness Center Renovation and Expansion	382,000	0	0	0	845,000	1,227,000
DH0104C	MD: Havre de Grace CSMS Surface Equipment and Automotive Maintenance Facility	0	0	0	0	23,481,000	23,481,000
FB04A	DoIT: Public Safety Communication System	0	0	13,084,000	0	0	13,084,000
Subtotal		\$24,692,000	\$0	\$318,368,000	\$0	\$27,159,000	\$370,219,000
Health/Social							
DA0701A	MDOA: Senior Centers Capital Grant Program	\$2,400,000	\$0	\$0	\$0	\$0	\$2,400,000
MA01B	MDH: Community Health Facilities Grant Program	6,500,000	0	0	0	0	6,500,000
MA01C	MDH: Federally Qualified Health Centers Grant Program	2,500,000	0	1,000,000	0	0	3,500,000
ML10A	MDH: Clifton T. Perkins Hospital North Wing Renovation	972,000	0	0	0	0	972,000
RQ00A	UMMS: Comprehensive Cancer and Organ Transplant Treatment Center	0	0	100,000,000	0	0	100,000,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Center – Phase III	1,000,000	0	0	0	0	1,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
RQ00C	UMMS: Capital Region Medical Center – Oncology Center	13,500,000	0	27,000,000	0	0	40,500,000
VE01A	DJS: Baltimore City Juvenile Justice Center Education Expansion	0	0	12,142,000	0	0	12,142,000
VE01B	DJS: Cheltenham Youth Detention Center – Female Detention	1,623,000	0	0	0	0	1,623,000
ZA01A	MHA: Greater Baltimore Medical Center	600,000	0	0	0	0	600,000
ZA01B	MHA: Luminis Health Anne Arundel Medical Center	600,000	0	0	0	0	600,000
ZA01C	MHA: MedStar Harbor Hospital	1,200,000	0	0	0	0	1,200,000
ZA01D	MHA: MedStar St. Mary's Hospital	600,000	0	0	0	0	600,000
ZA01E	MHA: Mercy Medical Center	1,080,000	0	0	0	0	1,080,000
ZA01F	MHA: Meritus Medical Center	212,000	0	0	0	0	212,000
ZA01G	MHA: Northwest Hospital Center	125,000	0	0	0	0	125,000
ZA01H	MHA: Sheppard Pratt Health System	1,200,000	0	0	0	0	1,200,000
ZA01I	MHA: University of Maryland Baltimore Washington Medical Center	500,000	0	0	0	0	500,000
ZA01J	MHA: University of Maryland Medical Center Midtown Campus	432,000	0	0	0	0	432,000
Subtotal		\$35,044,000	\$0	\$140,142,000	\$0	\$0	\$175,186,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
Environment							
DA0101B	MDEM: Resilient Maryland Revolving Loan Fund	\$0	\$0	\$25,000,000	\$0	\$0	\$25,000,000
KA0510A	DNR: Critical Maintenance Program	25,000,000	0	25,000,000	12,597,726	0	62,597,726
KA0510B	DNR: Natural Resources Development Fund	0	0	8,231,292	19,899,707	1,906,000	30,036,999
KA0510D	DNR: Program Open Space – State	0	0	6,649,886	85,976,901	3,000,000	95,626,787
KA0510E	DNR: Program Open Space – Local	0	0	4,959,161	77,050,266	0	82,009,427
KA0510F	DNR: Rural Legacy Program	0	0	1,099,836	25,287,706	0	26,387,542
KA05A	DNR: Community Parks and Playgrounds	0	0	5,000,000	0	0	5,000,000
KA05B	DNR: Local Parks and Playgrounds Infrastructure	85,000,000	0	0	0	0	85,000,000
KA05D	DNR: Program Open Space	300,000	0	0	0	0	300,000
KA0709A	DNR: Natural Resources Police – Replacement Helicopter	0	0	6,229,000	0	0	6,229,000
KA0906A	DNR: Ocean City Beach Maintenance	0	0	0	2,000,000	0	2,000,000
KA1401A	DNR: Waterway Improvement Fund Capital Projects	0	0	0	13,500,000	2,500,000	16,000,000
KA1402A	DNR: The Resiliency Through Restoration Initiative Program	1,970,000	0	0	0	0	1,970,000
KA1701A	DNR: Oyster Restoration Program	0	0	13,620,000	0	0	13,620,000
LA1111A	MDA: Maryland Agricultural Land Preservation Program	0	0	3,750,442	68,452,886	0	72,203,328
LA15A	MDA: Maryland Agricultural Cost Share Program	2,000,000	0	0	0	0	2,000,000
UA0103A	MDE: Maryland Water Quality Revolving Loan Fund	0	0	12,026,100	106,918,000	84,108,000	203,052,100

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
UA0104A	MDE: Hazardous Substance Clean-up Program	0	0	777,000	0	0	777,000
UA0105A	MDE: Maryland Drinking Water Revolving Loan Fund	0	0	7,357,200	17,460,000	129,374,000	154,191,200
UA0111A	MDE: Bay Restoration Fund	0	0	0	78,056,000	0	78,056,000
UA0112A	MDE: Septic System Upgrade Program	0	0	0	15,000,000	0	15,000,000
UA01A	MDE: Comprehensive Flood Management Program	7,292,000	0	0	0	0	7,292,000
UA01B	MDE: Conowingo Dam Watershed	0	0	25,000,000	0	0	25,000,000
UA01C	MDE: Mining Remediation Program	500,000	0	0	0	0	500,000
UA01D	MDE: Supplemental Assistance Program	3,000,000	0	0	0	0	3,000,000
UA01E	MDE: Water Supply Financial Assistance Program	1,427,000	0	0	0	0	1,427,000
UB00A	MES: Conowingo Dam Dredging	0	0	6,000,000	0	0	6,000,000
UB00B	MES: State Water and Sewer Infrastructure Improvement Fund	0	0	17,344,000	0	0	17,344,000
Subtotal		\$126,489,000	\$0	\$168,043,917	\$522,199,192	\$220,888,000	\$1,037,620,109
Public Safety							
HH0102A	DPSCS: Brooklandville Building Demolition	\$0	\$0	\$1,400,000	\$0	\$0	\$1,400,000
QS0101A	DPSCS: Jessup Regional Electrical Infrastructure Upgrade	0	0	7,428,000	0	0	7,428,000
QS0208A	DPSCS: High Temperature Distribution and Perimeter Security Improvements	0	0	10,776,000	0	0	10,776,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
QT04A	DPSCS: Therapeutic Treatment Center	0	0	13,945,000	0	0	13,945,000
WA01A	DSP: New Berlin Barrack, Forensic Lab, and Garage	0	0	11,145,000	0	0	11,145,000
WA01B	DSP: Barrack J New Communications Room and Garage	232,000	0	0	0	0	232,000
WA01C	BPW: New Forestville Barrack and Garage	995,000	0	0	0	0	995,000
WA01D	DSP: New Tactical Operations Building	0	0	3,888,000	0	0	3,888,000
ZB02A	DPSCS: Frederick County Adult Detention Center Medical Addition	2,576,000	0	0	0	0	2,576,000
Subtotal		\$3,803,000	\$0	\$48,582,000	\$0	\$0	\$52,385,000
Education							
RA0702A	MSDE: Aging Schools Program	\$6,109,000	\$0	\$0	\$0	\$0	\$6,109,000
RA0702B	MSDE: Healthy School Facility Fund	50,000,000	0	0	0	40,000,000	90,000,000
RA0702C	MSDE: Public School Construction Program	304,221,000	0	217,779,000	0	0	522,000,000
RA0702D	MSDE: Nonpublic Aging Schools Program	3,500,000	0	0	0	0	3,500,000
RA0702E	MSDE: Supplemental Capital Grant Program	95,391,000	0	0	0	0	95,391,000
RA0702F	MSDE: Built to Learn Fund	0	480,000,000	0	0	0	480,000,000
RA0702G	MSDE: School Construction Revolving Loan Fund	0	0	40,000,000	0	0	40,000,000
RA11A	MSLA: Public Library Capital Grant Program	7,500,000	0	0	0	0	7,500,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
RE01A	MSD: Veditz Building Renovation	0	0	12,787,000	0	0	12,787,000
Subtotal		\$466,721,000	\$480,000,000	\$270,566,000	\$0	\$40,000,000	\$1,257,287,000
Higher Education							
HH0103B	FSU: Regional Recreational Complex and Renovate Cordtz P.E. Center	\$0	\$0	\$5,000,000	\$0	\$0	\$5,000,000
RB21A	UMB: Central Electric Substation and Electrical Infrastructure Upgrades	0	0	16,138,000	0	0	16,138,000
RB21B	UMB: New School of Social Work Building	2,500,000	0	0	0	0	2,500,000
RB21C	UMB: Anatomy Laboratory	2,000,000	0	0	0	0	2,000,000
RB22A	UMCP: Campuswide Building Systems and Infrastructure Improvements	2,500,000	2,500,000	0	0	0	5,000,000
RB22B	UMCP: Chemistry Building Wing 1 Replacement	0	0	57,817,000	0	0	57,817,000
RB22C	UMCP: Interdisciplinary Engineering Building	7,000,000	0	0	0	0	7,000,000
RB22D	UMCP: Quantum and Advanced Computing Infrastructure	10,000,000	0	0	0	0	10,000,000
RB22E	UMCP: Health and Human Sciences Building	25,000,000	0	0	0	0	25,000,000
RB22F	UMCP: Graduate Student Housing	5,000,000	0	0	0	0	5,000,000
RB23A	BSU: Communication Arts and Humanities Building	0	0	73,247,000	0	0	73,247,000
RB23B	BSU: Facilities Renewal Bowie State University	6,110,000	0	0	0	0	6,110,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
RB24A	TU: New College of Health Professions Building	0	0	88,695,000	0	0	88,695,000
RB24B	TU: Smith Hall Renovation	0	0	6,066,000	0	0	6,066,000
RB24C	TU: Towson University Institute for Well-Being	14,000,000	0	0	0	0	14,000,000
RB25A	UMES: School of Pharmacy and Health Professions	8,173,000	0	0	0	0	8,173,000
RB25B	UMES: Facility Renewal University of Maryland Eastern Shore	3,000,000	0	0	0	0	3,000,000
RB25RBA	UMES: Campus Flood Mitigation Project	0	2,192,000	0	0	0	2,192,000
RB26A	FSU: Facilities Renewal	0	0	10,000,000	0	0	10,000,000
RB27A	CSU: Residence Hall	3,864,000	0	0	0	0	3,864,000
RB27B	CSU: Percy Julian Science Building Renovation	0	0	2,500,000	0	0	2,500,000
RB29A	SU: Blackwell Hall Renovation	0	0	1,940,000	0	0	1,940,000
RB30A	UMGC: Adelphi Building Renovations	1,500,000	0	0	0	0	1,500,000
RB31A	UMBC: Sherman Hall Renovation	1,886,000	0	0	0	0	1,886,000
RB31B	UMBC: Utility Upgrades Site Improvements and Environmental Remediation	40,000,000	0	0	0	0	40,000,000
RB34A	UMCES: Chesapeake Analytics Collaborative Building	0	0	9,389,000	0	0	9,389,000
RB34B	UMCES: Horn Point Laboratory	2,500,000	0	0	0	0	2,500,000
RB36A	USMO: Capital Facilities Renewal	0	25,308,000	65,000,000	0	0	90,308,000
RC00A	BCCC: Deferred Maintenance	5,500,000	0	5,000,000	0	0	10,500,000
RC00B	BCCC: Learning Commons Renovation and Addition	0	0	2,186,000	0	0	2,186,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
RD00A	SMCM: Campus Infrastructure Improvements	0	0	5,000,000	0	0	5,000,000
RD00B	SMCM: Goodpaster Hall Renovation	1,889,000	0	0	0	0	1,889,000
RD00C	SMCM: Library Renovations	4,000,000	0	0	0	0	4,000,000
RD00D	SMCM: Mount Aventine	100,000	0	0	0	0	100,000
RI00A	MHEC: Community College Construction Grant Program	10,900,000	0	69,298,000	0	0	80,198,000
RI00B	MHEC: Community College Facilities Renewal Grant Program	0	0	18,352,000	0	0	18,352,000
RM00A	MSU: Carter Grant Wilson Building Renovation	1,196,000	0	0	0	0	1,196,000
RM00B	MSU: Deferred Maintenance and Site Improvements	20,000,000	0	10,000,000	0	0	30,000,000
RM00C	MSU: New Health and Human Services Building Phase II	0	0	66,020,000	0	0	66,020,000
RM00D	MSU: New Science Center Phase I Washington Service Center Demolition	0	0	3,327,000	0	0	3,327,000
RM00E	MSU: New Science Center Phase II	0	0	7,040,000	0	0	7,040,000
RM00F	MSU: Patuxent Environmental and Aquatic Research Laboratory	500,000	0	0	0	0	500,000
ZA00CE	MICUA: Hood College	6,838,000	0	0	0	0	6,838,000
ZA00CF	MICUA: McDaniel College	2,300,000	0	0	0	0	2,300,000
ZA00CG	MICUA: Stevenson University	6,838,000	0	0	0	0	6,838,000
Subtotal		\$195,094,000	\$30,000,000	\$522,015,000	\$0	\$0	\$747,109,000

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	GO	Revenue	General	Special	Federal	Total Funds
Housing and Community Development							
DW0108A	MDP: Maryland Archeological Conservation Laboratory Expansion and Renovation	\$0	\$0	\$3,505,000	\$0	\$0	\$3,505,000
DW0108B	MDP: Patterson Center Renovations	124,000	0	0	0	0	124,000
DW0110C	MDP: Maryland Historical Trust Loan Fund	0	0	150,000	150,000	0	300,000
DW0111A	MDP: African American Heritage Preservation Grant Program	1,000,000	0	0	0	0	1,000,000
DW0111B	MDP: Maryland Historical Trust Capital Grant Fund	600,000	0	0	0	0	600,000
DW0111D	MDP: Historic Revitalization Tax Credit	0	0	22,000,000	0	0	22,000,000
SA2402A	DHCD: Baltimore Regional Neighborhoods Initiative	0	0	13,040,000	0	0	13,040,000
SA2402B	DHCD: Community Development Block Grant Program	0	0	0	0	12,000,000	12,000,000
SA2402C	DHCD: Community Legacy Program	0	0	8,000,000	0	0	8,000,000
SA2402D	DHCD: National Capital Strategic Economic Development Fund	3,000,000	0	8,000,000	0	0	11,000,000
SA2402E	DHCD: Neighborhood Business Development Program	0	0	22,800,000	2,200,000	21,900,000	46,900,000
SA2402F	DHCD: Seed Community Development Anchor Institution Fund	0	0	10,000,000	0	0	10,000,000
SA2402G	DHCD: Strategic Demolition Fund	0	0	30,000,000	0	0	30,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
SA2507A	DHCD: Rental Housing Programs	0	0	92,000,000	16,500,000	9,000,000	117,500,000
SA2508A	DHCD: Homeownership Programs	0	0	27,000,000	15,000,000	65,000,000	107,000,000
SA2509A	DHCD: Special Loan Programs	0	0	4,000,000	4,400,000	2,000,000	10,400,000
SA2510A	DHCD: Partnership Rental Housing Program	0	0	12,000,000	0	0	12,000,000
SA2515A	DHCD: Housing and Building Energy Programs	0	0	0	14,850,000	1,000,000	15,850,000
SA2516A	DHCD: Local Government Infrastructure Fund – Statewide Broadband	0	0	0	0	171,223,815	171,223,815
SA25A	DHCD: Shelter and Transitional Housing Facilities Grant Program	0	0	3,000,000	0	0	3,000,000
SA25B	DHCD: Laurel Park – Backstretch Housing	10,000,000	0	0	0	0	10,000,000
Subtotal		\$14,724,000	\$0	\$255,495,000	\$53,100,000	\$282,123,815	\$605,442,815
Local Projects							
ZA00	Miscellaneous Capital Grants	\$562,659,500	\$0	\$115,900,000	\$0	\$0	\$678,559,500
ZA02	Senate Legislative Bond Initiatives	25,000,000	0	0	0	0	25,000,000
ZA03	House Legislative Bond Initiatives	24,900,555	0	0	0	0	24,900,555
Subtotal		\$612,560,055	\$0	\$115,900,000	\$0	\$0	\$728,460,055
Transportation							
JD00A	MDOT: Howard Street Tunnel	\$0	\$0	\$51,500,000	\$0	\$0	\$51,500,000
JD00B	MDOT: WMATA Grants	0	0	167,000,000	0	0	167,000,000
Subtotal		\$0	\$0	\$218,500,000	\$0	\$0	\$218,500,000

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	GO	Revenue	General	Special	Federal	Total Funds
Current Year Total (Excluding MDOT)		\$1,479,127,055	\$510,000,000	\$2,057,611,917	\$575,299,192	\$570,170,815	\$5,192,208,979
Transportation CTP		\$0	\$0	\$0	\$1,257,438,735	\$1,309,895,120	\$2,567,333,855
Current Year Total (Including MDOT)		\$1,479,127,055	\$510,000,000	\$2,057,611,917	\$1,832,737,927	\$1,880,065,935	\$7,759,542,834
Deauthorizations							
ZF00	Deauthorizations as Introduced	-\$39,361,000	\$0	\$0	\$0	\$0	-\$39,361,000
ZF00A	Additional Deauthorizations	-15,000,000	0	0	0	0	-15,000,000
Subtotal		-\$54,361,000	\$0	\$0	\$0	\$0	-\$54,361,000
Current Year Total		\$1,424,766,055	\$510,000,000	\$2,057,611,917	\$1,832,737,927	\$1,880,065,935	\$7,705,181,834
Fiscal 2022 Deficiencies							
UA0105A	MDE: Maryland Drinking Water Revolving Loan Fund	\$0	\$0	\$0	\$0	\$5,614,000	\$5,614,000
SA2402E	DHCD: Neighborhood Business Development Program	0	0	0	0	12,000,000	12,000,000
H0102A	BPW: Fuel Conversion Project – Eastern Correctional Institution Cogeneration Plant	0	0	7,284,815	0	0	7,284,815
Subtotal		\$0	\$0	\$7,284,815	\$0	\$17,614,000	\$24,898,815
Entire Budget Total (Including Deficiencies)		\$1,479,027,055	\$510,000,000	\$2,064,896,732	\$1,832,737,927	\$1,897,679,935	\$7,784,341,649

BCCC: Baltimore City Community College
 BPW: Board of Public Works
 BSU: Bowie State University
 CSU: Coppin State University
 CSMS: Combined Support Maintenance Shop
 CTP: Consolidated Transportation Program
 DHCD: Department of Housing and Community Development
 DJS: Department of Juvenile Services

MDVA: Maryland Department of Veterans Affairs
 MES: Maryland Environmental Service
 MHA: Maryland Hospital Association
 MHEC: Maryland Higher Education Commission
 MICUA: Maryland Independent College and University Association
 MSA: Maryland Stadium Authority
 MSD: Maryland School for the Deaf
 MSDE: Maryland State Department of Education

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
MD: Military Department
MDA: Maryland Department of Agriculture
MDE: Maryland Department of the Environment
MDEM: Maryland Department of Emergency Management
MDH: Maryland Department of Health
MDOA: Maryland Department of Aging
MDOD: Maryland Department of Disabilities
MDOT: Maryland Department of Transportation
MDP: Maryland Department of Planning

MSLA: Maryland State Library Agency
MSU: Morgan State University
PAYGO: pay-as-you-go
SMCM: St. Mary's College of Maryland
SU: Salisbury University
TU: Towson University
UMB: University of Maryland, Baltimore Campus
UMBC: University of Maryland Baltimore County
UMCES: University of Maryland Center for Environmental Science
UMCP: University of Maryland, College Park Campus
UMGC: University of Maryland Global Campus
UMES: University of Maryland Eastern Shore
UMMS: University of Maryland Medical System
USMO: University System of Maryland Office
WMATA: Washington Metropolitan Area Transportation Authority

Note: General Obligation Bond category include both bond authorizations and bond premiums.

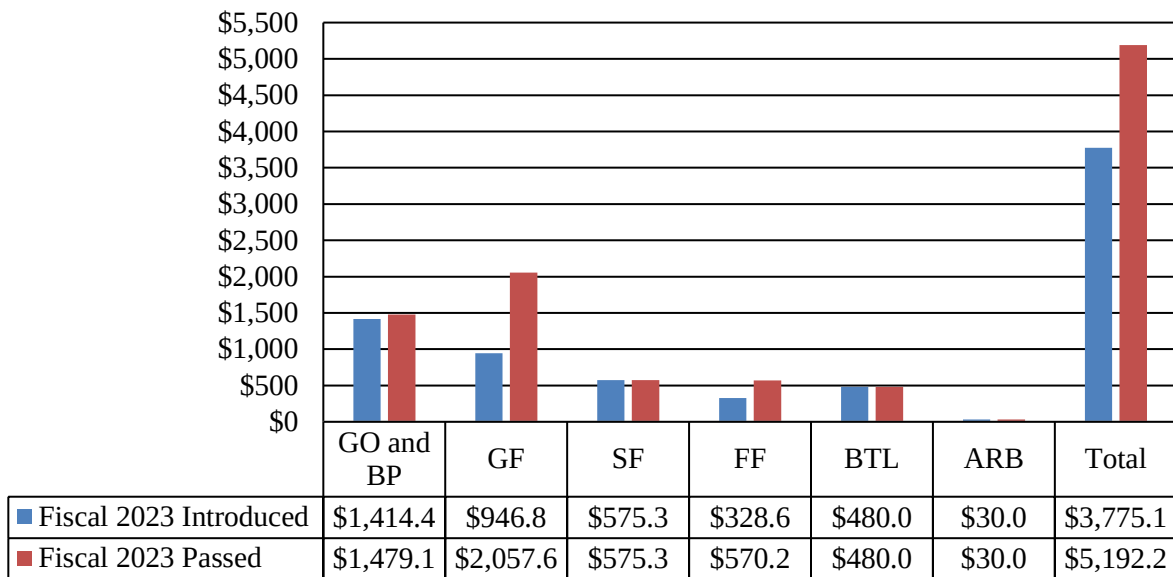
Source: Department of Legislative Services

Capital Budget Outlook

The fiscal 2023 capital program passed by the General Assembly is \$1.417 billion more than the amount originally introduced by the Governor. This expansion is consistent with the recommendations of the Spending Affordability Committee (SAC), which included a general statement that the general fund portion of the capital program approach \$2.0 billion. With the budget surplus in mind, the General Assembly worked with the Administration to use the surplus to target spending toward one-time infrastructure investments. Overall, supplemental budgets increased the amount of PAYGO general funds by \$1.111 billion for a total of \$2.058 billion. Supplemental budgets also increased the level of federal funds by bringing in additional American Rescue Plan Act funds as well as the first portion of federal funds from the Infrastructure Investment and Jobs Act consisting of \$200 million for water quality and drinking water projects administered by the Maryland Department of the Environment. The budget also includes the use of \$259.7 million of fiscal 2023 estimated bond premium proceeds, which is \$49.7 million more than the amount included in the budget as submitted by the Governor.

Exhibit A-2.3 and **Exhibit A-2.4** illustrate the budget as introduced compared to the budget as passed by fund source and major funding category.

Exhibit A-2.3
Proposed and Authorized Capital Program by Fund Source
(\$ in Millions)



ARB: Academic Revenue Bond

BP: bond premium

BTL: Built to Learn Bonds

FF: federal fund

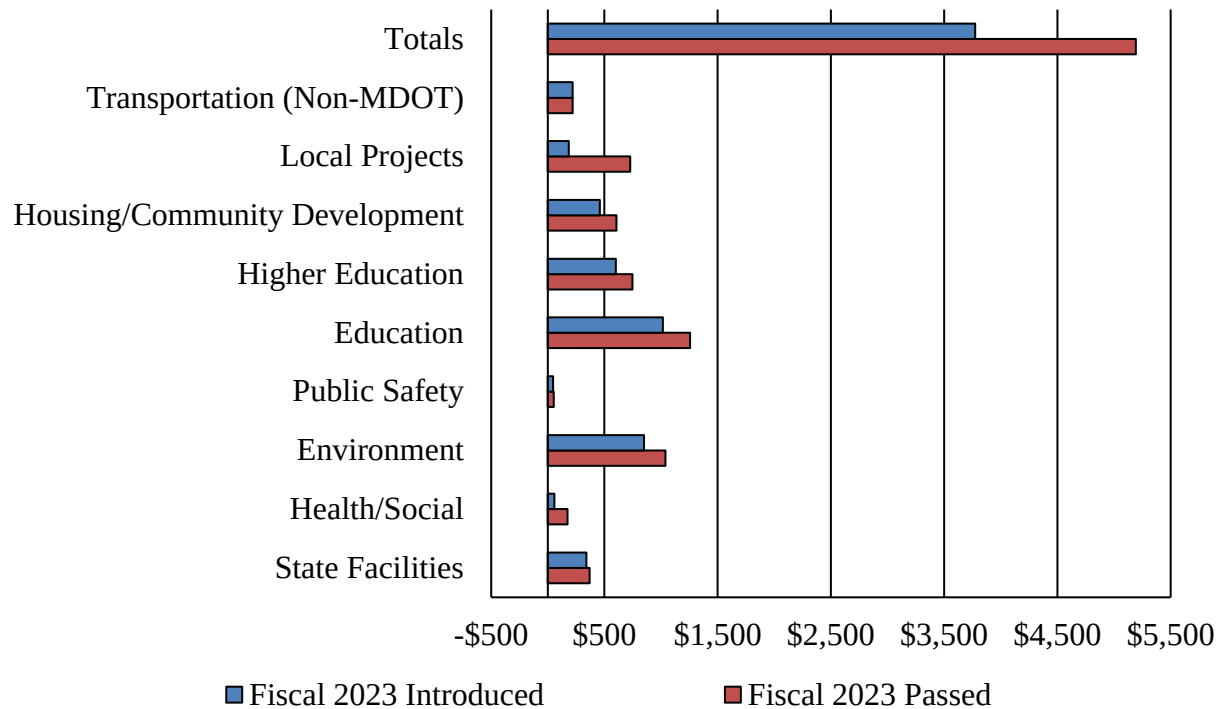
GF: general fund

GO: general obligation

SF: special fund

Source: Department of Legislative Services

Exhibit A-2.4
Proposed and Authorized Capital Program by Uses
(\$ in Millions)



MDOT: Maryland Department of Transportation

Source: Department of Legislative Services

Use of Dedicated Purpose Account

The fiscal 2023 capital budget allocates a large portion of the PAYGO funds in the Dedicated Purpose Account (DPA). As shown in **Exhibit A-2.5**, the capital program as introduced included \$455.0 million of general funds in the DPA, of which \$167 million provides grants for the Washington Metropolitan Area Transportation Authority, \$200 million supports facilities renewal across the Department of General Services, the Department of Natural Resources, and USM-managed facilities in keeping with the SAC recommendations, and \$24.7 million supports the capital portion of required Program Open Space repayments. Another \$171.2 million of federal funds supports the expansion of broadband.

To secure a larger overall capital program for legislative priorities and utilize a portion of the State's large cash reserves for infrastructure projects throughout the State, the

General Assembly removed \$800 million of capital projects proposed to be funded with GO bonds and directed the Governor to instead fund those projects with the State's general fund cash surplus. Supplemental Budget No. 4 ultimately included \$800 million of unallocated general funds for this purpose, and language added to this appropriation provides the specific project allocations. This provided \$800 million of GO bond capacity that the General Assembly used to advance legislative capital priorities.

Exhibit A-2.5
Capital Appropriations in the Dedicated Purpose Account
(\$ in Millions)

<u>Agency</u>	<u>Project Title</u>	<u>General Funds</u>	<u>Program Open Space</u>	<u>Federal Funds</u>
BPW	Facilities Renewal Fund	\$75.0		
MDVA	New Veterans Home	63.3		
MDOT	WMATA Grants	167.0		
DNR	Critical Maintenance Program	25.0		
DNR	Natural Resources Development Fund		\$8.2	
DNR	Program Open Space – State		6.6	
DNR	Program Open Space – Local		5.0	
DNR	Rural Legacy Program		1.1	
MDA	Maryland Agricultural Land Preservation Program		3.8	
USM	Capital Facilities Renewal	65.0		
BCCC	Deferred Maintenance	5.0		
SMCM	Campus Infrastructure Improvements	5.0		
MHEC	Community College Facilities Renewal Grant Program	15.0		
MSU	Deferred Maintenance and Site Improvements	10.0		
DHCD	Broadband			\$171.2
	Subtotal DPA (as introduced)	\$430.3	\$24.7	\$171.2
MSD	Veditz Building Renovation	9.6		
HSMCC	Maryland Heritage Interpretive Center	12.0		
DJS	Baltimore City Juvenile Justice Center	10.3		
MSU	New Health and Human Services Building	66.0		
DPSCS	High Temperature Distribution and Perimeter Security Improvements	10.8		
DPSCS	Jessup Regional Electrical Infrastructure Upgrade	3.1		
BPW	Renovations to 2100 Guilford Ave	28.9		
DSP	Barrack V Berlin: New Barrack and Forensic Lab	11.1		

<u>Agency</u>	<u>Project Title</u>	<u>General Funds</u>	<u>Program</u>	
			<u>Open Space</u>	<u>Federal Funds</u>
UMB	Central Electric Substation and Electric Infrastructure Upgrades	16.1		
UMCP	Chemistry Building Wing 1 Replacement	57.8		
BSU	Communication Arts and Humanities Building	73.2		
CSU	Percy Julian Building Renovation	2.5		
TU	New College of Health Professions Building	88.7		
MDOT	Howard Street Tunnel	51.5		
MES	State Water and Sewer Infrastructure Improvement Fund	17.3		
MDEM	Headquarters Renovation	9.1		
MSU	New Science Center	7.0		
JUD	Shillman Building Conversion	25.8		
DSP	Tactical Services Facility	3.9		
UMCES	Chesapeake Analytics Collaborative Building	9.4		
MDP	Maryland Archaeological Conservation Laboratory Expansion	3.5		
BCCC	Learning Commons	2.2		
DPSCS	Therapeutic Treatment Center	13.9		
JUD	Harford District Court	12.0		
TU	Smith Hall Renovation	6.1		
SU	Blackwell Hall Renovation	1.9		
MHEC	Community College Construction Grant Program	67.0		
DoIT	Public Safety Communication System	13.1		
UMMS	Comprehensive Cancer Treatment and Organ Transplant	25.0		
MDEM	Conowingo Dam Watershed	25.0		
MES	Conowingo Dam Dredging	6.0		
FSU	Facilities Renewal	10.0		
BPW	Facilities Renewal Program	35.0		
BPW	State House Exterior and Grounds Restoration	26.1		
DNR	Oyster Restoration Program	13.6		
MISC	Maryland Food Center Authority	10.0		
DNR	Community Parks and Playgrounds	5.0		
BPW	Washington County District Court	4.0		
MSU	New Science Center I	3.3		
DHCD	Shelter and Transitional Housing	3.0		
	Subtotal DPA (Supplemental Budget No. 4)	800.0		
	Total Capital in DPA	\$1,230.3	\$24.7	\$171.2

BCCC: Baltimore City Community College
BPW: Board of Public Works
BSU: Bowie State University
CSU: Coppin State University
DHCD: Department of Housing and Community Development
DJS: Department of Juvenile Services
DNR: Department of Natural Resources
DoIT: Department of Information Technology
DPA: Dedicated Purpose Account
DPSCS: Department of Public Safety and Correctional Services
DSP: Department of State Police
FSU: Frostburg State University
HSMCC: Historic St. Mary's City Commission
JUD: Judiciary
MDA: Maryland Department of Agriculture
MDem: Maryland Department of Emergency Management
MDOT: Maryland Department of Transportation
MDP: Maryland Department of Planning
MDVA: Maryland Department of Veterans Affairs
MES: Maryland Environmental Service
MHEC: Maryland Higher Education Commission
MISC: Miscellaneous Grant Programs
MSD: Maryland School for the Deaf
MSU: Morgan State University
SMCM: St. Mary's College of Maryland
SU: Salisbury University
TU: Towson University
UMB: University of Maryland, Baltimore Campus
UMCES: University of Maryland Center for Environmental Science
UMCP: University of Maryland, College Park Campus
UMMS: University of Maryland Medical System
USM: University System of Maryland
WMATA: Washington Metropolitan Area Transit Authority

Source: Department of Legislative Services

GO Bond Preauthorizations

The MCCBL of 2022 includes \$836.8 million of GO bond authorizations that will not take effect until fiscal 2024 and \$319.1 million that will not take effect until fiscal 2025 and 2026. Of the \$836.8 million preauthorized for fiscal 2024, \$491.0 million either continues the funding for existing State construction contracts or allows projects expected to be contracted during fiscal 2023 to proceed without the full amount of the construction authorization provided in the fiscal 2023 budget. The remaining \$345.8 million expresses the General Assembly's support of local projects, which are contracted by local governments and local and private organizations instead of the State. **Exhibit A-2.6** shows the preauthorizations for fiscal 2024 through 2026 included in the MCCBL of 2022.

Exhibit A-2.6
Preauthorizations Included in Senate Bill 291

<u>Agency</u>	<u>Project Title</u>	<u>2023 Session</u>	<u>2024 Session</u>	<u>2025 Session</u>
MDEM	Maryland Department of Emergency Management Headquarters	\$10,250,000	\$1,315,000	
MD	Freestate Challenge Academy	1,750,000		
MSA	Department of Legislative Services Building	45,000,000	25,000,000	
MSA	Pimlico Demolition	5,000,000		
BPW	State House Exterior and Grounds Restoration	12,070,000		
BPW	Renovations to 2100 Guilford Avenue	18,286,000		
BPW	Shillman Building Conversion	35,507,000		
MDP	Maryland Archeological Conservation Laboratory Expansion and Renovation	8,000,000		
MDOT	Point Lookout Road	10,000,000		
MDH	Behavioral Health Crisis Centers	853,000		
DPSCS	Jessup Region Electrical Infrastructure Upgrade	9,389,000		
DPSCS	Section 13 – DPSCS High Temperature Distribution and Perimeter Security Improvements	28,013,000		
DPSCS	Women’s Prerelease Center	2,000,000		
UMB	Central Electric Substation and Electrical Infrastructure Upgrades	1,058,337		
UMCP	Chemistry Building Wing 1 Replacement	7,730,000		
UMCP	Interdisciplinary Engineering Building	29,515,000	64,485,000	\$32,000,000
UMCP	Health and Human Sciences Building	10,000,000		
BSU	Communication Arts and Humanities Building	61,598,000	4,272,000	
TU	New College of Health Professions Building	27,955,000		
TU	Towson University Institute for Well-Being	5,000,000		
UMCES	Chesapeake Analytics Collaborative Building	6,448,000		
MHEC	Community College Construction Grant Program	32,060,000		

<u>Agency</u>	<u>Project Title</u>	<u>2023 Session</u>	<u>2024 Session</u>	<u>2025 Session</u>
MSU	Section 13 – MSU Campus Expansion Phase 1 Lake Clifton High School Demolition	5,275,000	3,491,000	
MSU	Section 13 – MSU New Health and Human Services Building Phase II	51,028,000		
MSU	New Science Center Phase I	6,242,000		
MSU	Patuxent Environmental and Aquatic Research Laboratory	2,000,000		
MSU	Concrete Laboratory	3,000,000		
UMMS	Capital Region Medical Center – Oncology Center	27,000,000		
DHCD	Laurel Park – Backstretch Housing	10,000,000		
DSP	New Berlin Barrack, Forensic Lab, and Garage	2,270,000		
DSP	New Tactical Operations Building	9,373,000		
MES	Infrastructure Improvement Fund	14,280,000		
DJS	Cheltenham Youth Treatment Center	69,600,000	33,800,000	
MISC	Baltimore City Markets	1,500,000	1,500,000	
MISC	Baltimore Museum of Art	2,500,000	2,500,000	2,500,000
MISC	BlackRock Center for the Arts	350,000		
MISC	CASA Headquarters	250,000		
MISC	Chrysalis Pavilion	1,000,000	1,000,000	
MISC	Crownsville Hospital Infrastructure and Memorial Park	5,000,000		
MISC	Humanim	500,000	500,000	
MISC	Intergenerational Center – Catholic Charities	3,000,000	3,000,000	
MISC	Montgomery College East County Expansion	2,000,000		
MISC	Montgomery County Local Public School Playgrounds	1,350,000		
MISC	Oak Creek West Park	2,000,000		
MISC	Olney Boys and Girls Club Performance Sports Center	1,500,000		
MISC	Perry Hall Sewer and Wastewater Infrastructure	2,500,000	2,500,000	
MISC	Sandy Spring Museum	1,500,000		
MISC	East Baltimore Transfer Station	3,000,000		
MISC	Sinai Hospital of Baltimore – LifeBridge Health	5,000,000		
MISC	Town of Brookeville	500,000		

<u>Agency</u>	<u>Project Title</u>	<u>2023 Session</u>	<u>2024 Session</u>	<u>2025 Session</u>
MISC	White Flint Metro Station North Entrance	2,000,000		
MISC	Bainbridge Naval Training Center Site Redevelopment	7,500,000		
MISC	Central Avenue Connector Trail Segment – Greenway and Spur	5,000,000		
MISC	Washington County Museum of Fine Arts	1,250,000	1,250,000	
MISC	Holt Park	2,500,000	2,500,000	
MISC	South Valley Park Improvements	1,000,000		
MISC	Restoration Center	5,000,000		
MISC	Sound Barrier	500,000		
MISC	Stony Run Walking Path and Wyman Park	750,000		
MISC	Central Baltimore Partnership	2,000,000		
MISC	Hagerstown Field House	2,000,000		
MISC	Prince George’s Family Crisis Center	5,000,000		
MISC	Arts Every Day	5,000,000	5,000,000	
MISC	Next Level Sports Innovation Center	20,000,000		
MISC	Secure Compartmented Information Facilities	2,500,000		
MISC	Inner Harbor Promenade	30,000,000	30,000,000	
MISC	Benjamin Banneker Historical Park and Museum	2,000,000		
MISC	Pikesville Armory	3,000,000		
MISC	B&O Railroad Museum	1,000,000		
MISC	Town of Smithsburg – Water Street Improvements	3,000,000		
MISC	Chesapeake Bay Foundation Oyster Facility	50,000		
MISC	East Baltimore Development Inc.	1,250,000		
MISC	Montgomery County Bus Rapid Transit Project	7,000,000		
MISC	Bethesda Market Lots 10-24	500,000		
MISC	White Flint Redevelopment	6,000,000	2,500,000	
MISC	Mount Rainier Welcome Center	1,250,000		
MISC	University of Maryland Shore Medical Center at Chestertown	2,500,000		
MISC	Garrett College – Ballfield Reconstruction	550,000		

<u>Agency</u>	<u>Project Title</u>	<u>2023 Session</u>	<u>2024 Session</u>	<u>2025 Session</u>
MISC	Town of Sykesville Infrastructure Improvements	1,000,000		
MISC	Zero Emissions Buses	5,000,000		
MISC	Federal Bureau of Investigation Headquarters	100,000,000	100,000,000	
MISC	Western Maryland Scenic Railroad	1,500,000		
MISC	Six Bridge Trail	500,000		
MISC	Allegany County Fairgrounds	500,000		
MISC	MedStar Franklin Square Hospital	2,000,000		
MISC	South Marlyn Avenue	3,000,000		
MISC	Maryland Center for History and Culture	500,000		
MISC	MedStar Montgomery Medical Center – Intensive Care Unit	1,000,000		
MISC	Sang Run State Park – Youghioghency River Trail Section 2	700,000		
Totals		\$836,800,337	\$284,613,000	\$34,500,000

BPW: Board of Public Works
 BSU: Bowie State University
 DHCD: Department of Housing and Community Development
 DJS: Department of Juvenile Services
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 MD: Military Department
 MDEM: Maryland Department of Emergency Management
 MDH: Maryland Department of Health
 MDOT: Maryland Department of Transportation
 MDP: Maryland Department of Planning
 MES: Maryland Environmental Service
 MHEC: Maryland Higher Education Commission
 MISC: Miscellaneous Grant Programs
 MSA: Maryland Stadium Authority
 MSU: Morgan State University
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMCES: University of Maryland Center for Environmental Science
 UMCP: University of Maryland, College Park Campus
 UMMS: University of Maryland Medical System

Source: Department of Legislative Services

Additional Actions

Senate Bill 1009 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.

Higher Education

The overall State-funded portion of the fiscal 2023 capital program for all segments of higher education is \$747.1 million. Of the total funding, public four-year institutions receive \$619.9 million, or 83.0%, of funding; independent institutions receive \$16.0 million, or 2.1%, of funding. Community colleges, including Baltimore City Community College (BCCC), receive \$111.2 million, or 14.9%, of funding that includes \$18.4 million for the facilities renewal grant program and \$12.7 million for BCCC. **Exhibit A-2.7** shows the fiscal 2023 capital funding by public four-year institutions and segments.

Exhibit A-2.7 Higher Education Capital Funding by Institution and Segment Fiscal 2023

<u>Institution</u>	<u>Funding</u>
University of Maryland, Baltimore Campus	\$20,638,000
University of Maryland, College Park Campus	109,817,000
Bowie State University	79,357,000
Towson University	108,761,000
University of Maryland Eastern Shore	13,365,000
Frostburg State University	15,000,000
Coppin State University	6,364,000
Salisbury University	1,940,000
University of Maryland Global Campus	1,500,000
University of Maryland Baltimore County	41,886,000
University of Maryland Center for Environmental Science	11,889,000
University System of Maryland – Facility Renewal	90,308,000
Morgan State University	108,083,000
St. Mary's College of Maryland	10,989,000
Independent Institutions	15,976,000
Baltimore City Community College	12,686,000
Community Colleges	98,550,000
Total	\$747,109,000

Note: Includes general obligation bonds, academic revenue bonds, and general funds.

Source: Department of Legislative Services

Public School Construction

As illustrated in **Exhibit A-2.8**, the fiscal 2023 budget provides \$1.237 billion for public school construction programs, which is a historically high level. The largest funded program is the traditional Public School Construction program that receives \$522.0 million, comprised of \$304.2 million of GO bond funds and \$217.8 million of general funds. The largest fund source is revenue bonds with \$480 million estimated to be issued by the Maryland Stadium Authority as authorized by the Built to Learn Act. 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 \$90 million.

Exhibit A-2.8
Fiscal 2023 School Construction Funding by Program and Fund Source
 (\$ in Millions)

	<u>GO</u> <u>Bonds</u>	<u>Revenue</u> <u>Bonds</u>	<u>General</u> <u>Funds</u>	<u>Federal</u> <u>Funds</u>	<u>Total</u>
Public School Construction Program	\$304.2	\$0.0	\$217.8	\$0.0	\$522.0
Built to Learn Act	0.0	480.0	0.0	0.0	480.0
Supplemental Capital Grant Program	95.4	0.0	0.0	0.0	95.4
Healthy School Facility Fund	50.0	0.0	0.0	40.0	90.0
School Construction Revolving Loan Program	0.0	0.0	40.0	0.0	40.0
Aging Schools Program	6.1	0.0	0.0	0.0	6.1
Nonpublic Aging Schools Program	3.5	0.0	0.0	0.0	3.5
Total	\$459.2	\$480.0	\$257.8	\$40.0	\$1,237.0

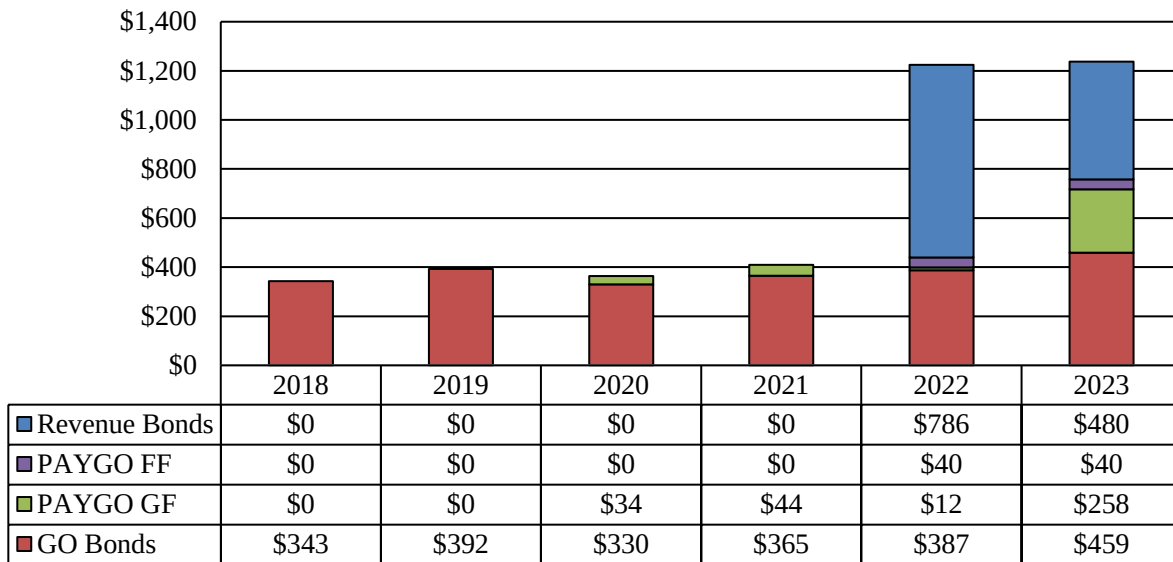
GO: general obligation

Note: Approximately \$480 million in revenue bonds for the Built to Learn program is anticipated to be available in fiscal 2023. Projects prioritized for funding have been previously approved by the Interagency Commission on School Construction but have not yet received an allocation. Figures 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

Exhibit A-2.9 shows the funding allocation by fund source provided for public school construction from fiscal 2018 to 2023.

Exhibit A-2.9
Public School Construction Funding
Fiscal 2018-2023
(\$ in Millions)



FF: federal fund
 GF: general fund
 GO: general obligation
 PAYGO: pay-as-you-go

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

Programs traditionally funded by the transfer tax received a substantial increase in fiscal 2023. This is due to an increase in the transfer tax revenue estimate from \$232.1 million for fiscal 2022 to \$306.5 million for fiscal 2023, \$48.5 million in overattainment funding from fiscal 2021 that is budgeted in fiscal 2023, and \$30.5 million in general funds for repayment of prior year transfers.

Fiscal 2023 Funding

As shown in **Exhibit A-2.10**, these changes altered both the amount and the components of funding for the traditionally transfer tax-funded programs. Closely allied programs are also reflected in the exhibit. These programs include GO bond funding of \$85.0 million for the second year of funding of the Local Parks and Playgrounds Infrastructure program and \$25.0 million in new GO bond funding for Critical Maintenance Program projects on State-owned and local government property.

Exhibit A.-2.10
Programs Traditionally Funded with Transfer Tax Revenue with Overattainment
Fiscal 2023
(\$ in Millions)

	Transfer Tax Regular Special <u>Funds</u>	Transfer Tax Overattainment Special <u>Funds</u>	Transfer Tax Repayment General <u>Funds</u>	Other Special <u>Funds</u>	<u>Federal</u>	GO Bond <u>Funds</u>	<u>Total</u>
Department of Natural Resources							
Program Open Space							
State ¹	\$65.9	\$13.8	\$6.3	\$0.1	\$3.0	\$0.3	\$89.3
Local ²	66.1	10.9	5.0	0.0	0.0	85.0	167.0
Capital Development ³	28.6	4.9	8.2	0.0	1.9	25.0	68.6
Rural Legacy Program	22.9	2.4	1.1	0.0	0.0	0.0	26.4
Heritage Conservation Fund	5.4	0.9	0.4	0.0	0.0	0.0	6.6
Department of Agriculture							
Agricultural Land Preservation ⁴	50.2	8.3	3.8	10.0	0.0	0.0	72.2
Next Generation Farmland Acquisition Program	0.0	0.0	2.5	0.0	0.0	0.0	2.5
Total	\$239.0	\$41.2	\$27.2	\$10.1	\$4.9	\$110.3	\$432.7

GO: general obligation

¹ The Baltimore City Direct Grant of \$6.0 million is a component of the \$79.7 million transfer tax regular and overattainment special funds. The \$0.1 million in other special funds reflect an appropriation from the Advance Option and Purchase Fund from revenues related to the disposition of State excess real property per State Finance and Procurement Article §§ 5-310 and 10-305. The \$3.0 million in federal funds reflect Land and Water Conservation Fund grants that may also be

used for Program Open Space Local purposes. The \$0.3 million in GO bond funds reflect funding for the acquisition of the Simkins Mill property adjacent to the Patapsco Valley State Park – Avalon Area.

² The \$85.0 million in GO bond funding reflect the Local Parks and Playgrounds Infrastructure program funding. Of this amount, \$40.7 million is allocated to particular projects and \$44.4 million is provided as county allocations.

³ The Capital Development transfer tax regular and overattainment special funds are allocated as follows: Natural Resources Development Fund – \$19.9 million, of which \$0.4 million is for the Maryland Environmental Service (MES) Water and Wastewater Projects at State Parks; Ocean City Beach Maintenance – \$1.0 million; and Critical Maintenance Program – \$12.6 million. The transfer tax repayment general funds reflect \$8.2 million for MES’s Water and Wastewater Projects at State Parks. The Capital Development federal funds reflect \$1.9 million in Land and Water Conservation Fund grant supporting design and construction of the Multiple Restroom Upgrades project at the Patapsco Valley State Park’s Hollofield and McKeldin Areas in Howard County. The Capital Development GO bond funding reflect \$25.0 million for Critical Maintenance Program projects to construct capital improvements, such as planned maintenance and repair projects at public use facilities on State-owned and local government property, of which \$17.0 million is allocated to the Druid Hill Park – Druid Lake Recreational Lake Project Phase I project in Baltimore City.

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

Note: The total transfer tax overattainment special funds is \$48.5 million, which includes \$7.3 million for the Maryland Park Service that is not shown in the exhibit. The total general funds transfer tax repayment funding is \$30.5 million, which includes \$3.3 million for the Maryland Park Service that is not shown in the exhibit for the following: \$2.0 million for maintenance and infrastructure improvements at the Fair Hill Special Event Zone and \$1.3 million for management studies for the State park system, recreational innovations, and improvements to administrative efficiency.

Source: Department of Budget and Management; Legislative Services

Transfer Tax Repayment Plan Out-year Modifications

Chapter 10 of 2016 required the repayment of \$242.2 million in past redirected transfer tax funds by fiscal 2029. The plan provided for the use of general funds, which are budgeted in the Dedicated Purpose Account, as a source of repayment to be expended as special funds in the budget. The established repayment schedule has been changed several times. The remaining payment between fiscal 2024 and 2031 was \$143.6 million before the enactment of [Senate Bill 541](#), which forward funds the Rural Legacy Program, Maryland Agricultural Land Preservation Program, and Next Generation Farmland Acquisition Program, and reprograms other transfer tax repayments for two new special funds: the Park System Critical Maintenance Fund and the Park System Capital Improvements and Acquisition Fund.

For a further discussion of [Senate Bill 541](#), see the subpart “Natural Resources” within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

State Aid to Local Governments

Overview

State aid to local governments will total \$9.4 billion in fiscal 2023, representing a \$553.4 million, or 6.3%, increase over fiscal 2022. Direct aid will increase by \$608.4 million, and State funding for retirement payments will decrease by \$55.0 million. As in prior years, local school systems will receive the largest total increase in State funding, though not in terms of percentage change. **Exhibit A-3.1** compares State aid by governmental entity in fiscal 2022 and 2023.

Exhibit A-3.1
State Aid to Local Governments
Fiscal 2022 and 2023
(\$ in Millions)

	<u>2022</u>	<u>2023</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$6,754.2	\$7,209.8	\$455.6	6.7%
Libraries	64.4	68.7	4.2	6.5%
Community Colleges	325.6	390.4	64.8	19.9%
Local Health	73.9	74.9	1.0	1.4%
County/Municipal	783.2	866.0	82.8	10.6%
Subtotal – Direct Aid	\$8,001.3	\$8,609.8	\$608.4	7.6%
Retirement Payments	\$845.4	\$790.4	-\$55.0	-6.5%
Total	\$8,846.7	\$9,400.2	\$553.4	6.3%

Source: Department of Legislative Services

Major Changes to Public School State Aid

The Governor’s veto of House Bill 1300 of 2020, Blueprint for Maryland’s Future – Implementation, was overridden by the General Assembly during the 2021 session, thus delaying State aid implications of the legislation (Chapter 36 of 2021). The combination of this one-year delay and the considerable impacts of the COVID-19 pandemic on public school finances necessitated several one-time adjustments in fiscal 2022, including \$211.6 million in COVID-19 relief funding and \$209.4 million in hold harmless grants to address enrollment decreases. Chapter 55 of 2021, Blueprint for Maryland’s Future – Revisions, revised Chapter 36 provisions to account for the timing of its enactment. As shown in the State aid exhibits that follow and further discussed below, several aid programs, including one-time programs, terminate after fiscal 2022, and there are several new and expanded aid programs that commence in fiscal 2023.

House Bill 1450 (Ch. 33) among other provisions (1) requires the Comptroller to distribute \$800 million in income tax revenues to the Blueprint for Maryland’s Future Fund before June 30, 2023; (2) provides for additional increases in projected revenues for the fund by altering the distribution of certain sales and use tax revenues; and (3) specifies minimum local government funding for public schools in fiscal 2023. For a further discussion of **House Bill 1450**, see subpart “Education – Primary and Secondary” within Part L – Education of this *90 Day Report*.

Changes by Program

Direct State aid increases for Baltimore City and all counties in Maryland except Kent County in fiscal 2023. **Exhibit A-3.2** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A-3.3** shows total State aid in fiscal 2022 and 2023 by program. A more detailed discussion of the changes in State aid in fiscal 2023 follows the exhibits.

Exhibit A-3.2
State Aid to Local Governments
Fiscal 2023 Legislative Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	Direct State Aid				Retirement	Total	Change Over Fiscal 2022	Percent Change
			Public Schools	Libraries	Health	Subtotal				
Allegany	\$17,364	\$9,132	\$97,294	\$870	\$2,491	\$127,150	\$8,057	\$135,207	\$4,620	3.5%
Anne Arundel	52,081	42,972	471,213	2,730	5,970	574,966	69,616	644,582	49,449	8.3%
Baltimore City	321,507	0	1,126,504	9,652	10,690	1,468,353	61,532	1,529,885	178,181	13.2%
Baltimore	34,872	64,966	836,781	7,357	6,954	950,930	96,333	1,047,263	66,512	6.8%
Calvert	6,724	5,084	102,941	578	1,118	116,445	13,770	130,215	9,301	7.7%
Caroline	7,181	2,143	69,020	361	1,258	79,963	4,712	84,675	2,593	3.2%
Carroll	7,525	12,832	157,927	1,222	2,954	182,460	20,664	203,123	12,357	6.5%
Cecil	11,528	8,827	119,048	925	2,049	142,376	13,465	155,842	4,447	2.9%
Charles	5,998	9,361	222,572	1,328	2,396	241,655	21,680	263,335	7,778	3.0%
Dorchester	8,020	1,626	55,289	344	1,291	66,570	3,875	70,445	2,225	3.3%
Frederick	12,293	17,380	329,080	1,820	3,305	363,878	35,121	399,000	43,830	12.3%
Garrett	6,871	5,398	24,670	182	1,347	38,468	3,328	41,796	61	0.1%
Harford	9,646	17,677	263,582	2,030	3,717	296,652	30,470	327,121	25,023	8.3%
Howard	10,916	31,306	331,408	1,163	2,967	377,759	58,978	436,737	32,641	8.1%
Kent	1,509	645	11,263	119	1,290	14,827	1,672	16,499	-407	-2.4%
Montgomery	37,194	70,709	868,664	3,717	5,172	985,456	166,207	1,151,663	45,649	4.1%
Prince George's	131,139	45,390	1,348,373	8,729	8,217	1,541,848	116,986	1,658,834	36,045	2.2%
Queen Anne's	2,614	2,809	41,596	201	1,020	48,241	5,974	54,215	2,522	4.9%
St. Mary's	4,023	6,263	127,136	881	1,675	139,977	13,627	153,604	9,339	6.5%
Somerset	9,451	1,431	40,953	324	1,139	53,298	2,797	56,095	2,554	4.8%
Talbot	3,256	2,413	18,850	131	892	25,543	3,822	29,365	1,326	4.7%
Washington	11,331	14,541	213,779	1,604	3,053	244,308	17,502	261,810	6,503	2.5%
Wicomico	19,927	7,756	181,856	1,232	2,413	213,184	13,015	226,200	9,788	4.5%
Worcester	9,557	3,250	25,418	184	1,519	39,928	7,190	47,118	1,807	4.0%
Unallocated	123,481	6,460	124,616	20,973	0	275,530	0	275,530	-721	-0.3%
Total	\$866,007	\$390,370	\$7,209,834	\$68,656	\$74,896	\$8,609,763	\$790,395	\$9,400,158	\$553,422	6.3%

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

Exhibit A-3.2 (Cont.)
State Aid to Local Governments
Dollar Difference Between Fiscal 2023 Legislative Appropriation and Fiscal 2022 Working Appropriation
(\$ in Thousands)

Direct State Aid								
County	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal	Retirement	Total
Allegany	\$521	\$1,232	\$5,249	\$2	-\$1,845	\$5,159	-\$540	\$4,620
Anne Arundel	3,945	6,789	42,329	178	877	54,118	-4,670	49,449
Baltimore City	24,828	0	155,006	127	1,727	181,688	-3,507	178,181
Baltimore	7,800	12,735	53,321	711	1,030	75,597	-9,085	66,512
Calvert	791	2,058	7,698	10	-394	10,162	-861	9,301
Caroline	165	125	2,723	10	153	3,176	-582	2,593
Carroll	513	2,550	10,481	96	162	13,801	-1,444	12,357
Cecil	623	1,381	3,561	28	149	5,743	-1,296	4,447
Charles	1,147	-1,238	11,862	60	-1,408	10,422	-2,644	7,778
Dorchester	608	307	2,059	22	-515	2,481	-255	2,225
Frederick	1,375	3,031	41,098	159	427	46,090	-2,260	43,830
Garrett	183	880	-171	3	-487	408	-348	61
Harford	1,050	2,915	21,603	146	485	26,198	-1,175	25,023
Howard	1,978	5,546	30,682	61	364	38,631	-5,990	32,641
Kent	76	53	262	2	-603	-210	-197	-407
Montgomery	3,675	13,454	36,563	208	667	54,566	-8,917	45,649
Prince George’s	15,344	4,941	20,611	1,007	570	42,473	-6,429	36,045
Queen Anne’s	236	400	2,393	-6	21	3,043	-521	2,522
St. Mary’s	510	3,067	6,339	14	166	10,096	-757	9,339
Somerset	177	198	2,834	-3	-311	2,895	-341	2,554
Talbot	244	286	881	7	102	1,520	-194	1,326
Washington	-3,529	2,570	8,549	115	378	8,081	-1,578	6,503
Wicomico	1,016	1,201	8,399	44	57	10,717	-930	9,788
Worcester	613	557	1,883	9	-771	2,291	-484	1,807
Unallocated	18,890	-237	-20,579	1,205	0	-721	0	-721
Total	\$82,776	\$64,801	\$455,634	\$4,214	\$1,000	\$608,425	-\$55,003	\$553,422

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

Exhibit A-3.2 (Cont.)
State Aid to Local Governments
Percent Change: Fiscal 2023 Legislative Appropriation Over Fiscal 2022 Working Appropriation

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	3.1%	15.6%	5.7%	0.2%	-42.6%	4.2%	-6.3%	3.5%
Anne Arundel	8.2%	18.8%	9.9%	7.0%	17.2%	10.4%	-6.3%	8.3%
Baltimore City	8.4%	n/a	16.0%	1.3%	19.3%	14.1%	-5.4%	13.2%
Baltimore	28.8%	24.4%	6.8%	10.7%	17.4%	8.6%	-8.6%	6.8%
Calvert	13.3%	68.0%	8.1%	1.8%	-26.1%	9.6%	-5.9%	7.7%
Caroline	2.3%	6.2%	4.1%	2.8%	13.8%	4.1%	-11.0%	3.2%
Carroll	7.3%	24.8%	7.1%	8.5%	5.8%	8.2%	-6.5%	6.5%
Cecil	5.7%	18.6%	3.1%	3.1%	7.8%	4.2%	-8.8%	2.9%
Charles	23.6%	-11.7%	5.6%	4.7%	-37.0%	4.5%	-10.9%	3.0%
Dorchester	8.2%	23.3%	3.9%	6.8%	-28.5%	3.9%	-6.2%	3.3%
Frederick	12.6%	21.1%	14.3%	9.6%	14.8%	14.5%	-6.0%	12.3%
Garrett	2.7%	19.5%	-0.7%	1.6%	-26.6%	1.1%	-9.5%	0.1%
Harford	12.2%	19.7%	8.9%	7.7%	15.0%	9.7%	-3.7%	8.3%
Howard	22.1%	21.5%	10.2%	5.5%	14.0%	11.4%	-9.2%	8.1%
Kent	5.3%	9.0%	2.4%	1.4%	-31.9%	-1.4%	-10.5%	-2.4%
Montgomery	11.0%	23.5%	4.4%	5.9%	14.8%	5.9%	-5.1%	4.1%
Prince George's	13.3%	12.2%	1.6%	13.0%	7.5%	2.8%	-5.2%	2.2%
Queen Anne's	9.9%	16.6%	6.1%	-3.1%	2.1%	6.7%	-8.0%	4.9%
St. Mary's	14.5%	96.0%	5.2%	1.6%	11.0%	7.8%	-5.3%	6.5%
Somerset	1.9%	16.0%	7.4%	-0.9%	-21.4%	5.7%	-10.9%	4.8%
Talbot	8.1%	13.5%	4.9%	5.8%	12.9%	6.3%	-4.8%	4.7%
Washington	-23.8%	21.5%	4.2%	7.7%	14.1%	3.4%	-8.3%	2.5%
Wicomico	5.4%	18.3%	4.8%	3.7%	2.4%	5.3%	-6.7%	4.5%
Worcester	6.9%	20.7%	8.0%	5.2%	-33.7%	6.1%	-6.3%	4.0%
Unallocated	18.1%	-3.5%	-14.2%	6.1%	n/a	-0.3%	n/a	-0.3%
Total	10.6%	19.9%	6.7%	6.5%	1.4%	7.6%	-6.5%	6.3%

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

Exhibit A-3.2 (Cont.)
State Aid to Local Governments
Fiscal 2022 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$16,843	\$7,900	\$92,045	\$868	\$4,335	\$121,991	\$8,597	\$130,587
Anne Arundel	48,136	36,183	428,884	2,552	5,094	520,848	74,285	595,134
Baltimore City	296,680	0	971,498	9,525	8,963	1,286,665	65,038	1,351,704
Baltimore	27,072	52,231	783,460	6,646	5,924	875,333	105,418	980,751
Calvert	5,933	3,026	95,243	568	1,512	106,283	14,631	120,914
Caroline	7,016	2,017	66,297	351	1,106	76,787	5,295	82,082
Carroll	7,012	10,282	147,447	1,126	2,792	168,659	22,107	190,766
Cecil	10,905	7,446	115,487	897	1,900	136,634	14,761	151,395
Charles	4,852	10,599	210,710	1,268	3,804	231,233	24,324	255,557
Dorchester	7,412	1,318	53,231	322	1,805	64,089	4,130	68,220
Frederick	10,918	14,348	287,983	1,661	2,878	317,788	37,382	355,170
Garrett	6,688	4,518	24,841	179	1,835	38,060	3,675	41,735
Harford	8,596	14,763	241,979	1,884	3,232	270,454	31,645	302,098
Howard	8,938	25,759	300,726	1,103	2,602	339,128	64,968	404,097
Kent	1,433	592	11,001	117	1,894	15,036	1,869	16,905
Montgomery	33,519	57,255	832,101	3,509	4,505	930,890	175,124	1,106,014
Prince George's	115,794	40,449	1,327,762	7,722	7,647	1,499,374	123,415	1,622,789
Queen Anne's	2,379	2,409	39,204	207	999	45,198	6,496	51,693
St. Mary's	3,513	3,195	120,797	867	1,509	129,881	14,385	144,265
Somerset	9,274	1,234	38,119	327	1,450	50,403	3,138	53,541
Talbot	3,013	2,127	17,968	124	790	24,022	4,017	28,039
Washington	14,860	11,971	205,230	1,489	2,675	236,226	19,080	255,306
Wicomico	18,911	6,554	173,457	1,188	2,356	202,467	13,945	216,412
Worcester	8,944	2,693	23,535	175	2,290	37,637	7,674	45,311
Unallocated	104,591	6,698	145,195	19,768	0	276,251	0	276,251
Total	\$783,231	\$325,569	\$6,754,200	\$64,442	\$73,896	\$8,001,338	\$845,398	\$8,846,736

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

Exhibit A-3.3
Total State Aid to Local Governments
Fiscal 2022 and 2023

<u>Program</u>	<u>2022</u>	<u>2023</u>	<u>Difference</u>
Foundation Aid	\$3,170,727,031	\$3,659,452,582	\$488,725,551
Supplemental Program	46,620,083	0	-46,620,083
Geographic Cost of Education Index	147,691,955	157,909,651	10,217,696
Net Taxable Income Education Grant	47,238,027	0	-47,238,027
Tax Increment Financing Education Grants	1,057,223	0	-1,057,223
Compensatory Education	1,286,664,932	1,295,201,860	8,536,928
Student Transportation – Regular	285,021,237	308,751,983	23,730,746
Student Transportation – Special Education	3,035,000	27,213,000	24,178,000
Special Education – Formula	311,093,332	401,310,445	90,217,113
Special Education – Nonpublic Placements	127,499,400	141,413,212	13,913,812
Special Education – Infants and Toddlers	10,389,104	14,673,430	4,284,326
English Language Learners Grant	334,286,759	422,465,014	88,178,255
Guaranteed Tax Base	49,864,008	45,783,860	-4,080,148
Prekindergarten Expansion Program	26,644,000	26,644,000	0
School Safety Grants	20,600,000	20,600,000	0
Blueprint – Concentration of Poverty	116,912,737	190,286,426	73,373,689
Blueprint – Mental Health Coordinators	2,000,000	0	-2,000,000
Blueprint – Prekindergarten	53,674,670	0	-53,674,670
Blueprint – Special Education	65,468,589	0	-65,468,589
Blueprint – Teacher Salary Incentives	75,000,001	0	-75,000,001
Blueprint – Transitional Supplemental Instruction	23,000,000	49,951,813	26,951,813
Blueprint – Hold Harmless	209,384,067	0	-209,384,067
Blueprint – Early Education	54,742,016	0	-54,742,016
Blueprint – COVID-19 Relief	211,575,818	0	-211,575,818
Blueprint – Transition Grants	0	57,688,465	57,688,465
Blueprint – Full Day Prekindergarten	0	144,063,352	144,063,352
Blueprint – College and Career Readiness	0	18,669,966	18,669,966
Blueprint – Education Effort Index	0	125,673,115	125,673,115
Blueprint – Career Ladder	0	9,033,505	9,033,505
Food Service	15,166,664	15,796,664	630,000
SEED School	10,930,964	12,291,760	1,360,796
Judy Hoyer Centers	10,575,000	24,936,380	14,361,380
Teacher Development	4,520,000	2,696,000	-1,824,000
Next Generation Scholars	5,000,000	5,000,000	0

<u>Program</u>	<u>2022</u>	<u>2023</u>	<u>Difference</u>
Public School Opportunities	3,000,000	3,000,000	0
Out-of-county Foster Placements	2,000,000	2,000,000	0
Head Start	3,000,000	3,000,000	0
Other Education Aid	19,817,260	24,327,260	4,510,000
Total Primary and Secondary Education	\$6,754,199,877	\$7,209,833,743	\$455,633,866
Library Formula	\$44,674,374	\$47,683,020	\$3,008,646
Library Network	19,767,513	20,972,879	1,205,366
Total Libraries	\$64,441,887	\$68,655,899	\$4,214,012
Community College Formula	\$290,092,215	\$355,061,437	\$64,969,222
Optional Retirement	16,900,000	16,700,000	-200,000
Grants for ESOL Programs	4,578,288	3,026,334	-1,551,954
Small College Grants	7,300,590	9,121,808	1,821,218
Other Community College Aid	6,697,717	6,460,457	-237,260
Total Community Colleges	\$325,568,810	\$390,370,036	\$64,801,226
Highway User Revenue	\$266,342,000	\$276,501,000	\$10,159,000
Elderly and Disabled Transportation Aid	4,305,908	4,305,908	0
Paratransit Grants	1,408,450	1,408,450	0
Total Transportation	\$272,056,358	\$282,215,358	\$10,159,000
Police Aid	\$74,592,937	\$76,633,868	\$2,040,931
Police Aid Enhancement	0	45,878,144	45,878,144
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	6,720,365	6,723,865	3,500
Police Recruitment and Retention	1,300,000	1,300,000	0
Rape Kit Testing Grant Fund	1,000,000	3,500,000	2,500,000
Police Accountability	0	8,000,000	8,000,000
Warrant Apprehension Grant	3,250,000	3,250,000	0
License Plate Reader Grant	0	5,000,000	5,000,000

<u>Program</u>	<u>2022</u>	<u>2023</u>	<u>Difference</u>
Cross Jurisdictional Task Forces	0	1,000,000	1,000,000
Other Public Safety Aid	5,431,509	5,431,509	0
Total Public Safety	\$186,416,884	\$250,839,459	\$64,422,575
Wastewater Treatment – Nutrient Removal	\$11,000,000	\$11,000,000	\$0
Critical Area Grants	138,450	138,450	0
Total Recreation/Environment	\$11,138,450	\$11,138,450	\$0
Local Health Formula	\$73,895,643	\$74,895,642	\$999,999
Disparity Grant	\$158,216,683	\$161,217,795	\$3,001,112
Gaming Impact Grants	\$99,777,297	\$101,518,357	\$1,741,060
Teachers Retirement Supplemental Grants	27,658,661	27,658,661	0
Adult Education	8,011,986	8,011,986	0
Statewide Voting Systems	3,465,437	5,372,337	1,906,900
Revenue Equity Program	3,843,517	3,928,657	85,140
Payments in Lieu of Taxes (PILOT)	1,666,422	1,667,392	970
PILOT – Park Service	2,400,000	2,879,000	479,000
PILOT – Forest Service	144,708	144,708	0
Instant Bingo	2,670,000	3,150,000	480,000
Behavioral Health Crisis Response	5,000,000	5,000,000	0
Senior Citizens Activities Center	764,888	765,117	229
State Center Redevelopment Plan	0	500,000	500,000
Total Other Direct Aid	\$155,402,916	\$160,596,215	\$4,693,299
Total Direct Aid	\$8,001,337,508	\$8,609,762,597	\$608,425,089
Retirement – Teachers	\$778,950,780	\$724,643,897	-\$54,306,883
Retirement – Libraries	20,493,217	20,776,867	283,650
Retirement – Community Colleges	45,953,995	44,974,265	-979,730
Total Payments-in-behalf	\$845,397,992	\$790,395,029	-\$55,002,963
Total State Aid	\$8,846,735,500	\$9,400,157,626	\$553,422,126

ESOL: English for Speakers of Other Languages

Primary and Secondary Education

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, receive more aid per pupil than wealthier school systems. Under Chapter 36 as modified by Chapter 55, a multi-year phase-in of per pupil funding increases begins in fiscal 2023. State aid under the foundation program will total \$3.7 billion in fiscal 2023, a \$488.7 million, or 15.4%, increase from the prior year. The increase is largely attributable to a \$920 increase, from \$7,390 for fiscal 2022 to \$8,310 for fiscal 2023, in the per pupil foundation amount used to determine per student funding. In addition, \$57.7 million in Blueprint transition grants will be provided to 12 local school systems in fiscal 2023.

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 2023, receiving a total of \$157.9 million. This represents an increase of \$10.2 million, or 6.9%, compared to the prior year. Under Chapter 36, GCEI funding will be replaced by Comparable Wage Index funding beginning in fiscal 2024.

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 \$45.8 million in fiscal 2023, a decrease of \$4.1 million from the prior year.

Education Effort Adjustment: Local governments are required to fund the local share of major education aid. However, beginning with fiscal 2023, State aid is provided for local school systems that exceed a maximum local share, which is the county's local wealth multiplied by the State average education effort. An education effort index, which is the local education effort divided by the State average education effort, is determined. Each county with an education effort above 1.0 for two consecutive years receives relief based upon its education effort adjustment, which is the amount by which the calculated local share exceeds the maximum local share. However, the education effort adjustment for a county is only allowed to the degree that per pupil maintenance of effort is met each year. This relief (which results in increases to State aid) is provided to counties within one of three tiers, based on whether the education effort is (1) greater than 1.0 but less than 1.15; (2) at least 1.15 but less than 1.27; or (3) at least 1.27. State relief for the first two tiers is phased up through fiscal 2030. State relief for the third tier begins and remains at 100%. State aid under this program totals \$125.7 million, including \$99.2 million for Baltimore City and \$26.5 million for Prince George's County.

Transitional Supplemental Instruction: Grants are provided to fund transitional supplemental instruction (TSI), such as tutoring, for students in kindergarten through third grade who are identified as struggling learners. Literacy should be given priority in the provision of TSI;

however, a district may direct funds toward mathematics if this is the priority for the district or a school. Following three years of level funding, initiated by Chapter 771 of 2019, TSI funding phases up from \$665 per pupil in fiscal 2023 to \$680 per pupil in fiscal 2024, and then phases down to \$356 in fiscal 2026, and terminates after fiscal 2026. TSI tutors may be employed by the school district. Students who continue to need additional support after fiscal 2026 will be tutored by their regular teachers, with funding provided through other programs. Fiscal 2023 funding totals \$50.0 million, an increase of \$27.0 million over fiscal 2022.

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 a certain percentage of the per pupil foundation amount in each year. Under Chapter 36 as modified by Chapter 55, a multi-year phase-in of per pupil funding increases begins in fiscal 2023. 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 formula would decline by \$48.2 million in fiscal 2023 to \$1.2 billion as an increase in per pupil funding is more than offset by a 23,487 decline in student counts from fall 2020 to fall 2021. However, the fiscal 2023 budget also includes \$56.7 million in compensatory education hold harmless grants, assuring that no school system receives less compensatory education funding than was provided in fiscal 2022 and bringing total funding to \$1.3 billion.

Concentration of Poverty School Grant Program: This program provides grants to public schools in which certain percentages of the students are eligible for FRPM. Concentration of poverty grants have two components. First, each qualifying school receives a personnel grant, which increases annually with inflation, to employ a community school coordinator with specified qualifications and provide full-time coverage by at least one health care practitioner. Second, beginning with fiscal 2023, per pupil grants are provided for each qualifying school following the completion of a specified needs assessment. School concentration percentages are based on a three-year average of compensatory education enrollment in each public school. Under Chapter 55, the three-year enrollment count excludes the 2020-2021 school year. A percentage increment of per pupil funding for each of six years of eligibility, culminating in 100% funding by the seventh year, is specified in statute. Statewide grant totals are estimated at \$190.3 million in fiscal 2023, an increase of \$73.4 million over fiscal 2022.

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 a certain percentage of the annual per pupil foundation amount in each year 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

\$401.3 million in fiscal 2023, an increase of \$90.2 million, or 29.0%, compared to the prior year. This increase is based on a \$1,678 increase in per pupil funding that is only partially offset by a 1,751 decline in student counts from fall 2020 to fall 2021. Under Chapter 36, a multi-year phase-in of per pupil funding increases begins in fiscal 2023. Chapter 771 provided an additional \$65.5 million for public school special education in fiscal 2020 and 2021. This same amount of funding was extended into fiscal 2022 as well but is not provided in fiscal 2023.

Funding for nonpublic placements totals \$141.4 million in fiscal 2023, a \$13.9 million, or 10.9%, 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.

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. Annual increases in State funding for the program are scheduled to begin in fiscal 2023. State funding for infants and toddlers programs will total \$14.7 million in fiscal 2023, an increase of \$4.3 million over fiscal 2022.

English Language Learners: The State provides grants based on English Language Learner (ELL) 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 a certain percentage of the per pupil foundation amount for each year. Under Chapter 36, a multi-year phase-in of per pupil funding increases begins in fiscal 2023. Like the compensatory formula, the State pays 50% of the formula costs statewide with a floor of 40% for each local school system. Fiscal 2023 funding totals \$422.5 million. The \$88.2 million, or 26.4%, increase is based on a \$994 increase in per pupil funding paired with a 9,729, or 11.0%, increase in ELL student counts from fall 2020 to fall 2021.

College and Career Readiness: Commencing in fiscal 2023, the State provides funding for students who meet the college and career readiness (CCR) standard set by the State Board of Education. Fiscal 2023 funding totals \$18.7 million, at \$540 per student meeting the CCR standard.

Teacher Development and Career Ladder: The Governor's Teacher Excellence Award Program, which distributes awards to teachers for outstanding performance, is level-funded in fiscal 2023 at \$96,000. Funding for national certification fees increases from \$600,000 in fiscal 2022 to \$2.6 million in fiscal 2023. Funding for Quality Teacher Incentives, which totaled \$3.8 million in fiscal 2022, terminates after fiscal 2022. However, Teacher Career Ladder funding, which rewards certain levels of career advancement, commences in fiscal 2023, totaling \$9.0 million statewide.

School-based Health Centers: The State provides funds 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. Under Chapter 36, as modified by Chapter 55, State funding for

School-based Health Centers increases to \$9.1 million annually beginning in fiscal 2023. This amounts to a \$6.5 million, or 250.5%, increase over fiscal 2022.

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 2023 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. One-time hold harmless grants were provided in fiscal 2022 to compensate for the impact of the COVID-19 pandemic on enrollment. The fiscal 2023 budget includes \$308.8 million for regular transportation services, an increase of \$23.7 million over fiscal 2022, largely due to the inflation factor in the aid formula being at the maximum of 8.0% for fiscal 2023. The fiscal 2023 budget also includes \$27.2 million for special transportation services, an increase of \$24.2 million compared to fiscal 2022, due to a 797% increase in students transported during fall 2021.

School Safety Grants: The fiscal 2023 budget includes \$20.6 million in State funding for public school safety grants, level with fiscal 2022 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. 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 2023 budget includes \$15.8 million in State aid for food and nutrition services, an increase of \$630,000.

Two bills were passed by the General Assembly that impact food service programs operated by local school systems. Under **Senate Bill 121 (passed)**, among other provisions, local school systems receive grants as part of a pilot program to incorporate locally grown foods in school meals. Under **Senate Bill 124 (passed)**, grants are awarded through fiscal 2027 to local boards of education and public schools to develop and implement programs for reducing food waste and to establish composting of pre- and post-consumer waste.

Prekindergarten Funding: Beginning in fiscal 2023, under Chapter 55, State funding for full-day prekindergarten programs for children who are three and four years old from low-income families is phased in through fiscal 2030, after which funding is adjusted annually for inflation. However, the fiscal 2023 budget includes funding over the statutory amount to provide full-day prekindergarten for additional children regardless of their family income. In total, prekindergarten

funding increases by \$35.6 million, or 26.4%, from \$135.1 million in fiscal 2022 to \$170.7 million in fiscal 2023. Fiscal 2023 funding includes \$26.6 million in prekindergarten expansion grants and \$144.1 million for full-day prekindergarten.

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. Per Chapters 36 and 55, the number of Judy Centers and State funding increase annually for multiple years beginning in fiscal 2023. Chapters 555 and 556 of 2018 require an annual State funding level of \$3.0 million for the Ulysses Currie Head Start Program. The fiscal 2023 budget includes \$24.9 million for Judy Hoyer programs, an increase of \$14.4 million, and \$3.0 million for the Ulysses Currie Head Start program.

Teachers' Retirement Payments: State retirement costs for public school teachers and other professional public school personnel will total \$724.6 million in fiscal 2023, a decrease of \$54.3 million (7.0%) compared to fiscal 2022. This decrease is due to record investment returns (26.7%) in fiscal 2021 and the Board of Trustees of the State Retirement and Pension Systems electing to accelerate recognition of those gains, thereby substantially reducing the system's unfunded liabilities.

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 2023 funding totals \$44.7 million, a \$3.0 million increase compared to fiscal 2022. This includes \$1.0 million in enhanced funding under [*Senate Bill 448/House Bill 685 \(both passed\)*](#), which increase the per capita funding amounts under the library aid program over a five-year period. The per capita funding amounts increase from \$17.10 in fiscal 2022 to \$19.10 by fiscal 2027, with per capita funding set at \$17.50 in fiscal 2023. In addition, Baltimore City will receive \$3.0 million to support expanded operations throughout the library system.

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 2023 State library network funding totals \$21.0 million, an increase of \$1.2 million over fiscal 2022. This includes \$430,300 in enhanced funding under [*Senate Bill 448/House Bill 685*](#), which increase the per capita funding amounts for regional resource centers over a five-year period. The per capita funding amounts increase from \$8.75 in fiscal 2022 to \$9.99 in fiscal 2027, with per capita funding set at \$9.19 in fiscal 2023.

Retirement Payments: The State pays 100% of the retirement costs for local library employees. Fiscal 2023 funding totals \$20.8 million, an increase of \$283,700 compared to fiscal 2022.

Community Colleges

Senator John A. Cade Formula Funding: The Cade funding formula aid is based on a percentage (29% in fiscal 2023) 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 2023 funding totals \$355.1 million, an increase of \$65.0 million, or 22.4%, over fiscal 2022 funding.

Special Programs: State funding in fiscal 2023 will total \$8.5 million for small college grants and \$600,000 for Allegany/Garrett counties unrestricted grants. Funding for statewide and regional programs will total \$6.5 million. The English as a Second Language Program will receive \$3.0 million, a decrease of \$1.6 million compared to the prior year.

Retirement Payments: Fiscal 2023 funding totals \$45.0 million for community college retirement payments, a decrease of nearly \$1.0 million compared to fiscal 2022. State funding for the optional retirement program totaling \$16.7 million reflects a decrease of \$200,000 compared to fiscal 2022.

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 2023 budget includes \$74.9 million for local health grants, which is a 1.4% increase over the fiscal 2022 amount.

County and Municipal Governments

Approximately 9.2% 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 \$866.0 million in fiscal 2023, an increase of \$82.8 million over fiscal 2022 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 (MDOT) 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 2023 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 2023 budget includes a total of \$276.5 million for local highway funding, which is a \$10.2 million increase from fiscal 2022. Baltimore City will receive \$170.0 million, county governments will receive \$65.5 million, and municipal governments will receive \$41.0 million.

House Bill 1187 (passed) increases the share of funds from the GMVRA used to calculate the mandated capital grants that MDOT must annually provide to local governments through capital transportation grants beginning in fiscal 2024. For fiscal 2024, capital grants equivalent to 15.6% of the revenue allocated to the GMVRA must be provided to local governments as follows: Baltimore City (9.5%); counties (3.7%); and municipalities (2.4%). These distributions increase for fiscal 2025 through 2027. Beginning in fiscal 2028, the distributions revert to the fiscal 2024 distribution. **Exhibit A-3.4** shows the local share of highway user revenue for fiscal 2023 through 2028 under the bill.

Exhibit A-3.4
Local Share of Highway User Revenues
Fiscal 2023 and Future Fiscal Years

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
MDOT	86.5%	84.4%	82.0%	80.0%	80.0%	84.4%
Baltimore City	8.3%	9.5%	11.0%	12.2%	12.2%	9.5%
Counties	3.2%	3.7%	4.3%	4.8%	4.8%	3.7%
Municipalities	2.0%	2.4%	2.7%	3.0%	3.0%	2.4%

MDOT: Maryland Department of Transportation

Note: The distribution in fiscal 2028 continues in future fiscal years.

Source: Department of Legislative Services

Special Transportation Grants: State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2023, and State funding for paratransit grants will total \$1.4 million, both of which are the same amounts as were provided in fiscal 2022.

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 2023 totals \$76.6 million, a \$2.0 million increase over the fiscal 2022 amount, resulting from minor increases in population and the number of sworn officers in some municipalities. The fiscal 2023 budget also includes a \$45.9 million enhancement to the police aid formula to address violent crime. The additional funding is allocated based on each jurisdiction's share of total violent offenses committed in the State.

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 2023 funding totals \$15.0 million, which is the same amount as fiscal 2022.

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 2023, which is the same as the fiscal 2022 amount.

Targeted Public Safety Grants: State funding for targeted public safety grants will total \$53.4 million in fiscal 2023. Funding includes \$18.5 million in targeted grants for Baltimore City and \$4.7 million in targeted grants for Prince George’s County. This funding also includes \$30.2 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). The fiscal 2023 budget also includes funding for several new initiatives including a warrant apprehension grant for Baltimore City and grants to promote police accountability, support cross jurisdictional task forces, and purchase license plate readers for local police departments.

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 2023, the same amount that was provided in fiscal 2022.

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 2023 budget includes \$11.0 million in funding, which is the same as the fiscal 2022 amount.

Disparity Grants: The disparity grant program provides noncategorical State aid to low-wealth jurisdictions for county government purposes. 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, six currently impose the maximum 3.2% local income tax rate. Two jurisdictions (Caroline and Dorchester) increased their local income tax rate in recent years as a way to receive additional State funding. Washington County reduced its local income tax rate to 3.0% and, as a result, will realize a funding decrease of \$4.5 million for fiscal 2023. The fiscal 2023 budget includes a total of \$161.2 million for disparity grants, a \$3.0 million increase from the prior year. Of the total funding amount, \$15.4 million is for additional grants to bring funding levels up to the fiscal 2022 amounts for Baltimore City and Caroline, Cecil, Somerset, and Wicomico counties.

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 \$101.5 million in fiscal 2023, an increase of \$1.7 million, or 1.7%, over fiscal 2022 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: The State Forest, State Park, and Wildlife Management Area Revenue Equity Program makes annual payments to counties that have a certain amount of State forests, State parks, and wildlife management areas that are exempt from the property tax. The fiscal 2023 budget includes \$3.9 million for Allegany, Dorchester, Garrett, and Somerset counties, which represents a \$85,100 increase over the fiscal 2022 amount.

Forest Service and Maryland Park Service – Payment in Lieu of Taxes: 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 2022, Forest Service payments to local governments totaled \$144,700, and Maryland Park Service payments to local governments totaled \$2.4 million. In fiscal 2023, Forest Service payments to local governments will again total \$144,700, and Maryland Park Service payments to local governments will total \$2.9 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 2023 budget includes \$765,100 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 2023 budget includes \$8.0 million for adult education programs, level with fiscal 2022 funding.

Behavioral Health Crisis Response: The Behavioral Health Crisis Response Grant Program in the Maryland Department of Health provides funds to local jurisdictions to establish and expand community behavioral health crisis response systems. The fiscal 2023 budget includes \$5.0 million for the fund, which is the same as the fiscal 2022 amount.

Voting System Grants: Chapter 564 of 2001 required the State Board of Elections, in consultation with local election boards, to select and certify a uniform statewide voting system with the costs to be split equally between the State and local jurisdictions. The State is required to provide funding through the annual budget bill for the exclusive purpose of reducing the fiscal impact of purchasing new voting equipment. The fiscal 2023 budget includes \$5.4 million in grants to local boards of elections. This represents a \$1.9 million increase over the fiscal 2022 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 2023 State budget includes \$8.6 billion to fund these programs. Part A, Section 1 of each county's statistical tables compares aid distributed to the county in fiscal 2022 and 2023.

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 \$790.4 million in fiscal 2023. 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 2023 estimated allocation of appropriations, excluding federal funds, for health services, social services, and senior citizen services.

Health Services: The Maryland Department of Health, through its various administrations, funds in whole or 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. Total State spending in fiscal 2023 includes \$6.1 billion in general funds and \$820.3 million in special funds. This does not include spending at the State mental health hospitals, developmental

disability facilities, or chronic disease centers. Note that fiscal 2023 funding is allocated among the subdivisions based on each jurisdiction's share of fiscal 2022 funding and may change.

- **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 2023 budget includes \$1.2 billion in general funds and \$32.0 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 2023 funding for these programs totals \$73.2 million in general funds which includes funding for kidney disease treatment services that was formerly included under the Medicaid program. Additional funding of \$56.9 million comes mostly from the Cigarette Restitution Fund 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 2023 funding for the Medicaid program totals \$4.0 billion in general funds and \$731.4 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 2023 budget includes \$863.7 million in general funds.

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 2023 estimates of funding for those programs that are available by subdivision. Note that fiscal 2023 funding for homeless services, women's services, foster care, and temporary cash assistance is allocated among the subdivisions based on each jurisdiction's share of fiscal 2022 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, the homeless solutions program, and the ending youth homelessness program. The fiscal 2023 budget includes \$18.8 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 2023 funding for these programs equals \$5.6 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 2023 budget includes \$13.2 million in general funds.
- **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 2023 budget includes \$150.0 million in general funds.
- **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 2023 budget includes \$240.5 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 2023 budget anticipates general fund spending of \$68.2 million for this program.

Senior Citizen Services: The Maryland 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 2023 funding is \$24.9 million in general funds. In this report the fiscal 2023 general funds are allocated among the subdivisions based on each jurisdiction's share of fiscal 2022 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 2023 funding is \$15.6 million in general funds.
- **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 2023 funding for these programs totals \$9.4 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 2023 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 2023. 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 2023 budget includes \$747.4 million in funding for local school construction including \$257.8 million in general funds, \$449.6 million in general obligation bonds, and \$40 million in federal funds for the health school facilities program. The capital budget also includes \$6.1 million for the Aging Schools Program. An additional \$480.0 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 2023.

As of the publication of this report, \$252.0 million of the local school construction program has been allocated to specific projects. These projects are listed in part C for each county, but the allocation of school construction funding will not be finalized until May 2022. Therefore, the school construction projects funded and/or the amount of the funding for specific projects could change.

The legislature added \$237 million to the school construction program in the capital budget and specified the counties earmarked to receive the additional funding. The legislature also specified an allocation by jurisdiction for the Aging Schools Program in the final capital budget. Part C shows these allocated funding amounts under public schools.

The capital budget includes \$95.4 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 seven qualifying school systems will receive in fiscal 2023 per the distribution specified in the capital budget.

Capital Projects for State Facilities Located in the County: Part D for each jurisdiction shows capital projects, authorized by the fiscal 2023 operating and capital budgets, at State facilities and public colleges and universities by the jurisdiction 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 generally 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 2023 but the actual projects funded and/or the amount of funding for specific projects could be different. This report generally excludes transportation projects but does include such projects funded by general funds or general obligation bonds in the operating and capital budgets.

Allegany County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$41,939	\$47,484	\$5,546	13.2%
Compensatory Education	20,881	21,308	428	2.0%
Student Transportation	5,090	5,540	450	8.8%
Special Education	7,072	8,662	1,590	22.5%
English Language Learners Grant	119	198	79	66.5%
Guaranteed Tax Base	5,094	5,813	720	14.1%
Blueprint Funding	10,445	6,831	-3,614	-34.6%
Prekindergarten Grants	330	330	0	0.0%
Other Education Aid	1,075	1,126	51	4.7%
Primary and Secondary Education	\$92,045	\$97,294	\$5,249	5.7%
Libraries	\$868	\$870	\$2	0.2%
Community Colleges	7,900	9,132	1,232	15.6%
Health Formula Grant	4,335	2,491	-1,845	-42.6%
Transportation ¹	3,077	3,149	72	2.4%
Police and Public Safety ¹	844	1,252	408	48.4%
Fire and Rescue Aid ¹	350	350	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	2,675	2,710	35	1.3%
Other Direct Aid	966	972	6	0.6%
Total Direct Aid	\$121,991	\$127,150	\$5,159	4.2%
Aid Per Capita (\$)	\$1,801	\$1,877	\$76	4.2%
Property Tax Equivalent (\$)	3.00	3.04	0.04	1.5%

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 2023 State payments for Allegany County for teachers, librarians, and community college faculty are estimated to be \$8,057,000.

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 2023 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 2022) 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	\$89,048,000
Family Health and Chronic Disease	777,000
Developmental Disabilities	17,752,000
Behavioral Health Services	18,990,000

Social Services

Homeless Services	240,000
Women's Services	302,000
Adult Services	258,000
Child Welfare Services	3,366,000
Foster Care	3,687,000
Temporary Cash Assistance	1,142,000

Senior Citizen Services

Long-term Care	204,000
Community Services	137,000

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

Braddock Middle School – renovations (electrical/elevator)	\$712,484
Northeast Elementary School – renovations (roof)	945,000
Washington Middle School – renovations (electrical)	688,500
Aging Schools Program	97,791

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Program Open Space

Park acquisition and development	912,017

Community Parks and Playgrounds

Barton Meadow Park Playground	100,000
Frostburg – Armory Field	12,376
Luke – Nevison Avenue Park	75,000
Park acquisition and development	1,000,000

Chesapeake Bay Water Quality Projects

Flintstone Wastewater Treatment Plant	1,500,000
Oldtown Wastewater Treatment Plant	1,500,000

Comprehensive Flood Mitigation Program

Flintstone Wastewater Treatment Plant – floodproofing	375,000
Oldtown Wastewater Treatment Plant	375,000

Mining Remediation Program

Upper George’s Creek – stream sealing	500,000

Other Projects

Allegany County – Barton Fire Station	250,000
Allegany County – Fairgrounds	500,000
Allegany Museum	50,000
Civil Air Patrol Squadron Building	50,000
Frostburg Fire Department, No. 1, Inc	500,000
UPMC Western Maryland – Children’s Specialty Clinic	375,000
UPMC Western Maryland – Heart and Vascular Institute	2,400,000
YMCA of Cumberland	1,398,652

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

Rocky Gap State Park – campground renovations, utilities, and site work	\$299,000

University System of Maryland

Frostburg State – Cambridge Hall renovations	1,000,000
Frostburg State – facilities renewal	10,000,000
Frostburg State – Regional Recreational Complex	5,000,000

Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$232,101	\$269,742	\$37,641	16.2%
Compensatory Education	74,814	74,814	0	0.0%
Student Transportation	25,701	29,585	3,884	15.1%
Special Education	31,046	38,585	7,539	24.3%
English Language Learners Grant	19,273	25,086	5,813	30.2%
Geographic Cost of Education Index	10,777	11,648	872	8.1%
Blueprint Funding	31,807	18,422	-13,385	-42.1%
Prekindergarten Grants	900	900	0	0.0%
Other Education Aid	2,466	2,431	-34	-1.4%
Primary and Secondary Education	\$428,884	\$471,213	\$42,329	9.9%
Libraries	\$2,552	\$2,730	\$178	7.0%
Community Colleges	36,183	42,972	6,789	18.8%
Health Formula Grant	5,094	5,970	877	17.2%
Transportation ¹	8,893	9,107	214	2.4%
Police and Public Safety ¹	9,067	12,446	3,379	37.3%
Fire and Rescue Aid ¹	1,241	1,241	0	0.0%
Gaming Impact Aid	28,860	29,212	352	1.2%
Other Direct Aid ¹	75	75	0	0.0%
Total Direct Aid	\$520,848	\$574,966	\$54,118	10.4%
Aid Per Capita (\$)	\$882	\$974	\$92	10.4%
Property Tax Equivalent (\$)	0.52	0.56	0.04	8.0%

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 2023 State payments for Anne Arundel County for teachers, librarians, and community college faculty are estimated to be \$69,616,000.

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 2023 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 2022) 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	\$306,704,000
Family Health and Chronic Disease	1,699,000
Developmental Disabilities	56,891,000
Behavioral Health Services	97,212,000

Social Services

Homeless Services	694,000
Women's Services	367,000
Adult Services	265,000
Child Welfare Services	8,008,000
Foster Care	8,371,000
Temporary Cash Assistance	3,675,000

Senior Citizen Services

Long-term Care	879,000
Community Services	511,000

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

Bates Middle School – renovations (HVAC/electrical)	\$5,961,694
Brock Bridge Elementary School – kindergarten/pre-k addition	1,674,900
Glen Burnie High School – renovations (building enclosure)	1,279,079
Meade Heights Elementary School – kindergarten/pre-k addition	1,371,600
Quarterfield Elementary School – construction	10,668,600
Aging Schools Program	506,038
Supplemental Capital Grant Program for Local School Systems	14,600,000

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Community Health Facilities Grant Program

Chrysalis House, Inc.	500,000

Program Open Space

Park acquisition and development	9,918,697

Community Parks and Playgrounds

Acton's Cove Park	100,000
Annapolis – Truxtun Park	700,000
Annapolis – Truxtun Park Basketball Court	128,270
Blacks of the Chesapeake Foundation – Carr's and Elktonia Beach	1,200,000
Downs Park	500,000
Fort Smallwood	600,000
Harundale Civic Association, Inc. – playground	50,000
South Shore Trail	500,000
Park acquisition and development	5,350,000

Waterway Improvement

Dredge material use site – south county	250,000
Mill Creek – dredging	362,500
Podickory Creek – dredging	325,000

Hazardous Substance Cleanup Program

Former Generals Highway Landfill	150,000

Coastal Resiliency Program

Honeysuckle Drive – shoreline enhancements	770,000

Other Projects

Ancient City Lodge No. 175	100,000
Annapolis – City Dock	10,000,000
Annapolis – Newtowne Community Resource Center	1,500,000
Annapolis – Stanton Community Center	600,000
Annapolis – underground utilities	500,000
Annapolis Maritime Museum and Park	150,000
Annapolis Middle School – athletic facilities	100,000
Anne Arundel County – Brooklyn Heights Community Center	400,000
Anne Arundel County – Crownsville Hospital Memorial Park	25,500,000
Anne Arundel County – Crownsville Hospital Patient Cemetery Memorial	100,000
Anne Arundel County – fire boat	1,500,000
Anne Arundel County Fairgrounds	50,000
Anne Arundel County Food Bank, Inc.	500,000
Anne Arundel Medical Center	600,000
Arundel Rivers Federation, Inc. – Hillsmere Shores marsh and oyster habitat	109,000
Benfield Elementary School – walking path	60,000
Boys & Girls Clubs of Annapolis & Anne Arundel County – Lothian Club	240,000
Captain Avery Museum	25,000
Chesapeake High School – field house	800,000
Children’s Theatre of Annapolis	300,000
Corkran Middle School – concession stand	1,000,000
Galesville Community Properties, Inc. – Historic Kolb Store	100,000
Girl Scouts of Central Maryland – new campus	2,000,000
Glen Burnie Improvement Association	200,000
Hammond-Harwood House	150,000
Highland Beach – Dr. Mary Church Terrell Pavilion	125,000
Historic Annapolis, Inc.	3,000,000
Hope House Treatment Centers	100,000
Howard L. Turner American Legion Post 276	50,000
Kingdom Kare Veterans Resource Support Center	850,000
Langton Green Community Farm	100,000
Laurel Park – backstretch housing	10,000,000
Love Wins Movement, Inc.	500,000
Marley Neck School Center	100,000
Monarch Academy	325,000
North County High School – turf field and scoreboard	1,800,000

North Glen Elementary School – digital marquee	40,000
Odenton Masonic Center	75,000
Pascal Crisis Stabilization Center	350,000
Provinces Civic Association, Inc. – Lake Marion stormwater restoration	250,000
Rise and Shine Bakery	100,000
Senior Dog Sanctuary	100,000
Severna Park American Legion Post 175	55,000
South Shore Recovery Club	28,970
SPCA of Anne Arundel County	100,000
The Johns Hopkins House, Inc. – Whites Hall acquisition	243,000
The Summit School	500,000
Thomas Point Shoal Lighthouse	150,000
Universal Lodge No. 14	100,000
University of Maryland Baltimore Washington Medical Center	500,000
Waugh Chapel Swim Club, Inc.	250,000
Wellness House of Annapolis	200,000
Wild Kid Acres	250,000
Woodside Gardens Apartments	100,000
YMCA of Metropolitan Washington – Camp Letts Cabin	65,000
YWCA Domestic Violence and Trafficking Shelters	1,350,000

D. Capital Projects for State Facilities in the County

General Government

Courts of Appeal Building	\$830,000
General Assembly – Department of Legislative Services building	12,000,000
State House – exterior and grounds restoration	26,123,000

Maryland State Police

Barrack J – communications room and garage	232,000

Department of Public Safety and Correctional Services

Jessup Region – electrical infrastructure upgrade	7,428,000

Maryland Environmental Service

Dorsey Wastewater Treatment Plant – sludge processing facility upgrade	523,000
Sandy Point State Park – water tower and water treatment plant upgrade	382,000

Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$378,559	\$406,359	\$27,800	7.3%
Compensatory Education	297,507	297,878	371	0.1%
Student Transportation	18,585	22,496	3,911	21.0%
Special Education	58,390	70,503	12,113	20.7%
English Language Learners Grant	37,354	48,572	11,218	30.0%
Guaranteed Tax Base	21,305	15,117	-6,188	-29.0%
Geographic Cost of Education Index	22,679	23,399	721	3.2%
Blueprint Funding	129,177	235,922	106,745	82.6%
Prekindergarten Grants	2,750	2,750	0	0.0%
Other Education Aid	5,192	3,508	-1,684	-32.4%
Primary and Secondary Education	\$971,498	\$1,126,504	\$155,006	16.0%
Libraries	\$9,525	\$9,652	\$127	1.3%
Health Formula Grant	8,963	10,690	1,727	19.3%
Transportation	164,130	170,376	6,246	3.8%
Police and Public Safety	18,506	36,095	17,590	95.1%
Fire and Rescue Aid	1,329	1,329	0	0.0%
Disparity Grant	76,194	76,194	0	0.0%
Teachers Retirement Supplemental Grant	10,048	10,048	0	0.0%
Gaming Impact Aid	24,881	25,372	491	2.0%
Other Direct Aid	1,591	2,092	501	31.5%
Total Direct Aid	\$1,286,665	\$1,468,353	\$181,688	14.1%
Aid Per Capita (\$)	\$2,232	\$2,547	\$315	14.1%
Property Tax Equivalent (\$)	2.84	3.20	0.36	12.8%

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 2023 State payments for Baltimore City for teachers and librarians are estimated to be \$61,532,000.

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 2023 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 2022) 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	\$1,122,847,000
Family Health and Chronic Disease	9,205,000
Developmental Disabilities	58,431,000
Behavioral Health Services	295,397,000

Social Services

Homeless Services	2,630,000
Women's Services	1,104,000
Adult Services	3,108,000
Child Welfare Services	56,308,000
Foster Care	88,098,000
Temporary Cash Assistance	25,901,000

Senior Citizen Services

Long-term Care	2,099,000
Community Services	1,141,000

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

Armistead Gardens Elementary/Middle School #243 – construction	\$9,000,000
Furley Elementary School #206 – construction	6,300,000
Maree Garnett Farring Elementary/Middle School #203 – construction	2,025,000
Northeast Middle Building #49 – construction	2,504,000
Roland Park Elementary/Middle School #233 – renovations (boiler room)	2,496,000
The Mount Washington School #221 – renovations (roof)	854,000
Thomas Jefferson Elem./Middle School – renovations (HVAC/windows)	5,664,000
Westport Academy #225 – renovations (elevator)	432,000
Additional Earmarked Funding	75,000,000
Aging Schools Program	1,387,927

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Community Health Facilities Grant Program

People Encouraging People, Inc.	939,835
Tuerk House, Inc.	1,430,000

Federally Qualified Health Centers Grant Program

Baltimore Medical System, Inc.	764,750
Park West Health System, Inc.	717,303

Strategic Demolition Fund

Baltimore City Parks and Recreation – Solo Gibbs Recreation Center	1,000,000
Cherry Hill Development Corporation	750,000
Project C.O.R.E	21,000,000

Program Open Space

Baltimore City Direct Grant	6,000,000
Druid Hill Park – Druid Lake Recreational Park	17,000,000
Park acquisition and development	6,525,976

Community Parks and Playgrounds

Alhambra Park – Woodbourne-McCabe Community Association	125,000
Cal Ripken Sr. Foundation – South Baltimore Youth Development Park	500,000
Farring-Baybrook Park	250,000
Greenmount Park – Johnston Square Football Field	500,000
Hamilton Elementary School – playground	100,000
Hanlon Park	150,000
Latrobe Park Longhouse	100,000
Leon Day Baseball Field	500,000
Mount Vernon Place Conservancy – North and South Square restoration	2,500,000
North West Park	75,000
O'Donnell Heights Park	500,000
Parks & People Foundation, Inc. – Nathaniel J. McFadden Learn & Play Park	1,000,000
Patterson Observatory	125,000
Patterson Park – bathhouse	500,000
Riverside Park – bathhouse and light installation	1,350,000
Riverside Park – pool	250,000
Union Square Park	750,000
Park acquisition and development	725,000

Waterway Improvement

City Fire Department – purchase fire/rescue boat	23,000

Other Projects

29th Street Community Center Renovation	250,000
4MyCiTy, Inc. – community onsite composting facility	245,000
4MyCiTy, Inc. – zero waste facility	100,000
Afro Charities, Inc. – Upton Mansion	375,000
Ahavas Chaim Center	300,000
Ambassador Theater	2,500,000
Arena Players Theater	1,200,000
Ark Church – The Haven Project	500,000
B&O Railroad Museum	1,100,000
Baltimore City – East Baltimore neighborhood development	500,000
Baltimore City – Engine Companies 14 and 27	10,000,000
Baltimore City – Guilford neighborhood improvements	250,000
Baltimore City – Northeastern & Northwestern Police District Stations	10,000,000
Baltimore City – Patterson Park	1,500,000

Baltimore City – Penn Station redevelopment	5,000,000
Baltimore City – street and sidewalk improvements	10,000,000
Baltimore City – Warner and Stockholm Streets improvements	2,000,000
Baltimore City – Waverly Firehouse Engine Company 31	500,000
Baltimore City Comm. Action Partnership – Northern Community Action	3,000,000
Baltimore City Dept. of Public Works – Bowley’s Lane Sanitation Yard	4,000,000
Baltimore City Firefighter Museum	250,000
Baltimore City Housing & Comm. Dev. – Druid Health Clinic/Enoch Pratt	2,000,000
Baltimore City Housing & Comm. Dev. – Penn North acquisition	650,000
Baltimore City Parks and Recreation – Latrobe Park Longhouse	200,000
Baltimore City Parks and Recreation – Solo Gibbs Recreation Center	2,500,000
Baltimore City Public Library – Waverly Branch	750,000
Baltimore Civic Fund, Inc. – East Baltimore Neighborhood Dev. Fund	500,000
Baltimore Museum of Art	2,500,000
Baltimore Public Markets Corporation	4,000,000
Baltimore Squashwise, Inc.	250,000
Baltimore Symphony Orchestra	1,800,000
Baltimore Unity Hall	200,000
Baltimore Zoo – infrastructure improvements	6,750,000
Banner Neighborhoods Community Center	300,000
Belair Edison Area Revitalization, Inc. – Community Outreach Center	25,000
Bit Community Center, Inc.	300,000
Boys and Girls Clubs of Metropolitan Baltimore – Baltimore City Club	450,000
BraveHeart Veterans, LLC – assisted living facility	100,000
C.A.R.E. Community Association Resource Center	50,000
Catholic Charities – Intergenerational Center	2,000,000
Central Baltimore Partnership, Inc. – Muldrow Business Development Fund	2,000,000
Chesapeake Bay Outward Bound School, Inc.	125,000
Chesapeake Charities – Ruth M. Kirk Recreation and Learning Center	250,000
Chesapeake Shakespeare Company	200,000
Choo Smith Youth Empowerment, Inc.	150,000
Citywide Youth Development, Inc. – EMAGE Center	400,000
Clinton Street Community Center	75,000
Digital Bay Center, Inc.	350,000
Downtown Partnership of Baltimore, Inc.	10,000,000
Druid Heights Community Development Corporation – Sphinx Club	300,000
East Baltimore Development, Inc.	575,000
Enoch Pratt Free Library – Park Heights Branch	5,000,000
Enoch Pratt Free Library – Northwood Branch	300,000
Eubie Blake National Jazz Institute and Cultural Center	1,200,000
Filbert Street Garden, Inc.	100,000

Francis Scott Key Elementary and Middle School – playgrounds	30,000
Friends of Melrose Avenue Bridge, Inc. – pedestrian bridge restoration	540,000
Friends of Patterson Park	650,000
Fund for Education Excellence, Inc.	200,000
Gilchrist Hospice Care, Inc.	1,500,000
Govans Ecumenical Development Corporation	250,000
Great Blacks in Wax Museum	2,000,000
Greater Baltimore Urban League, Inc. – Orchard Street Church	500,000
Greater Baybrook Alliance, Inc. – Garrett Park	75,000
Hamilton-Lauraville Main Street, Inc.	200,000
Hippodrome Foundation, Inc. – France-Merrick Performing Arts Center	4,000,000
Historic East Baltimore Community Action Coalition, Inc.	425,000
HopeWork Community Development Corporation	175,000
Johns Hopkins Health System – Children’s Medical and Surgical Center	9,000,000
Johnston Square	200,000
Kennedy Krieger Institute	2,500,000
Kenney Krieger Institute – Center for the Neuroscience of Social Injustice	1,250,000
Lexington Market	3,000,000
Liberty Elementary – playing fields	200,000
Liberty Recreation Center	100,000
Lovely Lane Arts and Neighborhood Center	200,000
Lyric Theater	1,500,000
Mary Harvin Transformation Center	1,000,000
Maryland Center for History and Culture	1,500,000
Maryland School for the Blind – construction	7,190,000
Maryland Science Center	2,500,000
MedStar Harbor Hospital	1,200,000
Men and Families Center	250,000
Mercy Medical Center, Inc.	1,080,000
Mission First Housing Development Corporation	1,000,000
Mount Vernon Place Conservancy, Inc.	1,000,000
National Aquarium in Baltimore	3,000,000
Next One Up Foundation, Inc.	500,000
Northwood Baseball League, Inc.	1,000,000
Pimlico Race Course – demolition	5,000,000
Port Discovery Children’s Museum	2,500,000
Project PLASE, Inc. – Beacon House Square	300,000
Reginal F. Lewis Museum of Maryland African American History & Culture	4,500,000
Reveille Grounds, Inc.	75,000
Roberta’s House	300,000
Roland Park Community Foundation, Inc. – Hillside Park	1,000,000

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Saint Agnes Foundation – Gibbons Commons	1,000,000
Sanaa Center	100,000
SB7 Coalition, Inc.	100,000
Sheppard Pratt Health System, Inc.	1,200,000
Sinai Hospital	10,000,000
Southeast Community Development Corporation – Conkling Street Garden	300,000
Southeast Community Development Corporation – Eager Park	2,750,000
Southeast Community Development Corporation – Tench Tilghman property	200,000
Southwest Partnership, Inc. – Lord Baltimore Theater	250,000
Southwest Partnership, Inc. – Poppleton Recreation Center	500,000
St. Luke’s Youth Center	100,000
Stony Run Walking Path and Wyman Park	1,500,000
Studio 541 Museum	194,000
The Associated Jewish Federation of Baltimore – Park Heights Campus	1,000,000
The Children’s Guild, Inc. – Transformation Academy	1,000,000
The Society for the Preservation of Federal Hill and Fell’s Point, Inc.	200,000
University of Maryland Medical Center – Midtown Campus	432,000
Visionary Venture Charities, Inc. – Coldspring Commons	400,000
Waterfront Management Authority – Inner Harbor Promenade	7,500,000
Waterfront Management Authority – Point Park at Harbor Point	750,000
Waterfront Partnership of Baltimore, Inc. – Rash Field	3,000,000
Waverly Main Street, Inc. – business corridor enhancements	250,000
West North Avenue Development Authority	1,000,000
Westport Community Economic Development Corporation	4,000,000
Woodbourne-McCabe Community Association	50,000

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

2100 Guilford Avenue – renovations	\$28,884,000
Baltimore City District Court – Shillman Building	34,265,000

Department of Juvenile Services

Baltimore City Juvenile Justice Center – expansion	12,142,000

Department of Public Safety and Correctional Services

Therapeutic Treatment Center	13,945,000

Baltimore City Community College

Campuswide – deferred maintenance	10,500,000
Campuswide – facilities renewal	419,000
Learning Commons – renovation and addition	2,186,000

Morgan State University

Campuswide – deferred maintenance and site improvements	30,000,000
Carter Grant Wilson Building – renovation	1,196,000
Health and Human Services Building	66,020,000
Science Center – design new center	7,040,000
Science Center – Washington Service Center demolition	3,327,000

University System of Maryland

Baltimore – Anatomy Laboratory	2,000,000
Baltimore – electric substation and electrical infrastructure	16,138,000
Baltimore – Saratoga Garage renovations	1,700,000
Baltimore – School of Social Work	2,500,000
Coppin State – Percy Julian Building	2,500,000
Coppin State – residence hall	3,864,000
Coppin State – residence hall construction	35,500,000

Department of Transportation

Howard Street Tunnel	51,500,000

Other

University of Maryland Medical System – cancer treatment/organ transplant	100,000,000
University of Maryland Medical System – shock trauma center	1,000,000

Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$416,752	\$484,069	\$67,317	16.2%
Compensatory Education	143,875	143,875	0	0.0%
Student Transportation	31,642	37,934	6,292	19.9%
Special Education	63,514	74,662	11,148	17.6%
English Language Learners Grant	32,380	43,301	10,922	33.7%
Geographic Cost of Education Index	6,369	6,903	534	8.4%
Blueprint Funding	83,808	40,837	-42,971	-51.3%
Prekindergarten Grants	500	500	0	0.0%
Other Education Aid	4,621	4,701	80	1.7%
Primary and Secondary Education	\$783,460	\$836,781	\$53,321	6.8%
Libraries	\$6,646	\$7,357	\$711	10.7%
Community Colleges	52,231	64,966	12,735	24.4%
Health Formula Grant	5,924	6,954	1,030	17.4%
Transportation	9,699	10,022	323	3.3%
Police and Public Safety	12,681	20,157	7,476	59.0%
Fire and Rescue Aid	1,693	1,693	0	0.0%
Teachers Retirement Supplemental Grant	3,000	3,000	0	0.0%
Total Direct Aid	\$875,333	\$950,930	\$75,597	8.6%
Aid Per Capita (\$)	\$1,031	\$1,120	\$89	8.6%
Property Tax Equivalent (\$)	0.91	0.97	0.06	5.8%

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 2023 State payments for Baltimore County for teachers, librarians, and community college faculty are estimated to be \$96,333,000.

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 2023 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 2022) 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	\$686,334,000
Family Health and Chronic Disease	2,967,000
Developmental Disabilities	206,418,000
Behavioral Health Services	151,033,000

Social Services

Homeless Services	673,000
Women's Services	554,000
Adult Services	991,000
Child Welfare Services	11,321,000
Foster Care	30,189,000
Temporary Cash Assistance	10,512,000

Senior Citizen Services

Long-term Care	1,793,000
Community Services	984,000

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

Battle Monument Special School – renovations (HVAC)	\$3,786,600
Chesapeake High School – renovations (HVAC)	5,120,100
Joppa View Elementary School – renovations (fire safety)	139,500
Loch Raven High School – renovations (boiler/chillers)	2,191,500
Milford Mill Academy – renovations (roof)	3,615,300
Owings Mill High School – renovations (electrical)	599,700
Parkville High School – renovations (boilers)	610,500
Perry Hall High School – renovations (chiller/electrical/fire safety)	2,649,200
Rosedale Center Middle/High School – renovations (roof)	1,103,400
Timber Grove Elementary School – renovations (roof)	1,186,200
Additional Earmarked Funding	80,000,000
Aging Schools Program	874,227
Supplemental Capital Grant Program for Local School Systems	4,400,000

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Community College of Baltimore County

Catonsville – Student Services Center renovation and expansion	1,170,000
Catonsville and Essex – roof replacements	700,000
Dundalk – Student Services Center renovation	256,000
Essex – Wellness and Athletics Center renovation and addition	4,319,000

Senior Center Capital Grant Program

Woodlawn Senior Center	800,000

Program Open Space

Park acquisition and development	11,145,428

Community Parks and Playgrounds

Holt Park	3,000,000
Park acquisition and development	7,000,000

Waterway Improvement

Arbutus Volunteer Fire Department – purchase fire/rescue boat and equipment	12,500
Bowleys Quarters Volunteer Fire Department – purchase fire/rescue boat	50,000

Other Projects

Baltimore County – acquire Stevenson University’s Greenspring campus	10,000,000
Baltimore County – Arbutus streetscaping projects	200,000
Baltimore County – Benjamin Banneker Historical Park and Museum	3,000,000
Baltimore County – bus stop enclosures	850,000
Baltimore County – Eastern Boulevard streetscape improvements	400,000
Baltimore County – Franklin Fire Station 56	100,000
Baltimore County – Hamiltowne Park	150,000
Baltimore County – Highlands Trail	500,000
Baltimore County – Impact Baltimore Family Enrichment Center	500,000
Baltimore County – Liberty Family Resource Center	350,000
Baltimore County – Liberty Road streetscaping	3,800,000
Baltimore County – Oregon Ridge Park Trail & Woodland Garden Memorial	100,000
Baltimore County – Randallstown Community Center	200,000
Baltimore County – Randallstown Library	450,000
Baltimore County – Security Mall renovation and replacement	10,000,000
Baltimore County – South Marlyn Avenue improvements	1,000,000
Baltimore County – Tradepoint Atlantic west berth dredging	3,500,000
Baltimore County – Westchester Avenue improvements	120,000
Baltimore County Game and Fish Protective Association, Inc.	50,000
Baltimore County Humane Society	500,000
B’More Artists Guild, Inc. – Clubhouse of Catonsville	200,000
Camp Puh’tok	250,000
Catholic Charities – Gallagher Services Community Center	1,000,000
Catonsville Emergency Assistance, Inc.	300,000
Catonsville Middle School – scoreboard and electronic sign	100,000
Chimes International	500,000
Cromwell Valley Elementary School – playground	150,000
Deer Park Middle School – signage	75,000
Easter Seals Medical Adult Day Center	195,000
Family Crisis Center	500,000
First Fruits Farm	750,000
Foundation for Baltimore County Public Library, Inc. – Woodlawn Library	450,000
Glenn L. Martin Maryland Aviation Museum	125,000
Greater Baltimore Medical Center	600,000
Harford Park Community Center	150,000
Harvey Johnson Community Center	100,000
Hereford High School – Burton Barn renovation	275,000
Hereford High School – tennis courts	250,000
Irvine Nature Center	500,000

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Islamic Society of Baltimore, Md., Inc. – Smart Playground	300,000
Jewish Community Center of Baltimore	500,000
Liberty Road Volunteer Fire Company	700,000
Long Green Volunteer Fire Company	75,000
Maryland Horse Breeders Association	500,000
Maryland State Fairgrounds	4,050,000
MedStar Franklin Square Hospital	2,000,000
Morning Star Family Life Center	1,400,000
National Center on Institutions and Alternatives	500,000
Nepali American Cultural Center of Baltimore	300,000
Northwest Hospital Center	125,000
Our Lady of Mount Carmel School, Inc.	300,000
Overlea High School – electronic sign	250,000
Owings Mills High School – indoor scoreboard	27,084
Parkville High School – athletic facilities	750,000
Pearlstone Conference and Retreat Center	1,000,000
Pikesville Armory	3,000,000
Pikesville High School – comfort station	800,000
Prologue Outreach Center	150,000
Randallstown Elementary School – signage	75,000
Sheppard Pratt Health System	3,495,000
St. Gabriel Windsor Mill Pantry	96,000
St. Luke’s United Methodist Church – affordable housing facility	250,000
Stevenson University – black box theater	6,838,000
The American Legion Dundalk Post No. 38	500,000
The Arc Baltimore, Inc.	170,000
Warren Elementary School – playground	150,000
Westowne Elementary School – playground	150,000

D. Capital Projects for State Facilities in the County**Department of Public Safety and Correctional Services**

Brooklandville – building demolition	\$1,400,000

Military Department

Camp Fretterd Military Reservation – access control point	553,000
Camp Fretterd Military Reservation – access control point (federal funds)	2,833,000

Maryland Emergency Management Agency

Headquarters – renovation and expansion	9,090,000

Department of Natural Resources

Gunpowder Falls State Park – Dundee Creek Marina	200,000
Patapsco Valley Park Avalon – Simkins Mill property	300,000

Maryland Environmental Service

Camp Fretterd – water and wastewater system upgrade	7,700,000

University System of Maryland

Baltimore County – Natatorium renovation	790,000
Baltimore County – Sherman Hall	1,886,000
Baltimore County – utility upgrades	40,000,000
Towson University – College of Health Professions Building	88,695,000
Towson University – Glen Towers addition and renovation	13,446,000
Towson University – Institute for Well-Being	14,000,000
Towson University – Smith Hall renovation	6,066,000

Department of Transportation

State Highway Administration – Back River bridge enhancements	400,000

Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$59,871	\$71,786	\$11,916	19.9%
Compensatory Education	9,401	9,817	417	4.4%
Student Transportation	6,313	6,917	604	9.6%
Special Education	5,470	7,263	1,793	32.8%
English Language Learners Grant	608	917	309	50.9%
Geographic Cost of Education Index	2,312	2,469	157	6.8%
Blueprint Funding	10,627	3,143	-7,484	-70.4%
Other Education Aid	642	629	-14	-2.1%
Primary and Secondary Education	\$95,243	\$102,941	\$7,698	8.1%
Libraries	\$568	\$578	\$10	1.8%
Community Colleges	3,026	5,084	2,058	68.0%
Health Formula Grant	1,512	1,118	-394	-26.1%
Transportation ¹	2,155	2,240	85	4.0%
Police and Public Safety ¹	809	1,034	226	27.9%
Fire and Rescue Aid ¹	300	300	0	0.0%
Other Direct Aid	2,670	3,150	480	18.0%
Total Direct Aid	\$106,283	\$116,445	\$10,162	9.6%
Aid Per Capita (\$)	\$1,132	\$1,240	\$108	9.6%
Property Tax Equivalent (\$)	0.81	0.86	0.05	6.3%

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 2023 State payments for Calvert County for teachers, librarians, and community college faculty are estimated to be \$13,770,000.

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 2023 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 2022) 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	\$47,321,000
Family Health and Chronic Disease	721,000
Developmental Disabilities	8,032,000
Behavioral Health Services	14,367,000

Social Services

Homeless Services	1,043,000
Women's Services	191,000
Adult Services	108,000
Child Welfare Services	1,510,000
Foster Care	3,590,000
Temporary Cash Assistance	201,000

Senior Citizen Services

Long-term Care	157,000
Community Services	143,000

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

Beach Elementary School – construction	\$3,974,901
Calvert Elementary School – renovations (HVAC)	1,268,685
Plum Point Middle School – renovations (HVAC)	1,000,000
Aging Schools Program	38,293

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Public Libraries

Twin Beaches Library – construction	2,500,000

College of Southern Maryland

Hughesville – Center for Health Sciences	683,000
La Plata – Student Resource Center	2,421,000

Senior Center Capital Grant Program

Calvert Pines Senior Center	800,000

Program Open Space

Park acquisition and development	990,473

Community Parks and Playgrounds

Park acquisition and development	1,000,000

Chesapeake Bay Restoration Fund

Prince Frederick WWTP – upgrade	9,303,539

Comprehensive Flood Mitigation Program

North Beach – flooding pump/equipment	130,000

Other Projects

Annmarie Sculpture Garden and Arts Center	225,000
Bayside History Museum	70,000
Calvert County – Calvert Pines Senior Center & County Office on Aging	630,000
Calvert County Day School, Inc. – The Calverton School	400,000
Calvert Elks Lodge	60,000

Calvert Marine Museum	50,000
Chesapeake Beach – Richfield Station Water Tower	400,000
End Hunger in Calvert County, Inc.	128,000
Huntingtown High School – electronic message sign	60,000
St. Johns Methodist Church	120,000

D. Capital Projects for State Facilities in the County

Department of Planning

Jefferson Patterson Park and Museum – Patterson Center	\$124,000
Maryland Archeological Conservation Laboratory – expansion/renovation	3,505,000

Morgan State University

Patuxent Environmental and Aquatic Research Laboratory	500,000

University System of Maryland

Center for Environmental Science – Chesapeake Analytics Collaboration	9,389,000
Center for Environmental Science – Horn Point Laboratory	2,500,000

Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$30,506	\$33,364	\$2,857	9.4%
Compensatory Education	14,614	16,864	2,250	15.4%
Student Transportation	2,994	3,253	259	8.7%
Special Education	2,974	3,642	668	22.5%
English Language Learners Grant	2,825	3,463	638	22.6%
Guaranteed Tax Base	2,356	2,138	-217	-9.2%
Blueprint Funding	8,529	4,750	-3,780	-44.3%
Prekindergarten Grants	600	600	0	0.0%
Other Education Aid	899	946	47	5.2%
Primary and Secondary Education	\$66,297	\$69,020	\$2,723	4.1%
Libraries	\$351	\$361	\$10	2.8%
Community Colleges	2,017	2,143	125	6.2%
Health Formula Grant	1,106	1,258	153	13.8%
Transportation ¹	1,636	1,699	63	3.8%
Police and Public Safety ¹	352	454	102	29.0%
Fire and Rescue Aid ¹	307	307	0	0.0%
Disparity Grant	4,035	4,035	0	0.0%
Teachers Retirement Supplemental Grant	685	685	0	0.0%
Total Direct Aid	\$76,787	\$79,963	\$3,176	4.1%
Aid Per Capita (\$)	\$2,300	\$2,395	\$95	4.1%
Property Tax Equivalent (\$)	2.68	2.69	0.01	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 2023 State payments for Caroline County for teachers, librarians, and community college faculty are estimated to be \$4,712,000.

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 2023 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 2022) 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	\$35,852,000
Family Health and Chronic Disease	1,094,000
Developmental Disabilities	8,791,000
Behavioral Health Services	9,832,000

Social Services

Homeless Services	931,000
Women's Services	56,000
Adult Services	117,000
Child Welfare Services	1,388,000
Foster Care	875,000
Temporary Cash Assistance	396,000

Senior Citizen Services

Long-term Care	462,000
Community Services	149,000

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

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

Ridgely Elementary School – renovations (roof)	\$1,950,000
Aging Schools Program	50,074

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Public Libraries

Denton Library – renovation	917,000

Chesapeake College

Campuswide – facilities renewal	419,000
Learning Resource Center – chiller and roof replacement	903,000

Program Open Space

Park acquisition and development	431,843

Community Parks and Playgrounds

Denton – Fourth Street Park	145,000
Greensboro – Ober Park Basketball Court	70,125
Hillsboro – Community Park garden design and amenities	305,402
North County Regional Park	750,000
Preston – James T. Wright Park Meditation Garden	18,200
Templeville – Community Park	141,300
Park acquisition and development	250,000

Waterway Improvement

Choptank Marina – fuel tank installation	250,000
Choptank Marina – parking lot improvements	75,000

Other Projects

Caroline County Historical Society, Inc. – Agricultural Interpretive Center	150,000
Choptank Community Health System, Inc. – Federalsburg Health Center	420,893
Denton – Sharp Road Park exercise equipment	66,555
Federalsburg Activities Center, Inc.	50,000
Greensboro Elementary School – Judy Hoyer Early Learning Center	500,000
Ridgely – Telephone Exchange Building	9,000
Ridgely – town hall roof	87,000
The Benedictine School	1,500,000

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

Martinak State Park – dredge material placement rehabilitation	\$200,000

Maryland Environmental Service

Martinak State Park – water tower upgrades	275,000

Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$92,834	\$109,287	\$16,453	17.7%
Compensatory Education	11,724	11,724	0	0.0%
Student Transportation	10,737	11,871	1,134	10.6%
Special Education	10,934	14,474	3,540	32.4%
English Language Learners Grant	1,169	1,676	507	43.4%
Geographic Cost of Education Index	2,503	2,627	124	5.0%
Blueprint Funding	15,507	4,363	-11,144	-71.9%
Prekindergarten Grants	720	720	0	0.0%
Other Education Aid	1,320	1,185	-134	-10.2%
Primary and Secondary Education	\$147,447	\$157,927	\$10,481	7.1%
Libraries	\$1,126	\$1,222	\$96	8.5%
Community Colleges	10,282	12,832	2,550	24.8%
Health Formula Grant	2,792	2,954	162	5.8%
Transportation ¹	5,023	5,178	155	3.1%
Police and Public Safety ¹	1,605	1,963	358	22.3%
Fire and Rescue Aid ¹	385	385	0	0.0%
Total Direct Aid	\$168,659	\$182,460	\$13,801	8.2%
Aid Per Capita (\$)	\$970	\$1,049	\$79	8.2%
Property Tax Equivalent (\$)	0.77	0.81	0.04	4.8%

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 2023 State payments for Carroll County for teachers, librarians, and community college faculty are estimated to be \$20,664,000.

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 2023 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 2022) 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	\$87,617,000
Family Health and Chronic Disease	1,005,000
Developmental Disabilities	21,223,000
Behavioral Health Services	25,485,000

Social Services

Homeless Services	422,000
Women's Services	143,000
Adult Services	110,000
Child Welfare Services	2,556,000
Foster Care	2,678,000
Temporary Cash Assistance	336,000

Senior Citizen Services

Long-term Care	298,000
Community Services	129,000

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

Career and Technology Center – construction	\$8,326,128
South Carroll High School – renovations (windows/doors)	1,000,000
Westminster East Middle School – construction	1,084,790
Aging Schools Program	137,261

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Carroll Community College

Campuswide – facilities renewal	419,000
Campuswide – systemic renovations	3,251,000

Community Health Facilities Grant Program

Carroll County Youth Service Bureau – Treatment Center	1,000,000

Program Open Space

Park acquisition and development	2,218,579

Community Parks and Playgrounds

Manchester – Christmas Tree Park Playground	75,000
Sykesville – Linear Park Natural Play and Learning Area	100,000
Taneytown – High School Park Skatepark	136,346
Westminster – Municipal Pool	113,000
Westminster – Wakefield Valley Park	1,000,000
Park acquisition and development	500,000

Chesapeake Bay Restoration Fund

New Windsor WWTP – enhanced nutrient removal	3,434,283

Other Projects

American Legion Sykesville Post 223	350,000
Carroll County – Farm Museum	250,000
Carroll County – law enforcement building	3,000,000
Carroll County Agriculture Center	400,000
Carroll County Veterans Independence Project, Inc.	250,000
Cascade Lake Recreation and Adventure Park	250,000
Fairhaven and Raincliffe water treatment plants	1,000,000

Hampstead Elementary School – playground	50,000
McDaniel College – McDaniel Environmental Center/Harvey Stone Pavilion	2,300,000
New Windsor – water main replacement	4,000,000
Sykesville – warehouse and bridge improvements	1,000,000
Union Bridge – sewer plant upgrade	5,000,000
Westminster – historic clock tower renovations	200,000
Westminster Elementary School – playground	50,000

D. Capital Projects for State Facilities in the County**Department of Veterans Affairs**

Veterans Home – construction	\$63,261,000

Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$63,567	\$72,891	\$9,324	14.7%
Compensatory Education	20,477	20,477	0	0.0%
Student Transportation	5,732	6,294	562	9.8%
Special Education	8,367	10,777	2,410	28.8%
English Language Learners Grant	1,263	1,611	348	27.5%
Blueprint Funding	15,348	6,283	-9,065	-59.1%
Other Education Aid	732	715	-17	-2.4%
Primary and Secondary Education	\$115,487	\$119,048	\$3,561	3.1%
Libraries	\$897	\$925	\$28	3.1%
Community Colleges	7,446	8,827	1,381	18.6%
Health Formula Grant	1,900	2,049	149	7.8%
Transportation ¹	2,762	2,859	97	3.5%
Police and Public Safety ¹	1,006	1,493	487	48.4%
Fire and Rescue Aid ¹	309	309	0	0.0%
Disparity Grant	1,601	1,601	0	0.0%
Gaming Impact Aid	5,226	5,266	40	0.8%
Total Direct Aid	\$136,634	\$142,376	\$5,743	4.2%
Aid Per Capita (\$)	\$1,315	\$1,370	\$55	4.2%
Property Tax Equivalent (\$)	1.19	1.23	0.04	3.6%

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 2023 State payments for Cecil County for teachers, librarians, and community college faculty are estimated to be \$13,465,000.

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 2023 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 2022) 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	\$86,813,000
Family Health and Chronic Disease	549,000
Developmental Disabilities	11,516,000
Behavioral Health Services	20,224,000

Social Services

Homeless Services	240,000
Women's Services	117,000
Adult Services	151,000
Child Welfare Services	3,101,000
Foster Care	7,872,000
Temporary Cash Assistance	1,250,000

Senior Citizen Services

Long-term Care	182,000
Community Services	89,000

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

Elkton Middle School – renovations (roof)	\$1,348,000
North East Middle/High School – construction	3,461,331
Aging Schools Program	96,024

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Program Open Space

Park acquisition and development	1,144,830

Community Parks and Playgrounds

Elkton – Neighborhood Community Center Park Playground	247,000
Park acquisition and development	1,500,000

Comprehensive Flood Mitigation Program

Bay View – stream restoration and sewer repair	1,800,000

Waterway Improvement

Charlestown – dredge material site repair and improvements	100,000

Hazardous Substance Cleanup Program

Ordnance Products, Inc.	127,000

Other Projects

Bainbridge Development Corporation	7,500,000
Cecil County – Health Department parking lot renovation	300,000
Cecil County – shooting range	1,000,000
NorthBay Environmental Education Center	2,300,000
Turkey Point Light Station, Inc. – Bell Tower reconstruction	100,000
VFW Post No. 8185	92,000

Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$122,478	\$134,164	\$11,686	9.5%
Compensatory Education	39,368	39,368	0	0.0%
Student Transportation	11,440	13,185	1,745	15.2%
Special Education	10,669	13,789	3,120	29.2%
English Language Learners Grant	4,051	5,310	1,260	31.1%
Guaranteed Tax Base	1,685	2,865	1,180	70.0%
Geographic Cost of Education Index	3,847	4,120	272	7.1%
Blueprint Funding	15,474	8,075	-7,399	-47.8%
Prekindergarten Grants	105	105	0	0.0%
Other Education Aid	1,594	1,593	-1	-0.1%
Primary and Secondary Education	\$210,710	\$222,572	\$11,862	5.6%
Libraries	\$1,268	\$1,328	\$60	4.7%
Community Colleges	10,599	9,361	-1,238	-11.7%
Health Formula Grant	3,804	2,396	-1,408	-37.0%
Transportation ¹	3,044	3,183	139	4.6%
Police and Public Safety ¹	1,420	2,428	1,008	70.9%
Fire and Rescue Aid ¹	388	388	0	0.0%
Total Direct Aid	\$231,233	\$241,655	\$10,422	4.5%
Aid Per Capita (\$)	\$1,371	\$1,432	\$62	4.5%
Property Tax Equivalent (\$)	1.14	1.13	-0.01	-0.8%

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 2023 State payments for Charles County for teachers, librarians, and community college faculty are estimated to be \$21,680,000.

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 2023 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 2022) 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	\$95,259,000
Family Health and Chronic Disease	1,210,000
Developmental Disabilities	18,018,000
Behavioral Health Services	22,715,000

Social Services

Homeless Services	1,043,000
Women's Services	297,000
Adult Services	160,000
Child Welfare Services	3,784,000
Foster Care	3,671,000
Temporary Cash Assistance	864,000

Senior Citizen Services

Long-term Care	260,000
Community Services	128,000

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

Elementary School #23 School – construction	\$2,908,100
Eva Turner Elementary School – construction	2,340,283
Indian Head Elementary School – renovations (HVAC)	802,913
T.C. Martin Elementary School – construction	7,982,949
Westlake High School – renovations (roof)	2,317,770
Additional Earmarked Funding	5,000,000
Aging Schools Program	50,074
Supplemental Capital Grant Program for Local School Systems	7,900,000

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

College of Southern Maryland

Hughesville – Center for Health Sciences	683,000
La Plata – Student Resource Center	2,421,000

Program Open Space

Park acquisition and development	2,022,402

Community Parks and Playgrounds

Waldorf Urban Park and Amphitheater	3,000,000

Comprehensive Flood Mitigation Program

Gilbert Run Watershed Dam – retrofit	1,484,000

Other Projects

American Legion, Randolph Furey Post 170	150,000
Charles County – Behavioral Health Crisis Mobile Response Unit	500,000
Charles County – Multicultural Recreational and Amphitheatre Facilities	1,000,000
Charles County – Regency Furniture Stadium	1,500,000
Energetics Technology Center	750,000
Hospice of Charles County	250,000
La Plata – Kent Avenue Corridor Community Center	500,000
LifeStyles of Maryland Foundation, Inc.	550,000
Lions Camp Merrick	80,000
Maryland Veterans Memorial Museum	250,000
Melwood Horticultural Training Center, Inc.	200,000

Part A – Budget and State Aid

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Poiema Movement, Inc. – Recovery Residence	600,000
RXBSA Properties, LLC – Indian Head grocery store	300,000
Senior Network, Inc. – Fenwick Landing Senior Center	50,000
United States Bomb Technician Association Corp. – Technology Training	150,000
Willing Helpers Society, Inc.	50,000

D. Capital Projects for State Facilities in the County

Maryland Environmental Service

Elk Neck State Park – wastewater treatment plant upgrade	\$1,943,000

St. Mary’s College

Mount Aventine at Chapman State Park	100,000

Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$24,333	\$24,776	\$443	1.8%
Compensatory Education	13,932	13,932	0	0.0%
Student Transportation	2,681	2,972	291	10.9%
Special Education	1,895	2,385	490	25.9%
English Language Learners Grant	945	1,200	254	26.9%
Guaranteed Tax Base	1,913	1,665	-248	-12.9%
Blueprint Funding	6,231	7,046	815	13.1%
Prekindergarten Grants	540	540	0	0.0%
Other Education Aid	761	773	12	1.6%
Primary and Secondary Education	\$53,231	\$55,289	\$2,059	3.9%
Libraries	\$322	\$344	\$22	6.8%
Community Colleges	1,318	1,626	307	23.3%
Health Formula Grant	1,805	1,291	-515	-28.5%
Transportation ¹	2,027	2,121	93	4.6%
Police and Public Safety ¹	369	742	372	100.9%
Fire and Rescue Aid ¹	329	329	0	0.0%
Disparity Grant	3,733	3,830	97	2.6%
Teachers Retirement Supplemental Grant	309	309	0	0.0%
Other Direct Aid	645	690	45	6.9%
Total Direct Aid	\$64,089	\$66,570	\$2,481	3.9%
Aid Per Capita (\$)	\$1,973	\$2,049	\$76	3.9%
Property Tax Equivalent (\$)	2.06	2.06	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 2023 State payments for Dorchester County for teachers, librarians, and community college faculty are estimated to be \$3,875,000.

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 2023 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 2022) 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	\$41,774,000
Family Health and Chronic Disease	848,000
Developmental Disabilities	3,431,000
Behavioral Health Services	10,265,000

Social Services

Homeless Services	931,000
Women's Services	56,000
Adult Services	235,000
Child Welfare Services	1,470,000
Foster Care	1,505,000
Temporary Cash Assistance	532,000

Senior Citizen Services

Long-term Care	692,000
Community Services	270,000

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

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

South Dorchester Elementary/Middle School – renovations (HVAC)	\$2,150,848
Aging Schools Program	38,293

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Chesapeake College

Campuswide – facilities renewal	419,000
Learning Resource Center – chiller and roof replacement	903,000

Program Open Space

Park acquisition and development	370,586

Community Parks and Playgrounds

Vienna – sports field upgrade	208,295
Park acquisition and development	1,000,000

Chesapeake Bay Restoration Fund

Vienna WWTP – enhanced nutrient removal	3,570,722

Water Supply Financial Assistance Program

Vienna – water treatment plant replacement	459,605
Vienna – wells replacement project	388,430

Waterway Improvement

Cambridge – Franklin Street boat ramp improvements	250,000
Cambridge Municipal Marina – improvements	95,000
Crocheron Wharf – bulkhead and parking lot improvements	150,000

Other Projects

Boys and Girls Clubs of Metropolitan Baltimore – Cambridge Club	750,000
Cambridge Waterfront Development, Inc.	5,000,000
Delmarva Comm. Services Inc. – Jeanette Weinberg Intergenerational Center	1,500,000
Eldorado and Brookview Volunteer Fire Company, Inc.	400,000
Harriet Tubman Pavilion	100,000
Maces Lane Community Center	500,000
Patriot Point	150,000
The Bayly House	650,000

D. Capital Projects for State Facilities in the County

Maryland Environmental Service

Horn Point Laboratory – sewer collection system upgrade	\$188,000

Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$176,199	\$209,240	\$33,041	18.8%
Compensatory Education	37,154	39,719	2,565	6.9%
Student Transportation	13,887	16,290	2,403	17.3%
Special Education	19,052	25,660	6,609	34.7%
English Language Learners Grant	11,367	15,106	3,739	32.9%
Geographic Cost of Education Index	7,457	7,829	372	5.0%
Blueprint Funding	20,252	12,621	-7,630	-37.7%
Prekindergarten Grants	900	900	0	0.0%
Other Education Aid	1,716	1,715	-2	-0.1%
Primary and Secondary Education	\$287,983	\$329,080	\$41,098	14.3%
Libraries	\$1,661	\$1,820	\$159	9.6%
Community Colleges	14,348	17,380	3,031	21.1%
Health Formula Grant	2,878	3,305	427	14.8%
Transportation ¹	7,760	8,262	502	6.5%
Police and Public Safety ¹	2,565	3,437	873	34.0%
Fire and Rescue Aid ¹	593	593	0	0.0%
Total Direct Aid	\$317,788	\$363,878	\$46,090	14.5%
Aid Per Capita (\$)	\$1,136	\$1,300	\$165	14.5%
Property Tax Equivalent (\$)	0.88	0.96	0.08	9.2%

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 2023 State payments for Frederick County for teachers, librarians, and community college faculty are estimated to be \$35,121,000.

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 2023 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 2022) 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	\$132,857,000
Family Health and Chronic Disease	755,000
Developmental Disabilities	24,144,000
Behavioral Health Services	37,664,000

Social Services

Homeless Services	477,000
Women's Services	139,000
Adult Services	218,000
Child Welfare Services	4,225,000
Foster Care	4,668,000
Temporary Cash Assistance	851,000

Senior Citizen Services

Long-term Care	423,000
Community Services	210,000

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

Ballenger Creek Middle School – renovations (roof)	\$2,047,500
Blue Heron Elementary School – construction	8,227,396
Monocacy Elementary School – construction	1,882,001
Rock Creek School – construction	7,369,222
Thurmont Elementary School – construction	1,295,381
Additional Earmarked Funding	10,000,000
Aging Schools Program	182,622
Supplemental Capital Grant Program for Local School Systems	15,300,000

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Public Libraries

Middletown Library – construction	1,000,000

Frederick Community College

Campuswide – facilities renewal	419,000

Local Jails and Detention Centers

County Adult Detention Center – medical addition	2,576,000

Program Open Space

Park acquisition and development	2,386,078

Community Parks and Playgrounds

Emmitsburg – Silo Hill Playground	146,263
Football Club Frederick – Youth Sporting Complex	250,000
Mt Airy Rails to Trails	250,000
Myersville – Terraces of South Mountain Playground	45,000
Woodsboro – Town Park	214,000
Park acquisition and development	5,500,000

Comprehensive Flood Mitigation Program

New Market – conveyance phase 3 and 4	428,000

Other Projects

Asian American Center of Frederick	700,000
Boonsboro – replace reservoir	1,000,000
Brunswick – emergency operations center	600,000
Brunswick – Yourtee Springs	1,500,000
Brunswick Heritage Museum	100,000
Brunswick Volunteer Ambulance Company	1,000,000
Eastview Community Center, Inc. – playground	40,000
FC Frederick, Inc. – Youth Sporting Complex	1,000,000
Frederick – Community Bridge murals and l’oeil paintings	250,000
Frederick – police department headquarters	4,250,000
Frederick County – county landfill compost pad	150,000
Frederick County – Crisis Stabilization Center	1,000,000
Frederick County – Rose Hill Manor Park and Museums	500,000
Frederick Innovative Technology Center	1,000,000
Harry Grove Stadium – sports mural	150,000
Hood College – Hodson Science and Technology Center	6,838,000
Lefty Kreh Memorial	50,000
Maryland Deaf Community Center	2,500,000
Mountain City Elks Lodge No. 382	325,000
Prince Hall Masonic Lodge #49	15,000
Ranch Residence Hall	100,000
Way Station, Inc. – Frederick County Psychiatric Rehabilitation Program	847,455
Woodsboro – Town Hall	400,000
YMCA of Frederick County	750,000

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

Frederick Readiness Center – renovation and expansion	\$382,000
Frederick Readiness Center – renovation and expansion (federal funds)	845,000

Maryland Environmental Service

Cunningham Falls State Park – sewer line upgrade	1,500,000

Other

School for the Deaf – Veditz Building	12,787,000

Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$11,842	\$12,616	\$774	6.5%
Compensatory Education	4,407	4,407	0	0.0%
Student Transportation	3,302	3,572	270	8.2%
Special Education	792	968	177	22.3%
English Language Learners Grant	32	33	1	3.3%
Blueprint Funding	3,396	2,031	-1,365	-40.2%
Other Education Aid	1,070	1,043	-27	-2.5%
Primary and Secondary Education	\$24,841	\$24,670	-\$171	-0.7%
Libraries	\$179	\$182	\$3	1.6%
Community Colleges	4,518	5,398	880	19.5%
Health Formula Grant	1,835	1,347	-487	-26.6%
Transportation ¹	1,933	1,987	54	2.8%
Police and Public Safety ¹	220	332	112	51.0%
Fire and Rescue Aid ¹	300	300	0	0.0%
Disparity Grant	2,131	2,131	0	0.0%
Teachers Retirement Supplemental Grant	406	406	0	0.0%
Other Direct Aid	1,697	1,714	17	1.0%
Total Direct Aid	\$38,060	\$38,468	\$408	1.1%
Aid Per Capita (\$)	\$1,326	\$1,340	\$14	1.1%
Property Tax Equivalent (\$)	0.78	0.77	-0.01	-1.7%

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 2023 State payments for Garrett County for teachers, librarians, and community college faculty are estimated to be \$3,328,000.

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 2023 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 2022) 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	\$29,053,000
Family Health and Chronic Disease	676,000
Developmental Disabilities	4,992,000
Behavioral Health Services	7,203,000

Social Services

Homeless Services	273,000
Women's Services	253,000
Adult Services	28,000
Child Welfare Services	1,529,000
Foster Care	1,818,000
Temporary Cash Assistance	185,000

Senior Citizen Services

Long-term Care	153,000
Community Services	68,000

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

Grantsville Elementary School – renovations (open space enclosure)	\$1,908,836
Southern Middle School – construction	75,000
Aging Schools Program	38,293

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Garrett Community College

Campuswide – facilities renewal	419,000

Program Open Space

Park acquisition and development	466,599

Community Parks and Playgrounds

Grantsville – Community Park Basketball and Volleyball Court	155,000
Park acquisition and development	1,000,000

Chesapeake Bay Restoration Fund

Grantsville WWTP	14,167,313
Oakland Trout Run Regional WWTP	31,448,389

Water Supply Financial Assistance Program

Oakland – water plant improvements	182,500

Other Projects

Garrett College – ballfield reconstruction	450,000
Garrett County – Bittinger Volunteer Fire Department	1,000,000
Garrett County – high school athletic facilities	200,000

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

Mount Nebo WMA – natural resources police garage/office/storage facility	\$293,000

Maryland Environmental Service

New Germany State Park – water/wastewater/collection system upgrade	1,386,000
Swallow Falls State Park – water and wastewater treatment plant upgrade	2,850,000

Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$147,022	\$169,588	\$22,565	15.3%
Compensatory Education	35,891	35,891	0	0.0%
Student Transportation	13,700	15,483	1,782	13.0%
Special Education	19,214	25,628	6,414	33.4%
English Language Learners Grant	2,913	3,809	897	30.8%
Blueprint Funding	21,246	11,288	-9,958	-46.9%
Prekindergarten Grants	970	970	0	0.0%
Other Education Aid	1,022	924	-98	-9.6%
Primary and Secondary Education	\$241,979	\$263,582	\$21,603	8.9%
Libraries	\$1,884	\$2,030	\$146	7.7%
Community Colleges	14,763	17,677	2,915	19.7%
Health Formula Grant	3,232	3,717	485	15.0%
Transportation ¹	5,157	5,416	259	5.0%
Police and Public Safety ¹	2,878	3,668	791	27.5%
Fire and Rescue Aid ¹	561	561	0	0.0%
Total Direct Aid	\$270,454	\$296,652	\$26,198	9.7%
Aid Per Capita (\$)	\$1,028	\$1,128	\$100	9.7%
Property Tax Equivalent (\$)	0.86	0.94	0.08	8.6%

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 2023 State payments for Harford County for teachers, librarians, and community college faculty are estimated to be \$30,470,000.

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 2023 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 2022) 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	\$144,431,000
Family Health and Chronic Disease	1,298,000
Developmental Disabilities	25,907,000
Behavioral Health Services	36,661,000

Social Services

Homeless Services	520,000
Women's Services	302,000
Adult Services	274,000
Child Welfare Services	4,343,000
Foster Care	11,817,000
Temporary Cash Assistance	1,819,000

Senior Citizen Services

Long-term Care	461,000
Community Services	245,000

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

Bakerfield Elementary School – renovations (chiller)	\$631,000
Harford Technical High School – construction	7,857,426
Meadowvale Elementary School – renovations (chiller)	436,000
Aging Schools Program	217,379

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Public Libraries

Bel Air Library – renovation	1,414,000

Harford Community College

Campuswide – facilities renewal	419,000
Chesapeake Welcome Center – renovation and addition	7,655,000

Community Health Facilities Grant Program

Way Station, Inc.	462,638

Program Open Space

Park acquisition and development	3,306,314

Community Parks and Playgrounds

Aberdeen – Grasmere Pocket Park Playground	145,000
Park acquisition and development	1,500,000

Waterway Improvement

Mariner Point Park – parking lot improvements	200,000

Other Projects

Aberdeen B&O Railroad Station	850,000
Boy Scouts of America – Broad Creek Scout Reservation	275,000
Boys and Girls Club of Harford County	400,000
Charlton-Miller VFW Post No. 6054	85,000
Discovery Center at Water’s Edge, Inc.	750,000
Harmer’s Town Art Center, Inc.	900,000
Ripkin Baseball – tournament fields	2,500,000
The Klein Family Harford Crisis Center	300,000
The Miracle League of Harford County, Inc. – baseball field	100,000

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

Harford County District Court	\$12,000,000

Military Department

Havre de Grace Surface Equipment & Automotive Maintenance Facility	23,481,000

Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$183,455	\$214,761	\$31,306	17.1%
Compensatory Education	35,840	36,181	341	1.0%
Student Transportation	18,785	22,055	3,270	17.4%
Special Education	19,774	25,063	5,289	26.7%
English Language Learners Grant	10,634	14,494	3,861	36.3%
Geographic Cost of Education Index	6,180	6,781	601	9.7%
Blueprint Funding	24,026	10,096	-13,930	-58.0%
Prekindergarten Grants	400	400	0	0.0%
Other Education Aid	1,633	1,576	-56	-3.4%
Primary and Secondary Education	\$300,726	\$331,408	\$30,682	10.2%
Libraries	\$1,103	\$1,163	\$61	5.5%
Community Colleges	25,759	31,306	5,546	21.5%
Health Formula Grant	2,602	2,967	364	14.0%
Transportation	4,308	4,467	159	3.7%
Police and Public Safety	3,924	5,743	1,819	46.4%
Fire and Rescue Aid	617	617	0	0.0%
Gaming Impact Aid	89	89	0	0.0%
Total Direct Aid	\$339,128	\$377,759	\$38,631	11.4%
Aid Per Capita (\$)	\$1,014	\$1,129	\$115	11.4%
Property Tax Equivalent (\$)	0.58	0.62	0.04	7.9%

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 2023 State payments for Howard County for teachers, librarians, and community college faculty are estimated to be \$58,978,000.

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 2023 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 2022) 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	\$151,151,000
Family Health and Chronic Disease	942,000
Developmental Disabilities	47,330,000
Behavioral Health Services	35,298,000

Social Services

Homeless Services	270,000
Women's Services	118,000
Adult Services	40,000
Child Welfare Services	3,648,000
Foster Care	4,064,000
Temporary Cash Assistance	1,219,000

Senior Citizen Services

Long-term Care	479,000
Community Services	223,000

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

Guilford Elementary School – renovations (windows/doors)	\$800,800
Jeffers Hill Elementary School – renovations (boiler)	369,600
Manor Woods Elementary School – renovations (HVAC)	5,160,967
New High School #13 – construction	8,379,787
Additional Earmarked Funding	35,000,000
Aging Schools Program	87,776
Supplemental Capital Grant Program for Local School Systems	16,800,000

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Howard Community College

Campuswide – facilities renewal	419,000
Mathematics and Athletics Complex – construction	14,794,000

Community Health Facilities Grant Program

Hilda's Place Behavioral Health Organization, Inc.	700,000
Mission First Housing Development Corporation	500,000

Program Open Space

Park acquisition and development	5,838,350

Community Parks and Playgrounds

Blandair Regional Park	1,700,000
Centennial Park – west area playground	200,000
North Laurel Community Center	2,000,000
Rockburn Branch Park	150,000
Savage Park	2,000,000
Waterloo Park	550,000
West Friendship Park	400,000
Park acquisition and development	1,000,000

Comprehensive Flood Mitigation Program

New Cut Branch – streambank stabilization	2,100,000

Other Projects

Chrysalis Pavilion in Merriweather Park at Symphony Woods	1,000,000
Columbia Association, Inc. – Historic Oakland elevator	300,000
Columbia Center for the Theatrical Arts	1,000,000
Days End Farm Horse Rescue, Inc.	600,000
Ellicott City Holding Company – Patmos-Solomon’s Lodge	100,000
Grassroots Crisis Intervention Center	600,000
Howard County – Asian American Cultural Center	250,000
Howard County – Bain 50+ Center	350,000
Howard County – Barnard Fort House	300,000
Howard County – East Columbia 50+ Center	250,000
Howard County – Ellicott City downtown signage	250,000
Howard County – Ellicott City Maryland Avenue culverts	1,000,000
Howard County – Ellicott City vehicle drop arm barriers	175,000
Howard County – Leola Dorsey Community Resource Center	150,000
Howard County – Maryland Innovation Center	100,000
Howard County – north tunnel stormwater management	12,000,000
Howard County – Route 29 north/south jug handle connector	9,000,000
Howard County – T1 Pond	2,000,000
Howard County Conservancy, Inc.	130,000
Howard County Economic Development Authority – Maryland Innovation	100,000
Howard County Fairgrounds – multi-purpose athletic house	600,000
Howard County Veterans Monument	650,000
Humanim, Inc.	500,000
Living in Recovery, Inc.	250,000
Maryland University of Integrated Health, Inc.	2,500,000
Mission First Housing Development Corporation – Patuxent Commons	320,000
Preservation of Maryland Antiquities, Inc. – Ellicott City Jail	500,000
Safe Haven Equine Warriors, Inc.	100,000
The Community Ecology Institute	375,000
United Way of Central Maryland	500,000

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

Perkins Hospital Center – north wing renovation	\$972,000

Maryland State Police

Tactical Services Facility – operations building	3,888,000

Department of Natural Resources

Patapsco Valley State Park – Hollofield & McKeldin area restroom upgrades 7,268,000

Department of Agriculture

Maryland Food Center Authority – Wholesale Produce Market 10,000,000

Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$3,442	\$3,332	-\$109	-3.2%
Compensatory Education	2,509	2,509	0	0.0%
Student Transportation	1,727	1,868	141	8.1%
Special Education	764	916	151	19.8%
English Language Learners Grant	219	276	56	25.7%
Geographic Cost of Education Index	128	137	10	7.6%
Blueprint Funding	1,722	1,829	107	6.2%
Other Education Aid	489	396	-93	-19.1%
Primary and Secondary Education	\$11,001	\$11,263	\$262	2.4%
Libraries	\$117	\$119	\$2	1.4%
Community Colleges	592	645	53	9.0%
Health Formula Grant	1,894	1,290	-603	-31.9%
Transportation ¹	934	963	29	3.1%
Police and Public Safety ¹	188	235	47	25.3%
Fire and Rescue Aid ¹	311	311	0	0.0%
Total Direct Aid	\$15,036	\$14,827	-\$210	-1.4%
Aid Per Capita (\$)	\$780	\$769	-\$11	-1.4%
Property Tax Equivalent (\$)	0.49	0.48	-0.01	-2.8%

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 2023 State payments for Kent County for teachers, librarians, and community college faculty are estimated to be \$1,672,000.

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 2023 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 2022) 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	\$17,731,000
Family Health and Chronic Disease	761,000
Developmental Disabilities	4,042,000
Behavioral Health Services	6,387,000

Social Services

Homeless Services	931,000
Women's Services	56,000
Adult Services	76,000
Child Welfare Services	785,000
Foster Care	625,000
Temporary Cash Assistance	134,000

Senior Citizen Services

Long-term Care	462,000
Community Services	149,000

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

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

Kent County High School – renovations (roof)	\$1,624,300
Aging Schools Program	38,293

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Chesapeake College

Campuswide – facilities renewal	419,000
Learning Resource Center – chiller and roof replacement	903,000

Strategic Demolition Fund

Washington College – student housing and mixed-use space	750,000

Program Open Space

Park acquisition and development	279,932

Community Parks and Playgrounds

Betterton – Community Park Basketball Court	23,866
Park acquisition and development	1,000,000

Comprehensive Flood Mitigation Program

Betterton – shoreline erosion mitigation	600,000

Waterway Improvement

Betterton Volunteer Fire Company – purchase fire/rescue boat	50,000

Other Projects

Camp Fairlee	500,000
Echo Hill Outdoor School	875,000
Kent Agricultural Center, Inc.	150,000
Rock Hall – Town Hall	500,000

D. Capital Projects for State Facilities in the County

Other

University of Maryland Medical System – Aging and Wellness Center	\$1,000,000

Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$384,202	\$424,689	\$40,487	10.5%
Compensatory Education	133,784	133,784	0	0.0%
Student Transportation	42,164	50,978	8,814	20.9%
Special Education	64,032	78,656	14,624	22.8%
English Language Learners Grant	77,169	94,674	17,505	22.7%
Geographic Cost of Education Index	39,382	42,290	2,908	7.4%
Blueprint Funding	85,140	38,844	-46,296	-54.4%
Prekindergarten Grants	370	370	0	0.0%
Other Education Aid	5,858	4,380	-1,478	-25.2%
Primary and Secondary Education	\$832,101	\$868,664	\$36,563	4.4%
Libraries	\$3,509	\$3,717	\$208	5.9%
Community Colleges	57,255	70,709	13,454	23.5%
Health Formula Grant	4,505	5,172	667	14.8%
Transportation ¹	15,209	15,711	502	3.3%
Police and Public Safety ¹	16,375	19,548	3,173	19.4%
Fire and Rescue Aid ¹	1,935	1,935	0	0.0%
Total Direct Aid	\$930,890	\$985,456	\$54,566	5.9%
Aid Per Capita (\$)	\$883	\$934	\$52	5.9%
Property Tax Equivalent (\$)	0.45	0.46	0.01	3.5%

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 2023 State payments for Montgomery County for teachers, librarians, and community college faculty are estimated to be \$166,207,000.

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 2023 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 2022) 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	\$546,114,000
Family Health and Chronic Disease	2,037,000
Developmental Disabilities	135,984,000
Behavioral Health Services	119,679,000

Social Services

Homeless Services	532,000
Women's Services	224,000
Adult Services	1,100,000
Child Welfare Services	1,195,000
Foster Care	20,320,000
Temporary Cash Assistance	3,693,000

Senior Citizen Services

Long-term Care	1,847,000
Community Services	911,000

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

Diamond Elementary School – renovations (roof)	\$836,100
East Silver Spring Elementary School – renovations (roof)	427,050
Flower Valley Elementary School – renovations (HVAC)	1,800,000
Harmony Hills Elementary School – renovations (HVAC/roof)	2,396,250
John F. Kennedy High School – renovations (roof)	1,210,050
Meadow Hall Elementary School – renovations (roof)	146,250
Ritchie Park Elementary School – renovations (roof)	242,550
Rock View Elementary School – renovations (roof)	742,500
Sligo Middle School – renovations (HVAC)	4,050,000
Springbrook High School – renovations (HVAC)	1,575,000
Westland Middle School – renovations (HVAC)	4,050,000
Westover Elementary School – renovations (roof)	571,500
White Oak Middle School – renovations (HVAC)	4,050,000
Woodfield Elementary School – renovations (roof)	681,750
Wyngate Elementary School – renovations (roof)	325,800
Aging Schools Program	602,651
Supplemental Capital Grant Program for Local School Systems	18,600,000

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Montgomery College

Catherine and Isiah Leggett Math and Science Building	6,839,000
Takoma Park/Silver Spring – library renovation	3,693,000

Community Health Facilities Grant Program

Housing Unlimited, Inc.	974,461

Program Open Space

Park acquisition and development	14,758,551

Community Parks and Playgrounds

Bethesda Market – lots 10-24	2,500,000
Gaithersburg – Morris Park Playground	275,000
Laytonsville Local Park	150,000
Little Falls Stream Valley Park	600,000
Long Branch Parks	2,500,000
McKnew Local Park	250,000

Rockville – Croydon Creek Nature Center Playground	96,014
Rosemary Hills-Lyttonsville Local Park	800,000
Watkins Mill Recreation Area – Outdoor Fitness Park	700,000
Wheaton Regional Park – Action Sports Center	2,500,000

Hazardous Substance Cleanup Program

Linden Lane	50,000

Other Projects

A Wider Circle Community Service Center	75,000
Adventist Community Services of Greater Washington, Inc.	132,000
Adventist Healthcare, Inc. – Shady Grove Medical Center	1,200,000
AHC Inc. – Randolph Road property	350,000
Akhmedova Ballet Academy	75,000
Allen Chapel A.M.E. Church – Community Center	300,000
Bender Jewish Community Center of Greater Washington	600,000
BlackRock Center for the Arts	850,000
Charles E. Smith Life Communities	600,000
Chevy Chase – Bethesda Market lots 10-24	500,000
Community Services for Autistic Adults and Children, Inc.	2,348,500
Conduit Road Fire Board, Inc.	500,000
Don Bosco Cristo Rey High School	1,500,000
Easter Seals Inter-Generational Center	175,000
Friends House Retirement Community, Inc.	250,000
Gaithersburg – Blohm Park Trails	250,000
Glen Echo Park	134,552
Greenwood Local Park	250,000
Guru Gobind Singh Foundation Trust, Inc. – Community Outreach Center	300,000
Habitat for Humanity Metro Maryland, Inc.	225,000
Impact Silver Spring, Inc.	750,000
Ivymount School, Inc.	350,000
Jewish Foundation for Group Homes, Inc.	150,000
Laytonsville District Volunteer Fire Station	150,000
Long Branch Local Park	250,000
Long Branch Trail – Clayborne Avenue bridge replacement	300,000
Long Branch-Arliss Neighborhood Park	362,701
Madison House Autism Foundation, Inc.	435,000
Melvin J. Berman Hebrew Academy	665,000
Metropolitan Apartments	1,600,000
Montgomery County – Bowie Mill Bike Trail	1,500,000

Montgomery County – Burtonsville Crossing Shopping Center	5,000,000
Montgomery County – bus rapid transit	63,400,000
Montgomery County – Cherry Hill Road bike facility	4,000,000
Montgomery County – food systems facility	150,000
Montgomery County – Great Seneca Science Corridor	2,500,000
Montgomery County – Norwood Road Bike Path	6,000,000
Montgomery County – Oak Drive and MD 27 pedestrian upgrades	1,000,000
Montgomery County – Park Overlook lighting	250,000
Montgomery County – public school playgrounds	1,350,000
Montgomery County – Restoration Center	12,000,000
Montgomery County – White Flint redevelopment	10,000,000
Montgomery County – zero emissions buses	8,800,000
Montgomery County Historical Society, Inc.	700,000
Montgomery County Humane Society	100,000
Montgomery County Muslim Foundation, Inc.	600,000
Montgomery Village Foundation, Inc.	800,000
Newport Mill Local Park	300,000
Noyes Children’s Library	525,000
Olney Boys and Girls Club – Crop Duster Stadium	1,000,000
Olney Boys and Girls Club – Performance Sports Center	250,000
Olney Chamber of Commerce – Satellite Police Station/Community Facility	1,000,000
Olney Family Neighborhood Park	125,000
Olney Mill Neighborhood Park	150,000
Olney Theatre	11,000,000
Pleasant View United Methodist Church – historic site restoration	100,000
Rainbow Community Development Center, Inc. – food storage facility	200,000
Rockville – F. Scott Fitzgerald Theatre and Social Hall	250,000
Round House Theatre	500,000
Sandy Spring Museum	100,000
Sandy Spring Volunteer Fire Department	1,000,000
Sheppard Pratt Health System, Inc. – Rockville Campus	400,000
South Germantown Recreational Park	1,000,000
Strathmore Local Park	250,000
Warrior Canine Connection, Inc.	700,000
Washington Grove – stormwater mitigation and management	250,000
WMATA – Bethesda Metro south entrance	12,000,000
Woodend Nature Sanctuary	150,000

Prince George's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$593,987	\$627,698	\$33,711	5.7%
Compensatory Education	254,469	254,469	0	0.0%
Student Transportation	41,502	50,289	8,787	21.2%
Special Education	69,991	81,090	11,098	15.9%
English Language Learners Grant	117,340	143,639	26,299	22.4%
Geographic Cost of Education Index	45,228	48,808	3,580	7.9%
Blueprint Funding	199,625	137,637	-61,988	-31.1%
Prekindergarten Grants	900	900	0	0.0%
Other Education Aid	4,719	3,842	-877	-18.6%
Primary and Secondary Education	\$1,327,762	\$1,348,373	\$20,611	1.6%
Libraries	\$7,722	\$8,729	\$1,007	13.0%
Community Colleges	40,449	45,390	4,941	12.2%
Health Formula Grant	7,647	8,217	570	7.5%
Transportation ¹	15,895	16,455	559	3.5%
Police and Public Safety ¹	19,567	26,184	6,617	33.8%
Fire and Rescue Aid ¹	1,696	1,696	0	0.0%
Disparity Grant	36,273	43,704	7,430	20.5%
Teachers Retirement Supplemental Grant	9,629	9,629	0	0.0%
Gaming Impact Aid	32,734	33,472	738	2.3%
Total Direct Aid	\$1,499,374	\$1,541,848	\$42,473	2.8%
Aid Per Capita (\$)	\$1,570	\$1,614	\$44	2.8%
Property Tax Equivalent (\$)	1.35	1.32	-0.03	-1.8%

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 2023 State payments for Prince George's County for teachers, librarians, and community college faculty are estimated to be \$116,986,000.

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 2023 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 2022) 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	\$609,186,000
Family Health and Chronic Disease	13,870,000
Developmental Disabilities	107,920,000
Behavioral Health Services	123,879,000

Social Services

Homeless Services	1,219,000
Women's Services	467,000
Adult Services	729,000
Child Welfare Services	11,768,000
Foster Care	27,426,000
Temporary Cash Assistance	8,661,000

Senior Citizen Services

Long-term Care	1,514,000
Community Services	713,000

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

Charles Herbert Flowers High School – renovations (roof)	\$4,664,700
Glenridge Area Middle School – construction	1,048,140
H. Winship Wheatley Early Childhood Center School – renovations (HVAC)	6,937,808
Phyllis E. Williams Elementary School – renovations (HVAC)	4,667,000
William Wirt Middle School – construction	811,295
Additional Earmarked Funding	30,000,000
Aging Schools Program	1,209,426
Supplemental Capital Grant Program for Local School Systems	17,800,000

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Public Libraries

Baden Library – relocation and renovation	1,549,000

Prince George’s Community College

Dr. Charlene Mickens Duke Student Center	8,000,000
Marlboro Hall – renovation and addition	10,000,000

Federally Qualified Health Centers Grant Program

Community Clinic Health and Wellness Services, Inc.	500,000

Program Open Space

Park acquisition and development	12,606,445

Community Parks and Playgrounds

Bowie – Glen Allen Park Playground	195,000
Colmar Manor – Larlcey Open Air Park	33,000
Fairland Regional Park – Gunpowder Golf Course	100,000
Landover Hills – neighborhood playground improvements	215,000
Mount Rainier – Frederick Richardson Memorial Park	105,726
North Brentwood – Rhode Island Pocket Park	30,000
North College Park Community Center	1,000,000
University Park – Community Park Tot Lot	225,000
Upper Marlboro – Community Playground	192,424
West Beltsville Park	500,000
Park acquisition and development	8,400,000

Waterway Improvement

County Fire Department – water safety rescue equipment	15,000

Hazardous Substance Cleanup Program

Anacostia River – Northeast and Northwest Branches	150,000

Other Projects

Addiction Recovery, Inc. – Hope House Treatment Center	750,000
Al-Huda School – playground	200,000
Alice Ferguson Foundation – Hard Bargain Farm Environmental Center	350,000
Alpha and Beta Houses	75,000
Anacostia Watershed Society, Inc. – George Washington House	300,000
Baysox Stadium	500,000
Bishop McNamara High School – La Reine Science and Innovation Center	1,000,000
Bladensburg – Historic Bostwick House	500,000
Bladensburg – Municipal Center	800,000
Bowie State University Foundation, Inc. – Goodloe Alumni House	25,000
Boys and Girls Clubs of Greater Washington – Palmer Park/Landover Club	300,000
Brandywine Elementary School – playground	70,000
Camp Springs Elks Lodge No. 2332	55,000
Capitol Heights and Seat Pleasant Boys and Girls Club	100,000
Central Baptist Church of Camp Springs – food storage facility	250,000
College Park City-University Partnership, Inc. – rental housing projects	7,900,000
Cottage City – Community Outreach Center	500,000
DeMatha Catholic High School – Engineering, Arts and Robotics Building	200,000
Dinosaur Park	50,000
Elizabeth Seton High School – outdoor athletic facility	200,000
Fort Washington Medical Center	3,542,000
Friendship Charities Foundation Center	300,000
Greenbelt – Buddy Attick Park playground	150,000
Greenbelt – Greenbelt Station Hiker and Biker Trail	500,000
Gwynn Park High School – electronic message sign	60,000
Human Services Coalition of Prince George’s County, Inc.	650,000
Huntington City Community Development Corp. – Old Town Bowie	500,000
Hyattsville – David C. Driskell Community Park	238,000
Hyattsville – police and public safety headquarters	475,000
Hyattsville – Teen Activity and Mentoring Center	450,000
Hyattsville Community Development Corporation	1,500,000
Joe’s Movement Emporium – Creative Suitland Arts Center	100,000
Kingdom Global Community Development Corporation	11,000,000

Lake Arbor Foundation, Inc.	300,000
Langley Park Boys and Girls Club	250,000
Laurel – Dam Ruins at Riverfront Park	1,000,000
Laurel – multi-service center	2,500,000
Marlboro Pike – revitalization	500,000
Maryland Family Life Center	50,000
Maryland Sports and Entertainment Innovation Center	20,000,000
Mission of Love Charities, Inc.	500,000
Mount Rainier – green street and flood mitigation projects	530,000
Mount Rainier – Welcome Center	250,000
Omega Gold Community Outreach Center	300,000
Oxon Hill Swim Club	50,000
Prince George’s Arts and Humanities Council, Inc. – Gateway Arts District	100,000
Prince George’s County – blue line corridor transportation infrastructure	20,000,000
Prince George’s County – Brandywine Road infrastructure improvements	1,000,000
Prince George’s County – Edmonston infrastructure	300,000
Prince George’s County – Hill Road Park	500,000
Prince George’s County – Kettering Community Center	500,000
Prince George’s County – New Carrollton Skate Park	250,000
Prince George’s County – Riverdale Park Purple Line	500,000
Prince George’s County – Shepherd’s Cove Family Shelter	3,220,000
Prince George’s County Amphitheatre at Central Park	4,000,000
Scenic America – walkable community projects	250,000
Southern Prince George’s County Community Charities, Inc.	660,000
St. Ann’s Center for Children, Youth and Families	50,000
St. Pius X Catholic Church and Regional School	200,000
St. Vincent Pallotti High School – student activities center	400,000
Suitland Civic Association, Inc.	1,200,000
Temple Hills Swim Club	550,000
The Ivy Village Incubator for Nonprofit Excellence	500,000
The Training Source, Inc.	250,000
United Communities Against Poverty, Inc.	800,000
University Park – pedestrian bridge replacement and repair	125,000
Uplift Foundation	300,000
Upper Marlboro – community playground	275,000
VFW Free State Post 8950 – Aquaculture Training Center	50,000

D. Capital Projects for State Facilities in the County**Department of Juvenile Services**

Cheltenham Youth Facility – new female detention center	\$1,623,000

Maryland State Police

Forestville – barrack and garage	995,000

Department of Natural Resources

Cedarville State Forest – visitors center/camp loops/forestry complex	521,000
Rosaryville State Park – Mount Airy Mansion improvements	236,000

Maryland Environmental Service

Cheltenham Youth Center – wastewater treatment plant upgrade	6,733,000
Cheltenham Youth Center – water treatment plant upgrade	1,260,000

University System of Maryland

Bowie State – campuswide site improvements	6,110,000
Bowie State – Communication Arts and Humanities Building	73,247,000
College Park – campus farm upgrades	11,650,000
College Park – campuswide infrastructure improvements	5,000,000
College Park – Chemistry Building	57,817,000
College Park – Cole Field House health and human science facility	25,000,000
College Park – dining hall construction	10,600,000
College Park – graduate student housing	5,000,000
College Park – high rise residence halls renovations	6,850,000
College Park – Interdisciplinary Engineering Building	7,000,000
College Park – quantum and advanced computing infrastructure	10,000,000
College Park – south campus recreation center	9,000,000
Global Campus – Adelphi Building	1,500,000

Other

UMMS Capital Region Medical Center – Oncology Center	13,500,000
UMMS Capital Region Medical Center	27,000,000

Queen Anne’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$20,865	\$25,686	\$4,821	23.1%
Compensatory Education	4,794	4,794	0	0.0%
Student Transportation	3,727	4,078	351	9.4%
Special Education	2,067	2,654	587	28.4%
English Language Learners Grant	907	1,189	282	31.1%
Geographic Cost of Education Index	583	630	47	8.1%
Blueprint Funding	5,376	1,726	-3,650	-67.9%
Prekindergarten Grants	200	200	0	0.0%
Other Education Aid	684	639	-46	-6.7%
Primary and Secondary Education	\$39,204	\$41,596	\$2,393	6.1%
Libraries	\$207	\$201	-\$6	-3.1%
Community Colleges	2,409	2,809	400	16.6%
Health Formula Grant	999	1,020	21	2.1%
Transportation ¹	1,631	1,707	76	4.7%
Police and Public Safety ¹	448	608	160	35.7%
Fire and Rescue Aid ¹	300	300	0	0.0%
Total Direct Aid	\$45,198	\$48,241	\$3,043	6.7%
Aid Per Capita (\$)	\$890	\$950	\$60	6.7%
Property Tax Equivalent (\$)	0.50	0.52	0.02	4.0%

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 2023 State payments for Queen Anne's County for teachers, librarians, and community college faculty are estimated to be \$5,974,000.

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 2023 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 2022) 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	\$25,416,000
Family Health and Chronic Disease	628,000
Developmental Disabilities	4,957,000
Behavioral Health Services	7,373,000

Social Services

Homeless Services	931,000
Women's Services	56,000
Adult Services	61,000
Child Welfare Services	952,000
Foster Care	675,000
Temporary Cash Assistance	258,000

Senior Citizen Services

Long-term Care	150,000
Community Services	61,000

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

Queen Anne’s County High School – renovations (roof)	\$3,991,600
Aging Schools Program	50,074

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Chesapeake College

Campuswide – facilities renewal	419,000
Learning Resource Center – chiller and roof replacement	903,000

Senior Center Capital Grant Program

Queen Anne’s County Family YMCA and Senior Center	800,000

Program Open Space

Park acquisition and development	611,281

Community Parks and Playgrounds

Queen Anne – Roosevelt Park Walking Path	23,000
Park acquisition and development	1,000,000

Waterway Improvement

Centreville Landing – boat ramp replacement	250,000
Deep Landing – boat landing facility improvements	250,000
Kent Narrows – maintenance dredging	1,000,000
Matapeake Public Landing – boat ramp replacement	250,000
Queenstown – channel dredging	100,000

Coastal Resiliency Program

Chesapeake Bay Environmental Center – wetland enhancement	1,100,000

Other Projects

Grasonville Community Center, Inc.	40,000
Queen Anne’s County – Centerville Middle/High School	250,000
Talisman Therapeutic Riding, Inc.	650,000
Washington College – Foremen’s Branch Bird Observatory	300,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Hillsboro Natural Resources Police – shooting range	\$2,412,000
Hydraulic boat trailer	150,000
Love Point State Park – facility improvements	800,000
Matapeake Marine Terminal – access channel dredging	100,000

St. Mary's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$73,811	\$82,150	\$8,339	11.3%
Compensatory Education	16,435	16,435	0	0.0%
Student Transportation	7,295	8,294	999	13.7%
Special Education	6,310	8,244	1,934	30.6%
English Language Learners Grant	1,127	1,514	387	34.4%
Geographic Cost of Education Index	247	267	20	8.2%
Blueprint Funding	14,642	9,369	-5,273	-36.0%
Other Education Aid	928	862	-66	-7.1%
Primary and Secondary Education	\$120,797	\$127,136	\$6,339	5.2%
Libraries	\$867	\$881	\$14	1.6%
Community Colleges	3,195	6,263	3,067	96.0%
Health Formula Grant	1,509	1,675	166	11.0%
Transportation ¹	2,251	2,381	130	5.8%
Police and Public Safety ¹	962	1,342	380	39.5%
Fire and Rescue Aid ¹	300	300	0	0.0%
Total Direct Aid	\$129,881	\$139,977	\$10,096	7.8%
Aid Per Capita (\$)	\$1,135	\$1,223	\$88	7.8%
Property Tax Equivalent (\$)	0.95	1.00	0.05	4.6%

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 2023 State payments for St. Mary's County for teachers, librarians, and community college faculty are estimated to be \$13,627,000.

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 2023 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 2022) 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	\$68,918,000
Family Health and Chronic Disease	789,000
Developmental Disabilities	9,163,000
Behavioral Health Services	16,442,000

Social Services

Homeless Services	1,043,000
Women's Services	191,000
Adult Services	94,000
Child Welfare Services	2,267,000
Foster Care	4,361,000
Temporary Cash Assistance	1,084,000

Senior Citizen Services

Long-term Care	191,000
Community Services	97,000

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

Lettie Marshall Dent Elementary School – construction	\$3,724,000
Town Creek Elementary School – renovations (HVAC)	1,182,160
Aging Schools Program	50,074

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

College of Southern Maryland

Hughesville – Center for Health Sciences	683,000
La Plata – Student Resource Center	2,421,000

Program Open Space

Park acquisition and development	1,121,990

Community Parks and Playgrounds

Park acquisition and development	1,125,000

Waterway Improvement

Ridge Volunteer Fire Dept. – purchase emergency response raft/equipment	50,000
St. George Creek – maintenance dredging	540,000

Other Projects

Beach Management Corp. of Golden Beach – Trent Hall Creek pier	80,000
Breton Bay Golf & Country Club	100,000
EAG Properties, LLC – St. James public comfort station	100,000
Farming 4 Hunger, Inc.	250,000
Historic St. Mary's City Fort to 400 Commission	125,000
MedStar St. Mary's Hospital	600,000
Newtowne Manor House	150,000
Patuxent River Naval Air Museum and Visitor Center	50,000
St. Mary's Caring Soup Kitchen	250,000
St. Mary's County – mobile library	50,000
St. Mary's County Health Department – Lexington Park Hub	100,000

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

Point Lookout State Park – replace boat ramps and pier	\$500,000
St. Clement’s Island State Park – accessibility improvements	375,000

Maryland Environmental Service

Charlotte Hall Veterans Home – water treatment plant/storage system upgrade	490,000
Point Lookout State Park – water distribution/sewer collection system upgrade	312,000

Historic St. Mary’s City Commission

Leonard Calvert House	683,000
Maryland Heritage Interpretive Center	12,011,000
Sitewide – infrastructure improvements	2,000,000

St. Mary’s College

Campuswide – infrastructure improvements	5,000,000
Goodpasture Hall – renovation	1,889,000
Hilda C. Landers Library – renovations	4,000,000

Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$14,788	\$16,024	\$1,237	8.4%
Compensatory Education	10,689	10,689	0	0.0%
Student Transportation	2,070	2,248	178	8.6%
Special Education	1,915	2,465	550	28.7%
English Language Learners Grant	695	803	108	15.6%
Guaranteed Tax Base	2,011	1,854	-157	-7.8%
Blueprint Funding	4,294	5,209	914	21.3%
Prekindergarten Grants	340	340	0	0.0%
Other Education Aid	1,318	1,321	3	0.2%
Primary and Secondary Education	\$38,119	\$40,953	\$2,834	7.4%
Libraries	\$327	\$324	-\$3	-0.9%
Community Colleges	1,234	1,431	198	16.0%
Health Formula Grant	1,450	1,139	-311	-21.4%
Transportation ¹	1,053	1,086	33	3.1%
Police and Public Safety ¹	236	363	126	53.4%
Fire and Rescue Aid ¹	310	310	0	0.0%
Disparity Grant	6,757	6,757	0	0.0%
Teachers Retirement Supplemental Grant	382	382	0	0.0%
Other Direct Aid	535	553	18	3.4%
Total Direct Aid	\$50,403	\$53,298	\$2,895	5.7%
Aid Per Capita (\$)	\$2,050	\$2,168	\$118	5.7%
Property Tax Equivalent (\$)	3.22	3.34	0.12	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 2023 State payments for Somerset County for teachers, librarians, and community college faculty are estimated to be \$2,797,000.

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 2023 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 2022) 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	\$32,891,000
Family Health and Chronic Disease	683,000
Developmental Disabilities	8,755,000
Behavioral Health Services	10,222,000

Social Services

Homeless Services	750,000
Women's Services	81,000
Adult Services	124,000
Child Welfare Services	1,758,000
Foster Care	1,099,000
Temporary Cash Assistance	710,000

Senior Citizen Services

Long-term Care	692,000
Community Services	270,000

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***

Aging Schools Program	\$38,293

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Program Open Space

Park acquisition and development	265,260

Community Parks and Playgrounds

Pocomoke City – Cypress Park	43,250
Park acquisition and development	1,000,000

Chesapeake Bay Restoration Fund

Smith Island – clean water project	2,641,206

Waterway Improvement

Webster's Cove Marina – improvements	150,000

Other Projects

Somerset County – courthouse renovation and expansion	150,000
Somerset County – Crisfield Airport	700,000

D. Capital Projects for State Facilities in the County**Department of Public Safety and Correctional Services**

Eastern Correctional Institution – hot water system/perimeter improvements	\$10,776,000

Department of Natural Resources

Somers Cove Marina – bulkhead replacement and site improvements	3,000,000

Maryland Environmental Service

Eastern Correctional Institution – wastewater treatment plant upgrade	450,000

University System of Maryland

Eastern Shore – campus flood mitigation	2,192,000
Eastern Shore – campuswide facilities renewal	3,000,000
Eastern Shore – School of Pharmacy and Allied Health Professions	8,173,000

Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,757	\$5,434	\$677	14.2%
Compensatory Education	5,413	5,710	296	5.5%
Student Transportation	1,873	2,044	171	9.1%
Special Education	1,248	1,646	398	31.9%
English Language Learners Grant	1,399	1,885	486	34.7%
Blueprint Funding	2,290	1,141	-1,149	-50.2%
Prekindergarten Grants	575	575	0	0.0%
Other Education Aid	413	416	3	0.6%
Primary and Secondary Education	\$17,968	\$18,850	\$881	4.9%
Libraries	\$124	\$131	\$7	5.8%
Community Colleges	2,127	2,413	286	13.5%
Health Formula Grant	790	892	102	12.9%
Transportation ¹	2,283	2,328	45	2.0%
Police and Public Safety ¹	414	612	199	48.0%
Fire and Rescue Aid ¹	316	316	0	0.0%
Total Direct Aid	\$24,022	\$25,543	\$1,520	6.3%
Aid Per Capita (\$)	\$638	\$679	\$40	6.3%
Property Tax Equivalent (\$)	0.27	0.28	0.01	4.4%

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 2023 State payments for Talbot County for teachers, librarians, and community college faculty are estimated to be \$3,822,000.

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 2023 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 2022) 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	\$27,074,000
Family Health and Chronic Disease	690,000
Developmental Disabilities	5,957,000
Behavioral Health Services	7,640,000

Social Services

Homeless Services	931,000
Women's Services	56,000
Adult Services	77,000
Child Welfare Services	1,425,000
Foster Care	983,000
Temporary Cash Assistance	210,000

Senior Citizen Services

Long-term Care	462,000
Community Services	149,000

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)	\$603,867
Aging Schools Program	38,293

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Public Libraries

St. Michaels Library – renovation and expansion	120,000

Chesapeake College

Campuswide – facilities renewal	419,000
Learning Resource Center – chiller and roof replacement	903,000

Program Open Space

Park acquisition and development	639,375

Community Parks and Playgrounds

Oxford – Causeway Basketball and Pickleball Court	40,000
Park acquisition and development	1,000,000

Waterway Improvement

Oak Creek Landing – redecking	30,000
Windy Hill Landing – redecking	10,000
Wye Landing – repaving	65,000

Other Projects

Building African American Minds, Inc. – Academic Center	1,050,000
Chesapeake Bay Maritime Museum	1,000,000
For All Seasons, Inc.	300,000
Mid-Shore Community Foundation – Water’s Edge and Bellevue Passage	675,000
St. Michaels Community Center	200,000
The Arc of the Central Chesapeake Region – Eastern Shore Headquarters	1,000,000

Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$105,150	\$119,869	\$14,719	14.0%
Compensatory Education	44,942	45,109	167	0.4%
Student Transportation	7,951	8,705	754	9.5%
Special Education	10,050	13,447	3,397	33.8%
English Language Learners Grant	2,959	3,631	672	22.7%
Guaranteed Tax Base	7,501	8,571	1,069	14.3%
Blueprint Funding	25,266	12,965	-12,302	-48.7%
Prekindergarten Grants	100	100	0	0.0%
Other Education Aid	1,310	1,382	72	5.5%
Primary and Secondary Education	\$205,230	\$213,779	\$8,549	4.2%
Libraries	\$1,489	\$1,604	\$115	7.7%
Community Colleges	11,971	14,541	2,570	21.5%
Health Formula Grant	2,675	3,053	378	14.1%
Transportation ¹	4,660	4,777	117	2.5%
Police and Public Safety ¹	1,505	2,385	880	58.5%
Fire and Rescue Aid ¹	335	335	0	0.0%
Disparity Grant	8,361	3,834	-4,527	-54.1%
Total Direct Aid	\$236,226	\$244,308	\$8,081	3.4%
Aid Per Capita (\$)	\$1,525	\$1,577	\$52	3.4%
Property Tax Equivalent (\$)	1.67	1.68	0.01	0.4%

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 2023 State payments for Washington County for teachers, librarians, and community college faculty are estimated to be \$17,502,000.

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 2023 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 2022) 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	\$152,788,000
Family Health and Chronic Disease	884,000
Developmental Disabilities	38,185,000
Behavioral Health Services	35,787,000

Social Services

Homeless Services	544,000
Women's Services	254,000
Adult Services	388,000
Child Welfare Services	4,910,000
Foster Care	7,036,000
Temporary Cash Assistance	2,186,000

Senior Citizen Services

Long-term Care	320,000
Community Services	170,000

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

Boonsboro Middle School – renovations (electrical)	\$428,000
Emma K. Doub Elementary School – renovations (electrical)	277,000
Hancock Middle/High School – renovations (HVAC)	608,000
North Hagerstown High School – renovations (windows and masonry)	790,000
Smithsburg Middle School – renovations (roof)	2,206,227
Williamsport Elementary School – renovations (boilers/roof)	1,874,000
Williamsport High School – renovations (electrical/roof)	3,281,534
Aging Schools Program	134,904

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Hagerstown Community College

Campuswide – facilities renewal	419,000
Road and pedestrian infrastructure improvements	3,989,000

Program Open Space

Park acquisition and development	1,746,742

Community Parks and Playgrounds

Boonsboro – Shafer Park Trail	148,850
Park acquisition and development	1,500,000

Chesapeake Bay Restoration Fund

Hancock – wastewater system	5,282,799
Smithsburg WWTP – upgrade	4,527,830

Waterway Improvement

Potomac Valley Fire Company – rescue boat	17,550
Williamsport – boat ramp engineering	70,000

Other Projects

Boonsboro – Chase 6 Boulevard and Campus Avenue improvements	200,000
Boonsboro – WWTP sludge dewatering facility	150,000
Boys and Girls Club of Washington County	2,000,000
Clara Barton Memorial	250,000
DiPietro & Son, LLC – Boonsboro concert hall/retail/nonprofit space	125,000

Fort Ritchie Community Center – Ritchie History Museum	400,000
Hagerstown – burn building	500,000
Hagerstown – Field House	1,000,000
Hagerstown Aviation Museum	5,000,000
Hancock – downtown improvements	1,000,000
Meritus Medical Center	212,000
Museum of Fine Arts	1,000,000
Robert W. Johnson Community Center	500,000
Smithsburg – Water Street improvements	1,000,000
Smithsburg High School – athletic facilities	500,000
Washington County Commission on Aging, Inc. – Senior Activities Center	18,000

D. Capital Projects for State Facilities in the County

General Government

Washington County District Court	\$4,650,000

Department of Natural Resources

Greenbrier State Park – entry gate fee station improvements	1,400,000

Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$76,163	\$86,464	\$10,301	13.5%
Compensatory Education	45,918	47,453	1,535	3.3%
Student Transportation	5,767	6,317	550	9.5%
Special Education	7,355	9,338	1,984	27.0%
English Language Learners Grant	7,127	9,628	2,501	35.1%
Guaranteed Tax Base	8,000	7,760	-239	-3.0%
Blueprint Funding	20,562	12,304	-8,258	-40.2%
Prekindergarten Grants	1,065	1,065	0	0.0%
Other Education Aid	1,502	1,528	26	1.7%
Primary and Secondary Education	\$173,457	\$181,856	\$8,399	4.8%
Libraries	\$1,188	\$1,232	\$44	3.7%
Community Colleges	6,554	7,756	1,201	18.3%
Health Formula Grant	2,356	2,413	57	2.4%
Transportation ¹	3,958	4,070	112	2.8%
Police and Public Safety ¹	1,127	2,030	904	80.2%
Fire and Rescue Aid ¹	427	427	0	0.0%
Disparity Grant	11,832	11,832	0	0.0%
Teachers Retirement Supplemental Grant	1,568	1,568	0	0.0%
Total Direct Aid	\$202,467	\$213,184	\$10,717	5.3%
Aid Per Capita (\$)	\$1,947	\$2,050	\$103	5.3%
Property Tax Equivalent (\$)	2.83	2.85	0.02	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 2023 State payments for Wicomico County for teachers, librarians, and community college faculty are estimated to be \$13,015,000.

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 2023 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 2022) 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	\$116,090,000
Family Health and Chronic Disease	1,119,000
Developmental Disabilities	27,836,000
Behavioral Health Services	26,941,000

Social Services

Homeless Services	750,000
Women's Services	81,000
Adult Services	35,000
Child Welfare Services	3,029,000
Foster Care	3,452,000
Temporary Cash Assistance	1,768,000

Senior Citizen Services

Long-term Care	692,000
Community Services	270,000

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***

Mardela Middle/High School – construction	\$21,049,098
Aging Schools Program	106,627

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Wor-Wic Community College

Applied Technology Building	11,525,000

Program Open Space

Park acquisition and development	1,158,851

Community Parks and Playgrounds

Mardela Springs – baseball field	210,943
Pittsville – Town Park Playground	125,300
Salisbury – Rail Trail	500,000
Williards – Town Park	250,000
Park acquisition and development	1,000,000

Chesapeake Bay Restoration Fund

Sharptown WWTP – replacement	3,679,919

Waterway Improvement

Cedar Hill Landing – dredge material placement site expansion	750,000
Nanticoke Harbor – dredging	50,000

Hazardous Substance Cleanup Program

Former Linens of the Week	50,000

Other Projects

Boys and Girls Clubs of Metropolitan Baltimore – Salisbury Club	350,000
Christian Shelter, Inc.	231,693
Delmar – Community Center	250,000
Delmar – South Pennsylvania Avenue streetscape improvements	350,000
Junior Achievement Eastern Shore	1,000,000
Salisbury – Zoological Park	250,000
The Salvation Army Lower Eastern Shore	150,000

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

Johnson WMA – shooting range	\$2,412,000

University System of Maryland

Salisbury – Blackwall Hall renovation	1,940,000

Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$7,019	\$7,980	\$961	13.7%
Compensatory Education	7,827	7,994	166	2.1%
Student Transportation	3,392	3,697	305	9.0%
Special Education	1,722	2,202	480	27.9%
English Language Learners Grant	413	449	36	8.8%
Blueprint Funding	1,779	1,936	157	8.8%
Prekindergarten Grants	730	730	0	0.0%
Other Education Aid	653	431	-222	-34.1%
Primary and Secondary Education	\$23,535	\$25,418	\$1,883	8.0%
Libraries	\$175	\$184	\$9	5.2%
Community Colleges	2,693	3,250	557	20.7%
Health Formula Grant	2,290	1,519	-771	-33.7%
Transportation ¹	2,578	2,672	94	3.6%
Police and Public Safety ¹	687	1,121	434	63.2%
Fire and Rescue Aid ¹	368	368	0	0.0%
Gaming Impact Aid	5,311	5,396	85	1.6%
Total Direct Aid	\$37,637	\$39,928	\$2,291	6.1%
Aid Per Capita (\$)	\$708	\$751	\$43	6.1%
Property Tax Equivalent (\$)	0.22	0.23	0.01	3.1%

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 2023 State payments for Worcester County for teachers, librarians, and community college faculty are estimated to be \$7,190,000.

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 2023 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 2022) 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	\$41,389,000
Family Health and Chronic Disease	1,057,000
Developmental Disabilities	4,968,000
Behavioral Health Services	12,845,000

Social Services

Homeless Services	750,000
Women's Services	81,000
Adult Services	64,000
Child Welfare Services	1,709,000
Foster Care	1,610,000
Temporary Cash Assistance	632,000

Senior Citizen Services

Long-term Care	692,000
Community Services	270,000

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***

Aging Schools Program	\$38,293

* The final allocation of fiscal 2023 school construction funding will be made in May 2022.

Wor-Wic Community College

Applied Technology Building	11,525,000

Federally Qualified Health Centers Grant Program

Three Lower Counties Community Services, Inc.	1,525,500

Program Open Space

Park acquisition and development	1,142,829

Community Parks and Playgrounds

Berlin – Dr. William Henry Park Basketball Court	111,650
Ocean City – Northside Park Playground	265,400
Park acquisition and development	1,000,000

Water Supply Financial Assistance Program

Snow Hill – Purnell Street water improvements	396,465

Waterway Improvement

Public Landing Marina – retaining wall and rip rap engineering	50,000
South Point – boat ramp improvements	250,000

Other Projects

Boys and Girls Clubs of Metropolitan Baltimore – Pocomoke City Club	450,000
Worcester County – Ocean Pines Volunteer Fire Department	1,600,000

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

Berlin Barrack, Forensic Lab, and Garage	\$11,145,000

Department of Natural Resources

Assateague State Park – registration building replacement	5,220,000
Ocean City Beach Maintenance Program	2,000,000
Pocomoke River State Park – Shad/Milburn Landings boat ramp replacement	1,200,000

Part B

Taxes

Property Tax

Property Tax Administration

Senate Bill 247/House Bill 69 (both passed) alter specified notification and appeal processes used by the State Department of Assessments and Taxation (SDAT). *Senate Bill 247/House Bill 69* authorize an appeal authority to consider the following criteria in making its final decision in hearing an appeal that relates to the value of real property: (1) the fair market value of the real property; (2) the valuation and assessment methodology employed by the assessor; (3) depreciation factors; or (4) any other criteria related to the valuation and assessment of real property.

The appeal authority must notify the appropriate local government of a decision of an appeal authority that reduces the value of commercial real property by more than 20% within 10 days after the decision. The local government may appeal to the appropriate appeal authority within 90 days after receiving the notice.

Senate Bill 247/House Bill 69 also require SDAT to publish on the department's website a plain language description of the following: (1) the methodology applied in the valuation and assessment process; (2) any adjustments in value that an assessor is authorized to make; (3) the criteria used to determine the depreciation value of real property; (4) the circumstances under which the department must revalue real property in any year of a three-year cycle; and (5) any other factors relevant to the valuation of real property by the department.

Microfilm to Digital Act

Senate Bill 201 (Ch. 133) authorizes SDAT to retain specified property records in an electronic medium rather than on microfilm. *Senate Bill 201* authorizes the department to periodically transfer property records, including property records cards, to the State Archives for retention.

Agricultural Accessory Use Improvements

Senate Bill 567 (passed) requires the Maryland Department of Agriculture and SDAT to jointly conduct a study of the assessment of agricultural accessory use improvements. An agricultural accessory use improvement is defined as an improvement located on an actively used farm that is related to (1) specified agricultural alcohol production; (2) specified agritourism; (3) specified equine activities; (4) the manufacture, packaging, storage, promotion, or sale of a value-added agricultural product, including a dairy product, that is derived from ingredients produced on the farm or any associated farmland; (5) a roadside stand; and (6) other agricultural uses that are permissible under local zoning. The departments must submit a joint report of their findings to the Senate Budget and Taxation Committee and the House Ways and Means Committee by December 1, 2022.

Property Tax Exemptions

Community Solar Energy Generating Systems

Senate Bill 860/House Bill 1039 (both passed) provide several tax benefits for community solar energy generating systems that are placed in service after June 30, 2022, and approved on or before December 31, 2025. First, personal property is exempt from county and municipal taxation if the property is machinery or equipment that is part of a community solar energy generating system that (1) provides at least 50% of the energy it produces to low- or moderate-income customers at a cost that is at least 20% less than the amount charged by the electric company that serves the area where the community solar energy generating system is located and (2) is used for agrivoltaics or is installed on a rooftop, brownfield, parking facility canopy, landfill, or clean fill. Second, State and local governments must grant a 50% real property tax credit for a brownfield, landfill, or clean fill on which a specified community solar energy generating system is installed. Finally, SDAT must assess and qualify land that is used by a community solar energy generating system for agrivoltaics as land that is actively used for farm or agricultural purposes. “Agrivoltaics” is defined as the simultaneous use of areas of land for both solar power generation and agriculture.

House Bill 76 (passed) exempts personal property of specified community solar energy generating systems from county and municipal personal property taxes. Personal property is exempt from county and municipal personal property taxes if the personal property is machinery or equipment that (1) is part of a community solar energy generating system that has a generating capacity that does not exceed 2 megawatts as measured by the alternating current rating of the system’s inverter; (2) provides at least 50% of the energy it produces to low- or moderate-income customers at a cost that is at least 20% less than the amount charged by the electric company that serves the area where the community solar energy generating system is located; and (3) is installed on a rooftop, parking facility canopy, or brownfield.

Senate Bill 528 (Ch. 38) provides for a similar personal property tax exemption for specified community solar energy generating systems. For a further discussion of **Senate Bill 528**,

see the subpart “Environment and Energy” within Part K – Natural Resource, Environment, and Agriculture of this *90 Day Report*.

Disabled Veterans, Disabled Active Duty Service Members, and Surviving Spouses

Senate Bill 975/House Bill 809 (both passed) authorize an individual to submit an application to SDAT for the property tax exemption for disabled veterans, disabled active duty service members, and surviving spouses for a specific dwelling house the individual intends to purchase before purchasing the dwelling house. Following receipt of the application, SDAT must process the application and send the applicant a letter, within 15 business days, stating (1) that the application is preliminarily approved or preliminarily denied and (2) if the application is preliminarily approved, the amount of the tax exemption for the dwelling the individual intends to purchase. An individual who is issued a letter preliminarily approving the exemption must receive the exemption for the dwelling referenced in the letter after becoming the owner of the dwelling without having to file another application.

Business Personal Property

Senate Bill 274/House Bill 268 (both passed) exempt a business from personal property tax if the total original cost of all the business’s personal property is less than \$20,000. The bills also prohibit SDAT from (1) collecting personal property information from these businesses or (2) requiring these businesses to submit a personal property tax return. Under current law, a business is exempt from personal property tax if the total original cost of all the business’s personal property is less than \$2,500. In addition, current law provides a personal property tax exemption to a home business if the total original cost of all the business’s personal property is less than \$10,000.

Property Tax Credits

Homeowners’ Property Tax Credit

The homeowners’ property tax credit program is a State-funded program that provides credits against State and local real property taxation for homeowners who qualify based on a sliding scale of property tax liability and income. Homeowners must apply to SDAT each year in order to be eligible for the property tax credit.

In order to receive the homeowners’ property tax credit, the homeowner must file an application with SDAT by October 1. However, SDAT may accept an application within three years after April 15 of the taxable year for which a credit is sought, if the homeowner (1) is at least 70 years old as of the taxable year for which a credit is sought and (2) was eligible for the credit for the taxable year for which the credit is sought. ***Senate Bill 181/House Bill 204 (Chs. 131 and 132)*** enable homeowners under 70 years old to take advantage of the deadline flexibility by establishing a one-year extension to the application deadline. Specifically, the Acts authorize SDAT to accept an application for the homeowners’ property tax credit from a homeowner one year after April 15 of the taxable year for which the tax credit is sought if the homeowner

(1) is applying for the first time or (2) has filed an application by October 1 for the preceding three fiscal years.

Current law requires SDAT to provide the Comptroller with a list of owners of residential properties with an assessed value of \$300,000 or less who failed to claim the homeowners' property tax credit during the preceding three years. The Comptroller must (1) review the information provided by SDAT; (2) identify individuals who may be eligible but failed to claim the homeowners' property tax credit; and (3) provide contact information of the identified individuals to SDAT. SDAT must then contact these individuals by mail to inform them of how to apply for the tax credit. **House Bill 483 (Ch. 112)** requires the Comptroller's Office to include individuals who failed to file an income tax return for any of the three most recent taxable years when identifying individuals for SDAT who may be eligible for the homeowners' property tax credit.

Renters' Property Tax Credit

The Renters' Property Tax Relief Program provides financial assistance for elderly, disabled, and certain low-income renters from the cost attributable to State and local real property taxes. The concept behind the program is that renters indirectly pay property taxes as part of their rent and, thus, should have some protection, as do homeowners. The program makes payments directly to eligible renters to provide relief for the "assumed property tax" that renters indirectly pay as part of their rent. **House Bill 449 (passed)** authorizes SDAT to accept an application for the Renters' Property Tax Relief Program within three years after October 1 of the calendar year for which property tax relief is sought, if the renter was (1) at least 70 years old in the calendar year for which property tax relief is sought and (2) eligible for the property tax relief for the taxable year for which the credit is sought.

Homestead Property Tax Credit

The Homestead Property Tax Credit Program 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.

Senate Bill 197/House Bill 203 (Chs. 129 and 130) require SDAT to retroactively grant the homestead property tax credit for the prior taxable year, upon receiving an application from the homeowner, if the homeowner was eligible for the property tax credit in the prior year.

Enterprise Zone Property Tax Credit

House Bill 478 (passed) alters the Enterprise Zone Property Tax Credit Program by (1) altering the authority of the Secretary of Commerce to designate areas as enterprise zones; (2) altering the definitions of "focus area employee" and "qualified employee" for the income tax credit; (3) establishing the purpose of the program; and (4) altering certain eligibility and reporting requirements.

For a further discussion of [*House Bill 478*](#), see the subpart “Economic Development” within Part H – Business and Economic Issues of this *90 Day Report*.

Surviving Spouses of Fallen Service Members

[*House Bill 617 \(passed\)*](#) authorizes local governments to grant a property tax credit against the county or municipal property tax imposed on the dwelling of a surviving spouse of a fallen service member, if the surviving spouse has not remarried and is ineligible for the existing property tax exemption for the surviving spouse of a disabled veteran and the surviving spouse of an individual who died in the line of duty while in active military, naval, or air service of the United States. Local governments must define who is a fallen service member.

Elderly Individuals and Veterans

Current law authorizes local governments to grant, by law, a property tax credit for a dwelling owned by certain individuals who are elderly, veterans, or the surviving spouses of veterans. The amount of the credit is limited to 20% of the property tax imposed on the property, and the duration of the credit is limited to five years. [*Senate Bill 901/House Bill 1186 \(both passed\)*](#) alter the local property tax credit by authorizing counties and municipalities to determine the amount and duration of the tax credit.

Tax Sales

[*House Bill 1196 \(passed\)*](#) permanently authorizes a county or municipality to withhold from a tax sale owner-occupied residential property (the existing authorization ends June 30, 2023). The bill authorizes a county or municipality to withhold from a tax sale a residential property or a property owned by a nonprofit organization if the property is enrolled in a payment program established by law by the county or municipality for the payment of taxes in arrears. The bill also authorizes counties and municipalities to cancel or postpone a tax sale during a state of emergency declared by the Governor or a county or municipality.

[*House Bill 522 \(passed\)*](#) establishes that the actual cost of an auctioneer’s fee for a tax sale in St. Mary’s County may be included as an expense of the sale of the property.

Homeowner Protection Program

Chapter 382 of 2021 established the Homeowner Protection Program and Homeowner Protection Fund 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. The program begins on July 1, 2022, when funding becomes available. The fiscal 2023 budget includes a total of \$2.0 million for the Homeowner Protection Fund.

Local Property Taxes

Anne Arundel County

Senate Bill 539/House Bill 635 (Chs. 98 and 99) provide that, in Anne Arundel County, property that is exempt from State and county property taxes is also exempt from waterway improvement district and shore erosion control district taxes or assessments.

Baltimore City

House Bill 642 (passed) requires Baltimore City to mail, by January 1 of each year, a notice regarding the homestead property tax credit to homeowners in Baltimore City who have not applied for the homestead credit and whose assessments have increased by more than 10%.

Chapter 623 of 2014 required Baltimore City to provide a property tax credit for homeowners who move into another dwelling in Baltimore City and who had previously received the Homestead Property Tax Credit for a home in the city for the preceding five years. Chapter 623 also allowed an additional credit amount if the new dwelling is located in specified low-income areas. ***House Bill 1398 (passed)*** repeals the June 30, 2024 termination date of Chapter 623.

Baltimore County

Senate Bill 349/House Bill 302 (Chs. 100 and 101) authorize Baltimore County to grant a property tax credit against the county property tax imposed on a dwelling that is owned by a homeowner whose combined income exceeds \$60,000 if the homeowner demonstrates that (1) the homeowner was denied the homeowners' property tax credit for having a combined income that exceeds \$60,000; (2) the homeowner suffered a hardship in the calendar year that precedes the year in which the homeowner applies for the credit; (3) the homeowner paid or incurred expenses relating to the hardship that resulted in significant financial distress for the homeowner; and (4) the homeowner's combined income would not have exceeded \$60,000 if not for the expenses related to the hardship.

House Bill 680 (passed) authorizes Baltimore County to grant a property tax credit for personal property owned by a supermarket that completes eligible construction and is located in a food desert retail incentive area. Baltimore County must designate what constitutes a food desert retail incentive area for purposes of the tax credit.

Howard County

House Bill 1247 (Ch. 103) authorizes Howard County to grant a property tax credit for the dwelling of an individual (1) who has resided in the dwelling for at least 30 consecutive years; (2) whose combined income does not exceed \$75,000; and (3) who is at least 65 years old. The amount of the property tax credit equals 100% of any increase in the property tax rate attributable to a county property tax rate that exceeds \$1.014 per \$100 of assessment.

Prince George's County

House Bill 394 (passed) alters the due dates for three annual reports in Prince George's County: the municipal property tax setoff report; the school facilities surcharge report; and the public safety and behavioral health surcharge report. The bill requires that each annual report be submitted on or before October 31.

Income Tax

Senior and Retiree Tax Relief

Before the start of the 2022 legislative session, Governor Lawrence J. Hogan, Jr. announced a plan to reduce individual and business taxes; part of this plan included a significant income tax reduction for retirees. Legislation introduced by the Administration (Senate Bill 405/House Bill 420) would have created a subtraction modification against the State income tax for 100% of the income received by an individual who (1) is receiving old age or survivor Social Security benefits or (2) is at least age 65 and is not employed full time. Once fully phased in, the bills would have reduced State general funds by \$1.7 billion and local income tax revenues by \$1.1 billion annually.

As passed by the General Assembly, **Senate Bill 405/House Bill 1468 (Chs. 3 and 4)** create a nonrefundable credit against the State income tax for a resident who is at least age 65 and whose federal adjusted gross income does not exceed \$100,000 (\$150,000 if married filing jointly). The amount of the tax credit is equal to (1) \$1,000 for an individual or if only one of the individuals filing a joint return is an eligible individual or (2) \$1,750 if married filing jointly and both individuals are at least age 65. The value of the tax credit is reduced for certain taxpayers if specified revenue estimates are below a certain amount.

The Acts also expand the State income tax subtraction modification for retired law enforcement, correctional officer, and fire, rescue, and emergency services personnel.

It is estimated that the Acts will reduce general fund revenues by about \$291.9 million in fiscal 2023, increasing to \$332.5 million by fiscal 2027.

Tax Credit Legislation

New Tax Credits

The Work Opportunity Tax Credit is a federal income tax credit available to employers for hiring individuals who are considered to face significant barriers to employment. **Senate Bill 598/House Bill 2 (Chs. 5 and 6)** create a nonrefundable credit against the State income tax for up to 50% of the federal Work Opportunity Tax Credit claimed by an employer with respect to

a qualified individual who is employed in the State. It is estimated that the credit will decrease State revenues by about \$30 million annually beginning in fiscal 2023.

Senate Bill 597/House Bill 641 (both passed) create a refundable credit against the State income tax for 25% of qualified theatrical production costs incurred in the State. A qualified theatrical production entity that meets specified requirements and is approved by the Department of Commerce may receive a tax credit. In order to qualify for the tax credit, the estimated total direct costs incurred in the State must exceed \$100,000. Commerce may award a maximum of \$5 million in credits in each fiscal year.

Under current law, a preceptorship tax credit can be claimed by a licensed physician, nurse practitioner, or physician assistant who serves without compensation as a preceptor in an approved preceptorship program. **House Bill 1208 (passed)** creates a preceptorship tax credit for licensed practical nurses and registered nurses. For a further discussion of **House Bill 1208**, see the subpart “Health Occupations” within Part J – Health and Human Services of this 90 Day Report.

Tax Credit Extensions, Expansions, or Alterations

Senate Bill 289/House Bill 27 (both passed) alter the Historic Revitalization Tax Credit Program by (1) extending through fiscal 2031 the termination date of the program; (2) requiring the Governor to provide minimum appropriations to the existing commercial credit program and to the small commercial project trust account established by the bills; and (3) increasing the maximum value of the commercial tax credit. Beginning in fiscal 2023, the Governor must provide an annual appropriation to the commercial tax credit reserve fund that is at least \$20.0 million. Beginning with fiscal 2024, the Governor must provide an annual appropriation of at least \$4.0 million to the small commercial project trust account.

The More Jobs for Marylanders Program provides State income tax, sales tax, property tax, and fee benefits to certain businesses that create and maintain a minimum number of qualified jobs. **Senate Bill 391 (passed)** extends the program for two additional years through June 1, 2024. The bill also alters certain program application and administrative procedures, including reducing the benefit of the income tax credit for newly enrolled program entities and reducing the maximum amount of income tax credits that the Department of Commerce may issue in each fiscal year. For a further discussion of **Senate Bill 391**, see the subpart “Economic Development” within Part H – Business and Economic Issues of this 90 Day Report.

Senate Bill 215 (passed) extends the termination date of the energy storage system income tax credit to December 31, 2024. The bill also converts the tax credit into a grant program and authorizes the Maryland Energy Administration to award grants for energy storage systems installed beginning January 1, 2025.

Senate Bill 210 (Ch. 118) expands the existing commuter benefit income tax credit by extending eligibility to certain employer-funded programs for carpools, walking and biking to work, teleworking, and multimodal commuting. The Maryland Department of Transportation may award a maximum of \$1.0 million in credits each year.

The endowments of Maryland historically black colleges income tax credit allows a credit for 25% of a donation made to a qualified permanent endowment fund at Bowie State University, Coppin State University, Morgan State University, or the University of Maryland Eastern Shore. **House Bill 1444 (Ch. 77)** extends the termination date of the tax credit to December 31, 2028.

Senate Bill 93 (passed) expands the Maryland disability employment tax credit by increasing the maximum value of the tax credit that can be claimed for each qualified employee.

Senate Bill 536 (passed) expands eligibility for the film production activity tax credit to include certain digital animation projects.

During the 2021 session, the General Assembly passed House Bill 278, which altered the definition of “qualified position” and “revitalization area” for purposes of eligibility under the Job Creation Tax Credit Program. The Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 special session, and the bill became law as Chapter 22 of the 2021 special session. Chapter 22 requires a qualified position pay at specified minimum amounts and also requires a qualified position to provide certain benefits, including career advancement training, paid sick leave, and retirement benefits. In addition, Chapter 22 expands the definition of “revitalization area” to include a Tier I county. Tier I counties are counties that qualify under income or unemployment standards for certain Department of Commerce programs, including the More Jobs for Marylanders and One Maryland programs.

Subtraction Modification Legislation

House Bill 172 (passed) creates a subtraction modification against the State income tax for an individual who pays specified union dues. It is estimated that general fund revenues will decrease by about \$3.4 million annually beginning in fiscal 2023.

House Bill 186 (passed) creates a subtraction modification against the State income tax for an individual who is at least 100 years of age. The maximum value of the subtraction modification is equal to \$100,000 of the income received by an individual.

House Bill 837 (Ch. 26) creates a subtraction modification against the State individual and corporate income tax for the amount of ordinary and necessary expenses, including a reasonable allowance for salaries or compensation, paid or incurred during the taxable year in carrying on a trade or business as a State licensed medical cannabis grower, processor, or dispensary or any other cannabis establishment licensed by the State. The subtraction modification may be claimed if the deduction for ordinary and necessary expenses is disallowed under Section 280E of the Internal Revenue Code. It is estimated that State revenues will decrease by about \$5.8 million annually beginning in fiscal 2023. For a further discussion of **House Bill 837**, see the subpart “Criminal Law” within Part E – Crimes, Corrections, and Public Safety of this *90 Day Report*.

Tax Administration

Senate Bill 369/House Bill 252 (Chs. 110 and 111) establish the Maryland Earned Income Tax Credit Assistance Program for Low-Income Families. The Comptroller's Office must (1) identify Maryland residents who are eligible for the State earned income credit but did not claim the tax credit; (2) establish a streamlined mechanism by which eligible taxpayers may claim the credit; and (3) notify eligible taxpayers of the program.

House Bill 1187 (passed) increases the portion of the corporate income tax revenue that must be distributed to the Gasoline and Motor Vehicle Revenue Account from 17.2% to 20% for fiscal 2024; 21% for fiscal 2025; 22% for fiscal 2026 and 2027; and 20% for fiscal 2028 and each fiscal year thereafter. For a more detailed discussion of this issue, see the subpart "Transportation" within Part G – Transportation and Motor Vehicles of this *90 Day Report*.

During the 2021 session, the General Assembly passed Senate Bill 133 and House Bill 319. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 special session, and the bills became law as Chapters 17 and 23 of the 2021 special session. The Acts 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 Acts 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.

Sales Tax

Peer-to-peer Car Sharing

A peer-to-peer car sharing program is defined as 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 imposed a sales and use tax rate of 8% for sales and charges related to peer-to-peer car sharing, which was to terminate June 30, 2020. Chapter 567 of 2020 extended the termination date of the 8% tax rate through June 30, 2021. During the 2021 session, the General Assembly passed House Bill 1209 to repeal the June 30, 2021, termination date for the 8% tax rate. In addition, 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 Governor vetoed the bill, but the General Assembly overrode the veto during the 2021 special session and the bill became Chapter 9 of the 2021 special session.

Digital Products

Chapter 38 of 2021 imposed the State sales and use tax on specified digital products and codes. A digital product is defined as a product that is obtained electronically by the buyer or delivered by means other than tangible storage media through the use of technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

Senate Bill 723/House Bill 791 (both passed) specify that digital products do not include (1) a product having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities where the purchaser holds a copyright or other intellectual property interest in the product, in whole or in part, if the purchaser uses the product solely for commercial purposes, including advertising or other marketing activities or (2) computer software or software as a service purchased or licensed solely for commercial purposes in an enterprise computer system, including operating programs or application software for the exclusive use of the enterprise software system, that is housed or maintained by the purchaser or on a cloud server, whether hosted by the purchaser, the software vendor, or a third party.

Exemptions

Baby Products

Senate Bill 316/House Bill 282 (Chs. 7 and 8) and **House Bill 288 (Ch. 9)** exempt from the State sales and use tax the sale of baby bottles, baby bottle nipples, diapers, diaper rash cream, baby wipes, and infant car seats. It is estimated that the exemptions will reduce State revenues by \$10.4 million in fiscal 2023, increasing to \$11.4 million by fiscal 2027.

Oral Hygiene Products

Senate Bill 571/House Bill 492 (Chs. 10 and 11) exempt from the State sales and use tax the sale of toothbrushes, toothpaste, tooth powders, mouthwash, dental floss, and other similar oral hygiene products. It is estimated that the exemptions will reduce State revenues by \$5.4 million in fiscal 2023, increasing to \$5.9 million by fiscal 2027.

Medical Devices and Products

Senate Bill 488/House Bill 364 (Chs. 12 and 14) and **House Bill 1151 (Ch. 13)** exempt from the State sales and use tax the sale of the following: (1) medical or clinical thermometers; (2) pulse oximeters; (3) blood pressure monitors; (4) N95, China KN95, Japan DS, Korea 1st Class, AS/NZS P2, or European FFP2 filtering facepiece respirators; and (5) various diabetic care items. It is estimated that the exemptions will reduce State revenues by \$8.9 million in fiscal 2023, increasing to \$9.6 million by fiscal 2027.

Construction Materials

House Bill 897 (Ch. 61) exempts from the State sales and use tax the sale of construction material if (1) the material is purchased for use in furtherance of the construction or redevelopment of a sports entertainment facility or a Prince George's County Blue Line Corridor facility; (2) the sale is made on or after October 1, 2021; and (3) the buyer provides the vendor with evidence of eligibility for the exemption issued by the Comptroller. It is estimated that the exemption will reduce State revenues by \$1.5 million in fiscal 2024 through 2026, increasing to \$2.7 million in fiscal 2027 when Blue Line Corridor facility construction likely begins.

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*.

Blueprint for Maryland’s Future Fund

The Blueprint for Maryland’s Future Fund (BMFF) is a special nonlapsing fund that may be used only to assist in providing adequate funding for early childhood education and primary and secondary education based on the recommendations of the Commission on Innovation and Excellence in Education. Chapter 735 of 2019 required a marketplace facilitator and a marketplace seller to collect and remit the State sales and use tax under specified circumstances. Chapter 735 also specified that the first \$100 million in sales taxes collected from marketplace facilitators and certain out-of-state vendors be distributed to the general fund and that revenues in excess of \$100 million from these sales and use taxes be distributed to BMFF.

Chapter 38 of 2021 imposed the State sales and use tax on specified digital products and codes. All sales and use tax revenue received from the sale of digital products and codes must be distributed to BMFF.

House Bill 1450 (Ch. 33) requires the Comptroller, after making certain other distributions, to pay to BMFF the following percentage of the remaining sales and use tax revenues:

- 9.2% for fiscal 2023;
- 11% for fiscal 2024;
- 11.3% for fiscal 2025;
- 11.7% for fiscal 2026; and
- 12.1% for fiscal 2027 and each subsequent fiscal year.

Chapter 33 repeals the requirement that the Comptroller distribute sales and use tax revenue from marketplace facilitators, certain out-of-state vendors, and the sale or use of specified digital products or digital codes to BMFF.

For a further discussion of BMFF, see the subpart “Education – Primary and Secondary” within Part L – Education of this *90 Day Report*.

Miscellaneous Taxes

Transportation Taxes

Senate Bill 1010/House Bill 1486 (Chs. 1 and 2) eliminate motor fuel taxes on gasoline and clean-burning fuel (36.1 cents per gallon) and diesel and special fuel (36.85 cents per gallon) during a 30-day period beginning with the effective date of the Acts (March 18, 2022). The Acts are estimated to provide \$93.6 million in motor fuel tax relief to consumers; the fiscal 2023 budget provides \$100.0 million in general fund revenues to offset losses in special funds resulting from the Acts.

House Bill 1391 (passed) reestablishes the electric vehicle excise tax credit for zero-emission plug-in electric vehicles and fuel cell electric vehicles for a vehicle with a purchase price that does not exceed \$50,000 and the purchase of which is made on or after July 1, 2023, but before July 1, 2027. The credit is also extended to two-wheeled zero-emission electric motorcycles, three-wheeled zero-emission electric motorcycles, and autocycles. The credit is limited to 1 vehicle per individual and 10 vehicles per business entity. The bill requires the Maryland Energy Administration to transfer annually, in fiscal 2024 through 2027, the lesser of \$8.25 million or the total amount of credits allowed against the excise tax from the Strategic Energy Investment Fund to the Transportation Trust Fund. For a further discussion of **House Bill 1391**, see the subpart “Motor Vehicles” within Part G – Transportation of this *90 Day Report*.

The motor vehicle excise tax is collected on both new and used vehicles sold in the State. A tax of 6% is generally imposed on the fair market value of the vehicle, less an allowance for a vehicle that is traded in, and vehicle owners who titled and registered a vehicle in another state can claim a credit against the vehicle excise tax under certain circumstances. **Senate Bill 109/House Bill 497 (Chs. 70 and 71)** exempt from the vehicle excise tax a vehicle that was formerly titled and registered in another state by a member of the U.S. Uniformed Services who is on active duty or returning to the State from active duty.

Tax Administration

Senate Bill 477/House Bill 366 (both passed) establish a legal division in the Comptroller’s Office to provide expanded and detailed tax guidance to taxpayers and to perform other duties relating to private letter rulings (PLRs) as assigned by the Comptroller. A PLR is defined as a written determination issued by the Comptroller on the application of tax laws and regulations to a specific set of facts that is intended to apply only to that specific set of facts. The Comptroller must issue specified PLRs on the written request of a person, subject to certain exceptions. When denying a PLR request, the Comptroller must provide the requestor with written reasons for the denial within 60 days of the request submission.

Senate Bill 272 (passed) authorizes the disclosure of tax information to a person or governmental entity authorized by the Comptroller in writing to receive tax information for the

purpose of identifying, preventing, or responding to fraud. The tax information may be disclosed provided that the information is anonymized to the extent possible consistent with the information's intended use and in addition to any other protections and safeguards under law, subject to any protections and safeguards set forth by the Comptroller in the written authorization.

Employment of Individuals with Disabilities

The Maryland disability employment tax credit allows an employer who hires a qualified individual with disabilities to claim a tax credit for certain wages and child care and transportation expenses paid on behalf of the employee. *Senate Bill 93 (passed)* expands the disability employment tax credit by increasing the maximum value of the tax credit that can be claimed for each qualified employee.

Admissions and Amusement Tax

Current law prohibits imposing the admissions and amusement tax on the proceeds derived from video lottery terminals and table games. *Senate Bill 929 (passed)* prohibits the admissions and amusement tax from being imposed on any proceeds generated from sports wagering.

Miscellaneous Local Taxes

Senate Bill 724/House Bill 795 (both passed) exempt government agencies from the gross receipts tax on short-term leases or rentals of heavy equipment property and repeal certain reporting requirements.

House Bill 842 (passed) establishes a Tourism Development Incentive Fund in Calvert County and requires revenue from the county's hotel rental tax to be distributed into the fund. Revenues from the Tourism Development Incentive Fund, less expenses for the administration of the hotel tax, are distributed to municipalities in the county from which the hotel rental taxes are attributable, with the remainder utilized to market Calvert County to potential visitors and to provide grants to businesses and organizations to pay the application and permit fees required by the county to hold a special event in the county.

Chapter 435 of 2020 authorized Washington County to impose a tax on the assessed value of mobile homes rather than on the gross receipts of mobile home parks. *House Bill 1477 (passed)* repeals the mobile home tax based on the assessed value of the mobile home and restores the former tax based on a percentage of rent paid for space in a mobile home park. The bill applies retroactively to any mobile home tax imposed by Washington County on or after July 1, 2020.

Part C

State Government

State Agencies, Offices, and Officials/Regulations

State Agencies

Office of the Inspector General in the Maryland Department for Health

The Inspector General (IG) of the Maryland Office of the Inspector General (OIG) for Health is authorized to investigate fraud, waste, and abuse of departmental funds. [*Senate Bill 708 \(Ch. 43\)*](#) expands the authority of the IG to investigate behavior in the Maryland Department of Health (MDH) that threatens the public safety or demonstrates negligence, incompetence, or malfeasance. The Act also establishes a professionally qualified Compliance Officer within OIG to ensure that units and employees of MDH comply with (1) best practices in health care, public health, and government administration and (2) laws, regulations, and MDH policies. Lastly, within 30 business days after receiving a complaint or allegation, the IG, the Compliance Officer, or a designated Assistant Inspector General must respond to the individual who filed the complaint or allegation with certain information.

Maryland State Board of Contract Appeals

The Maryland State Board of Contract Appeals (Appeals Board) is an independent agency in the Executive Branch that consists of three full-time members qualified to serve in a quasi-judicial capacity and possessing thorough knowledge of procurement practices and processes. The members are appointed to five-year terms by the Governor with the advice and consent of the Senate, and the Appeals Board may employ staff in accordance with the State budget. [*House Bill 1254 \(passed\)*](#) increases the number of members appointed to the Appeals Board from three to six and requires an appeal to be heard by a panel of not more than three members designated by the Chairman of the Appeals Board. In addition, the Appeals Board is authorized to employ at least three more staff positions than currently allowed, three of whom must be law clerks.

Maryland Energy Administration

Provisions enacted largely under Chapters 2 and 5 of 2004 and Chapter 568 of 2007 require the Maryland Energy Administration to adopt regulations establishing specified minimum efficiency standards for various products sold, offered for sale, or installed in the State. However, the existing efficiency standard requirements have been preempted by federal standards for most of the covered products. **House Bill 772 (passed)** replaces existing energy efficiency standard requirements for various products with energy and water efficiency standard authorizations and requirements for a new list of products. As a result, the bill authorizes the Administration to adopt standards for certain products and requires specified standards to be adopted for other products. For a more detailed discussion of **House Bill 772**, see the subpart “Environment and Energy” within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Maryland Department of Transportation

Under § 12-111 of the Real Property Article, the State Highway Administration (SHA), the Maryland Transit Administration (MTA), and the agents, employees, and consultants of SHA and MTA may enter private property under the State’s eminent domain statute to conduct environmental and engineering studies necessary to determine the suitability of the property for use by the administration entering the property. Entry onto private property for these purposes may not be undertaken without prior consent of the property owner. If, after real and *bona fide* effort, the consent of the property owner cannot be secured, the administration seeking entry may apply to a law or equity court for an order directing that entry be permitted. The *bona fide* effort, however, must include either 30 days advance written notice or posting notice on the property at least 30 days in advance. **Senate Bill 373 /House Bill 163 (both passed)** are emergency bills that specify that when SHA, MTA, or an agent, employee, or consultant of SHA or MTA gives or posts the notice of entry onto private property to conduct environmental and engineering studies, SHA or MTA must send a copy of the notice to the General Assembly members who represent the legislative district in which the property is located.

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

During the 2021 special session, the General Assembly overrode the Governor's veto of House Bill 23, which was passed during the 2021 session, and the bill was enacted as Chapter 18 of the 2021 special session. Chapter 18 modifies 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 the Department of Public Safety and Correctional Services must submit an annual report to the General Assembly on records requests from federal agencies seeking access for immigration enforcement purposes. Finally, the Act restricts access to databases operated by State and local law enforcement agencies.

Inspection of Records Relating to Law Enforcement

Senate Bill 777 (passed) establishes the Task Force to Study Public Information Act Requests Made to Law Enforcement to review and study (1) costs charged by law enforcement agencies in relation to disclosure of records requested under PIA; (2) procedures applied by law enforcement agencies in the disclosure of records requested under PIA; and (3) the status and operations of the Maryland Public Information Act Compliance Board. The task force is staffed by the Office of the Attorney General and must submit to the General Assembly an interim report on its findings by December 31, 2022, and a final report by December 31, 2023.

Open Meetings

Under the Open Meetings Act (OMA), with limited exceptions, a public body must (1) meet in open session in locations reasonably accessible to potential attendees and (2) provide reasonable advance notice of the time and location of meetings, including, when appropriate, whether any portion of a meeting will be conducted in closed session.

Application to Public Entities

Chapters 202 and 203 of 2020 established enhanced open meetings requirements and procedures for making certain information publicly available online. The requirements applied to the Maryland Stadium Authority, the State Board of Elections, the Maryland 9-1-1 Board, the Public Service Commission, and the Maryland Transportation Authority. These bodies are required to hold meetings in an open session and provide reasonable advance notice of the meeting time and location. Additionally, these bodies must (1) post open meeting agendas in a publicly available website at least 48 hours in advance, unless there is a special unanticipated meeting; (2) post open meeting minutes on a publicly available website within two business days after approval; (3) make live video streaming of open sessions publicly available, as specified; and

(4) maintain meeting minutes and recordings in a certain manner. Chapter 72 of 2021 established the same enhanced open meetings requirements for the Maryland Environmental Service.

Senate Bill 269/House Bill 375 (both passed) repeal exemptions from OMA requirements for the Bainbridge Development Corporation (BDC), the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), the Maryland Clean Energy Center (MCEC), the Maryland Economic Development Corporation (MEDCO), and the Maryland Technology Development Corporation (TEDCO). Additionally, the bills recodify the existing enhanced open meetings requirements of Chapters 202 and 203 of 2020, and Chapter 72 of 2021 under OMA, and expand the application of the enhanced open meeting requirements to include the boards of directors of BDC, MARBIDCO, MCEC, and MEDCO, the Canal Place Preservation and Development Authority, the Maryland Food Center Authority, the Maryland Health and Higher Educational Facilities Authority, the Maryland Industrial Development Financing Authority, the Northeast Maryland Waste Disposal Authority, TEDCO, and the Historic St. Mary's City Commission. For certain entities, a project site visit or educational field tour may not be considered a meeting of the body if no organizational business is conducted.

Procedures

House Bill 246 (passed) increases, from one year to three years, the time period a public body is required to keep copies of (1) the public notice required to be provided by a public body in advance of meeting in a closed or open session and (2) the written statement that must be prepared by a public body prior to meeting in a closed session. In addition, the bill requires, to the extent practicable, a public body to post the written statement online.

State Officials

Salaries and Benefits of Governor and Constitutional Officers

The Governor's Salary Commission was established by a 1976 constitutional amendment to create a salary setting mechanism for the Governor and Lieutenant Governor. In 1981 the Governor's Salary Commission began making recommendations, per the Governor's request, on salaries for four constitutional officers: the State Treasurer; Comptroller of the Treasury; Attorney General; and Secretary of State. The commission most recently submitted recommendations for the Governor, Lieutenant Governor, and constitutional officers in its January 2022 report.

Senate Joint 5/House Joint 4 (JR. 4 and 5) implement the recommendations of the January 2022 report by increasing the salaries for the Governor and Lieutenant Governor beginning in January 2023. The salaries increase each year of their term for up to four years, ranging from \$184,000 to \$195,000 for the Governor and \$165,000 to \$175,000 for the Lieutenant Governor.

Additionally, ***House Bill 424 (passed)*** implements the recommendations of the January 2022 report by increasing the salaries of the State Treasurer, Comptroller, and Attorney General from

\$165,000 in 2023 to \$175,000 in 2026 and the Secretary of State from \$112,500 in 2023 to \$120,000 in 2026.

Professional Qualifications of the Secretary of Health

House Bill 287 (passed) requires the Secretary of Health to be professionally qualified through experience or education in at least one of the following areas: (1) health law or policy; (2) health care facilities administration; (3) health economics or financial management; (4) government operations related to health care; or (5) as a health care provider.

Maryland Insurance Commissioner

House Bill 536 (passed) is an emergency bill that requires the Maryland Insurance Commissioner to adopt regulations that may be applied when a national or public health emergency (1) is issued by the President of the United States under the federal National Emergencies Act or the U.S. Secretary of Health and Human Services under the federal Public Health Services Act; (2) is based on a serious threat to health resulting from the existence of a deadly agent, as defined in existing law; and (3) within the Commissioner’s discretion, will affect the State. A regulation activated in response to a national or public health emergency may not apply beyond the duration of the President’s or the Secretary’s declaration. For a further discussion of **House Bill 536**, see the subpart “Health Insurance” within Part J – Health and Human Services of this *90 Day Report*.

Public Funds

States of Emergency

During the 2021 special session, the General Assembly overrode the Governor’s vetoes of Senate Bill 780 and House Bill 1003 passed during the 2021 session, and the bills were enacted as Chapters 3 and 7 of the 2021 special session, respectively. The Acts 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 Acts also require the Governor to provide specified 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 declared state of emergency, as authorized under State law.

Department of General Services Broker Rebate Fee Fund

Senate Bill 260 (passed) establishes the Department of General Services Broker Rebate Fee Fund in the Department of General Services (DGS). The purpose of the fund is to provide funding to support the implementation, regulation, administration, and enforcement of real estate lease transactions on behalf of State agencies. The fund is a special, nonlapsing fund that, along

with other possible sources of funding, primarily consists of broker rebate fees received in connection with any lease of building space by the State. The fund may be used only to cover expenses of DGS, including administrative expenses, in carrying out its duties related to real estate lease transactions.

False Claims

The Maryland False Health Claims Act prohibits a person from making a false or fraudulent claim for payment or approval by the State or MDH under a State health plan or State health program and authorizes individuals to file private party causes of action on behalf of a governmental entity for false health claims made against the State. The Maryland False Claims Act extends substantially similar provisions to other claims made against a governmental entity. **Senate Bill 114/House Bill 391 (both passed)** require any civil penalty or damages collected by the State under the Maryland False Claims Act or the Maryland False Health Claims Act that affects certain special funds to be deposited by the Comptroller into the affected funds. The bills also authorize a governmental entity filing a civil action under the Maryland False Claims Act to seek court costs and attorney's fees, which accrue to a new False Claims Fund to support the operations of the Attorney General in carrying out the Maryland False Claims Act.

Stakeholder Groups and Commissions

State Coordinator for Autism Strategy and the Advisory Stakeholder Group on Autism-Related Needs

Chapter 341 of 2020 established the State Coordinator for Autism Strategy in the Department of Disabilities and the Advisory Stakeholder Group on Autism-Related Needs. Chapter 389 of 2021 moved the Coordinator to the Governor's Office of Community Initiatives. The Coordinator and the Advisory Stakeholder Group are required to work together to (1) identify and evaluate existing services for individuals with autism and their families; (2) develop a strategic plan for addressing autism-related needs in the State; (3) promote, monitor, and evaluate implementation of the strategic plan; and (4) recommend and implement changes to the strategic plan.

House Bill 662 (passed) requires the coordinator to be appointed by the Governor with the advice and consent of the Senate and, beginning in fiscal 2024, the Governor must include in the annual budget bill an amount sufficient to fund one support staff position for the coordinator. Additionally, the membership of the Advisory Stakeholder Group on Autism-Related Needs is altered by including (1) one member of the Senate of Maryland, appointed by the President of the Senate; (2) two members of the House of Delegates, appointed by the Speaker of the House; and (3) other members appointed by the coordinator as necessary. The bill also requires the appointing authority to consider the geographical diversity of the Advisory Stakeholder Group, as specified. Finally, the Governor's Office of Community Initiatives, rather than the Department of Disabilities, must provide staff to the Advisory Stakeholder Group.

Commission on African American History and Culture

Among other powers and duties, the Maryland Commission on African American History and Culture operates the Banneker-Douglass Museum in Annapolis to house and display photographs, objects, oral history tapes, artifacts, and other materials of African American historic and cultural significance. *Senate Bill 953/House Bill 1048 (both passed)* make the commission an independent unit in the Executive Branch of State government, rather than a part of the Governor's Office of Community Initiatives. In addition, for each fiscal year, the Governor must include an appropriation of \$1.6 million for the commission in the annual budget bill, which is subject to audit by the State, including by the Legislative Auditor.

Military and Veterans

Honorable Discharges

House Bill 1380 (passed) provides that, with respect to any State program of benefits, rights, or privileges applicable to a veteran under Maryland law, an honorable discharge includes a discharge that is less than honorable (1) solely due to the sexual orientation or gender identity of the individual being discharged or (2) based on a statement or consensual act of the individual being discharged related to the individual's sexual orientation or gender identity, if the statement or consensual act was prohibited by the military or naval service at the time of discharge. The bill requires veterans to submit to the Secretary of Veterans Affairs documentation that provides the basis for the veteran's discharge. On or before May 1, 2023, the Secretary is required to adopt regulations to establish processes for determining and verifying whether an individual qualifies as an honorably discharged veteran under the bill.

Commissions

House Bill 167 (passed) establishes the Commission to Establish a Maryland Women Veterans Memorial to provide recommendations for the funding, design, construction, and placement of an appropriate memorial dedicated to Maryland women veterans. The Maryland Department of Veterans Affairs (MDVA) must provide staff for the commission. On or before February 1, 2023, the commission must submit a preliminary report on its findings and recommendations to the Governor and the General Assembly; a final report is due on or before September 30, 2023.

The Maryland Veterans Commission advises the Secretary of Veterans Affairs of all matters pertaining to veterans issues. The commission consists of 28 voting members and 1 honorary nonvoting member, all appointed by the Governor. *Senate Bill 365 (Ch. 69)* expands the membership of the commission by adding a representative of the Reserve Organization of America as a voting member.

Communications, Outreach, and Advocacy Program

Senate Bill 654/House Bill 279 (Chs. 72 and 73) rename the Outreach and Advocacy Program within MDVA to be the Communications, Outreach, and Advocacy Program. The program, in collaboration with the Maryland Higher Education Commission, must actively help veterans and their dependents become aware of and access education and training benefits to which they are entitled. The director of the program must refer veterans and their dependents and survivors to the appropriate governmental unit for claim assistance. The program must (1) manage the Maryland Veterans Service Animal Program and Fund; (2) coordinate the responsibilities of veterans' services specialists; and (3) manage specified communications mediums, customer service training, and intergovernmental relations. The Acts also require MDVA to communicate welcome home information to veterans returning to the State and alter the required content of the report the Secretary of Veterans Affairs is required to submit to the Governor and the General Assembly each year.

Notarial Acts

Senate Bill 317/House Bill 663 (passed) alter the laws related to remote notarizations involving tangible records and the authority of a notary public to administer oaths and affirmations to remotely located individuals. The bills (1) repeal an exception to remote notarization provisions that applies to wills and trust instruments; (2) establish requirements and procedures by which a notary public located in the State may use communication technology to take an acknowledgement of a signature on a tangible record that is physically present before the notary if the record is displayed to and identified by the remotely located individual during the audio-visual recording; (3) specify procedures by which a notary public located in the State may use communication technology to administer an oath or affirmation to a remotely located individual; (4) authorize the Secretary of State to adopt regulations prescribing the methods for reasonable confirmation of a tangible record; (5) increase the maximum fees for an original notarial act and performance of a remote notarial act; and (6) specify that the notarization of any document under the requirements of specified executive orders authorizing remote notarizations must be deemed valid if the notarization occurred during the time that the orders were in effect.

State Designations

Juneteenth

The holiday of "Juneteenth" celebrates the notification on June 19, 1865, to the last slaves in the state of Texas, that President Abraham Lincoln issued the Emancipation Proclamation on January 1, 1863. In June 2021, President Joseph R. Biden, Jr. signed into law the Juneteenth National Independence Day Act, which designates June 19 as a federal legal holiday. ***House Bill 227 (Ch. 64)*** establishes Juneteenth National Independence Day as a State legal holiday and State employee holiday on June 19 and repeals the requirement that the Governor annually proclaim June 19 as Juneteenth National Freedom Day.

Tuskegee Airmen Commemoration Day

The Tuskegee Airmen were a group of African American military pilots who served the United States with distinction during World War II and overcame a history of segregation and social barriers to serve their country. The first aviation cadets of the Tuskegee Airmen completed pilot training and received their wings during the month of March. ***Senate Bill 5/House Bill 479 (Chs. 67 and 68)*** require the Governor to annually proclaim the fourth Thursday in March as Tuskegee Airmen Commemoration Day. The proclamation must urge educational and cultural organizations to observe Tuskegee Airmen Commemoration Day through appropriate and informative programs and activities.

Elections

Ballot Processing and Reporting Procedures

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 number of voters casting ballots by mail in future elections is expected to remain higher than in elections before 2020, due in part to various measures taken by the General Assembly and election officials in recent years to make absentee voting more accessible and convenient. ***Senate Bill 163/House Bill 862 (both passed)*** facilitate more timely processing of absentee ballots by authorizing local boards of elections to accept, reject, open, or process an absentee ballot starting on the day that is eight business days before the first day of early voting. Current law prohibits a local board from opening any envelope of an absentee ballot before the Wednesday following Election Day. A local board may not, however, tabulate absentee ballot vote totals before the polls close on Election Day, except in the 2022 statewide primary election.

The bills also require a local board to review the envelope of an absentee ballot for the omission of the voter's signature on the oath promptly after receipt of the ballot. A ballot that is not accompanied by a signed oath may not be counted. The State Board of Elections (SBE) must adopt regulations requiring a local board to notify a voter who failed to sign the oath as soon as practicable but not later than three business days after the failure was determined and provide the voter an opportunity to provide a signature and have the ballot counted. The regulations must allow a voter to supply a signature to the local board through a digital picture message sent by email, or beginning June 1, 2023, mobile telephone. A voter may choose to communicate with the local board to correct a failure to sign the oath through email, a mailed form, an in-person visit to the local board office, or, beginning June 1, 2023, text message and an accessible online portal.

The bills also alter canvassing procedures when more than one ballot, in separate envelopes, is received from the same individual for the same election by requiring the local board to count the first ballot from an individual that is determined to be legally sufficient and reject any other ballot. Finally, the bills require that a report of election results produced by SBE include the early, absentee, and provisional vote broken down by precinct. The bills also repeal requirements

that a statement of election results produced by each local board of canvassers include precinct-level results and that the statement be provided on paper.

Voting Systems Costs and Polling Places

Chapter 564 of 2001 requires that (1) each county pay for its share of 50% of the State's cost of acquiring and operating the uniform statewide voting systems for voting in polling places and for absentee voting, including the cost of maintenance, storage, printing of ballots, technical support and programming, related supplies and materials, and software licensing fees and (2) a county's share of the cost of acquiring and operating the uniform statewide voting systems be based on the county's voting age population. *Senate Bill 158 (Ch. 35)* codifies this requirement and establishes the intent of the General Assembly that the Act makes no substantive change to the cost-sharing requirements for the uniform statewide voting systems between the State and county governments as enacted by Chapter 564 of 2001. The Act also requires that in the 2022 statewide primary and general elections, in-person voting on Election Day be conducted at a total number of precinct polling places that is at least equal to the total number of precinct polling places that were open for in-person voting on Election Day in the 2018 statewide general election. The total number of precinct polling places required to be open for voting in the 2022 elections may not be reduced (1) by a local board or SBE, under specified statutory authority governing the establishment and alteration of precincts and polling place locations; (2) by a circuit court or any other court, under specified statutory authority for SBE or a local board to petition a circuit court to take specified action in emergency circumstances; or (3) with the exception of emergency authority of the Governor, by a person acting under authority of any other provision of law. The bill does not limit the authority of the Governor to specify alternate voting locations during a declared state of emergency.

With certain exceptions, statute prohibits an election from being held in any building or part of any building used or occupied by an establishment that holds an alcoholic beverages license. *Senate Bill 907/House Bill 328 (both passed)* repeal this prohibition and instead require SBE to adopt regulations governing the use of a building or part of a building that is owned, occupied, or partially occupied by an establishment that holds an alcoholic beverages license as a polling place. The regulations must require a local board to prioritize the placement of polling locations in buildings that are not owned, occupied, or partially occupied by an establishment that holds an alcoholic beverages license. SBE is required to adopt the regulations by August 31, 2022, and the statutory changes take effect contingent on the adoption of the regulations. If the State Board does not adopt the regulations by August 31, 2022, the changes will not take effect.

Contested Elections

Senate Bill 101/House Bill 291 (both passed) alter various requirements relating to the conduct and financing of an election contest, including a recount or a judicial challenge. The bills require a county, rather than the candidate who petitioned for the recount, to pay the costs of a recount when the margin of difference between the number of votes received by an apparent winner and the losing candidate with the highest number of votes for an office is 0.25% or less of

the total votes cast for those candidates. For ballot questions, the county must pay for a recount, rather than the registered voter who petitioned for the recount, when the margin of difference between the number of votes cast for and the number cast against the ballot question is 0.25% or less. Under current law, for both candidate elections and ballot questions, a county must pay for a recount when the margin of difference is 0.1% or less. The bills also prohibit a recount when the margin of difference is greater than 5%.

The bills authorize a campaign finance entity to accept contributions and make expenditures to pay for a recount or judicial challenge to an election. The bills also repeal a provision providing that limits on contributions and transfers to campaign finance entities do not affect the right of an individual to pay reasonable legal expenses associated with maintaining or contesting the results of an election. The bills require a person who accepts public campaign financing to establish a separate contested election committee to pay costs associated with contesting an election. Additionally, the bills establish various requirements for a contested election committee, including the organization of the committee, limits on donations, reporting requirements, late filing fees and other sanctions for a failure to file a report, and return of unspent funds. Finally, the bills authorize a county to provide public financing to a contested election committee as part of any public financing system the county chooses to establish for offices in the Executive or Legislative branches of county government.

Campaign Finance

Senate Bill 15 (passed) makes various changes to enhance enforcement of campaign finance law. The bill extends the statute of limitations, from three years to four years, for a misdemeanor offense under State election law and for a civil fine for an unknowing violation of campaign finance laws and certain other State election laws. The bill also establishes a four-year statute of limitations for certain civil fines for violations of campaign finance laws and laws governing disclosure of campaign contributions by persons doing public business.

The bill increases the maximum civil penalty SBE may impose on a campaign finance entity for specified violations from \$500 for each violation to \$1,000 for each violation.

The bill prohibits an individual with an unpaid civil penalty from (1) becoming a candidate or becoming a treasurer for a campaign finance entity; (2) being issued a certificate of nomination; or (3) being deemed to be elected to office, taking the oath or otherwise assuming the duties of the office, or receiving any salary or compensation for the office. In addition, an official may not issue a commission or administer an oath of office to an individual who has an unpaid civil penalty.

The bill increases fees and penalties for failure to comply with Title 14 of the Election Law Article, which requires reporting of contributions by persons doing public business. The bill expands existing authority to impose late filing fees on persons doing public business if they fail to file required statements of campaign contributions with SBE. The bill establishes a civil penalty of up to \$5,000 for unknowing violations of the law and specifies procedures for the State Prosecutor to impose the penalty. The bill separately authorizes SBE to impose a civil penalty of

up to \$1,000 for certain violations. The bill also increases the maximum monetary criminal penalty for violations from \$1,000 to \$25,000 and establishes several new criminal offenses related to these provisions.

Under the Public Ethics Law, a person who, within a specified six-month reporting period, spends at least \$500 to provide compensation to one or more regulated lobbyists and contributes \$500 or more to specified State elected officials or candidates for those offices must file statements with SBE regarding the contributions. The bill alters this provision to require any person who spends at least \$500 during a specified six-month reporting period to provide compensation to one or more regulated lobbyists to file reports, regardless of whether the person made contributions of \$500 or more. The bill requires a person required to file a statement to maintain certain records. The bill increases the maximum monetary criminal penalty applicable to violations of these provisions from \$1,000 to \$25,000 and authorizes SBE to impose a civil penalty of up to \$1,000 for certain violations. The bill also establishes several new criminal offenses related to these provisions.

House Bill 17 (Ch. 109) requires a person who solicits a recurring contribution for a political committee, or a recurring donation for an independent expenditure or electioneering communication, to receive the affirmative consent of the contributor or donor for the recurring contribution or donation. The passive action of a contributor or donor, including failing to uncheck a prechecked box authorizing a recurring contribution or donation, does not meet the requirement for affirmative consent under the Act. A person who obtains affirmative consent for a recurring contribution or donation must provide a receipt with each recurring contribution or donation that discloses certain information, including how to cancel the recurring contribution or donation. A person who obtains a contribution or donation in violation of the Act must immediately return the contribution or donation to the contributor or donor. SBE may impose a civil penalty for each violation of the Act. The Act takes effect January 1, 2023.

Senate Bill 239 (passed) prohibits a person from using any contributor information from any report or statement required under State campaign finance law for purposes of commercial solicitation. The bill also prohibits a person from publishing contributor information in newspapers, magazines, books, websites, or other similar media for the purpose of facilitating commercial solicitation.

Political Parties

Senate Bill 500 (passed) alters the number of members of the Anne Arundel County Republican Party Central Committee elected from each county council district from three to two.

Redistricting

Congressional district boundaries must be redrawn every 10 years following the decennial census to adjust for population changes. Congressional districts must comply with the U.S. Constitution and the federal Voting Rights Act of 1965. The U.S. Census Bureau has

apportioned eight congressional seats to Maryland in accordance with 2020 census figures. Based on adjusted Maryland population counts used for redistricting, the ideal population for each congressional district in the State is 771,925.

In July 2021, the Presiding Officers of the General Assembly appointed the Legislative Redistricting Advisory Commission to conduct virtual and in-person town hall meetings across the State and to prepare congressional and State legislative district plans for consideration by the General Assembly. Chapter 32 of the 2021 special session established new boundaries for the State’s congressional districts and was based on the work of the commission.

In 2022, the Circuit Court for Anne Arundel County considered two consolidated cases (*Szeliga et. al v. Lamone et. al* and *Parrott et. al v. Lamone et. al*) challenging the 2021 congressional districting plan. On March 25, 2022, the circuit court entered a declaratory judgment ruling that the 2021 congressional districting plan violates the Maryland Constitution and Declaration of Rights and issued a permanent injunction enjoining the State from using, applying, administering, enforcing, or implementing the 2021 plan in any future election in Maryland, including the 2022 primary and general elections. While the Maryland Constitution does not explicitly address congressional districting, the circuit court held that Article III, Section 4 of the Maryland Constitution, which establishes standards for legislative districts in the State, applies to congressional districting. Article III, Section 4 of the Maryland Constitution requires each legislative district to consist of adjoining territory, be compact in form, and be of substantially equal population, and further requires that due regard be given to natural boundaries and the boundaries of political subdivisions.

The circuit court remanded the plan to the General Assembly to develop a new plan that comports with Article III, Section 4 of the Maryland Constitution and the Voting Rights Act by March 30, 2022. In response to this mandate, the General Assembly passed a new map in [*Senate Bill 1012 \(Ch. 16\)*](#), which the Governor signed into law on April 4, 2022. The State subsequently dropped its appeal of the circuit court’s decision, which means that the new map will be used in 2022 and subsequent elections.

For information concerning State legislative redistricting, see the subpart “General Assembly” of this part of this *90 Day Report*.

Ethics

Fundraising by University of Maryland, Baltimore Campus Employees

The Maryland Public Ethics Law generally prohibits a public official or employee from soliciting any gift for themselves or others, including for charitable causes, or from intentionally using the prestige of office or public position for their private gain or that of another. [*Senate Bill 589/House Bill 907 \(both passed\)*](#) authorize, notwithstanding these restrictions, an employee of the University of Maryland, Baltimore Campus (UMB) to solicit gifts or proposals

for grants for the benefit of the University of Maryland Medical System Corporation (UMMSC) in accordance with UMB's policies regarding coordinating fundraising between the university and UMMSC.

Bicounty Commissions

The Ethics Law requires each bicounty commission (the Maryland-National Capital Park and Planning Commission, the Washington Suburban Sanitary Commission, and the Washington Suburban Transit Commission) to adopt, in accordance with specified standards, regulations relating to employee conflicts of interest, employee financial disclosure, and lobbying of the bicounty commission. Each bicounty commission must submit a copy of these regulations to the Securities and Exchange Commission (SEC). *House Bill 1059 (passed)* requires each bicounty commission to annually certify with SEC that it is in compliance with these requirements. The bill also authorizes a bicounty commission to modify its lobbying regulations to the extent necessary to make the regulations relevant to the bicounty commission.

Procurement

General Administration and Oversight

Senate Bill 260 (passed) establishes a Broker Rebate Fee Fund in the Department of General Services (DGS) to provide funding to support the implementation, regulation, administration, and enforcement of real estate lease transactions on behalf of State agencies. The fund is primarily funded by broker rebate fees received in connection with the lease of building space by the State.

State procurement law requires the Board of Public Works (BPW) to adopt regulations on price and cost principles that must be used as guidelines for negotiations on estimated costs or fixed prices, price adjustments for contract modifications and change orders, and settlements of terminated contracts. Current State regulations prohibit the use of cost-plus-a-percentage-of-cost contracts and subcontracts. The regulations authorize agencies to use any type of contract that promotes the best interests of the State but require that preference be given in the following order: (1) fixed-price; (2) fixed-price incentive; (3) cost plus incentive fee; and (4) cost plus fixed fee or cost-reimbursement. *Senate Bill 507 (passed)* requires the Secretary of Transportation and the Secretary of General Services, by December 1, 2022, to each report to the General Assembly on (1) the number and percentage of State construction procurements using a fixed-price contract with price adjustment; (2) the number and percentage of the identified contracts where a price adjustment for materials was made during the contract; and (3) for any price adjustments identified, the material types affected and the average price adjustment for each material type. The reports are required to include data from fiscal 2019 through 2021.

Senate Bill 461/House Bill 723 (both passed) authorize the Chief Procurement Officer (CPO) in DGS, in consultation with the Department of Budget and Management and with the

approval of BPW, to establish fees for training, strategic sourcing, and administrative costs related to the use of eMaryland Marketplace. The bills also transfer authority for reviewing the pricing of commodities sold by Maryland Correctional Enterprises from DGS to the Pricing and Selection Committee. Lastly, the bills modify the Department of Information Technology's (DoIT) procurement authority, consistent with the centralization of procurement by DGS under Chapter 590 of 2017 and make other changes consistent with the provisions of Chapter 590.

Emergency Procurement

To expedite procurement for needed resources in extraordinary circumstances, State procurement officers may use emergency procurement methods, which lack the procedural safeguards and the normal review required for traditional competitive procurements.

During the 2021 regular session, the General Assembly passed two sets of bills that modified procedures and added reporting requirements for units making emergency procurements. These bills were vetoed by the Governor, but the General Assembly overrode the vetoes during the 2021 special session.

Senate Bill 780 and House Bill 1003 of the 2021 regular session became Chapter 3 and Chapter 7 of the 2021 special session, respectively. These Acts 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.

Senate Bill 829 and House Bill 1091 of the 2021 regular session became Chapter 4 and Chapter 8, respectively, of the 2021 special session. These Acts 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 CPO. 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. Prior approval by CPO is not necessary if delaying an emergency procurement by up to 48 hours would likely result in imminent harm. The Acts also establish requirements related to the determination of the appropriate minority business enterprise (MBE) participation goal and outreach for an emergency procurement contract. Among other changes, the measures codify and expand reporting requirements related to emergency procurements.

Debarment

Federal Executive Order 11246 generally prohibits federal contractors from engaging in discriminatory employment practices because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The U.S. Department of Labor is responsible for enforcing the executive order. **House Bill 13 (passed)** makes a person eligible for debarment from entering into a contract with the State if the person or other specified individual associated with the person

(1) has been found to have violated provisions of State law prohibiting employment discrimination or (2) has been debarred from federal contracts under federal Executive Order 11246 due to engaging in discriminatory hiring practices in the State. The bill applies only prospectively and has no effect on final findings or decisions issued before the bill's effective date.

Payment Practices

Under **Senate Bill 250/House Bill 325 (both passed)**, interest begins to accrue on invoices under State procurement contracts that are due and payable and remain unpaid after 37 days, rather than 45 days, from when the agency receives the invoice. It requires the Department of Legislative Services (DLS) to conduct a study and report on the processing and timing of payments to contractors under State procurement contracts. It also requires DoIT to consult with specified agencies and report on the status of the Comptroller's online payment portal and the planned upgrade to the State's Financial Management Information System (FMIS) and related issues. The bills express legislative intent that any upgrade to FMIS include goals to significantly reduce the amount of time in which payments are processed.

Maryland State Board of Contract Appeals

Maryland State Board of Contract Appeals (MSBCA) is an independent agency in the Executive Branch that is responsible for adjudicating bid protests and contract disputes between State agencies and contractors or vendors doing business with the State. **House Bill 1254 (passed)** adds three additional members to MSBCA, bringing the total number of members to six, as well as providing for three additional staff positions. MSBCA must employ at least three law clerks, including a graduate of the University of Maryland School of Law, a graduate of the University of Baltimore School of Law, and a graduate of the Howard University School of Law. The measure also requires that an appeal before MSBCA be heard by a panel of not more than three members designated by the chairman.

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 for the Governor's Office of Small, Minority, and Women Business Affairs (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 487/House Bill 389 (both passed) establish an MBE Ombudsman within GOSBA to (1) assist procurement officers in attempts to resolve disputes between MBEs and prime contractors, including disputes over contract scope and payments; (2) serve as a resource to MBE liaisons, procurement officers in units of State government, prime contractors, and MBEs in resolving disputes on relevant contracts; and (3) conduct trainings for procurement officers on

enforcement of the requirements of the MBE program, including the assessment of liquidated damages.

The bills expand transparency for MBE goals by requiring each solicitation for bids or proposals that includes an expected degree of MBE participation to include a summary of the factors used to determine the MBE participation goal, including subcontracting opportunities identified for the project, any applicable industry codes linked to those opportunities, and the number of certified MBEs identified for those opportunities. The measures further seek to improve accountability by (1) expanding reporting requirements for compliance assessments; (2) requiring GOSBA and the Office of State Procurement, in consultation with specified entities, to adopt by regulation criteria used to determine that a prime contractor, in the absence of mitigating factors, has persistently failed to meet MBE participation goals on their contracts and requiring GOSBA to refer prime contractors identified under the criteria to the Office of the Attorney General for debarment under existing law; and (3) expanding the requirement that prime contractors pay undisputed amounts to their subcontractors within 10 days and expanding State agencies' authority to withhold progress payments from prime contractors that do not pay their subcontractors undisputed amounts in a timely fashion. Finally, the bills also codify an existing set-aside program for small businesses and require a follow-up report by DLS to assess implementation of the bills' provisions.

Under federal law, an MBE program must demonstrate clear evidence that the program is narrowly tailored to address actual disparities in the marketplace for the jurisdiction that operates the program. As a result, prior to each reauthorization of the State's MBE program, the State conducts a disparity study to determine whether there is continued evidence that MBEs are underutilized in State contracting. The MBE program is scheduled to terminate July 1, 2022, and Chapter 340 of 2017 required the disparity study to be completed by September 30, 2021, so that the General Assembly could review the report before the 2022 legislative session. However, delays in procuring a contractor to conduct the study meant that the study was not completed by that deadline. *Senate Bill 192 (Ch. 117)* extends the termination date for the State's MBE program by two years, until July 1, 2024. It also extends the deadline for the Maryland Department of Transportation (MDOT) to submit a completed disparity study to the General Assembly until September 30, 2023.

To qualify as an MBE for purposes of State law, including procurement preferences, an entity must be certified by the State's MBE certification authority, MDOT. *Senate Bill 9 (passed)* requires MDOT to study options for streamlining the certification process for MBEs. It also requires specified State entities to provide, within 75 days, information requested by MDOT to assess the need for remedial measures. Each entity must require licensees, preapproved licensees, applicants, grantees, and other program participants to provide any information deemed necessary within 60 days of the request.

Natural Resources, Environment, and Agriculture

Senate Bill 348/House Bill 653 (both passed) expand opportunities for agencies to obtain private investment and financing for State environmental projects, including conservation efforts, restoration projects, and the installation and repair of green and blue infrastructure. The bills authorize a unit of State government to enter a pay-for-success contract only if the procurement officer determines (1) the contract will produce estimated financial savings, or other quantifiable public benefits for the State, and (2) a substantial portion of the outcome payment due under the contract will be paid only after specific outcomes have been documented. Additionally, the bills specifically authorize certain agencies to enter into a pay-for-success contract with an aggregator to procure (1) delivery of an environmental outcomes project or (2) already certified environmental outcomes. For a discussion of ***Senate Bill 348/House Bill 653*** in relation to environmental conservation and natural resources management, see the subpart “Environment and Energy” within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

State funds, on or after July 1, 2022, may not be used to purchase or plant an invasive species for an outdoor project unless the plant species is commonly used for agricultural or horticultural purposes and is being maintained for the purposes of education or research. ***Senate Bill 7/House Bill 15 (both passed)*** require State agencies and entities that receive State funds to prioritize, whenever possible, the planting of native species. For further discussion of ***Senate Bill 7/House Bill 15***, see the subparts “Natural Resources” and “Agriculture” within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

State law defines an “energy performance contract” (EPC) as an agreement for the provision of energy services, including electricity, heating, ventilation, cooling, steam, or hot water in which a person agrees to design, install, finance, maintain, or manage energy systems or equipment to improve the energy efficiency of a building or facility in exchange for a portion of the energy savings. State procurement units are authorized to enter into EPCs only if the duration is below a certain limit. ***Senate Bill 179 (passed)*** extends the statutory limit on the duration of EPCs from 15 years to 30 years.

Historically Underserved Business Zones

The purpose of the federal HUBZone program is to provide federal contracting assistance for qualified small businesses located in historically underutilized business zones (HUBZones) in an effort to increase employment opportunities, investment, and economic development in those areas. No equivalent program exists for the State. ***Senate Bill 644 (passed)*** requires DGS, in consultation with GOSBA, to study the feasibility and impacts of establishing a State procurement percentage preference for businesses located in HUBZones. DGS must report its findings and recommendations to the General Assembly by December 1, 2022.

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.

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. If fewer than 50% of workers in a job category earn the same wage, the prevailing wage is the rate paid to at least 40% of those workers. If fewer than 40% receive the same wage rate, the prevailing wage is calculated using a weighted average of local pay rates. The 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. The commissioner has the authority to enforce contractors' compliance with the prevailing wage law.

Prevailing Wage Enforcement

Senate Bill 1 (Ch. 49) authorizes the commissioner, after an investigation, to issue a stop work order to a public works contractor or subcontractor that may have violated the State's prevailing wage law. The Act also requires the commissioner to promptly conduct an investigation of compliance with prevailing wage requirements when the commissioner receives a complaint of a violation or is otherwise made aware of a possible violation.

Within 72 hours after receiving a stop work order, a contractor or subcontractor may submit a written appeal to the commissioner. If an appeal is not filed within 72 hours, the stop work order becomes final. The commissioner must hold a hearing within seven days after receiving the appeal. If a hearing is not held in that time, the contractor or subcontractor may ask an administrative law judge to release the stop work order. The commissioner must issue a written decision on the appeal within five days after hearing the appeal.

The commissioner may impose a penalty of up to \$5,000 for each day that a contractor or subcontractor violates a stop work order. In addition to any other penalty, the commissioner may impose a civil fine of up to \$1,000 against a contractor or subcontractor that knowingly fails to produce records or attend a hearing or deposition required by the investigation.

The Governor vetoed the bill for policy reasons on April 8, 2022, and the General Assembly overrode the veto before the end of the 2022 session.

Prevailing Wage Applicability

Senate Bill 259 (Ch. 51) applies the State's prevailing wage requirements to mechanical systems service contracts, that are part of public work contracts with a value that exceeds a specified threshold in federal law, which is \$2,500 at the time of this publication. A "mechanical systems service contract" is defined as a contract for (1) heating, ventilation, and air conditioning, including ductwork; (2) refrigeration systems; (3) plumbing systems; (4) electrical systems; and (5) elevator systems.

The Governor vetoed the bill for policy reasons on April 8, 2022, and the General Assembly overrode the veto before the end of the 2022 session.

Information Technology

DoIT is responsible for reviewing most Executive Branch agency project plans to make information and services available to the public over the Internet. An agency must generally confer with DoIT on any information technology (IT) proposal involving resource sharing, the exchange of goods or services, or a gift, contribution, or grant of real or personal property. After being notified by an agency, DoIT must then determine if the value of resources, services, and/or property to be obtained by the State under the terms of the proposal equals or exceeds \$100,000. [*Senate Bill 183 \(Ch. 115\)*](#) clarifies that Executive Branch agencies must advise DoIT of any IT proposal involving the sale, lease, exchange, or other disposition of communication sites, facilities, or frequencies and that the Secretary must consider other consideration received by the State when determining the value obtained by the State.

Generally, BPW is the authority for regulations and review of procurements made by units of State government. [*House Bill 1205 \(passed\)*](#) exempts DGS from oversight and approval by BPW for procurements valued below \$1,000,000 that are made for the purpose of modernizing cybersecurity infrastructure in the State. However, by December 1 of each year, DGS must submit a report to BPW on the exempted procurements. For a more detailed discussion of [*House Bill 1205*](#), see the subpart “Information Technology/Cybersecurity” of this part of this *90 Day Report*.

Personnel

Impact of Budget Actions on State Employees

Cost-of-living adjustments (COLA), employee salary increments, and bonuses are funded for most employees in both fiscal 2022 and 2023 at a cost of \$832 million. Precise salary adjustments vary by collective bargaining unit, but most State employees will receive (1) a \$1,500 bonus, a 1% COLA, and a 2% salary increment in fiscal 2022 and (2) a 3% COLA and a 2% salary increment in fiscal 2023. The fiscal 2023 budget also includes a 7% COLA and an increment for law enforcement officers, effective July 2022, and an unspecified bonus for correctional officers.

Collective Bargaining and Service Designation

During the 2021 special session, the General Assembly overrode the Governor’s vetoes of collective bargaining bills passed during the 2021 regular session. The bills authorized collective bargaining for all community colleges in the State, altered collective bargaining processes for the University System of Maryland (USM), and altered the manner in which an exclusive representative may engage with new employees.

Senate Bill 746 and House Bill 894 of 2021 (Chs. 16 and 27 of the 2021 special session) 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. Beginning on September 1, 2022, collective bargaining on noneconomic terms and conditions of employment may begin for employees of 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 on noneconomic terms and conditions of employment may begin for employees of 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, negotiations on wages are authorized for the previously mentioned groups of community colleges, respectively. Beginning on October 1, 2024, full-time and part-time faculty at Baltimore City Community College (BCCC) are authorized to collectively bargain.

Senate Bill 9 of 2021 (Ch. 1 of the 2021 special session) requires the Chancellor of USM to act on behalf of USM and its constituent institutions for the purpose of collective bargaining. Additionally, the Act requires other delineated matters to be negotiated between the president of a constituent institution and the exclusive representative and prohibits these matters from being included in a consolidated memorandum of understanding negotiated for all of USM. Finally, the Act 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 and House Bill 904 of 2021 (Chs. 15 and 28 of the 2021 special session) alter the circumstances under which an exclusive representative is permitted access to new employees of the State, USM institutions, Morgan State University, St. Mary's College of Maryland, and BCCC. An exclusive representative is 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 Acts alter how the exclusive representative will be notified of a new employee's start date and specifies the information that must be provided about each new employee. The exclusive representative must consider the employee information provided as confidential and may not disclose the information except under specified circumstances.

Under current law, specified employees of the Maryland Transit Administration (MTA) are authorized to collectively bargain with MTA. **House Bill 580 (Ch. 47)** expands the list of MTA employees authorized to participate in collective bargaining with MTA to include supervisors and sergeants in the MTA Police. A supervisor is defined as an MTA employee who (1) is a sworn police officer in a career service position that supervises career service positions of a lower grade; (2) is supervised by an executive service position; and (3) has no authority to take personnel actions. The Act requires MTA to bargain collectively and enter into written collective bargaining agreements with a representative of the Maryland Classified Employees Association, Local 1935 authorized to act on behalf of the supervisors and sergeants.

With the approval of the Board of Trustees of the Office of the Public Defender (OPD), the Public Defender appoints a deputy public defender and one district public defender for each district of the District Court. **House Bill 90 (Ch. 46)** establishes that the deputy public defender and district public defenders within OPD are in the executive service and management service of the State Personnel Management System (SPMS), respectively. With the advice of the district public defenders, the Act authorizes the Public Defender to employ, rather than appoint, assistant public defenders and establishes that these positions are in the professional service of SPMS. All other employees of OPD are in the executive, management, professional, or skilled service of SPMS. By January 1, 2023, the Secretary of Budget and Management must assign each appointee or employee of OPD to the appropriate service. Additionally, the Act makes assistant public defenders in OPD subject to specified State employee grievance procedures and authorizes assistant public defenders to bargain collectively.

Chapter 538 of 2019 established that each teacher employed by the Maryland School for the Deaf (MSD) is in the professional service in SPMS. Chapter 804 of 2021 extended collective bargaining rights to MSD employees and specified that faculty at MSD must have a separate bargaining unit. **House Bill 374 (passed)** specifies that professional personnel and staff employed by MSD are in the professional and skilled services in SPMS. Before December 31, 2022, the Secretary of Budget and Management must assign all professional personnel and staff classifications and positions of MSD to the professional and skilled services in the SPMS. In addition, all positions in the professional and skilled services, except for faculty, must be assigned to State employee collective bargaining unit A, B, C, D, F, or H.

Chapter 147 of 2021 repealed statutory provisions regarding the Juvenile Services Education (JSE) Program within the Maryland State Department of Education and established the JSE Board as an independent unit within the Department of Juvenile Services. **House Bill 139 (passed)** establishes that teachers in the JSE program and teachers in educational and workforce skills training programs in an adult correctional institution, who are employed by the Maryland Department of Labor, are in the professional service in SPMS. Additionally, the bill requires the Director of Education and Workforce Skills Training for Correctional Institutions to set qualification standards for teachers in workforce skills training programs that are similar to the standards for teachers providing career and technology education instruction in public high schools. The bill also clarifies that the JSE program is a public agency under specified provisions of law relating to the education of students with disabilities and the reporting of physical restraint and seclusion incidents by public agencies.

State Employee and Retiree Health and Welfare Benefits Program Participation

The State Employee and Retiree Health and Welfare Benefits Program (State plan) offers medical, prescription, and dental plans to active employees and State retirees, as well as flexible spending accounts, term life insurance, and accidental death and dismemberment plans. Statute specifies certain organizations or entities whose employees are eligible to participate in the

program as a separate account, or “satellite organizations.” The satellite organization must pay the employer’s share in order to participate in the State plan.

House Bill 379 (passed) authorizes employees of the Maryland Agricultural and Resource-Based Industry Development Corporation and the Maryland Clean Energy Center to participate in the State plan under specified circumstances. The bill also requires the Secretary of Budget and Management, within 60 days of the effective date of the bill, to determine whether the entities are eligible to enroll and participate in the health insurance benefit options under the State plan. If an entity is eligible, its employees may enroll and participate in the State plan and the entity must pay the State the total costs for each employee’s participation. However, if both entities are ineligible to participate, the bill terminates.

Senate Bill 801 (passed) authorizes an employee of the Chesapeake Bay Commission (CBC) to enroll and participate in the health insurance or other benefit options established under the State plan. The bill also allows a CBC employee’s surviving spouse or a retiree or the retiree’s surviving spouse or dependent child to enroll in the State plan if they are receiving an allowance from the Employees’ Retirement System or Employees’ Pension System. The State may charge CBC the full cost of each individual’s participation in the State plan.

Additional Positions and Training

The General Assembly included language in the fiscal 2022 budget requiring the Division of Parole and Probation (DPP) within the Department of Public Safety and Correctional Services (DPSCS) to submit a report on employee classifications in the Drinking Driver Monitoring Program (DDMP) and expressing intent that a new grade 13 Monitor III classification be created for DDMP monitors to mirror the career opportunities of DPP parole and probation agents. **Senate Bill 803 (passed)** requires DPP to establish a Monitor III employee position classification within DDMP and appoint an individual to fill the position. DPSCS must provide the position with a salary of at least Grade 13, Step 1 in the Standard Pay Plan.

All State employees in the Executive, Judicial, and Legislative branches must complete at least two hours of in-person or virtual interactive training on sexual harassment prevention within six months after the employee’s initial appointment and every two-year period thereafter. The training must include information on the laws concerning the prohibition of sexual harassment, best practices in prevention and correction of sexual harassment, and remedies and procedures available to victims of sexual harassment in employment.

Senate Bill 450 (passed) alters the definition of “harassment” relating to employment discrimination. The bill explicitly includes sexual harassment within the definition of harassment and expands the definition of harassment to include conduct under certain circumstances, which need not be severe or pervasive. The bill also alters the definition of “sexual harassment” in statutory provisions relating to the requirement that each State employee complete mandatory sexual harassment prevention training.

Pensions and Retirement

Investment Risk and Management

Chapter 769 of 2018 required the Board of Trustees for the State Retirement and Pension System (SRPS), consistent with its fiduciary duties, to adopt policies regarding the management of risk, including climate risks, in the investment of system assets. It also required the SRPS board, beginning January 31, 2019, to submit an annual report to the General Assembly on the risk assessment of the system's investments. [*Senate Bill 566/House Bill 740 \(Chs. 24 and 25\)*](#) require a fiduciary of SRPS, when managing assets of the system and in accordance with statutory fiduciary responsibilities, to consider the potential systemic risks of the impact of climate change on the system's assets. The SRPS board must include risk management policies in the investment policy manual that include consideration of climate risk in the investment of system assets. The policies must address investment principles, guidelines, and the selection and retention of investments, including proxy voting and engagement guidelines.

Russia's invasion of Ukraine in February 2022 precipitated an international response of economic sanctions to communicate disapproval of Russia's actions. The U.S. government joined other nations to boycott and sanction Russian goods and services. In response, the Governor, Comptroller, and other elected officials made public calls for divestment from SRPS investments in Russian businesses. [*Senate Bill 1005/House Bill 1482 \(both passed\)*](#) are emergency bills that require the SRPS board to review its investment holdings to determine the extent to which the system is invested in Russia-restricted investments and to take divestment action with regard to any current investments in Russia-restricted investments or Russian securities. The bills also prohibit SRPS from making any new investments in a Russia-restricted investment. The requirement to divest does not apply to a company that the U.S. government affirmatively declares to be excluded from federal sanctions and whose divestment cannot be executed for at least fair market value. The SRPS board must act in good faith to implement the bills in compliance with all applicable State and federal laws. The bills do not require the SRPS board to act unless the board determines in good faith that the action is consistent with its fiduciary responsibilities.

The bills do not apply if the U.S. government declares an end to financial sanctions against the Russian Federation related to its invasion of and violation of the sovereignty of Ukraine. Within six months after the end of U.S. sanctions, the SRPS board must recommend appropriate legislation to the Joint Committee on Pensions. By April 1 and October 1 of each year, the SRPS board must report to specified committees of the General Assembly on its divestment actions and related topics.

Minority Business Enterprises

Consistent with minority business purchasing standards in State law and consistent with its fiduciary duties, the SRPS board must direct the Investment Committee to attempt to use, to the greatest extent feasible, minority business enterprises (MBEs) to provide brokerage and investment management services to SRPS. To achieve this goal, the Investment Committee must

take measures to remove barriers to the full participation of MBEs in brokerage and investment management services. Current law does not establish a specific numeric goal for MBE participation in brokerage or investment management services.

House Bill 542 (passed) requires the Maryland Department of Transportation and the Governor’s Office of Small, Minority, and Women Business Affairs, in consultation with specified entities, to conduct a study regarding brokerage and investment management services used by SRPS to evaluate whether remedial measures to assist minority- and women-owned businesses in those sectors would be consistent with specified federal or constitutional requirements. Beginning in fiscal 2023 and annually thereafter, the SRPS board must assess the use of MBEs as required by the bill.

The Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans (MSRP) oversees several deferred compensation, tax sheltered annuity, and salary reduction plans (*e.g.*, plans authorized under Sections 401(k), 403(b), and 457 of the federal Internal Revenue Code) available to State and local school system employees. The plans are in addition to any other retirement, pension, or benefit systems established by the State. **Senate Bill 458 (passed)** requires the MSRP board to consider and attempt to use, to the greatest extent feasible, MBEs to provide investment advisor and fund manager services, rather than brokerage and investment management services as required under current law. The bill also requires MSRP to use the Office of State Procurement’s website and the State’s electronic procurement system to provide notice to potential service providers.

Reemployment of Retirees

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. The Budget Reconciliation and Financing Act of 2021 exempted retirees of the Maryland Department of Health (MDH) and the Maryland Department of Labor (MDL) from a benefit offset if they are rehired by those same agencies for a specified time period to assist in the administration of federal funds related to the COVID-19 pandemic. **Senate Bill 402/House Bill 417 (Chs. 57 and 58)** are emergency measures that exempt State retirees who are rehired by MDH and MDL for specified purposes from the statutory earnings limitation and offset that apply to SRPS retirees. Specifically, the offset exemption applies to State retirees who are rehired by MDH to assist in the administration of certain COVID-19 related response functions and MDL retirees who are rehired to assist with the administration of unemployment benefits related to the COVID-19 pandemic. The offset exemption applies to periods of reemployment from January 1, 2020, through December 31, 2022.

Senate Bill 410/House Bill 743 (both passed) authorize a local school superintendent or the superintendent of the Maryland School for the Deaf to hire up to 25 retirees of each of the Teachers’ Retirement System and the Teachers’ Pension System as classroom teachers, substitute classroom teachers, teacher mentors, or principals without the retirees being subject to the statutory

earnings limitation and offset. The offset exemption applies to retirees rehired by a superintendent in accordance with the bills from July 1, 2022, through June 30, 2024.

Membership in the Correctional Officers' Retirement System

House Bill 763 (passed) makes specified employees of the Department of Juvenile Services members of the Correctional Officers' Retirement System (CORS) as a condition of their employment. An individual who is employed on or after July 1, 2022, as a case management specialist I, II, or III; case management specialist supervisor; case management specialist program supervisor; or group life manager I or II is a member of CORS as a condition of employment. An individual who is employed in a specified position on or before June 30, 2022, is eligible to retire from CORS if vested in CORS with a combined total of at least 20 years of eligibility service credit in CORS and either the Employees' Retirement System (ERS) or the Employees' Pension System (EPS). The bill also authorizes service credit earned in ERS or EPS to be combined with service credit in CORS for specified individuals and requires service credit earned in EPS to be combined for specified individuals. By January 1, 2023, the State Retirement Agency must notify individuals affected by the bill of their right to transfer their service credit from ERS or EPS to CORS.

State Retirement and Pension System Administration

Current law provides death benefits to specified surviving family members when a member of 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 is paid, which consists of a return of the member's accumulated contributions as well as a benefit allowance equal to two-thirds of the member's average final compensation. **Senate Bill 409/House Bill 742 (both passed)** extend the termination dates and application of Chapters 421 and 422 of 2021 by one year. The bills provide for a streamlined and uniform process for awarding a line-of-duty death benefit for SRPS members who die while employed and for whom COVID-19 caused or contributed to their death. The bills extend the termination of Chapters 421 and 422 to June 30, 2023, and extend their application to include members who die before July 1, 2023.

House Bill 744 (passed) includes legislative requests introduced to the Joint Committee on Pensions by the SRPS board to clarify or update existing statutory provisions. The bill specifies that only active (*i.e.*, currently employed) members of specified systems of SRPS may be elected as trustees representing members of their respective systems; however, for the State Police Retirement System, only active members or retirees may be elected to represent members and retirees of that system. The bill corrects an incorrect reference to clarify that survivor benefits for retirees enrolled in the State Police Retirement System Deferred Retirement Option Program (DROP) are the same as those for retirees who die when not enrolled in DROP. It also adds an exemption from a benefit offset for retirees of CORS who are reemployed as parole and probation officers, to be consistent with a similar exemption for retirees of ERS or EPS who are also reemployed as parole and probation officers. The bill repeals an obsolete provision allowing members of the Judges' Retirement System to purchase credit for specified prior employment that

would have occurred at least 45 years ago. The bill extends immediate vesting to an individual who is serving as the head of a department, an office, or other unit of State government who is appointed by the Governor for a fixed term. Finally, the bill requires SRPS to accept certain applications for retirement with notarization defects and provides for the transfer of service credit into CORS for certain individuals who were moved into CORS from EPS.

Chapters 727 and 728 of 2018 gave the SRPS board the authority to establish the compensation of Investment Division employees, subject to objective, performance-based criteria approved by the board. ***Senate Bill 739/House Bill 1091 (both passed)*** authorize the SRPS board to adjust the compensation up to two times for any employee of the Investment Division who was employed before July 1, 2018, and whose compensation is currently below the salary midpoint for the individual's position. The adjustments are subject to specified conditions and time limits. Chapters 727 and 728 also included restrictions on the payment of incentive compensation. Any incentive compensation earned must be paid out over multiple fiscal years in installments, and any unpaid incentive compensation may not be paid to the staff after they separate from employment. The bills authorize the SRPS board to pay incentive compensation to an individual who earns the compensation and who retires directly from the Investment Division before the full payment is made.

General Assembly

Legislative Redistricting

The boundaries of the State's 47 legislative districts must be redrawn every 10 years following the decennial census to adjust for population changes. Legislative districts must comply with the U.S. Constitution, the Maryland Constitution, and the federal Voting Rights Act of 1965. Pursuant to Article III, Section 4 of the Maryland Constitution, each legislative district must consist of adjoining territory, be compact in form, and be of substantially equal population, and due regard must be given to natural boundaries and the boundaries of political subdivisions.

Legislative districts must also comply with Chapter 66 and 67 of 2010, which require that population counts used to create the State's legislative and congressional district plans and legislative districts used to elect local governing bodies exclude individuals incarcerated in State or federal correctional facilities, as determined by the decennial census, who were not State residents prior to their incarceration. Individuals incarcerated in State or federal correctional facilities who were residents of the State prior to their incarceration must be counted at their last known residence.

The General Assembly may adopt a State legislative district plan by joint resolution. If the General Assembly does not adopt a plan by the 45th day after the opening of the regular session, the plan presented by the Governor in accordance with Article III, Section 5 of the Maryland Constitution becomes law.

In July 2021, the Presiding Officers of the General Assembly appointed the Legislative Redistricting Advisory Commission to conduct virtual and in-person town hall meetings across the State and to prepare congressional and State legislative district plans for consideration by the General Assembly. The Legislative Districting Plan of 2022, contained in [*Senate Joint 2 \(JR 1\)*](#), was enacted on January 27, 2022. The joint resolution is based on the work of the commission.

The plan was challenged in the Maryland Court of Appeals as authorized under Article III, Section 5 of the Maryland Constitution. On April 13, 2022, the court issued an order finding the plan consistent with the requirements of the U.S. Constitution and the Maryland Constitution and ordering that the plan be used for all purposes in acting upon or implementing the State's legislative redistricting plan.

For a discussion on congressional redistricting, see the subpart "Elections" within this part of this *90 Day Report*.

Solidarity with Ukraine

Russia invaded Ukraine on February 24, 2022, as a major escalation of the Russo-Ukrainian War that began in 2014 following the Ukrainian Revolution of Dignity. [*Senate Joint 11/House Joint 8 \(both passed\)*](#) declare that the State stands in solidarity with the government and the people of Ukraine as they resist the unprovoked invasion of their territory by the Russian Federation. The joint resolutions state that the General Assembly encourages all Marylanders to assist as they are able in providing humanitarian assistance to the people of Ukraine affected by this conflict.

Collection of Data for Racial Equity Impact Notes

In advance of the 2021 session, the Presiding Officers of the General Assembly initiated a pilot program to include racial impact statements in the legislative analysis of criminal justice bills. The Department of Legislative Services (DLS) prepared Racial Equity Impact Notes for various pieces of legislation during the 2021 and 2022 sessions. During the 2021 interim, DLS commissioned the University of Baltimore's Schafer Center to make recommendations regarding additional criminal justice-related data that should be collected in Maryland to support equity-related research. DLS also formed a workgroup to identify data that various State agencies are currently collecting for reporting and internal purposes.

[*House Bill 1023 \(passed\)*](#) requires various State agencies, including the Department of Public Safety and Correctional Services; Department of State Police (DSP); Maryland Police Training and Standards Commission; Governor's Office of Crime Prevention, Youth, and Victim Services; and Department of Juvenile Services (DJS) to provide to DLS specified data and reports necessary for the completion of Racial Equity Impact Notes. The bill also alters existing reporting requirements relating to serious officer-involved incidents and use of force incidents by law enforcement officers. By August 1, 2022, DSP and DJS must each enter into a memorandum of understanding with DLS to provide specified information to DLS.

Redaction of Cybersecurity Findings in Legislative Audit Reports

The Office of Legislative Audits (OLA) within DLS provides independent, objective, and nonpartisan audits and evaluations of State government agencies and local school systems. Among other things, [*Senate Bill 754/House Bill 1202*](#) (*both passed*) require cybersecurity findings in audit reports produced by OLA to be redacted in a manner consistent with auditing best practices before the reports are made available to the public. For further discussion of [*Senate Bill 754/House Bill 1202*](#) and other cybersecurity legislation, see the subpart “Information Technology/Cybersecurity” within this part of this *90 Day Report*.

Notice of Emergency Procurements and Other Emergency Actions

During the 2021 regular session, the General Assembly passed Senate Bill 780 and House Bill 1003, which (1) 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 and (2) authorize LPC to request that OLA conduct an audit of an emergency procurement contract authorized during a state of emergency. The bills further 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. The Governor vetoed the bills on March 28, 2021. However, the General Assembly overrode the vetoes during the 2021 special session, and the bills became law in December 2021 as Chapters 3 and 7 of the 2021 special session.

Groups with Legislative Membership

Each year, entities are created by the General Assembly to provide oversight and to conduct in-depth studies of public policy issues. The following bills create commissions, councils, task forces, workgroups, and other groups that include members of the General Assembly in their memberships:

Criminal Justice and Public Safety

- [*House Bill 837*](#) (*Ch. 26*) establishes a Cannabis Public Health Advisory Council;
- [*Senate Bill 691/House Bill 459*](#) (*Chs. 41 and 42*) establish a Commission on Juvenile Justice Reform and Emerging and Best Practices;
- [*Senate Bill 763*](#) (*passed*) establishes a Task Force to Study Transparency Standards for State’s Attorneys;
- [*Senate Bill 881*](#) (*passed*) establishes a Task Force to Study the Practice Known as “Swatting”;

Environment and Natural Resources

- ***Senate Bill 528 (Ch. 38)*** establishes a Building Energy Transition Implementation Task Force and requires the Maryland Commission on Climate Change to establish various working groups that include members of the General Assembly;
- ***Senate Bill 541 (Ch. 39)*** establishes a Parks and Recreation Commission within the Department of Natural Resources to provide oversight to the Maryland Park Service;
- ***Senate Bill 524/House Bill 108 (both passed)*** establish a Green and Healthy Task Force;

Transportation

- ***Senate Bill 514/House Bill 778 (Chs. 52 and 54)*** establish a Transportation Trust Fund Workgroup, to be staffed by DLS;
- ***House Bill 1336 (passed)*** establishes a Greater Baltimore Transit Governance and Funding Commission;

Health and Human Services

- ***Senate Bill 440/House Bill 625 (both passed)*** establish a Commission to Study the Health Care Workforce Crisis in Maryland;
- ***House Bill 794 (passed)*** establishes an Opioid Restitution Fund Advisory Council;
- ***Senate Bill 527/House Bill 1051 (both passed)*** establish a Task Force on the Howard County and Montgomery County Adult Day Health Care Services Pilot Program;
- ***Senate Bill 802 (passed)*** expands the membership of the Maryland Consortium on Coordinated Community Supports within the Maryland Community Health Resources Commission to include one senator and one delegate;
- ***House Bill 662 (passed)*** expands the membership of the Advisory Stakeholder Group on Autism-Related Needs to include one senator and one delegate;

Education

- ***Senate Bill 325/House Bill 769 (both passed)*** reestablish the Student Data Privacy Council;

- ***Senate Bill 157/House Bill 433 (both passed)*** establish a Task Force to Study Compensation and Student Members of the Baltimore City Board of School Commissioners;
- ***Senate Bill 916/House Bill 739 (both passed)*** establish a Workgroup to Study the Fiscal and Operational Viability of Public-Private Partnerships for Charles County Public Schools;
- ***House Bill 355 (passed)*** establishes a Workgroup on the Membership and Operation of the Prince George’s County Board of Education;

State Government

- ***Senate Bill 812/House Bill 1346 (both passed)*** codify and expand the membership of the Maryland Cybersecurity Coordinating Council within the Department of Information Technology (DoIT) to include one senator and one delegate;
- ***House Bill 1205 (passed)*** establishes a Statewide Reporting Framework and Oversight Commission in DoIT that includes the cochairs of the Joint Committee on Cybersecurity, Information Technology, and Biotechnology as nonvoting members;
- ***Senate Bill 777 (passed)*** establishes a Task Force to Study Public Information Act Requests Made to Law Enforcement;

Economic Development

- ***House Bill 20 (Ch. 17)*** expands the membership of the Maryland Stadium Authority to include one senator and one delegate; and
- ***Senate Bill 698/House Bill 854 (both passed)*** establish a Maryland Advisory Commission on Maryland Alcohol Manufacturing within the Department of Commerce as the successor to the Advisory Commission on Maryland Wine and Grape Growing.

Program Evaluation

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. DLS 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, as discussed further in the appropriate subject area parts of this *90 Day Report*:

- ***Senate Bill 182 (Ch. 122)*** extends the termination date of the State Board of Electricians by 10 years to July 1, 2033;
- ***Senate Bill 184 (Ch. 123)*** extends the termination date of the State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors by 10 years to July 1, 2033;
- ***Senate Bill 193 (Ch. 124)*** extends the termination date of the State Board of Plumbing by 10 years to July 1, 2033;
- ***Senate Bill 205 (Ch. 125)*** extends the termination date of the Apprenticeship and Training Council, and the designation of the Division of Workforce Development and Adult Learning within the Maryland Department of Labor as the designated State Apprenticeship Agency, by 10 years to July 1, 2034;
- ***Senate Bill 209 (passed)*** extends the termination date of the State Board of Physical Therapy Examiners by two years to July 1, 2024;
- ***Senate Bill 211 (Ch. 126)*** extends the termination date of the State Board for Professional Engineers by 10 years to July 1, 2033; and
- ***Senate Bill 219 (Ch. 127)*** extends the termination date of the Office of Cemetery Oversight by 10 years to July 1, 2033.

Information Technology/Cybersecurity

The Fiscal 2023 Budget

The State budget includes a \$100 million general fund appropriation for fiscal 2022 and 2023 to provide funding to improve State government cybersecurity.

State Policy and Governance

Executive Order 01.01.2019.07 established the Maryland Cyber Defense Initiative, the Office of Security Management (OSM), and the Maryland Cybersecurity Coordinating Council (MCCC) in the Department of Information Technology (DoIT). ***Senate Bill 812/House Bill 1346 (both passed)*** codify and expand the responsibilities of MCCC and OSM and establish the State Chief Information Security Officer (SCISO) as head of OSM. The measures establish reporting requirements for State agencies and local governments, including reporting of cybersecurity incidents. OSM must ensure that each unit of State government completes an external assessment at least every two years and is required to assist each unit to remediate any findings. Specified

units within the Legislative and Judicial branches, the Office of the Attorney General, the Office of the Comptroller, and the Office of the State Treasurer must be evaluated by an independent auditor for compliance with specified cybersecurity standards. Local government entities (not including municipal governments) must consult with the local emergency manager to create or update a cybersecurity preparedness and response plan and complete a cybersecurity preparedness assessment, in a manner and frequency established in regulations adopted by DoIT.

In addition, DoIT's responsibilities are expanded to include (1) centralizing the management and direction of information technology (IT) policy within the Executive Branch under the control of DoIT; (2) ensuring the statewide IT master plan allows a State agency to maintain its own IT unit; (3) developing a statewide cybersecurity strategy; and (4) developing and requiring basic security requirements to be included in State contracts. DoIT is further required to develop a centralization transition strategy and conduct a performance and capacity assessment.

Local Government Preparedness and Support

Senate Bill 754/House Bill 1202 (both passed) establish the Cybersecurity Preparedness Unit in the Maryland Department of Emergency Management and the Information Sharing and Analysis Center in DoIT, both of which are tasked with supporting and cooperating with OSM and the SCISO, which are codified identically to ***Senate Bill 812/House Bill 1346***. The bills also require local governments (other than municipalities) to, in a manner and frequency established by DoIT, create cybersecurity preparedness plans and complete assessments and report local cybersecurity incidents. Units of local government that use the State-operated broadband network are also required to certify to DoIT their compliance with the established minimum standards in a manner and frequency established by DoIT. OSM must provide guidance to a unit of local government that fails to achieve compliance with the State's cybersecurity standards.

By December 31 of each year, OSM must provide an annual report to the Governor and specified committees of the General Assembly, which includes (1) OSM's activities and accomplishments from the previous 12 months and (2) a compilation and analysis of the data and information contained in cybersecurity reports received from State and local agencies, as specified.

For a discussion of the redaction of cybersecurity findings from reports of the Office of Legislative Audits as required by ***Senate Bill 754/House Bill 1202***, see the subpart "General Assembly" within this part of this *90 Day Report*.

Modernization and Funding

House Bill 1205 (passed) establishes an independent Modernize Maryland Oversight Commission to ensure security of information and advise the Secretary of DoIT and the SCISO on, among other things, appropriate cybersecurity upgrades based on information provided to the commission by certain assessments that are to be completed every two years. In addition to making periodic recommendations on investments in State IT structures, the Oversight Commission must advise the Secretary on a strategic roadmap with a timeline and budget that will (1) require the

updates and investments of critical IT and cybersecurity systems to be completed by December 31, 2025, and (2) require all updates and investments of IT and cybersecurity to be made by December 31, 2030.

By December 1, 2023, each water and sewer system that serves more than 10,000 users and receives financial assistance from the State must assess its vulnerability to cyber-attacks, develop a cybersecurity plan if one is appropriate, and report statutory recommendations to the General Assembly. The Maryland Water Quality Financing Administration may provide financial assistance to a system for the assessment and plan development required by the bill.

The bill also establishes the Local Cybersecurity Support Fund to support local government cybersecurity preparedness by providing financial assistance to local governments to improve cybersecurity preparedness, as specified, and assist local governments applying for federal cybersecurity preparedness grants. To be eligible to receive assistance from the fund, a local government must provide proof to DoIT that the local government conducted a cybersecurity preparedness assessment in the previous 12 months or, within 12 months, undergo a cybersecurity preparedness assessment, as specified.

For a discussion of procurement policy changes in [House Bill 1205](#), see the subpart “Procurement” within this part of this *90 Day Report*.

Insurance Carriers and Managed Care Organizations

The Maryland Personal Information Protection Act generally requires businesses to protect their customers’ and employees’ personal information by implementing and maintaining reasonable security procedures and practices that are appropriate to the nature of the personal information. It also requires businesses to investigate any breach of its security systems and report specified information to the Attorney General and to individuals whose personal information may have been accessed. [Senate Bill 207 \(passed\)](#) adopts the National Association of Insurance Commissioners Model 668 – Data Security Model Law, which establishes data security standards for insurance regulators, insurers, and other specified carriers. The bill also, under certain circumstances, requires a carrier to notify the Maryland Insurance Commissioner that a cybersecurity event has occurred.

Part D

Local Government

Local Government – Generally

Local Cybersecurity Support

In recent years, cybersecurity and privacy issues have received significant attention from the general public and policymakers as a result of the many ransomware attacks, data breaches, and other cyberattacks that have taken place in the nation and the State.

Senate Bill 754/House Bill 1202 (both passed) are emergency bills that make numerous changes to the State’s cybersecurity infrastructure, practices, and procedures. Among other provisions, the bills require local governments, including local school systems, local school boards, and local health departments, to report cybersecurity incidents, including attacks on a State system used by the local government, to certain entities. The bills also require each unit of local government and any local agency that uses a certain State telecommunication and computer network to periodically certify to the Department of Information Technology (DoIT) that the unit is in compliance with DoIT’s minimum security standards.

Senate Bill 754/House Bill 1202 also require each county government, local school system, and local health department to periodically consult with the local emergency manager to create or update a cybersecurity preparedness and response plan and complete a cybersecurity preparedness assessment. The requirements regarding the development of a cybersecurity preparedness and response plan and completion of a cybersecurity preparedness assessment do not apply to municipal governments.

In addition, by June 30, 2023, each unit of local government is required to certify to the Office of Security Management compliance with State minimum cybersecurity standards established by DoIT. The certification must be reviewed by independent auditors, and any findings must be remediated.

For a further discussion of [Senate Bill 754/House Bill 1202](#), see the subpart “Information Technology/Cybersecurity” within Part C – State Government of this *90 Day Report*.

Counties

Local Health Officer Removal Process

[House Bill 609 \(Ch. 53\)](#) alter the procedure for removing a county health officer by requiring that, if the Secretary of Health and the county governing body concur on the removal of a health officer, the Secretary must provide certain written notice to the health officer. The measures also establish a process for a hearing and review of the removal. On April 8, 2022, the Governor vetoed [House Bill 609](#), and the General Assembly overrode the veto before the end of the 2022 session.

For a further discussion of [House Bill 609](#), see the subpart “Public Health – Generally” within Part J – Health and Human Services of this *90 Day Report*.

Municipalities

Urban Renewal Authority for Blight Clearance

Two municipalities in Washington County sought and received from the General Assembly urban renewal authority for blight clearance under the provisions of Article III, § 61 of the Constitution of Maryland. These bills add an appendix to the charter of the two municipalities addressing that municipality’s powers relating to urban renewal projects, the creation of an urban renewal agency, approval of an urban renewal plan, disposal, and condemnation of property in an urban renewal area, and the issuance of general obligation and revenue bonds. These bills granted urban renewal authority for blight clearance and redevelopment to the Town of Williamsport in [House Bill 528 \(passed\)](#) and the Town of Hancock in [House Bill 543 \(passed\)](#).

Counties and Municipalities

Regulation of Amateur Radio Station Antenna Structures

Under federal law, regulation of radio broadcasting, including the placement of amateur radio equipment, is regulated by the Federal Communications Commission (FCC). By regulation, FCC has prohibited state and local regulations of a radio station antenna structure from precluding amateur service communications. Rather, any state or local regulation must reasonably accommodate these communications and must constitute the minimum practicable regulation in order to accomplish the state or local authority’s legitimate purpose in adopting a regulation.

[House Bill 331 \(passed\)](#) requires that an ordinance adopted by a county or municipality that regulates amateur radio station antenna structures (1) may not preclude amateur radio communications; (2) must reasonably accommodate amateur radio communications; and (3) must constitute the minimum practicable regulation to accomplish the legitimate purpose of the

ordinance. The bill declares that it is the intent of the General Assembly to codify the provisions of § 97.15 of Title 47 of the Code of Federal Regulations concerning FCC’s preemption of local ordinances regulating amateur radio station antenna structures.

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

Minority Business Enterprise Utilization Program – Termination Extension

The minority business enterprise (MBE) utilization program within WSSC helps facilitate the participation of responsible certified MBEs for design/build construction contracts. Chapter 562 of 2017 reauthorized WSSC’s MBE utilization program until July 1, 2022. [**House Bill 399 \(passed\)**](#) extends the termination date for the program to July 1, 2023.

Hiring and Promotion Preferences – Veterans and Their Spouses

House Bill 400 (passed) authorizes WSSC to grant a hiring and promotion preference to an eligible veteran, the spouse of an eligible veteran who has a service-connected disability, or the surviving spouse of a deceased eligible veteran.

The bill defines “eligible veteran” as a veteran of any branch of the U.S. Armed Forces who has received an honorable discharge or a certificate of satisfactory completion of military service, including the National Guard, the military reserves, the Commissioned Corps of the Public Health Service, and the Commissioned Corps of the National Oceanic and Atmospheric Administration.

House Bill 400 also establishes that by granting the preference, WSSC is not in violation of any State or local Equal Employment Opportunity law and repeals the requirement that certain honorably discharged veterans must receive a specified credit in competitive selection processes for appointment.

Plumbing and Fuel Gas Services – Licenses and Penalties

House Bill 526 (passed) prohibits a person from providing, attempting to provide, or offering to provide plumbing services in any area of Montgomery County or Prince George’s County under the regulatory jurisdiction of WSSC without a license from WSSC. A person is similarly prohibited from assisting, attempting to assist, or offering to assist in providing fuel gas services in the same areas without a license.

House Bill 526 additionally provides for certain enforcement of violations of the bill’s provisions. Subject to existing WSSC procedures related to the revocation or suspension of licenses, the bill authorizes WSSC to deny a license to any applicant, reprimand a licensee, or suspend or revoke a license in specified circumstances. Additionally, the bill authorizes WSSC to impose a penalty of up to \$5,000 for each violation, after considering certain factors such as the seriousness of the violation, the harm caused, the good faith of the licensee, and any history of previous violations.

Maryland-National Capital Park and Planning Commission

Montgomery County Council and District Council – Voting Thresholds

In the November 2020 general election, the voters of Montgomery County approved Resolution 19-581, which expanded the Montgomery County Council from 9 to 11 councilmembers. **House Bill 397 (passed)** establishes new voting thresholds for the Montgomery County Council or Montgomery County District Council in matters concerning M-NCPPC in order to account for the increase in the total number of councilmembers.

Specifically, the bill increases the number of affirmative votes required for certain actions: (1) from seven to nine for appointments to M-NCPPC; (2) from six to eight for the county council

to override the county executive’s disapproval of chair or vice chair; (3) from six to eight for the county council to authorize a supplemental salary without approval by the county executive; (4) from six to eight for the county council to reapprove or restore any budget item over the disapproval of the county executive; (5) from six to eight for the county council to amend an approved six-year capital improvements plan at any time; (6) from six to eight for the district council to grant a zoning classification not shown as appropriate or suitable in a certain approved master plan; (7) from five to six for the district council to grant a zoning classification recommended by M-NCPPC or zoning reclassification created after a certain master plan is approved; and (8) from six to eight for the district council to enact a subdivision regulation or amendment over the disapproval of the county executive.

The bill is prospective and only applies or is interpreted to have any effect on or application to voting thresholds to take certain actions on or after December 5, 2022.

Open Meetings – Video and Audio Streaming and Minutes

Members of M-NCPPC from Montgomery County are designated as the Montgomery County Planning Board. In general, the five-member board is responsible for planning, subdivision, and zoning functions that are primarily local in scope. The board is subject to the Open Meetings Act (OMA).

House Bill 396 (passed), in addition to requiring that the Montgomery County Planning Board prepare meeting minutes in accordance with OMA, requires it to (1) stream live video or audio of the open meetings of the board and (2) maintain on its website a complete and unedited archived recording of each livestreamed meeting. Further, the board must publish and maintain on its website the minutes of each open meeting.

The bill further provides that the inability of the board to comply with certain requirements of the bill due to technical failure does not affect the validity of any action taken by the board during the meeting. If the board is unable to comply with the bill’s livestreaming requirement, the bill requires that the board to make good-faith efforts to record an open meeting and maintain an archived recording of the meeting on its website, as specified.

Washington Suburban Transit Commission

Montgomery County and Prince George’s County Commissioners – Repeal of Term Limit

WSTC consists of seven members: two appointed by the County Executive of Montgomery County; two appointed by the County Executive of Prince George’s County; two appointed by the Governor; and one that is the Secretary of Transportation as an *ex officio* member. At least one commissioner from Prince George’s County must be appointed from among the members of the Prince George’s County Council.

House Bill 535 (passed) authorizes the members of WSTC that are appointed by the County Executive of Montgomery County and the member appointed by the County Executive of Prince George's County who is not the member from the county council to serve more than two consecutive terms.

Multiple Bi-county Agencies

Ethics – Certification of Compliance

House Bill 1059 (passed) requires each bi-county commission to annually certify with the State Ethics Commission that it is in compliance with specified requirements of the Maryland Public Ethics Law relating to the regulation of conflicts of interest of employees, financial disclosure by employees, and lobbying of the bi-county commission.

For a more detailed discussion of ethics issues, see the subpart “Ethics” within Part C – State Government of this *90 Day Report*.

Part E

Crimes, Corrections, and Public Safety

Criminal Law

Crimes Involving Substance Use

Cannabis

Currently, 18 states and the District of Columbia allow for the recreational use of cannabis by an adult, and 37 states, including Maryland, allow for the medical use of cannabis. Under current State law, possession of 10 grams or more of marijuana is a misdemeanor, punishable by imprisonment for up to six months and/or a fine of up to \$1,000. Possession of less than 10 grams of marijuana is a civil offense, punishable by a maximum fine of \$100 for a first offense and \$250 for a second offense. The maximum fine for a third or subsequent offense is \$500.

In 2016, the State repealed the criminal prohibition on the use or possession of marijuana-related drug paraphernalia and eliminated the associated penalties. The 2016 law also established that the use or possession of marijuana involving smoking marijuana in a public place is a civil offense, punishable by a maximum fine of \$500.

During the 2022 legislative session, the General Assembly considered and passed several bills relating to the legalization and regulation of cannabis.

Cannabis Legalization: [*House Bill 1 \(Ch. 45\)*](#) is a proposed constitutional amendment, which if approved by the voters at the next general election to be held in November 2022, will authorize an individual at least age 21 to use and possess cannabis in the State beginning July 1, 2023. The provision is subject to a requirement that the General Assembly pass legislation regarding the use, distribution, possession, regulation, and taxation of cannabis.

[*House Bill 837 \(Ch. 26\)*](#) alters various provisions of law applicable to the use, possession, and distribution of cannabis. Most provisions of the Act that alter provisions of criminal law relating to cannabis are subject to the ratification of the constitutional amendment in [*House Bill 1*](#).

Cannabis – Definition: *House Bill 837* repeals the term marijuana and replaces it with cannabis. “Cannabis” is defined as the plant *Cannabis sativa* L. and any part of the plant, including all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9-tetrahydrocannabinol (delta-9-THC) concentration greater than 0.3% on a dry weight basis. “Cannabis” does not include hemp as defined in § 14-101 of the Agriculture Article.

Personal Use and Civil Use Amounts of Cannabis: *House Bill 837*, beginning January 1, 2023, defines a “personal use amount” as (1) up to 1.5 ounces of usable cannabis; (2) up to 12 grams of concentrated cannabis; (3) cannabis products containing up to 750 milligrams of delta-9-THC; or (4) as of July 1, 2023, up to two cannabis plants.

Beginning January 1, 2023, a “civil use amount” is defined as (1) more than 1.5 ounces but not more than 2.5 ounces of usable cannabis; (2) more than 12 grams but not more than 20 grams of concentrated cannabis; or (3) cannabis products containing more than 750 milligrams of delta-9-THC but not more than 1,250 milligrams of delta-9-THC.

Effective January 1, 2023, and continuing through June 30, 2023, possession of the personal use amount of cannabis is a civil offense, and violators will be subject to a maximum fine of \$100. Effective July 1, 2023, possession of a personal use amount is legal for an individual who is at least age 21. Possession of a personal use amount of cannabis by an individual who is younger than age 21 is a civil offense effective July 1, 2023, and violators will be subject to a maximum fine of \$100.

Effective January 1, 2023, possession of the civil use amount of cannabis, regardless of an individual’s age, is a civil offense, and violators will be subject to a maximum fine of \$250. A person who possesses more than the civil use amount of cannabis is guilty of a misdemeanor, punishable by imprisonment for up to six months and/or a \$1,000 maximum fine.

Charge on Citation and Summons for Trial: Effective January 1, 2023, a police officer must issue a citation for the use or possession of the personal use amount of cannabis or the civil use amount of cannabis, both civil offenses, the adjudication of which does not constitute a criminal conviction for any purpose and does not impose any of the civil disabilities that may result from a criminal conviction. If a citation is issued to a person younger than age 21 for these civil offenses, the court must summon the person for trial. *House Bill 837* repeals a requirement that a person at least age 21 be summoned for trial after having been found guilty at least twice previously for the use or possession of minimal amounts of marijuana (currently less than 10 grams).

Possession with the Intent to Distribute and Adult Sharing of Cannabis: Effective January 1, 2023, *House Bill 837* prohibits a person from possessing cannabis in sufficient quantity to reasonably indicate, under all circumstances, an intent to distribute or dispense cannabis. However, possession of the personal use amount of cannabis or the civil use amount of cannabis without other evidence of an intent to distribute or dispense does not constitute a violation of this prohibition. A police officer must charge a violation of this prohibition by citation, as specified. A person who violates this prohibition is guilty of a misdemeanor and subject to a maximum penalty

of three years imprisonment and/or a \$5,000 fine. With specified exclusions, “adult sharing” is defined as the transfer of cannabis between persons who are at least age 21 without remuneration. Effective July 1, 2023, the prohibition against distributing, dispensing, or possessing with the intent to distribute a controlled dangerous substance (CDS) does not prohibit adult sharing of the personal use amount of cannabis. A civil or criminal penalty may not be imposed for adult sharing of the personal use amount of cannabis.

Growing or Manufacturing Cannabis and Cannabis Products: Effective January 1, 2023, a person may not cultivate or grow cannabis, manufacture a cannabis product, or manufacture, distribute, or possess related equipment. A police officer must charge a violation of this prohibition by citation and a violator is guilty of a misdemeanor and subject to a penalty of imprisonment for up to three years and/or a fine of up to \$5,000.

Smoking Cannabis in Public: Effective January 1, 2023, [*House Bill 837*](#) alters the penalty for the civil offense of smoking cannabis in a public place from a maximum fine of \$500 to a maximum fine of \$250 for a first finding of guilt and a maximum fine of \$500 for a second or subsequent finding of guilt. The Act also incorporates cannabis and hemp into specified existing prohibitions under the Clean Indoor Air Act.

Smoking Cannabis in the Passenger Area of a Vehicle: Beginning July 1, 2023, an occupant of a motor vehicle may not smoke cannabis in the passenger area of a motor vehicle on a highway. A violation of this prohibition is a civil offense subject to a maximum fine of \$25. A driver of a motor vehicle may not smoke or consume cannabis in the passenger area of a motor vehicle on a highway. A violation of this prohibition is a misdemeanor subject to a maximum fine of \$500.

Paraphernalia Repeal: Effective January 1, 2023, the definition of “drug paraphernalia” is altered to specifically exclude cannabis from the specified items that, when used with CDS, would constitute drug paraphernalia. [*House Bill 837*](#) also repeals the list of drug paraphernalia examples that can be used to ingest or inhale a CDS into the human body. In addition, the Act repeals the penalty provisions for controlled paraphernalia related to the use or possession of marijuana.

Criminal Provisions for Personal Cannabis Cultivation: Beginning July 1, 2023, a person age 21 or older may cultivate up to two cannabis plants. A person who cultivates cannabis must (1) cultivate cannabis in a location outside of public view; (2) take reasonable precautions, as specified, to ensure the plants are secure from unauthorized access and access by an underage person; and (3) only cultivate cannabis on property the cultivator lawfully possesses or with the consent of the property’s lawful possessor. An underage person may not cultivate cannabis. A person may not cultivate more than two cannabis plants. Also, if two or more individuals at least age 21 reside at the same residence, no more than two cannabis plants may be cultivated at the residence. A person who violates these provisions is guilty of a misdemeanor and subject to a maximum penalty of three years imprisonment and/or a \$5,000 fine.

Resentencing and Release: Effective January 1, 2023, [*House Bill 837*](#) authorizes a person incarcerated for a conviction related to cannabis under § 5-601 of the Criminal Law Article to apply to the court for resentencing, and the court must grant the application and resentence the person to time served. If the person is not serving another sentence, the person must be released from incarceration.

Expungements: Beginning January 1, 2023, a person who is convicted of possession of cannabis under § 5-601 of the Criminal Law Article may file a petition for expungement of the conviction after the satisfactory completion of the sentence including probation (rather than the current waiting period of the later of four years after the conviction or the satisfactory completion of the sentence). The “unit rule,” which states that 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 or conviction in the unit, does not apply to possession of cannabis under § 5-601 of the Criminal Law Article. A person who is convicted of possession with the intent to distribute cannabis under § 5-602(b)(1) of the Criminal Law Article may file a petition for expungement of the conviction three years after satisfaction of the sentence or sentences imposed for all convictions for which expungement is requested, including parole, probation, or mandatory supervision. By July 1, 2024, the Department of Public Safety and Correctional Services must “expunge” all cases in which the possession of cannabis is the only charge in the case and the charge was issued before July 1, 2023. For purposes of this provision, “expunge” is limited to mean removal of all references to a specified criminal case from the Criminal Justice Information System Central Repository.

Opinion by Attorney General: [*House Bill 837*](#) requires that on or before December 1, 2022, the Attorney General must provide the General Assembly with a formal opinion regarding the impact of cannabis legalization on the authority of police officers to conduct searches of individuals and vehicles based on detection of the odor of burnt or unburnt cannabis, including in cases involving suspicion of possession with intent to distribute cannabis, growing or manufacturing cannabis or cannabis products, or driving under the influence of cannabis.

The Act also (1) requires certain agencies and entities to complete studies, collect and report data, and develop standards regarding the use of cannabis, the medical cannabis industry, and the adult-use cannabis industry; (2) addresses taxation of business expenses by cannabis establishments; (3) creates a Cannabis Public Health Advisory Council; and (4) establishes various funds relating to business assistance and public health.

Delta-8- and Delta-10-Tetrahydrocannabinol: The passage of the federal Agriculture and Nutrition Improvement Act in 2018 legalized Cannabis sativa L. plants that contain less than 0.3% delta-9 THC, which is the primary psychoactive isomer found in cannabis. Under State and federal law, any product derived from these plants is legal as long as delta-9 THC does not exceed the 0.3% limit. According to the Maryland Medical Cannabis Commission, neither the 2018 federal law nor Maryland law address other THC isomers, including delta-8, delta-10, delta-6a10a, and THC-O-acetate, that provide a similar psychoactive effect or “high” to delta-9.

House Bill 1078/Senate Bill 788 (both passed) prohibit certain persons licensed under the Business Regulation Article from distributing, purchasing for sale, or selling a product containing delta-8- or delta-10-THC to an individual under the age of 21 years. A person who violates this prohibition is guilty of a misdemeanor and on conviction is subject to maximum fines of (1) \$300 for a first violation; (2) \$1,000 for a second violation occurring within two years after the first violation; and (3) \$3,000 for each subsequent violation occurring within two years after the preceding violation.

Controlled Dangerous Substance Schedules

Currently, CDS are listed on one of five schedules (Schedules I through V) set forth in State and federal law depending on their potential for abuse and acceptance for medical use. The federal Controlled Substances Act and the Maryland Controlled Dangerous Substances Act contain parallel eligibility criteria for each of the schedules. Provisions of State criminal law generally restrict and provide for various criminal and civil penalties relating to the unauthorized possession, distribution, and manufacture of CDS in the State.

Under the Maryland Controlled Dangerous Substances Act, if the federal government places a substance on Schedules I through V, it is automatically considered a substance on the same schedule under Maryland law unless the Maryland Department of Health (MDH) objects to the designation. MDH must update and republish schedules annually.

House Bill 33/Senate Bill 614 (both passed) repeal the specific list of substances included in Schedules I through V of the Maryland Controlled Dangerous Substances Act and instead incorporate by reference (1) CDS added to any Schedule I through V by MDH; (2) CDS scheduled by the federal government on any Schedule I through V unless MDH objects; and (3) CDS analogues, as defined and designated under existing statute.

Hate Crimes

House Bill 645/Senate Bill 151 (both passed) clarify that it is a hate crime for a person to make or cause to be made a false statement, report, or complaint that the person knows to be false, either as a whole or in material part, to a specified law enforcement officer, in violation of § 9-501 of the Criminal Law Article, about a group or person with the intent to deceive and to cause an investigation or other action to be taken as a result of the statement, report, or complaint when the perpetrator's actions were motivated in whole or in substantial part by the subject's race, color, religious beliefs, sexual orientation, gender, gender identity, disability, national origin, or homeless status. Violators are subject to existing penalties for violations of the State's hate crimes statute.

Crimes Involving Animals

Declawing Cats

Maryland law prohibits certain procedures performed on dogs or cats unless performed under specified circumstances by licensed veterinarians. The prohibited procedures are

(1) cropping or cutting off the ear of a dog; (2) docking or cutting off the tail of a dog; (3) cutting off the dewclaw of a dog; (4) surgically birthing a dog; and (5) surgically devocalizing a dog or cat.

House Bill 22/Senate Bill 67 (both passed) prohibit a person from performing a declawing procedure on a cat unless the person is a veterinary practitioner (licensed and registered veterinarian), and the procedure is necessary for a therapeutic purpose. Violators are subject to a civil fine not exceeding \$1,000.

House Bill 22/Senate Bill 67 also include provisions relating to the licensure and discipline of veterinarians and veterinary practitioners. For a more detailed discussion of these provisions of the bills, see the subpart “Agriculture” within Part K – Natural Resources, Environment, and Agriculture of this 90 Day Report.

Unattended Dogs and Extreme Weather Conditions and Heat

House Bill 16/Senate Bill 44 (both passed) prohibit a person from leaving a dog outside and unattended for longer than 30 minutes without access to continuous (1) suitable shelter during “extreme weather conditions” and (2) suitable shelter or suitable shade when temperatures are above 90 degrees Fahrenheit.

“Extreme weather conditions” are defined as temperatures below 32 degrees Fahrenheit or conditions during an active winter or cold weather warning or advisory issued by the National Weather Service. “Suitable shelter” is defined as a structure that (1) is properly ventilated; (2) has a solid floor that allows the dog to remain reasonably dry; (3) has a weatherproof roof; (4) is enclosed with an entrance on one side; (5) allows a dog to maintain its normal body temperature; and (6) is suitable for the species, age, condition, size, and type of dog. “Suitable shade” is defined as an area completely protected from the direct sun that is accessible and fully covers a dog.

Violators of the bills’ provisions are guilty of a civil offense punishable by a warning for a first violation, a civil penalty of up to \$500 for a second violation, and a civil penalty of up to \$1,000 for a third or subsequent violation. The prohibition does not apply if the dog is lawfully and actively engaged in hunting, livestock herding or guarding, sledding, sporting, or training.

Miscellaneous

Stalking

Current State law prohibits a person from engaging in stalking, which is defined a malicious course of conduct that includes approaching or pursuing another where (1) the person intends to place or knows or reasonably should have known the conduct would place another in reasonable fear of serious bodily injury or death, assault in any degree, rape or sexual offense (or attempted rape or sexual offense), false imprisonment, or that a third person likely will suffer any of these acts or (2) the person intends to cause or knows or reasonably should have known that the conduct would cause serious emotional distress to another.

The prohibition against stalking does not apply to conduct that is (1) performed to ensure compliance with a court order; (2) performed to carry out a specific lawful commercial purpose; or (3) authorized, required, or protected by local, State, or federal law.

House Bill 148/Senate Bill 328 (both passed) alter the definition of stalking to include conduct currently defined as stalking that occurs in person, by electronic communication, or through the use of a device that can pinpoint or track the location of another without the person's knowledge or consent.

Violation of Protective Order

An individual who meets certain relationship requirements under the domestic violence protective order statutes is a "person eligible for relief" and may file a petition for a protective order that seeks relief from abuse. Among other relief, a protective order may order the respondent to (1) refrain from abusing or threatening to abuse any person eligible for relief; (2) refrain from contacting, attempting to contact, or harassing any person eligible for relief; (3) refrain from entering the residence of any person eligible for relief; (4) vacate the home immediately, if the person eligible for relief and the respondent are residing together; and (5) remain away from the place of employment, school, or temporary residence of a person eligible for relief or home of other family members.

A temporary protective order may also order the respondent to surrender to law enforcement authorities any firearm in the respondent's possession and to refrain from possession of any firearm for the duration of the protective order; a final protective order must require the surrender of firearms. In general, a person who violates the above provisions of a protective order is guilty of a misdemeanor and subject to maximum penalties of a \$1,000 fine and/or 90 days imprisonment for a first offense and a \$2,500 fine and/or one year imprisonment for a second or subsequent offense.

In general, the established legal principle known as the Rule of Lenity provides that when statutory interpretation is necessary in deciding a criminal case, the defendant is given the benefit of the doubt if the court is uncertain as to the legislature's intent. In *Morgan v. State*, No. 2288, September Term 2019, the Court of Special Appeals examined the Double Jeopardy Clause of the Fifth Amendment to the U.S. Constitution (applicable to the states through the Fourteenth Amendment) and the general protection that it affords against multiple punishments for the same offense. After an incident that occurred during the time in which a protective order was in effect, the appellant (defendant in the underlying case) was found guilty of second-degree assault and violation of a protective order and sentenced to concurrent terms of 10 years imprisonment (with most time suspended) for the assault and 90 days imprisonment for violation of the protective order. On appeal, the appellant argued that the Double Jeopardy Clause required the second-degree assault conviction to merge into the violation of the protective order. The Court of Special Appeals held that the imposition of separate sentences did not violate Double Jeopardy, but that there was uncertainty as to whether the General Assembly intended to authorize multiple punishments for both the assault and protective order violation convictions. Applying the Rule of Lenity in light of

this ambiguity, the Court of Special Appeals held that the sentence for the violation of the protective order should merge into the sentence for second-degree assault.

House Bill 817 (passed) prohibits a conviction for the violation of specified provisions of a protective order from merging with a conviction for any other crime based on the act establishing the violation. Under the bill, a sentence imposed for a violation of a protective order may be imposed separate from and consecutive to or concurrent with a sentence for any crime based on the act establishing the violation.

Swatting

Senate Bill 881 (passed) establishes the Task Force to Study the Practice Known as “Swatting” to be staffed by the Office of the Attorney General. The task force must (1) study the laws applicable to, and otherwise relating to, the practice known as “swatting” and (2) make recommendations relating to legislative changes needed to prohibit the practice known as “swatting.” By June 1, 2023, the task force must report its findings and recommendations to the Governor and the General Assembly. While there is no statutory definition of “swatting,” the term is often used to refer to the making of fake calls to 9-1-1 in an effort to elicit a significant response by law enforcement and other emergency services personnel.

Criminal Procedure

Data Collection and Reporting Requirements

The surge in violent crime in Baltimore City has been the subject of extensive discussion and media coverage in recent years. Among other related proposals, numerous bills considered during the 2022 legislative session included provisions to increase the availability and transparency of criminal justice-related data, including data related to sentencing and the supervision of violent offenders. **Senate Bill 763 (passed)** requires the Division of Parole and Probation (DPP) to submit to the Senate Judicial Proceedings Committee and the House Judiciary Committee an annual report on (1) measures DPP will take to improve oversight of offenders under its supervision who are involved in homicides and (2) the number of offenders supervised by DPP that were victims of or charged with certain crimes. The bill also requires the Maryland State Commission on Criminal Sentencing Policy to include in its annual report specified information regarding sentences involving crimes of violence (disaggregated by judicial circuit) and conspicuously post such information publicly on its website. The bill also repeals a statutory provision that excludes criminal records from the types of records that the Maryland Longitudinal Data System Center, which collects and facilitates the exchange of specified student data for analysis, may collect. These provisions terminate September 30, 2025.

The bill also establishes a Task Force to Study Transparency Standards for State’s Attorneys to study the possibility of establishing minimum transparency standards for State’s Attorneys. In conducting the study, the task force must (1) develop processes by which prosecutors can collect information and determine what information should be made public and what

information may be kept private and (2) examine any existing policies of State’s Attorneys’ offices across the State relating to the transparency of data, the charging of crimes, and sentencing. By December 31, 2023, the task force must report its findings and recommendations to the Senate Judicial Proceedings Committee and the House Judiciary Committee.

Investigation of Police-Involved Incidents

Chapter 132 of 2021 established the Independent Investigative Unit within the Office of the Attorney General (OAG) to investigate all alleged or potential police-involved deaths of a civilian. In addition to the provisions discussed above, [Senate Bill 763](#) also (1) renames the Independent Investigative Unit as the “Independent Investigations Division”; (2) specifies that the division is the primary investigative unit for police-involved incidents that result in the death of civilians or injuries likely to result in death; and (3) specifies that OAG must determine whether an incident is police-involved and whether an injury is likely to result in death. Additionally, for the limited purpose of furthering an ongoing criminal investigation, the bill also grants the Attorney General (or a deputy Attorney General or assistant Attorney General, as specified) the authority to issue in any court in the State a subpoena to a person to produce telephone, business, government, or corporate records or documents. A subpoena issued under these provisions may be served in the same manner as a subpoena issued by a circuit court. The bill further specifies requirements relating to a person’s right to counsel in connection with a subpoena. The Attorney General may report a person’s failure to obey a lawfully served subpoena to the circuit court with jurisdiction over the matter, and after a hearing with an opportunity to be heard and represented by counsel, the court may grant appropriate relief. The bill’s subpoena provisions do not allow the contravention, denial, or abrogation of a privilege or right recognized by law.

Finally, the bill makes multiple alterations to certain provisions regarding the discipline of police officers. For a further discussion of these provisions, see the subpart “Public Safety and Corrections” within this part of this *90 Day Report*.

Post-conviction Procedures and Standards

Parole

During the 2021 regular session, the General Assembly passed Senate Bill 202, which was subsequently vetoed by the Governor. The General Assembly overrode the veto during the 2021 special session, and the bill became Chapter 30 of the 2021 special session. Chapter 30 increases, from 15 years to 20 years (or the equivalent of 20 years with allowance for diminution credits), the amount of time that an inmate who has been sentenced to life imprisonment after being convicted of a crime committed on or after October 1, 2021, must serve before being eligible for parole consideration. Among other provisions, the Act also (1) eliminates the role of the Governor in the parole process for individuals serving life imprisonment and (2) modifies requirements for parole hearings by requiring the affirmative votes of at least six commissioners of the Maryland Parole Commission in order to approve an inmate for parole who has been sentenced to life imprisonment for a crime committed on or after October 1, 2021.

Cannabis-Related Offenses

Among numerous other provisions, **House Bill 837 (Ch. 26)** authorizes an individual who is incarcerated for a conviction related to cannabis under § 5-601 of the Criminal Law Article to apply to the court for resentencing; the court must grant the application and resentence the person to time served. If the person is not serving another sentence, the person must be released from incarceration. Furthermore, the bill alters expungement eligibility for individuals convicted of certain cannabis-related offenses. The Act authorizes a person who is convicted of possession of cannabis under § 5-601 of the Criminal Law Article to file a petition for expungement of the conviction after the satisfactory completion of the sentence including probation (rather than the current waiting period of the later of four years after the conviction or the satisfactory completion of the sentence). The Act also requires the Department of Public Safety and Correctional Services, by July 1, 2024, to “expunge” all cases in which the possession of cannabis is the only charge in the case and the charge was issued before July 1, 2023. For purposes of this provision, expunge is limited to mean removal of all references to a specified criminal case from the Central Repository. These provisions are effective January 1, 2023, contingent on ratification of a related constitutional amendment. For a more detailed discussion of this Act, see the subpart “Criminal Law” within this part of this *90 Day Report*.

Criminal History Records

Senate Bill 371 (passed) repeals authorization for the County Commissioners of Carroll County to request from the Criminal Justice Information System (CJIS) Central Repository a State and national criminal history records check (CHRC) for specified current or prospective county employees. Instead, the bill authorizes the Department of Human Resources of Carroll County to request from CJIS Central Repository a State and national CHRC for a prospective county employee or volunteer who will be assigned to a position that involves specified duties. The bill also specifies procedures to obtain a CHRC and establishes prohibitions related to how it may be used.

Pretrial Procedures and Services

Generally, in accordance with eligibility criteria, conditions, and procedures required under statute and 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). Among other provisions, Chapter 597 of 2021 established that a pretrial defendant may not be required to pay a PHDMA monitoring fee or pay for a home detention monitoring device or global positioning system device under specified circumstances, instead requiring the State to pay any associated fees or costs for eligible defendants. As enacted, these provisions of Chapter 597 would have terminated August 15, 2022. **Senate Bill 704 (passed)** (1) repeals the termination date for the payment-related provisions of Chapter 597; (2) adds language specifying that State payments for PHDMA costs and fees are subject to the availability of federal funding; and (3) requires the State to use available federal funds to pay for PHDMA costs and fees. The bill also extends (to December 31, 2023) the termination date of the Workgroup on Home Detention Monitoring, adds

additional reporting requirements for the workgroup, and specifies that the PHDMA representatives on the workgroup are nonvoting members.

Senate Bill 586/House Bill 441 (both passed) require the Department of Public Safety and Correctional Services to notify the Baltimore Police Department (BPD) within 24 hours if a defendant is released before trial. Additionally, ***Senate Bill 586*** requires BPD to submit an annual report (beginning March 1, 2023) to the Governor and the General Assembly regarding the firearms destroyed, seized, or recovered by BPD during the preceding calendar year. If BPD fails to submit a required report, the Governor’s Office of Crime Prevention, Youth, and Victim Services may not make any grant funds available to BPD. The requirements regarding firearms reports terminate June 30, 2027. ***Senate Bill 586*** also establishes the Jobs Court Pilot Program in Baltimore City. For a discussion of the Pilot Program, see the subpart “Judges and Court Administration” within Part F – Courts and Civil Proceedings of this *90 Day Report*.

Petition for Costs for Care of Seized Animal

House Bill 1062 (passed) establishes procedures for an officer or authorized agent of a humane society, or a police officer or other public official required to protect animals, to petition the District Court to order the owner or custodian of an animal that has been seized to protect it from cruelty or for its health to pay for the reasonable costs of caring for the animal. Among its provisions, the bill establishes requirements for filing petitions for reasonable costs of care and related court hearings. The bill’s provisions may not be construed to prevent individuals from seeking restitution as part of sentencing if a person does not seek costs of care as authorized in the bill. The bill also modifies existing provisions authorizing the removal or seizure of an animal to protect it from cruelty or for its health.

Evidence

Generally

The State Toxicologist is administratively housed at the Office of the Chief Medical Examiner (OCME) within the Maryland Department of Health (MDH) and has oversight responsibilities with respect to breath alcohol and blood alcohol and drug testing for drunk and drugged driving investigations. However, MDH has advised that these oversight responsibilities are a substantial burden and do not align with OCME’s mission, which is focused on postmortem investigations. ***Senate Bill 216 (passed)*** generally transfers approval and oversight authority relating to such testing from the State Toxicologist in OCME to the toxicologist in the Department of State Police Forensic Sciences Division.

Witnesses

Spousal Privilege: The spouse of a person on trial for a crime may not be compelled to testify against that person unless the charge involves the abuse of a child younger than age 18. The spousal testimony privilege is also unavailable under certain circumstances when the charge is

assault in any degree and the spouse is a victim. **House Bill 210 (passed)** establishes that the spouse of a person on trial for a crime may be compelled to testify as an adverse witness if the person on trial and the spouse married after the date on which the alleged crime for which the person is on trial occurred.

Child Victims and Witnesses: The hearsay rule generally prohibits the admission into evidence of an out of court statement offered to prove the truth of the matter asserted in the statement. **Senate Bill 20/House Bill 284 (both passed)** expand statutory evidentiary provisions, sometimes referred to as the “tender years statute,” that authorize the admission of an out of court statement in a juvenile court or criminal proceeding made by a child victim under specified circumstances to include (1) a statement made by a child victim who is younger than age 13 and is an alleged victim or a child alleged to be in need of assistance in a case before the court concerning neglect of a minor and (2) a statement made by a child victim or witness who is younger than age 13 and is an alleged victim or a witness in a case before the court concerning a crime of violence under § 14-101 of the Criminal Law Article.

Juvenile Law

Juvenile Justice Reform

Senate Bill 691/House Bill 459 (Chs. 41 and 42) make numerous changes to the juvenile justice process in the State by generally implementing the recommendations of the Juvenile Justice Reform Council established by Chapter 253 of 2019. Among other provisions, the Acts (1) limit the circumstances under which a child younger than age 13 is subject to the jurisdiction of the juvenile court; (2) alter the use of informal adjustments; (3) establish limitations on terms of probation imposed by a juvenile court, the use of detention, and out-of-home placements; (4) create a permanent Commission on Juvenile Justice Reform and Emerging and Best Practices; and (5) establish numerous reporting requirements.

Juvenile Court Jurisdiction

Generally, under current law, 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.

Senate Bill 691/House Bill 459 generally establish that a child younger than 13 years old is not subject to the jurisdiction of the juvenile court for purposes of a delinquency proceeding and may not be charged with a crime. However, the juvenile court has jurisdiction over a child who is at least 10 years old who is alleged to have committed a crime of violence, as defined in § 14-101 of the Criminal Law Article. The jurisdiction of the juvenile court under these circumstances remains subject to the jurisdictional provisions of current law discussed above.

Department of Juvenile Services Intake

Under current law, after a complaint has been received and certain statutory requirements have been satisfied, a Department of Juvenile Services (DJS) intake officer may authorize or deny authorization to file a petition and/or peace order request in the juvenile court. If a complaint is filed that alleges the commission of an act that would be a felony if committed by an adult or a violation of certain firearms-related offenses and the intake officer denies authorization to file a petition or proposes an informal adjustment (as discussed below), the intake officer must immediately forward the complaint and the intake file, as specified, to the State's Attorney. **Senate Bill 691/House Bill 459** establish that, if a complaint alleges the commission of an act that would be a felony if committed by an adult, the intake officer is not required to forward the complaint and a copy of the intake file to the State's Attorney if (1) the intake officer proposes the matter for informal adjustment; (2) the act did not involve the intentional causing of, or attempt to cause, the death of or physical injury to another; and (3) the act would not be a crime of violence (as defined under § 14-101 of the Criminal Law Article) if committed by an adult.

Informal Adjustments

An intake officer may propose an informal adjustment if, based on the complaint and the inquiry, the officer concludes that a juvenile court has jurisdiction but that an informal adjustment, rather than judicial action, is in the best interests of the public and the child. Under current law, an intake officer may not proceed with an informal adjustment without notice to and the consent of the victim, the child, and the child's parent or guardian. **Senate Bill 691/House Bill 459** authorize an intake officer to proceed with an informal adjustment without the consent of the victim. An intake officer may proceed without informing the victim if the intake officer has made reasonable efforts to contact the victim. The Acts also authorize the court, at any time before an adjudicatory hearing, to hold the proceedings in abeyance for informal adjustment if consented to by the State's Attorney, the child who is the subject of the petition and the child's counsel, and the court. If the child successfully completes the informal adjustment, the court is required to dismiss the petition. If the child does not successfully complete the informal adjustment, the court must resume proceedings against the child.

Authorized Detention

Currently, a child who is taken into custody may be placed in detention or community detention prior to a hearing if such action is required to protect the child or others or the child is likely to leave the jurisdiction of the court. **Senate Bill 691/House Bill 459** establish that a child alleged to have committed a delinquent act may not be placed in detention before a hearing if the

most serious offense would be a misdemeanor if committed by an adult unless (1) the act involved a handgun and would be a violation under the Criminal Law Article or Public Safety Article if committed by an adult or (2) the child has been adjudicated delinquent at least twice in the preceding 12 months. The Acts also require the court or an intake officer to consider the results of a risk scoring instrument before placing a child in detention.

Detention Stays

Under current law, if a child remains in a facility used for detention for the specific act for which the child has been adjudicated delinquent for more than 25 days after the court has made a disposition on a petition, DJS must (1) on the first available court date after the twenty-fifth day that the child remains in such a facility, appear at a hearing before the court with the child to explain the reasons for continued detention and (2) continue to appear every 25 days thereafter to explain the reasons for continued detention. *Senate Bill 691/House Bill 459* alter the applicable timeframes to within 14 days after the child's initial detention and every 14 days thereafter. The Acts further require that within 10 days after a decision to detain a child in a facility used for detention, DJS must submit a plan to the court for releasing the child into the community.

Juvenile Dispositions – Placements

Generally, a disposition hearing is held to determine whether a child who has been adjudicated delinquent needs or requires the court's guidance, treatment, or rehabilitation and, if so, the nature of the guidance, treatment, or rehabilitation. Additionally, with limited exception, a child may not be committed to DJS for out-of-home placement if the most serious offense is one of several specified offenses, including use or possession of less than 10 grams of marijuana. *Senate Bill 691/House Bill 459* retain the exemption for the marijuana-related offense but repeal the remainder of the specified offenses. The Acts instead prohibit a child from being committed to DJS for out-of-home placement for an offense that would be a misdemeanor if committed by an adult, unless the offense involves a firearm. Further, the Acts prohibit the commitment of a child to DJS for out-of-home placement or the placement of a child in a facility used for detention for a technical violation. A "technical violation" is defined as a violation of probation that does not involve an arrest or summons issued by a commissioner on a statement of charges filed by a law enforcement officer; a violation of a criminal prohibition, or an act that would be a violation of a criminal prohibition if committed by an adult, other than a minor traffic offense; a violation of a no contact or stay-away order; or absconding.

Juvenile Dispositions – Probation

At disposition, among other options, and subject to specified limitations, a juvenile court may place the child on probation or under supervision in the child's own home or in the custody or under the guardianship of a relative or other fit person, on terms the court deems appropriate, including community detention. No limitations on the term of a probation are specified in statute under current law.

Senate Bill 691/House Bill 459 establish that if the most serious offense committed by a child would be a misdemeanor if committed by an adult, the court may place the child on probation for a period not exceeding six months. The court may, after a hearing, extend the probation by periods of up to three months if the court finds good cause and the purpose of extending the probation is to ensure that the child completes a treatment or rehabilitative program or service. The total period of probation, including extensions of the probation, may not exceed one year.

If the most serious offense committed by a child would be a felony if committed by an adult, the Acts authorize the court to place the child on probation for a period of up to one year. After a hearing, the court may extend the term of probation by periods not exceeding three months if the court finds good cause and the extension's purpose is to ensure completion of a treatment or rehabilitative program or service. Generally, the total period of probation may not exceed two years. However, probation may exceed two years if, after a hearing, the court finds by clear and convincing evidence that there is good cause to extend the probation and extending the probation is in the best interest of the child. If probation is extended under these conditions, the total period of probation, including extensions, may not exceed three years.

If a child is found to have committed a violation of probation, except for a technical violation, a court may, after a hearing, place the child on a new term of probation for a period that is consistent with the period of probation that may be imposed under the above provisions for the delinquent act for which the child was originally placed on probation.

The limitations on the term of a probation under the Acts are not applicable to an offense committed by a child that, if committed by an adult, would be a felony and a crime of violence under § 14-101 of the Criminal Law Article.

Commission on Juvenile Justice Reform and Emerging and Best Practices

Senate Bill 691/House Bill 459 establish a Commission on Juvenile Justice Reform and Emerging and Best Practices in order to, among other things, research and report its findings to the Governor and the General Assembly on culturally competent, evidence-based, research-based, and promising practices relating to child welfare; juvenile rehabilitation; mental health services for children; and prevention and intervention services for juveniles. Beginning December 31, 2023, and annually thereafter, the commission is required to report its findings to the Governor and the General Assembly.

Additional Reporting Requirements

Department of Juvenile Services: **Senate Bill 691/House Bill 459** require DJS to report to the General Assembly by April 15, 2023, on a variety of issues including services provided to juveniles in the care and custody of the department, the use of community detention for juveniles, and training standards for staff at juvenile facilities.

Governor's Office of Crime Prevention, Youth, and Victim Services: **Senate Bill 691/House Bill 459** also require the Governor's Office of Crime Prevention, Youth, and Victim

Services (GOCPYVS) to request and analyze data from a variety of entities relating to juveniles who are charged, convicted, and sentenced as adults in the State and report to the Governor and the General Assembly by December 31, 2023, and annually thereafter.

Additionally, by December 31, 2023, GOCPYVS must (1) develop a model policy for diversion of juveniles from the juvenile justice system and criminal justice system; (2) identify funding opportunities to support diversion programs for juveniles in the State, including local programs; (3) collect and evaluate data related to the implementation and effectiveness of diversion programs for juveniles in the State; and (4) report its findings to the General Assembly.

Custodial Interrogation

Under current law, if a law enforcement officer takes a child into custody, the officer must immediately notify, or cause to be notified, the child's parents, guardian, or custodian of the action. After making every reasonable effort to give notice, the officer must, with all reasonable speed, (1) deliver the child to the court or a place of detention or shelter care designated by the court or (2) release the child to the child's parents, guardian, or custodian or to any other person designated by the court, under specified circumstances. Additionally, a law enforcement officer who charges a minor with a criminal offense must make a reasonable attempt to notify the child's parent or guardian of the charge. If an officer takes a minor into custody, the law enforcement officer or the officer's designee must make a reasonable attempt to notify the parent or guardian of the minor within 48 hours of the arrest.

Senate Bill 53 (Ch. 50) specifies that if a law enforcement officer takes a child into custody, the officer must immediately notify, or cause to be notified, the child's parents, guardian, or custodian in a manner reasonably calculated to give actual notice of the action. The notice must include the child's location, provide the reason for the child being taken into custody, and instruct the parent, guardian, or custodian on how to make immediate in-person contact with the child. The Act also authorizes the Court of Appeals to adopt rules concerning age-appropriate language to be used in advising a child taken into custody of the child's rights.

The Act prohibits the custodial interrogation of a child by a law enforcement officer until the child has consulted with an attorney who is retained by the child's parent, guardian, or custodian, or provided by the Office of the Public Defender (OPD), and the law enforcement officer has made an effort reasonably calculated to give actual notice to the parent, guardian, or custodian that the child will be interrogated. The required consultation with an attorney must be confidential and conducted in a manner consistent with the Maryland Rules of Professional Conduct and may be in person or by telephone or video conference. To the extent practicable and consistent with the Maryland Rules of Professional Conduct, an attorney providing consultation must communicate and coordinate with the parent, guardian, or custodian of the child in custody. The requirement of consultation with an attorney may not be waived and applies whether the child is proceeded against as a child or is charged as an adult.

An exception to the notice and consultation requirements of [Senate Bill 53](#) authorizes a law enforcement officer to conduct an otherwise lawful custodial interrogation of a child if (1) the law enforcement officer reasonably believes that the information sought is necessary to protect against a threat to public safety and (2) the questions posed to the child by the law enforcement officer are limited to those questions reasonably necessary to obtain the information necessary to protect against the threat to public safety. Unless it is impossible, impracticable, or unsafe to do so, an interrogation under these circumstances must be recorded. If an interrogation is recorded, then the child being interrogated must be informed of it.

The Act also establishes a rebuttable presumption that a statement made by a child during a custodial interrogation is inadmissible in a delinquency proceeding or a criminal prosecution against that child if a law enforcement officer willfully failed to comply with the Act's requirements regarding custodial interrogation. The State may overcome the presumption by showing, by clear and convincing evidence, that the statement was made knowingly, intelligently, and voluntarily. The provisions of the Act may not be construed to render a statement by that child inadmissible in a proceeding against another individual.

On April 8, 2022, the Governor vetoed [Senate Bill 53](#) for policy reasons, but the General Assembly overrode the veto before the end of the 2022 session.

Department of Juvenile Services

Juvenile Services Education Program

Chapter 147 of 2021 repealed statutory provisions regarding the Juvenile Services Education (JSE) Program within the Maryland State Department of Education and instead established the JSE Board as an independent unit within DJS. [House Bill 139 \(passed\)](#) establishes that each teacher in JSE who is employed by DJS, among other teachers, is in the professional service in the State Personnel Management System. The bill also clarifies that “public agency,” as it applies to specified provisions of law relating to the education of students with disabilities and the reporting of physical restraint and seclusion incidents by public agencies, includes JSE. For a further discussion of [House Bill 139](#), see the subpart “Personnel” within Part C – State Government of this *90 Day Report*.

Facilities

DJS may establish and operate facilities as necessary for specified purposes, including to properly diagnose, educate, and rehabilitate children who need such services. In 2020, DJS closed the J. DeWeese Carter Center, which operated as an all-female hardware-secure committed program. [Senate Bill 172 \(passed\)](#) repeals obsolete language in § 9-226 of the Human Services Article, which lists DJS facilities currently in operation by name, to accurately reflect the closure of the center.

Public Safety and Corrections

Firearms

Untraceable Firearms

According to the U.S. Department of Justice, between 2016 and 2020, more than 23,000 ghost guns were recovered by law enforcement from potential crime scenes, including 325 in connection with homicides and attempted homicides. In November 2020, the Baltimore Sun reported that between 2016 and 2019, more than 12,000 build kits were shipped to Maryland, with total sales of the kits exceeding \$1.0 million. The Baltimore Sun further reported that the Baltimore City Police Department recovered 126 privately made firearms in 2020 compared to 29 recovered in 2019, and that nearly one-quarter of such firearms recovered were from individuals under the age of 21.

Eight states (California, Connecticut, Hawaii, Nevada, New Jersey, New York, Rhode Island, and Washington) and the District of Columbia have enacted laws regulating privately made firearms to varying degrees. California and Connecticut have enacted laws that require privately made firearms to be registered and marked with a serial number obtained from a governmental agency within each state. Nevada and New Jersey require serialization of unfinished frames and receivers by federally licensed firearms manufacturers and importers. The District of Columbia passed legislation in 2020 to ban build kits and specifically the possession of unfinished frames and receivers and untraceable firearms.

Some cities and local jurisdictions have also started to implement laws to address privately made firearms. In August 2021, San Diego became the first city in California to prohibit the sale of unsterilized frames and receivers, and San Francisco passed similar legislation shortly thereafter. In Maryland, Montgomery County passed legislation in April 2021 to restrict the access of privately made firearms to minors and in places of public assembly within the county.

Senate Bill 387/House Bill 425 (Chs. 18 and 19) prohibit a person from purchasing, receiving, selling, offering to sell, or transferring an unfinished frame or receiver unless it is required by federal law to be, and has been, imprinted with a serial number by a federally licensed firearms manufacturer or federally licensed firearms importer in compliance with all federal laws and regulations applicable to the manufacture and import of firearms. Except as otherwise authorized, a person may not sell, offer to sell, or transfer a firearm unless it is imprinted with a specified serial number. A violator of the provisions relating to required imprinting is guilty of a misdemeanor and on conviction is subject to imprisonment for up to five years and/or a fine of up to \$10,000. Each violation is a separate crime.

Beginning March 1, 2023, a person may not possess a firearm unless:

- the firearm has been registered with the Secretary of State Police; and (1) the firearm is required by federal law to be, and has been, imprinted by a federally licensed firearms

manufacturer or federally licensed firearms importer, or other federal licensee authorized to provide marking services, with a serial number in compliance with all federal laws and regulations applicable to the manufacture and import of firearms; or (2) the firearm has been imprinted by a federally licensed firearms dealer, federal firearms manufacturer, or other federal licensee authorized to provide marking services with specified information.

The prohibition does not apply to:

- possession of a firearm unless a person knew or reasonably should have known that the firearm was not imprinted with a serial number, as specified;
- possession of a firearm that does not comply with the marking requirements by a person who received the firearm through inheritance, and is not otherwise prohibited from possessing the firearm, for up to 30 days after inheriting the firearm; or
- possession of an unfinished frame or receiver by a person that made or manufactured the unfinished frame or receiver, without the use of any prefabricated parts, and who is not otherwise prohibited from possessing the unfinished frame or receiver for up to 30 days after the person made or manufactured the unfinished frame or receiver.

A violator of the provisions of [Senate Bill 387/House Bill 425](#) that begin March 1, 2023, is guilty of a misdemeanor and on conviction is subject to imprisonment for up to two years and/or a fine of up to \$10,000. Each violation is a separate crime.

A federally licensed firearms dealer or other federal licensee authorized to provide marking services who imprints a firearm under the Acts' provisions must imprint the firearm in compliance with all federal laws and regulations applicable to affixing serial numbers to firearms, as specified.

The provisions relating to untraceable firearms do not apply to (1) a firearm that was manufactured before October 22, 1968, or is an antique firearm; (2) a sale, an offer to sell, a transfer, or a delivery of a firearm or an unfinished frame or receiver to, or possession of a firearm or unfinished frame or receiver by, a federally licensed firearms dealer, a federally licensed firearms manufacturer, or a federally licensed firearms importer; or (3) a transfer or surrender of a firearm or an unfinished frame or receiver to a law enforcement agency.

Nothing in [Senate Bill 387/House Bill 425](#) may be construed in a manner that abridges or otherwise limits a person's right against self-incrimination under the U.S. Constitution or the Maryland Declaration of Rights.

Registration data provided for registration of a firearm under the Acts' provisions is not open to public inspection.

The Secretary of State Police may adopt regulations to carry out the provisions of [Senate Bill 387/House Bill 425](#).

“Unfinished frame or receiver” means a forged, cast, printed, extruded, or machined body or similar article that has reached a stage in manufacture where it may readily be completed, assembled, or converted to be used as the frame or receiver of a functional firearm.

The Secretary of State Police must suspend a dealer’s license if the licensee is charged with a crime under the provisions of [Senate Bill 387/House Bill 425](#) relating to untraceable firearms. The Secretary must revoke a dealer’s license if the licensee is convicted of a crime under the same provisions.

Licensed Firearms Dealers

According to the Bureau of Alcohol, Tobacco, Firearms and Explosives, in 2021, a total of 152 firearms were reported lost or stolen by federal firearms licensees in the State. [House Bill 1021 \(Ch. 55\)](#) prohibits a licensed firearms dealer from conducting business and storing firearms at a location unless (1) the premises on which the licensed dealer operates is equipped with specified security features or (2) outside business hours, the licensed dealer locks all firearms stored on the premises in a vault, a safe, or a room or building that meets specified requirements. The Secretary of State Police must adopt rules and regulations to determine whether a licensed dealer has met these requirements. A violator is subject to a maximum civil penalty of \$1,000 imposed by the Secretary.

In addition to the civil penalty, a person who knowingly and willfully violates the Act’s provisions is subject to (1) for a second offense, suspension of the person’s dealer’s license and (2) for a third or subsequent offense, revocation of the person’s dealer’s license. These penalties do not apply if the equipment or alarm system became temporarily inoperable through no fault of the licensed dealer. The Secretary must (1) suspend a dealer’s license if the licensee is found in violation of a second offense of the Act’s provisions and (2) revoke a dealer’s license if the licensee is found in violation of a third or subsequent offense of the Act’s provisions.

On April 8, 2022, the Governor vetoed [House Bill 1021](#) for policy reasons. The General Assembly overrode the veto on April 9, 2022.

Firearms and Inmates

[Senate Bill 861 \(passed\)](#) establishes the Maryland State Police Gun Center within the Department of State Police (DSP) as a statewide firearms enforcement center for the tracking, screening, and vetting of all firearm crimes committed in the State. Beginning in 2023, and annually thereafter, the Governor must include in the annual State budget an appropriation sufficient to fund the operations of the center.

Additionally, [Senate Bill 861](#) (1) expands the types of cases in which the State may appeal from a decision of a trial court; (2) requires the Commissioner of Correction to include in a certain report certain statistics related to the cost of living of inmates at certain facilities; and (3) requires the Division of Correction to include in a certain report regarding Maryland Correctional

Enterprises certain statistics regarding the race, age, and sex of certain inmates, disaggregated in a certain manner.

Law Enforcement

Police Disciplinary Process

Senate Bill 763 (passed) modifies requirements relating to the disciplinary process for police officers established by Chapter 59 of 2021. Specifically, the bill:

- requires all complaints of police misconduct involving a member of the public to be forwarded to the appropriate administrative charging committee regardless of whether the complaint originated from within the law enforcement agency or from an external source;
- requires each law enforcement agency to adopt the uniform State disciplinary matrix for all matters that may result in discipline of a police officer;
- modifies the composition of a trial board for a statewide or bi-county law enforcement agency, except for the Baltimore Police Department, to require a trial board to be composed of (1) an actively serving or retired administrative law judge appointed by the Chief Administrative Law Judge of the Maryland Office of Administrative Hearings; (2) a civilian who is not a member of an administrative charging committee or the Maryland Police Training and Standards Commission (MPTSC), as specified; and (3) a police officer of equal rank to the police officer who is accused of misconduct appointed by the head of the law enforcement agency;
- requires that the actively serving or retired administrative law judge or retired judge of the District Court or circuit court who serves on a trial board be the chair of the trial board, be responsible for ruling on all motions before the trial board, and prepare the written decision of the trial board, as specified;
- requires a trial board to issue a written decision reflecting the findings, conclusions, and recommendations of a majority of the trial board within 45 days after the final hearing by the trial board;
- modifies the appeal process after a decision of a trial board to authorize the decision of a trial board for a statewide or bi-county law enforcement agency to be appealed by the police officer to a circuit court in a county in which the incident that gave rise to the disciplinary proceeding occurred; and
- prohibits the use of collective bargaining to establish or alter any aspect of the disciplinary process for police officers.

In addition, [*Senate Bill 763*](#) (1) requires the Division of Correction to report certain information annually to the General Assembly; (2) requires a certain annual report by the Maryland State Commission on Criminal Sentencing Policy to include certain information for crimes of violence; (3) alters the definition of student data to allow certain records to be shared with the Maryland Longitudinal Data System Center; (4) renames the Independent Investigative Unit in the Office of the Attorney General to be the Independent Investigations Division and alters its duties and powers; and (5) creates the Task Force to Study Transparency Standards for State’s Attorneys. For a further discussion of [*Senate Bill 763*](#), see the subpart “Criminal Procedure” within this part of this *90 Day Report*.

Training Regarding Stalking

MPTSC operates approved police training schools and prescribes standards for and certifies schools that offer police and security training. In consultation and cooperation with various entities, it also sets minimum qualifications for instructors and certifies qualified instructors for approved training schools.

[*Senate Bill 134 \(passed\)*](#) requires MPTSC to require, for entrance-level police training and at least every three years for in-service level police training conducted by the State and each county and municipal police training school, that the curriculum and minimum courses of study include special training, attention to, and study of the application and enforcement of the criminal laws concerning stalking as they pertain to electronic surveillance or tracking, including services available to victims, related prevention methods for victims, and how victims may request additional assistance to identify and preserve digital evidence.

Warrants and Absconding

[*Senate Bill 585 \(passed\)*](#) requires the Governor, for fiscal 2024 through 2026, to include each year in the annual budget bill an appropriation of \$2 million for local law enforcement agencies to be used as grants for warrant apprehension efforts. The Governor’s Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) must administer the grant funds. An eligible local law enforcement agency that receives a grant pursuant to the bill must submit, for each fiscal year, specified information to the Executive Director of GOCPYVS. The bill also modifies the definition of “absconding” as it relates to parole and probation to include leaving an inpatient residential treatment facility that an individual was placed in pursuant to a court order for drug or alcohol treatment without the permission of the administrator. The bill’s provisions relating to grants for warrant apprehension efforts terminate December 31, 2026.

Emergency Services

Peer Support Programs

[*Senate Bill 446/House Bill 129 \(both passed\)*](#), with specified exceptions, prohibit the disclosure of the contents of any written or oral communication regarding a peer support counseling session by a “peer support specialist” or a peer support participant. By October 1, 2024,

the Behavioral Health Administration (BHA), in consultation with the Maryland Institute for Emergency Medical Services Systems, must develop a report on best practices and professional standards for a “peer support counseling program,” as specified. BHA must make the published report and a list of peer support specialist training programs publicly available on its website.

“Peer support counseling program” means a program provided by a fire, rescue, or emergency medical services (EMS) entity or the International Association of Fire Fighters (IAFF) that provides counseling services from a peer support specialist to a member of a fire, rescue, or EMS entity.

“Peer support specialist” means a member of a fire, rescue, or EMS entity or the IAFF who (1) has received training in peer support counseling and providing emotional and moral support to members of fire, rescue, or EMS entities who have been involved in or exposed to an emotionally traumatic experience in the course of duty as a member of a fire, rescue, or EMS entity and (2) is designated by the fire, rescue, or EMS entity to provide these services.

Property Acquisition and Construction of Facilities

House Bill 930 (passed) authorizes that State money provided to the Senator William H. Amoss Fire, Rescue, and Ambulance Fund may be used to acquire land for the purpose of rehabilitation or construction of a fire, a rescue, or an ambulance facility.

Veterinary Care of Retired Fire and Rescue K-9s

Senate Bill 38 (passed) requires a State or local fire and rescue entity that removes a publicly owned dog used in fire and rescue work from duty to reimburse an individual who, under a written agreement with the State or local fire and rescue entity, takes possession of the dog on or after October 1, 2022, for reasonable and necessary veterinary treatment provided to the dog. Reimbursement (1) may only be for usual and customary veterinary treatment that is not attributable to abuse or neglect of the dog and is verified by written receipt and (2) may not exceed \$2,500 during a calendar year and \$10,000 over the life of the dog.

A State fire and rescue entity may accept public donations to meet the bill’s requirements. The revenue from public donations must be distributed to the K-9 Compassionate Care Fund, a special fund administered by DSP. A local fire and rescue entity may establish a separate fund to accept and manage public donations to meet the bill’s requirements.

9-1-1 Emergency Telephone System

Senate Bill 633 (passed) makes various changes to the statutory framework that governs the State’s 9-1-1 system by, among other things:

- establishing a definition of “first responder” for use in the Public Safety Article;

- establishing specified rights for 9-1-1 specialists related to occupational well-being and requires counties to classify 9-1-1 specialists in a certain manner;
- modifying the Maryland 9-1-1 Board's procedures for filling vacancies on the board and selecting a chair and vice chair;
- expanding the Maryland 9-1-1 Board's responsibilities related to the development of training standards and implementation of cybersecurity standards by public safety answering points;
- establishing new reporting requirements for the Comptroller related to audits of surcharge collection and remittance of 9-1-1 fees by telephone companies and commercial mobile radio service providers; and
- repealing the limit on the maximum charge for the county 9-1-1 fee and requiring a county that increases the fee to certify the amount to the Maryland 9-1-1 Board and, no later than 60 days before the implementation of the change, the Comptroller.

Maryland Intrastate Emergency Management Assistance Compact

Senate Bill 932 (passed) includes the City of Bowie as a participating jurisdiction in the Maryland Intrastate Emergency Management Assistance Compact (MIEMAC). MIEMAC is a statewide program that provides for mutual aid among jurisdictions for emergency assistance. MIEMAC provides for the procedures to request assistance and to resolve financial and liability issues for assistance given. All 23 counties within the State, Baltimore City, the cities of Annapolis and Laurel, and Ocean City belong to the compact. MIEMAC also provides for mutual cooperation in emergency management-related exercises, testing, or other training activities.

Corrections

Correctional Officer Death Benefit

Senate Bill 198 (passed) authorizes the Secretary of Public Safety and Correctional Services, on a case-by-case basis, to award a public safety death benefit if additional evidence arises that the decedent's death resulted from an act committed against the decedent by another due to the nature and performance of the decedent's duties. An application for such benefit must be submitted within three years of the finding of evidence to support the claim. The bill applies both prospectively and retroactively to the eligibility of death benefits before, on, or after July 1, 2022.

Restrictive Housing

House Bill 67 (passed) specifies that, to the extent possible, the Commissioner of Correction may not prohibit an inmate placed in restrictive housing from having access to a reentry

specialist or case manager within 180 days before the inmate is released to the community. “Restrictive housing” means a form of physical separation that has not been requested by the inmate in which the inmate is placed in a locked room or cell for approximately 22 hours or more out of a 24-hour period and includes administrative segregation and disciplinary segregation.

Correctional Education Teachers

House Bill 139 (passed) establishes that certain teachers are in the professional service in the State Personnel Management System, including each teacher in an educational and workforce skills training program in an adult correctional institution who is employed by the Maryland Department of Labor (MDL). The bill also requires the Director of Education and Workforce Skills Training for Correctional Institutions to set qualification standards for teachers in workforce skills training programs who are employed by MDL that are similar to the standards for teachers providing career and technology education instruction in public high schools.

For a further discussion of **House Bill 139**, see the subpart “Personnel” within Part C – State Government of this *90 Day Report*.

Governor’s Office of Crime Prevention, Youth, and Victim Services

Executive Director

GOCPYVS serves as a coordinating office that advises the Governor on criminal justice strategies. **Senate Bill 819 (passed)** requires the Governor to appoint the Executive Director of GOCPYVS with the advice and consent of the Senate. The Executive Director of the office must serve at the pleasure of the Governor. The Executive Director who is serving on the bill’s effective date (October 1, 2022) may continue to serve until two years after the bill’s effective date and may be reappointed after the expiration of the term.

Performance Data and Maryland Behavioral Health and Public Safety Center of Excellence

House Bill 1018 (passed) requires GOCPYVS to ensure that all reports issued by the office related to grant programs include a summary of all collected performance measure data and information necessary to provide transparency in the results of competitive grant awards. GOCPYVS must also create, for inclusion in its annual report, a scorecard of quantifiable safety indicators. In addition to the appropriate indicators, the scorecard must include (1) crime statistics for violent crime and property crime as reported in the *Uniform Crime Report* or the National Incident-based Reporting System, as specified, and the crime clearance rates for those crimes; (2) the portion of committed crimes not reported to law enforcement as estimated based on the National Crime Victimization Survey or other sources; (3) indicators of safety and fairness in the criminal justice system in the State, as specified; and (4) indicators of the underlying factors and conditions affecting progress toward a safer State, as specified. Beginning in fiscal 2024, the Governor must include in the annual budget bill an appropriation of \$500,000 for the Maryland

Behavioral Health and Public Safety Center of Excellence within GOCPYVS for the center to enter into contracts for the purposes of carrying out its mission.

Resilient Loan Fund and Office of Resilience

Resilient Loan Fund

Chapter 644 of 2021 established the Resilient Maryland Revolving Loan Fund within the Maryland Department of Emergency Management (MDEM). The fund is a special, nonlapsing fund with the stated purpose of providing loans for resilience projects that address mitigation of all hazards, including natural disasters. *Senate Bill 814/House Bill 1312 (both passed)* make several alterations to the fund. The bills authorize MDEM to issue loans to local governments for the purpose of offering loan funds to private property owners for hazard mitigation projects. Local governments providing loans to private property owners are authorized to establish a specified graduated loan forgiveness program. Loans from the fund may be made directly to local governments, at least in part, to meet federal matching requirements for federal resilience grant programs and to work with the U.S. Army Corps of Engineers Flood Risk Management Program. In addition to established funding sources, the fund may include money received from the Federal Emergency Management Agency. Private funds received for the purpose of hazard mitigation projects for a building must be used only those projects.

Office of Resilience

Senate Bill 630 (passed) establishes the Office of Resilience in MDEM. The bill requires the appointment of a Chief Resilience Officer to coordinate State and local efforts to build resilience to risks identified in the Maryland Hazard Mitigation Plan and to develop a State Resilience Strategy. The bill also (1) specifies the duties and responsibilities of the office and (2) establishes that it is the intent of the General Assembly that State agencies and entities coordinate and cooperate with the office to carry out strategies and programs related to resilience. The bill establishes specific requirements for the University of Maryland Center for Environmental Science to coordinate with the office.

Miscellaneous

Behavioral Health

Senate Bill 12/House Bill 129 (both passed) require the Maryland Department of Health (MDH), in awarding grants from the Behavioral Health Crisis Response Grant Program, to require that proposals include response standards that prioritize mobile crisis units over law enforcement when responding to individuals in crisis. Each public safety answering point (PSAP) must develop a written policy on the procedures to be followed when a call is received that involves an individual suffering an active mental health crisis. The policy must include (1) the procedures to triage a call involving an individual suffering an active mental health crisis; (2) the resources that are available for dispatch; (3) the procedures for making a dispatch decision; and (4) training for applicable staff on implementing the procedures. Each PSAP must submit its written policy to MDH and make the

policy available to the public by December 1, 2022. MDH must submit the policies to the General Assembly by January 1, 2023. The bills also alter the definition of “mobile crisis team” (MCT) to specify that an MCT prioritizes limiting the interaction of law enforcement with individuals in crisis.

Construction

House Bill 1052 (passed) prohibits the use of non-arc-resistant jacketed corrugated stainless steel tubing in (1) the new construction of a customer-owned natural gas or liquefied propane piping system in a building; (2) a natural gas or liquefied propane piping system in a renovated property if the renovation affects more than 50% of the total square footage of the property; or (3) a natural gas or liquefied propane piping system that requires the addition of a new gas line to the gas piping system. The bill applies to any building that uses fuel gas piping systems not subject to Title 49, Part 192 of the Code of Federal Regulations. The bill applies prospectively only and may not be applied or interpreted to have any effect on or application to any new construction for which a building permit is issued before the bill’s effective date (October 1, 2022).

Swimming Pools and Spas

House Bill 303 (passed) requires the Maryland Department of Labor (MDL) to adopt by regulation the International Swimming Pool and Spa Code, after review and consultation with MDH and with appropriate modifications, as specified. The standards adopted apply to each swimming pool or spa in the State for which an application for a permit is received by a local jurisdiction on or after December 31, 2023, as specified. The bill establishes other related responsibilities for MDL and each local jurisdiction, including that MDL maintain an informational database with specified information about the pool and spa standards and electrical code standards used in the State. MDL must provide local jurisdictions with the hardware and software necessary to access the database.

Criminal History Records Checks

Senate Bill 817 (passed) authorizes the operator of a youth camp or youth development organization or program, before making a formal offer of employment to a job applicant, to request from MDH a determination as to whether the results of a federal criminal history records check (CHRC) would be the basis for prohibiting the hiring of the applicant. On receipt of a request, MDH must issue a written determination to the youth camp or youth development organization or program as to whether the results of a federal CHRC would be the basis for prohibiting the hiring of the applicant. A determination issued by MDH is binding on MDH and the youth camp or youth development organization or program unless the applicant has subsequently been convicted of a crime, has pending criminal charges, or has previously undisclosed criminal convictions. MDH may set a reasonable fee to cover the cost of a CHRC under the bill.

Police-initiated Towing

House Bill 487 (passed) establishes requirements and procedures for the “police-initiated towing” of certain commercial vehicles at the request of DSP. Additionally, the bill requires DSP to make publicly available, upon request, a tow list (by county) of qualifying tow companies for use by DSP in carrying out its duties. Among other things, DSP must also develop a complaints process for resolving disputes. The bill establishes that “authorized tow companies” must provide reasonable access to vehicles that are the subject of a police-initiated towing and delineates requirements related to release of vehicles and cargo.

Part F

Courts and Civil Proceedings

Judges and Court Administration

Judicial Compensation

The Judicial Compensation Commission is required to review judicial salaries and make recommendations to the Governor and the General Assembly once every four years. The General Assembly may amend a joint resolution from the commission to decrease, but not increase, any of the commission's salary recommendations. The General Assembly may not reduce a judge's salary below its current level. Failure to adopt or amend the joint resolution within 50 calendar days of its introduction results in adoption of the salaries recommended by the commission. If the General Assembly rejects any or all of the commission's recommendations, the affected judges' salaries remain unchanged, unless modified by other provisions of law. General State employee salary increases apply to judges only in years in which judges' salaries are not increased in accordance with a resolution from the commission's recommendations.

Salaries for judges were last increased by Joint Resolution 3 in 2018, which phased in a \$20,000 increase for all judges from fiscal 2019 through 2022. The commission met two times in December 2021 to consider salary recommendations, ultimately recommending to increase judicial salaries over a four-year period by \$40,000 (\$10,000 per judge per year). The recommendations were submitted as joint resolutions in the House and the Senate. Because the General Assembly failed to act on either of the resolutions within 50 days, the resolutions were enacted under statutory requirements. Therefore, *Senate Joint 4/House Joint 3 (JR 2 and 3)* increase the salaries of all Maryland judges by \$10,000 each year from fiscal 2023 through 2026, pursuant to the recommendations of the Judicial Compensation Commission. General fund expenditures are projected to increase in fiscal 2023 by \$5.9 million and by increasing amounts annually thereafter to implement the salary increases.

Compensation of Court Personnel

Clerks of the Circuit Court

The clerk of the circuit court in each jurisdiction is responsible for the custody of records and other court documents. Other duties include issuing writs; recording of land instruments and other documents; issuing licenses; administering oaths of office; and handling matters related to the operation of the court, including the submission of an annual budget for the review and approval of the Chief Judge of the Court of Appeals.

The Board of Public Works (BPW) determines, within the allowed statutory range, the annual salary of the clerk of each circuit court on the basis of the relative volume of business and receipts in the clerk's office. *Senate Bill 74/House Bill 519 (both passed)* increase the maximum annual salary that BPW may set for the clerk of each circuit court from \$124,500 to \$146,500, effective at the beginning of the next term of office.

Registers of Wills

The register of wills in each jurisdiction is responsible for the administration of estates by providing proper forms and direction, assisting and advising any person who requests assistance in the preparation of any form for administrative probate, admitting wills to probate and issuing letters of administration, auditing accounts, and maintaining accurate records of all estate matters. The registers also serve as clerks of the orphans' courts.

Similar to the salaries of clerks of the circuit court, while the maximum permissible salary for a register of wills is set by statute, BPW determines the salary for each register based on specified factors. *Senate Bill 232 (passed)* increases the maximum annual salary that BPW may set for a register of wills from \$124,500 to \$146,500, effective at the beginning of the next term of office.

Circuit Court Clerks – Administrative Duties

Senate Bill 97/House Bill 205 (both passed) amend provisions under the Courts and Judicial Proceedings Article relating to administrative duties of a clerk of a circuit court. For example, statutory provisions require that before assuming the duties of their respective offices, a clerk of any court, a commissioner, or a sheriff must be covered by a bond for the faithful performance of the duties of their office. The bills repeal a provision specifying that a clerk who fails to execute the required bond (1) may not receive fees or compensation and (2) is subject to a penalty of \$1,000. The bills also require a clerk to coordinate with (instead of apply to) the Comptroller by May 1 of each year regarding the issuance of licenses by the clerk on behalf of the Comptroller and repeal the penalty of \$1,000 for each failure to apply for blank licenses that are anticipated to be required for use by the county.

Additionally, the bills require a clerk to coordinate with the Comptroller (instead of return an account under oath by specified dates) on certain information regarding licensing. Lastly, the

bills repeal a provision requiring the Comptroller to charge the clerk with the costs of licenses and direct a suit in the event a clerk fails to make a required account of licensing activity.

Service of Process Fees

Local sheriffs' offices are generally responsible for the service of process within the jurisdiction. **House Bill 176 (passed)** increases, from \$40 to \$60, the fees that a sheriff must generally collect (1) for service of a paper not including an execution or attachment and (2) for service of process papers arising out of administrative agency proceedings where the party requesting the service is a nongovernmental entity. However, the bill specifies that, consistent with existing requirements, a sheriff must collect \$40 for service of a paper for (1) a breach of lease; (2) a tenant holdover; (3) a warrant of restitution; (4) a wrongful entry and detainer; or (5) an order of levy in distress. The bill does not alter other existing exceptions to these general fee requirements, nor does it alter the existing \$40 fee for service including an execution or attachment by taking a person into custody or seizing real or personal property.

Jury Service Compensation

When summoned for jury service, an individual is entitled to a State per diem, along with any county supplement, for each day that the individual is required to be in attendance at or proximity to a county circuit court for jury service. A trial juror is entitled to a State per diem for jury service in trial, based on the length of the trial. **Senate Bill 775/House Bill 208 (both passed)** increase, from \$15 to \$30, the basic State per diem for jury service and the per diem for trial jurors for the first five days of jury service. The bills do not alter the \$50 per diem for trials lasting longer than five days. General fund expenditures are anticipated to increase by \$3.2 million in fiscal 2023 and by \$4.3 million annually thereafter to provide increased compensation to jurors.

Jobs Court Pilot Program

House Bill 785 (passed) establishes the Jobs Court Pilot Program in the District Court sitting in Baltimore City. The purpose of the program is to reduce recidivism by offering defendants an opportunity to participate in full-time job training and job placement programs as a condition of probation, an alternative to incarceration, or a condition of pretrial release. The Administrative Office of the Courts must develop a plan to implement and monitor the program, and together with the Baltimore Workforce Development Board, must report to the Governor and the General Assembly on the operation and results of the program by June 30, 2027. The provisions regarding the pilot program take effect July 1, 2023, and terminate June 30, 2028.

From fiscal 2024 through 2028, the Governor must include in the annual State budget an appropriation of at least \$500,000 to the Baltimore Workforce Development Board, to be distributed to entities that participate in the pilot program.

Lastly, the bill authorizes the Judiciary to transfer up to \$12.0 million of the fiscal 2022 general fund appropriation for the Judiciary to the Circuit Court Real Property Records

Improvement Fund on or before June 30, 2022. Any amount transferred is prohibited from reverting to the General Fund. Among other items, 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 and the Judiciary's major information technology development projects.

Senate Bill 586 (passed) also includes provisions that establish the Jobs Court Pilot Program in Baltimore City. For a discussion of other provisions within the bill that require specified reports regarding firearms and notification if a defendant is released before trial in Baltimore City, see the subpart "Criminal Procedure" within Part E – Crimes, Corrections, and Public Safety of this *90 Day Report*.

Orphans' Court Judges in Howard County

Under the Maryland Constitution, each county elects three judges to the orphans' court of their respective jurisdictions, with the exception of Harford and Montgomery counties. In those counties, the judges of the circuit court sit as the orphans' court and have all the power, authority, and jurisdiction of the orphans' court. Because the judges of the circuit court sit as the orphans' court in those counties, appeals from a final judgment of an orphans' court in Harford and Montgomery counties must be taken directly to the Court of Special Appeals.

House Bill 868 (passed) proposes a constitutional amendment that repeals the requirement for voters in Howard County to elect three orphans' court judges and instead requires the judges of the circuit court for the county to sit as the orphans' court. Contingent on the adoption of the constitutional amendment, the bill makes a conforming statutory change to establish that, in Howard County, a party does not have the option to appeal a final judgment of an orphans' court to the circuit court for the county and must instead directly appeal to the Court of Special Appeals.

District Court Civil Jurisdiction

The District Court generally has exclusive original civil jurisdiction over the adjudication of violations of specified local ordinances for which a civil citation is issued or a civil penalty is provided. The circuit courts have concurrent jurisdiction if the amount in controversy exceeds \$5,000, as specified. In *Angel Enterprises Limited Partnership v. Talbot County, Maryland*, 474 Md. 236 (2021), the Court of Appeals dismissed a lawsuit (and invalidated penalties that had been imposed) on the basis that the adjudication of civil penalties by a charter county is within the original jurisdiction of the courts and not a local board of appeals established by a charter county under the Express Powers Act (as set forth in the Local Government Article).

House Bill 1448 (passed) establishes that the District Court has concurrent civil jurisdiction with a governing body of a county or the Mayor and City Council of Baltimore over a proceeding for adjudication of a violation of an ordinance enacted (1) by a charter county for which a civil penalty is provided under § 10-202 of the Local Government Article; (2) by the Mayor and City Council of Baltimore for which a civil penalty is provided by ordinance; or (3) by a code

county for which a civil citation is issued under Title 11, Subtitle 3 of the Local Government Article.

The governing body of a county or the Mayor and City Council of Baltimore may delegate the authority (described above) to a board, commission, agency, or officer under its jurisdiction and control. Correspondingly, the bill amends § 10-305 of the Local Government Article to specify that a county board of appeals may have original jurisdiction or jurisdiction to review the action of an administrative officer or unit of county government over matters arising under any law, ordinance, or regulation of the county council that concerns the adjudication of a violation of an ordinance that has been delegated in the manner authorized under the bill.

Civil Actions and Procedures

Damages

Use of Demographic Data

In a civil action seeking damages for personal injury or wrongful death, one category of damages available to plaintiffs is compensatory damages for loss of earnings. The amount of a plaintiff's or decedent's loss of earnings is often determined with the aid of expert witness reports, which use demographic data to predict a person's future earnings. [*House Bill 244 \(passed\)*](#) prohibits a calculation of damages for loss of earnings resulting from personal injury or wrongful death from being reduced based on race, ethnicity, or gender. The bill applies prospectively to causes of action arising on or after October 1, 2022.

False Claims

The Maryland False Claims Act prohibits a person from making a false or fraudulent claim against a governmental entity and authorizes a governmental entity to bring an action seeking civil penalties and damages. [*Senate Bill 114/House Bill 391 \(both passed\)*](#) additionally authorize a governmental entity to seek court costs and attorney's fees in such actions. For a further discussion of [*Senate Bill 114/House Bill 391*](#), see the subpart "State Agencies, Offices, and Officials/Regulations" within Part C – State Government of this 90 Day Report.

Collecting a Judgment

A creditor who has secured a judgment against a debtor often needs to obtain more information about the debtor's assets in order to collect on the judgment. This can be accomplished in a number of ways, including the use of written interrogatories or an examination in aid of enforcement. Under current law, a creditor may request the court to issue a show cause order if the debtor (1) ignored written interrogatories and a court order to respond to the written interrogatories or (2) failed to appear in court for an examination. If the debtor fails to appear in court for a show cause hearing, the judge may issue a body attachment authorizing the debtor to be taken into custody and to be brought before the court to explain the failure to appear. [*Senate Bill 452/House*](#)

Bill 349 (both passed) prohibit the District Court, in a small claims action (a civil action in which the amount in controversy does not exceed \$5,000), from ordering an individual to answer interrogatories in aid of execution of a money judgment or to appear in court for an examination in aid of enforcement of a money judgment.

Family Law

Marriage

Authorization for a Minor to Marry

Legislation to limit the circumstances under which minors may marry has been considered in numerous legislative sessions. **House Bill 83 (passed)** repeals existing provisions that authorize individuals ages 15 and 16 to marry under specified circumstances, thereby prohibiting individuals younger than age 17 from marrying.

The bill also alters and expands the procedural requirements that must be satisfied before an individual who is age 17 may marry. The bill alters existing requirements by establishing that an individual age 17 may not marry unless (1) the individual has the consent of each living parent, guardian, or legal custodian or (2) if the individual does not have this consent, either party to be married can produce a certificate from a medical professional stating that the medical professional has examined the woman to be married and has found that she is pregnant or has given birth to a child. (Current law requires the consent of a parent or guardian who swears that the individual is at least 16 years old or, if the individual does not have consent, the certificate from a medical professional.)

Furthermore, an individual age 17 may not marry unless the individual also presents a certified copy of an order granting authorization to marry to the clerk of the circuit court no earlier than 15 days after the order was issued. To facilitate this process, the bill expands the jurisdiction of an equity court to include petitions for authorization for minors to marry. A petition, which may be filed in the minor's own name, must contain specified information, including (1) identifying information regarding the petitioner and the intended spouse; (2) a statement explaining how the parties met and how long they have known each other; (3) a copy of any criminal records and peace or protective orders concerning either party; (4) evidence that the minor is mature and capable of self-sufficiency and self-support, as specified; and (5) contact information for each living parent, guardian, or legal custodian of the petitioner.

On the filing of a petition, the court must appoint a lawyer with family law experience to represent the petitioner, set an evidentiary hearing on the petition, and provide the minor with specified information, including information on State and national hotlines for child abuse, domestic violence, sexual assault, and human trafficking. The court must also notify each living parent, guardian, or legal custodian whom the court is able to locate of their right to support or oppose the petition. The court must conduct an in-camera interview of the petitioner separate from the petitioner's parents, guardians, or legal custodians, and intended spouse. Neither the wishes of

the parents, guardians, or legal custodians of the petitioner nor the fact that the petitioner or the petitioner's intended spouse is pregnant is sufficient evidence that marriage is in the best interest of the petitioner.

There is a rebuttable presumption that marriage is not in the best interests of the petitioner if all the parents, guardians, or legal custodians of the petitioner oppose the petition. After a hearing, a court may issue an order granting authorization for a minor to marry if the court makes specified written findings that (1) the petitioner is at least age 17; (2) the petitioner seeks to marry voluntarily and free from force, coercion, and fraud; and (3) the petitioner is mature and capable of self-sufficiency and self-support.

A court may deny a petition for authorization to marry if the court makes a written finding that marriage is not in the best interest of the petitioner. A court may not issue an order granting authorization for a minor to marry if the court determines that the intended spouse of the petitioner (1) has ever been in a position of authority or special trust with the petitioner or has had a professional relationship with the petitioner or (2) has been convicted or adjudicated delinquent for specified crimes. The court also may not issue an order granting authorization to marry if one party is pregnant or has a child with the other party that evidences that the petitioner was the victim of a sexual crime committed by the intended spouse or a protective order or peace order was issued against the intended spouse of the petitioner (regardless of whether the petitioner was the person to be protected).

If an order granting authorization to marry is issued, the clerk of the court must provide a certified copy of the order to the petitioner. A minor who is married may file an action for divorce and is deemed emancipated for the limited purpose of obtaining a divorce. Finally, the bill also authorizes the Court of Appeals to adopt rules to implement the provisions of the bill and establishes that, when obtaining a marriage license, one of the parties to be married (regardless of age) must present to the clerk a copy of an official government-issued birth certificate or other government-issued document or record demonstrating the age of each party.

Marriage Records

Although there are existing procedures for individuals seeking to change their names on driver's licenses, birth certificates, and other similar documents, there are no uniform procedures for changing one's name on a marriage certificate. **House Bill 369 (passed)** establishes specified procedures and requirements for the issuance of a new marriage record when the name of a party to the marriage has been changed. The clerk of the circuit court for the county that issued the (original) marriage license must issue, on written request made under penalty of perjury of both parties to a marriage, a new marriage record if the clerk receives satisfactory proof that a court of competent jurisdiction (regardless of location) has issued an order for a change of name for a party to the marriage. The clerk must also accept a request for a new marriage record on the presentation of a death certificate for a party to a marriage. In addition, the bill requires the clerk to accept a request without the written request of both parties if a court order instructing a marriage record to be changed is presented. A new marriage record issued under the bill's provisions must designate

the parties using gender-neutral language and, if the name of a party to the marriage has been changed at any time, reflect the name that was most recently established and for which a certified order of change of name or other appropriate evidence has been submitted. The new marriage record may not be marked as “amended” or otherwise show that changes have been made to a name of a party or, if applicable, a gender designation. If a new marriage record is issued, the clerk must (1) substitute the new electronic record for the existing record on file and (2) report and transmit a copy to the Secretary of Health in accordance with existing statutory requirements. After the issuance of a new marriage record, any certified copy of the record that is issued must be a copy of the new marriage record, unless a court of competent jurisdiction orders the issuance of a copy of the original marriage record.

Marriage Ceremony Fees

The fee for a judge, circuit court clerk, or deputy clerk to perform a marriage ceremony in most jurisdictions is \$25. Statutory provisions specify the distribution of the fee revenues, which are typically shared between the State and the local jurisdiction. However, in some jurisdictions, a portion of the fee is distributed to a local historical society. *House Bill 446 (passed)* alters the distribution of the fee for performing a marriage ceremony in Baltimore County by requiring the clerk of the circuit court to pay the entire amount (\$25) to the Baltimore County Historical Trust, Inc. *Senate Bill 649/House Bill 452 (both passed)* alter the distribution of the fee for performing a marriage ceremony in Frederick County by requiring the clerk of the circuit court to pay \$15 to Heritage Frederick (instead of retaining that amount for the State General Fund).

Child Abuse and Neglect

Investigations of Suspected Child Abuse and Neglect

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 and thoroughly investigate the report to protect the health, safety, and welfare of the child or children. Within 24 hours after receiving a report of suspected physical or sexual child abuse and within five days after receiving a report of suspected child neglect or mental injury, the local department or law enforcement agency must (1) see the child; (2) attempt to have an onsite interview with the child’s caretaker; (3) decide on the safety of the child and of other children in the household; and (4) decide on the safety of the other children in the care or custody of the alleged abuser. The determinations and assessments that are required during an abuse or neglect investigation are specified in statute. To the extent possible, a child abuse or neglect investigation must be completed within 10 days after receiving the notice of the suspected abuse or neglect. An investigation that is not completed within 30 days must be completed within 60 days of receipt of the first notice of the suspected abuse or neglect.

A 2021 audit of the Social Services Administration (SSA) within the Department of Human Services (DHS) contained numerous repeat findings, including that SSA had not established an effective monitoring process to ensure the timeliness of child abuse and neglect investigations.

Senate Bill 820/House Bill 1248 (both passed) respond to concerns raised regarding the timeliness of child abuse and neglect investigations by requiring DHS to implement policies to ensure that specified actions are taken if a local department of social services or the appropriate law enforcement agency fails to see a child who is the suspected victim of child abuse or neglect within the timeframes required in statute. Specifically, the policies must ensure that (1) the reason for the delay is documented in the child's case file; (2) a supervisor at the local department is notified of the delay in order to support staff in making initial contact with the child; and (3) a supervisor at the local department reviews the documentation of the reason for the delay during the review of the final investigation report.

Additionally, DHS must prepare and issue quarterly reports identifying investigations or reports that are not completed within required timeframes, and the reports must include an explanation for each delay compiled with input from the local departments. By December 1, 2022, and each December 1 thereafter, DHS must report to the General Assembly on the progress of local departments in complying with the timeframes for conducting investigations and completing reports as required under statute. Provisions requiring the implementation of policies and the quarterly and annual reports terminate September 30, 2027. By December 1, 2023, DHS must (1) assess studies and methodologies related to analyzing workloads in child welfare systems and (2) report to the Joint Audit and Evaluation Committee, the Senate Budget and Taxation Committee, and the House Appropriations Committee on a plan to develop a child welfare workload assessment in the State based on best practices and the required assessments. By December 1, 2024, DHS must (1) complete the required child welfare workload assessment and (2) report to the specified committees on the outcome of the assessment a plan to address understaffing in the State's child welfare system, estimates of the cost to address understaffing in the State's child welfare system, and the benefits to children and families in the State of a properly staffed child welfare system. Finally, the bills establish that a clinical professional counselor licensed under Title 17 of the Health Occupations Article may serve as one of the two individuals who conducts an assessment as part of an investigation if mental injury of a child is suspected (as required under existing provisions).

Children in Need of Assistance

A child in need of assistance (CINA) is a child who requires court intervention because (1) the child has been abused or neglected, has a developmental disability, or has a mental disorder and (2) the child's parents, guardian, or custodian are unable or unwilling to give proper care and attention to the child and the child's needs. Statutory provisions outline numerous requirements for CINA proceedings, including those related to mandatory hearings. For example, the court must generally conduct a hearing at least every six months to review the permanency plan of a CINA in out-of-home placement until commitment is rescinded or a voluntary placement is terminated. If the court determines that the child is to continue in an out-of-home placement with a specific caregiver who agrees to care for the child on a permanent basis, the court must conduct a permanency plan review hearing every 12 months. At the review hearing, the court must take specified actions, including determining the continuing necessity for and appropriateness of the

commitment and determining and documenting in its order whether reasonable efforts have been made to finalize the permanency plan that is in effect.

Senate Bill 203 (passed) adds additional requirements for hearings to review the permanency plan of a CINA who is in an out-of-home placement in order to bring the State into compliance with federal law. Most significantly, the bill (1) repeals the existing exception for a review hearing every 12 months if the child is continued in an out-of-home placement with a specific caregiver and, instead, requires that a review hearing be held every 6 months and (2) requires the court at review hearings to determine the appropriateness of and the extent of compliance with the case plan for the child. When the permanency plan is another planned permanent living arrangement, the bill also requires the review hearing to include (1) a determination on the adequacy of the steps that the local department is taking to ensure that the child's foster family home or child care institution is following the reasonable and prudent parent standard; (2) a determination of whether the child has regular, ongoing opportunities to engage in age or developmentally appropriate activities; and (3) a consultation with the child in an age-appropriate manner regarding the opportunities for the child to participate in such activities.

Child Custody and Visitation

The Workgroup to Study Child Custody Court Proceedings Involving Child Abuse or Domestic Violence Allegations, as created by Chapter 52 of 2019, met extensively in 2019 and 2020 and developed numerous recommendations related to the State's family court system and its handling of child custody cases. The workgroup's recommendations included expanding training requirements for judges who preside over child custody cases in which child abuse or domestic violence is alleged. **Senate Bill 17 (passed)** stems from these recommendations and requires the Judiciary, in consultation with domestic violence and child abuse organizations, to develop (and update, as appropriate) a training program for judges and magistrates presiding over child custody cases involving child abuse or domestic violence. The training must include numerous specified topics, including (1) the dynamics and effects of child sexual abuse, physical and emotional child abuse, and domestic violence; (2) the impact of exposure to domestic violence on children and the importance of considering this impact when making child custody and visitation decisions; and (3) the potential impacts of explicit and implicit bias on child custody decisions. The Judiciary must adopt procedures to identify custody cases involving child abuse or domestic violence as soon as possible to ensure that only judges who have received the specified training are assigned such cases. Beginning July 1, 2024, within a judge's first year of presiding over child custody cases involving child abuse or domestic violence, the judge must receive at least 20 hours of initial training approved by the Judiciary that meets the requirements of the training program, as established by the bill.

Domestic Violence

An individual who meets specified relationship requirements under the domestic violence statutes may file a petition for a protective order to protect the individual from abuse. The process is initiated during court operating hours by filing a petition for a temporary protective order in the

District Court or a circuit court and, if the courts are not open, by filing a petition for an interim protective order with a District Court Commissioner. Generally, once a temporary protective order is granted, a final protective order hearing occurs one week later.

Senate Bill 280/House Bill 296 (both passed) authorize a petitioner to file electronically a petition for a temporary protective order from specified locations, including (1) a domestic violence and sexual assault prevention or assistance program and (2) a hospital where the petitioner is receiving medical treatment while the petitioner is at the hospital. A court that receives a petition filed electronically in accordance with the bills' provisions must hold a hearing on the petition through the use of video conferencing on (1) the same business day if the petition is filed during regular court hours and the court is open or (2) the next business day that the court is open if the petition is not filed during regular court hours. To implement the bills, uncodified provisions require the Judiciary to develop a method to receive electronically filed petitions and hold video conferencing hearings for temporary protective order petitions. The bills also require the hospital to refer petitioners filing on the grounds of domestic violence and sexual assault to related prevention or assistance programs.

Human Relations

Discrimination in Employment

Statute of Limitations

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 (either with MCCR or with a federal or local human relations commission) is generally necessary in order for a complainant to bring a subsequent civil action that alleges an unlawful employment practice. Statute further specifies when and how claims alleging an unlawful employment practice may subsequently be determined in a civil action. ***Senate Bill 451 (passed)*** establishes that the timing limitations within which a person may file a civil action in circuit court alleging an unlawful employment practice (within two years after the alleged unlawful employment practice occurred or within three years for a harassment allegation) are tolled while an administrative charge or complaint is pending.

Harassment and Sexual Harassment

An employer is also prohibited from engaging in the harassment of an employee. ***Senate Bill 450 (passed)*** alters the statutory definition of "harassment" relating to employment discrimination by establishing that "harassment" includes unwelcome and offensive conduct,

which need not be severe or pervasive, when (1) the conduct is based on race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, or disability and (2) submission to the conduct is made either explicitly or implicitly a term or condition of employment of an individual; submission to or rejection of the conduct is used as a basis for employment decisions affecting the individual; or, based on the totality of the circumstances, the conduct unreasonably creates a working environment that a reasonable person would perceive to be abusive or hostile.

The bill also explicitly includes sexual harassment in the definition of harassment in employment discrimination provisions. “Sexual harassment” is defined to include conduct, which need not be severe or pervasive, that consists of unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature when (1) submission to the conduct is made either explicitly or implicitly a term or condition of employment; (2) submission to or rejection of the conduct is used as a basis for employment decisions affecting the individual; or (3) based on the totality of the circumstances, the conduct unreasonably creates a working environment that a reasonable person would perceive to be abusive or hostile. The bill also conforms the definition of “sexual harassment” in statutory provisions relating to the requirement that specified State employees complete mandatory sexual harassment prevention training to the definition established in the bill.

Reasonable Accommodations for Applicants

In addition to the general prohibition against discrimination in employment on the basis of disability, an employer is prohibited from failing or refusing to make a reasonable accommodation for the known disability of an otherwise qualified employee. *House Bill 78 (passed)* prohibits an employer from failing or refusing to make a reasonable accommodation for the known disability of an applicant for employment. An employer is not required to reasonably accommodate the disability of an applicant if the accommodation would cause undue hardship on the conduct of the employer’s business.

Discrimination in Education

State regulations establish that all public school students, regardless of race, ethnicity, region, religion, gender, sexual orientation, language, socioeconomic status, age, or disability, have the right to educational environments that are safe, appropriate for academic achievement, and free from harassment. No State law directly applies to private schools that receive State funds to prohibit them from discrimination. However, pursuant to recurring language in the annual operating budget bill, a nonpublic school participating in specified State programs (and thereby receiving State funding) must certify compliance with Title 20, Subtitle 6 of the State Government Article, which prohibits discrimination in employment. Furthermore, nonpublic schools participating in the programs may not discriminate in student admissions, retention, or expulsion or otherwise discriminate on the basis of race, color, national origin, sexual orientation, or gender identity or expression. A nonpublic school that does not comply with these requirements must return specified scholarship funds and may not charge the student tuition and fees instead. The

only other legal remedy for a violation of these provisions is ineligibility for participation in the programs, as specified. The budget bill also routinely specifies that nonpublic schools must comply with Title VI of the Civil Rights Act, which prohibits discrimination on the basis of race, color, or national origin.

House Bill 850 (passed) generally prohibits (subject to limited exceptions) local boards of education, public schools and programs, and nonpublic schools and prekindergarten programs that receive State funds from refusing enrollment of a prospective student, expelling a current student, or otherwise withholding privileges from or discriminating against a student (current or prospective) or the parent or guardian of a student because of an individual's race, ethnicity, color, religion, sex, age, national origin, marital status, sexual orientation, gender identity, or disability. The bill establishes a complaint, mediation, and appeal process for violations and prohibits retaliating against individuals who file a complaint alleging specified discrimination, regardless of the outcome of the complaint. Each of the specified entities must also print an antidiscrimination statement in its student handbook. Among other things, the statement must include language noting all public and publicly funded schools in the State operate in compliance with Title VI of the Civil Rights Act and Title 26, Subtitle 7 of the Education Article (the subtitle established by the bill). All or part of specified funding may be withheld from a board, program, or school that violates the nondiscrimination requirements.

Real Property

Access to Counsel in Evictions Special Fund

Chapter 746 of 2021 established the Access to Counsel in Evictions Program to provide covered individuals with access to legal representation in specified landlord-tenant proceedings. Administered by the Maryland Legal Services Corporation (MLSC), access to legal representation under Chapter 746 must be phased in over time as determined appropriate by MLSC, with the goal of full implementation before October 1, 2025. Chapter 746 also established 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.

Senate Bill 279/House Bill 571 (Chs. 20 and 21) alter the funding sources of the Access to Counsel in Evictions Special Fund to include funds received by the Consumer Protection Division in the Office of the Attorney General from any final settlement, agreement, or judgment related to an investigation or enforcement action of the Maryland Consumer Protection Act for an unfair, abusive, or deceptive trade practice regarding residential rental property. The Acts exclude from the fund any restitution and costs incurred by the Office of the Attorney General to bring the action.

Additional funding is provided under **Senate Bill 662 (Ch. 40)**, which requires, for fiscal 2024 only, the Comptroller to distribute \$14 million from the State's Unclaimed Property Fund to the Access to Counsel in Evictions Special Fund. The Act also requires the Governor to

include in the annual budget bill for fiscal 2024 an appropriation of \$14 million from the Access to Counsel in Evictions Special Fund to MLSC.

Tenant Protections and Eviction Data

Court Filings

Senate Bill 563 (passed) requires a landlord (in a jurisdiction that requires licensure) to plead and demonstrate that residential rental property is licensed in compliance with or exempt from applicable local rental licensing requirements. This requirement is generally applicable upon the filing of a failure to pay rent, tenant holding over, or breach of lease action (subject to limited exception, including in circumstances involving a clear and imminent danger). At trial, the landlord must demonstrate to the satisfaction of the court that the property is licensed or exempt from licensing requirements. A landlord may provide electronic proof of licensure to satisfy this requirement.

A landlord is not required to demonstrate compliance or exemption from local licensing requirements in a breach of lease or tenant holding over action if the landlord shows that the actions of the tenant caused the licensing authority to suspend, revoke, or refuse to grant or renew the rental license. If a landlord asserts that rental property is not licensed as required due to actions of a tenant, the landlord may file a breach of lease or tenant holding over action only after the landlord provides written notice of the assertion to the tenant at least 30 days before filing the action.

Stay of Proceedings

Senate Bill 384 (passed), an emergency measure, establishes that in a failure to pay rent action, if a tenant presents satisfactory evidence that the tenant is currently awaiting a determination regarding the tenant's good faith application for rental assistance, the court must (1) if judgment has not been entered, stay any proceeding until resolution of the tenant's application and disbursement of any funds awarded or (2) if judgment has been entered in favor of the landlord and the tenant has the right of redemption, stay the execution of any warrant of restitution or order requiring the tenant to surrender the property until resolution of the tenant's application and disbursement of any funds awarded. The bill's provisions only apply to a tenant who has an application for rental assistance pending with an agency that distributes funds for rental assistance that was submitted before or within 30 days after the tenant's landlord filed a written complaint regarding the failure to pay rent. A stay ordered under the bill's provisions may not exceed 35 days. The court may not stay a proceeding if judgment has been entered in favor of the landlord if the court stayed the proceeding prior to a judgment being entered (under the bill's provisions). The bill terminates on September 30, 2025.

Shielding of Court Records

House Bill 521 (passed) authorizes a tenant to petition the court to shield court records relating to an action for repossession for failure to pay rent filed on or after March 5, 2020, but before January 1, 2022, if the failure to pay rent was due to a loss of income arising out of the

COVID-19 pandemic. A tenant may not file a petition until the appeal period for the action has lapsed. The bill does not apply to any record relating to an action for repossession for failure to pay rent that resulted in a money judgment in favor of a landlord unless the petitioner provides evidence to the court that the judgment has been satisfied.

A court is required to grant a petition to shield records in actions in which there was not a judgment entered in favor of a landlord. For a record in which a judgment was entered in favor of a landlord, the bill requires the petitioner to serve a copy of the petition on the landlord and requires that a hearing take place if the landlord files a timely objection. If the petitioner demonstrates at the hearing that the failure to pay rent was due to a loss of income arising out of the COVID-19 pandemic, the court may grant the petition to shield records relating to that judgment. If a landlord fails to file a timely objection, the court may grant or deny the petition to shield records relating to that judgment but must provide specific reasons for a denial.

Right of Redemption

In an action for repossession for failure to pay rent, a tenant may execute a right of redemption of the leased premises by tendering to the landlord, at any time before actual execution of the eviction order, all past due amounts determined by the court plus all court-awarded costs and fees. A tenant may tender this payment in cash, certified check, or money order. The right of redemption does not apply to any tenant against whom three judgments of possession have been entered for rent due and unpaid in the 12 months prior to the initiation of the action. Residents in a mobile home park have a similar right to redemption under State law. [*Senate Bill 592/House Bill 932 \(both passed\)*](#) are emergency bills that establish that an electronic or written check issued by a political subdivision or on behalf of a governmental entity has the same legal effect as payment by the tenant in cash, certified check, or money order. The bills are emergency legislation and take effect upon enactment.

Tenant Protection Act

[*Senate Bill 6 \(Ch. 34\)*](#) makes multiple changes to tenant rights and protections under State law.

The Act requires a landlord that uses a “ratio utility billing system” to provide specified information to a tenant in writing and establishes that a lease provision that requires a tenant to pay utility charges under a ratio utility billing system is unenforceable if the information is not provided to the tenant. “Ratio utility billing system” is defined as an allocation of one or more of a landlord’s utility charges, collected via a master meter, among the tenants by any method that does not measure actual per tenant usage for the utility. The Act also alters the existing requirement that a landlord provide a statement of costs if the landlord withholds the return of a security deposit by requiring a landlord to provide the tenant with an itemized statement of costs incurred, along with supporting documentation, which may include estimates of costs incurred, subject to specified additional requirements.

The Act also establishes the right of tenant organizations to assemble in a meeting room within the apartment facility designated for use by tenants for events and community gatherings during reasonable hours and on reasonable notice to the landlord in order to conduct meetings. The landlord may impose reasonable terms and conditions on the use of a meeting room. The Act also authorizes the landlord to charge a reasonable fee for the use of the meeting room, as specified.

Finally, the Act (1) expands numerous statutory provisions under current law for victims of domestic violence and sexual assault and establishes that the provisions are applicable to victims of “abuse” as defined in § 4-501 of the Family Law Article; (2) establishes that a tenant who vacates a leased premises due to being a victim of abuse is only responsible for rent from the tenant’s notice of an intent to vacate until the tenant vacates the leased premises, up to a maximum of 30 days (as opposed to the 30 days under current law); and (3) authorizes a report by a “qualified third party” to be used as documentation that a tenant or legal occupant is entitled to specified relief due to the individual’s status as a victim of abuse. The Act prohibits a landlord from disclosing to a third party any information provided by a tenant under provisions applicable to victims of abuse unless the tenant consents in writing to the disclosure or the disclosure is required by law or a court order. The ratio billing provisions apply prospectively to a lease entered into on or after the Act’s effective date of June 1, 2022.

Eviction Data

House Bill 824 (passed) requires the Judiciary to collect, compile, and share residential eviction data on a monthly basis in a manner required by the Department of Housing and Community Development (DHCD). “Eviction data” means, in regard to specified landlord/tenant actions, the (1) county and zip code of the subject premises; (2) date of execution of the warrant of restitution or writ of possession; and (3) the type of action from which the warrant or writ was issued. DHCD must organize and format the data and publish the data on DHCD’s website in a specified manner. The data must be made available as specified, on request by (1) a State agency; (2) an agency of a county or municipal corporation; or (3) an academic institution located in the State.

Lead Paint

House Bill 174 (passed) establishes that information regarding the status of a rental property as an affected property under certain lead-based paint abatement laws may be an issue of fact in a failure to pay rent action.

Commercial Tenants

During the 2021 session, the General Assembly passed House Bill 719, which was vetoed by the Governor. Following a veto override, the bill became law as Chapter 25 of the 2021 special session. Chapter 25 establishes circumstances under which a personal liability clause included in a commercial lease is unenforceable. A “personal liability clause” means 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 for fees

or charges owed by the commercial tenant in the event of a default. The Act remains in effect for 180 days after the expiration or rescission of the Governor’s proclamation of March 5, 2020, “Declaration of State of Emergency and Existence of Catastrophic Health Emergency – COVID-19.”

Common Ownership Communities

Disclosures to Unit Owners in Condominiums

House Bill 40 (passed) adds to existing disclosure requirements in a contract for the initial sale of a condominium unit by requiring notice as to whether the council of unit owners has entered into any agreement that settles or releases the council of unit owners’ claims related to common element warranties. Similarly, a specified certificate required prior to closing on the resale of a unit by a unit owner other than a developer must contain a statement as to whether the council of unit owners has entered into any agreement that settles or releases the council of unit owners’ claims related to common element warranties as well as whether the board of directors has disclosed to the council of unit owners the board’s intention to enter into an agreement for the purpose of settling a disputed common element warranty claim.

Additionally, **House Bill 40** requires the board of directors for a condominium to disclose to the council of unit owners any agreement by the board for the purpose of settling a disputed common element warranty claim at least 21 days prior to the execution of the agreement. A nondisclosure provision in an agreement may not prohibit disclosure by the board of directors to the council of unit owners.

Finally, the bill establishes that provisions authorizing closed meetings of the board of directors of a condominium association may not be interpreted to authorize the board to withhold or agree to withhold from the unit owners the terms of any legal agreement to which the council of unit owners is a party.

Dispute Settlement in Condominiums and Homeowners Associations

Under current law, a council of unit owners or board of directors of a condominium may not impose a fine, suspend voting, or infringe on any other rights of a unit owner or occupant without first taking specified actions. **House Bill 615 (passed)** makes several changes to the notice and procedural requirements of the existing dispute settlement mechanism.

The bill also establishes a similar dispute mechanism for homeowners associations. The bill prohibits a board of directors or other governing body of a homeowners association from imposing a fine, suspending voting, or infringing on any other right of a lot owner or other occupant for violations of rules unless a written demand to cease and desist from an alleged violation has been provided to the alleged violator. Certain procedural and hearing requirements are also established under the bill. The bill applies prospectively and does not have any effect on any complaints or demands arising under the rules of a condominium or homeowners association

before October 1, 2022, unless the declaration or bylaws of the condominium or homeowners association state otherwise.

Reserve Studies

“Common ownership community” is a general term used to refer to a condominium, a cooperative housing corporation, or a homeowners association. Under State law, a “reserve study” is a study of the monetary reserves required for future major repairs and replacement of common elements or common areas of a common ownership community. Currently, only Montgomery and Prince George’s counties require a common ownership community to regularly perform reserve studies and ensure that the reserve needs of the community are adequately funded. In general, **House Bill 107 (passed)** expands application of these requirements statewide to a cooperative housing corporation, a residential condominium, and a homeowners association that meets specified conditions. An applicable common ownership community must perform an independent reserve study within a specified timeframe, conduct updated reserve studies every five years, and ensure that the reserve needs of the community are adequately funded. Additionally, the bill alters who is eligible to perform reserve studies and modifies the requirement for a common ownership community to fund reserves by providing the common ownership community with three fiscal years to attain the annual reserve funding level recommended in an initial reserve study.

Real Property Transactions and Ownership of Real Property

Partition of Real Property

Senate Bill 92/House Bill 777 (both passed) establish new procedures for the partition of jointly held real property unless all of the cotenants agree otherwise in a record. Among other things, the bills (1) require the court in an action to partition real property to determine the market value of the property unless the court makes specified determinations; (2) establish procedures for the purchase of interests in real property by cotenants and for the partition in kind of real property among cotenants; and (3) specify requirements relating to the sale of such property. The bills address partitions of property by sale and partition in kind. “Partition by sale” is a court-ordered sale of property, whether by auction, sealed bids, or open-market sale. “Partition in kind” means the division of property into physically distinct and separately titled parcels.

Irredeemable Ground Rents

An irredeemable ground rent is a ground rent created under a ground lease executed before April 9, 1884, that does not contain a provision allowing the leasehold tenant to redeem the ground rent. To preserve the irredeemability of a ground rent, a notice of the intention to preserve irredeemability must have been recorded in the land records of the county where the property is located by December 31, 2010, and on a regular schedule thereafter. **House Bill 91 (passed)** expands requirements to preserve irredeemability by requiring the holder of an irredeemable ground rent to file with the State Department of Assessments and Taxation (SDAT) (1) a renewal notice of intention to preserve irredeemability by April 1, 2023, and (2) subsequent renewal notices within three months after the date that a renewal notice is recorded in the land records. The bill

also requires the online registry for ground rents currently maintained by SDAT to also (1) identify each property for which a renewal notice to preserve the irredeemability of an irredeemable ground lease has been filed and (2) include a clear notation of the expiration date for each renewal notice.

Appraisals and Valuation

House Bill 1097 (passed) establishes the Task Force on Property Appraisal and Valuation Equity to study and make recommendations to address the persistent misvaluation and undervaluation of property owned by minorities. The task force must report its findings and recommendations to the Governor and the General Assembly by October 31, 2023. The bill takes effect June 1, 2022, and terminates on June 30, 2024.

Estates and Trusts

Remote Execution, Witnessing, and Notarization

In general, under current law, 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 physical presence and by the testator's express direction; and (3) attested and signed by two or more credible witnesses in the physical presence of the testator or, provided that certain requirements are satisfied, the electronic presence of the testator.

Emergency legislation, **Senate Bill 36/House Bill 576 (both passed)**, authorize the execution of an electronic will or remotely witnessed will without a notary public if (1) the will is signed, acknowledged, and sworn to before a supervising attorney; (2) the supervising attorney attaches a specified form to the will; and (3) the supervising attorney does not serve as a witness to the will. A notary public may perform a notarial act using communication technology for a remotely located individual with respect to a trust instrument, as defined under § 14.5-103 of the Estates and Trusts Article, if specified requirements under the State Government Article are met. The bills further make a clarifying change to remove a will as an exception to the authorization for a notary public to perform a notarial act using communication technology for a remotely located individual.

Among other things, **Senate Bill 317/House Bill 663 (both passed)** (1) repeal an exception to remote notarization provisions that apply to wills and trust instruments; (2) authorize a notary public to use communication technology to take an acknowledgement of a signature remotely under certain circumstances; (3) establish certain requirements for a notary public to confirm a record remotely; and (4) specify that the notarization of any document under the requirements of specified executive orders authorizing remote notarizations must be deemed valid if the notarization occurred during the time that the orders were in effect. For a more detailed discussion of these bills, see the subpart "State Agencies, Offices, and Officials/Regulations" within Part C – State Government of this *90 Day Report*.

Estate Administration

Register of Wills – Probate Fees

House Bill 187 (passed) alters the existing statutory fee schedule that may be assessed by the registers of wills, including (1) eliminating the probate fees assessed for small estates (valued at \$50,000 or less) and (2) altering the probate fees for other estates in a manner that in most cases reduces fees for smaller estates and increases fees for larger estates. The bill applies prospectively and may not be applied to any estate opened before the bill's October 1, 2022 effective date.

Payment of Commissions and Attorney's Fees

Under current law, a personal representative or special administrator is entitled to reasonable compensation for services rendered. **Senate Bill 468 (passed)** clarifies the circumstances under which the payment of commissions to personal representatives and attorney's fees may be made without court approval. Further, the bill specifies, under certain circumstances, that unless a consent form is filed simultaneously with the final administration account or final report under a modified administration, each payment consented to must be for services rendered by the attorney or personal representative prior to the date of consent.

Maryland Trust Act

Senate Bill 878/House Bill 1049 (both passed) modify the procedures a trustee may elect to follow to seek the trustee's release from liability for the administration of the trust by (1) authorizing a trustee to send a specified report (that provides certain information and notice) to the interested party from whom the trustee is seeking release instead of to each interested party; (2) allowing for the interested party to whom the report was sent to submit within 120 days a written statement to the trustee that the interested party does not object, in addition to the existing option to submit a written objection within 120 days; (3) allowing for an interested party who submits a written statement that they do not object to be deemed to have released the trustee and consented to and ratified all actions of the trustee; and (4) if each interested party to whom a report was sent provides a written statement that they do not object, allowing for the trustee to distribute the trust property prior to the end of the 120-day period after the mailing of the report.

If an interested party to whom a report was sent submits a written objection to the trustee within 120 days after the trustee mailed the report, the bills limit the interested parties to whom notice must be given of a court proceeding to resolve the objection or who must be in agreement along with the trustee in resolving the objection to those interested parties to whom a report was sent.

Guardianship

Guardianship of Minors – Appointment by Court

The Estates and Trusts Article establishes circumstances under which an individual may be appointed as a guardian of the person and/or as a guardian of the property of a minor. The orphans' courts and the circuit courts have specified concurrent jurisdiction over guardians of the person of a minor and proceedings to appoint a guardian of the person of a minor.

Senate Bill 508/House Bill 808 (both passed) alter the circumstances under which a court may appoint a guardian of the person for an unmarried minor by requiring the court to find, by a preponderance of the evidence, that the appointment is in the best interests of the minor, that no testamentary appointment has been made, and that (1) no parent is willing or able to serve as the guardian of the person of the minor; (2) each parent consents to the appointment of the guardian of the person; or (3) no parent objects to the appointment of the guardian of the person. The bills clarify that the appointment of a guardian of the person of a minor may not be construed to require the termination of any parental rights with respect to the minor under Title 5 of the Family Law Article.

Guardianship of the Property of Disabled Person

Current law authorizes the court, on petition and after notice or hearing as required by law or the Maryland Rules, to appoint a guardian of the property for a minor or a disabled person and requires the court to appoint a guardian for a disabled person under certain circumstances. Unless an alleged disabled person has chosen counsel, the court must appoint an attorney to represent the alleged disabled person in a protective proceeding.

Effective October 1, 2023, ***Senate Bill 694/House Bill 990 (both passed)*** require the State to pay a reasonable attorney's fee for an alleged disabled person that is indigent in a protective proceeding. In any action in which payment for the services of a court-appointed attorney for the alleged disabled person is the responsibility of the local department of social services, the court must appoint an attorney who is under contract with the Department of Human Services (DHS) to provide legal representation for the alleged disabled person, unless the court finds that the appointment would not be in the best interests of the alleged disabled person. In such an action, if an attorney has previously been appointed, the court must strike and replace the previously appointed attorney with an attorney who is under contract with DHS, unless the previously appointed attorney is willing to accept the same fee, and the court does not find a conflict of interest.

Supported Decision Making

Senate Bill 559 (passed) authorizes the use of "supported decision making" to (1) assist adults by obtaining support for the adult to make, communicate, or effectuate decisions that correspond to the adult's will, preferences, and choices and (2) prevent the need for the

appointment of a substitute decision maker, including a guardian of the person or property. “Supported decision making” means a process by which an adult, with or without having entered a supported decision-making agreement, utilizes support from a series of relationships in order to make, communicate, or effectuate the adult’s own life decisions.

The bill specifies that an adult may use supported decision making to (1) increase the adult’s self-determination; (2) prevent the need for the appointment of a substitute decision maker; or (3) limit or terminate the use of a substitute decision maker. Further, the bill outlines the role of a supporter, establishes a process for entering a supported decision-making agreement, and establishes specified immunity for third parties. Lastly, the bill establishes that a competent adult individual who is able to communicate with support, including supported decision making in accordance with the bill, is not considered incapable of making an informed decision under the Health Care Decisions Act.

Miscellaneous

Partition of Real Property

Under the Estates and Trusts Article, when two or more heirs or legatees are entitled to distribution of undivided interests in property of the estate, the personal representative or one or more of the heirs or legatees may petition the court before the formal or informal closing of the estate to make partition. After notice to the interested heirs or legatees, the court must partition the property in the same manner as provided by law for civil actions of partition. The court may direct the personal representative to sell property that cannot be partitioned without prejudice to the owners and cannot conveniently be allotted to one party. *Senate Bill 92/House Bill 777 (both passed)* establish new procedures for the partition of real property, including procedures for the purchase of interests in real property by cotenants and for the partition in kind of real property among cotenants. The bills specify that the statutory provisions under the Estates and Trusts Article in regard to partition of property are subject to the requirements under the bills. The bills apply prospectively to a partition action filed on or after October 1, 2022. For a further discussion of *Senate Bill 92/House Bill 777*, see the subpart “Real Property” within this part of this 90 Day Report.

Transfers on Death – Limited Liability Companies and Partnerships

Senate Bill 261/House Bill 342 (both passed) specify that operating agreements and partnership agreements may provide for interests in limited liability companies (LLC) and partnerships to be transferred or assigned to other persons, including to nonmembers/nonpartners. The bills further specify that transfers on death, pursuant to the operating agreement of an LLC or a partnership agreement, are effective according to the operating agreement or partnership agreement and are not to be considered testamentary. The bills apply to all LLC operating agreements, general partnership agreements, and limited partnership agreements in effect on the bills’ October 1, 2022 effective date. For a further discussion of *Senate Bill 261/House Bill 342*,

see the subpart “Corporations and Associations” within Part I – Financial Institutions, Commercial Law, and Corporations of this *90 Day Report*.

Part G

Transportation and Motor Vehicles

Transportation

Planning and Governance

Long-term transportation planning in the State is a collaborative process designed to consider input from the public, local jurisdictions, metropolitan planning organizations, elected officials, and statutory advisory committees. Among the numerous reports, meetings, and discussions that take place, the Maryland Department of Transportation (MDOT) annually develops the *Consolidated Transportation Program* (CTP). The CTP, which is issued to the General Assembly, local elected officials, and interested citizens, provides a description of projects proposed by MDOT for development and evaluation or construction over the next six-year period.

Numerous bills were considered and passed during the 2022 session to expand and improve transportation planning and governance.

Transportation Equity Processes and Analysis

House Bill 141 (passed) expands various existing transportation plans, reports, and committees to include a greater focus on transportation equity issues. In addition, the bill requires MDOT, beginning July 1, 2023, in collaboration with the Maryland Transit Administration (MTA), to conduct a transit equity analysis, perform a cost-benefit analysis, consult with members and leaders of affected communities, and take specified actions based on the results of these activities before announcing (1) any service change that would constitute a major service change under specified federal guidelines or (2) any reduction or cancellation of a capital expansion project in the construction program of the CTP that exceeds transit equity thresholds developed by MTA.

Financial Planning and Funding Reports

The Spending Affordability Committee (SAC) studies and reviews the status and projections of State revenues and expenditures and the status and projections of the Maryland

economy. State agencies must cooperate with SAC and provide information and staff as requested. **House Bill 891 (Ch. 27)** delays the date by which SAC must submit its annual report from December 1 to December 20 and expands the information that must be included in that report to include a recommended (1) end-of-the-year general fund balance; (2) end-of-the-year balance in the Revenue Stabilization Account; (3) structural balance goal; (4) fund balance for the Transportation Trust Fund (TTF); and (5) minimum expenditure level for system preservation by MDOT.

The Act also requires MDOT to (1) report to the General Assembly on estimated costs related to projects for which planning funds were added to the budget by the General Assembly during the previous three legislative sessions and (2) include additional information in the CTP for projects receiving construction or planning funding for the first time.

Greater Baltimore Transit Governance and Funding Commission

The Baltimore Metropolitan Council (BMC) is a private nonprofit regional council of governments that includes all of Baltimore City and Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne's counties. Among other things, the purpose of BMC is to serve as a forum for local officials and their representatives to identify and address problems in the region and assist local jurisdictions in developing regional policies, prioritizing regional infrastructure needs, and developing regional strategies. BMC also houses the Baltimore Regional Transportation Board, which is the federally designated metropolitan planning organization for the Baltimore region.

House Bill 1336 (passed) establishes the Greater Baltimore Transit Governance and Funding Commission to study, review, and make recommendations on numerous issues related to transit governance and funding for the Baltimore area transit system and requires BMC to staff the commission.

Transportation Funding and Support to Local Governments

Highway User Revenues

MDOT provides local transportation aid through mandated capital grants with funding levels based on certain percentages of the balance of the Gasoline and Motor Vehicle Revenue Account (GMVRA), which is a subaccount within the TTF. The revenues dedicated to the account include all or some portion of the motor vehicle fuel tax, vehicle titling tax, vehicle registration fees, short-term vehicle rental tax, and State corporate income tax. These capital grants, more commonly referred to as highway user revenues or HURs, may be used by local governments for authorized purposes generally related to roadways and highways.

House Bill 1187 (passed) increases the amount of funds from the GMVRA that MDOT must annually provide to local governments beginning in fiscal 2024, as shown in **Exhibit 1**.

Exhibit 1
Highway User Revenues Distribution Under *House Bill 1187*
Fiscal 2024-2027

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
MDOT	84.4%	82.0%	80.0%	80.0%
Baltimore City	9.5%	11.0%	12.2%	12.2%
Counties	3.7%	4.3%	4.8%	4.8%
Municipalities	2.4%	2.7%	3.0%	3.0%

MDOT: Maryland Department of Transportation

Source: Department of Legislative Services

In addition, the bill increases the portion of the corporate income tax credited to the GMVRA, further increasing highway user revenues for local governments and offsetting some of the impact on MDOT. The impact on general fund revenues, TTF revenues, and special fund revenues for the Comptroller (who also receives a portion of the corporate income tax that was affected by the bill) is shown in **Exhibit 2**. The combined effect of the increased distribution to local governments and the increased share of the corporate income tax credited to the GMVRA provides an estimated increase in capital grant funding to local governments relative to current law of \$52 million in fiscal 2024, \$190 million in fiscal 2025, \$242 million in fiscal 2026, and \$246 million in fiscal 2027.

Exhibit 2
Effect of *House Bill 1187* on Revenues
Fiscal 2024-2027
(\$ in Millions)

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
General Fund	-\$52.1	-\$72.8	-\$97.3	-\$103.6
TTF (within GMVRA)	51.2	71.6	95.7	101.9
Admin. Cost Account	0.8	1.2	1.6	1.7
Net Effect	\$0	\$0	\$0	\$0

GMVRA: Gasoline and Motor Vehicle Revenue Account TTF: Transportation Trust Fund

Note: Totals may not sum due to rounding

Source: Department of Legislative Services

Elderly and Handicapped Program Funding

MDOT provides annual funding to local governments to use for elderly and handicapped transportation service in each county (including Baltimore City). The funding must be distributed to counties using a specified formula based on the combined elderly and handicapped population in each county. *Senate Bill 838 (passed)* establishes minimum funding requirements for the program beginning in fiscal 2024, with adjustments for inflation beginning in fiscal 2025.

Baltimore City

Senate Bill 862 (Ch. 44) requires MTA to provide ridership on transit vehicles (such as MTA buses and Light Rail) to any eligible Baltimore City Public School (BCPS) student and youth worker in the Baltimore City YouthWorks program. MTA may not collect fees or reimbursement for these services. In conjunction with BCPS and the Mayor's Office of Employment Development, MTA must adopt regulations that establish the eligibility criteria for students and youth workers receiving a student transit pass to use these services.

House Bill 73 (passed) authorizes Baltimore City to use any fines it collects as a result of violations from certain automated enforcement systems to be used to administer the systems. Any remaining funds must be used for (1) infrastructure and non-infrastructure activities eligible for funding under the State Highway Administration (SHA) Safe Routes to School Program, as specified and (2) public safety or transportation infrastructure improvements consistent with the purpose and goals of the State Complete Streets Program and the city's Complete Streets Transportation System.

Senate Bill 729/House Bill 1362 (both passed) expand the authorized uses of highway user revenues for Baltimore City by allowing the revenues to be used to pay or finance any costs incurred in carrying out traffic functions and enforcing traffic laws. Currently, only costs for these activities incurred by its police department are permissible.

Mass Transit

Transit Funding and Projects and Purple Line Construction Zone Grant Program

During the 2021 session, the General Assembly passed Senate Bill 199 and House Bill 114. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 special session, and the bills became law as Chapters 11 and 20 of the 2021 special session. The Acts alter and extend (by seven years) the Maryland Metro-Transit Funding Act of 2018, which, among other things, mandates additional capital and operating spending for MTA. Specifically, Chapters 11 and 20 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 CTP 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 Acts also include two requirements that are not directly related to MTA and transit funding. First, the Acts establish a Purple Line Construction Zone Grant Program in the Department of 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.

Second, the Acts require MDOT to conduct a study on the feasibility, including the cost, of extending the Maryland Area Regional Commuter (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.

Transit Studies

Senate Bill 514/House Bill 778 (Chs. 52 and 54) require MTA to establish individual investment programs to advance the MARC Cornerstone Plan and other MARC improvements by providing incremental enhancements for (1) the Brunswick Line, including a third track between Rockville and Germantown to better serve Western Maryland and existing communities served by the line; (2) the Camden Line; (3) the Penn Line; (4) new regional service between Perryville, Maryland, and Newark, Delaware; (5) new regional run-through rail service to Alexandria, Virginia; and (6) extending the Brunswick Line to better serve Western Maryland. The investment programs must commence in fiscal 2023 and include other specified plans and information. The MARC Cornerstone Plan addresses a 30-year planning period and identifies capital improvements needed to maintain a state of good repair for the MARC system. The plan also outlines capital needs required to improve and expand service.

The Acts also require MTA to conduct a MARC Cornerstone Plan Implementation Study. The study must assess and present for public review (1) the total expected cost to implement the entire MARC Cornerstone Plan and other specified services; (2) MTA’s workforce needs to efficiently implement the plan, as specified; and (3) efficient and achievable methods by which the rail capital investments and services identified and analyzed should be funded.

Finally, the Acts establish a TTF Workgroup to examine specified funding issues related to the TTF including the current State funding sources and structure of the TTF, threats and

challenges to the existing funding sources; and how to position the State to benefit from the multi-year federal infrastructure bill. The workgroup must submit a report of its findings to the Governor and the General Assembly on or before December 16, 2022.

House Bill 632 (passed) requires MDOT to establish project planning requirements in order to secure a record of decision for Baltimore City's planned Red Line light rail project and the MARC rail extension to the Johns Hopkins Bayview Medical Center in Baltimore City. For fiscal 2024 through 2027, the Governor must include in the annual budget bill an appropriation from the TTF of at least \$5 million, contingent on the receipt of federal funds. In addition, an annual appropriation of \$200,000 must be provided to the Baltimore City Mayor's Office of Employment Development for Workforce Development and Small, Minority, and Women-Owned Business Development, also contingent upon the receipt of federal funds.

Conversion to Electric Buses – Staff Training

Under Chapter 693 of 2021, MTA is required to study the feasibility of converting its bus fleet of 775 buses to zero-emissions vehicles with a focus on the cost, reliability, and infrastructure necessary to accommodate such a fleet, which is scheduled to begin in 2023. In preparation for the conversion to a zero-emissions fleet, **Senate Bill 61/House Bill 10 (both passed)** require MTA to provide safety and workforce development training to employees in order to safely repair and maintain any new or converted zero-emission buses and related charging infrastructure. The bills also require MTA, in its annual report on the conversion to zero-emission buses, to include a plan that ensures certain employee protections and a certification that MTA is adhering to the zero-emissions fleet transition plan.

Highways and Roadways

Highway and Roadway Safety

The federal Infrastructure Investment and Jobs Act (IIJA) requires states to complete a vulnerable road user safety assessment to help in improving road safety within two years of enactment of the IIJA. The assessment must include (1) a quantitative analysis of vulnerable road user fatalities and serious injuries that includes specified data, considers the demographics of the locations of fatalities and injuries, and identifies areas as 'high-risk' to vulnerable road users and (2) a program of projects or strategies to reduce safety risks to vulnerable road users in areas identified as high-risk.

Senate Bill 874/House Bill 254 (both passed) require SHA to conduct an infrastructure review of each pedestrian or bicyclist fatality that occurs on a State highway or intersection of a State highway and another highway or municipal street. The bills establish requirements for SHA in conducting the infrastructure reviews and require that reviews be completed within six months after SHA is notified by law enforcement of a fatality and be published on SHA's website. Additionally, SHA must publish the vulnerable road user safety assessment required by the IIJA on its website by December 1, 2023.

Highway Designations

House Bill 1433 (passed) requires SHA to designate Maryland Route 210 as the Piscataway Highway. Maryland Route 210 is currently named “Indian Head Highway.”

Maryland Transportation Authority and Tolling

In response to the COVID-19 pandemic in March 2020, the Maryland Transportation Authority (MDTA) paused the processing and mailing of notices of toll due (NOTD) to its customers. In October 2020, MDTA resumed the mailings, beginning with unpaid transactions for trips made from March through June 2020. The temporary pausing of these mailings, combined with MDTA’s transition to its third-generation electronic tolling system, resulted in a significant backlog of NOTD mailings and numerous operational issues for MDTA.

In response to these issues, as of February 28, 2022, MDTA has implemented an eight-month grace period for people with outstanding unpaid tolls and associated civil penalties. Under a customer assistance plan adopted by MDTA, all outstanding civil penalties are waived for motorists who pay their unpaid tolls by November 30, 2022. In addition, three bills passed during the 2022 session that relate to the payment of tolls and MDTA’s operations.

House Bill 38 (passed) reestablishes provisions of Chapter 547 of 2018, which terminated May 31, 2021, by (1) expressly authorizing MDTA to recall a delinquent account from the Central Collection Unit (CCU) under certain circumstances and (2) prohibiting CCU from collecting any debt that is recalled by MDTA.

Senate Bill 59 (passed) expressly authorizes MDTA to waive any portion of a video toll or civil penalty that it assesses and requires MDTA to (1) waive the civil penalty associated with a video toll in accordance with its customer assistance plan and (2) reimburse any civil penalty paid in error under the plan. MDTA must submit a report to the General Assembly by December 1, 2022, with information about the number of individuals who paid a civil penalty in error under the plan and what notification of reimbursement eligibility and reimbursement was provided to those individuals. The bill terminates December 31, 2022.

House Bill 335 (passed) requires (1) any person who applies to establish an E-ZPass account to agree to abide by the terms and conditions established by MDTA for the electronic collection of tolls and (2) the terms and conditions for E-ZPass accounts to allow a person to dispute any charge or fee for the use of a Maryland toll facility within at least one year after the charge or fee is posted to the person’s E-ZPass account. Under MDTA’s current practices, a dispute may only be made within 120 days after the date the transaction is posted to the account.

Motor Vehicles

Licensing and Registration

Driver's Licenses, Permits, and Identification Cards

Driver's licenses and identification cards are valid for up to eight years. The Motor Vehicle Administration (MVA) may extend these credentials for up to an additional 90 days, which MVA has advised may be insufficient in some circumstances. *Senate Bill 218 (Ch. 119)* authorizes MVA to issue a temporary renewal for a driver's license or identification card for up to two years for certain applicants who meet certain criteria. Applicants eligible for a temporary renewal under the Act include (1) active-duty members of the armed forces and their spouses and dependents; (2) members of the Foreign Service and their spouses and dependents; and (3) a State resident whose driver's license or identification card would have otherwise expired during a state of emergency. The Act does not apply to commercial driver's licenses.

Senate Bill 465/House Bill 206 (both passed) repeal a catch-all prohibition under the Maryland Vehicle Law relating to driver's licenses and moped operator permits and instead prohibit a person from engaging in any fraudulent or dishonest conduct in the examination or testing process for the issuance or renewal of a driver's license or moped operator's permit (an act for which MVA historically takes action under the catch-all prohibition). Consistent with existing penalties, a person convicted of a violation of the bills' prohibition is subject to imprisonment for up to two months or a fine of up to \$500 or both, and 12 points must be assessed against the person's driver's license.

Grace Period for Uninsured Motorist Penalties

An owner of a motor vehicle that is required to be registered in the State must maintain insurance for the vehicle during the registration period. A lapse in the required security subjects a vehicle owner to an uninsured motorist penalty of \$150 for each vehicle without the required security for the first 30 days. Beginning on the thirty-first day, the fine increases by a rate of \$7 for each day. However, the total fine imposed may not exceed \$2,500 annually.

House Bill 368 (passed) prohibits MVA from assessing a penalty for a vehicle whose required security has terminated or lapsed if the vehicle's registration plates are returned within 10 days after the termination or lapse and (1) the title for the vehicle has been transferred to a new owner; (2) the registered owner has moved out-of-state and the registration plates are returned by mail; (3) a salvage certificate has been issued for the vehicle; or (4) a licensed dealer has taken possession of the vehicle with an obligation to return the registration plates. The bill further requires MVA, before assessing a penalty for a termination or lapse of a required security, to first verify that the registration plates for the vehicle were not returned within 10 days after the termination or lapse.

Electronic and Digital 24-Hour Registrations

House Bill 1076 (passed) authorizes MVA to issue an electronic or digital 24-hour registration allowing an owner of a vehicle to operate the vehicle on a highway in the State on submission of an application and payment of a fee established by MVA. A registration may be issued under the bill's authorization only after the vehicle owner has provided proof of identity, vehicle identification number, and insurance. MVA may not issue more than one 24-hour registration for each vehicle sales transaction.

Licensing of Vehicle Salesmen

A person may not act as a vehicle salesman unless the person is licensed by MVA. "Vehicle salesman" is defined as any individual who (1) for a commission or other compensation, buys, sells, or exchanges or negotiates or attempts to negotiate a sale or exchange of an interest in a vehicle of a type required to be registered under State law or (2) induces or attempts to induce any other person to buy or exchange an interest in a vehicle of a type required to be registered under State law and receives or expects to receive a commission or other compensation from either the seller or the buyer of the vehicle. **House Bill 679 (passed)** expands this definition to include any individual who, for a commission or other compensation, negotiates with or induces any other person to enter into a financial security or warranty agreement on behalf of a dealer in connection with the sale of a vehicle.

Required Security for Mechanical Repair Contracts

Under the Maryland Vehicle Law, an obligor under a mechanical repair contract must maintain adequate insurance reserves, as defined by the Insurance Commissioner, for each such contract for the protection of the purchasing consumer. A "mechanical repair contract" is defined as an agreement or contract sold by a licensed vehicle dealer, an obligor, or an agent under which the dealer or obligor agrees to perform specified services. The services generally pertain to the repair, replacement, or maintenance of a vehicle, including, among other things, towing, rental and emergency road service, and road hazard protection. **Senate Bill 697/House Bill 926 (both passed)** require an insurance policy of an obligor under a mechanical repair contract to provide certain coverage for contract nonperformance. In addition, the bills authorize any such policy to be issued by a risk retention group (in addition to an insurer authorized to do business in Maryland on an admitted or surplus basis, as authorized under existing law) if the risk retention group is in full compliance with federal law, in good standing in its domiciliary jurisdiction, and properly registered under State law.

Rules of the Road

Dedicated Bus Lanes and Bus Lane Monitoring Systems

House Bill 53 (passed) expressly prohibits a person from driving a vehicle in a dedicated bus lane unless authorized to do so by the local jurisdiction in which that bus lane is located. Specified transit vehicles, school buses, bicycles, emergency vehicles, and vehicles making a right

turn at the next immediate intersection may be driven in a dedicated bus lane. A violation of this prohibition is a misdemeanor subject to a maximum fine of \$500.

House Bill 53 also authorizes Baltimore City to use a bus lane monitoring system to record images of motor vehicles traveling in a dedicated bus lane, subject to specified requirements. The Baltimore City Police Department (BPD) may issue warnings or citations to vehicle owners or drivers for driving in a dedicated bus lane in an unauthorized vehicle. However, BPD must mail a warning notice in place of a citation for a violation recorded by a bus lane monitoring system during the first 45 days that the system is in operation. A violation recorded by a bus lane monitoring system is subject to a maximum civil penalty of \$75.

Annual Reports on School Bus Monitoring Systems in Montgomery County

House Bill 813 (passed) requires Montgomery County to compile and submit to various county entities an annual report on each school bus monitoring system operated by a local jurisdiction in the county. The report must include specified information relating to violations that occurred at each school bus stop in the previous six fiscal years. Additionally, the bill requires Montgomery County, in coordination with the Maryland Department of Transportation, to examine school bus stop violation data to determine the 10 school bus stops at which the highest number of citations for passing a stopped school bus are issued and implement operational alternatives for those stops. These alternatives may include specified public outreach and educational efforts, improved signage and markings at school bus stops, driver expectancy and pedestrian safety strategies, examination of alternative penalties for first offenses, relocating school bus stops, and stakeholder meetings. The bill further requires Montgomery County to report to the General Assembly on its findings and actions by December 31, 2022, and December 31, 2023.

Vehicle Height Monitoring Systems in Harford County

State law authorizes the use of vehicle height monitoring systems in Baltimore City, Baltimore County, Prince George's County, and municipalities within Baltimore and Prince George's counties. A vehicle height monitoring system is a device with one or more motor vehicle sensors that is capable of producing recorded images of vehicles whose height exceeds a predetermined limit. Vehicle height monitoring systems are used to detect trucks operating on unauthorized highways. Use of a vehicle height monitoring system must be authorized by local law adopted by the governing body of the local jurisdiction after reasonable notice and a hearing.

Senate Bill 642 (passed) extends the authorization to use vehicle height monitoring systems to Harford County and municipalities within the county. Before the installation of any vehicle height monitoring systems in Harford County, the governing body of the local jurisdiction must establish a workgroup including commercial transportation industry representatives to assist the local government in (1) evaluating existing truck routes; (2) identifying areas for vehicle height monitoring enforcement; and (3) evaluating existing signage and identifying locations where signage could be improved. In addition, the local jurisdiction must adopt a local law limiting the overall number of vehicle height monitoring systems that may be placed in the local jurisdiction.

The governing body of a local jurisdiction in Harford County may exempt certain vehicles from the enforcement of height restrictions by a vehicle height monitoring system.

Speed Limits in Baltimore City

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. A maximum speed limit of more than 70 MPH may not be established on any highway in the State.

If, on the basis of an engineering and traffic investigation, a local authority determines that a maximum speed is greater or less than is 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. In addition, Montgomery County and municipalities located in the county may decrease the maximum speed limit to no less than 15 MPH on a highway after performing an engineering and traffic investigation.

Senate Bill 520/House Bill 434 (both passed) authorize Baltimore City to decrease, or increase to a previously established level, the maximum speed limit on a highway under its jurisdiction without performing an engineering and traffic investigation. The bills also prohibit a local jurisdiction from using a speed monitoring system to enforce speed limits on any portion of a highway for which the speed limit has been decreased without performing an engineering and traffic investigation.

Street Racing, Exhibition Driving, and Noise Abatement

The Maryland Vehicle Law prohibits a person from driving a vehicle in a race or speed contest on any highway or private property that is used by the public in general. State law further prohibits exhibition driving in certain designated areas in Worcester County. ***Senate Bill 612 (passed)*** establishes a statewide prohibition on exhibition driving and increases existing penalties for participation in racing and speed contests. The bill further authorizes a police officer to order the towing and impounding of a vehicle that is driven in a race or speed contest or an exhibition driving event.

“Move Over” Law

A driver of a vehicle generally has the duty to move over or slow down, unless otherwise directed by a police officer or traffic control device, when approaching – from the rear – certain types of vehicles (an emergency vehicle, specified commercial vehicle, service vehicle, tow truck, or waste or recycling collection vehicle) that are stopped, standing, or parked on a highway. A violation of the “move over” law is a misdemeanor subject to a maximum fine of \$500. ***Senate***

Bill 147 (passed) expands the application of the “move over” requirement to apply to a vehicle on a highway that is stopped, standing, or parked and displaying hazard warning lights, road flares, or other caution signals, including traffic cones, caution signs, or nonvehicular warning lights.

Reserved Parking Spaces for Plug-In Electric Drive Vehicles

Senate Bill 146/House Bill 157 (both passed) prohibit a person from stopping, standing, or parking a vehicle in a designated plug-in electric drive vehicle charging space unless the vehicle is a plug-in electric drive vehicle that is plugged into charging equipment. The bills also establish signage requirements for designated plug-in electric drive vehicle charging spaces. A violation subjects the vehicle owner to a civil penalty of \$100.

Operation of Golf Carts, All-Terrain Vehicles, and Snowmobiles

Each motor vehicle, trailer, semitrailer, and pole trailer driven on a highway must be registered. Certain motor vehicles are exempt from this requirement, including certain snowmobiles in Allegany and Garrett counties and certain golf carts in Allegany County, on Smith Island, in the City of Crisfield in Somerset County, in the community of Golden Beach Patuxent Knolls in St. Mary’s County, and in the Town of Vienna in Dorchester County.

Senate Bill 80/House Bill 193 (both passed) authorize a person to operate a golf cart equipped with approved lighting on Upper or Middle Hoopers Island or Taylors Island in Dorchester County between dawn and dusk on a county highway on which the maximum posted speed limit does not exceed 30 miles per hour. The bills further authorize the County Council of Dorchester County to designate by resolution highways on Upper or Middle Hoopers Island or Taylors Island on which a golf cart may be operated. The golf cart must be kept as far to the right of the roadway as feasible, and the driver must have a valid driver’s license. A golf cart operating under the bills’ authorization is exempt from the general requirement that each motor vehicle driven on a highway in the State be registered.

House Bill 1143 (passed) expands the definition of “all-terrain vehicle,” as it applies to the use of all-terrain vehicles and snowmobiles in Allegany and Garrett counties, to include off-highway motorcycles. Additionally, the bill expands, from two to five miles, the area of a highway on which Allegany and Garrett counties may authorize all-terrain vehicles and snowmobiles to operate.

Equipment and Inspections

Rear-Facing Child Safety Seats

A person transporting a child younger than age eight in a motor vehicle must secure the child in a child safety seat in accordance with the child safety seat and vehicle manufacturers’ instructions unless the child is four feet, nine inches tall or taller. **Senate Bill 176 (passed)** requires a person transporting a child younger than age two in a motor vehicle to secure the child in a *rear-facing* child safety seat that complies with applicable federal regulations until the child

reaches the weight or height limit specified by the manufacturer of the child safety seat. A person who violates the bill's requirements is guilty of a misdemeanor and subject to a written warning for a first violation and a fine of \$50 for a second or subsequent violation. A violation also (1) is not considered a moving violation for the purpose of assessing points against a driver's license and (2) is not evidence of contributory negligence and may not be admitted as evidence in the trial of any civil action.

Authorized Lighting for Highway Maintenance and Service Vehicles and Equipment

In general, a person may not drive or move on any highway any vehicle or equipment that is equipped with or displays any light or signal device designed to emit an oscillating, rotating, blinking, or other type of emission of light unless designated and authorized by MVA. [*Senate Bill 579/House Bill 1150 \(both passed\)*](#) authorize highway maintenance and service equipment or vehicles owned by the State or a local jurisdiction, or operating under a contract with the State or a local jurisdiction, to be equipped with and display green flashing lights simultaneously with yellow or amber flashing lights during the course of snow removal or the protection of highway maintenance workers. The number of any green flashing lights may not exceed the number of yellow or amber flashing lights equipped and displayed.

Vehicle Towing and Removal

[*Senate Bill 750/House Bill 1081 \(both passed\)*](#) amend the Baltimore City charter to authorize the city to tow vehicles blocking access to driveways, alleys, transit lanes, or parking facilities.

[*Senate Bill 731/House Bill 870 \(both passed\)*](#) authorize a person who undertakes the towing or removal of a vehicle from a parking lot to notify any secured party electronically, if that form of notice is agreed to by the tower and the secured party in writing or by electronic communication. An agreement authorizing electronic notice remains in effect until terminated by either party.

Miscellaneous

Clean Cars Act

[*House Bill 1391 \(passed\)*](#) reestablishes the zero-emission plug-in electric drive vehicle and fuel cell electric vehicle excise tax credit, extends eligibility for the tax credit to specified zero-emission motorcycles and autocycles, and otherwise alters eligibility requirements and tax credit values. Under the bill, and subject to available funding, a person may claim an excise tax credit equal to \$3,000 for each zero-emission plug-in electric drive or fuel cell electric vehicle purchased, \$2,000 for each three-wheeled zero-emission electric motorcycle or autocycle purchased, or \$1,000 for each two-wheeled zero-emission electric motorcycle purchased.

To be eligible for the tax credit, a zero-emission plug-in electric drive vehicle or fuel cell electric vehicle must (1) be acquired for use or lease by the taxpayer; (2) be purchased new and

titled for the first time on or after July 1, 2023, and before July 1, 2027; and (3) have a maximum base purchase price of \$50,000. To offset the reduction in Transportation Trust Fund (TTF) revenue due to the tax credit, the bill requires the Maryland Energy Administration (MEA) to transfer, in each of fiscal 2024 through 2027, the lesser of \$8.25 million or the total amount of credits allowed against the excise tax from the Strategic Energy Investment Fund (SEIF) to the TTF.

House Bill 1391 also establishes the Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program within MEA. Subject to available funds, in fiscal 2024 through 2027, a person or unit of local government may apply to MEA for a grant of up to 20% of the cost for qualified medium-duty or heavy-duty zero-emission vehicles, zero-emission vehicle supply equipment, and zero-emission heavy equipment property. The bill requires the Governor to include in the annual budget bill for each of fiscal 2024 through 2027 an appropriation from the SEIF of at least \$1.75 million for the program, of which at least \$1.0 million is for qualified medium-duty and heavy-duty zero-emission vehicles and \$750,000 is for heavy equipment property.

Electric School Bus Pilot Program

Senate Bill 528 (Ch. 38) and **House Bill 696 (passed)** establish an Electric School Bus Pilot Program to be implemented and administered by the Public Service Commission. For further discussion of the Electric School Bus Pilot Program, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

Part H

Business and Economic Issues

Business Occupations

Program Evaluations and Extensions (“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 the Legislative Policy Committee, 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 three occupational and professional licensing boards in the Maryland Department of Labor (MDL).

The State Board of Electricians licenses and regulates individuals within the State who provide electrical services as master, journeyperson, and apprentice electricians. [*Senate Bill 182 \(Ch. 122\)*](#) extends the termination date of the board by 10 years, to July 1, 2033.

The State Board of Plumbing regulates the plumbing profession to ensure safe installation, maintenance, and repair of water pipes and gas lines in homes and businesses under its jurisdiction. [*Senate Bill 193 \(Ch. 124\)*](#) extends the termination date of the board by 10 years, to July 1, 2033.

The State Board for Professional Engineers regulates the practice of engineering within the State through licensure of professional engineers and permitting of professional engineering businesses. [*Senate Bill 211 \(Ch. 126\)*](#) extends the termination date of the board by 10 years, to July 1, 2033.

Barbers and Cosmetologists

A licensed senior cosmetologist may not supervise more than one apprentice cosmetologist. **House Bill 448 (Ch. 108)** increases the number of apprentice cosmetologists that a licensed senior cosmetologist may supervise to two. The Act also authorizes a limited license holder (esthetician, hairstylist, or nail technician) who meets certain experience requirements to directly train and supervise up to two limited license apprentices of the same limited practice.

Electricians

Under the Maryland Electricians Act, the State Board of Electricians grants licenses to master electricians, journeyman electricians, and apprentice electricians who meet specified requirements. **Senate Bill 604/House Bill 1285 (both passed)** require the State Board of Electricians to credit completion of specified apprenticeship programs toward the experience required for licensure as a master electrician or journeyman electrician. Additionally, the bills require an applicant for a local job permit to provide proof of insurance and to possess both a State license and a local registration (if applicable). Finally, under the bills, MDL is required to report to the Governor and General Assembly by January 1, 2023, on out-of-state reciprocity agreements for electrical licenses.

Real Estate Brokers, Associate Brokers, and Salespersons

Generally, a real estate broker, an associate real estate broker, or a real estate salesperson may not pay compensation (in any form) for real estate brokerage services to any person who is not properly licensed under provisions of State law governing real estate brokers. However, this requirement does not prohibit the payment of compensation to an individual who is licensed in another state (and meets the relevant requirements under Maryland law) or to specified business entities formed by salespersons and associate real estate brokers. **Senate Bill 425/House Bill 568 (both passed)** authorize a licensed title insurance producer to pay compensation for the provision of real estate brokerage services to associate real estate brokers, real estate salespersons, or certain business entities on behalf of a real estate broker during a property settlement.

Current regulations established by the Maryland Real Estate Commission require licensed real estate brokers, associate brokers, and salespersons to verify their identity through photo identification to a continuing education instructor in order to participate in continuing education courses. Under **House Bill 807 (passed)**, any entity that conducts a continuing education course is required to make the verification of a student's identity a condition of participating in the course. For in-person courses, a student must verify their identity through a photo identification and for virtual courses, a student must submit a signed affidavit indicating their identity.

Business Regulation

Program Evaluations and Extensions (“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 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 two business regulation entities in the Maryland Department of Labor (MDL).

The State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors licenses individuals who offer heating, ventilation, air conditioning, and refrigeration services to protect the public, maintain efficient and safe systems, and promote high professional standards in the industry. *Senate Bill 184 (Ch. 123)* extends the termination date of the board by 10 years, to July 1, 2033.

The Office of Cemetery Oversight registers and regulates the cemetery and burial goods industry in the State under the leadership of a director. An advisory council serves as a source of expertise for the director and provides insight into the needs of the business community and the consumers served by the industry. *Senate Bill 219 (Ch. 127)* extends the termination date of the office by 10 years, to July 1, 2033.

Home Improvement Contractors

The Maryland Home Improvement Commission (MHIC) in MDL licenses and regulates home improvement contractors and salespersons, subject to specified requirements for licensure and ongoing licensee behavior. MHIC also administers a guaranty fund for the purpose of reimbursing homeowners for actual losses due to the errors and omissions of licensed contractors and their subcontractors, salespersons, and employees. An individual who is impacted by the acts or omissions of a home improvement contractor may receive compensation up to \$20,000 from MHIC. *Senate Bill 467/House Bill 917 (both passed)* increase the maximum amount that an individual may receive from acts or omissions of a contractor from \$20,000 to \$30,000.

Lodging Establishments

Senate Bill 91/House Bill 270 (both passed) require the Governor’s Office of Crime Prevention, Youth, and Victim Services and MDL to establish a training program for innkeeper employees that will provide for the identification of suspected human trafficking. An innkeeper must ensure that all employees of the lodging establishment receive the annual training, including new employees within 90 days of hiring. By October 1, 2023, and annually thereafter, each

innkeeper must certify to MDL that all employees of the lodging establishment have received the annual training. An innkeeper must also establish a procedure for reporting human trafficking, as specified, and implement a policy for employees to recognize, respond to, and assist potential victims of human trafficking. In addition, the bills require an innkeeper to establish computerized records of certain guest transactions and to maintain the records for a minimum of six months.

Miscellaneous Business Licenses

Senate Bill 496 (passed) alters various provisions of law governing miscellaneous State business licenses, including licensing materials issued to circuit court clerks by the Comptroller, distribution of licensing fees, application requirements for new and renewed licenses, late fees, and the effective date of licenses. The bill also alters numerous provisions relating to other specific types of licenses, including construction licenses, peddler licenses, junk dealer licenses, laundry and dry cleaner licenses, storage warehouse licenses, restaurant licenses, chain store licenses, trader's licenses (including yacht sales), and vending machine licenses. Finally, the bill repeals several obsolete provisions of law, including those for the licensure of amusement devices, wholesale farm machinery dealers, plumbers and gas fitters, and trading stamp issuers.

Wastewater Professionals

House Bill 318 (passed) establishes the State Board of On-Site Wastewater Professionals in the Maryland Department of the Environment to license and regulate individuals who provide on-site wastewater services in the State and establishes a related On-Site Wastewater Professionals Fund. For further discussion of **House Bill 318**, see the subpart "Environment and Energy" within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Public Service Companies

Renewable Energy

Offshore Wind

Maryland's Renewable Energy Portfolio Standard (RPS) was enacted in 2004 to facilitate a gradual transition to renewable sources of energy. Electric companies 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 equivalent to their shortfall. **Senate Bill 526 (passed)** modifies the collection mechanism under the RPS for Offshore Wind Renewable Energy Credits (ORECs) such that each *electric company*, instead of each *electricity supplier*, must purchase ORECs to meet the State's RPS requirements.

Community Solar

House Bill 440 (passed) increases the maximum generating capacity of a community solar energy generating system, including with respect to eligibility for net-energy metering credits,

from 2 megawatts to 5 megawatts. The bill also requires that a community solar energy generating system that exceeds 2 megawatts obtain a Certificate of Public Convenience and Necessity (CPCN) for its construction.

Clean Energy Innovation

During the 2021 session, the General Assembly passed Senate Bill 460 and House Bill 419. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 special session, and the bills became law in December 2021 as Chapters 13 and Chapter 24. The Acts 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. Generally, the Strategic Energy Investment Fund (SEIF) 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).

Climate Solutions Now Act of 2022

Among its other measures for reducing statewide greenhouse gas (GHG) emissions and transitioning the State to a highly electrified building sector, [*Senate Bill 528 \(Ch. 38\)*](#) includes several significant provisions relating to public service companies, renewable energy, and community solar energy generating systems. The Act includes provisions that (1) specify it is the goal of the State that the electric distribution system support, in a cost-effective manner, the State's policy goals with regard to GHG reduction; (2) prioritize renewable energy; (3) decrease dependence on electricity imported from other states; and (4) increase energy distribution resiliency, efficiency, and reliability. By January 1, 2030, each primary State procurement unit must ensure that at least 75% of the electricity supply procured by the unit for use in State facilities is derived from no- or low-carbon energy sources. The Public Service Commission (PSC) and the Maryland Energy Administration (MEA) must coordinate with utility providers in the State to apply for and obtain access to federal funds for specified policy goals relating to the State's electric system, and among other requirements, PSC must adopt regulations or issue orders to implement specific policies for electric distribution system planning and improvements.

The Act establishes numerous working groups that must advise on, among other issues, the impacts of transitioning to renewable energy; opportunities related to energy infrastructure improvements, transmission efficiency improvements, and battery backup viability; and solar photovoltaic systems. The Act also imposes wage and labor requirements for contractors and subcontractors working on distribution system improvement projects for investor-owned electric companies and gas and electric companies that are supported by federal funds.

The Act establishes the Electric School Bus Pilot Program, to be implemented and administered by PSC. Generally, under the pilot program, a utility installs interconnection equipment and provides rebates to local school systems to cover incremental costs of an electric

bus fleet. In return, the school system allows the utility to access the stored electricity without additional compensation at times when the school system determines that the buses are not needed to transport students. A utility may apply to PSC to implement an electric school bus pilot program if the program is structured to begin by October 1, 2024, and meets other specified requirements. Generally, the initial duration of an electric school bus pilot program must be at least three years and may be up to five years. However, on the request of a utility, PSC may authorize an expansion of the scope, deployment, program costs, and duration of the pilot program. *House Bill 696 (passed)* is identical to provisions of the Act related to the pilot program.

The Act also generally prohibits a county board of education, beginning in fiscal 2025, from entering into a new contract to purchase any school bus that is not a zero-emission vehicle (ZEV) or to use any school bus that is not a ZEV, subject to specified exceptions.

The Act extends the EmPOWER Maryland Energy Efficiency Act annual energy savings goals beyond their current program cycles and increases the annual energy savings requirements. PSC must, by regulation or order, require each electric company to procure or provide cost-effective energy efficiency and conservation programs and services to its customers to achieve specified energy savings.

The Act also establishes that for any taxable year beginning after June 30, 2022, personal property is exempt from county or municipal corporation property tax if the property is machinery or equipment that is part of a community solar energy generating system that has a specified generating capacity, provides energy in a specified manner, and is installed on a rooftop, parking facility canopy, or brownfield. The supervisor of assessments may not accept an application from a property owner for such an exemption after December 31, 2024.

For further discussion of *Senate Bill 528*, see the subpart “Environment and Energy” within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Utility Regulation

Unless suspended by PSC, a new rate or change in rate proposed by a public service company takes effect on the date specified in a rate application. However, PSC may suspend, effective immediately and without formal proceedings, any new rate or change in rate proposed. *Senate Bill 131/House Bill 228 (both passed)* authorize PSC to initially suspend a new rate or change in rate proposed by a public service company for up to 180 days after the proposed effective date, rather than initially suspend the rate for not more than 150 days with a potential 30-day extension as authorized under current law. The bills further authorize PSC to extend the suspension for up to an additional 90 days if the filing is for an alternative form of ratemaking (*i.e.*, a multi-year rate plan) for a public service company.

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. PSC must report to the General Assembly each year on the status of the net metering

program established under § 7-306 of the Public Utilities Article. ***Senate Bill 257/House Bill 341 (both passed)*** alter the date by which PSC must report to the General Assembly each year regarding net metering, from September 1 to November 1. The bills also eliminate a separate reporting requirement relating to customer education about retail energy customer choice.

Certificate of Public Convenience and Necessity

During the 2021 session, the General Assembly passed Senate Bill 417 and House Bill 777. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 special session, and the bills became law in December 2021 as Chapters 14 and Chapter 26. The Acts 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. The Acts also repeal a provision that allows State agencies to modify recommendations after the public CPCN hearing.

Resiliency Hubs

MEA operates a Resiliency Hub Grant Program to provide funding for solar and energy storage systems to serve as no-cost resiliency hubs for low- and moderate-income residents during grid outages. ***Senate Bill 256/House Bill 31 (both passed)*** codify and make changes to the program, promoting the development of resiliency hubs that provide electricity to low- and moderate-income households during extended electric grid outages at no cost to the households. To provide grants under the program, the bills establish the Resiliency Hub Grant Program Fund, which is funded in part by at least \$500,000 each year from SEIF and by general fines and penalties collected by PSC.

Limited-income Customers and Assistance

In 2008, the General Assembly passed the EmPOWER Maryland Energy Efficiency Act, which set target reductions of 15% in per capita electricity consumption and peak demand by 2015 from a 2007 baseline. Legislation in 2017 extended the program through its 2018-2020 and 2021-2023 program cycles and established a new annual energy savings goal of 2.0% per year, based on each electric company's 2016 sales. The Department of Housing and Community Development (DHCD) participates in EmPOWER through two special fund programs that (1) help low-income households undertake energy conservation projects in their homes at no charge and (2) promote energy efficiency and affordability in the State's multifamily rental housing developments for low- and moderate-income households. ***Senate Bill 524/House Bill 108 (both passed)*** require DHCD to procure or provide energy efficiency and conservation programs and services for electricity customers for the 2021-2023 and 2024-2026 EmPOWER Maryland Program cycles, subject to specified requirements. The bills also establish the Green and Healthy Task Force, as well as several reporting and planning requirements for DHCD and PSC, including

that DHCD develop a plan to provide energy efficiency retrofits to all low-income households by 2030.

The Office of Home Energy Programs (OHEP) in the Department of Human Services administers a variety of energy assistance programs and services for residential customers, including the Electric Universal Service Program and the Maryland Energy Assistance Program, which is Maryland's version of the federal Low Income Home Energy Assistance Program. ***Senate Bill 719/House Bill 1001 (both passed)*** require OHEP to develop a uniform redetermination process, to be updated annually, to assist eligible energy customers who are at least 65 years old in reenrolling in energy assistance programs each year. OHEP must maintain records organized by county, including the number of households during the previous year (1) that were eligible for redetermination; (2) whose notice of the redetermination process was verified and returned; and (3) that were reenrolled through the redetermination process.

For further discussion of the social services impacts of ***Senate Bill 719/House Bill 1001***, see the subpart "Social Services" within Part J – Health and Human Services of this *90 Day Report*.

Labor and Workforce

Contractors and subcontractors working on eligible public works projects in the State must pay their employees the prevailing wage rate. During the 2021 session, the General Assembly passed Senate Bill 95 and House Bill 174. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 special session, and the bills became law in December 2021 as Chapters 12 and Chapter 21. The Acts 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 Acts 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.

Underground Facilities

Persons planning an excavation or demolition project must generally notify the owners of nearby underground facilities such as natural gas, telephone, cable, television, water, and sewer lines so that the location of the facilities can be clearly marked. Notification is accomplished by initiating a ticket request and providing specified information through the one-call system. After receiving a ticket, an owner-member or its contract locator must mark the location of an underground facility and report that the facility has been marked or report that the owner-member has no underground facilities in the vicinity of the planned excavation or demolition. To protect underground facilities, Chapter 635 of 2010 established the Maryland Underground Facilities Damage Prevention Authority. The authority hears complaints and assesses civil penalties for violations of the laws protecting underground facilities.

Senate Bill 464/House Bill 350 (Chs. 113 and 114) authorize the authority to impose additional punitive measures when a person fails to notify the one-call system before performing excavation or demolition in the State or violates any other requirement related to excavation and

demolition. Instead of or in addition to assessing a civil penalty, the authority may (1) require a person to participate in damage prevention training; (2) implement procedures to mitigate the likelihood of damage to underground facilities; or (3) impose other similar measures.

Senate Bill 789/House Bill 994 (both passed) require a person, when using the one-call system to provide notification of a planned excavation or demolition, to select a start work date that is between 3 and 12 business days after the ticket is initiated. In addition, the bills expand the information that must be indicated through the notice provided to the one-call system to include the *extent* of the work to be performed in connection with the proposed excavation or demolition, rather than just the *type* of the work. The bills also make conforming changes to the timeframe within which an owner-member or its contract locator must mark the relevant underground facility and report that it has been marked or report that there are no such facilities in the vicinity.

Insurance (other than Health Insurance)

Maryland Insurance Administration

The State's insurance industry, including insurers and insurance professionals, is regulated by the Insurance Commissioner and the Maryland Insurance Administration (MIA). Generally, an insurer must apply for a certificate of authority issued by the Insurance Commissioner to engage in the insurance business in the State, and insurance professionals must be licensed or certified by the Commissioner in order to conduct business in the State. Additionally, there are different requirements for different types of insurance, including property and casualty insurance, such as private passenger automobile insurance; life insurance and annuities; and surplus lines insurance, all of which were affected by legislation passed during the 2022 session.

Enforcement Authority

The Insurance Article grants the Commissioner broad enforcement authority to suspend or revoke a certificate of authority, impose a penalty for each violation of the article, and require restitution to any person who has suffered financial injury because of a violation. Other specified enforcement actions are authorized when a person is found to have committed an unfair claim settlement practice.

Senate Bill 167 (Ch. 120) clarifies the Insurance Commissioner's authority to enforce insurance contracts. Specifically, the Act expressly states that instead of or in addition to suspending or revoking a certificate of authority, the Commissioner may require the holder to (1) fulfill any obligation under the policies or contracts that the holder failed to fulfill in violation of the Insurance Article or (2) pay a claim or an amount due under a policy or contract not paid in violation of the article. In addition, the Act expressly authorizes the Commissioner to take specific enforcement actions when a person commits an unfair claim settlement practice.

Virtual Hearings

During the COVID-19 emergency, MIA was unable to hold in-person public hearings. The Office of the Attorney General advised the agency that it could conduct hearings virtually if all parties agreed to do so. **Senate Bill 185 (passed)** extends the agency's ability to hold virtual hearings by authorizing the Insurance Commissioner to require an MIA hearing to be held virtually. However, the Commissioner may not require a party to participate virtually in a hearing if the party demonstrates that it is unable to exercise specific rights related to the hearing by appearing virtually. In that case, the Commissioner must make available a space within MIA with access to the equipment necessary to allow the parties to participate in the virtual hearing.

Insurance Professionals

In addition to the streamlined hearing practices extended under **Senate Bill 185**, legislation also extended COVID-inspired best practices for title insurance producers and managing general agents.

Title Insurance Producers

Each title insurer must conduct a yearly on-site review of the underwriting, claims, and escrow practices of each title insurance producer appointed by the insurer and evaluate certain information for the review. A title insurer must prepare a written report on the results of the review, subject to examination by MIA. During the COVID-19 pandemic, MIA authorized title insurers to conduct remote reviews under executive order. According to the agency, the quality of the remote reviews was comparable to those conducted on-site in prior years.

Senate Bill 293/House Bill 637 (both passed) make permanent the authority of a title insurer to conduct its annual producer reviews remotely, authorizing the reviews to take place (1) at the place of business of the title insurance producer; (2) remotely using mail, overnight delivery, or electronic means; or (3) through a combination of both on-site and remote methods. The bills repeal the requirement that reviews address *policy blank inventory* and processing operations, and instead require reviews to address *policy-issuing* and processing operations.

Managing General Agents

A managing general agent is a person who manages all or part of the insurance business of an insurer, including the management of any separate division, department, office, or subsidiary of the insurer. Each insurer must maintain specified records, conduct reviews, and share information with the Commissioner about the managing general agents it does business with or employs. During the COVID-19 emergency, MIA suspended on-site reviews and authorized these reviews to be conducted through virtual or remote means during 2020.

Senate Bill 188 (Ch. 121) makes permanent the authority for an insurer to conduct reviews of the underwriting and claims processing operations of its managing general agent virtually or remotely by repealing the requirement that the reviews be conducted "on-site." The Commissioner

may adopt regulations to implement provisions related to the duties of an insurer regarding its managing general agent.

Property and Casualty Insurance

Maryland Automobile Insurance Fund

Created by the General Assembly in 1972, the Maryland Automobile Insurance Fund (MAIF) is an independent nonbudgeted quasi-State agency. Through its Insured Division, MAIF provides automobile liability insurance to residents of the State who are unable to obtain policies in the private insurance market. MAIF is not in direct competition with the private insurance industry. MAIF may accept premiums for its policies on an installment basis but can only do so under limited circumstances.

Senate Bill 278/House Bill 377 (both passed) repeal nearly all of the limitations on MAIF related to accepting premiums on an installment basis; however, the Commissioner must continue to approve MAIF's plan to accept premiums by installment. Ultimately, the bills (1) expressly and simply authorize MAIF to accept premiums on an installment payment basis; (2) require the Commissioner, in approving MAIF's plan, to consider specified factors related to the cost, number, and affordability of premium payments under the plan; and (3) require the Commissioner to ensure that MAIF's installment payment plan meets existing requirements for insurers related to the charging and collection of premiums on an installment basis. The bills also require the Commissioner to submit a report to the General Assembly when MAIF makes a change to its plan for accepting premiums on an installment basis. The report must provide the reason for the change and include the effect the change will have on the factors that the Commissioner must consider when approving MAIF's installment plan.

Annuities

In Maryland, the value of any paid-up annuity, cash surrender, or death benefits under a life-insurance/annuity contract must be based on the minimum nonforfeiture amount calculations under the Insurance Article. Before or at the start of any annuity payments, the minimum nonforfeiture amount must equal the remainder of the accumulation of the net considerations paid prior to that time, at an interest rate determined in the following manner less the sum of withdraws, annual contract charges, premium taxes paid for the contract, and any insurer debt for the contract, as specified. Generally, the interest rate used to determine minimum nonforfeiture amounts as they grow over time must be an annual interest rate equal to the lesser of (1) 3% per year or (2) the five-year constant maturity rate reported by the Federal Reserve Board. The interest rate may not be less than 1% per year. ***Senate Bill 164/House Bill 119 (both passed)*** lowers the minimum nonforfeiture rate for a life insurance/annuity policy (the minimum interest rate that an insurer uses to determine the cash value of a policy as it grows over time) from 1% to 0.15%.

Surplus Lines Insurance

A person may purchase insurance from an unauthorized insurer as a surplus line under certain conditions, generally when the type of insurance sought is not available from any authorized insurer in the State. **Senate Bill 572/House Bill 563 (both passed)** increase the fees that may be charged related to surplus lines insurance policies. Specifically, the bills prohibit the fees from exceeding (1) \$200 on each personal lines policy or (2) the greater of \$500 or 7% of the policy premium on each commercial lines policy. Additionally, a surplus lines broker that holds a certificate of qualification may charge a reasonable policy fee, without specific numerical limits, on each policy for an exempt commercial policyholder, under certain conditions.

Cybersecurity Standards

Senate Bill 207 (passed) adopts in Maryland the National Association of Insurance Commissioners Model 668 – Data Security Model Law, which establishes data security standards for insurance regulators, insurers, and other specified carriers. The bill establishes standards applicable to carriers for data security, prompt investigation, and notification to the Insurance Commissioner of a cybersecurity event. For a more detailed discussion of this issue, see the subpart “Information Technology/Cybersecurity” within Part C – State Government of this *90 Day Report*.

Horse Racing and Gaming

Horse Racing

Racing Facilities

Chapter 590 of 2020 provided for the redevelopment of Pimlico Race Course in Baltimore City and Laurel Park in Anne Arundel County. **House Bill 897 (Ch. 61)** requires the Maryland Stadium Authority (MSA) to provide two reports on the progress of the Pimlico and Laurel Park racing facility redevelopment plans under Chapter 590. In addition, the Act establishes the intent of the General Assembly that certain redevelopment projects at Pimlico and Laurel Park proceed by September 1, 2022, using funds from the Racing and Community Development Facilities Fund. Further, the Act requires the Maryland Economic Development Corporation to undertake certain efforts related to the acquisition of Laurel Park by a government or nonprofit entity to ensure the redevelopment and construction of facilities at the Laurel Park racing facility site. Lastly, the Act requires the mile thoroughbred licensees, the Maryland Thoroughbred Horsemen’s Association, and the Maryland Horse Breeders Association to report on the status of the Maryland thoroughbred racing operations.

For a further discussion of **House Bill 897**, see the subpart “Economic Development” within this part of this *90 Day Report*.

Satellite Simulcast Betting Facilities

Senate Bill 792/House Bill 942 (both passed) specify that certain local zoning approval is not required to use a facility for satellite simulcast betting if the facility is properly zoned for operation of (1) a video lottery facility; (2) a sports wagering facility; or (3) electronic bingo or tip jar machines. The bills also authorize the Maryland Racing Commission (MRC) to waive review of an applicant for a satellite simulcast betting permit if the applicant is a video lottery or sports wagering licensee. Subject to the approval of MRC and the State Lottery and Gaming Control Commission (SLGCC): (1) a self-service kiosk at a satellite simulcast facility that is located in a sports wagering facility may accept both satellite simulcast bets and sports wagers, provided that the kiosk separately accounts for the different types of wagers and meets all specifications and requirements established by regulation by SLGCC; and (2) a mile thoroughbred racing licensee or a harness racing licensee may enter into an agreement with a sports wagering licensee authorizing the employees of the sports wagering licensee to operate the pari-mutuel betting equipment and to accept pari-mutuel bets on horse racing in a satellite simulcast facility.

Fair Hill

In 2019, the Department of Natural Resources worked with MSA to construct, manage, and maintain improvements to the special event area at Fair Hill to support the inaugural Maryland 5 Star, an elite equestrian triathlon competition. **Senate Bill 679 (passed)** authorizes the Governor to include an appropriation of \$1.8 million for the Fair Hill Improvement Fund in the annual budget bill beginning in fiscal 2024. Money appropriated to the fund and money credited to the fund from wagering must be used exclusively for the grounds and facilities within the special event area at Fair Hill.

Sports Wagering

Chapter 356 of 2021, which established the State's sports wagering program, prohibited the Sports Wagering Application Review Commission (SWARC) from awarding a Class B-1 or B-2 sports wagering facility license for a location within (1) a 15-mile radius of a Class A-1 or A-2 sports wagering facility located in Allegany, Cecil, or Worcester counties or (2) a 1.5-mile radius of a Class A or B licensee located in all other counties. **House Bill 942 (passed)** alters these exclusion zones by providing that, for applications for a sports wagering facility license submitted before June 1, 2025, SWARC may not award a Class B license for a location within (1) a 15-mile radius of a certain Class B sports wagering facility in Charles County; (2) a 10-mile radius of a certain Class B sports wagering facility in Carroll County; or (3) a 5-mile radius of a certain Class B sports wagering facility in Frederick County. In addition, the bill authorizes SWARC to award a Class B license within a 15-mile radius of a video lottery facility located in Allegany County before the issuance of a Class A sports wagering license to that facility.

Senate Bill 929 (passed) prohibits the admissions and amusement tax from being imposed on any proceeds from sports wagering.

Video Lottery Facilities

House Bill 718 (passed) alters the membership of the video lottery facility local development council in Anne Arundel County by requiring the Anne Arundel County Executive to appoint three delegates (instead of two) who represent the district where the communities surrounding the facility are located, or the delegates' designees.

State Lottery and Instant Ticket Lottery Machines

In exchange for selling State lottery products, licensed agents earn a 5.5% commission and may receive a cashing fee of up to 3% of valid prizes paid for services rendered in cashing winning tickets. **House Bill 1179 (passed)** increases the lottery agent sales commission from 5.5% to 6% of gross lottery sales. A veterans' organization that operates instant ticket lottery machines receives the same commissions as a licensed lottery agent.

Local Gaming

House Bill 945 (passed) increases the number of weekly drawings allowed in a multi-drawing raffle that qualified organizations in Carroll County may conduct during a year from 30 to 52. The bill also repeals the major prize limit of \$1,100 for a multi-drawing raffle.

Economic Development

Economic Development Programs

Maryland New Start Act of 2022

House Bill 158 (passed) establishes the Maryland New Start Grant Program in the Maryland Department of Labor (MDL), and the Maryland New Start Microloan Program, along with a nonlapsing special fund, in the Department of Commerce. MDL must award grants to at least five eligible organizations to create or support existing entrepreneurship development programs that assist specified formerly imprisoned individuals or specified individuals approved for release by a correctional facility. Commerce may award collateral-free loans to these formerly or currently imprisoned individuals participating in certain programs to establish a business. Commerce, in consultation with the Governor's Office of Small, Minority, and Women Business Affairs, must administer the microloan program. The Governor must include an appropriation of at least \$300,000 to the Maryland New Start Microloan Fund and at least \$200,000 for the Maryland New Start Grant Program in the annual budget bill in fiscal 2024 through 2028. The bill terminates June 30, 2029.

Maryland Watermen's Microloan Program

The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) is a quasi-public economic development organization chartered by the State. Its

mission is to help Maryland’s farm, forestry, and seafood businesses to prosper through the provision of targeted financial and other services that help retain existing resource-based industry production and commerce, promote rural entrepreneurship, and nurture emerging or expanding agricultural enterprises.

Senate Bill 826 (passed) establishes the Maryland Watermen’s Microloan Program within MARBIDCO. The purpose of the program is to provide loans to qualified commercial fishermen to continue commercial operations in the State, including for purchasing boats, mechanical equipment, and fishing gear. The bill requires the Governor to include an appropriation of \$500,000 to the program in the annual budget bill in fiscal 2024 through 2026.

Qualifying Donations for the Maryland E-Nnovation Initiative Program

Chapters 532 and 533 of 2014 established the Maryland E-Nnovation Initiative Program, the Maryland E-Nnovation Initiative Fund (MEIF), and the MEIF Authority in Commerce. Under the program and subject to certain eligibility requirements, nonprofit institutions of higher education (NPIHE) in the State may create research endowments and, upon securing matching qualified donations, MEIF monies may be distributed to the endowments. A “qualified donation” means any private donation, gift, irrevocable pledge, or bequest to a research endowment in accordance with certain criteria.

Senate Bill 473/House Bill 730 (both passed) lower the minimum threshold – to \$200,000 – for a qualified donation or pledge made to a research endowment of a NPIHE that has an annual unrestricted current funds budget of less than \$250.0 million. In addition, the donation may be bundled with other qualified donations to meet the \$200,000 threshold.

Enterprise Zone Program Alterations

The Enterprise Zone tax credit program, established in 1982, is intended to encourage economic growth within economically distressed areas of the State and to increase employment of the chronically unemployed. Businesses located within an enterprise zone are eligible for local property tax credits and State income tax credits.

House Bill 478 (passed) alters the program by (1) establishing the purpose of the program to attract, retain, and encourage commercial development in economically distressed areas of the State by incentivizing capital investment and job creation through real property and income tax credits; (2) requiring the Secretary to adopt regulations governing the evaluation and prioritization of applications for enterprise zone and expansion designations; (3) limiting the authority of the Secretary to expand existing zones by 25% instead of 50%; (4) altering the definitions of “focus area employee” and “qualified employee” for the income tax credit; and (5) adding reporting requirements.

Advanced Clean Energy and Clean Energy Innovation Investments and Initiatives

During the 2021 session, the General Assembly passed Senate Bill 460/House Bill 419. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 special session, and the bills became law in December 2021 (Chs. 13 and 24). Chapters 13 and 24 of the 2021 special session require the Maryland Energy Innovation Institute (MEII) and the Maryland Clean Energy Center to implement an accelerator program for Maryland-based technology companies engaged in clean energy innovation. MEII must also coordinate with the Maryland Technology Development Corporation (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 further discussion of the Acts, including an ongoing funding source, see the subpart “Public Service Companies” within this part of this *90 Day Report*.

Department of Commerce

Commerce Reporting Requirements and the Purple Line Construction Zone Grant Program

Under the Maryland Jobs Development Act, Commerce must annually provide a report to the Governor and the General Assembly on specified outcomes related to the Commerce’s economic development programs, including each tax credit defined as such a program. Commerce must also maintain an online, downloadable, publicly available database on its website. The database that Commerce must establish, maintain, and annually update must include specified additional information for each of the department’s economic development programs. *Senate Bill 191 (Ch. 116)* streamlines and consolidates reporting requirements for economic and tax credit programs administered by Commerce by eliminating separate reporting requirements and expanding the data collection, tracking, and reporting requirements of the Maryland Jobs Development Act and information to be published on the department’s website.

The Act also clarifies provisions of law concerning the Purple Line Construction Zone Grant Program to conform the statute to the implementation of the program to date. The purpose of the Purple Line Construction Zone Grant Program is to provide funds to Montgomery and Prince George’s counties, which will then distribute funds to qualified small businesses in the county to assist in offsetting business revenue lost as a result of the construction of the Purple Line light rail project.

More Jobs for Marylanders Program – Extension and Alterations

Chapter 149 of 2017 established the More Jobs for Marylanders Program, which is administered by Commerce and provides State income tax, sales tax, property tax, and fee benefits to certain businesses that create and maintain a minimum number of qualified jobs. Eligibility for specific benefits is determined by the type of business, its location, and whether or not it is a new business. Generally, a business must operate or conduct a trade or business that is primarily

engaged in manufacturing, or else be located in a federal opportunity zone, and not be otherwise excluded by law.

The More Jobs for Marylanders Program has a multi-step application process – before applying for tax credits a business must first submit a notice of intent to seek designation as an eligible project. Under current law, Commerce may certify that a project meets program requirements and, therefore, may be eligible for 10-year tax benefits, through May 31, 2022. **Senate Bill 391 (passed)** extends the program for 2 additional years so that Commerce can certify projects through May 31, 2024, and modifies the program for projects certified beginning June 1, 2022, by (1) altering the wages that must be paid to employees filling qualified positions filled by newly enrolled business entities to 150% of the State minimum wage; (2) limiting benefits for projects in Tier II areas to 5 years; and (3) limiting the benefit to only an income tax credit that is reduced as compared to current law. For projects filing a notice of intent beginning June 1, 2022, the bill increases the number of new employees that must be hired to be qualified for benefits. Finally, the bill reduces the maximum amount of income tax credit certificates that Commerce may issue each year from \$9.0 million to \$5.0 million and codifies the purpose of the program.

Winery and Vineyard Economic Development Grant Program

Senate Bill 594 (passed) establishes the Winery and Vineyard Economic Development Grant Program in Commerce. The purpose of the program is to provide financial assistance to individuals and corporations to establish a new winery or vineyard in the State or complete capital improvements at an existing winery or vineyard. For each fiscal year, the Governor must include in the annual budget bill an appropriation of at least \$1.0 million to Commerce to award grants under the program. For a further discussion of the bill, see the subpart “Alcoholic Beverages (Statewide)” within this part of this *90 Day Report*.

Regional and Local Economic Development

Montgomery County Business Improvement Districts

Chapter 461 of 2010 authorized a county or municipality to establish business improvement districts, subject to specified conditions. Business improvement districts have traditionally been established by groups of local businesses and property owners with the goal of attracting customers, clients, and shoppers to the district by implementing coordinated improvements and shared marketing efforts. Chapter 444 of 2017 exempted Montgomery County from the statewide business improvement district law and established a separate law solely for Montgomery County and its municipalities that is identical to statewide law with some exceptions such as reducing the minimum threshold of property owners necessary to create or expand a district.

House Bill 1340 (passed), for Montgomery County, broadens the definition of “members of the district” to include commercial tenants. The board of directors of a business improvement district corporation in the county consists of at least 11 members (instead of between 5 and 9 members). However, Montgomery County or one of its municipalities in which a district is

established may determine a different number of board members if the district is connected with a business improvement district in another county, state, or the District of Columbia.

Anne Arundel County and City of Annapolis – Financial Assistance in a Local State of Emergency

For a period of two years, until June 30, 2024, [*Senate Bill 310/House Bill 386 \(both passed\)*](#) expand the eligible use of the Small, Minority, and Women-Owned Businesses Account to include grants to businesses and nonprofit organizations in Anne Arundel County and the City of Annapolis when in a local state of emergency as declared by the principal executive officer. The bills also establish a Workgroup to Study the Establishment of a State Disaster Relief Fund, staffed by the Maryland Department of Emergency Management. The workgroup must study and report its recommendations regarding the efficacy and sustainability of existing emergency fund sources and the potential establishment of a State Disaster Relief Fund. The workgroup terminates June 30, 2023.

Tri-County Council for Southern Maryland

The Tri-County Council for Southern Maryland (TCC) is a cooperative planning and development unit for Calvert, Charles, and St. Mary's counties. The council initiates and coordinates plans and projects for the development of human and economic resources of the region. [*Senate Bill 378 \(passed\)*](#) requires the Governor to include in the annual budget bill an appropriation of \$900,000 beginning in fiscal 2024 to TCC from the Cigarette Restitution Fund. TCC must use the funds for the activities of the Southern Maryland Agricultural Development Commission. The bill terminates June 30, 2025.

Western Maryland Economic Future Investment Board and Fund

The Tri-County Council for Western Maryland is a 26-member regional economic development organization representing Allegany, Garrett, and Washington counties. The council is governed by a board of directors, which includes representatives from both the public and private sectors. [*Senate Bill 474/House Bill 838 \(Chs. 62 and 63\)*](#) establish the Western Maryland Economic Future Investment program, board, and the Senator George C. Edwards Fund. The Tri-County Council for Western Maryland must staff the board and administer the fund. The purpose of the fund is to provide grants and loans for capital infrastructure projects and business development projects that improve economic conditions in the region. The Acts require the Governor to include an annual appropriation of \$10.0 million in the State budget or capital budget for fiscal 2024 through 2026. The fiscal 2023 operating budget includes an appropriation of \$20.0 million to the fund for a total infusion of \$50.0 million between fiscal 2023 and fiscal 2026.

Baltimore City Small Box Discount Stores

[*Senate Bill 869 \(passed\)*](#) permits the Mayor and City Council of Baltimore City to establish specific planning and zoning controls related to small box discount stores. The bill also requires the Mayor and City Council to conduct a small box discount store diversity study and report its

findings to members of the Baltimore City House and Senate delegations to the General Assembly. “Small box discount store” means a retail store that has a floor area of more than 5,000 square feet and less than 12,000 square feet and that offers for sale (1) a combination and variety of convenience shopping goods and consumer shopping goods and (2) the majority of the items in the inventory at a price not to exceed \$5. “Small box discount store” does not include (1) a grocery store; (2) a store that contains a pharmacy where prescription drugs are compounded, dispensed, or distributed; (3) a store that offers for sale gasoline, diesel fuel, or on-site electric charging capabilities for vehicles; (4) a retail store where the majority of the products sold are personal hygiene products or cosmetics; or (5) a store that primarily engages in the resale of used consumer goods.

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.

Maryland Makerspace Initiative Program

Senate Bill 453 (passed) establishes the Maryland Makerspace Initiative Program in TEDCO to encourage the establishment and expansion of makerspaces throughout the State. “Makerspace” means a community space that (1) provides access to tools, technology, and knowledge for learners and entrepreneurs; (2) results in the prototyping or creation of physical goods; and (3) supports the development of educational opportunities for personal growth, workforce training, and early-stage business ventures. The Maryland Makerspace Initiative Fund is established in TEDCO for the administration of the program. The bill also requires the Governor to include an appropriation in the annual budget bill of at least \$1.0 million in fiscal 2024 through 2028 for the fund. The bill terminates September 30, 2028.

Maryland Equity Investment Fund

Senate Bill 885/House Bill 1479 (both passed) establish the Maryland Equity Investment Fund in TEDCO to allow unappropriated general fund surplus to be invested in a “qualified business” – with a goal to increase private equity and venture capital in the State – and the interest earnings and investment returns realized to the benefit of participants of the several pension systems managed by the State Retirement and Pension System (SRPS). For fiscal 2024, the Governor must include an appropriation in the budget bill to the fund equal to 10% of the unappropriated general fund surplus in excess of \$10.0 million from the second prior fiscal year, up to a maximum of \$10.0 million, with up to \$15.0 million instead of up to \$25.0 million being appropriated to the SRPS accumulation funds (trust fund) that year. A “qualified business” is a business that, at the time of the first investment, has its principal business operations located in the State and intends to remain in the State after receiving an investment; has agreed to use the qualified investment primarily to support business operations in the State or, in the case of a start-up company, establish and support business operations in the State; and has no more than

250 employees. A “qualified business” is not primarily engaged in retail sales; real estate development; the business of insurance, banking, or lending; or the provision of professional services by accountants, attorneys, or physicians.

Maryland Stadium Authority

The Maryland Stadium Authority (MSA) was established in 1986 as an independent unit in the Executive Branch to be responsible for the construction, operation, and maintenance of facilities for use by professional baseball and/or football teams. MSA’s authority has since been expanded further to include a variety of State and local projects. MSA may, in fact, manage any type of construction project for local governments and State agencies upon request and approval by the General Assembly.

Membership

House Bill 20 (Ch. 17) increases the membership of the MSA from seven members to nine members, by adding one member appointed by the President of the Senate and one member appointed by the Speaker of the House of Delegates.

Hagerstown Multi-Use Sports and Events Facility

Chapter 353 of 2021 authorizes MSA to issue up to \$59.5 million in bonds for the purpose of financing acquisition, construction, renovation, and related expenses in connection with the Hagerstown Multi-Use Sports and Events Facility, subject to specified requirements. **Senate Bill 911 (passed)** changes the entity with which MSA must enter into a written operating agreement before issuing bonds to finance the facility from the Hagerstown-Washington County Industrial Foundation to the Hagerstown Multi-Use and Events Facility, Inc. and updates all related references to reflect the change.

Bond Authorization Increase for Camden Yards

The Baltimore Orioles’ original lease with the State began April 1, 1992, and was set to expire at the end of 2021, but the Orioles signed a two-year extension taking the lease through the end of 2023, with the club retaining the right to exercise a one-time, five-year extension by February 1, 2023. The Baltimore Ravens lease for M&T Bank Stadium ends after the 2027-2028 season in February 2028. Oriole Park at Camden Yards is 30 years old, and M&T Bank Stadium is 24 years old.

To help ensure the continued location of the Baltimore Orioles and the Baltimore Ravens at Camden Yards beyond the teams’ current lease terms, **House Bill 896 (Ch. 60)** increases the amount of taxable or tax-exempt bonds that MSA may issue for sports facilities at Camden Yards to \$1.2 billion, split evenly between the football and baseball stadiums (and the sports facilities directly related to their operation), and specifies renovation as an additional purpose. To finance acquisition and construction of the baseball or football stadium, MSA must provide certification that it has negotiated a lease or renewal or extension of a lease that will not terminate prior to the

maturity date or payoff of any bonds issued for the stadium. The Comptroller must distribute up to \$90 million (instead of up to \$20 million) annually from State lottery revenues to the Maryland Stadium Facilities Fund. The Act takes effect July 1, 2022, contingent on the enactment of [*House Bill 897 \(Ch. 61\)*](#).

Sports Entertainment Facilities and Events, Prince George’s County Blue Line Corridor Facilities, and Racing Facilities

[*House Bill 897*](#) authorizes MSA to issue up to \$200 million in bonds for “sports entertainment facilities,” and up to \$400 million in bonds for Prince George’s County Blue Line Corridor (BLC) facilities, subject to specified requirements. “Sports entertainment facility” means a structure or other improvement in the State at which minor league games are played or other nonmajor league sporting events are held. It includes parking lots, garages, and other property adjacent and directly related to the facility. It does not include a facility located at Camden Yards or other specified facilities. A “BLC facility” means a facility located within BLC that is a convention center; an arts and entertainment amphitheater; and any other functionally related structures, improvements, infrastructure, furnishings, or equipment of the facility, including parking garages. “BLC” is an area, as designated by public local law, in central Prince George’s County near the intersections of I-495 and Landover Road, Arena Drive, and Central Avenue. The Act establishes the Sports Entertainment Facilities Fund and the Prince George’s County BLC Facility Fund to be used by MSA to implement the respective programs.

The Act also establishes the Major Sports and Entertainment Event Program and Fund to attract major sporting events and major entertainment events to the State and other related purposes and establishes a bus rapid transit system grant program in the Maryland Department of Transportation, subject to specified requirements. All three funds and the grant program are funded by State Lottery Fund distributions. The Act also exempts construction material purchased for specified related projects from the sales and use tax, subject to specified requirements.

Finally, the Act establishes reporting requirements and legislative intent relating to Laurel Park and Pimlico racing facilities, as specified. MSA must provide reports on the progress of the Pimlico and Laurel Park racing facility redevelopment plans under Chapter 590 of 2020.

Economic Development Funding

Several significant budget actions pertaining to economic development are included in the fiscal 2023 budget bill, including:

- \$70.0 million for the Rural Maryland Economic Development Program, with \$50.0 million split equally among five rural regional councils and, contingent on Senate Bill 474/ House Bill 838, \$20.0 million for the Western Maryland Economic Future Investment Program;

- \$15.0 million for the Child Care Capital Support Revolving Loan Fund, contingent on Senate Bill 919/House Bill 993;
- \$15.0 million for the Maryland Small Business Development Financing Authority and \$15.9 million for TEDCO as part of the State Small Business Credit Initiative (\$34.3 million is also provided to the Department of Housing and Community Development);
- \$19.6 million in supplemental funding for the Office of Tourism Development to provide tourism grants;
- \$40.0 million for the Maryland State Arts Council to provide arts grants;
- \$40.0 million for the Office of Business Development in Commerce for the Cannabis Business Assistance Fund, contingent on the enactment of House Bill 837 and the ratification of a constitutional amendment in House Bill 1;
- \$30.0 million for the More Jobs for Marylanders Program, an increase of \$20.5 million compared to fiscal 2022;
- \$20.5 million for the Stem Cell Research Program in TEDCO, an increase from \$8.2 million in prior years; and
- \$5.0 million for the Builder Program in TEDCO, an increase from \$1.0 million in prior years.

Housing and Community Development

Community Development

House Bill 1451 (passed) alters provisions pertaining to financial assistance for business projects and the Neighborhood Business Development Program in the Department of Housing and Community Development (DHCD).

The bill authorizes the Community Development Administration (CDA) in DHCD to provide financial assistance for a qualifying business project as (1) a loan; (2) a reduction in the principal obligation of or interest rate on a loan or portion of a loan; (3) a prepayment of interest on a subordinate or superior loan or portion of a loan; (4) an assurance; (5) a guarantee or other form of credit enhancement; or (6) a promissory note that may be converted to an equity ownership interest and liquidated at the earliest opportunity to realize the highest market value for CDA. The authorization to issue convertible promissory notes as financial assistance for a business project terminates July 1, 2026.

Among other criteria, a project qualifies as a business project if the project is located in an area designated as a priority funding area or in a qualified opportunity zone in Allegany, Garrett, Somerset, and Wicomico counties. The bill adds qualified opportunity zones in Baltimore City and Baltimore, Charles, Howard, Montgomery, and Prince George’s counties to this list.

The Neighborhood Business Development Program provides grants and loans to community-based economic development activities in revitalization areas designated by local governments to incentivize small business and other food-related enterprises that provide healthy foods to locate in food deserts. Financial assistance under the program may be provided as (1) a grant; (2) a loan; (3) a reduction in the principal obligation of or interest rate on a loan or portion of a loan; (4) a prepayment of interest on a subordinate or superior loan or portion of a loan; (5) an assurance; (6) a guarantee; or (7) any other form of credit enhancement. The bill adds a specified convertible promissory note as an additional form of financial assistance under the program. Moreover, the bill authorizes DHCD, without approval or execution by the Board of Public Works (BPW), to sell or assign any equity interest acquired under circumstances authorized by the bill. Finally, the bill adds money received from the sale, assignment, or other disposition of equity interests of the program to the available funding sources for the Neighborhood Business Development Fund.

Affordable Housing

Senate Bill 744/House Bill 927 (both passed) require that, not later than 60 days after receiving a certain surplus property notice from the Maryland Department of Planning (MDP), DHCD must, in consultation with the unit of State government that controls the property, determine if the property is suitable for use or redevelopment as affordable housing. “Affordable housing” means residential property that is rented or sold to the public as low-income housing or workforce housing – both of which are further defined in the bills.

DHCD must identify a property as suitable for use or redevelopment as affordable housing if the property (1) is located in an area designated as a priority funding area; (2) does not belong to a specified category of property generally related to parks and conservation; (3) is adequately sized for any type of residential use; (4) has access to public utilities; and (5) has access to feasible ingress and egress points; however, DHCD may consider other factors as well when evaluating surplus property for this purpose. DHCD is further tasked with compiling and regularly updating a list of properties it has determined are suitable for use or redevelopment as affordable housing and must make this list available to the public. For each property included in the list, DHCD must give notice of its determination to (1) the unit of State government that controls the property and (2) the State Treasurer of its determination. Additionally, DHCD must advise the unit of the bills’ requirements regarding the disposal of the listed property.

Units of State government with the specified excess properties must, in consultation with DHCD and MDP, develop a proposal to donate or sell the property to certain individuals who contract to buy or use the property as affordable housing. If, after reasonable effort, a unit is unable to identify a suitable nonprofit organization or buyer for a designated property in accordance with

the bills, the unit must develop a proposal to sell the property at auction. A proposal developed in this manner must be submitted to BPW for consideration as required under current law. When a property is disposed of in accordance with a proposal developed under the bills, the unit must give notice of the disposition to DHCD. A unit may not donate or sell a property as outlined in the bills in certain circumstances. The bills may not be construed to supersede the right of a person from whom real property was acquired or their successor in interest to reacquire the property under provisions of the Transportation Article relating to the sale of land not needed for public purposes.

Separately, the bills require the Comptroller, after making the required distributions for paying income tax refunds and for costs generally related to administering the income tax laws, to distribute \$30.0 million in personal income tax revenue to the Rental Housing Fund within DHCD by June 30, 2022.

Department of Housing and Community Development Funding

Several significant budget actions pertaining to DHCD are included in the fiscal 2023 budget bill. The budget directs \$12.4 million in fiscal 2022 and \$21.9 million in fiscal 2023 to support the State Small Business Credit Initiative. The Homeowner Assistance Fund receives \$100.0 million, Neighborhood Revitalization receives \$20.0 million, and \$50.7 million is provided for Emergency Rental Assistance in fiscal 2023. Rental Housing Programs – Capital Region also receives \$50.0 million for fiscal 2023 to supplement the \$67.5 million pay-as-you-go appropriation (and an additional \$30.0 million is provided to the Rental Housing Fund under Senate Bill 744). The budget also includes a fiscal 2022 deficiency appropriation of \$10.0 million for Neighborhood Safety Grants, as part of the Governor’s ReFund the Police Initiative. DHCD also receives \$171.2 million as part of American Rescue Act’s funding to support broadband. This is in addition to the \$192.3 million provided to support broadband in fiscal 2022. Lastly, DHCD receives \$42.0 million to support homeownership programs, an increase from the \$26.0 million received in fiscal 2022.

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, death and funeral costs, 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.

Occupational Disease Presumption

Workers' compensation law establishes a presumption of compensable occupational disease for certain public safety employees who are exposed to unusual hazards in the course of their employment. It is assumed that these specified injuries or diseases are due to the employee's work and, therefore, no additional evidence is required in the filing of a claim for workers' compensation. Among other things, *Senate Bill 541 (Ch. 39)* clarifies that forest rangers, park rangers, and wildlife rangers are eligible for workers' compensation benefits and expands an existing occupational disease presumption for Lyme disease to forest rangers, park rangers, and wildlife rangers. For further discussion of the Act generally, see the subpart "Natural Resources" within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Unemployment Insurance

Unemployment Insurance (UI) 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 Maryland Department of Labor's Division of Unemployment Insurance 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.

Recovery of Benefits

The Secretary of Labor is authorized to recover benefits paid to a UI claimant if the Secretary finds that the claimant was not entitled to the benefits because (1) the claimant was not unemployed; (2) the claimant received or retroactively was awarded wages; or (3) due to a redetermination of an original claim, the claimant is disqualified or otherwise ineligible for benefits. Additionally, the Secretary may recover benefits paid – plus a monetary penalty and interest – for each affected week if the claimant knowingly made a false statement or representation or knowingly failed to disclose a material fact to obtain or increase a benefit or other payment. *House Bill 4 (passed)* establishes the process that the Secretary must follow when, after recovering benefits from a UI claimant, the claimant notifies the Secretary that the actual amount recovered exceeded the amount stated in the notice of repayment received by the claimant. The bill also requires the Secretary to submit a monthly report to the General Assembly with information about these claims.

Federal Extended Benefits for Long-term Unemployment

Federal law includes three sets of circumstances that authorize the payment of federally funded extended benefits (EB) to UI claimants. States are required to adopt and implement the first “trigger,” while adoption and implementation of the other two triggers is optional. The State has adopted the mandatory trigger and the first optional trigger. Generally, half of the costs of EB are financed by the federal government, although there have been temporary periods of 100% federal funding during recent recessions. *Senate Bill 655/House Bill 253 (both passed)* adopt and implement the second optional EB trigger, subject to full federal funding being available. Specifically, the bills establish an additional “on” indicator for EB that is based on the average total unemployment rate (TUR) in the State. The additional on indicator for a week exists if:

- the average TUR for all states, seasonally adjusted, for the most recent three-month period is at least 6.5%; and
- the average TUR in the State, seasonally adjusted, for the most recent three-month period is at least 110% of the national average for either or both of the corresponding three-month periods ending in the two preceding calendar years.

The on indicator applies for weeks of unemployment (1) beginning after June 1, 2022, when 100% federal sharing is available and (2) ending 4 weeks before the last week for which 100% federal sharing is available. Generally, after the on indicator occurs, an “off” indicator (which ends EB) exists in a week when none of the circumstances related to the TUR apply for that week and the 12 immediately preceding weeks. The bills also establish a floor for the total amount of EB payable to an eligible individual for the applicable benefit year during a high unemployment period and authorizes the Secretary of Labor to suspend the payment of those EB under specified circumstances.

Labor and Industry

Family and Medical Leave

In 2016, a task force was established to study family and medical leave insurance (FAMLI). The purpose of the task force was to study existing FAMLI programs in other states and the District of Columbia, review specified FAMLI implementation studies and reports, and receive public testimony from relevant stakeholders. The task force was required to make recommendations on (1) the development of a State social insurance program that provides short-term benefits to eligible employees who lose wages due to caring for a newly arrived child, caring for an ill family member, or caring for one’s self and (2) the design of an employee-funded FAMLI pool.

Based on the recommendations made by the task force, *Senate Bill 275 (Ch. 48)* establishes the FAMLI Program and FAMLI Fund administered by the Maryland Department of

Labor (MDL). The program provides up to 12 weeks of benefits and paid leave to a covered individual, which includes a covered employee, an employee that works for an employer with one or more employees, or a self-employed individual.

Contributions

Beginning October 1, 2023, each employee, each employer with 15 or more employees, and each participating self-employed individual, must pay to the Secretary of Labor a percentage contribution based on wages, which are established in regulation. The Act establishes a process for determining the initial contribution rates of employers with 15 or more employees and employees, as well as a process for reassessing the contributions every two years. By June 1, 2023, the Secretary must set the total rate of contribution for employees and the percentage of the total contribution rate to be paid by employers with 15 or more employees and employees.

Benefits

Beginning January 1, 2025, claims for benefits are expected to begin. To be eligible for benefits, a covered individual who is taking leave from employment may submit a claim for intermittent leave, or up to 12 weeks of benefits to (1) care for a newborn child or a child newly placed for adoption, foster care, or kinship care with the individual during the first year after the birth, adoption, or placement; (2) care for a family member with a serious health condition; (3) attend to a serious health condition that results in the individual being unable to perform the functions of the individual's position; (4) care for a next of kin service member; or (5) attend to a qualifying exigency arising out of the individual's family member's deployment, as defined by the Act.

The weekly benefit payable to a covered individual ranges from a minimum of \$50 to a maximum of \$1,000 for the 12-month period beginning January 1, 2025. Beginning January 1, 2026, the maximum weekly benefit must be increased by the annual percentage growth in the Consumer Price Index, subject to a determination by the Board of Public Works based on expected economic conditions. If a covered individual is receiving FAMILI benefits or is taking leave, the employer must continue any employment health benefits for the time that the covered individual is absent from work or receiving FAMILI benefits. Additionally, the employer must restore the individual to an equivalent position of employment when the employee returns to work.

Private Employer Plan

An employer may satisfy the Act's requirements through a private employer plan consisting of employer provided benefits, insurance, or a combination of both, if the plan is offered to all eligible employees and at least meets the rights, protections, and benefits provided to a covered employee under the program. An employer that provides covered employees with a private employer plan approved by MDL and those covered employees are exempt from the Act's required contributions.

Prohibited Acts and Penalties

A covered individual is disqualified from receiving benefits for one year if the individual willfully makes a false statement or misrepresentation regarding a material fact or willfully fails to report a material fact to obtain benefits. An employer is subject to a civil penalty of up to \$1,000 for each occurrence if the employer willfully makes or causes a false statement to be made or willfully fails to report a material fact regarding an employee's claim for benefits. In addition, an employer is prohibited from retaliating against an employee who exercises their rights under the program. The Act also specifies how the Secretary must investigate and enforce the Act, which includes mediation, issuing orders, assessing a civil penalty of up to \$1,000 for each employee for whom the employer is not in compliance, and asking the Attorney General to bring an action on behalf of the employee.

General fund expenditures increase by \$19.7 million in fiscal 2023 for initial implementation costs of the FAML I program. In fiscal 2024, State expenditures increase by over \$12.9 million and FAML I fund revenues increase by at least \$561.2 million. Beginning in fiscal 2025, State revenues increase by at least \$778.6 million annually, and State expenditures increase by at least \$352.2 million in fiscal 2024, increasing to at least \$710.1 million annually thereafter.

On April 8, 2022, the Governor vetoed the bill, citing concerns about effect on small businesses and the lack of a plan for implementation. The General Assembly overrode the veto before the end of the 2022 session.

Employment Standards

Employment Discrimination

A person subject to the jurisdiction of the Maryland Commission on Civil Rights may not discriminate against a qualified individual with a disability with regard to recruitment, advertising, and job application procedures. [*House Bill 78 \(passed\)*](#) prohibits an employer from failing or refusing to make a reasonable accommodation for the known disability of an applicant for employment. An employer is not required to reasonably accommodate the disability of an applicant if the accommodation would cause undue hardship on the conduct of the employer's business.

Polygraph Examinations

Generally, an employer in the State may not require or demand, as a condition of employment, prospective employment, or continued employment, that an individual submit to or take a lie detector or similar test. [*House Bill 527 \(passed\)*](#) adds an applicant for employment as a paramedic or an emergency medical technician with St. Mary's County or with the St. Mary's County emergency communication center to the list of individuals exempt from the prohibition.

Information Sharing of Minors with Work Permits

Senate Bill 420 (passed) requires the Commissioner of Labor and Industry to release the name, home address, and telephone number of a minor who is at least 16 years old and has a work permit to the following organizations that request the information and have registered with MDL for the purpose of receiving the information: (1) employers and apprenticeship sponsors; (2) educational programs and institutions; and (3) local workforce development boards that meet specified requirements. MDL may release information relating to a minor only if the minor's parent or guardian or the minor elects, or opts in, to allow sharing of the information.

Apprenticeships

Generally, apprenticeship is a voluntary, industry-sponsored system that prepares individuals for occupations typically requiring high-level skills and related technical knowledge. Apprenticeships are sponsored by one or more employers and may be administered solely by the employer or jointly by management and labor groups. An apprentice receives supervised, structured, on-the-job training under the direction of a skilled journey person and related technical instruction in a specific occupation.

Senate Bill 926 (passed) requires that the Maryland Apprenticeship and Training Council and consultants to the council include representation of individuals who are Black and Latino. The bill further establishes the Apprenticeship 2030 Commission. The purpose of the commission is to examine and make recommendations to reduce skill shortages in high-demand occupations and provide affordable training for career pathways for young people in the public and private sectors. By December 31, 2023, the commission must report its findings and recommendations to the Governor and the General Assembly, and the commission terminates June 30, 2024. Additionally, the Governor must include in the annual budget bill an appropriation of \$1,030,030 for fiscal 2024, \$1,106,996 for fiscal 2025, and \$1,119,482 for fiscal 2026 to the County Executive and County Council of Prince George's County to award grants to a nonprofit entity located in Prince George's County that provides workforce development services to at least 2,000 youth and adults in the community.

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 of Labor and Industry.

Senate Bill 1 (Ch. 49) authorizes the commissioner, after an investigation, to issue a stop work order to a public works contractor or subcontractor on a public work who may have violated the State's prevailing wage law.

Senate Bill 259 (Ch. 51) applies the State’s prevailing wage requirements to “mechanical systems service contracts,” as defined by the Act, that are part of public works contracts with a value that exceeds a specified threshold in federal law, which is currently \$2,500.

On April 8, 2022, the Governor vetoed both bills, citing concerns about the potential increase in cost of public work projects as a result of these bills. The General Assembly overrode the vetoes before the end of the 2022 session. For a more detailed discussion of these bills, see the subpart “Procurement” in Part C – State Government of this *90 Day Report*.

Statewide Alcoholic Beverages

Alcohol and Tobacco Commission

House Bill 1253 (passed) authorizes the Executive Director of the Alcohol and Tobacco Commission (ATC) to enter into memoranda of understanding and cooperative arrangements with federal, State, and local governmental units to address operational matters and efficiencies in regulating alcohol and tobacco. The bill also corrects statutory references to the Comptroller to be to ATC or the Executive Director in several tobacco statutes and makes a clarifying change to alcohol awareness training requirements.

Alcoholic Beverages Industry Study

While retail alcoholic beverages stores are commonly found in many minority areas, there is a dearth of minority-owned alcoholic beverages license holders in the industry, particularly in the wholesale and manufacturing tiers. **Senate Bill 72/House Bill 324 (both passed)** require the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA), in consultation with specified entities, to conduct a study of the participation of minority-owned businesses in the alcoholic beverages industry in the State. GOSBA must report its findings and recommendations, as specified.

Alcohol Manufacturing and Promotion

Senate Bill 698/House Bill 854 (both passed) establish the Advisory Commission on Maryland Alcohol Manufacturing (ACMAM) and the Maryland Alcohol Manufacturing Promotion Fund (MAMPF) in the Department of Commerce. The Comptroller generally must distribute alcohol tax revenues from alcohol produced by breweries, distilleries, and wineries in the State to the fund. The Secretary of Commerce may award grants from the fund to nonprofit organizations and State or local governmental units for promoting State breweries, distilleries, and wineries, rather than to particular manufacturers. ACMAM and MAMPF replace the former Advisory Commission on Maryland Wine and Grape Growing and the Maryland Wine and Grape Promotion Fund, respectively.

Senate Bill 594 (passed) establishes the Winery and Vineyard Economic Development Grant Program in the Department of Commerce. Unlike the general alcohol manufacturing industry promotion program under **Senate Bill 698/House Bill 854**, this new program provides financial assistance to individuals and corporations to establish a new winery or vineyard in the State or complete capital improvements at an existing winery or vineyard. For a more detailed discussion of **Senate Bill 594**, see the subpart “Economic Development” within this part of this *90 Day Report*.

Alcoholic Beverages Licenses and Permits

Senate Bill 476/House Bill 550 (both passed) extend the termination date of provisions of Chapters 359 and 360 of 2021 that relate to the sale and delivery of alcoholic beverages by certain alcoholic beverages manufacturers from December 31, 2022, to June 30, 2023. The bills also repeal the termination date of other provisions of Chapters 359 and 360 that relate to alcoholic beverages manufacturers event permits, fees, and production limits. In addition, the bills limit the sale of beer at authorized events by specified beer manufacturers to up to 288 ounces of beer sold to each consumer for off-premises consumption, starting July 1, 2023.

Senate Bill 569/House Bill 924 (both passed) extend by two years, to April 30, 2024, the deadline for certain holders of Class 4 limited winery licenses to comply with the requirements of Chapter 542 of 2018, which modified the eligibility requirements to obtain and maintain a Class 4 limited winery license by requiring a minimum percentage of Maryland juice content for Maryland-branded wine.

Local Alcoholic Beverages

Legislation

Anne Arundel County

Board Term Limits; Commercial Bingo License: **Senate Bill 499 (passed)**, an emergency bill, prohibits any member of the board of license commissioners from serving more than four consecutive terms. The bill requires the term of a board member initially appointed by the Governor in 2021 to expire on April 30, 2024. The bill also establishes a Commercial Bingo License that may be issued to a licensed commercial bingo establishment for the sale of beer, wine, and liquor for on-premises consumption.

Baltimore City

Marketplace License: **House Bill 464 (passed)** establishes a marketplace alcoholic beverages license in a specified area in the 41st alcoholic beverages district. License holders may sell beer, wine, and liquor from one or more establishments within the marketplace, as specified.

Alcoholic Beverages Licenses; Outdoor Table Service: *Senate Bill 771/House Bill 1115 (both passed)*, both emergency bills, alter the hours and license fee for a public market license and alter the total square footage of public market floor space where designated venders may generally sell alcoholic beverages under the license. The bills also specify how the board of license commissioners may impose fees for the privilege of providing outdoor table or cafe service under a temporary outdoor seating permit, authorize the board to waive the general distance restrictions for an application to transfer an alcoholic beverages license in specified areas, and extend the expiration dates of specified licenses.

40th Alcoholic Beverages District: *Senate Bill 757/House Bill 1221 (both passed)*, emergency bills, authorize the board of license commissioners to issue a public market license and two Class B-D-7 licenses in the 40th alcoholic beverages district. In addition, the bills alter specified areas in the 40th alcoholic beverages district where selling alcoholic beverages is generally prohibited before 10:00 a.m. or after 10:00 p.m.

Block Security Plan: *Senate Bill 222/House Bill 372 (Ch. 36/passed)* require specified licensed establishments, located in a designated area commonly known as “The Block,” to close by 10:00 p.m., unless specified conditions related to security plans are satisfied. The establishments must maintain and operate digital surveillance systems that are accessible by the city, and the Baltimore City Downtown Commercial District Management Authority must enter into a contract with the Baltimore Police Department to hire two officers to patrol the designated area.

Class A License Transfer: *Senate Bill 430/House Bill 1210 (both passed)* authorize the transfer of one Class A beer, wine, and liquor license issued for a property within a specified area of the city. The bills also authorize the board of license commissioners to waive the general distance restrictions for an application to transfer a license into a specified area.

Baltimore County

License Transfer: *House Bill 460 (passed)* authorizes the board of license commissioners to approve the transfer of up to five Class B or Class D licenses from an eligible transferor district. When the board receives an application to transfer a license, it must notify the Baltimore County Department of Economic and Workforce Development. The bill prohibits the board from transferring more than two licenses into any single election district. The bill also removes certain restrictions relating to Class B (SB) beer and wine licenses in the county.

Calvert County

Board Compensation: *House Bill 886 (passed)* increases the compensation of the board of license commissioners. The increases in compensation do not apply to members currently serving in a term of office and will only take effect at the start of the term of an individual appointed or elected after July 1, 2022.

Charles County

Abeyance of License: *House Bill 1116 (passed)* authorizes the board of license commissioners to hold a license in abeyance until either the board issues the license to a new license holder or one year elapses. If the board does not issue the license to a new license holder within one year after the date the license is relinquished or revoked, the license must be considered extinguished.

Multiple Class B Licenses: *Senate Bill 965 (passed)* authorizes a person to have a direct or indirect interest in up to two Class B-H (hotel), Class B-R (restaurant), or Class B-RB (restaurant/bar) (on-sale) beer, wine, and liquor licenses in any combination.

Frederick County

Alcoholic Beverages Act of 2022: *Senate Bill 648 (passed)* makes several changes to alcoholic beverages license provisions in the county, including (1) repealing redundant alcohol awareness training requirements for certain licenses; (2) repealing crowd control training requirements for a certain license; (3) repealing specific petition of support requirements; (4) specifying how the board of license commissioners may fulfill certain notice requirements; (5) altering a quota for certain Class A licenses; (6) altering the renewal period for annual licenses; and (7) altering the dates by which the board may issue certain license renewals. The bill also specifies that certain license application documents are subject to State requirements under the Public Information Act.

Garrett County

Garrett County Alcoholic Beverages Act of 2022: *Senate Bill 415/House Bill 1118 (both passed)* establish a barbershop and beauty salon beer and wine license. The bills also increase the number of (1) beer festival licenses; (2) beer and wine festival licenses; and (3) wine festival licenses that the board of license commissioners may issue each year. The bills also authorize that each festival may last up to three consecutive days.

Harford County

Class B Beer, Wine, and Liquor Licenses – Restaurants: *House Bill 667 (passed)* repeals the requirement that a restaurant applying for a Class B beer, wine, and liquor license must have been in full-time operation for at least six months immediately prior to filing the application, starting July 1, 2023.

Resort Complex License: *House Bill 465 (passed)* establishes a resort complex license. The board of license commissioners may issue one resort complex license to the person owning, leasing, or operating a resort complex. The license authorizes the license holder to sell beer, wine, and liquor from specified locations at specified times depending on the location. A resort complex license is exempt from any quota or restriction on off-sale licenses issued for the election district where the resort complex is located.

Stadium License Service: *House Bill 493 (passed)*, an emergency bill, repeals the requirement that an individual may serve beer, wine, and liquor under a stadium beer, wine, and liquor license only in a plastic, Styrofoam, or paper container. The bill authorizes an individual to serve beer, wine, and liquor in a glass container in an area in the stadium designated by the license holder to hold a special event. The bill also exempts areas in the stadium designated by the license holder to hold a special event from the requirement that an individual may dispense wine and liquor during a baseball game only from a stationary structure that is equipped with a driver's license scanner.

Howard County

License Application Notice: *House Bill 1308 (passed)* alters the alcoholic beverages application notification requirement by requiring the board of license commissioners to (1) post a hearing notice on the board's website for at least 15 days before a hearing and (2) provide notice at least 15 days before a hearing to the Howard County Office of Public Information, which must in turn post the information in the same manner as other public meeting notices. The bill also requires an alcoholic beverages license applicant to post a hearing notice on the premises at least 15 days before license application hearings.

Shopping Mall Plaza License: *House Bill 840 (passed)* establishes a consumption only shopping mall plaza license that authorizes the holder to allow the consumption of beer, wine, and liquor in a designated outdoor plaza located on the premises of a shopping mall if the beer, wine, or liquor is purchased at any of the designated restaurants located within the mall. The bill also establishes a shopping mall plaza special event permit that authorizes participating restaurants to operate additional bars or service counters for the sale and service of food and alcoholic beverages in a designated outdoor plaza during a special event.

Montgomery County

Manufacturer's Licenses and Clubhouse/Lodge License: *House Bill 232 (passed)* authorizes the issuance of Class 4 limited winery and Class 7 micro-brewery alcoholic beverages manufacturer's licenses to holders of a Class B-BWL (clubhouse/lodge) license.

Class 7 Micro-Brewery License; Kensington Licenses: *House Bill 233 (passed)* authorizes the Alcohol and Tobacco Commission to issue a Class 7 micro-brewery (on- and off-sale) license to the holder of a Class D beer, wine, and liquor license that is issued for the sale of beer, wine, and liquor for on-premises consumption. The bill also increases, from 8 to 20, the number of Class A-K (off-sale) beer and wine licenses and the aggregate number of specified licenses that the board of license commissioners may issue in the Town of Kensington.

Damascus – Class B Beer, Wine, and Liquor License Referendum: *House Bill 241 (passed)* authorizes the board of license commissioners to issue a Class B beer, wine, and liquor license in Damascus (12th election district). The passage of the bill is contingent on the approval of the voters of Damascus at the November 2022 general election.

Consumption Only Marketplace License: *House Bill 242 (passed)* authorizes the board of license commissioners to issue a consumption only marketplace license to the management company of a commercial shopping center if the shopping center meets specified criteria. The bill also alters the area where the license holder may allow the consumption of beer, wine, and liquor in a designated outdoor area to include an area within 1,000 feet of the designated outdoor area.

Prince George's County

Alcoholic Beverages Licenses – Limits and License Renewals: *House Bill 1050 (passed)*, an emergency bill, increases, from 185 to 215, the maximum number of Class B beer, wine, and liquor licenses that the board of license commissioners may issue. The bill also requires the board of license commissioners to accept, by May 1, 2022, a license renewal application filed by the holder of a Class B license that is set to expire on May 31, 2022. The board may impose a late fee for each of these license renewal applications filed after April 1, 2022.

Sunday Off-sale Permits: *House Bill 357 (passed)* repeals the limitation on the number of Sunday off-sale permits that the board of license commissioners may issue to the holder of any Class A license or the holder of any Class B license with an off-sale privilege that acquired the license on or after January 1, 2016. The bill also repeals the total limit of 105 Sunday off-sale permits that may be in effect at any one time for holders of any Class A license or any Class B license with an off-sale privilege.

Queen Anne's County

License Applications: *Senate Bill 340 (passed)* authorizes the board of license commissioners to exempt up to four alcoholic beverages licenses from specified license application and annual sworn-statement requirements. However, the bill prohibits the board from granting an exemption for licensed premises located within the Kent Narrows Commercial Management and Waterfront Improvement District.

Somerset County

Abolishment of Liquor Control Board and Dispensary System: *House Bill 671 (passed)* repeals the Somerset County Liquor Control Board and the alcoholic beverages dispensary system in the county. The bill generally transfers all assets from the liquor control board to the county and requires any reserve funds of the liquor control board to be distributed and deposited into the county's general fund. The bill also establishes a Class A beer, wine, and liquor license in the county.

St. Mary's County

Leonardtown Distance Restriction: *House Bill 474 (passed)* exempts the Town of Leonardtown from the prohibition against the board of license commissioners issuing any alcoholic beverages license within 300 feet of a place of worship or school.

Washington County

Alcoholic Beverages Licenses – Wine: *House Bill 1106 (passed)* repeals the definition of light wine in the county. The bill correspondingly replaces remaining references to “light wine” in statute with “wine.” In addition, the bill authorizes the board of license commissioners to issue a refillable container permit for wine.

Class CT License: *House Bill 280 (passed)* removes a specification that the board of license commissioners may issue a Class CT (cinema/theater) (on-sale) beer, wine, and liquor license for use in a cinema or theater that is in a *stand-alone* building, as specified.

University and College Hospitality Beer, Wine, and Liquor License: *House Bill 856 (passed)* establishes a university and college hospitality beer, wine, and liquor license. The license authorizes the license holder to allow the preparation, serving, and consumption of beer, wine, and liquor by individuals who are least 21 years old and are registered in a hospitality and tourism management class offered by the license holder.

Sidewalk Cafe/Patio Permit: *House Bill 1117 (passed)* replaces the existing sidewalk cafe permit with a sidewalk cafe/patio permit.

Wicomico County

Banquet Facility License: *Senate Bill 646/House Bill 1181 (both passed)* establish the Class B-BF (banquet facility) beer, wine, and liquor license. The board of license commissioners may issue the license for use by any banquet facility that meets specified criteria. The license holder may sell at retail beer, wine, and liquor for on-premises consumption.

Dinner Theater License: *House Bill 1180 (passed)* establishes the Class B-DT (dinner theater) beer, wine, and liquor license. The board of license commissioners may issue the license for the use of a dinner theater that (1) provides specified forms of entertainment to the dinner theater’s customers; (2) is open to the public by reservation only; and (3) contains a dining room with facilities for serving full-course meals for at least 80 individuals at one seating.

Part I

Financial Institutions, Commercial Law, and Corporations

Financial Institutions

Disposition of Abandoned Property

Presumption of Property Abandonment

In Maryland, property that is held by a banking or financial organization or a banking association is generally presumed to be abandoned unless the owner of the property has taken certain actions related to the property within the prior three years, such as making a deposit into a bank account. **House Bill 305 (passed)** alters the method by which property held by a banking or financial organization or a business association may be considered abandoned.

Under the bill, property is presumed abandoned three years after the later of (1) the date the holder is deemed to no longer have a valid address for the owner of the property or (2) pursuant to current law, the date the owner has last interacted with the banking or financial organization (or business association) through specific actions. The date the holder is deemed to no longer have a valid address for the owner is determined based on the date certain communications are sent by the holder and returned by the U.S. Postal Service as undeliverable to the apparent owner. The bill also provides for other procedural measures regarding the running three-year period of abandonment.

Waiver of Penalties

Under existing law, a person holding abandoned property must file a report detailing the abandoned property and its presumed owner with the Comptroller, and the property must be delivered or paid to the Comptroller at the time the report is filed. A person who fails to comply with those requirements must pay certain penalties. **Senate Bill 271 (passed)** authorizes the Comptroller to waive any of those penalties.

Financial Regulation and Consumer Protection

The Office of the Commissioner of Financial Regulation (OCFR) has the power to investigate financial transactions to determine whether a person has violated a law, regulation, rule, or order over which the Commissioner of Financial Regulation has jurisdiction.

Senate Bill 252/House Bill 804 (Chs. 106 and 107) define a “regulated person” generally as a nondepository entity that is required to be licensed or regulated by OCFR under specific provisions of law, including mortgage lenders and debt collectors. Under the Acts, a regulated person is prohibited from (1) advertising or making representations that are false, misleading, or deceptive or (2) engaging in acts that are unfair, deceptive, abusive, or injurious to the public interest. Additionally, a regulated person is prohibited from engaging in anticompetitive practices such as (1) imposing, as a condition for a loan, a restriction on obtaining credit, property, or service from a competitor or (2) imposing, as a condition for a service, a restriction on obtaining credit, property, or service from a competitor.

The Acts also clarify the application of certain provisions of law regarding how and when the commissioner and other persons may share information obtained or generated in the course of exercising the commissioner’s authority to examine regulated persons.

Debt Settlement Services

The Maryland Debt Settlement Services Act prohibits a person from offering, providing, or attempting to provide debt settlement services unless the person (1) is registered with OCFR or (2) is exempt from registration. **House Bill 128 (passed)** requires specific information to be included in debt settlement services agreements and advertisements involving student education loan debt relief. The bill also prohibits debt settlement services providers engaged in student education loan debt relief from taking certain actions. For a more detailed discussion of this issue, see the subpart “Commercial Law – Consumer Protection” within this part of this *90 Day Report*.

Commercial Law – Consumer Protection

Personal Information Protection and Privacy

Maryland Personal Information Protection Act

To protect personal information from unauthorized access, use, modification, or disclosure, the Maryland Personal Information Protection Act (MPIPA) requires businesses that own or license personal information of a Maryland resident to implement and maintain reasonable and appropriate security procedures and practices. Additionally, MPIPA requires businesses that own, license, or maintain computerized data that includes the personal information of a Maryland resident, on the discovery or notification of a breach of the security of a system, to conduct, in good faith, a reasonable and prompt investigation to determine the likelihood that personal

information has been or will be misused because of the breach. If, after the investigation, the business reasonably believes that the breach has resulted in or will result in the misuse of personal information of a Maryland resident, the owner or licensee of the data must notify the individual of the breach.

Senate Bill 643/House Bill 962 (both passed) expand MPIPA by (1) expanding the types of businesses that are required to implement and maintain reasonable security procedures and practices to protect personal information from unauthorized use; (2) shortening the period within which certain businesses must provide required notifications to consumers after a data breach; (3) modifying the standard for using a substitute notification method; (4) requiring additional information to be provided to the Office of the Attorney General (OAG) after a breach has occurred; and (5) covering additional types of personal information.

More specifically, in addition to businesses that own or license personal information of a Maryland resident, the bills require businesses that maintain personal information of a Maryland resident to implement and maintain reasonable security procedures and practices that are appropriate to the nature of the personal information maintained and the nature and size of the business and the business' operations.

The bills also require businesses that own or license personal data to notify individuals of a breach, unless a business reasonably determines that the breach does not create a likelihood that personal information has been or will be misused. Except in certain circumstances, the required notification must be given as soon as reasonably practicable and must be provided within 45 days after the business discovers or is notified of the breach. For a business that only maintains personal data, the business must notify the owner or licensee of the breach as soon as practicable but not later than 10 days after the business discovers or is notified of the breach.

MPIPA allows required notification to be delayed if a law enforcement agency determines that the notification will impede a criminal investigation or jeopardize homeland or national security. The bills require businesses that own or license personal data to notify an individual as soon as reasonably practicable, but no later than (1) 7 days after the law enforcement agency determines that it will no longer impede a criminal investigation or jeopardize homeland or national security if the original 45-day period has elapsed or (2) the end of the original 45-day period. For a business that only maintains personal information, the business must give notice no later than 7 days after the law enforcement agency determines that it will no longer impede a criminal investigation or jeopardize homeland or national security.

Regarding the notice that must be sent when a business discovers or is notified of a breach, the bills establish that substitute notice may be used only if the business does not have sufficient contact information to give notice by written, electronic, or telephonic means. If substitute notice must be used, the notice must include notification to major print or broadcast media in geographic areas where the individuals affected by the breach likely reside.

The bills also expand the information that must be included in a notice provided to OAG when a breach occurs. At a minimum, the notice must include (1) the number of Maryland residents

affected by the breach; (2) a description of the breach, including when and how the breach occurred; (3) any steps the business has taken or plans to take relating to the breach; and (4) the form of notice and a sample of the notice that will be sent to individuals affected by the breach.

Finally, the bills include certain types of genetic information in the definition of “personal information.”

Direct-to-consumer Genetic Testing Companies

A “direct-to-consumer genetic testing company” is an entity that offers genetic testing products or services to consumers without the involvement of a health care provider. Currently, the Commercial Law Article does not regulate the use of genetic data by direct-to-consumer genetic testing companies. However, other provisions of State law regulate genetic analysis by law enforcement agencies by establishing requirements and procedures for forensic genetic genealogical DNA analysis and search (and related searches) of publicly accessible databases using genetic profiles, including provisions regarding regulation and oversight of testing connected to this analysis and direct-to-consumer genetic genealogy services.

House Bill 866 (passed) expands on these provisions by requiring direct-to-consumer genetic testing companies to (1) provide consumers with information regarding the company’s policies and procedures regarding the collection, use, and disclosure of consumer’s genetic data; (2) obtain specified types of consent from the consumer before collecting, using, or disclosing the consumer’s genetic data; and (3) develop and implement policies and procedures to protect genetic data, including policies related to the disclosure of genetic data to law enforcement or other government agencies.

The bill also requires a direct-to consumer or publicly available open-data personal genomics database to obtain express consent from a service user before conducting a forensic genetic genealogical DNA analysis and search.

Debt Settlement Services

The Maryland Debt Settlement Services Act regulates how debt settlement services may be conducted in the State. The Maryland Debt Settlement Services Act defines “debt settlement services” as any service or program represented to renegotiate, settle, reduce, or in any way alter the terms of a debt between a consumer and one or more unsecured creditors or debt collectors. A “debt settlement services provider” is defined as a person that provides, or offers to provide, debt settlement services for a consumer.

House Bill 128 (passed) requires a debt settlement services provider engaged in the business of student education debt relief to provide a statement with a debt settlement services agreement and a disclosure on a service advertisement that the company is not affiliated with the U.S. Department of Education and is not a lender, among other things. The bill also prohibits debt settlement services providers engaged in student education loan debt relief from (1) advising, expressly or by implication, that a consumer stop making payments to or stop communicating with

the consumer's student loan servicer or (2) accessing or obtaining a consumer's student aid information in violation of federal law.

Miscellaneous Financial Consumer Protection

The Office of the Commissioner of Financial Regulation (OCFR) within the Maryland Department of Labor supervises and regulates the activities of the financial services industry in the State. *Senate Bill 252/House Bill 804 (Chs. 106 and 107)* prohibit certain entities that are required to be licensed or registered by the OCFR from advertising or making representations that are false, misleading, or deceptive, or engaging in acts that are unfair, deceptive, abusive, or injurious to the public. For a further discussion of these Acts, see the subpart "Financial Institutions" within this part of this *90 Day Report*.

Corporations and Associations

State Department of Assessments and Taxation

Annual Reports

In general, the State Department of Assessments and Taxation (SDAT) may not accept articles of revival of a Maryland nonstock or religious corporation for record unless the corporation files all required annual reports, including those which would have been required if the corporate charter was not forfeited. *Senate Bill 125/House Bill 853 (both passed)* provide an exception to this requirement. A nonstock or religious corporation that files articles of revival and past-due annual reports online is required to file only the seven most recently due annual reports or annual reports which would have been required if the charter had not been forfeited.

Corporate Addresses

SDAT may not accept a Maryland corporation's governing or charter document for record unless it conforms to State law. *Senate Bill 447/House Bill 390 (both passed)* prohibit a person from using or maintaining an improper or outdated principal office address, resident agent address, or mailing address in documents filed for inclusion in SDAT's records. In addition, the bills authorize a property owner who believes that their address is being illegally used or maintained to file an affidavit stating the factual basis for that belief with SDAT. Procedures and relief are established for settling and resolving disputes concerning the use or maintenance of improper or outdated addresses. The bills authorize SDAT to void a governing or charter document if the entity's resident agent or other authorized person does not comply with the specified procedures.

Operating Agreements and Partnership Agreements

Members of a limited liability corporation (LLC) or partnership may enter into agreements to regulate the conduct of the LLC or partnership, consistent with State law, including provisions relating to the assignment of interests, the rights of persons to whom interests are transferred, and

the circumstances under which a person ceases to be involved with the business. In *Potter v. Potter*, 250 Md. App. 569 (2021), the Maryland Court of Special Appeals held that a provision in the operating agreement of a Maryland LLC purporting to transfer a member's interest to a designated successor upon the member's death is ineffective unless the operating agreement was executed in accordance with the provisions of Maryland's statute on wills.

Senate Bill 261/House Bill 342 (both passed) specify that operating agreements and partnership agreements may provide for interests in LLCs and partnerships to be transferred or assigned to other persons, including on the occurrence of specified events (including the death of a member or partner). The bills address the *Potter* ruling by providing that transfers-on-death pursuant to the terms of an LLC operating agreement or a partnership agreement of a general or limited partnership are effective according to the agreement and are not to be considered testamentary. For a further discussion of ***Senate Bill 261/House Bill 342***, see the subpart "Estates and Trusts" within Part F – Courts and Civil Proceedings of this *90 Day Report*.

Ratification of Defective Corporate Acts

The Corporations and Associations Article does not include a process by which a corporation may ratify defective corporate acts. ***Senate Bill 879/House Bill 996 (both passed)*** establish processes for a corporation's board to ratify a defective corporate act by adopting a resolution stating (1) the act to be ratified (and, if the act involved the issuance of putative stock, the number of shares and the class or series of putative stock issued); (2) the date of the act; (3) the nature of the failure of authorization; and (4) depending on whether the board of directors could have authorized or approved the act without stockholder approval (and whether stockholder approval is required at the time of ratification), either that the board ratifies the act or directs that the ratification be submitted for consideration at a stockholders' meeting. If ratification is submitted for consideration at a stockholders' meeting, the stockholders may ratify the defective corporate act by adopting a resolution.

Ratification of a defective corporate act makes the act binding. A court is authorized to determine the validity of any ratification and to modify or waive the act's ratification procedures. The bills further specify that its requirements may not be construed to be the exclusive means of ratifying or validating a defective corporate act nor may the absence or failure of ratification in accordance with the bills create a presumption that any corporate act is or was a defective corporate act or void or voidable.

Miscellaneous Revisions

Senate Bill 431/House Bill 999 (both passed) alter numerous provisions of the Corporations and Associations Article, including those relating to (1) limited existence corporations; (2) stockholder participation in meetings by remote communication; (3) indirectly owned shares of stock; (4) mergers between parent and subsidiary corporations; and (5) dissolution of a corporation.

Limited Existence Corporations

A corporation's existence may be limited by charter to a specified period of time. The bills authorize corporations to specify that their own existence may be conditioned on the occurrence of an event, an action, or a determination set forth in the charter and not just based on the elapse of a specific time.

Remote Meetings

In Maryland, a board of directors may authorize stockholders and proxy holders not physically present at a stockholders' meeting to participate by remote communication, to be considered present in person, and to vote at the meeting. The bills repeal a duplicative provision that similarly authorizes a corporation to allow stockholders to participate in a meeting by means of a conference telephone or other communications equipment if all meeting participants can read or hear the proceedings substantially concurrent with the proceedings and thereby be considered present at the meeting.

Indirectly Owned Stocks

In Maryland, shares of a corporation's own stock are considered owned indirectly by the corporation if owned by another corporation in which the corporation owns shares entitled to cast a majority of all the votes entitled to be cast by all shares outstanding and entitled to vote. The bills specify that this provision also applies to shares if owned by other entities in which the corporation owns shares or interests entitled to cast a majority of all the votes entitled to be cast by holders of all shares or interests outstanding and entitled to vote.

Merger of a Parent Corporation with or into a Subsidiary

Generally, a consolidation, merger, share exchange, or transfer of assets must be approved by a corporation's stockholders. However, § 3-106.2 of the Corporations and Associations Article also provides a simplified process for the merger of a Maryland parent corporation with or into a single direct or indirect wholly owned subsidiary corporation of the Maryland parent corporation. Under this simplified procedure, a vote of the stockholders of the parent corporation is not necessary to authorize a merger with or into a single subsidiary of the parent corporation if specified conditions exist. The bills further specify that a merger of a Maryland corporation in accordance with § 3-106.2 need only be approved in this simplified manner rather than what would otherwise generally be required.

Corporate Dissolution

Generally, a corporation is dissolved when SDAT accepts its articles of dissolution for record. The bills specify that a corporation is dissolved upon the later of (1) SDAT accepting the articles of dissolution for record or (2) the time established under the articles, not to exceed 30 days after the articles are accepted for record.

Part J

Health and Human Services

Public Health – Generally

Abortion

Under current law, only a licensed physician may perform an abortion. [*House Bill 937 \(Ch. 56\)*](#) established the categories of “qualified providers” that are authorized to perform an abortion in the State to include physicians, nurse practitioners, nurse-midwives, licensed certified midwives, physician assistants, and any other individual for whom the performance of an abortion is within the scope of the individual’s license or certification. In addition, the Act establishes the Abortion Care Clinical Training Program and a related special fund, for which the Governor must include an appropriation of \$3.5 million annually. The purpose of the program is to protect access to abortion care by ensuring that there are enough health care professionals to provide abortion care. For a discussion of health insurance-related provisions of [*House Bill 937*](#), see the subpart “Health Insurance” within this part of this *90 Day Report*.

[*House Bill 1171 \(failed\)*](#) would have proposed a referendum on the question of whether the Maryland Constitution should be amended to (1) establish the fundamental right to reproductive liberty, which includes the right to make and effectuate decisions regarding an individual’s own reproduction, including but not limited to the ability to prevent, continue, or end their pregnancy and (2) prohibit the State from directly or indirectly denying, burdening, or abridging a person’s right to reproductive liberty unless justified by a compelling State interest achieved by the least restrictive means.

Behavioral Health

Suicide Prevention and Crisis Response

The federal National Suicide Hotline Designation Act of 2020 designates 9-8-8 as the universal telephone number for the purpose of the national suicide prevention and mental health crisis hotline system. [*Senate Bill 241/House Bill 293 \(both passed\)*](#) adopt measures to implement

the federal law in the State. The bills establish the 9-8-8 Trust Fund to provide reimbursement for costs associated with designating and maintaining 9-8-8 in accordance with the federal law and implementing a statewide initiative for the coordination and delivery of the continuum of behavioral health crisis response services. In fiscal 2024, the Governor must include \$5.5 million in the annual budget bill for the trust fund. The Maryland Department of Health (MDH) must designate 9-8-8 as the State's behavioral health crisis hotline by July 16, 2022.

Senate Bill 12/House Bill 129 (both passed) require MDH, in awarding grants from the Behavioral Health Crisis Response Grant Program, to require that proposals include response standards that prioritize mobile crisis units over law enforcement when responding to individuals in crisis. For further discussion of the provisions of the bills relating to public safety answering points, see the subpart "Public Safety and Corrections" within Part E – Crimes, Corrections, and Public Safety of this 90 Day Report.

Review of Suicide Fatalities and Behavioral Health Crisis Incidents

Senate Bill 94/House Bill 48 (Chs. 80 and 81) establish the Maryland Suicide Fatality Review Committee to identify and address the factors contributing to suicide and facilitate system changes in the State to prevent suicide. The committee must meet at least quarterly to review suicide deaths; make determinations regarding (1) issues related to individuals at risk for suicide, specifically trends, risk factors, current best practices in suicide prevention, lapses in systemic responses, and barriers to safety and well-being and (2) strategies for the prevention of suicide deaths; report at least annually to the Governor and the General Assembly on its activities and recommendations; undertake annual specified statistical studies; and disseminate findings and recommendations based on the studies conducted to policymakers, health care providers, health care facilities, and the public.

House Bill 1222 (passed) establishes the Baltimore City Behavioral Health Crisis Incident Review Team in Baltimore City to, among other purposes, review behavioral health crisis incidents involving law enforcement in Baltimore City, identify root causes and patterns within and across public systems that result in behavioral health crises involving law enforcement, and assist in the implementation of procedural, logistical, and clinical changes to minimize the need for law enforcement involvement in behavioral health crises.

Petitions for Emergency Evaluation

Under current law, certain health professionals, a health officer (or designee), a peace officer, or any other interested party may petition for an emergency evaluation of an individual if the petitioner has reason to believe that the individual has a mental disorder and presents a danger to the life or safety of the individual or of others. **Senate Bill 2 (Ch. 79)** authorizes a petition for emergency evaluation to be provided as an electronic record and transmitted and received electronically.

Services for Veterans

Senate Bill 709 (passed) establishes the Post-Traumatic Stress Disorder and Traumatic Brain Injury Alternative Therapies Fund to support MDH in studying the effectiveness of and improving access to alternative therapies for post-traumatic stress disorder and traumatic brain injuries in veterans.

Opioid Epidemic

Dispensing and Administration of Opioid Overdose Reversal Drugs

Naloxone is an opioid antagonist approved by the U.S. Food and Drug Administration (FDA) for the reversal of an opioid overdose. **Senate Bill 394 (passed)** broadens existing requirements and protections relating to the administration or provision of naloxone to encompass any FDA-approved opioid overdose reversal drug. In addition, the bill allows for such reversal drugs to be offered to specified individuals – free of charge – by multiple providers, programs, and entities. The bill also authorizes a cardiac rescue technician, an emergency medical technician, or a paramedic, while providing emergency medical services, to offer a reversal drug to an individual who received treatment for a nonfatal drug overdose or was evaluated by a crisis evaluation team. **Senate Bill 200 (passed)** requires the Prescription Drug Monitoring Program to monitor the dispensing of naloxone medication and establishes standards surrounding the disclosure of naloxone medication data.

Medications to Treat Opioid Use Disorders

Senate Bill 323/House Bill 578 (Chs. 82 and 83) require MDH to (1) adopt a reporting system to monitor the prescribing of medications to treat opioid use disorders (OUDs) in the State; (2) analyze patterns of prescribing to identify prescribers who regularly prescribe nonpreferred medications; (3) conduct outreach to prescribers using educational materials regarding the benefits of prescribing preferred medications; and (4) identify barriers to individuals who need medication to treat an OUD to obtaining the medication in a timely manner.

Opioid Restitution Fund

Chapter 537 of 2019 established the Opioid Restitution Fund (ORF), a special fund to retain any revenues received by the State relating to specified opioid judgments or settlements, which may be used only for opioid-related programs and services. In fiscal 2022, ORF received approximately \$12 million from the \$573 million global settlement agreement with McKinsey & Company for its role in marketing opioids, including OxyContin. Additionally, the State is expected to receive approximately \$500 million from the \$26 billion global settlement with opioid manufacturer Johnson & Johnson and opioid distributors McKesson, Amerisource Bergen, and Cardinal Health. **Senate Bill 419/House Bill 1086 (Chs. 84 and 85)** require that funds received in accordance with the settlement be appropriated in a specified manner. The Secretary of Health must establish and administer a grant program for the distribution of funds to political subdivisions, as specified under the Acts.

House Bill 794 (passed) establishes the Opioid Restitution Fund Advisory Council to develop an annual report on the council's findings and recommendations regarding the allocations of money from the ORF. The council, in providing specific findings and recommendations regarding the allocation of money from the ORF, must consider (1) the number of people per capita with a substance use disorder in a jurisdiction; (2) disparities in access to care in a jurisdiction that may preclude persons; (3) the number of overdose deaths per capita in a jurisdiction; (4) the programs, services, supports, or other resources currently available to individuals with a substance use disorder (SUD) in a jurisdiction; and (5) disparities in access to care and health outcomes in a jurisdiction. The bill specifies that the ORF may be used for programs, services, supports, and resources for evidence-based SUD prevention, treatment, recovery, or harm reduction that have the purpose of currently authorized outcomes and activities. The Opioid Operational Command Center must staff the advisory council.

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 1.6 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*.

Pregnancy and Perinatal Services

Generally, a noncitizen must be a qualified alien to receive Medicaid. Medicaid covers emergency services only (including labor and delivery) for lawfully present immigrants who remain ineligible for Medicaid, as well as undocumented immigrants. Medicaid provides coverage to any newborn from birth to age one if the child's mother was covered by Medicaid for the child's date of birth. **House Bill 1080 (Ch. 28)** requires Medicaid to provide comprehensive medical care and other health care services to noncitizen pregnant women who would be eligible for Medicaid but for their immigration status and codifies the requirement that Medicaid cover their children up to the age of one.

Maryland regulations effective February 21, 2022, provide for Medicaid coverage of doula services statewide for all Medicaid enrollees. **Senate Bill 166/House Bill 669 (both passed)** codify key components of MDH's regulations for doula services. The bills also require MDH to (1) ensure that doulas providing care under Medicaid are participating doulas; (2) review participation in Medicaid of participating doulas and Medicaid recipients; and (3) evaluate the effectiveness of doula services covered by Medicaid. The bills also establish requirements for participating doulas and specifications for covered doula services.

Adult Dental Services

Comprehensive dental coverage is mandatory for children enrolled in Medicaid. However, dental benefits for Medicaid-eligible adults are optional. In Maryland, Medicaid offers comprehensive dental benefits to only three groups of adults: pregnant women; certain former foster care adolescents; and adults enrolled in the Rare and Expensive Case Management Program. ***Senate Bill 150/House Bill 6 (both passed)*** require Medicaid, beginning January 1, 2023, to provide dental services, including diagnostic, preventive, restorative, and periodontal services, for adults with household incomes up to 133% of the federal poverty level.

Blood Pressure Monitoring

Medicaid provides coverage for remote patient monitoring services for all participants at high risk for avoidable hospital utilization due to poorly controlled chronic disease, regardless of diagnosis. ***Senate Bill 244/House Bill 534 (both passed)*** require Medicaid to provide coverage for self-measured blood pressure monitoring for all Medicaid recipients diagnosed with uncontrolled high blood pressure. Coverage must include the provision of validated home blood pressure monitors and reimbursement of health care provider and other staff time used for patient training, transmission of blood pressure data, interpretation of blood pressure readings and reporting, and delivery of co-interventions.

Substance Use Disorder Treatment for Minors

MDH must establish a delivery system for specialty mental services for Medicaid managed care organization (MCO) enrollees. Among other things, the delivery system must provide all specialty mental health services needed by enrollees. ***House Bill 971 (passed)*** requires MDH and the Behavioral Health Administration to ensure that the specialty mental health system has an adequate network of providers available to provide substance use disorder treatment for children younger than age 18.

Emergency Service Transport

Maryland currently reimburses emergency service transporters at a rate of \$100 for the cost of transportation to a facility in response to a 9-1-1 call and medical services provided while transporting the Medicaid recipient to a facility in response to a 9-1-1 call. ***Senate Bill 295 (passed)*** expands Medicaid reimbursement to an emergency service transporter to include reimbursement for medical services provided in response to a 9-1-1 call in situations when the recipient is *not* transported to a facility and for “mobile integrated health services.” Beginning in fiscal 2023, the reimbursement rate must increase to \$150. MDH, in coordination with the Maryland Institute for Emergency Medical Services Systems (MIEMSS), must study the adequacy of emergency service transporter reimbursement and submit a report by November 1, 2024. MIEMSS must conduct a specified study of the interfacility transport system for Medicaid recipients and report its findings by December 31, 2022.

Community Violence Prevention

Medicaid is the largest payor (39%) of violence-related care both nationwide and in Maryland. Community violence prevention services are intended to promote improved health outcomes and positive behavioral change, prevent injury recidivism, and reduce the likelihood that an individual who is the victim of community violence will commit or promote violence. **Senate Bill 350/House Bill 1005 (both passed)** require Medicaid, subject to federal approval and the limitations of the State budget, to provide community violence prevention services beginning July 1, 2023. MDH must apply for a federal waiver to provide these services under Medicaid.

Inpatient Psychiatric Care

House Bill 684 (passed) prohibits MDH from limiting or restricting admission of a Medicaid recipient for inpatient care at a special psychiatric hospital or an acute general care hospital with separately identified inpatient psychiatric service unless MDH bases the limit or restriction on the medical necessity of the admission and establishes the limit or restriction through regulation.

Adult Day Health Care Services Pilot Program

Senate Bill 527/House Bill 1051 (both passed) establish a Howard County and Montgomery County Adult Day Health Care Services Pilot Program to integrate the provision of medical adult day care, home health care, and medical services provided under Medicaid.

Controlled Substances

Cannabis

House Bill 1 (Ch. 45) proposes a constitutional amendment that would allow, if approved by the voters at the next general election, an individual at least age 21 to use and possess cannabis in the State beginning July 1, 2023, subject to the requirement that the General Assembly pass legislation regarding the use, distribution, possession, regulation, and taxation of cannabis.

House Bill 837 (Ch. 26) alters penalties, resentencing, and expungement provisions for cannabis-related offenses. The Act also includes provisions related to health-related data collection. The Maryland Medical Cannabis Commission (MMCC) must complete a comprehensive baseline study, collect and report data from MMCC licensees, and complete a study on home grow programs. MMCC must consult with specified agencies (or contract with an institution of higher education or a private research entity) to conduct a comprehensive baseline study of cannabis use in the State that includes a survey of (1) patterns of use, including frequency of use and dosing, methods of consumption, and general perceptions of cannabis among individuals in specified age groups; (2) incidents of impaired driving, including arrests, accidents, and fatalities, related to cannabis use; (3) hospitalizations related to cannabis use; (4) calls to poison control centers related to cannabis use, including data on calls related to individuals younger than age 21; and (5) diagnoses of cannabis use disorder and problem cannabis use. By

March 1, 2023, MMCC must issue a report on the baseline study findings. By March 1, 2025, and every other year thereafter, MMCC must issue a report of its findings from follow-up surveys of the factors listed above that utilize the same methodology or model that was used in the initial survey.

House Bill 837 also establishes the Cannabis Public Health Advisory Council, contingent on the passage of the specified referendum. The Act establishes the membership of the advisory council, which (1) must include residents of rural and urban areas of the State and (2) to the extent practicable and consistent with federal and State law, must reflect the gender, ethnic, and racial diversity of the State. The advisory council must study and issue a report of its findings and recommendations by December 1 of each year regarding (1) the promotion of public health and mitigation of youth use, misuse, and addiction to cannabis; (2) data collection and reporting of data that measures the impact of cannabis consumption and legalization; (3) the impact of cannabis legalization on the education, behavioral health, and somatic health of individuals younger than age 21; (4) initiatives to prevent cannabis use by individuals younger than age 21, including educational programs for use in schools; (5) public health campaigns on cannabis; (6) advertising, labeling, product testing, and quality control requirements; (7) training for health care providers related to cannabis use; (8) best practices regarding requirements to reduce the appeal of cannabis to minors, including advertising, potency, packaging, and labeling standards; and (9) any other issues that advance public health related to cannabis use and legalization. To the extent practicable, the advisory council must consider any data collected by the State related to cannabis use when making its recommendations, including data collected in the baseline study.

House Bill 837 also establishes the Cannabis Public Health Fund, contingent on the referendum, to provide funding to address the health effects associated with the legalization of adult-use cannabis. The fund consists of revenues distributed to the fund based on revenues from adult-use cannabis, money appropriated in the State budget to the fund, and any other money from any other source accepted for the benefit of the fund. MDH must administer the fund, which may only be used to (1) support the advisory council; (2) support data collection and research on the effects of cannabis legalization in the State; (3) provide funding for education and public awareness campaigns related to cannabis use, including funding for educational programs to be used in schools; (4) support SUD counseling and treatment; (5) provide training and equipment for law enforcement to recognize impairments due to cannabis; and (6) purchase technology proven to be effective at measuring cannabis levels in drivers. For further discussion of these bills, see the subparts “Criminal Law” within Part E – Crimes, Corrections, and Public Safety and “Business Regulation” within Part H – Business and Economic Issues of this *90 Day Report*.

Senate Bill 788/House Bill 1078 (both passed) prohibit a person who distributes products containing delta-8- or delta-10-tetrahydrocannabinol (THC) from distributing, purchasing for sale, or selling a product containing delta-8- or delta-10-THC to an individual younger than age 21. The prohibition applies to specified business license holders, such as cigarette businesses, other tobacco product retailers, electronic smoking device retailers, and vape shop vendors. The bills also require MMCC to study and make recommendations on the classification and regulation of

THCs, other than delta-9-THC, that are artificially, synthetically, or naturally derived, and manufactured products containing delta-8- and delta-10-THC.

Other Controlled Substances

Senate Bill 614/House Bill 33 (both passed) alter the regulatory scheme for the scheduling of controlled dangerous substances. For further discussion of these bills, see the subpart “Criminal Law” within Part E – Crimes, Corrections, and Public Safety of this *90 Day Report*.

Disease Awareness, Prevention, Monitoring, and Treatment

COVID-19

During the 2021 session, the General Assembly passed Senate Bill 741 and House Bill 836. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 special session and the bills became law in December 2021 (Chs. 29 and 31). Chapters 29 and 31 of the 2021 special session, as enacted, require MDH, in collaboration with local health departments and the Maryland State Department of Education, to adopt and implement a two-year plan to respond to COVID-19. The Acts also mandate health insurance coverage of COVID-19 testing and administration without cost-sharing. For further discussion of Chapters 29 and 31 of the 2021 special session, see the subpart “Health Insurance” within this part of this *90 Day Report*.

Parkinson’s Disease

Senate Bill 740 (passed) establishes a Parkinson’s Disease Registry Advisory Committee in MDH to assist in the development and implementation of such a registry, determine what data must be collected and stored in such a registry, and the methods to ensure the privacy and confidentiality of data collected and stored in the registry, as well as to advise MDH on Parkinson’s disease and maintaining a Parkinson’s disease registry.

Dementia and Brain Health

Senate Bill 27/House Bill 166 (both passed) establish a Director of Dementia Services and Brain Health position in MDH to coordinate and facilitate communication relating to dementia services in the State.

Pediatric Cancer

Senate Bill 51/House Bill 775 (both passed) establish the Maryland Pediatric Cancer Fund within MDH. Funds may only be used to provide grants to eligible physicians, hospitals, laboratories, educational institutions, and other organizations and persons to conduct pediatric cancer research, prevention, and treatment. The Governor must appropriate \$5 million for the fund in either the fiscal 2023 or 2024 budgets.

Sickle Cell Disease

Senate Bill 859/House Bill 1188 (both passed) require the Statewide Steering Committee on Sickle Cell Disease (formerly the Statewide Steering Committee on Services for Adults with Sickle Cell Disease), in consultation with MDH, to establish and implement a system of providing information on the sickle cell trait (SCT) or the thalassemia trait to an individual who has either trait or, for a minor, the individual's family. MDH must maintain a list of online resources for health care practitioners to improve their understanding and clinical treatment of individuals with sickle cell disease or SCT. By December 1, 2022, the steering committee, in conjunction with MDH and other relevant stakeholders, must study and make recommendations on specified issues and submit a report to the General Assembly.

Newborn Health Screening

Senate Bill 242/House Bill 109 (both passed) require MDH's Newborn Screening Program, subject to the approval of the Secretary of Health and the State Advisory Council on Hereditary and Congenital Disorders, to screen for each core condition listed in the U.S. Department of Health and Human Services' Recommended Uniform Screening Panel (RUSP). On or after January 1, 2023, the Secretary and the advisory council must determine whether to approve the inclusion of a condition in the State's newborn screening panel within one year of any condition being added to RUSP. The bills establish reporting and other requirements if the Secretary or Advisory Council do not approve the inclusion of a core condition and require MDH to take certain actions if the inclusion of a core condition is approved.

HIV/AIDS

Senate Bill 186 (passed) establishes a Maryland AIDS Drug Assistance Program (MADAP) Fund, which may be used only to fund MADAP, MADAP-Plus, and any other services to eligible individuals as authorized under Part B of the federal Ryan White HIV/AIDS Program.

Immunizations

Senate Bill 168 (passed) repeals the exemption from certain ImmuNet requirements, such as providing certain forms and notification and reporting vaccines administered to ImmuNet, for a health care provider who administers vaccines in a nursing facility, an assisted living program, a continuing care retirement community, or a medical day care program.

Long-term Care Services and Supports

Waiver Program Waitlists and Registries

Maryland offers multiple Medicaid waiver programs, including the Community Pathways Waiver, the Community Supports Waiver, and the Family Supports Waiver for individuals with developmental disabilities; the Brain Injury Waiver; the Home-and Community-Based Options Waiver (known as Community Options) for older adults and people with disabilities; the Medical

Day Care Services Waiver; the Model Waiver for Medically Fragile Children; and the Waiver for Children with Autism Spectrum Disorder. However, there are more than 31,000 on waitlists for various waiver services. ***Senate Bill 636/House Bill 1403 (both passed)*** require MDH to develop plans to reduce the waitlists for seven waiver programs by 50% beginning in fiscal 2024. MDH must also develop a plan to reduce the registry for the Autism Waiver that includes conducting eligibility determinations of individuals on the registry and, beginning in fiscal 2024, providing services to at least 50% of individuals determined eligible.

The Community Options Waiver provides an array of home- and community-based services that assist Medicaid beneficiaries to live in the community and avoid institutionalization. As of November 2021, there were 21,238 individuals on the waiver registry, with new individuals joining the registry annually. ***Senate Bill 28/House Bill 80 (both passed)*** require the waiver to include a cap on participation and a plan for waiver participation of at least 7,500 individuals. MDH must send a waiver application to at least 600 individuals on the waitlist each month. By October 31, 2022, MDH must apply for a federal waiver to increase the waiver cap size to at least 7,500 individuals.

Self-directed Services for Individuals with Developmental Disabilities

Senate Bill 868/House Bill 1020 (both passed) require the Developmental Disabilities Administration (DDA) to establish and provide training materials to coordinators of community services (CCSs) on the self-directed services model of receiving services. A CCS must educate the recipient on all models of service available to the recipient. The bills also require DDA to provide up to 30 hours of support broker services each month to a recipient of waiver services and submit a federal amendment to the Community Pathways Waiver that includes overnight supports requirements.

Health Information

Privacy and Security of Protected Information

A health information exchange (HIE) allows clinical information to move electronically among health information systems. The Maryland Health Care Commission (MHCC) designated the Chesapeake Regional Information System for Our Patients (CRISP) as the statewide HIE in 2009. ***House Bill 213 (passed)*** alters the definition of HIE for purposes of required regulations governing the privacy and security of protected health information obtained or released through an HIE. In adopting regulations for the use of electronic health information for specified purposes, MHCC may not prohibit MDH, MHCC, or the Health Services Cost Review Commission from using electronic health information for health regulatory and public health functions or the sharing or disclosing of information required to be exchanged under State law or federal law.

Electronic Advance Care Planning Documents

Senate Bill 824/House Bill 1073 (both passed) alter statutory requirements relating to electronic advance care planning documents. Among other requirements, the bills require MHCC

to coordinate the accessibility of electronic advance care planning documents in the State and approve only an electronic advance directives service that uses certain guidelines to authenticate identity. In addition, the bills alter the components of the advance directive information sheet prepared by MDH and requires the sheet to be provided by specified health care providers and facilities. The bills also establish certain requirements on Medicaid managed care organizations and health insurance carriers. For further discussion of the requirements on these entities, see the subpart “Health Insurance” within this part of this *90 Day Report*.

Baltimore City Youth Data Hub

Senate Bill 870/House Bill 1276 (both passed) establish the Baltimore City Youth Data Hub for the purpose of promoting the health, safety, security, and well-being of youth and to improve equitable access to, and the overall cost-efficiency of, programs serving youth in the city.

Vital Records

House Bill 900 (Ch. 74) prohibits MDH and a local health department from collecting a fee for a certified or abridged copy of a death certificate for a first responder killed in the line of duty if the copy is issued to a surviving spouse or child and will be used in connection with a claim for a dependent or beneficiary of the first responder.

Environmental Health

PFAS chemicals are a class of fluorinated organic chemicals that contain at least one fully fluorinated carbon atom, including perfluoroalkyl and polyfluoroalkyl substances. Studies have linked these chemicals with harmful health conditions. ***Senate Bill 273/House Bill 275 (both passed)*** prohibit, on or after January 1, 2024, the manufacture and sale of fire-fighting foams and personal protective equipment and new rugs containing intentionally added PFAS chemicals. On or after January 1, 2024, a manufacturer or distributor may not manufacture, or knowingly sell, offer for sale, or use in the State a food package or food packaging component designed and intended for direct food contact to which PFAS chemicals were intentionally added. The bills require the Governor to include in the annual budget for fiscal 2024, an appropriation of \$500,000 to the Maryland Department of the Environment to take back and dispose of Class B fire-fighting foam from fire departments if requested by a fire department.

Miscellaneous Health Programs, Initiatives, and Studies

Consumer Health Information

House Bill 1082 (passed) designates the University of Maryland Herschel S. Horowitz Center for Health Literacy as the State’s Consumer Health Information Hub to promote and ensure public access to specified information in preferred languages to inform decisions about health, safety, and social services benefits. The bill also requires State and local agencies to use plain

language in public communications about health, health insurance, safety, and social services benefits.

Palliative Care Services

House Bill 378 (passed) requires MHCC to convene a workgroup to study and make recommendations to improve palliative care services in the State. Among other matters, the workgroup must examine the capacity of palliative care providers, geographic areas where significant gaps in palliative care services may exist, the feasibility of financial support for a long-term expansion of palliative care services, and engagement strategies for educating individuals to make informed decisions about preferred care when faced with serious illness.

Primary Care Services

Senate Bill 734 (passed) requires MHCC to provide an annual report and establish a workgroup to improve the quality of and access to primary care services in the State. Among other requirements, the report must include an analysis of primary care investment and ways to improve the quality of and access to primary care services, with special attention to increasing health care equity, reducing health care disparities, and avoiding increased costs to patients and the health care system.

Local Health Officers

House Bill 609 (Ch. 53) repeals the provision that specifies that the health officer for a county serves at the pleasure of the governing body of that county and the Secretary of Health. If the Secretary and the appropriate governing body concur on the removal of a health officer, the Secretary must provide written notification of removal to the health officer that includes the basis for the removal, documentation supporting the removal, and notice of the opportunity to request a hearing with the Secretary of Health within 10 days after receipt of the written notification and information on how to request the hearing. If the health officer requests a hearing with the Secretary, the Secretary must hold the hearing promptly, provide the health officer with an opportunity to be heard, and make a final decision not later than 10 days after the hearing. For a further discussion of this Act, see the subpart “Local Government – Generally” within Part D – Local Government of this *90 Day Repo*

Health Occupations

Health Care Workforce

Since the beginning of the COVID-19 pandemic, health care facilities have struggled to maintain staffing levels necessary to care for patients. **Senate Bill 440 (passed)**, an emergency measure, establishes the Commission to Study the Health Care Workforce Crisis in Maryland to, among other things, determine the extent of the health care workforce shortage in the State, examine short-term solutions to address immediate needs for identified shortages, examine future

health care workforce needs, and examine what changes are needed to enhance incentives for individuals to enter and stay in the health care workforce. The commission must issue an interim report by December 31, 2022, and a final report by December 31, 2023. The commission terminates December 31, 2023.

Pharmacists

Scope of Practice

In general, an individual must be licensed by the State Board of Pharmacy to practice in the State. The practice of pharmacy includes compounding, dispensing, or distributing prescription drugs or devices; monitoring prescriptions; providing information, explanation, and recommendations to patients and health care practitioners about the safe and effective use of prescription drugs or devices; providing drug therapy management; and administering vaccinations as well as administering a self-administered drug to a patient in accordance with regulations adopted by the board. ***Senate Bill 62/House Bill 28 (both passed)*** expand the scope of practice for a licensed pharmacist, who meets specified requirements, to include prescribing and dispensing “nicotine replacement therapy medication” that delivers nicotine to an individual and is approved by the U.S. Food and Drug Administration for the sole purpose of aiding in tobacco cessation or smoking cessation (regardless of whether it is available over the counter). ***Senate Bill 19/House Bill 229 (both passed)*** authorize a pharmacist to administer an “injectable medication for treatment of a sexually transmitted infection” (a medication that is administered by injection other than intravenously, treats a sexually transmitted infection, and is not a vaccine) that is not a biological product. The bills generally add injectable medication for treatment of a sexually transmitted infection to existing statutory provisions regarding maintenance injectable medication. Regulations adopted by the State Board of Pharmacy for injectable medication for treatment of sexually transmitted infection must be the same as those for a maintenance injectable medication.

Maintenance and Destruction of Medical Records

Unless a patient is first notified, a health care provider may not destroy a medical record about a patient for five years after the record is made or, in the case of a minor patient, until the patient attains the age of majority plus three years or for five years after the record is made, whichever is later. ***Senate Bill 661/House Bill 1219 (both passed)*** alter the definition of “health care provider” to include a pharmacist in the provisions of law regarding the maintenance and destruction of medical records. For a discussion of the insurance provisions in ***Senate Bill 661/House Bill 1219***, see the subpart “Health Insurance” within this part of this *90 Day Report*.

Physicians

Interstate Medical Licensure Compact

The Interstate Medical Licensure Compact (IMLC) is established among member states to provide a streamlined process that allows physicians to become licensed in multiple states,

enhancing the portability of a medical license. Maryland entered IMLC for physicians July 1, 2019; the State's membership was set to terminate September 30, 2022. ***Senate Bill 386/House Bill 180 (both passed)*** extend the termination date for IMLC until June 30, 2030. By October 1, 2023, the State Board of Physicians must report on the status of IMLC, including the number of Maryland licensees who participate, the member states participating, a recommendation on whether Maryland should continue its participation in the compact, and any statutory changes needed to accomplish the goal of streamlining licensure for out-of-state physicians.

Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants

The Maryland Loan Assistance Repayment Program (MLARP) for Physicians and Physician Assistants, administered by the Maryland Department of Health (MDH), provides student loan repayment assistance in exchange for a two-year service commitment in an underserved area of the State practicing primary care or another specialty for which there is an identified shortage. ***Senate Bill 626/House Bill 1464 (both passed)*** expand eligibility for MLARP for physicians and physician assistants to include a part-time physician or part-time physician assistant and authorize MDH to establish prorated loan repayment for the part-time practitioners. The bills also establish the MLARP Advisory Council for Physicians and Physician Assistants, which must, among other things, seek permanent and diverse revenue sources to aid in the stability and further development of the program. The advisory council must report on its activities and recommendations by October 1 each year.

Nurses

In general, an individual must be licensed or certified by the State Board of Nursing (BON) to practice nursing in the State. An individual must be licensed as a registered nurse and certified as an advanced practice registered nurse by BON to practice as a nurse practitioner, nurse anesthetist, nurse midwife, or clinical nurse specialist.

Registered Nurse Practitioners

The Emergency and Allergy Treatment Program within MDH authorizes a certificate holder or their agent to administer life-saving treatment to individuals who have severe adverse reactions to allergens or insect stings when physician or emergency medical services are not immediately available in a youth camp. ***Senate Bill 380/House Bill 49 (both passed)*** authorize a registered nurse practitioner to (1) prescribe auto-injectable epinephrine in the name of a certificate holder and/or (2) dispense auto-injectable epinephrine and the necessary paraphernalia for its administration to a certificate holder under the program. The bills also establish legal immunity for a registered nurse practitioner acting in good faith in prescribing or dispensing auto-injectable epinephrine (and necessary paraphernalia) if certified under the program.

Certified Nurse Anesthetists

House Bill 55 (passed) authorizes a nurse anesthetist to prescribe, order, and administer drugs, including specified controlled dangerous substances. The bill designates a licensed nurse anesthetist as an “authorized prescriber” under the Maryland Pharmacy Act. A nurse anesthetist may prescribe drugs (1) only in an amount that does not exceed a 10-day supply; (2) only for an individual with whom the nurse anesthetist has, at the time of prescription, established a client or patient record; and (3) only in connection with the delivery of anesthesia services.

Dialysis Technicians

House Bill 218 (passed) repeals the requirement that a dialysis technician be a certified nursing assistant (CNA) except under certain circumstances and establishes a separate certification for a “certified dialysis technician” (CDT) under BON. An individual must be certified as a CNA and a CDT to practice as a dialysis technician in a State-owned hospital or facility. BON must (1) adopt regulations establishing qualifications for CDTs; (2) maintain a list of all CDTs; (3) set applicable fees; and (4) initiate specified disciplinary action. The BON Safe Practice Committee must evaluate CDTs who request participation in the program and report to BON the name and certificate number of any CDT who is expelled from the program for failure to comply with the conditions of the program. **House Bill 218** also expands the membership of the Certified Nursing Assistant Advisory Committee to include one CDT and one additional administrator from a licensed health care facility.

Health Care Workforce Expansion

House Bill 1208 (passed), among other things, required MDH to work with the Maryland Department of Labor to convene a stakeholder workgroup to study expanding the State apprenticeship programs to the health care workforce. By December 1, 2022, MDH must report the workgroup’s findings and recommendations. The bill also establishes additional responsibilities for BON related to the expansion of the workforce in nursing-related fields, such as requiring an annual evaluation of the State’s nursing workforce, establishing standards for online nursing assistant training programs, and allowing on-the-job experience as a nursing assistant to count toward training hours required for certification as a geriatric nursing assistant. For a discussion of the income tax credit established in **House Bill 1208**, see the subpart “Income Tax” within Part B – Taxes of this *90 Day Report*.

Maryland Loan Assistance Repayment Program for Nurses and Nursing Support Staff

Senate Bill 696 (passed) establishes an MLARP for Nurses and Nursing Support Staff and an associated special fund for the program to assist in the repayment of education loans owed by a nurse or nursing support staff who practices in an eligible field of employment. MDH must convene a stakeholder workgroup to examine how to further incentivize nursing and nursing support staff students to practice in professional shortage areas and medically underserved areas in the State. The workgroup must submit an interim report by December 1, 2022, and a final report

by December 1, 2023, including recommendations on a permanent funding structure for the new MLARP Fund for Nurses and Nursing Support Staff.

The fiscal 2023 budget includes a total of \$3.0 million in general funds for a new MLARP for Nurses and Nursing Assistants within the Maryland Higher Education Commission (MHEC), which likely provides similar assistance to that proposed under [*Senate Bill 696*](#).

Behavioral Health Professionals

[*House Bill 97 \(passed\)*](#) establishes the Workgroup on Black, Latino, Asian American Pacific Islander, and Other Underrepresented Behavioral Health Professionals to identify and study the shortage of behavioral health professionals in the State who are Black, Latino, Asian American Pacific Islander, or otherwise underrepresented in the behavioral health profession. The workgroup must also assess and make recommendations on incentives or other methods to increase the number of (1) underrepresented students who study at an institution of higher education in the State to be behavioral health professionals and (2) underrepresented behavioral health professionals who provide behavioral health services in the State, especially in underserved communities. The workgroup must submit a report on its findings and recommendations by July 1, 2023. The workgroup terminates June 30, 2024.

Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists

[*Senate Bill 103/House Bill 155 \(both passed\)*](#) make revisions to the State Board of Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists, including (1) clarifying what constitutes a quorum for the board; (2) extending existing provisions regarding examination of a licensee by a health care provider to apply to a licensed music therapist or audiology assistant; (3) clarifying that the board may allow applicants licensed in another state to practice in Maryland under certain conditions; (4) specifying that existing disciplinary grounds apply to audiology assistants; (5) authorizing a licensed audiologist to delegate duties to an assistant and requiring the board to adopt regulations for the position of audiology assistant and requirements for supervision; (6) enumerating additional disciplinary grounds for licensed music therapists; and (7) renaming the music therapist rehabilitation subcommittee to be the music therapist rehabilitation committee.

Dentists and Dental Hygienists

An individual must obtain a license from the State Board of Dental Examiners (BDE) to practice dentistry or dental hygiene in the State.

State Board of Dental Examiners

[*Senate Bill 611/House Bill 969 \(both passed\)*](#) require that BDE members be trained for at least one hour each year on BDE's powers, duties, and procedures (including complaint and

hearing procedures). The bills alter the disciplinary process to require that a final decision on an action be issued within 120 days after the final day of a hearing. The bills also authorize BDE to summarily suspend a license if the board determines there is a substantial likelihood that a licensee poses a risk of harm to public health, safety, or welfare. BDE must follow specified due process procedures before executing an order of summary suspension.

Dental Hygienists

In general, a dental hygienist is licensed to practice dental hygiene (1) under the supervision of a licensed dentist who is on the premises and available for personal consultation while the services are being performed or not on the premises under specified circumstances and (2) only in a dental office or clinic, hospital, school, charitable institution, or certified health maintenance organization. ***Senate Bill 306/House Bill 219 (both passed)*** authorize a dental hygienist to consult with the supervising dentist or the patient's dentist and the treating physician, registered nurse practitioner, certified nurse midwife, or licensed certified midwife before proceeding with treatment if there is a change in or concerns about a patient's medical condition.

Dental Assistants

In general, dental assistants are not required to be licensed or certified by BDE. However, dental assistants may be registered as qualified in general duties or qualified in orthodontics, and/or certified as a dental radiation technologist (DRT). ***House Bill 968 (passed)*** establishes an "expanded function dental assistant" (EFDA) credential and specifies the additional intraoral procedures that may be performed by an EFDA. BDE may adopt regulations, including reasonable policies and guidelines for a dental assistant to assist in performing authorized intraoral procedures and reasonable education or training requirements for an individual to become an EFDA and perform the authorized intraoral procedures. An individual may be simultaneously certified as a DRT and an EFDA. ***House Bill 968*** also establishes an additional disciplinary ground for a licensed dentist who allows a dental assistant to assist in the practice of dentistry (1) in an unauthorized manner; (2) without specifically instructing the certified dental assistant to perform an intraoral procedure that the certified dental assistant is authorized to perform; or (3) failing to provide direct supervision of a dental assistant.

Physical Therapists

The practice of physical therapy in Maryland is regulated by State Board of Physical Therapy Examiners. ***Senate Bill 209 (passed)*** extends the termination date for the board by two years to July 1, 2024, subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act.

Massage Therapists and Massage Therapy Practitioners

The State Board of Massage Therapy Examiners licenses massage therapists and registers massage therapy practitioners. A registered massage therapy practitioner may not practice massage

therapy in a health care setting. ***Senate Bill 37/House Bill 220 (both passed)*** phase-out the registered massage practitioner credential and prohibit the board from issuing an initial registration to practice as a registered massage practitioner on or after October 1, 2023. Beginning November 1, 2026, an individual must be licensed by the board to practice massage therapy. The bills also (1) alter registration and licensure qualifications; (2) establish a civil fine of up to \$10,000 for an individual who practices massage therapy without a license or registration; (3) repeal the requirement that the board adopt an official seal; and (4) require the board to maintain an electronic roster of individuals licensed or registered by the board.

Acupuncturists

An individual must be licensed by the State Acupuncture Board before practicing acupuncture in the State, with limited exceptions. There are two pathways to demonstrate education and experience. Under the first pathway, an applicant can graduate from at least a master's level program or its equivalent in acupuncture that is approved by MHEC, accredited by the Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM), or found by the board to be equivalent to a course approved or accredited by MHEC or ACAOM. Under the second pathway, an applicant can hold a diplomate in acupuncture from the National Certification Commission for Acupuncture and Oriental Medicine (NCCAOM) *or* demonstrate a passing score on an examination determined by the board to be equivalent to the NCCAOM examination. Under ***Senate Bill 120/House Bill 188 (both passed)*** applicants may qualify for licensure by meeting either of the two pathways for education and training if they are issued a license on or before May 31, 2026. On or after June 1, 2026, applicants for licensure must graduate from at least a master's level program or its equivalent in acupuncture *and* achieve a passing score on an examination given by NCCAOM (or that is determined by the board to be equivalent). An applicant may not qualify for licensure by holding a diplomate in acupuncture from NCCAOM.

Nursing Home Administrators and Assisted Living Managers

Federal law requires that both nursing homes and nursing home administrators in all states be regulated. The State Board of Examiners of Nursing Home Administrators regulates the practice of nursing home administrators and licenses qualified nursing home administrators in Maryland. ***Senate Bill 720/House Bill 1034 (both passed)*** rename the board to be the State Board of Long-Term Care Administrators and require that an individual be licensed by the board to practice as an assisted living manager in the State beginning October 1, 2024. Individuals who have been employed in the State as an assisted living manager and worked at a program with five or more beds as of September 30, 2022, are deemed to have satisfied the qualifications for licensure. An assisted living manager employed by a program with four or fewer beds must complete a specified manager training course by September 30, 2024. The bills also alter board structure and membership requirements, specify that the board is a medical review committee, and require the board to submit a report by October 1, 2023.

Residential Child Care Program Professionals

The State Board for the Certification of Residential Child Care Program Professionals is the certification authority for Residential Child Care Program Administrators and Residential Child and Youth Care Practitioners employed by programs licensed by the Department of Human Services, the Department of Juvenile Services, and MDH. ***Senate Bill 133/House Bill 21 (both passed)*** reduce the number of board members from 12 to 11, remove the requirement that a member be appointed by the subcabinet, and remove the requirement that the board adopt an official seal.

Health Care Facilities and Regulations

In General

State Designated Exchange

A health information exchange (HIE) allows clinical information to move electronically among health information systems. ***House Bill 1127 (passed)*** requires the State-designated HIE to operate as a health data utility for the State and provide data, as allowed by law, to individuals and organizations involved in the treatment and care coordination of patients and to support public health goals. Specifically, the bill provides that after dispensing a noncontrolled prescription drug, a dispenser must submit prescription information to the HIE. The HIE must also establish a Consumer Advisory Council to bring the perspectives of individuals and organizations with an interest in protecting consumers in the delivery of services provided by the HIE. The bill also requires a report to the General Assembly that identifies ongoing revenue sources to fund the provisions of the bill.

Health Commissions User Fee Assessments

The Maryland Health Care Commission (MHCC) and the Health Services Cost Review Commission (HSCRC) are independent commissions within the Maryland Department of Health (MDH) that are funded through user fees. The fees must be used exclusively to cover the actual documented direct costs of fulfilling the statutory and regulatory duties of each commission, including administrative costs incurred by MDH on behalf of the commissions.

MHCC's special fund consists of user fees assessed on health care payors, hospitals, nursing homes, and health care practitioners. The amount of the fee assessment is derived differently for each industry and is set every four years based on an analysis of MHCC's workload. ***Senate Bill 253/House Bill 353 (both passed)*** increase the maximum amount of user fees MHCC may assess from \$16 million to \$20 million.

HSCRC special fund revenues consist of user fees assessed on hospitals and related institutions whose rates have been approved by HSCRC. For fiscal 2023 through 2025, ***Senate Bill 917/House Bill 510 (both passed)*** alter the maximum amount of user fees HSCRC

may assess on hospitals and related institutions from \$16 million to the greater of 0.1% of the immediately preceding fiscal year's budgeted, regulated, gross hospital revenue or the largest cap amount determined during the immediately preceding five fiscal years. Beginning in fiscal 2026, the total fees assessed by HSCRC may not exceed the average of the amounts determined for fiscal 2023, 2024, and 2025.

Certificate of Need

The Certificate of Need (CON) program, administered by MHCC, is intended to ensure that new health care facilities and services are developed only as needed. [*Senate Bill 804/House Bill 972 \(both passed\)*](#) exempt continuing care at home agreements from CON requirements by altering the definition of "health care facilities" for the purpose of providing an exception to the requirement for a CON. Continuing care at home means providing medical, nursing, or other health-related services directly, or by contractual agreement, to individuals through a written agreement. In addition, regulatory requirements under the Secretary of Aging for providers of continuing care at home services do not apply to a provider that meets any capital reserve requirements and, until the provider has enrolled the minimum number of subscribers needed for its revenues to at least equal its expenses, holds in escrow the entirety of all entrance fees or maintains a surety bond of at least \$1 million or an equivalent replacement security.

Hospital Financial Assistance Policies

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. [*House Bill 694 \(passed\)*](#) requires HSCRC, in coordination with the Department of Human Services, the State-designated HIE, the Comptroller's Office, and the Maryland Hospital Association, to develop a process that identifies the patients who paid for hospital services who may have qualified for free care at the time of care during calendar 2017 through 2021; provides reimbursement to the patients, which may be applied incrementally; ensures that a patient's alternate address is used for safety reasons, if the patient required an alternate address; and determines how relevant information should be shared and disclosed to the hospital, in accordance with federal and State confidentiality laws.

By January 1, 2023, and January 1, 2024, HSCRC must report on the development and implementation of the process by hospitals. If the process requires legislation, HSCRC must include legislative recommendations in the 2023 report, otherwise hospitals must implement the process by January 1, 2023.

Health Care Workers

The fiscal 2023 budget includes \$50 million of one-time assistance to hospitals for workforce support. Additionally, [*Senate Bill 518 \(passed\)*](#) establishes the Career Pathways for Health Care Workers Program in the Maryland Department of Labor to provide matching grants to hospitals or related institutions that pay for training programs attended by health care workers, with the goal of providing increased opportunities for health care workers to receive relevant

training. Training programs are to be provided by a historically black college or university, or a community college. The Governor must include in the annual budget bill an appropriation of at least \$1 million for the program.

Health Facilities

Resident and Patient Safety

Chapter 801 of 2021 required behavioral health programs to establish and implement a safety plan as a requirement for licensure. ***Senate Bill 3 (passed)*** also requires each State residential center for the developmentally disabled to establish and implement a safety plan and to revise the plan not less than every five years. State residential centers have the option of implementing a safety or emergency plan established for another purpose. Likewise for the same population, each application for certificate of approval for a private group home submitted to MDH must include a statement that the applicant will establish and implement a safety plan or implement a safety or emergency plan established for another purpose. The bill specifies that the five-year plan revision requirement also applies to licensed behavioral health programs. A facility regulated by MDH under Title 19 of the Health-General Article that was in operation on or before September 30, 2021, must submit its safety plan by October 1, 2023, and revise its safety plan not less than every five years. Likewise, the Department of Juvenile Services must adopt regulations that require each juvenile care facility and detention center to establish and implement a safety plan or implement a safety or emergency plan that was established for another purpose.

MHCC first designated the Maryland Patient Safety Center (MPSC) in 2004 to reduce the incidence of preventable adverse medical events in the State, and in 2007, MPSC became an incorporated organization in effect until April 2025. HSCRC hospital rates are used to fund MPSC; however, fiscal 2022 is the last year of HSCRC funding for MPSC. ***Senate Bill 591/House Bill 915 (both passed)*** require MHCC to designate a Patient Safety Center for the State by December 31, 2025, and establish a Patient Safety Center Fund to subsidize a portion of the costs of the center. The center must develop, coordinate, and implement patient safety initiatives; be a model for patient safety innovation and implementation; convene health care providers, patients, and families to improve the quality of care, reduce preventable and avoidable harm, and provide safe and equitable health care for State citizens; and share information relating to best practices among providers and patients in the State.

Beginning in fiscal 2023, the Governor must include an appropriation of \$1 million for the fund in the annual budget bill. MHCC may provide a grant from the fund to the center.

Assisted Living and Nursing Homes

Assisted living programs operating in Maryland are licensed by MDH. These programs are designed to meet the needs of individuals who require assistance with activities of daily living. Nursing homes are also licensed by MDH, and the Office of Health Care Quality (OHCQ) generally conducts a site visit and a full survey of each licensed nursing home once per year.

Nursing homes provide nonacute care to patients requiring maximal nursing care without hospital services. The fiscal 2023 budget includes \$20 million for nursing homes, and \$20 million for assisted living facilities to assist with COVID-19 recovery.

Senate Bill 531/House Bill 636 (both passed) require MHCC to conduct a study regarding the quality of care provided by assisted living programs with nine or fewer beds. MHCC must work in consultation with OHCQ and other specified entities to conduct the study. The study must analyze inspection data from OHCQ to determine where quality of care may be improved, examine entry into and exit from the market for assisted living programs, consider the feasibility of developing a reporting system that protects patient confidentiality and makes data related to catastrophic health emergencies and quality of care publicly available, review current assisted living program licensure regulations to determine whether programs with nine or fewer beds should be regulated differently than other programs, determine whether assisted living programs receive sufficient reimbursement to cover the cost of the services provided, and review staffing resources that could be better utilized and made available for these programs.

Residential Service Agencies

A residential service agency (RSA) is a business that employs, or contracts with, individuals to provide home health care for compensation to an unrelated sick or disabled individual in the home of the individual. ***Senate Bill 600/House Bill 544 (both passed)*** require each RSA receiving Medicaid reimbursement for the provision of home care or similar services by a personal care aide to report to MDH by October 1 of each year the number of personal care aides classified by the RSA as employees and independent contractors. MDH must use the information to create an annual report on Medicaid reimbursement rates, the cost of delivering services, and aggregated employment classifications of personal care aides; and must submit the report to the General Assembly.

Health Insurance

Value-based Care

Senate Bill 834/House Bill 1148 (both passed) authorize a carrier to enter into a “two-sided incentive arrangement” with an “eligible provider” and specify what is permitted, prohibited, and required under a bonus or other incentive-based compensation program or two-sided incentive arrangement. This is a voluntary, value-based payment arrangement between a provider and a carrier in which the provider may earn an incentive and a carrier may recoup funds from the provider in accordance with the terms of a contract that meets requirements under the bills. By December 31, 2023, and annually thereafter until 2032, the Maryland Health Care Commission (MHCC) must report on the number and type of value-based arrangements entered into and related measures. The bills also specify that (1) a value-based arrangement that meets the requirements of specified federal regulations is not subject to Maryland’s health care practitioner self-referral law; (2) a health care practitioner or set of health care practitioners that accepts

capitated payments is not considered to be doing an insurance business in the State; and (3) an adjustment to reimbursement made as part of a two-sided incentive arrangement is not subject to carrier requirements regarding a retroactive denial of reimbursement.

Health Insurance Market Stabilization

Individual Market

Chapters 6 and 7 of 2018 required the Maryland Health Benefit Exchange (MHBE) to apply for a federal Section 1332 waiver to establish a State reinsurance program (SRP). SRP provides reinsurance to carriers that offer individual health benefit plans in the State and is funded by both State and federal funds. To provide State funds for SRP, Chapters 37 and 38 of 2018 established a health insurance provider fee assessment of 2.75% on specified entities for calendar 2019 only. Chapters 597 and 598 of 2019 extended the assessment through calendar 2023 and reduced the provider fee assessment to 1%.

The Section 1332 waiver authorizing SRP expires at the end of calendar 2023. To amend and extend the existing waiver, the State must submit a letter of intent by October 1, 2022, and an application by March 31, 2023. A State funding source is required for waiver renewal and to continue receiving federal funds. **House Bill 413 (Ch. 59)** extends the existing 1% provider fee assessment through calendar 2028. The Act exempts a stand-alone dental or vision plan carrier subject to the provider fee assessment from certain health care regulatory assessments for each calendar year in which the provider fee assessment is paid. By December 1, 2023, the Maryland Insurance Administration (MIA), in consultation with MHBE and MHCC, must report to the Governor and the General Assembly on the impact of SRP.

Small Group Market

Senate Bill 632 (passed) requires MHBE to convene a workgroup to study and make recommendations relating to the establishment of a Small Business and Nonprofit Health Insurance Subsidies Program to provide subsidies for the purchase of health benefit plans. MHBE must invite specified stakeholders to participate in the workgroup, which must study and make recommendations regarding (1) the health insurance coverage needs of small employers, nonprofit employers, and their employees; (2) objectives and target metrics for the program; (3) the optimal scope and design features of a program; (4) the cost to administer the program; and (5) the sources and levels of funding needed to support the program. By October 1, 2022, MHBE must submit a report on the workgroup's findings and recommendations to the Governor and specified committees of the General Assembly. The bill expresses the intent of the General Assembly that, beginning in fiscal 2024, the Governor include in the annual budget bill an appropriation to establish and operate a program with a design as recommended by the workgroup.

Mandated Coverage, Prior Authorization, and Cost Sharing

Prescription Insulin Drugs

Senate Bill 353/House Bill 1397 (both passed) require carriers that provide coverage for prescription drugs and devices (including coverage provided through a pharmacy benefits manager) to limit the amount a covered individual is required to pay in copayments or coinsurance for a covered prescription insulin drug to no more than \$30 for a 30 day supply, regardless of the amount or type of insulin needed to fill the covered individual's prescription.

Pediatric Autoimmune Neuropsychiatric Disorders

Chapter 560 of 2020 requires carriers and Medicaid to provide coverage for the medically necessary diagnosis, evaluation, and treatment of pediatric autoimmune neuropsychiatric disorders associated with streptococcal infections (PANDAS) and pediatric acute onset neuropsychiatric syndrome (PANS), excluding coverage for rituximab unless the U.S. Food and Drug Administration (FDA) approves it for the treatment of PANDAS and PANS. ***House Bill 820 (passed)*** repeals the requirement that rituximab be approved by FDA for coverage to be required.

Coverage for Nonparticipation

Senate Bill 707/House Bill 912 (both passed) require a carrier to ensure that specified services for mental health or substance use disorders are provided at no greater cost than if the covered benefit were provided by a provider on the carrier's provider panel. Each carrier must inform members of the procedure to request a referral to a specialist or nonphysician specialist, and the Consumer Education and Advocacy Program must provide public education to inform consumers of such procedures.

Abortion Care Access Act

House Bill 937 (Ch. 56) establishes several provisions relating to access to abortion care. This subpart discusses the health insurance provisions of the Act. For further discussion of ***House Bill 937***, see the subpart "Public Health – Generally" within this part of this 90 Day Report.

Insurance Coverage of Abortion Care Services: ***House Bill 937*** requires a carrier that provides labor and delivery coverage must cover abortion care services without (1) a deductible, coinsurance, copayment, or any other cost-sharing requirement and (2) restrictions that are inconsistent with the protected rights under Title 20, Subtitle 2 of the Health-General Article. A carrier must provide information to consumers about abortion care coverage using the terminology "abortion care" to describe coverage. These requirements do not apply to (1) a multistate plan that does not provide coverage for abortions in accordance with federal law; (2) a high-deductible plan, unless the Insurance Commissioner determines that abortion care is not excluded from the safe harbor provisions for preventive care under federal law; or (3) a religious organization that has bona fide religious beliefs and practices that conflict with the requirements. If the Commissioner determines that enforcement of these provisions may adversely affect the allocation of federal

funds to the State, the Commissioner may grant an exemption for these requirements to the minimum extent necessary to ensure continued receipt of federal funds.

State-Based Young Adult Health Insurance Subsidies Pilot Program: Chapters 777 and 778 of 2021 require MHBE to establish and implement the State-Based Young Adult Health Insurance Subsidies Pilot Program for calendar 2022 and 2023, to help make health insurance more affordable for uninsured young adults. Under the program, young adults ages 18 to 34 with incomes between 138% and 400% of the federal poverty level are eligible for State premium assistance subsidies. Federal advanced premium tax credits cannot be used to cover benefits that are not essential health benefits (non-EHBs), including abortion. Thus, pilot program enrollees must pay an out-of-pocket premium for non-EHBs. [*House Bill 937*](#) requires MHBE to adopt regulations to provide a subsidy to cover 100% of the cost of the premium for young adults who have a 0% expected contribution under the subsidy eligibility and payment parameters for the pilot program in calendar 2023. MHBE must track the impact of covering 100% of the cost of premiums for qualified participants on effectuation rates and termination for nonpayment rates, and the information must be posted on MHBE’s website and included in MHBE’s annual report.

Consumer Information Workgroup: [*House Bill 937*](#) requires MHBE, in consultation with MIA, to (1) convene a workgroup to make recommendations to improve the transparency and accessibility of consumer information about abortion care coverage and (2) study extending last dollar coverage to other enrollees in addition to those under the pilot program.

Data Collection: Section 1303 of the federal Patient Protection and Affordance Care Act (ACA) requires carriers that cover certain abortion services to segregate funds for those services in a separate account and then use that account to pay for all services for abortions. [*House Bill 937*](#) requires MIA to collect specified data from State-regulated plans and submit a series of reports related to segregated accounts established under the ACA and related regulations.

COVID-19 Testing Mandate

During the 2021 session, the General Assembly passed Senate Bill 741 and House Bill 836. The Governor vetoed the bills, but the General Assembly overrode the vetoes during the 2021 special session and the bills became law in December 2021 (Chs. 29 and 31). The Acts require 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 Chapters 29 and 31 of 2021, see the subpart “Public Health – Generally” within this part of this *90 Day Report*.

Prohibition on Prior Authorization for HIV Postexposure Prophylaxis

Postexposure prophylaxis (PEP) is the use of antiretroviral medication to prevent HIV infection after a potential exposure. [*House Bill 970 \(passed\)*](#) prohibits carriers from applying a prior authorization requirement for a prescription drug used as PEP for the prevention of HIV if

the prescription drug is prescribed for use in accordance with U.S. Centers for Disease Control and Prevention guidelines.

Pharmacy Benefits and Services

Pharmacy Services Administrative Organization Contracts

Senate Bill 823/House Bill 973 (both passed) specify that each contract form or an amendment to a contract form between a pharmacy benefits manager (PBM) and a pharmacy services administrative organization (PSAO) acting on behalf of a pharmacy may not become effective unless the PBM files a specified informational filing with the Commissioner. A PSAO that has not registered with the Commissioner may enter into an agreement or contract with a PBM if the PSAO is not contracting with any independent pharmacies in Maryland. Administrative contract requirements apply to a pharmacy services administrative contract (PSAC) or an amendment to a PSAC and not to a contract (or amendment to a contract) between a PSAO, on behalf of an independent pharmacy, and a PBM or group purchasing organization. A PSAC must require the PSAO to provide to an independent pharmacy an electronic or paper copy of any contracts, amendments, payment schedules, or reimbursement rates, as specified.

Reimbursement for Pharmacists

Senate Bill 661/House Bill 1219 (both passed) require the Commissioner to establish a workgroup with specified stakeholders to identify options and requirements necessary for the reimbursement of pharmacists who provide medical services within their scope of practice and work setting. By December 31, 2022, the Commissioner must report findings and recommendations to specified committees of the General Assembly. For further discussion of *Senate Bill 661/House Bill 1219*, see the subpart “Health Occupations” within this part of this *90 Day Report*.

Consumer Protections

Special Enrollment Periods for Medicare Supplement Policies

For individuals age 65 and older, federal law provides a one-time-only open enrollment period during the first six months after enrollment in Medicare Part B. During this open enrollment period, Medicare supplement policies are guaranteed issue, meaning carriers may not deny or condition the issuance or effectiveness of a Medicare supplement; discriminate in the pricing of a policy plan; or deny, reduce, or condition coverage or apply an increase premium rating under such a plan because of the health status, claims experience, receipt of health care, or medical condition of the applicant. Generally, if an individual seeks to enroll in a Medicare supplement policy plan (or change plans) after this open enrollment period, guaranteed issue requirements do not apply.

COVID-19 Public Health Emergency: The federal Families First Coronavirus Response Act provides a 6.2 percentage point increase in the federal Medicaid matching rate if states ensure

continuous coverage for current Medicaid participants during the federal public health emergency (PHE) issued due to COVID-19. As a result, some individuals have been allowed to remain enrolled in Medicaid and have not exercised their Medicare enrollment options. Once the PHE ends (as soon as April 2022), these individuals will be covered only by Medicare, but their initial open enrollment period and access to guaranteed issuance of Medicare supplement policies will have passed. **House Bill 536 (passed)** requires a carrier that issues Medicare supplement policies to offer a special enrollment period for individuals to select a Medicare supplement policy following the end of the PHE. This requirement terminates one year after the termination of the national emergency or the PHE, whichever is later. For further discussion of **House Bill 536** as it relates to the Commissioner's authority during specified health emergencies, see the subpart "State Agencies, Offices, and Officials/Regulations" within Part C – State Government of this *90 Day Report*.

Open Enrollment Period Following Birthday: **House Bill 247 (passed)** requires a carrier that sells Medicare supplement policies to provide an enrolled individual the opportunity to switch to a different Medicare supplement policy with equal or lesser benefits within 30 days following the individual's birthday. A carrier is prohibited from denying or conditioning a new policy, discriminating in the pricing of the policy, or denying, reducing, or conditioning coverage because of the health status, claims experience, receipt of health care, or medical condition of the individual. A carrier must notify an insured of their right to switch policies at least 30 days, but no more than 60 days, before the insured's birthday. The bill specifies the manner in which a Medicare supplement policy is determined to have equal or lesser benefits and requires the Commissioner to adopt regulations establishing a matrix for identifying which Medicare supplement policies have equal or lesser benefits.

Federal No Surprises Act

Senate Bill 180 (passed), an emergency bill, authorizes MIA to enforce provisions of the No Surprises Act and other provisions of the federal Consolidated Appropriations Act, 2021 that protect consumers against surprise medical billing by health care providers for emergency services and for services performed by out-of-network providers at in-network facilities. The Commissioner may enforce the bill under any applicable provisions of the Insurance Article.

Miscellaneous

Nonprofit Health Service Plan Board of Directors

Senate Bill 173/House Bill 106 (both passed) alter the required composition of the board of directors of a nonprofit health service plan. A board must include *at least 11 members*, including *no more than 21 voting members* selected by the board. The bills add a third consumer member to the nonvoting membership of the board and specify that consumer members must be either subscribers or certificate holders of the nonprofit health service plan *or its affiliates at the time of their initial election to the board*. The bills increase from 4 to 5 the number of members of the board that may be licensed health care professionals, hospital administrators, or employees of

health care professionals or hospitals and clarifies that the board must seek to include individuals with a diverse range of experience relevant to the mission of the corporation as a nonprofit health service plan, as specified.

Electronic Advance Care Planning Documents

Senate Bill 824/House Bill 1073 (both passed) require carriers to provide an advance directive information sheet to all enrollees or members in the initial enrollment materials and upon renewal (in addition to other specified times under current law). If a carrier maintains a website, the carrier must provide a link to the webpage that is accessed through the tab on the State-designated health information exchange website (once developed). A carrier may contract with an electronic advance directive service if the service is approved by MHCC and meets the technology, security, and privacy standards set by MHCC. For further discussion of ***Senate Bill 824/House Bill 1073***, see the subpart “Public Health – Generally” within this part of this *90 Day Report*.

Cybersecurity

Senate Bill 207 (passed) adopts the National Association of Insurance Commissioners Model 668 – Data Security Model Law, which establishes data security standards for insurance regulators, insurers, and other specified carriers. The purpose of the bill is to establish standards applicable to carriers for data security, prompt investigation, and notification to the Commissioner of a cybersecurity event. For further discussion of ***Senate Bill 207***, see the subpart “Information Technology/Cybersecurity” within Part C – State Government of this *90 Day Report*.

Social Services

Public Assistance

Temporary Cash Assistance and Temporary Disability Assistance

Throughout calendar 2021, a \$100 monthly enhancement was available to Temporary Cash Assistance (TCA) recipients. During most of the year, a similar enhancement was provided to Temporary Disability Assistance Program (TDAP) recipients. TCA recipients received a four-month phase down of this additional benefit at the beginning of calendar 2022. Supplemental Budget No. 5 to the fiscal 2023 budget includes \$35 million in general funds from the Dedicated Purpose Account to support a legislative priority to provide an additional \$45 per month per TCA and TDAP recipient in fiscal 2023.

Family Investment Program

Applicants and adult recipients of family investment services are assessed to evaluate appropriate work activities and determine whether the individual qualifies for an exemption from work requirements. Exemptions are generally available based on criteria including having a child

younger than age one, having a severe disability, or being a caretaker of an individual with a disability. A Family Investment Program (FIP) agreement specifies required work activities. **Senate Bill 828/House Bill 1043 (both passed)** define and establish requirements when unpaid work experience and community service may be offered as alternative means to fulfill work requirements. The bills also establish the maximum required work activity hours work-eligible TCA recipients may be required to meet. The maximum hours vary based on the age of the child in their care, whether the recipient also receives child care assistance, and whether there are two work-eligible parents in the assistance unit. The bills also require the Department of Human Services (DHS) to accept verification of work activity through multiple methods, including electronic submission. DHS must annually submit data on TCA recipients that participate in unpaid work experience and community service activities and these participants' post-TCA outcomes. The bills also alter criteria for exemption from work requirements to add criteria based on months of TCA receipt and prevent lifetime limits on exemptions based on having a child younger than age one.

Senate Bill 829/House Bill 1041 (both passed) require DHS to annually review each contract with a nongovernmental entity in place as of October 1, 2024. The review must measure overall program impact, interim progress toward employment for TCA recipients, employment outcomes for families who left TCA due to earnings, and the number of recipients served experiencing homelessness or housing insecurity. DHS must hire an outside consultant to review FIP to assess the extent to which FIP is implementing policies equitably and employing best practices to achieve the best outcomes possible. The FIP review must be completed by October 1, 2024. DHS must submit interim reports on progress in implementing the resulting recommendations.

Supplemental Nutrition Assistance Program

For adults ages 62 and older, the State offers a State-funded Supplemental Nutrition Assistance Program (SNAP) benefit equal to the difference between the monthly SNAP benefit and \$30. This ensures that seniors receive a SNAP benefit of at least \$30 per month. Based on the current federal minimum benefit, the maximum State-funded benefit is \$10 per month. During most of the pandemic, and through at least April 2022, all SNAP recipients receive the maximum benefit for their household size, effectively pausing the Supplemental SNAP for Seniors program. The fiscal 2023 budget includes funding to support supplemental SNAP benefits for seniors to ensure a minimum combined benefit of up to \$40 per month. **House Bill 456 (passed)** permanently increases the State supplemental benefit to ensure that households with an individual age 62 or older receive a total benefit of \$40 per month (between the State-funded and federal benefit combined).

Energy Assistance

The Power to the People Pilot Program supports the energy assistance application process by expanding access to the Critical Medical Needs Program and providing training to helpline intake specialists and case managers. **Senate Bill 719/House Bill 1001 (both passed)** specify that

funding for the pilot program must be used to support part-time rather than full-time staff. The bills also require the Office of Home Energy Programs (OHEP) in DHS to develop a uniform redetermination process for individuals ages 65 and older and to maintain certain records organized by county. The redetermination process must require local administering agencies to have an accessible location to receive customers' applications and establish a policy reflecting reasonable accommodations for applicants such as arranging a home visit or allowing an individual to apply on behalf of an eligible energy customer. Under the redetermination process, OHEP must provide notice of the determination process to all eligible energy customers and include an addressed envelope with prepaid postage, require yearly verification of status for each customer that qualifies for the redetermination process, and allow an eligible energy customer 45 days to respond to a request for additional information. OHEP may not require a new application for a current energy customer if their eligibility did not change from the previous year.

Economic Stability

CASH Campaign of Maryland

The Creating Assets, Savings, and Hope (CASH) Campaign of Maryland is a nonprofit organization that promotes economic advancement for low- to moderate-income individuals and families through direct service programs, building organizational and field capacity, and promoting policy and advocacy initiatives to strengthen family economic stability. **Senate Bill 797/House Bill 447 (both passed)** increase the annual mandated appropriation for the CASH Campaign of Maryland from \$200,000 to \$500,000, beginning in fiscal 2024. Consistent with current law, the appropriation can be used to (1) provide free volunteer income tax assistance; (2) coordinate and expand access to free financial education; (3) connect individuals to financial services; (4) recruit, train, and manage volunteers to provide these services; and (5) conduct outreach to low-income individuals and families.

Two Generation Family Economic Security Commission

DHS staffs the Two Generation Family Economic Security Commission, which investigates and makes recommendations to alleviate multigenerational poverty in Maryland. Commission membership comprises two members of the Senate; two members of the House of Delegates; the secretaries of Human Services, Housing and Community Development, Disabilities, Health, Labor, and Juvenile Services (or their designees); the Superintendent of the Maryland State Department of Education (or the superintendent's designee); and other members appointed as specified. **House Bill 1026 (passed)** adds a member to the commission who lived in and experienced poverty in Maryland and who was, within the three years prior to appointment, a recipient of public assistance.

Other Social and Human Services

Vulnerable Adults

Numerous statutory provisions address the financial exploitation/abuse of elders and vulnerable adults and set forth requirements regarding investigations by adult protective services (APS). However, fiduciary institutions are often hesitant to provide information to APS due to privacy concerns. To allow better communication between APS and fiduciary institutions, **Senate Bill 175 (passed)** requires a fiduciary institution to disclose certain financial records to an APS program that is investigating suspected financial abuse or exploitation. The bill also authorizes an APS agency or a law enforcement agency to share the final disposition of an investigation with a fiduciary institution that made a report of suspected financial abuse or financial exploitation.

Senate Bill 357 (passed) establishes the Workgroup to Study Best Practices for a Vulnerable Adult Registry in Maryland, staffed by DHS. The workgroup must (1) study best practices for implementation of a statewide vulnerable adult registry; (2) identify the appropriate State agency to operate the registry; (3) study and identify how \$1.4 million in prior Centers for Medicare and Medicaid Services (CMS) grant funds were allocated and used; and (4) study and make recommendations regarding any changes or improvements to State law. By June 1, 2023, the workgroup must report its findings and recommendations. The workgroup terminates June 30, 2023.

Autism

The Maryland State Department of Education (MSDE) administers the Waiver for Children with Autism Spectrum Disorder (Autism Waiver). The waiver is open to children ages 2 to 21 who need an Intermediate Care Facility for the Intellectually Disabled level of care and have an Individualized Education Plan for 15 hours of special education and related services. Supplemental Budget No. 5 to the fiscal 2023 budget includes \$30 million from the Dedicated Purpose Account for a legislative priority to reduce the Autism Waiver waitlist. In fiscal 2023, \$10 million of this funding is required to be transferred to MSDE. The remaining \$20 million is retained in the Dedicated Purpose Account for use as the agency incurs expenses. Language in the budget bill expresses intent that the Maryland Department of Health (MDH) and MSDE apply to CMS to expand the number of waiver slots by 1,350. **Senate Bill 636/House Bill 1403 (both passed)**, among other things, require MDH and MSDE to develop a plan to reduce the waitlist for the Autism Waiver that includes conducting eligibility determinations of individuals on the waitlist and, beginning in fiscal 2024, providing services to at least 50% of the individuals determined eligible. For a more detailed discussion of these bills, see the subpart “Public Health” within this part of this *90 Day Report*.

House Bill 662 (passed) specifies that the Governor must appoint the State Coordinator for Autism Strategy and expands the membership of the Advisory Stakeholder Group on Autism-Related Needs to include one member of the Senate and two members of the House of

Delegates. The bill also requires the Governor's Office of Community Initiatives (rather than the Department of Disabilities) to staff the advisory stakeholder group. Currently, the Governor must provide sufficient funding in the budget to support the position of the State Coordinator for Autism Strategy and the advisory stakeholder group on autism-related needs. The bill requires that, beginning in fiscal 2024, the Governor also include sufficient funds for one support staff position for the coordinator.

Provision of Feminine Hygiene Products

The Department of Housing and Community Development (DHCD) must provide feminine hygiene products sufficient to meet the needs of female residents in homeless shelters and qualifying female students in schools who are determined to be homeless children or youth. The products must be made available for free to service providers, local administering agencies, and local boards of education. ***House Bill 588 (passed)*** requires three community action agencies (the Southern Maryland Tri-County Community Action Committee, Inc.; United Communities Against Poverty, Inc.; and the Community Assistance Network, Inc.), in collaboration with local health departments, to make feminine hygiene products available, at no cost, in amount sufficient to meet the needs of the woman obtaining the products. Subject to the appropriation of funding, this requirement applies in fiscal 2024 through 2026. By December 1, 2026, DHCD must submit a report on the implementation of the program and any findings and recommendations.

Part K

Natural Resources, Environment, and Agriculture

Natural Resources

Parks and Public Lands

State Parks and State-Owned Lands

Senate Bill 541 (Ch. 39) makes numerous changes to State law relating to (1) funding for parks, land conservation, State lakes protection and restoration, and forest-related purposes; (2) park staff and volunteers; (3) management of parks and park infrastructure; and (4) new parks/amenities and other considerations.

With regard to funding for parks, land conservation, and State lakes protection and restoration, the Act makes the following changes:

- establishes a Park System Critical Maintenance Fund to address critical maintenance concerns on Department of Natural Resources (DNR)-managed park lands and requires a \$70 million general fund appropriation to the fund in fiscal year 2024, to be spent by July 1, 2026;
- establishes a Park System Capital Improvements and Acquisition Fund for capital improvements on DNR-managed State park lands and land acquisition for State parks, with a general fund appropriation of \$36,873,928 in fiscal 2024 that is in addition to certain funds from Program Open Space (POS) from which the Governor is authorized to transfer to the fund;
- repeals requirements that general fund appropriations be made to the transfer tax special fund in certain amounts that otherwise would have been used for park development and critical maintenance on DNR-managed lands or transferred to the Maryland Agricultural Land Preservation Foundation (MALPF), the Rural Legacy Program, and the Heritage Conservation Fund;

- requires a \$16,564,469 appropriation to MALPF and a \$5,444,127 appropriation to the Rural Legacy Program in fiscal 2024;
- alters general fund appropriations to the Maryland Agricultural and Resource-Based Industry Development Corporation's Next Generation Farmland Acquisition Program (Next Gen Program) from \$2.5 million in each of fiscal 2024 through 2027 to a \$10 million general fund appropriation in fiscal year 2024;
- beginning in fiscal 2024, increases, from \$6 million each to \$10 million each fiscal year, the amount of POS State funding that is used to make grants to Baltimore City for projects which meet park purposes;
- establishes a Great Maryland Outdoors Fund in DNR and authorizes an appropriation of up to \$3 million to the fund in fiscal 2024 and each fiscal year thereafter to be used for (1) implementing the recommendations of the Maryland Outdoor Recreation Economic Commission; (2) DNR projects and programs that provide, promote, and enhance outdoor recreation opportunities in the State; and (3) awarding grants to destination marketing organizations for the purpose of promoting and marketing State parks;
- requires DNR to expand its work with park-focused organizations to leverage charitable funding for park enhancements;
- extends the termination date, from June 30, 2022, to June 30, 2025, of Chapter 698 of 2018 which requires the Governor to include annually an appropriation of \$1 million to the State Lakes Protection and Restoration Fund; and
- beginning in fiscal 2024, increases the required annual appropriation to the Mel Noland Woodland Incentives and Fellowship Fund from \$50,000 to \$1.0 million.

The Act also makes changes relating to Maryland Park Service (MPS) staff and volunteers. Specifically, the Act:

- requires the Department of Budget and Management (DBM), on or before October 1, 2023, to increase the number of full-time employees in DNR by 100 permanent, classified positions and requires a \$12 million appropriation in fiscal year 2024 to fund the positions and related operating costs;
- requires DBM to conduct periodic staff adequacy and staff salary reviews and to report the findings;
- requires DBM to revise the job title of "Park Service Associate" to "State Park Ranger";

- requires DNR to recognize forest rangers, park rangers, and wildlife rangers as emergency services personnel who are eligible for certain benefits;
- requires DNR to implement a specified volunteer management program to manage volunteer services provided by individuals and State parks friends groups; and
- requires that DNR, by October 1, 2023, and in collaboration with the Maryland Department of Labor, identify opportunities to create registered apprenticeship programs to help address workforce shortages and the career workforce needs of DNR.

Additionally, the Act makes the following changes with respect to parks management and parks infrastructure:

- requires DNR to coordinate with the Department of General Services to (1) develop an electronic asset management system for its infrastructure; (2) develop a specified facility condition index assessment process for all MPS sites; and (3) establish a dedicated asset evaluation team to assess the condition of MPS assets, update individual facility condition indices on an ongoing basis, and cross-reference the condition of MPS sites and facility condition indices with the distribution of MPS assets within environmental justice communities as identified by DNR using the Maryland Environmental Justice Screen Tool;
- requires DNR to (1) take specified inventory of all State land managed by the department; (2) develop a maintenance project prioritization process modeled after the National Park Service’s asset priority index that includes a layer indicating whether a maintenance project is located in an environmental justice community; (3) develop and publish on its website a list of certain maintenance projects in the State park system; and (4) consider replacement value and cost savings when determining whether to repair or replace infrastructure with sustainable technology;
- requires DNR to conduct a systemwide survey of historical and cultural resources with a focus on racial and linguistic inclusivity;
- requires DNR, by December 1, 2023, and every five years thereafter, to develop and publish a specified five-year Capital Improvement Plan for MPS, including specified information on critical maintenance projects and their prioritization;
- increases the contract value threshold, from \$50,000 to \$100,000, below which DNR may award a procurement contract for capital projects or maintenance using the “small procurement” method;
- repeals the Park Advisory Commission and establishes a Parks and Recreation Commission to provide oversight of MPS and its implementation of the Act;

- requires DNR to develop and publish by December 1, 2023, and update every five years, a specified Comprehensive Long-Range Strategic Plan; and
- requires the Department of Legislative Services to hire an independent consultant to conduct a specified independent study of (1) whether MPS is producing outcomes consistent with its mission; (2) the visitor experience for State parks; (3) how funding can be used to enable MPS to produce outcomes consistent with its mission; and (4) how MPS projects can support public health and climate change mitigation, adaptation, and resiliency.

Lastly, the Act makes changes concerning new parks and amenities. Specifically, the Act:

- authorizes DNR to enter into a memorandum of understanding or partnership agreement with a local government, bicounty agency, or nonprofit organization to establish or manage a partnership park (a unit of the State park system managed by DNR in partnership with a local government, bicounty agency, or nonprofit organization) and requires DNR to establish the Freedman's State Historical Park and the Port of Deposit State Historical Park as partnership parks that seek to educate the public about and preserve and interpret the lives and experiences of Black Americans both before and after the abolition of slavery;
- establishes the intent of the General Assembly that if the State acquires Carr's Beach (property in the "Waldorf core zone" in Charles County) or Hill Road Park in Prince George's County for the purpose of making those properties State parks, that they be partnership parks established and maintained similarly to Freedman's State Historical Park;
- requires DNR to (1) make decisions related to the establishment of State historical parks or other units that preserve and interpret the history of African American, Asian, Indigenous or Native American, and Hispanic or Latino populations in the State in coordination with the Parks and Recreation Commission and with input from groups active in the preservation of historical sites of underrepresented communities; (2) consider the cultural and ecological capacities of State park areas when examining the development of new amenities in existing State parks; and (3) target the location and establishment of new State parks and amenities toward areas that are identified by DNR's park equity tool as in need of recreational opportunities or that would relieve overcrowding in existing State parks;
- requires MPS to adopt design principles related to crime prevention, access for people with disabilities, older adults, and seniors, and web accessibility in its programming and amenities to ensure maximum public safety and access for all residents and visitors;
- requires DNR to (1) recognize that the State's forests, trees, and wetlands are a major tool for addressing climate change with regard to mitigation, adaptation, and resiliency and

(2) require all MPS projects to contribute, to the extent possible, to the improvement of local water quality; and

- requires DNR to submit a specified report to the General Assembly on the possibility of reopening Fort Tonoloway State Park after the conclusion of the archaeological excavation of the park.

Senate Bill 86 (passed) requires that, whenever DNR leases any State-owned property under its jurisdiction and control to any lessee, the lease must include a provision that requires the lessee to (1) maintain unobstructed access to trail heads by trail users and first responders and (2) ensure that the trail heads remain free of obstructions at all times.

House Bill 784 (passed) establishes the Irreplaceable Natural Areas Program within DNR to preserve Maryland's native biodiversity on State-owned land managed by DNR for current and future residents of the State. The bill requires DNR to adopt regulations on or before July 1, 2023, to carry out the program, including regulations (1) designating irreplaceable natural areas on State-owned land managed by the department and (2) establishing management objectives for irreplaceable natural areas, including a map depicting boundaries for each area, a description of the unique features and threats for each area, and compatible and incompatible activities for each area.

House Bill 882 (Ch. 89) alters the boundaries of the Pocomoke River Wildland by exempting a specified tract of land serving as a trail course and adding a specified tract of land.

Local Projects and Programs

DNR administers POS, which acquires and improves outdoor recreation and open space areas for public use. POS consists of a State and local component. Under the local component, DNR allocates funds among the counties for local conservation acquisitions and development of public outdoor recreational sites, facilities, and open space.

Senate Bill 178 (Ch. 87) repeals the requirement that an applicant for local POS funding must certify on each application that the applicant has (1) applied for federal funds and received notification of federal approval or disapproval; (2) applied for federal funds and has not received notification of a grant approval or disapproval within 120 days of submission of a federal grant application; or (3) verified that the project is not eligible for federal funds. Instead, the Act requires an applicant to certify that the applicant has or has not received federal funds for the project.

House Bill 749 (passed) establishes the Maryland Park Explorers Grant Pilot Program in DNR to provide Anne Arundel and Baltimore counties with equal funds to establish local Park Explorers Pilot Programs. The bill requires a local Park Explorers Program to (1) target youth populations with minimal access to green space; (2) promote the positive impacts that spending time outdoors has on long-term developmental and social well-being; (3) provide

conservation-related messaging, as specified; and (4) incorporate local history and cultural impacts to highlight the diverse cultural contributions to current social events and developed histories.

Forest Conservation and Products

Forest Conservation

House Bill 884 (passed) requires DNR, whenever it identifies an “old-growth forest” on “State conservation land,” to manage the land in a manner that prohibits logging. The bill defines “old-growth forest” as a forest (1) at least five acres in size with a preponderance of old trees, of which the oldest exceed at least half the projected maximum attainable age for the species and (2) that exhibits several of the following characteristics:

- shade-tolerant species in all age and size classes;
- the presence of randomly distributed canopy gaps;
- the presence of a high degree of structural diversity characterized by multiple growth layers reflecting a broad spectrum of ages;
- the presence of an accumulation of dead wood of varying sizes and stages of decomposition accompanied by decadence in live dominant trees; and
- pit and mound topography can be observed.

House Bill 884 defines “State conservation land” as State parks, wildlife management areas, and natural resources management areas. Lastly, the bill provides that the provisions do not prohibit DNR from taking actions to protect old-growth forests from fire, animals, insects, disease, and erosion in a manner that has minimal adverse effects on the ecosystem.

Forest Products

Senate Bill 695/House Bill 1140 (both passed) establish the Voluntary Firewood Treatment Certification Program in DNR to certify “forest product operators” who export firewood to other states and use heat treatment and other procedures to prevent the presence of wood boring pest infestations, wood inhabiting pests, and plant disease pathogens in the firewood products. The bills define “forest product operator” as a person engaged in a forest products business who holds a forest product operator’s license issued by DNR under § 5-608 of the Natural Resources Article.

The bills additionally authorize DNR, at least once annually and at any other time considered necessary, to inspect the facility and equipment used by a forest product operator certified under the bills. DNR is required to keep a report of each inspection conducted, and, in consultation with the Maryland Department of Agriculture, to adopt implementing regulations that

establish (1) the criteria for certification and (2) the procedures for suspension and revocation of a certification issued under the bills.

Prevention of Wildlife Trafficking

The State’s Nongame and Endangered Species Conservation Act includes a finding by the General Assembly that the State should assist in the protection of species of wildlife and plants, which are determined to be “threatened” or “endangered” elsewhere pursuant to the federal Endangered Species Act, by prohibiting the taking, possession, transportation, exportation, processing, sale, offer for sale, or shipment within the State of endangered species and by carefully regulating these activities with regard to threatened species.

Senate Bill 381/House Bill 52 (both passed) prohibit a person from purchasing, selling, offering for sale, or possessing with the intent to sell, any item that the person knows, or should know, is a “covered animal species” part or product, with specified exceptions. The bills define “covered animal species” as any of a number of listed species including bonobo, elephant, leopard, sea turtle, and pangolin, among others, and “covered animal species part or product” as any item that contains or is wholly or partly made from a covered animal species.

A person who violates the prohibitions in the bills is guilty of a misdemeanor and subject to specified fines and restitution that are credited to the existing State Wildlife Management and Protection Fund within DNR, which is used primarily for the scientific investigation, protection, propagation, and management of wildlife. Lastly, ***Senate Bill 381/House Bill 52*** provide that, on a conviction under the bills, any seized covered animal species part or product must be forfeited and may be maintained by DNR for educational or training purposes, donated by DNR to a scientific or educational institution, or destroyed.

Invasive and Native Plants

Senate Bill 7/House Bill 15 (both passed), in addition to provisions relating to the classification of invasive plants by the Maryland Department of Agriculture, require DNR to (1) publish on its website a list of native plant species and identify which species may be used as an alternative to the use and planting of tier 2 invasive plants and (2) notify nurseries, landscapers, plant wholesalers, and plant retailers of the bills’ provisions. “Tier 2 invasive plant” includes invasive plant species that cause or are likely to cause substantial negative impact within the State. Under the bills, State agencies and entities that receive State funding are required to prioritize the planting of native species whenever possible. For a further discussion of ***Senate Bill 7/House Bill 15***, see the subpart “Agriculture” within this part of this *90 Day Report*.

Natural Resources Police – Hiring and Promotion

The Natural Resources Police (NRP) is a public safety agency with statewide authority to enforce conservation, boating, and criminal laws. NRP serves as the lead agency for maritime homeland security on State waterways and is responsible for providing maritime and rural search

and rescue services; public education in hunting, boating, and water safety; and primary law enforcement for State parks, State forests, wildlife management areas, and public lands owned and managed by DNR. The Secretary of Natural Resources is responsible for appointing NRP officers necessary for the efficient administration of NRP, within the limits of any appropriation made for this purpose.

Senate Bill 673 (passed) establishes requirements to improve diversity within NRP. Under the bill, the State Personnel and Pensions Article generally does not apply to or affect the compensation, rank, grade, or status of NRP officers. However, the compensation, civilian classification, and status of civilian employees of NRP must be determined in accordance with the State Personnel and Pensions Article, except as otherwise specified. The bill requires each NRP appointee to have the character, education, and other qualifications established by the Secretary.

The bill additionally requires that, when advertising for or recruiting new NRP officers, DNR must include advertising that is targeted toward racial and ethnic communities or other individuals who are underrepresented in the NRP workforce. ***Senate Bill 673*** also requires NRP to take all necessary actions to pursue diversity within its sworn and civilian ranks, including establishing a diversity study group to identify barriers to diverse employment within NRP and propose corrective actions. Finally, the bill requires NRP to develop and periodically update an action plan to diversify its workforce based on the recommendations of the diversity study group and report to the General Assembly, on or before December 1, 2022, on the action plan.

Hunting and Fishing

Hunting

Sunday Hunting

Hunting game birds or mammals on Sundays is generally prohibited in the State, with certain exceptions that are often county-specific. During the 2022 session, additional exceptions were established.

The following bills expand Sunday hunting by authorizing the Department of Natural Resources (DNR) to allow a person in the following counties to hunt any game bird or mammal from 30 minutes before sunrise until 10:30 a.m. on certain Sundays during the open season for that game bird or mammal: (1) Calvert County under ***House Bill 170 (passed)***; (2) Caroline County, Dorchester County, and Queen Anne's County under ***House Bill 556 (passed)***; (3) Charles County under ***House Bill 514 (passed)***; and (4) Somerset County under ***House Bill 143 (passed)***. For Sunday hunting activity that was previously authorized for the full day on specific Sundays in the respective counties, the time restrictions do not apply.

House Bill 51 (passed) authorizes DNR to allow, in Talbot County, a person to hunt on each Sunday of the deer hunting seasons and each Sunday of the spring turkey hunting season from 30 minutes before sunrise until 10:30 a.m. The time restriction does not apply on the last

three Sundays in October and the first two Sundays in November during the deer bow hunting season.

House Bill 485 (passed) makes permanent an authorization for DNR to allow a person to hunt deer in Montgomery County on each Sunday of the deer hunting season. DNR may only allow Sunday deer hunting from 30 minutes before sunrise until 10:30 a.m., although these time restrictions do not apply (1) to a participant in the junior deer hunt; (2) on one Sunday designated by DNR during the deer firearms season; and (3) on one Sunday designated by DNR during the deer bow hunting season.

Nongame Bird and Mammal Hunting

With certain exceptions, a person must have a hunting license to hunt or attempt to hunt all legal game birds and mammals during the appropriate season. Except in Baltimore County, there is no requirement to obtain a hunting license for hunting nongame birds and mammals. **Senate Bill 427/House Bill 682 (both passed)** repeal the requirement that a person obtain a hunting license before hunting or attempting to hunt nongame birds and mammals in Baltimore County.

Statewide Hunting Restrictions

Deer Management Permits: Maryland landowners or agricultural lessees who are experiencing severe economic loss to commercially grown crops due to deer may be eligible to receive a deer management permit. Deer management permits allow the permit holder or the holder's agent to harvest deer from the designated property outside of any deer bag limits or the established deer hunting seasons, including on any Sunday throughout the year. **House Bill 592 (passed)** authorizes DNR to allow a person hunting under a deer management permit on State land leased for the cultivation of crops in any county to use a shotgun or breech loading center fired rifle approved by DNR to hunt deer throughout the year, including all deer hunting seasons, in the locations and under the conditions set forth in the permit.

Hunting on Private Land: An individual hunting on the publicly accessible private property of another is liable for any damages the individual causes, while the landowner is only liable for a willful or malicious action or omission or if a fee is charged for entry. **Senate Bill 582 (passed)** establishes that this limited liability for willful or malicious conduct applies if a landowner invites or permits on a limited entry basis an individual to use the landowner's property for hunting, with or without charging a fee.

Fishing

Oyster Restoration Programs and Policies

House Bill 1228 (Ch. 30) establishes various programs, goals, and survey, evaluation, planning, and funding requirements related to oyster spat, oyster shells, and oyster substrate. In particular, the Act:

- requires the Maryland Agricultural and Resource-Based Industry Development Corporation to provide specified loans of up to \$250,000 to licensed seafood dealers to finance costs of eligible seafood processing projects that support the goal of increasing the amount of oyster shells retained in the State and returned to the Chesapeake Bay, subject to specified requirements, and mandates a \$1.0 million appropriation for fiscal 2024 for the loan program;
- requires DNR to provide (1) specified annual grants to nonprofit organizations, community associations, restaurants, and seafood processors and dealers that recycle oyster shell and (2) collection receptacles for oyster shell recycling to restaurants that agree to recycle at least 25 bushels of oyster shells per year;
- beginning in fiscal 2024, requires the Maryland Geological Survey within DNR, in conjunction with the University of Maryland Center for Environmental Science (UMCES), to survey submerged areas of the State to map existing and potential oyster habitats and mandates a \$2.0 million appropriation for each of fiscal 2024 through 2026 to fund the survey;
- requires UMCES to collaborate with specified entities to undertake specified evaluations relating to oyster substrate and oyster planting and report by December 1, 2025, to DNR and the General Assembly on its evaluations, and mandates a \$250,000 appropriation for each of fiscal 2024 and 2025 for UMCES to undertake the evaluations;
- requires DNR to submit a plan to the Governor and General Assembly on or before December 1, 2023, describing the substrate needs for oyster repletion, aquaculture, and restoration activities in the State over a 10-year period;
- establishes the intent of the General Assembly that by 2025 oyster hatcheries in the State be capable of consistently producing 5 billion larvae or spat per year and mandates for fiscal 2024 a \$2.5 million appropriation for the Patuxent Environmental and Aquatic Research Laboratory of Morgan State University for infrastructure upgrades to support increased oyster production; and
- establishes a goal that, over a 25-year period, a combination of replenishment, restoration, and aquaculture activities be collectively planned and undertaken in Eastern Bay, with an equal amount of funding for spat planting in sanctuaries (\$1 million annually adjusted for inflation) and for spat and shell planting on fishery bars (\$1 million annually adjusted for inflation) in addition to current replenishment and restoration activities, requires the effectiveness of those activities to be evaluated every five years, and requires a \$2 million appropriation to DNR for each of fiscal 2024 through 2026 for this purpose, with any future funding contingent on the evaluations every five years.

Local Fishing Authorizations and Restrictions

Anne Arundel County: In specified waters of Anne Arundel County, a person may only fish with a rod, or hook, and line. **Senate Bill 713 (passed)** authorizes the use of archery equipment to fish for northern snakehead in any Anne Arundel County waters, including those where a person otherwise may only fish with a rod, or hook, and line, subject to DNR regulations.

Cecil County: In certain counties, the owner, tenant, or lessee of any property bordering on most tidal waters of the tributaries of the Chesapeake Bay in the State may make first choice of the set or position to place nets or establish a haul seine fishery to catch fish for commercial use in front of the property. **Senate Bill 900/House Bill 644 (both passed)** repeal the application to Cecil County of this right of first refusal for riparian property owners. The bills also alter a prohibition against setting a pound net or stake net in the waters of the Susquehanna River in Cecil County so that it prohibits placing pound nets to catch fish for commercial use in those waters. Finally, the bills repeal specified fishing restrictions in Cecil County.

Statewide Fishing Restrictions and Policy

Chesapeake Bay and Coastal Sport Fishing License and Recreational Fishing: State law authorizes DNR to provide by regulation for the issuance of an annual consolidated Chesapeake Bay and coastal sport boat license, which, when permanently affixed to a boat, authorizes any person on the boat to fish under the license after registering with DNR. **Senate Bill 455/House Bill 601 (both passed)** establish a Chesapeake Bay and Coastal Sport Fishing License Pilot Program in DNR to (1) collect data regarding individuals fishing under a consolidated Chesapeake Bay and coastal sport boat license; (2) collect information regarding trips taken and fish caught and released under the license; and (3) improve compliance with the registration requirement. To maintain eligibility to purchase a consolidated Chesapeake Bay and coastal sport boat license, the holder of a license must provide to DNR all information requested under the pilot program. DNR must track monthly costs associated with implementing the pilot program and report on recommendations on expected funding needed to grow and establish the pilot program as a permanent program. The bills also establish a Task Force on Recreational Fishing Data Collection and Licensing to study specified methods and information, and develop certain plans, related to improving recreational fishing data collection for fisheries management purposes.

Shrimp Fishery: **House Bill 1149 (passed)** clarifies that DNR's existing authority to adopt regulations governing any aspect of the shrimp fishery and to establish and implement a pilot program related to fishing for shrimp authorizes DNR to adopt those regulations notwithstanding any other provisions of State fisheries laws. The bill gives DNR the flexibility to test and use certain gear in the nascent shrimp fishery that may be restricted or prohibited by other provisions of law.

Tidal Fisheries Advisory Commission: The Tidal Fisheries Advisory Commission is established within DNR and is made up predominantly of commercial watermen, along with one member of the Sport Fisheries Advisory Commission and one representative of the

aquaculture industry in the State. *Senate Bill 190 (Ch. 88)* increases the term of a member of the Tidal Fisheries Advisory Commission from two to four years, consistent with the terms for members of the Sport Fisheries Advisory Commission.

Healing Hunting and Fishing Fund

The Healing Hunting and Fishing Fund, administered by the Chesapeake Bay Trust (CBT), has the stated purpose of providing any of the following opportunities to Gold Star recipients, disabled veterans or other veterans who could benefit from the opportunities, disabled members of the U.S. Armed Forces or other members of the U.S. Armed Forces who could benefit from the opportunities, and permanently disabled persons who require the use of a wheelchair: (1) recreational hunting or fishing; (2) recreational water activities; (3) other recreational outdoor activities; (4) therapeutic outdoor activities; or (5) workforce training for green jobs. CBT may use the fund to make grants to eligible sponsor organizations to pay capital, operational, or programming costs incurred in providing any of these opportunities. *Senate Bill 665/House Bill 221 (Chs. 90 and 91)* establish that recreational hunting or fishing opportunities that are provided using a grant awarded from the Healing Hunting and Fishing Fund may include providing at no cost (1) an angler's license and trout stamps; (2) a Chesapeake Bay and coastal sport fishing license; or (3) a hunting license and any corresponding stamps.

Environment and Energy

Climate Change

Climate Solutions Now Act

The Climate Solutions Now Act, *Senate Bill 528 (Ch. 38)*, makes broad changes to the State's approach to reducing statewide greenhouse gas (GHG) emissions and addressing climate change. Among other things, the bill (1) increases the statewide GHG emissions reduction requirement and requires the State to achieve net-zero statewide GHG emissions by 2045 (as well as requiring the State to reduce statewide GHG emissions by 60% from 2006 levels by 2031); (2) establishes new and alters existing energy conservation requirements for buildings; (3) increases and extends specified energy efficiency and conservation program requirements; (4) establishes requirements for the purchase of zero-emission vehicles (ZEVs) in the State fleet; and (5) establishes new entities and new special funds to support related activities. A more detailed summary of key provisions is included below.

Greenhouse Gas Emissions Reduction Target and Related Plans: The Act amends the State's GHG emissions reduction targets and related plans by explicitly requiring the State to reduce statewide GHG emissions by 60% from 2006 levels by 2031. The Act also explicitly requires the State to achieve net-zero statewide GHG emissions by 2045; this provision terminates June 30, 2030. By June 30, 2023, the Maryland Department of the Environment (MDE) must submit a proposed plan to the Governor and the General Assembly that reduces statewide

GHG emissions by 60% from 2006 levels by 2031. By December 31, 2023, MDE must adopt a final plan to meet the 2031 goal and that sets the State on a path toward achieving net-zero statewide GHG emissions by 2045. By December 31, 2030, MDE must adopt a final plan that achieves net-zero statewide GHG emissions by 2045; by December 31, 2035, MDE must review and, as necessary, revise that plan.

Environmental Justice Considerations: By December 31, 2023, MDE, in coordination with the Commission on Environmental Justice and Sustainable Communities, must (1) adopt a methodology for identifying communities disproportionately affected by climate impacts, as specified; (2) develop specific strategies to address geographical impact concerns, reduce emissions of GHGs and co-pollutants, and build climate equity and resilience within disproportionately affected communities; (3) set appropriate goals for the percentage of State funding for GHG emissions reduction measures that should be used for the benefit of disproportionately affected communities; and (4) report the policies and programs developed pursuant to the Act to the Maryland Commission on Climate Change (MCCC).

MCCC must also establish (1) a Just Transition Employment and Retraining Working Group (to identify, study, and advise MCCC on various issues and opportunities related to workforce development, training, job loss, and job creation as the State implements energy efficiency and GHG emissions reduction measures); (2) an Energy Industry Revitalization Working Group (to advise MCCC on issues and opportunities related to small business revitalization and the transition to renewable energy's effects on small businesses); (3) an Energy Resilience and Efficiency Working Group (to advise MCCC on issues and opportunities related to energy infrastructure improvements, transmission efficiency improvements, and battery backup viability); and (4) a Solar Photovoltaic Systems Recovery, Reuse, and Recycling Working Group (to review, identify, assess, and analyze a number of issues and topics related to solar photovoltaic systems, the materials used in those systems, and the recycling, disposal, and decommissioning of the systems).

The Act alters the purpose of the Chesapeake Conservation Corps Program, which is administered by the Chesapeake Bay Trust. The Act establishes that the purpose of the Corps Program includes (1) mobilizing, educating, and training youth and young adults to deploy clean energy technology and mitigating and preventing the environmental and health impacts of climate impacts in communities disproportionately affected by climate impacts and (2) ensuring underserved and geographical climate disparities populations are given assistance needed to prepare for and adapt to climate impacts. The Act also (1) modifies a prior purpose of the Corps Program relating to green collar jobs; (2) modifies the Advisory Board of the Corps Program and the standards that Corps Program projects and activities must meet; (3) adds a list of examples of climate mitigation and clean energy projects that may be undertaken by the Corps Program; and (4) establishes standards for offering stipends to Corps members working on climate mitigation and clean energy projects.

Zero-emission Vehicles: Beginning in fiscal 2025, a county board of education is prohibited from entering into a new contract to purchase any school bus that is not a zero-emission

vehicle (ZEV) or to use any school bus that is not a ZEV, unless the school bus has an in-service date of July 1, 2024, or before. However, the prohibition does not apply if (1) MDE determines that no available ZEVs meet the performance requirements for the county board's use or (2) the county board is unable to obtain federal, State, or private funding that is sufficient to cover the "incremental costs" associated with contracting for the purchase or use of school buses that are ZEVs. MDE, in consultation with other appropriate State agencies, must work with the county boards and private school bus contractors to develop electric vehicle infrastructure sufficient to support ZEV school buses. MDE must prioritize the use of available federal funding to carry out the bill's ZEV school bus provisions.

The Act also establishes the Electric School Bus Pilot Program, which is implemented and administered by the Public Service Commission (PSC). An investor-owned electric company ("utility") may apply to PSC to implement a pilot program, as specified. Subject to PSC approval and specified conditions, a utility may (1) recover all reasonable and prudent program costs incurred under the program through a mechanism that is reviewed and approved by PSC and (2) establish a pilot tariff or rate to provide service to an electric school bus. For a further discussion of the Electric School Bus Pilot Program, see the subpart "Public Service Companies" within Part H – Business and Economic Issues of this *90 Day Report*.

The Act also establishes the intent of the General Assembly that 100% of passenger cars in the State vehicle fleet be ZEVs by 2031 and that other light-duty vehicles in the State vehicle fleet be ZEVs by 2036. The State must ensure that (1) in fiscal years 2023 through 2025, at least 25% of the passenger cars purchased for the State vehicle fleet are ZEVs; (2) in fiscal 2026 and 2027, at least 50% of the passenger cars purchased for the State vehicle fleet are ZEVs; (3) beginning in fiscal 2028, 100% of passenger cars purchased for the State vehicle fleet are ZEVs; and (4) beginning in fiscal 2024, any passenger car purchased for the State vehicle fleet that is not a ZEV must be a hybrid vehicle. Further, the State must ensure that (1) in fiscal 2028 through 2030, inclusive, at least 25% of all other light-duty vehicles purchased for the State vehicle fleet are ZEVs; (2) in fiscal 2031 and 2032, at least 50% of all other light-duty vehicles purchased for the State vehicle fleet are ZEVs; and (3) beginning in fiscal 2033, 100% of all other light-duty vehicles purchased for the State vehicle fleet are ZEVs.

Building Energy Performance Standards for Existing Buildings: MDE must develop building energy performance standards for covered buildings (a commercial or multifamily residential building in the State or a building that is owned by the State and has a gross floor area of 35,000 square feet or more, excluding the garage area) that achieve (1) a 20% reduction in net direct GHG emissions by January 1, 2030, as compared with 2025 levels for average buildings of similar construction and (2) net-zero direct GHG emissions by January 1, 2040. To facilitate the development of these building energy performance standards, MDE must require covered building owners to measure and report direct emissions data to the department each year beginning in 2025. The provision requiring MDE to set a standard that achieves net-zero direct GHG emissions for covered buildings terminates December 31, 2029. By June 1, 2023, MDE must adopt regulations to implement the building energy performance standards.

The Department of Housing and Community Development's (DHCD) Community Development Administration must develop and implement a program to provide grants for energy conservation projects and projects to install renewable energy generating stations in covered buildings that house primarily low-to moderate-income households, as specified.

The Act establishes the Building Energy Transition Implementation Task Force to (1) study and make recommendations regarding the development of complementary programs, policies, and incentives aimed at reducing GHG emissions from the building sector in accordance with the Act; (2) make recommendations on targeting incentives to electrification projects that would not otherwise result in strong returns on investment for building owners; and (3) develop a plan for funding the retrofit of covered buildings to comply with building emissions standards.

The Act requires the Maryland Green Building Council (MGBC) to examine (1) the use of environmental product declarations to measure the climate impact of concrete procured by the State; (2) the use of performance incentives to encourage adoption of low-carbon materials and methods by concrete manufacturers that provide concrete for State-funded projects; (3) the establishment of an expedited product evaluation, testing, and approval protocol for low-carbon concrete products; (4) the implementation of performance-based specification standards for concrete, as specified; and (5) the use of methods of compliance, including maximum cement content specifications and specifications based on maximum potential for global warming. MGBC must report its findings and recommendations to the Governor and the General Assembly by December 1, 2022.

Further, the Act requires the Maryland Department of Labor's Building Codes Administration to (1) develop recommendations for an all-electric building code for the State, including exemptions for particular industries (including life sciences, as specified), local conditions, and sectors deemed critical infrastructure vital to the interest of national security, as identified by the U.S. Department of Homeland Security's Cybersecurity and Infrastructure Security Agency; (2) develop recommendations for the fastest and most cost-efficient methods to decarbonize buildings and other sectors in the State; (3) assess the availability of technology and equipment that will be needed to construct all-electric buildings in the State; (4) assess the impact of building electrification on workforce shortages; (5) develop recommendations regarding efficient cost-effectiveness measures for the electrification of new and existing buildings; (6) by January 1, 2023, report to PSC on the projected annual and peak summer and winter gas and electric loading impacts of electrification, as specified; and (7) consider recommendations for the inclusion of renewable, low-carbon biofuels, including biodiesel, during the State's transition to an all-electric building code, including an analysis of the impact on electric and gas rates, market availability, and environmental impact.

Public Service Commission: The Act also extends the EmPOWER Maryland Energy Efficiency Act annual energy savings goals beyond their current 2021-2023 program cycles and increases the annual energy savings requirement beyond 2.0% beginning in 2025. Specifically, PSC must, by regulation or order, require each electric company to procure or provide cost-effective energy efficiency and conservation programs and services to its customers, as

specified, that are designed on a trajectory to achieve a targeted annual incremental gross energy savings of at least the following annual percentages: (1) 2.0% annually in 2022 through 2024; (2) 2.25% per year in 2025 and 2026; and (3) 2.5% per year in 2027 and thereafter.

Uncodified language requires PSC to complete a general system planning study, for specified gas and electric companies, assessing the capacity of each company's gas and electric distribution systems to successfully serve customers under a managed transition to a highly electrified building sector. PSC must report its findings to the Legislative Policy Committee by September 30, 2023.

Additionally, the Act establishes certain policy goals for the electric distribution system and related planning processes. PSC must report each year on specified electric distribution system planning and implementation policies and activities. The language encourages electric companies to seek certain federal funding under the federal Infrastructure and Investment Jobs Act for electric distribution projects and requires PSC and the Maryland Energy Administration (MEA) to assist the utilities in those efforts. MEA must identify funds for specified electric distribution system upgrades and improvements. Related provisions impose wage and labor requirements for contractors and subcontractors working on certain federally funded projects for investor-owned electric companies and gas and electric companies relating to electric infrastructure.

Climate Transition and Clean Energy Hub: The Act establishes the Climate Transition and Clean Energy Hub in MEA. The stated purpose of the hub is to serve as a clearinghouse for information on advanced technology and architectural solutions to reduce GHG emissions from the building sector. The hub must provide technical assistance to public and private entities to achieve GHG emissions reductions and comply with State and local energy efficiency and electrification requirements, as specified. The hub must also provide technical assistance for increasing building performance and energy efficiency for other existing and new residential properties.

Funding Provisions and Broad Description of Fiscal Impact: The Act establishes the Climate Catalytic Capital Fund administered by the Maryland Clean Energy Center. The stated purpose of the fund is to promote geographical impact remedies and to leverage increased private capital investment in technology development and deployment (including project planning) to meet several goals related to addressing climate change and reducing GHG emissions, including providing for the creation of a Maryland Green Bond Program. For fiscal 2024 through 2026, the Governor must include in the annual budget bill an appropriation of \$5.0 million to the fund.

Additionally, in fiscal 2024 through 2028, the Governor must include in the annual budget bill an appropriation of at least \$500,000 for the Maryland Healthy Soils Program within the Maryland Department of Agriculture (MDA). This provision terminates June 30, 2030. In fiscal 2024 through 2026, the Governor must include in the annual budget bill an appropriation of \$5.0 million to DHCD to provide grants under the new grant program, the purpose of which is to reduce GHG emissions from multifamily residential buildings. Finally, beginning in fiscal 2024,

the Governor must include in the annual budget bill an appropriation of \$1.5 million annually to CBT for the Corps Program to implement climate mitigation and clean energy projects.

Overall, to implement Chapter 38, known general fund expenditures increase by \$9.5 million in fiscal 2023 (\$9.0 million of which is restricted in the fiscal 2023 budget), by \$12.4 million to \$12.5 million in fiscal 2024 through 2026, and by \$7.3 million in fiscal 2027 (primarily reflecting the bill’s mandated appropriations in the out-years). Special fund expenditures increase by \$2.5 million in fiscal 2023 and by \$0.8 million annually thereafter; special fund revenues increase correspondingly. State expenditures (multiple fund types) increase significantly beginning in fiscal 2023.

Office of Resilience

Senate Bill 630 (passed) establishes the Office of Resilience in the Maryland Department of Emergency Management. Among other things, the bill requires the appointment of a Chief Resilience Officer to coordinate State and local efforts to build resilience to risks identified in the Maryland Hazard Mitigation Plan and to develop a State Resilience Strategy. For further discussion of this bill, see the subpart “Public Safety and Corrections” within Part E – Crime, Corrections, and Public Safety of this *90 Day Report*.

Zero- and Low-emission Vehicles and Related Infrastructure

House Bill 1391 (passed) reestablishes the qualified plug-in electric vehicle and fuel cell electric vehicle excise tax credit, extends eligibility for the tax credit to specified zero-emission motorcycles and autocycles, and otherwise alters eligibility requirements and tax credit values. The bill also establishes the Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program, which is administered by MEA. For further discussion of this bill, see the subpart “Motor Vehicles” within Part G – Transportation and Motor Vehicles of this *90 Day Report*.

House Bill 696 (passed) establishes the Electric School Bus Pilot Program, which is implemented and administered by PSC. The provisions of this bill are identical to provisions in ***Senate Bill 528***, as previously discussed. For further discussion of the Electric School Bus Pilot Program, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

Climate and Environmental Outcomes Financing and Related Financial Incentives

Senate Bill 348/House Bill 653 (both passed) make changes to a broad variety of existing programs related to environmental conservation and natural resources management and expand opportunities for agencies to obtain private investment and financing for State environmental projects, including conservation efforts, restoration projects, and the installation and repair of green and blue infrastructure. The bills also alter existing and establish new State policies for

several related programs and establish a new workgroup, commission, task force, and review and reporting requirements.

The primary focus of the bills is on actions that improve water quality. However, the bills also seek to advance environmental justice and public health, expand initiatives around forest and agricultural soil carbon sequestration, and reward projects that deliver co-benefits such as local jobs, flood risk reduction, or climate resilience. The primary agencies that are affected are MDA, MDE, the Maryland Environmental Service (MES), and the Department of Natural Resources (DNR), but there are changes to procurement and contracting opportunities that affect additional agencies.

Senate Bill 14 (passed) establishes the Sustainable Maryland Program and Fund. For a more detailed discussion of Senate Bill 14, see the subpart “Higher Education” within Part L – Education of this *90 Day Report*.

Energy Efficiency and Clean Energy

Senate Bill 524/House Bill 108 (both passed) require DHCD to procure or provide energy efficiency and conservation programs and services for electricity customers for the 2021-2023 and 2024-2026 EmPOWER Maryland Program cycles, subject to specified requirements. The bills also establish the Green and Healthy Task Force and several reporting and planning requirements for DHCD and PSC. 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*.

House Bill 772 (passed) replaces existing energy efficiency standard requirements for various types of new products sold, offered for sale, or installed in the State, with energy and water efficiency standard authorizations and requirements for a new list of products – authorizing MEA to adopt standards for certain products and requiring specified standards to be adopted for other products. More specifically, the new list of products includes (1) electric vehicle supply equipment; (2) high color rendering index (CRI) fluorescent lamps; (3) portable electric spas; (4) air purifiers; (5) commercial dishwashers; (6) commercial steam cookers; (7) faucets; (8) residential ventilating fans; (9) showerheads; (10) spray sprinkler bodies; (11) urinals; (12) water closets; and (13) water coolers. Many provisions that apply under the existing efficiency standard requirements are retained and continue to apply under the efficiency standard authorizations/requirements for the new list of products.

Senate Bill 215 (passed) extends the energy storage income tax credit for two additional tax years through tax year 2024. The energy storage income tax credit is replaced by an energy storage system grant program administered by the Maryland Energy Administration for energy storage systems installed on or after January 1, 2025. For further discussion of the bill, see the subpart “Income Tax” within Part B – Taxes of this *90 Day Report*.

Broadly, **House Bill 76 (passed)** and **Senate Bill 860/House Bill 1039 (both passed)** exempt personal property of a specified community solar energy generating system from county

and municipal personal property taxes. **Senate Bill 860/House Bill 1039** also create a State and local real property tax credit. For further discussion of these bills, see the subpart “Property Tax” within Part B – Taxes of this *90 Day Report*.

Water and Wastewater

Water

House Bill 869 (passed) requires MDE’s Wetlands and Waterways Program Division, in consultation and coordination with specified entities, including DNR, to conduct a comprehensive study, analysis, and evaluation of (1) State statutes and regulations that affect the permitting or completion of ecological restoration projects that are permitted by the Wetlands and Waterways Program Division; (2) the permit and permit review process for ecological restoration permits in the State; (3) the opportunities for robust public comment and community review of ecological restoration projects; (4) the average time that it takes between project submission and approval for an ecological restoration project in the State compared to other states; and (5) the efficiency and effectiveness of the current joint application permit and permit review processes and current counterincentives to watershed-based stream restoration.

House Bill 716 (passed) alters the membership of the Patuxent River Commission. Specifically, the bill adds the Patuxent River Keeper, and one individual representing an organization or unit of local government engaged in watershed management and restoration as permanent, full voting members, and makes the President of the University of Maryland Center for Environmental Science an *ex officio* member. Lastly, the bill reduces from two to one the number of appointed members representing academic interests.

Septic Systems

House Bill 318 (passed) establishes the State Board of On-Site Wastewater Professionals as a unit within MDE to regulate and license individuals who provide on-site wastewater services in the State. The board, in consultation with MDE, must make recommendations to MDE regarding the adoption of regulations, collect and account for the fees collected pursuant to the bill, and keep a current record of all individuals and entities licensed under the bill’s provisions. The board must also establish a code of ethics provided by MDE for board members and individuals licensed and certified by the board. Additionally, the board must review the regulations proposed by MDE pursuant to the bill. The board must be fully operational by June 1, 2023. The bill also establishes the On-Site Wastewater Professionals Fund.

Generally, an individual must be licensed by the board before the individual may provide on-site wastewater services in the State. However, an individual who provides on-site wastewater services in the State may continue to provide such services until MDE establishes the regulations that implement the bill’s licensing requirements if the individual (1) complies with all applicable State and local laws and regulations; (2) pays a \$150 fee to MDE by December 31, 2022; and (3) pays a \$150 renewal fee every two years thereafter until MDE sets license and any other service-related fees by regulation in accordance with the bill. All individuals who provide on-site

wastewater services in the State must be licensed by the board by July 1, 2026. To qualify for a license, an applicant must meet the requirements established by MDE by regulation, submit an application to the board, and pay the application fee set by MDE by regulation. Licenses are valid for two years. In accordance with regulations developed under the bill, the board may issue a certification to an individual to perform specific tasks associated with on-site wastewater services if the individual is (1) licensed by the board or (2) holds a board-approved professional license.

Wastewater

Senate Bill 354/House Bill 714 (both passed) require MDE to provide the General Assembly with a copy of each intended use plan that MDE submits to the U.S. Environmental Protection Agency (EPA), in accordance with Title VI of the Federal Water Pollution Control Act, to request federal capitalization grants and awards for use in the Maryland Water Quality Revolving Loan Fund and alter an existing joint reporting requirement for MDE and the Maryland Department of Planning related to funding provided from the Bay Restoration Fund (BRF). The bills also generally prohibit MDE from providing funding from BRF to the owner of a privately owned wastewater facility if MDE or EPA has determined in the two years immediately preceding the date on which the owner applied for funding under this section that the facility did not comply with a discharge permit issued by MDE, with certain exceptions.

House Bill 649 (Ch. 22) requires MDE to clear the backlog of administratively continued discharge permits by December 31, 2026, as specified. “Administratively continued permit” means a discharge permit that has been administratively continued pursuant to MDE regulations in accordance with 40 C.F.R. § 122.6, which governs the continuation of expiring permits under the National Pollutant Discharge Elimination System. Administratively continued permit does not include a discharge permit that has been continued beyond its original expiration date due to an enforcement action taken during the permit term.

The Act also establishes (1) inspection requirements for MDE with respect to certain facilities and sites operating under administratively continued permits and those in significant noncompliance, as specified, and (2) a reporting requirement and administrative penalty provisions for permittees operating in violation of specified laws and/or permit requirements. The Act also requires MDE to (1) assess the number of additional employees needed to clear the backlog of administratively continued permits and process discharge permit renewals in a timely manner; (2) report on the findings of the assessment; (3) request position identification numbers (PINs) for necessary staff, as specified; and (4) report related information to the Governor and the General Assembly by December 31, 2025, and annually thereafter, as specified.

Broadly, general fund expenditures are expected to increase significantly (likely by millions of dollars annually) beginning in fiscal 2023 to implement the Act. Special fund revenues also increase beginning as early as fiscal 2023 due to the bill’s administrative penalty provisions.

Marine Contractors

Senate Bill 454/House Bill 195 (both passed) authorize a person who is employed by a county or municipality in the State to perform marine contractor services while performing the duties of their employment without having to obtain a marine contractor license if the individual is performing marine contractor services that (1) would present a *de minimis* risk to human health or the environment; (2) do not require a federal or State permit; and (3) if the marine contractor services involve an existing structure, do not increase the footprint of the structure. However, if an individual (who is employed by a county or municipality in the State) is performing marine contractor services for the routine maintenance or repair of an existing shore erosion control structure, the individual must obtain a license from the Marine Contractors Licensing Board.

Composting

Senate Bill 124 (passed) establishes the Grant Program to Reduce and Compost School Waste. The Maryland Association for Environmental and Outdoor Education must review grant applications and select recipients to be awarded grants by the Maryland State Department of Education, which administers the program. For a more detailed discussion of this bill, see the subpart “Education – Primary and Secondary” within Part L – Education of this *90 Day Report*.

Restrictions and Bans on the Use of Certain Substances and Products

Senate Bill 372/House Bill 133 (both passed) establish prohibitions, beginning October 1, 2023, related to the sale and use of “high-PAH sealant products” that are applied to driveways and parking areas. Airports, federal facilities, and military facilities are exempt from the provisions. Existing and new enforcement and penalty provisions apply to the bills and any related regulations or orders. Penalties are paid into the Maryland Clean Water Fund, and MDE is authorized to use the fund to implement the bills. MDE is also authorized to adopt implementing regulations. Finally, the bills establish provisions related to the authority of local governments to establish related standards or requirements.

Senate Bill 273/House Bill 275 (both passed) establish and expand several prohibitions and requirements that relate to the manufacture, sale, and distribution for sale or use in the State of specified products that contain “intentionally added” “PFAS chemicals.” The bills also establish related reporting requirements and require MDE to adopt regulations to implement certain provisions of the bills.

Beginning on January 1, 2024, a person may not use, manufacture, knowingly sell, offer for sale, or distribute for sale or use Class B fire-fighting foam that contains intentionally added PFAS chemicals in the State unless exempted. Further, a person is prohibited from disposing of Class B fire-fighting foam that contains intentionally added PFAS chemicals using incineration, as specified, or in a landfill. MDE must, upon request from a fire department in the State, take back from the fire department Class B fire-fighting foam that contains intentionally added PFAS chemicals. MDE must dispose of the purchased fire-fighting foam in a manner consistent with the

bills. For fiscal 2024, the Governor must include in the annual budget bill an appropriation of \$500,000 to MDE to take back and dispose of fire-fighting foam from fire departments in accordance with these provisions

Further, if a person sells personal protective equipment (PPE) for fire-fighting that contains PFAS chemicals in the State, the person must provide written notice to the purchaser at the time of the sale, that includes (1) a statement that the PPE contains PFAS chemicals and (2) the reason the PPE contains PFAS chemicals. Both the person selling the PPE and the purchaser must retain the required notice for at least three years after the date of the sale.

Finally, the bills prohibit, beginning January 1, 2024, (1) a person from manufacturing or knowingly selling, offering for sale, or distributing for sale or use in the State a new rug or carpet to which PFAS chemicals have been intentionally added and (2) a manufacturer or distributor from manufacturing or knowingly selling, offering for sale, or distributing for sale or use in the State a food package or food packaging component designed and intended for direct food contact to which PFAS chemicals were intentionally added.

Enforcement and Administration of the Environment Article

Senate Bill 171 (Ch. 93) modifies public participation and notice requirements for several licensing, permitting, and regulatory promulgation sections of the Environment Article. Generally, the Act authorizes public hearings and meetings to be held using teleconference or Internet-based conferencing technology (unless an in-person meeting is specifically required by federal law or is requested by a person). The Act applies to authorizations issued for controlling air emissions and water pollution discharges, drilling of oil and gas wells, noncoal surface mining, constructing and operating solid waste facilities, sewage sludge utilization, and activities that would disturb Maryland wetlands and waterways.

Senate Bill 90 (passed) defines a Supplemental Environmental Project (SEP) as an environmentally beneficial project or activity that is not required by law but that an alleged violator agrees to undertake as part of a settlement or enforcement action and requires MDE to create and maintain a database of SEPs that MDE may consider for implementation as part of a settlement of an enforcement action. In creating and maintaining the database, MDE must solicit input from communities in the State that are overburdened, underserved, or otherwise disadvantaged by environmental stressors. Relatedly, **Senate Bill 876/House Bill 1201 (both passed)** require MDE to prioritize a SEP involving oyster repletion in natural oyster bars in the county where the underlying water pollution violation occurred with input from the county oyster committee for a party who is in violation of an effluent limitation or unpermitted discharge in the proximity of an oyster population. If there are no suitable natural oyster bars for repletion in the county where the violation occurred, the natural oyster bar repletion project must be carried out in an adjacent county. The bills further require that MDE include oyster repletion projects in the database of SEPs required under **Senate Bill 90**.

House Bill 1200 (passed) establishes environmental justice screening requirements for specified permits. The bill requires a person who is applying for a permit under § 1-601(a) of the Environment Article to include, as part of the permit application, the “EJ Score” from the “Maryland EJ tool” for the census tract where the applicant is seeking a permit, unless the permit requires the applicant to use a tool developed by EPA. In accordance with regulations adopted under the bill, MDE must review the EJ Score for the census tract where the applicant is seeking a permit using the Maryland EJ tool to verify the applicant’s information. The bill requires MDE to adopt implementing regulations. The bill also modifies public notice provisions applicable to certain permit applications to incorporate EJ Scores, as specified.

Lead

House Bill 1110 (Ch. 86) alters the application and meaning of “elevated blood level (EBL)” and “reference level” as those definitions apply to specified provisions of law that initiate case management, notification, and lead risk reduction requirements under the State’s lead poisoning prevention laws. The Act also requires MDE, in consultation with the Maryland Department of Health (MDH), local health departments, and other relevant stakeholders, to study and evaluate the most effective means of incorporating the Centers for Disease Control and Prevention (CDC) Blood Lead Reference Value (BLRV) into the State’s lead poisoning prevention programs. CDC reduced its BLRV from 5.0 micrograms per deciliter (µg/dL) to 3.5 µg/dL on October 28, 2021.

Under § 6-801(q) of the Environment Article, the Act redefines “reference level” to mean (1) between July 1, 2020, and December 31, 2023, inclusive, a blood level of 5.0 µg/dL and (2) beginning January 1, 2024, a blood lead level of 3.5 µg/dL or, if CDC revises the BLRV after December 31, 2023, the revised BLRV, beginning one year after it is revised by CDC. The definition of reference level under § 6-801(q) is used in specified provisions of law that initiate case management, notification, and lead risk reduction requirements. The Act also specifies that “EBL” means a quantity of lead in blood that is greater than or equal to the reference level.

Agriculture

Agricultural Development, Promotion, and Products

Urban Agriculture

Urban farming provides a number of community benefits, including addressing gaps in access to healthy food, providing job opportunities and supporting local economies, preserving greenspace, and reducing carbon and energy dependence associated with food transportation. To facilitate the growth of an urban farming sector in Maryland, **Senate Bill 437/House Bill 540 (both passed)** expand the capability of the University of Maryland Extension (UME) to support urban farmers by requiring UME to hire (1) an extension agent dedicated to urban farm production methods and crop management and (2) an extension agent dedicated to urban farm and

agribusiness management. Each extension agent must perform applied research and provide education for urban farmers, as specified. Beginning in fiscal 2024, the Governor must include an appropriation of \$300,000 in the annual budget bill for UME for the extension agents hired under the bills.

A significant barrier for urban farmers is access to electrical power and water for irrigation. ***Senate Bill 942/House Bill 855 (both passed)*** establish the Urban Agriculture Water and Power Infrastructure Grant Program in the Maryland Department of Agriculture (MDA) and an associated special fund to provide grants to urban agricultural producers and qualified nonprofit organizations for the purchase and installation of (1) agriculture equipment associated with water supply and irrigation and (2) electric power access. For fiscal 2024 through 2027, the Governor must include an appropriation of \$500,000 in the annual budget bill to the fund.

Funding for Southern Maryland Agricultural Development Commission

Chapters 172 and 173 of 1999 established the Cigarette Restitution Fund (CRF). One of the programs that the CRF must fund is the implementation of the Southern Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County Council for Southern Maryland (TCC). TCC is a cooperative planning and development unit for Calvert, Charles, and St. Mary's counties and operates its agricultural programs through the Southern Maryland Agricultural Development Commission (SMADC). SMADC has assisted farmers in transitioning from tobacco production to alternative crops and agricultural enterprises and works to promote local farm products. ***Senate Bill 378 (passed)*** requires the Governor to include in the annual budget bill an appropriation of \$900,000, beginning in fiscal 2024 (and, under the termination provision of the bill, only through fiscal 2025), to TCC from the CRF. The appropriation must be in addition to, and may not supplant, any funding appropriated to TCC, and TCC must use the funds for the activities of SMADC. The fiscal 2023 budget for MDA includes \$900,000 for TCC from the CRF.

Agritourism

In 2015, the Governor's Intergovernmental Commission for Agriculture developed a model definition of "agritourism" to serve as guidance to counties and local zoning and permitting agencies when dealing with agricultural operations. Chapter 672 of 2018 codified the model definition to define "agritourism" as an activity conducted on a farm that is offered to a member of the general public or to invited guests for the purpose of education, recreation, or active involvement in the farm operation. "Agritourism" includes farm tours, hayrides, corn mazes, seasonal petting farms, farm museums, guest farms, pumpkin patches, "pick your own" or "cut your own" produce, classes related to agricultural products or skills, and picnic and party facilities offered in conjunction with any agritourism activity. ***Senate Bill 296/House Bill 558 (both passed)*** alter the definition of "agritourism" to include camping and incidental outdoor stays. Local jurisdictions can, but are not required to, adopt the model definition by local ordinance, resolution, law, or rule.

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. [*Senate Bill 32/House Bill 12 \(Chs. 96 and 97\)*](#) and [*Senate Bill 489/House Bill 586 \(Chs. 94 and 95\)*](#) exempt an agricultural building in Worcester and Queen's Anne counties, respectively, 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.

Food Insecurity and Resiliency

To build on the progress that Maryland has made in addressing food insecurity throughout the State and the recommendations of the Maryland Food System Resiliency Council, which was created by Chapters 724 and 725 of 2021, [*Senate Bill 121 \(passed\)*](#) alters the purpose and use of the Maryland Farms and Families (MFF) Fund; establishes the Maryland Food and Agricultural Resiliency Mechanism Grant Program (MD FARM) and an associated special fund; and establishes the Maryland Farm-to-School Meal Grant Pilot Program and associated special fund.

Chapters 395 and 396 of 2017 established the MFF Program to double the purchasing power of food-insecure Maryland residents with limited access to fresh fruits and vegetables and to increase revenue for farmers through redemption of federal nutrition benefits at Maryland farmers markets. The program is supported by the MFF Fund, which provides grants to (1) nonprofit organizations that match purchases made with Farmers Market Nutrition Program (FMNP), Supplemental Nutrition Assistance Program (SNAP), and Special Supplemental Food Program for Women, Infants, and Children (WIC) benefits at participating farmers markets; (2) nonprofit farmers markets to implement the program at the farmers markets; and (3) local nonprofit organizations to implement the program in partnership with one or more participating local farmers markets. [*Senate Bill 121*](#) increases mandated appropriations to the MFF Fund from \$100,000 to \$300,000 annually beginning in fiscal 2024. The bill alters the formula for determining distribution of the funds to allow for increased funding to program development, outreach, training, and capacity building. The percentage devoted to this purpose increases from 30% to 40%. Conversely, the percentage decreases, from 70% to 60%, for funds used to match food benefits to those receiving WIC, SNAP, and FMNP. Also, under the bill, a portion of that 60% may be used to fund local market access coordinators for the program.

[*Senate Bill 121*](#) establishes MD FARM, which is administered by MDA, to build food system resiliency by leveraging Maryland agricultural products and services to support the State's food banks and charitable emergency food providers to alleviate food insecurity. The MD FARM Fund, a special fund created by the bill, must be used to provide grants to food banks and charitable emergency food providers for (1) the procurement of surplus, seasonal, or contractual agricultural food products; (2) the processing and preparation of agricultural food products for distribution; and (3) the transportation of agricultural food products. Beginning in fiscal 2024, the Governor must include \$200,000 in the annual budget bill for the MD FARM Fund. The bill also establishes the Maryland Farm-to-School Meal Grant pilot program to incentivize the production, procurement, and provision of local foods in school meals by awarding grants, as specified. The

Maryland Farm-to-School Meal Grant Fund consists of money appropriated in the State budget to the fund and any other money from any other source accepted for the benefit of the fund, but funding is not mandated.

Departmental Programs and Functions

Maryland Healthy Soils Program

Chapter 373 of 2017 established the Maryland Healthy Soils Program to (1) improve the health, yield, and profitability of the soils of the State; (2) increase biological activity and carbon sequestration in the soils of the State; and (3) promote widespread use of healthy soils practices among farmers in the State. To carry out the purpose of the program, MDA must provide incentives, including research, education, technical assistance, and, subject to available funding, financial assistance, to farmers to implement farm management practices that contribute to healthy soils. MDA also must determine whether the program may be implemented in a manner to enhance other State and federal programs that provide financial assistance to farmers. [*Senate Bill 528 \(Ch. 38\)*](#) makes broad changes to the State's approach to reducing statewide greenhouse gas emissions and addressing climate impacts, including requiring the Governor, in each year from fiscal 2024 through 2028, to include an appropriation of at least \$500,000 to the Healthy Soils Program. For a more detailed discussion of [*Senate Bill 528*](#), see the subpart "Environment and Energy" within this part of this *90 Day Report*.

Conservation Financing

[*Senate Bill 348/House Bill 653 \(both passed\)*](#) make changes to a broad variety of existing programs relating to environmental conservation and natural resources management and expands opportunities for agencies to obtain private investment and financing for State environmental projects, including conservation efforts. The bill prohibits MDA from limiting or prohibiting, through any cost-share agreement, a participant in MDA's Maryland Agricultural Water Quality Cost-Share Program from participating in and receiving compensation from greenhouse gas markets, carbon credits, or soil carbon programs, if the purpose of the compensation is to achieve additional conservation benefits that are consistent with the State's Chesapeake Bay conservation goals. The bill also authorizes MDA to enter into partnerships (through formal contracts or memoranda of understanding with private-sector organizations that have experience in carbon offset markets or other programs) to (1) create statewide or regional partnerships to minimize the costs and maximize the benefits of voluntary enrollment of farmland into carbon offset markets and (2) assist private landowners with the aggregation of projects to make the projects more saleable in carbon offset market programs. For additional discussion of [*Senate Bill 348/House Bill 653*](#), see the subpart "Environment and Energy" within this part of this *90 Day Report*.

Invasive and Native Plants

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. [*Senate Bill 7/House Bill 15 \(both passed\)*](#) require MDA to classify as a tier 1 invasive plant or a tier 2 invasive plant each invasive plant species identified in the *Plant Invaders of Mid-Atlantic Natural Areas* publication issues by the National Parks Service and the U.S. Fish and Wildlife Service. For a further discussion of the provisions of [*Senate Bill 7/House Bill 15*](#), including those that relate to the Department of Natural Resources, see the subpart “Natural Resources” within this part of this *90 Day Report*.

Spay/Neuter Fund

Chapters 561 and 562 of 2013 established the Spay/Neuter Fund for the purpose of reducing animal shelter overpopulation and cat and dog euthanasia rates by financing grants to local governments and animal welfare organizations for programs that most efficiently facilitate and promote the provision of spay and neuter services for cats and dogs in the State. The fund receives revenue from a fee imposed on each registered brand name or product name of dog or cat food. According to MDA, the program has facilitated over 84,200 spay/neuter procedures, a decrease in shelter intakes by about 28% (from 78,349 in 2014 to 55,938 in 2020), and a decrease in shelter euthanasia by about 71% (from 24,435 in 2014 to 7,063 in 2020). [*Senate Bill 206 \(Ch. 92\)*](#) extends the termination date for the Spay/Neuter Fund by 10 years (from September 30, 2022, to September 30, 2032). The Act also requires MDA to, by October 1, 2022, report to the General Assembly on the fund, including (1) spay and neuter programs that are not receiving funding from the fund; (2) the market capacity for increasing the fees assessed on each brand name or product name of commercial feed that are paid into the fund; (3) a proposed fee structure that can be implemented over the next 5 to 10 years to enhance the revenue generated from the fees; and (4) additional sources of revenue for the fund.

State Board of Veterinary Medical Examiners

[*Senate Bill 67/House Bill 22 \(both passed\)*](#) prohibit a veterinary practitioner from performing a declawing procedure on a cat unless the procedure is necessary for a therapeutic purpose. “Therapeutic purpose” is defined as addressing the physical or medical condition that compromises the health or well-being of an animal. Therapeutic purpose does not include cosmetic or aesthetic reasons or reasons of convenience in the keeping or handling of the animal. The State Board of Veterinary Medical Examiners (SBVME) may refuse, suspend, or revoke any application or license, and censure or place on probation any licensee after a hearing, if the veterinarian or veterinary practitioner willfully violates the cat declawing prohibition. In addition, SBVME may impose monetary penalties under its existing authority. The bills also prohibit any person, other

than a veterinary practitioner performing a declawing procedure necessary for a therapeutic purpose, from performing a declawing procedure on a cat and makes violations of this prohibition a civil offense. For a further discussion of the civil offense provisions under these bills, see the subpart “Criminal Law” within Part E – Crimes, Corrections, and Public Safety of this *90 Day Report*.

Part L Education

Education – Primary and Secondary

State Funding

State Aid to Public Schools

In fiscal 2023, major State education aid was impacted by several factors including the Governor’s calendar 2020 veto of Chapter 36 (Blueprint of Maryland’s Future – Implementation), the COVID-19 pandemic, and a \$3.6 billion general fund surplus. As discussed in more detail below, fiscal 2023 was the first year for full implementation of formulas enacted in Chapters 36 and 55 of 2021. **Exhibit L-1** shows that State education aid for public schools increases by \$401.3 million, or 5.3%, from \$7.5 billion in fiscal 2022 to \$7.9 billion in fiscal 2023. State education aid provided directly to local boards of education increases by \$455.6 million, or 6.7%, while retirement aid decreases by \$54.3 million, or 7.0%. These figures include programs funded with both general funds and Blueprint special funds. A detailed description of State education aid programs and allocations by local education agency can be found in Part A – Budget and State Aid of this *90 Day Report*.

Exhibit L-1
State Aid for Education
Fiscal 2022-2023
(\$ in Thousands)

<u>Program</u>	<u>2022</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Foundation Program	\$3,170,727	3,659,453	\$488,726	15.4%
NTI and TIF Grants	48,295	0	-48,295	-100.0%
Geographic Cost of Education Index	147,692	157,910	10,218	6.9%
Supplemental/Blueprint Transition	46,620	57,688	11,068	23.7%
Hold Harmless Grants	209,384	0	-209,384	-100.0%
Compensatory Education Program	1,286,665	1,295,202	8,537	0.7%
Blueprint Concentration of Poverty	116,913	190,286	73,374	62.8%
Special Education Formula	311,093	401,310	90,217	29.0%
Nonpublic Special Education	127,499	141,413	13,914	10.9%
English Language Learners	334,287	422,465	88,178	26.4%
Guaranteed Tax Base	49,864	45,784	-4,080	-8.2%
Education Effort Index Adjustment	0	125,673	125,673	n/a
Student Transportation	288,056	335,965	47,909	16.6%
Prekindergarten Expansion Grants	26,644	26,644	0	0.0%
Blueprint Prekindergarten Grants	108,417	144,063	35,647	32.9%
School Safety Grants	20,600	20,600	0	0.0%
Blueprint COVID-19 Relief	211,576	0	-211,576	-100.0%
Other Programs ¹	249,868	185,377	-64,491	-25.8%
Direct Aid Subtotal	\$6,754,200	\$7,209,834	\$455,634	6.7%
Teachers' Retirement	\$778,951	\$724,644	-\$54,307	-7.0%
Grand Total	\$7,533,151	\$7,934,478	\$401,327	5.3%

NTI: Net Taxable Income

TIF: Tax Increment Financing

¹ Other programs include teacher salary incentives, transitional supplemental instruction (TSI), mental health service coordinators, special education, career ladder, college and career ready, children at risk, innovative programs, teacher development, specific populations, food service, at-risk early childhood, Head Start, and infants and toddlers grants. In fiscal 2023, TSI receives \$46 million in federal stimulus funds set aside in the Dedicated Purpose Account in Chapter 357 of 2021.

Source: Department of Legislative Services

Due to continuing impacts from the COVID-19 pandemic, 2021-2022 public school enrollment remained lower than otherwise expected. Full-time equivalent enrollment decreased by

0.7%; free and reduced-price meal (FRPM) enrollment declined 6.8%; and special education student enrollment decreased 1.6%. Increased enrollments include 11.0% for limited English proficiency students and 797% for special education student transportation. The effect of diminished enrollment on fiscal 2023 formula education aid is more than offset by increases in Blueprint mandated per pupil allocations for major education aid programs and \$56.7 million in discretionary hold harmless grants provided by the Governor as part of the compensatory education allowance, resulting in a net overall increase in funding for major State education aid programs.

Implementation of Chapter 36 and 55 in fiscal 2023 results in discontinuation of several State education aid programs including grants for teacher salaries, special education, early childhood expansion, net taxable income, early literacy, and mental health service coordinators.¹ Cessation of funding under these programs is offset by initiation of new programs and increased per-pupil funding under many remaining programs; and one-time hold harmless grants for compensatory education.

The Governor's fiscal 2023 budget bill as introduced did not include an expected \$125.5 million allowance for the education effort index adjustment. This program subsequently received general funds in Supplemental Budget No. 1, which was adjusted slightly in Supplemental Budget No. 4 to reflect revised current enrollment, for a final allocation of \$125.7 million. Consistent with Chapter 36, the fiscal 2023 budget includes concentration of poverty personnel grants for schools with at least 65% FRPM students and per pupil grants for schools with at least 75% FRPM students. Nonpublic special education receives a 4% provider rate increase in Supplemental Budget No. 3 and an additional \$4.0 million for nonpublic special education teacher salaries in Rainy Day funds from the Dedicated Purpose Account. Supplemental No. 4 includes a new State education aid program, Advanced Placement Computer Science grants.

School Construction Funding

The Interagency Commission on School Construction (IAC) administers several State school construction programs. **Exhibit L-2** shows that in fiscal 2023, a total of \$753.5 million is authorized in general obligation (GO) bonds and pay-as-you-go (PAYGO) funds for public school construction. This amount does not include \$3.5 million in GO bonds for the Nonpublic Aging Schools program; \$13.5 million for public and nonpublic school safety programs, which receive general funds in the fiscal 2023 operating budget; or revenue bonds issued for projects approved as part of Chapter 20 of 2020, the Built to Learn Act, which is discussed later in this section.

¹ Learning in Extended Academic Programs, which was scheduled to terminate after fiscal 2022, is included in the fiscal 2023 budget as receiving \$4.5 million in Rainy Day general funds from the Dedicated Purpose Account.

Exhibit L-2
Public School Construction Funding
Fiscal 2022 and 2023
(\$ in Millions)

<u>Program</u>	<u>2022</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Public School Construction	\$285.0	\$522.0	\$237.0	83.2%
Supplemental Capital Grant	60.0	95.4	35.4	59.0%
Healthy Schools Facility Fund	70.0	90.0	20.0	28.6%
Revolving Loan Fund	0.0	40.0	40.0	100.0%
Aging Schools	6.1	6.1	0.0	0.0%
Total	\$424.6	\$753.5	\$328.9	77.5%

Note: Numbers may not sum due to rounding.

Source: Interagency Commission on School Construction

The Public School Construction Program receives the largest allocation with \$304.2 million in GO bonds and \$217.8 million in PAYGO. Although the Governor's budget as introduced authorized \$285 million for this program, the General Assembly added \$237 million in GO bonds to increase the total to \$522 million. In December 2021, IAC approved initial allocations based on \$156 million, or 75%, of the \$208 million outlined in the Governor's Preliminary Capital Budget. IAC will announce final 100% allocations in May 2021 based on the actual funding authorized in the operating and capital budgets.

Exhibit L-3 shows the Supplemental Capital Grant Program, also known as the Enrollment Growth and Relocatable Classroom Program, which provides additional school construction funds for local education agencies (LEAs) with significant enrollment growth or relocatable classrooms. In fiscal 2023, LEAs that qualify for this program are allocated \$95.4 million, \$40 million in mandated funding and \$55.4 million in discretionary funding allocated in the capital budget bill as introduced.

Exhibit L-3
Enrollment Growth and Relocatable Classroom Program
Fiscal 2021-2023
(\$ in Millions)

<u>Local Education Agency</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Anne Arundel	\$9.2	\$7.3	\$14.6
Baltimore County	9.5	9.4	7.9
Caroline	1.7	0.0	0.0
Charles	0.0	0.0	4.4
Frederick	4.8	5.8	15.3
Howard	14.1	9.4	16.8
Montgomery	22.3	15.2	18.6
Prince George's	13.4	12.9	17.8
Total	\$75.0	\$60.0	\$95.4

Note: Numbers may not sum due to rounding.

Source: Interagency Commission on School Construction

Additional public school construction funds include \$90 million for the Healthy School Facility Fund, which consists of \$40 million in federal PAYGO funds from the federal American Rescue Plan Act reserved in the Dedicated Purpose Account in fiscal 2022 for appropriation in fiscal 2023, and \$50 million in GO bonds. Other programs receiving GO bonds in this budget include \$6.1 million for the Aging Schools Program and \$3.5 million for the Nonpublic Aging Schools Program. The Revolving Loan fund, which was established by Chapter 14 of 2018 and provides low- or no-interest loans to local governments for public school construction projects, receives \$40 million in PAYGO funds for the first time in fiscal 2023.

School Construction Legislation

Workgroup on the Assessment and Funding of School Facilities Legislation

Enhancing State funding for school construction has been a priority of the General Assembly for many years. In recent years, Chapter 14 of 2018 (the 21st Century School Facilities Act), Chapter 20 of 2020 (the Built to Learn Act), and Chapter 698 of 2021, as a group, increased funding levels for school construction, established new school construction programs and funding sources, and generally expanded the State's role in supporting public school construction. [*House Bill 1290 \(Ch. 32\)*](#) continues the General Assembly's focus on school construction by implementing the recommendations of the Workgroup on the Assessment and Funding of School Facilities. Among other provisions, it establishes legislative intent that, within debt affordability guidelines, the State should provide at least \$450 million each year for school construction (up

from a statutory goal of \$400 million established by Chapter 14) in order to maintain a relatively stable number of funded public school construction projects.

Funding Mandates: Chapter 32 renames the Local Share of School Construction Costs Revolving Loan Fund, established by Chapter 14 of 2018, to be the School Construction Revolving Loan Fund and requires the Governor to include in the annual budget bill at least \$40 million in fiscal 2023, \$20 million in fiscal 2024, and \$10 million in each of fiscal 2025 and 2026 for the fund. The fiscal 2023 budget includes \$40 million for the fund. In awarding loans from the fund, IAC must give priority to counties that have not forward funded projects and that have limited debt capacity. Loans from the fund must be repaid within five years, subject to a waiver process. Loans from the fund may be used to represent the State or local share of eligible public school construction or capital improvement costs, including for projects funded by the Built to Learn program.

The Public School Facilities Priority Fund is renamed the Nancy K. Kopp Public School Facilities Priority Fund. The Act repeals mandated funding of at least \$40 million annually for the fund for fiscal 2025 and 2026, (but retains mandated funding of at least \$80 million annually beginning in fiscal 2027). The Act also increases mandated funding for the Healthy School Facility Fund (HSFF) by \$50 million in fiscal 2024 (so that it is at least \$90 million) and extends that higher level of HSFF funding to fiscal 2025 and 2026. The Act also extends the requirement that 50% of HSFF funds be awarded to Baltimore City.

State Cost Share: When updating the cost-share calculations every two years, Chapter 32 requires that IAC limit the percentage decrease in the State share for any county to 5 percentage points. The Act also creates several adjustments and incentives that increase the State share of eligible public school construction costs for the following projects, generally beginning in fiscal 2024:

- a 10 percentage point increase in the State share for schools with a concentration of poverty level of 80% or greater;
- a 5 percentage point increase in the State share for schools with a concentration of poverty level of between 55% and 80% (not inclusive);
- a 5 percentage point increase in the State share for schools that achieve specified ratings on their most recent maintenance assessment;
- a 5 percentage point increase in the State share for schools built as net-zero buildings; and
- a 5 percentage point increase in the State share for projects with an estimated total cost of ownership that is at least 15% less than baseline levels, subject to repayment if the completed project does not meet that threshold.

In addition, [*Senate Bill 528 \(Ch. 38\)*](#), the Climate Solutions Now Act of 2022, includes the same provision related to the construction of net-zero schools. For a further discussion of the

Climate Solutions Now Act of 2022, see the subpart “Environment and Energy” within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Statewide Facility Assessment: Chapter 14 of 2018 required IAC to conduct a statewide school facility assessment and update the assessment data every four years. The first set of assessments was completed in 2021, and the data was shared with the Workgroup on the Assessment and Funding of School Facilities, which expressed concern about the quality of the assessments. Chapter 32 requires that future inspections of school buildings include specified items for school building, including temperature, humidity, carbon dioxide levels, and the functionality of specified building systems, among others. Local school systems must submit a plan to IAC to address any issues assessed that cause a school to close. IAC may not use any data from the facility assessment for funding decisions until it has established an Integrated Master Facility Asset Library, as required by Chapter 14 of 2018, and not before fiscal 2027. The Act expresses the intent of the General Assembly that a new workgroup be formed in July 2024 to determine how the results of the assessment should be used to prioritize funding for projects, taking into account local priorities.

School Space Calculation: Chapter 32 also requires IAC to update its per-student gross area baseline square footage to reflect the requirements of the Blueprint for Maryland’s Future, including (1) instructional space for English-language learners; (2) community schools and schools eligible for Concentration of Poverty grants; (3) collaborative planning spaces for teachers, as specified; (4) break-out space for more one-on-one and small group instruction; (5) career and technical education pathways; and (6) prekindergarten space. Additionally, the Act authorizes IAC, when calculating the maximum State allocation for an approved school construction project, to make an enrollment deduction for the project only if the sum of the available seat count in all adjacent schools is 15% or more of the project school’s enrollment.

Other School Construction Legislation: *House Bill 19 (passed)* requires a local school board that is seeking State funds for the construction of a new public school or, for the renovation or addition to an existing school, under specified circumstances, to submit a pedestrian safety plan to IAC. Pedestrian safety plans must be developed in collaboration with the State Highway Administration and county departments of transportation, and IAC must approve submitted pedestrian safety plans if they comply with the bill’s requirements. Only a local school board, not IAC, can determine the contents of a pedestrian safety plan. The bill applies only to “high-density” counties, as defined by the bill, and to other counties if the proposed project is for a school in a city with more than 10,000 residents.

Waste Disposal Infrastructure: *House Bill 566 (passed)* requires IAC to adopt regulations that require a local school system to include waste disposal infrastructure in the design documents that it submits to IAC for State funding approval for construction of a new school building. “Waste disposal infrastructure” is defined as (1) a place for the disposal of trash, recyclables, and food scraps and (2) a sink for liquid waste.

Workgroup to Study the Fiscal and Operational Viability of Public-Private Partnerships: *Senate Bill 916/House Bill 739 (both passed)* establish the Workgroup to Study the Fiscal and

Operational Viability of Public-Private Partnerships (P3s) for Charles County Public Schools (CCPS). The workgroup must study (1) the fiscal and operational viability of using a P3 for financing, constructing, maintaining, and operating schools in Charles County; (2) implementation of a P3 by CCPS; and (3) how a P3 may relieve the significant burden for funding new school construction and renovations for CCPS. By December 31, 2022, the workgroup must report its findings and recommendations to specified State and local entities.

Statewide Education Policy

Blueprint for Maryland's Future

Chapters 36 and 55 of 2021 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 Acts incorporated policies and accountability recommendations of the Commission on Innovation and Excellence in Education.

House Bill 1450 (Ch. 33) alters the distribution of some sales and use tax revenues to the Blueprint for Maryland's Future Fund. The Act also extends dates before which the Accountability and Implementation Board (AIB) and the Maryland State Department of Education (MSDE) must develop criteria for the adoption of implementation plans and extends the dates that State and local governmental entities have to submit implementation plans. Additionally, the Act alters the procedures and timeline for AIB to withhold and release specified funding for local school systems. MSDE must collect data regarding a concentration of poverty measure and report to the General Assembly and AIB by December 1, 2022.

Student Safety and Student Discipline

Restraint and Seclusion: **House Bill 1255 (Ch. 31)** prohibits specified public agencies responsible for the education of students from using seclusion as a behavioral intervention on students. Nonpublic schools that receive funds for the purpose of providing special education and services to students with disabilities are authorized to use seclusion only under limited circumstances and under the direct supervision of a qualifying health care practitioner. The use of physical restraint as a behavioral intervention by both public agencies and nonpublic schools is also limited. Use of physical restraint or seclusion on a student 10 or more times in a school year by a public agency or nonpublic school requires (1) notice to the local school system, if appropriate, and MSDE within a specified period of time; (2) an assessment of the public agency's or nonpublic school's pattern of behavioral health interventions; and (3) submission of specified recommendations. A public agency and the local school system or a nonpublic school must submit a systemic, evidence-based corrective action plan to MSDE under specified circumstances. Each public agency and nonpublic school must submit a report each year to MSDE on the number of physical restraint and seclusion incidents for the prior school year.

Reportable Offenses: If a student is arrested for certain crimes, a law enforcement agency is required by law to notify the student's school principal, local school superintendent, and if applicable, school resource officer. These crimes are known as "reportable offenses." **House Bill 146 (passed)** requires the principal or local school superintendent to invite a student's

attorney to participate in a conference between school officials, the student, and the student's parent or guardian if the student is being removed or excluded from the student's regular school program for a reportable offense, including a child with a disability. Annually, local boards of education must provide reports to MSDE regarding information about each reportable offense and school disruptions that occur on public school grounds for the immediately preceding school year. MSDE must provide separate reports on this information each year to the specified entities.

Student Athletes: Elijah Gorham was a 17-year-old football player at Baltimore's Mergenthaler Vocational Technical High School who died in October of 2021, from injuries sustained during a football game. **House Bill 836 (passed)**, named for Elijah Gorham, establishes protections for middle and high school student athletes. The bill requires each middle school and high school to develop a venue-specific emergency action plan for the operation and use of automatic external defibrillators and heat acclimatization during athletic events. The venue-specific emergency action plan must also include coordination of care for other emergency injuries including cervical spinal injury, concussion and closed head injury, major orthopedic injuries, and severe weather for outdoor facilities.

Operating Funds

Senate Bill 121 (passed) includes several programs to fund agricultural products being made part of social services. Included in the programs created or amended under the bill is a Maryland Farm-to-School Meal Grant Pilot Program. For more information regarding **Senate Bill 121**, see the subpart "Agriculture" within Part K – Natural Resources of this *90 Day Report*.

House Bill 1469 (Ch. 15) establishes the Maggie McIntosh School Arts Fund as a special fund administered by Arts Every Day to provide grants to specified schools in Baltimore City to purchase art supplies for classrooms and provide arts experiences to students. The fund must be used to expand the arts curriculum for students in public schools in Baltimore City, as defined in Section 5-223 of the Education Article. Beginning in fiscal 2023, \$250,000 annually must be allocated from the remaining money in the State Lottery Fund after other specified distributions are made.

Senate Bill 124 (passed) establishes the Grant Program to Reduce and Compost School Waste. The Maryland Association for Environmental and Outdoor Education (MAEOE) must review grant applications and select recipients to be awarded grants by MSDE, which administers the program. MSDE is required to coordinate with the Maryland Department of the Environment to identify and apply for federal funding that may be used to support the program.

Virtual Education

During the course of the COVID-19 pandemic, public schools were abruptly closed for in-person instruction and were required to educate their students remotely through virtual learning. State laws governing the various aspects of virtual education had not been updated in over a decade. **Senate Bill 362 (passed)** and **House Bill 1163 (passed)** include several provisions to update the delivery of virtual education. For virtual schools, the bills establish requirements for

what entities may operate or administer a virtual school, student applications, school accountability, teacher and education support personnel protections, required student services, and other general school policies, including class size, technology, and attendance. MSDE's authority to establish a virtual school is repealed and only local boards of education may sponsor a virtual school. A local school system is limited to establishing one virtual school per elementary, middle, and high school grade band. However, a new elementary level virtual school may not be established for two years while MSDE studies best practices in virtual learning. MSDE may preliminarily approve a virtual school subject to final approval by the State Board of Education (SBE). The bills allow existing virtual schools to operate through the 2023-2024 school year but will require a virtual school that wishes to continue to operate to come into compliance with the requirements established in the bills.

Senate Bill 362 and **House Bill 1163** also establish requirements for the operation of public schools during a prolonged state of emergency that require the use of virtual learning. Local school boards must adopt virtual education plans that consist of staffing plans, student instruction plans, student assessment and learning plans, social and emotional learning plans, community communication plans, technology plans, nutritional and health services plans, and a plan to return to in-person instruction. Finally, the bills allow local boards of education to establish and use "virtual education days" when a severe weather event would otherwise require closing a public school for in-person instruction. A local board must publish the plan for virtual education days on the local school system's website.

Further, the bills allow a local board of education to elect to use the statewide learning management system established by MSDE and requires MSDE to expand computer and Internet security infrastructure.

Educators and School Employees

The Professional Standards and Teacher Education Board: The Professional Standards and Teacher Education Board (PSTEB) is a semi-autonomous board composed of 25 members. PSTEB and SBE share the authority to develop rules and regulations for the certification of teachers and other professional personnel and requirements for the preparation of teachers and other education personnel, including social workers. **House Bill 512 (passed)** alters the membership of PSTEB by adding 1 member of the Maryland Association of Nonpublic Special Education Facilities, as chosen by the Governor from a list of nominees provided by the association, and by reducing from 2 to 1 the number of PSTEB members who are administrative or supervisory staff of the approved nonpublic schools of the State. The bill also requires SBE and PSTEB to develop rules and regulations to attract and provide certification to teachers from groups that are historically underrepresented in the teaching profession.

Noncertificated Education Support Professionals: **Senate Bill 831/House Bill 1349 (both passed)** require the Governor to include an appropriation in the fiscal 2024 budget that is sufficient to provide the number of noncertificated education support professionals reported to MSDE by the local boards of education a \$500 bonus in fiscal 2024. This will match similar bonuses funded in the fiscal 2023 budget. MSDE must collect data from each local board on the

number of noncertificated education support professionals in each county and report the data to the Governor and the General Assembly.

Other Changes: The Public School Whistleblower Protection Act (Chapter 730 of 2017), prohibits a public school employer from taking or refusing to take any personnel action as reprisal against a public school employee because the employee discloses or threatens to disclose unlawful behavior, provides information or testifies for an investigation of unlawful behavior, or objects to or refuses to participate in unlawful behavior. **House Bill 468 (passed)** repeals the prerequisite that a public school employee who is engaging in whistleblowing, as specified, exhaust any administrative remedies before instituting a civil action. The bill also requires local school systems to establish an administrative complaint and remediation process for public school employees engaged in whistleblowing who have been subject to adverse personnel actions and requires that an employee who is subject to a personnel action as reprisal for whistleblowing must notify the local superintendent of schools in writing prior to instituting a civil action of the employee's intention to institute a civil action.

House Bill 467 (passed) allows an individual to be eligible for a certificate to teach students in a public Montessori school if the individual (1) holds a valid credential from a specified Montessori teacher preparation program and (2) holds a bachelor's degree in any field.

Student Health

Absences Due to Behavioral Health: **House Bill 118 (passed)** requires MSDE and each local board of education to adopt an attendance policy that treats an absence due to a student's behavioral health needs in the same manner as an absence due to illness or other somatic health need.

Seizures in Schools: **Senate Bill 299 (Ch. 78)** requires, beginning in the 2023-2024 school year, local boards of education to take specified steps regarding the health care needs of students with a seizure disorder, including requiring each public school to have at least two school personnel trained in recognizing the signs and symptoms of seizure disorders and administering first aid. The training and other school health services guidelines on the management of students with seizure disorders must be developed by MSDE and the Maryland Department of Health, with other specified stakeholders. Each public school must provide an abridged presentation of the seizure disorder training to specified school staff every two years. The parent or guardian of a student diagnosed with a seizure disorder must collaborate with school personnel to create a seizure action plan and provide medication and authorization. Nonpublic schools may establish similar training and policies related to management of students with seizure disorders. School personnel are exempted from liability for responding in good faith to a student experiencing a seizure, unless they act in a willfully or grossly negligent way.

Individuals with Disabilities

Equitable Access to Digital Tools: **Senate Bill 617 (passed)** requires each local school system to develop or procure digital tools for students in public schools that (1) provide equivalent access to and are independently usable by a student with disabilities and (2) enable the student

with disabilities to acquire the same information, participate in the same interactions, and access the same services as a student without disabilities, with substantially equivalent ease of use. Each digital tool developed or purchased by a local board must include specifications for access for students with disabilities in accordance with technical standards issued under specified federal law or any other widely accepted and freely available technical standard. Each local school system must establish an evaluation process for digital tools being considered for development or purchase for conformity with the above requirements.

Commission to Study the Maryland State Department of Education’s Division of Rehabilitation Services: The Division of Rehabilitation Services (DORS) is generally responsible for efforts to rehabilitate and place in gainful employment individuals who are disabled and susceptible to rehabilitation and to rehabilitate individuals to function more independently. DORS provides funds from the Employment Program Fund to accredited community rehabilitation and employment agencies. DORS is also responsible for provision of a coordinated set of activities for transitioning students with a disability that promotes movement from school to postschool activities, including postsecondary education, vocational training, integrated employment, supported employment, adult services, independent living, and community participation. ***House Bill 660 (passed)*** establishes a Commission to Study the Maryland State Department of Education’s Division of Rehabilitation Services. The commission must evaluate and make recommendations on specified subjects related to improvements to DORS’s programs and services.

Discrimination in Schools

Nondiscrimination in Schools: ***House Bill 850 (passed)*** prohibits a local board of education, public prekindergarten programs and primary and secondary schools, and nonpublic prekindergarten programs and primary and secondary schools that receive State funds, from refusing enrollment of a prospective student, expelling a current student, withholding privileges from, or otherwise discriminating against any individual because of an individual’s race, ethnicity, color, religion, sex, age, national origin, marital status, sexual orientation, gender identity, or disability. Further, the bill prohibits retaliatory actions against a student or parent or guardian of a student who files a complaint alleging specified discrimination. The bill establishes a complaint, mediation, and appeal process for violations. All or part of specified funding may be withheld from a board, program, or school that violates the nondiscrimination requirements. For more information on ***House Bill 850***, see the subpart “Human Relations” within Part F – Courts and Civil Proceedings of this 90 Day Report.

Student Uniforms: ***Senate Bill 951/House Bill 515 (both passed)*** require a local board of education, the Maryland Public Secondary Schools Athletic Association, a governing body of a public institution of higher education, and a board of a community college trustees, as applicable, to allow a student athlete to modify the student athlete’s athletic or team uniform to make it more modest – so as to conform to (1) the requirements or preferences of the student athlete’s religion or culture or (2) the student athlete’s own preferences for modesty.

Other Education Programs

Student Data Privacy: The Student Data Privacy Act of 2015 (Chapter 413) requires an operator of specified websites, online services, online applications, and mobile applications designed primarily for a preK-12 public school purpose operating in accordance with a contract to (1) protect covered information from unauthorized access, destruction, use, modification, or disclosure; (2) implement and maintain reasonable security procedures and practices to protect covered information; and (3) delete covered information upon request of the public school or local school system. *Senate Bill 325/House Bill 769 (both passed)* alter the definitions of “covered information,” “operator,” and “persistent unique identifier” to update the Act’s protections to cover current practices. Additionally, the bills reestablish the Student Data Privacy Council and requires the council to report on best practices for student data privacy protection for parents and guardians.

Purple Star Schools Program: *Senate Bill 234/House Bill 277 (Chs. 65 and 66)* establish the Purple Star Schools Program, to be administered by MSDE, to recognize public schools that provide strong services and support for military-connected students and their families when students transfer schools as a result of a parent or guardian’s military service. To qualify as a Purple Star School, a public school must meet criteria adopted by MSDE. At a minimum, the criteria must require a school to designate a staff liaison to perform specified duties, create an easily accessible web page with pertinent resources, maintain a student-led transition program, and offer professional development for staff on issues related to military-connected students transferring to new schools.

Home and Hospital Teaching Program: The Home and Hospital Teaching Program for Students provides instructional services to public school students who are unable to participate in their school of enrollment due to a physical or emotional condition. *House Bill 1327 (passed)* requires MSDE to study the current practices in the programs and make recommendations to the Governor, SBE, and the General Assembly.

Maryland Association of Environmental and Outdoor Education Grant: MAEOE provides funding to accomplish specified environmental education tasks, including assisting with student transportation to and from environmentally focused activities, supporting green school events, and training environmental educators in the State. *Senate Bill 383 (passed)* extends mandated State appropriations for MAEOE, in specified amounts for specified purposes, through fiscal 2028.

Higher Education

Operating Funding

State support for higher education in the fiscal 2023 budget totals \$2.9 billion, an increase of \$518.4 million, or 21.8%, over fiscal 2022, as shown in **Exhibit L-4**. Public four-year institutions receive the bulk of the new State funds, totaling \$367.9 million, which include new general funds, monies from the Higher Education Investment Fund, and monies from the Cigarette Restitution

Fund (CRF). This amount includes \$37.5 million budgeted to the public four-year institutions related to the settlement for historically black colleges and universities (HBCU), described in more detail below.

Exhibit L-4
State Support for Higher Education
Fiscal 2022-2023

	<u>2022¹</u>	<u>2023²</u>	<u>\$ Change</u> <u>2022-2023</u>	<u>% Change</u> <u>2022-2023</u>
University System of Maryland	\$1,567,339,293	\$1,875,477,957	\$308,138,664	19.7%
Morgan State University	117,029,659	136,526,983	19,497,324	16.7%
St. Mary's College of Maryland	30,511,162	33,275,640	2,764,478	9.1%
Settlement for HBCUs		59,487,209	59,487,209	
MHEC Special Grants ³	11,586,446	9,998,721	-1,587,725	-13.7%
MHEC Grants for Maryland 529	10,979,500	10,979,500	0	0.0%
Community Colleges ⁴	371,522,803	435,344,298	63,821,495	17.2%
Baltimore City Community College	41,310,173	43,735,135	2,424,962	5.9%
Independent Institutions	88,810,065	118,598,457	29,788,392	33.5%
MHEC Administration	7,108,512	7,697,601	589,089	8.3%
MHEC Student Financial Aid ⁵	135,254,498	168,742,484	33,487,986	24.8%
Total	\$2,381,452,111	\$2,899,863,985	\$518,411,874	21.8%

HBCUs: Historically Black Colleges and Universities

MHEC: Maryland Higher Education Commission

¹ Fiscal 2022 general funds are adjusted to reflect statewide general salary actions, deficiencies, and transfers 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 2023 general funds are adjusted to reflect general salary increases and anticipated transfers from MHEC to the University of Maryland, Baltimore Campus for the WellMobile and to the 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 Senator John A. Cade formula, other programs, and fringe benefits.

⁵ Includes \$2.0 million in funding to be transferred to the Maryland Department of Health, contingent on enactment of Senate Bill 696 or House Bill 975.

Source: Maryland State Budget Books; Department of Legislative Services

Public Four-year Institutions

Historically Black Colleges and Universities: The fiscal 2023 budget provides \$59.5 million as mandated in Chapters 41 and 42 of 2021, which includes \$16.0 million in monies from CRF. The total includes \$22.0 million budgeted in the Maryland Higher Education

Commission (MHEC) for attorney fees and a total of \$37.5 million for the four HBCUs: \$10.6 million for Bowie State University (BSU); \$6.1 million for University of Maryland Eastern Shore (UMES); \$5.7 million for Coppin State University (CSU); and \$15.1 million for Morgan State University (MSU).

University System of Maryland: The University System of Maryland (USM) receives an increase of \$308.1 million, or 19.7%, over fiscal 2022, which includes \$128.4 million for the annualization of the fiscal 2022 general salary increases and increments as well as general salary increases in fiscal 2023. Other increases include \$93.8 million to restore the remaining portion of the fiscal 2021 Board of Public Works' (BPW) reduction, of which \$20.0 million is to be used to expand and enhance student mental health services. An increase of \$25.3 million is related to statewide cost allocations, with the majority of the increase associated with health insurance. The University System of Maryland Office is provided \$20.0 million to allocate to institutions for need-based aid and \$1.0 million to support ARTSYS (Articulation System for Maryland Colleges and Universities).

The USM budget provides its constituent HBCUs (specifically, BSU, UMES, and CSU) a total of \$22.3 million (\$6.2 million in general funds and \$16.0 million from the CRF) as mandated in Chapters 41 and 42 of 2021. Also included is \$23.2 million for various other mandates, a large portion of which is due to Chapter 683 of 2021, specifically:

- \$5.0 million (\$2.5 million each) to the University of Maryland, Baltimore Campus (UMB) and the University of Maryland, College Park Campus (UMCP) (as required by Chapter 683 of 2021) – a portion of which must be used to encourage the development and location of technology companies in Baltimore City and Prince George's County, respectively;
- \$4.0 million for funding guideline attainment and \$3.0 million to the University of Maryland Baltimore County (UMBC) to establish the Center for Cybersecurity (as also required by Chapter 683 of 2021);
- \$7.0 million mandated in Chapters 44 and 418 of 2021 to the UMB School of Medicine to provide clinical care at the University of Maryland Regional Medical Center and specialized care at University of Maryland rural hospitals;
- \$2.0 million for the MPowering steering committee (a strategic partnership between UMB and UMCP) and \$0.4 million for UMBC to help its research and economic development activities – both as mandated in Chapter 765 of 2019;
- \$1.5 million to BSU as mandated in Chapter 356 of 2021 to establish the Center for the Study of Data Analytics and Sports Gaming;
- \$0.2 million as mandated in Chapter 15 of 2021 to UMCP for the Small Business Development Center; and

- \$125,000 each to UMB and University of Baltimore (UBalt) to establish the Legal Education Success Collaborative as mandated in Chapter 213 of 2021.

In addition, one-time funding for specified legislative priorities includes \$5.0 million for the Universities of Shady Grove to support the implementation of the strategic plan, a grant of \$0.6 million to UBalt for the Schaefer Center, and \$50,000 to BSU for the Maryland Truth and Reconciliation Commission.

MSU receives an increase of \$19.5 million, or 16.7%, over fiscal 2022, about one-third of which (\$6.5 million) is for the annualization of the fiscal 2022 general salary increases and increments as well as general salary increases in fiscal 2023. Other increases reflect \$3.1 million for the Center for Equitable Artificial Intelligence, \$2.6 million for financial aid programming, \$2.0 million for the Urban Interdisciplinary Center for Crime Reduction, \$2.0 million for public safety enhancements, \$1.0 million for faculty positions, \$1.0 million in operating expenses for Tyler Hall, and \$1.5 million mandated in Chapter 356 of 2021 to establish the Center for the Study of Data Analytics and Sports Gaming.

Independent Institutions

Independent institutions receive \$118.6 million through the Joseph A. Sellinger Formula in fiscal 2023, an increase of \$29.8 million, or 33.5%, from fiscal 2022. The significant increase in fiscal 2023 is primarily related to the annualization of the fiscal 2022 general salary increases, the fiscal 2023 general salary increases, and the restoration of reductions for USM taken by BPW in fiscal 2021.

Community Colleges

State funding for local community colleges increases by \$63.8 million, or 17.2%, over fiscal 2022. Funding under the Senator John A. Cade Funding Formula grows by \$65.0 million while funding for community college retirement programs decreases by \$1.2 million. The large growth in fiscal 2023 reflects an increase in the funding formula to 29% of funding provided to the selected public four-year institutions; this level is the statutory maximum funding to be received under the current funding formula.

Baltimore City Community College

Baltimore City Community College (BCCC), Maryland's only State-administered community college, has a separate statutory funding formula. The general fund appropriation increases by \$2.4 million, or 5.9%, when compared to the fiscal 2022 appropriation after accounting for statewide salary actions. In fiscal 2022, BCCC's share of statewide salary adjustments totaled \$1.4 million, which brought the total general fund adjusted appropriation to \$41.3 million. For fiscal 2022, these actions were budgeted within the Department of Budget and Management (DBM) Statewide Expenses Program as proposed deficiency appropriations and were not part of the hold harmless calculation for fiscal 2023. In the fiscal 2023 allowance, BCCC receives a total of \$4.0 million in addition to formula funding to reflect the statewide personnel adjustments, which results in a total general fund allowance of \$43.7 million. For other State

agencies and higher education institutions, these adjustments are budgeted within the DBM Statewide Expenses Program. However, for BCCC, in fiscal 2023, these funds are provided directly within the general fund appropriation. With these funds now part of the BCCC general fund base appropriation, beginning in fiscal 2023, the new hold harmless level is \$43.5 million, or \$4.0 million greater than the fiscal 2022 hold harmless level.

Financial Aid

State support for student financial aid increases by \$33.5 million, or 24.8%, to \$168.7 million in fiscal 2023. Increases totaling \$12.0 million are the result of three new programs: the Maryland Police Officers Scholarship Program; the Maryland Loan Assistance Repayment Program (MLARP) for Police Officers; and the MLARP for Nurses and Nursing Assistants. These programs add \$8.5 million, \$1.5 million, and \$2.0 million, respectively. (The \$2.0 million is subject to being transferred to the Maryland Department of Health, contingent on enactment of specified legislation.) The Teaching Fellows for Maryland Scholarship increases by \$6.0 million as a result of a mandated funding increase due to implementation of Chapter 36 of 2021 (Blueprint for Maryland’s Future – Implementation). The largest need-based aid program, the Delegate Howard P. Rawlings Education Excellence Awards (EEA) Program, increases by \$11.9 million, totaling \$100.0 million in the fiscal 2023 allowance. These figures do not include State matching contributions for qualifying Maryland 529 accounts, which total \$10.9 million in fiscal 2023 (level funded at the fiscal 2022 appropriation).

Capital Funding

Capital funding for public four-year institutions totals \$619.9 million for fiscal 2023, including \$30.0 million in academic revenue bonds for USM institutions authorized by ***Senate Bill 1007 (passed)*** and \$427.2 million in pay-as-you-go. In addition, ***Senate Bill 1007*** increases the bonding authority of USM by \$300.0 million, from \$1.4 billion to \$1.7 billion. The bonding authority is being increased, in part, due to changes made by the Governmental Accounting Standards Board (GASB). GASB issued Statement Number 87 (GASB 87) in June 2017, which requires the reporting of all leases (except short-term leases) as liability, with no distinction between operating and capital. Likewise, ***House Bill 1400 (passed)*** increases the bonding authority for MSU from \$88.0 million to \$140.0 million. Finally, ***Senate Bill 1007*** extends the maximum terms to finance academic revenues bonds for *all* State institutions of higher education from 21 to 33 years.

Local community colleges receive \$69.3 million for the Community College Construction Grant Program and \$18.3 million for the facilities renewal grant program. In addition, BCCC receives \$12.7 million and independent institutions receive \$16.0 million in capital funding for fiscal 2023. For information on authorized capital projects, see the subpart “Capital Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Maryland Higher Education Commission

MHEC is the State's higher education coordinating board responsible for establishing statewide policies for Maryland public and private colleges and universities and for-profit career schools. MHEC also administers State financial aid programs that affect students on a statewide basis. Generally, MHEC is responsible for the overall growth and development of postsecondary education in the State.

Senate Bill 501/House Bill 1030 (both passed) require the Office of Student Financial Assistance (OSFA) in MHEC to send a notification to individuals who apply to the EEA Program indicating whether or not the student is a recipient of an award and, if applicable, the amount awarded to the student by April 15 each year. The bills also require MHEC to update the Maryland Community College Promise Scholarships Program regulations related to award deadlines based on the newly established award dates.

The bills express legislative intent that MHEC be reorganized to establish OSFA as a separate independent agency in fiscal 2024. This is consistent with action in the fiscal 2023 budget to withhold \$500,000 of the appropriation for the MHEC Secretary's office until MHEC submits a report (due December 1, 2022) to the budget committees detailing a reorganization of the agency, including establishing OSFA as a separate independent agency.

The bills also require MHEC to design and implement an application by July 1, 2025, that, on completion, results in the applicant applying for all the centralized scholarship programs under MHEC. The unified scholarship application must be available in multiple languages, be mobile accessible, and include certain components related to the platform. Supplemental Budget No. 5 includes \$8.0 million for MHEC to establish the new unified scholarship application.

Further, the bills require each open meeting of MHEC to be made available to the public through live video streaming. These videos must be made publicly available on the Internet for a minimum of five years. Finally, the bills authorize tax information to be disclosed to MHEC; nevertheless, federal law prohibits the disclosure of federal tax return information to nontax authorities, including MHEC, regardless of any State level exemptions.

Scholarships and Tuition Assistance

Maryland Student Investment Act

The Maryland Student Investment Act, ***House Bill 734 (Ch. 23)*** requires the Governor to include mandated appropriations for several student financial aid programs administered by MHEC and makes policy changes to these programs.

Mandated Appropriations: The Act establishes mandated minimum appropriations for three programs beginning in fiscal 2024, specifically:

- \$112.0 million for the EEA Program. The EEA Program consists of two types of awards for full-time undergraduate students: (1) Guaranteed Access (GA) Grants that are awarded

to the neediest students to ensure that 100% of educational costs are paid; and (2) Educational Assistance Grants that are awarded to low- and moderate-income students to assist in paying educational costs.

- \$4.0 million to the Edward T. Conroy and Jean B. Cryor Scholarship Fund. The fund is for both the Edward T. and Mary A. Conroy Memorial Scholarship Program and the Jean B. Cryor Memorial Scholarship Program. Conroy scholarships are awarded to specified public safety personnel and their eligible dependents to attend an eligible postsecondary institution in the State. Cryor scholarships make the same type of financial assistance available to the child or surviving spouse of a public or nonpublic school employee who, as a result of an act of violence, died in the line of duty or is 100% disabled due to an injury sustained in the line of duty.
- \$400,000 for the James Proctor Scholarship Program, which awards scholarships for tuition and fees to State residents who attend a public HBCU in the State.

In addition, the Act increases the existing mandated appropriation for the Higher Education Outreach and College Access Program – from \$200,000 to \$500,000 annually. The Maryland Higher Education Outreach and College Access Pilot Program provides grants to eligible nonprofit organizations that meet specified requirements.

Educational Excellence Awards Program Changes: Students who meet the requirements for a GA Grant are guaranteed funding; however, if a family’s income increases above the designated total, even if by only a dollar, the student may become ineligible to renew the GA award – this is known as the GA cliff. To address the GA cliff, the Act permits a GA Grant recipient who otherwise becomes ineligible because of a change in family income to continue to receive the full award if the recipient remains eligible to receive a federal Pell Grant. The Act clarifies that MHEC must use the annual family income determination used when the student prequalified for the Next Generation Scholars of Maryland Program when determining GA grant eligibility. The Act also allows the Next Generation Scholars of Maryland Program to continue to provide services to students when they attend an institution of higher education.

Veterans of the Afghanistan and Iraq Conflicts Scholarship: The Act expands eligibility requirements for the Veterans of the Afghanistan and Iraq Conflicts Scholarship to include the stepchildren of specified veterans, active-duty members of the armed services, members of the reserve, or members of the Maryland National Guard.

Near Completer Communication Campaign: A “near completer” is defined as an individual who has completed some college credits but does not have a college degree and is no longer attending an institution of higher education. MHEC, in collaboration with institutions of higher education, must create a statewide communication campaign to identify near completers in the State and encourage near completers to reenroll in an institution of higher education to earn a degree. For the 2022-2023 and 2023-2024 academic years, the Act requires MHEC to focus the work of the near completer communication campaign on near completers who are no longer

attending an institution of higher education because of personal or financial reasons relating to the COVID-19 pandemic.

2+2 Transfer Scholarship: There is a 2+2 Transfer Scholarship for students that earn an associate degree from a community college before entering a public or private nonprofit institution of higher education in the State. To be eligible, a recipient must be Maryland resident, enroll full-time in the fall semester following completion of an associate degree, and have earned a cumulative 2.5 grade point average while at a community college. Further, a recipient must demonstrate financial need. The Act also makes a technical change to the 2+2 Transfer Scholarship by repealing an obsolete definition of “demonstrated financial need” for the scholarship; instead, MHEC must define “demonstrated financial need.”

Other Scholarships

Cybersecurity Public Service Scholarship Program: *Senate Bill 4/House Bill 24 (both passed)* expand the Cybersecurity Public Service Scholarship Program by allowing part-time students to apply under specified circumstances, increasing the number of years an individual may hold an award, and broadening the positions that fulfill work and teaching obligations. The bills also require the Maryland State Department of Education to provide information on the scholarship to certain high school students.

Senatorial and Delegate Scholarships: To qualify for a senatorial or delegate scholarship, an individual must be a resident of Maryland and demonstrate a financial need. A scholarship may be used at any undergraduate, graduate, or professional school in the State or at select in-state private career schools that offer two-year certificate programs that can transfer to a baccalaureate degree. A scholarship may be awarded to an applicant outside of the State if the student is studying in an academic area not available in Maryland. *Senate Bill 79 (passed)*, an emergency bill, allows a senatorial or delegate scholarship to be used at an out-of-state institution when an academic area is not offered at an accredited program in the State. However, the program must be accredited by a national accrediting association approved by the U.S. Department of Education.

Other Tuition Assistance

Returned Peace Corps Volunteers: *Senate Bill 50/House Bill 87 (Chs. 75 and 76)* exempt a returned Peace Corps volunteer domiciled in the State from paying nonresident tuition at a public institution of higher education in Maryland.

Maryland Corps Program: The Maryland Corps Program allows individuals to serve for at least nine months with a nonprofit organization or government agency that has a focus on community or other service, civic engagement, volunteerism, or other activities or experiences with a similar mission. During their service, individuals are eligible for a stipend of up to \$15,000 and, upon successful completion of their service, they are eligible for up to \$6,000, to be used at a public or private nonprofit institution of higher education in the State. *Senate Bill 228 (Ch. 37)* makes significant changes to the Maryland Corps Program, including allowing participants to transition to the workforce (as well as to an institution of higher education). Under the restructured Maryland Corps, in addition to other specified expenses, program funding is to be used to

(1) expand the Chesapeake Conservation Corps and the Maryland Conservation Corps and (2) create a Maryland Civilian Climate Corps and a Maryland Historic Trades Corps. The Maryland Corps Board of Directors is restructured and established as a separate body, with an executive director and authority to hire staff directly. The Act also establishes mandated appropriations to the Maryland Corps Program to provide Maryland Corps participants with stipends of at least \$15 per hour, health insurance benefits, wraparound services such as child care, and scholarships of \$6,000.

Funding for the Maryland Corp Program is significantly enhanced. The fiscal 2023 operating budget, as enacted (specifically Supplemental Budget No. 5), includes \$5.0 million in general funds for the expansion of the Maryland Corps Program as an identified legislative priority – in addition to the \$150,000 for the Maryland Corps Program Fund already included in the budget as introduced. Under [*Senate Bill 228*](#), the Governor must appropriate the following amounts to the Maryland Corps Program Fund: \$5.0 million in fiscal 2024; \$10.0 million in fiscal 2025; \$15.0 million in fiscal 2026; and \$20.0 million in fiscal 2027 and each fiscal year thereafter.

Institutions of Higher Education – General Policies and Procedures

Collective Bargaining

University System of Maryland and Other Institutions of Higher Education: Senate Bill 9 of 2021 (Ch. 1 of the 2021 special session) 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 Act alters the collective bargaining process for State employees and employees of public four-year institutions and BCCC by specifying that good faith requirements include facilitating the meaningful use of a fact finder. 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 of 2021 (Chs. 16 and 27 of the 2021 special session) establishes 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 Act does 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*.

Credit for Prior Learning

House Bill 966 (passed) requires each public institution of higher education, by October 1, 2022, to develop and implement policies and procedures for awarding academic credit for prior learning examinations. Unless the institution provides evidence that a higher score is necessary, an institution must award academic credit for a minimum score of 3 on Advanced Placement (better known as AP) examinations and a minimum score of 50 on the College-Level Examination Program (better known as CLEP) examinations. In addition, the bill requires institutions to determine comparable scores for awarding academic credit for the Cambridge Advanced International Certificate of Education Diploma examination and International Baccalaureate (better known as IB) Diploma Program examination. The bill requires the institutions’ policies and procedures to indicate the manner in which academic credit will be awarded and include procedures related to the transfer of academic credits awarded from prior learning examinations to another public institution of higher education. Additionally, the bill requires each public institution of higher education and MHEC to post the policies and procedures.

Other Policies

Maryland Economic Development Corporation Student Housing: Senate Bill 560/House Bill 385 (both passed) require the Maryland Economic Development Corporation (MEDCO) and an institution of higher education with a MEDCO student housing project to provide specified information to students regarding student housing in an occupancy agreement or when applying for student housing, respectively. The bills require the information to differentiate the implication of a student living in MEDCO student housing compared to an institution-owned residence hall.

Student Athletes: Senate Bill 951/House Bill 515 (both passed) require a governing body of a public institution of higher education and a board of community college trustees to allow a student athlete to modify the athletic or team uniform of the student athlete to make it more modest – so as to conform to (1) the requirements or preferences of the student athlete’s religion or culture or (2) the student athlete’s own preferences for modesty.

University System of Maryland and Constituent Institutions

Sustainable Maryland Program Fund: Senate Bill 14 (passed) codifies the Sustainable Maryland Program and establishes the Sustainable Maryland Program Fund, administered by the University of Maryland Environmental Finance Center. The purpose of the program is to provide research, access to resources, technical assistance, and certification programs for municipalities to increase sustainability, protect environmental well-being, and ensure economic vitality. The purpose of the fund is to expand and enhance Sustainable Maryland’s promotion and support of communities in the State in the effort to realize environmental, economic, and social sustainability. Beginning in fiscal 2024, the Governor must include an annual appropriation of \$500,000 for the fund.

University of Maryland – Institute for Public Leadership: *House Bill 511 (passed)* establishes the Institute for Public Leadership at UMCP, within the School of Public Policy, which must manage the institute according to the policies of the University of Maryland. The bill establishes the purpose of the institute and specifies that \$1.5 million in funding be provided to the institute each year from fiscal 2023 through 2027; however, the fiscal 2023 budget does not include funding for the institute (which is discretionary in that year). Funding in fiscal 2024 through 2027 is mandated.

Universities at Shady Grove Regional Higher Education Center: *House Bill 1446 (passed)* requires the Governor to include a \$5.0 million appropriation in fiscal 2024 for the Universities at Shady Grove Regional Higher Education Center to establish or support workforce development programs at the center. The funding is supplemental and not intended to take the place of funding that otherwise would be appropriated to the center. As noted above, Supplemental Budget No. 5 includes \$5.0 million for the same purpose in fiscal 2023.

University of Maryland, Baltimore Campus: *Senate Bill 589/House Bill 907 (both passed)* authorize, notwithstanding the restrictions on gift solicitation and use of prestige of office under the Maryland Public Ethics Law, an employee of UMB to solicit gifts or proposals for grants for the benefit of the University of Maryland Medical System Corporation in accordance with the UMB policies regarding coordinating fundraising between the university and the University of Maryland Medical System Corporation. For a further discussion of these bills, see the subpart “Ethics” within Part C – State Government of this *90 Day Report*.

St. Mary’s College of Maryland

As established by Chapter 209 of 1992, St. Mary’s College of Maryland (SMCM) receives funding through a block grant formula. To establish a predictable level of funding, the Governor must include, in the annual budget submission, a general fund grant to SMCM. The proposed grant must be equal to the grant of the prior year plus inflation as indicated by the implicit price deflator for State and local government. In addition to the grant, Chapter 420 of 2017 mandated other amounts for SMCM, including for each year in which the State provides a cost-of-living-adjustment (COLA) for State employees, the State must provide to SMCM funds to pay 50% of the increase for State-supported employees of the college. *House Bill 54 (passed)* increases the percentage, from 50% to 100% that the State must provide to SMCM of the COLA wage increase for State-supported employees of SMCM.

Education – Local Bills

Local Boards of Education – Membership and Compensation

Anne Arundel County

Senate Bill 510 (passed) increases the compensation for the members of the Anne Arundel County Board of Education by \$7,000 beginning with their next term of office. Under the bill, the

board president receives \$17,000 annually as compensation, the vice president receives \$16,000, and other board members (except the student member) receive \$15,000.

Baltimore City

Student members of the Baltimore City Board of School Commissioners are selected by the Associated Student Congress of Baltimore City and may vote on all matters before the board except those relating to (1) personnel; (2) capital and operating budgets; (3) school closings, reopenings, and boundaries; (4) collective bargaining decisions; (5) student disciplinary matters; and (6) appeals to the board relating to suspension or dismissal of teachers, principals, and other professional personnel. The student member also may not attend or participate in an executive or special session of the board.

Senate Bill 157/House Bill 433 (both passed) expand the voting rights of the student member of the board to include matters relating to capital and operating budgets; school closings, reopenings, and boundaries; and student disciplinary matters. The student board member remains prohibited from voting on matters relating to personnel and collective bargaining decisions. However, the student board member may attend and participate in an executive session of the board. The bills also alter the selection process for the student member by requiring that the student member be elected by the middle and high school students of the city, in accordance with procedures established by the board in collaboration with the Associated Student Congress of Baltimore City. Finally, the bills establish a task force to study board member compensation and additional student membership.

Baltimore County

The Baltimore County Board of Education is one of four hybrid school boards in the State and consists of four members appointed from the county at large, seven members elected from councilmanic districts and one voting student member who may not vote on matters relating to capital or operating budgets (in addition to other specified areas). **House Bill 192 (passed)** authorizes the student member of the Baltimore County Board of Education to vote on matters relating to capital and operating budgets. The bill also requires each member to complete specified budget training within two months of the member's election or appointment in order to be eligible to vote on budgetary matters. The executive leadership of the Baltimore County Public School System must develop the budget training curriculum by December 31, 2022. The training must focus on the operating and capital budget process of the county board and be facilitated by representatives appointed by the Baltimore County Superintendent of Schools.

Carroll County

Senate Bill 436 (passed) increases the compensation for the members of the Carroll County Board of Education by \$4,000 beginning with their next term of office. Under the bill, the board president receives \$13,000 annually as compensation, and the other voting board members each receive \$12,000 annually.

Frederick County

Senate Bill 952 (passed) establishes an exception to the general requirement that an individual appointed to fill a vacancy on the Frederick County Board of Education serves for the remainder of the term. Under the bill, if a vacancy for an elected member occurs 30 days or less before the candidate registration deadline for the next primary election, the county executive must appoint, subject to confirmation of the county council, a qualified individual to fill the vacancy for the remainder of the term until a successor is elected and qualifies. If a vacancy occurs more than 30 days before the candidate registration deadline for the next primary election following the vacating member's election, the individual appointed serves only until a successor is elected and qualifies at the next general election.

Harford County

The Harford County Board of Education consists of 11 members, including 6 members elected from councilmanic districts, 3 members appointed by the Governor from the county at large, the county school superintendent (who is an *ex officio* nonvoting member), and 1 student member. **House Bill 603 (passed)** eliminates the role of the Governor in appointing members to the Harford County Board of Education. Instead, the bill requires the Harford County Executive to select the appointed members of the Harford County Board of Education, subject to the advice and consent of the Harford County Council by a vote of at least 5 members. In appointing members to the board, the County Executive must ensure, to the extent practicable, that the total makeup of the board reflects the gender, ethnic, and racial diversity of the county. Members appointed to the board following the 2022 election must serve for a term of two years until a successor is appointed and qualifies. Subsequent board members would be appointed following the 2024 presidential election and each presidential election thereafter.

Montgomery

House Bill 243 (passed) alters the amount of the scholarship awarded to a student who completes a full term as a student member of the Montgomery County Board of Education. The scholarship must be applied toward the student's higher education costs. Additionally, the scholarship (1) must be equal to the highest annual resident undergraduate tuition, mandatory fees, and room and board that is charged at a four-year public institution of higher education within the University System of Maryland for the academic year in which the student member serves on the board but (2) may not exceed the amount that an elected member of the board is entitled to receive as compensation in that year. This calculation method established by the bill does not include the costs for the University of Maryland Global Campus or the University of Maryland, Baltimore Campus.

Prince George's County

The Prince George's County Board of Education consists of 14 members, including 9 members elected from the school board districts, 3 members appointed by the county executive, 1 member appointed by the county council, and 1 student member. The county board of education is one of four hybrid school boards in the State consisting of both elected and appointed members.

House Bill 355 (passed) alters the composition of the Prince George’s County Board of Education beginning July 1, 2024, by eliminating the 4 appointed positions from the board, leaving 9 elected positions and the student member. The bill makes other conforming changes, requires the chair and vice chair of the board to be elected from among the members of the board beginning December 5, 2022, and requires that at the beginning of each term, each member must attend an orientation and be provided with materials that clarify the role of the member. The bill also establishes a Workgroup on the Membership and Operation of the Prince George’s County Board of Education staffed by Prince George’s County Public Schools in conjunction with Bowie State University. The workgroup must submit a final report by December 30, 2022.

Local School Board Districts

Following the completion of the 2020 census, two counties redrew boundaries for their school board districts.

House Bill 503 (Ch. 105) modifies the boundaries of two Montgomery County Board of Education residence districts (specifically, District 3 and District 4) for the purpose of changing the district in which the Ken Gar neighborhood is located (from District 4 to District 3).

Senate Bill 444/House Bill 1473 (both passed) adjust the boundaries of the nine school board districts from which nine members of the Prince George’s County Board of Education are elected.

Local Education – Miscellaneous

Senate Bill 55 (passed) expands the authority of the Baltimore County Board of Education to retain counsel by specifying that the board may retain counsel to represent it in *any* legal matter affecting the board, instead of just for legal matters involving disputes with the county government. The bill also allows the board to contract for the payment of a reasonable fee to the counsel. If the board retains counsel, funds for legal counsel must be provided in the annual budget of the board.

Senate Bill 916/House Bill 739 (both passed) establish the Workgroup to Study the Fiscal and Operational Viability of Public-Private Partnerships for Charles County Public Schools. For a full discussion, see the subpart “Primary and Secondary Education” within this part of this 90 Day Report.

House Bill 812 (passed) requires the Montgomery County Board of Education to adopt a data disaggregation policy that (1) applies to any data collection, reports, or internal documentation by the county board and (2) includes a category for each racial and ethnic group that constitutes at least 5% of the students enrolled in the Montgomery County Public School System. The bill also requires the county board to include the impact on each specified racial and ethnic group in any racial disparity comparisons completed by the county board.

Education – Early Childhood/Libraries/Miscellaneous

Libraries

Funding for Regional Resource Centers and Libraries

The State provides per capita funding to libraries designated as resource centers and to regional resource centers. The State also provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. [*Senate Bill 448/House Bill 685 \(both passed\)*](#) increase the per capita funding amount that must be provided to each regional resource center and to each county public library system participating in the State's library program beginning in fiscal 2023. The bills also require each public library to offer at least one of seven specified services beginning on January 1, 2024.

Capital Projects

State funding for county library capital projects is mandated at \$7.5 million annually. State grants for library capital projects may not exceed the eligible capital cost of the project, with a minimum State share of 50% and a maximum State share of 90% based on taxable wealth per capita in each county. [*Senate Bill 847/House Bill 1249 \(both passed\)*](#) increase, for three years, the State share for a county library capital project under certain circumstances. Specifically, a county is eligible for an adjustment to the State share for a library capital project if (1) the county's median household income is in the bottom quartile in the State and (2) the State share for a library capital project in the county is 50%. For a county that meets these criteria and only through June 2025, the local share of a county library capital project must be reduced to equal the local share of the adjacent county that is less than 50% (but closest to 50%). The State share in the affected county must subsequently be increased by the amount necessary to offset the decrease in the local share percentage.

Maryland State Library Board

The Maryland State Library Board is responsible for the general direction and control of library development in the State. The board has 12 members; 7 members are appointed by the Governor to five-year terms and 5 serve *ex officio*. [*Senate Bill 204 \(Ch. 128\)*](#) alters the membership of the Maryland State Library Board by substituting the President of the Congress of Academic Library Directors for the Secretary of Higher Education as an *ex officio* member.

Early Childhood Education

Child Care Capital Support Revolving Loan Fund

The Child Care Scholarship (CCS) Program (formerly known as the Child Care Subsidy Program) is administered by the Division of Early Childhood within the Maryland State Department of Education (MSDE) and provides financial assistance for child care costs to families who meet income eligibility requirements. [*House Bill 993 \(passed\)*](#) establishes a Child Care Capital Support Revolving Loan Fund to provide no-interest loans for capital expenses to child

care providers who participate in the CCS Program, giving priority to certain child care providers, generally those in underserved areas and/or that serve vulnerable populations, as specified. The Governor must include in the annual budget bill an appropriation to the fund of \$15.0 million in fiscal 2023 and \$10 million in fiscal 2024. The Department of Commerce, in consultation with MSDE, must establish application procedures and eligibility criteria for loans from the fund, publicize the availability of loans from the fund, and provide support to child care providers in applying for loans from the fund. Child care providers must repay loans from the fund within five years of receiving a loan, unless they qualify for a specified financial hardship exemption.

Child Care Stabilization Grants

Senate Bill 480/House Bill 89 (both passed) require MSDE, in fiscal 2022 and 2023, to administer child care stabilization grants to provide financial support to child care providers that have faced a financial hardship or suffered an operational burden during the COVID-19 pandemic. MSDE must award grants to child care providers (1) totaling \$50.0 million for the remainder of fiscal 2022 and (2) in the amount provided in the fiscal 2023 operating budget for this purpose. In awarding the grants, MSDE must give preference to child care providers in the following order of priority: (1) providers that have a demonstrated financial hardship that poses significant risk of the provider's business closing within the next 12 months; (2) providers that have not received a stabilization grant in a prior application cycle; (3) providers that participate in the CCS Program; (4) providers located in areas designated by MSDE as lacking child care slots; (5) providers that serve primarily low-income populations in areas of high poverty; (6) providers that serve children with special needs; and (7) providers that serve children ages two and younger.

Child Care Scholarship Program

Under the CCS Program, for each child needing care, the family receives a voucher to purchase child care directly from the provider of their choice that participates in the program. The State pays the subsidy to providers, while the parent pays the required copayment and any remaining balance between the actual rate charged by the provider and the voucher amount. Eligibility for the program and the size of a family's copayment are primarily determined by family income. **Senate Bill 920/House Bill 995 (both passed)** require MSDE to award a subsidy to an individual in an amount sufficient to ensure that an individual will not have to pay a copay for child care if the individual provides proof of (1) participation in one of several specified assistance programs and (2) employment or enrollment in an education or career training program. The bills also require MSDE to establish a process for granting presumptive eligibility for a subsidy under the CCS Program and establishes the Child Care Scholarship Program Presumptive Eligibility Fund for awarding subsidies through presumptive eligibility. Finally, it establishes requirements for MSDE and the Comptroller to process and distribute payments within a specified timeframe and requires MSDE to study and make recommendations on a process to expand access to CCS Program subsidies.

Child Care Provider and Employee Bonuses

House Bill 1100 (passed) requires the Governor to include in the annual budget for fiscal 2023 a \$16.0 million appropriation to MSDE for the purpose of distributing certain bonuses for

specified child care providers and employees. MSDE may also use any other funds to award the bonuses. MSDE must establish a process for awarding bonuses; must award funds under a first-come, first-served basis; and may continue to award bonuses between July 1, 2023, and December 31, 2023, with funds other than the required \$16.0 million. MSDE must receive specified proof of eligibility before distributing certain awards under the bill.

Infant and Early Childhood Mental Health Support Services Program

House Bill 513 (passed) codifies the Infant and Early Childhood Mental Health Support Services Program within MSDE. The program must aid children enrolled in the program by (1) referring children and families in need of intensive mental or behavioral health services to appropriate clinics or programs; (2) training, coaching, and mentoring teachers and caregivers to address challenging behaviors; (3) building partnerships with community resources; (4) working to ensure children have stable, quality child care programs; and (5) awarding grants to carry out the program. If the program is able to serve all of the initially eligible children and has remaining funds, MSDE must consider children who are at least age six and enrolled in kindergarten, first grade, or second grade who may have developmental, social, emotional, or behavioral issues for enrollment in the program. Beginning in fiscal 2024, the Governor must include an appropriation of \$3.0 million in the annual State budget for the program.

Maryland Infants and Toddlers Program

The Infants and Toddlers Program within MSDE provides early intervention services for children with developmental delays and disabilities and their families beginning at birth until the child reaches kindergarten age. Screenings under the program are procedures or activities carried out by, or under the supervision of, the local lead agency or early intervention service provider to identify infants and toddlers suspected of having a disability and in need of early intervention services. **House Bill 664 (passed)** requires a child care program to make information regarding the Infants and Toddlers Program available to the parent or guardian of each child younger than age three at least annually. On request of a parent or guardian, a child care program must also assist with scheduling a time and convenient location for the local lead agency to provide the appropriate screening. MSDE must provide each child care program with information about the Infants and Toddlers Program for the child care program to carry out the requirements of the bill.

Programs for Children

Education Funding for Children in Residential Treatment Centers

In general, local school systems cover the educational costs in a residential treatment center (RTC) for a youth with an individualized education program (IEP) who is approved for a nonpublic special education placement and is admitted to an RTC. However, educational costs during an RTC admission for students with IEPs who are served in public schools are the responsibility of their parents. **House Bill 766 (passed)** authorizes a core service agency, local addictions authority, or local behavioral health authority, subject to the availability of funding in the State budget, to approve funding for a youth's educational costs during an RTC admission for medical or psychiatric purposes. This authorization applies if (1) a youth is screened for voluntary or

involuntary admission to determine whether a less restrictive alternative can be provided and (2) the educational costs for the youth are not otherwise covered under the State and local cost sharing formula for nonpublic placements for students with disabilities.

Therapeutic Child Care Grant Program

Senate Bill 506/House Bill 725 (both passed) establish a Therapeutic Child Care Grant Program within MSDE to provide grants to certain providers that provide specialized child care and early education to children under the age of six years who have delays in development, physical disabilities, or delays in social, emotional, or behavioral functioning. The bills require providers who received grants to report information about the services provided to MSDE by December 1, 2022, and December 1, 2023, and MSDE must compile and report on the information on or before December 30, 2022, and December 30, 2023. The Governor is required to appropriate \$3,700,000 to the program in fiscal 2023 through 2025, and MSDE is required to distribute the funds to providers in specified amounts.

Maryland Consortium on Coordinated Community Supports

Chapter 36 of 2021, which implemented the Blueprint for Maryland's Future, established the Maryland Consortium on Coordinated Community Supports (the Consortium) within the Maryland Community Health Resources Commission (MCHRC). **Senate Bill 802 (passed)** increases, from two to four, the number of additional staff that must be added to MCHRC to staff the Consortium. The bill also alters the terms of the members of the Consortium. A memorandum of understanding must be entered into by the Consortium, MCHRC, and the National Center for School Mental Health (NCSMH) regarding provision of technical assistance by NCSMH. The bill also transfers the responsibility for administering the Coordinated Community Supports Partnership (CCSP) Fund from MSDE to MCHRC. The amount that the Governor must appropriate annually to the CCSP Fund is increased by \$10 million in each of fiscal 2024 and 2025 and by \$5 million annually thereafter.

Baltimore City Young Readers Program

In fiscal 2016, the Governor's Office for Children implemented the Governor's Young Readers Program in Baltimore City with funds from the Children's Cabinet Interagency Fund. The program is a partnership between the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS), the Banneker-Douglass Museum Foundation, and Dolly Parton's Imagination Library to mail a free book each month to all children up to the age of five in Baltimore City, regardless of family income. **Senate Bill 438/House Bill 383 (both passed)** codify the Baltimore City Young Readers Program in GOCPYVS and mandate annual funding of \$200,000 for the program beginning in fiscal 2024. The purpose of the program is to work with an "early reader organization" to mail free, high-quality books to children in Baltimore City. The bills also establish the Young Readers Matching Grant Program to provide matching grants to an "affiliated service" to support the establishment and operation of the affiliated service; the Governor must include \$250,000 in the annual budget bill for the matching program beginning in fiscal 2024.

Maryland Senator Edward J. Kasemeyer College Investment Plan

The Maryland 529 Board operates two qualified tuition plans: a prepaid plan and an investment plan. State income tax deductions are available independently for both plans, generally for up to \$2,500 per year per beneficiary. Investment accounts established after December 31, 2016, are also eligible for a State matching contribution under specified conditions. ***Senate Bill 411/House Bill 444 (both passed)*** require that the account holder of an Edward J. Kasemeyer College Investment Plan be at least 18 years old to qualify for a State matching contribution for applications filed on or after January 1, 2022.

Maryland School for the Deaf

House Bill 374 (passed) specifies that professional personnel and staff employed by the Maryland School for the Deaf are in the professional and skilled services in the State Personnel Management System. For a more detailed discussion of this issue, see the subpart “Personnel” within Part C – State Government of this *90 Day Report*.

Career and Technical Education Committee

Chapter 36 of 2021 created the Career and Technical Education (CTE) Committee as a unit within the Governor’s Workforce Development Board (GWDB). The purpose of the committee is to build an integrated, globally competitive framework for providing CTE to Maryland students in public schools, postsecondary institutions, and the workforce. ***Senate Bill 478 (passed)*** makes the CTE Committee an independent unit within the Maryland Department of Labor instead of within GWDB. It also requires that the CTE Committee (1) include representatives of skilled trade organizations and career colleges; (2) encompass skilled trade organizations and career colleges among the representatives brought together to ensure programs are aligned with the State’s economic development and workforce goals and operate with best global practices; and (3) develop a list of skilled trade organization and career college programs and share the list with guidance counselors and public schools for distribution to students. The CTE Committee may create advisory structures to ensure essential input from skilled trade organizations and career colleges to meet these requirements. The bill also repeals the statutory limit of six CTE Committee members jointly appointed by the Governor, the President of the Senate, and the Speaker of the House of Delegates; thus, under the bill the CTE Committee does not have a set number of members. It also repeals a requirement that members of the CTE Committee also be members of GWDB.

Bus Driver Wages

School systems throughout the State have experienced challenges with maintaining a stable and sufficient workforce of bus drivers to serve primary and secondary students in the State. State law generally does not regulate wages paid to school bus drivers. ***House Bill 753 (passed)*** requires GWDB to evaluate and report on the possibility of paying higher wages to school bus drivers in the State. The report must be completed by September 1, 2022, and must consider regional variation in wages paid to bus drivers in the State.

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