



THE 90 DAY REPORT

A Review of the
2023 Legislative Session



Department of Legislative Services
Maryland General Assembly

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

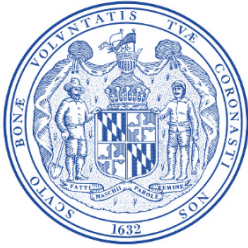
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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

April 14, 2023

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

President Ferguson, Speaker Jones, and Members:

We are pleased to present you with *The 90 Day Report – A Review of the 2023 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 that 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 all of you as well as for members of the public. The department's report on the fiscal effects of legislation from the 2023 session will be issued after the Governor has taken final action on all bills.

Sincerely,

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Contents

Major Issues List – 2023 Session	ix
Part A – Budget and State Aid	A-1
Operating Budget	A-1
Selected Budgetary Initiatives and Enhancements	A-19
By the Numbers	A-25
Capital Budget	A-33
State Aid to Local Governments	A-59
Part B – Taxes	B-1
Property Tax	B-1
Income Tax	B-6
Sales Tax	B-11
Miscellaneous Taxes	B-12
Part C – State Government	C-1
State Agencies, Offices, and Officials/Regulations	C-1
Elections	C-10
Ethics	C-13
Procurement	C-14
Personnel	C-18
Pensions and Retirement	C-20
General Assembly	C-23
Information Technology/Cybersecurity	C-27
Part D – Local Government	D-1
Local Government – Generally	D-1
Bi-county Agencies	D-4

Part E – Crimes, Corrections, and Public Safety	E-1
Criminal Law	E-1
Criminal Procedure	E-5
Juvenile Law	E-10
Public Safety and Corrections.....	E-12
Part F – Courts and Civil Proceedings	F-1
Judges and Court Administration.....	F-1
Civil Actions and Procedures.....	F-2
Family Law	F-6
Human Relations.....	F-8
Real Property	F-10
Estates and Trusts	F-15
Part G – Transportation and Motor Vehicles	G-1
Transportation	G-1
Motor Vehicles.....	G-4
Part H – Business and Economic Issues	H-1
Business Occupations	H-1
Business Regulations	H-4
Public Service Companies	H-5
Insurance (Other Than Health Insurance).....	H-12
Horse Racing and Gaming	H-13
Economic Development.....	H-15
Housing and Community Development.....	H-22
Workers’ Compensation	H-25
Unemployment Insurance	H-26
Labor and Industry	H-27
Statewide Alcoholic Beverages	H-30
Local Alcoholic Beverages	H-31
Cannabis Regulation	H-36
Part I – Financial Institutions, Commercial Law, and Corporations	I-1
Financial Institutions.....	I-1
Commercial Law – Generally	I-2
Commercial Law – Consumer Protection.....	I-3
Corporations and Associations	I-4

Part J – Health and Human Services	J-1
Public Health – Generally	J-1
Health Occupations	J-12
Health Care Facilities and Regulations	J-20
Health Insurance	J-23
Social Services	J-28
Other Social and Human Services	J-30
Part K – Natural Resources, Environment, and Agriculture	K-1
Natural Resources	K-1
Hunting and Fishing.....	K-8
Environment and Energy	K-13
Agriculture	K-20
Part L – Education.....	L-1
Education – Primary and Secondary.....	L-1
Higher Education	L-11
Education – Local Bills.....	L-30
Education – Early Childhood/Libraries/Miscellaneous	L-33

Major Issues – 2023 Session

- Budget and Taxes..... A-1, B-1
 - Use of Budget Surplus A-2, A-17, A-33
 - Earned Income Tax Credit/Child Tax Credit.....B-6, B-7
 - Income Tax – Military Retirement IncomeB-7

- Business, Labor, and Housing..... H-1
 - Cannabis Regulation B-11, H-36, J-3
 - Fair Wage Act H-28
 - Family and Medical Leave Program Modifications H-27

- Civil Actions..... F-1
 - Civil Actions for Child Sexual Abuse (Child Victims Act) F-2

- Criminal Justice and Public SafetyE-1
 - Wearing, Carrying, and Transporting Firearms E-3, E-12
 - Attorney General – Investigations/Prosecutorial AuthorityE-6, E-16

- EducationL-1
 - Educator Shortage Act L-4, L-20, L-36
 - Virtual EducationL-6

- Environment, Energy, and Natural Resources K-1
 - Clean Transportation..... K-15
 - Promoting Offshore Wind Energy Resources Act..... C-17, H-5, K-13
 - Energy Efficiency/EmPOWER Maryland H-6, K-14
 - Forest Conservation K-1

- Health.....J-1
 - Right to Reproductive Freedom.....J-1
 - Other Reproductive Health LegislationJ-1, J-2

- State/Local GovernmentC-1
 - Service Year Option Program..... C-1, L-17
 - State Employee Recruitment and Retention C-23, L-22
 - Maryland 529 Program C-2, L-14
 - Elections – Mail-in Voting and Election DatesC-10, C-11

- Transportation G-1
 - Maryland Transit Administration Fare Price Requirements G-2

Part A

Budget and State Aid

Operating Budget

Overview

Higher than anticipated revenues continued to place the State in a strong fiscal position going in to the 2023 session. Cooperation between the Legislative and Executive branches was a theme that carried throughout the session, as the General Assembly sought to exercise its new constitutional authority to add to the executive budget. Recognizing that the sizable general fund balance was partially dependent on unreliable revenue sources and acknowledging the potential risks of high inflation and a possible recession, spending by both the Administration and the legislature during the 2023 session was focused on strategic investments in improving State services and the State workforce, capital infrastructure, and mitigating future demands on the general fund.

Governor Wes Moore introduced a fiscal 2024 budget that provided 4.3% general fund growth while maintaining a Revenue Stabilization Account (Rainy Day Fund) balance equal to 10% of general fund revenues. As part of his fiscal plan, the Governor proposed modest tax relief legislation and placed an emphasis on revitalizing the State employee workforce, investments in transportation and education, and a commitment to service. At the 2023 session, the legislature passed nearly \$206 million in tax relief for fiscal 2024 along with other legislation that reflected legislative priorities. The fiscal 2024 budget provides \$1.2 billion in capital investments, saves \$900 million to meet future commitments to implementing education reform, fulfills all mandates, and provides State employees with over \$1.0 billion in compensation enhancements. Final action on the budget leaves an estimated general fund cash balance of \$357 million at the end of fiscal 2024, in addition to \$2.5 billion in the Rainy Day Fund. The legislature once again met all the recommendations of the Spending Affordability Committee (SAC).

Budget in Brief

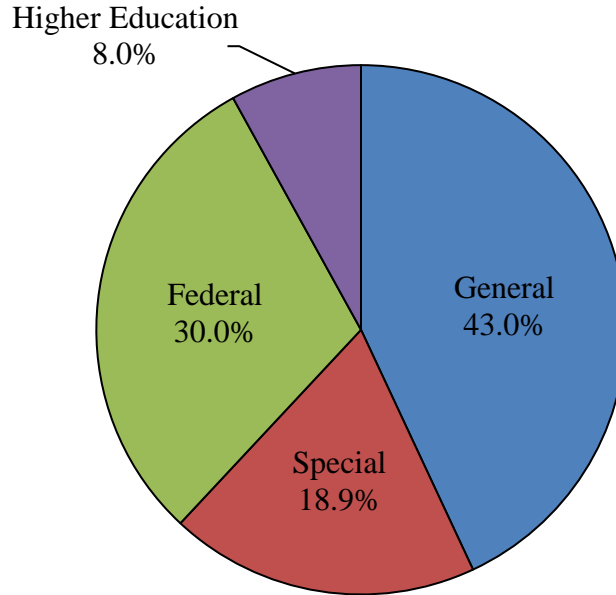
House Bill 200 (passed) provides approximately \$63.1 billion in appropriations for fiscal 2024 – a decrease of approximately \$934.3 million (1.5%) from fiscal 2023, after accounting for a net \$2.3 billion in fiscal 2023 deficiency appropriations and an additional \$482 million in spending added across both years by supplemental budgets. **Exhibit A-1.1** illustrates fiscal 2024 spending by fund source and purpose. General funds constitute the largest portion of the State budget, accounting for 43%, or \$27.1 billion, of the total fiscal 2024 legislative appropriation. Federal funds continue to account for approximately 30% of all spending despite a \$1.8 billion reduction in appropriated funds. Increased use of funds from the Blueprint for Maryland’s Future Fund to support K-12 education enhancements is a significant contributor to the nearly 3 percentage point increase in the proportion of the budget supported by special funds (18.9%). Higher education revenues provide the remaining 8.0% of the budget. State agency operations constitute the largest area of spending, accounting for 42.2% of the total budget, followed by entitlements (26.6%) and aid to local governments (18.3%). 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 decrease by \$886.4 million, or 3.2%, when compared to the fiscal 2023 adjusted working appropriation. The net reduction is driven by comparatively less cash available than in the current fiscal year, thus resulting in nearly \$1.1 billion less in spending for general fund PAYGO to support capital projects that would otherwise be funded through GO bonds and \$1.3 billion less appropriated to the State Reserve Fund accounts. Despite these significant decreases, general fund support for State agencies grows by \$791.5 million (7.9%), largely reflective of significant investments in personnel in an effort to revamp the State employee workforce through compensation enhancements and the addition of 735 positions, along with growth in provider rate increases for health care and other service providers, investments in behavioral health infrastructure, and the creation of two new executive agencies. Funding for the Medical Assistance Program (Medicaid) and other entitlements increases by nearly \$493 million, or 10.2%, primarily due to the need to backfill for loss of enhanced federal funds during the COVID-19 pandemic. Aid to local governments grows by \$248.8 million, or 3.1%, to fund statutory education formulas, increases for community colleges, and growth in disparity grant funding. 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 this *90 Day Report*.

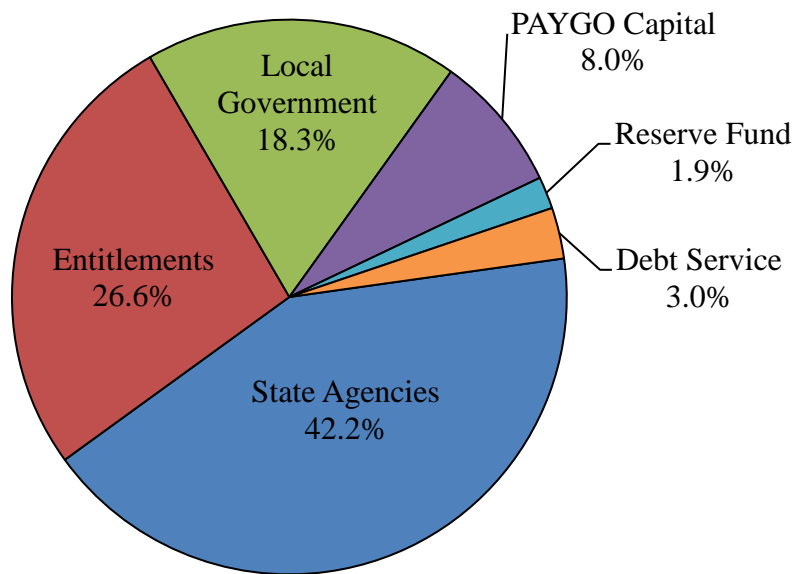
Special fund spending increases by nearly \$1.9 billion, or 18.7%, compared to the fiscal 2023 working appropriation. The increased use of special funds from the Blueprint for Maryland’s Future Fund used to support education aid programs accounts for over \$620 million of the increase. Funding for the transportation program increases by nearly \$600 million, split between the operating and capital programs. Approximately one-third of the special fund growth reflects increases to nontransportation special fund PAYGO, including additional transfer tax revenues for environmental PAYGO projects and the availability of \$310 million from the Fiscal Responsibility Fund to support K-12 and higher education capital spending.

Exhibit A-1.1
Maryland’s \$63.1 Billion Fiscal 2024 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

Federal fund spending reflected in the budget decreases by a net \$1.8 billion, or 8.7%, with reductions to federal support of entitlement programs accounting for nearly 91% of the decrease. The end of the federal enhanced Medicaid match provided during the COVID-19 pandemic and subsequent anticipated enrollment decline due to the redetermination process that will occur over the fiscal year is the primary driver of the \$1.6 billion in reduced federal entitlement spending in fiscal 2024. The \$431 million decrease in assistance payments is largely driven by the Pandemic Electronic Benefit Transfer benefits, which are not budgeted in fiscal 2024, and a lower benefit due to the end of enhanced pandemic benefits through the Supplemental Nutrition Assistance Program (SNAP). Approximately \$100 million is budgeted across fiscal 2023 and 2024 from the federal Infrastructure Investment and Jobs Act (IIJA), although the State anticipates receiving over \$8.0 billion through the legislation over the next five years. The transportation capital program accounts for more than \$6.7 billion of the spending between fiscal 2023 and 2028, including \$1.4 billion in enhancements; however, the majority of the spending is expected to occur in the out-years of the forecast. At the time of writing, anticipated State funds through the federal Inflation Reduction Act are indeterminate; as such, the fiscal 2024 budget does not acknowledge any funding enhancements available through that legislation.

Current unrestricted and current restricted funding for State public four-year institutions and Baltimore City Community College in the fiscal 2024 budget totals \$7.4 billion. This reflects a net increase of \$194.2 million compared to the fiscal 2023 working appropriation, largely the result of an increase in State funding related to general salary increases. General fund support increases by \$291.6 million, or 14.2%, over fiscal 2023, and the budget assumes in-state tuition rates will rise by 2%.

With respect to personnel, the size of the regular State workforce increases by 735 positions to 82,582 regular positions in fiscal 2024. The budget provides most State employees a 2% cost-of-living adjustment (COLA) and increments effective July 1, 2023. Law enforcement union members are provided with a 5% COLA and increments effective July 1, 2023. For a more detailed discussion of personnel and employee compensation issues, see the subpart “Personnel” within this Part A of this *90 Day Report*.

Framing the Session: 2022 Interim Activity

Fiscal 2022 closed with another year of extraordinary revenue generation, as shown in **Exhibit A-1.2**, with final general fund revenues exceeding estimates by nearly \$1.6 billion, or 7%. Although three of the four major revenue sources overperformed, personal income tax revenues accounted for nearly two-thirds of the total overattainment, particularly nonwithholding income tax revenues from capital gains. The Board of Revenue Estimates (BRE) attributed the elevated revenues to the unprecedented federal stimulus funding provided in response to the COVID-19 pandemic and higher inflation leading to increased sales and use tax revenues. State agencies also contributed to the higher than anticipated closing balance by reverting nearly \$200 million at the close of the fiscal year.

Exhibit A-1.2
Fiscal 2022 Closeout
(\$ in Millions)

	<u>2022</u>
Estimated Closing Balance – End of 2022 Session	\$4,604
Revenue and Transfers	
Revenues Above Estimate	\$1,570
Transfers to Other Funds	-875
Spending	
Reversions Above Estimate	200
Estimated Closing Balance – December 2022	\$5,499

Source: Department of Legislative Services

Fiscal 2022 closeout was the first year of implementation for the revenue volatility cap calculation designed to protect the State against heavy reliance on nonwage revenue sources that can fluctuate significantly from year to year. Over \$870 million in nonwithholding overattainment in fiscal 2022 was redirected according to the statutory distributions detailed in **Exhibit A-1.3**. The additional \$500 million distribution to the Rainy Day Fund increased the fiscal 2022 balance to approximately 7% of general fund revenues and provided an additional \$310 million in supplemental PAYGO funding in fiscal 2024.

Exhibit A-1.3
Revenue Volatility Cap Implementation Distributions
Fiscal 2022
(\$ in Millions)

	<u>Amount</u>
Overattainment of Nonwithholding Income Tax Revenues	\$870.3
Distributions	
Set Aside for 4.5% Fiscal 2023 COLA for AFSCME Union Members	\$60.0
Rainy Day Fund Balance to 6% of General Fund Revenues	190.2
Remaining Balance Distributed 50% to Rainy Day Fund; 50% to FRF	
Rainy Day Fund	310.0
FRF Allocation to Support Education-related PAYGO	310.0

AFSCME: American Federation of State, County, and Municipal Employees

COLA: cost-of-living adjustment

FRF: Fiscal Responsibility Fund

PAYGO: pay-as-you-go

Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Services

SAC Recommendations

As described below, SAC's December 2022 report to the Governor made recommendations concerning the fiscal 2024 spending limit, use of fund balances, State employment, and the Transportation Trust Fund (TTF).

Spending Limit and Sustainability: Unprecedented levels of federal aid and stronger than anticipated revenues continued to put the State in a better than anticipated fiscal position going into the 2023 session, but the potential for a recession and a diminishing structural balance in the out-years remained of concern. As a result, the committee recommended that a \$100 million structural surplus be maintained in fiscal 2024 to allow for significant investment in State services and the State workforce while safeguarding against future uncertainty.

Fund Balances and Use of Surplus: The availability of significant cash surpluses after assuming a 10% balance in the Rainy Day Fund presented the opportunity for the State to continue to invest resources toward unmet needs and priorities; however, recognizing that the surplus was largely the result of an historically unreliable revenue source and the potential for an economic downturn, SAC recommended that a minimum balance of \$350 million be retained in the General Fund at the close of fiscal 2024 and that a balance equal to 10% of general fund revenues

be retained in the Rainy Day Fund. Any remaining surplus funds should largely be directed toward one-time spending on capital infrastructure and one-time investments in the State workforce, education, and transportation needs.

Personnel: Historically high vacancy rates and understaffing for critical classes of positions despite recent salary increases led SAC to recommend that the Administration restaff and adequately fund State government.

Transportation: Chapters 27 and 563 of 2022 expanded the required annual SAC recommendations to include a recommended fund balance for TTF and a recommended minimum expenditure level for system preservation by the Maryland Department of Transportation (MDOT). The 2022 interim report was the first year of including such recommendations. With MDOT having identified a 10-year shortfall of nearly \$4 billion between programmed spending for state of good repair and needed spending, SAC recommended a target fiscal 2024 closing balance of \$200 million and that system preservation funding total at least \$1.2 billion.

Governor’s Spending Plan as Introduced

As introduced, the Governor’s budget plan for the current fiscal year assumed \$64.1 billion in total spending, including \$28.2 billion in general funds, which left an estimated closing general fund balance of \$2.3 billion in fiscal 2023. This spending included a net \$2.3 billion in deficiency appropriations, including \$2.0 billion in federal funds reflecting additional stimulus aid along with funding for SNAP assistance and other entitlement programs. General fund deficiencies added a net \$186.1 million to the working appropriation, with added funding for debt service, general fund support for entitlements, employee salary increases, and costs associated with the implementation of legislation largely offset by nearly \$690 million in general fund savings associated with the continuation of the enhanced Medicaid match through fiscal 2023.

The fiscal 2024 budget plan proposed \$62.9 billion in total spending, reflecting a nearly \$1.1 billion (1.8%) decrease from the fiscal 2023 spending plan. General fund spending declined by more than \$1.2 billion, or 4.4%, largely due to the one-time \$2.3 billion appropriation to the Rainy Day Fund in fiscal 2023 that was not provided in the allowance. With the Rainy Day Fund balance maintained at 10% of general fund revenues in fiscal 2024, **House Bill 202 (passed)**, the Budget Reconciliation and Financing Act (BRFA), included a provision to eliminate the required fiscal 2024 appropriation. The Governor’s budget plan redirected \$1.0 billion of the statutory appropriation to the Rainy Day Fund to instead be earmarked to support \$500 million in future education costs funded through the Blueprint for Maryland’s Future Fund and \$500 million for investments in transportation capital projects. The remaining \$61.4 million of the required appropriation was contingently reduced and accounted for in the Administration’s projected closing fund balance. Funding for K-12 education increased by over \$700 million in the allowance, attributable to an unexpected surge in the number of students qualifying for free and reduced-price meals (FRPM).

The Administration’s legislative package proposed to have a net impact of \$204 million in reduced general fund revenue and \$243.6 million in increased general fund spending, with the

most significant expense associated with accelerating planned rate increases for health care providers to align with an accelerated implementation of a \$15 minimum wage. Modest targeted tax relief consisted of two pieces of legislation proposing to exempt additional military retirement income from the income tax, establish a more robust child tax credit, and remove the sunset on temporary enhancements to the earned income tax credit enacted at the 2021 session and scheduled to terminate after fiscal 2023. The combined \$204 million in lost revenues in fiscal 2024 was estimated to reach \$230 million by fiscal 2028.

The budget, as introduced, met all the SAC spending goals by providing an \$820 million closing general fund balance and the equivalent of 10% of general fund revenues in the Rainy Day Fund. The Governor's allowance also maintained structural balance by leaving an estimated surplus of \$337 million. **Exhibit A-1.4** details the Governor's original general fund spending plan for fiscal 2023 and 2024.

Exhibit A-1.4
Governor's Original Budget Plan – General Funds
Fiscal 2023-2024
(\$ in Millions)

	<u>2023</u>	<u>2024</u>
Opening Balance	\$5,499	\$2,316
BRE Revenues (adjusted for Revenue Volatility Cap)	\$24,539	\$25,090
Transfer from the Rainy Day Fund	1,166	479
Chapter 33 of 2022 – Blueprint for Maryland's Future Fund Distribution	-800	
Earned Income and Child Tax Credits (<i>House Bill 547/ Senate Bill 552 (both passed)</i>)		-171
Military Retirement Income Tax Exemption (<i>House Bill 554/Senate Bill 553 (both passed)</i>)		-33
Additional Revenues	92	89
Subtotal	\$24,997	\$25,454
Appropriations/Deficiencies	\$28,351	\$26,750
Contingent Appropriations		305
Contingent Reductions		-62
Reversions	-171	-45
Subtotal	\$28,181	\$26,949
Adjusted Closing Balance	\$2,316	\$820

BRE: Board of Revenue Estimates

Source: Maryland Budget Highlights, Fiscal 2024

Legislative Consideration of the Budget

The 2023 session and legislative consideration of the fiscal 2024 budget was historic in being the first budget since 1915, following approval of a constitutional amendment in November 2020, that allowed the legislature to directly increase appropriations for Executive Branch agencies. With a new Administration in place, the legislature opted to implement its new authority by working closely with the Governor on its priorities. **Exhibit A-1.5** summarizes final legislative action on the fiscal 2023 and 2024 budgets, which included submission of two supplemental budgets from the Administration, a revenue write-down, consideration of budget reconciliation and other legislation, and the implementation of the new process for reflecting legislative priorities. The sum of these actions leaves an estimated closing general fund balance of nearly \$2.4 billion in fiscal 2023 and \$357 million in fiscal 2024.

Exhibit A-1.5 Final Legislative Budget Action – General Funds Fiscal 2023-2024 (\$ in Millions)

	<u>2023</u>	<u>2024</u>
Opening Balance	\$5,499	\$2,400
BRE Revenues (adjusted for Revenue Volatility Cap and March 2023 revision)	\$24,462	\$24,690
Transfer from the Rainy Day Fund	1,166	479
Chapter 33 of 2022 – Blueprint for Maryland’s Future Fund Distribution	-800	
Tax Relief		-206
Additional Revenues/Other Legislation	92	133
Subtotal	\$24,919	\$25,096
Appropriations/Deficiencies	\$28,351	\$27,056
Supplemental Budgets	-7	194
Legislative Additions		1,128
Legislative Reductions	-148	-1,193
Reversions	-179	-46
Subtotal	\$28,018	\$27,139
Adjusted Closing Balance	\$2,400	\$357

BRE: Board of Revenue Estimate

Source: Department of Legislative Services

Legislative initiatives enacted during the 2023 session had a modest impact on fiscal 2024 general fund revenues. Modifications to the Administration’s tax relief package result in a reduction in general fund revenues of approximately \$184 million in fiscal 2024, with additional

legislation passed by the General Assembly providing select income tax credits further reducing revenues by \$22.2 million. Additionally, *House Bill 556/Senate Bill 516 (both passed)* are anticipated to generate approximately \$16.4 million in additional revenue through application of the sales and use tax on recreational cannabis. *House Bill 824 (passed)* is also expected to generate nearly \$5.3 million in additional revenue in fiscal 2024 from increased handgun permit fees.

Following submission of the budget in January 2023, the Governor submitted two supplemental budgets, summarized in **Exhibit A-1.6**, which added a net of just over \$500 million across the current and budgeted fiscal years, including a net \$187.0 million in general fund spending.

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

Supplemental Budget	General Funds	Special Funds	Federal Funds	Reimbursable Funds	Total
No. 1	\$0.03	-\$41.8	\$11.4	\$1.1	-\$29.3
No. 2	187.0	112.0	213.6	19.0	531.6
Total	\$187.0	\$70.2	\$225.0	\$20.1	\$502.3

Source: Department of Legislative Services

Supplemental Budget No. 1 had minimal overall impact, adding slightly more than \$30,000 in general funds and a net reduction in spending totaling \$29.3 million. The supplemental budget was largely needed to correct formulaic errors in the disparity grant and select education aid formulas impacted by revised net taxable income data. Supplemental Budget No. 2, with the provision of \$531.6 million in total spending and 271 new positions, was more reflective of the Administration further crafting funding initiatives supported by the Governor and supporting policy issues identified by the legislature during the course of the session, including the provision of \$32 million in general fund PAYGO for nonprofit organizations with capital needs, nearly \$70 million in additional salary increases for State employees, the realignment of funding for the Maryland Corps Program to the newly established Department of Service and Civic Innovation, and the relocation of the Maryland 529 program to the State Treasurer's Office.

BRE revised its fiscal 2023 and 2024 general fund revenue estimates in March 2023. In response to continued concerns regarding a potential recession and a faster than anticipated slowing of Maryland's economy and revenues, BRE revised the revenue estimates downward by a combined \$477.6 million across the two fiscal years. In recognition of this write-down, the Administration included \$39.3 million in general fund reductions in the submission of Supplemental Budget No. 2, and legislative actions resulted in \$147.5 million in general fund

reductions to the working appropriation and nearly \$1.5 billion in total fund reductions to the fiscal 2024 budget, of which \$1.2 billion was general funds.

Legislative Priorities

As shown in **Exhibit A-1.7**, the legislature reallocated more than \$1.1 billion to directly fund legislative priorities across the State in fiscal 2024. This included nearly \$385 million in general fund PAYGO spending for capital projects, including \$232.1 million shifted from the capital budget to create additional GO bond capacity for legislative priorities. The legislature also repurposed \$400 million of the \$500 million earmarked to fund future transportation projects to instead cover implementation costs associated with education reform. Actions in the budget continue to provide MDOT with \$100 million in set aside funds, plus the authority to utilize \$100 million in Rainy Day Fund balance, to support environmental studies and required State matches on federally funded projects. Approximately \$97.5 million of the \$1.1 billion in general fund additions is allocated to fund legislation enacted during the 2023 session. In response to concerns regarding shortfalls in funding used to support the State’s emergency services network and trauma centers, the budget also provides \$25.5 million in one-time general fund support to the Maryland Emergency Medical System Operations Fund and \$9.5 million in assistance specifically for trauma centers, while the commission established through *Senate Bill 493/House Bill 675 (both passed)* explores the adequacy of current funding sources.

Exhibit A-1.7
Legislative Budget Priorities
 (\$ in Millions)

General Funds

<u>Purpose</u>	<u>Total</u>
Increase Balance in Blueprint Fund	\$400.0
PAYGO Capital for Healthy School Facilities, Public School Construction Fund, and Court of Appeals – Shifted from General Obligation Bonds	232.1
PAYGO Capital Projects	152.7
Funds for Environmental Studies (Red Line and Southern Maryland Rapid Transit) and for State Match on Federal Transportation Funding Opportunities	100.0
Cannabis Business Assistance Fund	40.0
General Fund Support for the Maryland Emergency Medical System Operations Fund	25.5
Provision of a \$600 Match to Employees Participating in the State Supplemental Retirement Plan under Certain Circumstances	12.0
Teacher Development and Retention Fund	10.0
Grant to Baltimore City to Assist with K-12 Local Share Requirement	10.0
Funds to Assist Trauma Centers Experiencing Financial Challenges	9.5
Eliminate Senior Care Waitlist	8.5

<u>Purpose</u>	<u>Total</u>
Treasurer to Administer Maryland 529 and to Complete IT Upgrade	8.5
Shift Portion of Board of Nursing Costs to General Fund	8.0
Grant to Community Preservation Trust	7.9
MARBIDCO to Enhance Loan Programs	6.0
Additional Funds for End Waitlist Initiative	6.0
Comptroller for IT Upgrades	5.3
Immigration Resettlement Funding	5.0
Family Planning Grants and Medicaid Reimbursement Rates for Abortion Services	5.0
Hoffman Loan Assistance – Grasmick Teacher Award	5.0
Maryland Legal Services Corporation for Access to Counsel	3.6
Funds to Implement State’s Alzheimer’s Plan	3.5
Maryland Loan Assistance Program for Police Officers	3.5
Nonpublic Placements – Teacher Compensation Costs	3.0
Maryland Meals for Achievement In-classroom Breakfasts	2.3
Social Equity Partnership Grant Program	2.0
Department of Housing and Community Development for Emergency Rental Assistance	2.0
Equitech Growth Fund	2.0
Grant Upton Planning Committee for Parren J. Mitchell House	1.5
Grant to University of Baltimore’s Schaefer Center	1.5
UMD Medicine – Rural Residency Program to Address Primary Care Provider Shortage	1.5
Comptroller for Reclassification of Attorney Positions	1.3
Grant to Northbay	1.3
University of Maryland Eastern Shore to Match Federal Grants	1.2
Maryland Agricultural Fair Board for Full Funding of Fair and Show Grant	1.1
Grant to Water’s Edge	1.0
Grant to Olney Theatre Center	1.0
Prince George’s County Emergency Seniors Rental Assistance Fund	1.0
Grant to Roca for Expansion Around the State	1.0
Maryland Coalition Against Sexual Assault to Support Community Rape Crisis Centers	1.0
Grant to Maryland Network Against Domestic Violence	1.0
Grant to Strengthening Humanities in Nonprofit Equity	1.0
Maryland Center for History and Culture	1.0
Scholarships under the Pilot Program for Human Services Careers Scholarship	1.0
Maryland Public Television to Produce New Programming	1.0
Grant to Cal Ripken Senior Foundation for STEM Initiative	1.0
Prescription Drug Affordability Board	1.0
University of Maryland Global Campus – Scholarship Program	1.0
Grant to Sister States of Maryland to Explore Cultural Linkage Program	1.0
Grant to Maryland Alliance of Boys and Girls Clubs	1.0

<u>Purpose</u>	<u>Total</u>
Other Priorities under \$1.0 Million	25.2
Total General Fund Additions	\$1,128.2

Special Funds

Repairs to Natural Gas Infrastructure Funded from Washington Gas Settlement	\$9.3
Nonpublic Schools for Security, School Nurses, other Health Services, and Textbooks	2.5
Blueprint Coordinators	2.0
BOOST	1.0
Critical Infrastructure Cybersecurity Act – Public Service Commission	0.4
Total Special Fund Additions	\$15.2

BOOST: Broadening Options and Opportunities for Students Today

IT: information technology

MARBIDCO: Maryland’s Agricultural and Resource-Based Industry Development Corporation

PAYGO: pay-as-you-go

STEM: science, technology, engineering, and mathematics

UMD: University of Maryland

Source: Department of Legislative Services

Final Actions Related to SAC

Maintaining Structural Balance: SAC had recommended that the fiscal 2024 general fund budget provide a closing structural surplus of \$100 million. Final revenue and spending actions by the General Assembly resulted in a structural surplus of \$146 million in fiscal 2024. **The structural budget goal for fiscal 2024 was met.**

General Fund and State Reserve Fund Balances: Per the recommendation to maintain a fiscal 2024 cash balance of at least \$350 million, a minimum of 10% balance in the Rainy Day Fund, and direct the use of cash surplus toward one-time investments in capital infrastructure, education, and transportation, legislative action resulted in (1) an estimated closing fund balance of \$357 million; (2) an estimated Rainy Day Fund balance of \$2.5 billion, or 10%, of estimated general fund revenues compared to the December 2022 revenue estimate; and (3) allocated over \$1.2 billion in general fund PAYGO toward capital investments, \$900 million toward future education reform implementation costs, and \$100 million toward transportation needs. **Final action on the fiscal 2024 budget met the SAC recommendation to maintain at least a \$350.0 million general fund balance in addition to a balance in the Rainy Day Fund of 10% 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 \$929 million for the following salary actions:

- a 2% COLA effective July 1, 2023, and increments for most State employees;
- a 5% COLA and increments for employees represented by the State Law Enforcement Officers Labor Alliance effective July 1, 2023; and
- funding for annual salary reviews (ASR) that increased salaries for nearly 6,000 positions across State government in classifications with particularly high vacancy rates.

In addition, the budget as introduced by the Governor also included 576 new Executive Branch positions, Supplemental Budget No. 2 added 271 further positions, and legislative action added 12 positions, for a total of 859 new positions. **The personnel goals for fiscal 2024 were met.**

Transportation: The fiscal 2024 budget as enacted includes \$1.3 billion for system preservation and a target closing balance of \$325 million for TTF compared to the SAC goals of at least \$1.2 billion for system preservation and a \$200 million closing balance. The TTF forecast includes gradual increases in the target closing balance in response to increased federal aid for the transportation capital program, much of which is provided on a reimbursable basis. **The transportation goals for fiscal 2024 were met.**

Outlook for Future Budgets

As shown in **Exhibit A-1.8**, fiscal 2024 is projected to end with a fund balance of \$357 million and ongoing revenues exceed ongoing spending by \$146 million. In fiscal 2025, however, a \$426 million structural deficit appears, growing in each subsequent year of the forecast and reaching over \$1.8 billion by fiscal 2028. Between fiscal 2024 and 2028, ongoing revenues, which are projected to grow at an average annual rate of 3.3%, are outpaced by the increase in ongoing spending, which grows at an average annual rate of 5.1%. Cash shortfalls projected for fiscal 2026 and 2027 can be addressed by shifting planned PAYGO capital to bonds and making modest reductions to planned operating spending or drawing the Rainy Day Fund below 5% of general fund revenues. The fiscal 2028 cash shortfall far exceeds the cash remaining in the Rainy Day Fund necessitating significant spending reductions or increased revenues.

Legislation passed during the 2023 session decreases revenues by \$884 million and increases spending by \$500 million for the five-year period ending with fiscal 2028. Legislation affecting revenues with a projected five-year impact of \$50 million or more includes:

- **Senate Bill 516/House Bill 556** establish the regulatory framework for adult use cannabis, create a Social Equity Partnership Grant Program, and establish a sales and use tax applicable to adult-use cannabis. Under the bills, general fund revenues increase by

\$16.4 million in fiscal 2024 (Supplemental Budget No. 2 recognized \$15 million of this amount), \$30 million in fiscal 2025, \$49 million in fiscal 2026, \$66 million in fiscal 2027, and \$79 million in fiscal 2028.

- ***House Bill 2 (passed)*** authorizes a subtraction modification against the Maryland income tax for specified union dues paid by an individual during the taxable year. Under the bill, general fund revenues decrease between \$10 million and \$12 million each year.
- ***Senate Bill 553/House Bill 554 (both passed)*** enhance the existing military retirement income tax subtraction modification by increasing the maximum amount of military retirement income received by an individual that may be exempted from Maryland income tax. Under the bills, general fund revenues decrease between \$11 million and \$13 million each year.
- ***Senate Bill 552/House Bill 547 (Ch. 3 and 4)*** extend the temporary expansions to the Maryland earned income credit that were enacted in 2021 and also eliminate an existing limit on the value of the State refundable earned income credit for individuals without qualifying children. In addition, the Acts permanently extend and alter eligibility for the State child tax credit originally enacted in 2021. Under the Acts, general fund revenues decrease by \$172 million in fiscal 2024, \$176 million in fiscal 2025, \$179 million in fiscal 2026, \$183 million in fiscal 2027, and \$187 million in fiscal 2028.

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

- ***Senate Bill 828/House Bill 988 (both passed)*** modify the Family and Medical Leave Insurance (FAMLI) Program by altering key administrative deadlines, technical definitions, and components of the program's administration. The start dates for required contributions and benefit payments are delayed by one year to October 1, 2024, and January 1, 2026, respectively. Under the bills, general fund spending increases by \$22 million in fiscal 2025 and between \$36 million and \$39 million per year in fiscal 2026 to 2028.

Exhibit A-1.8
General Fund Budget Outlook
Fiscal 2024-2028
(\$ in Millions)

	Leg. Approp. <u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	Avg. Annual Change <u>2024-2028</u>
Revenues						
Opening Fund Balance	\$2,400	\$357	\$0	\$0	\$0	
Transfers	479	709	557	0	0	
One-time Revenues	58	0	0	0	0	
One-time Revenues – Legislation	1	0	0	0	0	
Subtotal One-time Revenue	\$2,938	\$1,066	\$557	\$0	\$0	
Ongoing Revenues	\$24,757	\$25,479	\$25,959	\$26,859	\$28,081	
Revenue Adjustments – Legislation	-199	-194	-184	-165	-144	
Subtotal Ongoing Revenue	\$24,558	\$25,285	\$25,776	\$26,694	\$27,937	3.3%
Total Revenues and Fund Balance	\$27,497	\$26,351	\$26,333	\$26,694	\$27,937	0.4%
Ongoing Spending						
Operating Spending	\$24,608	\$25,591	\$26,212	\$26,930	\$29,621	
Ongoing (Reductions)/Additions	-195	25	26	26	26	
Ongoing Spending – Legislation	0	95	119	122	131	
Subtotal Ongoing Spending	\$24,413	\$25,712	\$26,356	\$27,078	\$29,777	5.1%
One-time Spending	\$2,727	\$640	\$561	\$458	\$492	
Total Spending	\$27,140	\$26,352	\$26,917	\$27,536	\$30,270	2.8%
Ending Balance	\$357	\$0	-\$585	-\$842	-\$2,333	
Rainy Day Fund Balance	\$2,528	\$1,828	\$1,284	\$1,329	\$1,391	
Balance over 5% of General Fund Revenues	1,273	568	0	0	0	
As % of General Fund Revenues	10.1%	7.3%	5.0%	5.0%	5.0%	
Structural Balance	\$146	-\$426	-\$580	-\$384	-\$1,840	

Source: Department of Legislative Services

Budget Reconciliation and Financing Legislation

As summarized in **Exhibit A-1.9, *House Bill 202 (passed)***, the BRFA, results in a net increase of \$8.5 million in total fund spending in the fiscal 2024 budget plan. General fund expenditures increase by \$49.3 million combined in fiscal 2023 and 2024, while special fund expenditures decrease by \$40.8 million.

Exhibit A-1.9 Actions in Budget Reconciliation and Financing Act Fiscal 2023-2024 (\$ in Millions)

	<u>2023</u>	<u>2024</u>
General Fund Appropriations and Reductions Contingent on the BRFA		
Reduce the Medicaid Deficit Assessment		\$50,000,000
Repay the Local Reserve Account in Fiscal 2023	\$7,287,513	-529,836
Other Reductions		
Reduce Fiscal 2023 Spending on Public Benefits due to Lower Caseloads	-7,500,000	
Special Fund Reductions and Appropriations Contingent on the BRFA		
Reduce the Medicaid Deficit Assessment		-50,000,000
Expand Use of the Maryland Gas Expansion Fund		9,250,000
Total Impact on Spending Plan	-\$212,487	\$8,720,164

BRFA: Budget Reconciliation and Financing Act

Source: Department of Legislative Services

Expenditure Impacts

Four provisions impact spending in the fiscal 2024 budget. The most substantial impact results from a provision that reduces, in fiscal 2024 only, the Medicaid deficit assessment by \$50 million. The Medicaid deficit assessment is imposed on hospitals and used as special funds to support the Medicaid program. Absent these funds, additional general funds are required to meet the anticipated expenditures in Medicaid. Two actions in the budget are contingent on the provision, including a special fund reduction of \$50 million and a general fund appropriation of the same amount. Although it is unusual for the BRFA to provide a net increase in spending, this is a part of a series of actions being undertaken to assist in bringing Maryland back in compliance

with Medicare savings and expenditure growth targets required under the Total Cost of Care model.

Under Chapters 717 and 718 of 2021, refunds related to recalculated Homeowner's Tax Credits were paid from the Local Reserve Account. The Local Reserve Account was required to be repaid over a 15-year period under the chapters. A provision in the BRFA of 2023 relieves this requirement. Instead, when combined with existing funding in the fiscal 2023 budget, a deficiency appropriation of \$7.3 million in general funds provides adequate funding to fully repay the Local Reserve Account. While increasing spending in fiscal 2023, over the 15-year period beginning in fiscal 2023, there is no net impact on spending as future expected repayments are no longer required. The deficiency appropriation and a fiscal 2024 general fund reduction of \$529,836 that represented the required second year of repayment funding are contingent on this provision.

An additional provision withdraws \$7.5 million in general funds in fiscal 2023 from the Department of Human Services for public benefits due to lower than anticipated caseloads.

The BRFA also authorizes the use of \$9.25 million of the Maryland Gas Expansion Fund for repair of existing natural gas infrastructure in the Washington Gas service territory. The fund was created as a required condition of the merger between Altagas Ltd. and Washington Gas Light Company and was to be used for the expansion of natural gas. Section 19 of *House Bill 200* added a \$9.25 million special fund appropriation for this purpose to the Maryland Energy Administration.

Miscellaneous Provisions

The BRFA also contains four provisions that do not directly impact spending but authorize transfers or repurpose spending or clarify and alter requirements.

- Relieves the requirement to appropriate certain fiscal 2022 general fund surplus to the Rainy Day Fund. As introduced, the fiscal 2024 budget included a \$61.4 million general fund reduction to the appropriation for the Rainy Day Fund, as well as the transfer of \$500 million to the Blueprint for Maryland's Future Fund and \$500 million to the Dedicated Purpose Account (DPA) for future transportation projects, contingent on this provision. The General Assembly directly reduced the \$61.4 million in general funds, rather than the reduction being contingent on the provision. In addition, the General Assembly deleted the funds that would have been transferred to the DPA for future transportation projects and instead added \$100 million directly to the DPA for certain transportation activities and an additional \$400 million to support future education costs. The initial \$500 million transfer to the Blueprint for Maryland's Future Fund remains contingent on this provision.
- Authorizes the Governor to transfer by budget amendment unexpended appropriation from fiscal 2023 initially intended for Baltimore County to acquire Stevenson University's Greenspring Campus to instead be used for two libraries (Woodlawn Library and Essex Library).

- Delays the date by which a portion of the Bainbridge Naval Training Center must be transferred to the Department of Natural Resources from June 1, 2023, to June 1, 2025.
- Provides flexibility in the specialties for which University School of Medicine faculty is required to be assigned to the University of Maryland Capital Region Medical Center for the purpose of providing clinical care.

Selected Budgetary Initiatives and Enhancements

Education

In fiscal 2024, State aid for education grows by \$704.9 million, or 8.9%, providing local school systems with \$8.7 billion in funding for the upcoming fiscal year. These increases were primarily driven by two factors: a dramatic increase in the number of students identified for FRPM and the continued implementation of education reform through the Blueprint for Maryland's Future. For the 2022-2023 school year, full-time equivalent enrollment increased by 4,139 students, or 0.5%, which is the first increase since the start of the COVID-19 pandemic. FRPM enrollment increased by nearly 34%, which reflects the first-time use of direct certification through Medicaid for this purpose. This unanticipated increase in FRPM students results in an increase of over \$390.0 million in compensatory education formula funding, which accounts for almost half of the total increase in Blueprint program funding from fiscal 2023 to fiscal 2024.

Funding for Blueprint programs increases by \$673.7 million, or almost 70%, from \$965.1 million in fiscal 2023 to \$1.64 billion in fiscal 2024. These increases are slightly offset by a 26% decrease in the prekindergarten funding due to the use of nonproxy enrollment counts for fiscal 2024. To mitigate the eventual impact to the General Fund, the Governor added \$500 million to the Blueprint Fund in the budget as introduced, and the General Assembly provided an additional \$400 million, redirecting a total of \$900 million from the statutory Rainy Day Fund appropriation to the Blueprint for Maryland's Future Fund in fiscal 2024. With an estimated carryover balance of \$2.3 billion from fiscal 2023, Blueprint Fund resources in fiscal 2024 total approximately \$4.5 billion, which represents an almost 40% increase in total resources available compared to fiscal 2023 and provides adequate funding for Blueprint programs through at least fiscal 2026.

Transportation Needs

Despite significant increases in federal funding for transportation capital projects provided through the IIJA and in State funding as TTF revenues continue to recover from the effects of the COVID-19 pandemic, several major capital projects entering or working their way through the planning process will face significant funding challenges. These include the revived Baltimore Red Line, the Southern Maryland Rapid Transit project, the renovation or reconstruction of the American Legion Bridge, and the replacement of the Baltimore and Potomac Tunnel. In aggregate, the construction costs for these projects are likely to exceed \$5 billion and no construction funding is currently programmed in Maryland's *Consolidated Transportation Program*.

The fiscal 2024 budget, as enacted, includes a general fund appropriation of \$100 million to the DPA to support the State match for future federal grant awards and to fund environmental studies for the Red Line and Southern Maryland Rapid Transit Projects. The Governor is also authorized to process a budget amendment transferring up to an additional \$100 million from the Revenue Stabilization Account to MDOT to provide the State match for federal grant awards or for certain rail improvements. While not insignificant, these general funds are not sufficient to address the construction funding needs identified above and significant challenges remain to be addressed.

Medical Assistance Program

The Medical Care Programs Administration within MDH is responsible for administering Medicaid and the Maryland Children’s Health Program (MCHP) that provide comprehensive health care coverage, including behavioral health services, to indigent and medically indigent Marylanders. As shown in **Exhibit A-1.10**, the fiscal 2024 Medicaid legislative appropriation decreases by \$778.4 million in total funds compared to the fiscal 2023 working appropriation after accounting for deficiency appropriations, planned reversions, and contingent reductions. The decrease is driven by savings from an expected decline in enrollment that is partially offset by provider rate increases, expanded dental services for adults, and increased prescription drug costs.

Exhibit A-1.10
Medicaid and MCHP Budget Summary
Fiscal 2022-2024
(\$ in Millions)

	Actual 2022	Working 2023	Legislative Appropriation 2024	Amount Change 2023-2024	% Change 2023-2024
General Funds	\$3,958.3	\$4,356.6	\$4,845.2	\$488.6	11%
Special Funds	717.1	747.4	671.4	-76.0	-10%
Federal Funds	9,202.2	9,648.9	8,457.9	-1,191.0	-12%
Total Funds	\$13,877.6	\$14,752.8	\$13,974.4	-\$778.4	-5%

MCHP: Maryland Children’s Health Program

Note: Includes Medicaid spending for behavioral health services, with exception to the Administrative Services Organization contract. The fiscal 2023 working appropriation includes deficiency appropriations and a planned reversion. The fiscal 2024 legislative appropriation includes a contingent special fund reduction and excludes accelerated provider rate increases budgeted for Medicaid, MCHP, and behavioral health providers under the Maryland Department of Health Office of the Secretary.

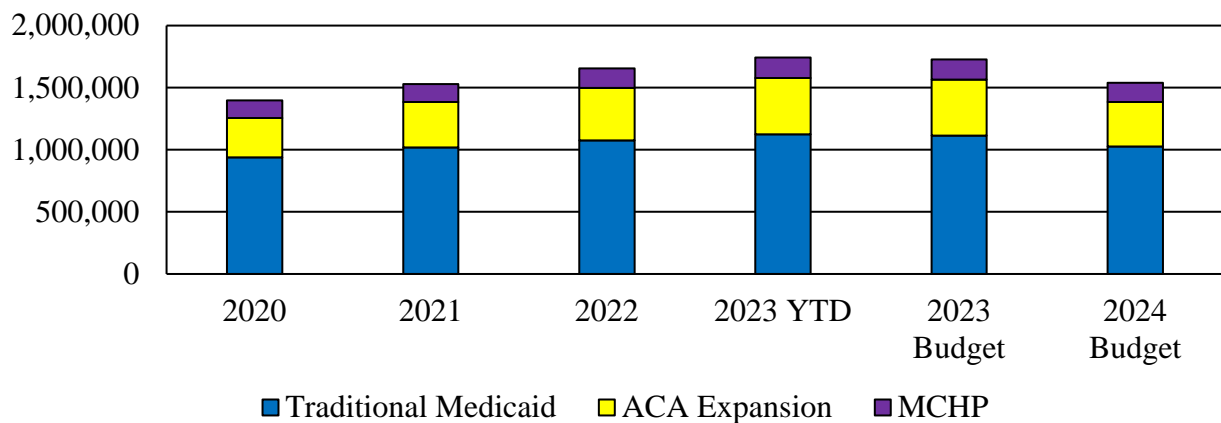
Source: Department of Budget and Management; Department of Legislative Services

Although the overall Medicaid budget decreases, fiscal 2024 general fund spending increases by \$488.6 million, or 11%, primarily to backfill enhanced federal matching funds that the State is expected to receive in fiscal 2023. The Families First Coronavirus Response Act of 2020 authorized a 6.2% enhanced federal match on qualifying Medicaid expenses (4.34% for MCHP) during the national COVID-19 public health emergency. The federal Consolidated Appropriations Act of 2023 decoupled the end of the enhanced federal match from the public health emergency by establishing a phase-out schedule that reduces the enhanced Medicaid and MCHP match each quarter, beginning April 1, 2023, until the match fully expires on December 31, 2023.

Enrollment

The largest driver of reduced spending in the fiscal 2024 Medicaid legislative appropriation compared to the fiscal 2023 working appropriation is the budgetary impact of projected declines in enrollment and utilization. As a condition of receiving the COVID-19 enhanced federal match, Maryland was required to freeze Medicaid disenrollment (with limited exceptions) during the national COVID-19 public health emergency. This led average monthly enrollment to grow by approximately 25% from fiscal 2020 to 2023 year to date, as shown in **Exhibit A-1.11**. The Consolidated Appropriations Act ended the continuous enrollment requirement on March 31, 2023. As a result of fiscal 2024 accounting for most of the initial redetermination cycle, the budget anticipates that average monthly enrollment will decrease by 11%. This projected decline in enrollment, combined with utilization assumptions, accounts for just under \$1.3 billion in reduced fiscal 2024 Medicaid expenditures.

**Exhibit A-1.11
Medicaid and MCHP Average Monthly Enrollment
Fiscal 2020-2024**



ACA: Affordable Care Act
MCHP: Maryland Children’s Health Program

YTD: year-to-date (through March 2023)

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

Provider Rate Increases

Various fiscal 2024 provider rate increases totaling \$262.3 million account for the largest component of spending growth and partially offset the budgetary impact of reduced enrollment and utilization. These rate increases include a 1.1% increase for managed care organizations and mandated rate increases ranging from 3% to 4% for certain Medicaid and behavioral health providers required by Chapters 10 and 11 of 2019. The total cost of the 4% rate increases for home- and community-based service providers is offset by the sunset of a one-time additional 4% rate increase in fiscal 2023 supported with federal funds authorized in the American Rescue Plan Act of 2021.

Under MDH's Office of the Secretary, the fiscal 2024 budget provides \$206.7 million in total funds to accelerate all provider rate increases mandated in Chapters 10 and 11 (including Medicaid, behavioral health, and Developmental Disabilities Administration providers), contingent on the enactment of legislation accelerating the implementation of Maryland's minimum wage law. This funding accelerates rate increases that were mandated for fiscal 2025 and 2026 to instead take effect January 1, 2024, which aligns with the timing of the acceleration of the minimum wage increase. *Senate Bill 555 (passed)*, which repeals the mandated provider rate increases in fiscal 2025 and 2026, is discussed in further detail in Part H – Business and Economic Issues of this *90 Day Report*.

Personnel

Employee costs total \$11.1 billion in fiscal 2024 and represent 17.6% of the State budget. The fiscal 2024 budget included funding for a 2% general salary increase and increments effective July 1, 2023, for most State employees, as well as an ASR that increased the salaries of more than 5,000 positions. In fiscal 2024, personnel costs increase by \$550 million, or 5.2%, from the fiscal 2023 working appropriation (including deficiency funding). The increase is primarily due to the annualization of statewide salary actions effective in November 2022 as well as actions effective in July 2023.

Employee Compensation

The fiscal 2024 budget, as introduced, provided more than \$1.0 billion in funding for various statewide salary actions across fiscal 2023 and 2024. In addition to the general increase and increments noted above, funding was also provided for bonuses for correctional officers (\$17.8 million) and the ASR (\$32.9 million). Supplemental budgets provided an additional \$35 million in funds for additional negotiated salary increases. Legislative action reduced funding for statewide salary actions by \$25 million in fiscal 2023 and \$66.2 million in fiscal 2024 due to savings in personnel costs from high vacancies.

Pension Funding

Retirement contributions increase by \$83.1 million in fiscal 2024, or 7%, primarily due to salary increases. The fiscal 2024 budget provides funding above the State’s actuarially required contribution.

Retiree Prescription Drug Coverage

Fiscal 2024 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 735 regular positions to 82,582 regular positions in fiscal 2024, as shown in **Exhibit A-1.12**. The budget as introduced by the Administration funded 82,299 positions. Supplemental budgets created 271 new positions. Legislative action on the budget added 12 positions.

Exhibit A-1.12
Regular Full-time Equivalent Position Changes
Fiscal 2023-2024

<u>Department/Service Area</u>	<u>2023</u> <u>Working</u> <u>Approp</u>	<u>2024</u> <u>Allowance</u>	<u>Legislative</u> <u>Changes</u>	<u>2024</u> <u>Legislative</u> <u>Approp.</u>	<u>2023-2024</u> <u>Change</u>
Largest Six State Agencies					
Public Safety and Correctional Services	9,217	9,217	0	9,217	0
Transportation	9,058	9,058	0	9,058	0
Human Services	5,971	5,979	0	5,979	8
Health	6,372	6,445	0	6,445	73
State Police	2,539	2,546	0	2,546	7
Juvenile Services	2,163	2,163	0	2,163	0
Subtotal	35,320	35,408	0	35,408	88
Other Executive					
Legal (Excluding Judiciary)	1,507	1,622	7	1,629	122
Executive and Administrative Control	1,696	1,761	0	1,761	65
Financial and Revenue Administration	2,125	2,242	0	2,242	117
Budget and Management and DoIT	507	530	0	530	23
Retirement	187	192	0	192	5
General Services	693	703	0	703	10
Service and Civic Innovation	14	32	0	32	18
Natural Resources	1,380	1,462	0	1,462	82
Agriculture	409	409	0	409	0
Labor	1,340	1,413	5	1,418	77
MSDE and Other Education	1,849	1,888	0	1,888	39
Housing and Community Development	353	355	0	355	2
Commerce	188	188	0	188	0
Environment	890	959	0	959	69
Subtotal	13,139	13,755	12	13,767	629
Executive Branch Subtotal	48,458	49,163	12	49,175	716
Higher Education	28,444	28,447	0	28,447	3
Judiciary	4,144	4,159	0	4,159	15
Legislature	801	801	0	801	0
Total	81,847	82,570	12	82,582	735

DoIT: Department of Information Technology

MSDE: Maryland State Department of Education

Note: Allowance includes positions in Supplemental Budgets. 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-1.13, the fiscal note on the budget bill, depicts the Governor’s allowance, funding changes made through two supplemental budgets, legislative additions and reductions, and final appropriations for fiscal 2023 and 2024 by fund source. The Governor’s original request provided for \$62.9 billion in fiscal 2024 expenditures and \$2.4 billion in fiscal 2023 deficiencies.

Supplemental budgets provided a net of \$482.2 million in additional spending across fiscal 2023 and 2024, of which nearly \$187 million was general funds and \$225 million was federal funds. Legislative actions on the budget and BRFA resulted in a net reduction of \$450.2 million across both budget years. The legislature made nearly \$1.2 billion in general fund reductions to the fiscal 2024 allowance, adding back more than \$1.1 billion to fund targeted priorities. When all actions are considered, the fiscal 2024 legislative appropriation reflects a \$934.3 million decrease from the adjusted fiscal 2023 working appropriation. **Exhibit A-1.14** through **Exhibit A-1.18** provides detail for the budget changes by major expenditure category by fund.

Exhibit A-1.13
Fiscal Note – Summary of the Fiscal 2024 Budget Bill – *House Bill 200* and *House Bill 202*

	<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 2023 Budget	\$28,172,922,839	\$10,001,276,293	\$20,706,807,041	\$5,177,595,035	\$64,058,601,208 ⁽¹⁾
Fiscal 2024 Budget	26,961,206,916 ⁽²⁾	11,945,706,367 ⁽³⁾	18,981,612,554	5,060,885,543	62,949,411,380
Supplemental Budget No. 1					
Fiscal 2023 Deficiencies	-\$50,943,639	\$3,209,485	\$5,128,526	\$0	-\$42,605,628
Fiscal 2024 Budget	50,973,953	-45,057,232	6,284,112	0	12,200,833
Subtotal	\$30,314	-\$41,847,747	\$11,412,638	\$0	-\$30,404,795
Supplemental Budget No. 2					
Fiscal 2023 Deficiencies	\$44,174,450 ⁽⁴⁾	\$38,354,511	\$28,833,361	\$0	\$111,362,322
Fiscal 2024 Budget	142,812,597	73,645,071	184,782,769	0	401,240,437 ⁽⁵⁾
Subtotal	\$186,987,047	\$111,999,582	\$213,616,130	\$0	\$512,602,759
Budget Reconciliation and Financing Act of 2023					
Fiscal 2023 Contingent Appropriations	\$7,287,513	\$0	\$0	\$0	\$7,287,513
Fiscal 2023 Reductions	-7,500,000	\$0	\$0	\$0	-\$7,500,000
Fiscal 2024 Contingent Reductions	-529,836	-50,000,000	0	0	-50,529,836
Fiscal 2024 Contingent Appropriations	50,000,000	9,250,000	0	0	59,250,000
Subtotal	\$49,257,677	-\$40,750,000	\$0	\$0	\$8,507,677
Legislative Reductions					
Fiscal 2023 Deficiencies	-\$140,000,000	\$0	\$0	\$0	-\$140,000,000
Fiscal 2024 Budget	-1,193,100,391 ⁽⁶⁾	-15,181,532	-244,492,988	0	-1,452,774,911
Total Reductions	-\$1,333,100,391	-\$15,181,532	-\$244,492,988	\$0	-\$1,592,774,911
Legislative Additions					
Fiscal 2024 Budget	\$1,128,204,900	\$5,864,000	\$0	\$0	\$1,134,068,900 ⁽⁷⁾
Total Additions	\$1,128,204,900	\$5,864,000	\$0	\$0	\$1,134,068,900
Appropriations					
Fiscal 2023 Budget	\$28,025,941,163	\$10,042,840,289	\$20,740,768,928	\$5,177,595,035	\$63,987,145,415
Fiscal 2024 Budget	27,139,568,139	11,924,226,674	18,928,186,447	5,060,885,543	63,052,866,803
Change	-\$886,373,024	\$1,881,386,385	-\$1,812,582,481	-\$116,709,492	-\$934,278,612

- ⁽¹⁾ Reflects \$2.4 billion in proposed deficiencies, including \$281.6 million in general funds, \$124.4 million in special funds, \$2.0 billion in federal funds, \$2.6 million in current unrestricted funds, and \$2.1 million in current restricted funds. The proposed general fund deficiencies includes \$7.3 million that is contingent on the enactment of legislation. Assumes \$75.0 million in unspecified general fund reversions and includes \$95.5 million in targeted general fund reversions. Excludes \$1.1 billion in special funds that double counts general fund spending.
- ⁽²⁾ Includes \$248.2 million in contingent appropriations. Assumes \$45.0 million in unspecified general fund reversions.
- ⁽³⁾ Excludes \$198.4 million of special funds that double counts general fund spending.
- ⁽⁴⁾ Includes \$317,000 in appropriations that are contingent on legislation.
- ⁽⁵⁾ Includes \$18.7 million in appropriations that are contingent on legislation, including \$5.8 million in general funds and \$12.5 million in special funds, and \$0.5 million in federal funds. Includes \$1.0 million in special fund reductions that are contingent on legislation
- ⁽⁶⁾ Includes \$3.5 million of reductions that are contingent on legislation.
- ⁽⁷⁾ Includes \$54.8 million in additions contingent on legislation, including \$54.4 million in general funds and \$364,000 in special funds. Two additions totaling \$575,500 failed to meet the contingency and are not included in totals.

Source: Department of Legislative Services

Exhibit A-1.14
State Expenditures – General Funds
Fiscal 2022-2024
(\$ in Millions)

Category	2022 Actual	2023 Working Appropriation	2024 Legislative Appropriation	\$ Change 2023 to 2024	% Change 2023 to 2024
Debt Service	\$260.0	\$430.0	\$425.1	-\$4.9	-1.1%
County/Municipal	\$316.8	\$388.5	\$455.4	\$66.9	17.2%
Community Colleges	370.0	435.3	476.3	41.0	9.4%
Education/Libraries	6,590.5	7,124.8	7,251.2	126.4	1.8%
Health	47.8	101.3	115.8	14.5	14.3%
Aid to Local Governments	\$7,325.1	\$8,049.9	\$8,298.7	\$248.8	3.1%
Foster Care Payments	\$215.2	\$240.5	\$247.0	\$6.5	2.7%
Assistance Payments	66.6	127.1	120.8	-6.4	-5.0%
Medical Assistance	3,973.2	4,370.2	4,862.5	492.4	11.3%
Property Tax Credits	76.2	87.3	87.4	0.1	0.1%
Entitlements	\$4,331.2	\$4,825.1	\$5,317.7	\$492.6	10.2%
Health	\$1,757.6	\$2,169.4	\$2,503.6	\$334.2	15.4%
Human Services	440.1	463.5	483.4	19.9	4.3%
Juvenile Services	246.5	299.2	313.4	14.1	4.7%
Public Safety/Police	1,294.9	1,831.9	1,855.8	23.8	1.3%
Higher Education	1,638.0	2,106.3	2,244.8	138.5	6.6%
Transportation	0.0	0.0	0.9	0.9	n/a
Other Education	605.7	717.2	693.6	-23.7	-3.3%
Agriculture/Natural Res./Environment	174.3	203.4	234.6	31.1	15.3%
Other Executive Agencies	943.0	1,416.2	1,673.6	257.4	18.2%
Judiciary	592.1	647.7	669.1	21.5	3.3%
Legislative	108.5	143.7	152.5	8.8	6.1%
Across-the-board Cuts	0.0	0.0	-35.0	-35.0	n/a
State Agencies	\$7,800.7	\$9,998.6	\$10,790.1	\$791.5	7.9%
Total Operating	\$19,716.9	\$23,303.6	\$24,831.7	\$1,528.1	6.6%
Capital ⁽¹⁾	\$437.2	\$2,270.0	\$1,173.0	-\$1,097.0	-48.3%
Subtotal	\$20,154.1	\$25,573.6	\$26,004.7	\$431.0	1.7%
Reserve Funds ⁽²⁾	\$879.6	\$2,527.3	\$1,179.9	-\$1,347.4	-53.3%
Appropriations	\$21,033.8	\$28,100.9	\$27,184.6	-\$916.4	-3.3%
Reversions	\$0.0	-\$75.0	-\$45.0	\$30.0	-40.0%
Grand Total	\$21,033.8	\$28,025.9	\$27,139.6	-\$886.4	-3.2%

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

⁽²⁾ The fiscal 2023 working appropriation for the Reserve Funds excludes \$378.8 million budgeted in the Dedicated Purpose Account (DPA). That amount is included in various other categories to reflect the purpose of the spending. It also excludes \$1.1 billion budgeted in the DPA for paygo capital spending which is included in the Capital line on this chart.

Note: The fiscal 2023 working appropriation reflects \$134.9 million in deficiencies and supplemental deficiencies plus \$170.5 million in reversions including \$95.5 million in targeted reversions. In fiscal 2023, the General Assembly reduced the appropriation to the Revenue Stabilization Account by \$69 million but provided authorization for those funds to be used for a variety of purposes. The working appropriation reflects this reallocation.

Exhibit A-1.15
State Expenditures – Special and Higher Education Funds*
Fiscal 2022-2024
(\$ in Millions)

<u>Category</u>	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Working</u> <u>Appropriation</u>	<u>2024</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u> <u>2023 to 2024</u>	<u>% Change</u>
Debt Service	\$1,563.5	\$1,480.5	\$1,443.2	-\$37.3	-2.5%
County/Municipal	\$467.0	\$461.3	\$524.9	\$63.6	13.8%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	688.5	873.9	1,500.7	626.8	71.7%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$1,155.5</i>	<i>\$1,335.2</i>	<i>\$2,025.5</i>	<i>\$690.3</i>	<i>51.7%</i>
Foster Care Payments	\$2.2	\$2.9	\$2.2	-\$0.7	-24.3%
Assistance Payments	12.4	13.7	15.6	1.9	14.0%
Medical Assistance	717.1	747.4	671.4	-76.0	-10.2%
Property Tax Credits	7.9	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$739.6</i>	<i>\$764.0</i>	<i>\$689.2</i>	<i>-\$74.8</i>	<i>-9.8%</i>
Health	\$1,024.4	\$589.8	\$760.2	\$170.3	28.9%
Human Services	96.7	148.2	166.3	18.0	12.1%
Juvenile Services	1.7	2.5	4.2	1.7	71.2%
Public Safety/Police	135.4	176.2	204.5	28.3	16.1%
Higher Education	5,120.6	5,676.7	5,197.9	-478.8	-8.4%
Other Education	95.4	202.1	286.5	84.3	41.7%
Transportation	1,571.9	1,934.1	2,225.8	291.7	15.1%
Agriculture/Natural Res./Environment	271.4	351.0	351.5	0.6	0.2%
Other Executive Agencies	888.8	1,156.4	1,256.2	99.8	8.6%
Judiciary	52.3	68.5	79.7	11.2	16.4%
Legislative	0.0	0.0	0.0	0.0	n/a
Across-the-board Cuts	0.0	0.0	-3.3	-3.3	n/a
<i>State Agencies</i>	<i>\$9,258.5</i>	<i>\$10,305.6</i>	<i>\$10,529.4</i>	<i>\$223.8</i>	<i>2.2%</i>
Total Operating	\$12,717.1	\$13,885.2	\$14,687.3	\$802.0	5.8%
Capital	\$2,017.4	\$1,335.2	\$2,297.8	\$962.6	72.1%
Transportation	1,520.2	1,036.1	1,336.8	300.7	29.0%
Environment	259.8	220.7	254.7	34.0	15.4%
Other	237.4	78.4	706.3	627.9	801.0%
Grand Total	\$14,734.5	\$15,220.4	\$16,985.1	\$1,764.7	11.6%

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

Note: The fiscal 2023 working appropriation reflects deficiencies and supplemental deficiencies of \$166.0 million. Fiscal 2023 excludes \$1.1 billion and 2024 excludes \$198.4 million that double counts general fund spending.

Exhibit A-1.16
State Expenditures – Federal Funds
Fiscal 2022-2024
(\$ in Millions)

<u>Category</u>	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Working</u> <u>Appropriation</u>	<u>2024</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u> <u>2023 to 2024</u>	<u>% Change</u>
Debt Service	\$7.9	\$9.0	\$7.5	-\$1.5	-16.7%
County/Municipal	\$63.5	\$74.8	\$87.4	\$12.6	16.8%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	3,715.8	1,072.6	1,130.0	57.4	5.3%
Health	32.8	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$3,812.1</i>	<i>\$1,147.4</i>	<i>\$1,217.4</i>	<i>\$70.0</i>	<i>6.1%</i>
Foster Care Payments	\$76.1	\$90.5	\$66.3	-\$24.2	-26.8%
Assistance Payments	2,963.8	2,670.4	2,239.0	-431.4	-16.2%
Medical Assistance	9,217.6	9,665.6	8,474.6	-1,191.0	-12.3%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$12,257.5</i>	<i>\$12,426.5</i>	<i>\$10,779.9</i>	<i>-\$1,646.6</i>	<i>-13.3%</i>
Health	\$2,542.5	\$2,413.0	\$2,357.7	-\$55.3	-2.3%
Human Services	687.1	675.6	658.1	-17.5	-2.6%
Juvenile Services	6.2	7.0	5.8	-1.1	-16.0%
Public Safety/Police	425.8	43.9	41.6	-2.3	-5.3%
Higher Education	6.0	0.0	0.0	0.0	n/a
Other Education	615.8	424.8	367.1	-57.7	-13.6%
Transportation	715.4	460.7	248.2	-212.6	-46.1%
Agriculture/Natural Res./Environment	77.2	92.3	107.5	15.2	16.5%
Other Executive Agencies	2,623.8	1,198.6	1,540.2	341.7	28.5%
Judiciary	5.3	3.2	2.8	-0.4	-12.9%
Legislature	0.0	0.0	0.0	0.0	n/a
Across-the-board Cuts	0.0	0.0	-1.4	-1.4	n/a
<i>State Agencies</i>	<i>\$7,705.2</i>	<i>\$5,319.0</i>	<i>\$5,327.6</i>	<i>\$8.6</i>	<i>0.2%</i>
Total Operating	\$23,782.7	\$18,901.9	\$17,332.4	-\$1,569.5	-8.3%
Capital	\$1,320.9	\$1,838.9	\$1,595.8	-\$243.1	-13.2%
Transportation	988.9	1,270.8	1,333.1	62.2	4.9%
Environment	58.8	213.5	116.8	-96.7	-45.3%
Other	273.2	354.6	145.9	-208.7	-58.8%
Grand Total	\$25,103.6	\$20,740.8	\$18,928.2	-\$1,812.6	-8.7%

Note: The fiscal 2023 working appropriation reflects deficiencies and supplemental deficiencies of \$2.0 billion.

Exhibit A-1.17
State Expenditures – State Funds
Fiscal 2022-2024
(\$ in Millions)

<u>Category</u>	2022	2023	2024	<u>\$ Change</u>	<u>% Change</u>
	<u>Actual</u>	<u>Working</u> <u>Appropriation</u>	<u>Legislative</u> <u>Appropriation</u>		
Debt Service	\$1,823.5	\$1,910.5	\$1,868.3	-\$42.2	-2.2%
County/Municipal	\$783.8	\$849.8	\$980.3	\$130.5	15.4%
Community Colleges	370.0	435.3	476.3	41.0	9.4%
Education/Libraries	7,279.0	7,998.7	8,751.8	753.2	9.4%
Health	47.8	101.3	115.8	14.5	14.3%
Aid to Local Governments	\$8,480.6	\$9,385.1	\$10,324.2	\$939.1	10.0%
Foster Care Payments	\$217.4	\$243.4	\$249.3	\$5.8	2.4%
Assistance Payments	78.9	140.8	136.4	-4.4	-3.1%
Medical Assistance	4,690.2	5,117.5	5,533.9	416.4	8.1%
Property Tax Credits	84.2	87.3	87.4	0.1	0.1%
Entitlements	\$5,070.7	\$5,589.1	\$6,006.9	\$417.8	7.5%
Health	\$2,782.0	\$2,759.2	\$3,263.7	\$504.5	18.3%
Human Services	536.8	611.8	649.7	37.9	6.2%
Juvenile Services	248.1	301.7	317.6	15.9	5.3%
Public Safety/Police	1,430.3	2,008.1	2,060.3	52.2	2.6%
Higher Education	6,758.5	7,783.0	7,442.7	-340.3	-4.4%
Other Education	701.1	919.4	980.0	60.6	6.6%
Transportation	1,571.9	1,934.1	2,226.6	292.5	15.1%
Agriculture/Natural Res./Environment	445.7	554.4	586.1	31.7	5.7%
Other Executive Agencies	1,831.8	2,572.7	2,929.8	357.2	13.9%
Judiciary	644.4	716.1	748.8	32.7	4.6%
Legislative	108.5	143.7	152.5	8.8	6.1%
Across-the-board Cuts	0.0	0.0	-38.3	-38.3	n/a
State Agencies	\$17,059.3	\$20,304.2	\$21,319.5	\$1,015.3	5.0%
Total Operating	\$32,434.1	\$37,188.8	\$39,518.9	\$2,330.1	6.3%
Capital ⁽¹⁾	\$2,454.6	\$3,605.3	\$3,470.8	-\$134.4	-3.7%
Transportation	1,550.4	1,213.1	1,503.9	290.8	24.0%
Environment	260.5	240.9	254.7	13.8	5.7%
Other	643.7	2,151.3	1,712.2	-439.1	-20.4%
Subtotal	\$34,888.7	\$40,794.1	\$42,989.8	\$2,195.7	5.4%
Reserve Funds ⁽²⁾	\$879.6	\$2,527.3	\$1,179.9	-\$1,347.4	-53.3%
Appropriations	\$35,768.3	\$43,321.4	\$44,169.7	\$848.3	2.0%
Reversions	\$0.0	-\$75.0	-\$45.0	\$30.0	-40.0%
Grand Total	\$35,768.3	\$43,246.4	\$44,124.7	\$878.3	2.0%

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

⁽²⁾ The fiscal 2023 working appropriation for the Reserve Funds excludes \$378.8 million budgeted in the Dedicated Purpose Account (DPA). That amount is included in various other categories to reflect the purpose of the spending. It also excludes \$1.1 billion budgeted in the DPA for paygo capital spending which is included in the Capital line on this chart.

Note: The fiscal 2023 working appropriation reflects \$300.8 million in deficiencies and supplemental deficiencies plus \$170.5 million in reversions including \$95.5 million in targeted reversions. In fiscal 2023, the General Assembly reduced the appropriation to the Revenue Stabilization Fund by \$69 million but provided authorization for those funds to be used for a variety of purposes. The working appropriation reflects this reallocation. Fiscal 2023 excludes \$1.1 billion, and 2024 excludes \$198.4 million of special funds that double count general fund spending.

Exhibit A-1.18
State Expenditures – All Funds
Fiscal 2022-2024
(\$ in Millions)

<u>Category</u>	2022	2023	2024	<u>\$ Change</u>	<u>% Change</u>
	<u>Actual</u>	<u>Working</u> <u>Appropriation</u>	<u>Legislative</u> <u>Appropriation</u>		
Debt Service	\$1,831.3	\$1,919.5	\$1,875.8	-\$43.7	-2.3%
County/Municipal	\$847.3	\$924.6	\$1,067.7	\$143.1	15.5%
Community Colleges	370.0	435.3	476.3	41.0	9.4%
Education/Libraries	10,994.8	9,071.2	9,881.8	810.6	8.9%
Health	80.6	101.3	115.8	14.5	14.3%
Aid to Local Governments	\$12,292.7	\$10,532.5	\$11,541.6	\$1,009.1	9.6%
Foster Care Payments	\$293.6	\$333.9	\$315.6	-\$18.4	-5.5%
Assistance Payments	3,042.7	2,811.2	2,375.3	-435.8	-15.5%
Medical Assistance	13,907.9	14,783.1	14,008.5	-774.6	-5.2%
Property Tax Credits	84.2	87.3	87.4	0.1	0.1%
Entitlements	\$17,328.3	\$18,015.6	\$16,786.8	-\$1,228.8	-6.8%
Health	\$5,324.6	\$5,172.2	\$5,621.4	\$449.2	8.7%
Human Services	1,223.9	1,287.3	1,307.8	20.5	1.6%
Juvenile Services	254.4	308.6	323.4	14.8	4.8%
Public Safety/Police	1,856.1	2,052.0	2,101.9	49.8	2.4%
Higher Education	6,764.5	7,783.0	7,442.7	-340.3	-4.4%
Other Education	1,316.9	1,344.2	1,347.1	2.9	0.2%
Transportation	2,287.4	2,394.9	2,474.8	80.0	3.3%
Agriculture/Natural Res./Environment	523.0	646.7	693.6	46.9	7.3%
Other Executive Agencies	4,455.6	3,771.2	4,470.0	698.8	18.5%
Judiciary	649.7	719.4	751.6	32.3	4.5%
Legislative	108.5	143.7	152.5	8.8	6.1%
Across-the-board Cuts	0.0	0.0	-39.7	-39.7	n/a
State Agencies	\$24,764.4	\$25,623.2	\$26,647.1	\$1,023.9	4.0%
Total Operating	\$56,216.8	\$56,090.7	\$56,851.3	\$760.6	1.4%
Capital ⁽¹⁾	\$3,775.5	\$5,444.1	\$5,066.7	-\$377.5	-6.9%
Transportation	2,539.3	2,483.9	2,836.9	353.0	14.2%
Environment	319.3	454.4	388.3	-66.0	-14.5%
Other	916.9	2,505.9	1,841.4	-664.5	-26.5%
Subtotal	\$59,992.2	\$61,534.8	\$61,918.0	\$383.1	0.6%
Reserve Funds ⁽²⁾	\$879.6	\$2,527.3	\$1,179.9	-\$1,347.4	-53.3%
Appropriations	\$60,871.9	\$64,062.1	\$63,097.9	-\$964.3	-1.5%
Reversions	\$0.0	-\$75.0	-\$45.0	\$30.0	-40.0%
Grand Total	\$60,871.9	\$63,987.1	\$63,052.9	-\$934.3	-1.5%

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

⁽²⁾ The fiscal 2023 legislative appropriation for the Reserve Funds excludes \$378.8 million budgeted in the Dedicated Purpose Account (DPA). That amount is included in various other categories to reflect the purpose of the spending. It also excludes \$1.1 billion budgeted in the DPA for paygo capital spending which is included in the Capital line on this chart.

Note: The fiscal 2023 working appropriation reflects \$2.3 billion in deficiencies and supplemental deficiencies plus \$170.5 million in reversions including \$95.5 million in targeted reversions. In fiscal 2023, the General Assembly reduced the appropriation to the Revenue Stabilization Fund by \$69 million but provided authorization for those funds to be used for a variety of purposes. The working appropriation reflects this reallocation. Fiscal 2023 excludes \$1.1 billion, and 2024 excludes \$198.4 million of special funds that double count general fund spending.

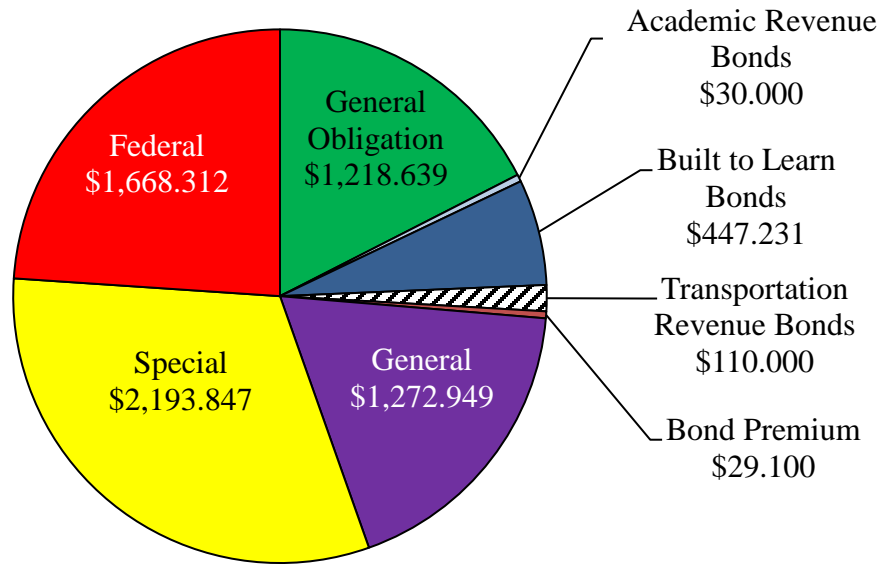
Capital Budget

The General Assembly passed a fiscal 2024 capital program totaling \$6.970 billion, including \$2.730 billion for the transportation program through the *Consolidated Transportation Program* (CTP). Apart from the CTP, the program totals \$4.240 billion: \$1.219 billion is funded with general obligation (GO) bonds and another \$29.1 million is funded with attained bond premium proceeds authorized in *House Bill 201 (passed)*, the Maryland Consolidated Capital Bond Loan (MCCBL) of 2022; \$2.514 billion is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$447 million for school construction projects is funded with revenue bonds through the Built to Learn program; and \$30 million for University System of Maryland facilities is funded with Academic Revenue Bonds authorized in *House Bill 735 (passed)*. The budget also includes \$231 million for fiscal 2023 PAYGO deficiency appropriations, including \$219 million of general funds appropriated to replace funding for projects in fiscal 2023 that were originally funded with bond premium proceeds that were not attained.

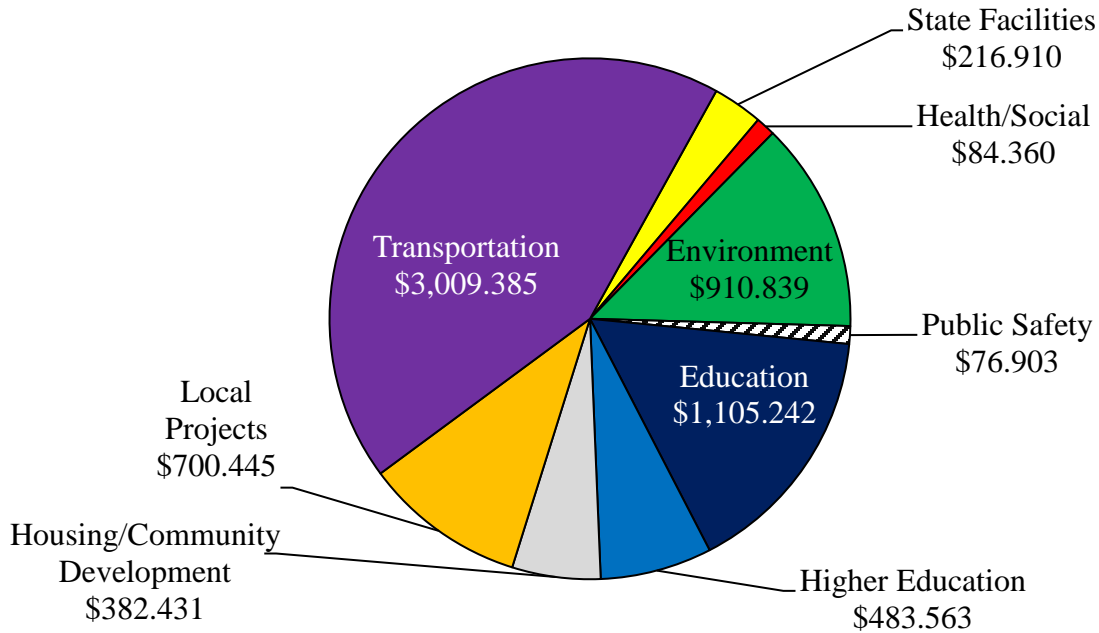
Exhibit A-2.1 provides a summary of the capital program by uses and sources, and **Exhibit A-2.2** provides a detailed list of capital projects and programs by function and fund source. The attached link to the Maryland General Assembly webpage provides a list of the *miscellaneous capital grants, including legislative bond initiative projects* funded in both the operating and capital budget bills of the 2023 session.

Exhibit A-2.1
Fiscal 2024 Capital Program Sources and Uses
 (\$ in Millions)

Sources



Uses



Source: Department of Legislative Services

**Exhibit 2.2
Capital Program for the 2023 Session**

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
State Facilities							
D52A01A	MDEM: Maryland Department of Emergency Management Headquarters	\$7,954,000	\$0	\$0	\$0	\$0	\$7,954,000
DA0201A	MDOD: Accessibility Modifications	2,028,000	0	0	0	0	2,028,000
DA03A	MSA: Department of Legislative Services Building	41,461,000	0	0	0	0	41,461,000
DB01A	HSMCC: Leonard Calvert House Exhibit	784,000	0	0	0	0	784,000
DB01B	HSMCC: Site Improvements	1,000,000	0	0	0	0	1,000,000
DE0201A	BPW: Construction Contingency Fund	8,000,000	0	0	0	0	8,000,000
DE0201B	BPW: Fuel Storage Tank Replacement Program	1,000,000	0	0	0	0	1,000,000
DE0201C	BPW: State House Exterior and Grounds Restoration	20,339,000	0	0	0	0	20,339,000
DE0201D	BPW: Treasury Building Renovations	500,000	0	0	0	0	500,000
DE0201E	BPW: New Courts of Appeal Building	2,745,000	0	51,117,000	0	0	53,862,000
DE0201F	BPW: New Harford County District Court	4,000,000	0	0	0	0	4,000,000
DE0201G	BPW: Shillman Building Conversion	20,470,000	0	0	0	0	20,470,000
DE0201H	BPW: Washington County District Court Renovation and Expansion	750,000	0	0	0	0	750,000
DE0201I	BPW: Central Services Electrical Infrastructure Upgrades	0	0	2,500,000	0	0	2,500,000
DH0104A	Military: White Oak Readiness Center Renovation and Expansion	593,000	0	0	0	1,881,000	2,474,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
DH0104B	Military: Freestate Challenge Academy	250,000	0	0	0	0	250,000
DH0104	Military: Havre de Grace CSMS Automotive and Surface Equipment Maintenance Facility	0	0	10,000,000	0	10,000,000	20,000,000
DP0002A	MDVA: Garrison Forest Veterans Cemetery Expansion and Improvements	1,111,000	0	0	0	0	1,111,000
DP0002B	MDVA: New State Veterans Home	0	0	6,326,000	0	0	6,326,000
FB04A	DoIT: Public Safety Communications System	18,440,000	0	0	0	0	18,440,000
H010282	DGS: William Donald Schaefer Tower Renovation	0	0	3,661,000	0	0	3,661,000
Subtotal		\$131,425,000	\$0	\$73,604,000	\$0	\$11,881,000	\$216,910,000
Health/Social							
DA0701A	MDOA: Senior Citizens Activities Centers Capital Improvement Grants Program	\$1,865,000	\$0	\$0	\$0	\$0	\$1,865,000
MA01A	MDH: Community Health Facilities Grant Program	11,000,000	0	0	0	0	11,000,000
MA01B	MDH: Federally Qualified Health Centers Grant Program	3,500,000	0	0	0	0	3,500,000
ML10A	MDH: Clifton T. Perkins Hospital	21,676,000	0	0	0	0	21,676,000
RQ00A	UMMS: Capital Region Medical Center – Oncology Center	27,000,000	0	0	0	0	27,000,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Center – Phase III	9,500,000	0	0	0	0	9,500,000
ZA01A	MHA: Howard County General Hospital Behavioral Health Unit	1,576,000	0	0	0	0	1,576,000
ZA01B	MHA: Kennedy Krieger Children's Hospital Center for Autism and Related Disorders	1,300,000	0	0	0	0	1,300,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA01C	MHA: Luminis Health Anne Arundel Medical Center Adult Behavioral Health Suite	863,000	0	0	0	0	863,000
ZA01D	MHA: Luminis Health Doctors Community Medical Center Behavioral Health Area	500,000	0	0	0	0	500,000
ZA01E	MHA: MedStar Montgomery Medical Center Emergency Department	1,350,000	0	0	0	0	1,350,000
ZA01F	MHA: MedStar St. Mary’s Hospital Emergency Department	200,000	0	0	0	0	200,000
ZA01G	MHA: Sheppard Pratt Health System, Inc. Crisis Stabilization Center	1,630,000	0	0	0	0	1,630,000
ZA01H	MHA: The Children’s Inn at the National Institutes of Health	1,400,000	0	0	0	0	1,400,000
ZA01I	MHA: University of Maryland St. Joseph Medical Center Digestive Disease Center	1,000,000	0	0	0	0	1,000,000
Subtotal		\$84,360,000	\$0	\$0	\$0	\$0	\$84,360,000
Environment							
KA0510A	DNR: Natural Resources Development Fund	\$0	\$0	\$0	\$19,325,000	\$0	\$19,325,000
KA0510B	DNR: Critical Maintenance Program	0	0	0	5,474,500	0	5,474,500
KA0510C	DNR: Program Open Space – State	0	0	0	102,197,976	3,000,000	105,197,976
KA0510E	DNR: Rural Legacy Program	0	0	5,444,127	27,980,037	0	33,424,164
KA05A	DNR: Community Parks and Playgrounds	2,500,000	0	0	0	0	2,500,000
KA05B	DNR: Port of Deposit Historical State Park	200,000	0	0	0	0	200,000
KA0906A	DNR: Ocean City Beach Maintenance	0	0	0	2,000,000	0	2,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
KA0911A	DNR: Park System Capital Improvement and Acquisition Fund	0	0	36,873,928	0	0	36,873,928
KA0911B	DNR: Park System Critical Maintenance Fund	0	0	70,000,000	0	0	70,000,000
KA1401A	DNR: Waterway Improvement Fund	0	0	0	13,500,000	2,500,000	16,000,000
KA1701A	DNR: Oyster Restoration Program	1,961,000	0	0	0	0	1,961,000
KAO510D	DNR: Program Open Space – Local	0	0	0	89,189,988	0	89,189,988
LA1111A	MDA: Maryland Agricultural Land Preservation Program	0	0	16,564,469	78,133,364	0	94,697,833
LA15A	MDA: Maryland Agricultural Cost-Share Program	4,000,000	0	0	0	0	4,000,000
UA0103A	MDE: Water Quality Revolving Loan Fund	0	0	9,902,000	148,434,000	71,031,000	229,367,000
UA0104A	MDE: Hazardous Substance Cleanup Program	0	0	1,000,000	0	0	1,000,000
UA0105A	MDE: Drinking Water Revolving Loan Fund	0	0	5,864,000	25,095,000	45,797,000	76,756,000
UA0111A	MDE: Bay Restoration Fund Wastewater Program	0	0	0	66,213,000	0	66,213,000
UA0112A	MDE: Bay Restoration Program Septic System Upgrade Program	0	0	0	15,000,000	0	15,000,000
UA01A	MDE: Comprehensive Flood Management Program	6,189,000	0	0	0	0	6,189,000
UA01B	MDE: Supplemental Assistance Program	5,197,000	0	0	0	0	5,197,000
UA01C	MDE: Water Supply Financial Assistance Program	2,599,000	0	0	0	0	2,599,000
UA01D	MDE: Zero Emission Vehicle School Bus Transition Fund	3,000,000	0	0	0	0	3,000,000
UB01A	MES: Infrastructure Improvement Fund	11,514,000	0	0	13,160,000	0	24,674,000
Subtotal		\$37,160,000	\$0	\$145,648,524	\$605,702,865	\$122,328,000	\$910,839,389

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
Public Safety							
QB0101A	DPSCS: Women’s Prerelease Center	\$3,000,000	\$0	\$2,000,000	\$0	\$0	\$5,000,000
QS0101A	DPSCS: Jessup Region Electrical Infrastructure Upgrade	11,057,000	0	0	0	0	11,057,000
QS0208A	DPSCS: High Temperature Distribution and Perimeter Security Improvements	19,412,000	0	0	0	0	19,412,000
QT04A	DPSCS: Therapeutic Treatment Center	12,611,000	0	0	0	0	12,611,000
WA01A	DSP: Barrack L – Forestville: New Barrack and Garage	551,000	0	0	0	0	551,000
WA01B	DSP: Barrack Q – College Park: New Barrack and Garage	1,174,000	0	0	0	0	1,174,000
WA01C	DSP: Barrack V – Berlin: New Forensic Lab and Garage	3,882,000	0	0	0	0	3,882,000
WA01D	DSP: New Tactical Services Operations Building	10,049,000	0	0	0	0	10,049,000
ZB02A	DPSCS: Frederick County Adult Detention Center Phase IV Medical Addition	1,011,000	0	0	0	0	1,011,000
ZB02B	DPSCS: Montgomery County Criminal Justice Complex	1,286,000	0	0	0	0	1,286,000
ZB02C	DPSCS: Queen Anne’s County Detention Center Additions and Renovations	10,870,000	0	0	0	0	10,870,000
Subtotal		\$74,903,000	\$0	\$2,000,000	\$0	\$0	\$76,903,000
Education							
RA0702A	MSDE: Aging Schools Program	\$6,109,000	\$0	\$0	\$0	\$0	\$6,109,000
Section 19	MSDE: Healthy School Facility	0	0	90,000,000	0	0	90,000,000
RA0702C	MSDE: Public School Construction Program	0	0	216,549,000	268,450,784	0	484,999,784

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RA0702D	MSDE: Senator James E. "Ed" DeGrange Nonpublic Aging Schools Program	3,500,000	0	0	0	0	3,500,000
RA0702E	MSDE: Supplemental Capital Grant Program	0	0	40,000,000	0	0	40,000,000
RA0702F	MSDE: School Construction Revolving Loan Fund	0	0	20,000,000	0	0	20,000,000
RA0702G	MSDE: Built To Learn Fund	0	447,231,000	0	0	0	447,231,000
RA11A	MSLA: Public Library Capital Grant Program	11,550,000	0	0	0	0	11,550,000
RE01A	MSD: High School Boys' and Girls' and Middle School Residences	1,852,000	0	0	0	0	1,852,000
Subtotal		\$23,011,000	\$447,231,000	\$366,549,000	\$268,450,784	\$0	\$1,105,241,784
Higher Education							
RB21A	UMB: Central Electric Substation and Electrical Infrastructure Upgrades	\$4,565,000	\$0	\$0	\$0	\$0	\$4,565,000
RB21B	UMB: New School of Social Work Building	3,861,000	0	0	0	0	3,861,000
Section 19	UMB: Institute for Health Computing	0	0	2,000,000	0	0	2,000,000
RB21C	UMB: Dental Ambulatory Surgery Center	700,000	0	0	0	0	700,000
RB22A	UMCP: Campuswide Building Systems and Infrastructure Improvements	7,500,000	5,000,000	0	0	0	12,500,000
RB22B	UMCP: Chemistry Building Wing 1 Replacement	9,430,000	0	0	0	0	9,430,000
RB22C	UMCP: Interdisciplinary Engineering Building	31,210,000	0	0	0	0	31,210,000
RB22D	UMCP: Hornbake Library Conversion	10,000,000	0	0	0	0	10,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RB22E	UMCP: Graduate Student Housing	5,000,000	0	0	0	0	5,000,000
RB23A	BSU: Communication Arts and Humanities Building	67,134,000	0	0	0	0	67,134,000
RB23B	BSU: New Thurgood Marshall Library Commons	1,100,000	0	0	0	0	1,100,000
RB24A	TU: New College of Health Professions Building	43,030,000	0	0	0	0	43,030,000
RB24B	TU: Smith Hall Renovation	20,808,000	0	0	0	0	20,808,000
RB24C	TU: Academic Achievement Center	3,500,000	0	0	0	0	3,500,000
RB25A	UMES: Agricultural Research Education Center	0	0	0	12,628,000	0	12,628,000
RB25B	UMES: Radio Tower	600,000	0	0	0	0	600,000
RB26A	FSU: Technology Infrastructure Upgrades	500,000	0	0	0	0	500,000
RB27A	CSU: Athletic Facilities Infrastructure Upgrades	1,000,000	0	0	0	0	1,000,000
RB29A	SU: Blackwell Hall Renovation	2,223,000	0	0	0	0	2,223,000
RB30	UMGC: Adelphi Building Renovation	650,000	0	0	0	0	650,000
RB31A	UMBC: Sherman Hall Renovation	23,839,000	0	0	0	0	23,839,000
RB34A	UMCES: Chesapeake Analytics Collaborative Building	11,033,000	0	0	0	0	11,033,000
RB36A	USMO: Capital Facilities Renewal Projects	0	25,000,000	0	0	0	25,000,000
RB36B	USMO: Columbia Center Deferred Maintenance	0	0	0	4,934,000	0	4,934,000
RC00A	BCCC: Deferred Maintenance	4,200,000	0	0	4,000,000	0	8,200,000
RC00B	BCCC: Learning Commons Renovation and Addition	1,184,000	0	0	0	0	1,184,000
RD00A	SMCM: Campus Infrastructure Improvements	2,100,000	0	0	0	0	2,100,000
RD00B	SMCM: Montgomery Hall Renovation	2,594,000	0	0	0	0	2,594,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RI00A	MHEC: Community College Construction Grant Program	54,529,000	0	0	0	0	54,529,000
RI00B	MHEC: Community College Facilities Renewal Grant Program	0	0	2,587,000	15,000,000	0	17,587,000
RM00A	MSU: Campus Expansion Phase I – Lake Clifton High School Demolition	1,060,000	0	0	0	0	1,060,000
RM00B	MSU: Carter Grant Wilson Building Renovation	1,214,000	0	0	0	0	1,214,000
RM00C	MSU: Jenkins Demolition	1,037,000	0	0	0	0	1,037,000
RM00D	MSU: New Health and Human Services Building, Phase II	60,604,000	0	0	0	0	60,604,000
RM00E	MSU: New Science Center Phase I – Washington Service Center Demolition	7,575,000	0	0	0	0	7,575,000
RM00F	MSU: New Science Center Phase II	10,884,000	0	0	0	0	10,884,000
RM00G	MSU: Patuxent Environmental and Aquatic Research Laboratory	2,500,000	0	0	0	0	2,500,000
RM00H	MSU: Concrete Laboratory	1,000,000	0	0	0	0	1,000,000
ZA00P	MICUA: Capitol Technology University	1,750,000	0	0	0	0	1,750,000
ZA00Q	MICUA: Johns Hopkins University	5,000,000	0	0	0	0	5,000,000
ZA00R	MICUA: Loyola University Maryland	5,250,000	0	0	0	0	5,250,000
ZA00S	MICUA: Washington College	2,250,000	0	0	0	0	2,250,000
Subtotal		\$412,414,000	\$30,000,000	\$4,587,000	\$36,562,000	\$0	\$483,563,000
Housing and Community Development							
D90U02	CPPDA: Canal Place River Park	\$0	\$0	\$1,500,000	\$6,000,000	\$0	\$7,500,000
DB01C	HSMCC: Storage Facility – Dove	500,000	0	0	0	0	500,000
DW0108A	MDP: Maryland Archeological Conservation Laboratory Expansion and Renovation	14,831,000	0	0	0	0	14,831,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
DW0111A	MDP: African American Heritage Preservation Grant Program	5,000,000	0	0	0	0	5,000,000
DW0111B	MDP: Historic Preservation Grant Fund	600,000	0	0	0	0	600,000
DW0111C	MDP: Maryland Historical Trust Revolving Loan Fund	0	0	0	150,000	0	150,000
DW0112	MDP: Historic Preservation Tax Credit	0	0	22,000,000	0	0	22,000,000
SA2402A	DHCD: Baltimore Regional Neighborhood Initiative	0	0	9,150,000	0	0	9,150,000
SA2402B	DHCD: Community Development Block Grant Program	0	0	0	0	12,000,000	12,000,000
SA2402C	DHCD: Community Legacy Program	0	0	6,000,000	0	0	6,000,000
SA2402D	DHCD: National Capital Strategic Economic Development Fund	0	0	2,000,000	0	0	2,000,000
SA2402E	DHCD: Neighborhood Business Development	0	0	20,000,000	2,200,000	0	22,200,000
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	22,500,000	0	0	22,500,000
SA24A	DHCD: Business Facade Improvement Program	1,500,000	0	0	0	0	1,500,000
SA2507A	DHCD: Rental Housing Programs	0	0	55,000,000	18,000,000	9,000,000	82,000,000
SA2508A	DHCD: Homeownership Programs	0	0	16,000,000	5,700,000	0	21,700,000
SA2509A	DHCD: Special Loan Program	0	0	4,000,000	4,400,000	10,050,000	18,450,000
SA2510A	DHCD: Partnership Rental Housing Program	0	0	6,000,000	0	0	6,000,000
SA2515A	DHCD: Housing and Building Energy Programs	0	0	0	14,850,000	2,500,000	17,350,000
SA2516A	DHCD: Local Government Infrastructure Financing – Broadband	0	0	0	0	95,000,000	95,000,000
SA25A	DHCD: Shelter and Transitional Housing Facilities Grant Program	3,000,000	0	0	0	0	3,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
TG00A	Commerce: Maryland Arts Capital Grant Program	3,000,000	0	0	0	0	3,000,000
Subtotal		\$28,431,000	\$0	\$174,150,000	\$51,300,000	\$128,550,000	\$382,431,000
Local Projects							
ZA00	Miscellaneous Projects	\$426,035,000	\$0	\$239,410,000	\$5,000,000	\$0	\$670,445,000
ZA02	Local House Initiatives	15,000,000	0	0	0	0	15,000,000
ZA03	Local Senate Initiatives	15,000,000	0	0	0	0	15,000,000
Subtotal		\$456,035,000	\$0	\$239,410,000	\$5,000,000	\$0	\$700,445,000
Transportation							
Y01A01	MDOT: Transportation Priorities	\$0	\$0	\$100,000,000	\$0	\$0	\$100,000,000
JD00A	MDOT: WMATA Grants	0	0	167,000,000	0	0	167,000,000
J10003	MDOT: Martin State Airport Improvements	0	0	0	12,000,000	0	12,000,000
Subtotal		\$0	\$0	\$267,000,000	\$12,000,000	\$0	\$279,000,000
Current Year Total (Excluding MDOT)		\$1,247,739,000	\$477,231,000	\$1,272,948,524	\$979,015,649	\$262,759,000	\$4,239,693,173
Transportation CTP		\$0	\$110,000,000	\$0	\$1,214,831,491	\$1,405,553,933	\$2,730,385,424
Total Current Year (Including MDOT)		\$1,247,739,000	\$587,231,000	\$1,272,948,524	\$2,193,847,140	\$1,668,312,933	\$6,970,078,597
Deauthorizations							
ZF00	Deauthorizations as Introduced	-\$1,639,000	\$0	\$0	\$0	\$0	-\$1,639,000
ZF00A	Additional Deauthorizations	-12,000,000	0	0	0	0	-12,000,000
Subtotal		-\$13,639,000	\$0	\$0	\$0	\$0	-\$13,639,000
Total Current Year Less Deauthorizations		\$1,234,100,000	\$587,231,000	\$1,272,948,524	\$2,193,847,140	\$1,668,312,933	\$6,956,439,597
Fiscal 2023 Deficiencies							
X00A01	STO: PAYGO Deficiency	\$0	\$0	\$219,000,000	\$0	\$0	\$219,000,000
SA2515A	DHCD: Housing and Building Energy Programs	0	0	0	1,635,200	0	1,635,200
SA2509A	DHCD: Special Loan Program	0	0	0	0	3,300,000	3,300,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
SA2508A	DHCD: Homeownership Programs	0	0	0	700,000	0	700,000
H0102	DGS: Fuel Conversion Project Eastern Correctional Institution Cogeneration Facility	0	0	6,412,424	0	0	6,412,424
Total Fiscal 2023 Deficiencies		\$0	\$0	\$225,412,424	\$2,335,200	\$3,300,000	\$231,047,624
Grand Total		\$1,247,739,000	\$587,231,000	\$1,498,360,948	\$2,196,182,340	\$1,671,612,933	\$7,201,126,221

BCCC: Baltimore City Community College
 BPW: Board of Public Works
 BSU: Bowie State University
 Commerce: Department of Commerce
 CPPDA: Canal Place Preservation Development Authority
 CSMS: Combined Support Maintenance Shop
 CTP: Consolidated Transportation Program
 CSU: Coppin State University
 DGS: Department of General Services
 DHCD: Department of Housing and Community Development
 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
 HSMCC: Historic St. Mary's City Commission
 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

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
 MSLA: Maryland State Library Association
 MSU: Morgan State University
 PAYGO: pay-as-you-go
 SMCM: St. Mary's College of Maryland
 STO: State Treasurer's Office
 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
 UMES: University of Maryland Eastern Shore
 UMGC: University of Maryland Global Campus
 UMMS: University of Maryland Medical System
 USMO: University System of Maryland Office
 WMATA: Washington Metropolitan Area Transit Authority

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

Source: Department of Legislative Services

Capital Budget Outlook

The fiscal 2024 capital program passed by the General Assembly is \$120 million more than the amount originally introduced by the Governor. This expansion is consistent with the recommendations of the Spending Affordability Committee, which included a general statement that the budget surplus be used to support PAYGO capital needs to supplement GO bonds, offset the impact of construction inflation, and provide funds for one-time infrastructure investments including legislative bond initiatives. Ultimately, the expansion of the capital program was tempered by an emerging structural deficit projected to be more than \$1 billion by fiscal 2028, combined with a nearly \$500 million revenue write-down by the Board of Revenue Estimates in March 2023.

Overall, for GO bond proceeds, the final budget includes an additional \$12.0 million made available through the deauthorization of prior authorized bonds and \$29.1 million of attained bond premium proceeds made available from the March 2023 GO bond sale. For PAYGO, the general fund component decreased by \$44.4 million after accounting for several adjustments. These adjustments include:

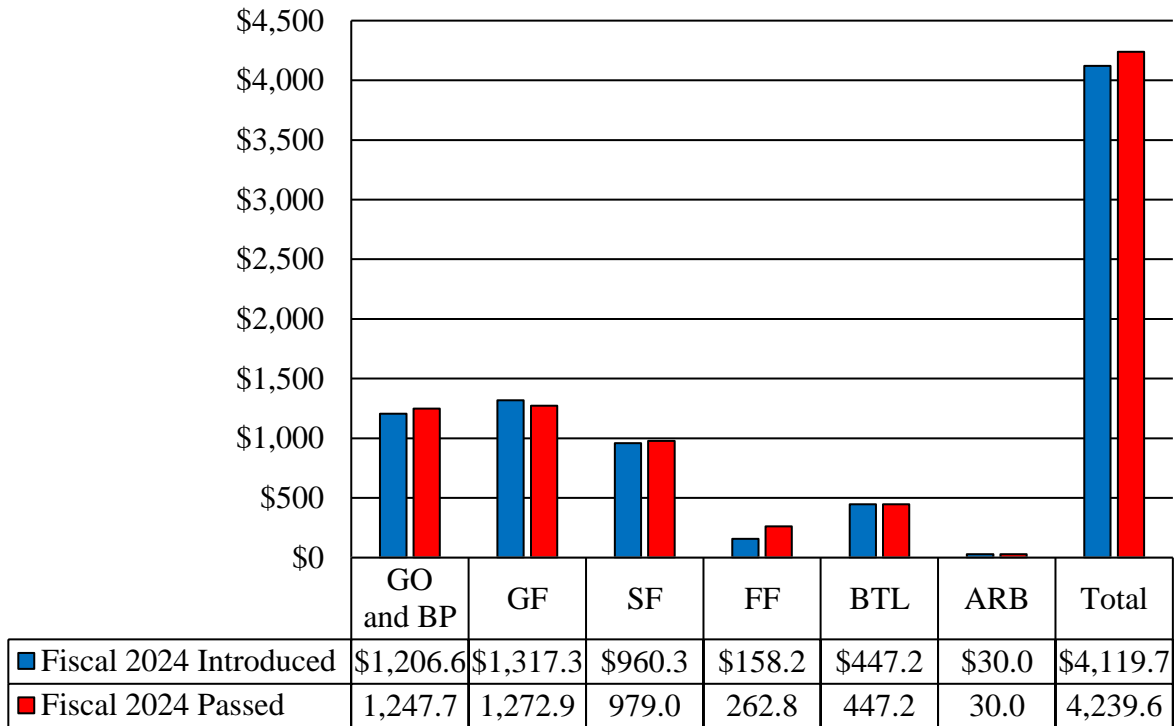
1. \$384.8 million of general funds added by the legislature in Section 19 of the operating budget bill, of which \$100 million used unallocated funds earmarked for legislative priorities in the budget as introduced. Of this amount, \$232.2 million funds projects originally budgeted with GO bond funds but moved from the bond program to make room for legislative priorities in the capital budget bill, and \$10.4 million reflects reductions made to Department of Housing and Community Development programs to instead provide specified grants in Section 19;
2. \$81.1 million added through Supplemental Budget No. 2; and
3. a reduction of \$400 million from the \$500 million budgeted in the Dedicated Purpose Account to support the State match for future federal transportation grant awards. As enacted, the budget provides \$100 million to support the State match for future federal grant awards and to fund environmental studies for the Red Line and Southern Maryland Rapid Transit Projects. The Governor is also authorized to transfer by budget amendment an additional \$100 million from the Rainy Day Fund for transportation purposes.

Special funds increase by \$19 million most notably through the addition of \$12.0 million in Supplemental Budget No. 2 for infrastructure improvements at Martin State Airport.

Federal funds increase by \$104.6 million over the amount originally budgeted. Of this amount, \$95 million supports broadband infrastructure made available through the federal Infrastructure Investment and Jobs Act (IIJA). This is in addition to the \$76 million of IIJA funds budgeted in the Water Quality and Drinking Water revolving loan programs administered by the Maryland Department of the Environment.

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, excluding \$2.730 billion for the transportation program provided through the CTP. **Exhibit A-2.5** illustrates the allocation of PAYGO general funds.

Exhibit A-2.3
Proposed and Authorized 2023 Session Capital Program by Fund Source
 (\$ in Millions)

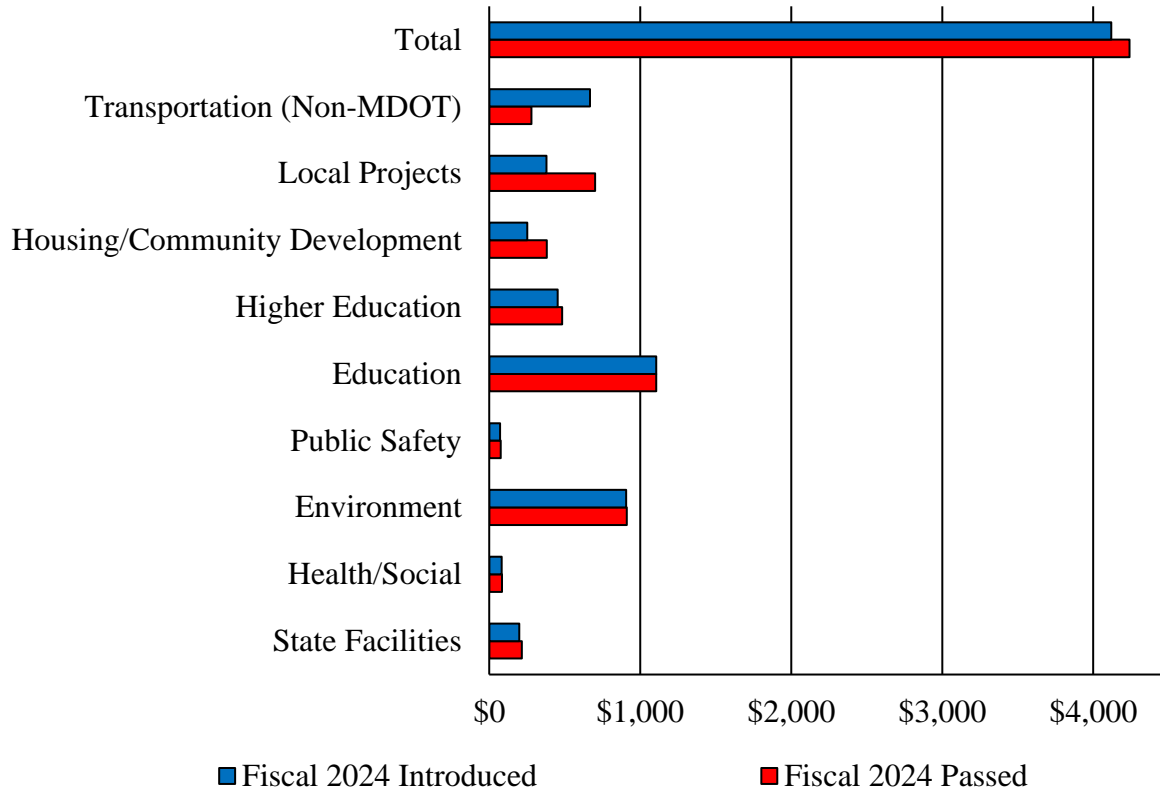


ARB: Academic Revenue Bond
 BP: bond premium
 BTL: Built to Learn Bonds
 FF: federal fund
 GF: general fund
 GO: general obligation
 SF: special fund

Note: Figures exclude funds for transportation provided through the *Consolidated Transportation Program* and fiscal 2023 deficiency appropriations.

Source: Department of Legislative Services

**Exhibit A-2.4
Proposed and Authorized 2023 Session Capital Program by Uses
(\$ in Millions)**

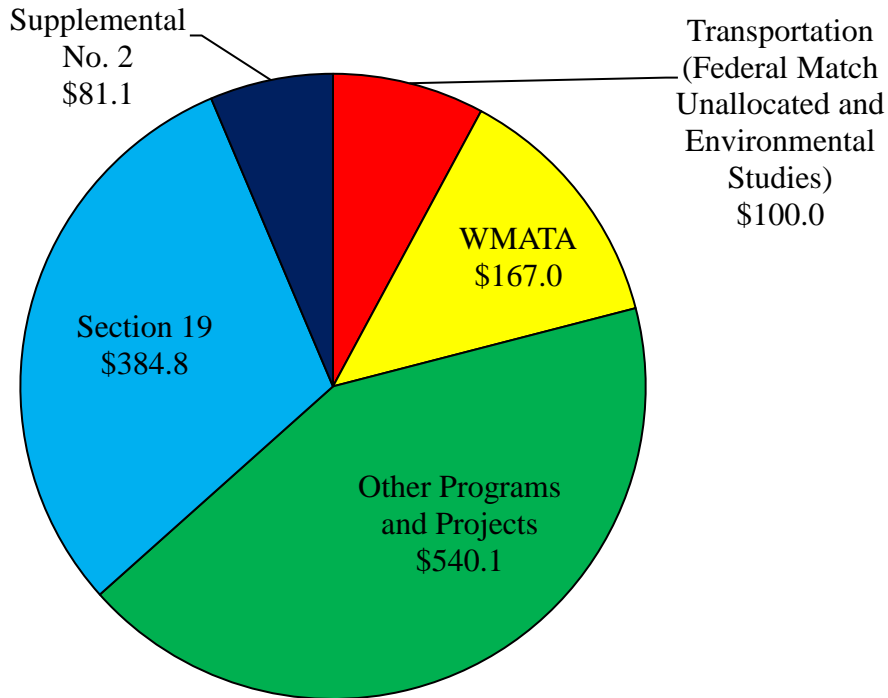


MDOT: Maryland Department of Transportation

Note: Figures exclude funds for transportation provided through the *Consolidated Transportation Program* and fiscal 2023 deficiency appropriations.

Source: Department of Legislative Services

Exhibit A-2.5
Fiscal 2024 Allocation of General Funds
(\$ in Millions)



WMATA: Washington Metropolitan Area Transit Authority

Source: Department of Legislative Services

GO Bond Preauthorizations

The MCCBL of 2023 includes \$629.7 million of GO bond authorizations that will not take effect until fiscal 2025 and \$272.1 million that will not take effect until fiscal 2026 and 2027. Of the \$629.7 million preauthorized for fiscal 2025, \$395.6 million either continues the funding for existing State construction contracts or allows projects expected to be contracted during fiscal 2024 to proceed without the full amount of the construction authorization provided in the fiscal 2024 budget. The remaining \$234.1 million expresses the General Assembly’s support of State and local projects, including \$100 million to support the potential relocation of the Federal Bureau of Investigation headquarters to Maryland. **Exhibit A-2.6** shows the preauthorizations for fiscal 2025 through 2027 included in the MCCBL of 2023.

Exhibit A-2.6
Preauthorizations Included in House Bill 201

<u>Agency</u>	<u>Project Title</u>	<u>2024 Session</u>	<u>2025 Session</u>	<u>2026 Session</u>
MDEM	Maryland Department of Emergency Management Headquarters	\$6,675,000		
MSA	Department of Legislative Services Building	13,539,000		
BPW	Judiciary – New Courts of Appeal Building	63,265,000	\$62,852,000	
BPW	Judiciary – Shillman Building Conversion	16,885,000	2,050,000	
DNR	Natural Resources Development Fund	6,038,000		
MDH	Demolish Decommissioned Buildings	2,404,000		
MDH	Clifton T. Perkins Hospital	21,109,000		
DPSCS	High Temperature Distribution and Perimeter Security Improvements	16,113,000		
DPSCS	Women’s Prerelease Center	2,500,000	2,500,000	
UMB	Central Electric Substation and Electrical Infrastructure Upgrades	9,401,000		
UMB	Institute for Health Computing	2,000,000		
UMB	Dental Ambulatory Surgery Center	2,000,000		
UMCP	Interdisciplinary Engineering Building	64,920,000	38,150,000	\$2,120,000
UMCP	Health and Human Sciences Building	4,950,000	31,700,000	27,100,000
UMCP	Graduate Student Housing	5,000,000	5,000,000	
BSU	Communication Arts and Humanities Building	4,689,000		
TU	Smith Hall Renovation	63,175,000	52,374,000	
UMMS	Shore Regional Hospital	20,000,000		
UMES	Agricultural Research Education Center	2,993,000		
UMBC	Sherman Hall Renovation	23,201,000	19,540,000	2,087,000
USMO	Columbus Center Deferred Maintenance	13,988,000	2,551,000	
MHEC	Community College Construction Grant Program	39,226,000	5,090,000	
MSU	Campus Expansion Phase I – Lake Clifton High School Demolition	9,425,000		
MDE	Comprehensive Flood Management Program	3,000,000		
MES	Infrastructure Improvement Fund	8,473,000	882,000	
DSP	Barrack V – Berlin: New Forensic Lab and Garage	2,270,000		
MISC	Federal Bureau of Investigation Headquarters Relocation	100,000,000		
MISC	Riverdale Park Upgrades	1,500,000		

<u>Agency</u>	<u>Project Title</u>	<u>2024 Session</u>	<u>2025 Session</u>	<u>2026 Session</u>
MISC	North Bethesda Metro Station	10,000,000		
MISC	City of Salisbury Infrastructure Improvements	2,000,000		
MISC	Extended North Tunnel	10,000,000	10,000,000	
MISC	City of Laurel Historical Dam Ruins at Riverfront Park Restoration	1,200,000		
MISC	Luminis Health Doctors Community Medical Center	10,000,000		
MISC	Cheverly Hospital Demolition	5,000,000		
MISC	Everyman Theatre	1,000,000		
MISC	Baltimore Electrical JATC Expansion	1,000,000		
MISC	Liberty Sports Park	500,000		
MISC	Shady Grove Medical Center	2,000,000	2,000,000	
MISC	MedStar Montgomery Medical Center	2,000,000		
MISC	Children’s National Hospital – Tech Hill Pharmacy	1,000,000		
MISC	Hippodrome Foundation	600,000		
MISC	Southern Streams Health and Wellness Center	2,500,000		
MISC	Charles P. Crane Plant	1,000,000		
MISC	Washington County Museum of Fine Arts	1,500,000		
MISC	Pikesville Armory Renovation	5,000,000		
MISC	Electrical Alliance	1,000,000		
MISC	Montgomery County Local Public School Playgrounds	1,350,000		
MISC	University of Maryland Shore Medical Center at Chestertown	1,250,000		
MISC	Pascal Crisis Stabilization Center	250,000		
MISC	Olney Boys and Girls Club – Performance Sports Center	2,000,000		
MISC	Catholic Charities – Intergenerational Center	2,000,000	2,000,000	
MISC	Clay Hill Public Charter School	1,200,000		
MISC	Westminster Fiber Project	1,000,000	1,000,000	1,000,000
MISC	Bowie Mill Bike Trail	2,100,000	2,100,000	
MISC	MedStar Southern Maryland Hospital	2,000,000		
MISC	Inner Harbor Promenade	30,000,000		
MISC	Sound Barrier	250,000		
MISC	American Cancer Society – Hope Lodge Baltimore	250,000		
Total		\$629,689,000	\$239,789,000	\$32,307,000

BPW: Board of Public Works
BSU: Bowie State University
DPSCS: Department of Public Safety and Correctional Services
DNR: Department of Natural Resources
DSP: Department of State Police
MDE: Maryland Department of the Environment
MDEM: Maryland Department of Emergency Management
MDH: Maryland Department of Health
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
UMBC: University of Maryland Baltimore County
UMCP: University of Maryland, College Park Campus
UMMS: University of Maryland Medical System
USMO: University System of Maryland Office

Source: Department of Legislative Services

Additional Actions

House Bill 1298 (passed) includes amendments to prior authorizations that, among other changes, extend matching fund deadlines, extend deadlines for expending or encumbering funds, alter the purposes for which funds may be used, modify certification requirements, rename grant recipients, and alter project locations.

Higher Education

The overall State-funded portion of the fiscal 2024 capital program for all segments of higher education is \$483.6 million. Of the total funding, public four-year institutions receive \$387.8 million, or 80.2%, of funding; independent institutions receive \$14.3 million, or 2.9%, of funding; and community colleges, including Baltimore City Community College (BCCC), receive \$81.5 million, or 16.9%, of funding that includes \$17.6 million for the facilities renewal grant program and \$9.4 million for BCCC. **Exhibit A-2.7** shows the fiscal 2024 capital funding by public four-year institution and segment.

Exhibit A-2.7
Higher Education Capital Funding by Institution and Segment
Fiscal 2024

<u>Institution</u>	<u>Funding</u>
University of Maryland, Baltimore Campus	\$11,126,000
University of Maryland, College Park Campus	68,140,000
Bowie State University	68,234,000
Towson University	67,338,000
University of Maryland Eastern Shore	13,228,000
Frostburg State University	500,000
Coppin State University	1,000,000
Salisbury University	2,223,000
University of Maryland Global Campus	650,000
University of Maryland Baltimore County	23,839,000
University of Maryland Center for Environmental Science	11,033,000
University System of Maryland – Facility Renewal ¹	29,934,000
Morgan State University	85,874,000
St. Mary’s College of Maryland	4,694,000
Independent Institutions	14,250,000
Baltimore Community College	9,384,000
Community Colleges	72,116,000
Total	\$483,563,000

¹ Includes funding for deferred maintenance for the Colwell Center that is a systemwide facility.

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 2024 budget provides \$1.092 billion for school construction programs including \$3.5 million for nonpublic schools. The largest funded program is the traditional Public School Construction Program that receives \$485.0 million, comprised of

\$268.5 million of special funds from the Fiscal Responsibility Fund and \$216.5 million of general funds. The largest fund source is revenue bonds with \$447.2 million estimated to be issued by the Maryland Stadium Authority as authorized by the Built to Learn Act, which is in addition to the approximately \$700 million approved in fiscal 2022. This reflects a revised bond issuance total for this program of approximately \$1.7 billion, subject to market conditions. The legislature also reallocated \$90 million for the Healthy School Facility Fund from GO bonds to general funds.

Exhibit A-2.8
Fiscal 2024 School Construction Funding by Program and Fund Source
(\$ in Millions)

<u>Program</u>	<u>GO Bonds</u>	<u>Revenue Bonds</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Total</u>
Public School Construction Program	\$0.0	\$0.0	\$216.5	\$268.5	\$485.0
Built to Learn Act	0.0	447.2	0.0	0.0	447.2
Healthy School Facility Fund	0.0	0.0	90.0	0.0	90.0
Supplemental Capital Grant	0.0	0.0	40.0	0.0	40.0
Revolving Loan Program	0.0	0.0	20.0	0.0	20.0
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	\$9.6	\$447.2	\$366.5	\$268.5	\$1,091.8

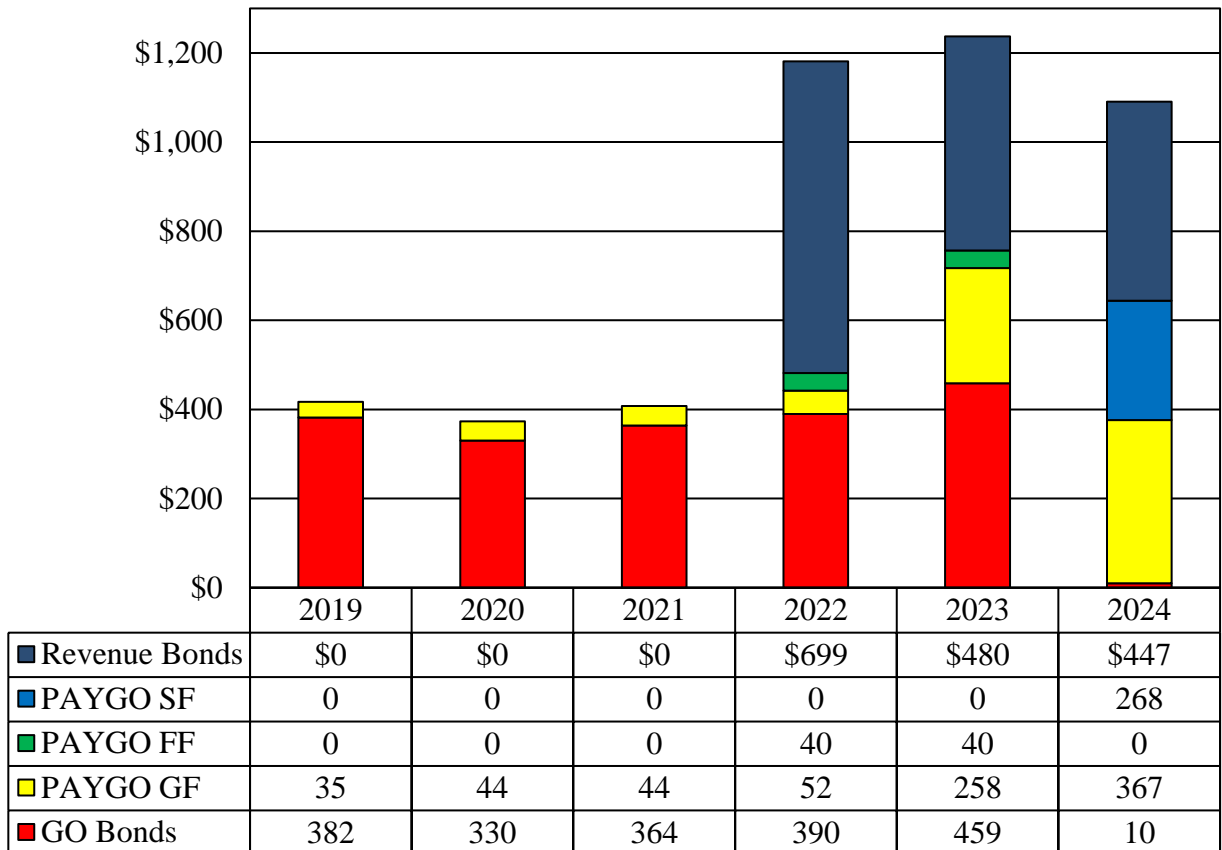
GO: general obligation

Note: 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 school construction from fiscal 2019 to 2024.

Exhibit A-2.9
School Construction Funding
Fiscal 2019-2024
(\$ in Millions)



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

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 2024. This is due to general funds mandated by Chapter 39 of 2022 (Great Maryland Outdoors Act) and an increase in the transfer tax revenue overattainment from fiscal 2022 that is budgeted in fiscal 2024. The revenue overattainment applied to fiscal 2024 is \$122 million compared to the \$48.5 million that was applied to fiscal 2023. The transfer tax revenue estimate itself decreased from \$306.5 million in fiscal 2023 to \$286.1 million in fiscal 2024.

Fiscal 2024 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. Not reflected in the exhibit is \$106.9 million of general funds mandated by Chapter 39 for the two new programs, the Park System Critical Maintenance Fund and Park System Capital Improvement and Acquisition Fund.

Exhibit A-2.10
Programs Traditionally Funded with Transfer Tax Revenue with Overattainment
Fiscal 2024
(\$ in Millions)

	<u>Transfer Tax Regular Special Funds</u>	<u>Transfer Tax Overattainment Special Funds</u>	<u>Transfer Tax Repayment General Funds</u>	<u>Other Special Funds</u>	<u>Federal</u>	<u>Total</u>
Department of Natural Resources						
Program Open Space						
State ¹	\$60.3	\$34.7	\$0.0	\$0.0	\$3.0	\$98.0
Local	61.7	27.5	0.0	0.0	0.0	89.2
Capital Development ²	26.6	12.4	0.0	0.0	0.0	39.0
Rural Legacy Program ³	21.9	6.1	5.4	0.0	0.0	33.4
Heritage Conservation Fund	5.0	2.2	0.0	0.0	0.0	7.2
Department of Agriculture						
Agricultural Land Preservation ⁴	\$46.8	\$20.8	\$16.6	\$10.5	\$0.0	94.7
Next Generation Farmland Acquisition Program ⁵	0.0	0.0	4.0	0.0	0.0	4.0
Total	\$222.3	\$103.7	\$26.0	\$10.5	\$3.0	\$365.5

GO: general obligation

¹ The Baltimore City Direct Grant of \$10.0 million and the Program Open Space – Public Access Program of \$19.2 million are both components of the \$95.0 million transfer tax regular and overattainment special funds leaving \$65.8 million for Program Open Space State land acquisition. The \$3.0 million in federal funds reflects Land and Water Conservation Fund grants that may also be used for Program Open Space Local purposes.

² The Capital Development transfer tax regular and overattainment special funds are allocated as follows: Natural Resources Development Fund (\$32.5 million), of which \$13.2 million is for Maryland Environmental Service's Water and Wastewater Projects at State Parks; Ocean City Beach Maintenance (\$1.0 million); and Critical Maintenance Program (\$5.5 million).

³ The Rural Legacy Program general fund repayment funding of \$5.4 million is mandated by Chapter 39 of 2022 (Great Maryland Outdoors Act).

⁴ The Agricultural Land Preservation general fund repayment funding of \$16.6 million is mandated by Chapter 39. The other special funds reflect \$10.5 million in county participation funding.

⁵ The fiscal 2024 allowance included the required \$10.0 million in general fund repayment funding for the Next Generation Farmland Acquisition Program mandated by Chapter 39. The General Assembly reduced this funding by \$6.0 million and added it back for the Maryland Agricultural and Resource-Based Industry Development Corporation's core loan program due to the level of interest during the high interest rate environment.

Note: The Maryland Park Service's allocation of \$59.5 million, comprised of \$41.1 million in transfer tax regular funds and \$18.3 million in transfer tax overattainment special funds, is not shown in the exhibit. The exhibit also does not show the general fund appropriations mandated by Chapter 39 for the two new special funds: Park System Critical Maintenance Fund (\$70.0 million); and Park System Capital Improvement and Acquisition Fund (\$36.9 million).

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

Aid to Local Governments

Overview

State aid to local governments will total \$10.3 billion in fiscal 2024, representing a \$888.5 million, or 9.4%, increase over fiscal 2023. Direct aid will increase by \$842.7 million, and State funding for retirement payments will increase by \$45.8 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 2023 and 2024.

Exhibit A-3.1
State Aid to Local Governments
Fiscal 2023 and 2024
(\$ in Millions)

	<u>2023</u>	<u>2024</u>	<u>\$ Difference</u>	<u>% Difference</u>
Public Schools	\$7,230.6	\$7,891.6	\$661.0	9.1%
Libraries	68.7	70.1	1.5	2.1%
Community Colleges	390.4	430.3	39.9	10.2%
Local Health	101.3	115.8	14.5	14.3%
County/Municipal	854.4	980.3	125.9	14.7%
Subtotal – Direct Aid	\$8,645.3	\$9,488.0	\$842.7	9.7%
Retirement Payments	\$790.4	\$836.2	\$45.8	5.8%
Total	\$9,435.7	\$10,324.2	\$888.5	9.4%

Source: Department of Legislative Services

Major Legislative and Budgetary Actions

The General Assembly passed several measures during the 2023 session that altered State aid to local governments (**Exhibit A-3.2**). County and municipal governments receive the majority of these enhancements. Additional funding is provided to assist Baltimore City and Kent County in covering the local appropriation for the local school system (local education effort grant). Both jurisdictions are experiencing sizeable, mandated increases in their local funding requirements under the Blueprint for Maryland’s Future (Blueprint). Other major enhancements include \$4.5 million for the Maryland Meals for Achievement program, \$3.0 million to enhance teacher salaries at nonpublic schools serving special education students, and \$2.0 million to cover salary costs for program coordinators responsible for the implementation of the Blueprint.

Exhibit A-3.2
State Aid Enhancements – Legislative and Budgetary Actions
Fiscal 2024

<u>Aid Program</u>	<u>Funding Amount</u>
Maryland Meals for Achievement	\$4,500,000
Nonpublic Placements	3,000,000
Blueprint Coordinators	2,000,000
School Waste Compost	250,000
Gwynn Park High School	60,000
<i>Subtotal – Education Aid</i>	<i>\$9,810,000</i>
Local Education Effort	\$10,250,000
Baltimore City Artscape	1,500,000
Emergency Rental Assistance	1,000,000
Baltimore City Parks and Recreation	200,000
<i>Subtotal – County-Municipal Aid</i>	<i>\$12,950,000</i>
Total Enhancements	\$22,760,000

Source: Department of Legislative Services

Changes by Program

State aid to local governments increases for all jurisdictions in fiscal 2024. **Exhibit A-3.3** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A-3.4** shows total State aid in fiscal 2023 and 2024 by program. A more detailed discussion of the changes in State aid in fiscal 2024 follows the exhibits.

Exhibit A-3.3
State Aid to Local Governments
Fiscal 2024 Legislative Appropriation
(\$ in Thousands)

County	County - Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total	Change Over FY 2023	Percent Change
			Public Schools	Libraries	Health						
Allegany	\$17,268	\$9,901	\$97,067	\$886	\$5,014	\$130,137	\$8,493	\$138,630	\$2,213	1.6%	
Anne Arundel	54,218	45,858	531,791	2,907	9,402	644,176	73,847	718,023	71,322	11.0%	
Baltimore City	367,628	0	1,121,420	9,715	11,515	1,510,278	65,682	1,575,961	51,397	3.4%	
Baltimore	36,576	75,316	902,878	7,470	7,537	1,029,776	104,313	1,134,089	87,021	8.3%	
Calvert	7,100	5,559	111,301	618	3,265	127,844	14,377	142,221	10,449	7.9%	
Caroline	8,230	2,684	77,291	369	2,171	90,745	4,877	95,622	10,437	12.3%	
Carroll	8,766	14,369	179,065	1,258	4,559	208,017	21,820	229,837	25,936	12.7%	
Cecil	11,428	9,838	136,443	951	3,313	161,973	14,493	176,466	20,002	12.8%	
Charles	6,533	9,932	258,487	1,385	5,111	281,448	22,501	303,948	38,468	14.5%	
Dorchester	8,488	1,837	56,604	346	2,851	70,126	4,154	74,280	3,052	4.3%	
Frederick	14,321	19,539	367,654	1,906	5,093	408,512	38,284	446,796	46,481	11.6%	
Garrett	7,241	6,116	26,393	182	2,776	42,709	3,667	46,375	3,649	8.5%	
Harford	10,982	19,317	298,072	2,121	5,951	336,444	33,347	369,791	41,507	12.6%	
Howard	11,702	35,437	357,368	1,209	5,974	411,690	61,794	473,484	34,714	7.9%	
Kent	1,978	847	11,652	124	2,551	17,152	1,833	18,985	1,621	9.3%	
Montgomery	54,427	75,407	939,198	3,776	5,592	1,078,401	173,705	1,252,106	86,687	7.4%	
Prince George's	194,782	47,815	1,545,453	8,753	9,139	1,805,941	120,936	1,926,877	263,278	15.8%	
Queen Anne's	2,933	3,350	43,172	210	2,205	51,870	6,542	58,413	2,581	4.6%	
St. Mary's	4,670	6,863	145,717	921	3,926	162,096	14,558	176,655	21,414	13.8%	
Somerset	10,198	1,517	43,288	329	2,058	57,391	3,062	60,453	3,513	6.2%	
Talbot	3,692	2,932	21,052	135	2,119	29,929	4,025	33,954	3,804	12.6%	
Washington	11,584	16,849	240,254	1,641	4,437	274,765	18,612	293,378	28,987	11.0%	
Wicomico	23,853	9,114	195,179	1,261	5,183	234,590	13,732	248,322	18,525	8.1%	
Worcester	10,321	3,414	28,624	190	4,021	46,570	7,568	54,138	5,068	10.3%	
Unallocated	91,359	6,481	156,141	21,447	0	275,427	0	275,427	6,373	2.4%	
Total	\$980,278	\$430,291	\$7,891,565	\$70,108	\$115,766	\$9,488,008	\$836,225	\$10,324,232	\$888,500	9.4%	

Source: Department of Legislative Services

State Aid to Local Governments
Fiscal 2023 Working Appropriation
(\$ in Thousands)

County	Direct State Aid						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$17,306	\$9,132	\$96,958	\$870	\$4,094	\$128,360	\$8,057	\$136,417
Anne Arundel	52,470	42,972	470,698	2,730	8,215	577,085	69,616	646,701
Baltimore City	320,884	0	1,121,796	9,652	10,699	1,463,031	61,532	1,524,563
Baltimore	34,809	64,966	836,623	7,357	6,981	950,735	96,333	1,047,069
Calvert	6,702	5,084	102,916	578	2,723	118,002	13,770	131,773
Caroline	7,170	2,143	68,913	361	1,886	80,472	4,712	85,185
Carroll	7,532	12,832	157,714	1,222	3,938	183,237	20,664	203,901
Cecil	11,216	8,827	119,154	925	2,877	142,999	13,465	156,464
Charles	5,994	9,361	222,640	1,328	4,476	243,800	21,680	265,480
Dorchester	7,988	1,626	55,006	344	2,388	67,352	3,875	71,227
Frederick	12,224	17,380	329,416	1,820	4,354	365,194	35,121	400,315
Garrett	6,856	5,398	24,670	182	2,293	39,399	3,328	42,726
Harford	9,587	17,677	263,293	2,030	5,228	297,815	30,470	328,285
Howard	10,890	31,306	331,491	1,163	4,942	379,792	58,978	438,770
Kent	1,506	645	11,263	119	2,159	15,693	1,672	17,365
Montgomery	51,435	70,709	868,172	3,717	5,180	999,213	166,207	1,165,419
Prince George's	135,975	45,390	1,348,134	8,729	8,385	1,546,613	116,986	1,663,599
Queen Anne's	2,614	2,809	42,327	201	1,906	49,857	5,974	55,831
St. Mary's	4,017	6,263	127,121	881	3,331	141,613	13,627	155,241
Somerset	9,431	1,431	41,162	324	1,795	54,143	2,797	56,940
Talbot	3,259	2,413	18,760	131	1,764	26,327	3,822	30,149
Washington	11,276	14,541	215,590	1,604	3,877	246,888	17,502	264,390
Wicomico	19,787	7,756	183,541	1,232	4,465	216,782	13,015	229,797
Worcester	9,637	3,250	25,455	184	3,354	41,880	7,190	49,070
Unallocated	93,860	6,460	147,761	20,973	0	269,055	0	269,055
Total	\$854,426	\$390,370	\$7,230,575	\$68,656	\$101,311	\$8,645,337	\$790,395	\$9,435,732

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

State Aid to Local Governments
Dollar Difference Between Fiscal 2024 Legislative Appropriation and Fiscal 2023 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-\$38	\$769	\$110	\$16	\$921	\$1,777	\$436	\$2,213
Anne Arundel	1,748	2,886	61,092	177	1,188	67,091	4,231	71,322
Baltimore City	46,744	0	-376	63	817	47,247	4,150	51,397
Baltimore	1,767	10,350	66,255	113	556	79,041	7,980	87,021
Calvert	398	476	8,385	40	542	9,841	607	10,449
Caroline	1,060	541	8,378	8	285	10,273	165	10,437
Carroll	1,234	1,537	21,351	36	621	24,780	1,157	25,936
Cecil	212	1,011	17,289	26	436	18,974	1,028	20,002
Charles	539	571	35,846	56	634	37,648	821	38,468
Dorchester	500	211	1,598	2	463	2,774	279	3,052
Frederick	2,097	2,159	38,238	86	739	43,318	3,162	46,481
Garrett	385	719	1,723	0	483	3,310	339	3,649
Harford	1,395	1,640	34,779	92	723	38,629	2,877	41,507
Howard	812	4,131	25,877	46	1,032	31,899	2,815	34,714
Kent	472	202	389	5	392	1,460	161	1,621
Montgomery	2,992	4,698	71,027	59	412	79,188	7,499	86,687
Prince George's	58,807	2,425	197,318	24	754	259,328	3,950	263,278
Queen Anne's	319	541	845	9	299	2,013	568	2,581
St. Mary's	653	600	18,596	40	595	20,483	931	21,414
Somerset	768	86	2,126	6	263	3,249	265	3,513
Talbot	433	519	2,292	3	355	3,602	202	3,804
Washington	308	2,308	24,664	37	560	27,877	1,110	28,987
Wicomico	4,065	1,359	11,639	28	717	17,808	717	18,525
Worcester	684	163	3,169	7	666	4,690	378	5,068
Unallocated	-2,500	20	8,379	474	0	6,373	0	6,373
Total	\$125,852	\$39,921	\$660,990	\$1,452	\$14,455	\$842,670	\$45,830	\$888,500

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

State Aid to Local Governments
Percent Change: Fiscal 2024 Legislative Appropriation over Fiscal 2023 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-0.2%	8.4%	0.1%	1.8%	22.5%	1.4%	5.4%	1.6%
Anne Arundel	3.3%	6.7%	13.0%	6.5%	14.5%	11.6%	6.1%	11.0%
Baltimore City	14.6%	n/a	0.0%	0.6%	7.6%	3.2%	6.7%	3.4%
Baltimore	5.1%	15.9%	7.9%	1.5%	8.0%	8.3%	8.3%	8.3%
Calvert	5.9%	9.4%	8.1%	7.0%	19.9%	8.3%	4.4%	7.9%
Caroline	14.8%	25.3%	12.2%	2.2%	15.1%	12.8%	3.5%	12.3%
Carroll	16.4%	12.0%	13.5%	3.0%	15.8%	13.5%	5.6%	12.7%
Cecil	1.9%	11.5%	14.5%	2.8%	15.1%	13.3%	7.6%	12.8%
Charles	9.0%	6.1%	16.1%	4.3%	14.2%	15.4%	3.8%	14.5%
Dorchester	6.3%	13.0%	2.9%	0.6%	19.4%	4.1%	7.2%	4.3%
Frederick	17.2%	12.4%	11.6%	4.7%	17.0%	11.9%	9.0%	11.6%
Garrett	5.6%	13.3%	7.0%	0.1%	21.1%	8.4%	10.2%	8.5%
Harford	14.6%	9.3%	13.2%	4.5%	13.8%	13.0%	9.4%	12.6%
Howard	7.5%	13.2%	7.8%	3.9%	20.9%	8.4%	4.8%	7.9%
Kent	31.4%	31.3%	3.4%	4.2%	18.2%	9.3%	9.6%	9.3%
Montgomery	5.8%	6.6%	8.2%	1.6%	8.0%	7.9%	4.5%	7.4%
Prince George's	43.2%	5.3%	14.6%	0.3%	9.0%	16.8%	3.4%	15.8%
Queen Anne's	12.2%	19.2%	2.0%	4.7%	15.7%	4.0%	9.5%	4.6%
St. Mary's	16.2%	9.6%	14.6%	4.5%	17.9%	14.5%	6.8%	13.8%
Somerset	8.1%	6.0%	5.2%	1.8%	14.7%	6.0%	9.5%	6.2%
Talbot	13.3%	21.5%	12.2%	2.6%	20.2%	13.7%	5.3%	12.6%
Washington	2.7%	15.9%	11.4%	2.3%	14.5%	11.3%	6.3%	11.0%
Wicomico	20.5%	17.5%	6.3%	2.3%	16.1%	8.2%	5.5%	8.1%
Worcester	7.1%	5.0%	12.4%	3.6%	19.9%	11.2%	5.3%	10.3%
Unallocated	-2.7%	0.3%	5.7%	2.3%	n/a	2.4%	-100.0%	2.4%
Total	14.7%	10.2%	9.1%	2.1%	14.3%	9.7%	5.8%	9.4%

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

Exhibit A-3.4
Total State Aid to Local Governments
Fiscal 2023 and 2024

<u>Program</u>	<u>2023</u>	<u>2024</u>	<u>Difference</u>
Foundation Aid	\$3,659,452,582	\$3,768,324,327	\$108,871,745
Foundation – Special Grants	0	34,508,079	34,508,079
Geographic Cost of Education Index	157,909,651	0	-157,909,651
Comparable Wage Index	0	155,298,837	155,298,837
Compensatory Education	1,295,201,860	1,686,097,760	390,895,900
Student Transportation – Regular	308,751,983	335,817,268	27,065,285
Student Transportation – Special Education	27,213,000	27,547,000	334,000
Special Education – Formula	401,310,445	465,973,318	64,662,873
Special Education – Nonpublic Placements	141,413,212	148,613,212	7,200,000
Special Education – Infants and Toddlers	14,673,430	15,815,593	1,142,163
English Language Learners Grant	422,465,014	473,518,248	51,053,234
Guaranteed Tax Base	45,783,860	56,783,213	10,999,353
Prekindergarten Expansion Program	26,644,000	26,644,000	0
School Safety Grants	20,600,000	23,600,000	3,000,000
Blueprint – Concentration of Poverty	190,286,426	227,257,191	36,970,765
Blueprint – Transitional Supplemental Instruction	49,951,813	51,323,685	1,371,872
Blueprint – Transition Grants	57,688,465	57,688,465	0
Blueprint – Full Day PreKindergarten	144,063,352	99,575,069	-44,488,283
Blueprint – College and Career Readiness	18,669,966	19,888,097	1,218,131
Blueprint – Education Effort Index	125,673,114	87,978,308	-37,694,806
Blueprint – Career Ladder	9,033,505	9,534,910	501,405
Blueprint – Coordinators	0	2,000,000	2,000,000
Food Service	15,796,664	20,296,664	4,500,000
SEED School	12,291,760	12,782,839	491,079
Judy Hoyer Centers	24,936,380	27,906,380	2,970,000
Teacher Development	23,322,000	23,322,000	0
Next Generation Scholars	5,000,000	5,000,000	0
Public School Opportunities	3,000,000	3,000,000	0
Out-of-county Foster Placements	2,000,000	2,000,000	0
Head Start	3,000,000	3,000,000	0
Other Education Aid	24,442,396	20,470,894	-3,971,502
Total Primary and Secondary Education	\$7,230,574,878	\$7,891,565,357	\$660,990,479

<u>Program</u>	<u>2023</u>	<u>2024</u>	<u>Difference</u>
Library Formula	\$47,683,020	\$48,661,216	\$978,196
Library Network	20,972,879	21,446,585	473,706
Total Libraries	\$68,655,899	\$70,107,801	\$1,451,902
Community College Formula	\$355,061,438	\$393,281,399	\$38,219,961
Optional Retirement	16,700,000	16,700,000	0
Grants for ESOL Programs	3,026,334	3,163,628	137,294
Small College Grants	9,121,808	10,665,104	1,543,296
Other Community College Aid	6,460,457	6,480,529	20,072
Total Community Colleges	\$390,370,037	\$430,290,660	\$39,920,623
Highway User Revenue	\$274,257,000	\$331,426,000	\$57,169,000
Elderly and Disabled Transportation Aid	4,305,908	4,305,908	0
Paratransit Grants	1,408,450	1,408,450	0
Bus Rapid Transit Systems	14,637,225	14,151,701	-485,524
Total Transportation	\$294,608,583	\$351,292,059	\$56,683,476
Police Aid	\$76,633,868	\$75,822,530	-\$811,338
Police Aid Enhancement	45,878,144	45,878,144	0
Fire and Rescue Aid	15,000,000	15,000,000	0
9-1-1 Grants	28,421,995	28,421,995	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	3,136,020	1,250,000
Drug Enforcement Grants	1,214,610	1,214,610	0
Maryland Criminal Intelligence Network	6,723,865	6,723,865	0
Police Recruitment and Retention	1,300,000	1,300,000	0
Rape Kit Testing Grant Fund	3,500,000	3,500,000	0
Police Accountability	8,000,000	8,000,000	0
Warrant Apprehension Grant	3,250,000	5,250,000	2,000,000
License Plate Reader Grant	5,000,000	0	-5,000,000
Cross Jurisdictional Task Forces	1,000,000	0	-1,000,000
Other Public Safety Aid	5,431,509	5,431,509	0
Total Public Safety	\$221,218,568	\$217,657,230	-\$3,561,338

<u>Program</u>	<u>2023</u>	<u>2024</u>	<u>Difference</u>
Wastewater Treatment – Nutrient Removal	\$11,000,000	\$11,000,000	\$0
Critical Area Grants	138,450	148,126	9,676
Total Recreation/Environment	\$11,138,450	\$11,148,126	\$9,676
Local Health Formula	\$101,310,589	\$115,765,571	\$14,454,982
Disparity Grant	\$161,217,795	\$220,154,519	\$58,936,724
Gaming Impact Grants	\$107,164,490	\$107,958,027	\$793,537
Teachers Retirement Supplemental Grants	27,658,661	27,658,661	0
Local Education Effort	0	10,250,000	10,250,000
Adult Education	8,011,986	8,011,986	0
Statewide Voting Systems	5,372,337	5,551,102	178,765
Revenue Equity Program	3,928,657	3,987,467	58,810
Payments in Lieu of Taxes (PILOT)	1,667,392	1,809,044	141,652
PILOT – Park Service	2,879,000	2,879,000	0
PILOT – Forest Service	144,708	205,708	61,000
Instant Bingo	3,150,000	3,150,000	0
Behavioral Health Crisis Response	5,000,000	5,000,000	0
Baltimore City Artscape	0	1,500,000	1,500,000
Emergency Rental Assistance	0	1,000,000	1,000,000
Senior Citizens Activities Center	765,117	765,241	124
State Center Redevelopment Plan	500,000	0	-500,000
Baltimore City Parks and Recreation	0	200,000	200,000
Maryland Park Explorer Program	0	100,000	100,000
Total Other Direct Aid	\$166,242,348	\$180,026,236	\$13,783,888
Total Direct Aid	\$8,645,337,147	\$9,488,007,559	\$842,670,412
Retirement – Teachers	\$724,643,897	\$768,559,037	\$43,915,140
Retirement – Libraries	20,776,867	21,608,490	831,623
Retirement – Community Colleges	44,974,265	46,057,271	1,083,006
Total Payments-in-behalf	\$790,395,029	\$836,224,798	\$45,829,769
Total State Aid	\$9,435,732,176	\$10,324,232,357	\$888,500,181

ESOL: English for Speakers of Other Languages

Source: Department of Legislative Services

Primary and Secondary Education

State aid to public schools will total \$8.7 billion in fiscal 2024, an increase of \$704.9 million over fiscal 2023, and includes \$7.9 billion in direct aid and \$768.6 million in retirement payments. Public schools account for the vast majority of State funding to local governments, representing approximately 84% of total State aid.

Blueprint legislation, including Chapter 771 of 2019, Chapters 36 and 55 of 2021, and Chapter 33 of 2022, established new programs and updated education funding formulas. The legislation results in substantial anticipated annual increases in State aid to public schools for several years to come. The great majority of the \$704.9 million increase in fiscal 2024 is driven by funding increases in four major formula aid programs as well as one-time hold harmless grants, as discussed below.

Foundation funding increases by \$108.9 million in fiscal 2024, due largely to a 4.0% increase in the per pupil funding amount and a 0.5% increase in full-time equivalent (FTE) enrollment. The fiscal 2024 budget also includes \$34.5 million in foundation special hold harmless grants, preventing substantial decreases in direct State education aid for any local school system, including \$30.4 million for Baltimore City Public Schools and \$4.1 million for Allegany County Public Schools.

Compensatory education funding increases by \$390.9 million in fiscal 2024, due mostly to a 33.6% increase in free and reduced-price meal (FRPM) student enrollment. This increase in the FRPM count is due to an alternative approach in identifying eligible students and not necessarily related to a downturn in the income status of the student's family. The Commission on Innovation and Excellence in Education recommended that Medicaid eligibility be used to determine FRPM eligibility once the Maryland State Department of Education and the Maryland Department of Health have the necessary memorandum of understanding and information systems in place. This is the first time that this approach has been used to determine FRPM eligibility.

The General Assembly also passed legislation with significant implications for State aid for public schools. *House Bill 448 (passed)* requires a nonpublic school in which a child receiving special education services is placed to pay its teachers a salary that is equivalent to the local school salaries, phased in as specified over three years, beginning in fiscal 2024. Consequently, State expenditures increase by an estimated \$3.5 million in fiscal 2024 and by an estimated \$11.4 million in fiscal 2028. The local government share of nonpublic placements also increases under the legislation. The fiscal 2024 State budget provides \$148.6 million in State aid for nonpublic placements (a \$7.2 million increase), including \$3.0 million for the State's share of increasing salaries of nonpublic school special education teachers.

Senate Bill 559 (passed) increases mandated annual funding by \$4.5 million, from \$7.6 million to \$12.1 million, for the Maryland Meals for Achievement In-Classroom Breakfast Program, beginning in fiscal 2025. The fiscal 2024 budget similarly includes an additional \$4.5 million for this purpose, contingent upon enactment of this legislation. Consequently, public school food service State aid increases by \$4.5 million, to a total of \$20.3 million in fiscal 2024.

Local Libraries

State aid to local libraries will total \$91.7 million in fiscal 2024, an increase of \$2.3 million, which includes \$70.1 million in direct aid and \$21.6 million in retirement payments. Local libraries account for approximately 1% of total State aid to local governments, with funding targeted to local library systems, regional resource centers, and the State Library Resource Center in Baltimore City.

The State provides funding to local library systems through a formula that determines the State and local shares of a minimum per capita library program. Per capita funding is \$17.90 in fiscal 2024 and is set to increase to \$19.10 annually, beginning in fiscal 2027. Fiscal 2024 funding totals \$45.7 million. In addition, Baltimore City continues to receive \$3.0 million annually to support expanded operations as it has since fiscal 2018. The State also provides State library network funding in the form of per capita funding to regional resource centers (\$9.39 per capita in fiscal 2024) and for the State Library Resource Center (\$1.97 annually). Regional resource per capita funding is set to increase annually until reaching \$9.99 by fiscal 2027. State library network funding totals \$21.4 million in fiscal 2024, an increase of \$473,700.

Community Colleges

State aid to local community colleges will total \$476.3 million in fiscal 2024, an increase of \$41.0 million, which includes \$430.3 million in direct aid and \$46.1 million in retirement payments. Community colleges account for 4.6% of total State aid to local governments. The Cade funding formula is the main source of State funding in support of community colleges. The formula is based on a percentage (29%) of the current year's State aid to selected four-year public higher education institutions and the total number of FTE students at the community colleges. The total is then distributed to each college based on the previous year's direct grant, enrollment, and a small-size factor.

Local Health

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 local health 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. In fiscal 2024, State funding for local health departments will total \$115.8 million, which accounts for 1.1% of total State aid. This funding amount includes \$60.8 million under the formula and \$55.0 million in supplemental funding.

Transportation

The Maryland Department of Transportation provides capital transportation grants to local governments based on the amount of revenue allocated to the Gasoline and Motor Vehicle Revenue Account (GMVRA). This funding is allocated to local governments through the local highway user revenues program. In fiscal 2024, funding to local governments is based on 15.6% of total GMVRA revenues. Allocations to counties and municipalities are based on the percentage of road miles and vehicle registrations within each local jurisdiction. Baltimore City receives a larger share of local highway user revenues than other jurisdictions because the State does not conduct highway maintenance or construction within the city (except for portions of I-95). In fiscal 2024, local highway user revenues will total \$331.4 million, a \$57.2 million increase over the fiscal 2023 amount. Of this amount, county governments will receive \$78.6 million, municipal governments will receive \$51.0 million, and Baltimore City will receive \$201.8 million.

The State budget also includes \$14.2 million in funding for a bus rapid transit system in Montgomery County, which continues funding that began in fiscal 2023. Local governments will also receive \$4.3 million for elderly and disabled transportation services and \$1.4 million in support for paratransit services, which reflect constant funding from the prior year.

Public Safety

State aid for public safety programs will total \$217.7 million in fiscal 2024, which represents a \$3.6 million decrease from the prior year. This decrease is primarily attributable to the removal of several one-time grants.

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. State funding for police aid will total \$75.8 million in fiscal 2024, representing a slight decrease over the fiscal 2023 amount due to minor decreases in population. The State budget includes, for the second year, an additional \$45.9 million in enhanced police aid funding to address violent crime, with this funding allocated based on each jurisdiction's share of total violent offenses committed in the State.

Local law enforcement agencies receive additional State funding through targeted crime grants, which will total \$52.5 million in fiscal 2024, a decrease of \$2.75 million due to the removal of one-time funding for cross jurisdictional task forces and for local police departments to purchase license plate readers. The fiscal 2024 budget includes funding for one new statewide initiative to support warrant apprehension efforts and to reduce the number of outstanding warrants.

State funding for county 9-1-1 systems, which consists of funding from the State 9-1-1 fee and 25% of the prepaid wireless E 9-1-1 fee, is level funded in fiscal 2024, at \$28.4 million. Local governments will also receive \$15.0 million for fire and rescue aid in fiscal 2024, which reflects constant funding from the prior year.

Disparity Grants

The disparity grant program provides funding to low-wealth jurisdictions where per capita local income tax revenue is below 75% of the statewide average. To help alleviate potential disparities in local income tax collections, the program provides a grant to enable local income tax revenues to reach at least 75% of the statewide average. Due to the significant growth in the mandated funding level for the program, the General Assembly approved legislation in 2009 to cap annual funding to the amount that each jurisdiction received in fiscal 2010. While this provision restrained the growth in mandated funding, it failed to recognize changes in local wealth among jurisdictions due to the varying economic and social conditions across the State. To address this concern, the General Assembly approved legislation in 2013 that established a minimum funding level based on a county's local income tax rate. The minimum funding level is set at 20% for jurisdictions with at least a 2.8% local income tax rate, 40% for jurisdictions with at least a 3% rate, and 75% for jurisdictions with the maximum 3.2% rate.

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 impose the maximum 3.2% local income tax rate. In fiscal 2024, disparity grant funding will total \$220.2 million, which represents a \$58.9 million increase from the prior year.

Gaming Impact Grants

From the proceeds generated by video lottery terminals (VLT) 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, 5.0% of table game revenues are distributed to local jurisdictions where a video lottery facility is located. In fiscal 2024, gaming impact grants total \$108.0 million, an increase of \$793,500 over fiscal 2023 levels.

Other Grants

The fiscal 2024 budget includes several one-time grants to local governments. Local education effort grants are provided to two local governments for the purpose of funding the local appropriation to the public school system. Baltimore City will receive \$10.0 million, and Kent County will receive \$250,000. Grants totaling \$1.5 million and \$200,000 are also provided to Baltimore City to support the 2023 Artscape Festival and a middle school basketball league.

The Neighborhood Revitalization program within the Department of Housing and Community Development provides local communities, nonprofit and community development organizations, and small businesses with access to resources that leverage new investment for priority Smart Growth initiatives. The fiscal 2024 budget enhances funding for this program in the amount of \$1.0 million to provide a grant to Prince George's County to support an emergency rental assistance fund for seniors.

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 2024 State budget includes \$9.5 billion to fund these programs. Part A, Section 1 of each county's statistical tables compares aid distributed to the county in fiscal 2023 and 2024.

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 \$836.2 million in fiscal 2024. 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 2024 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. General fund spending totals \$6.5 billion statewide for these programs in fiscal 2024. In addition, \$88.1 million in special funds, primarily from the Cigarette Restitution Fund (CRF), will also be spent on these programs in fiscal 2024. Special funds in the Medicaid program are expected to total \$699.7 million in fiscal 2024. This does not include spending at the State mental health hospitals, developmental disability facilities, or chronic disease centers. Note that fiscal 2024 funding is allocated among the subdivisions based on each jurisdiction's share of fiscal 2023 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 2024 budget includes \$1.3 billion in general funds and \$33.9 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 2024 funding for these programs totals \$79.3 million in general funds, which includes funding for kidney disease treatment services that was formerly included under the Medicaid program. Additional funding of \$54.2 million comes mostly from the CRF for tobacco use prevention and cessation, and for cancer prevention and screening at the local level.
 - **Medicaid:** The Medical Assistance Program funds medical services for low-income Marylanders. The program covers physician services, hospital inpatient and outpatient services, and pharmacy services. Medicaid funding for mental health services is included under the Behavioral Health Services category. The fiscal 2024 funding for the Medicaid program totals \$4.1 billion in general funds and \$649.2 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 2024 budget includes \$932.9 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 2024 estimates of funding for those programs that are available by subdivision. Note that fiscal 2024 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 2023 funding and may change.
- **Homeless Services:** The State funds programs that provide emergency and transitional housing, food, and transportation for homeless families and individuals. Funding is available by county for the housing counselor program, the homeless solutions program,

and the ending youth homelessness program. The fiscal 2024 budget includes \$11.6 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 2024 funding for these programs equals \$8.3 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 2024 budget includes \$15.4 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 2024 budget includes \$178.3 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 2024 budget includes \$247.0 million in general funds 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 2024 budget anticipates general fund spending of \$60.0 million for this program.

Senior Citizen Services: The Department of Aging funds a variety of services for senior citizens mostly through local area agencies on aging. In Part B of each county, these programs have been combined into two broad categories – long-term care and community services. The total fiscal 2024 funding is \$29.7 million in general funds. In this report the fiscal 2024 general funds are allocated among the subdivisions based on each jurisdiction's share of fiscal 2023 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 2024 funding is \$20.7 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 2024 funding for these programs totals \$9.1 million in general funds.

Capital Grant 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 2024 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 2024. 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 2024 budget includes \$485.0 million in funding for local school construction including \$216.5 million in general funds and \$268.5 million in special funds from the Fiscal Responsibility Fund. The capital budget also includes \$6.1 million for the aging schools' program and \$90 million in general funds for the healthy school facilities program. An additional \$447.2 million in revenue bonds to be issued by the Maryland Stadium Authority as authorized by the Built to Learn Act is anticipated for fiscal 2024.

As of the publication of this report, \$432.3 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 2023. Therefore, the school construction projects funded and/or the amount of the funding for specific projects could change.

The capital budget includes \$40.0 million for the Supplemental Capital Grant Program for Local School Systems. This program is available to school systems with significant enrollment growth or relocatable classrooms. The funding has not been allocated to specific projects, but this report shows the total grants each of the ten qualifying school systems will receive in fiscal 2024.

Capital Projects for State Facilities Located in the County: Part D for each jurisdiction shows capital projects, authorized by the fiscal 2024 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 2024, 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 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$47,484	\$45,636	-\$1,849	-3.9%
Foundation Aid – Special Grants	0	4,105	4,105	n/a
Compensatory Education	21,308	24,249	2,940	13.8%
Student Transportation	5,540	5,989	449	8.1%
Special Education	8,662	8,449	-213	-2.5%
English Language Learners Grant	198	209	12	5.9%
Guaranteed Tax Base	5,813	2,462	-3,352	-57.7%
Other Blueprint Funding	6,831	4,848	-1,984	-29.0%
Prekindergarten Grants	306	306	0	0.0%
Other Education Aid	815	815	0	0.0%
Primary and Secondary Education	\$96,958	\$97,067	\$110	0.1%
Libraries	\$870	\$886	\$16	1.8%
Community Colleges	9,132	9,901	769	8.4%
Health Formula Grant	4,094	5,014	921	22.5%
Transportation ¹	3,114	3,820	707	22.7%
Police and Public Safety ¹	1,252	1,251	-1	-0.1%
Fire and Rescue Aid ¹	361	361	0	0.0%
Disparity Grant	7,299	5,505	-1,794	-24.6%
Teachers Retirement Supplemental Grant	1,632	1,632	0	0.0%
Gaming Impact Aid	2,677	3,728	1,051	39.3%
Other Direct Aid	972	971	-1	-0.1%
Total Direct Aid	\$128,360	\$130,137	\$1,777	1.4%
Aid Per Capita (\$)	\$1,908	\$1,935	\$26	1.4%
Property Tax Equivalent (\$)	3.07	2.99	-0.08	-2.5%

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 2024 State payments for Allegany County for teachers, librarians, and community college faculty are estimated to be \$8,493,000.

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 2024 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 2023) 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	\$88,665,000
Family Health and Chronic Disease	1,748,000
Developmental Disabilities	19,172,000
Behavioral Health Services	19,811,000

Social Services

Homeless Services	258,000
Women’s Services	453,000
Adult Services	299,000
Child Welfare Services	3,844,000
Foster Care	5,066,000
Temporary Cash Assistance	1,761,000

Senior Citizen Services

Long-term Care	322,000
Community Services	176,000

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

Beall Elementary School – renovations (windows/doors chillers)	\$878,750
Flintstone Elementary School – renovations (underground storage tanks)	765,000
Washington Middle School – renovations (chilled water piping/ceiling/lights)	3,800,000
Aging Schools Program	97,791

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Allegany College of Maryland

Campuswide – facilities renewal	323,375
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Program Open Space

Park acquisition and development	993,046
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Community Parks and Playgrounds

Frostburg – Mt. Pleasant Park	28,800
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Chesapeake Bay Water Quality Projects

Frostburg Combined Sewer – overflow elimination	558,660
Luke – sewer collection system	1,312,500
Westernport – sanitary sewer replacement	1,500,000

Water Supply Financial Assistance Program

Lavale – Winchester Road water line replacement	1,000,000
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Hazardous Substance Cleanup Program

Former Artmor Plastics	200,000
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Other Projects

Barton Hose Company No. 1	50,000
Canal Place – River Park	1,500,000
Cumberland Historic Cemetery Organization – historical information markers	100,000
Friends Aware, Inc.	250,000
Frostburg Fire Department No. 1	250,000
George’s Creek Ambulance Service, Inc.	75,000
Mt. Savage Volunteer Fire Company	150,000

Part A – Budget and State Aid

A-79

Potomac Fire Company No. 2	50,000
UPMC Western Maryland – Cancer Center	1,000,000
Western Maryland Scenic Railroad	200,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Rocky Gap State Park – boat ramp and bulkhead replacement	\$300,000
Sideling Hill Creek State Park – road and parking improvements	400,000

University System of Maryland

Frostburg State – Cambridge Hall renovations	1,000,000
Frostburg State – technology infrastructure upgrades	500,000

Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$269,742	\$285,530	\$15,788	5.9%
Compensatory Education	74,814	103,236	28,422	38.0%
Student Transportation	29,585	32,209	2,624	8.9%
Special Education	38,758	45,042	6,284	16.2%
English Language Learners Grant	25,086	27,630	2,544	10.1%
Comparable Wage Index	11,648	15,250	3,602	30.9%
Other Blueprint Funding	18,422	20,344	1,922	10.4%
Prekindergarten Grants	244	244	0	0.0%
Other Education Aid	2,399	2,306	-93	-3.9%
Primary and Secondary Education	\$470,698	\$531,791	\$61,092	13.0%
Libraries	\$2,730	\$2,907	\$177	6.5%
Community Colleges	42,972	45,858	2,886	6.7%
Health Formula Grant	8,215	9,402	1,188	14.5%
Transportation ¹	9,427	11,426	1,999	21.2%
Police and Public Safety ¹	12,446	11,988	-458	-3.7%
Fire and Rescue Aid ¹	1,258	1,258	0	0.0%
Gaming Impact Aid	29,265	29,422	157	0.5%
Other Direct Aid ¹	75	125	50	66.7%
Total Direct Aid	\$577,085	\$644,176	\$67,091	11.6%
Aid Per Capita (\$)	\$973	\$1,086	\$113	11.6%
Property Tax Equivalent (\$)	0.57	0.61	0.05	8.1%

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 2024 State payments for Anne Arundel County for teachers, librarians, and community college faculty are estimated to be \$73,847,000.

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 2024 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 2023) 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	\$318,360,000
Family Health and Chronic Disease	1,356,000
Developmental Disabilities	61,441,000
Behavioral Health Services	114,562,000

Social Services

Homeless Services	596,000
Women’s Services	525,000
Adult Services	326,000
Child Welfare Services	9,442,000
Foster Care	9,441,000
Temporary Cash Assistance	5,233,000

Senior Citizen Services

Long-term Care	1,466,000
Community Services	502,000

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

Annapolis Middle School – renovations (roof)	\$3,921,600
Arundel Middle School – renovations (ceiling/lighting)	1,151,150
Cape St. Claire Elementary School – renovations (public address intercom)	195,000
Center of Applied Technology North – construction	5,858,546
Central Elementary School – renovations (electrical)	287,000
Chesapeake High School – renovations (wastewater treatment plant)	1,719,350
Crofton Middle School – renovations (public address intercom)	282,700
Four Seasons Elementary School – renovations (roof)	1,443,200
Glen Burnie High School – renovations (boilers/roof/windows/fire safety)	6,335,000
Hilltop Elementary School – renovations (ceiling/lights)	392,700
Jacobsville Elementary School – renovations (roof)	1,333,200
Jones Elementary School – renovations (public address intercom)	381,000
Lindale Middle School – renovations (HVAC/roof top units)	4,740,000
North Glen Elementary School – renovations (roof)	1,028,400
Northeast Middle School – renovations (HVAC/doors)	949,025
Oak Hill Elementary School – renovations (electrical)	287,000
Park Elementary School – renovations (public address intercom)	253,500
Riviera Beach Elementary School – renovations (doors)	59,000
Van Bokkelen Elementary School – renovations (windows/doors)	385,450
Aging Schools Program	506,039
Supplemental Capital Grant Program for Local School Systems	4,899,000

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Public Libraries

Glen Burnie Library – construction	200,000
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Anne Arundel Community College

Campuswide – facilities renewal	323,375
Florestano Building – renovation	720,000

Community Health Facilities Grant Program

Opportunity Ministries, Inc	709,267
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Program Open Space

Park acquisition and development	10,871,713
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Chesapeake Bay Restoration Fund

Piney Orchard Water Reclamation Facility – enhanced nutrient removal	19,036,197
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Waterway Improvement

Annapolis – Hawkins Cove dredging	75,000
Annapolis – public boating facilities improvements	150,000
Church Creek – dredging	230,000
Duvall Creek – dredging	367,500
Lake Placid – dredging	244,000
Little Magothy – dredging	417,500

Other Projects

American Legion Post No. 40	100,000
Annapolis – Stanton Community Center	100,000
Annapolis Dragon Boat Foundation, Inc.	55,000
Anne Arundel County – Brooklyn Park Community Center	500,000
Anne Arundel County – Crownsville Hospital Memorial Park	5,000,000
Anne Arundel County – Glen Burnie Rotary Park electronic sign	50,000
Anne Arundel County – grain elevator	1,500,000
Anne Arundel County – Joint 911 Public Safety Center	10,000,000
Anne Arundel County – MD 295 sound barrier wall	500,000
Anne Arundel County – Overlook Park	100,000
Anne Arundel County – Parole Transportation Center	1,150,000
Anne Arundel County – South Shore Park	1,000,000
Anne Arundel County – Tanyard Springs park improvements	250,000
Anne Arundel County – trail network	1,000,000
Anne Arundel County Fairgrounds	102,000
Anne Arundel County Food Bank, Inc.	200,000
Brooklyn Park Elementary School – marque	50,000
Cedar and Morris Hill Improvement Association, Inc. – Community Center	150,000
Charles “Hoppy” Adams Jr. Foundation, Inc.	145,000
Chesapeake Bay Trust	250,000
Chesapeake High School – field house	200,000
Chrysalis House Therapeutic Nature Trail	75,000
Crofton Civic Association – Swann Park and Willows Park playgrounds	350,000
Earleigh Heights Volunteer Fire Company	50,000
Eastport Veteran’s Park	30,000
Elks Camp Barrett	101,500
Freetown Community Improvement Association – Rosenwald School	250,000

GFWC Woman’s Club of Linthicum, Inc.	50,000
Glen Burnie Elks Lodge No. 2266	100,000
Historic Annapolis, Inc.	3,100,000
Hoop Bus, Inc.	25,000
Hospice of the Chesapeake, Inc.	500,000
Luminis Health Anne Arundel Medical Center	863,000
MM&P Maritime Advancement, Training and Education Safety Program	850,000
Naval Academy Primary School	75,000
North Linthicum Improvement and Protective Association, Inc.	150,000
Olde Severna Park Improvement Association – Severna Park Train Station	26,500
Opportunity Builders, Inc. – Tranquility Gardens	50,000
Pasadena Baseball Club, Inc. – Havenwood Park	25,000
Pascal Crisis Stabilization Center	50,000
Peerless Rens Club	75,000
Ralph J. Bunche Community Center	1,000,000
Senior Dog Sanctuary	75,000
South Shore Recovery Club	56,000
Southern High School – turf field	2,200,000
St. John the Evangelist – school entrance	20,000
The Arc of the Central Chesapeake Region	1,900,000
The Bernie House, Inc.	200,000
University of Maryland Baltimore Washington Medical Center	300,000
Village Commons Community Center, Inc.	100,000
Village of Olde Mill Community Association, Inc.	25,000
Woodland Beach Volunteer Fire Department	1,000,000

D. Capital Projects for State Facilities in the County

General Government

Annapolis – electrical infrastructure	\$2,500,000
Courts of Appeal Building	53,862,000
General Assembly – Department of Legislative Services building	41,461,000
State House – exterior and grounds restoration	20,339,000
Treasury Building – renovations	500,000

Department of Public Safety and Correctional Services

Jessup Region – electrical infrastructure upgrade	11,057,000
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Maryland Environmental Service

Dorsey Run Wastewater Treatment Plant – sludge processing facility	2,001,000
Sandy Point State Park – water tower and water treatment plant	2,500,000

Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff</u>
	(\$ in Thousands)			
Foundation Aid	\$406,359	\$417,020	\$10,661	2.6%
Foundation Aid – Special Grants	0	30,403	30,403	n/a
Compensatory Education	297,878	306,866	8,988	3.0%
Student Transportation	22,496	24,075	1,579	7.0%
Special Education	70,638	74,833	4,195	5.9%
English Language Learners Grant	48,572	54,685	6,113	12.6%
Guaranteed Tax Base	15,117	22,823	7,706	51.0%
Comparable Wage Index	23,399	13,486	-9,913	-42.4%
Other Blueprint Funding	235,922	175,813	-60,109	-25.5%
Other Education Aid	1,415	1,415	0	0.0%
Primary and Secondary Education	\$1,121,796	\$1,121,420	-\$376	0.0%
Libraries	\$9,652	\$9,715	\$63	0.6%
Health Formula Grant	10,699	11,515	817	7.6%
Transportation	168,997	202,209	33,213	19.7%
Police and Public Safety	36,095	35,050	-1,045	-2.9%
Fire and Rescue Aid	1,341	1,341	0	0.0%
Disparity Grant	76,194	79,052	2,858	3.8%
Teachers Retirement Supplemental Grant	10,048	10,048	0	0.0%
Gaming Impact Aid	26,117	26,495	378	1.4%
Local Education Effort	0	10,000	10,000	n/a
Other Direct Aid	2,092	3,434	1,342	64.1%
Total Direct Aid	\$1,463,031	\$1,510,278	\$47,247	3.2%
Aid Per Capita (\$)	\$2,567	\$2,650	\$83	3.2%
Property Tax Equivalent (\$)	3.16	3.19	0.03	0.8%

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 2024 State payments for Baltimore City for teachers and librarians are estimated to be \$65,682,000.

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 2024 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 2023) 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	\$1,072,240,000
Family Health and Chronic Disease	7,952,000
Developmental Disabilities	63,105,000
Behavioral Health Services	325,433,000

Social Services

Homeless Services	2,239,000
Women’s Services	1,435,000
Adult Services	3,668,000
Child Welfare Services	63,656,000
Foster Care	82,078,000
Temporary Cash Assistance	16,739,000

Senior Citizen Services

Long-term Care	3,521,000
Community Services	1,150,000

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

Armistead Gardens Elementary/Middle School #243 – construction	\$5,000,000
Benjamin Franklin High School #239 – construction	5,174,000
Cecil Elementary School #7 – renovations (fire safety)	355,000
Dallas F. Nicholas, Sr. Elementary School #39 – renovations (elevator)	432,000
Edmondson High School Building #400A – construction	6,308,000
Francis M. Wood Building #178 – renovations (elevator/roof/fire safety)	2,911,000
Furley Elementary School #206 – construction	5,000,000
Hampden Elementary/Middle School #55 – renovations (elevator)	432,000
James McHenry Elementary/Middle School #10 – renovations (elevator)	450,000
Lakeland Elementary/Middle School #12 – renovations (fire safety)	495,000
Lakewood Early Learning Center #86 – renovations (HVAC/electrical)	3,141,000
Maree Garnett Farring Elementary/Middle School #203 – construction	2,250,000
Mary Ann Winterling Elem. School #150 – renovations (roof/fire safety)	3,050,000
Mergenthaler Voc. Technical High School #410 – renovations (elevators)	900,000
Morrell Park Elementary/Middle School #220 – renovations (elevator)	450,000
Paul Laurence Dunbar High School #414 – renovations (HVAC)	1,500,000
Paul Laurence Dunbar Middle School #133 – renovations (roof)	1,952,000
The Mt. Washington School #221 – construction	1,277,636
Thomas G. Hayes Building #102 – renovations (elevator)	450,000
Wolfe Street Academy Elementary School #23 – renovations (elevator)	450,000
Aging Schools Program	1,387,926

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Community Health Facilities Grant Program

Mosaic Community Services, Inc.	1,127,039
Tuerk House, Inc.	1,500,000

Federally Qualified Health Centers Grant Program

Park West Health System, Inc.	1,382,697
Total Health Care, Inc.	117,303

Strategic Demolition Fund

Project C.O.R.E	20,000,000
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Baltimore Regional Neighborhood Initiative

Baltimore City – Edmondson Village Shopping Center	2,000,000
Central Baltimore Partnership, Inc. – McCormick Building	400,000
Eager Park Partners, LLC – Eager Landing	250,000
Historic East Baltimore Community Action Coalition, Inc.	200,000

Program Open Space

Baltimore City Direct Grant	10,000,000
Park acquisition and development	7,223,945

Other Projects

Afro Charities – Upton Mansion	500,000
American Organization United, Inc. – Little Italy Piazza Statue	40,000
American Visionary Art Museum	500,000
Associated Catholic Charities, Inc.	2,500,000
Babe Ruth Birthplace Foundation – virtual classroom and broadcast studio	43,000
Backyard Basecamp, Inc. – BLISS Meadows Farmhouse	25,000
Baltimore & Ohio Railroad Museum	3,000,000
Baltimore City – city markets	1,500,000
Baltimore City – Madison Park North Redevelopment	1,000,000
Baltimore City – Perkins/Somerset/Old Town redevelopment	10,000,000
Baltimore City – Pier Six Pavilion	500,000
Baltimore City Parks and Recreation – city park improvements	500,000
Baltimore City Parks and Recreation – Cloverdale Park	100,000
Baltimore City Public Schools – classroom art spaces	5,000,000
Baltimore Community Lending, Inc. – Business Dev. and Resource Center	750,000
Baltimore Curriculum Project, Inc. – Hampstead Hill Academy	250,000
Baltimore Electrical JATC, LLC	1,050,000
Baltimore Jewish Council	500,000
Baltimore Museum of Art	2,500,000
Baltimore Museum of Industry	75,000
Baltimore Public Markets Corporation – parking garage	500,000
Baltimore Safe Haven Corp.	200,000
Baltimore Squashwise, Inc.	1,000,000
Baltimore Symphony Orchestra	750,000
Baltimore Zoo – infrastructure improvements	6,282,000
Bon Secours Baltimore Community Works, Inc.	250,000
BraveHeart Veterans, LLC – assisted living facility	100,000
C.A.R.E. Community Association, Inc. – Ashland Madison Apartments	440,000

Central Baltimore Partnership, Inc. – Baltimore Penn Station redevelopment	2,000,000
Central Baltimore Partnership, Inc. – Neil Muldrow Business Dev. Fund	2,000,000
Cheder Chabad, Inc. – Fitness and Recreation Center	50,000
Chesapeake Shakespeare Company	500,000
Choo Smith Youth Empowerment, Inc.	750,000
Clay Hill Public Charter School	500,000
Cylburn Nature Education Center	100,000
Delta Lambda Foundation Outreach Center	100,000
Delta Sigma Theta Sorority, Inc. – Delta Community Center	300,000
Douglas Memorial Community Church Village, Inc.	150,000
Downtown Partnership of Baltimore, Inc.	9,000,000
Drink at the Well Inc.	150,000
East Baltimore Development, Inc.	1,250,000
Everyman Theatre	100,000
Fairmount Neighborhood Association, Inc.	80,000
Gillis Memorial Community Development Corporation	1,000,000
Great Blacks in Wax Museum	1,000,000
Greater Baybrook Alliance, Inc. – 3601 South Hanover St. improvements	400,000
Heart of America Foundation – Dickey Hill School Auditorium	171,500
Hippodrome Foundation, Inc. – France-Merrick Performing Arts Center	600,000
Historic East Baltimore Comm. Action Coalition, Inc. – Mack Lewis Gym	200,000
International Brotherhood of Electrical Workers, Local Union 26	1,000,000
Intersection of Change	300,000
Johns Hopkins University	2,000,000
Johns Hopkins University – Bloomberg School of Public Health	2,000,000
Johns Hopkins University – School of Education	5,000,000
KABOOM!, Inc. – Curtis Bay Elementary School playground	75,000
KABOOM!, Inc. – Johnston Square Park Elementary School playground	180,000
KABOOM!, Inc. – Yale Heights Park	50,000
Kennedy Krieger Children’s Hospital	1,300,000
Kennedy Krieger Institute	2,000,000
KEYS Development LLC – Healing Village	1,000,000
KEYS Empowers	1,000,000
KidzStuff Child Care Center for Children with Disabilities	100,000
L.A.M.B., Inc – Haven project	75,000
Legacy Community Center for Seniors and Youth	250,000
Liberty Grace Church of God, Inc. – teaching kitchen	100,000
LIFE Church Ministries Community Center	150,000
Lillie May Carroll Jackson Charter School	60,000
Living Classrooms Foundation, Inc. – Historic Ships	500,000
Living Classrooms Foundation, Inc. – Opportunity Hub	1,500,000

Loyola University – Donnelly Science Center	5,250,000
Maryland School for the Blind – construction	12,899,663
Maryland Science Center	1,000,000
MedChi Museum	630,000
Mission First Housing Development Corp. – East Baltimore grocery store	300,000
Mount Vernon Place Conservancy, Inc.	1,250,000
Nathaniel McFadden Learn and Play Park	250,000
National Aquarium in Baltimore	3,500,000
Next One Up Foundation, Inc.	1,000,000
Nexus–Woodbourne Family Healing, Inc.	100,000
No Struggle No Success, Inc. – Youth and Adult Services Center	175,000
Park Heights Community Health Alliance, Inc. – Afya Center	100,000
Parks and People Foundation, Inc.	500,000
Port Discovery Children’s Museum	2,000,000
Pride of Baltimore II	100,000
Rebuild Metro, Inc. – Johnston Square Affordable Housing for Teachers	500,000
Roland Park Community Foundation, Inc. – Hillside Park	250,000
Sheppard Pratt Health Systems, Inc. – North Charles Street	500,000
Sinai Hospital	1,500,000
South Baltimore Community Land Trust	25,000
Southern Bridge Career and Education Center	200,000
Springboard Community Services	750,000
St. Francis Neighborhood Center	1,000,000
St. Luke’s Youth Center	750,000
Stony Run Walking Path and Wyman Park	750,000
Tendea Family’s Youth Center	150,000
The Cube Cowork, LLC	100,000
The Economic Empowerment Coalition, Inc.	350,000
The Equality Equation Infrastructure Academy of East Baltimore	250,000
The League for People with Disabilities	500,000
The Ulman Cancer Fund for Young Adults, Inc.	400,000
Tiferes Golda, Inc. – special education classrooms	75,000
Tivoly Eco-Village Gateway	200,000
UniFIED Efforts, Inc. – Penn North Out of School Time Initiative	250,000
Village of Love and Resistance, Inc. – Community Hub	250,000
Waterfront Management Authority – Inner Harbor Promenade	30,000,000
Waterfront Partnership of Baltimore, Inc. – community art installation	20,000
Waterfront Partnership of Baltimore, Inc. – Point Park	500,000
Waterfront Partnership of Baltimore, Inc. – Rash Field	1,800,000
WBC Community Development Corporation – Forest Park	50,000
Wide Angle’s Studios at the Service Center	500,000

ZBC Community Revitalization, Inc.	150,000
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D. Capital Projects for State Facilities in the City**General Government**

Baltimore City District Court – Shillman Building	\$20,470,000
William Donald Schaefer Tower	3,661,000

Department of Public Safety and Correctional Services

Therapeutic Treatment Center	12,611,000
Women’s Pre-Release Center	5,000,000

Maryland Stadium Authority

Baltimore City Convention Center	25,700,000
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Baltimore City Community College

Campuswide – deferred maintenance	8,200,000
Learning Commons – renovation and addition	1,184,000

Morgan State University

Carter Grant Wilson Building – renovation	1,214,000
Concrete Laboratory	1,000,000
Health and Human Services Building	60,604,000
Jenkins Behavioral and Social Sciences Center – demolition	1,037,000
Lake Clifton High School demolition	1,060,000
Science Center – construction	10,884,000
Science Center – Washington Service Center demolition	7,575,000

University System of Maryland

Baltimore – Dental Ambulatory Surgery Center	700,000
Baltimore – electric substation and electrical infrastructure	4,565,000
Baltimore – School of Social Work	3,861,000
Coppin State – athletic facilities infrastructure upgrades	1,000,000
Headquarters – Columbus Center deferred maintenance	4,934,000

Other

University of Maryland Medical System – shock trauma center	9,500,000
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Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$484,069	\$485,049	\$980	0.2%
Compensatory Education	143,875	194,023	50,148	34.9%
Student Transportation	37,934	40,998	3,065	8.1%
Special Education	74,734	84,073	9,339	12.5%
English Language Learners Grant	43,301	46,595	3,294	7.6%
Comparable Wage Index	6,903	15,449	8,546	123.8%
Other Blueprint Funding	40,837	31,769	-9,068	-22.2%
Prekindergarten Grants	612	612	0	0.0%
Other Education Aid	4,359	4,311	-48	-1.1%
Primary and Secondary Education	\$836,623	\$902,878	\$66,255	7.9%
Libraries	\$7,357	\$7,470	\$113	1.5%
Community Colleges	64,966	75,316	10,350	15.9%
Health Formula Grant	6,981	7,537	556	8.0%
Transportation	9,940	11,937	1,996	20.1%
Police and Public Safety	20,157	19,878	-279	-1.4%
Fire and Rescue Aid	1,711	1,711	0	0.0%
Teachers Retirement Supplemental Grant	3,000	3,000	0	0.0%
Other Direct Aid	0	50	50	n/a
Total Direct Aid	\$950,735	\$1,029,776	\$79,041	8.3%
Aid Per Capita (\$)	\$1,124	\$1,217	\$93	8.3%
Property Tax Equivalent (\$)	0.96	1.00	0.04	4.3%

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 2024 State payments for Baltimore County for teachers, librarians, and community college faculty are estimated to be \$104,313,000.

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 2024 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 2023) 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	\$717,097,000
Family Health and Chronic Disease	2,589,000
Developmental Disabilities	223,107,000
Behavioral Health Services	161,878,000

Social Services

Homeless Services	587,000
Women's Services	787,000
Adult Services	1,330,000
Child Welfare Services	13,027,000
Foster Care	36,009,000
Temporary Cash Assistance	7,836,000

Senior Citizen Services

Long-term Care	2,943,000
Community Services	934,000

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

Chatsworth Elementary School – renovations (HVAC/open space enclosure)	\$5,874,710
Cromwell Valley Elementary School – renovations (HVAC)	4,210,800
Glyndon Elementary School – renovations (HVAC/open space enclosure)	6,808,900
Halethorpe Elementary School – renovations (HVAC/open space enclosure)	3,557,400
Hereford Middle School – renovations (public address intercom)	378,810
Jacksonville Elementary School – renovations (HVAC)	5,008,100
Milbrook Elementary School – renovations (electrical)	693,050
Oliver Beach Elementary School – renovations (HVAC/open space enclosure)	4,210,800
Owings Mills Elementary School – renovations (HVAC)	5,829,100
Perry Hall High School – renovations (public address intercom)	527,100
Pine Grove Elementary School – renovations (HVAC/open space enclosure)	5,082,000
Sandy Plains Elementary School – renovations (HVAC)	5,506,050
Shady Spring Elementary School – renovations (HVAC/open space enclosure)	4,803,150
Westchester Elementary School – renovations (HVAC)	2,079,120
White Oak Special Ed. School – renovations (HVAC/open space enclosure)	571,000
Winfield Elementary School – renovations (HVAC)	318,800
Woodmoor Elementary School – renovations (public address intercom)	377,700
Aging Schools Program	874,228
Supplemental Capital Grant Program for Local School Systems	6,489,000

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Public Libraries

Catonsville Library – renovation	2,401,000
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Community College of Baltimore County

Catonsville – Student Services Center renovation and expansion	3,031,000
Dundalk – Student Services Center renovation	3,204,000
Systemwide – facilities renewal	323,375
Systemwide – roof replacements	481,000

Senior Center Capital Grant Program

Jacksonville Senior Center	800,000
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Program Open Space

Park acquisition and development	12,164,833
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Waterway Improvement

Bowleys Quarters Volunteer Fire Department – purchase fire/rescue boat	50,000
Pleasure Island – maintenance dredging	250,000
Shallow Creek – maintenance dredging	65,000

Other Projects

Bais Yaakov School for Girls, Inc. – Park Heights campus	200,000
Baltimore County – Banneker Community Center Gymnasium	300,000
Baltimore County – Benjamin Banneker Historical Park and Museum	2,000,000
Baltimore County – Catonsville Fire Department	1,500,000
Baltimore County – Charles P. Crane Plant	250,000
Baltimore County – Dunfield Recreational Activity Center	150,000
Baltimore County – Holt Park	2,500,000
Baltimore County – Lansdowne Library	12,000,000
Baltimore County – Perry Hall sewer and wastewater infrastructure	2,500,000
Baltimore County – Randallstown Library	3,000,000
Baltimore County – Security Mall renovation and replacement	5,000,000
Baltimore County – Six Bridge Trail	500,000
Baltimore County – Sparrows Point Fire Academy	9,000,000
Baltimore County – Tradepoint Atlantic Route 151 improvements	250,000
Baltimore County – West Baltimore Multipurpose Sports Complex	400,000
Baltimore County – west county redevelopment	250,000
Baltimore County – Woodlawn High School	75,000
Broadmead, Inc. – York Turnpike Toll House	100,000
Chase Brexton Health Services, Inc.	350,000
Chimes International	750,000
Cockeysville Middle School – electronic sign	80,000
Community Learning Center	110,000
Digital Bay Center, Inc. – Agriculture Technology Incubator	200,000
First Fruits Farm	300,000
Franklin Square Hospital Center – adolescent psychiatric unit	1,000,000
Friends of Turner Station – Osceola Smith life-sized bronze statue	150,000
Genesee Valley Outdoor Learning Center, Inc.	100,000
Glenn L Martin Maryland Aviation Museum	150,000
Greenmount Senior Center	200,000
Iglesia de Dios Hispana de Owings Mills – playground and fencing	85,000
Irvine Nature Center	250,000
Junior Achievement of Central Maryland, Inc.	300,000
Liberty Community Development Youth Center	100,000
Liberty Manor Community Association	10,000

Part A – Budget and State Aid

A-97

Maryland Troopers Association – headquarters	100,000
MedStar Franklin Square Hospital	1,000,000
Middle River Volunteer Fire Company	100,000
Music City Maryland Association, Inc. – Amphitheater	60,000
Northeast Towson Improvement Association, Inc. – Adelaide Bentley Park	100,000
Northwest Hospital Center	6,000,000
Overlea High School – gymnasium improvements	100,000
Owings Mills High School – indoor scoreboard	25,000
Parkville Middle School – digital sign	90,000
Pearlstone Conference and Retreat Center	500,000
Pikesville Armory	3,000,000
Pride of Towson Elks Lodge #8421	354,500
Reisterstown Community Cemetery	49,000
Rosedale Baptist Church of Baltimore – Community Center	250,000
Sheppard Pratt Health System, Inc.	1,750,000
Soup for the Soul	500,000
St. Luke’s United Methodist Church – community multipurpose space	350,000
Stoneybrook Community Association	10,000
The Children’s Home, Inc. – Youth Learning and Vocational Center	300,000
The Heritage Society of Essex and Middle River, Inc.	62,400
Timonium Elementary School – electronic sign	80,000
Towson High School Sports Booster Club – stadium comfort station	300,000
University of Maryland St. Joseph Medical Center	1,000,000
Wellspring of Life Farm, Inc.	250,000
Woodholme Elementary School – playground improvements	200,000
Woodlawn Volunteer Fire Company	50,000

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

Garrison Forest Veterans Cemetery – expansion	\$1,111,000
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Maryland Emergency Management Agency

Headquarters – renovation and expansion	7,954,000
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Department of Natural Resources

Cub Hill Forest Ranger Station – office and garage construction	385,000
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North Point State Park – beach and parking expansion	1,000,000
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North Point State Park – waterfront improvements	2,286,000
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Maryland Environmental Service

Camp Fretterd – water distribution and septic facilities upgrade	4,302,000
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University System of Maryland

Baltimore County – Sherman Hall	23,839,000
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Towson University – 401 Washington Avenue renovation	20,000,000
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Towson University – Academic Achievement Center	3,500,000
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Towson University – College of Health Professions Building	43,030,000
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Towson University – Smith Hall renovation	20,808,000
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Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$71,786	\$74,405	\$2,619	3.6%
Compensatory Education	9,817	14,604	4,786	48.8%
Student Transportation	6,917	7,566	649	9.4%
Special Education	7,294	8,354	1,059	14.5%
English Language Learners Grant	917	1,051	134	14.6%
Comparable Wage Index	2,469	2,880	412	16.7%
Other Blueprint Funding	3,143	1,868	-1,275	-40.6%
Other Education Aid	573	574	1	0.1%
Primary and Secondary Education	\$102,916	\$111,301	\$8,385	8.1%
Libraries	\$578	\$618	\$40	7.0%
Community Colleges	5,084	5,559	476	9.4%
Health Formula Grant	2,723	3,265	542	19.9%
Transportation ¹	2,216	2,660	444	20.0%
Police and Public Safety ¹	1,034	989	-46	-4.4%
Fire and Rescue Aid ¹	301	301	0	0.0%
Other Direct Aid	3,150	3,150	0	0.0%
Total Direct Aid	\$118,002	\$127,844	\$9,841	8.3%
Aid Per Capita (\$)	\$1,248	\$1,352	\$104	8.3%
Property Tax Equivalent (\$)	0.87	0.90	0.03	3.7%

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 2024 State payments for Calvert County for teachers, librarians, and community college faculty are estimated to be \$14,377,000.

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 2024 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 2023) 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	\$48,627,000
Family Health and Chronic Disease	628,000
Developmental Disabilities	8,675,000
Behavioral Health Services	17,061,000

Social Services

Homeless Services	1,074,000
Women's Services	253,000
Adult Services	151,000
Child Welfare Services	1,623,000
Foster Care	4,270,000
Temporary Cash Assistance	215,000

Senior Citizen Services

Long-term Care	233,000
Community Services	132,000

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

Northern Middle School – construction	\$2,864,000
Plum Point Middle School – renovations (HVAC)	530,000
Aging Schools Program	38,292

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Public Libraries

Twin Beaches Library – construction	854,000
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College of Southern Maryland

La Plata – Student Resource Center	1,650,000
Systemwide – facilities renewal	323,375

Program Open Space

Park acquisition and development	1,076,333
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Waterway Improvement

St. Leonard Volunteer Fire Department – purchase fire/rescue boat	29,063
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Other Projects

American Legion Gray-Ray Post No. 220	265,000
Annmarie Sculpture Garden and Arts Center	175,000
Calvert High School – turf athletic field	250,000
CalvertHealth Medical Center	1,400,000
Chesapeake Beach – water park improvements	600,000
Ladies of Charity Calvert County, Inc. – North Beach Food Pantry	265,000

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

Hallowing Point State Park – boating facility improvements	\$200,000
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Department of Planning

Maryland Archeological Conservation Laboratory – expansion/renovation	14,831,000
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Morgan State University

Patuxent Environmental and Aquatic Research Laboratory	2,500,000
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University System of Maryland

Center for Environmental Science – Chesapeake Analytics Collaboration	11,033,000
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Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$33,364	\$34,384	\$1,020	3.1%
Compensatory Education	16,864	22,388	5,524	32.8%
Student Transportation	3,253	3,546	293	9.0%
Special Education	3,655	3,868	213	5.8%
English Language Learners Grant	3,463	4,130	667	19.3%
Guaranteed Tax Base	2,138	2,160	22	1.0%
Other Blueprint Funding	4,750	5,389	640	13.5%
Prekindergarten Grants	480	480	0	0.0%
Other Education Aid	946	946	0	0.0%
<i>Primary and Secondary Education</i>	<i>\$68,913</i>	<i>\$77,291</i>	<i>\$8,378</i>	<i>12.2%</i>
Libraries	\$361	\$369	\$8	2.2%
Community Colleges	2,143	2,684	541	25.3%
Health Formula Grant	1,886	2,171	285	15.1%
Transportation ¹	1,682	2,068	386	22.9%
Police and Public Safety ¹	454	477	23	5.1%
Fire and Rescue Aid ¹	313	313	0	0.0%
Disparity Grant	4,035	4,687	651	16.1%
Teachers Retirement Supplemental Grant	685	685	0	0.0%
Total Direct Aid	\$80,472	\$90,745	\$10,273	12.8%
Aid Per Capita (\$)	\$2,407	\$2,714	\$307	12.8%
Property Tax Equivalent (\$)	2.69	2.86	0.18	6.5%

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 2024 State payments for Caroline County for teachers, librarians, and community college faculty are estimated to be \$4,877,000.

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 2024 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 2023) 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	\$36,614,000
Family Health and Chronic Disease	466,000
Developmental Disabilities	9,494,000
Behavioral Health Services	11,386,000

Social Services

Homeless Services	1,089,000
Women's Services	68,000
Adult Services	143,000
Child Welfare Services	1,608,000
Foster Care	1,111,000
Temporary Cash Assistance	476,000

Senior Citizen Services

Long-term Care	690,000
Community Services	217,000

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

C. Selected State Grants for Capital Projects

Public Schools*

Federalsburg Elementary School – renovations (roof)	\$2,864,000
Aging Schools Program	50,074

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Public Libraries

Denton Library – renovation	467,000
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Federally Qualified Health Centers Grant Program

Choptank Community Health Systems, Inc.	1,000,000
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Program Open Space

Park acquisition and development	469,768
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Community Parks and Playgrounds

Goldsboro – Railroad Park	196,057
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Chesapeake Bay Restoration Fund

Greensboro Regional Wastewater System – expansion	5,765,800
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Waterway Improvement

Choptank Marina – maintenance dredging	500,000
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Other Projects

Martin’s House Homeless Shelter	122,000
Maryland Rural Development Corporation	300,000
The Benedictine School	2,500,000

Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$109,287	\$117,788	\$8,501	7.8%
Compensatory Education	11,724	23,093	11,369	97.0%
Student Transportation	11,871	13,055	1,184	10.0%
Special Education	14,501	17,065	2,565	17.7%
English Language Learners Grant	1,676	2,010	333	19.9%
Comparable Wage Index	2,627	0	-2,627	-100.0%
Other Blueprint Funding	4,363	4,375	12	0.3%
Prekindergarten Grants	480	480	0	0.0%
Other Education Aid	1,185	1,199	13	1.1%
<i>Primary and Secondary Education</i>	<i>\$157,714</i>	<i>\$179,065</i>	<i>\$21,351</i>	<i>13.5%</i>
Libraries	\$1,222	\$1,258	\$36	3.0%
Community Colleges	12,832	14,369	1,537	12.0%
Health Formula Grant	3,938	4,559	621	15.8%
Transportation ¹	5,181	6,343	1,162	22.4%
Police and Public Safety ¹	1,963	2,035	72	3.7%
Fire and Rescue Aid ¹	389	389	0	0.0%
Total Direct Aid	\$183,237	\$208,017	\$24,780	13.5%
Aid Per Capita (\$)	\$1,045	\$1,187	\$141	13.5%
Property Tax Equivalent (\$)	0.80	0.87	0.06	7.9%

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 2024 State payments for Carroll County for teachers, librarians, and community college faculty are estimated to be \$21,820,000.

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 2024 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 2023) 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	\$89,939,000
Family Health and Chronic Disease	815,000
Developmental Disabilities	22,921,000
Behavioral Health Services	28,266,000

Social Services

Homeless Services	502,000
Women’s Services	206,000
Adult Services	113,000
Child Welfare Services	2,843,000
Foster Care	2,642,000
Temporary Cash Assistance	464,000

Senior Citizen Services

Long-term Care	475,000
Community Services	196,000

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

Career & Technology Center – construction	\$9,507,751
Westminster East Middle School – construction	2,990,297
Aging Schools Program	137,261
Supplemental Capital Grant Program for Local School Systems	1,491,000

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Community Health Facilities Grant Program

Carroll County Youth Services Bureau, Inc.	1,000,000
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Program Open Space

Park acquisition and development	2,414,703
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Community Parks and Playgrounds

Union Bridge – Community Center	86,450
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Other Projects

Carroll County – sheriff’s building	1,000,000
Carroll County Public Schools – playground improvements	225,000
Carrolltowne Elementary School – playground	75,000
Hampstead Volunteer Fire Company	500,000
The Arc Carroll County	100,000
The Nathan Chris Baker Foundation, Inc. – playground	75,000
Westminster – fiber infrastructure	1,000,000
Westminster Elementary School – playground	75,000

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

Veterans Home – construction	\$6,326,000
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Department of Natural Resources

Patapsco Valley State Park – Sorenson entrance and bridge	3,000,000
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Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$72,891	\$75,655	\$2,764	3.8%
Compensatory Education	20,477	31,879	11,402	55.7%
Student Transportation	6,294	6,901	607	9.6%
Special Education	10,895	12,928	2,032	18.7%
English Language Learners Grant	1,611	1,790	179	11.1%
Guaranteed Tax Base	0	920	920	n/a
Other Blueprint Funding	6,283	5,677	-606	-9.6%
Other Education Aid	703	694	-9	-1.2%
<i>Primary and Secondary Education</i>	<i>\$119,154</i>	<i>\$136,443</i>	<i>\$17,289</i>	<i>14.5%</i>
Libraries	\$925	\$951	\$26	2.8%
Community Colleges	8,827	9,838	1,011	11.5%
Health Formula Grant	2,877	3,313	436	15.1%
Transportation ¹	2,833	3,451	618	21.8%
Police and Public Safety ¹	1,493	1,557	64	4.3%
Fire and Rescue Aid ¹	311	311	0	0.0%
Disparity Grant	1,601	1,081	-521	-32.5%
Gaming Impact Aid	4,978	5,029	51	1.0%
Total Direct Aid	\$142,999	\$161,973	\$18,974	13.3%
Aid Per Capita (\$)	\$1,363	\$1,543	\$181	13.3%
Property Tax Equivalent (\$)	1.19	1.30	0.11	9.1%

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 2024 State payments for Cecil County for teachers, librarians, and community college faculty are estimated to be \$14,493,000.

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 2024 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 2023) 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	\$85,709,000
Family Health and Chronic Disease	498,000
Developmental Disabilities	12,437,000
Behavioral Health Services	21,839,000

Social Services

Homeless Services	245,000
Women's Services	179,000
Adult Services	199,000
Child Welfare Services	3,765,000
Foster Care	7,340,000
Temporary Cash Assistance	1,214,000

Senior Citizen Services

Long-term Care	315,000
Community Services	156,000

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

North East Middle/High School – construction	\$11,270,104
Aging Schools Program	96,024

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Cecil College

Campuswide – facilities renewal	323,375
Facilities Management Building and entrance/roadway construction	1,150,000

Program Open Space

Park acquisition and development	1,254,188
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Community Parks and Playgrounds

North East – Community Center	141,716
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Chesapeake Bay Water Quality Projects

Cecilton WWTP – enhanced nutrient removal	1,000,000
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Chesapeake Bay Restoration Fund

Cecilton WWTP – enhanced nutrient removal	6,000,000
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Waterway Improvement

Beck’s Landing – promenade redecking	44,360
Charlestown – boat ramp and fire pier dredging	350,000

Hazardous Substance Cleanup Program

Montgomery Brothers – dump site	150,000
Tome School – site assessment	150,000

Other Projects

Cecil County – Bainbridge Naval Training Center site redevelopment	7,500,000
Elkton – Frenchtown Wharf Park	500,000
Fair Hill Condominium Association	200,000
NorthBay Environmental Education Center	500,000
Perryville American Legion Susquehanna Post No. 135	100,000

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

Bohemia River State Park – site improvements	\$1,000,000
Elk Neck State Park – Mauldin Mountain day use improvements	3,428,000
Elk Neck State Park – rustic cabins and shower building renovations	4,774,000
Fair Hill NRMA – carriage tunnel replacement	4,000,000
Fair Hill NRMA – covered bridge repairs	2,000,000
Fair Hill NRMA – orange trail connector bridge	875,000
Fair Hill NRMA – pedestrian track crossing	250,000
Fair Hill NRMA – trail bridge replacement	600,000
Port Deposit State Historical Park	200,000

Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$134,164	\$143,939	\$9,774	7.3%
Compensatory Education	39,368	53,681	14,313	36.4%
Student Transportation	13,185	14,364	1,180	8.9%
Special Education	13,842	17,151	3,309	23.9%
English Language Learners Grant	5,310	6,323	1,012	19.1%
Guaranteed Tax Base	2,865	8,524	5,659	197.6%
Comparable Wage Index	4,120	3,879	-240	-5.8%
Other Blueprint Funding	8,075	8,938	864	10.7%
Prekindergarten Grants	120	120	0	0.0%
Other Education Aid	1,593	1,568	-25	-1.5%
Primary and Secondary Education	\$222,640	\$258,487	\$35,846	16.1%
Libraries	\$1,328	\$1,385	\$56	4.3%
Community Colleges	9,361	9,932	571	6.1%
Health Formula Grant	4,476	5,111	634	14.2%
Transportation ¹	3,173	3,839	666	21.0%
Police and Public Safety ¹	2,428	2,301	-127	-5.2%
Fire and Rescue Aid ¹	394	394	0	0.0%
Total Direct Aid	\$243,800	\$281,448	\$37,648	15.4%
Aid Per Capita (\$)	\$1,433	\$1,655	\$221	15.4%
Property Tax Equivalent (\$)	1.13	1.22	0.10	8.4%

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 2024 State payments for Charles County for teachers, librarians, and community college faculty are estimated to be \$22,501,000.

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 2024 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 2023) 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	\$98,236,000
Family Health and Chronic Disease	803,000
Developmental Disabilities	19,460,000
Behavioral Health Services	25,040,000

Social Services

Homeless Services	1,074,000
Women's Services	410,000
Adult Services	196,000
Child Welfare Services	4,104,000
Foster Care	2,711,000
Temporary Cash Assistance	1,252,000

Senior Citizen Services

Long-term Care	429,000
Community Services	211,000

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

Elementary School #23 – construction	\$6,815,239
T.C. Martin Elementary School – construction	9,005,487
Aging Schools Program	50,074
Supplemental Capital Grant Program for Local School Systems	1,574,000

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

College of Southern Maryland

La Plata – Student Resource Center	1,650,000
Systemwide – facilities renewal	323,375

Program Open Space

Park acquisition and development	2,240,661
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Community Parks and Playgrounds

Indian Head – Village Green Park Splash Pad	300,000
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Chesapeake Bay Restoration Fund

College of Southern Maryland WWTP – enhanced nutrient removal	7,078,500
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Other Projects

Boys and Girls Club of Southern Maryland, Inc.	500,000
Charles County – Circuit Courthouse	1,000,000
Charles County – Sports and Wellness Center	250,000
College of Southern Maryland – pool	1,000,000
Enterprise Community Development, Inc. – Magnolia Gardens Housing	500,000
La Plata – police station	100,000
LifeStyles of Maryland Foundation, Inc.	62,500
Lions Camp Merrick	62,500
Malcolm Elementary School – electronic sign	60,000
Mattawoman Creek Art Center	50,000
Old Waldorf School Foundation, Inc.	200,000
RXBSA Properties, LLC – Indian Head grocery store	100,000
United States Bomb Technician Association Corp. – Technology Training	250,000
Willing Helpers Society, Inc.	350,000

Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$24,776	\$24,548	-\$228	-0.9%
Compensatory Education	13,932	15,802	1,869	13.4%
Student Transportation	2,972	3,193	221	7.4%
Special Education	2,394	2,408	14	0.6%
English Language Learners Grant	1,200	1,282	82	6.9%
Guaranteed Tax Base	1,665	1,080	-585	-35.2%
Other Blueprint Funding	7,046	7,269	223	3.2%
Prekindergarten Grants	678	678	0	0.0%
Other Education Aid	343	345	3	0.8%
Primary and Secondary Education	\$55,006	\$56,604	\$1,598	2.9%
Libraries	\$344	\$346	\$2	0.6%
Community Colleges	1,626	1,837	211	13.0%
Health Formula Grant	2,388	2,851	463	19.4%
Transportation ¹	2,081	2,520	439	21.1%
Police and Public Safety ¹	742	689	-52	-7.0%
Fire and Rescue Aid ¹	337	337	0	0.0%
Disparity Grant	3,830	3,935	105	2.7%
Teachers Retirement Supplemental Grant	309	309	0	0.0%
Other Direct Aid	690	698	8	1.1%
Total Direct Aid	\$67,352	\$70,126	\$2,774	4.1%
Aid Per Capita (\$)	\$2,058	\$2,143	\$85	4.1%
Property Tax Equivalent (\$)	2.06	2.05	-0.01	-0.3%

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 2024 State payments for Dorchester County for teachers, librarians, and community college faculty are estimated to be \$4,154,000.

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 2024 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 2023) 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	\$41,215,000
Family Health and Chronic Disease	633,000
Developmental Disabilities	3,705,000
Behavioral Health Services	11,301,000

Social Services

Homeless Services	1,089,000
Women’s Services	68,000
Adult Services	292,000
Child Welfare Services	1,714,000
Foster Care	1,386,000
Temporary Cash Assistance	475,000

Senior Citizen Services

Long-term Care	1,042,000
Community Services	437,000

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)	\$3,741,954
Warwick Elementary School – renovations (roof)	1,839,652
Aging Schools Program	38,292

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Program Open Space

Park acquisition and development	406,596
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Community Parks and Playgrounds

East New Market – Friendship Park Playground	15,743
Hurlock – Prospect Heights Park Playground	141,894
Hurlock – Railroad Avenue Walking Trail	82,580

Comprehensive Flood Mitigation Program

Cambridge – flood mitigation	1,804,500
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Waterway Improvement

Cambridge Municipal Marina – wave screen	180,000
Tylers Cove – renovations	250,000

Other Projects

Cambridge – Municipal Building	200,000
Cambridge Harbor Community Development	1,000,000
Dorchester County Sanitary District Commission – infiltration pond	40,000
Groove City Art and Cultural Center	50,000
Harriet Tubman Education Center	300,000

Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$209,240	\$225,335	\$16,095	7.7%
Compensatory Education	39,719	58,439	18,720	47.1%
Student Transportation	16,290	18,121	1,830	11.2%
Special Education	25,677	29,673	3,996	15.6%
English Language Learners Grant	15,106	16,707	1,601	10.6%
Comparable Wage Index	7,829	5,189	-2,640	-33.7%
Other Blueprint Funding	12,621	11,275	-1,346	-10.7%
Prekindergarten Grants	1,580	1,580	0	0.0%
Other Education Aid	1,354	1,334	-19	-1.4%
<i>Primary and Secondary Education</i>	<i>\$329,416</i>	<i>\$367,654</i>	<i>\$38,238</i>	<i>11.6%</i>
Libraries	\$1,820	\$1,906	\$86	4.7%
Community Colleges	17,380	19,539	2,159	12.4%
Health Formula Grant	4,354	5,093	739	17.0%
Transportation ¹	8,179	10,072	1,894	23.2%
Police and Public Safety ¹	3,437	3,641	203	5.9%
Fire and Rescue Aid ¹	608	608	0	0.0%
Total Direct Aid	\$365,194	\$408,512	\$43,318	11.9%
Aid Per Capita (\$)	\$1,272	\$1,423	\$151	11.9%
Property Tax Equivalent (\$)	0.95	0.99	0.04	4.5%

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 2024 State payments for Frederick County for teachers, librarians, and community college faculty are estimated to be \$38,284,000.

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 2024 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 2023) 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	\$137,220,000
Family Health and Chronic Disease	694,000
Developmental Disabilities	26,075,000
Behavioral Health Services	43,280,000

Social Services

Homeless Services	513,000
Women's Services	203,000
Adult Services	256,000
Child Welfare Services	4,831,000
Foster Care	5,207,000
Temporary Cash Assistance	1,322,000

Senior Citizen Services

Long-term Care	675,000
Community Services	325,000

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

Ballenger Creek Elementary School – construction	\$738,750
Brunswick Middle School – renovations (roof)	532,000
Middletown Elementary/Middle School – construction	5,129,000
Monocacy Elementary School – construction	2,191,500
Spring Ridge Elementary School – construction	5,684,277
Urbana Elementary School – construction	662,913
Yellow Springs Elementary School – construction	11,562,000
Aging Schools Program	182,622
Supplemental Capital Grant Program for Local School Systems	2,654,000

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Public Libraries

Middletown Library – construction	563,000
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Local Jails and Detention Centers

County Adult Detention Center – medical addition	1,011,000
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Program Open Space

Park acquisition and development	2,592,988
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Community Parks and Playgrounds

Thurmont – Eyler Road Park Playground	291,092
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Water Supply Financial Assistance Program

Emmitsburg – DePaul Street water line replacement	277,500
Emmitsburg – North Seton Avenue water line replacement	286,388

Comprehensive Flood Mitigation Program

Frederick – downtown drainage area flood mitigation	1,084,500
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Waterway Improvement

Pinecliff Park – boat ramp renovations	100,000
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Other Projects

Asian American Center of Frederick	700,000
Ausherman Family Foundation, Inc. – Frederick Youth Center	162,500
Brunswick – reservoir retrofit	200,000
Brunswick Main Street, Inc.	200,000
Brunswick Volunteer Ambulance and Rescue, Inc.	300,000
Football Club Frederick	1,000,000
Frederick – Municipal Clock Tower renovation	100,000
Frederick – soup kitchen renovations	200,000
Frederick – traffic calming program	500,000
Frederick – Westside Health Center	100,000
Frederick County – Animal Shelter	1,000,000
Frederick County – cybersecurity server and data room	3,000,000
Frederick County – public safety infrastructure improvements	2,100,000
Fredericktonian Lodge No. 12	562,000
Historical Society of Frederick County, Inc.	88,000
Middletown – Food Bank	100,000
Middletown – springline replacement from reservoir to I-70	250,000
Mountain City Elks Lodge No. 382	500,000
Thurmont Little League	100,000
Veterans of Foreign Wars Post 3285	500,000
YMCA of Frederick County	500,000

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

Cunningham Falls State Park – Hunting Creek bridge	\$400,000
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Maryland Environmental Service

Cunningham Falls State Park – sewer line upgrade	2,261,000
Fort Frederick State Park – water treatment plant/distribution system upgrade	61,000

Other

School for the Deaf – high school and middle school residences	1,852,000
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Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$12,616	\$12,440	-\$176	-1.4%
Compensatory Education	4,407	5,435	1,028	23.3%
Student Transportation	3,572	3,861	289	8.1%
Special Education	968	1,115	146	15.1%
English Language Learners Grant	33	24	-9	-27.2%
Other Blueprint Funding	2,031	2,455	423	20.8%
Other Education Aid	1,043	1,064	21	2.0%
Primary and Secondary Education	\$24,670	\$26,393	\$1,723	7.0%
Libraries	\$182	\$182	\$0	0.1%
Community Colleges	5,398	6,116	719	13.3%
Health Formula Grant	2,293	2,776	483	21.1%
Transportation ¹	1,971	2,386	415	21.1%
Police and Public Safety ¹	332	287	-45	-13.6%
Fire and Rescue Aid ¹	301	301	0	0.0%
Disparity Grant	2,131	2,131	0	0.0%
Teachers Retirement Supplemental Grant	406	406	0	0.0%
Other Direct Aid	1,714	1,729	15	0.9%
Total Direct Aid	\$39,399	\$42,709	\$3,310	8.4%
Aid Per Capita (\$)	\$1,379	\$1,494	\$116	8.4%
Property Tax Equivalent (\$)	0.79	0.78	-0.02	-2.1%

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 2024 State payments for Garrett County for teachers, librarians, and community college faculty are estimated to be \$3,667,000.

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 2024 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 2023) 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	\$29,056,000
Family Health and Chronic Disease	497,000
Developmental Disabilities	5,391,000
Behavioral Health Services	7,858,000

Social Services

Homeless Services	202,000
Women's Services	380,000
Adult Services	65,000
Child Welfare Services	1,794,000
Foster Care	2,027,000
Temporary Cash Assistance	188,000

Senior Citizen Services

Long-term Care	229,000
Community Services	105,000

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

Southern High School – construction	\$3,416,663
Southern Middle School – construction	3,211,000
Aging Schools Program	38,292

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Public Libraries

Ruth Enlow Library – construction	513,000
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Program Open Space

Park acquisition and development	507,148
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Community Parks and Playgrounds

Grantsville – Town Park Splash Pad	18,000
Kitzmiller – Botanical Garden Park	70,000

Other Projects

Accident – Drane House	50,000
Bloomington Fire Company	50,000
Deep Creek Lake Volunteer Fire Company	1,200,000
Garrett County Lighthouse, Inc. Safe Harbor	75,000
Oakland – cemetery monuments restoration	75,000

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

Countywide – trail improvements at state parks	\$350,000
Sang Run State Park – trail and parking lot improvements	200,000

Maryland Environmental Service

New Germany State Park – water/wastewater/collection system upgrades	4,287,000
Swallow Falls State Park – water and wastewater treatment plant upgrades	1,926,000

Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$169,588	\$177,400	\$7,812	4.6%
Compensatory Education	35,891	51,456	15,564	43.4%
Student Transportation	15,483	16,666	1,183	7.6%
Special Education	25,673	30,017	4,344	16.9%
English Language Learners Grant	3,809	4,395	585	15.4%
Comparable Wage Index	0	6,346	6,346	n/a
Other Blueprint Funding	11,288	10,207	-1,081	-9.6%
Prekindergarten Grants	678	678	0	0.0%
Other Education Aid	883	908	25	2.9%
<i>Primary and Secondary Education</i>	\$263,293	\$298,072	\$34,779	13.2%
Libraries	\$2,030	\$2,121	\$92	4.5%
Community Colleges	17,677	19,317	1,640	9.3%
Health Formula Grant	5,228	5,951	723	13.8%
Transportation ¹	5,351	6,521	1,170	21.9%
Police and Public Safety ¹	3,668	3,894	226	6.1%
Fire and Rescue Aid ¹	568	568	0	0.0%
Total Direct Aid	\$297,815	\$336,444	\$38,629	13.0%
Aid Per Capita (\$)	\$1,129	\$1,275	\$146	13.0%
Property Tax Equivalent (\$)	0.92	1.00	0.08	8.8%

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 2024 State payments for Harford County for teachers, librarians, and community college faculty are estimated to be \$33,347,000.

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 2024 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 2023) 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	\$149,705,000
Family Health and Chronic Disease	1,133,000
Developmental Disabilities	27,979,000
Behavioral Health Services	41,698,000

Social Services

Homeless Services	481,000
Women’s Services	454,000
Adult Services	358,000
Child Welfare Services	5,121,000
Foster Care	12,200,000
Temporary Cash Assistance	1,942,000

Senior Citizen Services

Long-term Care	737,000
Community Services	327,000

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

Aberdeen Middle School – renovations (HVAC/windows/door)	\$9,216,900
Harford Technical High School – construction	8,840,734
Havre de Grace Elementary School – renovations (roof)	1,752,788
Aging Schools Program	217,379
Supplemental Capital Grant Program for Local School Systems	2,234,000

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Public Libraries

Bel Air Library – renovation	3,593,000
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Harford Community College

Chesapeake Welcome Center – renovation and addition	5,915,000
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Program Open Space

Park acquisition and development	3,583,155
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Community Parks and Playgrounds

Havre de Grace – Pickle Ball Courts	150,000
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Chesapeake Bay Restoration Fund

Camp Moshava Wastewater System – upgrade	600,000
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Other Projects

American Legion Post No. 47	100,000
Broad Creek Memorial Scout Reservation – infrastructure improvements	1,500,000
Edgewood Community Support Center, Inc.	50,000
Harford County 4-H Camp	60,000
Harmer’s Town Art Center, Inc.	300,000
Havre de Grace – STAR (Sports, Theatre, Arts, Recreation) Centre	500,000
Havre de Grace Colored School Museum and Cultural Center, Inc.	1,000,000
Rockfield Manor	300,000
The Arc Northern Chesapeake Region, Inc.	100,000
Upper Chesapeake Medical Center	500,000

D. Capital Projects for State Facilities in the County

General Government

Harford County District Court	\$4,000,000
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Military Department

Freestate Challenge Academy	250,000
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Havre de Grace Surface Equip. & Auto Maintenance Facility	10,000,000
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Havre de Grace Surface Equip. & Auto Maintenance Facility (federal funds)	10,000,000
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Department of Natural Resources

Susquehanna State Park – trail bridge	1,000,000
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Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$214,761	\$216,373	\$1,612	0.8%
Compensatory Education	36,181	50,013	13,832	38.2%
Student Transportation	22,055	23,945	1,890	8.6%
Special Education	25,096	29,041	3,945	15.7%
English Language Learners Grant	14,494	14,975	481	3.3%
Comparable Wage Index	6,781	13,889	7,108	104.8%
Other Blueprint Funding	10,096	6,969	-3,127	-31.0%
Prekindergarten Grants	450	450	0	0.0%
Other Education Aid	1,576	1,711	135	8.6%
<i>Primary and Secondary Education</i>	<i>\$331,491</i>	<i>\$357,368</i>	<i>\$25,877</i>	<i>7.8%</i>
Libraries	\$1,163	\$1,209	\$46	3.9%
Community Colleges	31,306	35,437	4,131	13.2%
Health Formula Grant	4,942	5,974	1,032	20.9%
Transportation	4,433	5,236	803	18.1%
Police and Public Safety	5,743	5,751	9	0.2%
Fire and Rescue Aid	626	626	0	0.0%
Gaming Impact Aid	89	89	0	0.0%
Total Direct Aid	\$379,792	\$411,690	\$31,899	8.4%
Aid Per Capita (\$)	\$1,132	\$1,227	\$95	8.4%
Property Tax Equivalent (\$)	0.63	0.65	0.02	3.5%

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 2024 State payments for Howard County for teachers, librarians, and community college faculty are estimated to be \$61,794,000.

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 2024 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 2023) 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	\$164,660,000
Family Health and Chronic Disease	2,234,000
Developmental Disabilities	51,166,000
Behavioral Health Services	39,379,000

Social Services

Homeless Services	300,000
Women’s Services	181,000
Adult Services	51,000
Child Welfare Services	4,187,000
Foster Care	4,270,000
Temporary Cash Assistance	1,251,000

Senior Citizen Services

Long-term Care	809,000
Community Services	281,000

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

Atholton Elementary School – renovations (boilers/security vestibule)	\$954,697
Atholton High School – renovations (security vestibule)	334,180
Bryant Woods Elementary School – renovations (HVAC)	136,506
Burleigh Manor High School – renovations (elevator)	130,032
Centennial High School – renovations (HVAC)	433,541
Cradlerock Elementary/Middle School – renovations (HVAC)	340,956
Dunloggin Middle School – construction	1,994,000
Elkridge Elementary School – renovations (elevator)	142,932
Elkridge Landing Middle School – renovations (HVAC/elevator)	345,079
Forest Ridge Elementary School – renovations (boilers)	457,050
Glenelg High School – renovations (HVAC)	650,311
Guilford Elementary School – renovations (HVAC)	136,506
Howard High School – renovations (HVAC/elevator)	578,021
Ilchester Elementary School – renovations (HVAC/elevator)	279,438
Jeffers Hills Elementary School – renovations (HVAC)	136,506
Lime Kiln Middle School – renovations (HVAC)	3,011,068
Manor Woods Elem. School – renovations (membrane bioreactor system)	1,382,150
Mayfield Woods Middle School – renovations (elevator)	157,380
Mount View Middle School – renovations (elevator)	144,480
Mt. Hebron High School – renovations (elevator)	144,480
West Friendship Elem. School – renovations (membrane bioreactor system)	1,305,150
Wilde Lake High School – renovations (elevator)	285,864
Aging Schools Program	87,776
Supplemental Capital Grant Program for Local School Systems	3,383,000

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Howard Community College

Mathematics and Athletics Complex – construction	13,347,000
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Senior Center Capital Grant Program

East Columbia 50+ Center	800,000
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Program Open Space

Park acquisition and development	6,366,459
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Comprehensive Flood Mitigation Program

Ellicott City – flood mitigation pond	3,000,000
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Other Projects

Chrysalis Pavilion in Merriweather Park at Symphony Woods	1,000,000
Columbia Center for the Theatrical Arts	2,000,000
Community Ecology Institute, Ltd.	400,000
Days End Farm Horse Rescue, Inc.	250,000
Howard County – Centennial Park west area restroom facility renovation	150,000
Howard County – Detention Center mental health unit	200,000
Howard County – Family Support Center	200,000
Howard County – jug handle connector	9,000,000
Howard County – library complex infrastructure improvements	10,000,000
Howard County – Long Reach Village Center shared kitchen improvements	200,000
Howard County – north tunnel stormwater management	5,000,000
Howard County – senior and community centers restrooms/adult changing	300,000
Howard County – St. Paul Street improvements	150,000
Howard County Fairgrounds	300,000
Howard County General Hospital	1,576,000
Howard County Housing Commission	3,000,000
Howard County Tourism Council, Inc. – Welcome Center	150,000
Howard County Veterans Monument	500,000
Humanim, Inc.	4,000,000
Linwood Center	417,000
Lisbon Volunteer Fire Department	300,000
Mission First Housing Development Corporation – Patuxent Commons	500,000
PHILLIPS School	125,000
Sheppard Pratt Health System, Inc. – Crisis Stabilization Center	1,630,000
The Howard County Conservancy, Inc.	60,000
Veterans of Foreign Wars Post No. 7472	100,000

D. Capital Projects for State Facilities in the County

Department of Health

Perkins Hospital Center – north wing renovation \$21,676,000

Maryland State Police

Tactical Services Facility – operations building 10,049,000

Department of Natural Resources

Patuxent River State Park – trail head parking lot 500,000

Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$3,332	\$2,941	-\$391	-11.7%
Compensatory Education	2,509	3,158	649	25.9%
Student Transportation	1,868	2,016	148	7.9%
Special Education	916	943	27	3.0%
English Language Learners Grant	276	287	11	4.0%
Comparable Wage Index	137	0	-137	-100.0%
Other Blueprint Funding	1,829	1,919	90	4.9%
Other Education Aid	396	388	-7	-1.9%
Primary and Secondary Education	\$11,263	\$11,652	\$389	3.4%
Libraries	\$119	\$124	\$5	4.2%
Community Colleges	645	847	202	31.3%
Health Formula Grant	2,159	2,551	392	18.2%
Transportation ¹	959	1,179	220	23.0%
Police and Public Safety ¹	235	237	2	1.0%
Fire and Rescue Aid ¹	312	312	0	0.0%
Local Education Effort	0	250	250	n/a
Total Direct Aid	\$15,693	\$17,152	\$1,460	9.3%
Aid Per Capita (\$)	\$812	\$888	\$76	9.3%
Property Tax Equivalent (\$)	0.50	0.53	0.03	6.0%

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 2024 State payments for Kent County for teachers, librarians, and community college faculty are estimated to be \$1,833,000.

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 2024 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 2023) 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	\$17,663,000
Family Health and Chronic Disease	582,000
Developmental Disabilities	4,365,000
Behavioral Health Services	7,937,000

Social Services

Homeless Services	1,089,000
Women's Services	68,000
Adult Services	89,000
Child Welfare Services	887,000
Foster Care	635,000
Temporary Cash Assistance	221,000

Senior Citizen Services

Long-term Care	690,000
Community Services	217,000

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)	\$1,290,600
Aging Schools Program	38,292

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Strategic Demolition Fund

Washington College – student housing and mixed-use space	500,000
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Program Open Space

Park acquisition and development	304,409
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Waterway Improvement

Betterton Public Landing – improvements	20,000
Chestertown Marina – dredging	726,800
Rock Hall Volunteer Fire Department – purchase fire/rescue boat	50,000

Other Projects

Camp Fairlee	500,000
Nature Center at Lawrence Wetlands Preserve – workforce housing	550,000
Rock Hall Volunteer Fire Company	150,000
University of Maryland Shore Medical Center at Chestertown	1,250,000
Washington College – renovate four academic buildings	2,250,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Cypress Branch State Park – road/parking lot/fishing access improvements	\$125,000
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Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$424,689	\$415,772	-\$8,916	-2.1%
Compensatory Education	133,784	200,619	66,835	50.0%
Student Transportation	50,978	55,568	4,590	9.0%
Special Education	78,804	90,521	11,718	14.9%
English Language Learners Grant	94,674	104,568	9,894	10.5%
Comparable Wage Index	42,290	33,819	-8,471	-20.0%
Other Blueprint Funding	38,844	34,238	-4,606	-11.9%
Prekindergarten Grants	240	240	0	0.0%
Other Education Aid	3,869	3,852	-17	-0.4%
<i>Primary and Secondary Education</i>	<i>\$868,172</i>	<i>\$939,198</i>	<i>\$71,027</i>	<i>8.2%</i>
Libraries	\$3,717	\$3,776	\$59	1.6%
Community Colleges	70,709	75,407	4,698	6.6%
Health Formula Grant	5,180	5,592	412	8.0%
Transportation ¹	29,999	32,933	2,934	9.8%
Police and Public Safety ¹	19,548	19,607	58	0.3%
Fire and Rescue Aid ¹	1,887	1,887	0	0.0%
Total Direct Aid	\$999,213	\$1,078,401	\$79,188	7.9%
Aid Per Capita (\$)	\$949	\$1,025	\$75	7.9%
Property Tax Equivalent (\$)	0.47	0.49	0.02	4.1%

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 2024 State payments for Montgomery County for teachers, librarians, and community college faculty are estimated to be \$173,705,000.

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 2024 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 2023) 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	\$575,443,000
Family Health and Chronic Disease	1,486,000
Developmental Disabilities	146,861,000
Behavioral Health Services	127,075,000

Social Services

Homeless Services	738,000
Women’s Services	292,000
Adult Services	1,559,000
Child Welfare Services	9,163,000
Foster Care	20,451,000
Temporary Cash Assistance	3,732,000

Senior Citizen Services

Long-term Care	3,072,000
Community Services	930,000

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

Brookhaven Elementary School – renovations (HVAC)	\$2,195,054
East Silver Spring Elementary School – renovations (roof)	421,600
Gaithersburg Middle School – renovations (HVAC)	2,967,000
Meadow Hall Elementary School – renovations (HVAC/roof)	2,965,025
Monocacy Elementary School – renovations (HVAC)	2,651,550
Northwood High School – construction	50,560,167
Ritchie Park Elementary School – renovations (roof)	266,525
Rock View Elementary School – renovations (roof)	734,250
Watkins Mill High School – renovations (HVAC)	3,549,093
Westover Elementary School – renovations (roof)	628,015
Wyngate Elementary School – renovations (roof)	321,850
Aging Schools Program	602,652
Supplemental Capital Grant Program for Local School Systems	9,354,000

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Montgomery College

Germantown – Student Services Center	2,000,000
Rockville – library renovation	2,169,000
Systemwide – facilities renewal	323,375
Takoma Park/Silver Spring – library renovation	3,092,000

Local Jails and Detention Centers

County Criminal Justice Complex	1,286,000
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Community Health Facilities Grant Program

Cornerstone Montgomery, Inc.	1,575,000
Montgomery County – Restoration Center	1,200,000
Rock Creek Foundation, Inc.	111,600

National Capital Strategic Economic Development Fund

Montgomery County – Burtonsville Crossing Shopping Center	2,000,000
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Program Open Space

Park acquisition and development	16,211,671
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Community Parks and Playgrounds

Garrett Park – Yeandle Park	196,471
Poolesville – Dillingham Skatepark	180,000

Hazardous Substance Cleanup Program

Linden Lane	150,000
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Other Projects

AHC Inc. – Randolph Road property	250,000
Alim Academy, Inc. – playground	40,000
BlackRock Center for the Arts	350,000
Brookeville – Market Street improvements	500,000
Cabin John Regional Park – Povich Field	800,000
CaringMatters, Inc.	65,000
Chevy Chase – Bethesda Market lots 10 through 24	1,000,000
Children’s National Hospital – Tech Hill Pharmacy	500,000
Clifton Park Baptist Church – Project Neighbor Care	75,000
Community Services for Autistic Adults and Children, Inc.	250,000
Cross Community, Inc. – Childcare Development Center	1,250,000
Dalewood Playground	250,000
Damascus Volunteer Fire Department – Activities Center	250,000
Don Bosco Cristo Rey High School	1,000,000
Fairfax Community Church of God – Clarksburg Yard	150,000
Fairland Local Park	250,000
Gaithersburg – Crown Farm Historic Park	350,000
Gaithersburg – Kelley Park	250,000
Glen Echo Fire Department	1,000,000
Greenwood Local Park	250,000
Holy Cross Hospital	2,000,000
Islamic Education Center, Inc.	75,000
Ivymount School, Inc.	250,000
Jewish Federation of Greater Washington	1,400,000
Jewish Foundation for Group Homes, Inc.	150,000
Kensington – The Flats at Knowles Station	800,000
Leisure World Community Corporation	800,000
Long Branch Community Parks	250,000
Maplewood Alta-Vista Local Park	500,000
Maryland Soccer Foundation, Inc. – Maryland SoccerPlex	430,000
McKnew Local Park	250,000

MedStar Montgomery Medical Center	4,350,000
Mid-Atlantic Off-Road Enthusiasts, Inc. – Patuxent Trails	100,000
Montgomery College – east county education center	2,000,000
Montgomery County – Bowie Mill bike trail	2,100,000
Montgomery County – Burtonsville commuter parking facility	1,000,000
Montgomery County – bus rapid transit	27,000,000
Montgomery County – connected school safety beacons	160,000
Montgomery County – Damascus Library and Senior Center	500,000
Montgomery County – high school wellness centers	1,000,000
Montgomery County – Infant and Toddlers facility	250,000
Montgomery County – Long Branch Library	555,600
Montgomery County – Montgomery College transit center	150,000
Montgomery County – Pepco Powerline Trail	1,700,000
Montgomery County – public school playgrounds	1,350,000
Montgomery County – Route 198 sidewalk improvements	1,000,000
Montgomery County – Route 29 lighting	2,842,500
Montgomery County – Wheaton Arts and Cultural Center	1,000,000
Montgomery County – White Flint redevelopment	6,000,000
Montgomery County – White Oak neighborhood revitalization	500,000
Montgomery County – zero emissions buses	5,000,000
Montgomery County Historical Society, Inc.	500,000
Montgomery Village Foundation – South Valley Park	1,250,000
Muddy Branch Stream Valley Park	200,000
Nepal School and Community Center	150,000
Olney Boys and Girls Club – Crop Duster Stadium	1,500,000
Olney Boys and Girls Club – sports fields	100,000
Ovid Hazen Wells Recreational Park	300,000
Potomac Community Recreation Center	200,000
Quality Time Learning Center, LLC	50,000
Restoration Center	5,000,000
Riverworks Art Center, Inc.	200,000
Rock Creek Regional Park	400,000
Rockville – Housing Enterprise Community Center	200,000
Rockville – Twinbrook Community Recreation Center	350,000
Rotary Club of Olney Foundation, Inc.	50,000
Round House Theatre	1,000,000
Sandy Spring Museum	1,500,000
Sandy Spring Odd Fellows Lodge	35,000
Sandy Spring Slave Museum and African Art Gallery	150,000
Shady Grove Medical Center	3,000,000
So What Else, Inc. – Food Pantry	150,000

Part A – Budget and State Aid

A-143

Springsong Museum	1,250,000
Stonehedge Local Park	150,000
Takoma Park – Library and Community Center	125,000
The Children’s Inn at the National Institutes of Health	1,671,000
The Muslim Community Center, Inc. – multipurpose youth facility	400,000
The Shepherd’s Table, Inc. – Progress Place gazebo	100,000
The UpCounty Hub, Inc.	141,000
Torah School of Greater Washington	150,000
Waredaca Eventing Education Foundation, Inc. – Pony Club	500,000
Wheaton Forest Local Park	195,000
WMATA – White Flint Metro north entrance	2,600,000

D. Capital Projects for State Facilities in the County

Military Department

White Oak Readiness Center – renovation and expansion	\$593,000
White Oak Readiness Center – renovation and expansion (federal funds)	1,881,000

University System of Maryland

Institute for Health Computing at North Bethesda	2,000,000
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Prince George’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff</u>
	(\$ in Thousands)			
Foundation Aid	\$627,698	\$661,124	\$33,426	5.3%
Compensatory Education	254,469	352,034	97,564	38.3%
Student Transportation	50,289	52,869	2,579	5.1%
Special Education	81,013	92,823	11,810	14.6%
English Language Learners Grant	143,639	163,247	19,609	13.7%
Comparable Wage Index	48,808	41,790	-7,018	-14.4%
Other Blueprint Funding	137,637	176,928	39,290	28.5%
Prekindergarten Grants	1,464	1,464	0	0.0%
Other Education Aid	3,116	3,175	59	1.9%
Primary and Secondary Education	\$1,348,134	\$1,545,453	\$197,318	14.6%
Libraries	\$8,729	\$8,753	\$24	0.3%
Community Colleges	45,390	47,815	2,425	5.3%
Health Formula Grant	8,385	9,139	754	9.0%
Transportation ¹	16,194	19,795	3,601	22.2%
Police and Public Safety ¹	26,184	26,534	350	1.3%
Fire and Rescue Aid ¹	1,725	1,725	0	0.0%
Disparity Grant	43,704	98,482	54,778	125.3%
Teachers Retirement Supplemental Grant	9,629	9,629	0	0.0%
Gaming Impact Aid	38,539	37,617	-923	-2.4%
Other Direct Aid	0	1,000	1,000	n/a
Total Direct Aid	\$1,546,613	\$1,805,941	\$259,328	16.8%
Aid Per Capita (\$)	\$1,633	\$1,907	\$274	16.8%
Property Tax Equivalent (\$)	1.33	1.47	0.14	10.5%

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 2024 State payments for Prince George’s County for teachers, librarians, and community college faculty are estimated to be \$120,936,000.

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 2024 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 2023) 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	\$630,347,000
Family Health and Chronic Disease	12,529,000
Developmental Disabilities	116,553,000
Behavioral Health Services	129,964,000

Social Services

Homeless Services	1,325,000
Women’s Services	661,000
Adult Services	857,000
Child Welfare Services	13,470,000
Foster Care	31,337,000
Temporary Cash Assistance	7,936,000

Senior Citizen Services

Long-term Care	2,641,000
Community Services	779,000

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

Cool Spring Elementary School – construction	\$3,579,000
High Point High School – construction	1,036,000
Schmidt Outdoor Education Center – construction	2,239,200
Suitland High School – construction	46,488,831
Woodridge Elementary School – renovations (HVAC)	3,650,000
Aging Schools Program	1,209,428
Supplemental Capital Grant Program for Local School Systems	7,534,000

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Public Libraries

Baden Library – relocation and renovation	519,000
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Prince George’s Community College

Campuswide – facilities renewal	323,375
Marlboro Hall – renovation and addition	17,476,000

Federally Qualified Health Centers Grant Program

Greater Baden Medical Services, Inc.	500,000
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Strategic Demolition Fund

Prince George’s County – Cheverly Hospital	2,000,000
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National Capital Strategic Economic Development Fund

Marlboro Pike Partnership CDC	1,000,000
Prince George’s County – Cheverly Hospital	2,000,000

Program Open Space

Park acquisition and development	13,218,796
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Community Parks and Playgrounds

Capitol Heights – Town Hall Park Splash Pad	113,270
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Waterway Improvement

Jackson’s Landing – boating access facility improvements	250,000
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Hazardous Substance Cleanup Program

Anacostia River – Northeast and Northwest Branches	100,000
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Other Projects

American Legion Post No. 196	235,000
American Legion Post No. 275	105,000
Bowie – water infrastructure improvements	500,000
Boys and Girls Clubs of Greater Washington	75,000
Capitol Heights – Community Center	200,000
Capitol Technology University – laboratory spaces	1,750,000
CASA of Maryland, Inc. – Headquarters	250,000
Cheverly – public works building	1,400,000
College Park City-University Partnership, Inc. – bike trail improvements	2,500,000
College Track Corporation – Suitland Center	100,000
Dee’s House of Hope, Inc.	100,000
Disney-Bell American Legion Post No. 66	200,000
District Heights – Municipal Center	200,000
Fairmount Heights – community and town center improvements	100,000
Food 4 Thought Group – Community Wellness, Resource, and Services Center	300,000
Forest Heights – Public Safety and Community Center	200,000
Forestville Boys and Girls Club – Winship Wheatley Sports Field	150,000
Foundation for Arts, Music and Education, Inc.	335,000
Gateway Community Development Corporation – Studio Lab	300,000
Glenarden – police facility	400,000
Greenbelt – Education and Visitor Center	100,000
Greenbelt – electric vehicle charging stations	150,000
Gunpowder Golf Course	100,000
Human Services Coalition of Prince George’s County, Inc.	100,000
Hyattsville – citywide public restrooms	350,000
Hyattsville – Driskell Park	375,000
Inncuvate Community Development Partners, Inc. – Venture Studio	200,000
Ivy Community Charities of Prince George’s County, Inc.	50,000
Kingdom Global Community Development Corporation	500,000
Laurel – Dam Ruins at Riverfront Park	1,000,000
Laurel – multi-service center	2,500,000
Laurel Advocacy and Referral Services, Inc.	500,000

LH3 Enterprises – after-school program/workforce development center	250,000
Liberty Sports Park	1,500,000
Luminis Health Doctors Community Medical Center	7,500,000
Marlboro Pike Partnership CDC, Inc. – public art playground	100,000
Maryland Sports and Entertainment Innovation Center	20,000,000
MD–National Capital Park and Planning Comm. – Cross Creek property	1,000,000
MD–National Capital Park and Planning Comm. – Riverdale Park	1,500,000
Mount Ephraim Community Nonprofit Development Corporation	250,000
Mount Rainier – Potts Hall and City Hall improvements	750,000
North College Park Community Center	1,500,000
Omega Gold Community Outreach Center	150,000
Patriots, Inc.	150,000
Pillars of Faith Holy Church – community resource center	200,000
Potomac High School – locker room improvements	100,000
Prince George’s Arts and Humanities Council	300,000
Prince George’s Community College – Public Art	275,000
Prince George’s County – blue line corridor infrastructure improvements	8,000,000
Prince George’s County – Cheverly Hospital demolition	8,000,000
Prince George’s County – New Carrollton Metro Station improvements	35,700,000
Prince George’s County – New Carrollton Transit Hub	15,000,000
Prince George’s County – Shepherd’s Cove Family Shelter	5,000,000
Prince George’s County – Westphalia Community Playground	200,000
Riverdale Park – flood management	150,000
Riverdale Park – Municipal Center parking facility	100,000
Temple Hills Swim Club, Inc.	400,000
The Bowie-Mitchellville Diamond Foundation Center	400,000
The Children’s Guild, Inc. – Monarch Preschool College Park	250,000
The Washington Bridge Unit, Inc.	50,000
Upper Marlboro – parking improvements	150,000
Walker Mill Community Development Corporation – Boxing Facility	150,000
West Laurel Swim Club, Inc.	500,000
What If Policy Institution – Monument on the Potomac	100,000

D. Capital Projects for State Facilities in the County

Maryland State Police

College Park – barrack and garage	\$1,174,000
Forestville – barrack and garage	551,000

Department of Natural Resources

Rosaryville State Park – Mount Airy Mansion improvements	2,685,000
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Maryland Environmental Service

Cheltenham Youth Center – wastewater treatment plant upgrade	1,221,000
Cheltenham Youth Center – water treatment plant upgrade	2,990,000

University System of Maryland

Bowie State – Communication Arts and Humanities Building	67,134,000
Bowie State – Thurgood Marshall Library Commons	1,100,000
College Park – campus farm upgrades	12,100,000
College Park – campuswide infrastructure improvements	12,500,000
College Park – Chemistry Building	9,430,000
College Park – dining hall construction	10,600,000
College Park – graduate student housing	5,000,000
College Park – high rise residence halls renovations	52,010,000
College Park – Hornbake Library renovations	10,000,000
College Park – Interdisciplinary Engineering Building	31,210,000
College Park – south campus recreation center	9,000,000
Global Campus – Adelphi Building	650,000

Other

UMMS Capital Region Medical Center – Oncology Center	27,000,000
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Queen Anne’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$25,686	\$24,162	-\$1,524	-5.9%
Compensatory Education	4,794	7,669	2,875	60.0%
Student Transportation	4,078	4,385	307	7.5%
Special Education	2,697	3,145	448	16.6%
English Language Learners Grant	1,189	1,345	155	13.1%
Comparable Wage Index	630	0	-630	-100.0%
Other Blueprint Funding	1,726	917	-809	-46.9%
Prekindergarten Grants	888	888	0	0.0%
Other Education Aid	639	661	22	3.5%
<i>Primary and Secondary Education</i>	<i>\$42,327</i>	<i>\$43,172</i>	<i>\$845</i>	<i>2.0%</i>
Libraries	\$201	\$210	\$9	4.7%
Community Colleges	2,809	3,350	541	19.2%
Health Formula Grant	1,906	2,205	299	15.7%
Transportation ¹	1,705	2,051	346	20.3%
Police and Public Safety ¹	608	580	-27	-4.5%
Fire and Rescue Aid ¹	301	301	0	0.0%
Total Direct Aid	\$49,857	\$51,870	\$2,013	4.0%
Aid Per Capita (\$)	\$964	\$1,003	\$39	4.0%
Property Tax Equivalent (\$)	0.53	0.53	0.00	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 2024 State payments for Queen Anne’s County for teachers, librarians, and community college faculty are estimated to be \$6,542,000.

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 2024 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 2023) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$26,530,000
Family Health and Chronic Disease	491,000
Developmental Disabilities	5,354,000
Behavioral Health Services	8,658,000

Social Services

Homeless Services	1,089,000
Women’s Services	68,000
Adult Services	72,000
Child Welfare Services	1,098,000
Foster Care	478,000
Temporary Cash Assistance	194,000

Senior Citizen Services

Long-term Care	226,000
Community Services	111,000

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

Centreville Middle School – construction	\$1,698,312
Kennard Elementary School – renovations (fire safety)	154,000
Kent Island High School – renovations (roof)	2,163,215
Aging Schools Program	50,074

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Local Jails and Detention Centers

County Detention Center – addition and renovations	10,870,000
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Community Health Facilities Grant Program

Chesterwe Center, Inc.	600,185
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Senior Center Capital Grant Program

Kent Island Senior Center	265,000
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Program Open Space

Park acquisition and development	660,534
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Chesapeake Bay Restoration Fund

Centreville WWTP – enhanced nutrient removal	14,939,500
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Waterway Improvement

Little Creek Landing – drainage and parking lot improvements	100,000
Thompson Creek Landing – bulkhead replacement	250,000
United Communities Volunteer Fire Dept. – fire boat motor replacement	37,000

Other Projects

Chesapeake Bay Environmental Center	75,000
Queen Anne’s County – Crumpton Building	300,000
Queen Anne’s County – historic courthouse	100,000
St. Peter the Apostle Church	150,000

D. Capital Projects for State Facilities in the County

Maryland Environmental Service

Tuckahoe State Park – water towers

\$225,000

St. Mary’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$82,150	\$85,805	\$3,655	4.4%
Compensatory Education	16,435	25,902	9,467	57.6%
Student Transportation	8,294	9,011	717	8.6%
Special Education	8,283	10,011	1,728	20.9%
English Language Learners Grant	1,514	1,782	267	17.7%
Comparable Wage Index	267	3,322	3,054	1,142.4%
Other Blueprint Funding	9,369	9,077	-292	-3.1%
Other Education Aid	809	809	0	0.0%
<i>Primary and Secondary Education</i>	<i>\$127,121</i>	<i>\$145,717</i>	<i>\$18,596</i>	<i>14.6%</i>
Libraries	\$881	\$921	\$40	4.5%
Community Colleges	6,263	6,863	600	9.6%
Health Formula Grant	3,331	3,926	595	17.9%
Transportation ¹	2,375	2,826	451	19.0%
Police and Public Safety ¹	1,342	1,543	201	15.0%
Fire and Rescue Aid ¹	301	301	0	0.0%
Total Direct Aid	\$141,613	\$162,096	\$20,483	14.5%
Aid Per Capita (\$)	\$1,233	\$1,411	\$178	14.5%
Property Tax Equivalent (\$)	1.00	1.08	0.09	8.7%

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 2024 State payments for St. Mary’s County for teachers, librarians, and community college faculty are estimated to be \$14,558,000.

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 2024 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 2023) 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	\$64,679,000
Family Health and Chronic Disease	622,000
Developmental Disabilities	9,896,000
Behavioral Health Services	17,370,000

Social Services

Homeless Services	1,074,000
Women’s Services	254,000
Adult Services	132,000
Child Welfare Services	2,572,000
Foster Care	3,698,000
Temporary Cash Assistance	1,361,000

Senior Citizen Services

Long-term Care	324,000
Community Services	161,000

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

Great Mills High School – renovations (roof)	\$4,353,000
Lettie Marshall Dent Elementary School – construction	2,082,089
Piney Point Elementary School – renovations (HVAC)	1,810,543
Aging Schools Program	50,074

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

College of Southern Maryland

La Plata – Student Resource Center	1,650,000
Systemwide – facilities renewal	323,375

Program Open Space

Park acquisition and development	1,220,906
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Chesapeake Bay Restoration Fund

St. Clements Shores WWTP – enhanced nutrient removal	7,336,833
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Waterway Improvement

St. Inigoes Landing – boat ramp improvements	250,000
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Other Projects

Bay District Volunteer Fire Department	200,000
Great Mills High School – press box replacement	100,000
Historic St. Mary’s Fort to 400 Commission	25,000
Mechanicsville Volunteer Fire Department	100,000
MedStar St. Mary’s Hospital	200,000
Ridge Volunteer Fire Department	200,000
St. Mary’s County – St. Clements Hundred Handicapped Vessel	700,000
Tri-County Council of Southern Maryland – Regional Agricultural Center	100,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Newtowne Neck State Park – park access improvements	\$850,000
Point Lookout State Park – marina improvements	1,000,000

Historic St. Mary’s City Commission

Leonard Calvert House	784,000
Maryland Dove – storage facility	500,000
Sitewide – infrastructure improvements	1,000,000

St. Mary’s College

Campuswide – infrastructure improvements	2,100,000
Montgomery Hall – renovation	2,594,000

Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$16,024	\$16,292	\$268	1.7%
Compensatory Education	10,689	11,626	937	8.8%
Student Transportation	2,248	2,433	184	8.2%
Special Education	2,474	2,832	359	14.5%
English Language Learners Grant	803	925	122	15.2%
Guaranteed Tax Base	1,854	1,942	88	4.7%
Other Blueprint Funding	5,209	5,376	167	3.2%
Prekindergarten Grants	936	936	0	0.0%
Other Education Aid	925	925	0	0.0%
Primary and Secondary Education	\$41,162	\$43,288	\$2,126	5.2%
Libraries	\$324	\$329	\$6	1.8%
Community Colleges	1,431	1,517	86	6.0%
Health Formula Grant	1,795	2,058	263	14.7%
Transportation ¹	1,075	1,289	214	19.9%
Police and Public Safety ¹	363	407	45	12.4%
Fire and Rescue Aid ¹	301	301	0	0.0%
Disparity Grant	6,757	7,229	472	7.0%
Teachers Retirement Supplemental Grant	382	382	0	0.0%
Other Direct Aid	553	590	37	6.7%
Total Direct Aid	\$54,143	\$57,391	\$3,249	6.0%
Aid Per Capita (\$)	\$2,206	\$2,338	\$132	6.0%
Property Tax Equivalent (\$)	3.33	3.35	0.02	0.5%

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

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2024 State payments for Somerset County for teachers, librarians, and community college faculty are estimated to be \$3,062,000.

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 2024 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 2023) 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	\$35,087,000
Family Health and Chronic Disease	501,000
Developmental Disabilities	9,455,000
Behavioral Health Services	11,868,000

Social Services

Homeless Services	844,000
Women’s Services	102,000
Adult Services	131,000
Child Welfare Services	1,991,000
Foster Care	1,278,000
Temporary Cash Assistance	679,000

Senior Citizen Services

Long-term Care	1,042,000
Community Services	437,000

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	38,292
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Program Open Space

Park acquisition and development	288,984
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Community Parks and Playgrounds

Princess Anne – Manokin Park	98,880
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Chesapeake Bay Water Quality Projects

Smith Island – clean water project	825,840
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Waterway Improvement

Crisfield – City Depot piers and walkway replacement	160,000
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Public boating facilities – countywide maintenance	32,000
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Tylerton Harbor – breakwater improvements	20,000
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Other Projects

Crisfield Elks Lodge No. 1044	45,000
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It Takes A Village to Help Our Children, Inc.	1,000,000
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D. Capital Projects for State Facilities in the County**Department of Public Safety and Correctional Services**

Eastern Correctional Institution – hot water system/perimeter improvements	\$19,412,000
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Department of Natural Resources

Somers Cove Marina – bulkhead replacement and site improvements	3,000,000
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Wellington WMA – Kim-Choi property parking lot	125,000
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Maryland Environmental Service

Janes Island State Park – water distribution/sewer collection/electric upgrade	400,000
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University System of Maryland

Eastern Shore – Agricultural Research Education Center	12,628,000
Eastern Shore – Radio Tower	600,000

Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$5,434	\$5,578	\$144	2.7%
Compensatory Education	5,710	7,390	1,680	29.4%
Student Transportation	2,044	2,204	160	7.8%
Special Education	1,663	1,971	308	18.5%
English Language Learners Grant	1,885	2,129	245	13.0%
Other Blueprint Funding	1,141	896	-245	-21.5%
Prekindergarten Grants	468	468	0	0.0%
Other Education Aid	416	416	0	0.0%
<i>Primary and Secondary Education</i>	<i>\$18,760</i>	<i>\$21,052</i>	<i>\$2,292</i>	<i>12.2%</i>
Libraries	\$131	\$135	\$3	2.6%
Community Colleges	2,413	2,932	519	21.5%
Health Formula Grant	1,764	2,119	355	20.2%
Transportation ¹	2,328	2,785	457	19.6%
Police and Public Safety ¹	612	588	-24	-3.9%
Fire and Rescue Aid ¹	319	319	0	0.0%
Total Direct Aid	\$26,327	\$29,929	\$3,602	13.7%
Aid Per Capita (\$)	\$694	\$789	\$95	13.7%
Property Tax Equivalent (\$)	0.29	0.32	0.03	9.4%

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 2024 State payments for Talbot County for teachers, librarians, and community college faculty are estimated to be \$4,025,000.

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 2024 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 2023) 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	\$27,582,000
Family Health and Chronic Disease	350,000
Developmental Disabilities	6,433,000
Behavioral Health Services	8,881,000

Social Services

Homeless Services	1,089,000
Women’s Services	68,000
Adult Services	83,000
Child Welfare Services	1,570,000
Foster Care	920,000
Temporary Cash Assistance	217,000

Senior Citizen Services

Long-term Care	690,000
Community Services	217,000

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

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

Chapel District Elementary School – construction	\$928,450
White Marsh Elementary School – renovations (roof)	990,900
Aging Schools Program	38,292

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Public Libraries

St. Michaels Library – renovation and expansion	240,000
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Program Open Space

Park acquisition and development	691,824
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Community Parks and Playgrounds

St. Michaels – Perry Cabin Park	100,000
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Chesapeake Bay Restoration Fund

Preserve at Wye Mills WWTP – replacement	875,750
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Comprehensive Flood Mitigation Program

Oxford – shoreline resilience	300,000
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Waterway Improvement

Easton Point Park – dredging	50,000
Windy Hill Landing – reconstruction	110,000

Other Projects

Building African American Minds, Inc. – Academic Center	200,000
Mid-Shore Community Foundation – Water’s Edge and Bellevue Passage	655,000
University of Maryland Shore Regional Hospital	10,000,000

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

Black Walnut Point NRMA – shore erosion control	\$4,742,000
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Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$119,869	\$123,145	\$3,276	2.7%
Compensatory Education	45,109	60,754	15,645	34.7%
Student Transportation	8,705	9,463	758	8.7%
Special Education	13,473	15,857	2,384	17.7%
English Language Learners Grant	3,631	5,002	1,371	37.8%
Guaranteed Tax Base	8,571	9,093	522	6.1%
Other Blueprint Funding	12,965	13,671	706	5.4%
Prekindergarten Grants	2,040	2,040	0	0.0%
Other Education Aid	1,227	1,229	2	0.2%
Primary and Secondary Education	\$215,590	\$240,254	\$24,664	11.4%
Libraries	\$1,604	\$1,641	\$37	2.3%
Community Colleges	14,541	16,849	2,308	15.9%
Health Formula Grant	3,877	4,437	560	14.5%
Transportation ¹	4,718	5,788	1,070	22.7%
Police and Public Safety ¹	2,385	2,467	82	3.4%
Fire and Rescue Aid ¹	339	339	0	0.0%
Disparity Grant	3,834	2,990	-844	-22.0%
Total Direct Aid	\$246,888	\$274,765	\$27,877	11.3%
Aid Per Capita (\$)	\$1,587	\$1,766	\$179	11.3%
Property Tax Equivalent (\$)	1.67	1.74	0.07	4.2%

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2024 State payments for Washington County for teachers, librarians, and community college faculty are estimated to be \$18,612,000.

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 2024 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 2023) 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	\$158,479,000
Family Health and Chronic Disease	779,000
Developmental Disabilities	41,239,000
Behavioral Health Services	39,750,000

Social Services

Homeless Services	565,000
Women's Services	381,000
Adult Services	451,000
Child Welfare Services	5,659,000
Foster Care	9,058,000
Temporary Cash Assistance	2,912,000

Senior Citizen Services

Long-term Care	521,000
Community Services	247,000

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

Clear Spring Elementary School – renovations (boilers)	\$483,650
E. Russell Hicks Middle School – renovations (chillers/cooling tower)	1,841,400
Eastern Elementary School – renovations (boilers/chiller)	1,176,650
Hancock Middle/High School – renovations (electrical distribution system)	1,419,600
Pleasant Valley Elementary School – renovations (HVAC)	2,037,520
Smithsburg Middle School – renovations (electrical distribution system)	1,050,000
Springfield Middle School – renovations (electrical distribution system)	737,190
Aging Schools Program	134,904

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Hagerstown Community College

Advanced Training Center	294,000
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Program Open Space

Park acquisition and development	1,915,701
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Waterway Improvement

Williamsport – boat ramp construction	200,000
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Other Projects

Boonsboro – Chase Six Boulevard/Campus Avenue realignment/intersection	500,000
Boonsboro – drinking water and wastewater infrastructure	1,000,000
Boonsborough Museum of History	200,000
Hagerstown – Field House	3,000,000
Hancock – downtown improvements	100,000
Hagerstown Community College – Athletic Recreational Community Center	125,000
Interfaith Service Coalition of Hancock	45,000
Korean War Veterans Association Antietam – Korean War Veterans Museum	25,000
Meritus School of Osteopathic Medicine	1,500,000
North High School – track improvements	50,000
Plumbers and Steamfitters Local Union No. 486 – Hagerstown School	750,000
Robert W. Johnson Community Center	2,500,000
Washington County – Museum of Fine Arts	1,250,000
Washington County – Public Safety Training Center	2,250,000
Williamsport – Springfield Farm Manor House	520,000

D. Capital Projects for State Facilities in the County

General Government

Washington County District Court \$750,000

Department of Natural Resources

Gathland State Park – South Mountain Battlefield Trail 200,000

Maryland Environmental Service

Greenbrier State Park – water/wastewater treatment/sewer collection/electric 500,000

Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$86,464	\$89,729	\$3,265	3.8%
Compensatory Education	47,453	51,795	4,342	9.1%
Student Transportation	6,317	6,926	610	9.7%
Special Education	9,376	10,651	1,275	13.6%
English Language Learners Grant	9,628	11,935	2,307	24.0%
Guaranteed Tax Base	7,760	7,779	19	0.2%
Other Blueprint Funding	12,304	12,124	-179	-1.5%
Prekindergarten Grants	3,078	3,078	0	0.0%
Other Education Aid	1,162	1,162	0	0.0%
Primary and Secondary Education	\$183,541	\$195,179	\$11,639	6.3%
Libraries	\$1,232	\$1,261	\$28	2.3%
Community Colleges	7,756	9,114	1,359	17.5%
Health Formula Grant	4,465	5,183	717	16.1%
Transportation ¹	4,034	4,927	893	22.1%
Police and Public Safety ¹	2,030	1,971	-60	-2.9%
Fire and Rescue Aid ¹	323	323	0	0.0%
Disparity Grant	11,832	15,063	3,232	27.3%
Teachers Retirement Supplemental Grant	1,568	1,568	0	0.0%
Total Direct Aid	\$216,782	\$234,590	\$17,808	8.2%
Aid Per Capita (\$)	\$2,071	\$2,241	\$170	8.2%
Property Tax Equivalent (\$)	2.87	2.94	0.07	2.3%

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2024 State payments for Wicomico County for teachers, librarians, and community college faculty are estimated to be \$13,732,000.

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 2024 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 2023) 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	\$118,613,000
Family Health and Chronic Disease	965,000
Developmental Disabilities	30,062,000
Behavioral Health Services	28,756,000

Social Services

Homeless Services	844,000
Women's Services	102,000
Adult Services	60,000
Child Welfare Services	3,513,000
Foster Care	2,165,000
Temporary Cash Assistance	1,949,000

Senior Citizen Services

Long-term Care	1,042,000
Community Services	437,000

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	\$15,303,984
Parkside High School – renovations (roof)	1,062,900
Wicomico High School – renovations (roof)	2,442,929
Aging Schools Program	106,627

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Wor-Wic Community College

Campuswide – facilities renewal	323,375
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Community Health Facilities Grant Program

Lower Shore Clinic, Inc.	1,346,035
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Program Open Space

Park acquisition and development	1,264,251
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Community Parks and Playgrounds

Fruitland – Recreational Park	194,811
Pittsville – Town Park Playground	287,500

Chesapeake Bay Restoration Fund

Hebron WWTP – replacement	4,580,420
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Waterway Improvement

Cedar Hill Marina – bulkhead replacement	250,000
Pirates Wharf – boating facility construction	225,000
Salisbury Fire Department – outboard boat motor	5,603

Other Projects

Eleven21, Inc. – Epoch Dream Center	100,000
Enoch Christian Ministries – after school and community outreach program	250,000
Hebron Train Depot, Inc.	50,000
Salisbury – infrastructure upgrades	4,000,000
Salisbury Schools, Inc. – outdoor amphitheater	95,000
Veterans of Foreign Wars Post No. 10159	125,000

A-172

Aid to Local Government – Wicomico County

Wicomico County – airport terminal rehabilitation	150,000
Wicomico County – Perdue Stadium boiler replacement	100,000
Wicomico County Fraternal Order of Police Lodge No. 111	100,000

D. Capital Projects for State Facilities in the County

University System of Maryland

Salisbury – Arts Center Building	\$4,000,000
Salisbury – Blackwall Hall renovation	2,223,000
Salisbury – St. Martin Residence Hall renovations	5,000,000

Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$7,980	\$8,276	\$296	3.7%
Compensatory Education	7,994	9,988	1,995	25.0%
Student Transportation	3,697	4,000	303	8.2%
Special Education	2,224	2,445	221	9.9%
English Language Learners Grant	449	491	42	9.4%
Other Blueprint Funding	1,936	2,249	313	16.2%
Prekindergarten Grants	744	744	0	0.0%
Other Education Aid	431	431	0	0.0%
<i>Primary and Secondary Education</i>	<i>\$25,455</i>	<i>\$28,624</i>	<i>\$3,169</i>	<i>12.4%</i>
Libraries	\$184	\$190	\$7	3.6%
Community Colleges	3,250	3,414	163	5.0%
Health Formula Grant	3,354	4,021	666	19.9%
Transportation ¹	2,646	3,233	587	22.2%
Police and Public Safety ¹	1,121	1,138	18	1.6%
Fire and Rescue Aid ¹	371	371	0	0.0%
Gaming Impact Aid	5,499	5,578	79	1.4%
Total Direct Aid	\$41,880	\$46,570	\$4,690	11.2%
Aid Per Capita (\$)	\$777	\$865	\$87	11.2%
Property Tax Equivalent (\$)	0.24	0.25	0.02	6.7%

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 2024 State payments for Worcester County for teachers, librarians, and community college faculty are estimated to be \$7,568,000.

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 2024 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 2023) 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	\$42,117,000
Family Health and Chronic Disease	597,000
Developmental Disabilities	5,365,000
Behavioral Health Services	15,223,000

Social Services

Homeless Services	844,000
Women's Services	102,000
Adult Services	86,000
Child Welfare Services	1,936,000
Foster Care	1,260,000
Temporary Cash Assistance	431,000

Senior Citizen Services

Long-term Care	1,042,000
Community Services	437,000

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***

Snow Hill Middle School/Cedar Chapel Special School – renovations (roof)	\$59,500
Aging Schools Program	38,292
Supplemental Capital Grant Program for Local School Systems	388,000

*The final allocation of fiscal 2024 school construction funding will be made in May 2023.

Public Libraries

Pocomoke Library – construction	2,200,000
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Wor-Wic Community College

Campuswide – facilities renewal	323,375
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Federally Qualified Health Centers Grant Program

Three Lower Counties Community Services, Inc.	519,883
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Program Open Space

Park acquisition and development	1,247,376
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Community Parks and Playgrounds

Snow Hill – Sturgis and Byrd Park	62,644
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Water Supply Financial Assistance Program

Pocomoke City – Market Street water main relining	844,306
Snow Hill – Coulbourne Lane well backup power	190,806

Waterway Improvement

George Island Landing – improvements	75,000
Pocomoke City – boating access improvements	150,000
Pocomoke City Volunteer Fire Company – rescue boat equipment	4,177
Public Landing Marina – retaining wall and rip rap construction	200,000

Other Projects

Atlantic General Hospital	250,000
Diakonia, Inc.	150,000
Ocean Pines Volunteer Fire Department – South Station	75,000

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

Berlin Barrack, Forensic Lab, and Garage	\$3,882,000
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Department of Natural Resources

Assateague State Park – Rackliffe House parking lot	325,000
Ocean City Beach Maintenance Program	2,000,000
Pocomoke River State Park – elevated boardwalk trail	2,000,000
Pocomoke River State Park – Shad/Milburn Landings boat ramp replacement	1,600,000

Part B

Taxes

Property Tax

Property Tax Administration

Local Property Tax Assessment and Tax Rate Increases – Notification Requirements

The constant yield tax rate is the rate that, when applied to the current assessable base, yields the same property tax revenue as in the prior year. Generally, when there is growth in the real property assessable base, the constant yield tax rate is lower than the existing tax rate. *Senate Bill 114 (passed)* repeals public notice requirements when a taxing authority sets a real property tax rate that exceeds the constant yield rate. Instead, a taxing authority is required to provide public notice of increases in the real property tax rate. A taxing authority that intends to increase its real property tax rate must (1) place a public notice in a newspaper of general circulation in the taxing authority’s jurisdiction and (2) publish a copy of the notice on the taxing authority’s website; or, if the taxing authority does not have a website, post a copy of the notice in a place that is easily accessible to the public. A property taxpayer must be notified of increases in the real property tax rate on their property tax bill. Information about the effect of rising assessments on the amount of taxes owed must be included with assessment notices and property tax bills.

Access to Property Tax Benefits – Report

House Bill 665 (passed) requires the Comptroller and the State Department of Assessments and Taxation (SDAT) to identify ways the Comptroller could collaborate with SDAT to improve access to property tax benefits available to taxpayers, including the homeowners’ property tax credit, the renters’ property tax credit, the homestead property tax credit, and the exemption available to disabled veterans and surviving spouses. A report of findings and recommendations is due on or before December 1, 2023.

State Department of Assessments and Taxation – Mandatory Retirement Age

Senate Bill 722 (passed) repeals the mandatory retirement age of 70 years for the Director of SDAT and a county supervisor of assessments.

Property Tax Exemptions

Veteran Owned and Occupied Real Property

The real property owned by disabled veterans, as their legal residence, is exempt from taxation if specified requirements are met. To qualify for the tax exemption, the disabled veteran must have a 100% service-connected disability rating. *Senate Bill 32 (passed)* allows an applicant to qualify for the exemption by submitting a rating decision of the disabled veteran's disability from the U.S. Department of Veterans Affairs instead of a certification of the disabled veteran's disability from the U.S. Department of Veterans Affairs.

Retroactive Real Property Tax Exemption in Baltimore City

Certain real property is exempt from taxation, including government-owned, charitable, and religious property. In Baltimore City, tax exempt organizations must submit an application to SDAT every three years to maintain a tax exemption. *Senate Bill 41/House Bill 249 (both passed)* authorize a property tax exemption to be granted retroactively to charitable or religious property in Baltimore City for up to three years. A retroactive exemption must be reviewed and approved by the Baltimore City Solicitor and the Baltimore City Department of Finance and may be granted only on a showing of good cause. Baltimore City and the State must pay a refund of excess taxes paid due to a retroactive exemption that is granted. The bills terminate December 31, 2026.

Property Tax Credits

Homeowners' Property Tax Credit

The homeowners' property tax credit is a State-funded program that provides credits against State and local real property taxes for homeowners who qualify based on a sliding scale of property tax liability and income. Homeowners must apply to SDAT each year in order to be eligible for the property tax credit. For purposes of calculating the homeowners' property tax credit, gross income is defined as the total income from all sources, whether or not the income is included in the definition of gross income for federal or State tax purposes. A recipient's net worth may not exceed \$200,000 and their combined gross household income may not exceed \$60,000. Approximately 45,000 individuals receive the property tax credit each year.

Senate Bill 826/House Bill 897 (both passed) allow homeowners who receive income only from social security, a pension, or an annuity to file a short certification instead of the regular application for the homeowners' property tax credit in two out of every three years. The regular application must be submitted in the first year that the homeowner applies for the property tax

credit and every third year thereafter. For each of the intervening two years, the homeowner may submit a simple certification of residency, income sources, and household size.

Counties and municipalities are authorized to grant a local supplement to the homeowners' property tax credit. Local governments are responsible for covering the cost of the local supplement. Currently, 13 counties and Baltimore City, as well as several municipalities, provide a local supplement to the State credit. *House Bill 404 (passed)* authorizes local governments to provide a local supplement to homeowners whose combined gross income exceeds \$60,000.

Public Safety Officers

Senate Bill 61 (passed) alters the local option property tax credit for public safety officers by requiring local governments to define “public safety officer” for purposes of eligibility for the credit. The bill also repeals the \$2,500 limit on the amount of the property tax credit.

Disabled Law Enforcement Officers and Rescue Workers

Senate Bill 435/House Bill 508 (both passed) require local governments to define who is a disabled law enforcement officer or rescue worker for purposes of receiving the existing local option property tax credit. In addition, eligibility for the property tax credit is expanded to include a disabled law enforcement officer or rescue worker or surviving spouse or cohabitant who was domiciled in the State any time within five years prior to the disabled law enforcement officer or rescue worker becoming disabled or dying.

Tax Sales

Redemption – Notices and Payoff Amount

House Bill 21 (passed) authorizes an owner of owner-occupied residential property that has been sold at a tax sale and for which a complaint to foreclose the right of redemption has not yet been filed to request from the holder of the certificate of sale the current payoff amount to redeem the property. A mortgagee of the property and specified others are also authorized to request the current payoff amount. The authorization applies in jurisdictions other than Baltimore City, where existing law provides different procedures for requesting the payoff amount. The payoff amount provided by the holder of the certificate of sale must (1) include only those expenses incurred before the holder of the certificate of sale received the request for the payoff amount and (2) be deemed valid for a period of 30 days from the date the holder provides it. An email address must also be included in the holder's and the tax collector's contact information provided in notices sent by the holder to the owner and specified others.

House Bill 83 (passed) requires a tax collector to make at least one attempt to contact a holder of a certificate of sale by phone and email, after the collector is informed that the plaintiff or the holder of the certificate of sale has failed to respond to a request for the amount of expenses included in the redemption amount that is made by the owner of the property, a mortgagee of the property, or specified others. If the plaintiff or holder of the certificate of sale fails to respond

within five business days, the tax collector may redeem the property without a satisfaction letter stating that the expenses of the plaintiff or the holder of a certificate of sale have been paid.

Payment of Balance After Foreclosure

House Bill 43 (passed) requires each county to establish a process for a person entitled to any remaining balance of the purchase price of a property sold at a tax sale over the amount required for the payment of taxes, interest, penalties, and costs of sale to claim the balance. The process must be applied uniformly to all claims for balances within the county and may not require a court order, unless there is a dispute regarding payment of the balance. The bill also requires that within 90 days of delivering a deed to a purchaser, the tax collector must notify the prior property owner of the amount of any remaining balance and the process established by the county by which the prior property owner may claim the balance.

Requirement to Sell

Subject to certain exceptions, State law requires a tax collector to sell, through the tax sale process, all property in the county on which tax is unpaid, at the time required by local law, but in no case, except in Baltimore City, later than two years from the date the tax is in arrears. *House Bill 57 (passed)* repeals the time limits in existing statute and instead requires that properties must be sold at the time required by local law.

Owner-occupied Property – Foreclosure, Notice, and Reimbursement of Expenses

House Bill 235 (passed) increases the amount of time that must pass after an owner-occupied residential property is sold at a tax sale before the holder of the certificate of sale can file a complaint to foreclose the right of redemption from six months to nine months. *House Bill 235* also increases the amount of time that must pass after an owner-occupied residential property is sold at a tax sale before the holder of the certificate of sale can send a required notice and be reimbursed for expenses relating to filing a foreclosure complaint from four months to seven months.

Authority of Counties and Municipalities

Senate Bill 518/House Bill 779 (Chs. 79 and 80) authorize counties and municipalities to take certain actions regarding properties in tax sale. Specifically, the Acts authorize counties and municipalities to (1) seek a court order assigning a certificate of sale to the county or municipality if the holder of the certificate has started foreclosure but not completed it in a timely manner; (2) seek a court order transferring ownership of a property to the county or municipality if the holder of the certificate of sale has not paid the balance of the purchase price and recorded a deed after obtaining a foreclosure judgement; and (3) withhold a property from tax sale and obtain the certificate of sale for the property if the property has a vacant building or structure that the county or municipality intends to demolish for safety reasons.

Homeowner Protection Program – Outreach

Chapter 382 of 2021 established the Homeowner Protection Program administered by the State Tax Sale Ombudsman, and the Homeowner Protection Fund to support the program. The program diverts vulnerable homeowners from the private tax lien sale process into an alternative program in order to (1) minimize tax collection costs to homeowners; (2) assist homeowners to pay their taxes; and (3) allow homeowners to remain in their homes. Under the program, the State purchases the tax lien on a participating homeowner's property and provides intensive support to help the homeowner pay the taxes owed by accessing tax credits, public benefits, and other services. *House Bill 236 (passed)* establishes the intent of the General Assembly that at least 2% of the balance in the Homeowner Protection Fund be spent each year to conduct outreach to encourage homeowners in tax sale to enroll in the Homeowner Protection Program. *House Bill 236* also establishes authority of the State Tax Sale Ombudsman to gather information needed to conduct the outreach and requires that a summary of the outreach be included in the Ombudsman's annual report. In fiscal 2024, the balance in the Homeowner Protection Fund will be \$2.8 million.

Data Collection – County Funding

The State Tax Sale Ombudsman is required to conduct an annual survey of counties concerning their tax sales and publish the data in an annual report. *House Bill 963 (passed)* prohibits SDAT from disbursing or authorizing the disbursement of funding to counties that have not provided all the information concerning their tax sales that is required by existing law. The bill also codifies the Ombudsman's current practice of requiring the survey data be for the second immediately preceding taxable year rather than the preceding taxable year. The bill applies only prospectively.

Baltimore City – Vacant or Nuisance Properties

Senate Bill 855 (passed) authorizes Baltimore City to establish a judicial *in rem* foreclosure process for vacant or nuisance properties on which the taxes are in arrears.

Garrett County – Auctioneer Fees

Senate Bill 384/House Bill 648 (Chs. 77 and 78) increase the auctioneer's fee that is allowed as an expense of a tax sale in Garrett County from \$8 to \$10 for each property sold.

Local Property Taxes

Baltimore County

House Bill 1096 (passed) alters the property tax exemption for real property owned by an incorporated, nonprofit fire company or rescue squad in Baltimore County by specifying that the exemption applies if the real property (1) is actually used exclusively for the purposes of the fire company or rescue squad or (2) is not used for any purpose but will be actually used exclusively for the purposes of the fire company or rescue squad in the future.

Charles County

Senate Bill 521/House Bill 947 (both passed) authorize Charles County to grant a property tax credit for the principal residence of an emergency responder or an unmarried surviving spouse of a deceased emergency responder if the federal adjusted gross income of the emergency responder or the unmarried surviving spouse is \$150,000 or less.

Prince George's County

Chapter 248 of 2021 authorized Prince George's County to enter into a payment in lieu of taxes (PILOT) agreement with owners of specified low-income housing developments. *House Bill 444 (passed)* alters provisions of Chapter 248 and authorizes Prince George's County to enter into a PILOT agreement with owners of specified low-income housing developments that are financed through the county's Right of First Refusal Program or acquired, constructed, or rehabilitated for the purpose of operating rental housing for lower income persons.

Income Tax

Family Prosperity Act

Extension of Earned Income Credit Expansions

Legislation enacted during the 2021 session temporarily expanded Maryland's earned income credit for tax years 2020 through 2022. Specifically, legislation (1) increased the value of the State refundable credit from 28% to 45% of the amount of the federal earned income credit; (2) for individuals without qualifying children, increased the value of the State refundable credit to 100% of the federal credit, up to a maximum of \$530; and (3) expanded eligibility for Maryland's earned income credit to taxpayers who would be eligible for the federal earned income credit without specified identification requirements (which require that federal earned income credit claimants and their qualifying children possess a valid Social Security number).

Senate Bill 552/House Bill 547 (Chs. 3 and 4) permanently extend the temporary expansions to the Maryland earned income credit enacted in 2021 and eliminate the existing \$530 limit on the value of the State refundable credit for individuals without qualifying children. Thus, for tax year 2023 and beyond (1) the maximum value of the State refundable credit remains at 45% of the federal earned income credit; (2) eligible individuals without qualifying children may claim a State refundable credit equal to 100% of the amount of the federal earned income credit; and (3) eligible taxpayers may continue to claim the State and local earned income credits without regard to federal identification requirements.

It is estimated that the Acts' earned income credit provisions will reduce general fund revenues by \$154.4 million in fiscal 2024, increasing to \$167.1 million by fiscal 2028. The fiscal 2024 general fund revenue reduction is assumed in the fiscal 2024 budget.

Child Tax Credit Extension and Alterations

In addition to temporarily expanding the earned income credit, *Senate Bill 552/House Bill 547* permanently extend the child tax credit beyond tax year 2022 and make various alterations to the credit. Legislation enacted during the 2021 session established, for tax years 2020 through 2022 only, a refundable credit against the State income tax for low-income taxpayers with qualifying children (child tax credit). The legislation defined a qualified child as a dependent under § 152 of the Internal Revenue Code (IRC) who is younger than age 17 and has a disability, as specified. Taxpayers with federal adjusted gross income of \$6,000 or less may claim a credit equal to \$500 for each qualified child, minus the amount of any federal child tax credit claimed with respect to the qualified child.

The Acts permanently (1) expand eligibility to taxpayers with federal adjusted gross income of up to \$15,000 and limits eligibility to residents of the State; (2) expand the definition of a “qualified child” for purposes of the credit to include qualified dependents younger than age six, regardless of disability status; and (3) eliminate the requirement that the amount of the credit be reduced by the amount of any federal child tax credit claimed.

It is estimated that the Acts’ child tax credit provisions will reduce general fund revenues by \$17.9 million in fiscal 2024, increasing to \$19.4 million by fiscal 2028. The fiscal 2024 general fund revenue reduction is assumed in the fiscal 2024 budget.

Tax Relief for Military Retirees

An individual may exclude from Maryland adjusted gross income certain military retirement income, including death benefits, received as a result of (1) induction into the U.S. Armed Forces for training and service under the Selective Training and Service Act of 1940 or a similar subsequent act; (2) membership in an active or reserve component of the U.S. Armed Forces; (3) membership in the Maryland National Guard; or (4) active duty with the commissioned corps of the Public Health Service, the National Oceanic and Atmospheric Administration, or the Coast and Geodetic Survey.

Senate Bill 553/House Bill 554 (both passed) enhance the existing military retirement income tax subtraction modification by increasing the maximum amount of military retirement income received by an individual that may be exempted from Maryland income tax. Specifically, the bills increase the maximum value of the subtraction modification from \$5,000 to \$12,500 for individuals younger than age 55 and from \$15,000 to \$20,000 for individuals age 55 and older.

It is estimated that the bills will reduce general fund revenues by \$11.2 million in fiscal 2024, increasing to \$13.1 million by fiscal 2028. The fiscal 2024 general fund revenue reduction is assumed in the fiscal 2024 budget.

New Tax Credits

Senate Bill 624/House Bill 1074 (both passed) authorize a nonrefundable credit against the State income tax for the first \$500 of the purchase price of an automated external defibrillator (AED) purchased for use at a restaurant in the State. In general, an individual or a business entity that owns a restaurant in the State may claim up to \$1,500 in credit in a taxable year; any unused amount may not be carried over to any other taxable year. The credit allowed under the bills is applicable for only one AED purchased for use at a restaurant location in the State with annual gross income of at least \$400,000 and may be claimed only once by an individual or business entity for each restaurant location. The legislation is estimated to reduce general fund revenues by a total of approximately \$3 million over the course of fiscal 2024 through 2026.

Tax Credit Extensions, Expansions, and Alterations

A qualified film production entity that meets specified requirements and is approved by the Department of Commerce may receive a refundable tax credit for certain qualified film production costs incurred in the State. *Senate Bill 452 (passed)* increases the maximum amount of tax credit certificates Commerce may issue annually from \$12.0 million to \$15.0 million for fiscal 2024, \$17.5 million for fiscal 2025, and \$20.0 million for fiscal 2026. In addition, the bill (1) expands eligible costs and film production activities; (2) increases the value of the credit; and (3) establishes the Maryland Entertainment Council to assess Maryland's existing assets, opportunities, and competitive position within the film, television, and entertainment industry. The bill is estimated to reduce State revenues by \$3.0 million in fiscal 2024, \$5.5 million in fiscal 2025, and \$8.0 million in fiscal 2026. The associated fiscal 2024 general fund revenue reduction (\$2.3 million) is assumed in the fiscal 2024 budget.

An individual who has incurred at least \$20,000 in undergraduate and/or graduate student loan debt and has at least \$5,000 in outstanding undergraduate and/or graduate student loan debt may be eligible for the student loan debt relief tax credit, a refundable credit of up to \$5,000. *House Bill 680 (passed)* increases, from \$9 million to \$18 million, the maximum amount of student debt relief tax credits the Maryland Higher Education Commission (MHEC) may approve for any taxable year. In addition, the bill (1) requires MHEC to annually reserve \$9 million of the authorized credits for State employees; (2) requires MHEC to prioritize tax credit recipients and amounts based on whether the qualified taxpayers graduated from institutions of higher education in the State at which at least 40% of attendees are eligible to receive federal Pell Grants; (3) extends – from two to three years from the close of the tax year for which a credit is claimed – the timeframe within which the individual who claims the credit must use the credit for the repayment of the individual's eligible student loan debt; and (4) requires MHEC to engage in specified outreach regarding the tax credit program. The bill is estimated to reduce general fund revenues by \$9 million annually beginning in fiscal 2024. The fiscal 2024 general fund revenue reduction is assumed in the fiscal 2024 budget.

Chapter 332 of 2021 established a refundable credit against the State income tax equal to 20% of the rehabilitation and new construction costs incurred for a qualified catalytic revitalization

project in the State. The credit is administered by the Department of Housing and Community Development (DHCD). *Senate Bill 783 (passed)* (1) authorizes DHCD to issue multiple final tax credit certificates for a project that is to be completed in phases if specified requirements are met and (2) clarifies the circumstances under which an initial tax credit certificate may be transferred.

Chapter 478 of 2012 established a credit against the State income tax for certain security clearance administrative expenses and for the construction and equipment costs to construct or renovate a sensitive compartmented information facility located in the State. The program terminated after tax year 2021. *Senate Bill 721 (passed)* reauthorizes the employer security clearance costs tax credit for tax years 2023 through 2027 for individuals and corporations with up to 500 employees. Commerce may issue up to \$2.0 million in credits annually in each of these years. The bill is estimated to reduce State revenues by \$1.8 million to \$1.9 million annually in fiscal 2025 through 2029.

House Bill 584 (passed) permanently extends the State income tax credit for eligible food donations by qualified farms. In addition, the bill increases the value of the credit from 50% to 100% of the value of eligible food donations and from 75% to 100% of the value of donated certified organic produce (subject to an existing \$5,000 limit). Consistent with current law, up to \$100,000 in tax credit certificates may be awarded annually.

A taxpayer who claims the federal child and dependent care credit may claim the State child and dependent care credit if the taxpayer meets specified income requirements. Unlike the State's earned income credit, eligibility for the child and dependent care credit is not limited to resident taxpayers. The Comptroller reports that approximately \$1.5 million in child and dependent care credits were claimed on nonresident income tax returns in tax year 2021. *Senate Bill 243 (Ch. 21)* limits eligibility for the State child and dependent care tax credit to resident taxpayers beginning in tax year 2023.

Subtraction Modification Legislation

House Bill 2 (passed) creates a subtraction modification against Maryland income tax for the amount of union dues paid by an individual during the taxable year that were allowed as a deduction under the IRC prior to 2018, as specified. The bill is estimated to reduce general fund revenues by \$9.9 million in fiscal 2024, increasing to \$11.6 million by fiscal 2028.

Senate Bill 141/House Bill 180 (both passed) alter the value of the subtraction modification for the adoption of a child. Currently, a taxpayer may claim a subtraction modification against Maryland income tax for adoption expenses, including reasonable and necessary adoption fees, court costs, attorney costs, and other expenses, up to specified maximum dollar amounts. The bills alter the law to provide that, for a taxpayer who adopts a child with a special need, the value of the subtraction increases to \$12,000, regardless of whether the child is a State resident at the time of adoption. For a taxpayer who adopts a child without a special need, the value of the subtraction increases to \$10,000, regardless of whether the child is a State resident at the time of adoption.

Pass-through Entities and Real Estate Investment Trusts

Addition Modification for Out-of-state Taxes Paid by Pass-through Entities

In response to a provision of the federal Tax Cuts and Jobs Act of 2017 that limited the allowable state and local tax deduction for individuals in tax years 2018 through 2025, Maryland, like a number of other states, enacted legislation authorizing pass-through entities (PTEs) to elect to be taxed at the entity level for State income tax purposes. A member of a PTE that makes an election to be taxed at the entity level (electing PTE) may claim a credit against Maryland income tax for the amount of Maryland income tax paid by the PTE that is attributable to the member's share of the PTE's taxable income. The amount of any such credit must be added back to income in order to accurately account for the member's share of the PTE's income.

A resident member of an electing PTE may also claim a credit in the amount of the member's *pro rata* share of income tax that the PTE pays to another state. However, State law does not require a corresponding addition modification. *Senate Bill 240 (passed)* requires a resident PTE member to add back to income the amount of State credit claimed for out-of-state taxes paid. Specifically, a resident must add back to income the amount of State income tax credit claimed based on a tax imposed on any PTE by another state that is deductible in determining the PTE's income under the IRC.

Exemptions from Addition Modification for Captive Real Estate Investment Trusts

A corporation, trust, or association that operates as a vehicle for investment in real estate and meets various specified requirements may qualify for treatment as a real estate investment trust (REIT) for federal income tax purposes. In general, for purposes of computing federal taxable income, a REIT that distributes at least 90% of its income to shareholders and otherwise meets all applicable requirements may deduct the amount of dividends paid during the taxable year.

Maryland's income tax generally conforms to the federal tax treatment of REITs, except in the case of "captive REITs," which are more than 50% owned or controlled by a single entity. Chapters 583 and 584 of 2007 disallowed the dividends paid deduction for captive REITs for purposes of Maryland corporate income tax.

Senate Bill 968 (passed) modifies the definition of a "captive REIT" for purposes of the Maryland income tax addition modification for the amount of the federal dividends paid deduction claimed by a captive REIT. Specifically, the bill excludes from the definition of a captive REIT a corporation, trust, or association that otherwise meets the ownership requirements for status as a captive REIT and is more than 50% owned or controlled by (1) an entity organized as a trust in which a listed Australian property trust owns or controls, directly or indirectly, 75% or more of the voting power or value of the beneficial interests or shares of the trust or (2) a qualified foreign entity, as defined by the bill.

Tax Administration

Senate Bill 354/House Bill 316 (both passed) establish the Maryland Veterans Trust Fund (MVTf) checkoff on the individual income tax return form beginning in tax year 2025. MVTf is maintained by the Maryland Veterans Trust and may be used to provide grants and loans to veterans and their families and public and private programs that serve veterans and their families, and other programs.

Chapters 678 and 679 of 2021 established the Tax Clinics for Low-Income Marylanders Fund (TCLIM) to provide supplemental funding for the University of Maryland School of Law, the University of Baltimore School of Law, and the Maryland Volunteer Lawyers Service to operate tax clinics for low-income State residents. For fiscal 2022 and 2023, the Comptroller was required to distribute \$250,000 from the State’s Unclaimed Property Fund to TCLIM. *Senate Bill 312/House Bill 346 (both passed)* make the required distribution permanent beginning in fiscal 2024.

Sales Tax

Cannabis

Chapter 26 of 2022 and the passage of the associated constitutional referendum authorized an individual at least age 21 years of age to use or possess cannabis in the State beginning July 1, 2023, contingent on legislation regarding the use, distribution, possession, regulation, and taxation of cannabis. *Senate Bill 516/House Bill 556 (both passed)* implement a regulatory framework for the cannabis industry and establish a sales and use tax rate of 9% that applies to the sale of adult-use cannabis. The tax does not apply to the sale of medical cannabis and sales between licensed cannabis establishments.

The Comptroller must distribute the sales and use tax collected from cannabis sales as follows: (1) to the Cannabis Regulation and Enforcement Fund, an amount necessary to defray operating costs of the Maryland Cannabis Administration; (2) 35% to the Community Reinvestment and Repair Fund for fiscal 2024 through 2033; (3) 5% of the revenue collected in each county to the county, which must pay to a municipality located in the county 50% of its share that is attributable to the sales and use tax revenue generated by a dispensary located in that municipality; (4) 5% to the Cannabis Public Health Fund; (5) 5% to the Cannabis Business Assistance Fund for fiscal 2024 through 2028; and (6) any remaining balance to the general fund.

For a further discussion of *Senate Bill 516/House Bill 556*, see the subpart “Cannabis Regulation” within Part H – Business and Economic Issues of this *90 Day Report*.

Home Amenity Rentals

An emerging business model in the State is in the area of home amenity rentals, such as the rental of a homeowner's privately-owned swimming pool for use by another. *Senate Bill 691 (passed)* imposes the State sales and use tax on specified home amenity rental transactions facilitated by a home amenity rental intermediary or platform and requires the intermediary or platform to collect and remit the tax. The bill takes effect July 1, 2024.

Redevelopment Areas in Baltimore County

Senate Bill 174/House Bill 237 (Chs. 17 and 18) extend, from June 30, 2026, to June 30, 2036, the termination date of a sales and use tax exemption for the sale of construction materials and warehousing equipment purchased by a person solely for use in a specified target redevelopment area in Baltimore County.

Miscellaneous Taxes

Recordation and Transfer Taxes

House Bill 371 (passed) increases the exemption threshold for certain indemnity mortgage transactions from \$3.0 million to \$12.5 million.

House Bill 247 (passed) extends the termination date for St. Mary's County's authority to impose a transfer tax from October 1, 2024, to October 1, 2028.

Estate Tax – Portability

Senate Bill 55/House Bill 179 (both passed) alter the period of time within which a person is required to file a Maryland estate tax return for the purpose of allowing a surviving spouse to take into account the deceased spouse unused exclusion amount consistent with the time for making a federal election. The bills apply retroactively to decedents who died on or after January 1, 2019.

Comptroller's Office – Administration

Senate Bill 660/House Bill 707 (both passed) establish a Taxpayer Advocate Division in the Comptroller's Office. Among other duties, the division is responsible for assisting taxpayers and their representatives to ensure that taxpayers and their representatives understand and utilize the policies, processes, and procedures available for the resolution of problems related to tax programs and debt collection programs administered by the Comptroller.

Senate Bill 269/House Bill 192 (both passed) allow the Comptroller to request information and assistance from a virtual currency money transmitter in enforcing State tax laws and to direct

a virtual currency money transmitter to seize, attach, and forward to the Comptroller property of an account holder that is subject to a tax lien.

Disclosure of Taxpayer Information

Senate Bill 189/House Bill 86 (both passed) authorize the Maryland Small Business Retirement Savings Board and its authorized contractors to receive specified tax information for the purpose of administering the Maryland Small Business Retirement Savings Program and Trust. Any tax information that is disclosed must include only specified tax information of business entities; may not include tax information of individuals; may be used only for the specific purpose authorized by the Comptroller; and, in addition to any other protections and safeguards under law, must be subject to any protections and safeguards set forth by the Comptroller in the written authorization.

Senate Bill 404/House Bill 333 (both passed) modify requirements relating to a specified refund process for patients who paid for hospital services in calendar 2017 through 2021 and were eligible for free care. The bills authorize tax information to be disclosed to a hospital, the Health Services Cost Review Commission, and other State agencies involved with implementation of the refund process. For a further discussion of *Senate Bill 404* and *House Bill 333*, see the subpart “Healthcare Facilities and Regulation” within Part J – Health and Human Services of this *90 Day Report*.

Solar Tax Incentives

Senate Bill 469 (passed) establishes a Task Force to Study Solar Tax Incentives, which is required to make recommendations regarding measures and incentives needed to ensure (1) that the State meets the solar energy goals established in the State’s renewable energy portfolio standard; (2) minority business enterprise participation in solar development in the State; (3) that solar development in the State creates good quality, family sustaining jobs with training and outreach focused on the communities in which solar development is occurring; (4) equitable access to renewable energy in the State; and (5) the efficient use of land in the State by maximizing the production of solar energy on previously developed property, including rooftops, parking canopies, and brownfields sites or energy or transportation rights of way. The task force must submit a report of its findings to the General Assembly by December 15, 2023.

Miscellaneous Local Taxes

Senate Bill 691 (passed) authorizes counties to impose, by resolution, a home amenity rental tax, subject to certain limitations. Counties may adopt regulations to provide for the orderly, systematic, and thorough administration of the home amenity rental tax that are consistent with provisions of the bill and conform to the applicable provisions and regulations for the sales and use tax. The bill also authorizes municipalities to impose, by ordinance or resolution, a home amenity rental tax not exceeding 1%. A municipality is prohibited from imposing a home amenity

rental tax if the municipality is located in a county that does not impose a home amenity rental tax. The bill takes effect July 1, 2024.

House Bill 1109 (passed) exempts Prince George’s County from the statewide business improvement district law and establishes a separate law solely for Prince George’s County that authorizes the county to establish business improvement districts. For a further discussion of *House Bill 1109*, see the subpart “Economic Development” within Part H – Business and Economic Issues of this *90 Day Report*.

Part C

State Government

State Agencies, Offices, and Officials/Regulations

State Agencies

Service Year Option Program

The Maryland Corps Program (MC Program) was established by Chapter 654 of 2016 and substantially restructured by Chapter 37 of 2022, but it received no funding and, thus, was not operational through fiscal 2022. In fiscal 2023, the MC Program received \$5.3 million for operations, stipends, and scholarships; however, none of the funding has been spent. The original purpose of the MC Program was to (1) provide meaningful service opportunities to participants that will address the social needs of the community; (2) equip participants with the skills that will enable them to successfully make the transition from high school to postsecondary education or the workforce; and (3) provide scholarships to participants who have completed the program to be used at institutions of higher education. The MC Program, as originally enacted, allowed 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 became eligible for (1) a stipend of up to \$15,000 and (2) upon successful completion of their service, up to \$6,000 to be used at a public or private nonprofit institution of higher education in the State. The MC Program Fund was established to provide stipends and scholarships to MC Program participants and other expenses related to the MC Program.

In January 2023, and in accordance with the Governor's constitutional authority to reorganize State government by executive order, the Governor established, by Executive Order 01.01.2023.02 (*Ch. 1*), the Department of Service and Civic Innovation (DSCI) as a principal department. The executive order established the purpose of the department to be promoting service and volunteerism in the State and assigned the department eight responsibilities, including promoting the use of volunteers in State and local government, businesses, and nonprofit entities. The executive order also transferred all employees of the MC Program and the Governor's

Office of Service and Volunteerism to the new department. The executive order did not specifically address the department's role in administering the MC Program, but it did assign the Secretary of Service and Civic Innovation responsibilities related to promoting service and volunteerism in the State.

Senate Bill 551 (passed) is an emergency bill that repeals and reestablishes DSCI and statutorily transfers both the Governor's Office on Service and Volunteerism and the MC Program to DSCI. Within the MC Program, the bill creates two pathways and related special funds for service placements for eligible youth and young adults. The bill makes a number of technical and conforming changes reflecting DSCI's governance of the MC Program and the establishment of the two distinct pathways. For a more detailed discussion of this bill and the changes to the MC Program, see the subpart "Higher Education" within Part L – Education of this *90 Day Report*.

Maryland 529 Program

The Maryland 529 Program (529 Program) currently offers three savings plans: one savings plan for individuals with disabilities; and two savings plans for higher education expenses. The savings plan for individuals with disabilities is the Maryland ABLE Program, which allows certain individuals with disabilities to save for qualified disability expenses. Of the two savings plans for higher education, one is a defined benefit plan called the Maryland Senator Edward J. Kasemeyer Prepaid College Trust (MPCT), and the other is an investment plan called the Maryland Senator Edward J. Kasemeyer College Investment Plan (MCIP). Generally, funds in the plans may only be used for qualified education expenses, which historically meant certain expenses related to higher education. However, under the federal Tax Cuts and Jobs Act of 2017, the investment plan may be used to pay for tuition expenses at K-12 public, private, and parochial schools. Both higher education savings plans (MPCT and MCIP) are also known as 529 plans after the section in the Internal Revenue Code that allows an individual to either prepay or contribute to an account established for paying a student's qualified education expenses at an eligible educational institution.

The Maryland 529 Board administers the 529 Program and consists of 11 members, 6 of whom serve by virtue of the State office they hold: the State Treasurer; the State Comptroller; the Secretary of Higher Education; the State Superintendent of Schools; the Chancellor of the University System of Maryland; and the Secretary of Disabilities. The other 5 members are appointed by the Governor.

Senate Bill 959 (passed) is an emergency bill that, beginning June 1, 2023, transfers administration of the 529 Program from the board to the State Treasurer, abolishes the board, and makes conforming changes to specify that the State Treasurer must perform all duties previously performed by the board. The State Treasurer is also required to establish claims resolution processes as specified. For a more detailed discussion of this bill and the changes to the 529 Program, see the subpart "Higher Education" within Part L – Education of this *90 Day Report*.

Office of the Deaf and Hard of Hearing

Senate Bill 346/House Bill 260 (both passed) establish a new regulatory framework for the licensure of individuals who provide sign language interpretation services in the State. The State Board of Sign Language Interpreters is established in the Office of the Deaf and Hard of Hearing. Principal among its duties, the board must license qualified individuals to provide sign language interpretation services and set reasonable fees for the issuance and renewal of licenses, and the board must establish and publish licensing requirements by July 1, 2024. Beginning January 1, 2025, an individual must be licensed by the board before providing sign language interpretation services in the State.

Senate Bill 346/House Bill 260 also specify prohibited actions for individuals and licensees, subject to specified enforcement actions by the board or a court of competent jurisdiction. The board may use a restorative justice program in lieu of taking final action on a complaint against a licensee. An individual who violates any provision of Title 9, Subtitle 24, Part III (Sign Language Interpreters) of the State Government Article is guilty of a misdemeanor.

Additionally, the Sign Language Interpreters Fund is established to collect associated revenues and pay for the board’s costs. In fiscal 2025 only, the Governor must appropriate \$100,000 in general funds to the board. Subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act, the board terminates July 1, 2033.

21st Century Financial Systems Enterprise

Senate Bill 659/House Bill 709 (Chs. 22 and 23) require the Office of the Comptroller, the Office of the State Treasurer, the Department of Budget and Management, the Department of Information Technology (DoIT), and the Department of General Services (DGS), in consultation with the Modernize Maryland Oversight Commission, to develop, implement, manage, and oversee the 21st Century Financial Systems Enterprise, which is defined as a modern cloud-based information technology infrastructure. The enterprise is meant to replace the existing financial management information technology infrastructure used to maintain the general ledger and accountancy for the State. For a more detailed discussion on this issue, see the subpart “Information Technology/Cybersecurity” within this part of this *90 Day Report*.

Environmental and Natural Resources Crimes Unit in the Office of the Attorney General

Senate Bill 611/House Bill 874 (both passed) establish the Environmental and Natural Resources Crimes Unit in the Office of the Attorney General to (1) investigate and prosecute cases against persons that violate State criminal environmental and natural resources laws and (2) investigate and prosecute any other criminal offense discovered in the course of an investigation. For a more detailed description of this new unit, see the subparts “Natural Resources” and “Environment and Energy” within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Office of the Chief Medical Examiner in the Maryland Department of Health

House Bill 977 (passed) establishes the Office of the Chief Medical Examiner (OCME) as a unit within the Maryland Department of Health (MDH) to advance forensic science through medical education and research, as staffing allows, and carry out any other duty established in law. The State Postmortem Examiners Commission is also redesignated to be the Postmortem Examiners Advisory Committee, which must advise the Secretary of Health and OCME on the implementation of the Postmortem Examiners Commission Subtitle and OCME's duties. The bill also makes other technical changes, including updating the list of units in MDH.

Maryland Developmental Disabilities Council

The federal Developmental Disabilities Assistance and Bill of Rights Act of 1970 required each state to have a developmental disabilities council to ensure that individuals with developmental disabilities and their family members participate in designing programs, services, and advocacy efforts to support, integrate, and promote the independence of individuals with developmental disabilities in their respective state. The Maryland Developmental Disabilities Council was subsequently established by executive order in 1971, and subsequently updated in 1987. The federal Act was last updated in 2000 and governs the council's membership, activities, and funding. The council is currently housed in the Maryland Department of Disabilities, although it operates independently. *Senate Bill 168/House Bill 504 (Chs. 15 and 16)* codify the council as an independent unit of State government and specify its responsibilities and membership. For a further discussion of this issue, see the subpart "Social Services" within Part J – Health and Human Services of this *90 Day Report*.

Department of General Services

House Bill 6 (passed) requires DGS to (1) establish standards for State buildings to conserve energy and minimize adverse impacts on birds, as specified and (2) update the standards every five years. For a further discussion on this issue, see the subpart "Environment and Energy" within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

State Facilities

Senate Bill 223/House Bill 395 (both passed) establish specified notice, public hearing, and reporting requirements when a principal department seeks to close a State facility. The bills also modify existing notice and public hearing requirements that generally must be followed when a principal department seeks to (1) change the use, purpose, or function of a State facility; (2) lease or purchase property for the purpose of providing health, juvenile, or correctional services to clients or inmates; or (3) recommence operations of a State facility. The bills expand the notice and hearing requirements in each of these circumstances to apply to a facility to which 25 or more State employees are regularly assigned. Also, the bills may not be construed to alter or diminish an exclusive representative's right to bargain.

Before closing a facility, the bills require a department to hold a public hearing and provide at least 180 days before the hearing to give notice to the public and other interested parties, submit and make public a report explaining the closure, and allow for public comment. The bills also modify existing notice and public hearing requirements that generally must be followed before changing the use, purpose, or function of a State facility. The existing and new notice and hearing requirements are extended in each of these circumstances to apply to a facility in which 25 or more State employees are regularly assigned, which is independent from the health, juvenile, or correctional services use requirement.

If a government agency or judicial body determines that there is an emergency situation that poses a risk to the health or safety of patients, inmates, residents, or employees of a State facility, the principal department may modify the timelines as long as the modifications provide the notice, hearing, and opportunity for comment at the earliest possible date, unless ordered otherwise by the government agency or judicial body.

Public Information Act

Appeals from Compliance Board Decisions

The Maryland 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. The Public Information Act Compliance Board (PIACB) resolves certain types of PIA complaints, ranging from matters such as unreasonable fees for information requests, denial of inspection of a public record, and failure to respond to an information request in a timely manner, among others. The board is required to issue a written decision and that decision is subject to judicial review in circuit court.

House Bill 1051 (passed) (1) authorizes an applicant (defined under current law as a person or governmental unit that asks to inspect a public record) to appeal a decision by PIACB and (2) specifies that for certain complaints involving allegations that an applicant's request or pattern of requests is frivolous, vexatious, or in bad faith, an appeal must be filed in the circuit court for the county where the applicant resides or has a principal place of business. The bill also authorizes a party who is aggrieved by a final judgement of a circuit court in a proceeding for judicial review of a decision issued by PIACB to appeal to the Appellate Court of Maryland.

Open Meetings Act and Other Meetings Requirements

Application of the Open Meetings Act to the State Ethics Commission

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. *Senate Bill 35/House Bill 58*

(both passed) make the State Ethics Commission (SEC) subject to enhanced requirements under OMA. DoIT is also required to provide the technical staff, support, and equipment necessary to livestream the open meetings of SEC.

Meetings of the Board of Public Works

Senate Bill 328/House Bill 498 (both passed) require the Board of Public Works, for each meeting of the board held on or after October 1, 2024, to allow members of the public to electronically submit comments on agenda items, including any updates to the agenda of the board. Any public comments submitted must be included in each meeting packet prepared for members of the board, be posted online at least 24 hours in advance of the meeting (or as soon as practicable after receiving the comment), and be retained through the board's public website.

Public Funds

State Investment Policy

The State Treasurer may invest or reinvest unexpended or surplus money in a number of categories, such as debt obligations, commercial paper, and money market mutual funds. Existing law prescribes how the investments are to be made. *Senate Bill 153/House Bill 397 (both passed)* require the State Treasurer to adopt regulations establishing a State investment policy that specifies thresholds for maximum investment in each asset class in which the State Treasurer is authorized to invest or reinvest unexpended or surplus money. The bills remove the maximum threshold of 10% of total investments for investments the State Treasurer makes in the commercial paper asset class. Before June 1, 2023, the State Treasurer must notify in writing the chief executive and governing body of each local governmental unit required to have a local investment policy under existing law of the changes made by the bills. The State Treasurer must also provide the local government with an opportunity to review, revise, and report any changes in the local investment policies, as appropriate.

Historic Preservation Loan Fund

There is a Historic Preservation Loan Program (Loan Program) and Loan Fund in the Maryland Historical Trust (MHT). The purpose of the Loan Program is to implement and encourage the preservation of historic properties. The Loan Fund consists of monies from various sources and may be used to, among other things, pay administrative costs directly related to the Loan Program and make loans to nonprofit organizations, political subdivisions, business entities, and individuals to (1) acquire, rehabilitate, restore, or refinance historic properties or (2) provide short-term financing for costs, including preparation costs, directly related to work that MHT or the State Historic Preservation Officer requires or recommends to be undertaken before a construction project financed with federal or State money begins or continues.

Senate Bill 425/House Bill 674 (both passed) alter the uses of the Loan Fund of MHT by authorizing the fund to also be used to make a transfer to a qualified cooperating nonprofit organization, which is a nonprofit organization in good standing with the State Department of

Assessments and Taxation that (1) is based in the State; (2) operates statewide; and (3) has demonstrated experience rehabilitating historic structures, managing preservation funds, and holding preservation easements. A qualified cooperating nonprofit organization may use the funds for specified purposes that align with the existing purposes of the Loan Program.

A qualified cooperating nonprofit organization may use funds provided by MHT only to:

- pay for the qualified cooperating nonprofit organization to acquire historic properties or interests in historic properties for resale or lease;
- pay costs, including preparation and administrative costs, to restore or rehabilitate historic properties owned by the qualified cooperating nonprofit organization for resale or lease;
- make loans to other nonprofit organizations, political subdivisions, and business entities to acquire, rehabilitate, restore, or refinance historic properties;
- make loans to individuals to rehabilitate or restore historic properties recognized by the National Park Service as National Historic Landmarks; or
- cover necessary administrative and programmatic expenses associated with carrying out the transfer of funds.

A qualified cooperating nonprofit organization must (1) develop a competitive process for making awards of financial assistance with funds received from MHT; (2) adopt appropriate guidelines, in coordination with the director of MHT, for the use of the funds received from MHT; and (3) make specified information available on its website regarding the availability and use of the funds. A qualified cooperating nonprofit organization must provide a report to MHT by June 30 each year outlining all funds received. The annual financial review or audit of the qualified cooperating nonprofit organization must be provided at the request of MHT to confirm the intended use of the transferred funds.

Regulation and Procedures for the Maryland Register

State law specifies the procedures that a unit of State government must follow in adopting regulations. A unit of State government may not adopt a proposed regulation until (1) the proposed regulation has been submitted to the Joint Committee on Administrative, Executive, and Legislative Review (AELR) and the Department of Legislative Services (DLS) for preliminary review and (2) at least 45 days after the proposed regulation is first published in the *Maryland Register*. If AELR determines that an appropriate review cannot be reasonably conducted within the standard 45 days, and that additional review time is necessary, AELR may delay the final adoption of the regulation by notifying the promulgating unit and the Division of State Documents (DSD), in writing, before the expiration of the 45-day period. This delay is referred to as an administrative hold and there are procedures in place for dealing with a hold.

DSD is required to make the Code of Maryland Regulations and any other material DSD determines to be in the public interest available to the public at no cost with direct online searching.

Senate Bill 649/House Bill 817 (both passed) make various changes to the processes and procedures for units of State government to submit regulations to the DSD Administrator, AELR, and DLS. DLS must adopt procedures for the required submission of proposed and emergency regulations, work plans, and evaluation reports, and the DSD Administrator must consult with DLS to ensure that the notice of the receipt of proposed and emergency regulations is submitted from the Administrator to AELR and DLS in a timely manner. A promulgating unit must also take certain actions if it wishes to alter the text of a proposed regulation after it has been submitted for review and, depending on whether the change is substantive or nonsubstantive, those actions are different. Additionally, the administrative hold process is altered to require the promulgating unit to provide both written mail and email notice to AELR of the unit's intention to adopt a regulation, and the review period under the hold is extended in some circumstances.

By October 1, 2023, the DSD Administrator must develop and maintain an electronic filing system for use by units of State government, AELR, DLS, and DSD for the submission and tracking of proposed and emergency regulations, as specified.

The bills also specify that DSD must make at least the 15 most recent issues of the *Maryland Register* available on its website.

Commissions and Boards

Commission on LGBTQIA+ Affairs

Senate Bill 251/House Bill 141 (Chs. 45 and 46) rename the Commission on LGBTQ Affairs – a unit within the Governor's Office of Community Initiatives – to be the Commission on LGBTQIA+ Affairs and make numerous changes to reflect the new name and mandate of the commission to include issues impacting questioning, intersex, asexual, agender, or aromantic, and additional identities. Provisions regarding membership of the commission are also altered by increasing membership from 15 to 21.

Maryland African American Museum Corporation

Chapters 428 and 429 of 1998 established the Maryland African American Museum Corporation (Museum Corporation) to plan, develop, and manage the Reginald F. Lewis Museum of Maryland African American History and Culture in Baltimore City. *Senate Bill 332/House Bill 690 (both passed)* alter the membership of the board of directors of the Museum Corporation by altering appointment procedures and reducing the number of members from 37 to 25.

State Board of Examiners of Landscape Architects

The State Board of Examiners of Landscape Architects (SBELA) is housed within the Maryland Department of Labor (MDL) and qualifies and licenses individuals seeking licensure

and issues permits to business entities through which landscape architecture is practiced. *Senate Bill 716 (Ch. 30)* extends the termination date for SBELA by 10 years to July 1, 2034.

Military and Veterans

Burial in State Veterans' Cemeteries

The Maryland Department of Veterans Affairs (MDVA) is authorized to establish one or more cemeteries in the State for the burial of veterans and their eligible spouse or dependents as authorized by the Secretary of Veterans Affairs. MDVA's Cemetery Program operates and maintains five veterans' cemeteries.

Senate Bill 286/House Bill 480 (both passed) require MDVA to bury the eligible spouse or eligible dependent (including a child or parent) of a veteran in a State veterans cemetery without charge. MDVA must provide a grave liner at no cost for the veteran or eligible spouse or dependent. An eligible spouse or eligible dependent must meet requirements established under federal regulations regarding eligibility for burial in a national veterans' cemetery.

Study on the Utilization of the Expedited Licensing Process for Service Members, Veterans, and Military Spouses

The Veterans Full Employment Act of 2013 facilitates professional licensing for active military personnel, veterans, and their spouses. The Act applies to the State's major licensing agencies, including MDL. Under the Act, as amended by Chapter 312 of 2019, occupational and professional licensing units within MDL must issue expedited licenses, registrations, or certificates to military service members, veterans, and military spouses if specified education, training, and experience conditions are met.

House Bill 1162 (passed) requires MDL, in consultation with MDVA, to conduct a study and make recommendations on the utilization of the expedited licensing process for military service members, veterans, and military spouses for occupational and professional licenses. By June 30, 2024, MDL, in consultation with MDVA, must report its findings and recommendations to the Governor and the General Assembly.

State Designations

Maryland Holocaust Remembrance Day

Senate Bill 842/House Bill 1244 (Chs. 13 and 14) require the Governor to annually proclaim January 27 as Maryland Holocaust Remembrance Day. The proclamation must declare the day as (1) a day of reflection, recollection, and determination for Maryland families, educators, religious communities, political bodies, and media to remember the human tragedy that is the Holocaust and (2) a pledge to spread the lessons and the reality of the Holocaust to future generations in an effort to ensure that we never forget and bear witness to the mass slaughter of human beings as a consequence of prejudice, bigotry, ignorance, and hate.

6888th Central Postal Directory Battalion Day

House Bill 370 (passed) requires the Governor to annually proclaim March 9 as 6888th Central Postal Directory Battalion Day in recognition of the service of the women of the 6888th Central Postal Directory Battalion during World War II, which was an all-women unit of the Women's Army Corps that served in Europe.

Dashain Day

House Bill 967 (passed) requires the Governor to annually proclaim October 5 as Dashain Day, in commemoration of a festival originating in Nepal that celebrates and symbolizes victory of good over evil.

State Spirit

Senate Bill 497/House Bill 178 (both passed) designate Maryland Rye or Maryland Rye Whiskey as the official State spirit, which became nationally respected as a distinct and notable spirit from other distilled whiskey in the 19th and early 20th centuries and is again resurging within the distillery industry in the State.

Elections

Mail-in Voting

The use of absentee ballots surged during the COVID-19 pandemic in 2020 and has remained well above pre-pandemic levels in subsequent elections. To allow for more timely processing of the increased volume of absentee ballots, the General Assembly passed legislation in the 2022 session (Senate Bill 163 and House Bill 862) authorizing local boards of elections to begin processing absentee ballots starting on the day that is eight business days before the first day of early voting. The Governor vetoed Senate Bill 163 and House Bill 862, however, and the General Assembly did not have the opportunity to override the veto because a new General Assembly was elected in November 2022, before the next legislative session.

Senate Bill 379/House Bill 535 (both passed) expedite the reporting of election results by requiring local boards to begin processing absentee ballots starting on the day that is eight business days before the first day of early voting. A local board may conduct vote tallying (recording of votes in the voting system) when absentee ballots are processed; however, a local board may not (1) conduct absentee ballot vote tabulation (aggregation of votes to produce vote totals) before the polls open on Election Day or (2) release absentee ballot vote totals before the polls close on Election Day. The State Administrator of Elections may grant a local board a waiver from the early ballot processing requirement if the State Administrator determines that early canvassing is not (1) necessary due to the low number of absentee ballots received by the local board or (2) practicable due to limited resources or other constraints on the local board.

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. The local board must record the receipt of an absentee ballot in the statewide voter registration system and make the information on the receipt of the ballot available to the voter no later than (1) two business days after receipt of an absentee ballot that was provided to the voter by mail or (2) four business days after receipt of an absentee ballot that was provided to the voter through Internet or facsimile transmission.

The State Board of Elections (SBE) must adopt regulations requiring a local board to (1) notify a voter who failed to sign the oath on the absentee ballot envelope (which is necessary in order for the ballot to be counted), as soon as practicable but not later than three business days after the failure was determined and (2) 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 mobile phone or email. A voter may choose to communicate with the local board to correct a failure to sign the oath through text message, email, an accessible online portal, a mailed form, or an in-person visit to the local board office.

The bills also alter canvassing procedures when more than one ballot is received from the same individual for the same election (an absentee ballot and a provisional ballot, for example) 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.

In addition, the bills require a local board, not later than 43 days before an election, to send an absentee ballot to a voter who qualifies and has made a request at least 60 days before the election to receive the ballot by mail, facsimile transmission, or the Internet. For a request made less than 60 days before an election, the local board must provide the absentee ballot as soon as practicable after receipt of the request or immediately for an in-person transaction with the voter or the voter’s duly authorized agent. Finally, the bills require that SBE’s report of election results by precinct include the early, absentee, and provisional vote.

House Bill 410 (passed) expands an existing prohibition against willfully and knowingly influencing or attempting to influence a voter’s decision whether to go to the polls to cast a vote (through specified means such as force, fraud, intimidation, and bribery) to also apply to a voter’s decision whether to vote by other lawful means (*i.e.*, by mail).

Election Dates

In 2024, the date, under existing statute, of the statewide primary election and the primary election for municipal offices in Baltimore City, conflicts with the observance of Passover. Under existing statute, in the year in which the President of the United States is elected, the statewide primary election and the primary election for municipal offices in Baltimore City are held on the fourth Tuesday in April, which is April 23 in 2024. **Senate Bill 379/House Bill 535** and **House Bill 410** change the date of the statewide primary election and the primary election for municipal offices in Baltimore City, in 2024 only, to the second Tuesday in May, which is May 14.

In-person Voting

While mail-in voting has increased in recent elections, the large majority of voters continue to vote in person, either at an early voting center in their county of residence or at their assigned precinct polling place on Election Day. In the 2022 general election, 73% of voters voted in person, with 19% voting during early voting, 51% voting on Election Day, and 3% casting provisional ballots either during early voting or on Election Day.

House Bill 410 requires a local board to provide notice and hold a public meeting when it changes the location of a polling place. Notice of the meeting must be provided to individuals and organizations who sign up to receive notice of polling place changes and elected officials who represent voters residing in the precinct(s) containing the current and proposed polling place locations. The bill also requires each local board to submit a polling place plan to SBE, for approval, at least six months before each statewide primary election. The polling place plan must include an analysis of how to maximize voter participation in each precinct and evidence that the plan complies with existing statute, which requires that each polling place be located in the precinct it serves, unless no suitable building is available in that precinct, in which case the polling place may be located in an adjacent precinct. In addition, if the plan proposes to reduce the total number of separate buildings used as polling places below the total number of separate buildings used as polling places in the 2018 general election, the plan must include additional information on each affected precinct, including an analysis of the impact on the ability of historically disenfranchised communities to cast a ballot. SBE must approve a polling place plan if it complies with statutory requirements and will not negatively affect access to voting for historically disenfranchised communities.

Local boards report that recruiting a sufficient number of election judges to staff polling places is challenging. **House Bill 1200 (passed)** establishes minimum compensation levels for election judges. For election judges who have not previously served as an election judge, the minimum compensation is \$250 for each Election Day and early voting day actually served. For election judges who have previously served as an election judge, the compensation for each Election Day and each early voting day actually served must be at least \$100 higher than the compensation provided to election judges who have not previously served as an election judge. In addition, compensation for each required election judge training must be at least \$50. SBE must reimburse each local board for \$50 of the extra compensation that is paid to each returning election judge. The bill also requires SBE to develop and provide to the local boards a marketing campaign to recruit individuals to serve as election judges. State general fund expenditures are expected to increase by approximately \$1.6 million to \$2.1 million annually, beginning in fiscal 2024, and local government expenditures are expected to increase, collectively, by approximately \$3.2 million to \$3.8 million annually, beginning in fiscal 2024, to implement the bill.

State Administrator of Elections

The State Administrator of Elections, the State's chief election official, is appointed by the members of SBE, with the advice and consent of the Senate. **Senate Bill 863 (passed)** removes

certain limitations on SBE’s ability to remove the State Administrator from office, by repealing (1) a requirement that the removal be for incompetence, misconduct, or other good cause; (2) a requirement that, prior to removal, SBE set forth written charges stating the grounds for dismissal and afford the State Administrator notice and an ample opportunity to be heard; and (3) an authorization for the State Administrator to continue to serve, subsequent to a valid vote for removal, until a successor is appointed and confirmed by the Senate of Maryland. With the repeal of those provisions, the remaining requirements for removal of the State Administrator are that SBE is fully constituted with five duly confirmed members and four duly confirmed members vote for removal.

Campaign Finance

Senate Bill 269/House Bill 192 (both passed) establish prohibitions against the use of any currency other than United States currency in the financing of election campaigns, independent expenditures, and electioneering communications. The bills authorize the State Administrator of Elections, or the administrator’s designee, to investigate potential violations of these prohibitions and authorize SBE to impose civil penalties for violations or make referrals to the State Prosecutor to investigate potential criminal violations.

The bills also allow the Comptroller to request information and assistance from a virtual currency money transmitter in enforcing State tax laws and to direct a virtual currency money transmitter to seize, attach, and forward to the Comptroller property of an account holder that is subject to a tax lien.

Municipal Elections

Municipal elections are generally administered by each municipality in accordance with the law of the municipality. As a result, there is no single source of information where municipal election results may be found. *Senate Bill 287/House Bill 509 (both passed)* require SBE to publish municipal election results on its website. Municipalities are required to submit election results to SBE within 30 days after the results are certified.

Ethics

Open Meetings Act

Maryland’s Open Meetings Act (OMA), with limited exceptions, requires a public body to (1) meet in open session in places 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 in closed session.

Certain public bodies are subject to additional requirements under OMA, including (1) making each open meeting agenda and other specified documents available on the body’s

website at least 48 hours in advance; (2) offering live video streaming of each portion of a meeting held in open session; and (3) maintaining on its website past meeting minutes for at least five years after the date of the meeting, and a complete and unedited archived video recording of the open meeting for at least one year after the date of the meeting. *House Bill 58/Senate Bill 35 (both passed)* make the State Ethics Commission (SEC) subject to these enhanced requirements. The bills also require that the Department of Information Technology provide the technical staff, support, and equipment necessary to livestream the open meetings of SEC.

Montgomery County – Bi-County Agencies

Certain provisions of law govern commissioners appointed from Montgomery County to the Maryland-National Capital Park and Planning Commission. These provisions deal with, for example, removal of commissioners, engagement in additional employment, and solicitations. *House Bill 778 (passed)* alters several of these provisions. For further discussion of *House Bill 778*, see the subpart “Bi-County Agencies” within Part D – Local Government – Generally of this *90 Day Report*.

Procurement

General Administration and Oversight

Senate Bill 773 (passed) requires the Board of Public Works (BPW), by January 1, 2024, to publish a model policy concerning the inclusion and use of liquidated damages provisions in procurement contracts. Each unit of State government, including a unit otherwise exempt from State procurement law, is also required to adopt a written policy substantially similar to the model policy by July 1, 2024. If a procurement unit decides not to include liquidated damages provisions in a contract, the unit must obtain the approval of the head of the unit. For procurements valued at \$5,000,000 or more, if the unit decides not to pursue damages in the event of a breach of a contract, it must obtain the approval of the head of the unit and maintain specified written documentation related to the decision not to pursue damages. The University System of Maryland, Morgan State University, St. Mary’s College of Maryland, and Baltimore City Community College are exempt from most provisions of State procurement law as well as a number of other agencies that are exempted in whole or in part.

Established by Chapter 590 of 2017 as the successor to the Procurement Advisory Council, the Procurement Improvement Council has 20 members from State agencies, local government, the Maryland General Assembly, minority-owned businesses, and the general public, and is chaired by the Chief Procurement Officer for the State. The council is responsible for ensuring that the State’s procurement system uses the most advanced procurement methods and management techniques, while advising BPW and the General Assembly on improving the State’s procurement process. *Senate Bill 451/House Bill 429 (Chs. 26 and 27)* add the Comptroller and the Attorney General as members of the council and authorize the Comptroller and the Attorney General to each send a designee if they are unable to attend meetings. The Acts also require the

council to provide a forum for the discussion of strategies to increase the participation of small, minority-owned, and women-owned businesses in State procurement contracts.

An agency may make small procurements in accordance with regulations adopted by primary procurement agencies. However, all small procurements must seek competition to the extent practicable and each procurement agency must solicit bids or offers from a sufficient number of certified minority-owned businesses and attempt to solicit bids or offers from small businesses. Chapters 588 and 589 of 2017 raised the limit on small procurements from \$25,000 to \$50,000. *House Bill 543 (passed)* raises the maximum dollar value threshold for most “small procurements” from \$50,000 to \$100,000, including for (1) specified service contracts that generate revenue and (2) independent medical evaluations and physician testimony on behalf of the State Retirement Agency. The bill also increases the threshold for construction contracts by the Department of General Services (DGS) and the Maryland Department of Transportation from \$100,000 to \$200,000. The threshold for capital or maintenance contracts by the Department of Natural Resources also increases from \$100,000 to \$200,000.

State procurement law identifies multiple procurement methods available to State procurement officials depending on the nature and circumstances of the procurement. The two most common methods are competitive sealed bids and competitive sealed proposals. Procurement officials generally have the discretion to use the method that best suits the nature and circumstances of the procurement. However, competitive sealed proposals is identified as the preferred (but not required) method for the procurement of human, social, cultural, or educational services and for real property leases. Competitive sealed bids are based on (1) the lowest bid price; (2) the lowest evaluated bid price; or (3) under specified circumstances, the bid most favorable to the State. *Senate Bill 217/House Bill 472 (both passed)* require the Maryland Transit Administration (MTA) to use the competitive sealed proposals method of procurement when selecting a commuter bus service provider. MTA must also conduct a procurement for a commuter bus service provider in accordance with the provisions and regulations adopted under State procurement law.

Payment Practices

Senate Bill 112/House Bill 328 (both passed) establish that it is the policy of the State to make payment under specified grant agreements with nonprofit organizations within 37 days of the payment becoming due under the grant agreement or, if later, receiving a proper invoice. Interest accrues at the rate of 9% per year on any amount for which a grant-making entity has received and failed to submit a proper invoice to the Comptroller within 30 days of its receipt. However, interest does not begin accruing until the thirty-eighth day after the grantor receives a proper invoice.

A “grant” does not include grants executed, renewed, or extended before June 1, 2023; direct government cash assistance to an individual; a subsidy; a loan or loan guarantee; insurance; or State funding that is required annually and is calculated through a statutory formula. The bills

do not apply to a unit in the Judicial Branch of State government or to grants funded from general obligation bond proceeds or from a general fund capital appropriation to BPW.

Minority Business Enterprise Program

The State's Minority Business Enterprise (MBE) program requires that a statewide goal for MBE contract participation be established biennially 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 Office of the Attorney General. The current goal is 29% of the total value of contracts awarded, with applicable subgoals for women- and minority-owned businesses. The MBE program is scheduled to terminate July 1, 2024. *Senate Bill 334/House Bill 809 (both passed)* extend the termination date for the MBE program by one year, to July 1, 2025, extend the due date for the related disparity study also by one year, to September 30, 2024, and make corresponding adjustments to the termination and due dates for MBE contracting requirements and related disparity analyses.

House Bill 245 (passed) requires GOSBA to include in its annual report on MBE participation in State procurement an attestation that all units required to report MBE participation data are represented in the report. To ensure the accuracy of the attestation, GOSBA must conduct an audit of the Executive Branch every three years, with the first audit completed by December 31, 2023, to determine which entities are subject to the State's MBE requirements. The bill also repeals a requirement that State agencies report their annual MBE participation data to the Joint Committee on Fair Practices and State Personnel Oversight, and instead requires GOSBA to deliver its annual report to the committee.

GOSBA is required to report annually on agency-level performance under both the MBE program and the veteran-owned small business enterprise (VSBE) program. *Senate Bill 510/House Bill 816 (both passed)* require GOSBA to develop a scorecard to evaluate State agencies on their performance toward meeting the State's MBE participation goal and the VSBE goal. The scorecard must include a grading scale developed by GOSBA as a weighted system that includes each agency's contribution toward meeting each of the two participation goals. GOSBA must publish each agency's grades on its website and, within 30 days, submit the information to the General Assembly.

Natural Resources, Environment, and Agriculture

Senate Bill 424/House Bill 261 (both passed) require DGS, by January 1, 2026, to establish a maximum acceptable global warming potential for each category of cement or concrete mixture used in the construction of an eligible project, defined as a capital project under the State's High Performance Building Program. "Global warming potential" means the degree that a given mass of a chemical contributes to global warming over a given time period when compared to the same mass of carbon dioxide. By December 31, 2024, producers of these materials must submit specified environmental product declarations (EPDs) to DGS for analysis. Beginning July 1, 2026,

State agencies must specify in each solicitation for a construction project the cement or concrete mixture that will be used in the project and the reasonable minimum usage thresholds below which the bills' requirements do not apply; contractors may not install any cement or concrete mixture before they submit EPDs. The bills also establish an Environmental Product Declaration Assistance Fund, administered by the Department of Commerce, to award grants to producers of eligible materials to support the development, standardization, and transparency of EPDs.

A State or local agency responsible for the maintenance of public lands must, to the maximum extent practicable, give consideration and preference to the use of compost in any land maintenance activity paid for with public funds. *Senate Bill 782/House Bill 586 (both passed)* require the Maryland Green Purchasing Committee (MGPC) to establish specifications for purchasing compost, mulch, or other soil amendments or aggregate produced from municipal solid waste, food waste, dredged material, construction waste, yard waste, clean wood waste, or other recycled or organic materials. MGPC must publish and maintain the specifications online for use by State agencies. State agencies that purchase compost, mulch, or other soil amendments or aggregate must include the specifications in their solicitations if the products are readily available and competitively priced, and if the quality is satisfactory for the intended purposes.

Chapters 2 and 32 of 2021 established the Certified Local Farm Enterprise Program and office in the Maryland Department of Agriculture to encourage State agencies (including public four-year universities) to achieve an overall goal of purchasing 20% of food from certified local farm enterprises. *Senate Bill 386/House Bill 63 (both passed)* rename the program to be the Certified Local Farm and Fish Program and expand the program's purpose to include preferences for the purchase of food made from specified invasive species. The bills add certified Chesapeake invasive species providers to the calculation of the 20% goal as well as to certification requirements and grant-making opportunities.

Senate Bill 781 (passed) requires the Public Service Commission (PSC), in consultation with the Maryland Energy Administration, to request that PJM Interconnection conduct an analysis of specified offshore wind transmission system upgrade and expansion options. PSC must issue, or request that PJM issue, competitive solicitations for proposals for related projects. DGS, in consultation with PSC, must issue a competitive sealed procurement solicitation and may enter into at least one long-term power purchase agreement for up to 5.0 million megawatt-hours annually of offshore wind energy and associated renewable energy credits from one or more qualified offshore wind projects. For a further discussion of *Senate Bill 781*, see the subpart "Public Service Companies" within Part H – Business and Economic Issues of this *90 Day Report*.

Prevailing Wage Enforcement

Contractors and subcontractors working on eligible public works projects in Maryland, including mechanical service contractors that are part of public works projects, 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. Eligible public works projects are

those carried out by the State, any public work for which at least 25% of the money used for construction is State money, and specified projects in tax increment financing districts if the local governing body approves of the application of prevailing wages.

Any public works contract valued at less than \$250,000 is not required to pay prevailing wages. The State prevailing wage rate also does not apply to (1) any part of a public works contract funded with federal funds for which the contractor must pay the prevailing wage rate determined by the federal government; (2) specified construction projects carried out by public service companies under order of PSC; or (3) local House or Senate initiatives that receive State funds in the capital budget.

The State Commissioner of Labor and Industry is responsible for determining prevailing wages for each public works project and job category based on annual surveys of contractors and subcontractors working on both public works and private construction projects.

House Bill 513 (passed) requires the Maryland Department of Labor to enforce an existing requirement that specified investor-owned utilities require contractors and subcontractors to pay their employees at least the applicable prevailing wage on underground projects. The bill also specifies that the prevailing wage rate for purposes of this requirement is determined solely by the Commissioner of Labor and Industry in a process substantially similar to the process for determining prevailing wage rates on public works contracts. The bill also establishes related administrative processes during the initial period of enforcement.

Personnel

State Employee Compensation

Employee costs total \$11.1 billion in fiscal 2024 and represent 17.6% of the State budget. The fiscal 2024 budget includes a 2% general salary increase and increments effective July 1, 2023, for most State employees. Additionally, \$17.8 million was allocated for bonuses for correctional officers, \$35 million for negotiated salary increases, and \$32.9 million for more than 5,000 positions that receive a salary increase as a result of an Annual Salary Review. For a more detailed discussion of the impact of budget actions on State employees, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Public Employee Relations

The collective bargaining rights of State employees, employees of public institutions of higher education, employees of community colleges, or public school employees, including teachers, are administered by one of three labor relations boards, depending on the nature of the employees’ employer: the State Labor Relations Board (SLRB); the State Higher Education Labor Relations Board (SHELRB); and the Public School Labor Relations Board (PSLRB). **House Bill 984 (passed)** consolidates different collective bargaining laws that apply for different

employees into one set of rules and procedures for public employees. The bill also repeals SLRB, SHELRB, and PSLRB, and instead establishes the Public Employee Relations Board to oversee collective bargaining for all the previously mentioned public employees.

In addition to consolidating three labor boards into one, the bill consolidates different collective bargaining laws into one law, including provisions regarding employee access, unfair labor practices, management and employee rights, prohibited employer and employee actions, designation of bargaining units, elections, and certification of exclusive representatives.

State Employee Rights

Title 12 of the State Personnel and Pensions Article establishes grievance procedures that apply to State employees in the State Personnel Management System (SPMS) within the Executive Branch. Agencies with independent personnel systems, such as the Maryland Department of Transportation (MDOT) and public institutions of higher education in the State, generally have their own grievance procedures. *Senate Bill 79/House Bill 184 (both passed)* require the grievance policies and procedures of MDOT and public institutions of higher education in the State to be consistent with the policies and procedures that apply to State employees in SPMS and to include a redress of any violation of an employee's rights related to wages and payroll, including the award and payment of damages. The bills also expressly authorize a grievance to be filed by an employee of MDOT or a public institution of higher education in the State (or the employee's exclusive representative) when payroll information is not reported in a timely or accurate manner to the Central Payroll Bureau.

Senate Bill 574/House Bill 309 (both passed) expand the timeframe for a State employee in the Executive Branch, or an applicant for employment, to file a complaint alleging that political affiliation, belief, opinion, or other nonmerit factors were used in an employment decision. The bills also expressly allow a State employee in the Executive Branch, or an applicant for employment, to file a complaint that alleges harassment by an employer and require the complaint to be filed within two years after the alleged violation that is the basis for the complaint.

On request, any State employee may be entitled to disaster service leave with pay if the employee is certified by the American Red Cross as a disaster service volunteer and the American Red Cross requests the services of the employee during certain disasters. An employee may use up to 15 days of disaster service leave in any 12-month period only after obtaining approval from the employee's appointing authority. The Secretary of Budget and Management may provide for leave with pay for up to 15 days for military training or active military duty in a reserve unit of the Armed Forces or in the organized militia. *Senate Bill 48 (passed)* expands the applicability of disaster service leave for State employees who are members of identified organizations and grants appointing authorities additional authority to award this type of leave. The bill also broadens the eligibility for military administrative leave to include "uniformed services" members, as defined by federal law.

Senate Bill 223/House Bill 395 (both passed) require an agency to notify any exclusive representative with bargaining unit employees assigned to a State facility of a public hearing regarding the possible change in the use, purpose, or function, or possible closure of a State facility. For more information on *Senate Bill 223/House Bill 395*, see the subpart “State Agencies, Offices, and Officials/Regulations” within this part of this *90 Day Report*.

Miscellaneous

The State Employee and Retiree Health and Welfare Benefits Program offers medical, prescription, and dental plans to State retirees and active employees, as well as other benefits. *Senate Bill 239 (passed)* requires that the provisions of the program that apply to spouses must also apply to parties who have entered into a domestic partnership.

House Bill 701 (passed) authorizes the Maryland Community Health Resources Commission, in consultation with the Secretary of Health, to set the compensation or pay scale of unique positions in the commission or commission positions that require specific skills or experience. In addition, the Comptroller, the Treasurer, and the Attorney General, in consultation with the Secretary of Budget and Management, may also set the compensation or pay scale of similarly identified positions.

Chapter 147 of 2021 transferred the Juvenile Services Education Program (JSEP) from the Maryland State Department of Education to the Department of Juvenile Services (DJS) and established the Juvenile Services Education Board to oversee the program. Through the program, DJS oversees and provides comprehensive educational services to all juveniles placed in DJS-operated detention and residential facilities. *House Bill 1047 (passed)* specifies that when a locally employed educational professional transfers to the JSEP, the employee must be given credit regarding leave accrual as a State employee for their years of service as a school or library employee. In addition, the employee must receive all accumulated leave if there was no lapse in employment greater than 90 days. Transferred employees are also entitled to transfer all leave balances even if the balance exceeds the State employee leave balance requirements.

Pensions and Retirement

State Retirement and Pension System Administration

System Funding and Operations

Under the amortization schedule enacted by Chapters 475 and 476 of 2013, the State Retirement and Pension System (SRPS) amortized all existing liabilities and future gains and losses, regardless of their origin, in a single 25-year closed amortization period. Under that policy, the risk of contribution volatility increases as the State approaches the end of the 25-year closed amortization period. *Senate Bill 466/House Bill 804 (both passed)* alter the statutory policy for amortizing unfunded accrued liabilities or surpluses for SRPS into layered, closed periods with the

liabilities and surpluses from each fiscal year creating a new layer. Gains and losses are amortized over 15-year closed layers. The bills authorize the SRPS Board of Trustees, on the recommendation of the system’s actuary, to adjust the period of amortization under the new policy for the purpose of mitigating tail volatility in the annual contribution rate. The SRPS board may not certify contribution rates that are below the normal cost, as determined by the system’s actuary.

SRPS operations are funded by administrative fees that each participating employer pays to the system. *Senate Bill 834/House Bill 803 (both passed)* simplify the administrative fee process for the State Retirement Agency (SRA) and the participating employers in the SRPS. Administrative fees will now be determined based on the actual amount of money spent by SRA in the second preceding fiscal year, rather than calculated based on the Governor’s allowance for the upcoming fiscal year.

Vesting and Nonvested Accounts

SRPS pays regular interest on member contributions for active members and vested former members. Generally, if a former member is not vested, no further interest is paid after membership ends. *Senate Bill 481/House Bill 424 (both passed)* require SRPS to pay regular interest in the account of a nonvested former member who has not withdrawn the accumulated contributions and who resumes employment as an active member in any SRPS plan. Interest remains payable as long as the former member remains an active member in an SRPS plan. The bills apply retroactively to accounts held by individuals who are members on the date the bill takes effect, July 1, 2023.

Senate Bill 274/House Bill 541 (both passed) clarify which State government employees vest immediately. Additionally, the bills require the SRPS Board of Trustees, after receiving proof of death of a former member, to pay any remaining accumulated contributions of a deceased nonvested former member to the former member’s designated beneficiary or, if there is no beneficiary, to the former member’s estate. The bills also exclude from the definition of “earnable compensation” lump sum payments that represent a retroactive pay increase made to a class of employees who are members of SRPS, with an exception for prior lump sum payments where the member and employer contributions were made to SRPS.

Miscellaneous

Senate Bill 369/House Bill 527 (both passed) require the SRPS Board of Trustees to transfer service credit earned in the Employees’ Retirement System/Employees’ Pension System (ERS/EPS) to the Correctional Officers’ Retirement System (CORS) for specified individuals whose membership was transferred in recent years. Affected members may opt out of the transfer of service credit. The bills also require the SRPS board to include any credit for unused sick leave accrued during membership in ERS/EPS in its calculation of unused sick leave credit for specified individuals whose membership was transferred by statute from ERS/EPS to CORS.

Prior to same-sex marriage becoming legal in Maryland on January 1, 2013, retirees of the State Police Retirement System (SPRS), the Law Enforcement Officers’ Pension System (LEOPS), and the Judges’ Retirement System (JRS) who wanted to provide a survivor benefit to

a same-sex partner had to receive an actuarially reduced basic allowance, as they did not qualify for the automatic spousal benefit. As a result, their beneficiary also received a reduced allowance upon the retiree's death instead of the full spousal benefit. *Senate Bill 454/House Bill 601 (both passed)* allow a retiree of SPRS, LEOPS, and JRS who retired before January 1, 2013, to convert an optional retirement allowance for a surviving same-sex spouse to an unreduced basic allowance, thereby making the surviving spouse eligible for a full spousal benefit. The request for such a conversion, including the required documentation, must be made by December 31, 2023.

Senate Bill 244/House Bill 240 (both passed) require the SRPS board to administer a special death benefit to the beneficiary of a correctional officer who died by homicide on or after June 1, 2001, who was a members of CORS at the time of death, and whose death was determined by evidence to have arisen out of, or in the course of, the performance of the individual's duties.

Senate Bill 139 (passed) allows members of SPRS or LEOPS to remain in the Deferred Retirement Option Program (DROP) for up to two additional years. SPRS and LEOPS members already participating in DROP may elect to extend their time in DROP in accordance with the bill's limitations.

Senate Bill 695 (passed) allows a member of SRPS to receive service credit at the rate of 4 months for each full year of attendance at a U.S. service academy that preceded employment, up to a total of 16 months. It also allows a member of a State or local retirement or pension system to receive the same credit for attendance at a U.S. service academy that interrupts employment.

In general, SRPS retirees who receive a retirement benefit from the State may be reemployed, except that they may not be reemployed by the State or any participating SRPS employer within 45 days of retiring. Retirees who are rehired by the same employer for whom they worked at the time of retirement may be subject to a benefit offset if they exceed the cap on their earnings. *House Bill 1274 (passed)* reinitiates and extends an exemption to the earnings offset for State retirees who are rehired by the Maryland Department of Health for no more than five years to assist in the administration of federally funded grants related to the COVID-19 pandemic or to serve on the COVID Unified Command.

Participating Governmental Units

Local governments may elect to participate in specified SRPS plans as a participating governmental unit (PGU). In general, a PGU does not require State legislation to join an SRPS plan. In some instances, legislation is needed to authorize a local government unit to become a PGU, depending on the existing benefits provided to the unit's employees.

Law Enforcement Officers' Pension System

Senate Bill 68/House Bill 163 (Chs. 71 and 72) apply to the Crisfield Police Department, and *Senate Bill 276/House Bill 792 (Chs. 75 and 76)* apply to the Frostburg City Police Department. These Acts enable the respective departments to become a PGU in LEOPS, and specify that membership in LEOPS would be mandatory for all current law enforcement officers.

The Acts further entitle current Crisfield and Frostburg law enforcement officers to eligibility and creditable service in LEOPS for their prior service in the applicable police department.

Senate Bill 641 (passed) allows certain members of LEOPS employed by the City of Bowie who meet specified criteria to request a transfer of service credit earned during employment with a prior employer to LEOPS and purchase service credit in LEOPS for which the member is not otherwise entitled.

Senate Bill 368/House Bill 791 (both passed) allow paid emergency medical technicians employed by a PGU to participate in LEOPS if their employer elects to join LEOPS.

Correctional Officers’ Retirement System

Senate Bill 82/House Bill 10 (Chs. 73 and 74) enable Talbot County detention center officers to become members of CORS, subject to Talbot County beginning participation in CORS. Past eligibility and creditable service with Talbot County transfers to CORS for the affected officers.

Other Retirement Benefits

The State Employee and Retiree Health and Welfare Benefits Program offers medical, prescription, and dental plans to State retirees and active employees. *Senate Bill 395/House Bill 581 (both passed)* clarify the definition of “creditable service” for the purpose of determining eligibility for retiree health benefits to include any period during which an individual was employed by the State in the Executive, Legislative, or Judicial branch and enrolled as a member of any plan in SRPS or in the Optional Retirement Program. *Senate Bill 239 (passed)* requires that the provisions of the program that apply to spouses must also apply to parties who have entered into a domestic partnership.

House Bill 982 (passed) requires the State to provide a matching contribution, up to \$600 per fiscal year, to employees participating in the State supplemental retirement plans if the employees make contributions of at least \$600 to a supplemental plan or make a student loan payment of at least \$600. For a further discussion of *House Bill 982*, see the subpart “Higher Education” within Part L – Education of this *90 Day Report*.

General Assembly

New Federal Bureau of Investigation Headquarters

The U.S. Government Accountability Office (GAO) reported in November 2011 that the current Federal Bureau of Investigation (FBI) headquarters, the J. Edgar Hoover Building in Washington, DC, does not fully support the FBI’s long-term security, space, and building condition requirements. GAO further reported, among other solutions, the need for the creation of a new consolidated FBI headquarters. The U.S. Congress directed the U.S. General Services

Administration (GSA) in the Consolidated Appropriations Act for Fiscal Year 2022 to select a new headquarters site from three finalist sites: Greenbelt, Maryland; Landover, Maryland; and Springfield, Virginia. *Senate Joint 5/House Joint 4 (both passed)* urge GSA to select one of the two finalist sites located in Maryland for the new FBI headquarters.

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, and other groups that include members of the General Assembly in their memberships (and in one case, members of the General Assembly are added to an existing board):

Environment, Energy, and Natural Resources

- *Senate Bill 469 (passed)* establishes a Task Force to Study Solar Incentives;
- *Senate Bill 880/House Bill 843 (both passed)* establish a Baltimore Regional Water Governance Task Force;
- *House Bill 503 (passed)* establishes a Greenspace Equity Advisory Board within the Department of Natural Resources;

Transportation

- *Senate Bill 24 (passed)* establishes a Maryland Commission on Transportation Revenue and Infrastructure Needs;

Health and Human Services

- *Senate Bill 188/House Bill 302 (both passed)* establish a Rare Disease Advisory Council;
- *Senate Bill 493/House Bill 675 (both passed)* establish a Commission to Study Trauma Center Funding in Maryland;
- *Senate Bill 582/House Bill 1148 (both passed)* establish a Commission on Behavioral Health Care Treatment and Access;
- *Senate Bill 797/House Bill 1191 (both passed)* establish a Task Force on Preventing and Countering Elder Abuse;
- *Senate Bill 871 (passed)* establishes a Workgroup on Social Worker Requirements for Licensure;

Education

- *Senate Bill 31/House Bill 153 (both passed)* establish a Task Force to Study Compensation and Student Members of the Baltimore City Board of School Commissioners;
- *Senate Bill 491 (passed)* establishes a Task Force to Study School Bus Operator Contracts and Wages in Charles County;
- *House Bill 486 (passed)* establishes a Task Force to Study Nonpublic Student Bus Transportation;

Economic Development

- *Senate Bill 104 (passed)* establishes an Apprenticeship 2030 Commission;
- *Senate Bill 452 (passed)* establishes a Maryland Entertainment Council;
- *Senate Bill 865/House Bill 768 (both passed)* modify the membership of the Western Maryland Economic Future Investment Board to, among other things, include specified members of the General Assembly representing Western Maryland as ex officio nonvoting members;

Housing and Real Property

- *Senate Bill 144/House Bill 169 (both passed)* establish a Green and Healthy Task Force; and
- *Senate Bill 382/House Bill 239 (both passed)* establish an Accessory Dwelling Unit Policy Task Force.

Program Evaluation

The Maryland Program Evaluation Act (MPEA) is used by the General Assembly as a mechanism to monitor and evaluate 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, when otherwise required by law. Most regulatory boards and commissions are subject to termination or “sunset.”

The termination dates of various regulatory entities are extended by the following legislation:

Business Occupations/Regulation

- ***Senate Bill 713 (Ch. 32)*** extends the termination date for the State Board of Architects by 5 years to July 1, 2028;
- ***Senate Bill 714 (Ch. 33)*** extends the termination date for the State Board of Certified Interior Designers by 10 years to July 1, 2034;
- ***Senate Bill 715 (Ch. 34)*** extends the termination date for the State Board of Foresters by 10 years to July 1, 2035;
- ***Senate Bill 716 (Ch. 30)*** extends the termination date for the State Board of Examiners of Landscape Architects by 10 years to July 1, 2034;
- ***Senate Bill 717 (Ch. 31)*** extends the termination date for the State Board of Stationary Engineers by 10 years to July 1, 2034;
- ***Senate Bill 720 (passed)*** extends the termination date for the Maryland Horse Racing Act and Maryland Racing Commission by 10 years to July 1, 2034;
- ***Senate Bill 827/House Bill 909 (both passed)*** extend the termination date for the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors by 3 years to July 1, 2026;

Health Occupations

- ***Senate Bill 726 (Ch. 51)*** extends the termination date for the State Board of Examiners of Psychologists by 2 years to July 1, 2025;
- ***Senate Bill 727 (Ch. 52)*** extends the termination date for the State Board of Physical Therapy Examiners by 1 year to July 1, 2025;
- ***Senate Bill 728 (Ch. 53)*** extends the termination date for the State Board of Examiners in Optometry by 2 years to July 1, 2025;
- ***Senate Bill 731 (Ch. 54)*** extends the termination date for the State Board for Certification of Residential Child Care Program Professionals by 1 year to July 1, 2025;
- ***Senate Bill 871 (passed)*** extends the termination date for the State Board of Social Work Examiners by 1 year to July 1, 2025;
- ***Senate Bill 960/House Bill 611 (both passed)*** extend the termination date for the State Board of Nursing by 2 years to July 1, 2025; and

- **House Bill 693 (passed)** extends the termination date for the State Board of Pharmacy by 2 years to July 1, 2025.

Information Technology/Cybersecurity

The Fiscal 2024 Budget

The State budget includes a \$152 million general fund appropriation for the Dedicated Purpose Account (DPA) for fiscal 2024 to provide funding to improve State government cybersecurity efforts.

State Financial Management Information System

Article VI of the Maryland Constitution states that the Comptroller has the general superintendence of the fiscal affairs of the State and must, among other duties, digest and prepare plans for the improvement and management of revenues, prepare and report estimates of the revenue and expenditures of the State, preserve all public accounts, and decide on the forms of keeping and stating accounts.

The State’s Financial Management Information System (FMIS) is the information technology (IT) infrastructure used to maintain the general ledger and accountability for the State, including subledger functions that enable the management of all paychecks and fund transfers throughout the State.

Senate Bill 659/House Bill 709 (Chs. 22 and 23) require specified State agencies, including the Office of the Comptroller, in consultation with the Modernize Maryland Oversight Commission, to oversee the transformation of the FMIS into the 21st Century Financial Systems Enterprise. By December 31, 2023, and every six months thereafter until a final report is due January 1, 2027, the Office of the Comptroller must report to the General Assembly on the status of the development of the 21st Century Financial Systems Enterprise. The 21st Century Systems Enterprise will be a modern cloud-based IT infrastructure that meets the policies, objectives, and priorities of all future users of the system.

Cybersecurity Data Protection Standards

House Bill 969 (passed) establishes cybersecurity responsibilities and requirements for the Public Service Commission (PSC) and the public service companies regulated by PSC. Additionally, the bill authorizes the use of DPA funds by the Department of Information Technology for fiscal 2024 for the purpose of adding additional staffing and operational capacity to improve State and local cybersecurity. For a further discussion of the cybersecurity requirements for PSC and public services companies as required by **House Bill 969**, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

Cybersecurity Workforce Development

Senate Bill 801 (passed) establishes a Cyber Maryland Program in the Maryland Technology Development Corporation to create a talent pipeline in cybersecurity, serve as a hub for State workforce development programs in cybersecurity, and generally coordinate cybersecurity and research and innovation in the State. The bill also creates the Cyber Maryland Fund to be administered by the program and establishes the Cyber Maryland Board. Beginning in fiscal 2025, the Governor (1) may include an appropriation in the annual budget bill of \$250,000 for the fund and (2) must include in the budget sufficient funds to cover specified staff for the program. For a further discussion of the development of the State’s cybersecurity workforce and the Cyber Maryland Program under the bill, see the subpart “Economic Development” within Part H – Business and Economic Issues of this *90 Day Report*.

Part D

Local Government

Local Government – Generally

Municipalities

Urban Renewal Authority

Senate Bill 313/House Bill 561 (both passed) grant urban renewal authority to the Town of Mount Airy in Carroll and Frederick counties and *Senate Bill 506/House Bill 825 (both passed)* grant urban renewal authority for blight clearance to the Town of Forest Heights in Prince George’s County.

Charter Amendments Notice

Senate Bill 157/House Bill 104 (both passed) modify the manner in which a chief executive officer of a municipality may deliver charter amendment notices by authorizing the publishing of a fair summary of the proposed amendment in a newspaper of general circulation in the municipality at least once and delivering a copy of a fair summary of the proposed charter amendment by hand or by mail once to every residence in the municipality, as specified.

The bills also require a municipality to maintain records in accordance with the municipality’s record retention policies and make these records available to the general public in accordance with the Maryland Public Information Act. Additionally, *Senate Bill 157/House Bill 104* alter the timeframe within which notice of a municipal charter amendment is required to be posted at the main municipal building or other public place before a charter amendment referendum is held.

Counties and Municipalities

Vegetation Management

House Bill 90 (passed) authorizes a county or municipality to enact an ordinance to regulate invasive bamboo, as defined by the bill, including prohibiting a person from (1) selling invasive bamboo; (2) planting invasive bamboo; and (3) allowing invasive bamboo to grow on the property of the person without proper upkeep and appropriate containment measures, including barriers or trenches. The bill also authorizes the ordinance to require the mitigation of any damages caused by invasive bamboo and establishes a civil fine.

Senate Bill 62/House Bill 62 (both passed) prohibit a local government from imposing any unreasonable limitation, including a land use restriction, on a utility-designated pollinator area maintained by a public service company if (1) the area is subject to a Candidate Conservation Agreement between the U.S. Fish and Wildlife Service and the public service company or (2) the public service company maintains and regularly tends to the area by performing or overseeing pollinator friendly vegetation management, as specified. The bills also specify related intent of the General Assembly regarding the application of other State and local laws and public service company activities.

Local Procurements – Minority Business Enterprise Programs

Senate Bill 514 (passed) requires a county or municipality that operates a minority business enterprise (MBE) program for county or municipal procurements and that has a process for certifying MBEs for the program to accept as certified for the county or municipal program any person that has been certified by the Maryland Department of Transportation for the State’s MBE program.

Land Use

Senate Bill 382/House Bill 239 (both passed) establish the Accessory Dwelling Unit (ADU) Policy Task Force to survey and document a representative sampling of the variety of ordinances, laws, codes, and policies regarding ADUs at the State and local level in areas zoned for single-family residential use. The task force is required to make legislative and policy recommendations, including a list of best practices for local governments in the State, that holistically address (1) the practical issues associated with the development of ADUs on owner-occupied land zoned for single-family residential use and (2) the impacts on local housing markets, neighborhood livability, and other policies and projects related to ADUs.

Residential Property – Summoning Law Enforcement or Emergency Services

Senate Bill 450/House Bill 215 (both passed) prohibit the governing body of a county or municipality from enacting local laws or ordinances that (1) establish a threshold of requests to summon law enforcement or emergency services to a residential property as grounds for designating a property as a nuisance or (2) otherwise penalize or authorize a penalty against an

operator, owner, owner-occupant, or tenant for the act of summoning law enforcement or emergency services to a residential property (including if another individual summoned the assistance).

The bills' provisions are not applicable to a local law or ordinance governing (1) the installation and use of residential security alarm systems; (2) the physical condition, sanitation, maintenance, or repair of real property, including vacant buildings; (3) parking enforcement; (4) calls to law enforcement concerning social gatherings or excessive noise that do not involve an offense set forth in the Criminal Law Article that are made with the intent to harass another or are knowingly false; or (5) short-term rental units (not including a hotel or motel; boarding house; group residential facility for students; fraternity or sorority house; or similar housing).

Limitations on Rent Increases by Landlords

House Bill 151 (passed) establishes reporting requirements for local jurisdictions that adopt a local law to limit the rent increase that a landlord may charge a current tenant for a subsequent term without a gap in tenancy. However, these provisions do not apply to a local jurisdiction that adopts a rent increase law, if the limitation on rent increases applies only:

- during a designated state of emergency or catastrophic health emergency issued by the Governor;
- during an emergency order issued by the head of the executive branch of the local jurisdiction;
- to housing owned by the local jurisdiction and operated by the local jurisdiction or a third party; or
- to housing funded, in whole or in part, by the local jurisdiction.

Unless otherwise exempted above, the bill requires that upon the adoption of a local law, the local jurisdiction must report to the General Assembly (1) that the local jurisdiction has adopted a local law to limit the rent increase that a landlord may charge; (2) the text of the adopted local law; and (3) the date the local law will go into effect.

On or before January 31 of the second calendar year after a local jurisdiction adopts a local law, and annually thereafter, the local jurisdiction must also report to the General Assembly information regarding new building permits issued by the local jurisdiction for multifamily dwellings intended for use as rental properties, as specified.

These provisions may not be construed to authorize a local jurisdiction to adopt a local law to limit rent increases that may be charged to a current tenant.

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 1.9 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

The minority business enterprise (MBE) utilization program within WSSC helps facilitate the participation of responsible certified MBEs for design/build construction contracts. Chapter 612 of 2022 reauthorized WSSC's MBE utilization program until July 1, 2023.

House Bill 783 (passed) extends the termination date for the program to July 1, 2028, and eliminates the current distinction between MBE programs by WSSC for construction and goods and services if WSSC determines that there is a strong basis in evidence that MBEs are subject to discrimination and that a program is necessary to remedy the effects of that discrimination. The bill also includes the legal basis for that determination based on the results of a disparity study. Lastly, the bill streamlines and clarifies certification requirements for MBEs participating in the program and includes additional clarifying and technical changes to the program authorization.

Service Near Regional Transit Districts and Neighborhood Centers in Prince George’s County – Contracts

House Bill 872 (passed) is an emergency bill that authorizes WSSC to contract with the District of Columbia or the District of Columbia Water and Sewer Authority for the construction, maintenance, and operation of a water supply, sewer, or drainage system by authorizing the District of Columbia or the District of Columbia Water and Sewer Authority to provide water service, sewer service, or water and sewer service to a border property in Prince George’s County.

Any contract entered into under the bill between WSSC and the District of Columbia or the District of Columbia Water and Sewer Authority must:

- allocate maintenance costs and billing and collection responsibilities;
- require multifamily housing units served under the contract to use master meters;
- provide for a service rate setting procedure for water and sewer service that is based on the amount of water used;
- provide notice of WSSC’s authority to impose certain charges and fees; inspect, read, and replace meters and other equipment; and terminate water service to a customer under certain circumstances;
- require WSSC and the District of Columbia or the District of Columbia Water and Sewer Authority to notify customers of health and safety advisories;
- require notification to customers, as specified, based on a notification schedule agreed to by WSSC and the District of Columbia or the District of Columbia Water and Sewer Authority; and
- limit the ability of WSSC or the District of Columbia or the District of Columbia Water and Sewer Authority to reduce services provided to a customer that receives service under a contract entered into under the bill.

House Bill 872 applies only prospectively to future water and sewer connections and terminates five years from the date it is enacted.

Maryland-National Capital Park and Planning Commission

Montgomery County – Bi-county Agencies – Commissioner Discipline, Disclosures, Training, and Ethics

House Bill 778 (passed) alters provisions of law pertaining to commissioners to M-NCPPC appointed from Montgomery County.

The bill alters the method by which a commissioner from Montgomery County may file a financial disclosure statement. Also, the bill authorizes the Montgomery County Council to discipline a commissioner appointed by Montgomery County. However, before an appointed commissioner from Montgomery County may be removed or disciplined, the cause for removal or disciplinary action must be stated in writing and a public hearing must be held on the removal or disciplinary action. Further, the bill also prohibits the chair of the Montgomery County Planning Board, which consists of the commissioners appointed from Montgomery County, from engaging in any other full-time employment while serving as chair.

House Bill 778 additionally prohibits commissioners appointed from Montgomery County from accepting or soliciting a financial contribution from any person with business before M-NCPPC for any political candidate, political organization, or ballot question, or soliciting an endorsement of or opposition to a political candidate. Further, the bill prohibits a former commissioner of Montgomery County, within one year after leaving office, from assisting or representing another party for compensation in a matter that was the subject of action before the Montgomery County Planning Board while the commissioner served on the board.

Further, the bill requires the Montgomery County commissioners to successfully complete training within the first three months of being appointed in (1) open meetings laws; (2) the Maryland Department of Planning's Planning Commissioner, Planning Board, and Board of Appeals Education Course; and (3) appropriate training on Maryland Public Ethics Law and M-NCPPC policies and practices on ethics, a drug- and alcohol-free workplace, and workplace harassment and intimidation. However, failure of a commissioner to meet the training requirements does not invalidate a decision made by M-NCPPC or establish a private cause of action.

Finally, **House Bill 778** also requires the Montgomery County Planning Board to report to the members of the Montgomery County Delegation to the General Assembly on or before December 31, 2023, on the board's ability to publish on its website frequently updated, timely information on certain regulatory matters.

Collective Bargaining Agreement Implementation – Dispute Arbitration

Title 16, Subtitle 2 of the Land Use Article establishes statutory collective bargaining rights for M-NCPPC employees. **House Bill 797 (passed)** authorizes the appointment of a mediator-arbitrator during the collective bargaining process of M-NCPPC and establishes the powers and responsibilities of the mediator-arbitrator. Both M-NCPPC and the employee organization must equally share the costs of the mediator-arbitrator's services. The bill also clarifies that any terms or conditions of a final agreement that require an appropriation of funds or the adoption of regulations or that have a present or future fiscal impact are subject to approval by the Montgomery and Prince George's county councils.

Part E

Crimes, Corrections, and Public Safety

Criminal Law

Hate Crimes

Commission on Hate Crime Response and Prevention

House Bill 1066 (passed) establishes the Commission on Hate Crime Response and Prevention in the Office of the Attorney General. Commission members are appointed by the Attorney General, and the Attorney General or the Attorney General's designee is the chair of the commission. The commission is required to (1) develop strategies to prevent and respond to hate crime activity and (2) evaluate State laws and policies relating to hate crimes. On or before December 1 each year, beginning in 2024, the commission must report to (1) the Maryland State Department of Education on policy recommendations to address hate crimes that occur in schools and (2) the General Assembly on legislative recommendations to address hate crimes in the State.

Sexual Crimes

Repeal of Unnatural or Perverted Sexual Practice

Senate Bill 54/House Bill 131 (both passed) repeal the crime of unnatural or perverted sexual practice under State law and make various conforming and technical changes. The bills prohibit expungement of a conviction for unnatural or perverted sexual practice, as the offense existed prior to October 1, 2023, under certain circumstances.

Repeal of Spousal Exemption from Prosecution

Under current law, a person may not be prosecuted for rape in the first degree, rape in the second degree, sexual offense in the third degree, or sexual offense in the fourth degree if the victim is the person's legal spouse at the time of the alleged rape or sexual offense. This exemption from prosecution does not apply under certain circumstances, including if force or threat of force is used and the act is without consent, or if the parties are living separate and apart under a

separation agreement or decree of limited divorce. *Senate Bill 129/House Bill 4 (both passed)* repeal the exemption from prosecution in its entirety.

Lifetime Sexual Offender Supervision and Crimes of Violence

Senate Bill 57/House Bill 164 (both passed) expand the definition of a “crime of violence” under § 14-101 of the Criminal Law Article to include sexual abuse of a minor meeting certain criteria and expand the list of offenses that subject an offender to lifetime sexual offender supervision to include certain circumstances involving a conviction for sexual abuse of a minor and all circumstances involving a conviction for second-degree sexual offense and an attempt to commit second-degree sexual offense (as that crime existed before October 1, 2017) when committed by an adult. The bills apply prospectively to a conviction on or after October 1, 2023.

Crimes Involving Children

Accessing and Viewing Child Pornography

Senate Bill 226 (passed) prohibits a person from knowingly or intentionally accessing and intentionally viewing a film, videotape, photograph, or other visual representation showing an actual child or a computer-generated image that is indistinguishable from an actual and identifiable child younger than age 16 (1) engaged as a subject of sadomasochistic abuse; (2) engaged in sexual conduct; or (3) in a state of sexual excitement. A violator is subject to existing penalties: for a first offense, a violator is guilty of a misdemeanor punishable by imprisonment for up to 5 years and/or a \$2,500 maximum fine, while a subsequent violator is guilty of a felony punishable by imprisonment for up to 10 years and/or a \$10,000 maximum fine.

Person in a Position of Authority

Under current law, a “person in a position of authority” is a person who (1) is at least age 21; (2) is employed by or under contract with a public or private preschool, elementary school, or secondary school; and (3) because of the person’s position or occupation, exercises supervision over a minor who attends the school. It is a fourth-degree sexual offense for a person in a position of authority to engage in a sexual act, sexual contact, or vaginal intercourse with a minor who, at the time of the act, contact, or intercourse, is a student enrolled at a school where the person is employed. A fourth-degree sexual offense is a misdemeanor, punishable by imprisonment for up to one year and/or a \$1,000 maximum fine. Specified subsequent offenders are subject to a penalty of imprisonment for up to three years and/or a \$1,000 maximum fine.

House Bill 226 (passed) alters the definition of a “person in a position of authority” under the fourth-degree sexual offense statute to mean a person who (1) is at least 21 years old and works for remuneration or as a volunteer for a public or private preschool, elementary school, or secondary school and exercises supervision over or works or interacts with one or more minors who attend the school or (2) is at least 22 years old and works for remuneration or as a volunteer for a “program” and exercises supervision over or works or interacts with one or more minors who participate in the program. The bill defines a “program” as (1) an individual, a business, a religious

or faith-based institution, or an organization that provides, on a for-profit or nonprofit basis, instructional, coaching, recreational, spiritual, character-building, or supervisory services or activities for minors or (2) any unit of local, State, or federal government.

In addition to the existing school-related prohibitions, the bill generally prohibits a person in a position of authority from engaging in a sexual act, sexual contact, or vaginal intercourse with a minor who, at the time of the act, contact, or intercourse, (1) is participating in a program for which the person in a position of authority works and (2) is at least six years younger than the person in a position of authority. A person who violates the bill’s prohibitions is guilty of a misdemeanor and subject to existing penalties for fourth-degree sexual offense.

Crimes Against Public Administration

False Statements and “Swatting”

Senate Bill 340/House Bill 745 (both passed) prohibit a person from making, or causing to be made, a statement, report, or complaint of an emergency or alleging the commission of a crime that the person knows to be false as a whole or in material part to a governmental emergency report recipient with reckless disregard of causing bodily harm to an individual as a direct result of a response to the statement, report, or complaint. A person who violates this prohibition is guilty of a misdemeanor, punishable by imprisonment for up to three years and/or a fine of up to \$2,000.

The bills also prohibit a person from making a false statement, report, or complaint of an emergency or alleging the commission of a crime resulting in a response from law enforcement and serious physical injury to a person or the death of a person as a proximate result of lawful conduct arising out of the response. Under these circumstances, a violator is guilty of a felony, punishable by imprisonment for up to 10 years and/or a \$20,000 maximum fine.

Crimes Involving Firearms

In June 2022, the U.S. Supreme Court issued its decision in *New York State Rifle & Pistol Association, Inc. v. Bruen*, 597 U.S. ____ (2022), holding that the Second Amendment to the U.S. Constitution provides a right for a law-abiding citizen to carry a handgun outside the home for self-defense. During the 2023 session, the General Assembly passed several bills relating to criminal prohibitions involving wearing, carrying, transporting, and storage of firearms.

Sensitive Locations and Armed Trespassing

The U.S. Supreme Court in *Bruen* noted that “sensitive places,” including schools, government buildings, legislative assemblies, polling places, and courthouses are locations “where arms carrying could be prohibited consistent with the Second Amendment.”

Senate Bill 1 (passed) generally prohibits a person from wearing, carrying, or transporting a firearm in an “area for children or vulnerable individuals,” a “government or public infrastructure area,” or a “special purpose area.” A person who willfully violates these prohibitions is guilty of a

misdemeanor, and on conviction, subject to maximum penalties of one year imprisonment and/or a \$1,000 fine.

In addition, *Senate Bill 1* prohibits a person wearing, carrying, or transporting a firearm from entering or trespassing in the dwelling of another unless the owner or owner's agent has given express permission, either to the person or to the public generally to wear, carry, or transport a firearm inside the dwelling. The bill also prohibits a person wearing, carrying, or transporting a firearm from (1) entering or trespassing on property unless the owner or owner's agent has posted a clear and conspicuous sign indicating that it is permissible to wear, carry, or transport a firearm on the property or (2) entering or trespassing on property unless the owner or the owner's agent has given the person express permission to wear, carry, or transport a firearm on the property. "Property" is defined as a building. A person who willfully violates any of these prohibitions is guilty of a misdemeanor and on conviction subject to maximum penalties of one year imprisonment and/or a \$1,000 fine.

Wearing, Carrying, or Transporting a Handgun

House Bill 824 (passed) increases the maximum incarceration penalty from three years to five years that may be imposed on a violator of the prohibition against wearing, carrying, or transporting a handgun when the person has no prior convictions under §§ 4-203 (wearing, carrying, or transporting a handgun), 4-204 (use of a handgun or antique firearm in the commission of a crime), 4-101 (wearing or carrying dangerous weapons), or 4-102 (deadly weapons on school property) of the Criminal Law Article.

Storing or Leaving a Loaded Firearm

Senate Bill 858 (passed) modifies and expands the existing prohibition on access to a firearm by an unsupervised child (defined as an individual younger than age 16) by establishing that a person may not store or leave a loaded firearm in a location where the person knew or should have known that an unsupervised minor (defined under current law as an individual younger than age 18) has access to the firearm. A person who violates the bill's prohibition is guilty of a misdemeanor and subject to an existing penalty of a \$1,000 maximum fine. In addition, the bill requires the Deputy Secretary for Public Health Services to develop a youth suicide prevention and firearm safe storage guide by January 1, 2024. The Maryland Department of Health must post the guide on its website and make an electronic version of the guide available to families, health and social services providers, and other interested entities, as specified. In addition, the department must provide grants to local school systems, local health departments, and nonprofit agencies to support the education of families on the safe storage practices recommended in the guide.

For further discussion of bills relating to firearms passed by the General Assembly during the 2023 session, see the subpart "Public Safety" within this part of this *90 Day Report*.

Miscellaneous

Senate Bill 209 (*passed*) establishes the Task Force to Study Crime Classification. The task force must (1) study and make recommendations regarding a method for classifying crimes and civil offenses under State law and (2) identify and logically categorize all crimes and civil offenses that exist under State law. The task force must report its findings and recommendations to the Governor and the General Assembly by December 31, 2023.

Criminal Procedure

Abortion

In June 2022, the U.S. Supreme Court, in *Dobbs v. Jackson Women’s Health Organization*, 597 U.S. ____ (2022), overturned precedent regarding abortion access leaving states to decide how to regulate the issue. Since that time, states have taken various measures to curtail access to abortion or, conversely, to ensure that existing access remains available. **Senate Bill 859/House Bill 808** (*both passed*) include several provisions related to criminal procedure and reproductive health care, including those that generally impact the exchange of information between states. The bills, subject to a limited exception, prohibit a judge from issuing a summons if the criminal proceedings or grand jury investigation for which the witness is being summoned relates to a violation of another state’s criminal law involving the provision of, receipt of, or assistance with “legally protected health care” in Maryland. Among other provisions, the bills also (1) require certain subpoena requests to contain a signed affirmation that no portion of the subpoena is intended or anticipated to further any investigation or proceeding related to legally protected health care and (2) prohibit a judge from issuing an *ex parte* order for the purpose of investigating or recovering evidence of actions related to legally protected health care, unless the acts forming the basis for the investigation or recovery of evidence would constitute a crime in Maryland. The bills define “legally protected health care” as all reproductive health services, medications, and supplies related to the direct provision or support of the provision of care related to pregnancy, contraception, assisted reproduction, and abortion that is lawful in the State. For a further discussion of measures regarding reproductive freedom passed by the General Assembly, see the subpart “Public Health” within Part J – Health and Human Services of this *90 Day Report*.

Cannabis

The Maryland Court of Appeals (now the Supreme Court of Maryland) previously considered whether the odor of marijuana (cannabis) alone provided probable cause to arrest despite the decriminalization of possession of specified amounts (as in effect at the time of the decision), and subsequently held that “the mere odor of marijuana alone is not indicative of the amount of marijuana that may be in a person’s possession and does not provide a law enforcement officer with the requisite probable cause to arrest a person and perform a warrantless search of that person incident to the arrest.” *Lewis v. State*, 470 Md. 1 (2020). However, the Court of Appeals

held that “the odor of marijuana provides reasonable suspicion of criminal activity sufficient to conduct a brief investigatory detention.” *In re D.D.*, 479 Md. 206 (2022).

House Bill 1071 (passed) prohibits a law enforcement officer from (1) initiating a stop or a search of a person, motor vehicle, or vessel based solely on specified types of cannabis-related evidence, including the odor of cannabis, and (2) conducting a search of specified areas of a motor vehicle or vessel during an investigation of a person solely for driving a motor vehicle or vessel while impaired by or under the influence of cannabis. Any evidence discovered or obtained in violation of these restrictions is inadmissible in a trial, hearing, or other proceeding, even if the evidence was discovered or obtained with the consent of the individual. The bill also reduces specified fines for smoking cannabis in a public place; these provisions are contingent on specified provisions of Chapter 26 of 2022 taking effect (the applicable provisions of Chapter 26, which made various changes to civil and criminal penalties for possession of cannabis, are set to take effect July 1, 2023).

Office of the Attorney General – Independent Investigation Division

Originally established in 2021, the Independent Investigation Division (IID) in the Office of the Attorney General (OAG) is the primary investigative unit for police-involved incidents that result in the death of a civilian or injuries likely to cause the death of a civilian. In such cases, OAG is tasked with determining whether the incident is police-involved and whether an injury is likely to cause death. IID is also authorized to investigate police misconduct claims that are discovered during the investigation of cases under IID’s jurisdiction. In its report covering police-involved deaths of civilians occurring in Maryland between October 1, 2021, and September 30, 2022, IID reported that it had investigated 13 fatal shootings, 7 fatal vehicle incidents, and 3 in-custody deaths.

Senate Bill 290 (passed) expands the investigative jurisdiction of IID by specifying that IID is the primary investigative unit for police-involved incidents that result in the death of individuals or injuries likely to result in death (thereby affording it jurisdiction over cases in which the injured party is not a civilian). The bill also authorizes IID to investigate any other crime related to police misconduct that is discovered during these investigations.

The bill also gives the Attorney General exclusive authority to prosecute a criminal offense discovered in the course of IID’s investigation, unless the Attorney General requests that a State’s Attorney prosecute the offense. Among other provisions, the bill also authorizes the Attorney General to prosecute a police-involved incident not otherwise within IID’s investigative jurisdiction if a State’s Attorney refers the case to the Attorney General for prosecution.

For additional discussion of **Senate Bill 290**, see the subpart “Public Safety and Corrections” within this part of this *90 Day Report*.

Probation Before Judgment

Probation before judgment requires a finding of guilt by a judge or jury – either after trial or after a guilty plea by the defendant. While probation before judgment is not considered a conviction under Maryland law, it is considered a conviction under federal law, including immigration law. *Senate Bill 211/House Bill 193 (both passed)* authorize a court to place a defendant on probation before judgment if the defendant pleads not guilty, the court finds facts justifying a finding of guilt beyond a reasonable doubt, and specified conditions are met, including the consent of the State and a finding by the court that the best interests of the defendant and the public welfare would be served by granting a probation before judgment under this circumstance. The bills further establish related procedures and requirements.

Postconviction Procedures and Standards

Expungement

Section 10-110 of the Criminal Procedure Article authorizes an individual convicted of any of a list of approximately 100 specified offenses or an attempt, a conspiracy, or a solicitation of any of these offenses, to file a petition for expungement of the conviction, subject to specified procedures and requirements.

Senate Bill 37 (passed) shortens some of the waiting periods for filing a petition to expunge records related to a conviction eligible for expungement under § 10-110 of the Criminal Procedure Article. The bill establishes the following new waiting periods for filing an expungement petition following the petitioner’s satisfaction of the sentence(s) imposed for all convictions for which expungement is sought, including parole, probation, or mandatory supervision: 5 years for a listed misdemeanor in general (instead of 10 years); 7 years for a listed felony in general (instead of 15 years); 7 years for second-degree assault under § 3-203 of the Criminal Law Article or common law battery (instead of 15 years); and 10 years for first-degree burglary under § 6-202(a) of the Criminal Law Article, second-degree burglary under § 6-203 of the Criminal Law Article, or felony theft under § 7-104 of the Criminal Law Article (instead of 15 years). The bill also adds the malicious destruction of property (§ 6-301 of the Criminal Law Article) to the list of misdemeanors that can be expunged after 5 years. Finally, the bill provides that any unpaid court fees or costs are not a bar to expungement and requires that, when ordering or effecting an expungement, a court must waive any court fees and costs associated with the charge being expunged. Existing waiting periods for offenses classified as domestically related crimes (15 years) and possession to distribute cannabis under § 5-602(b)(1) of the Criminal Law Article (3 years) are unchanged in the bill.

House Bill 1175 (passed) also expands eligibility for expungement under § 10-110 of the Criminal Procedure Article to include convictions for specified misdemeanor hunting-related offenses, such as hunting without a valid hunting license or failing to wear fluorescent clothing while hunting.

Motion to Vacate

A person convicted of a “qualifying offense,” as designated in statute, may file a motion to vacate the judgment if the person’s participation in the offense was a direct result of being a victim of human trafficking. Specific procedural requirements apply to these motions, and a conviction that has been vacated under these provisions may not be considered a conviction for any purpose. A person who was convicted of a crime and had the conviction vacated under these circumstances is eligible to file a petition to expunge records regarding the vacated conviction, as specified in statute.

Senate Bill 292/House Bill 297 (both passed) add the unauthorized use of a motor vehicle (under §14-102 of the Transportation Article) and soliciting or offering to solicit prostitution or assignation (under § 11-306 of the Criminal Law Article) to the list of qualifying offenses. For a further discussion of the bills, see the subpart “Juvenile Law” within this part of this *90 Day Report*.

Medical Emergencies – Immunity

The act of seeking, providing, or assisting with the provision of medical assistance for another person who is experiencing a medical emergency after ingesting or using alcohol or drugs may be used as a mitigating factor in a criminal prosecution of (1) the person who experienced the medical emergency or (2) any person who sought, provided, or assisted in the provision of medical assistance. Furthermore, a person who, in good faith, seeks, provides, or assists with the provision of medical assistance for a person reasonably believed to be experiencing a medical emergency after ingesting or using alcohol or drugs must be immune from criminal arrest, charge, or prosecution for specified violations if the related evidence was obtained solely as a result of the person seeking, providing, or assisting with the provision of medical assistance.

Under existing statutory provisions, the same immunity applies to a person who reasonably believes that the person is experiencing a medical emergency after ingesting or using alcohol or drugs. *Senate Bill 546/House Bill 427 (both passed)* specify that this immunity applies to a person who is experiencing a medical emergency, rather than a person who reasonably believes that the person is experiencing a medical emergency. Existing statutory provisions also prohibit a person who seeks, provides, or assists with the provision of medical assistance in accordance with statute from being sanctioned for a violation of a condition of pretrial release, probation, or parole if the evidence of the violation was obtained solely as a result of the person seeking, providing, or assisting with the provision of medical assistance. The bills also extend application of this provision to a person who is experiencing a medical emergency after ingesting or using alcohol or drugs if the evidence of the violation was obtained solely as a result of the person receiving the provision of medical assistance.

Sexual Assault Evidence Collection Kits

Statutory provisions include specific requirements for the transfer, testing, and storage of sexual assault evidence collection kits. *Senate Bill 789/House Bill 758 (both passed)* increase, from 20 to 75 years, the time after the collection of evidence during which a sexual assault evidence collection kit or other specified evidence cannot be destroyed or disposed of by a law enforcement agency, unless specified criteria are met. The bills also establish that sexual assault evidence collection kits collected before January 1, 2000, and stored by a hospital or child advocacy center must be (1) retained consistent with the requirements regarding the retention of sexual assault evidence collection kits and (2) transferred to a law enforcement agency for testing within 30 days after being identified as a sexual assault evidence collection kit, or as directed by the Office of the Attorney General. Among other provisions, the bills also address the reported increase in the use of self-administered sexual assault evidence collection kits by requiring such kits to be transferred to a law enforcement agency, as specified, and requiring the Maryland Sexual Assault Evidence Kit Policy and Funding Committee to issue a report by December 1, 2023, that makes recommendations for guidance on the use of self-administered sexual assault evidence collection kits.

Victims of Crime

Victim Services Stabilization Funding

The Crime Victims Fund, established by the federal Victims of Crime Act (VOCA) of 1984, is a major funding source for victim services throughout the country. The purpose of the VOCA program is to improve the treatment of victims of crime by providing victims with the assistance and services necessary to aid their restoration after a violent criminal act and to support and aid victims as they move through the criminal justice process. Federal funding awards under VOCA have fluctuated in recent years, with amounts ranging from \$18.9 million to \$61.1 million. To ensure that a stable level of funding is provided to programs that receive and use VOCA funds to support victim services, *Senate Bill 148/House Bill 186 (both passed)* require the Governor, in each fiscal year, to include in the annual budget bill an appropriation that, together with the amount received under federal VOCA funds in the prior year, totals an aggregate \$60 million for specified victim services programs. Despite the mandated appropriation established by the bills, should federal funding continue at the level received in the most recent federal fiscal year, general fund expenditures would not increase beyond amounts that have been appropriated in recent years even in the absence of the mandated funding requirement.

Among other provisions, the bills also (1) require the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) to help support programs providing services for victims of crime throughout the State; (2) authorize GOCPYVS to award grants to public or private nonprofit organizations to operate the victim services programs; and (3) require GOCPYVS to ensure that State funds awarded under the bill are administered and used in accordance with specified requirements.

Victims' Rights and Safety Considerations

Victims of Sexually Assaultive Behavior: Certain acts are designated in statute as “sexually assaultive behavior,” including those acts that constitute sexual crimes under Title 3, Subtitle 3 of the Criminal Law Article. *Senate Bill 391/House Bill 174 (both passed)* expand upon the broad range of specific rights afforded to victims during the criminal justice process by requiring an assistant State’s Attorney to meet with a victim of sexually assaultive behavior at the request of the victim after a decision by the Office of the State’s Attorney not to file a charging document against an alleged suspect or to dismiss charges against an alleged suspect.

No Contact Provisions: Under existing statute, a person charged with committing specified offenses may not violate a condition of pretrial or posttrial release prohibiting the person from contacting, harassing, or abusing an alleged victim or going in or near the alleged victim’s residence or place of employment. However, the statute has been interpreted by some judges as requiring that the individual was actually released (and not incarcerated) at the time of the prohibited contact. *Senate Bill 487/House Bill 411 (both passed)* explicitly establish that a person, including an incarcerated person, is prohibited from violating a condition of pretrial or posttrial release or other pretrial or posttrial condition that prohibits the person from contacting, harassing, or abusing an alleged victim or going in or near an alleged victim’s residence or place of employment if the person is charged with committing specified offenses.

Juvenile Law

Victims of Sex Trafficking and Human Trafficking

Senate Bill 292/House Bill 297 (both passed) (1) alter procedures that a law enforcement officer and court must follow when there is reason to believe a child, who has been detained, is a victim of sex trafficking or a victim of human trafficking; (2) prohibit the criminal prosecution of or a juvenile proceeding against a minor for a “qualifying offense,” a “violation” (specified offenses for which a citation may be issued), or an offense under § 3-1102 of the Criminal Law Article (sex trafficking) if the minor committed the underlying act as a direct result of sex trafficking; and (3) expand the list of qualifying offenses for which a person may file a motion to vacate judgment if the person’s participation was a direct result of being a victim of human trafficking.

Under current law, a law enforcement officer who has reason to believe that a child who has been detained is a victim of sex trafficking must notify any appropriate regional navigator for the jurisdiction where the child was taken into custody or where the child is a resident that the child is a suspected victim of sex trafficking. The bills extend the notification requirement to suspected victims of human trafficking and specify that the notification must be made as soon as practicable so the regional navigator can coordinate a service response. The bills also require a law enforcement officer to (1) report to the local child welfare agency that a child is a suspected victim

of sex trafficking or human trafficking and (2) release the child to the child’s parents, guardian, or custodian if it is safe and appropriate to do so, or to the local child welfare agency if there is reason to believe that the child’s safety will be at risk if the child is returned to the parent, guardian, or custodian. A law enforcement officer who takes a child who is a suspected victim of sex trafficking or human trafficking into custody is prohibited from detaining the child in a juvenile detention facility if the reason for detaining the child is a suspected violation of a qualifying offense or offense under § 3-1102 of the Criminal Law Article.

Under the bills, at any time after a petition has been filed alleging that a child has committed a qualifying offense, a violation, or an offense under § 3-1102 of the Criminal Law Article, the juvenile court, on its own motion or on motion of the child’s counsel or the State, must stay all proceedings and refer the child to a regional navigator and notify the Department of Human Services. The court must schedule a hearing within 15 days after a motion is filed to determine, on the record and by a preponderance of the evidence, whether the child is a victim of sex trafficking or human trafficking and committed the qualifying offense, violation, or offense under § 3-1102 of the Criminal Law Article as a direct result of being a victim of sex trafficking or human trafficking. If the court finds that the child is a victim of sex trafficking or human trafficking and committed the underlying act as a direct result of being such a victim, the court must dismiss the charge for any qualifying offense, violation, or offense under § 3-1102 of the Criminal Law Article.

Under current law, a person convicted of a “qualifying offense” may file a motion to vacate the judgment if the person’s participation in the offense was a direct result of being a victim of human trafficking. The bills expand the definition of “qualifying offense” to include the offenses of unauthorized use of a motor vehicle under § 14-102 of the Transportation Article and soliciting or offering to solicit prostitution or assignation under § 11-306 of the Criminal Law Article.

Juvenile Court Jurisdiction – Juvenile Offenses on Military Installations

Senate Bill 115/House Bill 749 (both passed) establish that the jurisdiction of the juvenile court is concurrent with a federal court sitting in the State over proceedings involving a violation of federal law committed by a child on a military installation of the U.S. Department of Defense if (1) the federal court waives exclusive jurisdiction and (2) the violation of federal law is also a crime under State law. The bills also clarify that these provisions do not affect the Governor’s ability to enter into an agreement with the United States to establish full or partial concurrent jurisdiction for the purpose of enforcing civil or criminal law.

Public Safety and Corrections

Firearms

Permits and Wearing, Carrying, or Transporting

On June 23, 2022, the United States Supreme Court, in *New York State Rifle & Pistol Association, Inc. v. Bruen*, 597 U.S. ____ (2022), held unconstitutional a New York law that required applicants for a concealed carry handgun permit to demonstrate a “proper cause” (or a special need for self-defense distinguishable from the general population) before issuance of the permit. In this decision, the Supreme Court held for the first time that the Second Amendment of the U.S. Constitution provides a right for a law-abiding citizen to carry a handgun outside the home for self-defense.

Following the U.S. Supreme Court’s decision, Maryland’s Court of Special Appeals (now the Appellate Court of Maryland) applied *Bruen* directly to *In the Matter of William Rounds*, 255 Md. App. 205 (2022), ruling that Maryland’s law requiring an applicant to have a “good and substantial reason” to be issued a permit to wear, carry, or transport a handgun was analogous to New York’s “proper cause” requirement and was unconstitutional. On July 5, 2022, then Governor Lawrence J. Hogan, Jr., responded to the ruling by directing the Department of State Police to immediately stop using the “good and substantial reason” requirement when reviewing handgun permit applications. On July 6, 2022, the Office of the Attorney General issued a similar letter advising on the constitutionality and severability of the “good and substantial reason” from the State’s handgun permit statute while affirming that all other requirements for a handgun permit remain in effect.

These developments coincided with a significant increase in the number of handgun permit applications within the State. According to the Department of State Police, there was a 900% increase in handgun permit applications in Maryland in the months following the *Bruen* decision.

With specified exceptions, including that the person has a permit issued by the Secretary of State Police, a person is generally prohibited from wearing, carrying, or transporting a handgun, whether concealed or open, on or about the person. The Secretary may limit the geographic area, circumstances, or times in which a handgun permit is effective.

House Bill 824 (passed) modifies and expands the requirements and procedures relating to the issuance and renewal of a permit to wear, carry, or transport a handgun. The bill repeals the requirement for an applicant to have a “good and substantial reason” to be issued a handgun permit and instead requires, in addition to existing law, that a person:

- is at least age 21 (increased from an adult (age 18) under current law) or is a person who is a member of the U.S. Armed Forces, the National Guard, or the uniformed services;

- is not on supervised probation for a crime punishable by imprisonment for one year or more, a violation of § 21-902(b) or (c) of the Transportation Article (driving while under the influence or driving while impaired), or violating a protective order under § 4-509 of the Family Law Article (failure to comply with interim or final protective order);
- does not suffer from a mental disorder and have a history of violent behavior against the person or another;
- has not been involuntarily admitted for more than 30 consecutive days to a facility that provides treatment or other services for mental disorders; and
- is not a respondent against whom a current non *ex parte* civil protective order has been entered under § 4-506 of the Family Law Article, a current extreme risk protective order has been entered under § 5-601 of the Public Safety Article, or any other type of current court order has been entered prohibiting the person from purchasing or possessing firearms.

The bill modifies the requirements for a firearms training course approved by the Secretary of State Police to require, for an initial application, a minimum of 16 hours of in-person instruction by a qualified instructor and for renewals, 8 hours of in-person instruction by a qualified instructor. The bill specifies that the training must include classroom instruction on (1) State and federal firearm laws relating to self-defense and the defense of others and property; (2) safe storage of firearms; (3) the circumstances under which an individual becomes prohibited from possessing a firearm and the requirements for surrendering, transferring, or disposing of a firearm after becoming prohibited; (4) the requirements for reporting a loss or theft of a firearm; (5) firearms and accessories that are banned or require a special permit to acquire or possess; (6) the law on straw purchases and armed trespass; and (7) locations in which a person is prohibited from possessing a firearm. In addition, the training must include classroom instruction on home firearm safety, handgun mechanisms and operations, conflict de-escalation and resolution, anger management, suicide prevention, and a firearm qualification component that includes live-fire shooting exercise on a firing range and requires the applicant to demonstrate safe handling of a handgun and shooting proficiency with a handgun.

The Secretary of State Police, in consultation with the Office of the Attorney General and the Maryland Department of Health, must develop, publish, update, and distribute to all certified instructors a curriculum of instruction for the required classroom instruction information.

The bill increases the maximum fee for (1) an initial application for a handgun permit (from \$75 to \$125); (2) a renewal or subsequent application for a handgun permit (from \$50 to \$75); and (3) a duplicate or modified handgun permit (from \$10 to \$20).

In addition, the bill (1) requires, rather than authorizes, the Secretary of State Police to revoke the permit of any individual who no longer meets the required qualifications; (2) requires the Secretary to regularly review information regarding active permit holders to determine whether all permit holders continue to meet qualifications; and (3) requires the Secretary to issue a written

notice of any denial or revocation which includes an explanation of the reason for the decision. The bill further requires the Secretary to email summaries of any changes to firearm laws passed by the General Assembly to specified owners of regulated firearms, and to annually report specified information regarding handgun permit applications to the Governor and General Assembly.

The bill also prohibits the Secretary of State Police from issuing a handgun permit to a person who has been convicted on or after October 1, 2023, of a second or subsequent violation of §4-104 of the Criminal Law Article (child access to firearms) or has been convicted on or after October 1, 2023, of a violation of §4-104 of the Criminal Law Article if the violation resulted in the use of a loaded firearm by a minor causing death or serious bodily injury to the minor or another person. The Secretary may not issue a handgun permit to a person who has been convicted on or after October 1, 2023 of a violation of §4-104 of the Criminal Law Article for 5 years following the date of the conviction.

Senate Bill 1 (passed) repeals the authority of the Secretary of State Police to limit the geographic area, circumstances, or times in which a handgun permit is effective, and instead generally prohibits a person from wearing, carrying, or transporting a handgun, even with a valid handgun permit, in an “area for children or vulnerable individuals” and a “special purpose area.”

An “area for children and vulnerable individuals” is defined as (1) a preschool or prekindergarten facility, or the grounds of the facility; (2) a private primary or secondary school, or the grounds of the school; or (3) a healthcare facility, as specified.

A “special purpose area” is defined as a location licensed to sell or dispense alcohol or cannabis for on-site consumption, stadium, museum, racetrack, or a video lottery facility, as specified.

The bill also prohibits a person from wearing, carrying, or transporting a firearm in a “government or public infrastructure area” if the government or public infrastructure area displays a clear and conspicuous sign at the main entrance indicating that it is not permissible to wear, carry, or transport a firearm in the building or that part of the building. A “government or public infrastructure area” is defined as (1) a building, or any part of a building owned or leased by a unit of State or local government; (2) a building of a public or private institution of higher education, as specified; (3) a location that is currently being used as a polling place or for canvassing, as specified; (4) an electric plant or electric storage facility; (5) a gas plant; or (6) a nuclear power facility.

Specified individuals, including specified law enforcement officers, correctional officers, and members of the armed services, are exempt from the bill’s prohibitions on wearing, carrying, or transporting a firearm at the listed locations. In addition, the prohibitions do not apply in specified circumstances where the location is being used with the permission of the owner or lessee or for specified purposes related to the use of firearms. Finally, the prohibitions do not apply to a firearm stored in a motor vehicle in a locked container. A person who willfully violates a prohibition on wearing, carrying, or transporting a firearm at a listed location is guilty of a

misdemeanor and on conviction is subject to maximum penalties of one year imprisonment and/or a \$1,000 fine.

In addition, the bill prohibits a person wearing, carrying, or transporting a firearm from entering or trespassing in the dwelling of another unless the owner or the owner's agent has given express permission, either to the person or to the public generally, to wear, carry, or transport a firearm inside the dwelling. A person wearing, carrying, or transporting a firearm also may not enter or trespass onto property (defined as a building, and does not include the land adjacent to a building) unless the owner or the owner's agent has either posted a clear and conspicuous sign indicating that it is permissible to do so or has given the person express permission. This prohibition does not apply to specified law enforcement officers, correctional officers, members of the armed services, and other people who hold or are subject to an easement or other property interest. A person who willfully violates these prohibitions is guilty of a misdemeanor and on conviction is subject to a maximum penalty of one year imprisonment and/or a \$1,000 fine.

Access to Firearms by Minors

Under current law, a person may not, subject to certain exceptions, store or leave a loaded firearm in a location where the person knew or should have known that an unsupervised child (defined as an individual younger than age 16) would gain access to the firearm. A violator is guilty of a misdemeanor and is subject to a maximum fine of \$1,000.

Senate Bill 858 (passed) modifies and expands the existing prohibition on access to a firearm by an unsupervised child (defined as an individual younger than age 16) by establishing that a person may not store or leave a loaded firearm in a location where the person knew or should have known that an unsupervised minor (defined in existing statute as an individual younger than age 18) has access to the firearm. A violator is guilty of a misdemeanor, punishable by the existing penalty of a maximum fine of \$1,000. In addition, a person may not possess a regulated firearm if the person (1) has been convicted on or after October 1, 2023, of a second or subsequent violation of § 4-104 of the Criminal Law Article (access to a firearm by a minor under the bill) or (2) has been convicted on or after October 1, 2023, of a violation of § 4-104 if the violation resulted in the use of a loaded firearm by a minor causing death or serious bodily injury to the minor or another person. In addition, a person who has been convicted on or after October 1, 2023, of a violation of § 4-104 may not possess a regulated firearm for five years following the date of the conviction. Further, the Deputy Secretary for Public Health Services, in consultation with a stakeholder advisory committee, must develop a youth suicide prevention and firearm storage guide, to be posted on the Maryland Department of Health's website and shared with entities that have an interest in youth suicide prevention or safe storage of firearms. The department must also provide grants to school systems, local health departments, and nonprofits to support the education of families on safe storage practices.

Firearms Surrendered Under Final Protective Orders

Chapter 142 of 2022 established the Maryland State Police Gun Center within the Department of State Police as a statewide firearms enforcement center for the tracking, screening,

and vetting of all firearms crimes committed in the State. Among other duties, the Center must assist the department and other law enforcement agencies with firearm enforcement and firearms violation reduction efforts.

Individuals who meet specified relationship requirements with a respondent who is an alleged abuser – including spouses, cohabitants, individuals with a child in common, and individuals alleging specified sexual offenses – may seek relief from the abuse by filing a petition for a domestic violence protective order. If a final protective order is issued, it must order the respondent to surrender any firearms in the respondent’s possession for the duration of the order.

Senate Bill 185/House Bill 3 (both passed) expand the Center’s duties to include the tracking, screening, and vetting of all firearms surrendered under final protective orders in the State. The bills require (1) the Center to create and maintain a statewide database to track information on firearms surrendered under final protective orders in the State and (2) each law enforcement agency to report to the Center specified information on firearms surrendered under final protective orders in the agency’s jurisdiction.

Law Enforcement

Independent Investigations Division

Senate Bill 290 (passed) expands the investigative jurisdiction and prosecutorial authority of the Independent Investigations Division of the Office of the Attorney General. Specifically, the bill:

- clarifies that the Division is the primary investigative unit for police-involved incidents that result in the death of individuals, rather than civilians, or injuries likely to result in death;
- requires the Division to investigate all police-involved incidents that result in the death of an individual or injuries that are likely to result in the death of an individual;
- authorizes the Division to investigate any other crime related to police misconduct that is discovered during these investigations;
- repeals the requirement that the Division transmit, within 15 days after completing an investigation, the detailed investigative findings to the State’s Attorney of the county with jurisdiction to prosecute the matter;
- provides the Attorney General, if the Attorney General determines that the Division’s investigation provides sufficient grounds for the prosecution of a criminal offense discovered in the course of the investigation, exclusive authority to prosecute the offense; and

- authorizes a State’s Attorney to prosecute the offense if the Attorney General refers the case to the State’s Attorney.

Additionally, the Division must submit a report to the Governor and the General Assembly on the Division’s activities during the prior calendar year, including the number of investigations the Division conducted and the number of prosecutions that were initiated as a result of an investigation or referral to the Division.

Body-Worn Cameras

Senate Bill 330 (passed) requires the Department of General Services, in coordination with the Department of Information Technology, when requested by a law enforcement agency, to negotiate contracts to acquire and maintain body-worn cameras, equipment, and technology for the law enforcement agency. The contracts must meet specified criteria and not restrict the right of law enforcement agencies to receive related services. The bill also requires the Department of Information Technology, in coordination with the Department of General Services, to study the cost and feasibility of implementing a statewide uniform storage and access system for body-worn camera data.

Officer and Community Wellness Training Grant Fund

Senate Bill 580/House Bill 751 (both passed) establish the Officer and Community Wellness Training Grant Fund, a special fund administered by the Governor’s Office of Crime Prevention, Youth, and Victim Services, to provide grants to local law enforcement agencies for Mental Health First Aid for Public Safety training and Critical Incident Stress Management peer support training. For fiscal 2025 and each fiscal year thereafter, the Governor may include in the annual budget bill an appropriation for the fund.

Police-Initiated Towing

House Bill 1002 (passed) establishes a Committee on Rate Setting and Complaint Resolution for Police-Initiated Medium-Duty and Heavy-Duty Towing and Recovery within the Department of State Police to recommend approved rates for police-initiated towing and recovery services, recommend a process for resolving towing complaints, and perform other duties, as specified. The bill requires the Department of State Police to establish the approved rates for towing and recovery that may be charged by a tow company on a specified tow list by January 1, 2024 and alters provisions that establish an effective date for when an authorized tow company must accept certain payments for the release of a vehicle, as specified.

Surplus Military Equipment Reporting

Senate Bill 592 (passed) reinstates the provisions of Chapter 321 of 2019, which terminated on September 30, 2022. Specifically, the bill requires the Department of State Police, by February 1 each year, to report to the Governor and the General Assembly on the acquisition of equipment by law enforcement agencies through “surplus programs” within the preceding

calendar year. The Department of State Police must include in a prominent location on its public website a link to the Defense Logistics Agency's report listing excess Department of Defense property transfers to law enforcement agencies through the Law Enforcement Support Office.

Emergency Services

Consumer Protections Against Price Gouging

Senate Bill 542/House Bill 775 (both passed) generally prohibit a person, during a state of emergency, from selling or offering to sell goods and services designated as essential by the Governor for a price of 15% or more above the highest price at which the person made actual sales or rentals between (1) 60 days before the emergency declaration and (2) 4 days before the state of emergency. Further, during a state of emergency and for the 90 days following the end of the state of emergency, a person is prohibited from selling, or offering to sell, repair or reconstruction services used for emergency cleanup for a price that is 15% or more than the average price charged during the 30 days before the state of emergency.

However, a person may charge a price increase of 15% or more for goods and services if the person can prove that the price increase is (1) directly attributable to additional costs imposed on the person by the supplier of the goods (including replacement costs, costs of credit, and credit card processing costs); (2) directly attributable to additional costs for labor or materials used to provide the service or produce the goods (including costs to repair any damage relating to the state of emergency); or (3) consistent with seasonal prices charged by the person based on historical data showing prices charged during the season over the past three years.

At least 20 days prior to filing an action to enforce the bills' requirements, the Office of the Attorney General must provide a person who is potentially in violation of the bills' requirements an opportunity to present evidence that the price increase was in accordance with the exceptions specified by the bills.

State Disaster Recovery Fund

Senate Bill 650 (passed) establishes the State Disaster Recovery Fund, administered by the Maryland Department of Emergency Management, to provide:

- disaster recovery assistance to individuals and families when a unit of local government has submitted a request for a disaster declaration, but a federal declaration disaster is not received;
- disaster recovery assistance to units of local government of the State for the repair, restoration, reconstruction, or replacement of a public facility damaged or destroyed when a federal disaster declaration is not received;

- low-interest or no-interest loans to businesses and nonprofits for disaster recovery assistance when a federal disaster declaration is not received;
- disaster-related assistance for unmet needs of individuals and families following a federal disaster declaration;
- disaster-related assistance for unmet needs of individuals and families who have been denied federal assistance but otherwise meet criteria established for the fund; and
- matching funds for assistance to individuals and State and local governmental units after a federal disaster declaration.

The fund may only be used if the Governor has declared a state of emergency or a local organization for emergency management requests assistance from the fund. However, a portion of the fund may be used to administer the fund, including providing disaster case management resources.

The bill also modifies the Catastrophic Event Account, an existing account administered by the Department of Budget and Management, to allow funds to be used by units of local government.

Commission to Advance and Strengthen Fire Fighting and Emergency Medical Services

Senate Bill 414 (passed) establishes the Commission to Advance and Strengthen Fire Fighting and Emergency Medical Services Within Maryland. The commission must study and make recommendations regarding (1) the effectiveness and viability of uniform incentives, offerings, or practices employed in other states to attract, support, and retain individuals in firefighting and emergency medical services roles; (2) the suitability of comparable or similar incentives, offerings, and practices as compared to the landscape of the State; and (3) any other global issues the commission may consider useful in enhancing and supporting career and volunteer fire fighting and emergency medical services in the State.

Peer Support Programs

Pursuant to Chapters 151 and 152 of 2022, “peer support counseling program” means a program provided by a fire, rescue, or emergency medical service entity or the International Association of Fire Fighters that provides counseling services from a “peer support specialist” to a member of a fire, rescue, or emergency medical service entity. *Senate Bill 527 (passed)* alters the defined term to be “peer support program” and modifies the definition to mean an evidence-based program that provides evidence-based support.

Deputy State Fire Marshal

Senate Bill 707 (passed) requires each deputy State fire marshal, including an individual who is appointed to the Office of the State Fire Marshal for training before regular assignment as a deputy State fire marshal, to remain in probationary status for a period of two years after the date of appointment to Office of the State Fire Marshal. Additionally, the bill specifies that, on promotion, a deputy State fire marshal is entitled to the pay specified for the new rank in the same step that the deputy State fire marshal occupied before promotion; however, if the step that the deputy State fire marshal occupied before promotion is higher than that held by a deputy State fire marshal who is already in the rank and has equal or higher total service time, on promotion, the deputy State fire marshal is entitled only to the pay specified for the new rank in the next lower step than the deputy State fire marshal occupied before promotion.

Fuel Security

Among its duties, the Maryland Energy Administration must collect, analyze, and evaluate statistics and information related to energy use, conservation, consumption, and energy production and coordinate information related to energy resources with specified State entities. The Administration is also responsible for aspects of the State's preparedness for, and management of, general energy emergencies and shortfalls.

Senate Bill 719 (passed) establishes a State Fuel Security Program, administered and enforced by the Maryland Energy Administration (MEA), and authorizes certain collection, analysis, and distribution of energy-related data by MEA to carry out the program. The program applies to (1) motor gasoline; (2) middle distillate; (3) propane; (4) residual fuel, except as specified; and (5) aviation gasoline. To carry out the program, MEA is authorized to collect energy-related data to inform its evaluations and decisions regarding energy, as well as those of State and federal agencies and the public. MEA must (1) when feasible, provide an analysis of the availability of various energy resources, including a forecast of the future demand for and availability of those resources and (2) coordinate with the Maryland Department of Emergency Management to develop an information distribution plan to disseminate energy-related information to the general public and relevant State and federal agencies.

Governor's Office of Crime Prevention, Youth, and Victim Services

Sexual Assault Collection Kits

Senate Bill 615/House Bill 759 (both passed) require the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) to establish and administer a reporting program for tracking the location, status, and chain of custody of sexual assault evidence collection kits. Related requirements are established for law enforcement agencies and others that have control or possession of such kits. GOCPYVS must adopt regulations relating to the reporting program, as specified. The bills also clarify that the existing Rape Kit Testing Grant Fund may be used for equipment, supplies, personnel, and outsourcing necessary for the testing of kits collected before or after the establishment of the fund.

Protecting Against Hate Crimes Grant Fund

Senate Bill 840 (passed) establishes the Protecting Against Hate Crimes Grant Fund, a special fund administered by the Executive Director of the GOCPYVS, to make grants to nonprofit organizations, including faith-based organizations, to provide security enhancements to protect against hate crimes. For fiscal 2025 and each fiscal year thereafter, the Governor may include in the annual budget bill an appropriation of \$5 million to the fund.

The Executive Director of GOCPYVS must (1) establish and publish procedures for the distribution of grants; (2) set aside a minimum of \$1 million each year for grants to faith-based organizations to increase security measures against faith-based hate crimes, with priority given to applicants that can demonstrate a high prevalence of hate crimes against members of and institutions representing the applicant’s faith; and (3) report to the General Assembly on the distribution of funding before September 1 each year.

Corrections

Terminology

Senate Bill 293 (passed) requires the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, to replace any instance of the term “inmate” in statute with the term “incarcerated individual.” The term “inmate” is currently defined in the Correctional Services Article as “an individual who is actually or constructively detained or confined in a correctional facility.”

Miscellaneous

Elevator Inspections

Senate Bill 198/House Bill 505 (both passed) expand the applicability of specified registration and final inspection requirements for elevators to include newly installed elevators in privately owned single-family residences. Generally, the owner or lessee of each privately owned single-family elevator installed on or after October 1, 2023, must register the elevator with the Commissioner of Labor and Industry 60 days prior to its planned completion and before it is placed in service. The commissioner must conduct a final acceptance inspection on completion of the installation, modification, or alteration of such an elevator unit before it is placed in service. Owners of elevators in privately owned single-family residences do not need to reregister their elevators following initial certification, as otherwise required under existing law.

Food Insecurity

Chapters 724 and 725 of 2021 established the Maryland Food System Resiliency Council. The Council is required to meet regularly for at least 2 years to address food insecurity in the State. *Senate Bill 124/House Bill 32 (both passed)* establish that the Council is in the Office of Resilience within the Maryland Department of Emergency Management. The bills also repeal the

requirement that the elected cochair of the Council be one of the five food council organization representatives on the Council and adds a representative of the seafood industry as a member of the Council.

Criminal History Records Checks

In general, employees and employers who work in specified facilities and who care for or supervise children are required to apply for a national and State criminal history records check at any designated law enforcement office in the State or other location approved by the Department of Public Safety and Correctional Services. The Department has advised that it has been notified by the Federal Bureau of Investigation that certain provisions within the Family Law Article regarding checks are not in compliance with federal requirements. In addition, according to the Department, it has been informed by the Department of Human Services that certain requests for national background checks have been denied because of the existing statutory language not meeting federal requirements.

House Bill 1300 (passed) brings the relevant provisions of the Family Law Article into compliance with federal requirements by (1) specifying that a facility (instead of the employee or other individual) must apply to the Department of Public Safety and Correctional Services or the Central Repository for a national and State check for an employee or other individual; (2) specifying that, in accordance with provisions of the Criminal Procedure Article, the Central Repository must forward criminal history record information to the employee, employer, individual, or volunteer and the authorized agencies, as specified; (3) repealing an authorization for a local department of social services to request that a location other than a designated State or local law enforcement agency perform a federal name-based check for specified individuals when a child is placed in an emergency out-of-home placement; and (4) requiring a child to be removed immediately from an emergency out-of-home placement if an individual who is required to submit a name-based check refuses to submit the follow-up fingerprints.

Part F

Courts and Civil Proceedings

Judges and Court Administration

Circuit Court Judgeships

To support the General Assembly's role in establishing new judgeships, the Chief Justice of the Supreme Court of Maryland annually certifies to the General Assembly the need for additional judges in the State. The Judiciary uses best practices developed by the National Center for State Courts to calculate judicial need, which take into account the amount of judicial work generated on average per case filing within each distinct case type. Although a projected need of seven additional judges throughout the State was indicated in the fiscal 2024 certification, the Judiciary requested only one judge position in Baltimore County, as it was deemed to be in most critical need of judicial resources. *Senate Bill 342/House Bill 555 (both passed)* implement this request by adding an additional judgeship in Baltimore County, thereby increasing the number of resident circuit court judges in the county to 21.

Circuit Court and District Court Administration

Service Charge for Dishonored Checks

A circuit court, or the District Court in any motor vehicle, criminal, or civil case, may impose a service charge for a dishonored check, which is in addition to any other penalty prescribed by law. *Senate Bill 99/House Bill 66 (both passed)* increase, from \$10 to \$30, the amount of the service charge that may be imposed.

Clerks of the Circuit Courts – Civil Commissions

Statutory provisions specify the duties of a clerk of a circuit court regarding appointments to civil commissions. Existing provisions require, when the Governor issues a civil commission and the Secretary of State delivers the commission to the clerk of a circuit court, the clerk to immediately deliver the commission to the person to whom the commission is directed and who

applies for the commission. The clerk of a circuit court must then report to the Secretary of State, at least once a month, the name and office of each officer who has taken an oath before the clerk. *Senate Bill 67 (passed)* codifies existing practice by instead (1) requiring the appointee to contact the clerk to coordinate a time and place for the clerk to administer the appointee's oath of office and present the commission and (2) requiring regular reports to the Secretary of State instead of reports at least once a month. The bill also repeals various obsolete references.

Recording Fees – Restitution Orders

A judgment of restitution entered by a court may be enforced by the person, governmental unit, or third-party payor to whom the restitution obligor has been ordered to pay restitution in the same manner as a money judgment in a civil action. If a person or governmental unit (to whom a restitution obligor has been ordered to pay restitution) records and indexes an order of restitution as a money judgment in the court in which the judgment of restitution was issued, that court may not assess costs on the person or governmental unit for recording and indexing the order. *Senate Bill 385/House Bill 591 (both passed)* expand this prohibition against assessing costs to apply regardless of the court in which the judgment of restitution was issued.

Circuit Court Real Property Records Improvement Fund

The Circuit Court Real Property Records Improvement Fund supports all personnel and operating costs within the land records offices of the clerks of the circuit court. Among other items, the fund also supports the Judiciary's major information technology development projects. Revenues for the fund are generated through a recordation surcharge on all real estate transactions and other specified court surcharges.

Senate Bill 277 (passed) authorizes the Judiciary to transfer up to \$12 million of the fiscal 2023 general fund appropriation for the Judiciary to the Circuit Court Real Property Records Improvement Fund on or before June 30, 2023. Any amount transferred is prohibited from reverting to the general fund. For a discussion of other provisions included in *Senate Bill 277*, please see the subpart "Real Property" within this part of this *90 Day Report*.

Civil Actions and Procedures

Civil Actions for Child Sexual Abuse (Child Victims Act)

In response to growing recognition of the long-term impact of child sexual abuse, several states and the District of Columbia have enacted laws that specifically address the statute of limitations to recover damages stemming from this type of abuse. Chapters 12 and 656 of 2017 established that an action for damages arising out of an alleged incident or incidents of sexual abuse that occurred while the victim was a minor must be filed (1) at any time before the victim reaches the age of majority or (2) within the later of 20 years after the date on which the victim

reaches the age of majority or 3 years after the date that the defendant is convicted of a crime relating to the alleged incident or incidents under § 3-602 of the Criminal Law Article (sexual abuse of a minor) or the laws of another state or the United States that would be a crime under § 3-602 of the Criminal Law Article.

Chapters 12 and 656 of 2017 also specified that in an action brought more than seven years after the victim reaches the age of majority, damages may be awarded against a person or governmental entity that is not the alleged perpetrator of the sexual abuse only if (1) the person or governmental entity owed a duty of care to the victim; (2) the person or governmental entity employed or exercised some degree of responsibility or control over the alleged perpetrator; and (3) there is a finding of gross negligence on the part of the person or governmental entity. “Alleged perpetrator” means the individual alleged to have committed the specific incident or incidents of sexual abuse that serve as the basis of an action arising from alleged sexual abuse.

Senate Bill 686/House Bill 1 (Chs. 5 and 6) repeal the provisions described above and establish that, notwithstanding any time limitation under a statute of limitations, a statute of repose, the Maryland Tort Claims Act, the Local Government Tort Claims Act, or any other law, an action for damages arising out of an alleged incident or incidents of “sexual abuse,” as defined under the Acts, that occurred while the victim was a minor may be filed at any time. However, no action for damages that would have been barred by a time limitation before October 1, 2023, may be brought if the alleged victim of abuse is deceased at the commencement of the action. The Acts must be construed to apply retroactively to revive any action that would have been barred by the statutory period of limitations applicable before October 1, 2023. In addition, the Acts repeal provisions from Chapters 12 and 656 of 2017 establishing that the existing statute of repose must be construed to apply both prospectively and retroactively to provide repose to defendants regarding actions that were barred by the application of the period of limitations applicable before October 1, 2017. The Acts express the intent of the General Assembly that any claim of sexual abuse that occurred while the victim was a minor may be filed at any time without regard to previous time limitations that would have barred the claim.

A party may appeal from an interlocutory order entered by a circuit court denying a motion to dismiss a claim if the motion is based on a defense that the applicable statute of limitations or statute of repose bars the claim and any legislative action reviving the claim is unconstitutional.

Except as provided under the Maryland Tort Claims Act, the Local Government Tort Claims Act, and specified provisions pertaining to county boards of education, the total amount of noneconomic damages that may be awarded to a single claimant in an action against a single defendant for injuries arising from an incident or occurrence that would have been barred by a time limitation before October 1, 2023, may not exceed \$1.5 million. If the liability of a local government, a county board of education, the State, or the State’s units arises under a claim of sexual abuse, the liability may not exceed \$890,000 to a single claimant for injuries arising from an incident or occurrence. The Acts increase the minimum comprehensive liability coverage county boards of education must carry under statute to reflect this \$890,000 liability limit with respect to sexual abuse claims. Consistent with existing statute, a county board of education may

raise the defense of sovereign immunity to any amount claimed above the limit of its insurance policy. If a county board of education is self-insured or a member of a public entity self-insurance pool, the board may raise the defense of sovereign immunity to any amount above \$890,000 to a single claimant for claims arising from each incident or occurrence if the liability of the board arises from a claim of sexual abuse.

Civil Actions – Hate Crimes

Senate Bill 5/House Bill 13 (both passed) authorize a person who is the victim of an act that would constitute a violation of the State’s hate crime laws to bring a civil action against the person or persons who committed the act. The court may issue an injunction to prevent or restrain an act that would constitute a violation of the State’s hate crime laws and award the following to a prevailing plaintiff: (1) economic damages and any other pecuniary loss sustained by the plaintiff that was proximately caused by the hate crimes violation; (2) noneconomic damages, as specified; and (3) reasonable attorney’s fees and court costs. Damages awarded by a court may be equal to three times the amount of actual damages. Noneconomic damages deriving from emotional distress and mental anguish may not include emotional distress or mental anguish caused solely by the need to replace or repair personal or real property. The availability of a civil remedy does not affect any legal or equitable right or remedy otherwise provided by law. The bills apply prospectively to causes of action arising on or after October 1, 2023.

Judicial Review

Public Service Commission

The Public Service Commission supervises and regulates public service companies subject to its jurisdiction to (1) ensure their operation in the interest of the public and (2) promote adequate, economical, and efficient delivery of utility services in the State without unjust discrimination. Among its duties, the commission adjudicates disputes related to public service companies. A party dissatisfied with a final decision or order of the commission may seek judicial review of the decision or order. Currently, a proceeding for this judicial review must be instituted in the circuit court in which the public service company operates or in the Circuit Court for Baltimore City. *House Bill 914 (passed)* specifies that a proceeding for judicial review of a final decision or order by the Public Service Commission must be instituted in a circuit court for a county in which the public service company that is a party to the proceeding provides service or in the Circuit Court for Baltimore City.

Public Information Act Compliance Board

Maryland’s Public Information Act 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. The Public Information Act Compliance Board reviews and resolves complaints related to disputes that arise under the Public Information Act. *House Bill 1051 (passed)* (1) authorizes an applicant (defined as a person or governmental unit that asks to inspect a public

record) to appeal a decision by the State Public Information Act Compliance Board and (2) specifies that for certain complaints involving allegations that an applicant’s request or pattern of requests is frivolous, vexatious, or in bad faith, an appeal must be filed in the circuit court for the county where the applicant resides or has a principal place of business. The bill also authorizes a party who is aggrieved by a final judgement of a circuit court in a proceeding for judicial review of a decision issued by the board to appeal to the Appellate Court of Maryland, as specified.

Judgments

Judgment Collection

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. *House Bill 127 (passed)* prohibits the District Court, in a small claims action (a civil action in which the amount in controversy does not exceed \$5,000), from (1) ordering an individual to answer interrogatories in aid of execution of a money judgment or (2) ordering the appearance of an individual for an examination in aid of enforcement of a money judgment.

Exemptions from Execution

Under current law, a debtor may exempt up to \$6,000 in cash or property of any kind from execution on a money judgment if an election to exempt the property or money is made within 30 days from the date of attachment or levy by the sheriff. *Senate Bill 106/House Bill 42 (both passed)* exempt from execution on a money judgment, without election by the judgment debtor, up to \$500 in a deposit account or other account of a judgment debtor held in a “depository institution,” as defined under the bills. The cumulative value of cash and property exempted under the bills’ exemption and the existing election-based exemption may not exceed \$6,000. A writ of garnishment issued for a deposit account or other account held by a depository institution must instruct the garnishee that, subject to additional exemptions, the garnishee is to garnish only the amount exceeding the amount exempted without election of the debtor. A depository institution may not be liable to the judgment creditor for actions taken in good faith reliance on these instructions. The bills also establish procedures a depository institution must follow on receipt of a writ of garnishment or other levy or attachment. The bills apply prospectively only to any writ of garnishment or writ of execution issued on or after October 1, 2023.

Family Law

Divorce

A court may grant an absolute divorce on the ground of mutual consent only in specified circumstances, including that the parties have submitted to the court a written settlement agreement that resolves all issues relating to alimony; the distribution of property; and the care, custody, access, and support of minor or dependent children. Otherwise, most spouses who wish to obtain an absolute divorce (absent existing fault-based grounds, such as adultery, desertion, or cruelty of treatment) must first live separate and apart without cohabitation for at least one year.

Senate Bill 36/House Bill 14 (both passed) generally simplify the initiation of divorce proceedings by repealing most existing grounds for an absolute divorce and instead authorizing a court to grant an absolute divorce based on the grounds of (1) six-month separation, if the parties have lived separate and apart for six months without interruption before the filing of the application for divorce or (2) irreconcilable differences based on the reasons stated by the complainant for the permanent termination of the marriage. The bills specify that parties who have pursued separate lives must be deemed to have lived separate and apart for purposes of the six-month separation even if the parties reside under the same roof or the separation is in accordance with a court order. The bills do not alter the ability of parties to be granted an absolute divorce based on the ground of mutual consent. Finally, the bills also repeal existing provisions that authorize a court to grant a limited divorce (a type of divorce that does not sever the marriage but can, among other things, address issues of custody, visitation, child support, alimony, and use and possession of a family home).

Child Custody

Maryland Child Abduction Prevention Act

The U.S. Department of Justice has previously reported over 200,000 incidents per year of children being taken by family members in violation of a custody agreement or a family member failing to return a child at the end of a visit. The Uniform Child Abduction Prevention Act (UCAPA), as promulgated by the Uniform Law Commission, is intended to provide courts and parties with tools to prevent unlawful abductions, both nationally and internationally.

Senate Bill 383/House Bill 267 (both passed) generally adopt the provisions of UCAPA by authorizing a court to order abduction prevention measures in a child custody proceeding if the court finds that the evidence establishes a credible risk of abduction of the child. A party to a child custody determination or another individual or entity having standing, as specified, may file a petition seeking abduction prevention measures to protect the child.

In determining whether there is a credible risk of abduction, the court must consider certain factors, including (among other items), any evidence that the petitioner or respondent (1) has previously abducted or attempted to abduct the child; (2) has threatened to abduct the child; (3) has

recently engaged in activities that may indicate a planned abduction; or (4) has used multiple names to attempt to mislead or defraud. The court is required to consider any evidence that the respondent believed in good faith that the respondent's conduct was necessary to avoid imminent harm to the child or respondent and any other evidence that may be relevant to whether the respondent may be permitted to remove or retain the child.

If, at a hearing, the court finds a credible risk of abduction to the child, the court must enter an abduction prevention order that includes provisions that are reasonably calculated to prevent abduction of the child, as specified, giving due consideration to the custody and visitation rights of the parties. Among other provisions, abduction prevention measures may include travel-related restrictions, such as a prohibition on the respondent applying on behalf of the child for a passport, and conditions on the exercise of custody or visitation, such as a requirement for supervised visitation.

The bills also authorize a court to issue an *ex parte* warrant for physical custody of the child if the court finds that there is a credible risk of abduction and establishes related requirements and procedures.

Proposed Relocation of a Child

Generally, in any custody or visitation proceeding, the court may include as a condition of a custody or visitation order a requirement that either party provide advance written notice of at least 90 days to the court and/or the other party of the intent to relocate the permanent residence of the party or the child either within or outside the State. If either party files a petition regarding a proposed relocation within 20 days of the written notice, the court must set a hearing on an expedited basis.

To further help ensure that, if necessary, a party whose access to a child may be affected by a proposed relocation can obtain prompt judicial intervention, *Senate Bill 42/House Bill 440 (both passed)* require a court to set a hearing on a petition regarding a proposed relocation of a child that would significantly interfere with the other parent's ability to maintain the predetermined parenting time schedule on an expedited basis.

Child Abuse and Neglect

Senate Bill 653/House Bill 232 (both passed) alter the definition of "neglect" in statutory provisions that govern child in need of assistance proceedings. The bills specify that neglect does not include the use of cannabis by any parent or individual who has permanent or temporary care or custody or responsibility for supervision of the child unless, as a result of the use of cannabis (1) the child's health or welfare is harmed or placed at substantial risk of harm or (2) the child has suffered mental injury or been placed at substantial risk of mental injury.

Child Support

According to the Child Support Administration within the Department of Human Services, existing law is ambiguous regarding the extent to which settlements from workers' compensation claims awarded to noncustodial parents may be garnished to pay child support arrearages. *Senate Bill 71/House Bill 800 (both passed)* specify that 25% of the net recovery by a debtor on a claim for workers' compensation indemnity benefits is subject to execution on a judgment for a child support arrearage, including any weekly benefits or settlement proceeds payable to the debtor. The bills also specify that for the purpose of executing on a judgment for a child support arrearage, "net recovery" means the sum of money to be distributed to a debtor after deduction of attorney's fees, expenses, medical bills, and satisfaction of any liens or subrogation claims arising out of the claims for personal injury, including those arising under a workers' compensation insurance plan.

Human Relations

Civil Rights Enforcement – Powers of the Attorney General

The Maryland Commission on Civil Rights (MCCR) is the independent State agency charged with the enforcement of laws prohibiting discrimination in employment, housing, public accommodations, and State contracting. However, MCCR lacks jurisdiction over other types of civil rights violations, including those involving education and voting rights. According to the Office of the Attorney General (OAG), more than 20 other states' Attorneys General have some form of authority to enforce civil rights laws. *Senate Bill 540 (passed)* grants the Attorney General the power to investigate, prosecute, and remediate any conduct that constitutes a civil rights violation. However, the Attorney General may not bring a civil rights action (1) on behalf of an individual; (2) against a political subdivision; (3) against any unit of State or local government; or (4) against any employee or agent of a political subdivision or unit of State or local government who is acting under the color of law. A civil rights violation is defined as an act of discrimination prohibited under the U.S. Constitution, the Maryland Constitution, or State or federal law.

Prior to initiating a civil action, OAG must conduct a preliminary investigation to determine whether there is reasonable cause to believe that any person committed a civil rights violation. During any examination, investigation, or hearing, OAG may subpoena witnesses, administer oaths, examine individuals under oath, and compel the production of documents. Under specified circumstances, the Attorney General may intervene in a civil action concerning an alleged civil rights violation. The bill establishes related procedures.

The Attorney General may obtain specified remedies, including restitution, a permanent or preliminary injunction, and civil penalties. Civil penalties authorized by the bill are recoverable by the State in a civil action and must be deposited into the Civil Rights Enforcement Fund, as established under *Senate Bill 540*. The purpose of the fund is to provide funding for civil rights

enforcement activities of the Attorney General and MCCR, as well as related education and community outreach.

Among other provisions, the bill also requires the Attorney General and MCCR to coordinate and make referrals to minimize and eliminate duplication of effort and promote collaboration in areas of overlapping jurisdiction. General fund expenditures are estimated to increase by at least \$1.0 million annually to implement the bill; the fiscal 2024 budget includes \$1.0 million in funding for the bill.

Discrimination in Housing – Service Dogs

In general, State law prohibits housing discrimination because of race, sex, color, religion, national origin, marital status, familial status, sexual orientation, gender identity, source of income, or disability. Under State and federal law, landlords are required to provide reasonable accommodations for tenants with disabilities, which may include, for example, making an exception to a general policy of not allowing pets so that a service animal may reside with its owner. However, those protections cease to apply when a service animal retires from service.

Senate Bill 535/House Bill 608 (both passed) prohibit discriminatory practices in the sale or rental of a dwelling against an individual with a disability who has or obtains a service dog or retains the individual’s former service dog after its retirement from service. Such individuals (1) must be exempt from any provision in a lease or rental agreement prohibiting the keeping of dogs; (2) may not be required to pay any additional rent or fee for the individual’s service dog or former service dog; (3) may keep the individual’s former service dog in the dwelling for the life of the service dog after its retirement from service; and (4) must be liable for any damage done to the premises by the individual’s service dog or former service dog. A “service dog” is defined as a dog that is individually trained to do work or perform tasks for the benefit of an individual with a disability. “Service dog” does not include a dog that (1) as a result of the animal’s presence, is meant to deter crime or (2) provides only emotional support, well-being, comfort, or companionship to an individual.

Maryland Lynching Truth and Reconciliation Commission

Originally established by Chapter 41 of 2019, the Maryland Lynching Truth and Reconciliation Commission must (1) hold public regional hearings in areas where a lynching of an African American by a White mob has been documented; (2) receive recommendations from the public, including from families and communities affected by racially motivated lynchings, for addressing, engaging, and reconciling affected communities, including the erection of memorial plaques or signage at or near sites of racially motivated lynchings; and (3) make recommendations for addressing the legacy of lynching that are rooted in the spirit of restorative justice. *Senate Bill 478/House Bill 339 (Chs. 11 and 12)* extend, from June 30, 2024, to June 30, 2026, the termination date for the commission. The Acts also extend until December 1, 2025, the deadline by which the commission must submit a final report of its findings and recommendations to the Governor and General Assembly.

Real Property

Access to Counsel in Evictions Special Fund

Senate Bill 756 (passed) extends, through fiscal 2027, the requirement for (1) the Comptroller to distribute \$14 million from the State's Unclaimed Property Fund to the Access to Counsel in Evictions Special Fund and (2) the Governor to include in the annual budget bill for each associated fiscal year an appropriation of \$14 million from the Access to Counsel in Evictions Special Fund to the Maryland Legal Services Corporation.

Landlord and Tenant

Actions to Repossess Residential Rental Property – Proof of Rental Licensure

Senate Bill 100/House Bill 36 (both passed) require a landlord (in a jurisdiction that requires licensure) when filing a written complaint to repossess residential property to plead with supporting facts, in a form prescribed by the Judiciary, that the property is either (1) licensed in compliance with applicable local rental licensing requirements; (2) exempt from applicable local rental licensing requirements; or (3) unlicensed for specified reasons. These requirements are generally applicable on the filing of a failure to pay rent, tenant holding over, or breach of lease action (subject to a limited exception for circumstances involving a clear and imminent danger). At trial, the landlord must demonstrate by a preponderance of the evidence that the property is licensed, exempt, or unlicensed for specified reasons. A landlord may provide electronic proof of licensure to satisfy the requirement.

Actions to Repossess Real Property – Pet Protections

House Bill 102 (passed) establishes procedures to protect domesticated cats and dogs when property is repossessed in failure to pay rent, breach of lease, tenant holding over, and wrongful detainer actions. The procedures are applicable to actions filed on or after November 1, 2023. By October 1, 2023, the Maryland Department of Agriculture (MDA) must develop and publish on its website a fact sheet on the care and protection of pets in the event of an eviction or loss of possession of property. On or after November 1, 2023, when executing a lease with a tenant, a landlord must include with the lease a link to MDA's fact sheet if the landlord knows that a tenant possesses a pet. The Judiciary must provide a link to the fact sheet with any warrant issued under failure to pay rent, tenant holding over, breach of lease, and wrongful detainer actions, as specified. The bill also directs sheriffs, constables, or other officials to take specific actions regarding pets when restoring possession of a premises to a landlord or complainant.

Rent Increases – Notice

House Bill 151 (passed) requires a landlord, before increasing a tenant's rent, to send written notice of the rent increase to the tenant by first-class mail with a certificate of mailing or by specified electronic delivery if the tenant elects to accept electronic delivery. Electronic

delivery includes through an email message, text message, or electronic tenant portal. The electronic delivery method must provide the landlord with proof of transmission of the notice. A landlord may not (1) condition the acceptance of a lease application on the tenant's election to receive such notices by electronic delivery or (2) use a lease that requires the tenant to accept notice of rent increases by electronic delivery. The bill further specifies additional requirements regarding the timing of the notice that depend on the type of tenancy. The bill specifies that these provisions do not affect or supersede any local law or ordinance that requires additional notice or provides additional tenant protections. The provisions are also not applicable to landlords who have provided written notice of the intent to terminate a tenancy, as required under existing statutory provisions.

Prohibited Lease Provisions and Retaliatory Actions

Senate Bill 450/House Bill 215 (both passed) prohibit a landlord from including provisions in a lease or form of lease that (1) limit the ability of a tenant to summon the assistance of law enforcement or emergency services or penalize a tenant solely for doing so or (2) penalize a tenant for the actions of another individual solely because the individual summoned the assistance of law enforcement or emergency services. A landlord is also prohibited from taking specified retaliatory actions solely because the tenant or another individual summoned the assistance of law enforcement or emergency services to the property.

Common Ownership Communities

Property Insurance for Condominium Units

In general, condominiums must carry property insurance on the common elements and units, exclusive of improvements and betterments installed in units by unit owners. For purposes of this requirement, statute does not distinguish between attached or multifamily dwelling units and detached units. *House Bill 98 (passed)* alters this requirement by specifying that mandatory property insurance for condominiums, as required under existing law, must generally cover (1) the common elements and units, exclusive of improvements and betterments installed in units by unit owners (for attached or multifamily dwelling units only) and (2) the common elements only (for detached units). The bill makes other alterations to requirements regarding mandatory insurance for condominiums, including further specifying provisions that are applicable only to attached or multifamily dwelling units. Finally, the bill requires owners of residential, detached condominium units to carry homeowners insurance on the entirety of the unit.

Real Property Transactions and Ownership of Real Property

Distribution of Trust Money by a Real Estate Broker or Escrow Agent

“Trust money” is a deposit made by a purchaser in connection with a residential real estate sales transaction that the purchaser delivers to an escrow agent to hold for the benefit of the purchaser and the seller. *Senate Bill 651 (passed)* requires that if a purchaser terminates a

residential real estate contract under the terms of a contingency clause, a real estate broker or an escrow agent must distribute trust money (in accordance with existing statutory provisions) to the purchaser after (1) the purchaser provides written notice of a request for the return of the trust money to the holder of the trust money and the seller and (2) specified procedures are satisfied.

Mobile Home Parks and Manufactured Homes – Relocation Plans and Sales of Communities

Senate Bill 746/House Bill 23 (both passed) establish that an owner of a manufactured housing community, including a mobile home park, must comply with specified requirements when accepting an offer to buy a community. Certain potential sales are exempt from the requirements of these bills.

The bills also require DHCD to maintain on its website a list of organizations and county housing agencies that are able to assist homeowners with financing for the purchase of a manufactured housing community. A homeowners organization may assign its rights to a local government, housing authority, nonprofit with expertise relating to housing, or the State or an agency of the State for the purpose of continuing the use of the community as a manufactured housing community that will provide affordable housing.

Additionally, *Senate Bill 746/House Bill 23* expand certain requirements relating to relocation assistance plans for mobile home park residents. If a mobile home park with more than 10 sites (reduced from more than 38 sites under existing statute) is closed, the relocation assistance paid to each household shall equal the amount of rent for the premises for the 12 months (increased from 10 months under existing statute) immediately preceding the date the resident vacates the premises, excluding taxes and utilities.

Sheriff's Sales

Senate Bill 277 (passed) establishes that a sheriff's sale of real property extinguishes any subordinate lien or interest on the land subject to the sale. The bill also specifies that existing provisions relating to statutory exemptions from execution on a money judgment do not impair a lien on land affected by a judgment in favor of a local government for real property maintenance violations or nuisance condition violations that is indexed and recorded in accordance with the Maryland Rules. Finally, *Senate Bill 277* authorizes the Judiciary to transfer of up to \$12 million of the fiscal 2023 general fund appropriation for the Judiciary to the Circuit Court Real Property Records Improvement Fund on or before June 30, 2023. Any amount transferred is prohibited from reverting to the General Fund.

Ground Leases

Under a ground lease, a tenant makes periodic monetary payments (ground rent) to a ground lease holder in return for the right to dwell on the property (use of the land). The tenant's property interest is a leasehold estate that is personal – not real – property. The lease holder retains

a reversionary interest in and fee simple title to the land. The State Department of Assessments and Taxations (SDAT) maintains an electronic registry of ground leases registered in the State.

Billing and Collection of Ground Rents

Senate Bill 194/House Bill 118 (both passed) enhance notice and billing requirements, as applicable, when (1) a ground lease holder brings an action for possession for nonpayment of ground rent; (2) a ground lease holder seeks payment of ground rent; and (3) a ground lease is transferred. SDAT must develop and make available online form notices and bills that ground lease holders are required to use. A ground lease holder is prohibited from requiring a leasehold tenant to reimburse the holder for costs incurred by the holder in meeting the requirements of the bills. Under the bills, a leasehold tenant of a property that is not registered with SDAT may not be required to hold more than three years of ground rent in escrow for the unregistered ground lease. Finally, *Senate Bill 194/House Bill 118* include a declaration by the General Assembly that it is in the public interest for ground rents to be redeemed. The bills also express the intent of the General Assembly that SDAT use its ground rent redemption program to assist in the redemption of ground rents.

Senate Bill 193/House Bill 92 (both passed) establish that a ground lease or an amendment is not registered until the ground lease or amendment is posted on the online registry maintained by SDAT. Additionally, the bills establish a process for a leasehold tenant to challenge and bring an action against a ground lease holder who collects or attempts to collect any ground rent payments, late fees, interest, collection costs, or other expenses relating to a ground lease that is not properly registered with SDAT (as required under existing statute). The bills authorize a leasehold tenant, who believes that a ground lease holder has collected or attempted to collect specific expenses related to ground rent in violation of these provisions, to submit to SDAT an affidavit and any supporting documents evidencing the factual basis for the tenant's beliefs. The bills establish corresponding procedures, including notices SDAT must send and the opportunity for a ground leaseholder to submit a counter-affidavit. Following review of the affidavits and supporting documents (and any timely submitted counter-information), SDAT may make a final decision on whether the ground lease holder violated the restrictions on collection efforts.

If SDAT reasonably believes that the ground lease holder violated the restrictions on collection efforts, SDAT may void a ground lease registration or amendment unless the ground lease holder files an action in circuit court within 45 days after the date of the notice. A ground lease registration or amendment that has been voided by SDAT is prohibited from being considered registered. If SDAT reasonably believes that the ground lease holder did not violate the restrictions on collection efforts, SDAT must advise that it will take no further action unless the leasehold tenant files an action in circuit court within 45 days after the date of the notice. An individual who files an action must mail a copy of the complaint to SDAT within 45 days after the date of the notice of the decision issued by SDAT. If SDAT does not receive a copy within this timeframe, SDAT must take action in accordance with its final decision.

Among other things, the cause of action established under the bill must be filed in the appropriate circuit court and include as a party all persons that received a notice from SDAT. However, SDAT may not be joined as a party. If the court determines that the ground lease holder has violated the provisions regarding collection actions without proper registration, the court must enter an order requiring SDAT to void the appropriate registration/amendment in its records and the prevailing party must provide a copy of the order to SDAT. SDAT must promptly comply and enter a notation in its records that the relevant registration/amendment is void under a court order. If the court determines that the ground lease holder is not in violation, the court must enter an order that the collection/attempted collection that was the subject of the complaint was not unlawful and the holder must provide a copy of the order to SDAT.

Redemption and Extinguishment of Ground Rents

Senate Bill 196/House Bill 93 (both passed) repeal statutory provisions that prohibit a leasehold tenant from providing specified documentation and payment to SDAT earlier than 90 days after an application for redemption or extinguishment of a ground rent has been posted on the SDAT website. The bills further specify that SDAT must issue to a leasehold tenant a ground rent redemption or extinguishment certificate, as appropriate, when (1) notice that application has been made to redeem or extinguish the ground rent has been posted for at least 90 days to SDAT's website and (2) SDAT has received specified documentation, fees, and any required payment amounts, as applicable.

Unlawfully Restrictive Covenants – Modification by Counties or Municipalities

While unconstitutional and thus unenforceable, covenants that restrict the ownership of real property based on race, religious belief, or national origin persist in land records. *Senate Bill 335/House Bill 182 (both passed)* authorize a county or municipality to execute and record a restrictive covenant modification to an unlawfully restrictive covenant if the subject property is within the boundaries of the county or municipality and, at least 30 days before executing and recording the restrictive covenant modification, the county or municipality provides written notice of the county's or municipality's intent to all persons with an ownership interest in the property. A person with an ownership interest in the property may decline to have the modification executed and recorded by notifying the county or municipality within 30 days after the date of the required notice.

Residential Property Service Agreements

Senate Bill 579 (passed) prohibits, with specified exceptions, a service agreement to provide an individual with services for the maintenance of residential property that the individual owns or services for the purchase or sale of residential property (or part of a such an agreement) from (1) being effective for more than one year; (2) purporting to run with the land or bind subsequent *bona fide* purchasers; (3) purporting to create a lien, encumbrance, or security interest

on the residential property of a party to the service agreement; or (4) allowing the service provider to assign or transfer the right to provide services under the service agreement to another person without notice or the consent of a party to the service agreement. A violation by a service provider is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA) and is subject to MCPA’s civil and criminal provisions. The bill also prohibits the submission of a prohibited service agreement for recordation by a clerk of a circuit court and establishes criminal penalties for a violation. The bill’s prohibitions only apply to service agreements entered into on or after June 1, 2023.

Estates and Trusts

Electronic Filing and Signatures

In general, the register of wills in each of the State’s 24 jurisdictions 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.

Senate Bill 253/House Bill 244 (both passed) require a register of wills to accept any document, except an original will, that is filed electronically through a system established by the register and in accordance with the Maryland Rules. However, the bills do not prohibit the filing of a document in paper form with a register. The bills also prohibit a register from refusing to accept any document based on the manner in which it was signed. For the purposes of the bills, “sign” means, with present intent to authenticate or adopt a record, to (1) execute or adopt a tangible symbol or (2) attach to or logically associate with the record an electronic symbol, sound, or process.

Maryland Trust Decanting Act

While the Maryland Trust Act contains various provisions relating to the modification and termination of trusts and trustee duties, powers, and discretion, the Maryland Trust Decanting Act established by *Senate Bill 446/House Bill 687 (both passed)* allow for an authorized fiduciary (including a trustee) to exercise the decanting power, under specified conditions. “Decanting power” is the power of an authorized fiduciary to distribute property of a first trust to one or more second trusts or to modify the terms of a first trust. The bills must be construed to apply retroactively and must be applied to and interpreted to affect any trust created before, on, or after October 1, 2023, that has its principal place of administration in this State or is governed by the law of this State.

Registered Domestic Partnerships

Senate Bill 792 (passed) allows for registered domestic partnerships to have the same effect as marriage under various provisions of the Estates and Trusts Article of the Maryland Code. Among other things, it establishes (1) the requirements that must be met for a domestic partnership to be registered with the register of wills and how the domestic partnership may be terminated and (2) the benefits for which the surviving partner of a registered domestic partnership qualifies. The bill also removes certain terms from the definition of “child” under the Estates and Trusts Article and alters provisions governing the distribution of an intestate estate (an estate not distributed by a will).

Miscellaneous

Maryland General and Limited Power of Attorney Act

Current law provides two statutory form powers of attorney. One of the statutory forms (the Maryland Statutory Form Personal Financial Power of Attorney) provides an agent with broad authority as specified on the form, while the other statutory form (the Maryland Statutory Form Limited Power of Attorney) allows a principal to specifically indicate which of various powers are given to an agent.

Senate Bill 851/House Bill 18 (both passed) amend the Maryland Statutory Form Personal Financial Power of Attorney by, among other things, (1) granting an agent additional authority to take action on the principal’s behalf; (2) adding a warning to the principal about the potential effects of authority granted to the agent; and (3) adding information for the agent about the agent’s duties to the principal. The bills amend both the Maryland Statutory Form Personal Financial Power of Attorney and the Maryland Statutory Form Limited Power of Attorney to include specified authorization for an agent to perform the acts necessary to enable the principal to qualify for a governmental benefit or program. The bills also make related changes to a specified grant of authority and optional grants of specific authority in the Maryland Statutory Form Limited Power of Attorney regarding gifts and transfers and the creation and funding of specified trusts or accounts.

Affordable Life, Wills, and Estate Planning for Seniors Grant Program

The Maryland Legal Services Corporation (MLSC) was established by the General Assembly in 1982 to raise funds and make grants to nonprofit organizations for the provision of civil legal assistance to low-income persons in Maryland. *Senate Bill 351 (passed)* establishes the Affordable Life, Wills, and Estate Planning for Seniors Grant Program within MLSC to provide eligible seniors access to affordable legal services concerning primarily wills, powers of attorney, special needs trusts, advance health care directives, and life estate deeds. The program must provide (1) an intake method, which may include a referral hotline, to screen clients by eligibility and by legal need; (2) an outreach method for matching eligible clients to a grantee; and (3) a grant program to fund grantees representing eligible clients, particularly in rural

communities, when no other attorneys are readily available. The Governor must include a \$225,000 appropriation for the program in the annual State budget.

Part G

Transportation and Motor Vehicles

Transportation

Financial Planning and Capital Funding

Senate Bill 24 (passed) expands the authority of the Maryland Department of Transportation (MDOT) to issue additional bonds backed by future federal aid to fund specified transit (including the Baltimore Red Line) and highway projects (including improvements to the Interstate 81 corridor) under specified conditions. Specifically, MDOT may issue bonds backed by future federal aid as long as the aggregate outstanding and unpaid principal amount of debt issued does not exceed \$1.0 billion as of June 30 of any year. The bill also establishes the Maryland Commission on Transportation Revenue and Infrastructure Needs to review, evaluate, and make recommendations concerning specified transportation funding issues and related topics.

Transportation Equity

Senate Bill 19/House Bill 9 (both passed) require MDOT and the Maryland Transit Administration (MTA) to consider ways to achieve equity in transportation service to traditionally underserved communities in its major plans, operations, and goals, including the 2045 Maryland Transportation Plan. In addition, MDOT and MTA are required to conduct transit equity analyses and cost-benefit analyses in accordance with federal guidelines before announcing major transportation service changes or reducing or canceling capital expansion projects, as specified.

Senate Bill 511/House Bill 596 (both passed) establish the State Coordinating Committee for Health and Human Services Transportation in MDOT to study the needs of transportation disadvantaged individuals and to develop a coordinated, human services-related transportation system. In addition, the bills repeal the limits on annual funding for the Maryland Senior Rides Program and Job Access and Reverse Commute Program, which provide transportation for the elderly and residents in targeted employment areas, respectively.

Baltimore Regional Transit Commission

House Bill 794 (passed) establishes the Baltimore Regional Transit Commission to study, review, and make recommendations regarding public transit in the Baltimore region and to ensure that MTA plans and operations address the needs of residents and businesses in the area.

Transportation Project Funding

House Bill 677 (passed) reestablishes annual funding for the Pride of Baltimore II, a clipper ship based in Baltimore. Specifically, for fiscal 2024 through 2028, the Governor must include in the annual State budget an appropriation of \$500,000 from the Transportation Trust Fund (TTF) for the operation of the ship. The Pride of Baltimore II has sailed worldwide and serves as a goodwill ambassador for the State of Maryland.

Mass Transit

State Transit Fares

During the 2013 session, to address concerns that the State lacked adequate funding to build new transportation infrastructure, the General Assembly passed the Transportation Infrastructure Investment Act (Chapter 429 of 2013). Chapter 429 increased transportation funding by, among other things, increasing motor fuel taxes and requiring MTA to increase base fare prices beginning in fiscal 2015. Specifically related to MTA transit services, Chapter 429 requires fares to be adjusted every five years for commuter rail and commuter bus service and every two years for all other transit services based on the annual consumer price index (CPI) increase and other factors.

Senate Bill 617/House Bill 673 (both passed) repeal the requirement that MTA increase public transit base fares based on CPI; however, MTA may still increase or modify its transit fares as needed after a public hearing is held. The next mandated fare increase required by Chapter 429 was for fiscal 2024. From this increase and future mandated increases, MTA anticipated the following TTF revenues, which are foregone under the bills unless MTA chooses to otherwise increase its fares:

- \$6.9 million in fiscal 2024;
- \$7.1 million in fiscal 2025;
- \$18.1 million in fiscal 2026;
- \$17.6 million in fiscal 2027; and
- \$19.8 million in fiscal 2028.

Commuter Bus Procurement

In terms of procurement methods, State agencies can award contracts based on competitive sealed bids, which prioritize bids with the lowest price, or competitive sealed proposals, which allow awards based on factors other than the lowest price that may be more advantageous to the State. *Senate Bill 217/House Bill 472 (both passed)* require MTA to select commuter bus service providers in the State by using the competitive sealed proposal process rather than competitive sealed bids from applicants.

Local Transit Grants

MDOT provides funding to locally operated transit systems (LOTS) through a variety of federal and State programs. LOTS provide various fixed route and door-to-door transportation services for residents. *House Bill 1125 (passed)* codifies MDOT's existing LOTS Grant Program. Through the program, MDOT provides grants to jurisdictions for LOTS-related operating, capital, and planning expenses.

Transit Studies

Senate Bill 693/House Bill 1049 (both passed) require MTA to submit an annual report on assaults on public transit operators in the State who are (1) employed by MTA, the Washington Metropolitan Area Transit Authority, or a political subdivision of the State and (2) engaged in providing public transportation services, including bus, train, light rail, and subway services. The first report must be submitted by December 1, 2023, and include a review of best practices to prevent and reduce assaults on public transit operators.

Airports and Aviation

The Maryland Aviation Administration (MAA) develops aviation activity in the State and is responsible for the operation and maintenance of Maryland's State-owned airports, the Baltimore/Washington International Thurgood Marshall Airport, and Martin State Airport. MAA is governed by its executive director and the Maryland Aviation Commission (MAC).

Senate Bill 162 (passed) requires MAC, in carrying out its duties, to consider information and advice from additional stakeholders and consider the aviation, economic, business, environmental, health, and community-related impacts or any other impacts MAC finds relevant to its decisions and the decisions of MAA. The bill also (1) increases the number of voting members on MAC from 9 to 13 and modifies the appointment criteria; (2) requires commissioners to receive an orientation session relating to MAC's duties, as specified; and (3) subjects MAC to enhanced Open Meetings Act requirements, generally requiring, among other things, that all MAC meetings be live-streamed.

Motor Vehicles

Drunk and Drugged Driving

Grossly Negligent or Drunk or Drugged Operation of Vehicle or Vessel

Under the State Boat Act, a person may not operate or attempt to operate a vessel while under the influence of alcohol, impaired by alcohol and/or drugs, or impaired by a controlled dangerous substance (CDS). Violators may be charged with a misdemeanor and are subject to applicable criminal penalties, including fines and imprisonment. For a second or subsequent conviction, violators face heightened criminal penalties. State law also specifies that a person may not drive or attempt to drive any vehicle while under the influence of alcohol or alcohol per se, impaired by alcohol and/or drugs, or impaired by a CDS. A person convicted of one of these offenses is subject to higher maximum penalties when that person has specified prior convictions.

Senate Bill 74/House Bill 483 (both passed) establish that a conviction for specified drunk and drugged driving offenses constitutes a prior conviction for purposes of determining subsequent offender penalties for a person unlawfully operating or attempting to operate a vessel while under the influence of alcohol, impaired by alcohol and/or drugs, or impaired by a CDS. Vice versa, a conviction for unlawfully operating or attempting to operate a vessel while under the influence of alcohol, impaired by alcohol and/or drugs, or impaired by a CDS constitutes a prior conviction for purposes of determining increased subsequent offender penalties for specified drunk and drugged driving offenses. The bills also establish that a person convicted of specified drunk and drugged driving offenses is subject to increased subsequent offender penalties if the person has previously been convicted of manslaughter by vehicle or vessel (gross negligence).

Licensing and Registration

Vehicle Titles Issued to Surviving Spouse

A surviving spouse who is listed as a joint owner of a vehicle with the decedent is not charged a fee to obtain a new certificate of title for the vehicle. However, if the surviving spouse is not listed as a joint vehicle owner, the surviving spouse is charged a \$100 fee for a new title. *Senate Bill 705 (passed)* prohibits the Motor Vehicle Administration (MVA) from charging a fee for the issuance of a new certificate of title to a surviving spouse when the surviving spouse is not listed as a joint owner of the vehicle.

Commercial Driver's Licenses and Instructional Permits

MVA advises that in early 2022, the Federal Motor Carrier Safety Administration (FMCSA) adopted a change requiring drivers to receive additional training before taking the commercial skills test, which is required to receive a commercial driver's license (CDL). The additional training requirements have increased the overall amount of time required to obtain a CDL, and MVA notes that many drivers do not successfully complete all portions of the CDL

skills testing in the initial 180-day term. In those instances, instructional permit holders must obtain a new 180-day instructional permit, which requires the individual to pass a written knowledge skills test again. MVA reports the retesting requirement can sometimes discourage individuals from continuing the process.

Senate Bill 709 (passed) extends the term of a commercial driver’s instructional permit from 180 days to one year. The bill also exempts a holder of a CDL who applies for renewal from the requirement to pass a vision test if the individual has a current certificate of physical examination on file with MVA, as required under federal regulations.

Manufacturers and Dealers

MVA is responsible for regulating businesses that manufacture, distribute, sell, lease, and deliver motor vehicles in the State. Generally, to operate in one of these businesses, a person must first obtain a license from MVA and pay any applicable license fee.

Senate Bill 742 (passed) requires that any system operated by a manufacturer, distributor, or factory branch or its affiliate for the allocation of new vehicles to dealers be reasonable and fair for all dealers. On written request by a dealer, a manufacturer, distributor, or factory branch or its affiliate must disclose the method by which new vehicles are allocated to dealers of the same line make. In any dispute over compliance with the bill’s requirements, a manufacturer, distributor, or factory branch or its affiliate has the burden of proving its compliance.

Autonomous Vehicles

Autonomous vehicles are governed and regulated primarily at the federal level through plans and guidance developed by the U.S. Department of Transportation. Autonomous vehicles are not authorized to be operated on highways in the State.

Senate Bill 685/House Bill 806 (both passed) authorize an autonomous vehicle converter, as defined by the bills, to sell, transfer, lease, offer for sale, or resell a converted autonomous vehicle, also as defined by the bills, or a motor vehicle purchased by an autonomous vehicle converter with the intent to convert the motor vehicle into a converted autonomous vehicle. The bills apply only to motor vehicles intended for commercial or industrial use. An autonomous vehicle converter may not be licensed as a manufacturer, distributor, or factory branch or as a dealer.

Rules of the Road

Automated Enforcement Systems

Prince George’s County: House Bill 435 (passed) increases, from three to six, the number of speed cameras that Prince George’s County may use on Maryland Route 210. Under the bill, any such devices may be either mobile or stationary. The bill also extends the authorization for the

county to use speed cameras on Maryland Route 210 for an additional five years through September 30, 2028.

Talbot County: *House Bill 700 (passed)* authorizes the placement of one speed camera at the intersection of Maryland Route 333 (Oxford Road) and Bonfield Avenue in the Town of Oxford in Talbot County, subject to existing signage and placement requirements for speed cameras. The bill also requires a real-time display of a driver's traveling speed. From the fines collected as a result of violations enforced by the speed camera, any balance remaining after cost recovery must be remitted to the Comptroller for distribution to SHA to be used solely to assist in covering the cost of roadway and pedestrian safety improvements in and around the affected area. The bill terminates September 30, 2028.

Residential Districts: In Montgomery and Prince George's counties only, speed cameras may be used on a highway in a residential district with a maximum posted speed limit of 35 miles per hour. ***Senate Bill 679/House Bill 710 (both passed)*** expand this authorization to Anne Arundel County.

Operation of Golf Carts on Public Highways

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 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, in the Town of Vienna in Dorchester County, and on Hoopers Island and Taylors Island in Dorchester County.

House Bill 219 (passed) requires the St. Mary's County Board of County Commissioners to produce a report recommending and describing the areas of St. Mary's County that the board considers appropriate for the operation of unregistered golf carts on public highways, subject to specified standards. The report must include a detailed map of any areas the board considers appropriate for the operation of unregistered golf carts on public highways, including a delineation of all public highways contained within the area. By December 1, 2023, the board must submit the report to the House Environment and Transportation Committee, the Senate Judicial Proceedings Committee, and the St. Mary's County Delegation to the General Assembly.

Parking of Vehicles

Washington County: The Maryland Vehicle Law governs the stopping, standing, and parking of vehicles, with various restrictions applicable under certain circumstances or within certain jurisdictions. A local authority, in the reasonable exercise of its police power, may also regulate or prohibit the stopping, standing, or parking of vehicles on highways within its jurisdiction. Generally, a violation of the Maryland Vehicle Law is a misdemeanor that carries a fine of up to \$500. The amount of the prepaid fine for a violation of most provisions regulating stopping, standing, or parking is generally \$50, \$60, or \$70, depending on the specific violation. ***House Bill 1194 (passed)*** prohibits a person from parking certain vehicles in the Town of Sharpsburg in Washington County. The bill's restrictions, however, do not apply if the parking of

the vehicle is essential to its immediate use. Additionally, the bill does not apply to specified Class A (passenger) or Class E (truck) vehicles. Finally, the bill establishes more stringent enforcement provisions for certain types of vehicles and for vehicles parked for multiple days.

Citations: *House Bill 391 (passed)* requires a parking citation issued by a political subdivision, State agency, or third-party contractor authorized to conduct parking enforcement on behalf of a political subdivision or State agency to include a box that the person issued the citation may check to indicate that the registration plates cited were not issued for the vehicle described in the citation. If a person returns a citation with the box checked, a political subdivision, State agency, or third-party contractor must verify through MVA whether the person should be held liable for the violation and may contact the person as part of the verification process. If, after the verification process, the political subdivision, State agency, or third-party contractor finds that the person should not be held liable, the citation must be dismissed. The bill prohibits a person from submitting a citation with the box checked if the registration plates cited were issued for the vehicle described in the citation.

High-occupancy Vehicle (HOV) Lanes

The use of HOV lanes in Maryland is restricted by traffic control devices during specified times to vehicles carrying at least a specified number of occupants. State law does not exempt plug-in electric drive vehicles from the minimum occupancy requirements to use HOV lanes. As recently as September 30, 2022, however, plug-in electric drive vehicles with valid permits could use HOV lanes at all times regardless of the number of passengers in the vehicles.

House Bill 123 (passed) reestablishes the authorization for any plug-in electric drive vehicle for which a permit has been applied for and obtained from MVA, to use all HOV lanes at all times regardless of the number of passengers in the vehicle. MVA must charge a fee, not to exceed \$20, for issuing a permit. The bill terminates September 30, 2025.

Miscellaneous

Abandoned Vehicles

House Bill 262 (passed) authorizes a police department that takes an abandoned vehicle into custody to notify any secured party electronically, if that form of notice is agreed to by the police department, the tower, and the secured party in writing or by electronic communication.

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 to evaluate 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 Policy Analysis, the Director of the Office of Program Evaluation and Government Accountability (OPEGA), or by legislation. Many regulatory boards and commissions are subject to termination and therefore potentially subject to an evaluation if determined to be appropriate prior to termination. This session, legislation extended the termination dates of four occupational and professional licensing boards in the Maryland Department of Labor (MDL).

The State Board of Stationary Engineers was established in 2005 to create a licensing program to ensure that qualified individuals provide stationary engineer services to (1) protect the public; (2) provide for the safe operation of power plants, plants of machinery, and boilers; and (3) promote high professional standards. Under statute, “[p]rovide stationary engineer services means to oversee the operation of a power plant, plant of machinery, or boiler, each generating pressure of more than 15 psi and operating at 30 or more horsepower,” but “does not include overseeing the operation of a heating boiler.” *Senate Bill 717 (Ch. 31)* extends the termination date for the board by 10 years to July 1, 2034.

The State Board of Foresters licenses and regulates foresters to ensure the appropriate use of natural and timber resources, watershed protection, and the preservation of ecological systems and wildlife habitats. *Senate Bill 715 (Ch. 34)* extends the termination date for the board by 10 years to July 1, 2035.

The State Board of Architects qualifies and licenses individuals seeking architectural licensure. The board also issues permits to businesses practicing architecture. In addition, the board investigates complaints against licensees as well as complaints related to the unlicensed practice of architecture services. *House Bill 463 (passed)* extends the termination date for the board by five years to July 1, 2028.

Senate Bill 827/House Bill 90 (both passed) extend the termination date for the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors by three years to July 1, 2026. MDL must also hire a consultant to conduct an independent evaluation to determine if the commission is adhering to the most recent Uniform Standards of Professional Appraisal Practice's diversity, equity, and inclusion guidelines in its regulation of real estate appraisers and appraisal management companies in the State. The evaluation must be conducted in consultation with OPEGA and submitted to OPEGA, the Senate Finance Committee, and the House Economic Matters Committee by January 1, 2024.

Electricians

Under the Maryland Electricians Act, the State Board of Electricians grants licenses to master electricians, journey person electricians, and apprentice electricians who meet specified requirements. *House Bill 149 (passed)* makes several changes to the Maryland Electricians Act. Specifically, the bill (1) clarifies the entity that must approve a registered apprenticeship program for electricians; (2) substitutes the term "uninsured" for "inactive" in provisions of law relating to liability insurance requirements for master electricians; (3) prohibits certain persons from contracting to provide electrical services unless the work is covered by specified insurance; (4) delineates who is authorized and required to purchase insurance when providing electrical services; and (5) requires the State Board of Electricians to specify on each license whether the license holder meets the relevant insurance requirements.

Real Estate Brokers and Appraisers

Licenses and Certifications

The State Real Estate Commission issues licenses to qualified real estate brokers, associate brokers, and salespersons. *House Bill 144 (passed)* requires a licensee of the commission who fails to reactivate a license on inactive status within three years to comply with specified licensing requirements under current law in order to obtain a license, bringing treatment of inactive licensees into parity with other licensees in such cases.

Senate Bill 455/House Bill 669 (both passed) establish an alternative pathway for obtaining licensure as a real estate appraiser and certification as a residential or general real estate appraiser. Specifically, the bills allow applicants for licensure or certification to complete the Real Property Appraiser Qualification Criteria of the Practical Applications of Real Estate Appraisal program adopted by the Appraisal Foundation Appraiser Qualifications Board. Completion of the program may be substituted for the existing statutory requirement that an applicant for licensure

or certification complete at least 1,000 or 1,500 hours, respectively, providing real estate appraiser services as a trainee under the supervision of a certified appraiser.

Continuing Education and Termination of Employment

Generally, each individual licensed by the State Real Estate Commission as a real estate broker, real estate salesperson, or associate real estate broker must complete 15-clock hours of continuing education every two years in order to qualify for license renewal. *Senate Bill 443/House Bill 662 (both passed)* establish separate continuing education requirements for a real estate broker, real estate salesperson, or associate real estate broker licensee who has been issued an initial license by the commission. For a licensee who has been issued a renewal certificate, current continuing education requirements continue to apply.

House Bill 1225 (passed) requires the family member of a disabled or deceased real estate broker to submit a death certificate or evidence of the disability to the State Real Estate Commission in order to carry on the business of the disabled or deceased individual. If a death certificate or evidence of disability is not provided, the business may designate another licensed real estate broker to provide real estate brokerage services for the business, as specified. The bill also establishes a process for redesignating the license of a real estate broker who is terminated by a business.

Security Guards

Subject to specified exceptions, a licensed security guard agency may provide an individual for hire as a security guard only if the individual is certified by the Secretary of State Police as a security guard. *Senate Bill 760 (passed)* prohibits a security guard employer – distinct from a security guard agency – from employing a security guard to provide security guard services unless the security guard is likewise certified. The requirement does not apply to an unarmed employee of a bar, tavern, or restaurant. The bill also establishes or alters training, liability insurance, notification, and recertification requirements for certified security guards. The Maryland Police Training and Standards Commission must identify or establish training programs for certified security guards. Security guard agencies and employers must report use of force incidents by a security guard to the Secretary of State Police.

Expedited Licensing

The Veterans Full Employment Act of 2013 facilitates professional licensing for active military personnel, veterans, and their spouses. The Act applies to the State's major licensing agencies, including MDL. Under the Act, occupational and professional licensing units within MDL must issue expedited licenses, registrations, or certificates to military service members, veterans, and military spouses if specified education, training, and experience conditions are met. *House Bill 1162 (passed)* requires MDL, in consultation with the Maryland Department of Veterans Affairs (MDVA), to conduct a study on the utilization of the expedited licensing process for service members, veterans, and military spouses for licenses. By June 30, 2024, MDL, in

consultation with MDVA, must report its findings and recommendations to the Governor and the General Assembly.

Business Regulations

Alcohol, Tobacco, and Cannabis Commission

Senate Bill 516/House Bill 556 (both passed) renames the Alcohol and Tobacco Commission to the Alcohol, Tobacco, and Cannabis Commission (ATCC) and, among other things, establish new responsibilities for ATCC related to the regulation of cannabis. The cannabis division may (1) conditionally award licenses; (2) inspect cannabis licensees to ensure compliance; (3) suspend, fine, restrict, or revoke a cannabis license, as specified; and (4) impose penalties or rescind the license of a cannabis licensee that does not meet specified licensure standards. For further discussion of *Senate Bill 516/House Bill 556*, see the subpart “Cannabis Regulations” within this part of this *90 Day Report*.

A licensed cigarette wholesaler must submit specific information about the number of cigarettes sold to the Comptroller’s Office and maintain specific sales records for five years. Information must be submitted no later than 21 days after the end of each calendar quarter (more frequently if directed by the Comptroller) and include a list by brand family of the total number of cigarettes or – in the case of roll-your-own cigarettes, the equivalent stick count – for which the licensed wholesaler affixed stamps during the previous calendar quarter or otherwise paid the tax due for the cigarettes. *Senate Bill 541/House Bill 777 (Chs. 9 and 10)* require each licensed cigarette wholesaler to submit complete and accurate information in the form and manner the Comptroller’s Office requires to facilitate compliance with these reporting requirements.

House Bill 1165 (passed) makes numerous technical changes, including updating obsolete references to the previous authority of Comptroller’s Office to reference the authority of the Executive Director of ATCC.

Cemeteries and Cremations

House Bill 676 (passed) establishes that a registered cemeterian, registered crematory operator, or permit holder who sells (or offers to sell) to the public certain services for pet remains (*i.e.*, cremation services, a burial lot, or a burial right) owes a duty of perpetual care for the cemetery in which the pet remains are interred.

Miscellaneous

The Maryland Home Improvement Commission (MHIC) manages the Home Improvement Guaranty Fund. An owner may recover compensation from the fund for an actual loss that results from an act or omission by a licensed contractor or a violation of provisions of State law that require a specified written notice in a home improvement contract. *Senate Bill 429 (passed)*

increases, from \$250,000 to \$1,000,000, the minimum level at which MHIC must keep the Home Improvement Guaranty Fund. The bill also increases, from \$100,000 to \$250,000, the maximum possible amount that may be awarded by MHIC from the fund.

The Secretary of State (SOS) registers and oversees charitable organizations to which persons are able to make official charitable contributions. *Senate Bill 254/House Bill 72 (both passed)* alters the definition of “charitable contribution” to exclude an authorization for (or a discount on) the use of services or materials, equipment, or facilities, including those relating to advertising and broadcast airtime (including public service announcements). The bills further authorize SOS to accept certain documentation in place of an audit or review in connection with a charitable organization’s registration statement.

Chapters 323 and 324 of 2016 established the Maryland Small Business Retirement Savings Program and Trust, which required specified private-sector employers to make the program available to their employees. Employers who participate in the program or otherwise offer a retirement savings arrangement to their employees as specified are exempt from the State’s annual filing fee for corporations and business entities. Related tax information may be disclosed to specified persons. *Senate Bill 189/House Bill 86 (both passed)* include in the list of persons authorized to receive this tax information the Maryland Small Business Retirement Savings Board and its authorized contractors for the purpose of administering the Maryland Small Business Retirement Savings Program and Trust.

House Bill 132 (passed) alters the qualifications for a journeyman license to provide heating, ventilation, air-conditioning, and refrigeration services. Specifically, the bill increases the number of years (from three to four) an applicant must be licensed as an apprentice before applying for a journeyman license. Additionally, the bill increases the hours of training required (from 1,875 to 6,000) for a journeyman license applicant.

Public Service Companies

Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)

Chapter 757 of 2019, the Clean Energy Jobs Act, added new requirements to the 2013 structure authorizing offshore wind generation in the State, bifurcating the application and review process of offshore wind development projects into original “Round 1” and new “Round 2” projects. Additionally, Chapter 757 established offshore wind capacity goals of at least 400 megawatts in 2026, at least 800 megawatts in 2028, at least 1,200 megawatts in 2030, from Round 2 offshore wind projects. The Public Service Commission (PSC) has approved approximately 2,000 megawatts in total under both rounds. *Senate Bill 781 (passed)* newly establishes, as a goal of the State, the achievement of 8,500 megawatts of offshore wind capacity by 2031 and creates related transmission planning and power purchase processes in furtherance of that goal.

Under the bill, PSC must request that PJM Interconnection, LLC conduct an analysis of offshore wind transmission system upgrade and expansion options that consider offshore and onshore infrastructure. Additionally, PSC must issue, or request that PJM issue, competitive solicitations for proposals for offshore wind transmission facilities and onshore transmission upgrades and expansions by July 1, 2025. The issuance of solicitations is subject to varied specifications, including benefits to ratepayers and community benefit agreements. PSC must ask PJM to assist with the evaluation of the proposals and may select a proposal by December 1, 2027. The costs associated with the solicitation and evaluation of proposals are \$1.0 million annually in fiscal 2025 through 2027, plus costs for PSC staff.

The bill specifies that a PSC order selecting a proposal constitutes approval that would otherwise be required through the obtaining of a Certificate of Public Convenience and Necessity (CPCN) and subjects offshore wind transmission projects to community benefit agreements.

Chapter 3 of 2013, the original legislation that authorized offshore wind generation, required an applicant for an offshore wind project to pass onto ratepayers, without PSC approval, 80% of the value of any future State and federal grants and additional benefits that were not added into the developer's application. *Senate Bill 781* authorizes an applicant for a Round 1 or a Round 2 offshore wind project to apply to PSC for a full or partial exemption from that ratepayer benefit sharing requirement. PSC must establish a specified application process and approve or deny a waiver application or request additional information concerning the application within 60 days.

Finally, the bill establishes a mechanism for procuring energy through power purchase agreements. Under the bill, the Department of General Services, in consultation with PSC, must issue a competitive sealed procurement solicitation for offshore wind energy and may enter into a power purchase agreement to procure up to 5.0 million megawatt-hours annually of offshore wind energy and associated renewable energy credits.

For a further discussion of *Senate Bill 781*, see the subpart "Environment and Energy" within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

EmPOWER Maryland Energy Efficiency Act

In 2008, the General Assembly passed the EmPOWER Maryland Energy Efficiency Act (EmPOWER Maryland), which set target reductions of 15% in per capita electricity consumption and peak demand by 2015 from a 2007 baseline. Among many other changes, Chapter 38 of 2022, the Climate Solutions Now Act of 2022 (CSNA), which established and enhanced greenhouse gas (GHG) emission reduction targets for Maryland, also expanded EmPOWER Maryland by establishing goals of 2.25% target reductions in 2025 and 2026 and of 2.5% thereafter.

To enhance these goals in a manner consistent with CSNA, Senate Bill 524/House Bill 108 of 2022 (vetoed) would have required the Department of Housing and Community Development (DHCD) to procure or provide energy efficiency and conservation programs and services for the 2021-2023 and 2024-2026 EmPOWER Maryland program cycles and would have established a

Green and Healthy Task Force for certain purposes. *Senate Bill 144/House Bill 169 (both passed)* are updated reintroductions of the 2022 legislation that require DHCD to procure or provide energy efficiency and conservation programs and services for the 2024-2026 EmPOWER Maryland program cycle. The programs and services must be designed to achieve target annual incremental gross energy savings of at least 0.53% in 2024, 0.72% in 2025, and 1.0% in 2026.

Senate Bill 144/House Bill 169 also establish the Green and Healthy Task Force, which must (1) advance the alignment, branding, and coordination of resources to more effectively deliver green and healthy housing for low-income households in the State; (2) examine the public and private resources needed to address the housing needs of low-income communities; (3) develop policy and statutory recommendations to eliminate barriers to low-income households achieving healthy, energy-efficient, affordable, and low-emissions housing; and (4) engage and collaborate with other entities to advance the goals of the task force.

Using the GHG emissions reduction goals of CSNA as a starting point, *House Bill 1035 (failed)* would have reoriented EmPOWER Maryland to achieving GHG reductions rather than incremental annual energy savings. The bill would have repealed and restructured existing EmPOWER Maryland provisions and would have (1) required electric companies, gas companies, and DHCD to adopt energy efficiency and conservation measures, demand response measures, and beneficial electrification measures to support GHG emissions reductions, instead of electricity consumption and peak demand reductions and (2) set prescriptive energy savings targets, including targets for DHCD. Additionally, the bill would have generally expanded the applicability of EmPOWER Maryland to gas companies.

The bill would have required PSC, by January 1, 2024, to require each electric company and each gas company to develop and implement a plan, for three-year program cycles, that achieved established GHG emissions reduction targets through specified programs and services. PSC would have been required to determine an overall statewide GHG emissions reductions target based on an average annual reduction of at least 1.8% of the baseline, for 2024 through 2032.

The bill would have reoriented, to GHG emissions reductions, EmPOWER Maryland provisions for DHCD that paralleled the requirements of *Senate Bill 144/House Bill 169*. The bill would have required DHCD, beginning January 1, 2024, and every three years thereafter, to procure or provide to low- and moderate-income individuals energy efficiency and conservation programs and services, demand response programs and services, and beneficial electrification programs and services on a trajectory to achieve GHG reductions of at least 0.9% of a 2020 baseline after 2026.

Under the bill, PSC would have been required to adopt rate-making policies that provided, through a surcharge line item on customer bills, full cost recovery of reasonably incurred costs for the programs and services, including full recovery on a current basis by January 1, 2027. Additionally, the surcharge line item would have required, by December 31, 2031, the elimination of any unpaid costs and unamortized costs that existed prior to December 31, 2023, or were incurred before January 1, 2027, and were accrued for the purposes of achieving EmPOWER

Maryland goals. Finally, compensation through the surcharge for any unpaid costs and unamortized costs would have been limited to no more than each electric or gas company's average cost of outstanding debt.

Finally, the bill would have established the same Green and Healthy Task Force included in [Senate Bill 144/House Bill 169](#).

For a further discussion of these EmPOWER Maryland bills, see the subpart "Environment and Energy" within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Other Utility Programs

Community Solar

Chapters 346 and 347 of 2015 established the Community Solar Energy Generating Systems Pilot Program. [House Bill 908 \(passed\)](#) makes the program permanent, with specified changes. A community solar energy generating system must meet specified requirements, including serving at least 40% of its kilowatt-hour output to low-to-moderate income (LMI) subscribers, unless the system is owned wholly by its subscribers. The bill expands the type of installations exempt from the prohibition against building on contiguous parcels of land, but otherwise establishes a general 5-megawatt limit for adjacent projects and a 10-megawatt limit for certain agricultural and LMI focused projects. The bill requires PSC to establish regulations to meet new program requirements, including regulations to implement consolidated billing for subscribers to community solar energy generating systems and regulations related to the calculation of bill credits. Finally, the bill requires PSC to convene a stakeholder workgroup to provide recommendations related to regulations under the permanent program.

Net Metering

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. Generally, an eligible customer-generator may accrue net excess generation for a period (1) of up to one year and (2) that ends with the billing cycle that is complete immediately prior to the end of April of each year. The electric company must carry forward net excess generation until (1) the eligible customer-generator's consumption of electricity from the grid eliminates the net excess generation or (2) the accrual period expires. [Senate Bill 143 \(passed\)](#) authorizes an eligible customer-generator to accrue net excess generation indefinitely, instead of for a 12-month period. The bill requires PSC to determine a method for calculating the value of accrued net excess generation and exempts electric cooperatives and municipal electric utilities from complying with indefinite accrual. Furthermore, the bill applies these changes to the Community Solar Energy Generating Systems Pilot Program (made permanent by [House Bill 908](#)).

Energy Storage

Chapter 427 of 2019 required PSC to establish an Energy Storage Pilot Program by June 1, 2019. Under the program, each of the State’s four investor-owned electric companies was required to request proposals for two energy storage projects and apply for PSC approval. The cumulative size of the pilot projects under the program must be between 5 megawatts and 10 megawatts, with a minimum of 15 megawatt-hours. The projects were required to fit within four commercial and regulatory models, featuring varying levels of utility, private sector, and customer involvement. PSC has approved eight projects totaling approximately 9 megawatts and 3 megawatt-hours under the pilot program. *House Bill 910 (passed)* requires PSC to establish the Maryland Energy Storage Program for the cost-effective and incremental deployment of 3,000 megawatts of energy storage devices by the end of the 2033 PJM Interconnection, LLC delivery year. If a target cannot be met cost effectively, the target must be reduced to the maximum cost-effective amount for the relevant delivery year. The program must be implemented by July 1, 2025.

Electric Vehicles

PSC established a five-year Electric Vehicle Pilot Program for the State’s four investor-owned utilities in January 2019. Generally, under the program, utilities offer charger rebates and other related incentives to residential and nonresidential customers. The utilities were also authorized to create programs to install, own, and operate public chargers within their territories. PSC authorized about 900 public chargers and required their installation on property leased, owned, or occupied by a unit of State, county, or municipal government. *House Bill 834 (passed)* requires PSC to expand the Electric Vehicle Pilot Program to allow participating electric companies to install electric vehicle charging stations in new and existing multifamily dwellings in underserved communities. The expansion of the pilot program must terminate on December 31, 2025. The bill also requires an electric company under the program to meet uptime requirements, as specified and defined, and authorizes PSC to impose a penalty if the company fails to meet the requirements.

Certificate of Public Convenience and Necessity

PSC is the lead agency for licensing the siting, construction, and operation of power plants and related facilities in the State through CPCNs. Subject to limited exemptions, a person may not begin construction in the State of a generating station, overhead transmission line, or qualified generator lead line unless a CPCN is first obtained from PSC. “Generating station” is not defined in statute; however, the PSC definition in regulation excludes a facility with up to 2 megawatts of capacity if it meets other specified requirements.

House Bill 1188 (passed) defines “generating station” in the Public Utilities Article by excluding generating units or facilities with a capacity of up to 2 megawatts that are installed with equipment to prevent the flow of electricity when the grid is out of service, which generally aligns with existing PSC regulations defining the term. The bill also excludes from the definition of

“generating station” (and, therefore, from the requirement to obtain a CPCN) a combination of two or more generating units or facilities, located on the same property or adjacent properties, that (1) are used to produce electricity from a solar photovoltaic system or an eligible customer-generator that is subject to the State’s net metering law; (2) have individual capacities of up to 2 megawatts and a cumulative capacity of more than 2 megawatts, but not more than 14 megawatts; (3) are separately metered by the electric company; and (4) do not export electricity for sale on the wholesale market under an agreement with PJM Interconnection, LLC.

Finally, the bill expands the applicability of meter aggregation under the State’s net metering laws by requiring an electric company, on receipt of a written request, to provide meter aggregation for an eligible customer-generator that is a unit of State government or a public senior higher education institution.

In *Bd. Of Cty. Commissioners of Washington Cty. v. Perennial Solar, LLC*, 464 Md. 610 (2019), the Supreme Court of Maryland held that State law impliedly preempts zoning regulations at the local level which pertain to a CPCN. *House Bill 692 (passed)* specifies that a county or municipality has the authority to approve or deny local permits required under a CPCN issued by PSC within a reasonable time. Additionally, the bill specifies that a county or municipality may not condition the approval of a required local permit on conditional use approvals, floating zone approvals, or special exception approvals.

Utility Cybersecurity

House Bill 969 (passed) requires PSC to include on its staff one or more employees that are experts in cybersecurity for, amongst other tasks, the participation in cybersecurity related briefings within PSC. The bill also requires PSC to consider the protection of a public service company’s infrastructure against cybersecurity threats. Additionally, the bill requires public service companies, except for common carriers and telephone companies, and including member-regulated cooperatives and municipal electric utilities, to engage a third-party by July 1, 2024, and by July 1 every other year thereafter, to conduct technology assessments. PSC must collect certifications of a public service company’s compliance with assessment standards and submit a report on the data to the State Chief Information Security Officer (SCISO) within the Department of Information Technology (DoIT).

Each public service company must report a cybersecurity incident, including an attack on a system being used by the public service company, to the State Security Operations Center within DoIT. The center must immediately notify appropriate State and local agencies of the reported incidents. The SCISO, in consultation with PSC, must establish related criteria, processes, and requirements for the reports.

Miscellaneous

Public Service Commission Decision Appeals

Generally, a party or person in interest that is dissatisfied by a final decision or order of PSC may seek judicial review of the decision or order. A proceeding for review must be instituted in (1) the circuit court in equity for any county in which the public service company involved in the proceeding operates or (2) the Circuit Court in equity for Baltimore City *House Bill 914 (passed)* clarifies that proceedings for judicial review of a final decision or order by PSC may be instituted in a circuit court for a county in which the public service company that is a party to the proceeding provides service or, for other parties, in the Circuit Court for Baltimore City.

Pollinator-friendly Vegetation Management

Senate Bill 62/House Bill 62 (both passed) prohibit a local government from imposing any unreasonable limitation on a utility-designated pollinator area that is maintained by a public service company if the area is subject to an agreement with the U.S. Fish and Wildlife Service or if the public service company maintains the designated area.

Telephone Solicitations

Senate Bill 90/House Bill 37 (both passed) specify that, unless prior express written consent is provided by the “called party,” a person is prohibited from making (or causing to be made) a telephone solicitation that involves (1) an automated system for the selection or dialing of telephone numbers or (2) the playing of a recorded message when a connection is completed to the number called. For a further discussion of *Senate Bill 90/House Bill 37*, see the subpart “Commercial Law – Consumer Protection” within Part I – Financial Institutions, Commercial Law, and Corporations of this *90 Day Report*.

Utility Account Liability Terminations for Victims of Abuse

House Bill 630 (passed) authorizes a utility account holder who has been the victim of abuse to terminate their future liability under a utility contract if the account holder provides the utility with written notice and documentation. The utility must allow for the termination, provided that the bill’s requirements are met, and must allow the account holder to open a new utility account for a new premises, notwithstanding an account balance or arrearage at the former premises.

Office of Home Energy Programs

House Bill 323 (passed) requires the Office of Home Energy Programs to enroll in any fuel and utility assistance program a household with an individual who meets the financial eligibility requirements established by the Department of Human Services for several government programs, including the Supplemental Nutrition Assistance Program. For a further discussion of *House Bill 323*, see the subpart “Social Services” within Part J – Health and Human Services of this *90 Day Report*.

Insurance (Other Than Health Insurance)

Products and Service Offerings

Senate Bill 725 (Ch. 38) allows life insurers, health insurers, nonprofit health service plans, health maintenance organizations, and property or casualty insurers to offer products or services that serve specified purposes in conjunction with a policy at no charge or at a discounted price under certain circumstances, including, for example, educating persons regarding risk of loss or financial wellness. The products or services must be associated with risks insured against by the policy or substantially related to the insurance provided under the policy and must be available to all policyholders. An offer or provision of products or services may be included in an applicable contract, form, or rate filing. The Act allows the Insurance Commissioner to regulate the types of products and services that may be offered.

Regulation of Reciprocal Jurisdictions

Chapters 100 and 101 of 2020 adopted changes made to the National Association of Insurance Commissioners (NAIC) Model Act #785 “Credit for Reinsurance Model Law.” In particular, the Acts implemented provisions of the covered agreements between the United States, the European Union, and the United Kingdom. Among other things, Chapters 100 and 101 required the Insurance Commissioner to create and publish a list of reciprocal jurisdictions that are part of the international agreement and that meet other specified requirements.

Senate Bill 928 (passed) prohibits the Maryland Insurance Commissioner from removing a reciprocal jurisdiction from the list of jurisdictions authorized to operate in the State without the need to post collateral. The Maryland Insurance Administration advised that the bill corrects an inconsistency perceived by the Federal Insurance Office between Chapter 100 and 101 and the NAIC model law the acts were meant to implement.

Motor Vehicle Insurance

Each private passenger automobile insurance policy in the State must include either uninsured motorist (UIM) coverage or enhanced underinsured motorist coverage (EUIM), both of which provide coverage when a policyholder is involved in an accident with an uninsured or underinsured motorist. *House Bill 128 (passed)* requires a person who obtains a new private passenger motor vehicle insurance policy on or after July 1, 2024, at the time the policy is purchased, to opt out of obtaining EUIM coverage through a waiver process instead of opting in to EUIM coverage under current law. In effect, the bill makes EUIM coverage, which is generally more expensive and provides additional benefits, the default option for new private passenger automobile policies instead of UIM coverage as of July 1, 2024. The bill terminates five years later on June 30, 2029.

Senate Bill 530 (passed) increases the Maryland Automobile Insurance Fund’s (MAIF) share of UIM penalties collected by the Motor Vehicle Administration by \$2.0 million for

fiscal 2024 only. The bill also alters the assessment collection process that takes place when MAIF experiences a significant operating loss by (1) authorizing MAIF to withdraw a portion of assessment immediately on certification and approval of the assessment, as specified; (2) specifying when insurers that pay the assessment may and may not be subject to an assessment; and (3) requiring the Industry Automobile Insurance Association to promptly return any excess assessment payments, as specified.

Horse Racing and Gaming

Horse Racing

Racing Facilities and the Maryland Horse Racing Act

Chapter 590 of the Acts of 2020 provided for the redevelopment of Pimlico Race Course in Baltimore City and Laurel Park in Anne Arundel County, as well as for the conveyance of the Bowie Race Course Training Center on or before December 31, 2023. During the 2023 session, the General Assembly considered legislation addressing concerns about significant delays in the redevelopment timeline for Pimlico and Laurel Park.

Senate Bill 720 (passed) establishes the Maryland Thoroughbred Racetrack Operating Authority, which must take specified actions in the event a thoroughbred racing licensee is unable to support the minimum number of live racing days. Specifically, the authority may manage and oversee day-to-day thoroughbred horse racing operations, live racing days, and assets in the State and, in coordination with the Maryland Economic Development Corporation, acquire specified property or contractual interests. The bill also establishes the Maryland Racing Operations Fund as a special, nonlapsing fund to assist the authority in financing the acquisition, construction, rehabilitation, or other capital or operating expenses of thoroughbred racetracks in the State. Finally, the bill delays the deadline for the conveyance of the Bowie Race Course Training Center to December 31, 2024, and alters provisions relating to the transfer of funds to the City of Bowie for remediation costs of the property.

Senate Bill 720 also extends the termination date for the Maryland Horse Racing Act and Maryland Racing Commission by 10 years to July 1, 2034, subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act.

Purse Dedication Account

Generally, 6% of video lottery terminal (VLT) proceeds, not to exceed \$100 million, is distributed to the Purse Dedication Account (PDA), which is under the authority of the State Racing Commission. *Senate Bill 363/House Bill 455 (both passed)* make permanent the annual distribution from the PDA to Ocean Downs Race Course for financial assistance for operating losses and alter the annual distribution amount to equal up to \$30,000 per live racing day.

Video Lottery Facilities

Licensing

The first of six video lottery operation licenses issued in the State for a term of 15 years is nearing its expiration in 2025. *Senate Bill 537 (passed)* extends the renewal term of a video lottery operation license from 10 to 15 years. A video lottery operation licensee must pay, for each 5-year period of its initial renewal term, a fee equal to 0.75% of the average annual proceeds from the operation of VLTs and table games at its video lottery facility for the preceding 3-year period, to be paid in equal annual installments and credited to the Education Trust Fund. The bill also distributes 20% of the fees collected back to the licensee for marketing, advertising, and promotions that exclusively target out-of-state audiences.

House Bill 1288 (passed) exempts an applicant for a video lottery employee license from disqualification related to crimes involving moral turpitude if the applicant's conviction, active parole, or probation within the prior seven years or current prosecution for a crime involving moral turpitude involves a nonviolent misdemeanor offense, other than a crime involving gambling, for which the applicant participated in and completed a problem-solving court program.

Video Lottery Terminal Proceeds

For fiscal 2024 through 2032, *House Bill 529 (passed)* increases from 75% to 85% the percentage of certain VLT local impact grants in Baltimore City that must be distributed primarily for capital projects benefitting economic and community development in a manner that is consistent with the Park Heights Master Plan. The bill also requires certain appointees to the Pimlico Community Development Authority to be confirmed by the Senate.

Generally, 1.5% of VLT proceeds is distributed annually to the Small, Minority, and Women-Owned Businesses Account (SMWOBA). *Senate Bill 53 (passed)* repeals the distribution of up to 5% but no more than \$1 million of SMWOBA funds to the Nonprofit, Interest-Free, Micro Bridge Loan account. For a further discussion of *Senate Bill 53*, see the subpart "Economic Development" within this part of this *90 Day Report*.

Sports Wagering

Independent Evaluators of Sports Wagering Content

Senate Bill 621 (passed) requires the State Lottery and Gaming Control Commission (SLGCC) to license independent evaluators to evaluate and rate sports wagering content provided by sports wagering experts, sports wagering influencers, and content partners. A sports wagering licensee or operator that advertises in the State may contract with a licensed independent evaluator. *Senate Bill 621* also authorizes SLGCC and the Sports Wagering Application Review Commission to consider a request, received in writing on or before December 31, 2023, to amend a Class B-2 sports wagering facility license application for the purpose of altering the facility's proposed

location if the applicant was awarded a sports wagering facility license on or before February 15, 2023.

Senate Bill 620/House Bill 802 (both passed) prohibit an institution of higher education from entering into a contract with a regulated gaming entity or its agent, if, under the terms of the contract, the institution of higher education receives a commission, a bonus, or any other incentive payment based on the success of securing student participation in sports wagering or online sports wagering. For a further discussion of *Senate Bill 620/House Bill 802*, see the subpart “Higher Education” within Part L – Education of this *90 Day Report*.

Local Gaming

House Bill 263 (passed) authorizes senior activity centers in St. Mary’s County to conduct gaming events, bunco games, and card games, subject to certain limitations. Any proceeds must be used to support future programming at the center.

Economic Development

Economic Development – Investments

Equitable and Inclusive Transit-Oriented Development Enhancement Act

“Transit-oriented development” is dense, mixed-use, deliberately planned development within one half-mile of existing or planned transit stations that is designed to maximize the use of transit, walking, and bicycling and is supported by State and local government. The definition of “transit-oriented development” is expanded by *House Bill 12 (passed)* to include the existing mix of eligible facilities, structures, and improvements that is part of a deliberate development plan or strategy involving property that is adjacent to a planned or existing “transit corridor.” “Transit corridor” means a geographically bound set of two or more contiguous subway, light rail, bus rapid transit, or bus transit stations. “Transit corridor” includes a geographically bound set of two or more contiguous bus transit stations that have fixed-route bus service that operates on a roadway dedicated to buses.

The bill also (1) alters existing provisions and establishes new provisions relating to the designation of transit-oriented development (TOD) and (2) requires the Secretary of Transportation to annually submit a report to the General Assembly on efforts to increase TOD throughout the State. Finally, the bill establishes the TOD Capital Grant and Revolving Loan Fund and its funding sources. The purpose of the TOD Capital Grant and Revolving Loan Fund is to promote the equitable and inclusive development of TODs throughout the State. For each fiscal year, the Governor must include in the annual budget bill an appropriation sufficient to ensure a fund balance of at least \$5.0 million at the start of the fiscal year.

Rural Maryland Prosperity Investment Fund – Alterations

The purpose of the Rural Maryland Prosperity Investment Fund (RMPIF) is to provide funding to rural regional and statewide planning and development organizations, institutions of higher education serving rural communities, rural community development organizations, and local governments acting in partnership with one another to promote the quality of life in rural areas. *House Bill 695 (passed)* alters the required distribution of money from the RMPIF by modifying one grant category to also include agricultural development, cooperative development, and workforce development.

Department of Commerce

Maryland Nonprofit Development Center Program Fund – Alterations

The Maryland Nonprofit Development Center Program in the Department of Commerce is charged with assisting the economic growth and revitalization of nonprofit entities in the State. The purpose of the Maryland Nonprofit Development Center Program Fund (MNDCPF) is to provide grant money and bridge loans to support the operations of the program. The Nonprofit Interest-Free, Micro Bridge Loan (NIMBL) account is an account within MNDCPF that provides short-term financing support to qualifying nonprofit entities between the award date of a government contract and the actual receipt date of those awarded funds. No-interest bridge loans of up to \$25,000 are awarded. *Senate Bill 53 (passed)* requires the Governor to include a \$1.0 million appropriation in the annual budget bill for fiscal 2024 (or alternatively fiscal 2025) to MNDCPF to be used for loans under the NIMBL account. The bill also repeals the discretionary distribution of up to 5.0% of Small, Minority, and Women-Owned Businesses Account funds, not to exceed \$1.0 million annually, to the NIMBL account.

Regional Institution Strategic Enterprise Zone Program – Alterations

The purposes of the Regional Institution Strategic Enterprise (RISE) Zone Program are to (1) access institutional assets that have a strong and demonstrated history of commitment to economic development and revitalization in the communities in which they are located and (2) incentivize the location of innovative start-up businesses based on technology developed, licensed, or poised for commercialization at or in collaboration with qualified Maryland institutions.

Senate Bill 333/House Bill 471 (both passed) extend the termination date of the RISE Zone Program by 2 years to January 1, 2030, and extend the duration of a RISE zone designation from 5 to 10 years. The bills increase the maximum number of zones that may be designated in Baltimore City from three to four. The bills also alter a related definition pertaining to the Maryland Economic Development Corporation by explicitly including RISE zones. Finally, Commerce, in consultation with specified stakeholders, must study the effectiveness of the RISE Zone Program and must report recommendations to improve the effectiveness of the program to the General Assembly by December 15, 2024.

Program Participation for Cannabis Business Establishments

Senate Bill 525/House Bill 922 (both passed) prohibit Commerce from denying specified cannabis business entities licensed by the State certain economic development and financial assistance program benefits solely because the business entities are cannabis establishments. The business entities must otherwise satisfy the requirements of the economic development or financial assistance program. The prohibition applies to programs under Title 5 of the Economic Development Article and the More Jobs for Marylanders Program. An affected business that was denied benefits prior to July 1, 2023, may reapply to the relevant program. The bills also add the growth, processing, or dispensing of cannabis, in accordance with the laws of the State, as eligible business activities under the Job Creation and One Maryland tax credit programs.

For a further discussion of cannabis regulation, see the subpart “Cannabis Regulation” within this part of this *90 Day Report*.

Build Our Future Grant Pilot Program and Fund

Senate Bill 549/House Bill 552 (both passed) establish the Build Our Future Grant Pilot Program and Fund (BOFGF), administered by Commerce, to provide grant funding for infrastructure projects intended to support innovation in eligible technology sectors. Under the program, grants of up to \$2.0 million may be awarded to private companies, nonprofits, local governments, or colleges and universities in the State and may be used to defray specified costs associated with an eligible innovation infrastructure project. A grant recipient must provide matching funds of either 200% or 400%, depending on the size of the grant. Additional requirements are placed on grants to and used by colleges and universities. A single entity is limited to \$2.0 million in grants in a fiscal year. Up to 10% of the BOFGF may be used by Commerce for administrative costs. The fiscal 2024 budget includes \$10.0 million for the program, contingent on enactment of either bill. General fund expenditures are projected to increase by \$10.0 million annually from fiscal 2024 through 2027. The bills terminate on June 30, 2027.

Industry 4.0 Technology Grant Program and Fund

“Industry 4.0 technology” means smart hardware and software manufacturing technologies. It includes advanced sensor integration, embedded software system applications, robotics and autonomous equipment that collect data, enterprise resource planning and data analytics software, cloud computing and cybersecurity solutions, artificial intelligence for continuous improvement of efficiency and productivity, and infrastructure required to implement a qualifying technology.

House Bill 622 (passed) establishes the Industry 4.0 Technology Grant Program and Fund (TGF) in Commerce to assist small and medium-sized enterprise manufacturers in the purchase and implementation of, and related employee training in “Industry 4.0 technology” and related infrastructure. Subject to specified requirements, including the provision of matching funds, a competitive application process, and a small company set-aside, an eligible company may receive

a grant of \$25,000 to \$500,000. From fiscal 2025 through 2028, the Governor must include in the annual budget bill an appropriation of \$1.0 million to TGF.

Maryland Entertainment Council

Senate Bill 452 (passed) establishes the Maryland Entertainment Council, staffed by Commerce, to assess Maryland's existing assets, opportunities, and competitive position within the film, television, and entertainment industry. The council must also study specified related topics and make related recommendations in a preliminary report that must be submitted by December 1, 2023, and a final report that must be submitted by September 1, 2024. The council terminates on June 30, 2025.

For a more detailed discussion of *Senate Bill 452*, including the bill's Film Production Activity Income Tax Credit provisions, see the subpart "Income Tax" within Part B – Taxes of this *90 Day Report*.

Maryland Technology Development Corporation

The 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. TEDCO also aims to promote new research activity and investments that lead to business development in Maryland. TEDCO programs typically assist companies based on a company's stage of development: from early stage and technology transfer to growth stage.

Equitech Growth Fund and Commission

Senate Bill 699/House Bill 781 (both passed) establish the Equitech Growth Commission and Fund (EGF), administered by TEDCO, to support economic competitiveness and inclusive growth of emerging and advanced industries in the State. TEDCO must staff the commission, which must develop and report on a strategic plan and 10-year goals by July 1, 2025, for growing the State's innovation economy. From fiscal 2025 through 2033, the Governor must include in the annual budget bill an appropriation of \$5.0 million for awards from EGF. The fiscal 2024 budget also includes \$3.0 million for EGF, contingent on enactment of either bill. Due to restrictions on the use of the mandated funding, general fund expenditures are estimated to increase by \$3.0 million in fiscal 2024 and by \$5.6 million annually from fiscal 2025 through 2033 to provide funds to EGF for awards and to cover TEDCO administrative expenses. Provisions related to the commission terminate on June 30, 2025.

Cyber Maryland Program and Fund

Senate Bill 801 (passed) establishes the Cyber Maryland Program in TEDCO to create a talent pipeline in cybersecurity, serve as a hub for State workforce development programs in cybersecurity, and generally coordinate cybersecurity and research and innovation in the State, among other things. The bill creates the Cyber Maryland Fund, administered by the program, to

support the purposes of the program and innovative approaches to meeting cybersecurity workforce needs. Also, the bill establishes the Cyber Maryland Board to (1) provide input on the strategic plan; (2) assist the executive director of the program in specified ways; and (3) coordinate with the Maryland Department of Labor and Commerce. Beginning December 1, 2026, the program, in conjunction with TEDCO, must submit an annual report on the operation and performance of the program to the Governor and the General Assembly. Beginning in fiscal 2025, the Governor may include an appropriation in the annual budget bill of \$250,000 for the fund; however, the Governor must include an appropriation that is sufficient to hire staff for the program.

For a further discussion of *Senate Bill 801*, see the subpart “Information Technology/Cybersecurity” within Part C – State Government of this *90 Day Report*.

Human-Relevant Research Fund and Program

Current law does not require an individual to be licensed or pay a fee to conduct animal testing. *Senate Bill 560/House Bill 626 (both passed)* require specified entities that conduct research using nonhuman animals to make a payment to the Maryland Department of Health each year based on the number of animals used in their research. The Secretary of Health must distribute the revenues to the Human-Relevant Research Fund, a special fund created by the bills and administered by TEDCO to promote State-funded research intended to develop human-relevant alternatives to using nonhuman animals in testing and research through grants and loans. TEDCO must also establish a grant and loan program, as specified, which includes contracting with an independent scientific review board to review research proposals and make recommendations to TEDCO.

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.

Camden Yards Sports Facilities Funds and Bus Rapid Transit Fund

Camden Yards Sports Facilities: Chapter 60 of 2022 increased the amount of taxable or tax-exempt bonds that MSA may issue for sports facilities at Camden Yards from \$235.0 million to \$1.2 billion, split evenly between the baseball and football stadiums (and the sports facilities directly related to their operation), and allowed renovation as an additional purpose. The Act also required the Comptroller to distribute up to \$90.0 million (an increase from \$20.0 million) annually from State lottery revenues to the Maryland Stadium Facilities Fund. *House Bill 524 (passed)* establishes two supplemental financing funds in MSA for the purpose of allocating authorized lottery revenues for debt service between existing Camden Yards facilities bonds and future bonds associated with the baseball and football stadiums.

Bus Rapid Transit Fund: Chapter 61 of 2022 established a bus rapid transit system grant program in the Maryland Department of Transportation (MDOT), funded with lottery revenues. “Bus rapid transit system” means a bus line that operates on at least some portion of roadway dedicated to buses and offers off-board fare collection if a fare is charged. ***House Bill 524*** establishes the Bus Rapid Transit Fund in MDOT to receive and distribute existing authorized lottery revenue distributions for bus rapid transit system grants, requires that a minimum of \$20.0 million of those grants go to Montgomery County each year – if the county is an eligible grantee, narrows the definition of “eligible grantee,” and explicitly authorizes grantees to use the grant funds for certain purposes.

Prince George’s County and the Blue Line Corridor: ***House Bill 524*** also adds one member to MSA who is appointed by the County Executive of Prince George’s County, alters the definition of the Prince George’s County Blue Line Corridor (BLC), specifies that a BLC facility does not include a sports facility, as defined, and makes other minor changes.

Sports Entertainment Facilities – Financing and Construction

Chapter 61 of 2022 established a \$200.0 million limit on the amount of bonds that MSA may issue for “sports entertainment facilities” and established related conditions. “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; a sports facility; or a high school, collegiate, or recreational venue that does not generate positive incremental tax benefits to the State.

Senate Bill 442 (passed) increases the amount of bonds that MSA may issue for “sports entertainment facilities” from \$200.0 million to \$220.0 million. The bill also allows a nonprofit organization that will own or operate a sports entertainment facility, instead of only certain governmental entities, to request financing from MSA and enter into a written agreement with MSA related to the ownership, marketing, promotion, maintenance, and repair of such a facility. General fund revenues are estimated to decrease by \$1.1 million in fiscal 2026 and by \$1.5 million annually thereafter through the duration of additional debt service payments, based on 30-year bonds.

Regional and Local Economic Development

Business Facade Improvement Program

House Bill 706 (passed) establishes the Business Facade Improvement Program in the Department of Housing and Community Development (DHCD) to assist qualified businesses with improving the outside appearance of the businesses’ buildings and facilities. DHCD must distribute funds from the program to counties, including Baltimore City, and municipalities that have at least one sustainable community and that apply for the funds. Each local government that receives funds must then distribute grants to qualified businesses that apply for a grant. Both DHCD and the local governments that receive program funds must establish an application process

and award criteria, as appropriate. The fiscal 2024 capital budget includes \$1.5 million for the program, contingent on enactment of the bill. Beginning in fiscal 2025, the Governor must include in the annual budget bill an appropriation of \$5.0 million to the program.

Prince George’s Gateway Development Authority

Senate Bill 696/House Bill 827 (both passed) establish the Prince George’s Gateway Development Authority in Prince George’s County to support the development and approval of a comprehensive neighborhood revitalization plan in the “target area” in the county. “Target area” means the City of Mount Rainier, the Town of Brentwood, the Town of Cottage City, the City of Bladensburg, the Town of Colmar Manor, and the Town of North Brentwood. The authority consists primarily of State and local government officials, or their designees. The authority may manage appropriated funds from municipalities in the target area, Prince George’s County, and the State. By October 31, 2025, the authority must report its comprehensive neighborhood revitalization strategy to the Governor, the Senate Budget and Taxation Committee, and the House Appropriations Committee. The bills terminate on September 30, 2028.

Prince George’s County Business Improvement Districts

Chapter 461 of 2010 authorized a county or municipality to establish business improvement districts, subject to specified conditions. 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.

House Bill 1109 (passed) exempts Prince George’s County from the statewide business improvement district law and establishes a separate law solely for Prince George’s County that authorizes the county to establish business improvement districts. The bill specifies the procedures and requirements for establishing a district, including the creation of specified boards of directors and steering committees, public notification regarding the establishment of an improvement district, district expansion, funding, taxing authority, and the evaluation and termination of a business improvement district.

Western Maryland Economic Future Investment Board and Senator George C. Edwards Fund – Alterations

Chapters 62 and 63 of 2022 established the Western Maryland Economic Future Investment program and 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.

Senate Bill 865/House Bill 768 (both passed) alter the Western Maryland Economic Future Investment program by (1) making changes to the membership of the Western Maryland Economic Future Investment Board and its related powers and duties and (2) creating an executive director position, subject to specified requirements and a salary cap. The

executive director must manage the administrative and technical affairs of the board and may assist in the administration of the related Senator George C. Edwards Fund.

West North Avenue Development Authority – Membership and Procurement

Chapters 80 and 81 of 2021 established the West North Avenue Development Authority (WNADA) for the purpose of developing a comprehensive neighborhood revitalization strategy for the benefit of a specified “target area” and “buffer zone” in Baltimore City. *Senate Bill 331 (passed)*, an emergency bill, alters the membership of WNADA and generally exempts WNADA from State procurement law until September 30, 2026. The bill also requires that the WNADA comprehensive report include procurement activities and delays the report’s due date from October 1, 2023, to December 15, 2023.

Upper Shore Regional Council – Membership Alterations

The Upper Shore Regional Council is one of five rural regional planning and development councils in the State. The purposes of the council are to foster the physical, economic, and social development of the region and effectively use the assistance provided to the region by the State. *Senate Bill 396 (passed)* alters the voting membership of the Upper Shore Regional Council by removing the three Cecil County commissioner positions and replacing them with the County Executive of Cecil County and two members of the Cecil County Council.

Housing and Community Development

Affordable Housing

Statewide Rental Assistance Voucher Program

Among other housing assistance programs overseen by the U.S. Department of Housing and Urban Development (HUD), the Housing Choice Voucher Program (HCVP) provides rental assistance through vouchers to subsidize the rent of low-income families, elderly individuals, and individuals with disabilities. Voucher recipients may choose any type of rental housing that meets specified safety and health quality standards, though federal law does not require that a landlord participate in the program. Jurisdictions with public housing agencies (PHA) or local housing offices directly receive funding through HUD; the Maryland Department of Housing and Community Development (DHCD) coordinates the program for jurisdictions without PHAs or local housing offices.

Senate Bill 848 (passed) establishes the Statewide Rental Assistance Voucher Program within DHCD. The purpose of the program is to provide vouchers and housing assistance payments for low-income families that are currently on a waiting list under HCVP for housing units approved by DHCD or PHAs. Generally, the program must be administered in accordance with federal guidelines for HCVP. The Governor must include \$10.0 million in the annual budget bill for the

program in fiscal 2025 through 2027 and sufficient amounts in future years to fund the same number of vouchers issued in the prior fiscal year.

Adaptive Reuse

Senate Bill 166/House Bill 150 (both passed) establish that “adaptive use,” defined under the bills as the retrofitting and repurposing of an existing building to develop new dwelling units, of a property to develop affordable multifamily housing is an eligible use of the proceeds of a loan for specified housing programs administered by DHCD. While the provisions of these bills apply generally, if the laws or regulations governing a particular program establish more specific rules regarding the use of a loan for adaptive reuse, the more specific rules must apply. DHCD must notify applicants to those programs that adaptive reuse of a property to develop affordable multifamily housing is an eligible use of loan proceeds; however, the notification requirement does not apply if the DHCD program does not focus on housing (this includes programs within the Division of Neighborhood Revitalization).

Appraisal Gap from Historic Redlining Financial Assistance Program

The purpose of the Appraisal Gap from Historic Redlining Financial Assistance Program within DHCD is to provide financial assistance to affordable housing developers working in low-income census tracts to help close appraisal gaps that occur in historically redlined neighborhoods. *Senate Bill 445/House Bill 625 (both passed)* make various changes to the program, such as (1) authorizing applicants to the program to apply to DHCD for specified forms of financial assistance (including loans) when qualifying projects under the program are proposed; (2) requiring DHCD to develop by regulations an application form and process for the distribution of financial assistance under the program; (3) establishing that a qualified project receiving financial assistance under the program must be in compliance with local development and land use plans; and (4) altering definitions under the program to authorize DHCD to reimburse program applicants for specified project expenses.

Common Ownership Communities

House Bill 844 (passed) requires DHCD to establish and maintain a website that provides information on the current rights and responsibilities of individuals living in a common ownership community. As defined under the bill, a “common ownership community” means (1) a condominium; (2) a cooperative housing corporation; or (3) a homeowners association. DHCD must make publicly available on the website a hyperlink to the website of each local common ownership community program in the State, as well as information on statewide legislation enacted in the prior legislative session regarding the rights and responsibilities of individuals living in a common ownership community.

Community Development

Catalytic Revitalization Project Tax Credit and Study

Chapter 332 of 2021 established a refundable credit, administered by DHCD, against the State income tax equal to 20% of the rehabilitation and new construction costs incurred for a qualified catalytic revitalization project in the State. The Secretary of Housing and Community Development may not award an initial credit certificate for more than one catalytic revitalization project within a two-year period and may not issue tax credit certificates totaling more than \$15.0 million for any project. A final tax credit certificate is issued upon completion of a catalytic revitalization project for which an initial tax credit certificate has been issued.

Senate Bill 783 (passed) requires the Smart Growth Subcabinet to study and make recommendations about an implementation plan to address the preservation and reuse of historic complexes in the State. In conducting the study and making recommendations, the subcabinet must (1) evaluate relevant studies and publications; (2) analyze the economic impact of the implementation plan; (3) identify regulatory and policy issues for the implementation plan; and (4) solicit input from interested parties. The Smart Growth Subcabinet must submit its findings and recommendations to the Governor and the General Assembly by December 31, 2023.

For a discussion of changes to the catalytic revitalization project tax credit in *Senate Bill 783*, see the subpart “Income Tax” within Part B – Taxes of this *90 Day Report*.

Study of Broadband Expansion Incentives

Chapter 74 of 2021 established the Office of Statewide Broadband (OSB) within DHCD as the successor to the Office of Rural Broadband and charged OSB with expanded responsibilities relating to planning, data collection, outreach, and intergovernmental coordination. The Act required OSB to prepare a statewide plan ensuring universal, affordable, reliable broadband Internet connectivity exceeding specified federal standards by December 31, 2026. Among other things, OSB must annually report to the Governor and the General Assembly on the progress of the State’s efforts to develop and implement the statewide plan.

House Bill 551 (passed) requires OSB to study and make recommendations regarding (1) how the State can incentivize broadband service providers to expand broadband infrastructure to communities that are unserved or underserved, including through either regulatory or financial incentives; (2) how the State can ensure that federal broadband infrastructure grants are deployed to best serve the needs of Marylanders; and (3) how other states have encouraged private investment in broadband networks and how the State might implement similar measures. OSB must submit its findings to the Governor and the General Assembly by January 1, 2024.

National Capital Strategic Economic Development Program and Fund

The National Capital Strategic Economic Development Program and related fund within DHCD provides financial assistance to specified government agencies, entities controlled by

housing authorities, and community development organizations in the national capital region for community enhancement projects. The Governor is required to include annual appropriations of \$200,000 in the operating budget to administer the program and \$7.0 million in either the operating or capital budget to be distributed under the program. In fiscal 2022 and 2023, 100% of program funding must be used for community enhancement projects in sustainable communities in specified areas of Montgomery and Prince George’s counties.

Senate Bill 273 (passed) increases, from \$7.0 million to \$12.0 million, the mandated annual appropriation the Governor must include in the annual operating or capital budget beginning in fiscal 2025 for the National Capital Strategic Economic Development Fund. It also makes permanent the requirement that the fund be used only for community enhancement projects in sustainable communities located in specified areas of Montgomery and Prince George’s counties and repeals the requirement that, starting in fiscal 2024, 100% of the fund be used for community enhancement projects in sustainable communities located, at least in part, within the boundary created by Interstate 495 in the State and the District of Columbia.

Department of Housing and Community Development Funding

Several significant budget actions pertaining to DHCD are included in the fiscal 2024 budget. The Community Safety Works program receives \$10.0 million for community enhancements covered by the program. The fiscal 2024 budget also includes \$2.3 million for the Emergency Rental Assistance program. In addition, Rental Services Programs receives \$291.8 million and Rental Housing Programs receives \$82.0 million. The Homeowner Assistance Fund receives \$51.2 million, bringing the total funding to \$248.3 million through fiscal 2024. Finally, DHCD receives approximately \$96.3 million for broadband assistance in the State.

Workers’ Compensation

If an employee covered under workers’ compensation insurance has suffered an accidental personal injury, compensable hernia, or occupational disease, the employee is entitled to compensation benefits paid by the employer, its insurer, the Subsequent Injury Fund, or the Uninsured Employers’ Fund, as appropriate. Workers’ compensation benefits include wage replacement, medical treatment, and vocational rehabilitation expenses. Wage replacement benefits are calculated based on the covered employee’s average weekly wage, while medical benefits are generally fully or partially covered depending on how the treatment is related to the personal injury, hernia, or occupational disease.

Hernia Caused by Repetitive Trauma

In order for a hernia to be compensable, it must have been the result of an accidental personal injury or strain. *Senate Bill 839/House Bill 902 (both passed)* establish that a hernia caused as a result of repetitive trauma may be considered an occupational disease compensable under workers’ compensation law.

Offset of Benefits and Offset of Benefits Study

If a covered employee of a governmental unit or a quasi-public corporation receives another benefit granted by a statute, charter, ordinance, resolution, regulation, or policy, then payment of that benefit satisfies any liability of the employer and Subsequent Injury Fund for the payment of similar workers' compensation benefits. *Senate Bill 377 (passed)* clarifies that these benefits are limited, or offset, only if the benefits are based, in whole or in part, on an injury to the same body part.

Further, the bill provides it is the intent of the General Assembly that (1) the bill abrogate the holding by the Supreme Court of Maryland in *Spevak v. Montgomery County*, 480 Md. 562 (2022) and (2) the Maryland Association of Counties and the Professional Fire Fighters of Maryland jointly research and submit a report on the impact of the bill's changes. Specifically, the report must include data and analysis of the effects of the bill on the offset of benefits following the implementation of the bill compared to a similar period of time before the Supreme Court of Maryland decision in *Spevak v. Montgomery County*. By December 1, 2024, the parties must report their findings to interested parties and specified committees of the General Assembly.

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 by State employees pursuant to State law. The Maryland Department of Labor's Division of Unemployment Insurance administers the State's UI program.

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.

For overpayment recoveries not related to fraud, the Secretary may recover amounts (1) by deduction from benefits payable to the claimant in the future; (2) through civil suit; (3) by assessment; or (4) through other reasonable means of collection, including those permitted under State law for the collection of debts owed to the State or under federal law. *Senate Bill 136/House*

Bill 140 (both passed) limit the amount that the Secretary of Labor may deduct from weekly benefits payable to a UI claimant when recovering UI benefit overpayments that are unrelated to fraud. Specifically, the Secretary may deduct up to 50% from the weekly benefits payable to the claimant in the future, or, if the weekly benefit amount is \$100 or less, up to 25%.

Labor and Industry

Apprenticeships

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 journeyperson or employee and related technical instruction in a specific occupation.

Senate Bill 104 (passed) establishes the Apprenticeship 2030 Commission. The Apprenticeship 2030 Commission's purpose is to examine and makes recommendations to the Governor and the General Assembly to reduce skill shortages in high-demand occupations and provides affordable training for career pathways for young people by (1) expanding registered apprenticeships in industry sectors with skill shortages; (2) growing the number of registered apprenticeships to at least 60,000 by 2030; and (3) reaching the Blueprint for Maryland's Future goal for 45% of high school graduates completing the high school level of a registered apprenticeship. Further, the bill requires that the Maryland Apprenticeship and Training Council and consultants to the council include representation of individuals who are Asian, Black, and Latino.

Family and Medical Leave

Chapter 48 of 2022 established the Family and Medical Leave Insurance Program (FAMLI), which is administered by the Maryland Department of Labor (MDL). The program provides up to 12 weeks of benefits to a covered individual who is taking leave from employment due to caring for certain family members, the individual's own serious health condition, or a qualifying exigency arising out of a family member's military deployment. The weekly benefit is based on an individual's average weekly wage and is indexed to inflation. Required contributions to the program, which are shared between employers and employees, are also based on employee wages. Chapter 48 also established the FAMLI Fund, which is a special fund administered by the Secretary of Labor consisting of employee, employer, and self-employed individual contributions and other specified sources of revenues. Funds must be used to pay FAMLI benefits and may be used to pay for public education on the FAMLI Program and any other costs associated with the initial implementation and ongoing administration of the FAMLI Program.

Senate Bill 828/House Bill 988 (both passed) modify the FAML I Program by altering key administrative deadlines, technical definitions, and components of the program's administration. Changes include prohibiting the total rate of employee contributions from exceeding 1.2%, increasing specificity in certain reports, explicitly defining wages for purposes of the program, altering the required process for sending checks for benefit payments to align with standard State practices, and altering claim notification requirements. The changes to the program's administrative deadlines include (1) delaying the program's start dates for contributions to October 1, 2024 and benefit payments to January 1, 2026, respectively; (2) requiring the Secretary of Labor to set the initial total rate of contribution by October 1, 2023, which applies from October 1, 2024, through June 30, 2026; and (3) requiring the Secretary of Labor to conduct a cost analysis every year, to determine the appropriate total rate of contribution to the FAML I Fund for the following 12-month period beginning every July 1.

The changes to the administration of the program include (1) setting the employer and employee share of the total rate of contribution at 50%; (2) no longer requiring an individual to exhaust all forms of employer-provided leave that is not required under law before receiving FAML I benefits, although an employer may require that FAML I benefits be coordinated with other benefits or leave; (3) authorizing an individual and an employer to agree to use paid leave and FAML I benefits to replace up to 100% of the individual's average weekly wage during the FAML I leave period; and (4) requiring the Maryland Department of Health (MDH) to reimburse certain service providers for some or all of the employer share of FAML I contributions on at least a quarterly basis, as detailed further below.

MDH must reimburse (1) community providers that are licensed or certified under Title 7 of the Health-General Article for 100% of the employer FAML I contribution for employees who manage or provide services under that title; (2) community providers that are licensed or certified under Title 7.5 of the Health-General Article for a percentage of the employer FAML I contribution for employees who manage or provide services under that title that are equal to the percentage of revenue that is attributable to federal and State Medicaid funding; or (3) providers, as defined in § 16-201.4 of the Health-General Article, for a percentage of the FAML I employer contribution for employees who manage or provide specified related services that is equal to the percentage of revenue attributable to federal and State Medicaid funding.

Minimum Wage

Senate Bill 555 (Ch. 2) sets the State minimum wage rate for all employers at \$15.00 per hour beginning January 1, 2024. The Act repeals the Board of Public Works' authority to temporarily suspend a scheduled increase in the State minimum wage rate since future scheduled wage increases no longer exist. In addition, the Act repeals the provider rate increases in fiscal 2025 and 2026, because the fiscal 2024 budget as passed by the General Assembly includes \$206.7 million for such purposes. Not all employers in the State are required to pay the State minimum wage. An employer may pay 85% of the State minimum wage rate to employees younger than age 18. The State minimum wage law also does not apply to certain categories of employees, including those defined as administrative, executive, or professional; certain seasonal employees;

part-time employees younger than age 16; salesmen and those who work on commission; an employer's immediate family; drive-in theater employees; employees training in a special education program in a public school; employees of an establishment that sells food and drink for on premises consumption and has an annual gross income of \$400,000 or less; employees employed by an employer who is engaged in canning, freezing, packing, or first processing of perishable or seasonal fresh fruits, vegetables, poultry, or seafood; certain farm workers; and covered employees under the Secure Maryland Wage Act.

Employment of Minors

A minor's parent or guardian may apply for a work permit for their minor by completing an online application that includes (1) verification of the minor's age; (2) a description of the work to be performed by the minor; (3) approval by the parent or guardian of the minor's employment; and (4) any other information the commissioner may require. After reviewing an online work permit application, the Commissioner of Labor and Industry may issue the permit if the employment is allowed for the minor under State law.

Senate Bill 172/House Bill 229 (both passed) require the commissioner 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 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. The commissioner may release information relating to a minor only if the minor's parent or guardian or the minor elects to allow the sharing of the information. Further, MDL is required to adopt regulations to implement the bill, including allowing minors, their parents, or their guardians to opt in to sharing their information.

Employee Noncompete and Conflict of Interest Agreements

An employee who earns equal to or less than \$15.00 per hour or \$31,200 annually, may not be bound by a noncompete or conflict of interest provision in an employment contract or a similar document or agreement that restricts the ability of an employee to enter into employment with a new employer.

Senate Bill 591 (passed) increases the amount that an employee must earn in order for a noncompete or conflict of interest provision in an employment contract to be permissible under State law. The bill increases the threshold to more than 150% of the State minimum wage rate, which currently is \$13.25 per hour and beginning January 1, 2024, will be \$15.00 per hour.

Statewide Alcoholic Beverages

Alcohol and Tobacco Commission

House Bill 1165 (passed) corrects and updates references in the Annotated Code of Maryland to the Alcohol and Tobacco Commission (ATC) as the successor to the Comptroller as the regulator of alcohol and tobacco products in the State under Chapter 12 of 2019. The bill makes numerous technical changes, including updating references to the authority of the Executive Director of the Alcohol and Tobacco Commission and repealing an obsolete reference to alcoholic beverages tax stamps. The bill also specifies concurrent enforcement and regulatory authority over various matters related to alcohol and tobacco in the State.

Regulation of Alcoholic Beverages

Senate Bill 322 (passed) authorizes a holder of a Class 4 limited winery license to *prepare*, sell, or serve food and sell wine and pomace brandy produced by the license holder for on- and off-premises consumption, as specified. The bill also extends the general hours of sale for on-premises consumption from 10:00 a.m. to 6:00 p.m. to 10:00 a.m. to 10:00 p.m. and repeals a notice requirement for planned promotional events.

Senate Bill 431/House Bill 565 (both passed) authorize holders of a Class 9 limited distillery license to apply for and obtain a Class 8 wholesaler's license, which allows the holder to sell and deliver their own liquor to a retail license holder or permit holder authorized to acquire liquor from a wholesaler, as specified.

Senate Bill 448 (passed) extends the termination dates for provisions of Chapters 359 and 360 of 2021 and Chapters 477 and 478 of 2022 related to the sale and delivery of alcoholic beverages by certain alcoholic beverages manufacturers from June 30, 2023, to June 30, 2024. The bill also delays the date from July 1, 2023, to July 1, 2024, that specified license holders are authorized to sell up to 288 ounces of beer to a person at an off-site permitted event.

Under the bill, only holders of manufacturer's licenses that received authorization for direct shipment of alcohol from ATC by April 6, 2023, may ship alcohol directly. The bill also restricts the amount of liquor or beer that holders of specified manufacturer's licenses may ship directly to a consumer during a calendar year. Holders that sold and delivered a product produced under the holder's license to an individual located in the State must submit a report to ATC.

Use of Alcoholic Beverages for Educational Purposes

Senate Bill 672/House Bill 987 (Chs. 62 and 63) allow students between the ages of 18 and 21 and enrolled in a course or program in fermenting, brewing, or hospitality and tourism to taste, but not consume, alcoholic beverages while participating in these educational classes at qualified institutions of higher education in the State without criminal penalty to the student, instructor, or institution.

Local Alcoholic Beverages

Legislation

City of Annapolis

Art Establishment Licenses: *Senate Bill 472/House Bill 520 (both passed)* establish an art establishment beer and wine license in the City of Annapolis that authorizes the license holder to sell or serve beer and wine at retail for on-premises consumption.

Anne Arundel County

Residency Requirements: *Senate Bill 962 (passed)* alters the residency requirement for an alcoholic beverages license on behalf of a partnership, corporation or club, or limited liability company in the county and establishes that an individual who is a resident of the State at the time of the application satisfies the applicable residency requirement, as specified. The license remains valid only for as long as the resident applicant remains a resident of the State.

Baltimore City

Violation Procedures and Fines: *Senate Bill 847/House Bill 916 (both passed)* alter the revocation and suspension procedures of the board of license commissioners by authorizing the board to make an offer of compromise to a license holder of an alleged violation instead of conducting a hearing. The offer includes a monetary penalty and requires corrective action as specified. The bills alter the maximum fines for certain violations of Title 12 of the Alcoholic Beverages Article. The board must adopt regulations to implement the bills.

Class A-7 License: *Senate Bill 381/House Bill 251 (both passed)* repeal the prohibition against the board of license commissioners issuing a Class A-7 beer, wine, and liquor license in the 43rd legislative district. The bills also repeal the June 30, 2022 sunset on issuing new Class A-7 licenses.

Alcoholic Beverages Districts – Legislative Districting Plan References: *Senate Bill 440/House Bill 655 (both passed)* both emergency bills, alter specified statutory references to the boundaries of alcoholic beverages districts, so that they are coterminous with the legislative districts in the Legislative Districting Plan of 2022, rather than the Legislative Districting Plan of 2012. The bills require the board of license commissioners to exempt an activity made unlawful by the bills if the license holder received approval, as specified.

40th District: *Senate Bill 588/House Bill 886 (both passed)* authorize the board of license commissioners to issue a Class C beer, wine, and liquor license in a specified area in the 40th district to a holder of a Class C beer and light wine license. The bills also authorize the board to issue a Class A-7 beer, wine, and liquor license in a specified area in the 40th district, as specified; and exempt a Class A-7 license from the prohibition against the board issuing an alcoholic beverages license within 300 feet of a place of worship or school.

41st Alcoholic Beverages District: *Senate Bill 765/House Bill 587 (both passed)* authorize the board of license commissioners to (1) issue a Class A-7 beer, wine, and liquor license in the 43rd legislative district, as specified; (2) exchange a Class B-D-7 beer, wine, and liquor license for premises located in a specified area of the 41st district for a Class A-7 license; and (3) issue a Class A-7 license after June 30, 2022. The bills alter the definition of a “marketplace” to include premises expected to open within *24 months* after issuance of the marketplace license in the 41st district. The bills also authorize the marketplace license holder to sell beer, wine, and liquor, as specified, for *off-premises* consumption.

46th Alcoholic Beverages District: *Senate Bill 607/House Bill 917 (both passed)* alter the provision for a certain establishment to be considered a restaurant when the board waives the food requirement by allowing an expansion of the licensed premises, as specified. The bills authorize the board to issue, in the 46th district, Class B beer, wine, and liquor license for restaurants in specified areas. The bills allow a Class D beer and light wine licensee in the 46th district to apply to the board to convert to a Class D beer, wine, and liquor license, as specified. The bills also extend the expiration of specified licenses until July 1, 2024, for the purposes of transfer and/or renewal; and alter the Charter of Baltimore City to remove the requirement that the Baltimore City Downtown Commercial District Management Authority enter into a contract with the Baltimore Police Department (BPD) to hire two police officers *from BPD* to exclusively patrol an area, as specified.

Related Event Promoter’s Permit: *Senate Bill 589/House Bill 885 (both passed)* alter provisions associated with a related event promoter’s permit, including changing the time period for submission of an application for the permit, board actions on an application, and when a permit may be altered before a related event.

Baltimore County

Class B Education Conference Facility/Dining Service License: *Senate Bill 347/House Bill 248 (both passed)* authorize the board of license commissioners to issue a Class B-ECF/DS (Education Conference Facility/Dining Service) beer, wine, and liquor license to an individual who is authorized by Towson University, as specified. The license holder may serve at multiple designated outlets at certain university-related events.

Caroline and Queen Anne’s Counties

Residency Requirements: *House Bill 258 (passed)* alters the residency requirement for an alcoholic beverages license on behalf of a partnership, corporation or club, or limited liability company in Caroline County and a partnership in Queen Anne’s County. The bill establishes that the residency requirement for an applicable license is satisfied if at least one of the applicants is a resident of the State at the time the application is filed and provides that a license only remains valid for as long as at least one of the applicants is a resident of the State.

Carroll County

Residency Requirements: *Senate Bill 393/House Bill 558 (both passed)* alter the residency requirement for an alcoholic beverages license on behalf of a partnership, corporation or club, or limited liability company in Carroll County and establish that an individual who is a resident of the State at the time of the application satisfies the applicable residency requirement, as specified. The license remains valid only for as long as at least one of the applicants remains a resident of the State.

Seating Requirements: *Senate Bill 304/House Bill 559 (both passed)* modify the seating requirements for Class B, Class BR, and Class C beer, wine, and liquor licenses in Carroll County.

Multiple Event Entertainment Licenses: *Senate Bill 306/House Bill 560 (both passed)* repeal the 40-day limit for which specified multiple event entertainment licenses issued in Carroll County may be used in a calendar year and establish a fee for 41 or more events per year.

Frederick County

Display of License: *House Bill 679 (Ch. 83)* specifies that an alcoholic beverages license holder in Frederick County must frame the license and display it conspicuously in the licensed premises. Thus, the Act creates an exception – in Frederick County only – to the statewide requirement that a license must be framed under glass.

Sunday Sales: *House Bill 939 (Ch. 84)* extends the Sunday hours of sale for specified alcoholic beverages licenses in Frederick County to generally mirror the existing hours of sale for these licenses on the other days of the week.

Class B Golf Simulator Facility Licenses: *House Bill 644 (Ch. 82)* establishes a Class B-GSF (golf simulator facility) alcoholic beverages license in Frederick County and authorizes the board of license commissioners to issue the license for use by a golf simulator facility. The license authorizes the license holder to sell beer, wine, and liquor for on-premises consumption during normal business hours if the license holder offers food on site at all times when alcoholic beverages are being sold.

Class B Miniature Golf Course Licenses: Similarly, *House Bill 989 (passed)* establishes a Class B-MGC (miniature golf course) beer, wine, and liquor license in Frederick County and authorizes the board of license commissioners to issue the license for use at a miniature golf course. The license authorizes the license holder to sell beer, wine, and liquor for on-premises consumption during normal business hours if the license holder offers food on site at all times when alcoholic beverages are being sold.

Basket of Cheer: *House Bill 991 (Ch. 85)* repeals the restriction that an alcoholic beverages licensee in Frederick County, who has been issued a basket of cheer permit, may only provide a benefit performance prize of a basket of cheer containing alcoholic beverages if the alcoholic beverages were produced in Maryland.

Consumption Permits: *House Bill 997 (Ch. 86)* alters how an individual on the licensed premises of either a beer and wine consumption (BWC) permit holder or a beer, wine, and liquor consumption (BWLC) permit holder may consume alcoholic beverages. Specifically, the Act establishes new permissible serving numbers and sizing for both BWC and BWLC permits.

Garrett County

Alcoholic Beverages Act of 2023: *Senate Bill 821/House Bill 905 (both passed)* establish the framework for the expiration of alcoholic beverages licenses in the county. The bills also (1) decrease, from 25 to 10 rooms, the requirement of a Class B beer, wine, and liquor license held by a hotel or motel; (2) expand the authorization of a gift basket permit to include alcoholic beverages purchased from a wholesaler; (3) authorize the holder of a multiple event and specified Class C alcoholic beverages licenses to hold another alcoholic beverages license of a different class or nature; and (4) expand the Sunday sales hours for alcoholic beverages in the county to 6:00 a.m. to midnight.

Harford County

Class HC Licenses: *Senate Bill 654/House Bill 1063 (both passed)* establish 6-day and 7-day Class HC (health club) beer and wine licenses in Harford County. The board of license commissioners may issue a 6-day or 7-day Class HC license to a person who (1) sells health club services, as specified; (2) has a health club facility that offers an indoor or outdoor swimming pool, or pickleball courts; (3) has at least 150 members who pay dues; and (4) owns or leases real property in the county for use as a for-profit or nonprofit health club facility.

Performing Arts Theatre Licenses: *Senate Bill 738/House Bill 1059 (both passed)* establish a performing arts theater beer and wine license in Harford County. The board of license commissioners may issue the license for use on the premises of a performing arts theater operated by a nonprofit organization.

License Quotas: *House Bill 1062 (Ch. 87)* increases, from 3,000 to 4,000 individuals, the quota used by the board of license commissioners when issuing specified Class A licenses and reduces the number of these Class A licenses the board may issue within the quota from three to one.

Howard County

Resident Agent: *House Bill 146 (Ch. 88)* removes the requirement that the board of license commissioners hold a hearing for a license holder applying for a change of resident agent when the applicant (1) is seeking to be a resident agent for the same license for which the applicant is a license holder and (2) has previously appeared and been approved at a nonviolation hearing for the same license before the board or the Appointed Alcoholic Beverage Hearing Board.

Residency Requirements: *House Bill 158 (passed)* allows an individual who is a resident of the State, rather than the county, to meet the residency requirements for an alcoholic beverages license application in Howard County.

Petition of Support: *House Bill 218 (passed)* repeals the requirement that alcoholic beverage license applicants in Howard County include a petition of support containing specified information as part of an alcoholic beverages license application.

Montgomery County

Clubhouse/Lodge License and Class 7 Micro-brewery License: *House Bill 277 (Ch. 89)* clarifies that the holder of a Class B-BWL (clubhouse/lodge) license in the county that is issued a Class 7 micro-brewery license is not subject to the general statewide licensure restriction preventing holders of Class 7 micro-brewery licenses from holding or having a financial interest in more than one retail license outside of the premises to which the Class 7 micro-brewery license applies.

Alcohol Beverage Services – Advisory Board: *House Bill 345 (Ch. 90)* alters the membership of the Alcohol Beverage Services Advisory Board to allow designees of the directors of the Alcohol Beverage Services and county police department, respectively, to serve as members of the board.

Prince George’s County

License Privileges and Enforcement: *House Bill 436 (Ch. 93)* authorizes the board of license commissioners to approve the transfer of a Class A beer, wine, and liquor license to a premises located in a specified area, if there is no other Class A beer, wine, and liquor license operating within one mile of the premises. The Act also (1) updates provisions of law related to the issuance of Class B-DD (Development District) 7-day beer, wine, and liquor license, as specified; (2) allows a Class B-DD license to have an off-sale privilege, as specified; and (3) authorizes the board to issue up to a certain number of B-DD licenses in specified geographic areas.

House Bill 784 (passed) establishes a framework for inspections of licensed premises performed by or on behalf of the board of license commissioners, as specified. The bill also requires the board to establish a standard fine structure for violations of alcoholic beverages laws and specifies that a Class B beer, wine, and liquor license holder, a Class C (fraternal/sororal/service organization) beer, wine, and liquor license holder, and a Class C (veterans’ organization or club) beer, wine, and liquor license holder may serve beer, wine, and liquor by the glass or by the bottle for on-premises consumption. In addition, the bill establishes a Workgroup to Study Best Practices for Safe Event Promotion and the Leveraging of Alcoholic Beverages Licenses in Prince George’s County.

Baseball Stadium Beer, Wine, and Liquor License: *House Bill 438 (passed)* authorizes a Class B-Stadium (baseball stadium) license holder to sell liquor in addition to beer and wine for

on-premises consumption. The bill also renames the previous Class B beer, wine, and liquor stadium license as the Class B-Stadium (football stadium) license. The bill specifies that the board of license commissioners may issue one Class B-Stadium (baseball stadium) license and one Class B-Stadium (football stadium) license.

Main Street Laurel Development: *House Bill 946 (Ch. 94)* authorizes the board of license commissioners to issue up to five Class B-DD (Development District) licenses to restaurants located within a specified area of Main Street Laurel.

Worcester County

Ocean City Promoter's License: *Senate Bill 135/House Bill 113 (both passed)* establish an Ocean City promoter's license and authorizes the board of license commissioners to issue the license to a for-profit organization to sell beer, wine, and liquor at entertainment events held on municipality-owned premises in Ocean City, as specified.

Cannabis Regulation

Cannabis Reform

After several years of legislative discussion, the General Assembly submitted Chapter 45 of 2022 to the voters as a proposed constitutional amendment authorizing the possession and use of cannabis for adult use in the State. At the November 2022 general election, voters approved the constitutional amendment, authorizing individuals at least 21 years of age to use and possess cannabis in the State beginning July 1, 2023, subject to passage of implementing legislation regarding the use, distribution, possession, regulation, and taxation of cannabis.

Senate Bill 516/House Bill 556 (both passed) are emergency bills that establish a licensing framework for the regulated growing, processing, and retail sale of cannabis in the State, by establishing eight categories of cannabis business licenses: standard grower, processor, and dispensary licenses, respectively; micro grower, processor, and dispensary licenses, respectively; incubator licenses; and on-site consumption licenses. The new licenses do not distinguish between medical cannabis and adult-use cannabis; both types are produced, processed, and sold by the same tier of licensed cannabis businesses.

The bills redesignate the Alcohol and Tobacco Commission as the Alcohol, Tobacco, and Cannabis Commission (ATCC) and establish the Maryland Cannabis Administration as an independent unit of State government. After enactment of the bills, ATCC and the administration must enter into a memorandum of understanding providing that both agencies agree to collaborate in enforcing provisions related to unlicensed cannabis operations in the State. The administration is (1) funded by the newly established Cannabis Regulation and Enforcement Fund; (2) tasked with overseeing the regulation of adult-use cannabis; and (3) the designated successor of the Maryland Medical Cannabis Commission (MMCC) in all matters concerning the regulation of

medical cannabis. For a more in-depth discussion of provisions related to medical cannabis, see the subpart “Public Health” within Part J – Health and Human Services of this *90 Day Report*.

Senate Bill 516/House Bill 556 (1) establish an advisory board on medical and adult-use cannabis; (2) establish the Office of Social Equity (OSE) and the Social Equity Partnership Grant Program in the administration; (3) include various provisions to encourage participation by “social equity applicants”; (4) establish a cannabis licensing and registration framework; (5) establish civil and criminal penalties for specified violations; (6) establish a Maryland Incubator Program; (7) establish cannabis advertising restrictions; (8) prohibit the Commissioner of Financial Regulation from taking specified actions; (9) authorize a “political subdivision” (*i.e.*, a county or a municipality) to establish its own ordinances concerning cannabis businesses, with specified limitations; and (10) establish a 9% sales and use tax applicable to the sale of adult-use cannabis. A “social equity applicant” is an applicant for licensing or registration that has at least 65% ownership by individuals who meet certain criteria concerning residency in areas disproportionately impacted by the war on drugs, as specified, attendance at certain schools, or other criteria adopted by the administration.

In order to have retail sales available on July 1, 2023, the bills require that medical cannabis growers, processors, and dispensaries licensed under MMCC that wish to continue operations must convert to cannabis business licenses as specified under the bills. Conversion of a license incurs these specified fees: (1) MMCC-licensed growers and processors must pay 10% of gross revenues up to \$2,000,000, but not less than \$100,000; and (2) MMCC-licensed dispensers must pay 8% of gross revenues up to \$2,000,000, but not less than \$100,000. In addition, the bills (1) specify that a person may control no more than four converted licensed dispensaries and (2) limit to four the number of dispensaries under the control of one person. A licensed medical cannabis business that elects not to convert to a new license may not operate under or renew its MMCC license but may sell the license to another person who must convert it to a new license in order to operate.

The bills also specify that if a medical cannabis grower received a license from MMCC under Chapter 598 of 2018, the licensed grower may be granted a license to operate a dispensary under the new system in the same manner as the original medical cannabis growers licensed in 2015. In addition, establishments may not sell any products that include more than a specified amount of tetrahydrocannabinol (also known as THC) unless the establishments obtain a dispensary license. Certain hemp-derived tincture products may be sold outside the licensed dispensaries if the products are subject to specified testing.

Maryland Cannabis Administration

The Maryland Cannabis Administration is an independent unit of government that is headed by a director appointed by the Governor with the advice and consent of the Senate. The administration is charged with administering and enforcing the laws governing the legal cannabis industry in the State as established by the bills.

Regulations

By July 1, 2023, the administration must adopt emergency regulations to (1) carry out the requirements for licensure of cannabis businesses, including implementing procedures related to applications, licenses, and registrations; (2) assist the Comptroller in the collection of taxes imposed on the sale of adult-use cannabis; (3) implement inventory management and tracking; and (4) establish operating requirements for cannabis licensees and registrants. The administration must also adopt nonemergency regulations by July 1, 2024, that (1) govern Internet sales of cannabis, which may begin only on or after July 1, 2025; (2) implement and supplement packaging or repackaging and labeling requirements for cannabis products; (3) establish procedures for the use of point of sale technologies by dispensaries for all transactions that verify a consumer's age using a driver's license or other specified valid identification; and (4) require cannabis licensees to transition from a cash system and use traditional banking services. Any regulations that are adopted must regulate medical and adult-use cannabis in the same manner. Also, by July 1, 2024, the administration must adopt minimum standards for licensed growers to protect the rights of growers and employees, as specified.

Licenses and Registrations

The administration must (1) solicit, evaluate, and issue or deny applications for cannabis licenses and registrations; (2) conduct financial and criminal background investigations of any cannabis license applicants and licensees; (3) award or deny cannabis licenses and registrations and give notice and hold hearings on contested license denials; (4) conduct announced and unannounced inspections of any licensed or registered cannabis business to ensure compliance; and (5) impose any authorized penalty following a violation. In carrying out its responsibilities, the administration may issue subpoenas for witnesses or evidence in investigations, proceedings, or disciplinary actions, and hold hearings in absentia when the person against whom action is contemplated fails to appear after due notice.

Cannabis Business Licenses: To operate a cannabis business in the State, a person must obtain a cannabis license from the administration. A cannabis license is valid for five years. The cannabis license authorizes the licensee to operate a medical and adult-use cannabis business. A cannabis business license (1) is not property and does not confer property rights and (2) is subject to suspension, revocation, and restrictions authorized by law. **Exhibit 1** details the types of cannabis business licenses, the number of authorized licenses by type, what is authorized under each license type, and the maximum ownership and control interests a person may have for each license type. To transfer ownership or control of a cannabis license, a licensee must first submit to the administration an application and fee, as specified by the administration. However, the holder of a cannabis license, including a converted license, may not transfer ownership or control of the

license for at least five years following licensure, with limited exceptions and not including the time period that a business is considered to be in a preapproved licensure status.

Exhibit H-1
Participation in the Cannabis Industry for All License Types

<u>License Type</u>	<u>Maximum Number of Licenses Authorized</u>	<u>License Authorizations</u>	<u>Maximum Ownership and Control Interests</u>
Standard Grower	75 ¹	To operate 10,000 to 300,000 square feet of indoor canopy space	One
Standard Processor	100	To process more than 1,000 pounds of cannabis per year	One
Standard Dispensary	300	To operate a physical location for selling cannabis or cannabis products	Four
Micro Grower	100	To operate not more than 10,000 square feet of indoor canopy space	One
Micro Processor	100	To process not more than 1,000 pounds of cannabis per year	One
Micro Dispensary	10	To operate a delivery service that sells cannabis or cannabis products without a physical storefront if the licensee employs no more than 10 employees	Four
Incubator Space	10	To operate a facility where a micro licensee may operate, as specified	Two ²
On-site Consumption	50	To operate a facility where individuals can vape or consume cannabis, as specified	Two ²

¹ Five grower licenses awarded to a class member of specified litigation are in addition to and not subject to the limitations on the total number of licenses the administration may issue.

² A person who owns or controls an incubator space licensee or an on-site consumption licensee may not own or control any other cannabis licensee.

Source: Department of Legislative Services

The administration must establish initial license fees up to \$50,000 and renewal fees that do not exceed the lesser of 10% of the licensee's annual gross revenue or \$50,000. The administration must reduce by at least 50% the licensing and renewal fees for social equity licenses, micro licenses, incubator space licenses, and on-site consumption licenses.

License Application and Award: For any new cannabis business licenses, an applicant must submit an application developed by the administration and the initial application fee of \$5,000 for all license types except micro licenses, which have an initial application fee of \$1,000. By January 1, 2024, the administration must begin issuing first round licenses which are limited to social equity applicants for all license types. Beginning May 1, 2024, the administration must begin issuing second round licenses pursuant to specified determinations based on the review of a disparity study.

Business Registrations: Before providing services to a cannabis licensee, the following businesses must register with the administration: (1) a transporter; (2) a security guard agency; (3) a waste disposal company; and (4) any other type of cannabis business that is authorized by the administration to provide plant or product-touching services to cannabis licensees. A registration to operate specified cannabis businesses issued by MMCC on or before July 1, 2023, authorizes the cannabis business to handle medical and adult-use cannabis products.

Agent Registrations: Before an agent may volunteer or work for a cannabis business licensee or registrant, the agent must register with the administration. A registration is valid for two years. To register as a cannabis agent, an individual must be at least 21 years of age and obtain a criminal history records check. An agent registration issued by MMCC on or before July 1, 2023, is valid under the bills and authorizes the registered agent to be employed by or volunteer with a licensed cannabis business. Each registered agent must complete an annual responsible vendor training program as established through regulations that the administration must adopt.

Advertising

In general, advertisements may not (1) violate Title 13, Subtitle 3 of the Commercial Law Article, “Consumer Protection Act – Unfair, Abusive, or Deceptive Trade Practices”; (2) target minors or individuals younger than age 21; or (3) engage through specified forms of media or in publicly visible locations. Licensed cannabis businesses, however, may use signs on their property identifying their businesses. In addition to the restrictions regarding cannabis advertising, the administration must adopt regulations to enforce advertising restrictions.

Testing Laboratories

Senate Bill 516/House Bill 556 require the establishment of a State cannabis testing laboratory to developing cannabis testing methodologies and oversee independent testing laboratories. The administration must (1) convert any MMCC registration to operate as an independent testing laboratory to a registration under the authority of the administration and (2) register at least one independent testing laboratory to test cannabis and cannabis products for sale in the State. A registered independent testing laboratory may test and transport cannabis and cannabis products on behalf of cannabis licensees.

Maryland Incubator Program

The administration must adopt regulations to establish a Maryland Incubator Program based on best practices in other states. The Maryland Economic Development Corporation (MEDCO), in consultation with the administration, must acquire and construct or refurbish at least one facility to operate an incubator space. After the completion of the construction or refurbishment, ownership of the facility must be transferred to the Department of General Services, which must contract with a nonprofit organization to operate a State incubator space facility. MEDCO must also identify at least one site for proposed use as an incubator space in each of four specified regions of the State.

Banking and Insurance

Under the bills, the Commissioner of Financial Regulation may not take specified actions against the following institutions for providing financial services to a “cannabis business” or a “service provider”: (1) banks, credit unions, and other entities operating as depository institutions in the State; and (2) insurance companies and producers operating in the State. These specified institutions are also not liable under any State law or regulation solely for providing a cannabis-related business or a service provider with financial services or for investing any income derived from the financial services. For purposes of federal law, the proceeds from a transaction involving activities of a cannabis-related business or service provider may not be considered proceeds from an unlawful activity. The State may not cooperate with or aid federal law enforcement authorities attempting to prosecute financial institutions that are lawfully operating under the bills.

Political Subdivisions

A “political subdivision,” which is defined as a county or a municipality, may establish reasonable zoning requirements for cannabis businesses and decide how to distribute its allocation of tax revenues. A political subdivision may not (1) establish zoning or other requirements that unduly burden a cannabis licensee; (2) impose licensing, operating, or other fees or requirements on a cannabis licensee that are disproportionately greater or more burdensome than those imposed on other businesses with a similar impact on the area where the cannabis licensee is located; (3) prohibit transportation through or deliveries within the political subdivision by cannabis establishments located in other political subdivisions; (4) prevent an entity from converting a medical cannabis license that is in compliance with all relevant medical cannabis regulations; or (5) negotiate or enter into an agreement requiring a cannabis licensee or applicant to provide money, donations, in-kind contributions, services, or anything of value to the political subdivision. Use of a facility by a cannabis licensee that was properly zoned and operating as of January 1, 2023, or that held a Stage One preapproval before and was not operational before October 1, 2022, need not be submitted to, or approved by, a zoning board. However, an on-site consumption business may only operate with the express approval of its political subdivision, and a political subdivision may place restrictions on or prohibit the operation of on-site consumption establishments.

Cannabis Business Assistance Fund

Senate Bill 516/House Bill 556 impose a 9% sales and use tax applicable to the sale of adult-use cannabis. After making specified distributions, the Comptroller must quarterly distribute 35% to the Community Reinvestment and Repair Fund, 5% to counties and municipalities as specified, 5% to the Public Health Fund, and 5% to the Business Assistance Fund. For a further discussion of the sales and use tax provisions related to adult-use cannabis, see the subpart “Sales Tax” within Part B – Taxes of this *90 Day Report*.

Social Equity Provisions

The administration must (1) conduct extensive outreach to small, minority, and women business owners and entrepreneurs who may have an interest in applying for a cannabis license before accepting and processing cannabis license applications; (2) connect potential social equity applicants with OSE; and (3) issue specified information as necessary for assessing the need for remedial measure in the cannabis industry.

Office of Social Equity

Senate Bill 516/House Bill 556 establish OSE as a unit in the administration headed by an executive director appointed by the Governor. OSE must promote and encourage full participation in the regulated cannabis industry by people from communities that have been disproportionately impacted by the war on drugs in order to positively impact those communities. Among other things, OSE must work with the administration to implement free technical assistance for social equity and minority cannabis business applicants, administer the Social Equity Partnership Grant Program, and assist businesses with obtaining financing through the Capital Access Program. The purpose of the Social Equity Partnership Grant Program is to promote qualifying partnerships between operational cannabis licensees and “social equity licensees.” The purpose of the Capital Access Program is to stimulate opportunities for social equity licensees that have difficulty obtaining financing and establish a loan loss reserve account.

Minority Business Enterprise Program

To the extent practicable and authorized by the U.S. Constitution, a cannabis licensee must comply with the State’s Minority Business Enterprise (MBE) Program. The administration, in consultation with the specified certification agency, the Governor’s Office of Small, Minority, and Women Business Affairs, the General Assembly, and the Office of the Attorney General, must review the disparity study required by Chapter 26 of 2022 to evaluate whether application of the State’s MBE program to cannabis licenses would comply with the U.S. Supreme Court decision in *City of Richmond v. J. A. Croson Co.*, 488 U.S. 469 (1989), and any subsequent federal and constitutional requirements. Within six months after issuing a cannabis license, the State must establish a clear plan for setting reasonable and appropriate MBE participation goals and procedures for the procurement of goods and services related to cannabis, including the cultivation, manufacturing, and dispensing of cannabis. To the extent practicable, these goals and procedures must be based on the requirements of the State’s MBE program.

Economic Development for Cannabis Business Establishments

Senate Bill 525/House Bill 922 (both passed) prohibit the Department of Commerce from denying growers, processors, dispensaries and other cannabis business entities licensed by the State certain economic development and financial assistance program benefits solely because the business entities are cannabis businesses. The licensed cannabis businesses must otherwise satisfy the requirements of the economic development or financial assistance program. The prohibition applies to programs under Title 5 of the Economic Development Article and the More Jobs for Marylanders Program. An affected business that was denied benefits prior to July 1, 2023, may reapply to the relevant program. The bills also add the growth, processing, or dispensing of cannabis, in accordance with the laws of the State, as eligible business activities under the Job Creation and One Maryland tax credit programs.

Part I

Financial Institutions, Commercial Law, and Corporations

Financial Institutions

Office of the Commissioner of Financial Regulation

Name and Organization of the Office

The Office of the Commissioner of Financial Regulation (OCFR) within the Maryland Department of Labor oversees and regulates the State's financial services industry by licensing, registering, chartering, and investigating financial institutions, financial service providers, and financial service activities within the State.

Senate Bill 929/House Bill 379 (Chs. 28 and 29) rename OCFR as the Office of Financial Regulation. To support OCFR's regulatory obligations as nondepository financial activities grow across the State, the Acts also establish a new position of Deputy Commissioner for Non-Depository Activities and rename the existing Deputy Commissioner as the Deputy Commissioner for Depository Activities.

Nondepository Financial Institutions

To streamline the licensing and registration process for nondepository financial institutions in the State, *House Bill 686 (passed)* eliminates the requirement that each branch location of a financial institution obtain a separate license or registration and pay a fee. The bill, instead, establishes a new system where each financial institution must obtain a single license or registration and pay one fee that covers all of the financial institution's branch locations.

Access to Banking Act

Senate Bill 550/House Bill 548 (both passed) establish initiatives to expand access to capital for businesses and individuals located in low-to-moderate income (LMI) communities.

Maryland Community Investment Venture Fund

Senate Bill 550/House Bill 548 establish the Maryland Community Investment Venture Fund to create opportunities for banking institutions and credit unions in the State to enhance access to capital, funding, and other financial services in LMI communities in the State by (1) investing in the development of financial product or financial product underwriting innovations; (2) deploying, testing, and evaluating the innovations for providing capital and funding to businesses; and (3) promoting and making the innovations available to banking institutions and credit unions to use for businesses in LMI communities. The fund may accept money from both public sources and private investment to achieve the goals of the fund.

The bills require OCFR to establish a governance structure for the fund and authorize OCFR to collaborate with investors in the fund when establishing the governance structure. Each year, the governing body of the fund must engage an independent third party, designated by the commissioner, to evaluate whether the investments made to the fund comply with the requirements of the bills.

Assessment Credits for Bank and Credit Union Branches

OCFR is required to impose annual assessments on each State-chartered banking institution and credit union to cover the expenses of regulating the financial institutions. To improve access to banking and financial services for LMI communities, *Senate Bill 550/House Bill 548* also authorize OCFR to provide an assessment offset credit to banking institutions and credit unions for having branches located in LMI areas. Banking institutions and credit unions can request an assessment credit for their current branches and an enhanced assessment credit for new branches for the first five years after a new branch opens.

Student Financing Companies

According to the Student Borrower Protection Center, over 846,700 Maryland residents owe approximately \$40 billion in student loan debt. *House Bill 913 (passed)* requires a student financing company to register with OCFR and provide annual reports about their practices before providing services in the State. Among other items, a student financing company must report on the number of Maryland consumers who owe the company debt, the range of interest rates for the debt, and the default rates for consumers who owe the company debt. The bill requires that OCFR make specified information and documents reported by student financing companies available on a publicly accessible website developed and maintained by OCFR.

Commercial Law – Generally

Disposition of Abandoned Property

The Comptroller advises that, under current law, the only permissible method of disposing of abandoned personal property is via sale, even if the property has no commercial value. This

requirement has resulted in the need to store, maintain, and catalog property without monetary value that could not be sold at auction.

Senate Bill 241 (Ch. 19) specifies that, within one year after delivery of abandoned property (other than money), the Comptroller must determine whether the property has commercial value and, if applicable, the commercial value of the property. The Act also establishes that the Comptroller need not offer abandoned property for sale if the property has no commercial value. If property is not required to be offered for sale, the Comptroller may return the property to the holder, destroy the property, or otherwise dispose of the property. The Act repeals a provision requiring notice to be provided in a newspaper of general circulation and instead requires the Comptroller to give reasonable notice to the public of any sale.

Shared Appreciation Agreements

A shared appreciation agreement is a writing evidencing a transaction or any option, future, or any other derivative between a person and a consumer where the consumer receives money (or any other item of value) in exchange for an interest (or future interest) in a dwelling or residential real estate, or a future obligation to repay a sum on the occurrence of a specified event, such as a transfer of ownership, a repayment maturity date, or the consumer's death.

House Bill 1150 (passed) makes shared appreciation agreements subject to the Maryland Mortgage Lender Law and other provisions of law that regulate loans of single extensions of closed end credit and revolving credit plans. As a result, any entities engaged in those types of transactions are subject to the regulatory authority of the Office of the Commissioner of Financial Regulation and licensure and other consumer protection requirements applicable to mortgage lenders.

Commercial Law – Consumer Protection

Motor Vehicle Glass Repair or Replacement

A number of motor vehicles are manufactured with windshields that have an advanced driver assistance system (ADAS), an electronic system that uses automated technology (including cameras and sensors) to detect nearby obstacles and driver errors to assist a driver in the safe operation of a motor vehicle. *House Bill 920 (passed)* establishes consumer protections related to the repair or replacement of motor vehicle glass on motor vehicles equipped with ADAS. If a motor vehicle is equipped with ADAS, a motor vehicle safety glass facility must (1) inform the customer if the recalibration of the system is required and (2) provide the customer with a written statement that the work to be performed on the motor vehicle will meet or exceed original equipment manufacturer specifications. The bill also prohibits a motor vehicle safety glass facility from charging for services that are not performed or successfully completed. If recalibration of an advanced driver assistance system is necessary but is not performed or successfully completed, the repair facility must inform the customer.

Telephone Solicitations

Under existing law, a “telephone solicitation” is defined as an organized activity, program, or campaign to communicate by telephone with residents of the State in order to do (or attempt to do) the following: (1) sell, lease, or rent goods or services; (2) offer a gift or prize; (3) conduct a poll; or (4) request survey information, under certain circumstances.

Senate Bill 90/House Bill 37 (both passed) establish restrictions on telephone solicitations made to residents of the State, including making (or causing to be made) a telephone solicitation that involves an automated system for the selection or dialing of telephone numbers or the playing of a recorded message when a connection is completed to the number called. The bills restrict the methods, times, and identifying information that a solicitor may utilize when making a telephone solicitation. For a more detailed discussion of this issue, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

Corporations and Associations

Repeal of Electronic Copies Fee

Existing law requires the State Department of Assessments and Taxation (SDAT) to charge a \$1 per-page fee for copies of physical and electronic documents recorded and filed with the department. *Senate Bill 723 (Ch. 70)* eliminates the required \$1 per page fee for electronic copies.

Requirements for Dissolution or Termination of Registration of a Corporation

House Bill 999 (passed) repeals a requirement that active Maryland (domestic) and non-Maryland (foreign) corporations file past due annual reports before filing Articles of Dissolution or Articles of Termination of Foreign Corporation Qualification with SDAT.

Miscellaneous Revisions

House Bill 209 (passed) alters numerous provisions of the Corporations and Associations Article, including those relating to (1) the issuance of stock or convertible securities as part of a conversion; (2) stock certificates, scrip, and limited liability company (LLC) certificates issued in bearer form; (3) remote participation at stockholders’ meetings; (4) conversions of a close corporation; (5) directors of a nonstock corporation; (6) dissolution of a real estate investment trust; and (7) the Maryland Control Share Acquisition Act and statutory trusts. Among other specific changes, the bill prohibits the issuance of corporate stock and LLC certificates in bearer form, authorizes a nonstock corporation’s charter or bylaws to provide that an individual may serve

as a director by reason of serving in specified office or position within or outside the corporation, and specifies the process for terminating the existence of real estate investment trusts.

Part J

Health and Human Services

Public Health – Generally

Right to Reproductive Freedom

In June 2022, the U.S. Supreme Court overturned precedent regarding abortion access in *Dobbs v. Jackson Women’s Health Organization*. Before this decision, abortions prior to viability were constitutionally protected based on *Roe v. Wade* and *Planned Parenthood of Southeastern Pennsylvania v. Casey*. The *Dobbs* decision does not impact Maryland law as § 20-209 of the Health-General Article codifies the protections of *Roe* and *Casey* by prohibiting the State from interfering with an abortion conducted (1) before viability or (2) at any point, if the procedure is necessary to protect the health or life of the woman in cases of fetal defect, deformity, or abnormality. After *Dobbs*, Maryland is authorized to enact additional laws protecting access to abortion or enact restrictions on abortion access that were unconstitutional under *Roe* and *Casey*.

Proposed Constitutional Amendment – Right to Reproductive Freedom

Senate Bill 798/House Bill 705 (both passed) are proposed constitutional amendments that if approved by the voters at the next general election to be held in November 2024, (1) establish an individual’s fundamental right to reproductive freedom, including but not limited to the ability to make and effectuate decisions to prevent, continue, or end one’s own pregnancy and (2) prohibit the State from directly or indirectly denying, burdening, or abridging the right unless justified by a compelling State interest achieved by the least restrictive means.

Reproductive Health Services

Prohibition on the Disclosure of Protected Information: Senate Bill 786/House Bill 812 (both passed) generally prohibit the disclosure of mifepristone data or the diagnosis, procedure, medication, or related codes for abortion care and other sensitive health services (including reproductive health services other than abortion care) by a health information exchange (HIE), electronic health network (EHN), or health care provider beginning December 1, 2023.

Legally Protected Health Care: *Senate Bill 786/House Bill 812* define “legally protected health care” to mean all reproductive health services, medications, and supplies related to the provision of abortion care and other sensitive health services as determined by the Secretary of Health based on the recommendation of the newly established Protected Health Care Commission (PHCC). PHCC must, among other things, (1) identify sensitive health services information by diagnosis, procedural, medication, or related codes for which disclosure by an HIE or EHN to a treating provider, business entity, another HIE, or another EHN would create a substantial risk to patients or health care providers and (2) issue semiannual reports to the Secretary of Health recommending what should be classified as legally protected health care.

The Secretary must respond to a PHCC report within 60 days of receipt, use the reports in making specified determinations, and adopt emergency regulations identifying the sensitive health services codes to restrict. The Maryland Health Care Commission also must adopt emergency regulations to restrict patient data related to legally protected health care and submit quarterly reports on the implementation of the legislation.

Public Senior Higher Education Institutions and Reproductive Health Service Plans

Senate Bill 341/House Bill 477 (both passed) require a public senior higher education institution to develop and implement a reproductive health service plan. Each plan must include the provision of or referral to services for obtaining (1) all methods of federal Food and Drug Administration-approved contraception, including prescription emergency contraception; (2) prevention and treatment services for sexually transmitted infections, including HIV prevention; and (3) abortion care services.

Plans must also include:

- 24-hour access to over-the-counter contraception through the student health center, retail establishments on campus, or vending machines;
- the availability of evidence-based reproductive health education services provided by the student health center, peer educators, or other health education programs; and
- development of a referral network of off-campus reproductive health services providers, including pharmacies, located within a reasonable proximity to the campus.

For further discussion of public senior higher education institutions, see the subpart “Higher Education” within Part L – Education of this *90 Day Report*.

Protection of Reproductive Health Information

Senate Bill 859/House Bill 808 (both passed) – generally (1) establish additional protections for information related to “legally protected health care” when that information is sought by another state; (2) prohibit a health occupations board from taking specified disciplinary

actions related to the provision of legally protected health care; (3) prohibit a medical professional liability insurer from taking “adverse actions” against a practitioner related to the practice of legally protected health care; and (4) prohibit specified State entities, agents, and employees from participating in any interstate investigation seeking to impose specified liabilities or sanctions against a person for activity related to legally protected health care (with limited exception). For further discussion, see the subpart “Criminal Procedure” within Part E – Crimes, Corrections, and Public Safety of this *90 Day Report*.

Cannabis Reform

Regulation of Medical Cannabis by Maryland Cannabis Administration

The Natalie M. LaPrade Medical Cannabis Commission (MMCC) is responsible for implementation of the State’s medical cannabis program, which is intended to make medical cannabis available to qualifying patients in a safe and effective manner. The program allows for the licensure of growers, processors, and dispensaries and the registration of their agents, as well as registration of independent testing laboratories and their agents. There is a framework to certify health care providers (including physicians, dentists, podiatrists, nurse practitioners, nurse midwives, and physician assistants), qualifying patients, and their caregivers to provide qualifying patients with medical cannabis legally under State law via written certification.

Senate Bill 516/House Bill 556 (both passed), emergency bills, among other things, generally establish the Maryland Cannabis Administration as an independent unit of State government to oversee the regulations of adult-use cannabis and designate the administration as the successor to MMCC in all matters concerning the regulation of medical cannabis. The legislation transfers employees and staff of MMCC to the administration, as well as the corresponding MMCC special funds to the Cannabis Regulation and Enforcement Fund.

Medical Cannabis and Providers, Patients, and Caregivers

Senate Bill 516/House Bill 556 also (1) repeal Title 13, Subtitle 33 of the Health–General Article in its entirety; (2) largely recodify the provisions related to certifying providers, qualifying patients, and caregivers under the Medical and Adult-Use Cannabis Title of the Alcoholic Beverages Article; and (3) establish a new authorization for a qualifying patient who is at least age 21 to cultivate up to four cannabis plants.

Maryland Cannabis Compassionate Use Fund

Senate Bill 516/House Bill 556 recodify the Medical Cannabis Compassionate Use Fund administered by the administration (rather than MMCC) to provide access to cannabis for individuals enrolled in Maryland Medicaid or in the Veterans Affairs Maryland Health Care System and expand the authorized uses of the fund to include access to, at a reduced cost, an assessment of the patient’s medical history and current medical condition.

MMCC Licensee Conversions

Title 13, Subtitle 33 of the Health-General Article limits the number of grower and processor licenses that MMCC may issue, and regulations establish a limit on the number of dispensary licenses. *Senate Bill 516/House Bill 556* require, by July 1, 2023, the administration to convert licenses, including preapproved licenses, issued to medical cannabis growers, processors, and dispensaries to licenses to operate a medical and adult-use cannabis business if a one-time conversion fee is paid to the administration. The holder of an MMCC issued dispensary license converted under the bills to a standard dispensary license may continue to deliver medical cannabis until January 1, 2024, notwithstanding any other provisions. For a further discussion of cannabis business licensing provisions, see the subpart “Cannabis Regulation” within Part H – Business and Economic Issues of this *90 Day Report*.

Cannabis Public Health Fund

Chapter 26 of 2022 and the subsequent passage of the associated constitutional referendum established the Cannabis Public Health Advisory Council to study and report its findings and recommendations by December 1 each year on specified public health impacts of cannabis legalization. The Cannabis Public Health Fund was also established to, among other purposes, support the advisory council and data collection and research on the effects of cannabis legalization in the State, support substance use disorder counseling and treatment for individuals, and provide training and equipment for law enforcement to recognize impairments due to cannabis. *Senate Bill 516/House Bill 556* impose a 9% sales and use tax applicable to the sale of adult-use cannabis and require the comptroller, after making specified distributions, to distribute to the fund 5% of the tax collected. For a further discussion of the sales and use tax provisions related to adult-use cannabis, see the subpart “Sales Tax” within Part B – Taxes of this *90 Day Report*.

Behavioral Health

Commission on Behavioral Health Care Treatment and Access

Senate Bill 582/House Bill 1148 (both passed) establish a Commission on Behavioral Health Care Treatment and Access to make recommendations to provide appropriate, accessible, and comprehensive behavioral health services that are available on demand to individuals in the State across the behavioral health continuum. Among other duties, the commission must assess behavioral health services in the State to identify needs and gaps in services across the continuum and report the findings of the needs assessment to the Governor and General Assembly by January 1, 2024.

Funding for 9-8-8 Behavioral Health Crisis Hotline and Services

Under Chapters 145 and 146 of 2022 and the federal National Suicide Hotline Designation Act of 2020, the Maryland Department of Health designated 9-8-8 as the State’s behavioral health crisis hotline. Chapters 145 and 146 of 2022 also established the 9-8-8 Trust Fund to provide reimbursement for costs associated with designating and maintaining 9-8-8 and implementing a

statewide initiative for the coordination and delivery of the continuum of behavioral health crisis response services. Per Chapters 145 and 146, the Governor must include \$5.5 million for the fund in the annual budget bill for fiscal 2024. *Senate Bill 3/House Bill 271 (both passed)* require the Governor to include an appropriation of \$12.0 million to the 9-8-8 Trust Fund in the annual budget bill for fiscal 2025.

Certified Community Behavioral Health Clinics

The federal certified community behavioral health clinic (CCBHC) model is designed to ensure access to coordinated comprehensive behavioral health care. CCBHCs must serve anyone who requests care for mental health or substance use, meet standards for the range of services they provide, and provide specified core services either directly or through designated collaborating organizations, such as crisis services 24 hours a day, 7 days a week; outpatient mental health and substance use services; targeted case management; peer, family support, and counselor services; and psychiatric rehabilitation services. *Senate Bill 362/Senate Bill 582/House Bill 1148 (each passed)* require the Maryland Department of Health to apply for federal planning, development, and implementation grant funds related to CCBHCs and inclusion in the state CCBHC demonstration program.

Behavioral Health Care Coordination Value-Based Purchasing Pilot Program

Senate Bill 581/Senate Bill 582/House Bill 1148 (each passed) establish a Behavioral Health Care Coordination Value-Based Purchasing Pilot Program to establish and implement an intensive care coordination model using value-based purchasing in the specialty behavioral health system. The Maryland Department of Health (MDH) must administer the pilot program, which must be operational for a three-year period.

Home and Community-Based Services for Children, Youth, and Families

Senate Bill 255/House Bill 322 (both passed) require MDH to expand access to and provide reimbursement for specified wraparound, intensive in-home, and case management services relating to the 1915(i) Intensive Behavioral Health Services for Children, Youth, and Families Program. Beginning in fiscal 2024, the Behavioral Health Administration must fund 100 slots in the mental health case management program for children or youth who are not eligible for Medicaid services and are at risk of out-of-home placement.

Recovery Residence Grant Program

Senate Bill 558 (passed) establishes a Recovery Residence Grant Program in MDH to award competitive grants to recovery residences to support operations, services, and programs. In fiscal 2024 through 2027, the annual budget bill must include an appropriation of \$500,000 for the program.

Opioid Restitution Fund, Overdose Response Program, and Overdose Reversal Drugs

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. *House Bill 571 (passed)* clarifies how specified funds received by ORF must be appropriated and distributed. The fiscal 2024 budget directs \$36.2 million to ORF reflecting years one, two, and three of settlement payments from Janssen and distributors.

Chapter 239 of 2022 (also known as the STOP Act) allows for opioid overdose reversal drugs approved by the U.S. Food and Drug Administration (FDA) to be offered to specified individuals – free of charge – by multiple providers, programs, and entities, which are generally required to establish protocols, as specified, to do so. *House Bill 571* also generally requires MDH to allow specified entities to choose the formulation or dosage of an opioid overdose reversal drug approved by the FDA that the entity is provided with through the Overdose Response Program.

Behavioral Health Workforce Investment Fund

Senate Bill 283/House Bill 418 (both passed) establish the Behavioral Health Workforce Investment Fund to provide reimbursement for costs associated with educating, training, certifying, recruiting, placing, and retaining behavioral health professionals and paraprofessionals. The Maryland Health Care Commission, in coordination with specified stakeholders, must conduct a comprehensive behavioral health workforce needs assessment. The assessment, which must recommend an initial allocation to the fund and identify which programs the allocation will support, must be submitted to specified committees of the General Assembly by October 15, 2024.

Mental Health Advance Directives

Senate Bill 154 (passed) requires MDH to develop and implement a public awareness campaign to encourage the use of mental health advance directives in the State. The Behavioral Health Administration and the Maryland Health Care Commission must jointly study how first responders and behavioral health crisis providers can access the advance directives database when responding to a behavioral health crisis.

Health Access

Health and Human Services and Transportation

Senate Bill 511/House Bill 596 (both passed) establish a State Coordinating Committee for Health and Human Services Transportation in the Maryland Department of Transportation and repeal the limit of \$500,000 in annual grant funding for the Maryland Senior Rides Program and the limit of \$400,000 in annual grant funding for the Job Access and Reverse Commute Program both administered by the Maryland Transit Administration.

Dental Services

House Bill 290 (passed) alters the Maryland Dent-Care Program and requires the State Board of Dental Examiners to publish a searchable list of mobile/portable dental service providers. MDH must annually evaluate Medicaid dental reimbursement rates, create and distribute specified plain language materials related to dental services, and conduct certain studies relating to the provision and reimbursement of dental services.

Survey and Regional Needs Assessment for Dental Services

House Bill 1146 (passed), an emergency bill, requires MDH, in consultation with the Maryland Hospital Association (MHA), to conduct a survey of hospitals to identify the availability of hospital operating room resources for dentist use, as specified. MDH and the Maryland Health Care Commission, jointly and in consultation with MHA and the Maryland Ambulatory Surgery Association, must conduct a regional needs assessment for dental procedures that require anesthesia or moderate sedation, as specified.

Maryland Developmental Disabilities Council

Senate Bill 168/House Bill 504 (Chs. 15 and 16) codify the Maryland Developmental Disabilities Council as an independent unit of State government with specified duties. The council operates and receives funding in accordance with the federal Developmental Disabilities Assistance and Bill of Rights Act of 2000. For further discussion, see the subpart “Social Services” within this part of this *90 Day Report*.

Children and Youth

Youth Camps

Senate Bill 708 (passed) requires MDH to apply to the Criminal Justice Information System Central Repository for State and national criminal history records checks for information on individuals seeking to become a youth camp owner, operator, employee, or volunteer who will have access to a camper. MDH must issue a written determination to the youth camp on whether the results would provide a basis for prohibiting the hiring of the applicant.

Youth Suicide Prevention and Firearm Safe Storage Guide

Senate Bill 858 (passed) requires the Deputy Secretary for Public Health Services to develop a youth suicide prevention and firearm safe storage guide that must (1) provide a description of the firearm and ammunition requirements for safely storing firearms; (2) identify the risks associated with unsafe firearm storage for minors, as specified; and (3) incorporate best practices for firearm and ammunition safe storage. MDH must post the guide on its website, make an electronic version available to specified entities, and provide grants to specified entities to support the education of families on the safe storage practices recommended in the guide. For

further discussion, see the subpart “Public Safety and Corrections” within Part E – Crimes, Corrections, and Public Safety of this *90 Day Report*.

Vital Statistics and Records

Medical Examiners

House Bill 863 (passed) extends the time period within which a person in interest may request the medical examiner to correct findings and conclusions on the cause and manner of death, with specified exception, from within 60 days to within 180 days after the medical examiner files those findings and conclusions.

Maternal Mortality Review Program

Senate Bill 644 (passed) requires a health care provider or health care facility to provide a local maternal mortality review team prompt access to all relevant medical records associated with a case under review by the Maternal Mortality Review Program without undue delay.

Medicaid

Overview and Funding

The Medical Care Programs Administration within MDH is responsible for administering the Medical Assistance Program (Medicaid) and the Maryland Children’s Health Program that provide comprehensive somatic and behavioral health benefits to almost 1.4 million Marylanders. For a discussion of Medicaid funding, see the subpart “Operating Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Gender-Affirming Treatment

Senate Bill 460/House Bill 283 (both passed) express the intent of the General Assembly that Medicaid provide gender-affirming treatment to all Medicaid recipients for whom gender-affirming treatment is medically necessary, including transgender, nonbinary, intersex, two-spirit, and other gender diverse individuals. Beginning January 1, 2024, Medicaid must provide coverage for gender-affirming treatment, meaning any medically necessary treatment consistent with current clinical standards of care prescribed by a licensed health care provider for the treatment of a condition related to the individual’s gender identity.

Biomarker Testing

Biomarker testing involves the analysis of a patient’s tissue, blood, or other biospecimen for the presence of a biomarker, such as a gene or protein that may reveal details about a patient’s cancer and aid in targeted treatment. *Senate Bill 805/House Bill 1217 (both passed)* require Medicaid to provide coverage for biomarker testing for the purpose of diagnosis, treatment, appropriate management, or ongoing monitoring of a disease or condition that is supported by

medical and scientific evidence. For a discussion of the insurance provisions, see the subpart “Health Insurance” within this part of this *90 Day Report*.

Express Lane Eligibility Program

Senate Bill 26/House Bill 111 (both passed) require MDH, by January 1, 2025, to establish an Express Lane Eligibility Program to enroll individuals in Medicaid and the Maryland Children’s Health Program based on eligibility findings by the Supplemental Nutrition Assistance Program. For a discussion of the provisions related to the Workgroup on Low-Income Utility Assistance, see the subpart “Social Services” within this part of this *90 Day Report*.

Collaborative Care Model for Integrating Somatic and Behavioral Health Services

A “Collaborative Care Model” is an evidence-based approach for integrating somatic and behavioral health services in primary care settings. *Senate Bill 101/House Bill 48 (both passed)* repeal the Collaborative Care Pilot Program and instead require MDH to implement and provide reimbursement for services provided in accordance with the Collaborative Care Model statewide in primary care settings that provide health care services to Medicaid recipients.

Medicaid Reimbursement for Prescription Drugs

Reimbursement for prescription drugs varies between Medicaid fee-for-service rates (FFS), which covers about 15% of Medicaid enrollees, and HealthChoice, under which Medicaid managed care organizations (MCOs) cover about 85% of Medicaid enrollees. *House Bill 382 (passed)* requires MDH and the Prescription Drug Affordability Board (PDAB) to jointly study (1) the total amount that MCOs paid pharmacies for prescription drug claims in calendar 2021 and 2022; (2) what the total amount paid to pharmacies would have been if claims had been reimbursed at FFS rates; and (3) how to best address the inconsistency between these amounts by considering the total cost to the State and recommending a methodology for determining the most accurate ingredient cost of a drug and an appropriate dispensing fee. MDH and PDAB must jointly report their findings to Maryland Medicaid and specified committees of the General Assembly by October 31, 2023.

Autism and Other Waiver Programs

Senate Bill 622/House Bill 1149 (both passed) authorize funding provided in the fiscal 2023 budget for Autism Waiver expansions to instead be used more broadly for Medicaid waiver expansions. A portion of funds (1) *must* be used to provide community services to individuals waiting for services through the Community Pathways Waiver, the Community Supports Waiver, the Family Supports Waiver, the Brain Injury Waiver, the Home- and Community-Based Options Waiver, the Medical Day Care Services Waiver, and the Model Waiver for Medically Fragile Children and (2) *may* be used to expand provider capacity in these waivers and the Autism Waiver, including hiring and retaining staff and providers, increasing provider rates, and addressing other issues that limit provider capacity.

Senate Bill 231/House Bill 726 (both passed) require that a child on the registry for the Waiver for Children with Autism Spectrum Disorder remain on the registry if the child's family relocates out of the State for military service. If a child on the registry becomes eligible for services while the child's family is out of the State for military service, the child must be eligible for services through the waiver if the family relocates to the State.

Specialty Mental Health Services and Payment of Claims

MDH uses an administrative services organization (ASO) to authorize services and pay claims for the Maryland Public Behavioral Health System, the delivery system for publicly funded specialty mental health services. *House Bill 1272 (passed)*, an emergency bill, extends for an additional two years the termination date for provisions of law that require the ASO to comply with certain prompt pay requirements. The bill also extends the authority of the Maryland Insurance Administration to enforce the prompt pay requirements applicable to the ASO and to conduct an examination of the ASO to monitor compliance with statutory requirements.

Retroactive Reimbursement Denials

Senate Bill 474/House Bill 716 (both passed), emergency bills, alter the information that must be included in a written statement to a health care provider from a Medicaid MCO when the MCO retroactively denies reimbursement as a result of coordination of benefits. The written statement must include the name and address of the entity that the MCO has identified as responsible for payment of the claim. An MCO is not required to obtain an acknowledgement of responsibility from the responsible payor to retroactively deny the claim based on coordination of benefits.

Prescription Drugs

PDAB was established in 2019 to make determinations, collect data, and identify certain prescription drug products that may cause affordability challenges for the State's health care system and patients. *Senate Bill 202/House Bill 279 (Chs. 39 and 40)*, emergency Acts, reinstate provisions of law regarding the authority of the PDAB to set upper payment limits and related requirements, including an appeals process.

Health Awareness, Studies, Prevention, and Reports

Commission on Public Health

House Bill 214 (passed) establishes a Commission on Public Health to make recommendations to improve the delivery of foundational public health services in the State. The commission must assess the foundational public health capabilities of MDH and local health departments, such as organizational competencies and emergency preparedness and response. Based on this assessment, the commission must make recommendations for reform in specified areas. By December 1, 2023, the commission must submit an interim report on its findings and

recommendations to the Governor and specified committees of the General Assembly; a final report is due by December 1, 2024.

Rare Disease Advisory Council

Senate Bill 188/House Bill 302 (both passed) establish a Rare Disease Advisory Council to enhance research and provide policy recommendations on matters related to individuals living with rare diseases in the State.

Parkinson’s Disease Registry

Chapter 340 of 2022 established the Parkinson’s Disease Registry Advisory Committee to (1) assist in the development and implementation of a Parkinson’s disease registry; (2) 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; and (3) advise MDH on Parkinson’s disease and maintaining a Parkinson’s disease registry. *Senate Bill 584 (passed)* requires the committee to consult with entities that may be able to collect data and work with the U.S. Centers for Disease Control and Prevention (CDC) to aid CDC in creating a national Parkinson’s disease registry and submit a report on recommendations for a path forward toward the establishment of a fully functional State Parkinson’s Disease Registry. MDH, in collaboration with the State-designated health information exchange, must establish a website that includes specified information on Parkinson’s disease in the State.

Assessment of Outreach, Education, and Health Disparities in Cancer Screening

Senate Bill 965/House Bill 815 (both passed) require MDH to (1) conduct an assessment on current outreach, education, and health disparities in cancer screening, including the availability of biomarker testing and (2) establish a stakeholder workgroup to advise on the current state of cancer screening in the State and make recommendations on the development of an outreach plan to educate communities negatively impacted by health disparities in cancer screening and cancer care.

Miscellaneous

Automated External Defibrillators

Senate Bill 299/House Bill 288 (both passed) require each owner and operator of a grocery store or restaurant, beginning January 1, 2025, to place an automated external defibrillator (AED) in a prominent area (accessible to both employees and customers) and maintain its functionality. The bills’ requirements do not apply to a restaurant with an annual gross income of \$1 million or less (exclusive of sales for off premises consumption), or a seating capacity of less than 100 individuals. A grocery store with an annual gross income of \$10 million or less is also exempt. The bills provide certain civil immunities to a grocery store, restaurant, and individual. MDH and the Maryland Institute for Emergency Medical Services Systems (MIEMSS) must jointly adopt regulations that establish guidelines for periodic inspections and annual maintenance of the AEDs,

assist owners and operators of a grocery store or restaurant in carrying out the requirements, and require each grocery store and restaurant to register with the MIEMSS. For a discussion of legislation related to AED tax credits, see subpart “Income Tax” within Part B – Taxes of this *90 Day Report*.

Cigarette Restitution Fund and Electronic Smoking Devices

House Bill 321 (passed) requires the Cigarette Restitution Fund to include a separate account consisting of payments received by the State from any judgement, settlement, penalty, offer of compromise, or any other enforcement action related to the sale and marketing of electronic smoking devices. Distributions from the separate account may be used, consistent with any other provision of State law, to supplement general fund appropriations for specified programs that aim to reduce the use of tobacco products by individuals under 21 years of age.

Rabies Vaccinations

Senate Bill 390/House Bill 325 (both passed) require the Secretary of Health to allow registered veterinary technicians or other clinical staff who work in or for an animal shelter or animal control facility to administer rabies vaccines subject to specified conditions. For further discussion, see the subpart “Agriculture” within Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Transfer of Office of Chief Medical Examiner to the Maryland Department of Health

House Bill 977 (passed) establishes the Office of the Chief Medical Examiner (OCME) as a unit within MDH to advance forensic science through medical education and research, as staffing allows, and carry out any other duty established in law. The State Postmortem Examiners Commission is redesignated to be the Postmortem Examiners Advisory Committee, which must advise the Secretary of Health and OCME on the implementation of provisions of law relating to the Postmortem Examiners Commission and OCME’s duties.

Mid Shore Health Improvement Coalition

Senate Bill 498/House Bill 497 (Chs. 35 and 36) repeal the Rural Health Collaborative Pilot (RHCP) and require the Governor to make an annual appropriation in the State budget to fund operations of the Mid Shore Health Improvement Coalition. Generally, current funding for RHCP is transferred to the coalition.

Health Occupations

Health Care Workforce

Senate Bill 187/House Bill 454 (both passed) prohibit a health occupations board from requiring as a condition for licensure, certification, or registration that an applicant (1) provide

proof of lawful presence in the United States or (2) have a Social Security number or individual taxpayer identification number. The bills specify that each health occupations board must require each applicant for a license to either disclose the applicant’s Social Security number (as required under current law) or individual taxpayer identification number or provide alternative documentation as permitted by the U.S. Department of Health and Human Services under the federal Social Security Act.

Senate Bill 283/House Bill 418 (both passed) establish the Behavioral Health Workforce Investment Fund to provide reimbursement for costs associated with educating, training, certifying, recruiting, placing, and retaining behavioral health professionals and paraprofessionals. The Maryland Health Care Commission (MHCC), in coordination with specified stakeholders, must conduct a comprehensive behavioral health workforce needs assessment, which must recommend an initial allocation to the fund and identify which programs the allocation will support. MHCC must submit the assessment to specified committees of the General Assembly by October 15, 2024.

The Workgroup on Black, Latino, Asian American Pacific Islander, and Other Underrepresented Behavioral Health Professionals is tasked with identifying and studying the shortage of behavioral health professionals in the State who are Black, Latino, Asian American Pacific Islander, or otherwise underrepresented in behavioral health professions. *House Bill 615 (passed)* extends by one year the reporting and termination dates for the workgroup. The workgroup must report its findings and recommendations by July 1, 2024. The workgroup terminates June 30, 2025.

Provision of Legally Protected Health Care

Senate Bill 859/House Bill 808 (both passed) prohibit a health occupations board from revoking, suspending, disciplining, taking adverse action against, or refusing to issue or renew an authorization to practice for any individual authorized to provide health care services under the Health Occupations Article (1) because of the provision of “legally protected health care” provided in accordance with the standard of care or (2) if the health care practitioner is disciplined by a licensure board in another state because of the provision of “legally protected health care” provided in accordance with the standard of care. If the “legally protected health care” was not provided in accordance with Maryland law, a health occupations board may take any action authorized by statute. “Legally protected health care” means all reproductive health services, medications, and supplies related to the direct provision or support of the provision of care related to pregnancy, contraception, assisted reproduction, and abortion that is lawful in the State. For a more detailed discussion of *Senate Bill 859/House Bill 808*, see the subpart “Criminal Procedure” within Part E – Crimes, Corrections, and Public Safety of this *90 Day Report*.

Nurses

The State Board of Nursing, the largest Maryland health occupations board, regulates registered nurses, licensed practical nurses, advanced practice registered nurses (including

certified nurse midwives, certified registered nurse anesthetists, certified nurse practitioners, and clinical nurse specialists), certified medication aides, certified medication technicians, certified nursing assistants, dialysis technicians, geriatric nursing assistants, licensed electrologists, licensed certified midwives, and licensed direct entry midwives. *Senate Bill 960 /House Bill 611 (both passed)* extend the termination date for the board by two years to July 1, 2025. Through June 30, 2025, the Secretary of Health has authority over the “infrastructure operations” of the board for which board special funds may not be used. Accordingly, should the board’s termination date be further extended, authority over infrastructure operations reverts to the board on July 1, 2025. The terms of board members in office on the date the bills take effect are terminated on a staggered basis beginning May 1, 2023. The board must hire an external consultant to conduct an independent evaluation of the board and develop an action plan. The bills also authorize an individual who has an application for licensure pending before the board to continue to practice as a registered nurse or licensed practical nurse, even if the individual has taken and failed the licensing examination once during the 120-day period immediately following the individual’s submission of their application.

Senate Bill 213/House Bill 278 (both passed) authorize a “clinical nurse specialist” to “practice as a clinical nurse specialist” for the purpose of prescribing drugs and durable medical equipment and designate a clinical nurse specialist as an authorized prescriber under the Maryland Pharmacy Act. The bills also authorize a licensed physician to personally prepare and dispense a prescription written by an advanced practice registered nurse working with the physician in the same office setting.

Pharmacists

The State Board of Pharmacy regulates the practice of pharmacy by licensing pharmacists, registering pharmacy technicians, issuing permits to individuals to establish or operate pharmacies in the State, setting pharmacy practice standards, and developing and enforcing laws and regulations to protect the public. *House Bill 693 (passed)* (1) adds a registered pharmacy technician member to the board; (2) specifies that a licensed pharmacist may delegate certain data entry tasks to be performed at a remote location to a registered pharmacy technician or registered pharmacy intern; (3) prohibits a registered pharmacy technician or pharmacy technician trainee from making decisions that require the professional judgment of a pharmacist; (4) authorizes a registered pharmacy technician to administer certain vaccinations; and (5) prohibits a pharmacy technician trainee from administering vaccinations. The bill also extends the termination date for the board by two years to July 1, 2025.

Senate Bill 940/House Bill 456 (both passed) require the board, by January 1, 2025, to adopt regulations necessary to ensure that an individual who is blind, visually impaired, or otherwise print disabled has appropriate access to prescription labels, bag tags, and medical guides. By December 1, 2023, the Maryland Department of Health (MDH) must submit a report to the General Assembly on the potential process for and costs of implementing enhanced professional dispensing fees for providing accessible labels and compliant packaging to blind, visually impaired, and otherwise print disabled individuals.

Chapter 249 of 2002 created the Drug Therapy Management Program, which authorizes a physician and a pharmacist to enter into a therapy management contract that specifies treatment protocols that may be used to provide care to a patient. *House Bill 1156 (passed)* authorizes a therapy management contract to be entered into orally or in writing (including in electronic form) and stipulates that, if entered into orally, the contract must be reduced to writing by the parties within 30 days.

Social Workers

Senate Bill 145 (passed) authorizes the State Board of Social Work Examiners to issue a conditional license to practice bachelor social work or master social work to an applicant who, except for passing the required examination, has met the appropriate education and experience requirements for licensure. A conditional license may be issued if an administrative delay or an unforeseen circumstance, act, or occurrence prevents a required examination from being available to an applicant for at least 15 business days. A conditional license is valid until 180 days after the examination becomes readily available to the applicant.

Senate Bill 871 (passed) requires the board, within 15 business days after initial receipt of a license application and supplemental documentation, to notify the applicant whether the application is complete. The bill also establishes a Workgroup on Social Worker Requirements for Licensure, which must determine (1) whether the State should continue to use the examinations developed by the Association of Social Work Boards as a requirement for a bachelor social worker or master social worker license; (2) whether the State should establish a temporary license for applicants who complete all of the licensure requirements except for passing the examination; and (3) how to provide supervision at no cost to bachelor social worker and master social worker licensees. Additionally, the workgroup must examine each type of license issued by the board and make recommendations to eliminate bias and make the process for licensing social workers in the State more fair, diverse, and efficient. Finally, the bill extends the termination date for the board by one year to July 1, 2025.

Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists

Senate Bill 449/House Bill 401 (Chs. 60 and 61) specify that “practice audiology” includes the prescribing, ordering, selling, dispensing, or fitting of a hearing aid to an individual for the correction or relief of a condition for which such devices are worn. The Acts clarify that “hearing aid dispensing” includes ordering and any act related to ordering suitable hearing instruments, including prescription hearing aids. The Acts also specify that Title 2 of the Health Occupations Article (the Maryland Audiology, Hearing Aid Dispensing, Speech-Language Pathology, and Music Therapy Act) does not apply to the servicing, marketing, sale, dispensing, use, customer support, or distribution of over-the-counter hearing aids through in-person transactions, by mail, or online as authorized by federal law and regulations.

Chiropractors

Senate Bill 200/House Bill 234 (both passed) authorize the State Board of Chiropractic Examiners to deny a license to an applicant or take specified actions against a licensee – including but not limited to suspending or revoking a license – if the applicant or licensee fails to comply with any board order. An order of the board may not be stayed pending judicial review; however, the board may grant a stay of enforcement of an order in accordance with the Administrative Procedure Act. The bills also specify that the board may appeal a decision that reverses or modifies its orders. If a license is suspended or revoked, the board may reinstate the license only in accordance with (1) the terms and conditions of the order of suspension or revocation or (2) an order of reinstatement issued by the board.

Clinical and Graduate Drug and Alcohol Counselors

Senate Bill 14/House Bill 291 (both passed) alter the qualifications to become licensed to practice as a clinical alcohol and drug counselor and to qualify to practice as a licensed graduate alcohol and drug counselor under supervision by specifying that the required master's or doctoral degree must be in a professional (rather than a health and human services) counseling field from an accredited (rather than a regionally accredited) educational institution as approved by the State Board of Professional Counselors.

Dentists and Dental Hygienists

House Bill 290 (passed) alters the Maryland Dent-Care Program by expanding the program to include dental hygienists and specifying the higher education loan assistance grant amounts under the program. The State Board of Dental Examiners must publish on its website a searchable list of licensed dentists and dental hygienists who provide mobile/portable dental services. MDH must (1) annually evaluate Medicaid dental reimbursement rates; (2) create and distribute specified “plain language” materials related to dental services; (3) convene a stakeholder workgroup to study the establishment of a specified grant or loan program for dental providers; (4) conduct a study on dental provider participation in Medicaid; and (5) conduct a study on providing Medicaid reimbursement for services provided by a certified community health worker that assist a Medicaid recipient in accessing dental services.

House Bill 1159 (passed) expands the qualifications by which a faculty member at the University of Maryland School of Dentistry (UMSOD) trained at a foreign dental school may qualify to take an examination offered by the American Board of Dental Examiners, Inc. A faculty member may qualify if they are a general dentist who (1) has successfully completed a general dental practice residency or advanced education in a general dentistry program or (2) is board certified by the American Board of General Dentistry. As under current law, to qualify to take the examination, the faculty member must also be (1) a full-time faculty member at USMOD who has completed at least seven consecutive years as a full-time faculty member and (2) submit to the board a specified written letter of support from USMOD.

Environmental Health Specialists

Senate Bill 399/House Bill 273 (both passed) alter training and educational requirements for applicants seeking licensure as an environmental health specialist (EHS). The bills repeal the requirement that an applicant’s baccalaureate degree be in the chemical, physical, biological, or environmental sciences and reduce the number of semester credit hours or equivalent quarter credit hours of chemical, physical, biological, or environmental sciences that the degree must include from 60 to 30. The bills eliminate specific laboratory course requirements for both baccalaureate and master’s degrees and instead specify that the degrees must include laboratory coursework as required in regulations adopted by the State Board of Environmental Health Specialists. The bills also repeal an alternative pathway to licensure and broaden one of the disciplinary grounds under which the board may take disciplinary action to include committing any act of misfeasance or malfeasance while performing the duties of an EHS.

Licensed Athletic Trainers

“Dry needling” means an intramuscular manual therapy, that (1) involves the insertion of one or more solid needles into the muscle and related tissues to affect change in muscle and related tissues; (2) requires ongoing evaluation, assessment, and reevaluation of the impairments; (3) is only utilized in parts of the body with neuromuscular or musculoskeletal links to the impairments; and (4) is not performed for the purposes of acupuncture or any purpose outside the scope of authorized providers. *Senate Bill 232/House Bill 172 (both passed)* authorize a licensed athletic trainer to perform dry needling as a specialized task if the athletic trainer is approved by the Maryland Board of Physicians. The board must issue an approval to perform dry needling to a licensed athletic trainer who provides proof of completion of at least 80 hours of instruction in a continuing education course that meets specified requirements.

Massage Therapists

Senate Bill 215/House Bill 238 (Chs. 56 and 57) repeal a provision of law that prohibits an individual from performing or offering to perform a massage on another individual for compensation unless the individual who performs or offers to perform a massage is a licensed massage therapist or registered massage practitioner and instead provides a six-month grace period to practice after a license or registration has expired. The Acts also make alterations relating to grounds for discipline, notice of disciplinary actions, judicial review of State Board of Massage Therapy Examiners orders, reinstatement of a license or registration, and the applicability of penalties regarding practicing massage therapy without a license or registration or misrepresentation.

Chapters 705 and 706 of 2022 phase out the registered massage practitioner credential. Until October 31, 2026, an individual may practice massage therapy in the State if the individual is either (1) licensed by the board or (2) registered by the board to practice massage therapy in a non-health care setting. Beginning November 1, 2026, an individual must be licensed by the board to practice massage therapy in the State. By October 31, 2026, the board must convert the

registration of an individual registered as a massage practitioner to a license to practice massage therapy if the individual complies with regulations adopted by the board. An individual registered by the board on October 1, 2023, must be considered, in all respects, registered as a registered massage practitioner by the board for the remainder of the individual's registration.

Senate Bill 216/House Bill 242 (both passed) extend by one year the date after which the board may no longer issue a registered massage therapy credential (and the related provisions described above). The bills also remove "treatment" of illness from the definition of what is not included as massage therapy and repeal language specifying that a nonprofit health service plan, insurer, health maintenance organization, or person acting as a third-party administrator is not required to reimburse a license massage therapist or registered massage practitioner for any services rendered.

Midwives

Senate Bill 772/House Bill 717 (both passed) make numerous changes to the laws related to midwifery in the State. The bills (1) authorize a licensed certified midwife to delegate a technical task to an assistant, as specified; (2) authorize a registered nurse certified as a nurse-midwife or a licensed certified midwife to personally prepare and dispense a starter dosage of a drug, as specified; (3) eliminate the requirement that an applicant for a certified midwife license complete coursework in health and sciences; (4) alter the definitions of "practice certified midwifery," "practice nurse midwifery," "certified medication technician," and "certified nursing assistant"; (5) add an exception to the licensure requirement to practice certified midwifery; (6) authorize the Maryland Board of Nursing to appoint peer advisory committees to provide advice related to midwifery; (7) require the board to develop regulations governing the delegation of technical tasks by licensed certified midwives to assistants; and (8) require MDH to submit a report on recommendations to expand access to birthing services in birthing centers in the State.

Optometrists

The State Board of Examiners in Optometry is responsible for licensing individuals to practice optometry in the State, regulating the practice of optometry, investigating alleged violations of the Maryland Optometry Act, and taking disciplinary actions where warranted. *Senate Bill 728 (Ch. 53)* extends the termination date for the board by two years to July 1, 2025.

Physical Therapists

The practice of physical therapy in Maryland is regulated by State Board of Physical Therapy Examiners. The mission of the board is to protect the health, safety, and welfare of all Marylanders through the promotion and oversight of the Physical Therapy Practice Act. *Senate Bill 727 (Ch. 52)* extends the termination date for the State Board of Physical Therapy Examiners by one year to July 1, 2025.

Physicians

Senate Bill 375/House Bill 453 (Chs. 58 and 59) authorize the Maryland Board of Physicians to place a licensee on emeritus status under specified circumstances. The Acts exempt a licensee on emeritus status or inactive status from the three-year limit on the term of a license and from continuing education requirements while holding a license under either status. A licensee on emeritus or inactive status may not (1) practice, attempt to practice, or offer to practice medicine in the State or (2) delegate medical acts.

Psychologists

The State Board of Examiners of Psychologists is responsible for licensing psychologists, registering psychology associates, renewing licenses, reviewing continuing education, promulgating regulations, interpreting the scope of practice, educating licensees, and investigating complaints. *Senate Bill 726 (Ch. 51)* extends the termination date for the board by two years to July 1, 2025.

Senate Bill 349/House Bill 19 (Chs. 41 and 42) require the board to issue electronic (as opposed to paper) licenses or registrations to any applicant who meets the existing statutory requirements. The Acts also specify that a renewal notice will only be sent by electronic means, absent certain exceptions.

House Bill 26 (Ch. 55) establishes a second pathway for licensure as a psychologist. To qualify, an individual must have (1) a doctoral degree in psychology from a school or university that, at the time the degree was awarded, had a certain regional accreditation; (2) received a postdoctoral respecialization certificate from a department of psychology that, at the time the certificate was issued, had an accredited degree program and included a minimum of 1,750 hours in a supervised internship in accordance with board regulations; and (3) completed at least 1,500 hours of training, as specified.

Residential Child Care Program Professionals

The State Board for Certification of Residential Child Care Program Professionals is the State 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 731 (Ch. 54)* extends the termination date for the board by one year to July 1, 2025.

Health Care Facilities and Regulations

Health Commissions

The Health Services Cost Review Commission (HSCRC) is an independent commission within the Maryland Department of Health (MDH) established to contain hospital costs, maintain fairness in hospital payment, provide access to hospital care, and disclose information on the operation of hospitals in the State. HSCRC consists of seven members appointed by the Governor. When appointing a member, the Governor must consider and make appointments that would promote the racial, gender, and geographic diversity of the commission. *Senate Bill 626 (passed)* requires that the members of HSCRC be appointed with the advice and consent of the Senate.

Hospitals and Related Institutions

In General

As a condition of licensure, each hospital in the State must establish a credentialing process for the physicians who are employed by or who have staff privileges at the hospital and use the uniform credentialing form as the initial application of a physician seeking to be credentialed. *Senate Bill 258/House Bill 633 (both passed)* alter the minimum standards for a physician credentialing process that a hospital must have in place as a condition of licensure. The formal written reappointment process for physicians must be conducted in accordance with standards of the body that accredits a hospital rather than at least every two years.

Hospital Drug Screening

Opioid overdose and use continue to be an epidemic in the United States and in Maryland. *Senate Bill 914/House Bill 811 (both passed)* require a hospital to include testing for fentanyl in a urine drug screening if such a screening is conducted to assist in diagnosing an individual's condition. The hospital must report the deidentified test results of screenings that detect fentanyl to MDH through the State-designated health information exchange. A hospital that does not have chemical analyzer equipment is exempt from this requirement.

Financial Assistance

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. Chapter 683 of 2022, requires HSCRC, in coordination with specified entities, 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. Chapter 683 also requires HSCRC to report on the development and implementation of the process by hospitals, including legislative recommendations, by January 2023 and January 2024.

Senate Bill 404/House Bill 333 (both passed) modify requirements relating to the refund process for patients who paid for hospital services, but were eligible for free care, in calendar 2017 through 2021. The bills (1) alter the agencies with which HSCRC must coordinate in the development of the refund process; (2) alter the refund process; (3) require the Health Education and Advocacy Unit of the Office of the Attorney General to assist patients in obtaining reimbursement; (4) require hospitals to reimburse State agencies for costs incurred to implement the refund process; (5) authorize tax information to be disclosed to specified entities involved with implementation of the refund process; (6) delay HSCRC reporting requirements; (7) require implementation of a specific recommendation in HSCRC’s December 2022 Free Hospital Care Refund Process report; and (8) make failure to comply by a hospital an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act.

Trauma Centers

A trauma center is a facility designated by the Maryland Institute for Emergency Medical Services Systems (MIEMSS) as the State primary adult resource center, a Level I trauma center, a Level II trauma center, a Level III trauma center, a pediatric trauma center, or the Maryland Trauma Specialty Referral Centers. The Maryland Trauma Physician Services Fund subsidizes the documented costs incurred (1) for uncompensated care in providing trauma care; (2) to maintain on-call and standby trauma physicians, specified surgeons and anesthesiologists; and (3) to administer the fund. **Senate Bill 493/House Bill 675 (both passed)** establish a Commission to Study Trauma Center Funding in Maryland to study and make specified recommendations regarding the adequacy of trauma center funding across the State for operating, capital, and workforce costs. MIEMSS and the Maryland Health Care Commission (MHCC) must jointly staff the commission. By December 1, 2023, the commission must report its findings and recommendations to the Governor and General Assembly.

Health Facilities

Assisted Living

Assisted living programs operating in Maryland are licensed by the Office of Health Care Quality (OHCQ) within MDH to meet the needs of individuals who require assistance with activities of daily living. OHCQ must conduct an annual unannounced on-site inspection of each assisted living facility. **Senate Bill 665/House Bill 774 (Chs. 7 and 8)** require MDH to investigate credible allegations of assisted living residents having been subjected to neglect, exploitation, or abuse when a person is found to be knowingly and willfully operating, maintaining, or owning an unlicensed assisted living program. On receipt of a credible allegation or if neglect, exploitation, or abuse is found, or if the person fails or refuses to cooperate fully in an investigation, the person operating the unlicensed program must be subject to immediate prosecution. If MDH finds no reason to believe that residents have been subject to exploitation, neglect, or abuse, MDH must provide written notice to the unlicensed program requiring compliance with licensure requirements within 30 days. A person operating an unlicensed program may not be subject to prosecution if they have promptly and in good faith submitted a complete application for licensure. MDH, the

Attorney General, a State's Attorney, or a local health officer may petition a circuit court for injunctive relief against the operation of an unlicensed assisted living program.

Behavioral and Mental Health Facilities

The Behavioral Health Administration (BHA) within MDH oversees publicly funded inpatient and outpatient behavioral health services, which includes services and supports to help individuals with a variety of mental health disorders. Additionally, BHA is responsible for regulating and licensing all behavioral health programs and has oversight responsibility to ensure provider compliance. Upon admission to a State facility that provides treatment or other services for individuals who have mental health disorders, the facility must make and periodically update an individual treatment plan for the patient. *Senate Bill 8/House Bill 121 (both passed)* codify existing regulatory requirements, including time periods for, and who must participate in, the development, review, and reassessment of a patient's plan of treatment. The bills also establish new requirements relating to a patient's plan of treatment, including an opportunity to involve family members or other individuals and a process to request that a health care facility review and reassess the plan. MDH must adopt regulations to establish a process for appeals and reconsideration of reviews and reassessments for patients admitted at State facilities and submit a specified report by January 1 each year.

All licensed residential behavioral health programs are treated equally regarding the application of food service facility regulations. *Senate Bill 794/House Bill 1153 (both passed)* require MDH to adopt regulations that establish food service facility standards that are appropriate to programs that have fewer than 17 residents and are licensed as a residential-low intensity level 3.1 program, residential-medium intensity level 3.3 program, residential-high intensity level 3.5 program, or residential-intensive level 3.7 program. These programs are differentiated based on services provided, the number of hours of services provided per week, and required staff.

Nursing Homes

MDH licenses all nursing home facilities in the State, and OHCQ generally conducts an unannounced site visit and a full survey of each licensed nursing home at least once per year. When a nursing home changes ownership, the person acquiring the facility must notify MDH in writing. Additionally, MDH must conduct specified surveys if the ownership of a licensed nursing home is transferred to a person that does not own or operate another nursing home in the State at the time of the transfer.

MHCC is an independent commission within MDH that operates the Certificate of Need (CON) program, which requires review and approval of certain types of proposed health care facility and service projects, including before a person acquires a health care facility, with specified expectations. *Senate Bill 509/House Bill 702 (both passed)* require MHCC, when evaluating a notice of acquisition or transfer of interest of a nursing home, to provide specified written findings and recommendations to OHCQ. The Secretary of Health must consider MHCC's findings and recommendations before taking action to approve, deny, approve with conditions, or revoke a

nursing home license. The bills require MHCC to complete a specified study regarding the expansion of the CON program over the acquisition of nursing homes.

The Maryland Department of Veterans Affairs (MDVA) manages one veterans nursing home in the State, Charlotte Hall Veterans Home (CHVH), which is Medicare and Medicaid certified. Clinical care and health care management at CHVH are typically provided by a private contractor but are overseen by MDVA staff. Several reports of abuse and neglect under the management of a long-time contractor for CHVH were reported following the COVID-19 pandemic. *Senate Bill 974 (passed)* requires a contractor operating a State-owned nursing home to promptly provide notice of a deficiency or enforcement action by a monitoring agency to specified entities. Within 30 days after receiving a citation or fine from a monitoring agency, the contractor must also provide a statement of the deficiencies found, a plan of correction, and all communications from the monitoring agency regarding survey activities conducted at the nursing home. MDH must report annually to the Governor and the General Assembly on all federal and State survey activities conducted and enforcement actions imposed during the immediately preceding 12-month period at each State-owned nursing home that is operated by a contractor.

On request of MDH, a nursing home must electronically submit clinical information to the State-designated health information exchange to facilitate a State health improvement program, for mitigation of a public health emergency, and for the improvement of patient safety. *Senate Bill 648 (passed)* authorizes a nursing home that contracts with or uses an electronic health network or electronic medical record vendor, to direct the vendor to release patient medical records or electronic health care transactions to a business associate of the nursing home. The vendor releasing patient medical records or electronic health care transactions must release the records or transactions in an electronic format that conforms to certain specifications, make the records or transactions available on a regular basis, and release the information in a timely manner. The vendor may not restrict or limit the release of the records or transactions.

Health Insurance

Mandated Coverage, Prior Authorization, and Cost Sharing

Breast Cancer Examinations

Under Maryland law, breast cancer screenings are among the more than 50 mandated health insurance benefits that carriers must provide. Carriers must cover such screenings in accordance with screening guidelines issued by the American Cancer Society. Carriers are also required to provide coverage for digital tomosynthesis – a radiologic procedure that involves the acquisition of projection images over the stationary breast to produce cross-sectional digital three-dimensional images of the breast – if an insured or enrollee’s treating physician determines it is medically appropriate and necessary.

Senate Bill 184/House Bill 376 (both passed) prohibit carriers that provide coverage for a “diagnostic breast examination” or “supplemental breast examination” from imposing a copayment, coinsurance, or deductible requirement for such examinations, with specified exceptions. Diagnostic and supplemental breast examinations include the use of diagnostic mammography (for diagnostic breast examinations only), breast magnetic resonance imaging, or breast ultrasound. If an insured or enrollee is covered under a high-deductible health plan (HDHP), a carrier may subject such examinations to the HDHP’s deductible requirement. The bills also require the Maryland Health Care Commission (MHCC), by October 1, 2023, to study and report to the Governor and specified committees of the General Assembly on the financial impact of eliminating health insurance cost-sharing for diagnostic image-guided biopsies for breast cancer.

Lung Cancer Screening and Assessment of Cancer Screening Practices

Senate Bill 965/House Bill 815 (both passed) require carriers to provide coverage for recommended follow-up diagnostic imaging to assist in the diagnosis of lung cancer. Carriers may not impose a copayment, coinsurance, or deductible requirement on coverage for lung cancer screening and diagnosis that is greater than those for breast cancer screening and diagnosis, except as specified. Additionally, the bills require the Maryland Department of Health (MDH) to conduct an assessment on current outreach, education, and health disparities in cancer screening (including the availability of biomarker testing) and establish a stakeholder workgroup. MDH must report to the General Assembly on the assessment by January 1, 2024.

Biomarker Testing

Senate Bill 805/House Bill 1217 (both passed) require carriers to provide coverage for “biomarker testing” for the purpose of diagnosis, treatment, appropriate management, or ongoing monitoring of a disease or condition that is supported by medical and scientific evidence. Coverage may be subject to the annual deductibles, copayments, or coinsurance requirements imposed by a carrier for similar coverage under the same health insurance policy or contract but may not be greater than those imposed for similar coverage. By December 1, 2025, MHCC must report to specified committees of the General Assembly on the impact of providing coverage of biomarker testing, including an analysis of the impact of providing access to individuals based on race, gender, age, and public or private insurance. For a discussion of the requirements of ***Senate Bill 805/House Bill 1217*** on the Medicaid program, see the subpart “Public Health – Generally” within this part of this *90 Day Report*.

Step Therapy or Fail-First Protocols

“Step therapy or fail-first protocol” means a protocol established by a carrier that requires a prescription drug or sequence of prescription drugs to be used by an insured or enrollee before a prescription drug ordered by a prescriber is covered. ***Senate Bill 515/House Bill 785 (both passed)*** require carriers, including those that provide prescription drug coverage through a pharmacy benefits manager (PBM), to establish a process for requesting an exception to a step therapy or fail-first protocol that is clearly described, easily accessible to the prescriber, and posted on the

carrier's or PBM's website. A "step therapy exception request" must be granted under specified circumstances, and an insured or enrollee may appeal the denial of a "step therapy exception request." A carrier or PBM may use an existing step therapy exception process that satisfies the bills' requirements. A private review agent must make a determination regarding a step therapy exception or prior authorization request submitted electronically within a specified timeframe. A carrier or PBM may not require more than one prior authorization of the same prescription drug (except for certain opioids) under specified circumstances.

State-Based Young Adult Health Insurance Subsidies Pilot Program

Chapters 777 and 778 of 2021 required the Maryland Health Benefit Exchange (MHBE) to establish and implement the State-Based Young Adult Health Insurance Subsidies Pilot Program to help make health insurance more affordable for uninsured young adults. Under the program, young adults ages 18 to 34 with incomes between 133% and 400% of the federal poverty level are eligible for State premium assistance subsidies.

Senate Bill 601/House Bill 814 (both passed) extend the termination date of the program by two additional years through June 30, 2026. Subject to the availability of funds in the MHBE Fund, in fiscal 2024 through 2026, MHBE may provide up to \$20 million in annual subsidies to young adults under the pilot program. MHBE, in consultation with the Maryland Insurance Administration, must conduct a study of (1) available federal and State subsidies; (2) the State's § 1332 waiver and whether it should be amended to include young adults or otherwise to maximize federal pass-through funds and impact the largest number of individuals so as to reduce the State's uninsured rate; and (3) the number of individuals who signed up for health insurance through MHBE because of the young adult subsidy. MHBE must submit a report on its findings and recommendations to specified committees of the General Assembly by December 1, 2024.

Telehealth

The COVID-19 pandemic triggered increased utilization of telehealth, prompting government and private payors to accommodate the expansion by allowing reimbursement for a wider range of telehealth encounters, including telephone communications. Chapters 70 and 71 of 2021 expanded health insurance coverage and reimbursement requirements for health care services provided through telehealth.

Senate Bill 534 (passed) extends, through June 30, 2025, provisions of law that specify that (1) "telehealth" includes an audio-only telephone conversation between a health care provider and a patient that results in the delivery of a billable, covered health care service and (2) a carrier (and Medicaid) must continue to reimburse for a health care service appropriately provided through telehealth on the same basis and at the same rate as if the service were delivered in person. MHCC must study and make recommendations regarding the delivery of health care services through telehealth, as specified, and report to the General Assembly by December 1, 2024. Identical telehealth provisions were also included in *Senate Bill 582/House Bill 1148 (both passed)*. For additional discussion of other provisions in *Senate Bill 582/House Bill 1148*

that impact behavioral health, see the subpart “Public Health – Generally” within this part of this *90 Day Report*.

Health Care Coverage for Undocumented Immigrants

Senate Bill 806 (passed) requires MHBE and MDH to develop a report comparing options for offering affordable health care and dental care coverage to State residents who are ineligible for Medicaid, the Maryland Children’s Health Program, or qualified health plans or stand-alone dental plans through MHBE due to immigration status. MHBE and MDH must report their findings and recommendations to specified committees of the General Assembly by October 31, 2023.

Pharmacy Benefits and Services

Reimbursement for Services by a Licensed Pharmacist

Senate Bill 678/House Bill 1151 (both passed) require carriers, as well as Medicaid and the Maryland Children’s Health Program (MCHP), to provide coverage for services rendered by a licensed pharmacist acting within the pharmacist’s scope of practice to the same extent as services rendered by any other licensed health care provider. For carriers, this requirement applies to policies and contracts that provide coverage for services within the scope of practice of a licensed pharmacist. Pharmacist reimbursement may not be conditioned on whether the licensed pharmacist is (1) employed by a physician, pharmacy, or facility or (2) acting under a physician’s orders. To implement these requirements for Medicaid and MCHP, MDH must apply for and obtain any necessary Medicaid waivers or amendments by January 1, 2024.

Audits of Pharmacies and Pharmacists

House Bill 374 (passed) establishes requirements and restrictions on PBMs during the pharmacy audit process. Among other requirements and limitations, the bill (1) requires a PBM to accept a completed cash register transaction as proof of delivery or pick up for a pharmacy customer unless there is contradictory information; (2) prohibits a PBM from recouping any funds from or charging any fees to a pharmacy or pharmacist with regard to an incorrect days of supply calculation; (3) prohibits a PBM from having or requesting access to a pharmacy’s or pharmacist’s bank, credit card, or depository statement or data as it relates to cost-sharing; (4) limits the number of prescriptions that may be audited during a desk or site audit; and (5) requires a PBM to provide a pharmacy or pharmacist being audited with a phone number and, if available, access to a secure portal that may be used to ask questions regarding the audit. The bill also requires the Secretary of Health to adopt regulations for PBMs that contract with Medicaid managed care organizations that establish audit requirements that are, to the extent practicable, substantively similar to these provisions.

Miscellaneous

TRICARE Premium Reimbursement Program

Individuals serving in the Maryland National Guard (MDNG) may receive health insurance coverage through their employer or their spouse’s employer or may purchase coverage directly or through Maryland Health Connection (the State’s health benefit exchange). As members of the Selected Reserves, they are also eligible for coverage under TRICARE Reserve Select and the TRICARE Dental Program. Unlike active-duty personnel who are automatically enrolled in TRICARE, Selected Reserves personnel must individually contract through the Defense Enrollment Eligibility Reporting System for TRICARE Reserve Select.

Senate Bill 554 (passed) establishes a TRICARE Premium Reimbursement Program in the Military Department. The department may award grants of up to \$60 per month to an “eligible recipient” who meets the reimbursement application requirements for a premium paid for individual or dependent coverage under TRICARE Reserve Select or the TRICARE Dental Program. “Eligible recipient” means an individual who is (1) eligible for TRICARE Reserve Select coverage and (2) a member of MDNG. The department must adopt regulations to implement and administer the program.

Internal Grievance Processes

Senate Bill 724 (Ch. 37) alters the means by which a carrier must inform a member, the member’s representative, or the health care provider acting on behalf of a member of the carrier’s adverse decision for nonemergency cases. A carrier must inform a member, the member’s representative, or the health care provider either orally by telephone (as under current law) or – with the recipient’s consent – by text, facsimile, electronic mail, online portal, or other expedited means.

Product and Service Offerings

Senate Bill 725 (Ch. 38) specifies that certain provisions of insurance law do not prohibit a life insurer, health insurer, nonprofit health service plan, health maintenance organization, or property or casualty insurer from offering or providing products or services in conjunction with a policy at no charge or at a discounted price under specified circumstances. Generally, the risk of loss must be associated with risks insured against by the policy or be substantially related to the insurance provided under the policy, and the offer or provision of products or services must be available to all policyholders. An offer or provision of products or services may be included in an applicable contract or form or rate filing. The Insurance Commissioner may determine by regulation the types of products and services that may be offered. The Act must be construed to apply only prospectively after its July 1, 2023, effective date.

Social Services

Public Assistance

Electronic Benefits Theft

The Department of Human Services (DHS) operates an Electronic Benefits Transfer (EBT) system under agreement with the federal government. The Maryland EBT Card (the Independence Card) is used by DHS programs – the Supplemental Nutrition Assistance Program (SNAP), Temporary Cash Assistance (TCA), the Temporary Disability Assistance Program (TDAP), and Public Assistance to Adults (PAA) – to provide monthly benefits to eligible recipients. During calendar 2022, theft of benefits through EBT card skimming and other fraudulent methods increased dramatically across the country. According to DHS, between January 1, 2021, and October 1, 2022, at least \$800,000 in benefits were lost to theft. Between October 2022 and December 2022, lost benefits totaled nearly \$1 million.

The federal Consolidated Appropriations Act of 2023 requires states to issue replacement SNAP benefits lost due to theft between October 1, 2022, and September 30, 2024, and authorizes the use of federal funds to do so. States must replace the lesser of the full amount stolen or two months of stolen benefits. Each state agency is limited to providing replacement benefits twice per federal fiscal year for each household, with the exception of stolen benefits from cash assistance programs such as TCA, TDAP, or PAA. In February 2023, DHS received federal approval of its plan to reimburse SNAP benefits for victims of EBT card fraud, and subsequently established a website for filing EBT fraud claims. The fiscal 2024 budget includes \$3.3 million in fiscal 2023 and \$8.1 million in fiscal 2024 to replace lost benefits, including general and federal funds.

Senate Bill 2/House Bill 502 (both passed) require DHS, by September 1, 2023, to restore any EBT card benefits lost due to theft between January 1, 2021, and October 1, 2022. DHS may not require a household to provide a police report as a condition of restoration of benefits or limit the number of months in which a household can receive restoration of benefits. Among other provisions, the bills also (1) specify that preference must be given to an EBT vendor that holds insurance that can be used to reimburse a beneficiary for identity fraud or theft and provides protections against identity fraud and theft and (2) require DHS to coordinate with vendors to implement available precautions to reduce the vulnerability of EBT cards to theft. By December 1 each year, DHS, in consultation with local law enforcement agencies, must report specified information related to EBT theft to the General Assembly.

Fuel and Utility Assistance Programs

DHS, through the Office of Home Energy Programs (OHEP), provides bill payment assistance for heating fuels and electric and arrearage assistance for electric and natural gas customers under the Electric Universal Service Program (EUSP) and the Maryland Energy Assistance Program. Recipients of SNAP, TCA, Supplemental Security Income (SSI), or

means-tested Veterans Affairs benefits, are generally eligible for all DHS fuel and utility assistance programs but are not categorically eligible. ***House Bill 323 (passed)*** requires OHEP to auto-enroll in any fuel and utility assistance program any household with an individual who meets the financial eligibility requirements established by DHS for SNAP, Temporary Assistance for Needy Families, SSI, or means-tested Veterans Affairs benefits. The bill also increases the annual income eligibility level for EUSP from 175% to 200% of federal poverty guidelines.

Child Care Scholarship Program

The Child Care Scholarship (CCS) Program provides financial assistance with child care costs to low-income families that meet certain State or federal requirements. All participating parents or guardians, among other requirements, must be working or enrolled in school, a training program, or a work-related activity. An individual must meet income guidelines that vary based on family size or be a recipient of TCA or SSI. Beginning July 1, 2023, the Maryland State Department of Education (MSDE) will establish a process for granting presumptive eligibility to individuals who attest to meeting the eligibility requirements for a scholarship, as required by Chapters 525 and 526 of 2022. Effective May 23, 2022, MSDE also increased the income eligibility threshold to 75% of the State median income using federal assistance distributed to states during the COVID-19 pandemic. ***Senate Bill 350/House Bill 495 (both passed)*** prohibit MSDE (subject to specified exceptions) from altering the CCS program as it was as of January 1, 2023. MDSE may not increase copayment levels, reduce reimbursement rates, reduce the income eligibility requirements, or freeze program enrollment. Changes may be made after certain notification is provided to specified committees of the General Assembly or if the Board of Public Works approves budget reductions for the program.

Workgroup on Low-Income Utility Assistance

Chapters 638 and 639 of 2021, among other things, established a Workgroup on Low-Income Utility Assistance, staffed by DHS, to examine assistance available to low-income residential electric and natural gas customers. The Acts required the workgroup, by January 1, 2022, to submit a report with findings and recommendations. ***Senate Bill 26/House Bill 111 (both passed)*** require the workgroup to submit a final report, including recommended legislation and regulatory changes, to the Senate Finance Committee and the House Economic Matters Committee by January 1, 2024. The bills also require the Maryland Department of Health (MDH) to establish an Express Lane Eligibility (ELE) Program to enroll individuals in Medicaid or the Maryland Children’s Health Program based on eligibility findings by SNAP. For a more detailed discussion of the ELE provisions, see the subpart “Public Health” within this part of this *90 Day Report*.

Other Social and Human Services

Statewide Coordination

Maryland Statewide Independent Living Council

The Maryland Statewide Independent Living Council (MSILC) was created by an executive order in 1993 in accordance with the Federal Rehabilitation Act. The federal Act requires a state to establish and maintain an independent living council that is independent of and autonomous from all State agencies and meets specified requirements, including those related to the composition and appointment of members. *Senate Bill 608/House Bill 53 (Chs. 43 and 44)* generally codify MSILC as an instrumentality of the State. MSILC must (1) work in conjunction with Centers for Independent Living (community-based organizations that are designed and operated by people with disabilities) in submitting, monitoring, implementing, and evaluating the State Plan for Independent Living (SPIL) and (2) carry out other duties as required under State and federal law to support the implementation of the SPIL. The Governor must appoint the members of MSILC in accordance with the federal Act. MSILC must employ an executive director who has experience with the activities and purposes of MSILC. The Attorney General is the legal advisor to MSILC.

Maryland Developmental Disabilities Council

The federal Developmental Disabilities Assistance and Bill of Rights Act of 1970 requires each state to have a developmental disabilities council. The Maryland Developmental Disabilities Council was established by executive order in 1971 and updated in 1987. The federal Act was last updated in 2000 and governs the council's membership, activities, and funding. *Senate Bill 168/House Bill 504 (Chs. 15 and 16)* codify the Maryland Developmental Disabilities Council as an independent unit of State government. The council must, among other things, (1) develop, implement, monitor, review, and evaluate a five-year strategic plan; (2) review any plan in the State that affects individuals with developmental disabilities; (3) serve as an advocate for individuals with developmental disabilities; (4) conduct or support programs, projects, and activities that carry out the federal Act; and (5) advise the Governor, the General Assembly, State agencies, and other relevant organizations on policies, programs, and issues related to the needs of individuals with developmental disabilities.

State Coordinator for Autism Strategy

Chapter 341 of 2020 established a State Coordinator for Autism Strategy in the Maryland Department of Disabilities (MDOD) to, among other things, identify and evaluate existing services for individuals with autism and their families, and develop a strategic plan for addressing autism-related needs. Chapter 341 also established the Advisory Stakeholder Group on Autism-Related Needs. Chapter 389 of 2021 moved the coordinator position to the Governor's Office of Community Initiatives (GOCI) and required the Governor, beginning in fiscal 2023, to fund the coordinator position and the Advisory Stakeholder Group on Autism-Related Needs.

Chapter 627 of 2022, among other things, required the Governor, beginning in fiscal 2024, to fund one support staff position for the coordinator. *Senate Bill 732 (passed)* transfers the coordinator position from GOCI to MDOD (along with two positions and associated funding) and specifies that MDOD (rather than GOCI) must staff the Advisory Stakeholder Group on Autism-Related Needs. The bill also expands the membership of the Maryland Commission on Disabilities, the advisory body for MDOD, to include an individual with a traumatic brain injury. The Maryland Commission on Disabilities is tasked with unifying and improving service delivery to people with disabilities. The commission also plays an instrumental role in developing the State Disabilities Plan, a comprehensive multi-year strategic plan that sets performance goals for all agencies that serve people with disabilities in Maryland.

Individuals with Disabilities

Maryland Commission on Disabilities

In addition to the provisions noted above, *Senate Bill 732* also expands the membership of the Maryland Commission on Disabilities, the advisory body for MDOD, to include an individual with a traumatic brain injury. The Maryland Commission on Disabilities is tasked with unifying and improving service delivery to people with disabilities. The commission also plays an instrumental role in developing the State Disabilities Plan, a comprehensive multi-year strategic plan that sets performance goals for all agencies that serve people with disabilities in Maryland.

Maryland Achieving a Better Life Experience Program

In 2014, Congress authorized a state (or a state agency or instrumentality) to establish and maintain a qualified Achieving a Better Life Experience (ABLE) program, under which contributions may be made to an account that is established for the purpose of meeting the qualified disability expenses of the designated beneficiary of the account. Chapter 39 of 2016 required the Maryland 529 Board, in consultation with MDOD, to establish and administer the Maryland ABLE Program. *Senate Bill 343 (passed)* generally conforms Maryland law to Internal Revenue Service regulations governing ABLE programs by specifying conditions under which Maryland ABLE Program accounts may be opened and distributions made to individuals other than an eligible individual. An ABLE account may be established only for an eligible individual by the eligible individual or a person selected by the eligible individual, subject to specified exceptions. If the eligible individual is unable to establish an ABLE account, the eligible individual's agent under power of attorney may establish an account. If the eligible individual does not have a power of attorney, in priority order, an ABLE account may be opened for the eligible individual by the individual's (1) conservator or legal guardian; (2) spouse; (3) parent; (4) sibling; (5) grandparent; or (6) representative payee appointed by the Social Security Administration.

Division of Rehabilitation Services and Developmental Disabilities Administration

The Division of Rehabilitation Services (DORS) within MSDE 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. The

Developmental Disabilities Administration (DDA) within MDH provides a coordinated service delivery system for people with developmental disabilities. *House Bill 870 (passed)* requires DORS and DDA to enter into a memorandum of understanding that includes a data sharing agreement for the medical and psychological records of mutual clients (including medical documentation, psychological information, school documentation, and other relevant records) in order to expedite decisions regarding eligibility for services.

Elderly

Long-term Care and Dementia Care Navigation Programs

In Maryland, each of the 23 counties and Baltimore City designate an area agency on aging (AAA). AAAs provide a variety of adult services. Each AAA must operate a single point-of-entry program to access the needs of seniors and their caregivers and provide appropriate services. *Senate Bill 228/House Bill 614 (both passed)* require each AAA, subject to the limitations of the funding provided, to develop a long-term care and dementia care navigation program. The duties of the navigation program include providing information and referrals to long-term care and chronic diseases services, cognitive screening, programs that engage individuals who demonstrate symptoms of dementia that interfere with activities of daily living, and support for caregivers. The Maryland Department of Aging (MDOA) must oversee and train navigation program staff and disseminate best practices and collect interaction data to ensure statewide program integrity. By October 1, 2024, and annually thereafter, MDOA must submit a report on navigation services and publish the report on the MDOA website. Beginning in fiscal 2025, the Governor must include in the annual budget bill an appropriation of \$2.4 million to manage the navigation programs statewide and fund the programs locally. Funding must be distributed based on a formula that considers the number of individuals who will likely long-term care or dementia care services in each jurisdiction.

Task Force on Preventing and Countering Elder Abuse

Senate Bill 797/House Bill 1191 (both passed) establish the Task Force on Preventing and Countering Elder Abuse, staffed by MDOA. The task force must (1) study existing laws, policies, and practices relating to elder abuse and other crimes commonly committed against older adults and (2) make recommendations regarding changes to State law, policy, and practice that would aid in preventing elder abuse. The task force must submit a preliminary report of its findings and recommendations to the Governor and the General Assembly by December 31, 2023; a final report is due by December 31, 2024.

Part K

Natural Resources, Environment, and Agriculture

Natural Resources

Forest Conservation and Education

It has been the policy of the State to encourage the retention and sustainable management of forest lands by, among other things, achieving no net loss of forest. *Senate Bill 526/House Bill 723 (both passed)* modify this policy to instead increase, as measured every four years, the acreage of (1) forest land in the State and (2) for land located inside an urban area and outside an urban area, land in the State covered by tree canopy.

The bills also make permanent and modify provisions enacted under Chapter 645 of 2021 that (1) modified the definition of “forest mitigation banking” under the Forest Conservation Act (FCA) to include qualified conservation (specified conservation of existing forest) and (2) allow for qualified conservation – which, by definition, is conservation of existing forest approved for the purpose of establishing a forest mitigation bank on or before December 31, 2020 – to be used to meet afforestation or reforestation requirements through afforestation or reforestation credit for up to 50% of the forest area encumbered in perpetuity. The bills remove the December 1, 2020 time limitation and only allow for qualified conservation completed in a forest mitigation bank to be used to meet up to 50% of an afforestation or reforestation requirement. A local jurisdiction may use qualified conservation completed in a forest mitigation bank to meet up to 60% of an afforestation or reforestation requirement on approval by the Department of Natural Resources (DNR) and after public comment, subject to certain conditions.

Senate Bill 526/House Bill 723 modify exemptions under the FCA. The bills repeal an existing exemption under the FCA for the cutting or clearing of *land* for specified electric generating stations and establish date-specific exemptions for specified solar voltaic facilities and forest conservation plans. The bills also establish exemptions under the FCA for:

- forest management;

- transit-oriented development, provided that the area of forest removed must be (1) reforested at a ratio of at least one-quarter acre replanted for each acre removed or (2) mitigated in a manner in which one-half acre of forest is permanently protected for each acre removed;
- the construction of a new federal government facility projected to house the employment of at least 2,500 persons; and
- the construction of multifamily housing, consisting of a single structure containing at least 25 dwelling units, provided that the area of forest removed must be (1) reforested at a ratio of at least one-quarter acre replanted for each acre removed or (2) mitigated in a manner in which one-half acre of forest is permanently protected for each acre removed.

Senate Bill 526/House Bill 723 also modify afforestation, reforestation, and preservation requirements as follows:

- ***New Reforestation Requirements:*** The bills replace existing conservation thresholds and reforestation requirements with a requirement that, for all existing forest cover cleared, the area of forest removed be reforested at a ratio of one acre planted for every one acre removed. However, for all existing forest cover cleared that is located in a priority funding area and not identified as a priority for retention, the area of forest removed must be reforested at a ratio of one-half acre planted for every one acre removed.
- ***Additional Riparian Buffer Afforestation/Reforestation Requirement:*** The bills require that, upon meeting the reforestation and afforestation requirements, all unforested riparian buffers on site must be afforested and reforested, unless the applicant demonstrates to DNR or the local authority (a unit of local government administering a local forest conservation program) that afforestation in the riparian buffer (1) would be in conflict with allowable uses for the riparian buffer; (2) is located on park property and conflicts with the mission and established stewardship practices of the park; or (3) is not suitable for the establishment and retention of the required planting materials, in which case substitute environmental protection measures must be implemented.
- ***Meeting Afforestation and Reforestation Requirements in Specified Areas:*** The bills clarify and add available methods that may be used for meeting afforestation and reforestation requirements in specified municipalities, existing population centers, and other areas.
- ***Alternative Afforestation, Reforestation, and Preservation Requirements:*** The bills allow for a local jurisdiction, with approval of DNR, to establish alternative afforestation, reforestation, and preservation requirements from those established under the FCA if the requirements are expected to result in the local forest conservation program at a minimum maintaining its existing level of forest cover over a four-year period. The bills establish

procedures and criteria for DNR’s evaluation of a local jurisdiction’s proposed alternative requirements.

The bills clarify and add specified areas and vegetation that are considered priority for retention and protection and, pursuant to existing law, must be left undisturbed unless an applicant has demonstrated that reasonable efforts have been made to protect them and the applicant’s forest conservation plan cannot reasonably be altered. Under the bills, any clearing of a priority retention area must be preceded by written findings and justification by DNR or a local authority.

The bills also require DNR or the local authority to, at least 20 days before approval of a forest conservation plan:

- provide notice that is consistent with local authority notice requirements to all property owners abutting and adjacent to the boundary of the subject property of any proposed clearing of a priority retention area; and
- (1) on a net tract area of at least five acres, if at least 75% of the priority retention area is proposed to be cleared, provide an opportunity for written and verbal comment before plan approval or (2) for any other project where priority retention area is proposed for clearing, provide an opportunity for public written comment before plan approval.

Senate Bill 526/House Bill 723 require a local government’s development of a local forest conservation program to afford consideration to existing State policy goals and alter an authorization for a local forest conservation program, when approved by DNR, to waive the requirements under the FCA for previously developed areas covered by impervious surface and located in priority funding areas at the time of the application for subdivision plan, grading, or sediment control permit approval to include a *modification* of the FCA requirements for those areas.

Finally, while most of the provisions described above have a delayed effective date of July 1, 2024, *Senate Bill 526/House Bill 723* include the following provisions that take effect July 1, 2023:

- increasing, from two years or three growing seasons to five years or six growing seasons, the amount of time within which DNR must accomplish reforestation or afforestation for which money is deposited in the State Forest Conservation Fund, before any portion that has not been used must be returned to the person who provided the money to be used for documented tree planting in the same county or watershed beyond that required by the FCA or other applicable statutes;
- requiring DNR to (1) update the State Forest Conservation Technical Manual by December 31, 2024, to be consistent with the bills’ changes and (2) establish a workgroup to evaluate and recommend incentives for private landowners to conserve forest; and

- requiring DNR to, by December 31, 2023 (1) issue a description of the procedures it will use to determine whether a local program is expected to maintain or expand the existing level of forest cover in the jurisdiction and (2) approve or reject alternative afforestation, reforestation, and preservation requirements adopted by a local jurisdiction before September 1, 2023.

In addition to the retention of forestland, the State also encourages economic management and scientific development of its forests and woodlands to maintain, conserve, and improve the soil resources of the State so that an adequate source of forest products is preserved for the people. Chapter 284 of 2021 established a State goal of preserving a total of 1,030,000 acres of productive agricultural land by 2030, through local land preservation programs and several State programs. *Senate Bill 470 (passed)* establishes additional conservation goals for the State, the 40 x 40 Land Conservation Implementation Grant Program, and a Local Land Trust Revolving Loan Program. The bill additionally authorizes specified annual stewardship grants.

With regard to the additional conservation goals, *Senate Bill 470* establishes the intent of the General Assembly that (1) by 2030, 30% of lands in the State be conserved and (2) by 2040, 40% of lands in the State be conserved. The bill also requires the Maryland Environmental Trust to administer a 40 x 40 Land Conservation Implementation Grant Program to support implementation of the conservation goals established by the bill. Grants must be awarded each year on a competitive basis to a nonprofit organization that focuses on supporting the permanent conservation of the lands of the State.

The Local Land Trust Revolving Loan Program established by the bill is intended to (1) support the efforts of local land trusts that work with State and local governmental entities and (2) provide revolving loans to land trusts on a rolling basis to assist the land trusts to purchase fee simple or easement interests in real property for conservation purposes. The bill also establishes the Local Land Trust Revolving Loan Fund to finance the Local Land Trust Revolving Loan Program and the Land Preservation Rapid Response Advisory Committee to review and prioritize specified loan applications and make recommendations to the Board of Trustees of the Maryland Environmental Trust.

Senate Bill 470 authorizes the Governor, beginning in fiscal 2025, to include an annual appropriation of \$235,000 in the budget bill for land stewardship capacity-building grants, land stewardship improvement grants, grants to land trusts, and citizenship stewardship grants.

Lastly, under *Senate Bill 470*, general fund expenditures increase by \$6.7 million in fiscal 2025, by \$738,573 in fiscal 2026, and by ongoing amounts in future years. This estimate reflects funding for the loan and grant programs as well as costs associated with administering the programs.

Senate Bill 282/House Bill 289 (both passed) establish the Maryland Forestry Education Fund, to be administered by the Maryland Forestry Foundation. The purpose of the fund is to expand and enhance (1) the Maryland Forestry Foundation's capacity to provide education and

resources that support forest landowners in the State; (2) the ability of district forestry boards and the knowledge of local governments to achieve environmental, economic, and social sustainability of forest health and the sustainable management of forest resources; and (3) the ability of businesses to test innovative best management practices in forestry.

State- and Locally Owned Land

State Parks

Pursuant to DNR regulations, the State park system is administered under the jurisdiction of the Maryland Park Service to preserve and protect the best of Maryland’s natural and historic places for the enjoyment and appreciation of its citizens. *Senate Bill 823 (passed)* requires DNR to provide a discount of at least \$40 on annual State park passes for all first responders and law enforcement officers who are Maryland residents. An annual State park pass allows the holder unlimited day-use entry to all State parks and State park facilities for one year.

Chapter 39 of 2022 required DNR to establish the Port of Deposit State Historical Park as a specified partnership park that seeks to educate the public about and preserve and interpret the lives and experiences of Black Americans both before and after the abolition of slavery.

Senate Bill 517 (passed) makes several changes to State law related to the establishment of Port of Deposit State Historical Park. Specifically, the bill (1) changes the date by which the Bainbridge Development Corporation must transfer specified property to DNR for the park – from June 1, 2023, to June 1, 2025; (2) requires specified preservation of any property that is transferred but not included in the park; (3) authorizes funding for an archaeological survey and soil study for the property; (4) modifies the membership of a stakeholder advisory committee that advises DNR on the scope and management of the park; and (5) alters, from January 1, 2023, to September 1, 2024, the date by which DNR must submit a specified report to the General Assembly.

Other State-owned Land

Senate Bill 694 (passed) authorizes DNR to dispose of real property owned by the State for the use and benefit of the department, in exchange for privately owned real property, without complying with procedures in current law governing excess real property and the sale, transfer, grant, or exchange of State-owned real property, if (1) the privately owned real property subject to the exchange is adjacent to the real property owned by the State for the use and benefit of DNR; (2) the real property owned by the State for the use and benefit of DNR subject to the exchange is adjacent to the privately owned real property; (3) the real property owned by the State does not exceed five acres in size; and (4) the owner of the privately owned real property requesting the exchange pays all costs associated with the exchange. Prior to a property exchange under the bill, DNR must notify specified property owners, members of the General Assembly, and the governing body of the county in which the real property exchange is located and refer the proposed exchange to BPW for final disposition.

Greenspace

House Bill 503 (passed) establishes the Greenspace Equity Program within, and administered by, DNR, as well as a Greenspace Equity Advisory Board, staffed by DNR. The purpose of the program is to enhance the public health and livability of overburdened communities and underserved communities by implementing projects to preserve, create, and enhance community greenspace.

The bill additionally requires a portion of POS funding to be transferred by an appropriation in the State budget to the Greenspace Equity Program in certain fiscal years. Beginning in fiscal 2025, DNR must make grants under the program to eligible applicants for community greenspace projects located (1) in an overburdened community; (2) in an underserved community; or (3) on a property that is owned by an eligible applicant, or for which the applicant holds a conservation easement, and is located in a census tract adjacent to an overburdened community or an underserved community.

In addition to land acquisition, grants may be used for (1) appraisals, environmental assessments, site clearance or development, and other due diligence expenses related to implementing a project; (2) specified administrative and compliance costs; and (3) specified stewardship projects.

Finally, *House Bill 503* prohibits land acquired by a grant awarded under the program from being converted from outdoor public recreation or open space to any other use without prior written approval of the Secretary of Natural Resources, the Secretary of Budget and Management, and the Secretary of Planning. In addition, the grant recipient must replace the land being converted with specified equivalent outdoor public recreation or open space land. Land developed or improved by a grant awarded under the program must be operated and maintained for public use by the grant recipient for at least 15 years from the project completion date.

Enforcement of Natural Resources Laws

Senate Bill 611/House Bill 874 (both passed) establish an Environmental and Natural Resources Crimes Unit of the Office of the Attorney General to (1) investigate and prosecute cases against persons that violate State criminal environmental and natural resources laws and (2) investigate and prosecute any other criminal offense discovered in the course of an investigation. In conducting an investigation and prosecuting cases, the unit may act with the full powers, rights, privileges, and duties of a State's Attorney, including the use of a grand jury in any county.

The bills also give specified authority to the Attorney General or a deputy Attorney General, or an assistant Attorney General designated in writing by the Attorney General, to issue a subpoena – for the limited purpose of furthering an ongoing criminal investigation by the unit – to a person to produce telephone, business, government, or corporate records or documents.

Additionally, the bills authorize the circuit court with jurisdiction over the matter to grant appropriate relief – after a specified hearing – if a person fails to obey a lawfully served subpoena.

Northeast Maryland Waste Disposal Authority

Chapter 871 of 1980 established the Northeast Maryland Waste Disposal Authority (NMWDA) and codified the General Assembly’s statement of purpose regarding NMWDA. This statement included the mission for NMWDA to improve health and living conditions in the State through the efficient collection and disposal of waste on a regional basis and the generation of energy and recovery of usable resources from such waste to the extent practicable. Among other things, NMWDA has the authority to borrow money and issue bonds for specified purposes and to enter into and make contracts or agreements as it determines necessary or incidental to the performance of NMWDA’s duties and to the execution of the purpose of and powers granted by statute.

House Bill 161 (Ch. 68) terminates NMWDA’s bond authority beginning June 1, 2023. The Act also requires the Department of Legislative Services (DLS) to conduct a specified evaluation, and the Maryland Environmental Service (MES) to conduct a specified review and analysis, of NMWDA. NMWDA is required to provide information and to cooperate with these entities, and by December 1, 2024, the Act requires the respective agencies to submit their reports to the General Assembly.

Department of Natural Resources Digital or Electronic Documents

Chapter 286 of 2021 required DNR to make available and, on request, issue any license or stamp authorized under specified provisions (that require or authorize angler’s licenses, trout stamps, Chesapeake Bay and coastal sport fishing licenses, special charter boat licenses, special commercial fishing pier licenses, and hunting licenses and stamps) in a digital or electronic format.

Senate Bill 10 (passed) expands the requirement to apply to all licenses, stamps, permits, registrations, and certificates issued by DNR, with specified exceptions, and expands the authorization for an individual to satisfy any requirement to possess or display those documents by possessing or displaying the documents in a digital or electronic format. Requirements under State law or regulations to attach, affix, or display numbers, stickers, or decals associated with a license, stamp, permit, registration, or certificate on a vehicle, vessel, dock, or gear still apply under the bill.

Hunting and Fishing

Hunting

Sunday Hunting

Hunting game birds or mammals on Sundays is generally prohibited in the State, with specified exceptions that are often county specific. During the 2023 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 on private property and public land designated for Sunday hunting by DNR from 30 minutes before sunrise until 10:30 a.m. on certain Sundays during the open season for that game bird or mammal: (1) Wicomico County under *House Bill 1087 (passed)*; and (2) Worcester County under *House Bill 466 (passed)*. The time restrictions do not apply on the last three Sundays in October and the first two Sundays in November of the deer bow hunting season. The time restrictions also do not apply in Worcester County on each Sunday of the deer firearms season and in Wicomico County on the first Sunday of the deer firearms season.

Archery Hunting

Generally, a person, other than the owner or occupant, may not shoot or discharge any firearm or other deadly weapon within 150 yards, known as the “safety zone,” of a dwelling house, residence, church, or other building or camp occupied by human beings without the specific advance permission of the owner or occupant. A person also may not shoot at any animal while it is within the safety zone without the specific advance permission of the owner or occupant. *House Bill 466* and *House Bill 1087* reduce the safety zone in Worcester and Wicomico counties, respectively, to 50 yards.

With respect to an archery hunter in Howard County who is hunting under the authority of a deer management permit or is actively participating in a hunting program administered by the county, *House Bill 1005 (passed)* reduces the archery hunting safety zone from 150 to 50 yards. When hunting within 50 to 150 yards of a dwelling house, residence, church, public or nonpublic school, or other building or camp, the hunter must be in an elevated position that allows the hunter to shoot in a downward trajectory.

Licenses, Permits, and Stamps

In General: Generally, a person may not hunt or attempt to hunt any game birds or mammals without a hunting license and any required stamps or permits. Fees for hunting licenses, stamps, and permits support hunting programs and wildlife management. *Senate Bill 327/House Bill 983 (both passed)* increase the fees for hunting licenses, stamps, and permits, as outlined in **Exhibit K-1**.

Exhibit K-1
Hunting License, Stamp, and Permit Fees
Under Current Law and the Bills

	<u>Current Fee</u>	<u>Fee Under the Bills</u>
Type of Hunting License		
Junior Resident	\$10.50	\$15.00
Regular	24.50	35.00
Senior Resident	5.00	No Change
Nonresident Regular	130.00	160.00
Nonresident Junior	65.00	80.00
Nonresident 3-day	45.00	65.00
Resident Apprentice	10.00	15.00
Nonresident Apprentice	20.00	40.00
Type of Trapping License		
Nonresident Trapping	\$25.50	\$50.00
Type of Stamp		
Bow and Arrow	\$6.00	No Change
Nonresident Bow and Arrow	25.00	No Change
Black Powder	6.00	No Change
Nonresident Black Powder	25.00	No Change
MD Migratory Game Bird	9.00	\$15.00
Resident Bonus Antlered Deer	10.00	No Change
Nonresident Bonus Antlered Deer	25.00	No Change
Resident Sika Deer	N/A	10.00
Nonresident Sika Deer	N/A	25.00
Type of Permit		
Individual Furbearer	\$5.00	No Change
Group Furbearer	10.00	\$50.00

Source: Department of Legislative Services

Senate Bill 327/House Bill 983 also, among other things (1) authorize the use of the Heritage Conservation Fund to acquire conservation easements or a fee simple or other interests in land that can be used by the general public for hunting; (2) establish the Wildlife Conservation, Education, and Outreach Program in DNR to increase, in general, outdoor recreation and stewardship, hunting, and wildlife conservation; (3) establish a sika deer stamp and require purchase of the stamp to hunt sika deer; (4) authorize a nonresident who attends a college or university in the State to obtain a resident hunting license; (5) alter the authorized uses of funds derived from the sale of migratory game bird stamps to include projects that conserve migratory

game bird breeding habitats in Canada, and establish a reporting requirement on the effectiveness of these projects; (6) require DNR, in consultation with the Maryland Department of Agriculture, to develop a certain plan to address deer overpopulation in the State; and (7) establish certain authorized uses for any federal funds that may accrue to the State under specified provisions of the bills.

Under *Senate Bill 327/House Bill 983*, special fund revenues increase by an estimated \$2.3 million annually beginning in fiscal 2024. Special fund expenditures increase correspondingly for staff and programmatic purposes in fiscal 2024 and for programmatic purposes in the out-years. Federal fund revenues increase by an estimated \$6.8 million annually beginning in fiscal 2025 from federal matching grant funding.

Apprentice Hunting Licenses: A person who has never been licensed as a hunter in the State may obtain, after satisfactory completion of a DNR-approved online or electronic hunter safety course, an apprentice hunting license that authorizes the person to hunt all legal game birds and mammals in a single season, subject to specified stamp requirements. An apprentice hunting license holder must be accompanied and directly supervised by a person who is at least 18 years of age and holds a valid resident non-apprentice hunting license. A person who accompanies and directly supervises an apprentice license holder must maintain close visual and verbal contact with the apprentice hunter, provide adequate direction to the apprentice hunter, and be in a position to immediately assume control of the firearm of the apprentice hunter. *Senate Bill 91/House Bill 683 (both passed)* authorize DNR to issue a second or subsequent apprentice hunting license to a person who is younger than 17 years of age and retakes and satisfactorily completes the DNR-approved online or electronic hunter safety course.

DNR ID Numbers on Traps: *Senate Bill 275/House Bill 406 (both passed)* require a person who uses a snare, trap, or other similar device to capture wildlife to ensure that the person's DNR identification number (DNR ID number) is stamped on the device or on a metal tab affixed to the device. A person who uses a snare, trap, or another similar device but is exempt from licensing or permitting requirements must obtain and use a free DNR ID number from DNR's electronic licensing system. DNR may waive the DNR ID number requirement if the device is used only on private property owned or rented by the person placing the device. A person who finds a snare, trap, or another similar device that does not meet the DNR ID number requirements may report the device to DNR or the Natural Resources Police Force.

Black Bear Damage Prevention and Reimbursement Fund

The Black Bear Damage Reimbursement Fund in DNR is used to reimburse farmers for black bear damage to a person's beehives, fruit, or other crops, as well as damage to livestock, poultry, and pets. A person is eligible for reimbursement if (1) the person has followed all black bear damage preventative measures recommended by DNR; (2) the damage amount is determined by a specified agent; and (3) DNR has verified that the damage was caused by a black bear. Subject to available funding, a person may be reimbursed in an amount not less than \$200 or more than \$3,000 per year. The fund consists of (1) proceeds from the sale of conservation

bear stamps or decals, which are \$5 each, and (2) gifts, grants, and contributions to the State that are designated for the fund.

Senate Bill 310 (passed) renames the fund to be the Black Bear Damage Prevention and Reimbursement Fund and authorizes its use for projects that seek to prevent damages caused by black bears and reduce conflicts between humans and black bears through nonlethal methods. Entities eligible for grant funding include local governments, parks and recreation departments, landowners, farmers, businesses, tribes, institutions of higher education, and nonprofit organizations. The bill authorizes an annual appropriation of at least \$50,000 for the fund and total grant funding for conflict reduction projects must be capped at an amount that leaves at least 10% of the total annual appropriation provided to the fund available for black bear damage reimbursement. Lastly, the bill increases the maximum amount a person may be reimbursed from the fund per year for damage caused by black bears from \$3,000 to \$5,000.

Wildlife Advisory Commission

Senate Bill 320/House Bill 188 (both passed) increase the number of members of the Wildlife Advisory Commission within DNR from 9 to 10 and require the Governor to appoint 1 member to the commission who is an academic researcher with expertise in wildlife biology, wildlife conservation, wildlife management, or ecology. The bills also require that the commission include representation from the hunting, wildlife preservation, and passive wildlife recreation communities.

Fishing

Fishing Licenses

Commercial Blue and Flathead Catfish Finfish Trotline License: The blue and flathead catfish are invasive species in the Chesapeake Bay that consume large amounts of the Bay’s native species, including keystone species such as oysters, blue crabs, and striped bass. ***Senate Bill 80/House Bill 386 (both passed)*** reestablish a commercial blue and flathead catfish finfish trotline license, which had terminated on July 1, 2022. The license authorizes the holder to catch for sale blue and flathead catfish in the tidal waters of the State using a finfish trotline. A license holder does not need to hold a tidal fish license. The annual license fee is \$15.

Crabbing without a License: A person under the age of 16 years may recreationally fish for finfish in State tidal waters without obtaining a Chesapeake and coastal sport fishing license. Similarly, ***Senate Bill 102/House Bill 465 (both passed)*** authorize an individual under the age of 16 years who is catching or attempting to catch crabs in the waters of the Chesapeake Bay and its tidal tributaries without a recreational crabbing license to use a collapsible trap, net ring, handline, or dip net.

Exemptions for Government or Nonprofit Entity: DNR may issue an annual license exemption to a governmental entity or a nonprofit organization to take individuals with physical or mental disabilities who are serving or have served in the U.S. Armed Forces fishing in the tidal

or nontidal waters of the State. An individual covered under the license exemption may (1) engage in angling on the nontidal waters of the State without holding an angler's license; (2) engage in angling for trout on the nontidal waters of the State without holding a trout stamp; and (3) fish for finfish in the Chesapeake Bay and its tributaries or in the State waters of the Atlantic Ocean and the Atlantic coastal bays and their tributaries without holding a Chesapeake Bay and coastal sport fishing license. *Senate Bill 911 (passed)*, among other things, expands this exemption by authorizing DNR to issue an annual recreational fishing license exemption to a governmental entity or a nonprofit organization to provide fishing clinics and instructional opportunities to individuals who (1) are serving or have served in the U.S. Armed Forces; (2) are participating in a physical or mental wellness outdoor event; (3) are participating in a special needs outdoor event; (4) are acting under the authority of a scientific collection permit; or (5) are State residents who are underserved with respect to fishing opportunities. The exemption allows the individuals to participate in the clinics and instructional opportunities without being licensed.

Oyster Inspection and Severance Taxes

A severance tax of \$1 per bushel is levied on every bushel of oysters caught within the limits of the natural oyster bars of the State exclusive of the Potomac River. In addition, an inspection tax of 30 cents per bushel is levied on marketable oysters shipped in the shell to any place outside the State. Revenue from the taxes is used only for the repletion of natural oyster bars in the State. *Senate Bill 634/House Bill 1084 (both passed)* increase the severance tax from \$1 per bushel to \$2 per bushel and require that \$1 of every \$2 of the severance tax collected be used by the county oyster committees in specified counties (Anne Arundel, Baltimore, Calvert, Charles, Dorchester, Kent, Queen Anne's, Somerset, St. Mary's, Talbot, and Wicomico) for the repletion of natural oyster bars located in the waters of the county. The bills also increase the inspection tax from 30 cents per bushel to \$1 per bushel.

Programs and Funds

Certified Local Farm and Fish Program: Under *Senate Bill 386/House Bill 63 (both passed)*, State agencies may count blue catfish (and other certified Chesapeake invasive species) provided by Chesapeake Bay watermen toward the statutory goal of purchasing at least 20% of food from certified local farms. For a more detailed discussion of the Certified Local Farm and Fish Program, see the subpart "Procurement" within Part C – State Government of this *90 Day Report*.

Aquaculture: *Senate Bill 434 (passed)* requires DNR to establish and implement a Restorative Aquaculture Pilot Program to provide a holder of an aquaculture lease with financial incentives, on a per-acre basis or in proportion to oysters purchased by DNR for use in oyster restoration projects, to maintain the lease, or a part of the lease, under specified restorative conditions for at least four years. DNR is required to identify criteria and metrics for restorative aquaculture that consider (1) oyster density; (2) oyster biomass; (3) habitat complexity; and (4) any other criteria and metrics developed or identified in coordination with the Aquaculture Coordinating Council, the University of Maryland Center for Environmental Science, or other

interested stakeholders. The criteria and metrics must be at least as stringent as the target criteria and metrics used in large-scale oyster restoration projects overseen or supported by the Chesapeake Bay Program. A holder of an aquaculture lease who is participating in the pilot program may meet any requirements for the active use of the lease by shellfish seed planting alone.

Black Bass Conservation Fund: *Senate Bill 422/House Bill 696 (both passed)* establish the Black Bass Conservation Fund, administered by DNR, for the purpose of furthering black bass management. The fund consists of (1) voluntary monetary donations made by individuals at the time of purchasing an angler’s license or a Chesapeake Bay and coastal sport fishing license through DNR’s electronic licensing system; (2) money appropriated in the State budget to the fund; (3) interest earnings; and (4) any other money from any other source accepted for the benefit of the fund. DNR may use money in the fund to (1) stock black bass; (2) enhance aquatic habitats for black bass; (3) support responsible black bass tournaments; and (4) support scientific research related to black bass conservation.

Environment and Energy

Clean Energy and Energy Efficiency

Offshore Wind Energy

Chapter 757 of 2019, the Clean Energy Jobs Act, added new requirements to the 2013 structure authorizing offshore wind generation in the State, bifurcating the application and review process of offshore wind development projects into original “Round 1” and new “Round 2” projects. Additionally, Chapter 757 established offshore wind capacity goals of at least 400 megawatts in 2026, at least 800 megawatts in 2028, and at least 1,200 megawatts in 2030 from Round 2 offshore wind projects. *Senate Bill 781 (passed)* newly establishes, as a goal of the State, the achievement of 8,500 megawatts of offshore wind capacity by 2031 and creates related transmission planning and power purchase processes in furtherance of this goal.

To meet the goals of the State Renewable Energy Portfolio Standard and the offshore wind capacity goals established under the bill, the Public Service Commission (PSC), in consultation with the Maryland Energy Administration (MEA), must request that PJM Interconnection, LLC conduct an analysis of offshore wind transmission system upgrade and expansion options that consider offshore and onshore infrastructure. Additionally, PSC must issue, or request that PJM issue, competitive solicitations for proposals for offshore wind transmission facilities and onshore transmission upgrades and expansions by July 1, 2025. The issuance of solicitations is subject to varied specifications, including benefits to ratepayers and community benefit agreements. PSC must ask PJM to assist with the evaluation of the proposals and may select a proposal by December 1, 2027. The costs associated with the solicitation and evaluation of proposals are \$1 million annually in fiscal 2025 through 2027.

The bill specifies that a PSC order selecting a proposal constitutes approval that would otherwise be required through the obtaining of a certificate of public convenience and necessity and subjects offshore wind transmission projects to community benefit agreements.

Finally, the bill establishes a mechanism for procuring energy through power purchase agreements. Under the bill, the Department of General Services (DGS), in consultation with PSC, must issue a competitive sealed procurement solicitation for offshore wind energy and may enter into a power purchase agreement to procure up to 5.0 million megawatt-hours annually of offshore wind energy and associated renewable energy credits.

For a further discussion of *Senate Bill 781*, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

Energy Efficiency/EmPOWER

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. Chapter 38 of 2022, the Climate Solutions Now Act (CSNA), which established and enhanced greenhouse gas (GHG) emission reduction targets and related programs for the State, expanded EmPOWER Maryland by establishing goals of 2.25% target reductions in 2025 and 2026 and of 2.5% thereafter.

To enhance the EmPOWER Maryland Energy Efficiency Program in a manner consistent with CSNA, *Senate Bill 144/House Bill 169 (both passed)* require DHCD to procure or provide energy efficiency and conservation programs and services for the 2024-2026 EmPOWER program cycle. The programs and services must be designed to achieve target annual incremental gross energy savings of at least 0.53% in 2024, 0.72% in 2025, and 1.0% in 2026. The bills also establish the Green and Healthy Task Force to (1) advance the alignment, branding, and coordination of resources to more effectively deliver green and healthy housing for low-income households in the State; (2) examine the public and private resources needed to address the housing needs of low-income communities; (3) develop policy and statutory recommendations to eliminate barriers to low-income households achieving healthy, energy-efficient, affordable, and low-emissions housing; and (4) engage and collaborate with other entities to advance the goals of the task force.

CSNA also directed PSC, as part of an ongoing review of EmPOWER, to consider transitioning the program toward a portfolio of mutually reinforcing goals, including GHG emissions reductions, energy savings, net customer benefits, and reaching underserved customers. PSC subsequently issued recommendations on the future of EmPOWER in July 2022, calling for statutory changes to transition the program to achieving GHG reductions rather than incremental annual energy savings. *Senate Bill 905/House Bill 1035 (both failed)* would have implemented this recommendation. The bills would have repealed and restructured existing EmPOWER provisions and would have required electric companies, gas companies, and DHCD to adopt energy efficiency and conservation measures, demand response measures, and beneficial electrification measures to support GHG emissions reductions, instead of electricity consumption

and peak demand reductions. Additionally, the bills would have generally expanded the applicability of EmPOWER to gas companies.

For a further discussion of *Senate Bill 144/House Bill 169*, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

Community Solar

House Bill 908 (passed) makes the Community Solar Energy Generating Systems Pilot Program permanent, renames the program accordingly and makes several changes to program criteria. For a further discussion of *House Bill 908*, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

Energy Storage

House Bill 910 (passed) requires PSC to establish the Maryland Energy Storage Program and set targets for the cost-effective deployment of new energy storage devices in the State. For a further discussion of *House Bill 910*, see the subpart “Public Service Companies” within Part H – Business and Economic Issues of this *90 Day Report*.

Requirements for State Buildings

House Bill 6 (passed) requires DGS to establish and periodically update standards for State buildings to conserve energy and minimize adverse impacts on birds. Among other things, the standards must be consistent with specified standards and recommendations of the U.S. Green Building Council and the American Bird Conservancy. The bill also requires the Maryland Green Building Council to include the new standards in requirements that the council establishes for State buildings under the Maryland High Performance Green Building Program.

Clean Transportation

On-road transportation emissions are the single largest source of GHG emissions in the State. Most of these emissions come from light-duty passenger cars and trucks, followed by heavy-duty diesel trucks. Vehicle emissions also include co-pollutants, such as particulate matter, nitrogen oxides, and carbon monoxide, which adversely affect public health. During the 2023 session, the General Assembly passed several bills aimed at mitigating climate and health effects from the State’s transportation sector by accelerating the transition to zero-emissions vehicles (ZEV).

Medium-Duty and Heavy-duty ZEVs

Senate Bill 224/House Bill 230 (both passed) require the Maryland Department of the Environment (MDE), by December 1, 2023, to adopt regulations establishing requirements for the sale of new medium-duty and heavy-duty ZEVs in the State. The regulations must update existing regulations and incorporate by reference the California Air Resources Board’s Advanced Clean

Trucks regulations, as revised and updated. MDE must also prepare a related needs assessment and deployment plan in consultation with specified State agencies and submit the plan to the General Assembly by December 1, 2024. While regulations adopted under the bills must generally take effect starting with model year 2027, MDE may delay implementation by one or more model years if MDE determines – based on the criteria identified in the needs assessment and deployment plan – that implementation is not yet feasible.

Senate Bill 224/House Bill 230 also increase funding for the Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program administered by MEA and make other changes to the program. The bills replace previous funding requirements related to appropriations from the Strategic Energy Investment Fund (SEIF) with a single requirement that the Governor, in each of fiscal 2024 through 2027, include in the annual budget bill an appropriation from the SEIF of at least \$10 million for grants under the program for qualified newly manufactured medium-duty or heavy-duty ZEVs or zero-emission heavy equipment property. Additionally, the bills (1) modify a limit on the amount of individual grants awarded under the program for qualified medium-duty or heavy-duty ZEVs and zero-emission heavy equipment property and eliminates the availability of grants for qualified medium- or heavy-duty ZEV supply equipment under the program; (2) change the definition of “qualified-medium duty or heavy-duty ZEV”; (3) establish that the program applies only to vehicles and equipment intended for commercial or industrial use; and (4) establish preferences that MEA must take into account when issuing grants under the program. Identical provisions appear in *House Bill 550 (passed)*, as discussed below.

In addition to altering the financial incentives available under the Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program, *House Bill 550* modifies the authorized uses of certain Alternative Compliance Payments deposited into the SEIF, increases the dollar amount cap on the amount of certain SEIF revenues that may be allocated toward the administrative expenses of MEA, and makes changes to the Electric Vehicle Recharging Equipment Rebate Program. More specifically, the bill extends the Electric Vehicle Recharging Equipment Rebate Program through fiscal 2026 and raises the annual cap for the total amount of rebates that MEA may issue under the program from \$1.8 million to \$2.5 million. The bill also modifies the limits on the amount of individual rebates that MEA may issue and authorizes MEA to alter the program, and adopt regulations, to offer additional benefits for the installation of qualified electric vehicle (EV) recharging equipment in multifamily housing, planned urban developments, and condominiums under certain circumstances.

EV Charging Infrastructure

House Bill 834 (passed) codifies and makes a number of changes related to PSC’s EV Pilot Program, which generally allows investor-owned utilities to (1) offer charger rebates and other related incentives to residential and nonresidential customers and (2) install, own, and operate public chargers within their territories. The bill requires PSC to (1) expand the EV Pilot Program to allow participating electric companies to install EV charging stations in multifamily dwellings in underserved communities and (2) terminate this expansion on December 31, 2025. Electric companies that install or maintain EV charging stations for public use or that participate in the EV

Pilot Program must maintain uptime standards for each EV charging station in accordance with specified standards and requirements. In addition, a participating electric company must maintain an adequate number of staff to monitor, assess, and when necessary, repair the EV charging stations operated by the electric company.

House Bill 830 (passed) requires the construction of new housing units that include a separate garage, carport, or driveway for each residential unit to include (1) one dedicated parking space with electric vehicle supply equipment that is fully installed (“EVSE-installed parking space”) or (2) one EV-ready parking space. The bill also requires MEA to conduct a related study that includes, among other things, the cost of requiring EV-ready and EVSE-installed parking spaces at multifamily residential buildings.

Water and Wastewater

Public Drinking Water and Wastewater Systems

Certain county governments have the authority to establish sanitary districts or special taxing districts to provide sewer services to their residents. ***Senate Bill 246/House Bill 1004 (both passed)*** authorize Wicomico County to establish sanitary districts within the county.

Senate Bill 880/House Bill 843 (both passed) establish the Baltimore Regional Water Governance Task Force to review specified findings, assess alternative governance structures for the Baltimore region’s water and wastewater utility, analyze the fiscal implications and efficiencies of each alternative governance structure, and make a recommendation regarding the governance model best suited for water and wastewater systems in the Baltimore region and the legislation and funding necessary to establish the recommended model.

Senate Bill 407/House Bill 848 (both passed) establish the Indirect Potable Reuse Pilot Program within MDE. The purpose of the pilot program is to authorize the regulated use of reclaimed water as a source for drinking water treatment facilities. MDE is authorized to review, permit, and regulate a process to use reclaimed water as a source for a drinking water treatment facility through a potable reuse permit under certain circumstances. The bills also establish provisions governing permit applications, the issuance and terms of permits, grounds for permit denial and revocation, and the renewal of permits. MDE must accept permit applications between July 1, 2023, and June 30, 2024.

Private Wells and Water Quality Testing

Under Chapter 622 of 2021, the owner of residential rental property that is served by a private water supply must provide for water quality testing every three years and disclose the results to current and prospective tenants. When a water quality test reveals that a private water supply well is contaminated, the owner must notify MDE and the local health department and resolve the issue.

Senate Bill 483/House Bill 11 (both passed) establish additional requirements related to private wells. The bills require MDE, by December 31, 2026, to adopt regulations to identify a list of additional standards for water quality testing that MDE deems necessary for each county or a specific area within a county. Additionally, subject to the availability of funding, and in consultation with the Department of Information Technology, MDE must utilize an online portal to receive specified water quality testing results, upload certificates of potability and other water quality testing results, and provide public access to that information. The bills also establish water quality testing requirements for contracts for the sale of real property that has a private or domestic water supply well. Finally, the bills require MDE to conduct a study on long-term funding options for monitoring and analyzing groundwater resources, as specified, and assist in identifying a funding source for a private well grant fund.

On-Site Wastewater Service Providers

Senate Bill 7/House Bill 30 (Chs. 66 and 67) make updates and technical changes to the licensing regime for on-site wastewater service providers established by Chapter 419 of 2022. Specifically, the Acts alter the composition of the State Board of On-Site Wastewater Professionals and redirect certain administrative penalties to the Maryland Clean Water Fund. The Acts also clarify the application of licensing requirements and the distribution of licensing fees.

Storm Water Management at Construction Sites

Any construction project that disturbs one or more acres of earth must apply for either a general or individual permit for stormwater discharge associated with construction activity and obtain coverage under the permit before beginning earth disturbance or any part of the project. A notice of intent (NOI) is one of the first steps in acquiring a construction general permit for stormwater discharge. However, prior to submitting an NOI, a final erosion and sediment control plan must be submitted to the appropriate approval authority (such as the Soil Conservation District).

Senate Bill 471 (passed) requires MDE to review and update the specifications for sediment control plans by December 1, 2025, and every five years thereafter. In reviewing and updating these specifications, MDE is required to (1) revise water quantity control standards using the most recent precipitation data available; (2) ensure that any updates and revisions are designed to protect the waters of the State from pollution; (3) ensure that any updates and revisions are not applied retroactively to projects with approved sediment control plans if the sediment control plan has not yet expired, construction contracts have been awarded (if applicable), and construction activities have commenced; and (4) consult with specified groups and stakeholders. Before finalizing an update to the specifications, MDE must report to the General Assembly on the proposed update.

Additionally, under *Senate Bill 471*, MDE is prohibited from authorizing the discharge of stormwater associated with construction activity under a general discharge permit for a construction site with a total proposed disturbed area of five acres or more until specified enhanced public notice and comment requirements are met. These enhanced requirements must be followed

if any portion of the area of disturbance is located in (1) a watershed or catchment that drains to a receiving water designated as high quality under MDE regulations; (2) the Critical Area Buffer; or (3) an area identified by the Federal Emergency Management Agency as having a 1% chance of annual flooding.

Waste Management and Recycling

Waste Disposal and Recycling

Senate Bill 222 (passed) lays the foundation for establishing a producer responsibility program in the State for packaging materials. The bill requires MDE’s Office of Recycling to hire an independent consultant to conduct a statewide recycling needs assessment. The Office of Recycling must report the results of the assessment to the Governor and the General Assembly by July 30, 2024. The bill also establishes the Producer Responsibility Advisory Council to provide advice and make recommendations regarding establishing and implementing a producer responsibility program in the State for packaging materials. The advisory council must report its findings and recommendations to the Governor and specified committees of the General Assembly by December 1, 2024. Finally, the bill requires MDE, by October 1, 2023, to approve a producer responsibility organization to represent producer’s interests in the development of the producer responsibility program.

Organic Waste

On-farm composting: MDE’s composting regulations generally prohibit a person from operating an on-farm composting facility without a permit issued by MDE, subject to several exemptions. **Senate Bill 262/House Bill 253 (both passed)** expand opportunities for on-farm composting by requiring MDE to establish an exemption, by regulation, from the permitting requirements under MDE’s composting regulations for an operator of an on-farm composting facility that uses 10,000 square feet of area or less for active food scrap composting, subject to specified conditions. The exemption applies only to a facility that composts only one or more of a specified list of feedstocks, complies with certain record-keeping requirements, and meets any other conditions specified in regulations. The bills also require new composting facilities to be constructed and operated in accordance with specified requirements, including requirements related to nutrient management plans, soil conservation and water quality plans, and agricultural waste management system plans, as appropriate.

State Purchase Preferences: **Senate Bill 782/House Bill 586 (both passed)** require the Maryland Green Purchasing Committee to establish specifications for purchasing compost, mulch, or other soil amendments or aggregate produced from municipal solid waste, food waste, dredged material, construction waste, yard waste, clean wood waste, or other recycled or organic materials. For a more detailed discussion of **Senate Bill 782/House Bill 586**, see the subpart “Procurement” in Part C – State Government of this *90 Day Report*.

Restrictions and Bans on the Use of Certain Substances and Products

Senate Bill 741/House Bill 1011 (both passed) establish that, notwithstanding any other provision of law, except for regulations issued by MDE, no provision of the State building code or other law or regulation may prohibit or otherwise limit the use of a refrigerant if (1) the refrigerant is designated as acceptable for use in accordance with 42 U.S.C. 7671k (a provision of the federal Clean Air Act which governs stratospheric ozone protection and a safe alternatives policy for specified substances) and (2) any “appliance” containing the refrigerant designated for acceptable use is installed and used in accordance with the safety standards and use conditions under that provision of federal law.

Senate Bill 256/House Bill 470 (both passed) prohibit a person from setting oriented strand board, as defined by the bills, on fire or burning oriented strand board for fire-fighting training purposes. The bills establish administrative and civil penalty provisions for violating this prohibition.

Agriculture

PFAS Chemicals in Pesticides

PFAS chemicals are a class of fluorinated organic chemicals that contain at least one fully fluorinated carbon atom, including perfluoroalkyl and polyfluoroalkyl substances. PFAS are persistent in the environment and the human body, which means they do not break down easily and can accumulate over time. There is evidence that exposure to PFAS can lead to adverse human health effects, including low infant birth weights, effects on the immune system, cancer, and thyroid hormone disruption.

To address concerns regarding PFAS exposure from pesticides, *Senate Bill 158/House Bill 319 (both passed)* require the Maryland Department of Agriculture (MDA) – in consultation with the Maryland Department of the Environment (MDE), the Maryland Department of Health (MDH), and the U.S. Environmental Protection Agency – to study the use of PFAS in pesticides in the State. The study must include a range of topics, including an analysis of the health and environmental impacts of PFAS in pesticides, the identification of testing methods capable of testing for PFAS in pesticides, and status updates on state and federal efforts to regulate or ban the use of pesticides containing PFAS. By November 1, 2023, MDA must report its findings and recommendations to the Governor and specified committees of the General Assembly.

Use of Antimicrobial Drugs

Each year MDA must collect publicly available data on the use in the State of medically important antimicrobial drugs in cattle, swine, and poultry from (1) the U.S. Department of Agriculture; (2) the Centers for Disease Control and Prevention; (3) the U.S. Food and Drug Administration (FDA); and (4) appropriate national and State trade associations, organizations,

and councils. By February 1 each year, a licensed veterinarian must submit to MDA (1) a copy of the record prescribing the medically important antimicrobial drug or a copy of the veterinary feed directive for each medically important antimicrobial drug, as listed in Appendix A of FDA’s Guidance for Industry #152, administered in feed or water to cattle, swine, or poultry during the previous calendar year and (2) an accounting, as provided by the owner, of the total number of animals raised during the previous calendar year, categorized by species and production class.

By February 1 each year, MDA must report to the General Assembly on the above data collected – from public sources and licensed veterinarians – on the use in the State of medically important antimicrobial drugs in cattle, swine, and poultry. To allow MDA more time to compile and analyze the above data collected, *House Bill 516 (Ch. 69)* moves the date – from February 1 to July 1 – by which MDA must submit the annual report to the General Assembly.

On-farm Composting

MDE’s composting regulations, which took effect July 1, 2015, generally prohibit a person from operating an on-farm composting facility without a permit issued by MDE, subject to several exemptions. There is no permit fee. Among other specified exemptions, a facility is exempt from the permitting requirements if it meets specified requirements, including (1) composting only organic materials generated on site or at another farm controlled by the same operator and complies with other specified restrictions and (2) using only up to 40,000 square feet (ft²) of area in support of composting operations. A facility is also exempt if it uses only up to 5,000 ft² of area in support of composting operations and qualifies as a Tier 1 or 2 facility that complies with feedstock, pile size, and other specified regulatory requirements.

Senate Bill 262/House Bill 253 (both passed) expand opportunities for on-farm composting by requiring MDE to establish an exemption, by regulation, from the permitting requirements under MDE’s composting regulations for an operator of an on-farm composting facility that uses 10,000 ft² of area or less for active food scrap composting, subject to specified conditions. For a more detailed discussion of these bills, see the subpart “Environment and Energy” within this part of this *90 Day Report*.

Departmental Programs and Functions

State Specialist for Value-Added Agriculture

In the 2022 *Joint Chairmen’s Report* (p. 87), the budget committees expressed intent that MDA establish and lead a task force to study the feasibility of returning to State meat processing inspection and related topics. The task force submitted a report in December 2022 in which it advised against returning to a State meat inspection program; instead, the task force suggested the need for a State assistance program or the establishment of an ombudsman at MDA to assist new and existing meat and poultry harvest and processing businesses in navigating the regulatory process at the local, State, and federal levels. MDA indicates that after the report was submitted,

interested parties concluded that the ombudsman's assistance should be expanded to all value-added agriculture businesses.

Senate Bill 34/House Bill 389 (both passed) establish the State Specialist for Value-Added Agriculture (State Specialist) as a position in MDA and requires the position to be appointed by the Secretary of Agriculture. The State Specialist must (1) serve as the primary point of contact for individuals engaging in, or interested in engaging in, value-added agriculture in the State; (2) provide information regarding State and federal regulations relating to value-added agriculture; (3) act as a liaison between State and federal partners involved in value-added agriculture; and (4) perform any other duty or function that supports value-added agriculture in the State, as required by the Secretary. During the first year after the initial appointment, the priority function of the State Specialist is to focus on implementing the recommendations of the Task Force to Study the Feasibility of Return to State Meat Process Inspection. The bills define "value-added agriculture" as the alteration or enhancement of a raw agricultural product, including livestock, or an agricultural service in a way that increases the product or service's worth to a consumer and brings more revenue to a farmer, producer, or processor. This includes all enterprises, including those providing equine activities, in which an agricultural business or the agricultural business's products or services are altered, marketed, produced, or processed in a way that adds income to a farmer, producer, or processor.

Maryland Native Plants Program

To respond to the increasing demand for, use of, and sale of native plants by retail garden centers, retail nurseries, and wholesale nurseries and educate the public, landscapers, and other plant users on the importance, benefit, and availability of native plants, ***Senate Bill 836/House Bill 950 (both passed)*** establish the Maryland Native Plants Program. Administered by MDA and the University of Maryland Extension (UME), the program must, among other things, develop a Commercial Maryland Native Plant List and create (1) a voluntary certification program for growers and retailers; (2) a "Maryland Natives" marketing program; and (3) a "Maryland Native Plants" webpage. "Native plant" means a plant that occurs naturally in the State and surrounding region, ecosystem, and habitat, without direct or indirect human actions. This includes plants that were present before colonial settlement or are listed as native to the State on the Maryland Plant Atlas website.

In administering this program, UME must hire an extension agent with expertise in native plants to serve as a native plant specialist. The native plant specialist must (1) assist UME in fulfilling educational and professional training responsibilities related to the program; (2) coordinate with MDA to deliver educational components of the program; (3) provide input and expertise to MDA in the development of the Commercial Maryland Native Plant List; (4) provide input and expertise to MDA on the development of a list of certified Maryland native plant growers and retailers; (5) teach growers and other stakeholders about techniques for growing native plants; and (6) coordinate education, applied research, and outreach to teach the public, landscapers, and other plant users about the importance, benefit, and availability of native plants.

Beginning in fiscal 2025 and each fiscal year thereafter, the Governor must include in the annual budget bill an appropriation of \$150,000 for UME to hire one extension agent as a native plant specialist and \$100,000 for MDA to hire staff to administer the program.

Certified Local Farm Enterprise Program

Chapters 2 and 32 of 2021 established the Certified Local Farm Enterprise Program and office within MDA to encourage State agencies, including public four-year universities, to achieve an overall goal of purchasing 20% of food from certified local farm enterprises. A certified local farm enterprise is one that meets specified nutrient management requirements and is certified by MDA. *Senate Bill 386/House Bill 63 (both passed)* (1) rename the Certified Local Farm Enterprise Program to be the Certified Local Farm and Fish Program; (2) expand the program’s purpose to include preferences for the purchase of food made from specified invasive species; (3) add an annual reporting requirement; and (4) make conforming changes. For a more detailed discussion of *Senate Bill 386/House Bill 63*, see the subpart “Procurement” within Part C – State Government of this *90 Day Report*.

Urban Agriculture Grant Programs

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. Several initiatives intended to support urban farming are underway in the State including:

- Urban Agriculture Grant Program – Chapter 320 of 2021 established the Urban Agriculture Grant Program within MDA to increase the viability of urban farming and improve access to urban-grown foods. To support the program, Chapter 320 also established an Urban Agriculture Grant Fund to provide grants to qualified nonprofit organizations in Baltimore City. The fund must be used to provide grants to qualified nonprofit organizations that distribute the grant money to urban agricultural producers. Although the Governor is authorized to include an appropriation to the fund in the annual budget bill, the program has not been funded since it was established.
- Urban Agriculture Water and Power Infrastructure Grant Program – Chapters 393 and 394 of 2022 established the Urban Agriculture Water and Power Infrastructure Grant Program within MDA to provide grants to urban agricultural producers and qualified nonprofit organizations for the purchase and installation of agriculture equipment associated with water supply and irrigation and electric power access. For fiscal 2024 through 2027, the Governor must include in the annual budget bill a general fund appropriation of \$500,000 to the Urban Agriculture Water and Power Infrastructure Grant Fund (which provides grants under the program).

House Bill 152 (passed) modifies the Urban Agriculture Grant Program by (1) mandating a minimum amount of funding (\$100,000 annually) for the program from fiscal 2025 through

2029; (2) expanding eligibility for grants under the program, making them available directly to urban agricultural producers and to specified nonprofit organizations and institutions of higher education; and (3) modifying provisions relating to the grant process and the use of the grants. The bill also expands the definition of “urban agricultural producer” under both the Urban Agriculture Grant Program and the Urban Agriculture Water and Power Infrastructure Grant Program.

State Board of Veterinary Medical Examiners

State law prohibits a person from practicing veterinary medicine unless the person is licensed, registered, and authorized to engage in the practice under provisions of State law that regulate the practice of veterinary medicine. *Senate Bill 390/House Bill 325 (both passed)* require the State Board of Veterinary Medical Examiners (SBVME) to establish an expedited process to authorize out-of-state veterinary practitioners to become licensed to practice veterinary medicine in the State.

Senate Bill 390/House Bill 325 also expand the scope of an existing license SBVME is authorized to issue an animal control facility, under § 2-305 of the Agriculture Article, to administer drugs needed to sedate, euthanize, or sedate and euthanize animals. Under the expanded scope of the license, an animal control facility may administer (1) drugs needed to sedate, euthanize, or sedate and euthanize animals and (2) rabies vaccines in accordance with the provisions under these bills that require the Secretary of Health to allow registered veterinary technicians or other clinical staff who work in or for an animal shelter or animal control facility to administer rabies vaccines, subject to specified conditions.

Part L

Education

Education – Primary and Secondary

State Funding

Fiscal 2024 major State education aid was impacted by several factors, including ongoing implementation of Chapters 36 and 55 of 2021, known as the Blueprint for Maryland’s Future (Blueprint). Overall, State aid for public schools increases by \$704.9 million, or 8.9%, from \$8.0 billion in fiscal 2023 to \$8.7 billion in fiscal 2024. State education aid provided directly to the local boards of education increases by \$661.0 million, or 9.1%, while retirement aid increases by \$43.9 million, or 6.0%. These changes include the Blueprint special funds allocated to major State aid and Blueprint programs. A detailed description of State education aid programs and allocations by school system can be found in Part A – Budget and State Aid of this *90 Day Report*.

School Construction

The Interagency Commission on School Construction (IAC) oversees State support for public school construction projects and is designated as an independent commission that functions within the Maryland State Department of Education (MSDE).

The largest State school construction program is the Public School Construction Program (PSCP), which provides State matching funds for the construction of new public schools as well as the expansion, renovation, or systemic upgrade of existing facilities. In addition to PSCP, other State public school construction programs include the Supplemental Capital Grant Program, also known as the Enrollment Growth and Relocatable Classroom Program (EGRC), which provides additional school construction funds for local education agencies (LEAs) with significant enrollment growth or relocatable classrooms; the Healthy School Facility Fund (HSFF), which provides funding for grants to public primary and secondary schools to improve the health of school facilities; the School Safety Grant Program (SSGP), which provides funding for security upgrades to public school facilities; the Aging Schools Program (ASP), which provides support for improvements to older public school facilities, including asbestos and lead paint removal, fire

protection upgrades, and other similar improvements; and the Revolving Loan Fund, which provides low- or no-interest loans to local governments to forward fund the local or State share of school construction projects.

Exhibit L-1 shows that in fiscal 2024, a total of \$641.1 million is allocated in general obligation (GO) bonds as well as general and special pay-as-you-go (PAYGO) funds for public school construction. This amount represents a decrease of \$112.4 million, or almost 15%, from fiscal 2023.

Exhibit L-1
Public School Construction Funding
Fiscal 2023-2024
(\$ in Millions)

<u>Program</u>	<u>2023</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
Public School Construction Program	\$522.0	\$485.0	-\$37.0	-7.1%
Enrollment Growth and Relocatable Classrooms	95.4	40.0	-55.4	-58.1%
Healthy School Facility Fund	90.0	90.0	0.0	0.0%
Revolving Loan Program	40.0	20.0	-20.0	-50.0%
Aging Schools Program	6.1	6.1	0.0	0.0%
Total	\$753.5	\$641.1	-\$112.4	-14.9%

Note: Numbers may not sum due to rounding.

Source: Interagency Commission on School Construction

PSCP is allocated a total of \$485.0 million, which is comprised of \$268.5 million in special funds from the Fiscal Responsibility Fund and \$216.5 million in general fund PAYGO. HSFF is allocated the mandated amount of \$90 million in general fund PAYGO; the Revolving Loan Fund is allocated the mandated amount of \$20 million in general fund PAYGO; and ASP is allocated the mandated amount of \$6.1 million in GO bonds. These amounts do not include \$3.5 million in GO bonds for the Nonpublic Aging Schools Program; \$10.0 million for SSGP, which receives general funds in the operating budget; and \$447.2 million in proposed revenue bonds issued for projects approved under Chapter 20 of 2020, the Built to Learn Act (BTL), which is discussed later in this section.

Exhibit L-2 shows allocations for EGRC. In fiscal 2024, 10 LEAs qualify for this program and are allocated \$40.0 million as mandated.

Exhibit L-2
Enrollment Growth and Relocatable Classroom Program
Fiscal 2022-2024
(\$ in Millions)

<u>Local Education Agency</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Anne Arundel	\$7.3	\$14.6	\$4.9
Baltimore County	9.4	7.9	6.5
Carroll	0.0	0.0	1.5
Charles	0.0	4.4	1.6
Frederick	5.8	15.3	2.6
Harford	0.0	0.0	2.2
Howard	9.4	16.8	3.4
Montgomery	15.2	18.6	9.4
Prince George’s	12.9	17.8	7.5
Worcester	0.0	0.0	0.4
Total	\$60.0	\$95.4	\$40.0

Note: Numbers may not sum due to rounding.

Source: Interagency Commission on School Construction

Chapter 20 authorizes the Maryland Stadium Authority to issue up to \$2.2 billion in revenue bonds to support public school facilities. The bonds are backed by mandated State appropriations from the Education Trust Fund and are issued as 30-year bonds. In the first two rounds of bond issuances in fiscal 2022, proceeds provided \$699.3 million for school construction. For fiscal 2024, the Governor proposed an additional \$447.2 million for BTL based on a revised total issuance of approximately \$1.7 billion, subject to market conditions.

House Bill 458 (passed) makes IAC an independent unit of State government. It also repeals SSGP and the ASP beginning in fiscal 2027. Beginning in fiscal 2025, the bill increases State support for a public-private partnership entered into by the Prince George’s County School Board to construct public schools from \$25.0 million annually to \$27.0 million. The bill repeals a requirement that IAC evaluate the life-cycle costs of public school buildings and their major mechanical systems, and instead requires LEAs to conduct life-cycle assessments of building systems for school construction projects that they submit to IAC for approval. Finally, the bill raises the threshold for school construction actions that require the approval of the State Superintendent or designee to \$1.0 million (from \$350,000) for remodeling plans and specifications and \$50,000 (from \$25,000) for change orders.

Senate Bill 175/House Bill 366 (both passed) maintain the Maryland School for the Blind’s (MSB) eligibility for funding under PSCP beyond fiscal 2028 by repealing the termination

date for MSB's eligibility for those funds. MSB first became eligible for PSCP funding in fiscal 2013, and its eligibility was scheduled to terminate after fiscal 2028.

Statewide Education Policy

Educator Shortage Reduction Act

An insufficient supply of new teachers and a high number of teachers exiting the profession have resulted in a significant number of teacher vacancies across the State. Over the past 10 years, Maryland experienced a 33% decrease in total enrollment in teacher preparation programs and remains a net importer of new teachers. Due to this decrease, the supply of teachers is not keeping pace with local school system demand, a trend seen across the United States.

In general, *House Bill 1219 (passed)* establishes and alters various programs and policies to encourage individuals to pursue teaching careers or retain professionals working in the education field. Generally, the bill (1) requires teacher preparation programs to set recruitment and retention goals; (2) requires establishment of an educator dashboard; (3) delays the starting period for implementing standards for high quality prekindergarten teachers; (4) expands the eligibility for and renames the Nancy Grasmick Teacher Award within the Janet L. Hoffman Loan Assistance Repayment Program (LARP) to include specified mental health professionals and makes other changes to the award; (5) makes changes to the Maryland Teaching Fellows scholarship; and (6) establishes the Teacher Development and Retention Program and related special fund.

Teacher Development and Retention Program: The bill establishes Teacher Development and Retention Program as a six-year pilot program, beginning in July 2023, to incentivize a cohort of students to pursue a career in the teaching profession. Students enrolled in the first or second year of an institution of initial eligibility are paid a one-time stipend for participation in an experiential learning opportunity in a public school classroom. To qualify for an internship stipend of up to \$20,000, a student enrolled in the fourth year of a teacher preparation program at an eligible institution and who is participating in a teacher internship, must pledge to fulfill a service obligation as a teacher employed full time in a high-needs school, grade level, or content area in the State in which there is a shortage of teachers, as identified by MSDE. The Office of Student Financial Assistance must administer the program. By July 1, 2028, the Maryland Higher Education Commission (MHEC) must hire an independent consultant to evaluate the effectiveness of the pilot program in attracting new teachers to the profession. MHEC must report the results of the evaluation to the Governor and the General Assembly by January 1, 2029. The fiscal 2024 operating budget includes \$10.0 million to capitalize the related special fund contingent on *House Bill 1219*.

Teacher Preparation Programs Recruitment and Retention Goals: MSDE, in collaboration with MHEC, must establish specific goals for the recruitment and retention of teachers in teacher preparation programs throughout the State. MSDE must work with a teacher preparation program that fails to meet the goals to develop an action plan that demonstrates how the teacher preparation program will meet its goals.

Educator Information Dashboard: The bill requires MSDE, by January 1, 2025, to establish a Maryland Educator Recruitment, Retention, and Diversity Dashboard. The dashboard must include demographic information and key data points regarding (1) certificated and noncertificated personnel in public schools and (2) prospective educators within teacher preparation programs throughout the State who are participating in teacher internships. Local school systems must report demographic and job status information on educators employed by and interns placed in public schools within its jurisdiction during the previous school year, disaggregated by specified categories.

High Staff Qualifications for PreK Teachers: The Blueprint, enacted by Chapter 36 of 2021, required all prekindergarten providers to include structural elements that are evidence-based and nationally recognized as important for ensuring program quality, including high staff qualifications, to be eligible for public funding. Implementation of the standards for high staff qualifications is required to begin in the 2025-2026 school year. The bill pushes out the beginning of the implementation period to the 2027-2028 school year.

Janet L. Hoffman Assistance Repayment Program: LARP is administered by the Office of Student Financial Assistance (OSFA) to assist in the repayment of any higher education loan owed by an individual who meets certain eligibility criteria. The bill renames the Nancy Grasmick Teacher Award within LARP to be the Nancy Grasmick Public School Professional Award and expands eligibility for a grant award from teachers to include public school mental health professionals, including school psychologists, resource psychologists, psychologist coordinators, social workers, social worker supervisors, school counselors, or mental health coordinators, who meet eligibility requirements. The fiscal 2024 operating budget includes an additional \$5.0 million for the award, contingent on [House Bill 1219](#).

Teaching Fellows for Maryland scholarship: The bill significantly modifies the eligibility requirements for the Teaching Fellows for Maryland scholarship, allowing more students to qualify and changing the parameters of their related service obligation. Under the bill, a scholarship recipient must pledge to work as public school or public prekindergarten teachers in the State upon completion of their studies at (1) a high-needs school, as identified by MSDE or (2) in a grade level or content area in which there is a shortage of qualified educators, as identified by MSDE. The service obligation for undergraduate recipients is altered to a minimum of two years from one year for each year that the recipient had a scholarship awarded. OSFA must prioritize the awarding of scholarships to applicants who have been employed in a public school or publicly funded prekindergarten program within the last five years but who does not hold a Maryland professional teacher’s certificate. Scholarships must be publicized at historically black colleges and universities in the State and to teaching assistants and other educational support staff working in public schools and publicly funded prekindergarten programs.

For a further discussion of [House Bill 1219](#), see the subpart “Higher Education” within part of this *90 Day Report*.

The Blueprint for Maryland's Future

House Bill 770 (*passed*) makes changes to various policies and prekindergarten enrollment and funding provisions established under the Blueprint.

Publicly Funded Prekindergarten Enrollment and Funding: The bill alters the State and local funding requirements for specified children enrolled in publicly funded prekindergarten slots in fiscal 2024 and 2025. For a discussion of this issue, see the subpart “Education – Early Childhood/Libraries/Miscellaneous” within this part of this *90 Day Report*.

State Alternative Income Eligibility Forms: The federal U.S. Department of Agriculture’s (USDA) Community Eligibility Provision (CEP) is a nonpricing meal service option for schools and school districts within low-income areas that allow the nation’s highest poverty schools and school districts to serve breakfast and lunch to all enrolled students without collecting income eligibility forms from families. The Blueprint requires schools that participate in the CEP to collect the State alternative income eligibility form beginning in the 2022-2023 school year. Information from these forms is one of multiple inputs used to calculate income for purposes of the State compensatory aid formula, which provides additional funding to students with educational needs resulting from educationally or economically disadvantaged environments. Rather than being required to collect the form in the 2022-2023 school year, these schools must collect the form beginning the school year after the form has been adopted by MSDE. The form must be in an electronic format that allows a family to opt out of returning the form.

Career Ladder Requirements: The bill also alters requirements for certain professional educators on the career ladder. Under the Blueprint, each county board of education must implement a career ladder for educators. The bill alters the duties of assistant principals on the career ladder to require that they participate, rather than teach, in classroom activity for a certain percentage of time and provides that they may not be designated as the teacher of record. Additionally, the bill clarifies that county boards must only begin selecting specified professionals on the career ladder to perform certain functions related to mentoring, teacher training practicums, and the writing of curriculum, assessment items, and development of model lesson plans after the Accountability and Implementation Board determines that the career ladder is well established throughout the State.

Maryland Consortium of Coordinated Community Supports Member: **House Bill 770** adds a school counselor to the members of the Maryland Consortium on Coordinated Community Supports, a group created by the Blueprint and tasked with developing coordinated community supports partnerships to meet students’ behavioral health needs.

Virtual Education

The abrupt change from in-person instruction to an all-remote learning model in March 2020 due to the COVID-19 pandemic had an immediate impact on student access to instruction, student learning, and school resources. Local school systems and schools across the State struggled to provide student instruction using various remote learning models, with

significant variation from one school system to the next and with limited success. The benefits and detrimental impacts of the unplanned and unstructured use of virtual instruction led to the need for the creation of a framework for virtual education of all types in Maryland’s public schools.

Senate Bill 610 (passed) establishes requirements for virtual education days, alters requirements for virtual schools, and requires county boards of education to adopt virtual education plans for the operation of public schools under a prolonged state of emergency. The bill also establishes requirements related to teacher training related to virtual education, including the use of online curriculum and expanding computer and Internet security infrastructure for virtual education.

Virtual Education Days for Severe Weather Events: The bill authorizes virtual education days for severe weather conditions under specified circumstances and in accordance with certain procedures. Before a local board of education may authorize the local superintendent to provide these virtual education days to students, the local board must (1) discuss this topic at an open meeting and (2) vote affirmatively to authorize the local superintendent to provide virtual education days. A local board must publish the local board’s plan for the use of virtual education days on the school system’s website.

Virtual Schools: *Senate Bill 610* significantly alters the definition of, approval process for, and standards required to establish a virtual school by one or more county boards of education. Subject to the approval of MSDE, a county board may establish one virtual school for the elementary, middle, and high school grade bands. If a local board of education receives more applications than there are available spaces in a virtual school, the local board must admit all students on a lottery basis. A county board may not contract with a for-profit entity to operate or administer a virtual school but may do so for goods and services for the virtual school.

A virtual school must provide each enrolled student with access to the various services provided to other public school students, including an interactive social and emotional wellness component; extracurricular activities; participation in organized athletics and on athletic teams at the public school the student would otherwise be required to attend; wraparound services; food and nutrition services; and health care services. MSDE must establish specified standards for virtual schools, including for student engagement and conduct, student attendance, program quality metrics, tracking and use of student data, and data reporting requirements.

In addition to a current requirement to have a teaching certificate or any other relevant professional certification authorized under regulations, a teacher or education support personnel assigned to a virtual school must (1) be an employee of the county, or collaborating county, that established the virtual school; (2) be subject to the collective bargaining agreement of that jurisdiction; and (3) have access to professional development.

Virtual schools operating in the State before the effective date of the bill that are not in compliance with the requirements of *Senate Bill 610* may continue to operate as a virtual school through the 2024-2025 school year. However, MSDE may revoke approval of a virtual school authorized to continue operations out of compliance with the law if the school performs in the

bottom 10% of schools as determined by metrics of the State accountability system. On or before July 1, 2023, MSDE must convene a workgroup to study specified topics relating to virtual education and submit a report to the General Assembly on the results of the workgroup by September 1, 2024.

Virtual Education Plans Used during a Prolonged State of Emergency: By June 1, 2024, a county board of education must, in consultation with local administrators and school staff, adopt a virtual education plan for use during a prolonged State of Emergency. The virtual education plan must be based on the local board's continuity of learning plan in effect during the 2020-2021 school year. The virtual education plan must contain specified components and be updated by the county board every two years. While a school is operating under a virtual education plan during a prolonged state of emergency, the principal must require a staff member to conduct regular wellness check-ins with students at least once per week, with appropriate follow-up.

Special Education

The federal Individuals with Disabilities Education Act (IDEA) requires that a child with disabilities be provided a free appropriate public education in the least restrictive environment from birth through the end of the school year in which the student turns 21 years old, in accordance with an Individualized Family Service Plan or Individualized Education Program specific to the individual needs of the child.

Award of Attorney's and Related Fees: Chapter 233 of 2006 established a Maryland process for resolution sessions that can be used to settle disputes about the identification, evaluation, and educational placements of children with disabilities, consistent with IDEA provisions for dispute resolution. Before conducting a due process hearing, the parent must have an opportunity to resolve a due process complaint at a resolution session. A parent of a child with a disability or a public agency may request mediation to resolve any disagreement regarding the child's special education services or program, including mediation to resolve a due process complaint filed by a parent against a public agency. A parent of a child with disabilities may file a due process complaint with Office of Administrative Hearings (OAH) and the public agency. Similarly, the public agency may file a due process complaint with OAH and the parent. OAH appoints an administrative law judge to conduct a due process hearing. The decision of the administrative law judge must be made on substantive grounds based on whether a child has received a free appropriate public education.

House Bill 1237 (passed) authorizes a court to award reasonable attorney's fees and related costs, including expert witness fees and costs, to the parent of a child with a disability, if the parent prevails in a proceeding that is held to resolve disputes about the identification, evaluation, or educational placements of children with disabilities or the provision of a free appropriate public education. However, a court may not award attorney's fees after the date a written offer of settlement is made to the parent, under certain conditions, unless the parent was substantially justified in rejecting the settlement offer.

Teacher Salaries in Nonpublic Schools and Students with Disabilities: The State and local school systems share in the costs of nonpublic placements for special education children who cannot receive an appropriate education in a public school. For those children in nonpublic placements approved by MSDE, 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 base amount are split on a 70% State/30% local basis.

House Bill 448 (passed) requires a nonpublic school in which a child with a disability is placed to receive special education services to pay its teachers a salary that is equivalent to the salaries of public school teachers of similar training and experience in the same county where the nonpublic school is located. Pay parity must be achieved within three years, with the phase-in beginning in fiscal 2024. If the costs to do so are not met by the existing State and local cost sharing mechanism for nonpublic placements, the local school board must include additional funding in its budget. The additional funding is to be paid for by the State and the county in the same proportion as other costs paid for nonpublic placements. Funding for other components of the nonpublic school may not be reduced to provide the required teacher salaries.

Health and Support Programs

Title IX Coordinators: Title IX of the Education Amendments of 1972 prohibits discrimination on the basis of sex in any federally funded education program or activity. The principal objective of Title IX is to avoid the use of federal money to support sex discrimination in education programs. ***House Bill 16 (passed)*** requires each public school to inform students, faculty, staff, and parents regarding (1) who serves as the Title IX coordinator for the school; (2) the process in place for filing a sexual misconduct complaint; and (3) the support measures that are in place for an individual who files a sexual misconduct complaint and how to access the support measures.

Maryland Meals for Achievement Funding: The Maryland Meals For Achievement (MMFA) provides funding for schools that make an in-class breakfast available to all students enrolled in schools in which 40% or more of the students qualify for free and reduced-price meals. Schools are selected to participate in the program and must serve breakfasts that meet MSDE guidelines and the nutritional standards of USDA for schools that participate in the federal school breakfast program. ***Senate Bill 559 (passed)*** requires the Governor to include in the annual budget bill \$12,050,000 for the MMFA In-Classroom Breakfast Program. This is an increase over current law of \$4.5 million which would enable MMFA to serve approximately 179,400 more Maryland students in approximately 266 additional schools and result in an additional \$10.0 million in federal funds received by these schools.

Anaphylactic Food Allergen Guidelines: ***House Bill 78 (passed)*** requires MSDE and the Maryland Department of Health to jointly update, by August 1, 2023, the Maryland State School Health Services guidelines to reduce the risk of exposure to anaphylactic major food allergens in classrooms and common areas. Each local board of education must make a good faith effort to adopt and implement the updated guidelines before the 2023-2024 school year but must do so

before the 2024-2025 school year. Each public school must develop a system to disclose, within a reasonable time before service, the foods served in the school and the major food allergens contained in them. The principal of a public school that has a child attending with an anaphylactic allergy must implement, as necessary, the strategies developed in accordance with the Maryland State School Health Service guidelines and monitor and implement the guidelines ultimately adopted and implemented by the local board.

Miscellaneous

Corporal Punishment Prohibited in Public Schools: Corporal punishment is the infliction of physical punishment as retribution for an offense or for disciplinary purposes. It has been prohibited as a method of discipline in public schools since 1993. Each local board of education must adopt regulations designed to create and maintain an atmosphere of order and discipline necessary for effective learning in public schools.

House Bill 185 (passed) generally requires the State Board of Education to identify methods to find and eliminate any instance of corporal punishment administered to discipline any student in the State. Specifically, the bill prohibits the State board from issuing a certificate of approval to any noncollegiate educational institution (nonpublic primary or secondary school) that does not have a policy prohibiting a principal, vice principal, or any other employee from administering corporal punishment to discipline a student. For a further discussion of this bill relating to child care providers in the State, see the subpart “Education – Libraries/Early Childhood/Miscellaneous” in this part of this *90 Day Report*.

P-TECH Schools and High School Diplomas: Chapter 144 of 2016 established Pathways in Technology Early College High (P-TECH) schools in Maryland, which are public schools that offer grades 9 through 14 and that integrate high school, college, and the workplace. The result is intended to be a seamless pathway that enables students to graduate in six years or less with a high school diploma, an associate degree, and relevant professional experience. ***Senate Bill 822/House Bill 689 (both passed)*** require that P-TECH students receive a high school diploma immediately following completion of high school graduation requirements, by adding to the requirements of memoranda of understanding establishing P-TECH schools.

Funding for Field Trips: The State of Maryland, through MSDE, provides annual grants to nonprofit organizations through the State Aided Institutions program to provide enriching educational programs experiences to students and teachers that cannot be replicated in the classroom. ***Senate Bill 841 (passed)*** requires the Governor to include \$500,000 in the annual budget bill for MSDE to provide grants to local school systems for expenses related to student field trips to a museum of cultural import.

Nonpublic Student Bus Transportation: ***House Bill 486*** establishes a Task Force to Study Nonpublic Student Bus Transportation, to be staffed by MSDE. The task force must collect specified information from each local board of education and any other relevant county department regarding nonpublic school student busing programs in the county, other than programs for the transportation of students in special education placements. In addition, the task force must evaluate

the impact on State revenues and expenditures, traffic congestion, and environmental and safety goals of the adoption of programs used in other states to provide transportation to nonpublic school students or otherwise reduce the use of passenger vehicles for the transportation of nonpublic school students. The task force must submit its findings and recommendations to specified committees of the General Assembly by December 15, 2023.

Higher Education

Operating Funding

State support for higher education in the fiscal 2024 budget totals \$3.3 billion, an increase of \$363.9 million, or 12.3%, over fiscal 2023, as shown in **Exhibit L-3**. Public four-year institutions receive the bulk of the new State funds, totaling \$285.5 million, which includes general funds and monies from the Higher Education Investment Fund. This amount includes \$25.1 million budgeted to the public four-year institutions related to the settlement for historically black colleges and universities (HBCUs), which reflects that \$22 million of settlement funds went directly to attorney’s fees in fiscal 2023.

Exhibit L-3
State Support for Higher Education
Fiscal 2023-2024

	<u>FY 2023¹</u>	<u>FY 2024²</u>	<u>\$ Change</u> <u>FY 23-24</u>	<u>% Change</u> <u>FY 23-24</u>
University System of Maryland	\$1,939,601,273	\$2,190,316,389	\$250,715,116	12.9%
Morgan State University	141,047,932	166,161,328	25,113,396	17.8%
St. Mary’s College of Maryland	34,193,253	40,800,813	6,607,560	19.3%
HBCU Settlement	59,487,500	62,580,433	3,092,933	5.2%
MHEC Special Grants ³	8,801,904	8,539,374	-262,530	-3.0%
MHEC Grants for Maryland 529 ⁴	7,361,250	0	-7,361,250	-100.0%
Community Colleges ⁵	435,344,298	476,347,929	41,003,631	9.4%
Baltimore City Community College	40,901,563	45,824,713	4,923,150	12.0%
Independent Institutions	118,598,457	137,094,789	18,496,332	15.6%
MHEC Administration	8,693,177	9,073,676	380,499	4.4%
MHEC Student Financial Aid	171,242,473	192,413,691	21,171,218	12.4%
Total	\$2,965,273,080	\$3,329,153,135	\$363,880,055	12.3%

HBCU: Historically Black College and University

MHEC: Maryland Higher Education Commission

¹ Fiscal 2023 general funds are adjusted to reflect statewide general salary actions, deficiencies, and transfers from MHEC to the University of Maryland, Baltimore Campus for the WellMobile and the University of Maryland Global Campus for management of the Waldorf Center.

² Fiscal 2024 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 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 Maryland 529 transferred to State Treasurer's Office.

⁵ Community college funds include the Senator John A. Cade formula, other programs, and fringe benefits.

Source: Maryland Budget Books; Department of Legislative Services

Public Four-year Institutions

The University System of Maryland (USM) receives an increase of \$250.7 million, or 12.9%, over fiscal 2023, which includes \$124.2 million for annualization of fiscal 2023 general salary increases as well as general salary increases in fiscal 2024. The fiscal 2024 budget provides USM's HBCUs (specifically Bowie State University (BSU), University of Maryland Eastern Shore (UMES), and Coppin State University (CSU)) a total of \$36.2 million, as mandated in Chapters 41 and 42 of 2021. The increase also includes \$28.6 million for various other mandates including:

- \$5.0 million as mandated in Chapter 38 of 2022 to establish the Climate Catalytic Capital Fund at the Maryland Clean Energy Center with the funds budgeted within the University of Maryland, College Park Campus (UMCP);
- \$5.0 million as mandated in Chapter 623 of 2022 to fund workforce development initiatives at the Universities at Shady Grove Regional Higher Education Center;
- \$9.6 million as mandated in Chapter 765 of 2019 (an increase of \$2.4 million over the prior year) providing \$4.0 million each to the University of Maryland, Baltimore Campus and UMCP for the MPowering Steering Committee and \$1.6 million to the University of Maryland Baltimore County (UMBC) to help further its research and economic development activities;
- \$1.5 million as mandated in Chapter 637 of 2022 for the Institute for Public Leadership at UMCP;
- \$500,000 as mandated in Chapter 354 of 2022 to capitalize the Sustainable Maryland Program Fund administered by the University of Maryland Environmental Financial Center at UMCP; and
- \$250,000 as mandated in Chapters 30 and 574 of 2022 for the University of Maryland Center for Environmental Science (UMCES) for evaluation related to oyster substrate and planting.

The General Assembly also added another \$8.5 million to fund various programs and initiatives at seven USM institutions.

Morgan State University (MSU) receives an increase of \$25.1 million, or 17.8%, over fiscal 2023, of which \$10.4 million is for annualization of fiscal 2023 general salary increases and increments as well as general salary increases in fiscal 2024. Other increases reflect \$5.8 million for operating funds at the new Health and Human Services building, \$3.7 million for the National Center for the Elimination of Educational Disparities, \$3.1 million for the Center for Education and Research in Microelectronics, and \$1.8 million for employee and retiree health insurance.

St. Mary's College of Maryland (SMCM) receives an increase of \$6.6 million, or 19.3%, in State support over fiscal 2023. This increase encompasses \$3.0 million related to the funding formula, \$2.3 million for improvements to information technology systems and programs, and \$1.3 million for employee and retiree health insurance.

Independent Institutions

Independent institutions receive \$137.1 million through the Joseph A. Sellinger Formula in fiscal 2024, an increase of \$18.5 million, or 15.6%, over fiscal 2023. The increase in fiscal 2024 is primarily related to annualization of fiscal 2023 general salary increases and fiscal 2024 general salary increases.

Community Colleges

State funding for local community colleges increases by \$41.0 million, or 9.4%, over fiscal 2023. Funding under the Senator John A. Cade Funding Formula grows by \$38.2 million while funding for community college retirement programs increases by \$1.1 million. The large growth in fiscal 2024 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. Overall, State funding for BCCC increases by \$4.9 million, or 12.0%, over fiscal 2023. BCCC's declining overall full-time equivalent student enrollment total has decreased the total amount that would be provided by the calculated formula to \$36.4 million in fiscal 2024. However, the lower calculated formula funding triggers a hold harmless clause that requires the Governor to fund BCCC's formula at the amount provided in the prior year's budget. The hold harmless amount for fiscal 2024 is higher than for fiscal 2023, due to salary adjustments provided directly in the budget of BCCC in that year outside of the formula calculation, providing a new base funding level for the hold harmless provision.

Financial Aid

State support for student financial aid increases by \$21.2 million, or 12.4%, to \$192.4 million in fiscal 2024. Increases reflect \$5.0 million for the Janet L. Hoffman Loan Assistance Repayment Program (LARP) for the Grasmick Teacher Award, contingent on legislation as discussed below, and \$400,000 for the new James Proctor Scholarship (the mandated level in Chapter 23 of 2022). The Teaching Fellows for Maryland Scholarship increases by \$4.0 million (to \$12.0 million) as mandated in 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 \$12.0 million, totaling \$112.0 million in the fiscal 2024 allowance as mandated in Chapter 23 of 2022.

Capital Funding

Capital funding for public four-year institutions totals \$483.6 million for fiscal 2024, including \$30.0 million in academic revenue bonds for USM institutions authorized by [*House Bill 735 \(passed\)*](#) and \$23.6 million in pay-as-you-go funding. Local community colleges receive \$54.5 million for the Community College Construction Grant Program and \$17.6 million for the Facilities Renewal Grant Program. In addition, BCCC receives \$9.4 million, and independent institutions receive \$14.3 million in capital funding for fiscal 2024. Further, [*House Bill 735*](#) also authorizes, with the approval of the Board of Regents of USM, money received from the sale of property by a nonresidential campus in USM, to be used for operating expenses at the nonresidential campus, in addition to current uses. For information on authorized capital projects, see the subpart “Capital Budget” within Part A – Budget and State Aid of this *90 Day Report*.

Maryland 529 Program Transferred to the State Treasurer

Effective June 1, 2023, [*Senate Bill 959 \(passed\)*](#) transfers the Maryland 529 Program, including all administrative facets of the Maryland Senator Edward J. Kasemeyer Prepaid College Trust (MPCT), the Maryland Senator Edward J. Kasemeyer College Investment Plan (better known as MCIP) and related State matching contributions (Save4College), the Maryland Achieving a Better Life Experience (better known as ABLE) Program, and the statutorily authorized but unestablished Maryland Broker-Dealer College Investment Plan from the Maryland 529 Board to the State Treasurer. To facilitate the transfer, the fiscal 2024 budget includes a contingent appropriation of \$6.7 million, a portion of that funding is to be used to fund eight new positions authorized for the State Treasurer's Office (STO).

On June 1, 2023, the Maryland 529 Board is abolished, and the State Treasurer – as the successor of the board – assumes fiduciary duties and responsibility for administering the Maryland 529 Program. Additionally, all appropriations, including State and federal funds held by agencies and units of the State to carry out the functions, programs, and services transferred under the bill are transferred to STO. The transfer includes all employees, functions, powers, duties, books and records, real and personal property, equipment, fixtures, assets, liabilities, obligations, credits, rights, and privileges of Maryland 529. All existing laws, regulations, and other mandates

or responsibilities continue in effect and are legally binding on the State Treasurer until otherwise ended. Any regulations adopted by the Maryland 529 Board prior to June 1, 2023, continue to be in force and effect unless otherwise altered by the State Treasurer.

Prior to the transfer, the bill requires the Maryland 529 Board and its staff to fully cooperate in a timely manner with all requests from the State Treasurer related to the transition, and the State Treasurer may take any action deemed necessary or appropriate to prepare for the transfer of the administration of the Maryland 529 Program to STO.

Effective June 1, 2023, the bill also alters some responsibilities of the State Treasurer relative to the responsibilities of the board under current law. For example, instead of an executive director of Maryland 529, the State Treasurer must appoint a deputy treasurer to administer the program. Specific to MPCT, the State Treasurer may delegate, wholly or partly, the exercise of fiduciary duties and contract for support services necessary to carry out those fiduciary duties.

Phase Out of the Maryland Prepaid College Trust

Beginning June 1, 2023, the State Treasurer may not establish new prepaid contracts or extend or upgrade any existing prepaid contracts under MPCT nor may any account holder enter into new prepaid contracts or extend or upgrade any existing prepaid contracts under MPCT. Also beginning June 1, 2023, the State Treasurer may only allow the transfer of funds from any other qualified State tuition program into an MPCT account for the purpose of contributing funds toward an existing contractual obligation. Although no new MPCT accounts may be opened on or after June 1, 2023, the State Treasurer must still allow accounts to be rolled over from MPCT and transferred to any other qualified tuition program.

Claims Brought Against the Maryland Prepaid College Trust: *Senate Bill 959* authorizes the State Treasurer to make payments to resolve claims brought against MPCT. An account holder or qualified beneficiary may file a claim arising from the administration of MPCT with the State Treasurer, as fiduciary of MPCT. The bill specifies requirements for claims relating to the updated terms included in the disclosure statement for MPCT that went into effect November 1, 2021, and for all other claims against MPCT. A claim may be filed only by an account holder or a qualified beneficiary for an account that was open and existing on or after November 1, 2021; a qualified beneficiary may only do so for a distribution made either to the qualified beneficiary or to an eligible educational institution on the beneficiary's behalf.

The State Treasurer must establish procedures to implement the claims process for claims relating to the specified disclosure statement and must adopt regulations for processing all other claims. Within 10 business days of the establishment of the procedures or the adoption of regulations, the State Treasurer must provide notice to account holders.

Duties of Claimants: Claims relating to the updated terms included in the specified disclosure statement must be made within a relatively narrow window: no sooner than the date the State Treasurer notifies account holders of the procedures established for such claims and no

later than December 31, 2023. All other claims must be filed within one year after the date the claim arises.

Both types of claims must contain certain information, including (1) a concise statement of facts; (2) specified contact information of the claimant and legal representative or counsel for the claimant (if any); (3) the MPCT account number to which the claim relates; (4) any other information required by the State Treasurer; and (5) the signature of the claimant or the legal representative or counsel for the claimant.

Acceptance of Settlements: The processes specified in the bill represent the exclusive remedy for a claim against MPCT, and any claim made arising from the administration of MPCT must be made solely against the assets of MPCT. With respect to claims relating to the updated terms included in the specified disclosure statement, acceptance must be conditioned on agreement of the account holder to transfer all funds in the account to any other qualified state tuition program. All settlements are final, and a complete release of each claim arising from the administration of MPCT against the State, each of its units, all State personnel, and MPCT. Settlements may not be considered a contribution to the account for the purposes of State income taxes and are exempt from State and local taxes.

Specific State Treasurer Responsibilities and Authorities for Such Claims: *Senate Bill 959* establishes the responsibilities and authorities of the State Treasurer regarding claims against MPCT, including the responsibility to:

- investigate claims;
- make final determinations on claims, as fiduciary, and approve or deny claims in whole or in part;
- notify claimants or their representatives in writing of the final determination;
- make final determinations independently, in the State Treasurer's role as fiduciary to MPCT, and solely considering the interests of all account holders and qualified beneficiaries; and
- adopt regulations/procedures and provide specified notice of claims processes to account holders.

The bill grants the State Treasurer the authority, in the exercise of fiduciary duties, to (1) delegate responsibility, in whole or part, over claims investigation, approval or denial of claims, and notification of claimants of final determination so long as any such delegate is a fiduciary with respect to making final determinations and (2) contract for any needed support services. The State Treasurer, as fiduciary of MPCT, is exempt from the Administrative Procedure Act provisions related to procedures for contested cases and declaratory rulings.

Also, for claims relating to the updated terms included in the specified disclosure statement, the State Treasurer must prioritize processing the claims of account holders who have sought distributions for qualified higher education expenses before June 1, 2023, or who will seek distributions for qualified higher education expenses for fall 2023.

Maryland Higher Education Commission

The 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.

Governance and Organization

House Bill 923 (passed) alters the selection process for the Secretary of Higher Education by removing the requirement that the Governor select the Secretary from a list of three nominees provided by MHEC. The bill further specifies that the Secretary of Higher Education serves at the pleasure of the Governor, not MHEC. The bill also repeals uncodified language in Chapters 639 and 640 of 2022 expressing the intent of the General Assembly that MHEC be reorganized to establish the Office of Student Financial Assistance (OSFA) as a separate independent agency in fiscal 2024. Provisions of *House Bill 923* related to financial aid and accommodations for faith-based or religious practices are discussed below.

Access to Mental Health Advisory Committee

Senate Bill 263/House Bill 573 (both passed) establish the Access to Mental Health Advisory Committee within MHEC. Although maintained as a permanent entity, by December 1, 2023, the committee must study and report on recommendations related to mental health services on and off campuses of institutions of higher education.

Scholarships, Tuition Assistance, and Other Support

Support encompasses (1) stipends for individuals wanting a service alternative to attending an institution of higher education; (2) aid to those pursuing careers in targeted fields, such as educators, mental health professionals in schools, human services, and parole and probation agents; and (3) broadened eligibility for existing financial aid.

Serving Every Region through Vocational Exploration Act of 2023

Within a reorganized Maryland Corps Program, *Senate Bill 551 (passed)* creates two pathways for individuals as an alternative to attending an institution of higher education – to be administered by the new Department of Service and Civic Innovation (DSCI). These pathways must be independently evaluated, with a report on findings and recommendations by July 1, 2028.

For further discussion of the creation of DSCI, please see the “State Agencies, Offices, and Officials/Regulation” subpart within Part C – State Government of this *90 Day Report*.

Young Adult Service Year Option Pathway and Fund: The four delineated purposes of the Young Adult (YA) Service Year Option Pathway are to:

- provide service placements to eligible young adults as an additional option to immediately pursuing postsecondary education or career and technical training;
- equip program participants with professional development, mentoring, job training, financial literacy skills, and other supports;
- assist in addressing the State’s greatest challenges by channeling the next generation into impactful public service; and
- strengthen a pipeline of talent into State and local governments to fill present and future staffing needs.

Applicants for the YA pathway must be Maryland residents and within three years of graduation from high school or having obtained a similar level of education completion. DSCI must set targets for participation in the YA pathway, including 200 participants in the first year and 2,000 participants in the fourth year. The bill establishes responsibilities and benefits for YA pathway participants, including that they must work at least 30 hours per week, be partnered with an onsite mentor, and be paid \$15 per hour or the State minimum wage, whichever is greater.

DSCI must develop focus areas for YA pathway participants for the purpose of addressing priority State and community issues, including climate, education, and health. The department must also promote and publicize the availability of the YA pathway to high schools, community and nonprofit organizations, faith-based institutions, and employers that are potential service placement providers.

The YA Pathway Fund consists of money appropriated to it in the State budget, gifts or grants, investment earnings, and any other money from any other source. The fund may be used to (1) provide stipends to YA pathway participants; (2) pay the costs of administering the pathway; and (3) assist in the creation of additional Maryland Corps programs. With the exception of the three-year period from fiscal 2024 through 2026, any unspent appropriations in the fund revert to the general fund at year-end.

Maryland Service Year Option Pathway and Fund: The three delineated purposes of the Maryland Service Year (MSY) Option Pathway are to:

- equip Maryland Corps participants with professional development, mentoring, job training, financial literacy skills, and other supports;

- assist in addressing the State’s greatest challenges by channeling the next generation into impactful public service; and
- strengthen a pipeline of talent into State and local governments to fill present and future staffing needs.

Applicants to the MSY pathway must be interested in performing public and community service in the State. DSCI must prioritize for participation in the MSY pathway applicants who are Maryland residents and historically underrepresented in higher education or employment, as specified. Pathway participants are subject to most of the same responsibilities and benefits as YA pathway participants; however, they do not have a requirement to work at least 30 hours per week, nor are they required to be partnered with an onsite mentor. DSCI must also promote and publicize the availability of the MSY pathway to HBCUs, community colleges, trade schools, faith-based institutions, youth who are disconnected from school or work, and employers and nonprofit organizations that are potential service placement providers.

The MSY Pathway Fund may be used only to (1) provide stipends to MSY pathway participants; (2) provide program completion awards to participants who complete the program; (3) cover expenses for the pathway; (4) cover expenses incurred to study how program alumni could be better positioned to meet the current and future needs of employers in the State; (5) provide matching funds for grants received; and (6) assist in the creation of additional Maryland Corps programs.

A mandated appropriation for the Maryland Corps Program in current law is directed to the MSY Fund. It also consists of gifts or grants, investment earnings, and any other money from any other source. With the exception of the three-year period from fiscal 2024 through 2026, any unspent appropriations in the fund revert to the general fund at year-end.

Maryland Corps Completion Awards: Additionally, ***Senate Bill 551*** replaces the \$6,000 education award that may be awarded to individuals who complete at least nine months of a Maryland Corps service placement under current law with a program completion award of the same amount for the same duration of service under each pathway, which can be awarded either as a deposit to a Maryland 529 account, as required under current law, or instead as a cash stipend.

Funding for the Program and the Department of Service and Civic Innovation: The fiscal 2024 budget includes \$13.7 million for DSCI in fiscal 2024, of which \$11.4 million is specifically to support the Service Year Option Program in ***Senate Bill 551*** and is contingent on the bill. Another \$4.5 million for DSCI is included as a deficiency appropriation in fiscal 2023; \$3.6 million of which is likewise specifically for this program and contingent on the bill. Accordingly, the total funding for the Service Year Option Program is approximately \$15.0 million, but it is specifically designated for certain purposes: \$9.8 million for grants (\$1.5 million as a deficiency in fiscal 2023 and \$8.3 million in fiscal 2024); \$2.0 million for a program evaluation (\$1.0 million in each year); \$1.6 million combined for the development of an online portal to allow individuals to apply for a service placement and possibly get matched with

a potential employer; and \$1.5 million combined for program outreach (specifically advertising and legal publication). Other funding for Maryland Corps (\$5.3 million from fiscal 2023 and \$3.0 million for 2024) is directed to the program as reestablished in DSCI. (Another \$7.6 million, mostly federal funding for AmeriCorps, is also transferred to DSCI.)

Maryland Educator Shortage Reduction Act of 2023

Among other provisions, *House Bill 1219 (passed)* expands the eligibility for – and renames – the Nancy Grasmick Teacher Award within the Janet L. Hoffman LARP to include specified mental health professionals and makes other changes to the award; allows more students to qualify for the Teaching Fellows for Maryland scholarship and changes the service obligation parameters; and establishes the Teacher Development and Retention Program and related special fund. Other provisions of the bill are discussed in the “Education – Primary and Secondary” subpart within Part L – Education of this *90 Day Report*.

Nancy Grasmick Public School Professional Award: The bill expands eligibility for the Nancy Grasmick Teacher Award to include any mental health professional who provides mental health services in public schools (and is employed by a local school system or a local health department to provide school health services). “Mental health professional” includes a school psychologist, resource psychologist, psychologist coordinator, social worker, social worker supervisor, school counselor, or mental health coordinator. OSFA must publicize the availability of the program to eligible mental health professionals.

Thus, the award is renamed the Nancy Grasmick Public School Professional Award. To facilitate the expanded eligibility, the fiscal 2024 operating budget includes an additional \$5.0 million for Nancy Grasmick awards, contingent on *House Bill 1219*. Since awards are made for three years, this funding likely triggers the need for at least the same level funding in fiscal 2025 and 2026 to ensure all fiscal 2024 recipients continue to receive their awards in the following two years. The bill also removes the cap on the percentage of LARP awards that can be Nancy Grasmick awards.

As for teachers, mental health professionals must have provided services in a public school for at least two years; however, the bill repeals the requirement that, to be eligible, a teacher must have received the highest performance evaluation rating for the most recent year available.

Teaching Fellows for Maryland Scholarship Program: *House Bill 1219* significantly modifies the Teaching Fellows for Maryland scholarship, allowing more students to qualify and changing the parameters of their related service obligation. Under the bill, the scholarship is for students who pledge to work as public school or public prekindergarten teachers in the State upon completion of their studies – specifically at (1) a high-needs school, as identified by the Maryland State Department of Education (MSDE) or (2) in a grade level or content area in which there is a shortage of qualified educators, as identified by MSDE. Additionally, the service obligation for undergraduate recipients is modified from one year for every year of award to two years for everyone, regardless of how many years an award was received.

In selecting awardees for a Teaching Fellows for Maryland scholarship, OSFA must give preference to applicants who have been employed in a public school or a publicly funded prekindergarten within the last five years. Many eligibility requirements for the scholarship are changed or eliminated. Specifically, the bill repeals the requirement that a recipient be a Maryland resident or have graduated from a Maryland high school and broadens the academic requirements such that a recipient must only continue to make satisfactory progress toward a degree and maintain the standards of the institution. Accordingly, the bill similarly alters the renewal requirements for the scholarship. OSFA must focus on publicizing availability of the scholarship at HBCUs, to teaching assistants and other educational support staff currently working in public schools and publicly funded prekindergarten programs, and in a manner that promotes the program to students who are members of groups that are underrepresented in the teaching profession.

Pilot Teacher Development and Retention Program: The bill establishes the Teacher Development and Retention Program as a pilot program (in effect for six years until it terminates June 30, 2029) to incentivize a cohort of students to pursue a career in the teaching profession. The program provides financial support to eligible individuals who ultimately pledge to fulfill a service obligation as a teacher employed full time in a high-needs school, grade level, or content area in the State in which there is a shortage of teachers, as identified by MSDE. Contingent on [*House Bill 1219*](#), the fiscal 2024 budget includes \$10.0 million for the Teacher Development and Retention Fund, a special nonlapsing fund also established by the bill.

Eligible individuals are offered a one-time stipend (termed the initial stipend in the bill) for participation in an experiential learning opportunity in a classroom and later an internship stipend before placement in a school. OSFA must establish eligibility criteria, including that an applicant must (1) be enrolled in the first or second year in an associate's or bachelor's degree program at an institution where at least 40% of the attendees receive federal Pell Grants and (2) before receiving an educator internship stipend, pledge to fulfill a service obligation as a teacher employed full time where there is a shortage of teachers, as identified by MSDE, for a minimum of two years. OSFA must develop processes for applicants, giving preference to those who have been employed in a public school or a publicly funded prekindergarten program within the last five years, and for awarding of stipends (including the amounts of such stipends).

Initial Stipends: The stated purpose of the initial stipend is to nurture in the recipient a passion for becoming a teacher. The bill allows for the establishment of three cohorts of participants as initial stipends may be awarded during the first three years of the program. Specifically, in each school year from the 2023-2024 school year through the 2025-2026 school year, a recipient is awarded an initial stipend to support participation in an experiential learning opportunity in a public school or publicly funded prekindergarten classroom. However, that experiential learning opportunity must (1) occur within the first or second year of the recipient's enrollment in an eligible institution and (2) contribute to the education of the students in the classroom in which the recipient participates. If the eligible institution has a written agreement with a public partner school or publicly funded prekindergarten program for a teacher training program, as specified, then the recipient's experiential learning opportunity must be in a classroom within the partner school.

Internship Stipends: Subsequently, in each school year from the 2026-2027 school year through the 2028-2029 school year, a program recipient is eligible for an internship stipend if the recipient (1) is currently enrolled in a teacher preparation program at an institution of higher education in the State that, through its course of study, leads to a Maryland professional teacher's certificate; (2) is currently engaged in an internship or a practicum providing direct experience working with students in a public school or publicly funded prekindergarten program as part of the course of study; (3) continues to make satisfactory progress toward a degree and maintain the standards of the institution; and (4) pledges to fulfill a service obligation for two years as a teacher employed full time in a high-needs school, grade level, or content area in which there is a shortage of teachers, as identified by MSDE. A program recipient who meets the requirements receives an internship stipend of up to \$20,000 for a 10-month educator internship. If the recipient of an internship stipend does not fulfill the service obligation, the recipient must repay MHEC the internship stipend funds received.

Human Services Career Scholarship/Loan Assistance Repayment Program for Police Officers and Probation Agents

House Bill 982 (passed) (1) establishes the Pilot Program for Human Services Careers; (2) establishes a companion Pilot Program Human Services Careers Scholarship; (3) establishes an annual reporting requirement on pilot program participation, beginning in December 1, 2024, with a report on effectiveness in increasing employment in targeted positions by December 1, 2028; (4) expands both the Maryland LARP for Police Officers and the Maryland Police Officers Scholarship Program to include parole and probation agents and related personnel and reallocates mandated funding between the programs; and (5) requires the State to provide a matching contribution to employees participating in the State supplemental retirement plans under certain circumstances.

Pilot Program for Human Services Careers: The stated purposes of the Pilot Program for Human Services Careers are to (1) encourage collaboration between the Department of Human Services (DHS) and eligible local school systems to assist students in establishing careers in targeted positions within DHS and (2) assist current DHS employees and employees in targeted DHS positions to establish careers in targeted positions. Under the pilot program, "career" means an occupation that provides opportunities for upward mobility and professional progress. "Targeted position" includes social workers, child support specialists, family investment specialists, family support workers, and family 'SVS' caseworkers. Eligible counties and local school systems therein are Baltimore City, Baltimore County, and Prince George's County.

DHS must provide information (including qualifications, salary range, and contact information) regarding the career opportunities available in targeted positions to its employees and other interested individuals outside DHS. In hiring for targeted positions, DHS must prioritize applicants who both graduated from a high school in an eligible local school system and participated in the pilot program either through the local school system or as a DHS employee. If an applicant – who participated in the program and graduated from an eligible local school system – is hired to fill a targeted position, DHS must award a one-time stipend of \$500 to the employee.

Similarly, if an employee obtains a necessary credential or degree to work in a targeted position, DHS must award a one-time stipend of \$500 to the employee. Also, if an applicant who graduated from an eligible local school system is hired to fill a targeted position, DHS must assign to that new employee a mentor within the department. Accordingly, DHS must solicit applications from employees, and select those who are qualified (based on criteria determined by the department), to serve as mentors to new employees hired under the pilot program. The mentor must serve as an expert resource for the new employee and be compensated by DHS for doing so based on rates negotiated with each exclusive representative. DHS must also create a support system network for the employees who want to participate in the pilot program. The fiscal 2024 budget includes \$50,000 for DHS to award stipends, contingent on *House Bill 982*.

Additionally, under the bill, each eligible local school system must enter into a memorandum of understanding with DHS that must include clear goals for the program and a commitment to publicize the pilot program (including the availability of stipends and scholarships). Further, each eligible school system, with the assistance of DHS, must:

- identify students who may be interested in working for the State after high school graduation;
- publicize the pilot program;
- work with DHS to develop internship opportunities at the department for credit;
- schedule at least one career day each semester for representatives of DHS to present specified information to students;
- work with DHS to identify the knowledge and skills necessary for targeted positions and incorporate the knowledge and skills into the curriculum of a required course; and
- include the discussion of career opportunities at DHS as part of individualized career counseling services in the Career Counseling Program for Middle and High School Students.

Pilot Program for Human Services Careers Scholarship: The bill also establishes the Pilot Program for Human Services Careers Scholarship to provide assistance to students enrolled in a program at a public higher education institution in Maryland that will enable the student to obtain a credential or degree necessary to work in or further a career in a targeted position in DHS, which by definition is for specified positions in Baltimore City, Baltimore County, and Prince George’s County. A recipient of the scholarship must (1) be a Maryland resident or a graduate of a Maryland high school; (2) be accepted for admission or currently enrolled at a public higher education institution (either a community college or a senior institution) in the State in a program that will enable the recipient to obtain a credential or degree necessary to work in or further a career in a targeted position within DHS; (3) sign a letter of intent to perform the service obligation on completion of required studies; (4) maintain a cumulative grade point average of at

least 2.5 on a 4.0 scale or its equivalent; and (5) satisfy any additional criteria established by OSFA or DHS.

OSFA and DHS must publicize the availability of the scholarship, including providing information on it to every employee in a targeted position. DHS must identify and select eligible applicants and determine the amount of scholarship awards (however, the bill also specifies that the annual scholarship must be 100% of the equivalent annual tuition and mandatory fees at the public higher education institution). In doing so, DHS must prioritize selecting applicants who participated in the companion Pilot Program for Human Services Careers. OSFA must award scholarships to applicants selected by DHS in the amounts determined and provide oversight related to the service obligation of the scholarship. Contingent on [House Bill 982](#), the fiscal 2024 budget includes \$1.0 million for these scholarships; otherwise, funding is as provided in the State budget. MHEC must work with DHS to award scholarships in fiscal 2024.

Further, as part of the Pilot Program for Human Services Careers, DHS must work in collaboration with a scholarship recipient to develop a work schedule that enables a recipient to maintain a course load consistent with the intent of the pilot program. A scholarship recipient must repay scholarship funds to OSFA if the recipient does not satisfy the degree requirements of the eligible course of study or program or perform the service obligation after graduation.

Expansion of the Maryland Loan Assistance Repayment Program for Police Officers: The bill generally allows parole and probation agents, including supervisors or regional administrators for the Department of Public Safety and Correctional Services (DPSCS), to qualify for LARP with eligible employment of at least two years in such a position. The bill also renames the Maryland LARP for Police Officers to be the Maryland LARP for Police Officers and Probation Agents. The mandated appropriation for LARP increases by \$3.5 million annually, from \$1.5 million to \$5.0 million. The fiscal 2024 budget includes the additional funding, contingent on [House Bill 982](#).

Expansion of the Maryland Police Officers Scholarship Program: In addition, the bill expands eligibility for the Maryland Police Officers Scholarship Program to include parole and probation agents, including supervisors or regional administrators for DPSCS. Accordingly, the bill also renames the scholarship to be the Maryland Police Officers and Probation Agents Scholarship Program and makes other conforming changes to allow parole and probation officers to be included in the program. For example, the bill repeals language specifying that certain eligibility requirements must relate to a program participant's career in law enforcement; instead it establishes that the degree program must simply further students' careers broadly as police officers or probation agents (as defined in the bill).

The bill reduces the mandated appropriation for the scholarship program by \$3.5 million so that the Governor must include \$5.0 million, instead of \$8.5 million, in the annual budget to MHEC for the scholarship program. The fiscal 2024 budget reduces the funding accordingly, contingent on [House Bill 982](#). The bill requires the funding to be evenly allocated as follows: \$2.5 million for scholarships to students intending to become police officers or probation agents

after graduation; and \$2.5 million for existing police officers or probation agents to attend an eligible institution and remain a police officer or probation agent after graduation.

State Contribution to State Supplemental Retirement Plans: Finally, under the bill, the State must provide employees participating in the State supplemental retirement plans a contribution equal to the lesser of the participating employee’s contributions or \$600 per fiscal year. A participating employee who makes student loan payments and provides documentation to the State of such a payment may also receive a matching contribution of \$600 or up to the amount of the higher education loan payments per fiscal year, whichever is less. However, an individual may not receive a matching contribution for both student loan payments and regular employee retirement plan contributions. Contingent on [House Bill 982](#), the fiscal 2024 budget includes almost \$12.0 million for provision of a contribution up to \$600 to participating employees.

Delegate Howard P. Rawlings Program of Educational Excellence Awards

Among other provisions, [House Bill 923](#) (*passed*) alters eligibility for and administration of components of the Delegate Howard P. Rawlings EEA Program.

Guaranteed Access Grant – Expansion of Eligibility: Effective July 1, 2023, the bill alters requirements for Guaranteed Access (GA) Grant awards made under the Delegate Howard P. Rawlings EEA Program, allowing more individuals to qualify for or retain their awards. Specifically, the bill removes the requirements that a recipient (1) attain a grade point average of at least 2.5 on a 4.0 scale at the end of the first semester of the senior year in high school; (2) begin college within one year of completing high school (or achieving a passing score on the diploma by examination), and alters the requirement to six years; (3) be younger than age 22 at the time of receiving the first award, and alters the requirement to be younger than 26; and (4) have successfully completed a college preparatory program in high school. Additionally, the bill removes the requirement that a student who prequalifies for a GA Grant agree in writing to refrain from substance abuse. Further, the bill lowers the minimum score required on each module for individuals who received a diploma by examination.

Guaranteed Access Grant – Shifts Related to Administration: Effective July 1, 2025, the bill establishes a process for making initial and renewal GA Grant awards that generally requires institutions of higher education to use information from OSFA to notify students of awards and issue awards for the appropriate amount in accordance with statute. Additionally, applicants may accept an offer of a GA award from an institution of higher education, and institutions of higher education must then notify OSFA of the number of individuals receiving a GA Grant award. OSFA must reimburse each institution using the list provided from institutions of higher education. OSFA must adopt regulations to implement the new award notification processes. Additionally, MHEC must work with the Segmental Advisory Council and the Financial Assistance Advisory Council in establishing regulations to implement new GA Grant processes, including award deadlines and procedures for renewal awards.

Under the bill, OSFA remains responsible for verifying applicant eligibility, but instead of OSFA directly making GA Grant awards, OSFA must turn over lists of eligible students to institutions of higher education for them to notify students of eligibility and make awards. For initial GA Grant awards, the bill requires OSFA – beginning when financial aid information is available each year, but no later than October 1 – to compile and certify lists for the entire State that rank applicants for the GA Grant by financial need. For renewal awards, OSFA must also compile and certify lists of students who previously received a GA Grant award and are eligible for renewal, though the bill does not specify a timeline for the creation of the renewal lists. Each institution of higher education must use the lists provided by OSFA (in concert with the statutory requirements of the GA Grant award) to determine which applicants will be offered both initial and renewal GA Grant awards as well as the amount of initial and renewal GA Grant awards. Each institution must then send award notifications to initial applicants or continuing students to offer an initial or renewal GA Grant award.

Education Assistance Grant – Administration Generally Continued in Same Manner:

The bill makes various conforming changes, effective July 1, 2025, to specify that OSFA must continue to administer Education Assistance (EA) Grant awards, which requires that OSFA continue to compile and certify lists for the entire State that rank applicants by financial need. Accordingly, OSFA must make EA Grant awards to eligible students, based on financial need, from any remaining funding for EEA (so after the GA Grant awards process delineated above). The bill repeals the requirement that, by April 15 each year, OSFA must send notification to each individual who applied for an EEA indicating whether the student is the recipient of an award and the amount, if applicable. Similarly, OSFA no longer must notify each senator and delegate of individuals in each legislative district who receive an EEA.

Maryland Community College Promise Scholarship

In addition to other provisions discussed elsewhere in this subpart, [*House Bill 923 \(passed\)*](#) alters the eligibility, priority, and administration of the Maryland Community College Promise (MCCP) Scholarship.

Expansion of Eligibility and Priority of Recipients: Under the bill, a recipient of an MCCP Scholarship must only enroll in 6, rather than 12, credits per semester to retain the scholarship. The bill establishes the priority for noninitial scholarship awards made under the program. Priority must be given to prior-year recipients who remain eligible for the program as well as all eligible students who are enrolled in either at least 12 credits per semester or a sequence of credit or noncredit courses that lead to licensure or certification. Then, if any funds remain to be allocated, students enrolled in at least 6 credits per semester may be awarded scholarships.

Administration Shifts to Community Colleges: The bill shifts responsibility for the selection and distribution of awards under the MCCP Scholarship from OSFA to each community college in the State. Also, each community college is tasked with promoting the MCCP Scholarship (in addition to existing promotion from OSFA). Accordingly, each community college, not OSFA, must select eligible applicants to award MCCP Scholarships. Instead of

applying directly to OSFA, a student may apply annually to a Maryland community college located in the county or, in the case of a regional community college, the region in which the applicant lives. As under current law, if an applicant’s community college or regional community college does not offer the degree or certification program in which the applicant wants to enroll, an applicant may apply outside the region where the applicant lives. OSFA must allocate MCCP Scholarship funding to each community college in the State based on the proportion of Pell-eligible students at the community college. If a community college does not award all funding allocated to it, the community college must distribute the remaining funding to other community colleges to make MCCP Scholarship awards in the award year.

Each community college must verify the eligibility (including income eligibility using federal standards and in accordance with income eligibility criteria established by OSFA) of applicants, maintain records of any eligibility determinations for at least five years post-award, and provide MHEC with an audit that shows proof of proper verification and award of scholarships. OSFA must review these audits provided to MHEC at least once every three years. If OSFA determines that an award was made in error, the community college that made the award in error must remit, to MHEC, the total amount of the award made in error. Remitted funds must be paid to the Need-based Student Financial Assistance Fund, and the community college may not require a student to repay the award made in error.

Cyber Warrior Diversity Program – Expansion as Needed and Funding

Cyber Warrior Diversity Programs (CWDPs) are located at BCCC, BSU, CSU, MSU, UMES, and UMBC Training Centers to train students in computer networking and cybersecurity, including training to achieve specified CompTIA certifications. The Governor is required to include an annual appropriation of \$2.5 million for MHEC to provide grants to all of these institutions for their CWDPs, which must be allocated on a *pro-rata* basis as specified in statute. *Senate Bill 801 (passed)* requires MHEC, in consultation with the Cyber Association of Maryland, Inc., if applicable, to expand CWDP to accommodate any changes in certification trends. At the end of each fiscal year, any unexpended funds allocated by MHEC under the program must revert to MHEC to be allocated for the upcoming fiscal year and be used to supplement, but not supplant, the MHEC required appropriations for the upcoming fiscal year. Additionally, the bill repeals the required methodology for MHEC’s annual allocation of funds.

Other provisions in the bill related to establishment of a Cyber Maryland Program in the Maryland Technology Development Corporation are discussed in further detail in the “Economic Development” subpart within Part H – Business and Economic Issues of this *90 Day Report*.

Edward T. Conroy Memorial Scholarship Program – Expansion of Surviving Spouse Eligibility

Senate Bill 886/House Bill 629 (both passed) expand the circumstances under which surviving spouses of members of the U.S. Armed Forces are eligible to apply for the Edward T. Conroy Memorial Scholarship Program. Specifically, a surviving spouse is eligible if the service member (1) died as a result of military service after December 7, 1941, or (2) was declared to be

a prisoner of war or missing in action as a result of the Vietnam Conflict. A surviving spouse of a service member who suffered a service-connected 100% permanent disability continues to be eligible, regardless of the date of disability.

Aid Specific to the University System of Maryland

Board of Regents Student Member Grant: *Senate Bill 142/House Bill 428 (both passed)* authorize the USM Board of Regents to award a grant consisting of private donor funds to a student member of the board during the first year of a two-year term. Such a grant is in addition to the tuition waiver the board may already award in a student member's second year.

Quasi-endowment Fund with Income for Financial Aid: *Senate Bill 426 (passed)* authorizes the Board of Regents of USM to make transfers of no more than \$150.0 million from fund balances to establish a quasi-endowment fund. The board may use the investment income produced by the quasi-endowment fund in accordance with the USM Policy on Endowment Fund Spending Rule to provide funding for need-based student financial aid.

Student Loan Debt Relief Tax Credit – Expansion and Prioritization

House Bill 680 (passed) doubles, from \$9.0 million to \$18.0 million, the maximum amount of student debt relief tax credits MHEC may approve for any taxable year. The bill also requires MHEC to (1) annually reserve \$9.0 million of the authorized credits for State employees; (2) prioritize tax credit recipients and amounts based on whether the qualified taxpayers graduated from institutions of higher education in the State at which at least 40% of attendees are eligible to receive federal Pell Grants; and (3) engage in specified outreach regarding the tax credit program. For a further discussion of the bill, see the "Income Tax" subpart within Part B – Taxes of this *90 Day Report*.

Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship

Senate Bill 289/House Bill 372 (both passed) rename the Veterans of Afghanistan and Iraq Conflicts Scholarship to be the Douglas J. J. Peters Veterans of Afghanistan and Iraq Conflicts Scholarship.

General Policies, Requirements, and Prohibitions

Transcript Requests at Any Institution of Higher Education

Senate Bill 248/House Bill 384 (both passed) prohibit an institution of higher education from refusing to provide a current or former student with a transcript or taking other punitive measures regarding a student's transcript request because the student owes a debt to the institution. A "debt" does not include the fee, if any, charged to a student for the actual costs of providing a transcript; however, an institution may not charge a higher transcript fee to a student who owes a debt.

Sports Wagering Contracts at Any Institution of Higher Education

Senate Bill 620/House Bill 802 (both passed) prohibit an institution of higher education from entering into a contract with a regulated gaming entity, or an agent thereof, if, under the terms of the contract, the institution of higher education receives a commission, a bonus, or any other incentive payment based on the success of securing student participation in sports wagering or online sports wagering.

Further, an institution of higher education may not enter into a contract with a sports marketing entity that enters into a contract with a regulated gaming entity, or an agent thereof, if any of the entities involved receives a commission, a bonus, or any other incentive payments under the conditions described above. However, an existing obligation or contract right may not be impaired in any way by the bills.

Religious Accommodations at Public Institutions of Higher Education

In addition to provisions related to the selection process of the Secretary of Higher Education and the financial aid discussed above, *House Bill 923 (passed)* requires each public institution of higher education to adopt a policy to accommodate students' faith-based or religious practices. The policy must (1) provide an accommodation for a student, including excused absences, to observe faith-based or religious holidays or participate in organized religious activities; (2) provide that a student be allowed reasonable alternative accommodations for missing an examination or other academic requirements due to any such excused absence; and (3) include a grievance procedure to report noncompliance with the policy.

Each public institution of higher education must post the policy prominently on its website. Finally, except for the University of Maryland Global Campus, each public institution of higher education must also provide a space on campus to accommodate faith-based or religious practices.

Collective Bargaining at Public Institutions of Higher Education

The State Higher Education Labor Relations Board (SHELRB) is responsible for enforcing collective bargaining laws with respect to employees of public institutions of higher education. *House Bill 984 (passed)* repeals SHELRB, and two other boards associated with collective bargaining and, instead, establishes the Public Employee Relations Board to oversee collective bargaining for all public employees. To that end, the bill consolidates different collective bargaining laws that apply for different employees into one set of rules and procedures for public employees. The bill also makes further changes to the existing collective bargaining processes and requirements. For a further discussion of the bill, see the subpart "Personnel" within Part C – State Government of this *90 Day Report*.

Reproductive Health Services Plan Required at Public Senior Institutions

Senate Bill 341/House Bill 477 (both passed) require a "public senior higher education institution," in consultation with students, to develop and implement a reproductive health service

plan. Each plan must require the institution to provide, or refer students to, a comprehensive range of reproductive health services, including the provision of or referral to off-campus services for obtaining (1) all methods of federal Food and Drug Administration-approved contraception, including prescription emergency contraception; (2) prevention and treatment services for sexually transmitted infections, including HIV prevention; and (3) abortion care services. Plans must be developed by August 1, 2024, and updated annually.

Each plan must also include:

- 24-hour access to over-the-counter (OTC) contraception through the student health center, retail establishments on campus, or vending machines;
- the availability of evidence-based reproductive health education services provided by the student health center, peer educators, or other health education programs; and
- development of a referral network of off-campus reproductive health services providers, including pharmacies, located within a reasonable proximity to the campus.

“Public senior higher education institution” means (1) the constituent institutions of USM; (2) MSU; and (3) SMC. “Public senior higher education institution” does not include UMCES or the University of Maryland Global Campus.

Additionally, the Maryland Department of Health, on request, must provide assistance to a public senior higher education institution in developing a reproductive health services plan. In lieu of developing and implementing a plan, the University of Baltimore must provide students with access to OTC contraception through on-campus retail establishments or vending machines.

Permanent Source of Funding for Tax Clinics at Certain Law Schools

Senate Bill 312/House Bill 346 both passed) make the \$250,000 distribution from the State’s Unclaimed Property Fund by the Comptroller to the Tax Clinics for Low-Income Marylanders Fund permanent beginning in fiscal 2024. Accordingly, the bills maintain grants to the University of Maryland School of Law, the University of Baltimore School of Law, and the Maryland Volunteer Lawyers Service to operate their tax clinics for low-income Maryland residents.

Education – Local Bills

Local Boards of Education – Membership and Compensation

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 may not attend or participate in an executive or special session of the board.

Senate Bill 31/House Bill 153 (both passed) expand the voting rights of the student member of the Baltimore City Board of School Commissioners to include matters relating to capital and operating budgets; school closings, reopenings, and boundaries; and student disciplinary matters. The bills also alter the selection process for the student member by requiring that the student member be elected by the high school students of Baltimore City Public Schools, 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 student member who generally may vote on all matters except those relating to specified areas (including capital and operating budgets). *House Bill 175 (passed)* authorizes the student member of the board to vote on matters relating to capital and operating budgets provided the student member completes specified budget training within two months of his or her election. A workgroup composed of several members of the board and the executive leadership of the Baltimore County Public School System must develop a draft curriculum for budget training for student members of the board and submit the draft curriculum to the county board for review by December 31, 2023. The training must focus on the operating and capital budget process of the board and be facilitated by representatives of the Baltimore County Public School System’s Division of Business Services.

Members of the Baltimore County Board of Education are currently elected and appointed in gubernatorial election years. *House Bill 210 (passed)* staggers the election and appointment of members of the board such that (1) the four appointed members must be appointed by the Governor in *presidential election years* from a list of nominees submitted by the Baltimore County School Board Nominating Commission and (2) the seven elected members of the county board must continue to be elected in *gubernatorial election years*. To achieve the staggering, the bill requires that the terms of the four appointed members of the county board that are scheduled to expire on December 1, 2026, must instead terminate at the end of December 1, 2028. The Governor must then appoint new members to serve a full term of four years beginning December 2, 2028, until a successor is appointed and qualifies.

For each nomination for a vacancy on the local board of education, the Baltimore County School Board Nominating Commission must submit a list of names to the Governor. Absent an extraordinary circumstance, the Governor must appoint a member to the county board from the

list provided by the commission. The commission must hold at least three public hearings, each in a different councilmanic district on the selection of nominees before recommending them to the Governor. **House Bill 348 (passed)** reduces the number of, and alters the required venue for, public hearings the Baltimore County School Board Nominating Commission must hold on single nominees to the Baltimore County Board of Education. The bill specifies that the commission must make live video streams and a complete and unedited archived video recording of each public meeting available on its website. Finally, the bill authorizes the commission to retain and reactivate the application of a candidate for a vacancy on the county board for up to two years from the date the commission previously submitted a list of nominees to the Governor.

Kent County

The Kent County Board of Education consists of five voting members. Although not codified in statute, there is currently a nonvoting student member that serves on the board. **Senate Bill 402/House Bill 402 (both passed)** codify a nonvoting student member of the Kent County Board of Education into statute and specify the selection method and responsibilities of the student member. The bills make other conforming changes to distinguish between provisions relating to regular voting members and the nonvoting student member. The student member serves a one-year term and the initial term of the student member must begin on July 1, 2024.

Prince George's County

House Bill 437 (passed) changes the name of the position of Chief Executive Officer of Prince George's County Public Schools (PGCPS) to the county superintendent and makes related conforming changes. The bill also establishes the Office of Integrity and Compliance (OIC) within PGCPS, led by an Integrity and Compliance Officer. The bill specifies the functions, powers, and duties of the position and the procedures for appointment, including qualifications and the term of office. The purpose of OIC is generally to (1) improve the effectiveness, productivity, and efficiency of school system programs, policies, and operations; (2) prevent, investigate, and report instances of waste, fraud, and abuse in the school system; and (3) carry out other related responsibilities.

House Bill 1079 (passed) makes various changes to State law relating to the Prince George's County Board of Education, the county superintendent, and PGCPS, including (1) adding to the board's and superintendent's responsibilities; (2) altering eligibility and removal provisions applicable to nonstudent board members; (3) expanding the voting rights of and altering the election procedures for the student member of the board; (4) requiring the board to retain counsel for board members and pay fees and reasonable related expenses in specified situations (these requirements also apply retroactively to certain litigation initiated on or after January 1, 2020); and (5) increasing nonstudent board member compensation beginning December 7, 2026.

Talbot County

Senate Bill 302/House Bill 656 (both passed) require the Talbot County Board of Education to elect a president and vice president from among its members at the last meeting at the end of each calendar year or at the meeting in December each year (instead of the first meeting at the beginning of each calendar year).

Local Education – Student Transportation

Anne Arundel County

Unless it fails to meet applicable school bus and motor vehicle safety standards, a school vehicle may be operated for 12 years. In certain counties, a school vehicle may be operated for 15 years (unless it fails to meet applicable school bus and motor vehicle safety standards). Those counties include Allegany, Calvert, Caroline, Cecil, Charles, Dorchester, Garrett, Kent, Queen Anne’s, St. Mary’s, Somerset, Talbot, Wicomico, and Worcester. *House Bill 492 (Ch. 64)* allows a school vehicle to be operated for 15 years, rather than 12 years, in Anne Arundel County.

Education – Early Childhood/Libraries/Miscellaneous

Libraries

Regional Resource Centers

Regional resource centers serve Western Maryland (Hagerstown), Southern Maryland (Charlotte Hall), and the Eastern Shore (Salisbury). Each regional resource center must provide, through mutual cooperation and coordination, books, information, and other material and services that an individual library cannot provide adequately by itself.

Senate Bill 831/House Bill 1115 (both passed) establish new requirements for the governance of libraries designated as regional resource centers, including the establishment and duties of a governing board. For the Eastern Shore and Southern Maryland regional resource centers, the governing board consists of a library trustee from each participating library system and up to one member of the public from each area served by the participating library system. The Board of Trustees of the Washington County Free Library serves as the governing board of the Western Maryland Regional Resource Center.

The bills also require the board of advisors for each regional resource center to act as the Regional Advisory Council with the purpose of gathering information on the resource needs of its region and promoting the use of the regional resource center. The bills also provide for the appointment and duties of an executive director for each regional resource center and that the governing board must submit a report to the State Librarian each year detailing specified information.

State Library Resource Center Funding

The State and local governments share in the cost of funding local public library systems through the library aid formula, which establishes minimum State and local contributions. The formula distributes funds on the basis of county population and wealth. Less wealthy counties receive relatively more aid than wealthier counties. A total program cost for each county and Baltimore City, which is shared by the State and local governments, equals a specified dollar amount per county or city resident (\$17.10 in fiscal 2022). Generally, the State pays approximately 40% of the total statewide formula cost, with the per county amount determined on a wealth-equalized basis; however, no library board receives less than 20% of the program cost from the State. Under Chapters 496 and 497 of 2022, the library aid program per resident amount is scheduled to increase annually through fiscal 2027, when per capita funding is set at \$19.10. *Senate Bill 205/House Bill 276 (both passed)* maintain per capita funding for local public libraries at \$19.10 beyond fiscal 2027.

Early Childhood Education

Child Care Scholarship Program

The Child Care Scholarship (CCS) Program (formerly known as the Child Care Subsidy Program) provides financial assistance with child care costs to low-income families that meet applicable State or federal requirements. The program is funded through a combination of State funds and the federal Child Care and Development Block Grant. All participating parents or guardians must meet a variety of technical requirements and must be working or enrolled in school, a training program, or a work-related activity. Subsidy rates are determined by the geographic region, type of provider, and age of the child. The Maryland State Department of Education (MSDE) determines provider reimbursement rates for participating child care providers based on market rate surveys of the geographic regions conducted every two years.

Senate Bill 350/House Bill 495 (both passed) generally prohibit MSDE from altering the CCS Program in effect as of January 1, 2023, in any of the following ways: (1) increasing the copayment levels; (2) reducing the reimbursement rates or the income eligibility requirements; or (3) implementing a freeze in program enrollment. However, MSDE may make such changes if (1) it submits a notification to the General Assembly on the intended alterations, including the reason for, and expected duration of, the proposed actions and (2) the increases or reductions identified in the notification are not implemented until the completion of the regular legislative session immediately following the submission of the notification. Additionally, if the Board of Public Works approves budget reductions for the CCS Program pursuant to its current statutory authority for a certain fiscal year, MSDE may make any of the prohibited alterations to the program at any time during the fiscal year.

Child Care Providers

Subject to limited exceptions, family child care homes, large family child care homes, and child care centers may not operate in the State unless they are registered or licensed by MSDE.

The State Board of Education is required to adopt regulations that relate to the registration of family child care homes and large family child care homes and the licensing and operation of child care centers.

Corporal Punishment Prohibited: Corporal punishment is the infliction of physical punishment as retribution for an offense or for disciplinary purposes. It has been banned as a method of discipline in public schools since 1993. ***House Bill 185 (passed)*** requires that regulations adopted by the State Board of Education for registration of family child care homes and large family child care homes and for the licensing and operation of child care centers must prohibit the administration of corporal punishment to discipline a child by a child care provider in any of these settings. For a further discussion of this bill, see the subpart “Education – Primary and Secondary” within this part of this *90 Day Report*.

Military Certified Child Care Providers: Senate Bill 280/House Bill 292 (both passed) exempt a family child care home, large family child care home, and a child care center from State registration or licensing requirements if the entity (1) serves only dependent children of military personnel and (2) is located on a military base or federal property or is certified as a family child care provider or child development program by a branch of the U.S. Department of Defense (DOD) or the U.S. Coast Guard (USCG). The DOD or USCG or their agents, may assume responsibility for approving or determining which children may be served by the relevant child care providers.

Prekindergarten Program Enrollment and Funding and Teacher Preparation

Publicly Funded Prekindergarten Funding and Program Enrollment: Beginning in fiscal 2023, Chapter 36 of 2021 phases in a new funding formula providing for voluntary full-day prekindergarten for four-year-olds and three-year-olds from low-income families. Low-income is defined as at or below 300% of the federal poverty level. Expansion of full-day prekindergarten first focuses on making full-day prekindergarten available for all four-year-olds from low-income families as half-day slots are being converted into full-day slots and new slots are coming online. This occurs at the same time as full-day prekindergarten is expanded gradually for three-year-olds from low-income families.

For the purposes of providing State and local funds of specified amounts in fiscal 2024 and 2025, ***House Bill 770 (passed)*** authorizes the enrollment of three- or four-year-old children who are homeless youth, children with disabilities, and children from homes in which English is not the primary spoken language in publicly funded prekindergarten programs under the Prekindergarten Expansion Grant Program.

Early Childhood Certification through Alternative Teacher Preparation Programs: In general, an alternative teacher preparation program is a program established by a county board of education that leads to a participant receiving a Resident Teacher Certificate issued by MSDE and includes teaching assignments with supervision and mentoring by a qualified teacher. Teachers trained through these programs and other teacher preparation programs must complete a teacher training practicum with a program’s partner school to implement their teaching skills under the direction of a certificated teacher.

House Bill 1219 (passed) alters these requirements by also permitting an institution of higher education or a nonprofit organization to establish an alternative teacher preparation program and clarifying that prekindergarten provider may be a partner school. Furthermore, a participant pursuing an early childhood education certification through an alternative preparation program may, in lieu of completing a teacher training practicum, satisfy criteria established by MSDE that evaluate the participant's early childhood education knowledge and skills gained from prior learning experiences. MSDE, in collaboration with institutions of higher education, must establish these standards. For a more detailed discussion of this bill, see the subpart "Primary and Secondary Education" within this part of this *90 Day Report*.

High Quality PreK Staff Qualifications for Montessori Schools and Programs: Under existing requirements for the Prekindergarten Expansion Grant Program, a qualified provider must certify to MSDE that each classroom funded will maintain a student-to-classroom personnel ratio of no more than 10 to 1, with a maximum of 20 children per classroom. Each classroom must also have at least one teacher certified in early childhood education by the State and at least one teacher's aide who has at least a high school degree. Publicly funded full-day prekindergarten providers must maintain the same student-to-classroom personnel ratio per classroom.

House Bill 206 (passed) establishes eligibility requirements for Montessori schools and programs under the Prekindergarten Expansion Grant Program and the publicly funded full-day prekindergarten program. Specifically, to receive a grant for prekindergarten services under the Prekindergarten Expansion Grant Program or the publicly funded full-day prekindergarten program, Montessori schools or Montessori programs (in addition to other specified requirements) must maintain a student-to-classroom personnel ratio of no more than 10 to 1, with a maximum of 20 students per classroom if all of the students are younger than age five; maintain a student-to-classroom personnel ratio of no more than 14 to 1, with a maximum of 28 students per classroom if some of the students are at least age five; and require a teacher to hold a bachelor's degree and a specified Montessori credential.

Outdoor Preschool Pilot Program: **House Bill 525 (passed)** establishes an Outdoor Preschool License Pilot Program to be administered by MSDE. The purpose of the pilot program is to license outdoor, nature-based early learning and child care programs in order to (1) expand access to affordable, high-quality early learning and child care programs and (2) investigate the benefits of outdoor, nature-based classrooms. The pilot program must begin by August 31, 2024, and continue for four school years. Generally, MSDE must select between 5 and 10 program participants in the first year. MSDE must also adopt rules and regulations for the licensure and operation of outdoor, nature-based early learning and child care programs.

Programs for Children

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.

Chapters 446 and 447 of 2022 codified the Baltimore City Young Readers Program in GOCPYVS and established 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 grant program beginning in fiscal 2024.

Senate Bill 300/House Bill 243 (both passed) transfer the Baltimore City Young Readers Program and the Young Readers Matching Grant Program to the Maryland State Library Agency from GOCPYVS. The bills require the Governor to include \$350,000 (rather than \$250,000) in the annual budget bill for the Young Readers Matching Grant Program. Additionally, the bills authorize public libraries to apply for program grants under the Young Readers Matching Grant Program. The Maryland State Library Board must submit an annual report to the General Assembly on the effectiveness of the Young Readers Matching Grant Program and collect statistics and other information necessary for this purpose.

Maryland Longitudinal Data System

Chapter 190 of 2010 established the Maryland Longitudinal Data System (MLDS) Center to contain individual-level student data and workforce data from all levels of education and the State’s workforce. The purpose of the data system is to facilitate and enable the exchange of student data among agencies and institutions within the State as well as generate timely and accurate information about student achievement that can be used to improve the State’s education system and guide decision makers at all levels. The MLDS Center may only use de-identified data in the analysis, research, and reporting conducted by the center. The center may only use aggregate data in the release of data in reports and in response to data requests.

Student data collected by MLDS includes State and national assessments; course taking and completion; grade point average; remediation; retention; degree, diploma, or credential attainment; enrollment; demographic data; juvenile delinquency records; elementary and secondary school disciplinary records; child welfare data; license, industry certificate, or vocational certificate; and personally identifiable information. *House Bill 320 (passed)* adds student disability data by specific disability category to the data collected, analyzed, and reported on by MLDS.

The Free Application for Federal Student Aid (FAFSA) is the official application for financial assistance for postsecondary education from the federal government. Chapter 577 of 2021 requires, by July 1 each year, beginning in 2023 and ending in 2028, each local board to submit a report to MLDS with the number of students who completed and submitted the FAFSA in the immediately preceding school year, the number of students who did not complete and submit the

FAFSA in the immediately preceding year, and the number of students who completed the FAFSA by the deadline for eligibility for State financial aid, disaggregated by high school.

Senate Bill 127 (passed) repeals the requirement that local school systems provide student FAFSA data to the MLDS Center and instead requires the Maryland Higher Education Commission to provide the MLDS Center with access to student FAFSA data. The bill also alters a reporting requirement to require the MLDS Center to report specified student FAFSA data to specified committees of the General Assembly by December 15 each year beginning in 2023 and ending in 2028. The MLDS Center must disaggregate the information by county and other student subgroups.