



The LEGISLATIVE WRAP-UP

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January 18-22, 1999

[Gubernatorial Inauguration](#)

Gubernatorial Inauguration

On Wednesday, January 20, 1999, in the Senate Chamber of the State House, Chief Judge Robert M. Bell of the Court of Appeals of Maryland administered the oath of office to Parris N. Glendening, who is now serving his second term as the Governor of Maryland, and to Kathleen Kennedy Townsend, who is now serving her second term as Lieutenant Governor of Maryland. Governor Glendening then delivered his inaugural address from the State House steps. The swearing in and the inaugural address were preceded and followed by a day of festivities, and an inaugural ball for 3,000 people was held that evening.

[State of the State Address](#)

State of the State Address

Governor Parris N. Glendening delivered his fifth State of the State address to a joint session of the General Assembly on Thursday, January 21 in the House Chamber. While the Governor pronounced that the State of the State was "strong," he stated that a number of challenges must be met in order to take a "strong" Maryland into the 21st century. Among the initiatives he proposed, Governor Glendening told legislators that nothing was more important than achieving excellence in education so that all Marylanders have the opportunity to reach their full potential in the knowledge-based economy of the future. In this regard, the Governor defined education as "the" priority for the coming term with an emphasis both on access to education and quality of education, as well as a commitment to accountability for the use of the increased funds and resources.

[Election of State Treasurer](#)

Specifically, Governor Glendening plans to seek reductions in class size and additional money to build and modernize schools and to hire more teachers. He would also like to see a reduction in the percentage of non-certified teachers in classrooms. Enhancements for higher education include an infusion of funds for State institutions coupled with a process for accountability before any money is expended. Also, the Governor is proposing a scholarship program for college students who agree to teach in Maryland.

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Other gubernatorial initiatives related to the economy, environment, and equal protection under the law for all citizens address increased funding for worker training programs, building on the Smart Growth program to enhance the quality of Maryland's environment, antidiscrimination, the patients' bill of rights, and collective bargaining measures, as well as strengthening gun violence laws and increasing the State's tobacco tax.

[Budget and Fiscal Matters](#)

Election of State Treasurer

On Friday, January 22, Richard N. Dixon was elected to serve his second 4-year term as State Treasurer. Article IV, Section 1 of the Maryland Constitution requires that the State Treasurer be elected by the General Assembly at each session in which the term of the Governor begins. Following the election, Governor Glendening administered the oath of office to Treasurer Dixon.

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Next Week

Chief Judge Robert M. Bell of the Court of Appeals of Maryland will deliver his State of the Judiciary Address on January 26 at noon in the House Chamber.

Budget and Fiscal Matters

On Friday, January 22, the Governor submitted his \$17.7 billion budget for FY 2000, which begins July 1, 1999 (**SB 130/HB 120**). Anticipating a budget surplus of over \$200 million in the current year, the Governor's budget represents an increase of \$798 million -- \$150 million over the spending guidelines recommended by the General Assembly's Spending Affordability Committee. Public hearings on the budget start next week. The General Assembly must consider and pass the State budget by April 5 (the 83rd Day), the deadline established by the Constitution. The General Assembly may reduce appropriations in the budget, but may not increase them.

Education programs, as the primary focus of the Governor's proposed increases, will receive additional funds, including:

- \$102 million for higher education;
- \$15 million for expanded college scholarship aid; and
- \$84 million for local school systems.

Other State programs receiving additional funds as a result of the proposed increases in operating funds include:

- \$49 million for public safety agencies including an anti-crime package;
- \$17 million for developmentally disabled citizens;
- \$12.7 million for child welfare and child protective services; and
- \$5 million for substance abuse treatment.

Courts

The Year 2000 Commerce Protection Act has been introduced as **HB 8**. The bill would establish a standard of liability for governments and businesses for damages resulting from the failure of their computers to be year 2000-ready and would encourage the use of alternative dispute resolution to lessen the likelihood of frivolous and costly litigation.

Economic Matters

Among the bills aimed at stimulating economic development opportunities in Maryland, two proposals, under the designation "One Maryland," target the State's most economically distressed counties. **HB 4** proposes a strategy of tax benefits for job expansion and temporary support. This bill would establish a payroll tax credit in areas with unemployment levels at 150 percent of the State

average. There is also a 15-year benefit to businesses in the form of a 100 percent tax credit on corporate income taxes up to the amount of the company's total investment in a project in that county.

HB 5 would establish a State revolving loan fund to provide funding for infrastructure and other improvements, such as sewer and water lines, shell buildings, and industrial parks, that are needed to encourage and allow companies to locate or expand within economically distressed counties.

Education

HB 9, the Quality Teacher Incentive Act of 1999, seeks to encourage the recruitment and retention of teachers in Maryland. The bill includes provisions for a teacher mentoring program that would provide ongoing support for new teachers, as well as for a signing bonus for new teachers who are in the top 10 percent of their graduating class.

Another bill, **HB 10**, establishes a Commission on Education Finance, Equity, and Excellence to make recommendations on public school funding.

Family Law

The Maryland After-School Opportunity Act (**HB 6**) would create the Maryland After-School Opportunity Fund Program to provide grants for the development of innovative after-school programs with the aim of reducing juvenile crime and teenage pregnancy and decreasing the number of juveniles who are victims of crime or accidents. Grants would be awarded by an intermediary selected by the State Department of Education and could not be awarded to more than one proposal in each county in any fiscal year. The bill would require a \$10 million appropriation for the program in the FY 2001 State budget. **HB 7** would extend the existing income tax credit for child care to include after-school care outside the home.

Health

A Senate joint resolution has been introduced to urge Congress to enact, and the President to sign, legislation that would prohibit the federal government from recouping the Medicaid portion of the state tobacco settlement funds. **SJ 1** is scheduled to be heard in early February.

Modifications to the Health Care Access and Cost Commission will repeal the authority of the Commission to develop a payment system for health care services. A similar bill was introduced last year (**HB 272** of 1998), but died in the House. This year's bill, **HB 40**, which is scheduled for hearing next week, authorizes the Commission to promote the availability of information on practitioner charges and reimbursements, as well as information on capitated health care services. The "unbundling" of codes used by a health care provider, or the use of two or more codes for a surgery or service when one comprehensive code exists, is specifically prohibited. To prevent overpayment of claims for surgery or services, the Commission will require health insurers and health maintenance organizations to use rebundling edits and will make the standards for rebundling available to the public upon request.

Legislative Matters

SB 1/HB 1, introduced at the request of the Special Study Commission on the Maryland Public Ethics Law, would reform the legislative ethics process by:

- broadening the current restrictions on representation of clients for compensation before State agencies and applying them to local governments;
- prohibiting employment of legislators in a State agency or local government with some exceptions;
- prohibiting a legislator from intentionally using the prestige of his office for private gain;
- changing the filing date for the annual financial disclosure statement to February 1 from April 30;
- requiring that the annual financial disclosure statement be filed with the Joint Committee on Legislative Ethics as well as the State Ethics Commission;
- lowering from \$25 to \$20 the value of a gift which must be reported;
- limiting the acceptance of food and beverages from lobbyists to events in which all members of the General Assembly, a house, a standing committee, or a delegation are invited;
- restricting the disclosure of acceptance of free tickets to those with a cumulative value of \$100 or more;
- prohibiting a legislator from accepting an honorarium, with some exceptions; and
- providing for appointment of counsel to the Joint Committee on Legislative Ethics.

SB 25/HB 2, concerning the use of prestige of office, would make the prohibition against using prestige of office for private gain applicable to all State officials. Technically, the law applies only to public officials and not to certain constitutional officers such as the Governor, the Lieutenant Governor, the Comptroller, and members of the General Assembly.

Utilities

SB 65/HB 3, emergency measures that would allow public service companies to form holding companies, are moving through the process. **SB 65** has unanimously been approved by the full Senate and **HB 3** has been given a favorable preliminary vote on the House floor. A holding company structure allows the division of regulated and non-regulated activities among separate subsidiary corporations. Baltimore Gas and Electric Company would be able to form a holding company like other utilities that operate in Maryland. The measures do not change the jurisdiction of the Public Service Commission to oversee and regulate the utility portion of the holding company.