Forever MD- SB493HB589 Support.pdf
Uploaded by: Hastings, Josh
Position: FAV

FOREVER
MARYLAND
Enhancing and Advancing Land Conservation

Date: March 1, 2021
Bill Number: **SB 493 & HB 589**
Committee: Capital Budget Subcommittee
Position: Support (Program Open Space – Transfer Tax Revenue)

The Forever Maryland Foundation supports, SB493/HB589 - Budget Reconciliation and Financing Act of 2021 for the purpose of continuing to support Maryland's Program Open Space and all it does for investment in parks, habitat conservation, local foods & agricultural land conservation, historic preservation, and more.

As proposed by Governor Hogan, the Budget Reconciliation and Financing Act of 2021 would adjust the repayment schedule for previously diverted Program Open Space and related program funding, resulting in a reduction in Program Open Space funding of $43.9 million in FY 2022. The $43.9 million would be repaid in the following FY 2023.

The Forever Maryland Foundation supports the Administration's proposed FY22 state budget for funding of Program Open Space and **strongly agree to reject the Department of Legislative Services recommendation to eliminate the $220.5 million payback of previously diverted transfer tax funds.**

Last month, a poll commissioned by Partners for Open Space found that:

- 90% of Maryland residents support Program Open space; and
- More than 3 in 5 Maryland voters are opposed to diverting the dedicated Program Open Space funding for other uses.

Had payback funds been made available, the Maryland Agricultural Land Preservation Foundation (MALPF) would have preserved more than 3,600 acres. Furthermore, Maryland's local land trusts, which strongly utilize the Rural Legacy program would have likely preserved 1,000 additional acres.

We urge you to reject the DLS recommendations contained in the Capital Budget Fiscal briefing. Failure to fully fund State Side Program Open Space will have a negative impact on the acquisition of additional parkland at a time when the demand is higher than ever. Last year shattered attendance records throughout Maryland's network of local and state parks. Acquiring additional parkland and meeting critical maintenance needs is essential to meeting current demands.

The Forever Maryland Foundation is dedicated to the conservation of our state's land, water, wildlife, and other natural values. If further information is requested, please contact the organization's Program and Policy Director, Josh Hastings, at 443-640-1034 Ex. 1267 or Josh@ForeverMaryland.org.

Thank you for your time and consideration.

We respectfully request a favorable report.

2.26.21 Partners for Open Space testimony on BRFA.

Uploaded by: Perry, Reed

Position: FAV

PARTNERS *for*
OPEN SPACE

March 1, 2021

The Honorable Maggie McIntosh
Chair, Appropriations Committee
Maryland House of Delegates
House Office Building Room 121
Annapolis, MD 21401

The Honorable Mark Chang
Vice Chair, Appropriations Committee
Maryland House of Delegates
House Office Building Room 121
Annapolis, MD 21401

Dear Chair McIntosh and Vice Chair Chang,

On behalf of Partners for Open Space, a statewide coalition of environmental, agricultural, recreation, and historic preservation organizations, we write to offer support of House Bill 589 / Senate Bill 493, the Budget Reconciliation and Financing Act of 2021, and to comment on provisions related to the property tax article.

As proposed by Governor Hogan, the Budget Reconciliation and Financing Act of 2021 would adjust the repayment schedule for previously diverted Program Open Space and related program funding, resulting in a reduction in Program Open Space funding of $43.9 million in FY 2022. The $43.9 million would be repaid in the following fiscal year, FY 2023.

Over the past twenty years, more than $1 billion in Program Open Space funds – funding that was specifically dedicated to protect open space for the benefit of Marylanders' health and their environment through the real estate transfer tax – has been diverted to the General Fund for other uses. In 2016, the General Assembly passed legislation (HB 462 / CH 10) unanimously by both chambers to repay Program Open Space. Currently, $218.2 million is scheduled to be repaid.

While it is very difficult to estimate the benefits lost (in terms of acres conserved, economic value created, and other public health and environmental benefits) for funds that were never dispersed, the lack of repayments to Program Open Space has had a significant and negative impact on conservation and public access efforts in Maryland.

For example, the Piney Run Watershed Rural Legacy Area has been one of the most successful rural legacy areas across the state, preserving 78 farms to date. In FY 2005, Rural Legacy Program funding was eliminated due to Program Open Space diversions to the General Fund. Minimal funding was restored in FY 2006. As a result, no properties were conserved between December 2003 and December 2006. The impact of diverted funding affected all preservation programs within the Program Open Space suite, including state park and local park projects. When repayments are not made, Program Open Space projects benefiting Marylanders are lost.

Park visitation and public demand for open space and outdoor recreation opportunities has been skyrocketing in recent years. In 2020, with a record 21.5 million visitors, many state parks reached capacity and were forced to close to additional visitors (nearly 300 capacity closures total). The increasing public demand among Marylanders for open space should serve as a powerful justification for members of the General Assembly to allocate its available Program Open Space resources to address this important need.

The Partners for Open Space acknowledge the challenging budget circumstances Maryland faces with respect to the COVID-19 pandemic and the rationale for adjusting the repayment schedule ahead by one fiscal year. However, the Partners for Open Space would also like to state our strong opposition to any proposal that would reduce or eliminate this repayment, as well as proposals that would divert funding from Program Open Space.

PARTNERS *for*
OPEN SPACE

In its Capital Budget Fiscal Briefing, the Department of Legislative Services advised the Capital Budget Subcommittee to eliminate the repayment plan entirely. Partners for Open Space rejects this proposal, which would set an exceedingly poor precedent for the legislature to divert dedicated funding for Program Open Space without consequence. The Partners for Open Space stand with the Department of Natural Resources in strong opposition to this recommendation.

Given the major and growing increase in state park visitation, given the need for land conservation to protect habitats and mitigate the impacts of climate change, and given the substantial economic benefits in outdoor recreation and tourism supported by Program Open Space, the need for investment in Program Open Space has never been more important.

We ask you to maintain the repayment schedule as outlined in HB 589 / SB 493, and we thank you for your continued support for Program Open Space.

Sincerely,

Joel Dunn, Co-chair
Partners for Open Space

Charlotte Davis, Co-chair
Partners for Open Space

SB 493 BRFA CBH FWA.pdf
Uploaded by: Doyle, Lori
Position: FWA

Testimony on SB 493
Budget Reconciliation and Financing Act of 2021
Senate Budget & Taxation Committee
March 3, 2021
POSITION: SUPPORT WITH AMENDMENTS

The Community Behavioral Health Association of Maryland (CBH) is the leading voice for community-based providers serving the mental health and addiction needs of vulnerable Marylanders. Our 95 members serve the majority of those accessing care through the public behavioral health system. CBH members provide outpatient and residential treatment for mental health and addiction-related disorders, day programs, case management, Assertive Community Treatment (ACT), employment supports, and crisis intervention.

We respectfully ask that you reject the Budget Reconciliation and Financing Act (BRFA) action permanently reducing the Community Health Resources Commission (CHRC) budget, found on p. 17, line 19 through line 9 on p.18. This language switches the allocations from the CareFirst funding that supports both the CHRC and the Senior Prescription Drug Assistance Program (SPDAP). Currently, the first $8 million from the CareFirst funding supports the CHRC, and the remaining funds support SPDAP. This BRFA language makes SPDAP funding a $14 million floor rather than a cap, and the CHRC funding becomes a cap rather than a floor. Both of these programs are worthwhile and should not be pitted against one another.

While the other regulatory commissions focus on important sectors of health care, the CHRC is the only commission whose sole purpose is to support innovation and practice improvement in the social safety net sector. As more and more evidence supports the impact of social determinants on health care costs and outcomes, it is essential that supports and resources are available to those providers who have long understood the connection between health care and the effects of poverty, such as homelessness, lack of transportation, and food insecurity.

The CHRC's operating expenses are small, so a cut of this magnitude would necessitate cuts to grants that enable the innovative approaches needed to meet the goals of Maryland's Total Cost of Care waiver. In addition, because the CHRC's focus is on the social safety net, this cut would adversely impact communities of color and those who suffer the negative impact of health disparities.

Due to the opioid overdose crisis and its rising suicide rates, Maryland has identified behavioral health as an area for greater focus, and the CHRC has responded with seed funding for projects to integrate behavioral health and somatic care, increase access for those in medically underserved rural areas, foster partnerships between hospitals and community-based behavioral health organizations, and develop the identification and collection of mental health and substance use disorder outcomes data. Health experts anticipate a rise in demand for behavioral health services due to the impact of COVID-19. Now is not the time to stifle innovation in this field.

Without the CHRC's support, community-based behavioral health organizations would not have the financial wherewithal to engage in projects that have shown impressive returns on the dollar and improved the health outcomes for thousands of Marylanders.

18 Egges Lane, Catonsville MD 21228 ● 410.788.1865 ● mdcbh.org

We urge you to reject the BRFA language and restore full funding of the CHRC's budget so as to allow its great work to continue.

2021 LCPCM SB 493 Senate Side.pdf
Uploaded by: Faulkner, Rachael
Position: FWA

LICENSED CLINICAL PROFESSIONAL COUNSELORS OF MARYLAND

Committee: **Budget & Taxation Committee**
Bill Number: **Senate Bill 493**
Title: **Budget Reconciliation and Financing Act of 2021**
Hearing Date: **March 3, 2021**
Position: **Support with Amendment**

The Licensed Clinical Professional Counselors of Maryland (LCPCM) supports *Senate Bill 493 – Budget Reconciliation and Financing Act of 2021*, with an amendment. Section 5 of this bill would authorize the Governor to transfer $2 million in special funds from the Board of Professional Counselors and Therapists to the Behavioral Health Administration. LCPCM strongly opposes the transfer of licensee fees from the Board and is requesting that Section 5 be amended from the bill.

Retaining Board Funding

In 2018, LCPCM successfully advocated for the allocation of Board funds to be used to create permanent staff positions that had previously been eliminated. Since then, the Board has made great progress in conducting complaints investigations in a timely manner and working with stakeholders to amend the practice act regulations for the five different licensing categories the Board currently regulates.

Unfortunately, even with this progress, we believe the Board has encountered barriers in further utilizing its fund balance to improve systems and processes, including upgrading its information technology systems. It is our understanding that this is due to confusion of whether the Board needs to work with the Department of Information Technology, Maryland Department of Health, or if they can go through the State's procurement process to solicit private bids. In response to this problem, LCPCM is supporting legislation this year (SB 262/HB 224) to study the development of a common IT platform.

Therefore, LCPCM asks the Committee for assistance in retaining the Board's fund balance, comprised of fees from members of our profession. These funds are essential if future investments in Board processes are to made that create efficiencies, support licensees, and improve the functioning of Board overall to meet its primary mission of protecting the public.

Restructuring Licensing Fees

If the Budget Committees determine that authorizing Section 5 of the BFFA is necessary, LCPCM would request that the following committee narrative be adopted to ensure that the Board of Professional Counselors and Therapists has a licensing fee structure in place that matches revenues with expenditures. LCPCM was very disappointed when the Board recently began charging $200 for Licensed Clinical Professional Counselors (LCPCs) to attain approval from the Board to provide clinical supervision to Licensed Graduate Professional Counselors (LGPCs). We have heard anecdotally that this additional fee has been a deterrent in becoming a supervisor, negatively affecting LGPCs who must receive supervision from a Board-approved supervisor in order to qualify for a Clinical Professional Counseling license. LCPCM opposed this additional fee when it was implemented by the Board and is now disappointed that this additional revenue from licensees is at risk of being transferred.

Proposed Committee Narrative

Board of Professional Counselors and Therapists – Special Fund Balance and Fee Structure: The budget committees are concerned with the Board of Professional Counselors and Therapists' surplus fund balance, which indicates fees may be too high. Therefore, the budget committees request that the Board submit a report by October 1, 2021 on its special fund and include an analysis of the following:

- the fee structure history for the special fund, including fees obtained through issuing initial licenses, renewing licenses, and approving supervisors;
- the revenue goals, expenditure plans, and desired special fund balance level for a three-year period;
- implementation plans to reduce fees to lower the fund balance and align revenue and expenditure projections.

Thank you for your consideration of our testimony, and we urge a favorable vote. If we can provide any further information, please contact Rachael faulkner at rfaulkner@policypartners.net or 410-693-4000.

SB493_MICUA_SWA.pdf
Uploaded by: Fidler, Sara
Position: FWA

MICUA

Maryland Independent College
and University Association

140 South Street
Annapolis, MD 21401

Phone: 410-269-0306
Fax: 410-269-5905
www.micua.org

Support With Amendments

TESTIMONY

House Appropriations Committee

Senate Bill 493 – Budget Reconciliation and Financing Act of 2021

Sara C. Fidler, President, Sfidler@micua.org

March 3, 2021

On behalf of the 13 State-aided MICUA member institutions, I submit this testimony in **opposition** to several provisions in *Senate Bill 493 – Budget Reconciliation and Financing Act of 2021* and **request amendments to delete these provisions**.

The Joseph A. Sellinger Program, a program of State aid for private nonprofit institutions of higher education, operates pursuant to a formula that links the independent institutions to selected 4-year public institutions of higher education in the State. The BRFA eliminates this link. This link was established in the 1970's and fosters a longstanding partnership in which we have been proud and honored to be involved. This link encourages cooperation and collaboration among the State's public and private nonprofit colleges and universities. This link also strengthens the opportunities for, and access to, a choice in higher education for all of Maryland's students. **Most importantly, this link ensures that a rising tide lifts all boats.**

In lieu of this thoughtful and successfully linked formula, the BRFA caps future appropriations for the Sellinger Program to the amount of aid provided in the current fiscal year increased by 1% less than the General Fund revenue growth projected by the Board of Revenue Estimates. This new method of funding would severely undermine the purpose of the Sellinger formula and perhaps even more alarmingly, disrupt the ability of the General Assembly to establish fiscal priorities. Until Question 1 of 2020 takes effect, the Maryland General Assembly cannot increase an appropriation in the operating budget, add an item to the operating budget, or move funds around within the operating budget. The only mechanism the General Assembly has to establish budget priorities is to enact legislation mandating specific appropriations in future State budgets. If this new funding method of the BRFA is adopted, the General Assembly would relinquish its budgetary power in this regard. **We urge you to restore the link between the Sellinger Program and the 4-year public institutions of higher education in the State.**

Additionally, the legislation level-funds the Sellinger Program, but not at the amount that was envisioned by the Legislature for fiscal 2021. In July of 2020, the Board of Public Works voted to reduce the Legislature's fiscal 2021 funding of the Sellinger Program by $11 million. Although Treasurer Nancy Kopp spoke against this cut at the time, and Comptroller Peter Franchot has since expressed an interest in restoring the cut, the fiscal 2021 appropriation was leveled to the fiscal 2020 amount. Therefore, **the 2021 BRFA cuts the Sellinger appropriation by $29.8 million, on top of the $11 million cut by BPW, and actually level-funds the appropriation to the fiscal 2020 amount**. Further, the legislation does not distribute funds to each eligible institution in accordance with enrollment, as is intended under statute. If this provision is adopted by the General Assembly, Sellinger funds will not "follow the student."

Since our member institutions use the vast majority of Sellinger funding for financial aid for Maryland students, the reduction in the BRFA will be particularly painful for Maryland's students. **Last year, 87% ($51 million) of Sellinger funds were used to provide financial aid to Maryland students.** The remaining Sellinger funds were used to support the State's goals for higher education, including career preparation, mentorships, and internships. It is not always enough to get the student in the door of an institution; Sellinger funds also help to ensure that the student stays enrolled and completes the degree. Our retention and graduation rates are the best in the country and they indicate a strong return on the State's investment.

In Maryland, the generous support of the Legislature for our independent institutions has served as a national model and has allowed us to remain financially stable in service to our students, faculty, staff, and communities. This is not true of private, nonprofit colleges and universities in most other states. While federal stimulus funding has provided us some relief, there is still a gap created by our COVID losses and expenditures. Beyond the spring term losses of which we have already presented to you, we lost $50 million during the summer of 2020 as the result of canceled camps, concerts, and other events and auxiliary revenues; and we lost over $150 million during the fall of 2020. We anticipate losses of at least $110 million for the current (spring 2021) semester. In addition, we have spent more than $40 million on preparation relating to COVID including: providing personal protective equipment; testing; dedensification of residence halls, dining facilities, and classrooms; technology enhancements; HVAC upgrades; and dedicating quarantine facility space. We do not have the ability to "backfill" these losses, although we are doing the best that we can and keeping as many individuals employed as possible.

We urge you to restore the Sellinger Program statutory appropriation to full funding and reject the $29.8 million cut in the BRFA.

The Sellinger Program was established to ensure that Maryland's independent institutions remain viable and vibrant and to recognize the services and savings the independent colleges and universities bring to Maryland. Today, the MICUA institutions provide educational services at more than 180 locations throughout the State, offer over 1,600 approved academic programs, and serve over 60,000 students. The demographics of these students are similar to the demographics of students attending the State's public universities. To maintain this diverse student body, MICUA member institutions invest in student financial aid and are enrolling a greater number of low and very low-income students from Maryland's working class families. To increase access, the MICUA institutions have made good on their pledge to use their own resources to match the Guaranteed Access Grants awarded to some of the lowest income students under the Guaranteed Access Partnership Program. Last year, our institutions spent $285 million in institution-based funds on financial aid.

Thank you for the opportunity to comment on the Budget Reconciliation and Financing Act of 2021. **For all of these reasons, we request that you amend Senate Bill 493 as described.** Please find below draft amendments that would restore the linked formula and provide full funding to the Sellinger Program.

AMENDMENTS TO SB 493

BY: Maryland Independent College and University Association (MICUA)

On page 10, in line 4, strike the brackets; and in the same line, strike "**, (6), AND (7)**".

On page 11, in line 2, strike "**AND**"; and in lines 5 and 8, strike the brackets.

On pages 11 and 12, strike in their entirety the lines beginning with line 29 on page 11 down through line 19 on page 12, inclusive.

BRFA Testimony.pdf
Uploaded by: Frazee, Brian
Position: FWA

Maryland
Hospital Association

Senate Bill 493/House Bill 589- Budget Reconciliation & Financing Act of 2021

Position: ***Support with Amendments***
March 3, 2021
Senate Budget & Taxation Committee
House Appropriations Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 493/House Bill 589.

Maryland hospitals urge the Maryland General Assembly to *reject* Governor Hogan's proposed $35 million increase in the Medicaid Deficit Assessment in the current fiscal year. In 2015, Governor Hogan and the Maryland General Assembly committed to reduce the assessment by $25 million annually. The assessment, passed in 2009 as a temporary measure to shore up a deficit in the state's Medicaid program, was just $19 million that first year, but ballooned to $390 million by 2015. Reducing the assessment yields multiple benefits for individual Marylanders and for the state. First, it lessens a financial burden on hospital patients, because the assessment adds approximately 2% to every hospital bill in Maryland. Additionally, the assessment artificially inflates Maryland's health care spending, which puts additional pressure on the state's ability to meet the cost-saving requirements of the Total Cost of Care Model agreement with the federal government. Lowering and eventually eliminating the assessment in no way financially benefits hospitals; rather it is a true and direct reduction in health care costs in Maryland via our unique rate-setting system.

Last session, the Maryland General Assembly froze the Medicaid Deficit Assessment at its fiscal year 2021 level indefinitely. *Increasing* the assessment for the first time in over five years would take away the significant progress that Governor Hogan and the legislature have made on this issue over the past several years. Additionally, raising the assessment would send the wrong message to the federal government at a time when hospitals are working to meet the stringent financial metrics of the Total Cost of Care Model during COVID-19.

For these reasons, we urge the Maryland General Assembly to amend the Budget Reconciliation & Financing Act to maintain the Medicaid Deficit Assessment at its current $294 million level, as agreed to last session, and reject the proposed $35 million increase.

For more information, please contact:
Brian Frazee, Vice President, Government Affairs
Bfrazee@mhaonline.org

Medicaid Deficit Assessment Infographic.pdf

Uploaded by: Frazee, Brian

Position: FWA

Reject Higher Health Costs During COVID-19

How **you** can help:

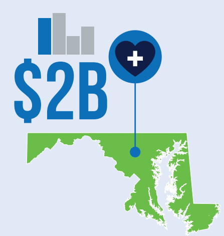
Reject the proposed hike to the Medicaid Deficit Assessment and new actions that raise health care costs during the COVID-19 pandemic.

Protect Marylanders From Higher Health Care Costs

Maryland hospital rates fill nearly $300 million of Medicaid budget deficit and should not be raised

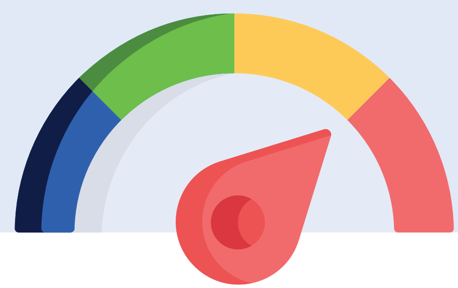
Adding to the Medicaid Deficit Assessment drives up every patient's hospital bill

Assessment already raises each bill by nearly 2%



Higher assessment will harm Maryland's Total Cost of Care Model

Model brings in $2 billion a year to state



Maryland Hospital Association | **mhaonline.org/advocacy**

MAP - SB 493 - BRFA - FWA.pdf
Uploaded by: Jefferson , Stacey
Position: FWA

MARYLANDERS AGAINST POVERTY

Member Agencies:

Advocates for Children and Youth
Baltimore Jewish Council
Behavioral Health System Baltimore
CASH Campaign of Maryland
Catholic Charities
Episcopal Diocese of Maryland
Family League of Baltimore
Fuel Fund of Maryland
Health Care for the Homeless
Homeless Persons Representation Project
Job Opportunities Task Force
League of Women Voters of Maryland
Loyola University Maryland
Maryland Catholic Conference
Maryland Center on Economic Policy
Maryland Community Action Partnership
Maryland Family Network
Maryland Hunger Solutions
Mental Health Association of Maryland
Paul's Place
Public Justice Center
St. Vincent de Paul of Baltimore
Welfare Advocates

Marylanders Against Poverty

Stacey Jefferson, Co-Chair
P: 410-637-1900 ext 8578
C: 443-813-9231
E: stacey.jefferson@bhsbaltimore.org

Julia Gross, Co-Chair
P: 410-528-0021x6029
E: jgross@mdhungersolutions.org

TESTIMONY IN SUPPORT WITH AMENDMENT FOR SB 493

Budget Reconciliation and Financing Act of 2021

Senate Budget & Taxation Committee
March 3, 2021

Submitted by Stacey Jefferson and Julia Gross, Co-Chairs

Marylanders Against Poverty (MAP) strongly supports the work of the Community Health Resources Commission (CHRC) and urges the committee to reject the language in the BRFA that realigns funding priority for the CHRC.

The Maryland Community Health Resources Commission (CHRC) funds vitally important projects that expand access to care to marginalized Marylanders. Since the passage of the Affordable Care Act, the health care landscape in Maryland has dramatically changed, as almost 94% of Marylanders have health insurance coverage.[1] Nevertheless, there are still significant gaps in access to health care throughout the State. Through their grant process, the CHRC is able to fund projects that close health care gaps in underserved communities, strengthening the overall public health of the state. CHRC grants support programs that serve low-income individuals with complex health conditions, with particular emphasis on reducing health disparities and promoting health equity in the state.

MAP opposes language in the BRFA which threatens funding for the Community Health Resources Commission. CHRC is a unique funding source as it allows for innovative ideas to be funded, and without the CHRC, many revolutionary public health programs would not be realized. Since 2005, the Commission has awarded 312 grants totaling almost $80 million to pioneering programs throughout every jurisdiction in the state. Notably, several MAP members have been beneficiaries of CHRC grants over the years, and these grants have allowed our member organizations to provide primary care to uninsured immigrants, pilot emergency department diversion programs, and support the salaries of peer recovery specialists. Reorganizing and reducing the funding for the CHRC will also reduce leveraged dollars, which ultimately eliminates the ability of community providers to fill gaps in the health care system.

As we navigate COVID-19, the work of the CHRC is even more critical. The pandemic has only exacerbated the struggles of low-income individuals and families. Predictably, the need for safety-net programs has exploded since March 2020, and has put a spotlight on the entrenched gaps, barriers, and inequities that have long existed in our programs and policies. In response to COVID, the CHRC issued its first ever emergency funding grants to provide emergency funding relief to safety-net providers. The CHRC awarded 46 grants totaling $1.5 million in emergency funding, with a particular focus on organizations serving Black and Brown communities that have disproportionally borne the brunt of the pandemic due to systemic racism and historic disinvestment. Any reduction to the CHRC's budget would be detrimental not only to underserved communities who seek services at CHRC grantees, but also to our state's recovery from the pandemic.

MAP urges the committee to reject the BRFA action to reduce funding for the Community Health Resources Commission. Thank you for your consideration.

Marylanders Against Poverty (MAP) *is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.*

[1] US Census Bureau. 2020. American Community Survey. https://www.census.gov/library/publications/2020/demo/p60-271.html

SB0493_FWA_MACHC_BRFA.pdf

Uploaded by: Kasemeyer, Pam

Position: FWA

TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Larry Hogan Administration

FROM: Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman

DATE: March 3, 2021

RE: **SUPPORT ONLY IF AMENDED** – Senate Bill 493 – *Budget Reconciliation and Financing Act of 2021*

The Mid-Atlantic Association of Community Health Centers (MACHC) is the federally designated Primary Care Association for Delaware and Maryland Community Health Centers. As the backbone of the primary care safety net, Federally Qualified Health Centers (FQHCs) are united by a shared mission to ensure access to high-quality health care to all individuals, regardless of ability to pay. FQHCs are non-profit organizations providing comprehensive primary care to the medically underserved and uninsured. MACHC supports its members in the delivery of accessible, affordable, cost effective, and quality primary health care to those most in need. To this end, MACHC **supports** Senate Bill 493, **only if the legislation is amended**.

MACHC wishes to register, both, its strong support for the Community Health Resources Commission (CHRC) and its strong opposition to the provisions of Senate Bill 493, which alters the funding formula for the CHRC and places the statutorily defined funding requirements for the Commission at risk and therefore, potentially jeopardizes the critically important work of the Commission.

Throughout its existence, MACHC has worked collaboratively with the CHRC to achieve its objective of expanding access to high quality health care services to all Maryland residents. The grants provided by the CHRC have been invaluable in both serving the needs of the communities associated with the grant project and as a means to identify successful and sustainable approaches to addressing access challenges that can be replicated in other underserved communities. Furthermore, the grant funds awarded by the CHRC have enabled the grantees to leverage millions of additional dollars in federal and private funding to supplement the State's investment. The return on investment for the State is notable. The grants awarded by the CHRC over the years have funded programs in all 24 jurisdictions of the state and these programs have collectively served more than 500,000 Marylanders, most of whom are low-income and represent vulnerable populations.

The Commission is required to be funded at $8 million per year and that funding comes from revenues paid by CareFirst to fund not only the Commission but the Senior Prescription Drug Assistance Program (SPDAP). The CHRC is currently mandated to receive $8 million in funding with the balance of the funding from CareFirst attributed to the SPDAP. To date, the funding from CareFirst has been sufficient to fully fund both the CHRC and SPDAP. In fact, SPDAP has not utilized all of the funds available to it from the fund. Despite that fact, Senate Bill 493 proposes to reprioritize the CareFirst funds by funding the SPDAP before funding the CHRC. This puts the CHRC at risk of not receiving its full appropriation. Further, the legislation reduces the funding for the CHRC to be less than $4 million, as pointed out by the Department of Legislative Services.

MACHC strongly believes the CHRC will continue to be a vital and critical component of Maryland's commitment to address health care access and disparity issues, while ensuring that high quality health care services are accessible to all Marylanders. MACHC strongly requests the deletion of the provision in Senate Bill 493 that changes the funding formula.

For more information call:
Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
410-244-7000

SB0493_FWA_MARFY_BRFA.pdf
Uploaded by: Kasemeyer, Pam
Position: FWA

Maryland Association of
Resources for Families & Youth

TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget Taxation Committee
The Honorable Larry Hogan Administration

FROM: Pamela Metz Kasemeyer
Danna L. Kauffman

DATE: March 3, 2021

RE: **SUPPORT ONLY IF AMENDED** – Senate Bill 493 – *Budget Reconciliation and Financing Act of 2021*

The Maryland Association of Resources for Families and Youth (MARFY) is a statewide network of private agencies serving at-risk children and youth and advocates for a system of care in Maryland that meets the needs of children and families. MARFY is a program of Maryland Nonprofits and **supports** the passage of Senate Bill 493, **only if the legislation is amended**.

Senate Bill 493 limits the increase in rates for providers who have rates set by the Interagency Rates Committee (IRC) to 4% over the rates in effect on December 31, 2020. While MARFY appreciates the provision of a possible 4% rate increase, setting the benchmark date at December 31, 2020, fails to recognize that providers' rates were frozen at FY 2020 rates from July 1, 2020 – December 31, 2020, through an action taken by the Board of Public Works.

When the rate freeze for FY 2021 was under consideration, MARFY raised the very real struggle being faced by members to stay financially viable as they work to meet the increased needs of the children and families they serve during the COVID-19 crisis. In fact, they had previously requested that the IRC allow providers to re-submit their budget forms in order to get a revised rate which reflects the additional pressures on their budget for the duration of the current fiscal year. That request was not acted upon and made the freeze on rates at the current FY 2020 level especially egregious.

Ensuring that appropriate placements are available for children during this emergency and an expected surge of child welfare cases when schools reopen will be critical to ensure that children do not end up in prolonged hospital stays. Child welfare providers must stay financially viable as a critical part of a continuum of care for children that, if missing, places more children at risk and the child welfare system in a bind of more costly levels of care.

The Department of Human Services is currently in a crisis due to the lack of placement options. Without financial compensation to meet these new and significant challenges, coupled with historically underfunded provider rates, a number of providers have had to close their doors permanently, which has significantly exacerbated the lack of viable placements for youth in child welfare causing long-term system consequences, including increased trauma to the families and children that are most in need of services. The negative financial impact of the rate freeze cannot be overstated and has had a disproportionate impact on Black, Hispanic families and communities.

Because child welfare providers failed to get paid their FY 2021 rates for a full six months and were not paid their FY 2021 rates until January 1, 2021, tying the FY 2022 rate to December 31, 2020, will only further exacerbate the fiscal challenges of these providers. If the benefit of a 4% rate increase is to be fully realized, the date at a minimum should be tied to January 1, 2021, when their FY 2021 rates went into effect. A preferrable option would be to give all providers a 4% rate increase and not make that increase a limit of 4%, which through the current outdated rates setting methodology would not give all providers the 4% rate increase they need to meet the increased needs of the children and families they serve.

Without the requested amendment to change the date to January 1, 2021, and consideration of the application of the 4% rate increase to all child welfare providers, MARFY is unable to support the passage of Senate Bill 493.

For more information call:
Pamela Metz Kasemeyer
Danna L. Kauffman
(410) 244-7000

SB0493_FWA_MedChi_BRFA.pdf
Uploaded by: Kasemeyer, Pam
Position: FWA

MedChi

The Maryland State Medical Society

1211 Cathedral Street
Baltimore, MD 21201-5516
410.539.0872
Fax: 410.547.0915

1.800.492.1056

www.medchi.org

TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Larry Hogan Administration

FROM: Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman

DATE: March 3, 2021

RE: **SUPPORT WITH AMENDMENT** – Senate Bill 493 – *Budget Reconciliation and Financing Act of 2021*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports with amendment** Senate Bill 493.

MedChi wishes to register its strong support for the Community Health Resources Commission (CHRC). The CHRC was first created to provide a mechanism for the State to provide grant funding to creative community-based projects with the objective of identifying approaches to addressing Maryland's access to care challenges in underserved communities. The CHRC's impact on this objective is notable and has been recognized by policymakers as new initiatives related to the medically underserved have been identified. Furthermore, the grant program the CHRC administers has leveraged thousands of dollars in additional federal and private funding in support of the projects identified and funded through the CHRC. Of the initial $79 million awarded by the CHRC, this funding has enabled its grantees to leverage $32 million in additional resources, most of which come from private and local resources.

The CHRC has been an invaluable force in Maryland's ongoing effort to assure adequate access to high quality health care services to all Maryland residents is achieved. MedChi fully supports the work of the CHRC and strongly urges this Committee to amend Senate Bill 493 by removing the proposed changes to the funding formula for the Commission. Currently, the CHRC receives an allocation of $8 million from the CareFirst assessment. The balance funds the Senior Prescription Drug Assistance Program (SPDAP). To date, SPDAP has not fully utilized the $14 million available. However, Senate Bill 493 reverses the priority funding and specifies that SPDAP shall have priority and the balance will be allocated to the CHRC. This reprioritization will result in CHRC not receiving the $8 million specified in statute. Should SPDAP require additional funding in future years, discussion on funding for both SPDAP and CHRC could be considered. That situation does not exist currently and is not projected in the coming year. Furthermore, as pointed out in the analysis by the Department of Legislative Services, the BRFA this year reduces the funding to the CHRC to less than $4 million, a cut of more than 50% to the CHRC's budget of $8 million. The proposed changes could significantly hinder the work of the CHRC, and the communities served by the grant funding the CHRC provides to innovative projects that address challenging health concerns which serve to reduce health disparities and inequities in medically underserved communities. MedChi strongly requests the proposed changes be deleted from Senate Bill 493.

For more information call:
Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
410-244-7000

AFSCME-FWA-SB493.pdf
Uploaded by: Kilpatrick, Lance
Position: FWA

190 West Ostend St., #201
Baltimore, MD 21230
Phone: 410.547.1515
Fax: 410.837.5436

Patrick Moran - President

Testimony

SB 493 – Budget Reconciliation and Financing Act of 2021

Favorable with Amendment

While our State is still being buffeted by both an economic and public health coronavirus storm, we are seeing the State trending in positive directions:

- While nowhere near "done" COVID-19 cases and deaths are both heading down. Vaccinations are beginning to get into Marylanders' arms, though not nearly as quickly and efficiently as they need to (see the latest *60 Minutes* reporting).
- The State budget, after true doom and gloom projections a mere eleven months ago, finished FY21 with a surplus. Assuming the Biden COVID-19 Relief package makes it through the U.S. Senate, Maryland could see up to $6 billion in federal aid.

The limited state fiscal damage has actually created opportunity, allowing the proposal, passage and future enactment of the RELIEF Act which will help thousands of Marylander individuals and businesses ride out the viral storm and be able to repair and resume.

But there are a number of things left behind, and on behalf of 30,000 state and higher education employees we'd like to point out just a few:

- Frontline state and higher education employees have continued reporting to work throughout the pandemic, ensuring the state continues to provide the services and supports that Marylanders need, particularly those in crisis. State and higher education employees have paid a harsh price, with thousands contracting COVID-19 and some sadly dying. Yet the Administration turned its back on most State employees when it came to monetarily rewarding such commitment, offering miniscule raises contingent upon the Board of Revenue Estimates underestimating revenues by tens or hundreds of millions of dollars. Maryland's state and higher education workforce deserve not only verbal recognition, but financial recognition as well for their dedication and performance under crisis. State employee numbers per capita, as well as average State salary, are amongst the lowest in the country, and do little to assist in addressing chronic understaffing.
- The pandemic has wrought changes both positive and negative to not only how the State delivers services and supports, but also *what* those services and supports are.

- The reduction in the State's prison population is a positive step forward for criminal justice reform. But with the reduction comes an increased need for services in pre-release as well as parole and probation. There has not been an increase to meet the increased needs, and the proposed closings of two pre-release centers is a penny-wise pound-foolish strategy.
- The increase in telework has created more flexible work opportunities, but without commensurate increases in childcare and adjustments to grants for four-year-old full-day education programs those work opportunities potentially end up hindering both job productivity and child development.

We understand this has been a challenging year for all involved, and we thank the General Assembly for its ongoing commitment in striving to get the State's population the supports and services it needs. The steps outlined above are just some examples of the work that remains. We thank you for the opportunity to provide testimony.

BRFA SB 493_CBF_SWA.pdf
Uploaded by: Kurtz, Joshua
Position: FWA

CHESAPEAKE BAY FOUNDATION

Environmental Protection and Restoration
Environmental Education

SB 493
Budget Reconciliation and Financing Act of 2021

Date: March 3, 2021
To: Senate Budget and Taxation Committee

Position: Support with Amendments
From: Josh Kurtz, Maryland Executive Director

The Chesapeake Bay Foundation **SUPPORTS SB 493 WITH AMENDMENTS.** This legislation would delay repayment of transfer tax funds to Program Open Space and remove a General Fund appropriation into the Fisheries Research and Development Fund. The Chesapeake Bay Foundation (CBF) understands the difficulties the state is facing due to COVID response and related needs. We support that effort while respectfully requesting that funding for the transfer tax repayment and Fisheries Research and Development Fund continue to support these ongoing functions.

Land conservation programs support preservation and maintenance of green spaces critical to protecting the water quality of the Chesapeake Bay and supporting the Bay ecosystem.

Revenue from the Transfer Tax funds preservation of natural areas, agricultural areas and historical assets through Program Open Space. Since the inception of the Program over $1 billion in funding has been diverted to the General Fund to assist the state in balancing the budget during economic difficulties.

Maryland now lags its own conservation and preservation goals, and when funding is diverted, county and municipal governments may lack a mode for maintaining green space for use by residents. Open spaces serve as a natural water filter, balancing the run-off from more developed areas. Diversions for one year have been commonly seen in the past but the DLS recommendation to strike the repayment of $242.2M would set a dangerous new precedent.

The Fisheries Research and Development Fund is critical to timely and responsible management of the fishery resources in Maryland.

Responsible management of the Chesapeake Bay fisheries is critical to the health of the Bay and local economies that rely on those fisheries. The Fisheries Research and Development Fund contributes to several key functions for successful fishery management, including: enforcement of fisheries management rules, habitat preservation and restoration, water quality monitoring, benthic habitat surveys, prioritization of critical habitats, legal issues, and licensing services.

Decisions about Maryland's fishery rely on the best available data and are timely in nature and removing funding for fisheries research and development could delay in development of timely data collection, such as the oyster stock assessment.

CBF urges the Committee's FAVORABLE with AMENDMENTS report on SB 493. For more information, please contact Robin Jessica Clark, Maryland Staff Attorney at rclark@cbf.org and 443.995.8753.

Maryland Office ▪ Philip Merrill Environmental Center ▪ 6 Herndon Avenue ▪ Annapolis ▪ Maryland ▪ 21403
Phone (410) 268-8816 ▪ Fax (410) 280-3513

SB0493 BRFA - MHAMD - FWA.pdf
Uploaded by: Martin, Dan
Position: FWA

mhamd
MENTAL HEALTH ASSOCIATION OF MARYLAND

Heaver Plaza
1301 York Road, #505
Lutherville, MD 21093
phone 443.901.1550
fax 443.901.0038
www.mhamd.org

Senate Bill 493 Budget Reconciliation and Financing Act of 2021
Budget and Taxation Committee
March 3, 2021
Position: FAVORABLE WITH AMENDMENT

The Mental Health Association of Maryland is a nonprofit education and advocacy organization that brings together consumers, families, clinicians, advocates and concerned citizens for unified action in all aspects of mental health and substance use disorders (collectively referred to as behavioral health). **We appreciate the opportunity to provide this testimony supporting Senate Bill 493 with an amendment to ensure the Community Health Resources Commission (CHRC) has the funding necessary to continue its critical work.**

CHRC was established in 2005 to provide grant funding for creative community-based projects to expand access to health care in underserved communities. Since it's inception, CHRC has awarded over 300 grants totaling almost $80 million to critical safety net programs in jurisdictions across the state. The initiatives funded by CHRC are innovative programs that recognize the impact of social determinants on the overall health of a community.

CHRC funding has been critical in addressing inequities in access to behavioral health care, a function that is important now more than ever. Existing disparities in access to mental health and substance use treatment have become even starker in the wake of COVID-19.

The pandemic has had a profound impact on Marylanders' collective mental and emotional health. But as with the virus itself, the resulting behavioral health crisis is not affecting us all equally. Black and brown individuals, older adults and lower-income families are bearing the brunt. The Centers for Disease Control and Prevention has reported a much higher suicide risk among racial/ethnic minority groups, and while overdose fatalities in Maryland actually decreased among white individuals by over 10% during the first six months of 2020 as compared to 2019, substance use deaths increased 35% among Black and brown Marylanders during the same period.

Any reduction to the Community Health Resource Commission's budget would hinder Maryland's recovery from the coronavirus pandemic, particularly in communities that have been hardest hit. **For this reason, we urge you to reject the language in SB 493 that limits funding for CHRC.**

For more information, please contact Dan Martin at (410) 978-8865

SB 493 - HB 589 - FWA - CareFirst Testimony.pdf
Uploaded by: Rivkin, Deborah
Position: FWA

Deborah Rivkin
Vice President
Government Affairs – Maryland

CareFirst BlueCross BlueShield
1501 S. Clinton Street, Suite 700
Baltimore, MD 21224-5744
Tel. 410-528-7054
Fax 410-528-7981

SB 493 / HB 589 – Budget Reconciliation and Financing Act of 2021

Position: Favorable with Amendments

Thank you for the opportunity to provide written comments on SB 493 / HB 589 Budget Reconciliation and Financing Act of 2021 (BRFA). CareFirst respectfully requests amendments to the following provisions of the BRFA:

(1) Medicaid Provider Reimbursements from the Maryland Health Benefit Exchange Fund (p. 16, lines 17-21)

The BRFA provides that in each of fiscal years 2021 through 2026, the Governor shall transfer $100,000,000 of the funds collected from the State's 1% Reinsurance Assessment on carriers from the Maryland Health Benefit Exchange Fund to provide for medical care provider reimbursements for the State Medicaid Program.

As a Managed Care organization, CareFirst strongly supports adequate funding of the Medicaid program; however, we strongly caution against committing the proposed amount of money intended for the State Reinsurance Program (SRP) to any other program at this time. It is critical to individual market stability that the SRP remain fully funded through 2023 and is renewed thereafter. The SRP is the primary stabilizing force in the individual market, restoring market rates to below 2018 levels and growing enrollment each year the program has been in effect. The SRP is also extraordinarily cost effective for the state due the leveraging of significant federal funding to support the program.

This proposed transfer is based on financial projections for the SRP that estimate the state will not have to use any state reinsurance assessment funds for the SRP due to projected excess Federal funding through the end of the existing waiver's term. However, the Centers for Medicare & Medicaid Services (CMS) has recently released its estimate of 2021 Federal funding[1] for the SRP. The pass-through estimate is over $200 million less than Maryland Health Benefit Exchange's (MHBE) original projections for 2021. While the Federal government will still be funding the vast majority of the total program for 2021, CMS' estimate will now likely require the state to use a portion of the state reinsurance assessment funds for 2021 SRP liabilities to health insurers and raises the likelihood that more robust state funding is needed for future years of the program.

For these reasons, CareFirst recommends limiting the proposed transfer of $100,000,000 state reinsurance dollars to Medicaid to fiscal years 2021 and 2022. A suggested amendment follows this testimony. In addition, if additional federal funds are available through the upcoming COVID relief package anticipated from Congress, CareFirst recommends examining whether the transfer of reinsurance funds to Medicaid for fiscal years 2021 and 2022 is needed. If the legislature determines its necessary to transfer reinsurance dollars to Medicaid in 2021 and 2022, CareFirst agrees with the technical amendment to the

1 https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Downloads/1332-MD-2021-Pass-through-Funding-Estimate.pdf.

BRFA suggested on p. 22 in the 2022 FY Operating Budget Analysis,[2] which would allow the transfer to occur from the fund balance rather than only new collections and would clarify that the transfer would be by the Insurance Commissioner for new revenue.

(2) Operations Budget for Maryland Health Benefit Exchange (p. 18, lines 19-20)

The BRFA provides that for State fiscal year 2022 and each fiscal year thereafter, the Governor's mandatory appropriation for the operation of the MHBE is reduced from $35,000,000 to $32,000,000. It is our understanding that this cut will force the MHBE to reduce services provided through the Exchange Consolidated Service Center (Call Center) and the Enrollment Broker Function within it, which are currently subject to a federal funding match. The MHBE's Call Center is a critical operational resource to Maryland consumers, aiding them to understand their insurance options and helping them enroll in a health insurance plan. The Call Center's consumer services are especially critical during the COVID pandemic, which has resulted in record enrollment of new members due to loss of existing coverage or new individual enrollment during the COVID Special Enrollment Period. Effective professional support to navigate enrollment in Medicaid or commercial insurance is critically important to the State's policy goal of reducing the uninsured rate, and keeping Marylanders insured in the event of job loss and other life changes. We caution against cutting this critical service at this time.

In addition to its normal operational responsibilities, we expect that the MHBE will have to implement several new programs in the near future due to: 1) anticipated enhanced federal funding for advanced premium tax credits by the United States Congress, 2) the potential passage of state legislation concerning individual subsidies (HB 780 / SB 729), and 3) coordination of new consumer enrollment with the State Department of Labor through unemployment insurance programs (HB 1002).

For these reasons, CareFirst strongly recommends retaining the MHBE's current budget of $35 million in 2022. A suggested amendment follows this testimony.

CareFirst is committed to driving the transformation of the healthcare experience with and for our members and communities, with a focus on quality, equity, affordability, and access to care. We look forward to partnering with legislators, agencies, public health groups, and other stakeholders to work through amendments to the BRFA provisions discussed above to accomplish these goals.

We urge a favorable with amendments report.

CareFirst BlueCross BlueShield Recommended Amendments to SB 493 / HB 589 – Budget Reconciliation and Financing Act of 2021

(First Reading File Bill)

[2] http://mgaleg.maryland.gov/pubs/budgetfiscal/2022fy-budget-docs-operating-D78Y01-Maryland-Health-Benefit-Exchange.pdf.

AMENDMENT NO. 1

On page 16, line 17 after "**THROUGH**" strike "**2026**" and substitute "**2022**".

Rationale: Limits the proposed transfer of $100,000,000 state reinsurance dollars to Medicaid to fiscal years 2021 and 2022.

AMENDMENT NO. 2

On page 18, line 20 after "be" strike "**[**not less than $35,000,000**] $32,000,000**" and substitute "**NOT LESS THAN $35,000,000**".

Rationale: Retains current MHBE budget of $35,000,000 for Fiscal Year 2022 and each Fiscal Year thereafter.

SB0493-BT_MACo_SWA.pdf
Uploaded by: Sanderson, Michael
Position: FWA

Senate Bill 493

Budget Reconciliation and Financing Act of 2021

MACo Position: **SUPPORT WITH AMENDMENTS**

To: Budget and Taxation Committee

Date: March 3, 2021

From: Michael Sanderson and Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 493 **WITH AMENDMENTS.**

This bill is the Budget Reconciliation and Financing Act (BRFA), reconciling various provisions incorporated into the Administration's fiscal 2022 fiscal plan, bringing the proposed budget into balance for the year. MACo appreciates the difficult task of constructing a balanced budget plan. However, counties are concerned with certain components of the BRFA and their future effect on local governments.

PROPERTY TAX ASSESSMENT COST SHARE

Proposes shifting millions in costs directly to counties for fiscal 2022 and thereafter.

<u>MACo requests that the Committee reject this proposal on policy grounds</u>

The BRFA proposes increasing counties' reimbursement of State Department of Assessments and Taxation (SDAT) functions, including costs of real property valuation, business personal property valuation, and information technology. Since 2013, counties have reimbursed the State for 50 percent of the costs for these functions, but the BRFA proposes to incrementally increase this share to 90 percent by fiscal 2025 and each year thereafter.

This proposed permanent cost shift not only imposes a significant fiscal burden on counties, but threatens the objective nature of having assessment functions managed and funded by an entity that does not meaningfully, directly, benefit from the results of those assessments.

Having assessments conducted by the State, rather than the counties, helps assure taxpayers that the assessing body provides objective, unbiased analysis. This becomes compromised when the assessing body receives significant funds from the jurisdictions directly benefiting from the results of those assessments. This cost shift, in effect, places the fox in the hen house by compromising the Department's unbiased nature.

Additionally, this cost shift requires counties to fund functions over which they have no managerial control. So long as the State does not bear the burden of costs resulting from managerial decisions, the Administration will have no incentive to contain those costs, or ensure management choices are generally fiscally prudent.

In 2014, the Maryland General Assembly created the Maryland Assessment Work Group (AWG) to examine issues related to the assessment processes for real and personal property, tax credits, and exemptions. The AWG made a number of recommendations, including:

- Tasking SDAT with examining and improving its business processes to maximize efficiency related to its assessments and administration; and
- Suggesting the creation of an Advisory Council to address the fact that local governments are major business partners with SDAT, to include local government representatives and ensure progress on business process improvements within the Department.

The 2015 Joint Chairmen's Report provided:

> *It is the intent of the committees to assure progress on the implementation of the 2014 Assessment Workgroup (AWG) recommendations by directing the State Department of Assessments and Taxation (SDAT) to establish a State and Local Advisory Council. … The advisory council shall meet periodically to discuss issues of mutual interest, including but not limited to the assessment of real and personal property and tax credit programs and exemptions; guidance on the implementation of the AWG recommendations from the December 15, 2014 report; and, business process changes and the leveraging of new technologies to achieve greater operational efficiencies.*

No such legislation has been introduced. Without any oversight or participation on an advisory council such as that proposed, counties should not have to bear the brunt of funding the majority of the operations of many of SDAT's core functions.

PERMANENT COMMUNITY COLLEGE FUNDING REDUCTION/RE-BASING

Proposes dramatic, long-term reductions by altering the future Cade Funding Formula increases to the level of projected general fund revenue growth.

<u>*MACo urges the Committee to reject this section of the BRFA*</u>

The Cade Funding Formula originally called for the State to provide 29% of community college funding by 2012. However, the State has adjusted the formula several times – delaying its commitment to fully fund the Cade formula. Under current law, funding is based on an amount equal to 25% of the State Aid per FTES (full-time student enrollment) at the selected four-year schools. This increases to 27% in fiscal 2022 and 29% in fiscal 2023 and thereafter.

The BRFA proposes amending the Cade Funding Formula to limit the growth of community college funding. Beginning in fiscal 2023, funding for community colleges would grow not according to the documented needs under the Cade formula, but rather along with the growth in State general revenues. As a consequence of this alteration, the funding formula would no longer be annually linked to the FTES population, fixed cost, marginal cost, size factor, or hold harmless provision at the respective community colleges.

DLS estimates that this proposal would cut overall funding for community colleges by approximately $147.5 million by fiscal 2026.

When state funding for community colleges lags, additional pressure builds on county budgets and on student tuition. When county budgets face distress from the economic climate or state actions, the local contributions cannot reliably offset these cutbacks. For the past several years, this combined dynamic has led to increased tuition costs for Maryland community college students, at a time when training and education opportunities are most needed.

CENTRAL FUNDING FOR LOCAL MANAGEMENT BOARDS

The proposed budget (rather than the BRFA bill) proposes that centralized State funding for Local Management Boards be reduced and flat-funded for FY 2022 at the level following mid-year cuts in July 2020.

MACo urges the Committee to reject this budget action, and pursue means to restore this funding

With a similar approach to the proposed re-based funding for community colleges, the Governor's budget plan seeks to flat-fund centralized funds for Local Management Boards at their fiscal 2021 level – carrying forward a reduction effected by the Board of Public Works on July 1, 2020, as the State faced grave uncertainty regarding its own financial prospects. Since then, both the short- and medium-term fiscal outlooks have changed – enough so for the State to propose and adopt a variety of relief efforts and revenue reductions. However, these funds for children's services remain level-funded.

Local Management Boards are State-mandated entities operated to serve children in each county. They coordinate across agencies, and have promoted better outcomes and more comprehensive services to families and children in need. Centralized funding for administration of the LMBs has been provided through the Governor's Office of Crime Prevention, Youth, and Victims' Services – an agency that reportedly concluded the FY 2020 year with a substantial unspent balance.

These local services are worth supporting properly under any circumstances, but during the current pandemic, the incidence of many child welfare concerns has only heightened.

Through whatever means is most appropriate, restoration of these funds for FY22 would stave off service cutbacks during a time when children in need could least afford them.

ERRONEOUS CONVICTIONS

Proposes that local governments pay 50 percent of the compensation awarded to an individual erroneously convicted, sentenced, and confined under State law for a crime the individual did not commit.

<u>MACo urges the Committee to reject this section of the BRFA</u>

The BRFA proposes that for all settlements entered into beginning in fiscal 2021, a local government must be responsible for 50% of any payments owed by the Board of Public Works (BPW) to an erroneously convicted individual.

Under current law, the Board of Public Works may grant compensation to an individual who was erroneously convicted, sentenced, and confined under state law for a crime the individual did not commit. BPW is authorized to grant an amount commensurate with the actual damages sustained by the individual, and for any financial or other appropriate counseling.

The Constitution of the State of Maryland provides that each county and the City of Baltimore shall have a State's Attorney whose primary responsibility is the investigation and prosecution of all criminal defendants. State's Attorneys are independently elected state officials and do not come under the authority or supervision of county governing bodies. The decision to prosecute a criminal case or not lies within the sound discretion of the State's Attorney.

According to DLS, recent changes to state law may considerably increase the number of grants awarded by BPW. For instance, in fiscal 2020, BPW approved ten grants totaling $22 million. **Because county governments have no authority or oversight concerning the prosecution of criminal cases, these grants are properly supported by the State's General Fund.**

Further, this shift would lead to unknown and potentially significant cost increases to counties – competing for limited local funds against education, public health, public safety, roadway maintenance, and other essential public services. Because the ultimate disposition of a petition for compensation is wholly outside of the county government's control, counties could not even budget for these costs.

"HOLD HARMLESS" SCHOOL FUNDING, AND FISCAL 2023 EFFECTS

Obliges that each county must fund an increase in total school funding next year, despite a potential drop in enrollment. The effects of this proposal in fiscal 2023, however, would be an artificial increase in school funding requirements once school populations rebound following the welcome abatement of pandemic conditions.

<u>MACo believes counties will be able to comply with the fiscal 2022 funding requirement, but urges a remedy for the follow-through effect on fiscal 2023 funding, such as DLS has recommended.</u>

Among the many effects of the health pandemic has been a drop in official public school enrollment – the September 2020 count was down, demonstrating a clear aberration. Reconciling this (hopefully) one-year anomaly requires a series of considerations – two of which are present in the budget and BRFA, one of which is not.

The Governor's budget proposes a series of State grants to ensure that each jurisdiction receives a funding increase over its fiscal 2021 funding levels. Effectively, this is a signal to ignore the peculiar drop in enrollment count from September 2020, used as the basis for fiscal 2022 funding. This approach seems reasonable.

The BRFA (Section 10) proposes, then, that each county government must do likewise, and provide a funding increase above the prior year's total amount, in order to be eligible to receive the State's "hold harmless" funding. On its surface, this too proposes that the official enrollment be ignored, and appears to be a reasonable condition on the state funding.

The resulting concern, though, is the Maintenance of Effort requirement that would be in place for fiscal 2023, presumably as student counts rebound. With an artificially high "dollars per pupil" in fiscal 2022 due to the local hold harmless and low enrollment, that ratio would then be applied to a fully restored student count, and generate an artificial increase in required funds. The third component of the plan to "ignore the undercount" would be to remedy this effect for fiscal 2023.

The DLS budget analysis for Aid to Education proposes such a technical remedy, with a more complete explanation and evaluation than posed here. Whether in the BRFA or in stand-alone legislation, the General Assembly must complete the logic of this one-year funding approach, and curtail the effects on the fiscal 2023 mandated funding. The policy argument for this mirrors, directly, that underpinning the budget and BRFA plan already embedded in the budget plan.

CONCLUSION

MACo and county leaders are prepared to work with state policymakers on all of these issues, and other considerations, as part of a responsible balanced budget plan. MACo hopes that state leaders recognize that burdens on county budgets are substantial, and these challenges would only be worsened by added cost shifts or disproportionate budget cutbacks on county programs.

MEC SB493-BRFA.pdf
Uploaded by: Tyler, Jr.-Chair, Rick
Position: FWA

Maryland Education Coalition

INSPIRES ACTION & POSITIVE CHANGE SO MARYLAND'S STUDENTS SUCCEED

Rick Tyler, Jr., Chair

Web site - www.marylandeducationcoalition.org *** **Email** – md.education.coaliton@gmail.com

Date: March 3, 2021
BILL: SB493- Budget Reconciliation and Financing Act of 2021

POSITION: Support with amendment
COMMITTEE: Senate Budget & Taxation

MEC is made up of twenty statewide organizations and several individuals with decades of experience and expertise. We have advocated for adequate, equitable funding and policies as well as systematic accountability. MEC has always been on the front lines of Maryland public education policies and funding issues in Annapolis, Baltimore, and our local school systems for over 40 years. We believe a public education is a constitutional right allowing all students equitable access to a quality public education so each may graduate college or career-ready. We also believe it is a civil right.

MEC is generally pleased with much of the contents of House Bill 589, including holding school system enrollment harmless by ensuring that each receives an increase over FY 2021, but we believe the precedent of using funding originally intended to be allocated for the Blueprint to be the wrong method.

We remain concern that there may not be sufficient additional funding to address growing concerns with behavioral and mental health, especially if school systems are required to decrease or eliminate their school security and safety personnel. We estimate, that based on national standards, school systems may need as many as 2,800 additional school counselors, school psychologist and school social workers to meet current and future needs! *(estimated additional $250 million plus)*

MEC does request for the General Assembly to restrict the funding for students enrolled in the Broadening Options and Opportunities for Students Today (BOOST) program to those students currently enrolled with a plan to eliminate this funding to transfer the balance of all remaining funds to public education. We also ask for additional language to be placed in the law requiring that any supplemental budget I funds allocated to nonpublic schools to support their reopening is reported and reviewed comparable to what is required of all public school systems.

Respectfully yours,

Rick Tyler, Jr., Chair
Maryland Education Coalition

CC - SB 493 - BRFA - FWA.pdf
Uploaded by: Vaughan, Regan
Position: FWA

Senate Bill 493
Budget Reconciliation and Financing Act of 2021
Senate Budget & Taxation Committee

March 3, 2021

Favorable with Amendment

Catholic Charities of Baltimore strongly supports the work of the Community Health Resources Commission and urges the committees to reject the BRFA action to reduce its funding.

Inspired by the gospel mandates to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. As the largest human service provider in Maryland working with tens of thousands of youth, individuals, and families each year, we recognize the importance of access to healthcare.

Each day, Catholic Charities staff interact with Marylanders facing challenges and difficulties, those challenges and difficulties that have only escalated during the Pandemic. COVID-19 has laid to bare longstanding inequities in our systems, including inequitable access to health care.

Catholic Charities has partnered with the Community Health Resources Commission (CHRC) on numerous projects over the past 10 years. We have seen firsthand the transformative effect a grant from the CHRC can have on a program.

- CHRC grants to our Esperanza Center allowed us to leverage an additional $821,000 in private grants. This funding allowed the health center to completely revamp their model of care while expanding service delivery.
- A separate behavioral health grant allowed us to increase the services we provide in our outpatient mental health centers to include substance use services and medication assisted treatment. As the opioid crisis is exacerbated by the pandemic, we are now positioned to serve the whole person rather than send them down the street for treatment of their substance issues. The grant specifically helped us to train over 200 clinicians to be able to identify and treat substance use disorders.
- In October, a CHRC grant allowed us to open an on-site primary health care clinic at My Brother's Keeper in partnership with St. Agnes Ascension Health. The new clinic provides primary care for the treatment for acute illness and chronic disease, including diabetes. This is part of a larger effort to support implementation of the Maryland Diabetes Action Plan.

The CHRC grant process allows programs like ours to work outside the constructs of Medicaid funding to build capacity in underserved communities. It occupies a unique role in our healthcare system where innovative projects are seeded and capacity built. The proposed cuts to CHRC funding will be detrimental to the communities we serve.

Catholic Charities of Baltimore urges the committee to reject the BRFA action to reduce funding for the Community Health Resources Commission. Thank you for your consideration of our views.

Submitted By: Regan Vaughan, Director of Advocacy

SB493.HB589.UNFAVORABLE.MDRTL.L.Bogley.pdf
Uploaded by: Bogley, Laura
Position: UNF

Unfavorable Statement – SB493/HB589
Budget Reconciliation and Financing Act of 2021
Laura Bogley, JD - Director of Legislation, Maryland Right to Life

On behalf of our members across the state, we strongly oppose SB493/HB589 because it forces Maryland taxpayers to fund abortion providers and services and deprives the people, the natural and Constitutional rights to life, liberty, freedom of speech and religion.

The Budget Reconciliation and Financing Act of 2021 includes specific language to mandate an annual $100,000,000 in taxpayer funding to reimburse "medical care providers" under the Maryland Medical Care Programs Administration. The Medical Assistance Program within the Administration is the *primary vehicle for Medicaid Reimbursements to Abortion providers* (See DLS Exhibit 29 below). In 2019 taxpayers paid for 9,660 abortions, 0 (zero) of which were to save the life of the mother (See DLS Exhibit 30 below).

> **Proposed BRFA 2021**
> **Article-Insurance**
> 6–102.1.
> (d)(1)IN EACH OF FISCAL YEARS 2021THROUGH 2026,THE GOVERNOR SHALL TRANSFER $100,000,000OF THE FUNDS COLLECTED FROM THE ASSESSMENT REQUIRED UNDER THIS SECTION TO MEDICAL CARE PROVIDER REIMBURSEMENTS (M00Q01.03)WITHIN THE MEDICAL CARE PROGRAMS ADMINISTRATION OF THEMARYLAND DEPARTMENT OF HEALTH.

There is bi-partisan unity on prohibiting the use of taxpayer funding for abortion. State funding for abortion on demand is in direct conflict with the will of the people. In fact, 58% percent of those surveyed say they oppose taxpayer funding of abortion, including 31% of Democrats, 83% of Republicans, and 65% of independents. 80% of Americans polled favor laws that protect both the lives of women and unborn children.

Pregnancy is not a Disease - Abortion is not healthcare. It is violence and brutality that systemically targets the poor and minority populations and ends the lives of unborn children through suction, dismemberment or chemical poisoning. The fact that 85% of OB-GYNs in a representative national survey do not commit abortions is glaring evidence that abortion is not an essential part of women's healthcare.

Abortion is *never medically necessary* to save the life of a woman - In the rare case of severe pregnancy complications, hospitals, not abortion clinics, may decide to separate the mother and child and make best efforts to *sustain the lives of both*. This is different from an abortion, which involves the *purposeful termination of fetal human life*. Prior to the Supreme Court's imposition of their decision in *Roe v. Wade* in 1973, the Maryland legislature had enacted a ban on abortion and only would allow exception for the physical life of the mother, if two physicians agreed that termination of the pregnancy was necessary to avoid the imminent death of the mother. Science has advanced beyond this point to support that *both lives can be saved*.

LIFE is our first Civil Right

Abortion is the greatest civil rights abuse of our time and this bill forces the people to fund abortion to the detriment of Black lives. Legal abortion is having a genocidal effect specifically on Black Americans, who are disproportionately targeted by the abortion industry, with half of all pregnancies to Black women ending in abortion. Planned Parenthood was founded by racist eugenicists who believed that forced sterilization and later abortion, were necessary tools to reduce the growth in "unfit" populations, particularly those persons of African descent. Even today more than 78% of abortion clinics are located in Communities of Color. The government interest in health care is highly questionable as the state invests more in the corner abortion clinic than the corner grocery store. While Black Americans make up less than 13% of the population, they account for nearly 30% of all abortions. **As a result abortion is the leading cause of death of Black Americans, more than gun violence and all other causes combined.** (For more information see http://www.BlackGenocide.org.)

Love them both - 80% of Americans polled favor laws that protect both the lives of women and unborn children. We believe each human being is created EQUAL and the circumstances of conception do not diminish the worth of a human child. Public funds instead should be prioritized to fund health and family planning services which have the objective of saving the lives of both mother and children, including programs for improving maternal health and birth and delivery outcomes, well baby care, parenting classes, foster care reform and affordable adoption programs.

Funding restrictions are constitutional - The Supreme Court has held that the alleged constitutional "right" to an abortion "*implies no limitation on the authority of a State to make a value judgment favoring childbirth over abortion, and to implement that judgment by the allocation of public funds*." When a challenge to the constitutionality of the Hyde Amendment reached the Supreme Court in 1980 in the case of *Harris v. McRae*, the Court ruled that the government may distinguish between abortion and other procedures in funding decisions -- noting that "*no other procedure involves the purposeful termination of a potential life*" -- and affirmed that *Roe v. Wade* had created a limitation on government, not a government funding entitlement.

For these reasons, we respectfully urge you to vote against SB493/HB589. We thank you for your consideration for the equal value of each human being, born and preborn.

Updates

1. Medical Assistance Expenditures on Abortion

Language attached to the Medicaid budget since 1979 authorizes the use of State funds to pay for abortions under specific circumstances. Specifically, a physician or surgeon must certify that, based on his or her professional opinion, the procedure is necessary. Similar language has been attached to the appropriation for MCHP since its advent in fiscal 1999. Women eligible for Medicaid solely due to a pregnancy do not currently qualify for a State-funded abortion.

Exhibit 29 provides a summary of the number and cost of abortions by service provider in fiscal 2017 through 2019. **Exhibit 30** indicates the reasons abortions were performed in fiscal 2019 according to the restrictions in the State budget bill.

Exhibit 29
Abortion Funding under Medical Assistance Program*
Three-year Summary
Fiscal 2017-2019

	Performed under 2017 State and Federal Budget Language	Performed under 2018 State and Federal Budget Language	Performed under 2019 State and Federal Budget Language
Abortions	8,892	9,875	9,660
Total Cost ($ in Millions)	**$5.9**	**$6.3**	**$6.0**
Average Payment Per Abortion	$660	$636	$622
Abortions in Clinics	6,829	7,644	7,483
Average Payment	$441	$434	$433
Abortions in Physicians' Offices	1,509	1,720	1,770
Average Payment	$935	$982	$962
Hospital Abortions – Outpatient	550	506	404
Average Payment	$2,522	$2,417	$2,584
Hospital Abortions – Inpatient	**	**	**
Average Payment	$14,711	$13,228	$6,973
Abortions Eligible for Joint Federal/State Funding	0	0	0

* Data for fiscal 2017 and 2018 includes all Medicaid-funded abortions performed during the fiscal year, while data for fiscal 2019 includes all abortions performed during fiscal 2019, for which a Medicaid claim was filed through November 2019. Since providers have 12 months to bill Medicaid for a service, Medicaid may receive additional claims for abortions performed during fiscal 2019. For example, during fiscal 2019, an additional 78 claims from fiscal 2018 were paid after October 2017, which explains differences in the data reported in the fiscal 2020 Medicaid analysis to that provided here.

** Indicates a dataset of less than 10 cases.

Source: Maryland Department of Health

Exhibit 30
Abortion Services
Fiscal 2019

I. Abortion Services Eligible for Federal Financial Participation
(Based on restrictions contained in the federal budget.)

Reason		Number
1.	Life of the woman endangered.	0
	Total Received	**0**

II. Abortion Services Eligible for State-only Funding
(Based on restrictions contained in the fiscal 2018 State budget.)

1.	Likely to result in the death of the woman.	0
2.	Substantial risk that continuation of the pregnancy could have a serious and adverse effect on the woman's present or future physical health.	120
3.	Medical evidence that continuation of the pregnancy is creating a serious effect on the woman's mental health, and if carried to term, there is a substantial risk of a serious or long-lasting effect on the woman's future mental health.	9,520
4.	Within a reasonable degree of medical certainty that the fetus is affected by genetic defect or serious deformity or abnormality.	19
5.	Victim of rape, sexual offense, or incest.	*
Total Fiscal 2019 Claims Received through November 2019		**9,660**

* Indicates a dataset of less than 10 cases.

Source: Maryland Department of Health

2. Block Grants Redux

In January 2020, CMS announced a Healthy Adult Opportunity (HAO) initiative. HAO offers states, for certain adults under 65, flexibility in administering benefits for those individuals. The flexibility being offered includes the ability to:

- adjust cost-sharing requirements to incentivize high value care;

BRFA_UN_MCA.pdf
Uploaded by: Cohen, Nicholas
Position: UNF

March 03, 2022

Senate Budget & Taxation and House Appropriations Committee

RE: 2022 Budget Reconciliation and Financing Act of 2021

UNFAVORABLE TESTIMONY FOR PROPOSED MARYLAND STATE ARTS COUNCIL FY2022 BUDGET

Dear Speaker Jones, President Ferguson and honorable members of the general assembly,

We write to you today as a cohort of arts organizations representing some of the largest cultural institutions in Maryland. We also serve as members of Maryland Citizens for the Arts (MCA), the advocacy organization representing the advancement of public policy and investment in the arts. MCA has long championed the continued growth and investment of the Maryland State Arts Council (MSAC). MSAC is a highly regarded government agency that provides critical investment and much needed professional development for hundreds of arts organizations and independent artists across the state.

Starting in 1994 with the Arts stabilization act (Chapter 298 of the Acts of the General Assembly of 1994), the annual appropriation for MSAC has grown into a robust funding investment mechanism for hundreds of arts organizations and artists across the state. The work of thousands of advocates helped secure this landmark arts legislation, and our work has continued for almost 30 years. Our collective advocacy has ensured that a generation of Marylanders from across the state has enjoyed access to incredible arts programming, rich educational experiences, and enhanced quality of life. Additionally, our sector has grown into a $1 billion economic driver that employs thousands of workers and helps attract millions of tourists to the state each year. However, more recently, and much like the hospitality industry, the arts sector has been heavily impacted due to the COVID-19 health and safety closures. Many of our organizations have been shut down without any revenue generation since March of 2020. This has led to substantial revenue losses and unfortunate but necessary staff reductions. However, we are optimistic in our resolve and believe that we will be part of a speedy recovery. To achieve a robust recovery, we will require the support of all of our communities and funders from the private and public sectors.

To that end, we are gravely concerned about the fiscal year 2022 budget proposal given by Governor Hogan. He recommends to level fund the Maryland State Arts Council (MSAC) at $24.5 million in his proposal. This would amount to a $2.9 million reduction from the mandated MSAC appropriation. Given that the Governor provided MSAC with a $3 million emergency fund via the rainy-day reserve (November 2020), this move makes little sense in helping our sector. Additionally, via the BRFA, the Governor has asked to recalculate the yearly appropriation mandate (Ch 298) for MSAC where instead of mirroring the state's annual general fund percent increase, he asks that the MSAC growth rate be calculated at a rate of the general fund increase **MINUS** one percent. This would result in significant reductions in arts investment for the foreseeable future and significantly depressed the sector's potential recovery.

Governor Hogan's proposals are both harmful and shortsighted. As stated, our sector is in dire need of additional financial support. Given the magnitude of these current economic challenges, it is probable that the industry's full recovery could take years. So, we must look to MSAC for increased investment and support, not less.

To that end, we respectfully ask for the rejection of the Governor's proposed revised funding formula and restore the MSAC mandate amount to $27.3 million. We strongly encourage members of the general assembly to continue their support of the arts in Maryland. The arts provide public value and, undoubtedly, will help our state's economic and social and mental health recovery in the months and years ahead. The arts are indeed a beacon of joy and healing for communities, and now is the time to invested even more in our work. We are all deeply committed to serving our community in good and challenging times, and we have long appreciated the support provided by government leaders in Annapolis. With the continued investment in the arts sector, we can help build a more robust and creative community.

120 W. North Avenue | Suite 302 | Baltimore, MD 21201 | 410-467-6700 | www.mdarts.org

maryland citizens for the arts

Signed,

Christopher Bedford, The Baltimore Museum of Art
Rebecca Hoffberger, The American Visionary Art Museum
Monica Jeffries Hazangeles, Strathmore
Peter Kjome, The Baltimore Symphony Orchestra
Julia Marciari-Alexander, The Walters Art Museum
Michael Ross, Baltimore Center Stage
Jonathan Schwartz, The Modell Lyric
Ryan Rilette, Roundhouse Theater
Janet Stanford, Imagination Stage

120 W. North Avenue | Suite 302 | Baltimore, MD 21201 | 410-467-6700 | www.mdarts.org

SB 493 - OPPOSE - CSMC.pdf
Uploaded by: Guy, Randy
Position: UNF

ST. MARY'S COUNTY GOVERNMENT

COMMISSIONERS OF ST. MARY'S COUNTY

James R. Guy, President
Eric Colvin, Commissioner
Michael L. Hewitt, Commissioner
Todd B. Morgan, Commissioner
John E. O'Connor, Commissioner

Senate Bill 493
Budget Reconciliation and Financing Act of 2021

Hearing: March 3, 2021

OPPOSE

February 16, 2021

The Honorable Guy Guzzone, Chairman
Budget and Taxation Committee
3 West, Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Re: **SB 493 -** Budget Reconciliation and Financing Act of 2021 - Hearing Date: March 3, 2021

Dear Chairman Guzzone:

The Commissioners of St. Mary's County **OPPOSE** SB 493 **-** Budget Reconciliation and Financing Act of 2021 which will be heard on March 3, 2021 in the Budget and Taxation Committee.

We request an unfavorable report on SB 493. We OPPOSE the introduction of this legislation and do not believe this legislation would benefit the citizens of St. Mary's County. We look forward to working with you on this and other initiatives throughout the session.

Sincerely,
COMMISSIONERS OF ST. MARY'S COUNTY
James R Guy
James Randy Guy, President

CSMC/AB/sf
T:/Consent/2021/050

Cc: Senator Jack Bailey
Delegate Matthew Morgan
Delegate Gerald Clark
Delegate Brian Crosby
Commissioner Eric Colvin
Commissioner Michael Hewitt
Commissioner Todd Morgan
Commissioner John O'Connor
Dr. Rebecca Bridgett, County Administrator
David Weiskopf, County Attorney

SB493_GarrettCollege_R.Midcap.pdf
Uploaded by: Midcap, Richard
Position: UNF

Senate Budget and Taxation Committee

Testimony Opposing SB493
Budget Reconciliation and Financing Act of 2021

Dr. Richard Midcap, President
Garrett College
March 3, 2021

The Fiscal Year 2022 budget submitted by Governor Hogan included the required full funding of the community college CADE formula. However, the Governor simultaneously proposed rescinding nearly two-thirds of that increase in the Budget Reconciliation and Financing Act (BRFA) of 2021. To fully appreciate the impact of *this* year's action requires consideration of the state funding decisions made with respect to community colleges over the last decade. This year's BRFA comes on the heels of flat FY2021 community college state funding, marking the eighth time since 2009 that community college state funding has been rebased. The net effect of these actions has been the loss of over $140 million in state aid to Maryland community colleges over that time period.

I respectfully request that the provisions in Senate Bill 493 reducing community college funding in FY2022 be defeated. Maryland's community colleges are already dealing with the serious impacts of the COVID pandemic, which have led to enrollment declines and budget challenges for all of the state's community colleges. This is a time when our community colleges – which provide broad access to post-secondary education and skills training, especially important as we begin to come out of this health crisis – need to be able to count on the state to appropriately fund our missions.

While the reduction in FY2022 funding is concerning, the provision of the BRFA that would tie future funding to growth in state revenue estimates is alarming. The CADE formula – which ties community college funding to the per-student funding at selected four-year institutions – doesn't just provide a strategy for equitable state aid to community colleges. CADE also supports necessary long-term fiscal planning by the community colleges, which would be lost in this BRFA proposal.

Community colleges have understood the need to share in the fiscal belt-tightening required in the state over the past decade. And we've done our part, as the eight rebasings of the CADE formula clearly illustrate. I hope the committee will acknowledge the prior fiscal sacrifices and address the compelling funding needs of community colleges by removing the budget reductions to community colleges and the elimination of the CADE formula currently included in SB493.

Thank you in advance for this opportunity to share my perspective on SB493.

MRHA 2021 BRFA - Senate Health Subcommittee (1).pd
Uploaded by: Orosz, Samantha
Position: UNF

Statement of Maryland Rural Health Association
To the Members of the Senate Budget & Taxation Committee
March 3, 2021
Maryland Department of Health Regulatory Commissions Budget Hearing

POSITION: LETTER OF CONCERN – MARYLAND COMMUNITY HEALTH RESOURCES COMMISSION - BUDGET

Senate President and Members of the Budget & Taxation Committee:

The Maryland Rural Health Association (MRHA) submits this Letter of Concern regarding a proposed permanent cut to the Maryland Community Health Resources Commission's (CHRC) budget that is contained in Senate Bill 493 - Budget Reconciliation and Financing Act. **MRHA requests that your Subcommittee reject the language in this year's BRFA and maintain the legislative mandated appropriation of the CHRC at $8 million per year. You may recall that last year's BRFA contained identical language to reduce the CHRC's appropriation, and this language was rejected by your Subcommittee last year.**

MRHA's mission is to educate and advocate for the optimal health and wellness of rural communities and their residents. MRHA is a non-profit member organization comprised of local health departments, hospitals, health centers, AHECs, non-profits, universities, community organizations, health professionals, and community members. Many of our members are past and current grant recipients and these start-up funds are extremely important to continue to support health projects in our rural communities.

The CHRC is a critical partner in providing access to care for our rural communities. CHRC has provided funding for 138 projects in every rural area of the State. These projects have served more than 120,000 Marylanders, providing access to primary care, behavioral health, and dental services. This past year, the CHRC has distributed funding to help address the impact of COVID-19 and ensure that residents in rural areas have continued access to critical health services during the pandemic.

The projects funded by the CHRC are being sustained and generating quantifiable outcomes. Many of these projects would not have begun without CHRC's initial funding of these projects. Maryland's rural communities are particularly impacted by health access challenges, including in adequate transportation, provider recruitment and retention, and maintenance of a consistent workforce, and CHRC is playing a vital role in addressing these challenges.

For these reasons, MRHA requests that your Subcommittee rejects the language in this year's BRFA (SB493) and maintains the CHRC's mandated budget at $8 million per year, as you did last year.

Thank you again for your consideration. Should you have any questions, please do not hesitate to contact me.

Lara Wilson, Executive Director, larawilson@mdruralhealth.org

cc: Members, Senate Budget & Taxation Committee

P.O. Box 475 • Centreville, Maryland 21617 • (410) 693-6988 • larawilson@MdRuralHealth.org

SB493_MACC_OPP_B.Phillips.pdf
Uploaded by: Phillips, Brad
Position: UNF

SENATE BUDGET AND TAXATION COMMITTEE

March 3, 2021

TESTIMONY

Submitted by
Dr. Brad Phillips, Deputy Executive Director

SB0493 – Budget Reconciliation and Financing Act (BRFA) of 2021

Position: Oppose

The Maryland Association of Community Colleges (MACC) representing all of Maryland's 16 community colleges strongly opposes SB0493, which alters the full-time pupil allocation for our community colleges as funded in the Governor's FY 22 budget and changes the methodology for funding community colleges in future years. MACC also opposes language changes in the bill. This legislation is being opposed on both a fiscal and conceptual basis.

This legislation removes decision-making powers from the duly elected legislature whose responsibility it is to determine budget reconciliation. In addition, the legislation does not provide affected organizations a voice prior to imposition of these decisions. This legislation would signify a major power shift in that responsibility.

Fiscal support for Maryland's community colleges has not fully recovered from the "Great Recession" during which time our community colleges lost approximately $100 Million in funding. This reduction in funding was attributed to the State's fiscal condition and inability to adequately compensate community colleges for spiking enrollments brought about by a diminished labor market. In response to revenue losses, the State rebased the CADE formula 8 times since 2008 and legislatively pushed back the timeline for full implementation of full CADE formula funding to FY 2023.

Unfortunately, as the State approached its intended goal of fully funding community colleges, the COVID pandemic emerged and funding for community colleges was again reduced through recissions made by the Board of Public Works in July. For community colleges, those recissions amounted to $36.2 Million in lost State aid and pushed back the State CADE participation to 21% from 25% of the FTE granted to the four-year public institutions. This action compounded the enormous fiscal losses experienced by our colleges during the pandemic.

The proposed BRFA would decrease aid to the community colleges by $26 Million. This BRFA signifies that this administration has no intention of fully funding CADE, ignoring the State's promise of being equal partners with county government and students in funding their fair share of the cost of a community college education. Astonishingly, this reduction of funds and abandonment of the CADE formula, along with decreasing enrollments and revenue loss will result in fiscal disaster for our colleges. This legislation signals a fundamental lack of understanding of the needs of our community colleges. The funding model proposed for future years would inhibit our colleges ability to innovate, provide program enhancements and address enrollment increases with predictability. It certainly would not be a value-based model.

MACC opposes this legislation as it pertains to community colleges and requests FULL CADE formula funding as per FY22 that ties the FTE funding granted the public four-year institutions to the funding granted to community colleges at 27% as presented in the Governor's submitted budget. We also request the Committee retain the General Assembly's budget making authority by rejecting Section (VII) on page 9 that would tie future state aid to committing colleges to the State's projected revenue growth. Investing in affordable education and skills enhancement for Maryland's workforce is the most cost-effective means to increase the State's future revenue growth.

MMCOA BRFA HB589 SB493 03 03 2021.pdf

Uploaded by: Briemann, Jennifer

Position: INFO

MMCOA

MARYLAND MCO ASSOCIATION

Statement on the Maryland Health Benefit Exchange FY 2022 Budget and Budget Reconciliation and Financing Act of 2021

Senate Budget and Taxation Committee
House Appropriations Committee
March 3, 2021

Thank you for the opportunity to submit a statement in regards to the Maryland Health Benefit Exchange proposed Fiscal Year 2022 budget and Budget Reconciliation and Financing Act (HB589/SB493) and the proposed reduction in the appropriation to fully fund the operations of the Exchange.

The Maryland Managed Care Organization Association's (MMCOA) nine member Medicaid Managed Care Organizations (MCOs) that serve over 1.3 million Marylanders through the Medicaid HealthChoice program are committed to identifying ways to improve quality and access to care for all Medicaid participants.

With the sharp growth in Medicaid enrollment since the onset of the COVID-19 pandemic, the Exchange Consolidated Service Center and the Enrollment Broker function have played a critical role in transitioning individuals to Medicaid enrollment and coverage by an MCO. According to a statement issued by the Maryland Health Benefit Exchange in December 2020 (attached), two-thirds of new enrollees through the exchange during the public health emergency were Medicaid enrollments. Any reduction to the operating budget of the call center would be of great concern to the MCOs and the members that we serve. This decrease in funding may impede timely enrollment and access to care for HealthChoice eligible individuals. We respectfully request that, especially during this time of increasing HealthChoice enrollment due to the hardships linked to the COVID-19 pandemic, funding to the Consolidated Service Center is not reduced.

The MMCOA looks forward to continued collaboration with the State as we work to identify ways to improve access to affordable high-quality care for all Medicaid participants.

Please contact Jennifer Briemann, Executive Director of MMCOA, with any questions regarding this testimony at jbriemann@marylandmco.org.

GOV. HOGAN AND MARYLAND HEALTH BENEFIT EXCHANGE ANNOUNCE RECORD ENROLLMENT FOR HEALTH COVERAGE

2021 enrollment totaled 166,038, 4.5% more than a year ago

(DEC. 17, 2020) ANNAPOLIS, MD—Gov. Larry Hogan today announced that more than 166,000 Marylanders enrolled in private health coverage for 2021 through Maryland Health Connection—the largest enrollment ever on the state's health insurance marketplace—which represents a 4.5% increase of about 7,100 enrollees since the previous year. Open enrollment ended Dec. 15.

"I am pleased to see so many Marylanders taking advantage of our state's impressive health insurance marketplace, especially as we battle the COVID-19 pandemic, " said Gov. Hogan. "With one of the longest COVID-19 special enrollment periods in the country, we continue to work to increase health care access and affordability in Maryland."

A total of 166,038 Marylanders enrolled in private health coverage for 2021 through Maryland Health Connection, the largest enrollment ever on the state's health insurance marketplace.

That was about 7,100 (or 4.5%) more enrollees than a year ago when 158,934 enrolled.

It also exceeded the peak year of 2016 when 162,652 enrolled through the Maryland health insurance marketplace, which launched in 2013 for residents who purchase their own coverage on the individual health insurance market.

Enrollment was bolstered by two actions: a reinsurance program that Gov. Larry Hogan and the General Assembly created in 2018 that has lowered consumer prices for the past three years, and by a special enrollment launched in response to the COVID-19 emergency that has covered more than 100,000 Marylanders in Medicaid and private coverage during the past nine months. It was among the longest COVID-related special enrollments in the country.

"We are thrilled that so many Maryland families in need of coverage responded to this open enrollment. We know that access to affordable health coverage is as important as it has ever been," said Michele Eberle, executive director of the Maryland Health Benefit Exchange, which administers Maryland Health Connection.

"We also know the job is not over. Many continue to lose job-related insurance. Minority communities that disproportionately lacked health coverage even before the pandemic have been hit particularly hard. Our staff will work hard, even after the open enrollment period ends, to make sure all Marylanders know about affordable health options available to them," she said.

Enrollment for 2021 grew in every jurisdiction in the state. New enrollments were down compared to renewals, but that number was likely skewed by the fact that thousands of Marylanders enrolled for 2020 plans in the months leading up to the 2021 open enrollment through the exchange fully re-opening in response to the COVID-19 emergency. One-third of those enrollments, nearly 33,000, were in private insurance. The remaining two-thirds, nearly 70,000, enrolled in Medicaid.

State enrollment in income-based Medicaid, which is available to qualified residents year-round, is up 8%, from 1,080,666 a year ago to 1,171,871 now.

The pandemic presented a unique challenge for the hundreds of navigators and insurance brokers who, along with the Maryland Health Connection call center, assisted thousands of consumers in shopping and applying for health insurance. They set new records for consumer contacts, even though they were mostly unable to meet face-to-face.

The 45-day open enrollment period for the 2021 plan year began Nov. 1 and ended Dec. 15 at 11:59 p.m. A few hundred additional enrollments will be completed this week for consumers who had begun the process but hadn't finished before midnight.

Marylanders who purchase their own health coverage also do so off the state health exchange. The plans and rates, by state rule, are the same as those on the exchange, but no financial assistance is available. The reinsurance program did serve to lower most consumer premiums off-exchange as well the past three years, however.

Enrollment in off-exchange plans that adhere to Affordable Care Act (ACA) standards grew nearly 22%, from 56,550 a year ago to 68,764 for 2021.

The total individual health insurance market for ACA plans in Maryland grew about 9% from 215,484 to 234,802 both on and off the exchange—a turnaround from the years preceding the reinsurance program.

Maryland Health Connection 2021 Enrollments			
Residence	2020 Total	**2021 Total**	**% Change**
Statewide	158,934	166,038	4.5
Allegany	1,501	1,567	4.4
Anne Arundel	11,862	12,784	7.8

Baltimore	20,724	21,730	4.9
Baltimore City	9,981	10,244	2.6
Calvert	1,630	1,744	8.8
Caroline	1,038	1,104	6.4
Carroll	3,491	3,802	8.9
Cecil	2,422	2,501	3.3
Charles	2,614	2,756	5.4
Dorchester	1,049	1,135	8.2
Frederick	6,238	6,898	10.6
Garrett	1,085	1,111	2.4
Harford	5,048	5,479	8.5
Howard	9,487	10,195	7.5
Kent	626	647	3.4
Montgomery	42,054	43,132	2.6
Prince George’s	22,457	22,866	1.8
Queen Anne’s	1,653	1,900	14.9
St. Mary’s	1,962	2,080	6
Somerset	658	723	9.9
Talbot	1,452	1,480	1.9
Washington	3,920	3,935	0.4
Wicomico	3,231	3,245	0.4
Worcester	2,751	2,950	7.2
New / Renewal	2020 Total	**2021 Total**	**% Change**
New Enrollees	38,738	26,497	-31.6
Renewal Enrollees	120,196	139,541	16.1

Demographics	2020 Total	2021 Total	% Change
18-34 years old	46,524	46,679	0.3
African-American (optional self-report)	27,470	27,826	1.3
Hispanic (optional self-report)	18,190	17,869	-1.8
Financial Help	2020 Total	**2021 Total**	**% Change**
With Federal Tax Credits	121,295	121,743	0.4
Without Federal Tax Credits	37,639	44,295	17.7
Insurance Company	2020 Total	**2021 Total**	**% Change**
CareFirst	96,841	110,685	14.3
Kaiser Permanente	62,093	53,494	-13.8
UnitedHealthcare	N/A	1,859	---

###

Maryland Health Benefit Exchange is a public corporation and independent unit of state government established in 2011 to administer Maryland Health Connection.

Maryland Health Connection is the state-based marketplace for Marylanders to shop and enroll in health insurance, as well as determine eligibility for Medicaid and other assistance programs. It is the only place where Marylanders can access financial help such as tax credits to make coverage more affordable.

SB493_BRFA__LOC + Slides.pdf
Uploaded by: Taylor, Allison
Position: INFO

KAISER PERMANENTE®

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
2101 East Jefferson Street
Rockville, Maryland 20852

March 3, 2021

The Honorable Guy Guzzone
Senate Finance Committee
3 West, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: SB 493 – Letter of Concern

Dear Chair Guzzone and Members of the Committee:

Kaiser Permanente appreciates the opportunity to provide comments on SB 493, "Budget Reconciliation and Financing Act of 2021." We believe the proposal needs to be amended to address the concerns outlined below.

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.[1] Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 775,000 members. In Maryland, we deliver care to over 450,000 members.

Kaiser Permanente is concerned about the proposal to transfer funds from the State Reinsurance Program and about the proposed cut to the operating budget of the Maryland Health Benefit Exchange.

State Reinsurance Program

The Reinsurance Program is designed to mitigate the impact of high costs to enrollees on the insurance rates of carriers that participate in the individual market and stabilize enrollee premiums while also leveraging federal dollars to provide coverage to Maryland residents. The Maryland Health Benefit Exchange has estimated that the Program has substantially reduced premiums and increased enrollment in the individual market, as described on the attached slides.

BRFA Proposal: The 2021 BRFA proposes to transfer $100 million of the funds collected from the reinsurance assessment to Medical Care Provider Reimbursements (M00Q01.03) within the Medical Care Programs Administration of the Maryland Department of Health. (SB 493 p. 16).

[1] Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation's largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente's members.

Kaiser Permanente supports a robust Medicaid program, which helps sustain the state's entire healthcare system, but is concerned about the use of this funding source for this purpose.

Kaiser Permanente Concerns:

- **The BRFA proposes to transfer funds that the State is unable to collect in 2024 to 2026:** The reinsurance assessment is in effect through 2023, in alignment with Maryland's § 1332 State Innovation Waiver. The Waiver provides Maryland's authority to administer the Reinsurance Program, and the State would need to seek renewal through CMS to continue the Reinsurance Program past 2023.

- **Medicaid likely cannot claim a federal match on funds transferred from the reinsurance assessment:** The federal government matches funds to states for qualifying Medicaid expenditures; however, this may exclude revenues collected from this tax source since they are already matched with federal Medicaid dollars.

- **Moving these funds may endanger the Reinsurance Program when enrollees need it most:** Diverting funds to Medicaid may shorten the lifespan of the current Reinsurance Program while the state's individual market is growing, precisely when the program is needed most.

- **The Reinsurance Program should be evaluated before a transfer is considered:** We believe the General Assembly needs to understand the impacts to the Reinsurance Program and the 1332 Waiver before acting and should consult both the Attorney General and federal regulators to be assured that funding will be available for the continuation of the program.

The General Assembly should reject the proposed transfer and consider alternative funding sources for Medicaid to the extent that's needed. Kaiser Permanente recognizes the significant budget challenges the state faces in light of the pandemic. However, we believe that reducing or otherwise jeopardizing funding for health care services and coverage during this public health emergency is concerning and unwise.

Maryland Health Benefit Exchange Operating Budget

The Maryland Health Benefit Exchange was established in 2011 after the passage of the federal Affordable Care Act to (1) facilitate the purchase and sale of qualified health plans in the individual market; and (2) assist qualified employers in facilitating the enrollment of their employees in qualified health plans in the small group market. The Exchange also assists individuals in accessing public programs like Medicaid, premium tax credits, and cost-sharing reductions for commercial health insurance.

BRFA Proposal: The 2021 BRFA proposes to reduce the operating budget of the Exchange from not less than \$35 million to \$32 million in FY 22 and each fiscal year thereafter.

Kaiser Permanente Concerns: Kaiser Permanente notes that enrollment in both Medicaid and the individual market has grown considerably since the start of the pandemic due to many Marylanders losing employment (and thus employer-sponsored health coverage), and the Exchange has played a critical role in transitioning those individuals to other coverage. To that end, we believe it's unwise to cut the Agency's operating budget at this time and urge the General Assembly to reject the proposed cut.

Thank you for the opportunity to comment. Please feel free to contact Allison Taylor at Allison.W.Taylor@kp.org or (202) 924-7496 with questions.

Sincerely,

Allison Taylor

Allison Taylor
Director of Government Relations
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.

State Reinsurance Program Update

Michele Eberle, Executive Director
Johanna Fabian-Marks, Director of Policy & Plan Management
Maryland Health Benefit Exchange

September 14, 2020

MARYLAND HEALTHBENEFIT EXCHANGE

Estimated Effect of the Reinsurance Program on 2020 Premiums

Rate Impact of the Reinsurance Program by carrier.*

Carrier (Network)	Enrollment (on/off MHC)	2020 Rate Change (w/o Reinsurance)	2020 Rate Change (w/ Reinsurance)
CareFirst (HMO)	130,642	11.8%	-14.7%
CareFirst (PPO)	11,665	65.3%	-1.4%
Kaiser Permanente (HMO)	64,792	23.8%	-5.0%
Total	207,099	19.6%	-10.3%

*Data as of 4/30/20 provided by the MIA

Estimated Effect of the Reinsurance Program on 2020 Enrollment

Without the reinsurance program, individual market enrollment would have been an estimated 10 percent lower.

Scenario	Subsidized Enrollment	Unsubsidized Enrollment	Total Enrollment
2020 Estimate w/o Reinsurance	111,401	61,983	173,384
2020 Estimate w/ Reinsurance	111,401	81,568	192,969
Difference w/o Reinsurance	-	-24%	-10%
Actual 2020 Enrollment (as of end of open enrollment)	124,541	90,943	215,484

MARYLAND HEALTHBENEFIT EXCHANGE