

MARYLAND GENERAL ASSEMBLY

Legislative Policy Committee

(All files are in PDF format and may be viewed using [Adobe Reader](#))

Tuesday, June 17, 2003, 10:00 a.m.
120 Lowe House Office Building, Annapolis, MD 21401

AGENDA

1. Review of Legislative Committees Authorized to Function During the 2003 Interim
2. Proposed Committee Activities – 2003 Interim
 - Letters from the Committee Chairmen
3. 2003 Legislation Relating to the Legislative Policy Committee
4. New Boards, Commissions, Task Forces, Advisory Councils, etc. (2003 Legislation)
5. Legislation related to Executive and Legislative Branches; Changes to Existing Boards, Commissions, Task Forces, etc (2003 Legislation)
6. Reports to the General Assembly and its Committees (2003 Legislation)
 - New Reports
 - Changes to Old Reporting Requirements
7. Reports to the Budget Committees (2003 Budget Bill/Joint Chairman's Report)
8. State Treasurer's Office
 - Written Report from the State Treasurer to the Legislative Policy Committee
9. Sunny Day Fund Requests – Department of Business and Economic Development (DBED)

New Requests:

- University of Maryland, College Park (Prince George's County) \$5,000,000
Technology Research Center
- University of Maryland, Baltimore (Baltimore City) \$4,000,000
Health Science Research Park
- University of Maryland, College Park (Prince George's County) \$775,000
Technology Enterprise Institute Bioprocess Scale-up Facility (BSF)

**LEGISLATIVE POLICY COMMITTEE
10:00 A.M., TUESDAY, JUNE 17, 2003
120 LOWE HOUSE OFFICE BUILDING, ANNAPOLIS, MD 21401**

PART 1.

**REVIEW OF LEGISLATIVE COMMITTEES
AUTHORIZED TO FUNCTION DURING THE 2003 INTERIM**

REVIEW OF LEGISLATIVE COMMITTEES
AUTHORIZED TO FUNCTION DURING THE 2003 LEGISLATIVE INTERIM

SENATE STANDING COMMITTEE

- Budget and Taxation
- Education, Health, and Environmental Affairs
- Finance
- Judicial Proceedings
- Executive Nominations

HOUSE STANDING COMMITTEES

- Appropriations
- Health and Government Operations
- Economic Matters
- Environmental Matters
- Judiciary
- Ways and Means

HOUSE SPECIAL COMMITTEES

- Drug and Alcohol Abuse

SENATE SPECIAL COMMITTEES

- Substance Abuse

STATUTORY COMMITTEES

- Legislative Policy
- Administrative, Executive, and Legislative Review
- Audits

Statutory Committees (continued)

- Chesapeake Bay Critical Areas
- Children, Youth and Families
- Fair Practices
- Federal Relations
- Health Care Delivery and Financing
- Legislative Ethics
- Management of Public Funds
- Port of Baltimore, Joint Committee on the
- Spending Affordability
- Technology Oversight Committee, Joint
- Vehicle Emissions Inspection Program
- Welfare Reform
- Workers' Compensation Benefit and Insurance Oversight

SPECIAL JOINT COMMITTEES AND LEGISLATIVE TASK FORCES

- Article 27 Revision (Review Committee - includes nonlegislative members)
- Legislative Data Systems
- Pensions
- Program Open Space/Agricultural Land Preservation

SPECIAL SENATE COMMITTEES

- Substance Abuse

SPECIAL HOUSE COMMITTEES

- Drug and Alcohol Abuse

/mlc
6/24/03

General Assembly of Maryland
(GUIDELINES FOR COMMITTEE ACTIVITIES - 2003 LEGISLATIVE INTERIM)

(The President and the Speaker do not intend for these guidelines to require committees to meet on every date reserved for meetings.)

DATES RESERVED FOR:

Legislative Policy Committee	Standing Committees	Statutory and Special Committees
(Tuesday Meetings: 10:00 A.M.)	"ON-CYCLE" (Tuesday P.M./Wednesday Meetings)	"OFF-CYCLE" (Tuesday P.M./Wednesday Meetings)
6/17 LPC Planning/Organizational Meeting	6/17 - 6/18 Organizational Meeting	6/24 - 6/25
	7/01 - 7/02	7/08 - 7/09
	7/15 - 7/16	7/29 - 7/30
	8/05 - 8/06	8/19 - 8/20
	8/26 - 8/27	9/02 - 9/03
	9/09 - 9/10	9/16 - 9/17
	9/23 - 9/24	9/30 - 10/01
	10/07 - 10/08	10/14 - 10/15
	10/21 - 10/22	10/28 - 10/29
	11/04 - 11/05	11/18 - 11/19
	11/25 - 11/26	12/02 - 12/03
TBA LPC Management Subcommittee	12/09 - 12/10	12/16 - 12/17
TBA LPC Meeting	12/23 - 12-24	12/23 - 12/24

Note: Meetings of the Legislative Policy Committee, other than those noted, during the 2003 Legislative Interim, are subject to the call of the Presiding Officers.

(Note: Legislative Interim Committee Reports due to the Legislative Policy Committee by 12/19/2003)

National Conference of State Legislatures, Annual Meeting, San Francisco, California -- July 21-25, 2003
Southern Legislative Conference, Annual Meeting, Ft. Worth, Texas — August 9-13, 2003

LETTERS FROM THE COMMITTEE CHAIRMEN

SENATE STANDING COMMITTEE

- Budget and Taxation
- Education, Health, and Environmental Affairs
- Finance
- Judicial Proceedings

HOUSE STANDING COMMITTEES

- Appropriations
- Health and Government Operations
- Economic Matters
- Environmental Matters
- Judiciary
- Ways and Means

HOUSE SPECIAL COMMITTEES

- Drug and Alcohol Abuse

SENATE SPECIAL COMMITTEES

- Substance Abuse

STATUTORY COMMITTEES

- Administrative, Executive, and Legislative Review
- Audits
- Chesapeake Bay Critical Areas
- Children, Youth and Families
- Federal Relations
- Health Care Delivery and Financing
- Legislative Ethics
- Management of Public Funds

STATUTORY COMMITTEES (cont'd.)

- Spending Affordability
- Technology Oversight Committee, Joint
- Workers' Compensation Benefit and Insurance Oversight

SPECIAL JOINT COMMITTEES AND LEGISLATIVE TASK FORCES

- Article 27 Revision (Review Committee - includes nonlegislative members)
- Legislative Data Systems
- Pensions
- Program Open Space/Agricultural Land Preservation

May 29, 2003

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate

The Honorable Michael E. Busch
Speaker of the House

Dear President Miller and Speaker Busch:

The Senate Budget and Taxation Committee 2003 draft interim schedule is attached for your review. The schedule includes both full committee and subcommittee activities. The full committee is planning one site visit this year. While details of this visit are not yet finalized, the committee hopes to tour the National Harbor, development sites in Silver Spring and the Shady Grove campus. The committee will also spend several days in Annapolis for briefings on the State's revenue structure, fiscal status, and implementation of the Bridge to Excellence in Public Schools Act. In addition, we have reserved a full day in November for any other briefings or visits that might be necessary. Additional items will be taken up at the committee's annual retreat in December. Once again, we are planning to hold the retreat in Annapolis at the Miller Building.

Two of the operating budget subcommittees are also planning briefings. The Health and Human Services Subcommittee is focusing on substance abuse treatment funding. The Public Safety, Transportation, and Environment Subcommittee is focusing on criminal justice and emergency services issues. In addition, the Health and Human Services and Capital Budget Subcommittees are planning to visit the State's mental hospitals.

The committee is looking forward to an interesting and productive interim. As always, your input on the draft schedule and participation in any of the meetings is welcomed.

Sincerely,

Ulysses Currie

UC/LJM/kjl
Enclosure

cc: Mr. Timothy Perry
Mr. Thomas S. Lewis
Ms. Lynne B. Porter

Senate Budget and Taxation Committee
Senator Ulysses Currie, Chairman
2003 Interim Schedule
(As of June 25, 2003)

July 15 Tuesday	11:00 a.m.	Full Committee Briefing -- Court Decision on Delaware Holding Companies
	1:30 p.m.	Full Committee Briefing -- Fiscal Briefing (1 of 3) -- Revenue and Budget Updates from the Department of Legislative Services, Department of Budget and Management, and Other Agencies
July 30 Wednesday	All Day	Full Committee Site Visit -- Prince George's and Montgomery Counties (National Harbor and Rosecroft Raceway, Silver Spring, and Shady Grove)
August 5 Tuesday	All Day	Health and Human Services Subcommittee Site Visit -- State Mental Hospitals (Joint with Capital Budget Subcommittee (B&T) and Health and Human Resources Subcommittee (APP))
	All Day	Capital Budget Subcommittee Site Visit -- State Mental Hospitals (Joint with Health and Human Services Subcommittee (B&T) and Health and Human Resources Subcommittee (APP))
September 10 Wednesday	10:00 a.m.	Full Committee Briefing -- Revenue Structure (1 of 3)
September 23 Tuesday	10:00 a.m.	Public Safety, Transportation, and Environment Subcommittee Briefing -- Pretrial Detention Services in Part 40 and Night Court (Joint with Public Safety and Administration Subcommittee)
	1:30 p.m.	Full Committee Briefing -- Fiscal Briefing (2 of 3) -- Budgetary Actions in Other States to Resolve Deficits and Status of Reserve Funds and Bond Ratings; Preliminary Revised Revenue Estimates; and Debt Affordability Limit

(Joint with House Committee on Appropriations)

- | | | |
|--|-------------------|---|
| October 7
Tuesday | 10:00 a.m. | Full Committee
Briefing -- Thornton (1 of 2) -- Implementation of the Bridge to Excellence in Public Schools Act |
| | 1:30 p.m. | Full Committee
Briefing -- Revenue Structure (2 of 3) |
| October 21
Tuesday | 10:00 a.m. | Human Services Subcommittee
Briefing -- Alcohol and Drug Abuse Administration Report on Substance Abuse Funding |
| | 10:00 a.m. | Public Safety, Transportation, and Environment Subcommittee
Briefing -- Interfacility Hospital Transfers |
| | 1:30 p.m. | Full Committee
Briefing -- Fiscal Briefing (3 of 3) -- Fiscal 2003 Closeout; DLS Revenue Estimates; Implementation of Governor's Budget Cuts; and Baseline Budget Projections |
| November 4
Tuesday | 10:00 a.m. | Full Committee
Briefing -- Thornton (2 of 2) -- Implementation of the Bridge to Excellence in Public Schools Act and Federal No Child Left Behind Act |
| | 1:30 p.m. | Full Committee
Briefing -- Revenue Structure (3 of 3) |
| November 25
Tuesday | All Day | Full Committee
Reserved -- if date is used, topic(s) will be announced |
| December 11 & 12
Thursday & Friday | All Day | Committee Retreat (Miller Building)
Topics to be announced |

Notes: Dates, times, and meeting content are subject to change.
Members' offices will be notified of any changes.
Changes will also be noted in the public hearing schedule.

For further information contact: Laura McCarty, Jennifer Chasse, Victoria Gruber, or Molly Slominski, Department of Legislative Services. Telephone: (410) 946-5530 or (301) 970-5530.

May 30, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

I am writing in response to your request for an agenda of the interim work of the Senate Education, Health, and Environmental Affairs Committee.

Although the final agenda will be selected at a planning meeting of the committee scheduled for June 17, 2003, set forth below are issues which have been identified for possible review during the 2003 interim.

Agriculture

As you know, this past session two measures (SB 617 and HB 1058) sought a temporary suspension of nutrient plan requirements and penalties that are currently applicable to State agricultural activities under the Water Quality Improvement Act of 1998. As diverse as opinions are on the advisability of such a suspension, it is widely agreed that there is significant need for further education of the agricultural community on the economic advantages, environmental benefits, and appropriate techniques of nutrient management. Thus, the Department of Agriculture will conduct a symposium on these topics on August 5; it is anticipated that several committee members will attend.

Soon thereafter, the committee will visit impacted agricultural sites, which may also include sow breeding operations that would have been covered under SB 271/HB 755.

Public Health

Briefing on SARS (Severe Acute Respiratory Syndrome)

During this interim, the Committee intends to hold a briefing on SARS (severe acute respiratory syndrome) given by experts from the Johns Hopkins Bloomberg School of Public Health and other representatives from the public health sector. The briefing will address the actual virus, local and State response to the virus, and measures for containment.

Primary and Secondary Education**Briefing from the Maryland Association of Student Councils**

The Maryland Association of Student Councils (MASC) has requested an opportunity to brief the Committee regarding the current MASC agenda and issues that are most important to the youth of the State. The briefing will also create an opportunity to discuss the role of MASC in the legislative process, and how to enhance that role during the 2004 legislative session.

Briefing from the Maryland State Department of Education

This summer, the Maryland State Department of Education (MSDE) intends to complete the setting of standards for the new High School Assessments (HSA), which replace the former Maryland School Performance Assessment Program (MSPAP) and bring Maryland in line with the federal requirements of No Child Left Behind. This fall, MSDE will brief the Committee regarding the multi-step process undertaken in order to set appropriate standards for the HSA.

Higher Education**Site Visit to University of Maryland, Baltimore**

The University of Maryland, Baltimore has extended an invitation for the Committee to tour the six professional schools--Dental, Law, Medicine, Nursing, Pharmacy, and Social Work--housed on its Baltimore City campus.

Environment and Natural Resources**Briefing on the Port of Baltimore and Dredge Placement**

In response to an invitation extended by the Port of Baltimore, the committee will be briefed on the State's maritime industry, with a particular focus on the impact of dredging on Port activities. This briefing will include a visit to a dredge placement island.

Consideration for Interim Study

As a result of specific measures before the committee this past session, we will consider three additional topics for possible interim study; two of these relate to additional subject areas that are also within EHE's jurisdiction. These topics include: first, "right to fish" legislation regarding the inclusion of certain sport fishing activities in fishery management plans; second, also involving various State and local government emergency management plans, security precautions related to chemical freight shipment and storage, particularly the transport of hazardous materials by rail; and third, also related to procurement, the State's use of alternative fuel and electric-hybrid vehicles.

In addition to the issues described above, the committee may consider other issues that arise during the course of the interim and any issues which may be referred to it by the Legislative Policy Committee.

Respectfully submitted,

Paula C. Hollinger
Chair

cc: Lynne Porter

May 30, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

The Senate Finance Committee has identified issues to be reviewed during the 2003 interim. The committee's proposed schedule for several one-day site visits and several meetings in Annapolis is enclosed.

Please contact me or the committee staff, Tami Burt, Cheryl Matricciani, or Dave Smulski at (410) 946-5530 if you have questions concerning this schedule.

Very truly yours,



Thomas McLain Middleton

TMM/TDB/ncs
Enclosure

cc: Mr. Karl Aro
Mr. Warren Deschenaux
Ms. Lynne Porter
Mr. Tim Perry
Mr. Tom Lewis
Mr. John Favazza
Ms. Kristin Jones

Senate Finance Committee
2003 Interim – Proposed Schedule
Senator Thomas M. Middleton, Chairman

June 11, 2003 (Meeting in Annapolis – Joint with House Health and Government Operations Committee)

- Briefing on the Enactment of SB 772/HB 1179 (CareFirst reform)

July 15 or 16, 2003 (One-day Site Visit)

- Thoroughbred Horse Farm
- Standardbred Horse Farm

September 23 or 24, 2003 (Meeting in Annapolis)

- Small Group Briefing
- Maryland Health Insurance Plan Update

October 8, 2003 (One-day Site Visit to Baltimore – Joint with House Economic Matters Committee)

- Public Service Commission and Office of Peoples Counsel
 - Update on competition in electric restructuring
 - Update on the SOS settlement agreement
- Constellation Energy Services (CES)
 - CES's electricity business
 - CES's experience with renewable energy
 - Tour of the CES's trading floor
- PJM Interconnection (a regional transmission organization)
 - PJM's role in the U.S. electric system
 - Impact of renewable energy on the grid

October 21 or 22, 2003 (One-day Site Visit to Charles County)

- LaPlata's rebuilding efforts
- Charles County Tourism Division
- Local Hospital
- Local Health Department

November 4 or 5, 2003 and December 9 or 10, 2003 (Meetings in Annapolis)

- Briefing on Renewables Energy Portfolio
- Briefing on Aggregation
- Briefing on Energy Savings Investment Program
- Briefing on Open Heart CON
- Update on Welfare Reform
- Report on Workers' Compensation Risk Management (Budget and Management)
- Briefings on Insurance Issues (NCOIL)
- Briefing on MCO payments (PSO v. non-PSO providers)
- Briefing on Physicians' Trauma Fund Methodology
- Update on Unemployment Insurance Task Force (Possible)

Committee Staff: Tami Burt, Cheryl Matricciani, and Dave Smulski (410) 946-5530

May 30, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Dear President Miller and Speaker Busch:

This is in response to your memorandum dated May 6, 2003 requesting a tentative agenda from the Judicial Proceedings Committee for the 2003 interim.

The committee will hold a briefing on proposed Judicial Conference Legislation, and has tentative plans to visit various juvenile facilities. These activities will be joint with the House Judiciary Committee.

Judicial Conference Legislation

Senate Bill 266/House Bill 183, *Permanency for Families and Children Act of 2003*, were introduced on behalf of the Maryland Judicial Conference last session. These bills would have substantively revised the laws relating to termination of parental rights, guardianship with the right to consent to adoption or long-term care short of adoption, and adoption. However, due to the complexity of the legislation, the Judicial Conference believed that further revision was necessary and, accordingly, withdrew the bills before their scheduled hearing dates. In seeking the withdrawal, Chief Judge Bell requested the opportunity to submit a revised proposal and hold a briefing for the Judicial Proceedings and Judiciary Committees during the 2003 interim with an eye toward reintroduction in the 2004 session. In response to Judge Bell's request, the committees have scheduled a joint briefing on October 7, 2003.

Juvenile Facility Site Visits

Various problems with the State juvenile facilities have led to increased attention to facility safety and juvenile service program effectiveness in recent years. The Cheltenham Juvenile Facility in Prince George's County has most recently been the subject of scrutiny as the State examines the best use of that facility.

Legislative Policy Committee
May 30, 2003
Page 2

The committee is tentatively planning a fall site visit with the House Judiciary Committee to the Cheltenham facility as well as the juvenile facility in Fairfax County, Virginia, which has largely been recognized as a model juvenile program. The committees hope to examine the differences between the facilities to see if similar reforms might be feasible in Maryland.

The committee is also tentatively planning an additional site visit with the House Judiciary Committee later in the fall to tour the new Baltimore juvenile detention center and the Charles H. Hickey, Jr. School in Baltimore County. A recently released audit of the Hickey School revealed numerous concerns with the quality of the educational program offered at the facility. As a result, during the 2003 session, the General Assembly passed House Bill 860 (Chapter 53, Acts of 2003), which, in addition to renaming the Department of Juvenile Justice to be the Department of Juvenile Services, transferred the educational program at the Charles H. Hickey, Jr. School from the Department of Juvenile Services to the State Department of Education, effective July 1, 2004, contingent on funds being included in the fiscal 2005 budget.

Sincerely,

B

Brian E. Frosh
Chairman

BEF:jm

cc: Committee Members
Karl S. Aro
Lynne B. Porter
Warren G. Deschenaux
Carol L. Swan
Timothy A. Perry

May 28, 2003

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate

The Honorable Michael E. Busch
Speaker of the House of Delegates

Gentlemen:

I am pleased to provide the 2003 interim schedule for the House Appropriations Committee and its standing subcommittees to the Legislative Policy Committee. In light of the State's current fiscal crisis, the Appropriations Committee has a fairly heavy interim schedule planned. The full committee will hold several briefings on the State's budget issues, including an examination of the budgetary actions taken by other states. We will also review the budgetary effects of implementing the Bridge to Excellence in Public Schools Act (i.e. Thornton legislation) and the federal No Child Left Behind Act. Where appropriate, we will work with our counterparts on the Senate Budget and Taxation Committee. The full committee also plans to visit sites in Baltimore City and on the Eastern Shore. We will conclude our interim work with a committee retreat in December to prepare for the 2004 legislative session.

The subcommittees will also hold a limited number of meetings this interim focused on specific items of interest within each subcommittees' subject area jurisdiction. When appropriate, the subcommittees will meet jointly with other House and Senate committees.

I look forward to a productive and informative 2003 interim.

Sincerely,

Howard P. Rawlings, Chairman
House Committee on Appropriations

Enclosures

cc: Members, Appropriations Committee

House Appropriations Committee

Delegate Howard P. Rawlings, Chairman
Delegate Norman Conway, Vice Chairman

Full Committee - 2003 Interim Schedule (as of 6/23/03)

Date	Day	Time	Subject
July 15	Tues.	1:30 p.m.	<u>Fiscal Briefing I</u> : Revenue and Budget Updates from the Department of Legislative Services and Department of Budget and Management.
Aug. 26	Tues.	All Day	<u>Site Visit - Eastern Shore</u> : Salisbury University, Salisbury Zoo, Peninsula Regional Medical Center, economic development projects, Glatfelter land purchase
Sept. 17	Wed.	All Day	<u>Site Visit - Baltimore City</u> : Montebello Elementary School, Pimlico Middle School, American Visionary Arts Museum, UMMS new emergency department, UMB Health Sciences Facility II, Hippodrome/Westside Development, Stadium Authority, Camden Yards
Sept. 23	Tues.	1:30 p.m.	<u>Fiscal Briefing II</u> : NCSL on budgetary actions in other states to resolve deficits and status of reserve funds/bond ratings; preliminary revised revenue estimates; debt affordability limit. Joint with B&T.
Oct. 7	Tues.	1:30 p.m.	<u>Thornton Briefing I</u> : Review of Bridge to Excellence in Public Schools Act (i.e. Thornton).
Oct. 21	Tues.	30 p.m.	<u>Fiscal Briefing III</u> : FY 2003 closeout, DL S revenue estimates, implementation of Governor's budget cuts, and baseline budget projections.
Nov. 4	Tues.	1:30 p.m.	<u>Thornton Briefing II</u> : Implementation of Bridge to Excellence Act and federal No Child Left Behind Act.
Nov 25	Tues.	1:30 p.m.	<u>Briefing - Baltimore City Public Schools</u> : Efforts to Reduce Budget Deficits and Audit Findings and Recommendations
Dec 10 & 11	Wed. & Thurs.	All Day	<u>Committee Retreat</u> : Preparation for 2004 session House Office Building, Annapolis

Note: Meetings are subject to change. The public hearing schedule will contain the most up to date information.

Direct inquiries to:

Rachel Hise, Leslie Knapp, Shannon McMahon, or Malachy Rice; Department of Legislative Services; 410-946-5510 or 301-970-5510; or Peg McCloskey at 410-841-3407 or 301-858-3407

House Appropriations Committee

Delegate Howard P. Rawlings, Chairman
Delegate Norman Conway, Vice Chairman

Subcommittees - 2003 Interim Schedule (as of 6/23/03)

Date	Day	Time	Subcommittee & Location	Subject
July 15	Tues.	9:30 a.m.	PSA 211 HOB	Briefing on Maryland Commission on Correctional Standards (MCCS) and homeland security (MSP)
August 5	Tues.	All Day	HHR CAP	Site visit to Cr ownsville and Spring Grove Hospitals. Joint with Senate HHS and Capital Budget Subcommittees.
August 6	Wed.	All Day	EED PSA	Site visit to Cheltenham, update on federal investigation and future use of the facility
Sept. 10	Wed.	All Day	EED	Site visit to Hickey School, Morgan State University, School for the Blind
		All Day	PSA	Site visit to Anne Arundel County Detention Center and Baltimore "Super Max" facility
Sept. 23	Tues.	10:00 a.m.	PSA	Briefing on caseload backlog for Baltimore City, including pretrial detention services and feasibility of night court. Joint with PSTE.
		10:00 a.m.	T&E 431 HOB	Briefing on State highway funding and major highway projects
Oct. 7	Tues.	10:00 a.m.	T&E 431 HOB	Briefing on State mass transit funding and major transit projects
		10:00 a.m.	EED 130 HOB	Briefing on implementation of budget cuts in higher education and impact on tuition and access
Oct. 21	Tues.	10:00 a.m.	Personnel 130 HOB	Briefing on the State Employee and Retiree Health and Welfare Benefits Programs - House Bill 1183 of 2003

Date	Day	Time	Subcommittee & Location	Subject
Nov. 4	Tues.	10:00 a.m.	EED PSA 130 HOB	Briefing on the Department of Juvenile Services: updates on the Baltimore Juvenile Justice Center, FY 2004 reform initiatives, transfer of educational responsibilities to MSDE
		10:00 a.m.	HHR 406 HOB	Briefings on: (1) federal funding status of the Maryland Children's Health Insurance Program; and (2) implementation of the Medicaid Preferred Drug List; (3) findings of Office of Legislative Audits on Maryland Medical Assistance Program
		10:00 a.m.	T&E 431 HOB	Briefings on the Port of Baltimore and Baltimore-Washington International Airport, possible sale of M DOT assets, Governor's Transportation Commission
Nov. 25	Tues.	10:00 a.m.	T&E 431 HOB	Briefing on the impact of budget decisions on environmental programs
Dec. 2	Tues.	1:00 p.m.	HHR	Briefing on the status of Welfare Reform in Maryland. Joint with the Joint Committee on Welfare Reform.

Note:

Subcommittee	Chairman	Vice Chairman	Staff
CAP = Subcommittee on the Capital Budget	Del. Norman Conway	Del. Melony Griffith	Rachel Hise Malachy Rice Leslie Knapp Shannon McMahon
EED = Subcommittee on Education and Economic Development	Del. James Proctor	Del. Frank Turner	Rachel Hise Malachy Rice
HHR = Subcommittee on Health and Human Resources	Del. Van Mitchell	Del. Talmadge Branch	Shannon McMahon
PSA = Subcommittee on Public Safety and Administration	Del. Joan Cadden	Del. Charles Barkley	Leslie Knapp
T&E = Subcommittee on Transportation and the Environment	Del. Peter Franchot	Del. Mary-Dulany James	Malachy Rice
Personnel = Oversight Committee on			

Personnel

Del. George Edwards

Shannon McMahon

HOB = House Office Building

May

30, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

This letter is in response to your memorandum dated May 6, 2003, requesting a tentative agenda and proposed meeting schedule for the House Health and Government Operations Committee during the 2003 interim. Although the interim schedule of the House Health and Government Operations Committee has not been finalized, set forth below are several issues that the Committee intends to study.

CareFirst

Chapter 357 of 2003 reforms the mission, board of directors, and officer compensation of CareFirst, Inc. Following enactment, the BlueCross and BlueShield Association revoked its license agreement with CareFirst, prohibiting the company from using the "Blues" trademarks. The Association objected to provisions of the legislation that, according to the Association, amounts to State control over CareFirst. A U.S. District Court has stayed the revocation and ordered the parties to negotiate an agreement. The parties go back to the court on June 3. The Committee will hold a joint briefing with the Senate Finance Committee on June 11 to discuss the actions taken with regard to the legislation and the impact of those actions on implementation.

Small Group Market Reform

Chapter 93 of 2003 requires the Maryland Health Care Commission to report on administrative costs of health plans, the methodology used in developing the standard benefit plan, and the feasibility of creating a basic plan in addition to the standard plan in the small group market. The Committee will hear from the Commission and stakeholders on these issues.

Prescription Drug Issues – Cost and Access

The rising costs of prescription drugs and the absence of a federal prescription drug benefit for senior citizens continue to be a major health policy issue for the State. The Committee intends to hold a briefing on several issues related to controlling the costs and providing increased access to prescription drugs. The briefing will include:

- An update from the Department of Health and Mental Hygiene (DHMH) on the preferred drug list being developed within the Medicaid fee-for-service program;
- Updates from DHMH and CareFirst on the Maryland Pharmacy Discount Program and the Senior Prescription Drug Program;
- A review of the ethics guidelines developed by the Pharmaceutical Research and Manufacturers of America related to gifts and incentives provided to health care professionals by drug manufacturers (House Bills 188 and 548); and
- Methods to increase access to prescription drugs, including the feasibility of requiring a pharmacy that participates in the Medicaid program to charge Medicare beneficiaries a price that does not exceed the price charged to Medicaid recipients (House Bill 725).

Minority Business Enterprises

Chapter 339 of 2001 established the current overall goal of 25 percent for the total value of contracts being awarded to certified minority business enterprises (MBE) and separate goals of 7 percent for African American businesses and 10 percent for woman-owned businesses. The 2001 enactment also revised the definition of MBE to require the management of daily business operations by one or more socially and economically disadvantaged individuals who are also owners. Procurement units are required to implement a program enabling the unit to evaluate each contract to determine the appropriateness of the goal and meet the maximum feasible portion of the goals by using race neutral measures to facilitate MBE participation in the procurement process.

The Committee will monitor two bills passed during the 2003 session related to MBEs. Chapter 402 of 2003 requires most of the agencies that are exempt from the State procurement law to comply with the State's MBE requirements. The bill also requires the Board of Public Works to keep a record of the number of MBE waivers requested and granted each year and submit a copy of the record to the General Assembly each year. Chapter 353 of 2003 provides that when a certified MBE contractor becomes ineligible for the MBE program because the personal net worth of the owner exceeds the program amount, that ineligibility alone is not sufficient to terminate the contractual relationship for the remainder of the contract term. The bill also mandates a study related to the current personal net worth requirement. The Committee intends to closely follow the

effect of the above two bills, and to examine other issues related to the State's MBE program.

Additional Briefings and Site Visits

In addition to the issues identified above the Committee intends to examine several other issues raised during the 2003 session including the use of restraints and seclusions on individuals in mental health facilities (House Bill 895), and alternatives to custody relinquishment. The Committee will also monitor the progress of legislation passed during the 2003 session, including the Task Force to Study Efficiency in Procurement (Chapter 386 of 2003), the funding of trauma centers (Chapter 385 of 2003), and the Task Force to Study Access to Mental Health Services (Chapter 224 of 2003). Lastly, the Committee will monitor implementation of the new Maryland Health Insurance Plan created by Chapter 153 of 2002 and will review the Certificate of Need program.

The Committee is planning to conduct several site visits during the interim to learn more about issues within the Committee's jurisdiction. The Committee plans to visit an urban and a rural federally qualified health center, a state mental hospital, the Shock Trauma Center, the Maryland Institute for Emergency Medical Services Systems, and a residential child care center. A retreat is also planned for the fall in which the Committee will receive updates from various departments under the Committee's jurisdiction including DHMH, the Maryland Health Care Commission, the Health Services Cost Review Commission, the Maryland Health Care Foundation, the Maryland Insurance Administration, and the Department of Budget and Management.

Additionally, the House Health and Government Operations Committee is prepared to handle any other issues that arise or any matters referred to the Committee by the Legislative Policy Committee.

Sincerely,

J

ohn A. Hurson
Chairman

cc: Lynne B. Porter, 200 LSB

May 12, 2003

The Honorable Thomas V. "Mike" Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee
State House
Annapolis, Maryland 21401

Ladies and Gentlemen:

This letter is in response to your letter requesting a tentative agenda and proposed meeting schedule of the House Economic Matters Committee. Although the committee accomplished much during the 2003 Session, we have identified several issues that require further work during the Interim.

The full committee will meet in July and then monthly from September through November. Additionally, subcommittees may meet periodically throughout the Interim as matters are referred to them.

Interim Study Topics

Title Insurance

During the 2003 Session, the committee considered House Bills 197 and 802 concerning misuse of funds received by title insurance producers. Both bills would have required a title insurer to be responsible for the trust monies converted or misappropriated by its title insurance producer. The latter bill also included fees, methods for determining liability of one or more title insurers, and reimbursable loss amounts. Recognizing that the problem of conversion and misappropriation of trust monies is a serious matter of continuing concern, the committee intends to investigate it further and to develop a recommended solution for the coming session.

Public Utilities

At the start of the 2003 Session, the subject matter jurisdiction of the Economic Matters Committee was expanded to include public utility issues previously handled by other committees in

the House of Delegates. During the interim the committee will familiarize itself with public utility issues likely to come before the General Assembly during the remainder of this term.

In particular, the committee intends to explore the restructured electric utility industry, including the generation, transmission, and distribution segments of the industry. House Bill 24 and Senate Bill 37, each of which passed the House, would have authorized local governments to aggregate residential and small commercial electric demand as a means of obtaining advantageous pricing for their citizens compared with standard offer service. The committee will study this issue jointly with the Senate Finance Committee.

In the area of electric generation, the committee plans to study renewable energy sources and means to promote their use in Maryland. House Bills 370 and 752 would have established renewable portfolio standards for retail electricity products sold in the State, including a mandatory minimum of electricity generated from qualifying renewable resources. There was considerable debate but little consensus during the session on the scope of resources that would qualify for inclusion, and on the appropriate mechanisms for achieving compliance. In addition, House Bill 669 dealt with net energy metering for wind power, one of the qualifying renewable sources. With further study, the committee hopes to achieve a consensus from which to develop comprehensive renewable energy legislation for the 2004 Session.

Workers' Compensation

Several local bills were introduced to establish or alter presumptions on compensability for conditions through the Workers' Compensation system. These bills raised Statewide issues, including potentially far-reaching effects on funding and compensation issues, as well as equity issues in the disparate treatment of similarly situated individuals in other parts of the State. The committee believes that an interim study of presumptions in workers' compensation will help to develop a consensus on appropriate policy in future sessions.

Privacy and Identity Theft

Several bills were introduced in the 2003 session concerning privacy and identity theft. The widespread use of the Social Security number as a unique identifier by insurers and other commercial institutions may increase the opportunity for identity theft. House Bill 692 would have prohibited the disclosure of Social Security numbers under specified circumstances, and made a violation an unfair or deceptive trade practice. Although the committee was sympathetic to the issues raised by this bill, significant opposition surfaced from governmental and educational institutions that might have been affected. The committee referred the bill to interim study, in the hope of finding an acceptable solution to the issues of privacy and disclosure of Social Security numbers.

Other

Following up on legislation that passed the House during the 2002 session, House Bills 13 and 756 proposed compromise solutions to the regulation of crematoria that are located at mortuaries and cemeteries and those that are unaffiliated. Under current law, there is no single standard for operation of these facilities. Although the bills failed again during this session, the committee intends to explore further the available options for regulation of this important industry.

The committee also wishes to ensure that the programmatic review by the Unemployment Insurance Funding Task Force created under Senate Bill 765 is fully supported. The committee intends to monitor the progress of the task force, which is charged with reporting back to the General Assembly with any recommendations for change.

In addition to these specific study topics, the interim schedule will include appropriate site visits and informational briefings. Additional topics may be suggested at the committee's organizational meeting. If you have any questions, please do not hesitate to contact me.

Sincerely,

Dereck E. Davis
Chairman

DED/rks

cc: Karl S. Aro
Warren G. Deschenaux
Michael I. Volk
Lynn B. Porter

TO: President Thomas V. Mike Miller, Jr.
Speaker Michael E. Busch

FR: Delegate Maggie McIntosh

DT: May 21, 2003

RE: Study Items for the 2003 Legislative Interim

Thank you for the recent memorandum of May 6, 2003, concerning the standing committees plans for the 2003 Legislative Interim. I am pleased to respond with the tentative Environmental Matters Committee interim visit and briefing schedule, which is attached for your review and approval.

Our schedule is due to begin with a visit to Baltimore City on June 18th. Please note that we have scheduled one visit for July 30th which is an off-cycle visit dealing with lead paint issues.

We will be pleased to forward any additional information that you may require.

/ljg

cc: Karl Aro
Lynne B. Porter
Warren G. Deschenaux
Michael I. Volk

ENVIRONMENTAL MATTERS COMMITTEE

2003 Interim Calendar Tentative Meeting Dates

SITE VISITS

Tuesday, June 18, 2003 – Baltimore City – Housing Issues

- 11:45 am Arrive Camden Yards, MTA transportation to Johns Hopkins Hospital Campus
- 12:15 pm Lunch with Mayor O'Malley (invited to speak), Johns Hopkins Hospital Campus
- 1:30 pm Tour of Patterson Park Community Development Corporation Housing
- 2:30 pm Briefing and Tour of the East Baltimore Bio Tech Park
- 4:00 pm Brownfields Briefing and Tour
- 5:30 pm Return to Camden Yards
- 7:05 pm Orioles vs. Toronto Ball Game, Governor's Box

Tuesday, July 1, 2003 – Maryland Port Administration Visit and Tour of Hart-Miller Island – Dredging Issues

12 pm – 4 pm (including lunch)

Tuesday, July 15, 2003 – Frederick Visit - Energy

- 9:00 am Arrive Camden Yards, MTA transportation to Frederick, Maryland
- 10 – 3 pm Visit Solar Energy site and Methane Farm

Wednesday, July 30, 2003 – Baltimore – Lead Paint

- 1 – 4 pm Kennedy Krieger Visit and briefing on lead paint abatement including Ruth Ann Norton and the Lead Paint Coalition

Tuesday, August 5, 2003 – Southern Maryland Site Visit – Natural Resources

- 8 am Leave Annapolis by MTA transportation for Southern MD
- 10 am Arrive Aquaculture site visit
- Noon Lunch in Chesapeake Bay Beach with the Mayor followed by fishing trip
- 4:00 Return to Annapolis

Tuesday, August 26, 2003 – Eastern Shore – Agriculture and Environment

- 8 am Leave Annapolis by bus
- Wicomico Land Fill visit for tour and briefing on disposal of mercury and cathode ray tubes
- Visit and tour to Perdue Chicken Farm
- Possible DNR briefing on Critical Areas and Coastal Bays
- 4:30 pm Return to Annapolis

Other possible visits for the fall:

- GM Plant on Broening Highway – Transportation and alternative fuels
- Montgomery County – Housing/Transportation/Smart Growth
- Shore Visit – Environment/Innovative use of dredging materials/Natural Resources
- Retreat – November

ENVIRONMENTAL MATTERS COMMITTEE

2003 Interim Schedule **Tentative Meeting Schedule**

Agriculture

- nutrient management (fall)

Environment

- Brownfields Task Force (fall)
- Task Force on Water Resource Management (fall)
- Compliance by landlords with lead risk reduction laws

Housing

- ratio utility bills systems (RUBS) in leased multi-family dwelling units
- compliance by landlords with lead risk reduction laws
- Governor's Commission on Housing Policy

Natural Resources

- Task Force to study the feasibility of licensing boaters

Transportation

- federal Mandates re: commercial driver's licenses

May 29, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

The House Judiciary Committee has identified the following subject areas for possible study during the 2003 interim.

Judicial Conference Legislation

Senate Bill 266/House Bill 183, Permanency for Families and Children Act of 2003, were introduced on behalf of the Maryland Judicial Conference last session. These bills would have substantively revised the laws relating to termination of parental rights, guardianships with the right to consent to adoption or long-term care short of adoption, and adoptions. However, due to the complexity of the legislation, the Judicial Conference believed that further revision was necessary and, accordingly, withdrew the bills before their scheduled hearing dates. In seeking the withdrawal, Chief Judge Bell requested the opportunity to submit a revised proposal and hold a briefing for the House Judiciary and Senate Judicial Proceedings committees during the 2003 interim with an eye toward reintroduction in the 2004 session. In response to Judge Bell's request, the committees have scheduled a joint briefing on the revised proposal.

Site Visits to Juvenile Facilities

The House Judiciary Committee plans to join the Senate Judicial Proceedings Committee on two days of site visits to various juvenile facilities.

Charles H. Hickey, Jr. School and Baltimore City Juvenile Justice Center

The Charles H. Hickey, Jr. School is a State-owned, privately operated facility for children committed to the Department of Juvenile Services. A recently released audit of the Hickey School revealed numerous concerns with the quality of the educational program offered at the facility. As a result, during the 2003 session, the General Assembly passed House Bill 860 (Chapter 53, Acts of 2003), which, in addition to renaming the Department of Juvenile Justice to be the Department of

Juvenile Services, transferred the educational program at the Charles H. Hickey, Jr. School from the Department of Juvenile Services to the State Department of Education, effective July 1, 2004, contingent on funds being included in the fiscal 2005 budget. The House Judiciary and Senate Judicial Proceedings Committees intend to conduct a joint site visit to the Hickey School during the 2003 interim.

Additionally, both committees plan to visit the new Baltimore City Juvenile Justice Center. The center will serve as a centralized regional intake, assessment, court, and detention facility for Baltimore City youth.

Cheltenham Youth Facility and Fairfax County (Virginia) Juvenile Detention Facility

The House Judiciary and Senate Judicial Proceedings committees also anticipate touring the Cheltenham Youth Facility and the Fairfax County (Virginia) Juvenile Detention Facility.

The Cheltenham Youth Facility is a State-owned detention facility that houses children who are awaiting trial or removal to another facility. For years Cheltenham has been plagued by complaints of chronic overcrowding, inadequate staffing, and abuse and neglect of residents, which has prompted juvenile justice advocates to pressure the State to close the facility. By contrast, the Fairfax County Juvenile Detention Facility has been recognized by some groups as a model juvenile program. The committees are interested in examining the differences between the facilities to see whether similar reforms might be feasible in Maryland.

Procedure for Compensation of Individuals Erroneously Convicted and Imprisoned

Under current law, an individual who receives a full pardon from the Governor stating that it has been conclusively shown that the conviction and imprisonment was in error for a crime that the individual did not commit may apply to the Board of Public Works for compensation.

Several bills have been introduced in the past few years that would have altered the procedures used for awarding compensation of any individual who was erroneously convicted and imprisoned for a crime that was later shown conclusively that the individual did not commit. These legislative proposals coincided to some extent with a few high profile cases in which innocent individuals have been released after long periods of incarceration for crimes they were found to have not committed.

In anticipation of continuing legislative interest in this area, the committee plans to review in detail the current Maryland procedures used for compensating these individuals as well as survey the laws of other states on this subject.

May 29, 2003
Page 3

Uniform Disclaimer of Property Interests Act

During the 2003 session of the General Assembly, the committee considered House Bill 59/Senate Bill 402, Maryland Uniform Disclaimer of Property Interests Act, which were requested by the Estates and Trusts Section of the Maryland State Bar Association. The bills would have revised the current procedures, originally enacted in 1978, for disclaimers of succession to property interests created by will, intestacy, or the exercise of testamentary powers of appointment by incorporating into State law the Uniform Disclaimers of Property Interests Act of 1999.

Although House Bill 59/Senate Bill 402 of 2003 were not reported favorably, the committee indicated an interest in examining the proposed legislation as part of its interim activities.

A proposed schedule of meeting dates will be formulated in the near future.

Respectfully submitted,

Joseph F. Vallario, Jr.
Chairman
House Judiciary Committee

JFV/DRN:LCN/cdm

cc: Karl Aro
Warren G. Deschenaux
Lynne B. Porter
Carol L. Swan
Michael I. Volk

May 30, 2003

The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Michael E. Busch, Speaker of the House
The Honorable Members of the Legislative Policy Committee

Ladies and Gentlemen:

The House Committee on Ways and Means respectfully submits its schedule for the 2003 interim. A list of the issues that will be studied is provided; the list is primarily focused on policy areas that emerged during the 2003 session. The schedule includes dates for activities related to the study of video lottery terminals; I will advise you of the particular topics and locations when those are scheduled.

The committee's organizational meeting will be held on Tuesday, June 17 at 1:00 p.m. If you have any questions, please do not hesitate to contact me.

Sincerely,

Sheila E. Hixson
Chairman

cc: Lynne B. Porter

House Ways and Means Committee

Delegate Sheila E. Hixson, Chairman

2003 Tentative Interim Meeting Schedule

(NOTE: Meeting dates and times are subject to change.)

Date	Day	Time	Subject
June 17	Tues.	1:00 p.m.	<u>Organizational Meeting</u>
July 17	Thurs.	1:00 p.m.	<u>Full Committee Briefing</u>
			Revenue Outlook and Overview of 2003 Video Lottery Terminal Legislation by the Department of Legislative Services
Aug. 19	Tues.	All Day	<u>Full Committee Site Visit - Location TBA</u>
			Video Lottery Terminals Briefing and Public Hearing
Sept. 9	Tues.	All Day	<u>Full Committee Site Visit - Location TBA</u>
			Video Lottery Terminals Briefing and Public Hearing
Oct. 7	Tues.	All Day	<u>Full Committee Site Visit - Location TBA</u>
			Video Lottery Terminals Briefing and Public Hearing
Oct. 21	Tues.	All Day	<u>Full Committee Site Visit - Location TBA</u>
			Video Lottery Terminals Briefing and Public Hearing
Oct. 28	Tues.	10:00 a.m.	<u>Education Subcommittee Briefing</u>
			House Bill 345 - Prevention of Harassment and Intimidation in Public Schools
		1:00 p.m.	<u>Election Law Subcommittee Briefing</u>
			Overview of Election Law
Nov. 5	Wed.	10:00 a.m.	<u>Transportation Subcommittee Briefing</u>
			House Bill 928 - Motor Fuel Tax Rates for Clean Burning Fuel
		1:00 p.m.	<u>Children and Youth Subcommittee Briefing</u>
			House Bill 1013 - Qualifications of Direct Care Staff for

Date	Day	Time	Subject
			Residential Child Care Programs
Nov. 25	Tues.	1:00 p.m.	<u>Full Committee Work Session</u>
Dec. 8 & 9	Mon & Tues.	All Day	<u>Full Committee Retreat</u>

House Ways and Means Committee
List of 2003 Interim Study Issues

- **Senate Bill 322 and related bills - Video Lottery Terminals**

SB 322 would have provided for video lottery terminals at certain racetracks in the State and dedicated the revenues to various purposes.

- **House Bill 345 - Prevention of Harassment and Intimidation in Public Schools**

HB 345 would have prohibited a public school student from harassing or intimidating another student on school property, at a school event, or on a school bus.

- **House Bill 928 - Motor Fuel Tax Rates for Clean Burning Fuel**

HB 928 would have reduced the motor fuel tax rate for motor fuel that is at least 85% ethanol ("E85") from 23.5 cents for each gasoline-equivalent gallon to 17.3 cents for each gallon and created a new motor fuel tax rate for propane at 18.8 cents for each gallon.

- **House Bill 1013 - Qualifications of Direct Care Staff for Residential Child Care Programs**

HB 1013 would have raised the educational requirements for direct care staff in residential child care programs licensed by the Department of Human Resources (DHR), the Department of Juvenile Justice (DJJ), and the Department of Health and Mental Hygiene (DHMH).

- **Election Law Overview**

Overview of current statutes governing elections.

May 27, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

The Special Committee on Drug and Alcohol Abuse intends to investigate a number of topics during the 2003 interim. These topics include, but are not necessarily limited to, the following items:

- **Post-Incarceration Drug Treatment Issues:** One of the most profound challenges facing society is the reintegration of the individuals who leave state and federal prisons and return home each year. The fourfold increase in incarceration rates over the past 25 years has had far-reaching consequences. Nationally, one and a half million children have a parent in prison. Four million citizens have lost their right to vote. Inmates are leaving prison with less preparation for life on the outside, less assistance in the reintegration, and an increased likelihood of being returned to prison for new crimes or parole violations. This cycle of removal and return of large numbers of young adults, mostly men, is especially pronounced in communities that are already experiencing enormous disadvantage.
- **Development of a Plan for Unification of Treatment Services in the State:** Often State and local government turf battles erupt and get in the way of implementing effective treatment alternatives. The Governor's Office of Crime Control and Prevention has promised to draft an initial unification plan for the special committee.
- **The Infection Rates of Hepatitis C (and Other Pathogens) in State Prisons Resulting from Drug Abuse:** A recent report from the AIDS Administration and the Division of Correction points to higher than expected infection rates without effective treatment protocols.
- **The Baltimore City Grand Jury Report:** A grand jury asked to examine the treatment options available to drug offenders in Baltimore City and has recommended a shift away from arrests and jail terms and more emphasis on citations and a continuum of care and

May 27, 2003
Page 2

treatment for nonviolent offenders. The grand jury made four recommendations: (1) establish a continuum of care for substance abusers in Baltimore; (2) divert nonviolent offenders into a continuum of care rather than incarceration; (3) make use of criminal citations rather than arrests for certain offenders; and (4) revisit the idea of publicly regulated illicit drug distribution to addicts. An earlier grand jury had described the extent and impact of drug use in Baltimore as involving 60,000 users, nearly 6,000 people charged with felony narcotics violations a year, and a cost to the city in the billions.

While the committee may not be able to address all of these issues in depth, we expect to begin organizing our interim efforts by mid-June. I appreciate your interest in the committee's work. Please let me know if you have any questions about our proposed plan.

Sincerely,

Pauline H. Menes, Chair

PHM/GC/cdm

cc: Members of the House Special Committee on Drug and Alcohol Abuse
Senator Ralph M. Hughes
Lynne B. Porter
Michael I. Volk
Guy Cherry
Sue McNamee
Suzanne Owen

May 29, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

This is in response to your memorandum dated May 6, 2003, requesting a tentative agenda from the Special Committee on Substance Abuse for the 2003 interim.

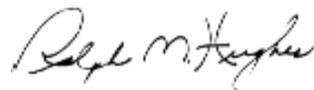
The committee plans to meet on July 8 to discuss the Baltimore City Grand Jury report from the January term, specifically, decriminalization of drugs.

The committee will hold a hearing in Baltimore in September to solicit input from the community regarding decriminalization of drugs.

Lastly, the committee will meet in November to wrap-up the interim.

Thank you for your interest in the committee's work.

Sincerely,



Ralph M. Hughes, Chairman
Special Committee on Substance Abuse

RMH/DRG/shj

cc: Karl Aro
Warren G. Deschenaux
Michael I. Volk

May 22, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chair
The Honorable Michael E. Busch, Co-Chair
Members of the Legislative Policy Committee

Ladies and Gentlemen:

As in previous years, the Joint Committee on Administrative, Executive, and Legislative Review (AELR) anticipates that its 2003 interim agenda and meeting schedule will be largely determined by the nature and frequency of proposed emergency and nonemergency regulations submitted to the committee for review, which cannot be predicted at this time. The committee will continue to endeavor to keep its meeting schedule during the interim to a minimum by consolidating as much work as possible on those days when meetings are necessary.

Sincerely,

Delegate John F. Wood, Jr.
Presiding Chairman C

Senator Paul G. Pinsky
Chairman

JFW/PGP/CER/snr

June 10, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

The Joint Audit Committee has identified issues to be reviewed during the 2003 interim. The committee's proposed schedule for hearing several audits performed by the Legislative Auditor is enclosed.

Please contact the committee staff Ms. Karen Benton or Ms. Cheryl Matricciani at (410) 946-5530 if you have questions concerning this schedule.

Re spectfully submitted,

Senator Nathaniel J. McFadden, Chairman

Delegate Van T. Mitchell, Chairman

NJM:VTM/CFM/meg

Enclosure

bcc: Mr. Karl S. Aro
Mr. Warren G. Deschenaux
Ms. Lynne Porter
Mr. Tim Perry
Ms. Kristin Jones
Mr. Tom Lewis
Mr. John Favazza
Mr. Bruce Myers

Joint Audit Committee
2003 Interim - Proposed Schedule
Senator Nathaniel J. McFadden
Delegate Van T. Mitchell

September 16, 2003 @ 1:00 – Audits to be Presented in Annapolis

- Department of Budget and Management – Office of the Secretary
- Department of Juvenile Justice

October 28, 2003 @ 1:00 – Audits to be Presented in Annapolis

- Department of Health and Mental Hygiene – Medical Care Programs Administration
- Department of Health and Mental Hygiene – Developmental Disabilities Administration
- Statewide Corporate Purchasing Card Program – Performance Audit

December 3, 2003 @ 1:00 – Items for Consideration/Audits to be Presented in Annapolis

- Fraud Hotline – Status Report
- Status of Follow-up Audit Process
- Status of Repeat Audit Findings Process
- Comptroller of the Treasury – Revenue Administration Division
- For discussion – Proposed Legislation – AG Subpoena Power Legislation (SB 298/HB 485) and Forms Management Legislation

Joint Committee on Chesapeake and Atlantic Coastal Bays Critical Areas

June 4, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

We are writing in response to your request for an agenda of the interim work of the Joint Committee on Chesapeake and Atlantic Coastal Bays Critical Areas.

The joint committee has scheduled its first interim meeting for Wednesday, July 9, 2003. At that meeting the Critical Area Commission will brief the joint committee on the existing critical areas program, the implementation of the coastal bay program, and other issues of concern raised by members of the joint committee. At that meeting we will also schedule at least one site visit for late summer or early autumn. Finally, during this interim we plan to "walk through" the application process, so as to enhance our understanding of the critical area law and its application through local programs.

In addition to the plans outlined above, the joint committee may consider other issues that arise during the course of the interim and any issues that may be referred to it by the Legislative Policy Committee. We will be pleased to forward any additional information that you may request.

Respectfully submitted,

Senator Roy P. Dyson
Presiding Chairman

House

Delegate Barbara Frush
Chairman

RPD:BF/TPT:MGM/cdm

cc: Lynne B. Porter
Michael I. Volk

June 4, 2003

Honorable Thomas V. Mike Miller
President of the Senate
H-107 State House
Annapolis, Maryland 21401-1991

Honorable Michael E. Busch
Speaker of the House
101 State House
Annapolis, MD 21401-1991

Members of the Legislative Policy Committee

We respectfully submit to you the tentative 2003 interim topical agenda for the Joint Committee on Children, Youth, and Families. While precise dates have yet to be determined for several of our meetings, we plan to consider the following major issues, as follows.

The committee will meet July 1, 2003 at 2 p.m. to examine the Governor's goals for the Office of Children, Youth, and Families and how the Subcabinet for Children, Youth, and Families will respond to the Governor's veto of the \$135 million tax package and what further cuts they will be making that will affect services to children.

In a future meeting, the Committee will follow-up on the status of children entering school ready to learn.

The committee looks forward to an interesting and productive interim.

Sincerely,

Patrick J. Hogan
Senate Chairman

Sa
House

lima Siler Marriott
Chairman

June 5, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael Busch, Co-Chairman
The Honorable Members of the Legislative Policy Committee

Ladies and Gentlemen:

During the 2003 interim, the Joint Committee on Federal Relations plans to examine the following federal issues that affect Maryland:

- reauthorization of Temporary Aid to Needy Families (TANF) and the Transportation Equity Act for the 21st Century (TEA-21);
- impact of the recently enacted Jobs and Growth Tax Relief Reconciliation Act of 2003 on State revenues, as well as the use of new grant funds and increased Medicaid payments;
- federal educational policy and funding related to testing, vocational education, and Head Start;
- potential legislation regarding financial privacy, identity theft, and unsolicited commercial electronic mail (spam), as well as the impact of federal medical privacy law on constituent response; and
- the impact of federal subsidized housing policies on the private sector.

We will be monitoring the federal appropriations process in regard to State programs and federal grants for anti-terrorism efforts, as well as any other important legislation that arises this year. The committee will also track the resolution of unspent State Children's Health Insurance Program (SCHIP) funds that reverted to the federal treasury in September 2002.

We expect to meet with the Maryland congressional delegation, if possible, to discuss current budgetary and policy concerns. In addition, the committee will conduct its annual review of interstate compacts, oversight of intergovernmental relations, and local government audits.

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael Busch, Co-Chairman
The Honorable Members of the Legislative Policy Committee
June 5, 2003
Page 2

The following interstate compacts are slated for review in 2003:

- (1) Compact for Education
- (2) Interstate Library Compact
- (3) Interstate Compact on Mental Health
- (4) Interstate Compact on the Placement of Children
- (5) Interstate Agreement on the Qualifications of Educational Personnel
- (6) Southern Regional Educational Compact
- (7) Interstate Compact on Adoption and Medical Assistance
- (8) Nurse Multi-State Licensure Compact
- (9) Interstate Wildlife Violator Compact

We are planning to hold at least one meeting during the summer and three meetings this fall, concluding with the annual work session in December. The committee will meet on off-cycle Tuesdays from 10 a.m. to noon. We hope you find the proposed agenda useful and appreciate your support and interest.

Sincerely,

Senator Jennie M. Forehand
Senate Chairman P

Delegate Henry B. Heller
residing Chairman

cc: Karl S. Aro
Lynne B. Porter
Mike Volk
Members, Joint Committee on Federal Relations

May 30, 2003

Honorable Thomas V. Mike Miller, Jr., President of the Senate
Honorable Michael E. Busch, Speaker of the House
Members of the Legislative Policy Committee

Ladies and Gentlemen:

We respectfully submit to you the tentative 2003 interim topical agenda for the Joint Committee on Health Care Delivery and Financing. While precise dates have yet to be determined for our meetings, we plan to consider several major issues this fall, as follows.

First, the committee will examine the issue of implementing a long-term care managed care waiver in Maryland's Medicaid program, permitting the State to provide long-term care through a managed care system. Second, the committee will continue to examine Maryland's assisted living waivers, such as the Waiver for Older Adults and the Living at Home Waiver for individuals with physical disabilities, and explore ways to expand enrollment in the waivers. Finally, the committee will continue to monitor issues in Maryland's public mental health system, such as proper implementation of the State's mental health parity law and adequate utilization of mental health care resources for individuals with substance abuse problems.

The committee looks forward to an interesting and productive interim.

Sincerely,

Paula C. Hollinger
Senate Chairman

Ma
House

rilyn R. Goldwater
Chairman

PCH:MRG/SDJ/lc

June 3, 2003

Honorable Thomas V. Mike Miller, Jr.
Honorable Michael E. Busch
Members, Legislative Policy Committee

Ladies and Gentlemen:

The Joint Committee on Legislative Ethics will continue its usual interim policy of scheduling meetings on an as-needed basis to address requests for ethics opinions and to review filings of disclosure and disclaimer forms. Additionally, the Joint Ethics Committee may be called upon to respond to ethics-related complaints and will schedule any such proceedings in the manner required by law.

Sincerely,

Norman R. Stone
Senate Chairman

J
House

ohn S. Arnick
Chairman

/mlc

June 1, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

This correspondence is to inform you of the agenda for the Joint Committee on the Management of Public Funds for the 2003 interim. We intend to discuss the priorities of the State Treasurer and the State Comptroller, as well as follow up on any other issues that come to our attention during the interim that affect public funds management.

In advance of any committee meetings, the chairmen plan to meet with the Comptroller to explore ways to establish a more active working relationship. We feel that we have an active working relationship with the Treasurer's Office. As a result, the Treasurer kept the committee informed of her legislative priorities. The committee sponsored all of the legislation requested by her office and our members worked to ensure passage of that legislation by the General Assembly. All of her requested legislation has been signed by the Governor. We would like to establish a similar working relationship with the Comptroller and the committee would like to have the opportunity to consider sponsorship of appropriate legislative initiatives from the Comptroller's Office before they are sponsored by other legislative committees or members. We hope to meet with the Comptroller early in July, schedules permitting.

We are planning one committee meeting for the middle of July. We will then meet on October 14 and on November 18, 2003. We also wish to attend the final meeting of the Joint Committee on Pensions, which is currently scheduled for early December. Our July meeting would be at the time of the next scheduled general obligation bond sale, which is on July 16, 2003. Because that date is an on-cycle Wednesday, at this time, we are asking permission for the committee to meet on that date to attend the bond sale. Otherwise, we plan to meet at 1:00 p.m. on off-cycle Tuesdays. Meetings are expected to last about two hours.

The interim agenda is as follows:

- **July:** We intend to receive a briefing from the Treasurer's Office about the State bond rating and implementation of sales of taxable bond instruments by the State (authorized by Senate Bill 319, enacted as Chapter 235, Acts of 2003). The committee then plans to attend the bond sale in the Assembly Room of the Goldstein Treasury Building.

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Bush, Co-Chairman
Members of the Legislative Policy Committee
June 1, 2003
Page 2

- **October:** The committee will meet with the State Comptroller to determine his priorities, to discuss any upcoming issues, and to determine how the committee and the Comptroller's Office will work together during the coming session as determined by the chairmen's meeting with the Comptroller in early July. Pursuant to consultation with the Chairmen of the Joint Committee on Pensions, we would also like to have an informational briefing about the impact of general funds on the State retirement system.
- **November:** The committee will meet with the State Treasurer to discuss her priorities, to discuss any upcoming issues and to map out a plan to pursue appropriate legislative initiatives. We will also hear from the Office of Legislative Audits about the annual report on local government finances.
- **December:** We plan to attend the final interim meeting of the Joint Committee on Pensions to learn about any issues that could affect public funds management and to hear about the committee's legislative priorities for the next session. Attendance at this meeting would be for informational purposes only.

The proposed agenda for 2003 interim is attached.

We hope you find our proposed agenda informative and useful. We appreciate your interest and continued support. Please do not hesitate to contact us if you have questions or need additional information.

Sincerely,

Henry B. Heller
Presiding Chairman

Gloria
Co-

Lawlah
Chairman

HBH:GL/KDM/rma

Enclosure

**Joint Committee on the Management of Public Funds
2003 Interim Schedule**

July 16

Briefing on Bond Sales

Briefing on the State Bond Rating and Implementation of Taxable Bond Instruments

Attendance at July 16th State Bond Sale

October 14

Overview of Comptroller's Office

Legislative Priorities of the Comptroller

Informational Briefing on the Impact of General Funds on State Retirement Systems

November 18

Overview of the Treasurer's Office

Legislative Priorities of the Treasurer

Implementation of 2003 Legislation

Office of Legislative Audits

Report on Local Government Finances

December (date to be determined)

Attendance at the Final Interim Meeting of the Joint Committee on Pensions

May 29, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

The Spending Affordability Committee's 2003 tentative interim schedule is attached for your information. Subjects include forecasts of revenues and expenditures for the current and future fiscal years as well as the overview of the Transportation Trust Fund, capital budget, State personnel, and other issues.

The committee is looking forward to an interesting and productive interim.

Sincerely,

Senator Edward J. Kasemeyer
Presiding Chairman

Delegate Michael R. Gordon
House Chairman

EJK:MRG/DCR/msh

Enclosure

Spending Affordability Committee

2003 Membership Roster

Senator Edward J. Kasemeyer, Presiding Chairman
Delegate Michael R. Gordon, House Chairman

Senators

Ulysses Currie
James E. DeGrange, Sr.
Patrick J. Hogan
Nathaniel J. McFadden
Thomas M. Middleton
Thomas V. Mike Miller, Jr.
Donald F. Munson
Ida G. Ruben
J. Lowell Stoltzfus

Delegates

Kumar P. Barve
Michael E. Busch
Norman H. Conway
George C. Edwards
Anne Healey
Sheila E. Hixson
Adrienne A. Jones
Howard P. Rawlings
Alfred W. Redmer, Jr.

Citizens Advisory Committee

H. Furlong Baldwin
George R. Houston, Jr.
Dana M. Jones
John C. Miller

Staff

Lori J. O'Brien
David C. Romans

Spending Affordability Committee

Senator Edward J. Kasemeyer, Presiding Chairman
Delegate Michael R. Gordon, House Chairman

2003 Interim Schedule

Room 110, Lowe House Office Building

Date	Day	Time	Subject
October 14	Tuesday	6:00 p.m.	Briefing on Forecast of Revenues and Expenditures for the Current and Upcoming Fiscal Years
November 12	Wednesday	6:00 p.m.	Outyear Forecast, Overview of the Transportation Trust Fund, State Personnel, and the Capital Budget
December 16	Tuesday	6:00 p.m.	Committee Decision Meeting

Direct Inquiries to:

Lori J. O'Brien
David C. Romans
Department of Legislative Services
90 State Circle
Annapolis, Maryland 21401-1991
(410) 946-5530 (Annapolis and Baltimore area)
(301) 970-5530 (Washington area)

May 27, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

The Joint Technology Oversight Committee respectfully submits its anticipated work plan for the 2003 interim. The joint committee plans to hold two meetings during the fall.

The first meeting will be a site visit to the University of Maryland College Park. While on the site visit, the joint committee plans to meet with university officials and others to learn more about Maryland's biotechnology industry.

The second meeting will be held in Annapolis. At that meeting, the joint committee plans to hear briefings about the State's need for a separate Department of Technology and about electronic filing of documents in Maryland's court system.

Respectfully submitted,

Senator Leonard H. Teitelbaum
Co-Chairman Co-

Delegate Brian R. Moe
Chairman

LHT:KPB/TRW/rma

June 9, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

The Workers' Compensation Benefit and Insurance Oversight Committee has identified the issues to be reviewed during the 2003 in term. The committee's proposed schedule is enclosed and includes two meetings.

Please contact one of us or the committee staff, Tami Burt or Mitch McCalmon at (410) 946-5530, if you have questions concerning this schedule.

Sincerely,

Nathaniel Exum
Senate Chairman

John F. Wood, Jr.
House Chairman

NE:JFW/TDB/ncs
Enclosure

cc: Mr. Karl Aro
Mr. Warren Deschenaux
Ms. Lynne Porter
Mr. Tim Perry
Mr. Tom Lewis
Mr. John Favazza
Ms. Kristin Jones

Workers' Compensation Benefit and Insurance Oversight Committee

2003 Interim – Proposed Schedule

Co-Chairs: Senator Nathaniel Exum and Delegate John F. Wood, Jr.

Meetings are to be held at 1:00 p.m. in Room 3 East of the Miller Senate Building (Finance Committee Room) in Annapolis

October 14 or 15, 2003

- Briefing on the Court of Appeals' Decision to Disregard the "Unusual Activity" Requirement under the Definition of "Accidental Injury"
- Briefing on Presumptions
 - Current law as compared to other states
 - Scientific basis
- Briefing on Appeals Process (at WCC and Circuit Court)
 - Current law as compared to other states
 - Impact of insurer appeals on time it takes to resolve a case

December 2 or 3, 2003

- Workers' Compensation Commission Annual and Other Reports
 - Workers' Compensation Commission Chairman: (1) annual report; (2) update on the progress of establishing regional hearing sites and the status of security at these locations; (3) status of implementation of the computer technology purchase; (4) update on the commission's budget process; and (5) report on any new regulations.
 - Commission's Medical Fee Guide Revision Committee: status
- Agency Annual and Other Reports
 - NCCI: (1) 2004 pure premium rates; and (2) a state-by-state comparison of various statistics (premium rates, claims frequency, claims severity, premiums written)
 - Injured Workers' Insurance Fund (IWIF): (1) 2004 rates and activities; and (2) update of the phase-in approach to meeting RBC standards for purposes of joining the guaranty fund
 - Maryland Insurance Administration: competition in workers' compensation
 - Uninsured Employers' Fund and Subsequent and Subsequent Injury Fund: annual reports

Committee Staff: Tami Burt and Mitch McCalmon (410) 946-5530

Committee to Revise Article 27 of the Annotated Code of Maryland - Crimes and Punishments

June 10, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Honorable Members of the Legislative Policy Committee:

The Committee to Revise Article 27 of the Annotated Code was appointed in 1991 by the Speaker and the President and charged with revising both substantively and stylistically the State's criminal laws. The Committee will conduct its 2003 organizational meeting on Thursday, June 26, 2003 in Annapolis.

Penalties/Fines

Within the past few years the committee, in conjunction with the State Commission on Criminal Sentencing Policy, conducted a review of criminal sentences in the State. The committee introduced a number of bills in the 2003 legislative session that provided for consistent application of criminal fines and penalties for various offenses. Although the bills received unfavorable reports, the committee will continue to examine issues relating to criminal sentences, particularly the addition of fines for crimes as to which the penalty of a fine is not currently provided.

Code Revision Flags

The Committee will also continue to examine unresolved issues or "flags" raised by the Criminal Law Article Review Committee and the Public Safety Article Review Committee during the course of the nonsubstantive revision of the current Criminal Law and Public Safety Articles during the past couple of years.

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee
Page 2

Additional Issues

The Committee will continue its practice of communicating with the various associations and organizations involved in the criminal justice system in order to identify problems that are best resolved by statutes or changes to statutes, and will examine any issues referred to it by the members of the General Assembly.

Sincerely,

Joseph F. Murphy, Jr., Chairman
Committee to Revise Article 27

JFM/JMc

**Maryland General Assembly
Committee to Revise Article 27 of the Annotated Code of
Maryland - Crimes and Punishments**

2003 Membership Roster

Honorable Joseph F. Murphy, Jr., Chairman

Gary E. Bair, Esquire
Gary Bernstein, Esquire
Russell P. Butler, Esquire
Judge Howard S. Chasanow
Mark Colvin, Esquire
Robert Dean, Esquire
Delegate Ann Marie Doory
Gilbert J. Genn, Esquire
Joseph M. Getty, Esquire
Senator Ralph M. Hughes
Judge Daniel M. Long
Timothy F. Maloney, Esquire
Kenneth H. Masters, Esquire
Judge Charles E. Moylan, Jr.
Judge Irma S. Raker
Judge Melanie M. Shaw-Geter
Senator Norman R. Stone, Jr.
Byron L. Warnken, Esquire

Staff

Jeremy M. McCoy
Kelly G. Dincau

JOINT ADVISORY COMMITTEE ON LEGISLATIVE DATA SYSTEMS

June 3, 2003

MEMORANDUM

To: The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
Members, Legislative Policy Committee

From: Senator Leonard H. Teitelbaum, Senate Chairman
Delegate Adrienne A. Jones, House Chairman

Re: 2003 Interim Work of the Joint Advisory Committee on Legislative Data Systems
(JACLDS)

As has become its custom for the past few years, the JACLDS will undergo its annual review of the floor automation program, incorporating suggestions for changes made by members of the committee and members of the General Assembly. Improvements for this interim will include linking the budget bill and Joint Chairman's Report to the floor system through the voting system. This will provide improved navigation for these documents.

Additionally, the JACLDS committee was asked to research the possibility of instant messaging on members' laptops. Although the Office of Information Systems (OIS) conducted preliminary research into the issue with respect to the issues surrounding the Public Information Act and the Open Meetings Law, the committee has directed staff to explore these issues more thoroughly with the Attorney General's office and the General Assembly's Ethics Counsel.

During the 2002 interim, the JACLDS directed OIS to research the possibility of providing high speed Internet access to members' district offices. OIS conducted a survey and found that providing service would be possible for offices covered by Internet Service Providers that provide high-speed access in Maryland, but not all the offices would be covered. Additionally, the data showed that undertaking this project would be costly. Given the state's current fiscal problems, the committee directed staff to table this issue, but to continue monitoring the technology.

Also, during the 2002 Interim, as directed by the committee, OIS conducted a “member buy back” program for obsolete floor system laptops. Issues surfaced surrounding member requests for multiple purchases, purchase requests by non-members, and requests for service on these laptops. The JACLDs has directed OIS to continue the member “buy back” program, but to draft a document, subject to the approval of the presiding officers, which contains “conditions of purchase,” including a disclaimer, which members must sign at time of purchase.

With respect to member Floor Automation laptop upgrades, OIS will conclude a planned upgrade of member laptops in the Senate and upgrade half of the laptops in the House. The remaining House floor laptops will be upgraded next year.

Finally, the JACLDs has directed staff to review the committee archives to determine the rationale and timing for procedures and protocols for releasing information to the public, e.g. floor votes, amendments, and other pertinent information.

The committee expects to meet once more, in the fall, to follow-up on these issues.

MEMORANDUM

To: The Honorable Thomas V. Mike Miller, Jr.
President of the Senate

The Honorable Michael E. Busch
Speaker of the House of Delegates

From: Delegate Mary-Dulany James
Senator Edward J. Kasemeyer

Date: May 30, 2003

Subject: 2003 Interim Schedule

The Joint Committee on Pensions' 2003 tentative interim schedule is attached for your information. The schedule includes items relating to the:

- State Retirement and Pension Systems' computer procurement project;
- State Retirement and Pension Systems' disability hearing procedures;
- potential modification or continuation of the reemployment earnings limitation;
- report prepared by Cortex that reviewed the operating procedures of the agency and the governance and fiduciary decision-making of the board;
- awarding of military service credit; and
- potential actions (if any) regarding the University of Maryland Medical System pension gap issue.

All of these items came up during the 2003 session or elsewhere and were referred to summer study. Also included are the annual reports/overviews on investments, the supplemental retirement plans, board-requested legislation, and the most recent actuarial valuation.

We look forward to an interesting and productive interim.

MDJ:EJK/AEG/DPT/jab
Enclosure

Joint Committee on Pensions

Delegate Mary-Dulany James, Co-chairman
Senator Edward J. Kasemeyer, Co-chairman

2003 Interim Schedule

All meetings will be held in Room 130, Lowe House Office Building
unless otherwise noted

Date	Day	Time	Subject
Sept. 30	Tues.	2:00 p.m.	Report on the potential actions (if any) regarding the University of Maryland Medical System pension gap issue Report addressing the State Retirement and Pension System's (SRPS) disability hearing procedures Report by the Agency addressing the System's computer procurement project
Oct. 28	Tues.	2:00 p.m.	Report on the potential modification or continuation of the reemployment earnings limitation Annual Review of Supplemental Retirement Plans Summary of the report prepared by Cortex that reviewed the operating procedures of the agency and the governance and fiduciary decision-making of the board Board requested legislation
Nov. 18	Tues.	2:00 p.m.	Report by the Agency regarding the awarding of military service credit Annual Results of Fiscal 2003 Actuarial Valuation and Fiscal 2005 Contribution Rates Annual SRPS Investment Overview Decisions

Direct inquires to:

Anne Gawthrop
(410) 946-5350 (Baltimore/Annapolis area)
(301) 970-5350 (Washington, DC area)

Daniel Tompkins
(410) 946-5510 (Baltimore/Annapolis area)
(301) 970-5510 (Washington, DC area)

Department of Legislative Services, 90 State Circle, Annapolis, MD 21401-1991

May 30, 2003

The Honorable Thomas V. Mike Miller, Jr., Co-Chairman
The Honorable Michael E. Busch, Co-Chairman
Members of the Legislative Policy Committee

Ladies and Gentlemen:

The Joint Subcommittee on Program Open Space and Agricultural Land Preservation respectfully submits the issues the subcommittee will be examining and reviewing during the 2003 interim. The subcommittee plans to hold one briefing on October 28, 2003 at 10:00a.m. in 3 East of the Miller Senate Building to discuss several agricultural land preservation and Program Open Space (POS) issues.

The subcommittee will hear from the Department of Agriculture (MDA) and the Department of Natural Resources (DNR) on the impact of reduced funding for POS, the Maryland Agricultural Land Preservation Fund (MALPF), and Rural Legacy. Specifically, MDA and DNR will discuss the impact of reduced funding in fiscal 2003 and 2004 and the potential impact of expected future reductions. In addition, the subcommittee will ask MDA to comment on its success in reducing its backlog of MALPF conservation easement contracts and offers despite the transfer of significant MALPF funds to the general fund. MDA will also provide an update on the status of MALPF applications.

The subcommittee will also ask DNR to provide an update on the use of conservation easements instead of fee simple land purchases as a land preservation strategy. Finally, MDA and DNR will update the subcommittee on their legislative initiatives related to POS and MALPF from the 2003 session and for the upcoming 2004 session.

Respectfully submitted,

Thomas M. Middleton
Senate Chairman

Rudolph
House

C. Cane
Chairman

TMM:RCC/MS/ncs

**LEGISLATIVE POLICY COMMITTEE
10:00 A.M., TUESDAY, JUNE 17, 2003
120 LOWE HOUSE OFFICE BUILDING, ANNAPOLIS, MD 21401**

PART 3.

**2003 LEGISLATION
RELATING TO THE LEGISLATIVE POLICY COMMITTEE**

2003 LEGISLATION RELATING TO THE LEGISLATIVE POLICY COMMITTEE

- **Annual Corrective Bill (Ch. 21)**

Changes the names of the committees whose chairmen constitute membership of the Legislative Policy Committee. The Senate Economic and Environmental Affairs Committee is renamed Education, Health and Environmental Affairs Committee. The House Commerce and Government Matters Committee is replaced by the Health and Government Operations Committee.

- **Budget Bill (Fiscal Year 2004)**

Provides that no part of the State Lottery Agency Administration and Operations Special Fund Appropriations may be used for the implementation of a new lottery game until the Legislative Policy Committee has had 45 days to review and comment on the implementation of the new lottery game.

- **Budget Reconciliation and Financing Act (Ch. 203)**

Changes the name of the Economic Development Opportunities Program Fund and the Catastrophic Event Fund to the Economic Development Opportunities Program Account and the Catastrophic Events Account.

- **Division of Labor and Industry and Associated Boards and Councils – Sunset Extension and Program Evaluation (Ch. 316)**

Allows that on or before December 15 of the 2nd year before the evaluation date of a governmental activity or unit, the Legislative Policy Committee, based on a preliminary evaluation, may waive as unnecessary the following evaluations:

- Amusement Ride Safety, State Advisory Board;
- Apprentice and Training Council;
- Elevator Safety Review Board;
- Labor and Industry, Division of;
- Occupational Safety and Health Advisory Board;
- Prevailing Wage Rates, Advisory Council on

- **Natural Resources – Expanded Deer Management (Ch. 170)**

Requires that the Department of Natural Resources shall report and make recommendations to the Legislative Policy Committee, the Senate Education, Health, and Environmental Affairs Committee, and the House Environmental Matters Committee on or before January 15, 2004, in accordance with § 2-1246 of the State Government Article, on:

- the status of the deer population for each deer management region and, as appropriate, each zone within the region;
- the impact and anticipated impact of management strategies on the population of deer in each deer management region of the State;
- law enforcement issues; and
- citizen response to the increased harvest measures.

- **Public Safety (Ch. 5)**

Requires that the emergency numbers systems board shall submit an annual report to the governor, the secretary, and, subject to § 2-1246 of the state government article, the Legislative Policy Committee. The report shall provide the following information for each county:

- the type of 9-1-1 system currently operating in the county;
- the total 9-1-1 fee and additional charge charged;
- the funding formula in effect;
- any statutory or regulatory violation by the county and the response of the board;
- any efforts to establish an enhanced 9-1-1 system in the county; and
- any suggested changes to this subtitle.

- **State Acupuncture Board - Sunset Extension and Program Evaluation – Licensure Requirements (Ch. 407)**

On or before December 15 of the 2nd year before the evaluation date of a governmental activity or unit, the Legislative Policy Committee, based on a preliminary evaluation, may waive as unnecessary the evaluation of the State Acupuncture Board.

- **State Board of Social Work Examiners - Sunset Extension and Program Evaluation (Ch. 228)**

On or before December 15 of the 2nd year before the evaluation date of a governmental activity or unit, the Legislative Policy Committee, based on a preliminary evaluation, may waive as unnecessary the evaluation of the State Board of Social Work Examiners.

- **Sunset Review - State Board of Nursing - Electrology Practice Committee (Ch. 422)**

Allows that on or before December 15 of the 2nd year before the evaluation date of a governmental activity or unit, the Legislative Policy Committee, based on a preliminary evaluation, may waive as unnecessary the evaluation of the Electrology Practice Committee.

May 1, 2003

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
Co-Chairmen, Legislative Policy Committee

Gentlemen:

Section 2-1008 of the State Government Article requires that the Department of Legislative Services report to the Legislative Policy Committee the extent to which the budget as enacted by the General Assembly conforms to the recommendations of the Spending Affordability Committee.

The following is a summary of the committee's major recommendations found in its Report of the 2002 Interim with an evaluation by the Department of Legislative Services as to the extent the budget as enacted during the 2003 session conforms to these recommendations.

Operating Budget

Spending Limit

Recommendation: Appropriations subject to the spending affordability limit shall be 2.5% over appropriations approved at the 2002 session. This limit would provide for a \$358.2 million increase in appropriations at the 2003 session, allowing for total expenditures subject to spending affordability of \$14,685.0 million. This limit is well below the 4.4% growth in personal income forecast for Maryland in calendar 2003. Given the volatile state of the economic recovery, the committee believes it prudent to set a conservative spending limit.

Evaluation: **The budget as enacted by the General Assembly is within the spending limit recommended by the Spending Affordability Committee.** The final appropriations applicable to spending affordability totaled \$14,460.9 million, which is \$224.1 million below the limit recommended by the committee. The increase in applicable spending is 0.94%, or \$134.1 million. A chart outlining the details of this analysis is attached.

Fiscal 2004 Budget and Future Sustainability

Recommendation: The committee recommends that future sustainability be a primary consideration in the development of the fiscal 2004 general fund budget and that the imbalance between revenues and expenditures be erased entirely by fiscal 2005.

Evaluation: The General Assembly was unsuccessful in its effort to erase the projected fiscal 2005 imbalance between revenues and expenditures. Despite the adoption of fiscal 2004 budget cuts that will save the State \$130 million in fiscal 2005 and revenue generating initiatives that will raise \$412 million in fiscal 2005 (\$303 million in new revenues and \$109 million from the temporary redirection of transfer tax and highway user revenues), the Department of Legislative Services projects a fiscal 2005 imbalance of \$688 million. The General Assembly was hampered in its efforts to address the imbalance by the Governor's failure to submit a plan for achieving equilibrium in fiscal 2005, disagreements over the most appropriate approach to generating additional revenue, and by a \$112 million write down of ongoing revenues.

State Reserve Fund

Recommendation: While recognizing that a resolution to the fiscal 2003 revenue shortfall may require the use of cash balances, the committee recommends the State withdraw funds from the Rainy Day Fund only if all other available cash balances are exhausted and other options have been fully explored. The committee also recommends that the General Assembly reject any proposal to withdraw funds from the Rainy Day Fund to support the fiscal 2004 budget that is not accompanied by:

- a statutory commitment to appropriate at least \$100 million per year to the Rainy Day Fund until the balance is restored to 5% of general fund revenues; and
- a plan for achieving a structural balance between operating spending and ongoing revenues by fiscal 2005.

Evaluation: The General Assembly complied with the recommendation of the Spending Affordability Committee by:

- rejecting the Governor's proposal to withdraw \$106 million from the Rainy Day Fund to address the fiscal 2003 budget shortfall relying instead on transfers from various cash balances; and
- not authorizing any withdrawals from the Rainy Day Fund for fiscal 2004.

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
May 1, 2003
Page 3

The Rainy Day Fund is projected to close fiscal 2004 with a balance of \$505.2 million, just \$6 million below the amount necessary to reach 5% of general fund revenues. A provision in the Budget Reconciliation and Financing Act of 2003 (House Bill 935) increases the required appropriation to the Rainy Day Fund if the projected balance falls below 3% of general fund revenues from \$50 million to \$100 million. The Act leaves unchanged the requirement for an appropriation of the lesser of \$50 million or the amount necessary to reach 5% of general fund revenues if the Rainy Day Fund balance is above 3% but below 5% of general fund revenues.

Capital Budget

General Obligation Debt

Recommendation: The committee concurs in the recommendation of the Capital Debt Affordability Committee that \$740 million in new general obligation bonds may be authorized at the 2003 session. This limit, that includes an additional \$200 million in bonding capacity, allows for the use of taxable and tax-exempt bonds and gives the Governor and the legislature considerable flexibility to structure capital financing in the context of the total budget needs of the State.

Evaluation: General obligation debt totaling \$742.5 million is authorized in the Maryland Consolidated Capital Bond Loan of 2003. Another \$5 million is authorized in the Southern Maryland Regional Strategy-Action Plan for Agriculture Loan of 2003. This amount is offset by deauthorization of \$7.5 million in previously authorized debt resulting in a net increase of \$740 million. The general obligation bond amount includes \$58.6 million to replace previously authorized general fund PAYGO. General obligation funding for new projects equals \$683.9 million. **The General Assembly complied with this recommendation of the Spending Affordability Committee.**

Non-tax Supported Debt

Recommendation: In an effort to involve greater oversight, the committee recommends that the Capital Debt Affordability Committee include as part of its required review of the State tax-supported debt, a review of the non-tax supported debt. The review should include an assessment of the size and condition of debt issued by State agencies and independent authorities.

Evaluation: **The Capital Debt Affordability Committee has indicated its intention to comply with the recommendation of the Spending Affordability Committee during its calendar 2003 deliberations.**

Academic Revenue Debt

Recommendation: The committee concurs in the recommendation of the Capital Debt Affordability Committee that \$40 million in new academic revenue bonds may be authorized at the 2003 session.

Evaluation: \$33.1 million of new academic revenue bonds were authorized at the 2003 session for projects within the University System of Maryland. **The legislature complied with this recommendation of the Spending Affordability Committee.**

Tobacco Securitization

Recommendation: The committee recognizes that it is neither a prudent State action nor a viable solution to use a long-term debt instrument as a mechanism for fixing a budget problem. The State's long-term debt capacity must be maintained for the benefit of the State's long-term capital improvement needs. Thus, the committee does not support an issuance of tobacco bonds for the purpose of funding an operating deficit.

Evaluation: By not authorizing tobacco bonds for the purpose of funding an operating deficit, the General Assembly complied with this recommendation of the Spending Affordability Committee.

State Positions

Position Ceiling

Recommendation: The budget committees are urged to examine whether some of the positions held vacant under the hiring freeze or other positions could be permanently abolished without seriously harming the operations of State government. The committee further recommends that an executive branch position ceiling of 74,100 positions, similar in structure to that implemented in Section 37 of the 2002 budget bill (Chapter 439, Acts of 2002), be implemented for fiscal 2004.

Evaluation: The Governor's allowance contained 75,888.5 regular full-time equivalent (FTE) positions for the executive branch. The General Assembly abolished 131.5 regular positions, most of which were new (127.5) or existing but vacant (2.0). In addition, language was added to the budget bill capping the number of FTE regular employees for fiscal 2004 at 74,100 in executive branch agencies. The cap on regular employees will require the abolition of 1,675 positions and save the State at least \$20 million in general funds and \$4.9 million in special funds in fiscal 2004. Filled

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
May 1, 2003
Page 5

positions are not expected to be abolished since there are almost 4,000 currently vacant positions in the State. A cap of 8,800 for contractual employees in the executive branch was also adopted which will result in the abolition of approximately 370 contractual positions. Further reductions in executive branch staffing levels may result from language added to the budget bill authorizing a pilot employee buyout program in fiscal 2004. **The actions of the General Assembly are consistent with the recommendation of the Spending Affordability Committee.**

Positions Added During the 2003 Session

Recommendation: To further constrain the growth in State spending, the committee recommends that the creation of new positions during the 2003 session be limited to:

- critical public safety and homeland security needs; and
- facilities scheduled to open in fiscal 2004.

Evaluation: In the fiscal 2004 allowance, the Governor proposed creating 431.4 new regular positions. Only 44.5 of the requested regular positions met the criteria set forth by the Spending Affordability Committee (see the exhibit below). Most of the positions that failed to meet the criteria set forth by the committee were requested to address workload issues for State agencies (Office of the Public Defender, Maryland State Department of Education, Maryland Insurance Administration, etc.) and higher education institutions. The General Assembly deleted 127.5 of the new positions, but approved 291.9 new positions that are not associated with homeland security, public safety, or the opening of new facilities.

New Positions

<u>Reason</u>	<u>New Positions Requested</u>	<u>New Positions Approved by General Assembly</u>
Public Safety/Homeland Security	9.0	9.0
Facilities Opening	35.5	3.0
Workload	185.7	108.7
Contractual Conversions	23.0	5.0
Higher Education – Workload	178.2	178.2
Total	431.4	303.9

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
May 1, 2003
Page 6

A net increase of 409 contractual positions was also requested in the allowance. The increase is attributable to workload at higher education institutions. The General Assembly did not delete the new contractual positions. However, the position cap adopted by the General Assembly will require the abolition of approximately 370 contractual positions.

Refundable Earned Income Tax Credit

Recommendation: Chapter 581 of 2001 increased the percentage of the federal earned income credit (EIC) on which the refundable State EIC is based, from 15 to 16% for tax years 2001 and 2002, to 18% for tax year 2003, and to 20% for tax years 2004 and beyond. Section 2 of Chapter 581 requires the Spending Affordability Committee to include in its final report this year a recommendation as to the fiscal prudence of accelerating the scheduled increase of the refundable EIC.

Acceleration of the scheduled increase in the refundable State EIC would mean that for tax year 2003 the percentage of the federal EIC on which the refundable State EIC is based, currently scheduled to be 18%, would instead be increased to 20%. This acceleration would reduce State income tax revenues for fiscal 2004 by an estimated \$10.6 million. Given the fiscal condition of the State, the committee concludes that acceleration of the EIC phase-in is not affordable at this time.

Evaluation: The refundable portion of the State EIC was not accelerated at the 2003 session. **The General Assembly complied with the recommendation of the Spending Affordability Committee.**

Sincerely,

Warren G. Deschenaux
Director

WGD/DCR/jac

Enclosure

cc: Members, Spending Affordability Committee
Secretary James C. DiPaula
Mr. Karl S. Aro

Spending Affordability Compliance Calculation
2003 Legislative Session
(\$ in Millions)

2002 Session Spending Affordability Appropriation	\$14,326.8
2003 Session Budget As Introduced (net of contingent reductions)	
Deficiencies	76.6
Allowance	17,163.3
Supplemental Budget No. 1	25.5
Subtotal	\$17,265.4
Fiscal 2003 Cost Containment	(216.9)
Exclusions from the Limit in Budget As Introduced and Supplemental Budget No. 1	
911 Fund	(30.0)
Election System Development Grants	(2.4)
Election System Development Grants in Supplemental Budget No. 1	(2.4)
Higher Education Facility Renewal	(18.4)
Higher Education in Current Unrestricted Funds – Federal Fund Exclusion	(83.9)
Higher Education in Current Unrestricted Funds – General Fund Double Count	(900.2)
Higher Education Special Funds for Maryland Fire and Rescue Institute	(5.9)
Hospital Pass-through for Uncompensated Care	(54.0)
Lottery	(53.3)
Maryland Aviation Administration – Operations	(112.6)
Maryland Department of Environment – Small Business Pollution Control Fund	(0.1)
Maryland Higher Education Commission – Private Donation Incentive Program	(3.5)
Maryland Port Administration Operations	(83.1)
Maryland Transit Administration – Certificates of Participation	(4.3)
Paygo – General and Special Funds	(206.1)
Paygo – General and Special Funds in Supplemental Budget No. 1	(0.3)
Paygo – Maryland Department of Transportation	(755.2)
Racing Pass-through Takeout for Purses	(2.1)
State and Local Higher Education Dollars in Current Unrestricted Funds	(14.3)
State Use Industries	(38.1)
Subtotal	(\$2,370.2)
Legislative Reduction to Budget As Introduced (SAC Reductions Only)	(172.3)
Spending/Withdrawals Contingent on Enactment of Budget Reconciliation and Financing Act (SB 657/HB 935)	(45.1)
2003 Session Spending Affordability Appropriation	\$14,460.9
Increase	134.1
Percent	0.94%
2003 Session Spending Affordability Limit (2.50%)	\$14,685.0
Amount Over (Under) Limit	(224.1)

Spending Affordability Compliance Calculation
2003 Legislative Session
(\$ in Millions)

2002 Session Spending Affordability Appropriation	\$14,326.8
2003 Session Budget As Introduced (net of contingent reductions)	
Deficiencies	76.6
Allowance	17,163.3
Supplemental Budget No. 1	25.5
Subtotal	\$17,265.4
Fiscal 2003 Cost Containment	(216.9)
Exclusions from the Limit in Budget As Introduced and Supplemental Budget No. 1	
911 Fund	(30.0)
Election System Development Grants	(2.4)
Election System Development Grants in Supplemental Budget No. 1	(2.4)
Higher Education Facility Renewal	(18.4)
Higher Education in Current Unrestricted Funds – Federal Fund Exclusion	(83.9)
Higher Education in Current Unrestricted Funds – General Fund Double Count	(900.2)
Higher Education Special Funds for Maryland Fire and Rescue Institute	(5.9)
Hospital Pass-through for Uncompensated Care	(54.0)
Lottery	(53.3)
Maryland Aviation Administration – Operations	(112.6)
Maryland Department of Environment – Small Business Pollution Control Fund	(0.1)
Maryland Higher Education Commission – Private Donation Incentive Program	(3.5)
Maryland Port Administration Operations	(83.1)
Maryland Transit Administration – Certificates of Participation	(4.3)
Paygo – General and Special Funds	(206.1)
Paygo – General and Special Funds in Supplemental Budget No. 1	(0.3)
Paygo – Maryland Department of Transportation	(755.2)
Racing Pass-through Takeout for Purses	(2.1)
State and Local Higher Education Dollars in Current Unrestricted Funds	(14.3)
State Use Industries	(38.1)
Subtotal	(\$2,370.2)
Legislative Reduction to Budget As Introduced (SAC Reductions Only)	(172.3)

**Spending/Withdrawals Contingent on Enactment of Budget Reconciliation and Financing Act
(SB 657/HB 935)**

(45.1)

2003 Session Spending Affordability Appropriation

\$14,460.9

0.0

Increase

134.1

Percent

0.94%

2003 Session Spending Affordability Limit (2.50%)

\$14,685.0

Amount Over (Under) Limit

(224.1)

**LEGISLATIVE POLICY COMMITTEE
10:00 A.M., TUESDAY, JUNE 17, 2003
120 LOWE HOUSE OFFICE BUILDING, ANNAPOLIS, MD 21401**

PART 4.

**NEW BOARDS, COMMISSIONS, COMMITTEES, TASK FORCES, ADVISORY
COUNCILS, ETC. CREATED BY 2003 LEGISLATION**

**COMMITTEES, TASK FORCES, COMMISSIONS, ETC.
CREATED BY 2003 LEGISLATION**

- **Availability of Audiology and Speech-Language Services for Children in the K-12 Public School Programs, Task Force to Study the (Ch. 194/HB 1042)**

Establishes a Task Force to Study the Availability of Audiology and Speech-Language Services for Children in the K-12 Public School Programs, consisting of the following members:

- two members of the Senate, appointed by the President of the Senate;
- two members of the House of Delegates, appointed by the Speaker of the House;
- the State Superintendent of Schools, or the State Superintendent's designee; and
- the following members, appointed by the Governor:
 - a representative from the Maryland Association of Boards of Education;
 - two public school personnel who are employed by a local public school system and who supervise hearing and speech-language services within a local public school system;
 - two consumer members;
 - two individuals who are practicing members of the Maryland Speech-Language and Hearing Association;
 - a representative from the Office for Individuals with Disabilities, Office for the Deaf and Hard of Hearing;
 - two members of the Board of Audiologists, Hearing Aid Dispensers and Speech-Language Pathologists, to include one audiologist and one speech-language pathologist;
 - a physician specializing in hearing health or children's health; and
 - a chairman.

Chair: The chairman shall be appointed by the Governor.

Staff: The Maryland State Department of Education shall provide staff for the Study Panel.

Salary:

Purpose: The Task Force shall study and consider:

- The scope of services provided by audiologists and speech-language pathologists in the public schools in the State;
- The availability of licensed audiologists and licensed certified speech-language pathologists employed by and on staff in each of the local public school systems in the State;

- The amount and cost of contracted services utilized by each of the local public school systems in the State for audiology and speech-language services;
- The number of vacancies filled by contracted personnel and the total number of vacancies for audiologists and speech-language pathologists in the local public school systems in the State;
- The caseloads and workload duties for the audiologists and speech-language pathologists in the local public school systems in the State;
- The number of children without hearing and speech-language services due to unfilled positions for audiologists and speech-language pathologists, including the average length of time the children have been without services;
- The cost of compensatory services and any other legal or administrative costs incurred by the local public school systems in the State for children who do not receive hearing and speech-language services; and
- The number of children in need of hearing and speech-language services in the local public school systems in the State.

Report: On or before December 31, 2003, the Task Force shall issue a written report of its findings and recommendations to the Senate Education, Health, and Environmental Affairs Committee and the House Ways and Means Committee.

- **Task Force on Broadband Communications Deployment in Underserved Rural Areas (Ch. 320)**

Establishes a Task Force on Broadband Communications Deployment in Underserved Rural Areas, consisting of the following members:

- three members of the Senate of Maryland, one each from Western Maryland, Southern Maryland, and the Eastern Shore, appointed by the President;
- three members of the House of Delegates, one each from Western Maryland, Southern Maryland, and the Eastern Shore, appointed by the Speaker of the House;
- three technical experts representing public sector agencies and universities appointed jointly by the Chairmen of the Southern Maryland, Western Maryland, and Eastern Shore delegations of the General Assembly;
- the Secretary Budget and Management, or the Secretary's designee;
- the Secretary of Business and Economic Development, or the Secretary's designee;
- the Chairman of the Public Service Commission, or the Chairman's designee;
- the following members appointed by the Governor:
 - a representative of the Maryland Technology Development Corporation;
 - a representative of the Forum for Rural Maryland;
 - a representative of the Tri-County Council for Western Maryland;
 - a representative of the Tri-County Council for Southern Maryland;
 - a representative of the Tri-County Council for the lower Eastern Shore of Maryland;

- a representative of the Mid-Shore Regional Council;
- a local government representative from Carroll County or Frederick County; and
- a local government representative from Harford County, Cecil County, Kent County, or Queen Anne's County.

Chair: The Governor shall designate the Chairman of the Task Force.

Staff: The Maryland Technology Development Corporation shall provide staff support to the Task Force, with the Assistance of the Forum for Rural Maryland, the Department of Budget and Management, and the Department of Business and Economic Development, and other appropriate State, regional, and local agencies.

Salary: No salary; reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

Purpose: The Task Force:

- shall consider developments and best practices in regions of the country where broadband communications are being deployed in rural communities, the broadband networking infrastructure in those areas, and the direct and indirect benefits and costs associated with the networks;
- after considering existing State and regional broadband communications assessments and information that may become available during the deliberations of the Task Force, shall evaluate:
 - the resources, infrastructure, and cost structures now in place or available in the various rural regions of the State for developing or obtaining access to broadband communications;
 - the feasibility of using existing or alternative legal mechanisms and infrastructure to support the economical development of broadband communications in rural areas of the State;
 - the utility of several applications where broadband communications would benefit rural areas, such as applications relating to agriculture, medicine, and education; and
 - any other matters that the Task Force considers pertinent to establishing effective broadband communications in the rural areas of the State;
- shall encourage the development of specific goals for the State in the deployment of broadband communications in rural areas, including:

- the development of economically competitive access to broadband communications by the public and private sectors in each rural area of the State;
- the availability of broadband communications access throughout the rural areas of the State to address issues of universal service in unserved and underserved communities;
- the development and expansion of practical applications for the enhancement of economic development, and other public benefits;
- the development of affinities and interconnection among the governmental units in the State, educational institutions, and private industry; and
- any other goals that the Task Force determines to be in the public interest;
- shall develop proposals and recommendations for the establishment and enhancement of broadband communications in rural areas by:
 - reviewing government policies for the promotion, development, and economically competitive use of broadband communications;
 - identifying sources of funding and support, including leveraging of State and federal resources;
 - encouraging private and public participation in the development and use of broadband communications in rural areas, including demand aggregation and resource leveraging to enhance economic and technological development; and
 - examining any other pertinent issues; and
- shall oversee the implementation of the Task Force's recommendations made under item (4) of this subsection, and as the Task Force may determine, offer any recommendations pertaining to:
 - legislation for possible introduction in the 2004 or 2005 session of the General Assembly to implement the recommendations of the Task Force;
 - budget provisions and amendments for inclusion in the State budgets for fiscal years 2005, 2006, and beyond; and
 - programmatic changes in State procurement or other areas that might be implemented by regulation.

Report:

In accordance with § 2-1246 of the State Government Article, the Task Force shall report to the Governor and to the President of the Senate of Maryland, the Speaker of the House of Delegates, the Senate Finance

Committee, the House Economic Matters Committee, and the chairmen of the General Assembly's rural delegations.

The Task Force shall issue on or before December 1, 2003, a preliminary report and draft statewide rural development plan focusing on public and private broadband communications access.

The Task Force shall issue on or before January 15, 2004, an interim report and recommendations for a statewide broadband communications plan focusing on private sector access.

The Task Force shall issue on or before December 1, 2004, a progress report on the implementation of the plans for public and private broadband together with any follow-up recommendations; and

The Task Force shall issue on or before June 30, 2005, a final report of the Task Force.

- **Child Support Enforcement Privatization Pilot Program (Ch. 392/SB 524)**

Establishes a Child Support Enforcement Privatizations Pilot Program (CCSEPP) within the Department of Human Resources.

- **Children in the Custody of or Under the Supervision of the Department of Juvenile Justice, Task Force to Study the Mentoring and Monitoring of (Ch. 307/HB 541)**

Establishes the Task Force to Study the Mentoring and Monitoring of Children in the Custody of or Under the Supervision of the Department of Juvenile Justice, consisting of the following members:

- one member of the Senate of Maryland, appointed by the President of the Senate;
- two members of the House of Delegates, appointed by the Speaker of the House;
- the Secretary of Juvenile Justice, or the Secretary's designee;
- the State Superintendent of Schools, or the Superintendent's designee;
- the Special Secretary of the Office of Children, Youth, and Families or the Special Secretary's designee; and
- the following members appointed by the Governor:
 - one representative of the State Judiciary who is knowledgeable and experienced in juvenile justice issues;
 - one representative of the Office of the Public Defender who is knowledgeable and experienced in juvenile justice issues;
 - one representative of a State's Attorney's office who is knowledgeable and experienced in juvenile justice issues;
 - one representative of law enforcement who is knowledgeable and experienced in juvenile justice issues;

- one representative of a community -based advocacy group that deals with juvenile justice issues;
- one representative of an association of retired individuals; and
- one representative of a local college who is knowledgeable about the activities of student volunteers.

Chair: The Governor shall designate the chairman of the Task Force.

Staff: The Department of Juvenile Justice shall provide staff for the Task Force.

Salary: No salary; reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

Purpose: The Task Force shall:

- study and make recommendations regarding the feasibility of instituting a program in the Department of Juvenile Justice to match children with volunteer mentors, including retired individuals and college students;
- study and make recommendations regarding the feasibility of providing intensive individualized monitoring and support services to children in the custody of or under the supervision of the Department of Juvenile Justice;
- make recommendations regarding ways to help a child become productively involved in school or the workplace;
- make recommendations on ways to use monitoring and mentoring programs to help decrease the likelihood that a child who has had contact with the Department of Juvenile Justice will be involved in delinquent behavior in the future; and
- study and make recommendations on the feasibility of using monitoring and mentoring programs to provide a child in the custody of or under the supervision of the Department of Juvenile Justice with services, including informal counseling, tutoring, assisting the child with life training skills, working with the child's family or guardian, and interacting with the child's school or employer.

Report: The Task Force shall report its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on or before October 1, 2004.

- **Children in Out-of-Home Placement, Task Force to Study Alternative Living Arrangements for (Ch. 177/HB 817)**

Establishes the Task Force to Study Alternative Living Arrangements for Children in Out-of-Home Placement, consisting of the following members:

- two members of the Senate, appointed by the President of the Senate;
- two members of the House of Delegates, appointed by the Speaker of the House;
- the Secretary of Juvenile Justice, or the Secretary's designee;
- the Secretary of Natural Resources, or the Secretary's designee;
- the Secretary of Human Resources, or the Secretary's designee;
- the Secretary of Health and Mental Hygiene, or the Secretary's designee;
- the State Superintendent of Schools, or the Superintendent's designee;
- the Special Secretary of the Office for Children, Youth, and Families, or the Special Secretary's designee;
- the following members appointed by the Governor:
 - one representative of the State Judiciary who is knowledgeable and experienced in juvenile justice issues;
 - one representative of the Office of the Public Defender who is knowledgeable and experienced in juvenile justice issues;
 - one representative of a State's Attorney's Office who is knowledgeable and experienced in juvenile justice issues;
 - one representative of law enforcement who is knowledgeable and experienced in juvenile justice issues; and
 - one representative of a community-based advocacy group that deals with juvenile justice issues.

Chair: The Governor shall designate the chairman of the Task Force.

Staff: The Department of Juvenile Justice shall provide staff for the Task Force.

Salary: No salary; reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

Purpose: The Task Force shall:

- study and make recommendations regarding the issue of placing children in out-of-home placement appropriately and expeditiously in alternative living arrangements;
- study and make recommendations regarding the feasibility of alternative living arrangements for children that require the cooperative efforts of the Department of Natural Resources and involve placing children in group homes and providing them with activities related to the Chesapeake Bay and other wilderness activities;
- study and make recommendations regarding the feasibility of

- coordinating with the State Department of Education in developing special instructional curricula geared toward the needs of children in alternative living arrangements; and
- study and make recommendations regarding children in alternative living arrangements and the need for appropriate medical and mental health services and alcohol and drug abuse services.

Report: The Task Force shall report its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly, on or before October 1, 2004.

• **Driver Licensing Documentation, Task Force to Study (Ch. 452/HB 838)**

Establishes a Task Force to Study Driver Licensing Documentation, consisting of the following members:

- One member of the Senate of Maryland, appointed by the President of the Senate;
- three members of the House of Delegates, appointed by the House of Delegates;
- the Motor Vehicle Administrator, or the Administrator's designee;
- the Secretary of State Police, or the Secretary's designee;
- the Homeland Security Director, or the Director's designee;
- five members, appointed by the Governor, including the following:
 - one representative of an organization representing the interests of immigrants who reside in the State;
 - one representative of a bar association that specializes in immigration law;
 - one representative of an executive agency or organization with experience enforcing the immigration laws of the United States; and
 - one representative of an organization that represents the business community.

Chair: The Governor shall designate the chairman of the Task Force.

Staff: The Motor Vehicle Administration shall provide staff for the Task Force.

Salary: No salary; reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

Purpose: The Task Force shall:

- study domestic and foreign documentation that proves the age of an applicant for a driver's license;
- study domestic and foreign documentation that proves the identity of an applicant for a driver's license;
- study domestic and foreign documentation that proves the residence of an applicant for a driver's license;
- assess the extent to which individuals who reside within the State as

documented or undocumented immigrants may not be issued drivers' licenses because of current requirements for providing documentation in an application for a driver's license;

- quantify the extent to which individuals in the State who do not have drivers' licenses because of the lack of valid documentation necessary for applications for the licenses actually drive on the highways in the State;
- study the potential security risks posed by providing identity documents to individuals residing in the State notwithstanding violation of the federal Immigration and Nationality Act by the individuals;
- assess the feasibility, including the cost, of developing a process for the Motor Vehicle Administration, in consultation with the Maryland State Police, to review driver's license applications by applicants from foreign countries to determine whether the applicant poses a danger to homeland security because of the applicant's membership or association with a foreign terrorist organization designated on the Terrorist Exclusion List by the United States Secretary of State under the authority of § 411 of the USA Patriot Act of 2001 (8 U.S.C. § 1182);
- assess the feasibility, including the cost, of developing a process for the Motor Vehicle Administration, in consultation with the Maryland State Police, to review drivers' license applications to determine whether the applicant poses a danger to public safety because of the applicant's membership or association with a domestic terrorist organization;
- assess the feasibility, including the cost, of developing a process for the Motor Vehicle Administration to review driver's license application documentation verified by a foreign embassy or other foreign national representative within the United States; and
- make recommendations to the General Assembly regarding the documentation that the Motor Vehicle Administration may accept for the purpose of proving the age, identity, and residence of a driver's license applicant.

Report: The Task Force shall report its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly on or before December 1, 2004.

- **Electrology Practice Committee (SB 269/HB 376)**

Establishes a five member Electrology Practice Committee, within the State Board of Nursing, consisting of the following members, appointed by the Board:

- four licensed electrologists or licensed electrologist instructors; and
- one consumer member.

Chair:

Staff:

Salary:

Purpose: In addition to the powers set forth elsewhere in this subtitle, the committee shall:

- make recommendations to the board regarding regulations necessary to carry out the provisions of this subtitle;
- make recommendations to the board regarding a code of ethics for the practice of electrology;
- make recommendations to the board regarding the requirements for licensure as an electrologist or an electrology instructor;
- review applications for licensure as an electrologist or electrology instructor and make recommendations to the board;
- maintain a list of all currently licensed electrologists and electrology instructors;
- make recommendations to the board regarding continuing education requirements for electrologists;
- at the request of the board, investigate complaints against licensed electrologists;
- review electrology education programs both in the state, and out of state in accordance with § 8-6b-16 of this subtitle to determine compliance with the standards of that section and make recommendations to the board regarding approval or disapproval of these programs;
- review advertising by licensed electrologists and by institutions that offer an electrology program and make recommendations to the board, as necessary;
- at the request of the board, after the board has received a written and signed complaint, including a referral from the commissioner of labor and industry, conduct an unannounced inspection of the office of an electrologist, other than an office of an electrologist in a hospital, related institution, freestanding medical facility, or a freestanding birthing center, to determine compliance at that office with the centers for disease control's guidelines on universal precautions and make recommendations to the board, as necessary;
- at the request of the board, after the board has received notice that an electrologist has opened an office, after notifying the electrologist, conduct an inspection of the office to determine compliance with the board's regulations relating to the minimum requirements for an office and make recommendations to the board, as necessary;
- advise the board on matters relating to the practice of electrology;
- keep a record of its proceedings; and
- submit an annual report to the board.

Report: On or before December 15 of the 2nd year before the evaluation date, the Legislative Policy Committee, based on a preliminary evaluation, may waive as unnecessary the evaluation required under this subsection.

- **Emergency Medical Response System, Joint Legislative Committee to Study and Make Recommendations about the Structure and Funding of the State's (Ch. 385/SB 479)**

Establishes a Joint Legislative Committee to Study and Make Recommendations about the Structure and Funding of the State's Emergency Medical Response System, consisting of the following members:

- four members of the Senate of Maryland, appointed by the President of the Senate;
- four members of the House of Delegates, appointed by the Speaker of the House;

Chair: The President of the Senate and the Speaker of the House shall jointly appoint the co-chairs from the Senate and House members appointed to the Committee.

Staff: The Committee shall be staffed by the Department of Legislative Services.

Salary: none given

Purpose: In conducting its study of, and making recommendations about, the structure and funding of the State's emergency medical response system the Committee shall review:

- the current and projected fund balances in the Maryland Emergency Medical System Operations Fund (MEMSOF);
- current planning efforts for the use of funds in the MEMSOF;
- the long-term operating and capital needs for Level I, II, and III trauma centers in the State;
- the funding needs of first responders, firefighters, and emergency medical personnel;
- incentives for illness prevention, injury reduction, and appropriate use of the trauma system;
- the ability of current funding mechanisms to meet the needs of the State's emergency medical response system;
- the availability of federal funds for homeland security and bioterrorism response and the ability of those funds to meet the needs of the State's emergency medical response system;
- oversight and accountability for use of funds in the MEMSOF;
- methods used by other states to meet their emergency medical response needs;

- the current use of the Maryland State Police helicopters and the potential for the use of private helicopter companies for emergency medical response and inter-hospital transport;
- the issues related to the licensing of commercial air ambulances;
- plans to finance the replacement of the Maryland State Police helicopters;
- the purposes for which funds, appropriated in the annual State budget from MEMSOF for fiscal years 1999, 2000, 2001, 2002, and 2003, were used by each entity for which an appropriation was made during those fiscal years; and
- the structure of the Maryland Institute for Emergency Medical Services Systems (MIEMSS) and how MIEMSS functions within the State's emergency medical response system.

Report: The Committee shall submit reports on its findings and recommendations to the Governor and, on accordance with § 2-1246 of the State Government Article, to the Senate Budget and Taxation Committee, Finance Committee, and Judicial Proceedings Committee, and House Health and Government Operations Committee and Economic Matters Committee.

The Committee shall submit an interim report on or before December 31, 2003, and a final report on or before December 1, 2004.

- **Environmental Justice and Sustainable Communities, Commission on (Ch. 460/HB 970)**

Establishes the Commission on Environmental Justice and Sustainable Communities, consisting of the following members:

- one member of the Senate of Maryland, appointed by the President of the Senate;
- one member of the House of Delegates, appointed by the Speaker of the House;
- the Secretary of the Department of the Environment, or the Secretary's designee;
- the Secretary of the Department of Health and Mental Hygiene, or the Secretary's designee;
- the Secretary of the Department of Planning or the Secretary's designee;
- ten members appointed by the Governor who represent the following interests:
 - affected communities concerned with environmental justice
 - business organizations;
 - environmental organizations;
 - health experts on environmental justice;
 - local government; and
 - the general public with interest or expertise in environmental justice.

Chair: The Governor shall designate the chairman of the Commission.

Staff: The Department of the Environment shall provide staff for the Commission

Salary: No Salary; reimbursement for expenses under the Standard State Travel Regulations.

Purpose: The commission shall:

- advise state government agencies on environmental justice and related community issues;
- review and analyze the impact of current state laws and policies on the issue of environmental justice and sustainable communities;
- assess the adequacy of state and local government laws to address the issue of environmental justice and sustainable communities;
- coordinate with the children's environmental health and protection advisory council on recommendations related to environmental justice and sustainable communities;
- develop criteria to assess whether communities in the state may be experiencing environmental justice issues; and
- recommend options to the governor for addressing issues, concerns, or problems related to environmental justice that surface after reviewing state laws and policies, including prioritizing areas of the state that need immediate attention

Report: On or before October 1 of each year, the Commission shall report its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly.

• **Environmental Restoration and Development Task Force (Ch. 466/HB 1051)**

Establishes a Restoration and Development Task Force, consisting of the following members:

- three members of the Senate of Maryland, appointed by the President of the Senate;
- three members of the House of Delegates, appointed by the Speaker of the House;
- the Secretary of the Environment, or the Secretary's designee;
- the Secretary of Business and Economic Development, or the Secretary's designee;
- the Secretary of Planning, or the Secretary's designee;
- the following representatives from the University System of Maryland, appointed by the Chancellor;
 - one representative with expertise in the area of brownfields remediation or environmental science;
 - one representative with expertise in the area of brownfields law; and
 - one representative with expertise in public health; and
- the following members, appointed by the Governor;
 - one representative of the Cleanup Coalition;
 - one representative of the Chesapeake Bay Foundation;

- two representatives of the business community with expertise in brownfields development; and
- one representative of the Baltimore Development Corporation.

Chair: The President of the Senate and the Speaker of the House shall jointly designate the chairman of the Task Force.

Staff: The Department of the Environment and the Department of Business and Economic Development shall provide staff for the Task Force.

Salary: No Salary; reimbursement for expenses under the Standard State Travel Regulations.

Purpose: The Task Force shall:

- review the recent amendments to the federal Comprehensive Environmental Response, Compensation, and Liability Act as they relate to brownfields, including:
 - the definition of a "bona fide prospective purchaser";
 - the classification of a bona fide prospective purchaser as not an owner or operator for purposes of "responsible person" status; and
 - the imposition of a windfall lien on a bona fide prospective purchaser.
- examine the consequences of enacting State brownfields legislation similar to the amendments discussed in paragraph (1) of this subsection;
- examine the consequences of including properties under active enforcement as eligible properties under the State Voluntary Cleanup Program;
- examine the consequences of providing liability protections to economic development corporations and counties that take ownership of contaminated or potentially contaminated sites;
- examine methods by which a Program participant that received a no further requirements determination conditioned on certain uses of the property could apply for and receive a revised no further requirements determination based on different uses of the property;
- examine the consequences of providing for focused site cleanups, including limited liability protection for such cleanups, that are limited to specific types of contamination or specific portions of the property;
- examine the consequences of authorizing economic development corporations to act as a lender under the Maryland Clean Water Revolving Loan Fund;
- examine potential sources of increased funding for State brownfields programs; and
- study any other issues related to the State's brownfields programs that the members of the Task Force consider appropriate.

Report: The Task Force shall report its findings and recommendations to the Governor and, subject to §2-1246 of the State Government Article, the General Assembly on or before December 31, 2003.

• **Financial Impact of Retired Military Service Personnel on the Economy of the State, Task Force to Study the (Ch. 94/SB 480)**

Establishes a Task Force to Study the Impact of Retired Military Personnel on the Economy of the State, consisting of the following members:

- one member of the Maryland House of Delegates, appointed by the Speaker of the House;
- one member of the Senate of Maryland, appointed by the President of the Senate;
- the Secretary of the Maryland Department of Veteran Affairs, or the Secretary's designee;
- the Comptroller or the Comptroller's designee; and
- the following members, appointed by the Governor:
 - one representative from the American Legion;
 - one representative from the Veterans of Foreign Wars;
 - one representative from the Military Officers Association;
 - one representative from the Retired Enlisted Association;
 - one representative who is a certified public accountant; and
 - three representatives from the general public.

Chair: The Governor shall designate the chairman of the Task Force.

Staff: The Maryland Department of Veterans Affairs and the State Comptroller's Office shall provide staffing for the Task Force.

Salary: No Salary; reimbursement for expenses under the Standard State Travel Regulations.

Purpose: The Task Force shall:

- determine the number of retired military service personnel in the State of Maryland;
- determine the number of retired military service personnel engaged in a second career or secondary employment of any kind;
- determine the average total income of retired military service personnel including any secondary employment income or secondary career income, military retirement income, or other retirement income;
- determine the value of any additional benefits or programs available to retired military personnel;
- determine the average expenditures by retired military service personnel on an annual basis for goods and services and the estimated sales tax generated by retired military service personnel in the State;

- determine the average expenditures in the form of State, county, and local government services delivered to retired military service personnel and their families;
- determine the cost of health care services provided by the State to retired military service personnel and their families;
- determine the average State, county, and local real estate taxes paid by retired military service personnel on an annual basis;
- review a comparison of the total tax burden in the State for military retirees as compared to other states; and
- review a comparison of the total tax burden in the State including provisions of the State law exempting retirement income and military retirement income from taxation and any property tax or other tax benefits for retirees or military retirees, as compared to other states.

Report: The Task Force shall report its findings to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on or before December 1, 2003.

- **Health and Mental Hygiene, Task Force to Study the Reorganization of the Department of (Ch. 447HB 761)**

Establishes the Task Force to Study the Reorganization of the Department of Health and Mental Hygiene, consisting of the following members:

- two members of the Senate of Maryland, appointed by the President of the Senate;
- two members of the House of Delegates, appointed by the Speaker of the House;
- three representatives from the Department of Health and Mental Hygiene, appointed by the Secretary of health and Mental Hygiene;
- one representative from the Department of Budget and Management, appointed by the Secretary of Budget and Management;
- one local health officer, appointed by the Department of Health and Mental Hygiene;
- one representative from the Association of Maryland Hospitals and Health Systems;
- one representative from the Mental Health Association of Maryland;
- one representative of the Maryland Association on Nonprofit Organizations;
- one individual with expertise in reorganization of State agencies, appointed by the Department of Budget and Management;
- one representative from the Developmental Disabilities Coalition of Maryland;
- the Special Secretary for Children, Youth, and Families or the Special Secretary's designee;
- one representative from the Office of Individuals with Disabilities;
- one representative from the American Federation of State, County and Municipal Employees;
- one representative from the Medical and Chirurgical Faculty of Maryland;
- one representative from the State's public academic health center;
- one representative from Mid-Atlantic LifeSpan;

- one representative from the Maryland Nurses Association;
- one representative from the Health Facilities Association of Maryland;
- one representative from the Advocates for Children and Youth;
- one representative from the Maryland Association of Adult Day Services; and
- one representative from a HealthChoice managed care organization, appointed by the Department of Health and Mental Hygiene.

Chair: The chairman shall be elected from among its members. The President of the Senate and the Speaker of the House of Delegates shall jointly designate the chairman of the Task Force.

Staff: The Department of Legislative Services shall staff the Task Force.

Salary: No Salary; reimbursement for expenses under the Standard State Travel Regulations.

Purpose: The Task Force shall:

- study ways to improve the delivery of health and mental health services to residents of the State;
- study the structure of the Department of Health and Mental Hygiene, including the effects of moving the following programs out of the Department:
 - the Developmental Disabilities Administration;
 - the Mental Hygiene Administration; and
 - the Maryland Medical Assistance Program;
- examine the following areas in the Department of Health and Mental Hygiene:
 - the financing of the health care delivery system;
 - program and service delivery;
 - the review and application of quality assurance standards and regulation implementation; and
 - administrative and operational support;
- examine the organization and structure of health departments in other states; and
- study any other issue that the Task Force deems appropriate to the reorganization of the Department of Health and Mental Hygiene.

Report: The Task Force shall report its findings and recommendations to the Governor, and subject to §2-1246 of the State Government Article, to the General Assembly on or before December 1, 2004.

- **Hepatitis C, State Advisory Council on (Ch. 149/HB 386)**

Establishes a State Advisory Council on Hepatitis C, consisting of the following members:

- one shall be a member of the Senate, appointed by the President of the Senate;
- one shall be a member of the House of Delegates, appointed by the Speaker of the House;
- one shall be the Secretary of Health and Mental Hygiene or the Secretary's designee;
- one shall be the Secretary of Veteran Affairs or the Secretary's designee;
- one shall be the Secretary of Public Safety and Correctional Services or the Secretary's designee;
- eleven shall be appointed by the Governor;
 - one shall be an internist;
 - one shall be a hematologist;
 - one shall be a clinical researcher specializing in diseases of the liver;
 - one shall be a member of the public;
 - one shall be a veteran of the United States Armed Forces who has Hepatitis C;
 - two shall be representatives of the pharmaceutical industry;
 - one shall be a nurse practitioner;
 - one shall be a representative of the American Liver Foundation; and
 - one shall be a representative of the Baltimore City Health Department.

Chair: From among the members of the Advisory Council the Governor shall appoint a chairman.

Staff: The Secretary of Health and Mental Hygiene shall designate the staff necessary to assist the advisory Council in carrying out its functions.

Salary: No Salary; reimbursement for expenses under the Standard State Travel Regulations.

Purpose: The Advisory Council shall:

- review and recommend changes to the "Maryland Hepatitis C Prevention and Control Plan"; and
- solicit any funds or grants from any Federal, local, private, or other source to implement "The Maryland Hepatitis C Prevention and Control Plan".

Report: The Advisory Council shall report on its activities and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on or before April 1, 2005 and annually thereafter.

- **Juvenile Justice Alternative Education Program Advisory Board (Ch. 433/HB 490)**

Establishes an Alternative Education Pilot Program Board of Directors, consisting of the following members:

- one member of the Senate of Maryland, appointed by the President of the Senate;
- one member of the House of Delegates, appointed by the Speaker of the House;
- one of the county's Circuit Court Judge;
- the County Executive or the County Executive's designee;
- the Secretary of the Department of Juvenile Justice or the Secretary's designee; and
- one member who is a resident of the county and the community in which the Alternative Education Program is located, appointed by the County Executive.

Chair: none indicated

Staff: With the advice of the Juvenile Justice Alternative Education Program Advisory Board, the State Board shall select a private agency to administer the juvenile justice alternative education program.

Salary: none indicated

Purpose: The juvenile justice alternative education ~~pilot~~ program shall:

- provide programs designed to promote self-discipline and reduce disruptive behavior in the school environment;
- ensure that the student continues to receive appropriate educational and related services during the term of the suspension or expulsion including a focus in the following academic areas:
 - English and language arts;
 - Mathematics;
 - Science; and
 - Social studies; and
- offer services to facilitate the student's transition back to the school after completion of the term of suspension or expulsion.

Report: none indicated

- **Licensing Boaters, Task Force to Study the Feasibility of (Ch. 430/HB 442)**

Establishes an eight-member Task Force to Study the Feasibility of Licensing Boaters in the State consisting of the following members:

- a member of the Maryland House of Delegates appointed by the Speaker of the House;
- a member of the Senate of Maryland appointed by the President of the Senate;

- two representatives of the Department of Natural Resources, one of whom shall be a Natural Resources Police Officer, appointed by the Secretary of Natural Resources;
- a representative of the Motor Vehicle Administration appointed by the Motor Vehicle Administrator; and
- three persons appointed by the Governor, including:
 - a representative of an organization that represents the interests of boaters in the State; and
 - an owner and operator of a marina in the State.

Chair: The Governor shall appoint the chair of the Task Force.

Staff: The Department of Natural Resources shall staff the Task Force

Salary: No Salary; reimbursement for expenses under the Standard State Travel Regulations.

Purpose: The Task Force Shall:

- study the feasibility of licensing boaters in the State including issues regarding: (1) out-of-state boaters; and (2) Maryland residents who register a boat in another state;
- study security issues involved in issuing a boating license, and whether a boating license could be issued in conjunction with a Maryland driver's license;
- study the benefits and costs associated with establishing a State boating licensing, including the benefits of increased boater safety;
- study the methods of incorporating boater safety education into a boating license mechanism;
- consider the effect of a boating license requirement on tourism and economic development;
- survey actions taken by other states to address concerns regarding boating safety; and
- make any recommendations with respect to the feasibility and desirability of establishing and implementing a State boating license.

Report: The Task Force shall issue a final report of its findings and recommendations to the Governor, and subject to § 2-1246 of the State Government Article, to the General Assembly on or before December 1, 2003.

- **Marketing of Grain and Other Agricultural Products, Task Force on the (Ch. 85/SB 367)**

Establishes a 17 member Task Force on the Marketing of Grain and Other Agricultural Products, consisting of the following members:

- two members of the Senate of Maryland, appointed by the President of the Senate;
- two members of the House of Delegates, appointed by the Speaker of the House;
- the Secretary of Agriculture, or the Secretary's designee;
- the Secretary of Business and Economic Development, or the Secretary's designee;
- the Secretary of Transportation, or the Secretary's designee;
- the Executive Director of the Maryland Port Administration, or the Executive Director's designee;
- one member of the Maryland Farm Bureau;
- one member of the Maryland Grain Producers Association;
- one representative of the MidAtlantic Farm Credit; and
- the following members appointed by the Governor:
 - one representative from the ocean shipping industry ;
 - one representative of the trucking industry;
 - one representative of the rail industry;
 - one representative of the barge industry; and
 - two licensed grain dealers.

Chair: The Governor shall designate the chairman of the Task Force.

Staff: The Department of Agriculture shall provide staff for the Task Force.

Salary: No salary; reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

Purpose: The Task Force shall:

- evaluate options and develop strategies for marketing of grain, particularly soybeans, and other State agricultural products, including an analysis of the feasibility of:
 - reestablishing a grain export facility at the Port of Baltimore; and
 - establishing new transport options from alternative locations in Central Maryland;
 - implement through the Maryland Port Administration a feasibility study of the short-term and long-term economic viability of a grain shipping facility at the Port of Baltimore, including the Locust Point Marine terminal, and evaluate and make recommendations regarding the study;
 - examine potential costs to the State and private industry for each option;

- examine potential funding sources for identified options and strategies, including federal grant and loan programs, private loans and other investment vehicles, and any other available funding mechanisms; and
- solicit and encourage participation from other persons impacted by the topics under study by the Task Force but not serving as Task Force members, including farmers, and other agriculturally related businesses in neighboring states and members of Congress representing these regional interests.

Report: The Task Force shall report its findings and recommendations to the Governor and subject to § 2-1246 of the State Government Article, the General Assembly on or before December 31, 2003.

• **Maryland Military Installation Strategic Planning Council (Ch. 335/HB 888)**

Establishes a 13 member Maryland Military Installation Strategic Planning Council to examine issues related to expansion of military installations consisting of the following members:

- three members selected by the President of the Senate to represent community interests, of which:
 - one shall be a member of the Senate;
 - two shall be citizens representing communities adjacent to military institutions;
- three members selected by the Speaker of the House of Delegates to represent community interests, of which:
 - one shall be a member of the House of Delegates;
 - two shall be citizens representing communities adjacent to military institutions;
- the Secretary of Business and Economic Development, or the Secretary's designee;
- the Secretary of Transportation, or the Secretary's designee;
- the President of the Environment, or the Secretary's designee;
- the President of the Southern Maryland Navy Alliance;
- the President of the Army Alliance;
- the President of the Naval Energetics Alliance;
- the President of the Maritime Alliance;
- the President of the Fort Detrick Alliance; and
- five members selected by the Governor.

Chair: The Governor shall designate the chairman of the council.

Staff: The Department of Business and Economic Development shall provide staff support to the Council.

Salary: No salary; reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

Purpose: The Council shall make reasonable efforts, as funds allow, to:

- identify the public infrastructure and other community support necessary to improve mission efficiencies and for the development and expansion of existing military installations in the State;
- identify the existing and potential impacts of encroachment on military installations in the State;
- identify potential State and community actions that can minimize the impacts of encroachment and enhance the long term potential of military installations;
- identify opportunities for collaboration among military contractors, local governments, the State, academic institutions, and military departments to enhance the economic potential of military installations and the economic benefits of military installations in the State;
- review State policies, including funding and legislation, to identify actions necessary to prepare for the United States Department of Defense Efficient Facilities Initiative that will begin in 2005; and
- research how other jurisdictions have addressed the issues regarding encroachment and partnership formation.

Report: On or before December 31, 2003, the Council shall report its findings and recommendations to the Governor, and, subject to § 2-1246 of the State Government Article, to the General Assembly.

- **Mental Illness and Substance Abuse Disorders, Task Force on the Needs of Persons with Co-Occurring (Ch. 297/HB 433)**

Establishes a Task Force on the Needs of Persons with Co-Occurring Mental and Health Substance Abuse Disorders, consisting of the following members:

- one representative of the Mental Health Administration;
- one representative of the Alcohol and Drug Abuse Administration;
- one representative of the Department of Human Resources;
- one social worker from the Department of Social Services;
- one representative of the Department of Rehabilitative Services;
- one representative of the AIDS Administration;
- one representative of the Department of Juvenile Justice;
- one representative of the Faith-Based Community Providers;
- one representative of the Department of Housing and Community Development;
- one representative of the Department of Public Housing and Community Development;
- one representative of the Department of Public Safety and Correctional Services;
- one State court judge;
- one representative of the State's Attorney's Office;

- one representative from the Public Defender’s Office;
- one representative who is a consumer of co -occurring disorder services or who has a family member who uses such services;
- one representative of the Co-Occurring Disorders Workgroup of the National Council on Alcoholism and Drug Dependence, Inc. – Maryland and Mental Health Association of Maryland;
- one representative from the Maryland Psychiatric Society;
- one representative from the Maryland Nurses Association;
- one representative from the Maryland Hospital Association;
- one representative from the Community Behavioral Health Association of Maryland;
- one representative from the Maryland Legislative Council of Social Workers;
- one representative from the Maryland Psychological Association;
- one representative from the State’s Public Academic Health Center; and
- two consumers.

Chair: The members of the Task Force shall elect the chairman and vice-chairman from among the Task Force’s members.

Staff: The Mental Hygiene Administration and the Alcohol and Drug Abuse Administration shall provide staff for the Task Force.

Salary: No salary; reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

Purpose: The Task Force shall:

- identify and recommend creative ways to provide and deliver comprehensive, integrated, cost-effective services to the population with co-occurring mental illness and substance abuse disorders;
- identify and recommend various methods of funding services through private and public sources;
- make recommendations regarding both short-term and long-term residential services for people with co-occurring disorders, including recommendations on the number of units needed and a timeline for providing residential services;
- make recommendations regarding how the Mental Hygiene Administration and Alcohol and Drug Abuse Administration may implement cross-training for mental illness and addiction counselors; and
- make recommendations regarding necessary legislation to implement the Task Force's recommendations.

Report: The Task Force shall issue an interim report on its findings and recommendations to the Governor, and subject to §2-1246 of the State Government Article, the Senate Education, Health, and Environmental Matters Committee and the House Health and Government Operations Committee on or before December 1, 2004.

The Task Force shall issue a final report on its findings and recommendations to the Governor, and subject to §2-1246 of the State Government Article, the Senate Education, Health, and Environmental Matters Committee and the House Health and Government Operations Committee on or before December 1, 2005.

- **Mental Health Services, Task Force to Study Access to (Ch. 224/SB 252)**

Establishes a Task Force to Study Access to Mental Health Services consisting of the following members:

- two members of the Senate of Maryland, appointed by the President of the Senate;
- two members of the House of Delegates, appointed by the Speaker of the House;
- the Secretary of Health and Mental Hygiene or the Secretary's designee;
- the Maryland Insurance Commissioner or the Commissioner's designee;
- The following members appointed by the Maryland Insurance Commissioner:
 - One representative of the commercial health insurance industry;
 - One representative of a commercial health maintenance organization; and
 - One representative of the managed behavioral health care industry;
- The following members appointed by the Secretary of Health and Mental Hygiene:
 - One representative of the Maryland Hospital Association;
 - One representative of the Mental Health Association of Maryland;
 - One representative of the Community Behavioral Health Association of Maryland;
 - One representative of Maryland's pediatric mental health community;
 - One consumer member who is the family member of an adult who receives mental health care services;
 - One consumer member who is the family member of a child who receives mental health care services; and
 - One consumer member who is a direct consumer of mental health services; and
 - One member representing the rural mental health community appointed by the FORVM for Rural Maryland.

Chair: The members of the Task Force shall select a chairman from the Task Force.

Staff: The Maryland Insurance Administration and the Department of Health and Mental Hygiene shall provide staff for the Task Force.

Salary: No salary; reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

Purpose: The Task Force shall study and make recommendations regarding:

- Whether any changes should be made to the mental health parity requirements under § 15-802 of the Insurance Article and § 19-703.1 of the Health - General Article;
- The systemic barriers experienced by commercially-insured individuals when attempting to access community treatment; and
- How to ensure that commercially-insured individuals have access to medically-necessary mental health treatment;
- The difference in mental health services coverage provided by the public mental health system, commercial health insurers, and commercial health maintenance organizations;
- The structure and effectiveness of the public and private mental health care delivery systems in the State; and
- The impact on the cost of health care coverage in the State of any recommended changes to the coverage or delivery of mental health care services.

Report: On or before December 31, 2003, the Task Force shall issue a preliminary report of its findings, and on or before December 31, 2004, shall issue a final report of its findings and recommendations to the Governor, and in accordance with § 2-1246 of the State Government Article, the General Assembly.

- **Nonprofit Health Service Plan Oversight Committee, Joint (Ch. 357/Ch. 357/SB 772/HB 1179)**

Creates a 17 member Joint Nonprofit Health Service Plan Oversight Committee consisting of the following members:

- two members of the Senate appointed by the President of the Senate;
- two members of the House of Delegates appointed by the Speaker of the House;
- 13 shall be appointed jointly by the President of the Senate and the Speaker of the House of Delegates as follows:
 - one shall be the owner of a business domiciled in the state that employs more than 50 people;
 - one shall be the owner of a business domiciled in the state that employs two to 50 people;
 - one shall represent a Maryland labor organization;
 - one shall have experience in the administration and operation of a nonprofit business domiciled in the state;
 - one shall represent the state employee health benefit plan;
 - one shall represent a nonprofit health care advocacy association organized in the state;
 - one shall represent the medical and surgical faculty of Maryland;
 - one shall represent the Maryland Hospital Association;
 - one shall represent the Midatlantic Association of Community Health Care Centers;

- one shall be a third party administrator;
- one shall be an insurance producer; and
- two shall be members of the public.

Chair: The President of the Senate and the Speaker of the House of Delegates shall appoint a Senator and a Delegate, respectively, to serve as co-chairmen.

Staff: The Maryland Insurance Administration and the Department of Legislative Services, Office of Policy Analysis, shall provide staff assistance to the Committee.

Salary:

Purpose: The committee shall:

- examine and evaluate the ability of the nonprofit health service plans in the state that carry the bluecross and blueshield trademark to meet the following goals:
 - provide individuals and businesses with affordable and accessible health insurance;
 - contribute to the improvement of the overall health status of Maryland residents;
 - provide financial or in-kind support for public health programs;
 - employ underwriting standards in a manner that increases the availability of one or more health care services or products;
 - employ pricing policies that:
 - enhance the affordability of health care services or products;
 - result in a higher medical loss ratio than that established by a comparable for-profit health insurer; and
 - do not impair the financial condition of the nonprofit health service plan;
 - offer a product in the individual market;
 - offer a product in the small employer group market;
 - partner with the state and other public or private entities to provide services or administer programs to address community health care needs; and
 - continue subsidization of the senior prescription drug program established under title 14, subtitle 5, part ii of the insurance article.

Report: In accordance with § 2-1246 of this title, the committee shall submit an annual report to the general assembly on or before December 1 of each year. The report shall include the findings and recommendations of the committee with regard to the examination and evaluation carried out under subsection (f) of this section.

- **Pinhole Leaks in Copper Plumbing, Task Force to Study (Ch. 476/SB 54)**

Creates the Task Force to Study Pinhole Leaks in Copper Plumbing consisting of the following 11 members:

- the Chairman of the Washington Suburban Sanitary Commissions, or the Chairman’s designee;
- the Secretary of Housing and Community Development, or the Secretary’s designee;
- the Secretary of the Environment; or the Secretary’s designee;
- the Commissioner of the Maryland Insurance Administration, or the Commissioner’s designee;
- two representatives designated by the Maryland Association of Counties;
- one faculty member from the University System of Maryland with expertise in the engineering and design of plumbing and piping, designated by Chancellor; and
- the following members appointed by the Governor, as follows:
 - one master plumber who is a resident of Maryland, is licensed by the State Board of Plumbing, and has expertise in the installation and replacement of copper plumbing;
 - one person with expertise in copper corrosion;
 - two consumer representatives from the areas of the State served by different water suppliers;
 - one representative of a Maryland condominium association; and
 - one representative of the Copper Development Association.
- The Task Force shall invite participation of a representative of the U.S. Environmental Protection Agency (EPA) with expertise in water chemistry, as designated by the EPA Administrator.

Chair: The Governor shall designate the chairman of the Task Force

Staff: The Department of Housing and Community Development shall staff the Task Force.

Salary: No salary; reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

Purpose: The Task Force shall:

- determine the extent, patterns, and trends of pinhole leaks in Maryland;
- investigate the possible causes of pinhole leaks in copper plumbing, including: water chemistry requirements adopted by the EPA; water treatment practices; water additives; copper plumbing design, manufacturing, and installation practices; and copper plumbing cleaning and lining practices;

- investigate the effect of pinhole leaks in copper plumbing on homeowners' insurance coverage; and
- make recommendations regarding possible remedies for pinhole leaks in copper plumbing and possible steps for Maryland residents to take if they experience a problem with pinhole leaks.

Report: The Task Force shall report its findings and recommendations to the General Assembly on or before December 31, 2004.

• **Procurement, Task Force to Study Efficiency in (Ch. 386/SB 492)**

Establishes a eighteen member Task Force to Study Efficiency in Procurement, consisting of the following members:

- two members of the House of Delegates, appointed by the Speaker of the House;
- two members of the Senate, appointed by the President of the Senate;
- one member who has expertise in Maryland procurement law, appointed by the Governor, who shall be the chairman of the Task Force;
- one member from the information technology industry, appointed by the Governor;
- one member from the construction industry appointed by the Governor;
- one member from the commodities industry, appointed by the Governor;
- one member from the human services industry or health care industry, appointed by the Governor;
- one member from the correctional services industry, appointed by the Governor;
- one member from the professional services industry, such as engineering or architectural services, appointed by the Governor;
- one member from the minority business enterprise community, appointed by the Governor;
- the Secretary of General Services or a designee, as an ex officio member;
- the Secretary of Transportation, or a designee, as an ex officio member;
- the Secretary of Budget and Management, or a designee, as an ex officio member;
- the Chancellor of the University System of Maryland, or a designee, as an ex officio member;
- the Secretary of Human Resources, or a designee, as an ex officio member;
- the Secretary of Health and Mental Hygiene, or a designee, as an ex officio member; and
- the Executive Director of the Governor's Office of Minority Affairs, or a designee, as an ex officio member;
- the Procurement Advisor appointed under § 12-102 of the State Finance and Procurement Article, or a designee, as an ex officio member; and
- the Maryland State Treasurer, or a designee, as an ex officio member.

Chair: One member who has expertise in Maryland procurement law, appointed by the Governor

Staff: The Department of Legislative Services and the Office of the Attorney General shall provide staff support to the Task Force.

Salary: No salary; reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

Purpose: The Task Force shall study:

- methods of increasing efficiency in procurement processes, including:
 - the use of market-based procurement practice;
 - outsourcing and privatization;
 - the use of contracts where compensation is based on successful performance;
 - the accountability of State officials who violate procurement law;
 - rewards and incentives to State officials in order to encourage better procurement results, including the procurement of environmentally preferable products;
 - greater centralization of the procurement system; and
 - the feasibility of the uniform application of the procurement law to all State government units, except public institutions of higher education;
- the effectiveness of the dispute resolution process; and
- except for public institutions of higher education, the State's current policy and practices concerning the procurement of information management systems and other technology and technology-related services including:
 - the technology procurement process;
 - technology procurement administration; and
- the development of the technology industry in the State.

Report: On or before December 31, 2003, the Task Force shall submit a report of its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly.

• **Unemployment Insurance Funding Task Force (Ch. 269/ SB 765)**

Establishes the Unemployment Insurance Funding Task Force consisting of the following members:

- two members of the Senate, appointed by the President of the Senate;
- two members of the House of Delegates, appointed by the Speaker of the House;
- the Secretary of the Department of Business and Economic Development, or the Secretary's designee;
- the Secretary of the Department of Labor, Licensing, and Regulation, or the Secretary's designee;

- a representative of the Maryland Retailers Association, designated by the Maryland Retailers Association;
- a representative of the Job Opportunities Task Force, designated by the Job Opportunities Task Force;
- a representative of union labor, designated by the Maryland State and District of Columbia AFL-CIO;
- a representative of the Maryland Chamber of Commerce, designated by the Maryland Chamber of Commerce; and
- a representative of the academic profession who is knowledgeable on unemployment insurance law, designated jointly by the President of the Senate and Speaker of the House of Delegates.

Chair: The President of the Senate and the Speaker of the House jointly shall appoint co-chairs from among the Senate and House members appointed to the Task Force.

Staff: The Department of Legislative Services, in consultation with the Department of Labor, Licensing, and Regulation, shall provide staffing for the Task Force.

Salary: No salary; reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

Purpose: The Task Force shall examine:

- the fairness of the existing charging and taxation system under current Maryland Unemployment Insurance law, taking into consideration the impact on small, medium, and large employers across a variety of industries;
- the fairness of the existing eligibility and benefit provisions under current Maryland Unemployment Insurance law;
- the need for altering the current system of charging and taxation in order to maintain the Unemployment Insurance Trust Fund at a level sufficient to ensure that benefits will be paid from the Fund; and
- the impact of changes in the national and State economies and their relationship to changes in the Unemployment Insurance Trust Fund.

Report: On or before December 1, 2003, the Task Force shall report its findings and recommendations, subject to § 2-1246 of the State Government Article, to the General Assembly.

- **Upper Shore Regional Council (Ch. 100/SB 525)**

Establishes the Upper Shore Regional Council as a regional planning and development agency for Cecil, Kent, and Queen Anne’s counties to facilitate regional planning and development where the counties are located with membership of the Council consisting of the following members from Cecil, Kent, and Queen Anne’s counties:

- Nine Commissioners, three from each county, appointed by their respective county governing bodies as voting members;
- Three county administrators, one from each county, as nonvoting ex officio members;
- Three municipal elected officials, one from each county, appointed by their respective municipal corporations as voting members; or
-- if the municipal corporations located in a county are unable to choose a municipal elected official within a reasonable period of time, the Eastern Shore municipal association shall appoint an elected municipal official to represent the municipal corporation;
- Members of the General Assembly representing the region who have a majority of their legislative district in the region as voting ex officio members;
- Members of the General Assembly representing the region who do not have a majority of their legislative district in the region as nonvoting ex officio members; and
- The other commissioners as nonvoting ex officio members.

Chair: The Council shall elect a chairperson from among its members.

Staff: The Council shall elect a chairperson from among its members.

Salary: The members of the Council serve without compensation.

Purpose: -- The Council is a tax-exempt public body corporate and politic which operates as a cooperative planning and development agency within the region to foster the physical, economic, and social development of the region and utilizes effectively the assistance provided by the State.
-- The Council initiates and coordinates plans and projects for the development of human and economic resources of the Upper Shore region as an Upper Shore planning and development agency.

Report: On or before August 1 of each year, the Council shall submit to the Department of Business and Economic Development its proposed work programs and operating budget for the following fiscal year, together with supporting schedules to show how the budget is financed, and to provide for review and recommendations.

**2003 LEGISLATION RELATING TO CHANGES TO EXISTING BOARDS,
COMMISSIONS, TASK FORCES, ETC.**

- **Architects – Continuing Education (Ch. 396/Ch. 397/SB 614/HB 779)**

Establishes certain criteria for approval by the State Board of Architects of a continuing education course or activity.

- **Assisted Living Facilities – Certification – Third Party Accreditation Programs (Ch. 102/SB 553)**

Authorizes the Department of Health and Mental Hygiene (DHMH) to accept third-party accreditation reports as sufficient to meet the standards for renewing a license to operate an assisted living facility.

Requires DHMH to report to the General Assembly its findings on assisted living payment rates and costs. Requires DHMH to evaluate assisted living services in Maryland and report on its findings.

- **Board of Physician Quality Assurance – Office-Based, Medication-Assisted Opioid Addiction Therapy (Ch. 220/SB 224)**

Requires the State Board of Physician Quality Assurance to establish a process to train and certify Maryland physicians who wish to apply for a waiver from the federal Substance Abuse and Mental Health Services Administration to practice office-based medication-assisted opioid addiction therapy.

- **College Savings Plans of Maryland (Ch. 381/Ch. 382/SB 499/HB 30)**

Changes the name of the Maryland Higher Education Investment Board to the College Savings Plans of Maryland Board and establishes the title of College Savings Plans of Maryland for the two programs that are administered by the board. Adds the Chancellor of the University System of Maryland to the board and allows the five ex officio members of the board to designate staff members to act as their representatives on the board. Allows the board to combine the required annual audits and reports for the Maryland Prepaid College Trust and the Maryland College Investment Plan.

- **Consolidation of Rural Development Programs (Ch. 266/SB 744)**

Renames the Forum for Rural Maryland to be the Rural Maryland Council. Expands the Council's membership. Alters and expands the Council's Executive Board membership. Places the Council, for administrative and budgetary reasons, under the Maryland Department of Agriculture and requires the Department to provide funding, staff, and resources for the Council. Repeals the June 30, 2004 termination date of the Council.

- **Criminal Procedure – Criminal Justice Information System (Ch. 216/SB 154)**

Alters the ex officio membership of the Criminal Justice Information Advisory Board by adding the Director of the Maryland Justice Analysis Center of the Department of Criminology and Criminal Justice of the University of Maryland, and by eliminating two of the three members recommended by the Secretary of Public Safety and Correctional Services.

- **Dentistry – Licensure Requirements – Pediatric Specialist (Ch. 131/HB 237)**

Authorizes the State Board of Dental Examiners to waive education requirements for a limited license to practice dentistry for an applicant who does not hold a dental education degree from an institution recognized by the board under specified conditions.

- **Department of Health and Mental Hygiene – Selling and Dispensing of Contact Lenses and Replacement Contact Lenses (Ch. 245/SB 387)**

Requires that the Department of Health and Mental Hygiene must adopt regulations governing the selling and dispensing of plano and zero-powered contact lenses and replacement contact lenses.

- **Department of Health and Mental Hygiene – State Board of Physicians (Ch. 252/SB 500)**

Termination: Extends the sunset date for the Board of Physician Quality Assurance (BPQA) from July 1, 2003 to July 1, 2007.

Technical: Renames BPQA as the State Board of Physicians.

Membership: Revises the board composition by increasing board membership from 15 to 21 members, changing term limits from three to four years, specifying practice and specialty requirements, and imposing certain residency requirements.

On August 1, 2003, the Governor, with the advice of the Secretary of Health and Mental Hygiene and the advice and consent of the Senate, must appoint a new State Board of Physicians. The bill provides for member term limits for those members appointed on August 1, 2003.

Authority: Authorizes the board to delegate the authority to conduct disciplinary hearings to a subcommittee consisting of three or more board members.

Requires the board to maintain a public individual profile on each licensee.

Report: Requires the Board to report to the Governor and specified committees by January 1, 2004 on investigative caseloads of board investigators. The board and the Office of the Attorney General must review all aspects of the board's investigative processes and recommend revisions. The board must report by January 1, 2004 to the Senate Education, Health, and Environment Affairs and House Health and Government Operations committees on its findings.

Requires that the Board of Physicians and the Department of Health and Mental Hygiene must report to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee by December 1 of 2003, 2004, and 2005 on the implementation of the bill's changes to the licensure and regulation of physicians and other allied health professionals.

- **Department of the Environment – Hazardous Waste Facilities – Public Comment (Ch. 347/HB 1047)**

Requires the Hazardous Waste Facilities Siting Board in the Maryland Department of the Environment, at least 90 days prior to issuing a certificate of public necessity for a proposed hazardous waste facility site, to seek the comments of residents who live within one mile of the proposed site.

- **Department of the Environment – Noise Control and Pollution (Ch. 281/HB 174)**

Increases the membership of the Environmental Noise Advisory Council from 5 to 11 and provides for staggered expiration of terms of voting members. One ex officio member shall be a member of the Senate appointed by the President of the Senate. One ex officio member shall be a member of the House of Delegates, appointed by the Speaker of the House.

Authorizes the council to provide advice to MDE on any matter relating to noise pollution.

Expands the membership of the Interagency Noise Control Committee to include three additional State agencies

- **Department of Human Resources – Child Support Enforcement Privatization Pilot Program and Demonstration Sites – Established (Ch. 392/SB 524)**

Establishes the Child Support Enforcement Privatization Pilot Program within the Department of Human Resources. Requires the Secretary of Human Resources to establish up to 22 demonstration sites to compete with the privatization sites on a phased-in basis.

- **Department of Juvenile Justice – Summer Opportunity Pilot Program – Extension of Sunset (Ch. 164/HB 536)**

Extends the sunset on the Department of Juvenile Justice (DJJ) Summer Opportunity Pilot Program from September 30, 2004 to May 31, 2008, and repeals the programs limit of three participating counties. Authorizes the special fund that supports the program to accept funding from other sources in addition to funds provided by the State.

- **Division of Labor and Industry and Associated Boards and Councils – Sunset Extension and Program Evaluation (Ch. 316/HB 651)**

Extends the sunset date for the Division of Labor and Industry, the Amusement Ride Safety Advisory Board, the State Mediation and Conciliation Service, the Maryland Occupational Safety and Health Advisory Board, the State Wage and Hour Law, the Employment of Minors Act, and the Apprenticeship and Training Council from July 1, 2004 to July 1, 2014. New sunset reviews are required by July 1, 2013.

Requires the Elevator Safety Review Board to be subject to the Maryland Program Evaluation Act and provides a termination date of July 1, 2014 for the board. A sunset evaluation must be completed by July 1, 2013.

Removes unnecessary language related to the already terminated Advisory Committee on the Wage and Hour Law. Repeals the Advisory Committee on Safety Training Programs for Power Equipment Operators.

- **Department of Labor, Licensing, and Regulation – Occupational and Professional Licensing Design Boards (Ch. 227/SB 268)**

Extends the sunset date for the State Board of Certified Interior Designers from July 1, 2004 to July 1, 2014. New sunset reviews are required by June 30, 2013.

Requires the chairmen of the boards of Certified Interior Designers, the State Board of Examiners of Landscape Architects, the State Board for Professional Engineers, and the State Board of Professional Land Surveyors to meet annually to discuss issues of mutual importance. The chairmen are required to post a joint newsletter on the web site of the Department of Labor, Licensing, and Regulation.

Establishes a State Occupational and Professional Licensing Design Boards' Fund as a special, nonlapsing fund. Alters the fee setting authority for five design professional licensing boards, all of which will become special funded boards.

- **Education – Juvenile Justice Alternative Education Pilot Program (Ch. 433/HB 490)**

Eliminates the June 30, 2005 termination date on the Juvenile Justice Alternative Education Pilot Program.

Effective July 1, 2005, the bill removes the word “Pilot” from the program’s title and the Maryland State Department of Education is required to oversee the program. With the advice of a six-member Juvenile Justice Alternative Education Program Advisory Board established in the bill, the State Board of Education must select a private agency to administer the program. Under the modified program that begins July 1, 2005, local boards of education will be required to pay the per pupil basic current expenses for each student transferred to the program.

- **Election Law – Compliance with Federal Law (Ch. 379/SB 432)**

Alters procedures for provisional voting, posting information at polling places, and handling challengers and watchers on Election Day in order to be consistent with federal law.

- **Election Law – Miscellaneous Technical and Clarifying Corrections (Ch. 380/SB 433)**

The bill primarily clarifies existing statutory language relating to changes to precinct boundaries and polling places, changes in voters’ party affiliation, changes to the voter registry when a voter moves, the transmittal of certified copies of election results following certain elections, the canvass of certain primary election results for an elector to fill a vacancy in the office of representative in Congress, and the deposit or use of certain contributions of money that are received by certain persons prior to the General Assembly session. However, the following are the substantive changes the bill makes to existing law.

Alters period during which a local board is prohibited from creating or changing a precinct boundary.

Allows local boards to approve a voter’s request for a party affiliation change under certain circumstances.

Repeals a provision requiring the State board, before certifying an election, to determine whether reports or statements of contributions and expenditures have been filed by all candidates. Repeals a provision that requires a political committee that spends \$51 or more to aid or oppose the nomination of a candidate to submit a campaign finance report to the committee that was aided.

Clarifies that the prohibition on State officials from receiving contributions during the legislative session extends to contributions from any campaign finance entity operated in

coordination with a candidate, and does not prohibit the use of any funds deposited prior to the session for expenditures during the session.

- **Election Law – Presidential Election Procedures – Deadlines (Ch. 222/SB 244)**

Establishes and alters certain deadlines and procedures related to the presidential primary and general election in the State.

- **Election Law – Study Commission on Public Funding of Campaigns in Maryland – Sunset Extension (Ch. 406/HB 29)**

Extends the sunset date for a 15-member Study Commission on Public Funding of Campaigns in Maryland from June 30, 2003 to June 30, 2004. (

- **Electricity – Universal Service Program – Extension and Funding (Ch. 95/SB 504)**

Requires the Public Service Commission to continue collecting \$34 million annually from electric customers to fund the Department of Human Resources' Electric Universal Service Program (EUSP). Specifies the factors that the Commission's recommendation on the total amount of program funds for the following fiscal year must be based on. This recommendation must be included in the Commission's annual report to the General Assembly on EUSP.

- **Elevator Renovators and Refinishers (Ch. 254/SB 515)**

This departmental bill requires that the Elevator Safety Review Board must establish regulations governing the qualifications and scope of practice of an applicant for an elevator renovator contractor or mechanic license.

- **Environment – Application for Landfill or Incinerator Permit – Notice (Ch. 328/HB 814)**

Requires an applicant for a permit for a landfill system or incinerator to provide notice to each member of the General Assembly representing any part of a county in which the landfill system or incinerator is located (instead of providing notice to each member in whose district the landfill system or incinerator is located).

- **Health – General – Anatomy Board – Powers and Duties (Ch. 108/SB 669)**

Repeals the authority of the State Anatomy Board to adopt regulations for the operation of a surgical study laboratory within the board's facilities and to adopt regulations to implement improved anatomical methods to further medical study.

- **Health Insurance Coverage Availability Act of 2003 (Ch. 2/HB 1100)**

Increases the membership of the Maryland Health Insurance Plan board from five to seven. Specifies that one member must be a representative of carriers operating in the State and one must be an insurance producer selling insurance in the State.

The Board shall report on or before December 1, 2003 and annually thereafter, to the Governor and subject to § 2-1246 of the State Government Article, to the General Assembly on the number of members enrolled in the plan and the costs to the plan associated with providing insurance to certain members.

- **Health Insurance – Nonprofit Health Service Plan – Reform (Ch. 356/Ch. 357/SB 772/HB 1179)**

Specifies that a nonprofit health service plan's board and its individual members are fiduciaries for the benefit of the corporation and its controlled affiliates or subsidiaries that offer health benefit plans and must act in a manner that is reasonably believed to be in the furtherance of the corporation's nonprofit mission. Outlines the principal functions of the board.

Membership: Provides that a nonprofit health service plans' board must have no more than 23 members, changes certain term limitations, and specifies the makeup of the board. The board is composed of:

- One nonvoting member (not a member of the General Assembly) appointed by the President of the Senate;
- One nonvoting member (not a member of the General Assembly) appointed by the Speaker of the House of Delegates; and
- 21 members selected by the board, including two consumer members.

Term: A board member may not serve for more than two full terms or a total of more than six years. The bill also provides for the removal and replacement of board members by a specified date.

Committees: Requires the board to establish certain committees. The compensation committee and the nominating committee must include either the appointees of the President of the Senate or the Speaker of the House.

Salary: Member, not to exceed \$12,000 annually; chairman of a committee, up to \$15,000 annually.

- **Health Occupations – Licensed Clinical Marriage and Family Therapists – Reciprocity (Ch. 133/HB 259)**

Requires the State Board of Professional Counselors and Therapists to offer a reciprocal license to practice clinical marriage and family therapy to State residents who are licensed or certified in another state whose requirements are equivalent to or exceed those of Maryland.

- **Health Services Cost Review Commission – Appointment of Members (Ch. 349/HB 1065)**

Requires the Governor, when appointing a member to the Health Services Cost Review Commission upon the expiration of a member's term, to give consideration to, and make appointments when appropriate, that would promote the racial, gender, and geographic diversity of the commission.

- **Housing and Community Development – Radium Pilot Grant Program (Ch. 116/HB 39)**

This bill creates a Radium Pilot Grant Program in the Department of Housing and Community Development (DHCD) to provide financial aid to residential well owners to remove radium or gross alpha from well water. Implementation of the program is subject to the availability of funds in the State budget.

- **Hospitals – HIV Testing – Health Care Providers and First Responders (Ch. 143/HB 343)**

Requires that the Department of Health and Mental Hygiene's AIDS Administration must study the issue of HIV testing of individuals who refuse to consent to HIV testing when there is an exposure involving a health care provider or first responder and report its findings and recommendations.

- **Insurance – Maryland Property Insurance Availability Act (Ch. 355/HB 1153)**

Alters the maximum limit of liability on specified real or personal property under the program of operation adopted by the Governing Committee of the Joint Insurance Association. Alters the number of buildings subject to the maximum limit of liability.

- **Insurance – Regulation of Insurance Producers (Ch. 35/HB 200)**

Authorizes the Maryland Insurance Commissioner to appoint certain advisory boards. (HB 200)

- **Interstate Hazardous Liquid Pipelines – Operations and Reporting (Ch. 327/HB 794)**

Requires the Public Service Commission, in collaboration with the American Society of Mechanical Engineers, to establish and adopt by regulation methods and best practices for intrastate pipeline facilities used for the transportation of hazardous liquids.

Requires PSC to hire an engineer who specializes in the storage of and transportation of hazardous liquid materials by pipeline and provide training for its current staff members who deal with hazardous liquid pipelines.

- **Joint Technology Oversight Committee (Ch. 83/SB 335)**

This bill repeals the June 30, 2005 termination date of the Joint Technology Oversight Committee. (SB 335)

- **Land Use – Planning Commissions - Membership (Ch. 86/Ch. 341/SB 416/HB 921)**

Provides that a local planning commission must consist of three, five, or seven members. Currently, a planning commission must consist of either five or seven members.

- **Maryland African American Museum Corporation – Board of Directors – New Members (Ch. 213/Ch. 214/SB 130/HB 106)**

Alters the number of members of the Maryland African American Museum Corporation board of directors from 32 to 37. Authorizes the governor to appoint the Board of Directors up to a certain number of members from outside the State under certain circumstances. Establishes certain criteria for a quorum at board meetings. Makes this Act an emergency measure.

- **Maryland Agricultural Land Preservation Foundation – Allegany and Garrett Counties – Natural Gas Rights (Ch. 117/HB 91)**

Provides that regulations and procedures adopted by the Maryland Agricultural Land Preservation Foundation (MALPF) for the establishment and monitoring of agricultural districts may not require, in Allegany or Garrett counties, a natural gas rights owner or lessee to subordinate its interest to MALPF's interest if MALPF determines that the exercise of those rights will not interfere with an agricultural operation conducted on the land.

Requires that MALPF must submit a report to the Governor and the General Assembly on the impact of the bill.

- **Maryland Health Care Commission – Hospice Care – Prohibition (Ch. 404/SB 732)**

Prohibits the Maryland Health Care Commission (MHCC) from granting a person that operates a hospice care program a statewide certificate of need (CON) or the authority to operate the hospice care program statewide through a commission ruling or determination.

- **Maryland Health Insurance Plan and Senior Prescription Drug Program – Modifications and Clarifications (Ch. 1/HB 803)**

Alters the responsibilities of the Health Services Cost Review Commission with respect to funding for the Maryland Health Insurance Plan.

- **Maryland Insurance Administration – Disability Benefits – Adoption of Regulations (Ch. 305/HB 499)**

This departmental bill requires the Maryland Insurance Commissioner to adopt regulations that establish standards governing the processing of claims by an insurer that issues or delivers individual or group policies in Maryland that include a disability benefit.

- **Maryland-National Capital Park and Planning Commission – Minority Business Enterprise Utilization Program (Ch. 425/HB 394)**

Extends from September 30, 2003, to September 30, 2008, the authority of the Maryland-National Capital Park and Planning Commission (M-NCPPC) to administer a Minority Business Enterprise Utilization Program. Requires an annual report to be completed by October 31 of each year that evaluates program results through June 30 of that year.

- **Maryland Parole Commission – Membership (Ch. 96/SB 507)**

Increases the membership of the Maryland Parole Commission from eight to ten members.

- **Maryland Trauma and Emergency Medical Response System – Funding and Structure (Ch. 385/SB 479)**

Authorizes the Maryland Health Care Commission and the Health Services Cost Review Commission to administer the Maryland Trauma Physician Services Fund and audit reimbursement requests to assure appropriate payments are made from the fund.

- **Maternal Mortality Review Program – Termination Provision – Repeal (Ch. 262/SB 688)**

Repeals the September 30, 2003 termination date for the Maternal Mortality Review Program within the Department of Health and Mental Hygiene.

- **Medical Assistance Program – Employed Persons with Disabilities Program (Ch. 315/HB 630)**

Requires, to the extent that funding is available in the State budget, the Department of Health and Mental Hygiene to implement the Employed Persons with Disabilities Program by July 1, 2005. EPDP encourages individuals with disabilities to seek or maintain employment.

- **Mental Health – Early Childhood Mental Health Services – Pilot Program (Ch. 148/HB 360)**

Codifies an Early Childhood Mental Health Services Pilot Program in Baltimore City and the Eastern Shore, contingent upon the State receiving federal or other sources of funds.

Requires the Department of Human Resources' Child Care Administration, in collaboration with the Department of Health and Mental Hygiene's Mental Hygiene Administration, the State Department of Education, and the Governor's Office of Children, Youth, and Families, to submit a report to the Governor and the General Assembly that evaluates the pilot program and applicable comparable programs.

- **Montgomery County – Matthew Henson State Park – Expansion (Ch. 426/HB 399)**

Expands the boundaries of Matthew Henson State Park and, in order to further the construction of a hiker/biker trail in the park, provides for the transfer of specified parcels of land from the State Highway Administration (SHA) to the Maryland-National Capital Park and Planning Commission (M-NCPPC). Directs the Department of Natural Resources (DNR) to enter into an agreement with M-NCPPC to allow M-NCPPC park police officers to exercise police jurisdiction within the park.

- **Natural Resources – Expanded Deer Management (Ch. 170/HB 679)**

Requires that the Department of Natural Resources must report and make recommendations to specified committees of the Maryland General Assembly by January 15, 2004, on the status of the deer population, the impact and anticipated impact of management strategies on the deer population, law enforcement issues, and citizen response to the increased harvest measures.

- **Pharmacists – Practice – Information on Generic Drug Option (Ch. 318/HB 684)**

Requires the State Board of Pharmacy to adopt procedures for: (1) a consumer to notify the board when a pharmacist fails to provide information on generic equivalent drugs; and (2) advising a pharmacist of the provisions of this bill.

- **Potomac River Fisheries Commission – Dredging of Oysters and Oyster Repletion Fees (Ch. 290/HB 344)**

Authorizes the Potomac River Fisheries Commission to levy oyster repletion fees and regulate all oyster dredging, not just dredging with handscrapes.

- **Public School Construction – Use of Solar Energy – Pilot Program (Ch. 205/SB 2)**

Requires the Interagency Council on Public School Construction to encourage local boards of education to study, design, and construct or renovate energy efficient school buildings that use solar energy systems that meet some electrical needs of those buildings. Requires the Council to provide program grants for specified purposes at existing public schools or in new or renovated school building projects. Authorizes a local board to apply to the Council for grants to purchase and install a solar energy system.

- **Public Service Commission – Expenses (Ch. 413/HB 198)**

Allows the Public Service Commission (PSC) to retain unexpended funds at the end of a fiscal year in the Public Utility Regulation Fund (PURF). PSC must deduct any excess retained funds from the appropriation for the next fiscal year before determining the annual assessment to be paid by each public service company.

- **Real Estate Brokers – Advertisements and Reciprocity (Ch. 368/SB 221)**

Indicates that the Maryland State Real Estate Commission must issue a temporary license to a nonresident real estate broker that complies with certain requirements if the broker is licensed in a jurisdiction that allows a Maryland broker to obtain a license under similar circumstances.

- **Small Business Health Insurance Affordability Act (Ch. 93/SB 477)**

Requires the Maryland Health Care Commission and the Maryland Insurance Administration to conduct an analysis of and make recommendations on aspects of the administrative cost of health plans in the small group market.

- **Small Rural Electric Cooperatives – Reporting, Compliance, and Exemption (Ch. 101/SB 547)**

Authorizes specified small rural electric cooperatives to meet specified reporting requirements of the Public Service Commission (PSC) by providing alternative reports. The bill exempts the cooperatives from formulating and implementing long-range plans to provide regulated service. Provides that the cooperatives may satisfy the requirement to have their billing meters tested and approved by PSC by demonstrating that the meters comply with the standards of the utility regulatory body of the state in which the cooperative has its principal place of business. (SB 547)

- **State Acupuncture Board – Sunset Extension and Program Evaluation – Licensure Requirements (Ch. 407/HB 34)**

This bill extends the sunset date for the State Acupuncture Board from July 1, 2005 to July 1, 2015 and requires another sunset evaluation on or before July 1, 2014.

- **State Board for Professional Land Surveyors (Ch. 384/SB 476)**

This bill repeals the authority of the State Board for Professional Land Surveyors to issue temporary and limited licenses; repeals a statutory waiting period for reexamination after two failures and provides for reexamination upon submittal of updated experience; repeals the right of an applicant to a conference with a board member after three exam failures; and creates a retired land or property line surveyor status for certain licensees no longer wishing to actively practice professional land or property line surveying.

- **State Board of Dental Examiners – Subpoenas – Authority (Ch. 58/SB 10)**

Allows the administrator or an officer of the State Board of Dental Examiners to sign board-ordered subpoenas and administer oaths to witnesses in investigations and any hearings or proceedings before the board.

- **State Board of Public Accountancy – Limited Permits – Firm Ownership by Nonlicensees (Ch. 73/SB 188)**

Allows the State Board of Accountancy to issue limited permits for specific jobs to partnerships, limited liability companies, and corporations if a simple majority of the ownership of the entities, in terms of financial interests and voting rights, is licensed to practice certified public accountancy in Maryland or another state.

Adds a requirement that the board must license each member of a limited liability company who practices or intends to practice in Maryland.

- **State Board of Podiatric Medical Examiners – Revisions – Licensure and Penalties (Ch. 134/HB 257)**

Alters the qualifications for Board members by requiring its licensed podiatrist members to have significant peer review experience.

- **State Department of Education – Division of Library Development and Services – Distribution of Accessible Information to Disabled Individuals (Ch. 161/HB 469)**

Requires the Maryland State Department of Education (MSDE) to provide eligible blind and disabled individuals with access to an audio news and information service produced by a qualified entity. Requires the Department of Budget and Management (DBM) to provide MSDE with an annual payment equal to the cost incurred to provide audio news

and information services to blind and physically disabled individuals. The services are funded through the Universal Service Trust Fund (USTF).

- **State Government – Department of Juvenile Services – Charles H. Hickey, Jr. School Program (Ch. 53/HB 860)**

This Administration bill changes the name of the Department of Juvenile Justice (DJJ) to the Department of Juvenile Services. The title of the Secretary of Juvenile Justice is also changed accordingly, as are the names of State boards and programs that use Juvenile Justice in their titles. The bill adds two programs, the Lower Eastern Shore Children's Center and the Western Maryland Children's Center, that DJJ is authorized to establish and operate.

- **State Retirement and Pension System – Board of Trustees (Ch. 403/SB 721)**

Makes several changes to the composition and governance of the Board of Trustees for the State Retirement and Pension System. These changes include:

- removing the Secretary of State Police as a trustee starting on July 1, 2003, and the State Superintendent of Schools as a trustee starting on July 1, 2004, and filling these vacancies with two members of the public appointed by the Governor to serve as pension experts;
- removing one of the two State Police trustees and filling this vacancy with a member of the public appointed by the Governor to serve as a pension expert;
- adding experience requirements for the pension expert trustees and for expert members of the board's investment committee;
- requiring appointed or elected trustees to attend at least 80% of the board's monthly meetings, not including excused absences, or face removal from the board;
- providing that the board is not responsible for considering benefit enhancements or reviewing the benefit structures for any of the several systems, except for the purpose of making technical corrections;
- requiring all trustees to receive at least eight hours of investment and fiduciary training each year;
- requiring the Department of Budget and Management to conduct, or hire an outside independent third party to conduct, a peer benefits study every four years;
- requiring that with regard to the two trustees representing the Employees' Retirement System (ERS) and the Employees' Pension System (EPS), one must be an active member of either ERS or EPS, while the second trustee must be a retiree of either ERS or EPS; and
- requiring that with regard to the two trustees representing the Teachers' Retirement System (TRS) and the Teachers' Pension System (TPS), one must be an active member of either TRS or TPS, while the second trustee must be a retiree of either TRS or TPS.

- **State Retirement and Pension System – Board of Trustees – Membership (Ch. 436/HB 595)**

Alters the eligibility requirements for membership on the Board of Trustees of the State Retirement and Pension System of Maryland. Requires that one of the two trustees who are elected by teachers' system members and retirees must be a retiree, while current law requires that only one of those two trustees may be a retiree.

- **Sunset Review – State Board of Nursing – Electrology Practice Committee (Ch. 422/HB 376)**

Repeals the State Board of Electrologists and creates the Electrology Practice Committee within the State Board of Nursing. Transfers all functions, powers, duties, equipment, revenues, assets, liabilities, fund balances, and records of the State Board of Electrologists to the Electrology Practice Committee within the State Board of Nursing.

- **Tri-County Council for Western Maryland – Membership (Ch. 139/HB 317)**

Alters the qualifications of the voting members of the General Assembly on the Tri-County Council for Western Maryland. The bill replaces the five voting members of the General Assembly who are residents of Allegany, Garrett, or Washington counties with the chairmen, or the chairmen's designees, of the Allegany, Garrett, Washington county delegations from the House of Delegates and the two members of the Senate of Maryland who represent the region. The bill also repeals the restriction that the terms of office of nonvoting members are at the discretion of the members of the General Assembly who reside in Allegany, Garrett, or Washington counties.

- **Victims' Rights – Crime – Definition (Ch. 322/HB 705)**

Expands the number and types of crimes subject to restitution and victims' services and treatment requirements under the State Board of Victim Services.

- **Vital Statistics – Certificate of Birth Resulting in Stillbirth (Ch. 136/HB 276)**

Requires the Department of Health and Mental Hygiene to establish procedures for issuance of a certificate of birth resulting in stillbirth.

Requires DHMH to report to the General Assembly on the bill's implementation.

- **Washington Suburban Sanitary Commission – Collective Bargaining and Binding Arbitration (Ch. 424/HB 383)**

Establishes collective bargaining and binding arbitration for certain merit system employees of Washington Suburban Sanitary Commission similar to that established under current law for certain merit system employees of the Maryland-National Capital Park and Planning Commission.

- **Worcester County Board of Education – Eligibility to Serve (Ch. 122/HB 124)**

Permits a school bus contractor under the authority of the Worcester County Board of Education to serve as a member of the county board.

**LEGISLATIVE POLICY COMMITTEE
10:00 A.M., TUESDAY, JUNE 17, 2003
120 LOWE HOUSE OFFICE BUILDING, ANNAPOLIS, MD 21401**

PART 6.

**PART 1 OF 2 -
REPORTS TO THE PRESIDING OFFICERS,
THE GENERAL ASSEMBLY AND ITS COMMITTEES
(2003 LEGISLATION)**

NEW REPORTS

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 715, Ch. 402 SF § 14-303(a)(1)(i)	Board of Public Works	The Board [of Public Works] shall keep a record of the number of waivers requested and the number of waivers granted each year under subsection (b)(8) of this section [Minority Business Enterprises - State Contracts] and submit a copy of the record to the General Assembly on or before October 1 of each year, in accordance with § 2-1246 of the State Government Article.
SB 499, Ch. 381 HB 30, Ch. 382 ED § 18-19A-07(c)	College Savings Plan of Maryland Board	The audit required by subsection (a)(2) of this section and the report required by subsection (b) of this section, at the [College Savings Plan of Maryland] Board's discretion, may be combined with any other audit or report for the same fiscal year required to be submitted by the Board to the Governor and the General Assembly [May combine reports]
HB 559, Ch. 311 TG § 11-106(b)(2)	Comptroller of the Treasury	On or before November 15, 2003, the Comptroller shall prepare and submit to the Governor and, subject to § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee and the House Committee on Ways and Means a report that: (i) identifies: 1. any changes to State statutes, regulations, or policies that need to be made in order to bring the state into compliance with the agreement; and 2. any other changes to State laws that would not be required but that the Comptroller recommends should reasonably be made in connection with implementing the agreement; and (ii) for each change identified under item (i) of this paragraph: 1. estimates the impact of that change on State sales and use tax revenue; and 2. identifies and explains any fiscal or policy issues that would be associated with the change.
SB 367, Ch. 85	Department of Agriculture TF - Task Force on the Marketing of Grain and Other Agricultural Products	The Task Force [on the Marketing of Grain and Other Agricultural Products] shall report its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly on or before December 31, 2003 (d) The Department of Agriculture shall provide staff for the Task Force
HB 91, Ch. 117(2)	Department of Agriculture MALPF - Maryland Agricultural Land Preservation Foundation	That on or before October 1, 2006, the Agricultural Land Preservation Foundation shall submit a report to the Governor and, Subject to § 2-1246 of the State Government Article, to the General Assembly that evaluates the impact of this Act [Maryland Agricultural Land Preservation Foundation - Allegany and Garrett Counties-Natural Gas Rights] on the quality of agricultural land preserved and the Foundation's agricultural land preservation activities under the Maryland Agricultural Land Preservation Foundation.

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 721, Ch. 403(3)(b)	Department of Budget & Management	<p>(a) Beginning September 1, 2004, and every 4 years thereafter, the Department of Budget and Management shall conduct, or hire an independent third party not affiliated with the Department of Budget and Management or the State Retirement Agency to conduct, a peer benefits study of the several systems.</p> <p>(b) The findings of either the Department of Budget and Management or the independent third party shall be submitted to the Chairman of the Joint Committee on Pensions on or before December 31 of that year.</p>
SB 498, Ch. 388	Department of Budget & Management TF - Task Force to Study Public School Facilities	<p>The Task Force [to Study Public School Facilities] shall: ... submit a final report of its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on or before December 31, 2003.</p> <p>....</p> <p>The Interagency Committee on School Construction, the Maryland State Department of Education, the Department of Budget and Management, and the Department of Legislative Services, jointly, shall provide staff support to the Task Force.</p>
HB 888, Ch. 335	Department of Business and Economic Development TF - Maryland Military Installation Strategic Planning Council	<p>On or before December 31, 2003, the [Maryland Military Installation Strategic Planning] Council shall report its findings and recommendations to the Governor, and, subject to § 2-1246 of the State Government Article, to the General Assembly.</p> <p>....</p> <p>(d) The Department of Business and Economic Development shall provide staff support to the Council.</p>
SB 500, Ch. 252(5)	Department of Health & Mental Hygiene SBP - State Board of Physicians	<p>That the State Board of Physicians shall report to the Governor, the Senate Education, Health, and Environmental Affairs Committee, and the House Health and Government Operations Committee on or before January 1, 2004, in accordance with § 2-1246 of the State Government Article, on investigative caseloads of Board investigators including:</p> <ol style="list-style-type: none"> (1) the optimal level of caseloads; (2) additional tools required to improve investigator productivity; (3) a fiscal estimate of the resources required to meet optimal caseload levels and provide necessary tools to improve productivity; and (4) a detailed plan to address the expenditures identified in the fiscal estimate.
SB 500, Ch. 252(11)	Department of Health & Mental Hygiene SBP - State Board of Physicians	<p>That the State Board of Physicians and the Department of Health and Mental Hygiene shall report to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee through both a written report, and an oral presentation, on or before December 1 of 2003, 2004, and 2005, in accordance with § 2-1246 of the State Government Article, on the implementation of the changes to Titles 14 and 15 of the Health Occupations Article contained within this Act.</p>

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 500, Ch. 252(6)	Department of Health & Mental Hygiene SBP - State Board of Physicians	That on or before January 1, 2004, the State Board of Physicians and the Office of the Attorney General (OAG) shall: <ol style="list-style-type: none"> (1) review all aspects of the Board investigative processes; (2) recommend a revised investigative process that will ensure in a consistent manner that all cases transmitted to the OAG are fully investigated and developed to the satisfaction of both the Board and the OAG so that cases can proceed with the minimum of additional delay after transmittal; and (3) in accordance with § 2-1246 of the State Government Article, report to the Governor, the Senate Education, Health, and Environmental Affairs Committee, and the House Health and Government Operations Committee on the findings, recommendations, and any legislative or regulatory changes necessary to implement the recommended changes.
SB 732, Ch. 403	Department of Health & Mental Hygiene MHCC - Maryland Health Care Commission	That, on or before January 1, 2004, the Maryland Health Care Commission shall: <ol style="list-style-type: none"> (1) conduct a study to clarify the existing status of certificates of need or determinations for hospice services in Maryland and, in accordance with § 2-1246 of the State Government Article, report the results of its study to the Senate Finance Committee and the House Health and Government Operations Committee; and (2) begin a process for updating the State health plan's hospice chapter, using data the Commission independently collects: <ol style="list-style-type: none"> (i) without relying on or delegating the collection of data to any nongovernmental entity; and (ii) by soliciting input from hospice providers, experts, clinicians, and hospice volunteers.
SB 479, Ch. 385(4)(a)	Department of Health & Mental Hygiene HSCRC - Health Services Cost Review Commission	The Health Services Cost Review Commission shall submit reports, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee on September 1, 2003, ... on: <ol style="list-style-type: none"> (1) the anticipated time frame in which the Health Services Cost Review Commission will begin including trauma center stand-by costs in the State's hospital rate setting system; (2) the specific trauma center stand-by costs that may and may not be included in the State's hospital rate setting system; and (3) the trauma costs incurred by a trauma center to meet the Maryland Institute for Emergency Medical Services Systems trauma center regulatory requirements that may and may not be included in the State's hospital rate setting system. <p>[1st of two reports]</p>

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 479, Ch. 385 HG § 19-130(e)	Department of Health & Mental Hygiene MHCC - Maryland Health Care Commission	<p>On or before September 1 of each year, the [Maryland Health Care] Commission and the Health Services Cost Review Commission shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on:</p> <ol style="list-style-type: none"> (1) the amount of money in the fund on the last day of the previous fiscal year; (2) the amount of money applied for by trauma physicians and trauma centers during the previous fiscal year; (3) the amount of money distributed in the form of trauma physician and trauma center reimbursements during the previous fiscal year; (4) any recommendations for altering the manner in which trauma physicians and trauma centers are reimbursed from the fund; (5) the costs incurred in administering the fund during the previous fiscal year; and (6) the amount that each hospital that participates in the maryland trauma system and that has a trauma center contributes toward the subsidization of trauma-related costs for its trauma center.
SB 479, Ch. 385(4)(b)	Department of Health & Mental Hygiene HSCRC - Health Services Cost Review Commission	<ol style="list-style-type: none"> (1) The Health Services Cost Review Commission shall develop guidelines for the approval of an annual grant from the Maryland Trauma Physician Services Fund established under § 19-130 of the Health - General Article, as enacted by Section 1 of this Act, of up to \$275,000 to subsidize the stand-by costs for an out-of-state pediatric trauma center that has entered into an agreement with the Maryland Institute for Emergency Services Systems. (2) As a condition of receiving a grant under paragraph (1) of this subsection, an out-of-state pediatric trauma center shall submit any information or documentation required by the Health Services Cost Review Commission, including documentation of any stand-by costs recovered through insurer reimbursement. (3) On or before September 1, 2004, and on or before September 1 of each year thereafter, the Health Services Cost Review Commission shall report, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee, on the amount of any grant awarded by the Commission during the grant year. <p style="text-align: center;">....</p> <p>That this Act shall take effect July 1, 2003. It shall remain effective for a period of 2 years and, at the end of June 30, 2005, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect. [Effectively a one-time report]</p>

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 479, Ch. 385(4)(a)	Department of Health & Mental Hygiene HSCRC - Health Services Cost Review Commission	The Health Services Cost Review Commission shall submit reports, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee on ... December 31, 2003, on: (1) the anticipated time frame in which the Health Services Cost Review Commission will begin including trauma center stand-by costs in the State's hospital rate setting system; (2) the specific trauma center stand-by costs that may and may not be included in the State's hospital rate setting system; and (3) the trauma costs incurred by a trauma center to meet the Maryland Institute for Emergency Medical Services Systems trauma center regulatory requirements that may and may not be included in the State's hospital rate setting system [2nd of two reports]
SB 334, Ch. 236 HG § 15-124.2(i)	Department of Health & Mental Hygiene	On or before December 1, 2001, and annually thereafter, the Department [of Health and Mental Hygiene] and Medbank of Maryland, Inc. shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly, on the status of the Maryland Medbank Program established under this section, including: (1) The number and demographic characteristics of the State residents served by the Program; (2) The types and retail value of prescription drugs accessed through the Program; (3) The nature and extent of outreach performed to inform State residents of the assistance available through the Program; and (4) The total volume and retail value of each brand name drug, by manufacturer, accessed through the Program. [Added DHMH to reporting requirement and changed expiration to 6/30/2006]
HB 149, Ch. 409	Department of Health & Mental Hygiene	(a) The Department of Health and Mental Hygiene shall develop guidelines for a nursing home that elects to use electronic monitoring with the consent of a resident or the legal representative of the resident. (b) On or before December 1, 2003, the Department of Health and Mental Hygiene shall report on the guidelines developed under subsection (a) of this section to the Senate Finance Committee and the House Health and Government Operations Committee of the General Assembly, in accordance with § 2-1246 of the State Government Article.
SB 477, Ch. 93(3)	Department of Health & Mental Hygiene MHCC - Maryland Health Care Commission	That, on or before December 1, 2003, the Maryland Health Care Commission: (1) shall prepare a report on: (i) the methodology used by the Commission in developing the Comprehensive Standard Health Benefit Plan in the small group market; and (ii) the feasibility of creating a Basic Plan in addition to the Standard Plan in the small group market; and (2) shall submit its report, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee.

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
HB 272, Ch. 136(3)(b)	Department of Health & Mental Hygiene	On or before October 1, 2005, the Department of Health and Mental Hygiene shall report to the Governor, and in accordance with § 2-1246 of the State Government Article, to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee, on the implementation of this [Certificate of Birth Resulting in Stillbirth] Act, including the number of certificates of births resulting in stillbirth issued in the State and the procedures implemented by the Department
SB 268, Ch. 228	Department of Health & Mental Hygiene SBSWE - State Board of Social Work Examiners	That the State Board of Social Work Examiners and the Department of Health and Mental Hygiene shall report to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee on or before October 1, 2003, in accordance with § 2-1246 of the State Government Article, on the implementation of the recommendations of the Department of Legislative Services contained in the sunset evaluation report dated October 2002.
HB 343, Ch. 143(2)	Department of Health & Mental Hygiene AIDSAD - AIDS Administration	That the AIDS Administration in the Department of Health and Mental Hygiene, in consultation with the Maryland Hospital Association and AIDS advocacy organizations, shall study the issue of HIV testing of individuals who refuse to consent to HIV testing when there has been an exposure involving a health care provider or a first responder, as defined in § 18-338.3 of the Health - General Article, as enacted by Section 1 of this Act. The AIDS Administration shall report its finding and recommendations, in accordance with § 2-1462 of the State Government Article, to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee on or before December 1, 2003.
HB 386, Ch. 149 HG § 18-1007	Department of Health & Mental Hygiene SACHC - State Advisory Council On Hepatitis C	<p>The Advisory Council [on Hepatitis C] shall report on its activities and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on or before April 1, 2005 and annually thereafter.</p> <p>....</p> <p>§ 18-1008.</p> <p>The Secretary [of the Department of Health and Mental Hygiene] shall designate the staff necessary to assist the Advisory Council in carrying out its functions as provided under this subtitle.</p> <p>....</p> <p>SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2003. It shall remain effective for a period of 2 years and, at the end of September 30, 2005, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.</p> <p>[Effectively a One Time report]</p>

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Citation	Agency	Topic
HB 405, Ch. 428(2)	Department of Health & Mental Hygiene	That the Department of Health and Mental Hygiene shall monitor the status of the application for a waiver amendment from the Centers for Medicare and Medicaid Services applied for in accordance with § 15-136 of the Health - General Article as enacted by Section 1 of this Act. The Department, within 5 working days of the date of the approval or denial of the waiver amendment, shall notify the Department of Legislative Services, in writing, at 90 State Circle, Annapolis, Maryland, 21401. If the waiver amendment is denied by the Centers for Medicare and Medicaid Services, at the end of the date on which the Department of Legislative Services receives notice of the denial, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.
HB 433, Ch. 297(2)	Department of Health & Mental Hygiene MHA - Mental Hygiene Administration	The Mental Hygiene Administration shall conduct or commission a study on the relationship between substance abuse and mental illness among counties in Maryland. (b) When appropriate, the study shall utilize existing resources and data available from such entities as the Maryland Health Care Commission and the Task Force to Study Increasing the Availability of Substance Abuse Treatment. (c) The Mental Hygiene Administration shall report to the Governor, the Maryland Legislative Black Caucus, the Senate Education, Health, and Environmental Affairs Committee, the Senate Finance Committee, and the House Health and Government Operations Committee on or before January 1, 2004, in accordance with § 2-1246 of the State Government Article, on the findings and recommendations of the study.
HB 433, Ch. 297	Department of Health & Mental Hygiene MHA - Mental Hygiene Administration - Task Force on the Needs of Persons with Co-Occurring Mental Illness and Substance Abuse Disorders	The Task Force [on the Needs of Persons with Co-Occurring Mental Illness and Substance Abuse Disorders] shall issue an interim report of its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee on or before December 1, 2004. The Mental Hygiene Administration and the Alcohol and Drug Abuse Administration shall provide staff for the Task Force. [Interim report - 1st of two reports]

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
HB 433, Ch. 297	Department of Health & Mental Hygiene MHA - Mental Hygiene Administration - Task Force on the Needs of Persons with Co-Occurring Mental Illness and Substance Abuse Disorders	The Task Force [on the Needs of Persons with Co-Occurring Mental Illness and Substance Abuse Disorders] shall issue a final report on its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee on or before December 1, 2005. The Mental Hygiene Administration and the Alcohol and Drug Abuse Administration shall provide staff for the Task Force. [Final report - 2nd of two reports]
HB 478, Ch. 303(3)	Department of Health & Mental Hygiene	That on or before January 1 of each year, the Secretary of Health and Mental Hygiene shall submit a report to the General Assembly, in accordance with § 2-1246 of the State Government Article, and to the Department of Legislative Services on: (1) State efforts to promote home- and community-based services under this [Money Follows the Individual] Act; and (2) the number of individuals who have transitioned from nursing homes to home- and community-based waiver services.
SB 550, Ch. 394(2)	Department of Health & Mental Hygiene	That on or before December 1, 2003, the Department of Health and Mental Hygiene and the Department of Human Resources shall submit a report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee on the status of measures implemented and considered by the Department of Health and Mental Hygiene and the Department of Human Resources to address and resolve issues relating to delays in the Medicaid eligibility process for nursing home residents.
HB 630, Ch. 315(2)(a)	Department of Health & Mental Hygiene	On or before January 1, 2004, the Department of Health and Mental Hygiene shall issue a preliminary report on the implementation of the Employed Persons with Disabilities Program and the use of the federal grant funds for implementation activities to the Governor, and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Appropriations Committee, and the House Health and Government Operations Committee [Preliminary report - 1st of two]
HB 630, Ch. 315(2)(b)	Department of Health & Mental Hygiene	On or before January 1, 2005, the Department of Health and Mental Hygiene shall issue a final report defining the specific eligibility criteria and the status of implementation of the Employed Persons with Disabilities Program to the Governor, and, in accordance with § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Appropriations Committee, and the House Health and Government Operations Committee. [Final Report - 2nd of two]

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Citation	Agency	Topic
SB 209, Ch. 366(2) HG §	Department of Health & Mental Hygiene	The Department of Health and Mental Hygiene, on or before August 1, 2003, shall submit a report demonstrating that existing grant funds have been reprioritized to allow for the funding of the provisions of this [Maryland Medical Assistance Program - Reimbursement for Outpatient] Act to the Governor and, subject to § 2-1246 of the State Government Article, to the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Appropriations Committee, and the House Health and Government Operations Committee.
HB 762, Ch. 448(4)	Department of Health & Mental Hygiene	That the Department of Health and Mental Hygiene shall develop a methodology, that shall be revenue neutral to the State, to address the existing inequities between commercial and provider-sponsored managed care organizations as a result of adverse risk selection related to individuals in GEO-demographic rate cells. On or before October 1, 2003, the Department shall report to the Senate Finance Committee and the House Health and Government Operations Committee, in accordance with § 2-1246 of the State Government Article, on the methodology developed by the Department.
SB 553, Ch. 102(4)	Department of Health & Mental Hygiene	That the Department of Health and Mental Hygiene shall conduct an evaluation of assisted living services in Maryland, in consultation with assisted living consumers and providers, and submit a report, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee on or before January 1, 2004. The report shall include recommendations relating to: (a) small and large providers of assisted living facilities; (b) the certification of assisted living facility managers; and (c) quality standards for specialized assisted living facilities, including facilities with Alzheimer's units
SB 553, Ch. 102(3)	Department of Health & Mental Hygiene	That the Department of Health and Mental Hygiene, in consultation with the assisted living industry, shall review its current payment rates, study the costs of providing services, and consider reimbursement options including an annual rate-setting formula based on the actual cost for assisted living services under COMAR 10.09.54.00. The Department shall submit a report regarding its findings to the General Assembly, in accordance with § 2-1246 of the State Government Article, on or before January 1, 2004.
HB 883, Ch. 453(2) HG § 20-804(f)	Department of Health & Mental Hygiene	The Department [of Health and Mental Hygiene] shall submit a report to the Governor and, subject to § 2-1246 of the State Government Article, the Senate Education, Health, And Environmental Affairs Committee and The House Health And Government Operations Committee by September 30 of each year, on the development and implementation of the plan to reduce health care disparities.

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
HB 883, Ch. 453(3)	Department of Health & Mental Hygiene	<p>(a) The Department of Health and Mental Hygiene, in consultation with the Mental Hygiene Administration, the Alcohol and Drug Abuse Administration, the AIDS Administration, and the Advisory Council on Heart Disease and Stroke, shall submit a report to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee on or before September 30, 2004, in accordance with § 2-1246 of the State Government Article, on recommendations and implementation plans for closing gaps in health services delivery and financial access to health services based on race, poverty, gender, and ethnicity.</p> <p>(b) The report shall include:</p> <ul style="list-style-type: none"> (1) cultural competency and, sensitivity, and health literacy guidelines based on race, poverty, gender, and ethnicity for health care providers participating in State-funded programs; (2) standards for screening, diagnosing, and referring to a mental health care provider, a patient with a mental health condition to determine if the patient has a co-occurring chronic illness; (3) guidelines for the screening, diagnosing, and referring to the appropriate health care provider of patients diagnosed with HIV/AIDS; (4) identification of existing cardiovascular disease prevention and treatment programs that have demonstrated success in the education, prevention, and treatment of cardiovascular disease with quantifiable standards; (5) identification of existing cancer prevention and treatment programs that have demonstrated success in the education, prevention, and treatment of cancer with quantifiable standards; and (6) identification of existing diabetes programs that have demonstrated success in the education, prevention, and treatment of diabetes with quantifiable standards.
HB 935, Ch. 203(23)	Department of Health & Mental Hygiene	That the Department of Health and Mental Hygiene shall report to the Governor and the General Assembly in accordance with § 2-1246 of the State Government Article by December 1, 2003 on the Department's methodology for calculating the base amount of funding for each county and Baltimore City for the tobacco and cancer initiatives funded by the Cigarette Restitution Fund as required under §§ 13-1007(b)(1) and 13-1108(b)(1) of the Health - General Article as enacted under Section 1 of this [Budget Reconciliation and Financing Act of 2003] Act.
SB 54, Ch. 476	Department of Housing & Community Development TF - Task Force to Study Pinhole Leaks in Copper Plumbing	<p>The Task Force [to Study Pinhole Leaks in Copper Plumbing] shall report its findings and recommendations to the General Assembly on or before December 31, 2004.</p> <p>....</p> <p>(d) The Department of Housing and Community Development shall staff the Task Force.</p>
HB 39, Ch. 116(2)	Department of Housing & Community Development	That the implementation of this [Radium Pilot Grant Program] Act is subject to the availability of funds in the State budget. Within 30 days after this Act is implemented, the Department of Housing and Community Development shall send to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401 certification of the date on which the Act is implemented.

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Citation	Agency	Topic
HB 360, Ch. 148(2)	Department of Human Resources CCA - Child Care Administration	That this [Early Childhood Mental Health Services - Pilot Program] Act is contingent on the receipt of sufficient federal funds or funds from any other private or public source, including the continued receipt of funds from sources that funded the pilot program in Baltimore City and the Eastern Shore prior to July 1, 2003. If the Child Care Administration receives the funding specified in this section, it shall forward a notice of the receipt of the funding within 5 days of receipt to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401-1991
HB 360, Ch. 148 HG § 10-1503	Department of Human Resources CCA - Child Care Administration	On or before December 31, 2005, the Child Care Administration, in collaboration with the Mental Hygiene Administration, the State Department of Education, and the Governor's Office of Children, Youth, and Families, shall submit a report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly that evaluates the pilot program established under this subtitle and comparable programs as applicable.
SB 524, Ch. 392 HB 564, Ch. 312 FL § 10-119.1(f)	Department of Human Resources	(1) On or before October 1, 2003, and annually thereafter, the Secretary [of the Department of Human Resources] shall report to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly on the operation and performance of the [Child Support Enforcement Privatization] pilot program. (2) The report shall assess the pilot program for its effectiveness and success in enhancing child support collection through the privatization of child support enforcement in Baltimore City and Queen Anne's County in the State. (3) The Secretary shall include in the report the plans for improving the effectiveness and success of the pilot program in achieving the objective.
HB 541, Ch. 307	Department of Juvenile Services TF - Task Force to Study the Mentoring and Monitoring of Children in the Custody of or Under the Supervision of the Department of Juvenile Justice	(g) The Task Force [to Study the Mentoring and Monitoring of Children in the Custody of or Under the Supervision of the Department of Juvenile Justice] shall report its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on or before October 1, 2004. (d) The Department of Juvenile Justice shall provide staff for the Task Force.
HB 817, Ch. 177	Department of Juvenile Services TF - Task Force to Study Alternative Living Arrangements for Children in Out-of-Home Placement	The Task Force [to Study Alternative Living Arrangements for Children in Out-of-Home Placement] shall report its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on or before October 1, 2004. (d) The Department of Juvenile Justice shall provide staff for the Task Force.

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Citation	Agency	Topic
HB 860, Ch. 53(14)	Department of Juvenile Services	<p>SECTION 13. AND BE IT FURTHER ENACTED, That, by December 1, 2003, the Department of Juvenile Services and the State Department of Education shall develop a schedule for implementation of the educational program for the Charles H. Hickey, Jr. School, which shall include a model for testing the students affected by the provisions of this Act consistent with the federal No Child Left Behind Act of 2001, including measuring the student's ability to:</p> <ol style="list-style-type: none"> (1) maintain and improve educational achievement in core subject areas; (2) accrue course credits that qualify as State requirements for graduation; and (3) make the transition to a regular program or other educational program operated by a Maryland school system. <p>SECTION 14. AND BE IT FURTHER ENACTED, That the State Department of Education shall report to the General Assembly on or before December 31, 2003, in accordance with § 2-1246 of the State Government Article, on the schedule for implementation and the model for testing described in Section 13 of this [Charles H. Hickey, Jr. School Program] Act.</p>
SB 267, Ch. 227(3)	Department of Labor, Licensing and Regulation SBCID - State Board of Certified Interior Designers	That the State Board of Certified Interior Designers shall report to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee on or before October 1, 2003, in accordance with § 2-1246 of the State Government Article, on the implementation of the recommendations of the Department of Legislative Services contained in the sunset evaluation report dated October 2002.
SB 267, Ch. 227(6)(2)	Department of Labor, Licensing and Regulation SBA - State Board of Architects	<p>That the State Board of Architects, the State Board of Certified Interior Designers, the State Board of Examiners of Landscape Architects, the State Board for Professional Engineers, and the State Board for Professional Land Surveyors shall report, in accordance with § 2-1246 of the State Government Article, on or before:</p> <ol style="list-style-type: none"> (1) June 1, 2003, to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Legislative Auditor on the accuracy and completeness of the direct costs allocated to the design boards; and (2) October 1, 2004, and by October 1 of each subsequent year, to the Senate Budget and Taxation Committee, the Senate Education, Health, and Environmental Affairs Committee, the House Appropriations Committee, and the House Economic Matters Committee on the implementation of the Occupational and Professional Licensing Design Boards' Fund established under Section 2 of this Act.
SB 267, Ch. 227(6)(1)	Department of Labor, Licensing and Regulation SBA - State Board of Architects	<p>That the State Board of Architects, the State Board of Certified Interior Designers, the State Board of Examiners of Landscape Architects, the State Board for Professional Engineers, and the State Board for Professional Land Surveyors shall report, in accordance with § 2-1246 of the State Government Article, on or before:</p> <ol style="list-style-type: none"> (1) June 1, 2003, to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Legislative Auditor on the accuracy and completeness of the direct costs allocated to the design boards.

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Citation	Agency	Topic
SB 339, Ch. 374(4) HB 640, Ch. 375(4)	Department of Labor, Licensing and Regulation CFR - Commissioner of Financial Regulation	That, on or before January 1, 2004, the Commissioner of Financial Regulation shall report, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Economic Matters Committee on the number of licenses that the Commissioner has issued under this [Maryland Debt Management Services] Act and any recommendations for changes to the Maryland Debt Management Services Act, as enacted by Section 1 of this Act.
HB 651, Ch. 316(5)	Department of Labor, Licensing and Regulation DLI - Division of Labor and Industry	That, in addition to the report required under Section 4 of this Act, the Division of Labor and Industry shall report to the Senate Finance Committee and the House Economic Matters Committee on or before October 1, 2003, in accordance with § 2-1246 of the State Government Article, on: (a) The efforts of the Maryland Apprenticeship and Training Council to coordinate with the Maryland State Department of Education regarding accessing adult literacy and education programs such as the Lifetime Experiences Program and the External Diploma Program; (b) Efforts of the Boiler and Pressure Vessel Inspection Unit to coordinate with the insurance industry when developing inspection procedures for boilers and pressure vessels; and (c) Efforts of the Boiler and Pressure Vessel Inspection Unit to reduce the inspection backlog of public buildings, which are the direct responsibility of the unit.
HB 651, Ch. 316(4)	Department of Labor, Licensing and Regulation DLI - Division of Labor and Industry	That the Division of Labor and Industry shall report to the Senate Finance Committee and the House Economic Matters Committee on or before October 1, 2003, in accordance with § 2-1246 of the State Government Article, on the implementation of the recommendations of the Department of Legislative Services contained in the sunset evaluation report dated October 2002.
SB 479, Ch. 385(2)(h)(2)	Department of Legislative Services SJC - Joint Legislative Committee to study and make recommendations about the structure and funding of the State's emergency medical response system	(h) (1) The Committee shall submit reports in accordance with paragraph (2) of this subsection on its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate Budget and Taxation Committee, Finance Committee, and Judicial Proceedings Committee, and the House Health and Government Operations Committee and Economic Matters Committee. (2) ... a final report on or before December 1, 2004. (d) The Committee shall be staffed by the Department of Legislative Services [2nd of two reports]

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Citation	Agency	Topic
SB 479, Ch. 385(2)(h)(2)	Department of Legislative Services SJC - Joint Legislative Committee to study and make recommendations about the structure and funding of the State's emergency medical response system	<p>(h) (1) The Committee [to study and make recommendations about the structure and funding of the State's emergency medical response system] shall submit reports in accordance with paragraph (2) of this subsection on its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate Budget and Taxation Committee, Finance Committee, and Judicial Proceedings Committee, and the House Health and Government Operations Committee and Economic Matters Committee.</p> <p>(2) The Committee shall submit an interim report on or before December 31, 2003</p> <p>....</p> <p>(d) The Committee shall be staffed by the Department of Legislative Services. [1st of two reports]</p>
HB 29, Ch. 406	Department of Legislative Services TF - Study Commission on Public Funding of Campaigns in Maryland	<p>On or before December 31, 2003, [the Study Commission on Public Funding of Campaigns in Maryland shall] report its findings and recommendations, including any proposed statutory changes to the Maryland election laws, to the Governor, and, subject to § 2-1246 of the State Government Article, to the General Assembly for consideration by the General Assembly in the 2003 Session.</p> <p>....</p> <p>(d) The Department of Legislative Services and the State Board of Elections shall provide staff for the Commission.</p>
SB 765, Ch. 269	Department of Legislative Services TF - Unemployment Insurance Funding Task Force	<p>On or before December 1, 2003, the [Unemployment Insurance Funding] Task Force shall report its findings and recommendations, subject to § 2-1246 of the State Government Article, to the General Assembly.</p> <p>....</p> <p>(f) The Department of Legislative Services, in consultation with the Department of Labor, Licensing, and Regulation, shall provide staffing for the Task Force</p>
SB 492, Ch. 386	Department of Legislative Services TF - Task Force to Study Efficiency in Procurement	<p>On or before December 31, 2003, the Task Force [to Study Efficiency in Procurement] shall submit a report of its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly</p> <p>....</p> <p>(d) The Department of Legislative Services and the Office of the Attorney General shall provide staff support to the Task Force</p>

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Citation	Agency	Topic
HB 761, Ch. 447	Department of Legislative Services TF - Task Force to Study the Reorganization of the Department of Health and Mental Hygiene	<p>The Task Force [to Study the Reorganization of the Department of Health and Mental Hygiene] shall report its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly on or before December 1, 2004.</p> <p>....</p> <p>(f) The Department of Legislative Services shall staff the Task Force.</p>
SB 504, Ch. 95 PUC § 7-512.1(c)(3)	Department of Legislative Services LA - Office of Legislative Audits	<p>(i) The Office of Legislative Audits shall conduct a performance audit of the Universal Service Program once every 3 years or at another interval as directed by the Joint Audit Committee and shall report the results of the audit to the General Assembly.</p> <p>(ii) The cost of the performance audit under this paragraph shall be included in the costs of administering the Universal Service Program, and funded through the Universal Service Program fund under subsection (f) of this section.</p> <p>(d) The total amount of funds to be collected for the Universal Service Program each year shall be \$34,000,000, allocated in the following manner:</p> <p>(1) \$24.4 million shall be collected from the industrial and commercial classes; and</p> <p>(2) \$9.6 million shall be collected from the residential class.</p>
HB 442, Ch. 430	Department of Natural Resources TF - Task Force to Study the Feasibility of Licensing Boaters	<p>The Task Force [to Study the Feasibility of Licensing Boaters] shall issue a final report of its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on or before December 1, 2003</p> <p>....</p> <p>(f) The Department of Natural Resources shall provide staff support for the Task Force.</p>
SB 247, Ch. 223(2)	Department of Natural Resources	<p>That by September 30, 2005, the Department of Natural Resources shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on the implementation of this [Forest, Park, and Wildlife Rangers - Jurisdiction - Pilot Program] Act, including: the number of times forest, park, and wildlife rangers assumed additional law enforcement duties and the types of violations involved; the number and types of emergencies to which rangers responded; and the personnel and fiscal impacts of this Act.</p>

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
HB 679, Ch. 170(2)	Department of Natural Resources	<p>That the Department of Natural Resources shall report and make recommendations to the Legislative Policy Committee, the Senate Education, Health, and Environmental Affairs Committee, and the House Environmental Matters Committee on or before January 15, 2004, in accordance with § 2-1246 of the State Government Article, on:</p> <ul style="list-style-type: none"> (a) the status of the deer population for each deer management region and, as appropriate, each zone within the region; (b) the impact and anticipated impact of management strategies on the population of deer in each deer management region of the State; (c) law enforcement issues; and (d) citizen response to the increased harvest measures.
HB 780, Ch. 451(2)	Department of Public Safety & Correctional Services	<p>That the Department of Public Safety and Correctional Services shall report to the General Assembly on or before December 1, 2007, in accordance with § 2-1246 of the State Government Article, on the status of wireless enhanced 911 deployment and whether the 911 fee paid by subscribers to a commercial mobile radio service provider under § 1-310(a) of the Public Safety Article, as enacted by this Act, should be decreased based on future estimated costs directly relating to the deployment and operation of the wireless enhanced 911 system.</p>
HB 780, Ch. 451(3)	Department of Public Safety & Correctional Services ENSB - Emergency Number Systems Board	<p>That the Emergency Number Systems Board shall investigate the availability of federal funds under Homeland Security measures and shall report to the General Assembly on or before December 1, 2003, in accordance with § 2-1246 of the State Government Article, on the availability of such funds and on the procedures adopted to ensure proper and accurate collections and accounting of the 9-1-1 fees and additional charges authorized under State law. The report shall detail measures in place to address variances in remittances by telephone companies and CMRS providers, the effects of audit capabilities provided under this Act, and shall make recommendations with regard to the fair and effective administration of the 9-1-1 fees and charges authorized under State law.</p>
HB 344, Ch. 290(2)	Governor's Office	<p>That the Department of Legislative Services shall notify the appropriate officials of the Commonwealth of Virginia of the enactment of this [Potomac River Fisheries Commission - Dredging of Oysters and Oyster Repletion Fees] Act; and that the Governor of the State of Maryland shall issue a proclamation declaring this Act valid and effective and shall forward a copy of the proclamation to the Executive Director of the Department of Legislative Services.</p>

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
HB 935, Ch. 203(17)	Governor's Office	<p>That, notwithstanding the provisions of § 8-402 of the Transportation Article or any other provision of law, from motor vehicle registration revenues and other user fees from the Motor Vehicle Administration, \$160,000,000 for fiscal year 2003 and \$154,913,000 for fiscal year 2004 shall be deposited in the General Fund rather than in the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund or the Transportation Trust Fund, respectively. On or before December 1, 2003, the Governor shall submit a plan for replacement of funds transferred under this Act from the Transportation Trust Fund to the General Fund. The plan required under this section shall be provided to the Senate Budget and Taxation Committee, the House Committee on Ways and Means, and the House Appropriations Committee. Notwithstanding the provisions of this section and except as provided in Section 16 of this Act, the calculation of the local share of highway user revenues pursuant to § 8-403 of the Transportation Article shall not be affected and the total amount of highway user revenues for the purpose of such calculation shall be calculated in accordance with the provisions of law in effect prior to the passage of this [Budget Reconciliation and Financing Act of 2003] Act.</p>
HB 290, Ch. 417	Local Government	<p>Carroll County Code 3-101(c)(4) On or before December 1, 2005, and on or before December 1 following the release of each decennial census of the united states thereafter, the commission redistricting committee shall report its recommendations to the Carroll County Legislative Delegation to the General Assembly for consideration at the following legislative session.</p> <p>....</p> <p>That before this Act becomes effective it shall first be submitted to a referendum of the legally qualified voters of Carroll County at the general election to be held in November of 2004. [Once every 10 years]</p>
HB 562, Ch. 42 ART 24 § 9-319(b)	Local Government	<p>A code county in the western Maryland class shall provide a copy of any audits performed annually relating to the hotel rental tax to the county Senate and House Delegations of the General Assembly.</p>
HB 1051, Ch. 466 EN § 7-201	Maryland Department of the Environment TF - Environmental Restoration and Development Task Force	<p>The [Environmental Restoration and Development] Task Force shall report its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly on or before December 31, 2003.</p> <p>....</p> <p>(d) The Department of the Environment and the Department of Business and Economic Development shall provide staff for the Task Force.</p>

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
HB 40, p. 165, Ch. 202	Maryland Department of the Environment	Provided that the Maryland Department of the Environment shall not expend funds for the Enterprise Environmental Management System (EEMS) or approve contracts for implementation of EEMS until an EEMS project implementation update is submitted to the budget committees. The EEMS project update should include the following information: total estimated cost by fiscal year; evidence of Department of Budget and Management review and approval; implementation timeline; and, a summary of project deliverables. The budget committees shall have 45 days to review and comment upon the report.
HB 970, Ch. 460 EN § 1-701(i)	Maryland Department of the Environment CEJSC - Commission on Environmental Justice and Sustainable Communities	On or before October 1 of each year, the Commission [on Environmental Justice and Sustainable Communities] shall report its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly (F) The Department [of Environment] shall provide staff for the Commission.
HB 1109, Ch. 353(2)	Maryland Department of Transportation MBEP - Minority Business Enterprise Program	That the certification agency [Maryland Department of Transportation's Minority Business Enterprise Program] shall: (a) Conduct a study to determine whether: (1) Under current economic conditions, it continues to be appropriate to prohibit a finding that an individual whose personal net worth exceeds \$750,000 is economically disadvantaged; and (2) It is appropriate to establish a transition period of a specific duration between the date on which an individual's personal net worth exceeds \$750,000 and the date on which decertification occurs under the State Finance and Procurement Article; and (b) On or before January 1, 2004, in accordance with § 2-1246 of the State Government Article, report its findings to the House Health and Government Operations Committee and the Senate Education, Health, and Environmental Affairs Committee. COMAR 21.11.03.15 Certification--General A. The Department of Transportation is the agency designated to certify, recertify, and decertify MBEs
HB 838, Ch. 452(2)	Maryland Department of Transportation MVA - Task Force to Study Driver Licensing Documentation	The Task Force [to Study Driver Licensing Documentation] shall report its findings and recommendations to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly on or before December 1, 2004. (d) The Motor Vehicle Administration shall provide staff for the Task Force.

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 480, Ch. 94	Maryland Department of Veteran's Affairs TF - Task Force to Study the Financial Impact of Retired Military Service Personnel on the Economy of the State	The Task Force [to Study the Financial Impact of Retired Military Service Personnel on the Economy of the State] shall report its findings to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on or before December 1, 2003. (d) The Maryland Department of Veterans Affairs and the State Comptroller's Office, shall provide staffing for the Task Force.
HB 182, Ch. 412(2)	Maryland Energy Administration	That, on or before September 30, 2005, the Maryland Energy Administration shall submit to the General Assembly, in accordance with § 2-1246 of the State Government Article, a report that summarizes the Administration's activities under this [Federal Energy Grants and Cooperative Agreements] Act during the period of July 1, 2003 through June 30, 2005, and includes: <ul style="list-style-type: none"> (1) the number of grants and cooperative agreements entered into with 16 private entities; (2) an identification and brief description of each private entity involved in a grant or cooperative agreement; (3) the amount of financial assistance received under each grant and cooperative agreement; and (4) the nature and status of the energy conservation, energy efficiency, or renewable energy project to which each grant or cooperative agreement relates.

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 479, Ch. 385(3)(c)	Maryland Institute for Emergency Medical Services	<p>(a) (1) In accordance with the Emergency Medical System plan developed under § 13-509 of the Education Article, the Maryland Institute for Emergency Medical Services Systems (MIEMSS) shall study whether a need exists for MIEMSS, with the approval of the State Emergency Medical Services Board, to enter into an agreement to designate an out-of-state adult trauma center located in the District of Columbia as a member of the State trauma system in order to ensure access of Maryland patients to appropriate levels of trauma care.</p> <p>(2) In conducting the study required under paragraph (1) of this subsection, MIEMSS shall review the effect that any agreement with an out-of-state trauma center may have on State trauma centers, including:</p> <ul style="list-style-type: none"> (i) the extent to which duplication of services may exist; (ii) the ability of State trauma centers to achieve and sustain the patient volumes necessary for: <ul style="list-style-type: none"> 1. optimal outcome; 2. cost efficiency; 3. maintenance of expertise; 4. quality of care; 5. research activities; and 6. health service provider education; and (iii) the effect on quality of patient care that may result from reduced patient volume. <p>(b) In addition to the study required under subsection (a) of this section, MIEMSS shall:</p> <ul style="list-style-type: none"> (1) conduct a review of the trauma centers in the State to determine whether they are operating at appropriate trauma designation levels; and (2) make recommendations for any necessary changes in the current designation levels. <p>(c) On or before December 1, 2003, MIEMSS shall submit a report on its findings and recommendations made under subsections (a) and (b) of this section to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee.</p>
HB 1100, Ch. 2 IN § 14-503(L)	Maryland Insurance Administration MHIP - Maryland Health Insurance Plan	<p>For those members enrolled in the plan whose eligibility in the plan is subject to the requirements of the federal tax credit for health insurance costs under section 35 of the internal revenue code, the board [of Directors of the Maryland Health Insurance Plan] shall report on or before december 1, 2003, and annually thereafter, to the Governor, and subject to § 2-1246 of the State Government Article, to the General Assembly on the number of members enrolled in the plan and the costs to the plan associated with providing insurance to those members.</p> <p>[Emergency Bill]</p>

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 772, Ch. 356(12)(a)(3) HB 1179, Ch. 357(12)(a)(3)	Maryland Insurance Administration	<p>(a) The Maryland Insurance Commissioner shall:</p> <ul style="list-style-type: none"> (1) determine whether any conduct identified in MIA No: 2003-02-032 violates the provisions of § 14-116 or § 14-139 of the Insurance Article, as in effect before the effective date of this [Nonprofit Health Service Plans – Reform] Act, or any other provision of the Insurance Article not identified in MIA No: 2003-02-032; (2) take any action deemed appropriate in light of the determinations made, if any, under item (1) of this subsection; (3) report, on or before July 1, 2003, on the determinations made, if any, under item (1) of this subsection to: <ul style="list-style-type: none"> (i) the board of directors of a nonprofit health service plan subject to the provisions of § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act; and (ii) the Governor, and in accordance with § 2-1246 of the State Government Article, the General Assembly.
SB 772, Ch. 356(2) HB 1179, Ch. 357(2) SG § 2-10A-08(g)	Maryland Insurance Administration TF - Joint Nonprofit Health Service Plan Oversight Committee	<ul style="list-style-type: none"> (1) In accordance with § 2-1246 of this title, the [Joint Nonprofit Health Service Plan Oversight] Committee shall submit an annual report to the General Assembly on or before December 1 of each year. (2) The report shall include the findings and recommendations of the Committee with regard to the examination and evaluation carried out under subsection (f) of this section. <p>....</p> <p>(E) The Maryland Insurance Administration and the Department of Legislative Services, Office of Policy Analysis, shall provide staff assistance to the committee.</p>
SB 772, Ch. 356 HB 1179, Ch. 357 IN § 14-102(E)	Maryland Insurance Administration	On or before December 1, 2005, and annually thereafter, the [Insurance] Commissioner shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Finance Committee and the House Health and Government Operations Committee, on the compliance of a nonprofit health service plan subject to § 14-115(d) of this subtitle with the provisions of this subtitle.
SB 772, Ch. 356(12)(a)(4) HB 1179, Ch. 357(12)(a)(4)	Maryland Insurance Administration	<p>(a) The Maryland Insurance Commissioner shall: ...</p> <ul style="list-style-type: none"> (4) make recommendations regarding whether any changes to Maryland law need to be made to ensure that the regulatory oversight of nonprofit health service plans subject to Title 14 of the Insurance Article is sufficient to protect the public interest, and report those recommendations, on or before July 1, 2003, to: <ul style="list-style-type: none"> (i) the Governor; (ii) in accordance with § 2-1246 of the State Government Article, the General Assembly; and (iii) the Office of the Attorney General.

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 252, Ch. 224	Maryland Insurance Administration TF - Task Force to Study Access to Mental Health Services	<p>On or before December 31, 2003, the Task Force [to Study Access to Mental Health Services] shall issue a preliminary report of its findings, and on or before December 31, 2004, shall issue a final report of its findings and recommendations to the Governor, and in accordance with § 2-1246 of the State Government Article, the General Assembly.</p> <p>....</p> <p>(e) The Maryland Insurance Administration and the Department of Health and Mental Hygiene shall provide staff for the Task Force. [Interim Report - 1st of two reports]</p>
SB 252, Ch. 224	Maryland Insurance Administration TF - Task Force to Study Access to Mental Health Services	<p>on or before December 31, 2004, [the Task Force to Study Access to Mental Health Services] shall issue a final report of its findings and recommendations to the Governor, and in accordance with § 2-1246 of the State Government Article, the General Assembly.</p> <p>....</p> <p>(e) The Maryland Insurance Administration and the Department of Health and Mental Hygiene shall provide staff for the Task Force. [Final report - 2nd of two reports]</p>
HB 410, Ch. 295(2)	Maryland Insurance Administration	<p>That the Insurance Commissioner shall, in accordance with § 2-1246 of the State Government Article, submit a copy of the final report of the examination required under Section 1 of this Act to the Senate Finance Committee and the House Health and Government Operations Committee within 30 days of the completion of the final report.</p>

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 32, Ch. 207(3)	Maryland State Department of Education	<p>That each county board of education, including the Baltimore City Board of School Commissioners, shall report to the Maryland State Department of Education on or before September 1, 2003, regarding:</p> <ul style="list-style-type: none"> (1) the number of family hardship waivers that were granted during the 2001-2002 and 2002-2003 school years; (2) the number of family hardship waivers that were granted under subsection (1) of this section that were for out-of-state/out-of-country students; (3) the number of family hardship waivers that were granted under subsection (1) of this section that were for out-of-county/in-state students; (4) the number of family hardship waivers that were denied and why they were denied; (5) the fiscal impact on the local education agency of granting these family hardship waivers including both a dollar amount and an assessment of future implications of this dollar amount on the local education agency; and (6) the amount of money that a local education agency received from other sources (i.e. other counties, other states) for a child placed in that county as the result of an informal kinship care relationship. <p>The Maryland State Department of Education shall compile the reports from the county boards of education and the Baltimore City Board of School Commissioners and, subject to § 2-1246 of the State Government Article, shall submit a report that presents all of the data collected from the county boards in a comprehensive manner to the Senate Education, Health, and Environmental Affairs Committee and the House Ways and Means Committee on or before December 31, 2003.</p>
SB 32, Ch. 207(4)	Maryland State Department of Education	<p>That each county board of education, including the Baltimore City Board of School Commissioners, shall report to the Maryland State Department of Education on or before October 1 of each year regarding:</p> <ul style="list-style-type: none"> (1) the number of family hardship waivers that have been granted as a result of this [Children in – Informal Kinship Care Relationships] Act; (2) the fiscal impact on the local education agency of this Act including both a dollar amount and an assessment of future implications of this dollar amount on the local education agency; and (3) the amount of money that a local education agency received from other sources (i.e. other states, other counties) for a child placed in that county as the result of an informal kinship care relationship. <p>The Maryland State Department of Education shall compile the reports from the county boards of education and the Baltimore City Board of School Commissioners and, subject to § 2-1246 of the State Government Article, shall submit a report that presents all of the data collected from the county boards in a comprehensive manner to the Senate Education, Health, and Environmental Affairs Committee and the House Ways and Means Committee on or before December 31 of each year.</p>

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 75, Ch. 358(3)	Maryland State Department of Education	That on or before October 1, 2006, based on information gathered from each local board of education, the Board of School Commissioners of Baltimore City, and the public, the State Board of Education shall submit to the General Assembly, in accordance with § 2-1246 of the State Government Article, a report including an evaluation of the public charter school program. The report shall address the advisability of the continuation, modification, expansion, or termination of the program.
HB 1042, Ch. 194	Maryland State Department of Education TF - Task Force to Study the Availability of Audiology and Speech-Language Services	On or before December 31, 2003, the Task Force [to Study the Availability of Audiology and Speech-Language Services] shall issue a written report of its findings and recommendations to the Senate Education, Health, and Environmental Affairs Committee and the House Ways and Means Committee (c) The Maryland State Department of Education shall provide staff for the Task Force.
SB 721, Ch. 403 SPP § 21-108(a)(3)(iii)	Maryland State Retirement & Pension System	On or before June 30 and December 31 of each year, the State Retirement Agency shall submit a report to the Department of Legislative Services that provides a summary of the training required by this paragraph that was completed by each trustee during that 6-month period.
SB 721, Ch. 403 SPP § 21-104(e)(3)(iii)	Maryland State Retirement & Pension System	The State Retirement Agency shall submit a trustee attendance report to the Department of Legislative Services by June 30 and December 31 of each year.
HB 444, Ch. 153 SF § 8-128(i)	Maryland State Treasurer's Office	(1) The Treasurer, in consultation with the Comptroller, shall submit a report on January 1 each year to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly. (2) The report shall list all projects or programs for which authorization would be terminated in the upcoming year under the provisions in this section or § 7-305 [Capital expenditures] of this article.
HB 697, Ch. 320(i)(2)(iv)	Maryland Technology Development Corporation TF - Task Force on Broadband Communications Deployment in Underserved Rural Areas	(2) The Task Force [on Broadband Communications Deployment in Underserved Rural Areas] shall issue: ... (iv) on or before June 30, 2005, issue a final report of the Task Force. (j) The Maryland Technology Development Corporation shall provide staff support to the Task Force, with the assistance of the Forvm for Rural Maryland, the Department of Budget and Management, and the Department of Business and Economic Development, and other appropriate State, regional, and local agencies. [Final report - 4th of four reports]

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
HB 697, Ch. 320(i)(2)(ii)	Maryland Technology Development Corporation TF - Task Force on Broadband Communications Deployment in Underserved Rural Areas	<p>(2) The Task Force [on Broadband Communications Deployment in Underserved Rural Areas] shall issue: ...</p> <p style="padding-left: 40px;">(ii) on or before January 15, 2004, issue an interim report and recommendations for a statewide broadband communications plan focusing on private sector access</p> <p style="text-align: center;">....</p> <p>(j) The Maryland Technology Development Corporation shall provide staff support to the Task Force, with the assistance of the Forvm for Rural Maryland, the Department of Budget and Management, and the Department of Business and Economic Development, and other appropriate State, regional, and local agencies. [Interim report - 2nd of four reports]</p>
HB 697, Ch. 320(i)(2)(i)	Maryland Technology Development Corporation TF - Task Force on Broadband Communications Deployment in Underserved Rural Areas	<p>(2) The Task Force [on Broadband Communications Deployment in Underserved Rural Areas] shall issue:</p> <p style="padding-left: 40px;">(i) on or before December 1, 2003, issue a preliminary report and draft statewide rural development plan focusing on public and private broadband communications access</p> <p style="text-align: center;">....</p> <p>(j) The Maryland Technology Development Corporation shall provide staff support to the Task Force, with the assistance of the Forvm for Rural Maryland, the Department of Budget and Management, and the Department of Business and Economic Development, and other appropriate State, regional, and local agencies. [Preliminary report - 1st of four reports]</p>
HB 697, Ch. 320(i)(2)(iii)	Maryland Technology Development Corporation TF - Task Force on Broadband Communications Deployment in Underserved Rural Areas	<p>(2) The Task Force [on Broadband Communications Deployment in Underserved Rural Areas] shall issue: ...</p> <p style="padding-left: 40px;">(iii) on or before December 1, 2004, issue a progress report on the implementation of the plans for public and private broadband communications access, together with any follow-up recommendations</p> <p style="text-align: center;">....</p> <p>(j) The Maryland Technology Development Corporation shall provide staff support to the Task Force, with the assistance of the Forvm for Rural Maryland, the Department of Budget and Management, and the Department of Business and Economic Development, and other appropriate State, regional, and local agencies. [Progress report - 3rd of four reports]</p>

New Reports to the Presiding Officers and the General Assembly as a Result of 2003 Legislation

Citation	Agency	Topic
SB 772, Ch. 356(12)(B)(2) HB 1179, Ch. 357(12)(B)(2)	Office of the Attorney General	<p>The Office of the Attorney General shall:</p> <p>(1) determine whether any conduct identified in MIA No: 2003-02-032 violates any provision of federal or State civil, criminal, or administrative law, other than those provisions reviewed by the Maryland Insurance Commissioner under subsection (a)(1) of this section; and</p> <p>(2) report, on or before September 1, 2003, to the Governor, and in accordance with § 2-1246 of the State Government Article, the General Assembly on the determinations made, if any, under item (1) of this subsection, and on any changes to State law that need to be made to ensure that the public interest is protected.</p>
SB 772, Ch. 356(11)(2) HB 1179, Ch. 357(11)(2)	Other agency OTHER - a nonprofit health service plan that is subject to § 14-115(d)	<p>That a nonprofit health service plan that is subject to § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act:</p> <p>(1) shall work with the Maryland Insurance Administration, the Department of Aging, and other appropriate entities to study, and if feasible and desirable develop, a State arrangement to offer health insurance coverage to individuals who are eligible for the federal tax credit under § 35 of the Internal Revenue Code; and</p> <p>(2) on or before August 1, 2003, in accordance with § 2-1246 of the State Government Article, shall report to the Senate Finance Committee and the House Health and Government Operations Committee on the results of its study.</p>
HB 335, Ch. 289 IN § 15-1601(f)	Other agency OTHER - Pilot Program to Coordinate Health Care Provider Reimbursements	<p>(1) a pilot program [to coordinate health care provider reimbursements] created under this section shall report to the Senate Finance Committee and House Health and Government Operations Committee, in accordance with § 2-1246 of the State Government Article, on or before June 1 of each year.</p> <p>(2) the report shall include:</p> <ul style="list-style-type: none"> (i) an analysis of the financial status of the pilot program; (ii) data on the numbers of health care provider reimbursements; (iii) a description of enrollee services utilized; and (iv) other information as requested by the committees.

**LEGISLATIVE POLICY COMMITTEE
10:00 A.M., TUESDAY, JUNE 17, 2003
120 LOWE HOUSE OFFICE BUILDING, ANNAPOLIS, MD 21401**

PART 6.

**PART 2 of 2 -
REPORTS TO THE PRESIDING OFFICERS,
THE GENERAL ASSEMBLY AND ITS COMMITTEES
(2003 LEGISLATION)**

***CHANGES TO OLD REPORTING REQUIREMENTS TO THE GENERAL ASSEMBLY
AS A RESULT OF 2003 LEGISLATION***

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
<p>SB 499, Ch. 381 HB 30, Ch. 382 ED § 18-1916(b)</p>	<p>College Savings Plan of Maryland Board MPCT - Maryland Prepaid College Trust</p>	<p>(1) Within 90 days after the close of each fiscal year, the [College Savings Plans of Maryland] Board shall submit to the State Government Article, to the General Assembly a report including:</p> <ul style="list-style-type: none"> (i) The audit of the outside independent auditor; (ii) A financial accounting of the Trust, including: <ul style="list-style-type: none"> 1. The annual review of the comprehensive investment plan which shall include: <ul style="list-style-type: none"> A. The status of the investment program, including investment income matched to projected enrollment costs under the existing prepaid contracts; B. The assets held in each class of investment, the amount of funds held in any cash pool, the amount of funds held in fixed assets investments, and the amount of funds held in equity investments; C. The percentage and dollar value of assets placed with outside managers; D. The income produced by each class of investment; and E. The income produced by each investment manager; and 2. A detailed account of the operating and administrative budget for the Trust, which shall include a complete list of revenue sources and expenditures detailing the line item expenditures for: <ul style="list-style-type: none"> A. Salaries, wages, and fringe benefits; B. Technical and special fees; C. Communication; D. Travel; E. Contractual services; F. Supplies and materials; G. Equipment; H. Fixed charges; and I. Other expenses. (iii) The number of prepaid contracts entered into during the previous fiscal year; (iv) Efforts by the Board in marketing the prepaid contracts; and (v) Any recommendations of the Board concerning the operation of the Trust. <p>(2) The Board shall make available to each account holder a copy of a summary of the report and the option to purchase the full report at a nominal charge. [Changed name of reporting agency, change "program" to "Trust" and "purchaser" to "account holder"]</p>

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
<p>SB 499, Ch. 381 HB 30, Ch. 382 ED § 18-19A-07(b)</p>	<p>College Savings Plan of Maryland Board</p>	<p>Within 90 days after the close of each fiscal year, the [College Savings Plan of Maryland] Board shall submit to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly a report including:</p> <ul style="list-style-type: none"> (i) A financial accounting of the Plan, including: <ul style="list-style-type: none"> 1. An annual review of the Plan which shall include: <ul style="list-style-type: none"> A. The status of the investment program; B. The assets held in each class of investment; C. The percentage and dollar value of assets placed with outside managers; D. The income produced by each class of investment; E. The income produced by each investment manager; F. The total deposits into the Plan for the past year; and G. The total withdrawals from the Plan for the past year; and 2. A detailed account of the operating and administrative budget for the Plan, which shall include a complete list of revenue sources and expenditures detailing the line item expenditures for: <ul style="list-style-type: none"> A. Salaries, wages, and fringe benefits; B. Technical and special fees; C. Communication; D. Travel; E. Contractual services; F. Supplies and materials; G. Equipment; H. Fixed charges; and I. Other expenses; (ii) The number of new ACCOUNT HOLDERS during the previous fiscal year; (iii) Efforts in marketing the Plan; and (iv) Any recommendations of the Board concerning the operation of the Plan <p>[Changed name of reporting agency, change "program" to "Trust" and "purchaser" to "account holder"]</p>
<p>SB 108, Ch. 361 SF § 2-107(b)</p>	<p>Comptroller of the Treasury</p>	<p>(a) As provided by the Comptroller by regulation, each unit of State government that imposes fees of any kind shall maintain and make available to the Comptroller up-to-date data regarding:</p> <ul style="list-style-type: none"> (1) the services or functions for which fees are imposed and the associated levels of the fees; and (2) a comparison of the actual revenues generated by the fees and the total costs of providing the service or performing the function for which the fees are imposed. <p>(b) The Comptroller shall prepare and submit to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly, on a biennial basis on or before December 1 of every other year, a report compiling the data made available to the Comptroller under subsection (a) of this section.</p> <p>[Changed due date from October to December.]</p>

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
SB 744, Ch. 266 SF § 2-206(f)(2)	Department of Agriculture RMC - Rural Maryland Council	On or before June 30 of each year, the [Rural Maryland] Council shall submit to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly, a written report that includes: (i) the number of grants made during the fiscal year; (ii) the names of the recipients of the grants; (iii) the specific purpose of each grant awarded; and (iv) documentation of how the grant recipient spent or otherwise used the grant. [Replaces report required by SF 2-206(F)(2) DBED with report required by SF 2-206 (G)(2) Rural Maryland Council.]
SB 744, Ch. 266 ART 41 § 15-109	Department of Agriculture RMC - Rural Maryland Council	(a) In general.- The [Rural Maryland] Council shall publish an annual report of the activities of the Council. (b) Submission to Governor and General Assembly.- The report shall be submitted to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly. [Changes name of agency from Forvm for Rural Maryland to Rural Maryland Council.]
SB 1, Ch. 5 PS § 8-209(b)(2)	Department of Budget & Management	(a) In general. On or before August 30 of each fiscal year, the [Maryland State Firemen's] Association shall submit to the Department [of Budget and Management] and to The Board of Public Works a report that includes for the previous fiscal year: (1) The number of loans made; (2) Each volunteer company that received a loan and the amount of the loan; (3) The specific purpose for making each loan; and (4) For each volunteer company that received a loan: (i) The financial statement of the volunteer company for the fiscal year in which the money was received; and (ii) Documentation of the volunteer company's actual expenditures. (b) Review by Department.- The Department [of Budget and Management] shall: (1) Review each financial statement and the documentation submitted in accordance with subsection (a) of this section to determine if the money was spent in accordance with the request for money approved by the Board of Public Works; and (2) Report the findings to the Senate Budget and Taxation Committee and the House Appropriations Committee [Change in code cite]

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
HB 935, Ch. 203 SF § 7-314(g)(1)	Department of Business and Economic Development	<p>The Department of Business and Economic Development shall report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly before January 1 of each year:</p> <p>(i) the financial status of the program and a summary of its operations for the preceding fiscal year;</p> <p>(ii) for the previous 3 fiscal years, the status of account disbursements for economic development projects approved by the Legislative Policy Committee under this section; and</p> <p>(iii) for the previous 3 fiscal years, the status of job creation, capital investment, and other measures of economic development for each economic development project approved by the Legislative Policy Committee under this section.</p> <p>(2) If the job creation, capital investment, and other measures of economic development described in paragraph (1) of this subsection are lower than negotiated according to subsection (h) (1) of this section, the report shall contain an explanation.</p> <p>(3) Upon receipt of the report, the Legislative Policy Committee shall have 60 days to review and comment on the report, during which time the Department of Business and Economic Development shall provide any additional information regarding this Fund as requested by the Legislative Policy Committee.</p> <p>[By virtue of the fact that SF 7-314(g)(3) requires LPC to report on this report, it is to go to LPC also.</p> <p>Changed the word "fund" to "account"]</p>
HB 935, Ch. 203(19) ART 83A § 5-1305(b)	Department of Business and Economic Development MACMC - Maryland Competitive Advantage Financing Fund	<p>The Department [of Business and Economic Development] shall report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly before January 1 of each year on the number, amount, use, and economic benefits of financial assistance provided under this subtitle.</p> <p>[Repealed this section.]</p>
SB 306, Ch. 21 FL § 5-1206(a)	Department of Health & Mental Hygiene	<p>On or before December 15, 2000, and annually thereafter until December 15, 2004, the Secretary of Human Resources and the Secretary of Health and Mental Hygiene shall report to the Governor and, subject to § 2-1246 of the State Government Article, the Senate Budget and Taxation Committee, the Senate Education, Health, and environmental affairs committee, the House Appropriations Committee, and the House Environmental Matters Committee, on their progress in complying with the provisions of this subtitle.</p> <p>[Changed name of committee]</p>

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
SB 306, Ch. 21 HG § 13-1805(c)(1)	Department of Health & Mental Hygiene TF - State Advisory Council on Pain Management	(1) On or before September 30, 2003, the Advisory Council [on Pain Management] shall issue an interim report to the General Assembly, in accordance with § 2-1246 of the State Government Article, that includes recommendations on pain management issues in Maryland. §13-1804 (d) Staffing.- The Secretary [of the Department of Health and Mental Hygiene] shall designate the staff necessary to carry out this subtitle. [Changed code cite, 1st of 2 reports]
SB 306, Ch. 21 HG § 13-1805(c)(2)	Department of Health & Mental Hygiene TF - State Advisory Council on Pain Management	On or before September 30, 2004, the Advisory Council [on Pain Management] shall issue a final report to the General Assembly, in accordance with § 2-1246 of the State Government Article, that includes recommendations on pain management issues in Maryland. §13-1804(d) Staffing.- The Secretary [of the Department of Health and Mental Hygiene] shall designate the staff necessary to carry out this subtitle. [Changed code cite, 2nd of 2 reports]
SB 553, Ch. 102 HG § 19-1805(c)(2)	Department of Health & Mental Hygiene	On or before December 15 of each year, the Department [of Health and Mental Hygiene] shall submit to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly, a report concerning its experience with level of care 3 plus waivers for the preceding 12-month period that ends on November 30. [Changed code cite]
SB 688, Ch. 262 HG § 13-1207	Department of Health & Mental Hygiene MMRP - Maternal Mortality Review Program	On or before December 1 of each year, the Secretary [of the Department of Health and Mental Hygiene] shall submit a report on findings, recommendations, and [Maternal Mortality Review] Program actions to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly. [Repealed the expiration date]

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
<p>HB 605, Ch. 437 IN § 15-1502(a)(4)</p>	<p>Department of Health & Mental Hygiene MHCC - Maryland Health Care Commission</p>	<p>(1) The [Maryland Health Care] Commission shall conduct an evaluation of existing mandated health insurance services and make recommendations to the General Assembly regarding decision making criteria for reducing the number of mandates or the extent of coverage.</p> <p>(2) The evaluation shall include:</p> <p>(I) An assessment of the full cost of each existing mandated health insurance service as a percentage of the state's average annual wage and of premiums for the individual and group health insurance market;</p> <p>(II) An assessment of the degree to which existing mandated health insurance services are covered in self-funded plans; and</p> <p>(III) A comparison of mandated health insurance services provided by the state with those provided in Delaware, the District of Columbia, Pennsylvania, and Virginia.</p> <p>(3) The comparison described in paragraph (2)(iii) of this subsection shall include:</p> <p>(I) The number of mandated health insurance services;</p> <p>(ii) The type of mandated health insurance services;</p> <p>(iii) The level and extent of coverage for each mandated health insurance service;</p> <p>and</p> <p>(iv) The financial impact of differences in levels of coverage for each mandated health insurance service.</p> <p>(4) On or before January 1, 2004, and every 4 years thereafter, the Commission shall submit a report of its findings to the General Assembly, subject to § 2-1246 of the State Government Article.</p> <p>[Changes code cite, date and scope of reporting requirement.]</p>
<p>HB 935, Ch. 203 HG § 13-1004(d)</p>	<p>Department of Health & Mental Hygiene TUPCP - Tobacco Use Prevention and Cessation Program</p>	<p>On or before September 1 of each even numbered fiscal year, beginning in fiscal year 2006, the Department shall submit a report to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly on the results of the biennial Tobacco Study.</p> <p>[Changed Annual report to Biennial]</p>
<p>HB 935, Ch. 203 HG § 13-1104(e)</p>	<p>Department of Health & Mental Hygiene CPESTP - Cancer Prevention, Education, Screening and Treatment Program</p>	<p>On or before September 1 of each odd numbered fiscal year, beginning in fiscal year 2005, the Department [of Health and Mental Hygiene] shall submit a report to the Governor and, subject to § 2-1246 of the State Government Article, the General Assembly, on the results of the biennial Cancer Study.</p> <p>[Changed Annual report to Biennial]</p>
<p>HB 935, Ch. 203 SF § 7-327(i)</p>	<p>Department of Human Resources JFB - Joseph Fund Board</p>	<p>The [Joseph Fund] Board shall report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly before September 1 of each year on the financial status of the Account and the expenditures from the Account for the preceding fiscal year.</p> <p>[Changed "fund" to "account"]</p>

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
HB 860, Ch. 53 ART 83C § 2-104(e)(3)(ii)	Department of Juvenile Services	The [State Comprehensive Juvenile Services 3-Year] Plan shall be revised for each subsequent calendar year and shall be submitted, subject to § 2-1246 of the State Government Article, to the General Assembly by February 1 of each year. [Change name of reporting agency]
HB 860, Ch. 53 ART 49D § 38(f)	Department of Juvenile Services	Subject to § 2-1246 of the State Government Article, by July 1, 1994, and by July 1 of each year thereafter, the Special Secretary for Children, Youth, and Families, the Secretaries of Health and Mental Hygiene, Human Resources, Juvenile Services, and Budget and Management, and the State Superintendent of Schools shall submit a joint report to the General Assembly on the costs and outcomes of State-funded family preservation services for the previous fiscal year. [Change name of reporting agency]
SB 306, Ch. 21 LE § 5-308.1(b)	Department of Labor, Licensing and Regulation DLI - Division of Labor and Industry	The Commissioner [of Labor and Industry] shall submit notice regarding any modifications made to, or directives issued interpreting, the federal Bloodborne Pathogen Standard after November 5, 1999 and, subject to § 2-1246 of the State Government Article, make recommendations for any legislative changes to the House Environmental Matters Committee, the Senate Education, Health, and Environmental Affairs Committee, and the General Assembly within 30 days of the issuance of modifications to the Bloodborne Pathogen Standard. [Changed name of committee]
HB 884, Ch. 454 ED § 21-309(i)	Department of Labor, Licensing and Regulation	The Department of Labor, Licensing, and Regulation shall administer the tax credit and report to the Governor, and, subject to § 2-1246 of the State Government Article, to the General Assembly, before January 15 of each year on: (1) Marketing activities for the credit under this section; (2) The number of business entities who hired a qualified employee with a disability during the preceding year; (3) The number of qualified employees with disabilities: (i) Hired in each business sector for the preceding year; and (ii) Hired during the preceding year and employed for less than 1 year; (4) A summary of the average hourly wages paid to qualified employees with disabilities for the preceding year; (5) The number and amount of credits claimed during the preceding year; and (6) The number and amount of credits claimed for child care or transportation expenses, including a summary of the types of transportation expenses incurred by business entities. [Changes termination date to June 30, 2006.]

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
HB 884, Ch. 454 ART 88A § 54(i)	Department of Labor, Licensing and Regulation	<p>The Department of Labor, Licensing, and Regulation, the Department of Human Resources, and the Comptroller shall report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly before January 15 of each year on:</p> <ul style="list-style-type: none"> (1) Marketing activities; (2) The coordination of interagency activities; (3) The number of business entities who hired employment opportunity employees during the preceding year, including a separate account of the number of organizations that are exempt from taxation under § 501 (c) (3) or (4) of the Internal Revenue Code; (4) The number of employment opportunity employees: <ul style="list-style-type: none"> (i) Hired in each business sector for the preceding year; and (ii) Hired during the preceding year and employed for less than 1 year; (5) A summary of the wages paid to employment opportunity employees for the preceding year; (6) The total number and amount of job certifications issued and credits claimed during the preceding year as well as the number and amount of job certifications issued and credits claimed during the preceding year for employment opportunity employees eligible for the credit granted under subsection (c) (2) of this section; (7) The number and amount of credits claimed for child care or transportation expenses incurred, including a summary of the types of transportation expenses incurred by business entities; and (8) The number of employment opportunity employees employed for: <ul style="list-style-type: none"> (i) More than 1 year but less than 2 years; (ii) More than 2 years but less than 3 years; and (iii) 3 years or more. <p>[Changes termination date to June 30, 2006]</p>
SB 1, Ch. 5 PS § 8-203(c)(2)	Department of Legislative Services	<p>The Legislative Auditor shall:</p> <ul style="list-style-type: none"> (1) Review the financial statements and the documentation submitted in accordance with subsection (b) of this section to determine if the funds were expended according to the provisions of the request for financial assistance as approved by the Board; and (2) Report the findings to the Department and, subject to § 2-1246 of the State Government Article, to the Joint Audit Committee of the General Assembly. <p>[Change in code cite]</p>
SB 1, Ch. 5 PS § 2-309	Department of Maryland State Police	<p>In any report issued under § 2-308 of this subtitle, the Department may include recommendations to the Governor, the Secretary of Public Safety and Correctional Services, and, subject to § 2-1246 of the State Government Article, the General Assembly for legislation that the report indicates is necessary or desirable to promote traffic safety or reduce crime or otherwise to ensure proper law enforcement.</p> <p>[Change in code cite]</p>

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
SB 1, Ch. 5 PS § 4-107	Department of Maryland State Police PBAF - Protective Body Armor Fund	On or before September 1 of each year, the Secretary [of the Department of Maryland State Police] shall report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on: (1) the distribution of money under this subtitle; and (2) the ratio of protective body armor to police officers in each local jurisdiction of the state that applied for money from the [Protective Body Armor] Fund. [Change in code cite]
SB 1, Ch. 5 CP § 6-205(c)	Department of Maryland State Police SFM - State Fire Prevention Commission	On or before September 30 of each year, the [State Fire Prevention] Commission shall transmit to the Governor and the Secretary an annual report of the Commission's activities. [Change in code cite]
SB 1, Ch. 5 PS § 4-204	Department of Maryland State Police SBSEF - School Bus Safety Enforcement Fund	On or before March 1 of each year, the Secretary [of Maryland State Police] shall report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on: (1) The status of the [school bus safety enforcement] fund; (2) The grants made under this subtitle; (3) The costs of administering this subtitle; and (4) The effect of this subtitle in reducing the problem of drivers illegally failing to stop for school vehicles. [Change in code cite]
SB 1, Ch. 5 PS § 5-132(d)(1)(ii)	Department of Maryland State Police HRB - Handgun Roster Board	(1) the Handgun Roster Board annually shall: (i) review the status of personalized handgun technology; and (ii) on or before July 1, report its findings to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly. (2) in reviewing the status of personalized handgun technology under paragraph (1) of this subsection, the Handgun Roster Board Shall consider: (i) the number and variety of models and calibers of personalized handguns that are available for sale; (ii) each study, analysis, or other evaluation of personalized handguns conducted or commissioned by: 1. the National Institute Of Justice; 2. a Federal, State, or local law enforcement laboratory; or 3. any other entity with an expertise in handgun 9 technology; and (iii) any other information that the Handgun Roster Board considers relevant. [Change in code cite]

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
SB 1, Ch. 5 PS § 8-105(b)	Department of Maryland State Police AFRAF - Senator William H. Amoss Fire, Rescue, and Ambulance Fund	Each year the Secretary [of the Department Of Maryland State Police] shall report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on the information provided by the counties on the distribution of money provided under this subtitle, [Senator William H. Amoss Fire, Rescue, and Ambulance Fund] including an assessment of the extent to which the purposes of this subtitle are being achieved. [Change in code cite]
SB 1, Ch. 5 PS § 11-206(6)	Department of Maryland State Police EAC - Explosives Advisory Council	The [Explosives Advisory] Council shall: (1) Advise, assist, and recommend to the Department regulations for the storage, use, manufacture, and transportation of designated explosives materials; (2) Continually review new developments in the explosives industry including: (i) Safety precautions for manufacturers, users, and distributors; (ii) Techniques for blasting; and (iii) Federal regulation of explosives; (3) Review any proposed regulation of the Department that affects the manufacture, use, or distribution of explosives; (4) Recommend to the Department revisions or additions to state law that regulates any aspect of the manufacture, use, or distribution of explosives; (5) Conduct forums to disseminate information and educate the public about the manufacture, use, or distribution of explosives; (6) Submit an annual report to the Governor, Secretary of State Police, and State Fire Marshal [Change in code cite]
SB 306, Ch. 21 NR § 4-215(f)	Department of Natural Resources FS - Fisheries Service	The Department [of Natural Resources] shall present the management plans under this section in the form of an annual report, subject to § 2-1246 of the State Government Article, to: (1) The Legislative Policy Committee; (2) The Education, Health, and Environmental Affairs Committee; and (3) The Environmental Matters Committee. [Changed name of committee]

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
SB 306, Ch. 21 NR § 5-1613	Department of Natural Resources MSFCP - Maryland State Forest Conservation Program	<p>On or before July 1 of each year, the Department shall submit, subject to § 2-1246 of the State Government Article, to the Senate Education, Health, and Environmental Affairs Committee and the House Environmental Matters Committee a statewide report, compiled from local authorities' reports to the Department, on:</p> <p>(1) The number, location, and type of projects subject to the provisions of this subtitle;</p> <p>(2) The amount and location of acres cleared, conserved, and planted, including any areas which utilize forest mitigation bank credits, in connection with a development project;</p> <p>(3) The amount of reforestation and afforestation fees and noncompliance penalties collected and expended;</p> <p>(4) The costs of implementing the forest conservation program; and</p> <p>(5) The size, location, and protection of any local forest mitigation banks which are created under a local or State program.</p> <p>[Changed name of committee]</p>
SB 306, Ch. 21 NR § 8-2103(c)(2)	Department of Natural Resources	<p>(2) Beginning in 2000, the Department shall submit every 5 years a report on the extent of infestation of phragmites to:</p> <p>(i) The Environmental Matters Committee of the House of Delegates of Maryland; and</p> <p>(ii) The Education, Health and Environmental Affairs Committee of the Senate of Maryland.</p> <p>[Changed name of committee]</p>

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
<p>SB 306, Ch. 21 NR § 8-2103(c)(1)</p>	<p>Department of Natural Resources</p>	<p>(a) Cost sharing program.- (1) The Department [of Natural Resources] shall study and analyze the effectiveness of the cost sharing program in the Department that assists landowners in paying for the cost of the management and control of the spread of phragmites. (2) The analysis required in paragraph (1) of this subsection shall include information on how assistance under the cost sharing program is allocated. (b) Study and analysis of progress.- The Department of Natural Resources shall ascertain on a per-acre basis the statewide extent of infestation of phragmites, when necessary data is available, and shall study and analyze the progress made in the management and control of the spread of phragmites on: (1) Lands that the Department of Natural Resources owns or controls; and (2) Any real property on which the Department of Natural Resources assists landowners with the control of phragmites. (c) Annual report.- (1) The Department shall annually submit a report under subsections (a) and (b) of this section to: (i) The Environmental Matters Committee of the House of Delegates of Maryland; and (ii) The Education, Health and Environmental Affairs Committee of the Senate of Maryland. (2) Beginning in 2000, the Department shall submit every 5 years a report on the extent of infestation of phragmites to: (i) The Environmental Matters Committee of the House of Delegates of Maryland; and (ii) The Economic and Environmental Affairs Committee of the Senate of Maryland. [Change name of committee]</p>
<p>SB 306, Ch. 21 NR § 5-103(h)</p>	<p>Department of Natural Resources</p>	<p>On or before July 1 of each year, the Department [of Natural Recourses] or local authority shall submit to the Senate Education, Health and Environmental Affairs Committee and the House Environmental Matters Committee a report on: (1) The number and location of each construction activity subject to the requirements of this [Reforestation] section; (2) The amount and location of acres cleared, conserved, and planted in connection with the activity; and (3) The amount of reforestation fees collected and expended. [Changed name of committee]</p>

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
SB 1, Ch. 5 PS § 1-307(a)	Department of Public Safety & Correctional Services ENSB - Emergency Number Systems Board	The [Emergency Number Systems] Board shall submit an annual report to the Governor, the Secretary, and, subject to § 2-1246 of the State Government Article, the Legislative Policy Committee. (b) contents. the report shall provide the following information for each county: (1) the type of 9-1-1 system currently operating in the county; (2) the total 9-1-1 fee and additional charge charged; (3) the funding formula in effect; (4) any statutory or regulatory violation by the county and the response of the board; (5) any efforts to establish an enhanced 9-1-1 system in the county; and (6) any suggested changes to this subtitle. [Change in code cite]
SB 1, Ch. 5 PS § 14-510	Governor's Office	(a) Required. Within 120 days after the end of a fiscal year when the Administration uses the State set-aside program, the Administration shall report to the General Assembly, subject to § 2-1246 of the State Government Article, on the use of the State set-aside program. (b) Contents. The report required under this section shall include a description of the number and types of applications for each State set-aside product received and approved by the Administration during that fiscal year. [Change in code cite]

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
<p>HB 935, Ch. 203 SF § 7-314(l)</p>	<p>Governor's Office</p>	<p>Upon request for approval for the transfer of funds by budget amendment from the Account provide, subject to § 2-1246 of the State Government Article, to the Legislative Policy Committee:</p> <ul style="list-style-type: none"> (1) a detailed description of: <ul style="list-style-type: none"> (i) the proposed use of the funds; (ii) the manner in which the proposed use meets the criteria as set forth in this section; (iii) the degree to which the proposed use of funds will advance statewide or local economic development strategies and objectives; and (iv) the degree to which available sources of federal, State, local, and private financial support has been sought and will be utilized; (2) the terms, conditions, and performance requirements of any grant or loan for which the funds are to be used; (3) a comprehensive economic analysis of the proposed use of the funds which estimates: <ul style="list-style-type: none"> (i) the economic impact to the State and the local jurisdictions affected; (ii) a minimum level of net economic benefits to the public sector; (iii) the number of jobs expected to be created as a result of the proposed economic development project and the percentage of those jobs that are expected to be held by Maryland residents; (iv) the wage rates and benefit packages for the jobs expected to be created as a result of the proposed economic development project; and (v) any other appropriate financial or economic benefits; (4) any other analysis or information that is requested by the Legislative Policy Committee; and (5) the date on which the executive agency expects to disburse the funds to the proposed recipient. <p>[Changed the word "fund" to "account"]</p>
<p>SB 1, Ch. 5 PS § 8-105</p>	<p>Local Government</p>	<ul style="list-style-type: none"> (1) On or before December 31 of each year, each county shall submit to the Secretary a report for the preceding fiscal year that states: <ul style="list-style-type: none"> (i) the amount of money distributed to each recipient and the purpose of expenditure of this money categorized as provided in § 8-102(f)(1) of this subtitle; (ii) the amount and disposition of any unencumbered or unexpended money; and (iii) the amount of expenditures for fire protection by the county. (2) Each county shall provide a copy of the report required under paragraph (1) of this subsection, subject to § 2-1246 of the State Government Article, to the Department of Legislative Services [Senator William H. Amoss Fire, Rescue, and Ambulance Fund] [Change in code cite]

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
SB 306, Ch. 21 EN § 9-204(m)(5)	Maryland Department of the Environment WMA - Waste Management Administration	Beginning September 1, 2000, the Department [of the Environment] shall annually submit, in accordance with § 2-1246 of the State Government Article, a report of the activities undertaken and the progress made in accordance with this section to: (i) The House Environmental Matters Committee; and (ii) The Senate Education, Health, and Environmental Affairs Committee. [Changed name of committee]
SB 334, Ch. 236 HG § 15-124.2(i)	Medbank of Maryland, Inc.	On or before December 1, 2001, and annually thereafter, the Department [of Health and Mental Hygiene] and Medbank of Maryland, Inc. shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly, on the status of the Maryland Medbank Program established under this section, including: (1) The number and demographic characteristics of the State residents served by the Program; (2) The types and retail value of prescription drugs accessed through the Program; (3) The nature and extent of outreach performed to inform State residents of the assistance available through the Program; and (4) The total volume and retail value of each brand name drug, by manufacturer, accessed through the Program. [Name change; expiration changed to 6/30/2006]
HB 860, Ch. 53 ART 49D § 38(f)	Office For Children, Youth, & Families	Subject to § 2-1246 of the State Government Article, by July 1, 1994, and by July 1 of each year thereafter, the Special Secretary for Children, Youth, and Families, the Secretaries of Health and Mental Hygiene, Human Resources, Juvenile Services, and Budget and Management, and the State Superintendent of Schools shall submit a joint report to the General Assembly on the costs and outcomes of State-funded family preservation services for the previous fiscal year. [Change name of DJJ to DJS]
HB 860, Ch. 53 ART 49D § 45(b)(2)	Office For Children, Youth, & Families OIJJM - Office of the Independent Juvenile Justice Monitor	(1) The Office [of the Independent Juvenile Justice Monitor] shall report quarterly to the Special Secretary [of Office For Children, Youth, & Families] and the Secretary [of Juvenile Services]. (2) A copy of the report shall be provided to the State Advisory Board for Juvenile Services and, in accordance with § 2-1246 of the State Government Article, the General Assembly. (3) The report shall include: (i) All activities of the Office; (ii) Actions taken by the Department resulting from the findings and recommendations of the Independent Monitor, including the Department's response; and (iii) A summary of any violations of the standards and regulations of the Department that remained unabated for 30 days or more during the reporting period. [Change name of DJJ to DJS]

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
SB 363, Ch. 240 ART 41 § 4-301(g)	Office of Crime Control and Prevention	The Executive Director [of the Governor's Office of Crime Control and Prevention] shall report annually by September 1 to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly as to the distribution of aid provided under this section. [Repealed expiration date]
SB 1, Ch. 5 PS § 8-203(b)(2)	Other agency OTHER - Each volunteer company receiving funds	Each volunteer company receiving money under this subtitle [Senator William H. Amoss Fire, Rescue, and Ambulance Fund] shall forward the financial statements and documentation required under paragraph (1) of this subsection, subject to § 2-1246 of the State Government Article, to the Legislative Auditor. [Change in code cite]
SB 504, Ch. 95 PUC § 7-512.1(c)(1)	Public Service Commission	On or before December 1, of each year, the [Public Service] Commission shall report, subject to § 2-1246 of the State Government Article, to the General Assembly on the Universal Service Program, including: (I) subject to subsection (d) of this section, a recommendation on the total amount of funds for the program for the following fiscal year based on: 1. the level of participation in and the amounts expended from the Universal Service Program during the preceding fiscal year; 2. how payments to customers were calculated during the preceding fiscal year; 3. the projected needs of the Universal Service Program for the next fiscal year; and 4. the amount of any surplus carried over in the Universal Service Program fund under subsection (f)(5)(i) of this section; (ii) for bill assistance: 1. the total amount of need, as determined by the Commission, for electric customers with annual incomes at or below 150% of the federal poverty level and the basis for this determination; and 2. the percentage of need, as determined by the Commission, but at a minimum of 50%, that should be funded through the Universal Service Program and the basis for this determination; (iii) for low-income weatherization, the amount of funds needed, as determined by the Commission, for measures that reduce consumption of energy by electric customers with annual incomes at or below 150% of the federal poverty level and the basis for this determination; (iv) the amount of funds needed, as determined by the Commission, to retire arrearages for electric customers who have not previously received assistance in retiring arrearages under the Universal Service Program and the basis for this determination; (v) the amount of funds needed, as determined by the Commission, for bill assistance, low-income weatherization, and arrearage retirement, respectively, for customers for whom income limitations may be waived under subsection (a)(6) of this section, and the basis for each determination; (vi) the impact on customers' rates, including the allocation among customer classes, from collecting the total amount recommended by the Commission under item (i) of this paragraph; and (vii) the impact of using other federal poverty level benchmarks on 7 costs and the effectiveness of the universal service program.

Changes to Old Reporting Requirements, to the General Assembly, as a Result of 2003 Legislation

Citation	Agency	Topic
		<p>(2) (i) to assist the Commission in preparing its recommendations under paragraph (1) of this subsection, the office of home energy programs shall report to the Commission each year on:</p> <ol style="list-style-type: none"> 1. the number of customers and the amount of distributions made to fuel customers under the Maryland energy assistance program established under article 41, § 6-406 of the code, identified by funding source and fuel source; and 2. the cost of outreach and education materials provided by the office of home energy programs for the universal service program. <p>(ii) the office of home energy programs may satisfy the reporting requirement of subparagraph (i)1 of this paragraph by providing the Commission with a copy of material that contains the required information and that the office of home energy programs submits to a unit of the federal government.</p> <p>(iii) the Commission shall include the information provided by the Office of Home Energy Programs under subparagraph (i) of this paragraph in its report to the General Assembly under paragraph (1) of this subsection. [Changed "December 1, 1999 " to "December 1"]</p>
<p>SB 306, Ch. 21 SG § 10-502.4(e)</p>	<p>State Open Meetings Law Compliance Board</p>	<p>(1) On or before October 1 of each year, the Board shall submit an annual report to the Governor and the General Assembly in accordance with § 2-1246 of this article.</p> <p>(2) The report shall include a description of:</p> <ol style="list-style-type: none"> (i) the activities of the Board; (ii) the opinions of the Board in any cases brought before it; (iii) the number and nature of complaints filed with the Board, including a discussion of complaints concerning the reasonableness of the notice provided for meetings; and (iv) any recommendations for improvements to the provisions of this subtitle. <p>[Added § 2-1246]</p>

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
Operating					
4	C00A00.06 Judiciary – Administrative Office of the Courts	Feasibility plan for night court in Baltimore City for circuit court criminal docket	CJCC Judiciary	7/1/03	Status
7	C00A00.10 Judiciary – Clerks of the Circuit Court	Amendment(s) increasing special fund budget for Land Record Improvement Fund IT Projects	AOC	As required after 45 review and comment by the budget committees	Status (ROF)
9	C00A00.12 Judiciary	Report containing data on the effectiveness of drug courts	Judiciary	8/15/03	Study
11	C80B Office of the Public Defender	Electronic database with caseload standards and report on caseload standards for fiscal 2004 and 2005	OPD	9/15/03	Study
13	C90G Public Service Commission	Report on the Public Service Commission's authority, duty, and responsibility over the purchase of public service companies in the State	PSC	11/30/03	Study
16	D05E01.11 Board of Public Works	Report on targeted violent offenders in Baltimore City	Baltimore City State's Attorney	Monthly, beginning 7/1/03	Status
19	D13A Maryland Energy Admin.	Report on streamlining State energy efficiency programs	MEA, DGS, MDOT, DBM, DNR	12/1/03	Study
19	D13A Maryland Energy Admin.	Report on the decommissioning of wind turbines	MEA, PSC	9/15/03	Study
20	D14A Office for Children, Youth, and Families	Report on the status of the Return/Diversion program	OCYF	12/1/03	Status
21	D14A Office for Children, Youth, and Families	Report on plan providing for improved access to services for children with special needs	OCYF	12/01/03	Status

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
22	D15A Executive Department – Boards, Commissions, and Offices	Amendment(s) creating additional contractual positions	Governor's Office	45 days prior to approval	Status
25	D15A Executive Department – Boards, Commissions, and Offices	GOCCP programs and functions study	GOCCP, DBM	9/01/03	Study
26	D15A Executive Department – Boards, Commissions, and Offices	Report on the War Room Program	GOCCP	12/01/03	Study (ROF)
27	D15A Executive Department – Boards, Commissions, and Offices	Feasibility plan for extended operating hours in Baltimore City for circuit court criminal docket	CJCC, Judiciary	7/01/03	Study (ROF)
28	D15A Executive Department – Boards, Commissions, and Offices	Quarterly report on federal fund expenditures	Governor's Office of Finance	31 days after the quarter ending 9/30/03, and quarterly thereafter	Status
30	D20A Office for Smart Growth	OSG Expense Report	OSG	With budget submission	Status
39	D55P Department of Veterans Affairs	Letter confirming the new wing is operational	DVA	As soon as the wing is opened	Status (ROF)
39	D55P Department of Veterans Affairs	Report on the availability of drug treatment programs for veterans	DHMH, DVA	10/01/03	Study
42	D86Y Governor's Workforce Investment Board	Recommendations for State workforce development delivery efficiency savings	GWIB	9/01/03	Study

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
54	E75D State Lottery Agency	Description and justification for any new game(s)	State Lottery Agency	45 days before implementation	Status
59	F10A Department of Budget and Management	State's vehicle policy and State's fleet	OLA	12/1/03	Study
59	F10A Department of Budget and Management	Analysis of feasibility of purchase of additional alternative fueled vehicles for the State's fleet	DBM	10/01/03	Study
60	F10A Department of Budget and Management	Total State spending for MFR	DBM	8/01/03	Status
61	F10A Department of Budget and Management	MFR Reforms	DBM	9/1/03	Study
61	F10A Department of Budget and Management	MFR Audit	OLA	1/14/04	Study
62	F10A02 DBM – Office of Personnel Services and Benefits	Cost-benefit analysis on prescription contract decision	DBM	11/01/03	Study
63	F10A02 DBM – Office of Personnel Services and Benefits	Report on personnel working in a government relations capacity by agency	DBM	10/01/03	Status
63	F10A02 DBM – Office of Personnel Services and Benefits	Annual Report of State Personnel, Fiscal Year 2003	DBM	10/01/03	Study
66	F10A04 DBM – Office of Information Technology	Projects that deviate from 2003 <i>Joint Chairmen's Report</i> (JCR) listing of approved projects or approved projects with funding levels more than 10% above proposed levels as noted in the JCR	DBM	30 days prior to expenditure	Status

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
66	F10A04 DBM – Office of Information Technology	Listing of, and justification for, agencies with fiscal 2005 funding for Internet or inter-LATA connectivity that could otherwise have been provided through net.work.Maryland	DBM	12/31/03	Status
68	H Department of General Services	Progress Report on Schaefer Center Recommendations	DGS	10/01/03	Status
69	H Department of General Services	Assessment of expanded privatization opportunities within DGS	DGS	12/01/03	Study
70	J Department of Transportation	Capital Budget Changes	MDOT	With draft CTP With final CTP	Status
71	J Department of Transportation	Nontransportation expenditures exceeding \$250,000	MDOT	As needed	Status
72	J Department of Transportation	Additional contractual and regular positions	MDOT	As needed	Status
73	J Department of Transportation	Justification for \$15 million increase in debt outstanding	MDOT	45 days prior to publication of a preliminary official statement	Status
73	J Department of Transportation	Justification for new issuance of COPs	MDOT	45 days prior to publication of preliminary official statement	Status
74	J Department of Transportation	Nontraditional debt outstanding	MDOT	Sept. forecast Jan. forecast	Status
74	J Department of Transportation	Nontraditional debt outstanding information for fiscal 1999 through 2004	MDOT	7/1/03	Status
74	J Department of Transportation	Additional fund source information	MDOT	With draft CTP With final CTP	Status

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
76	J00A01 Department of Transportation – The Secretary's Office	Additional special funds for grants-in-aid	MDOT	As needed	Status
77	J00A01 Department of Transportation – The Secretary's Office	Report on the theft or loss of disability-designation license plates and placards	MDOT	11/01/03	Study
82	J00D Department of Transportation – Maryland Port Administration	Report on funding required to strengthen security at the public terminals	MPA	With annual budget request With annual budget allowance	Status
85	J00H DOT – Maryland Transit Administration	Report on steps MTA is taking to prioritize and introduce comprehensive safety systems and procedures	MTA	10/15/03	Study
89	J00H DOT – Maryland Transit Administration	Report on statutes, practices, and measures pertaining to parity in the allocation of State resources among transit systems	MDOT	10/01/03	Study
90	J00H DOT – Maryland Transit Administration	Report on measures to be implemented to raise the farebox recovery rates of under-performing bus routes to 20%	MTA	09/01/03	Study
90	J00H DOT – Maryland Transit Administration	Update on the status of the Owings Mills TOD	MTA	07/01/03	Status
91	J00H DOT – Maryland Transit Administration	Letter explaining project planning process for both segments of the Bi-County Transitway	MTA	07/01/03	Status
94	J00J Maryland Transportation Authority	Congestion mitigation measures at the Bay Bridge	MdTA	11/15/03	Study
95	K Department of Natural Resources	DNR and DSP law enforcement consolidation	DBM DNR DSP	11/01/03	Study

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
98	K Department of Natural Resources	Notification of land acquisition and conservation easement purchases	DNR	45 days prior to seeking Board of Public Works approval	Status
99	K Department of Natural Resources	Revised fiscal 2004 Waterway Improvement Program project list	DNR	6/30/03	Status
101	K Department of Natural Resources	Maryland Environmental Trust report	DNR	10/01/03	Study
104	L Department of Agriculture	Southern Maryland Regional Strategy-Action Plan	MDA TCC	12/15/03	Status
105	L Department of Agriculture	Nutrient Management Cost Share program report	MDA	12/01/03	Study
106	M00A DHMH – Office of the Secretary	Report from task force studying changes to Health Occupation Boards' management	DHMH – Health Occupation Board	7/31/03	Study
115	M00F05 DHMH – Office of the Chief Medical Examiner	Report on means to reduce caseload and future requirements for maintaining accreditation	DHMH	7/15/03	Status
120	M00K DHMH – Alcohol and Drug Abuse Administration	Report on distribution of substance abuse treatment funds	DHMH	10/1/03	Study (ROF)
121	M00K DHMH – Alcohol and Drug Abuse Administration	Report on the availability of drug treatment programs for veterans	DHMH DVA	10/1/03	Status
123	M00L DHMH – Mental Hygiene Administration	Privatization agreement or RFP to undertake privatization of all or part of a State-run psychiatric facility	MHA	30 days prior to the implementation of an agreement or the issuance of an RFP	Status
123	M00L DHMH – Mental Hygiene Administration	Notification of regulatory, policy, or procedural changes of \$500,000 or more	MHA	As needed, with 30 day review	Status

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
124	M00L DHMH – Mental Hygiene Administration	Consolidation of existing network of State-run psychiatric hospitals	DMHM	9/1/03	Study (ROF)
125	M00L DHMH – Mental Hygiene Administration	Implementation of recommendations made by OLA in its December 2002 performance audit	MHA	9/1/03	Status
126	M00L DHMH – Mental Hygiene Administration	Update on the work of the Early Childhood Mental Health Steering Committee	MHA MSDE	12/1/03	Status
126	M00L DHMH – Mental Hygiene Administration	Organizations of Core Service Agencies	MHA	9/1/03	Status
127	M00L DHMH – Mental Hygiene Administration	Statewide Residential Treatment Center capacity	MHA	9/30/03	Status
128	M00M DHMH – Developmental Disabilities Administration	Report detailing plans for closure of one of the State's residential centers	DHMH	11/15/03	Study
129	M00M DHMH – Developmental Disabilities Administration	Report establishing criteria for admission to the State's residential centers	DHMH	45 days prior to expenditure	Status (ROF)
132	M00Q DHMH – Medical Care Programs Administration	Action plan for improving utilization of dental care	DHMH	10/1/03	Status
138	N00A DHR – Office of the Secretary	Report providing: (1) the number, purpose, and fund source for each contractual position created above the maximum; and (2) information on excluded positions	DHR	10/1/03 1/01/04 4/1/04 7/1/04	Status
139	N00A DHR – Office of the Secretary	Report on TANF MOE expenditures for the first two quarters of fiscal 2004	DHR MSDE OCYF DBM	45 days prior to expenditure	Study (ROF)

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
139	N00A DHR – Office of the Secretary	Quarterly reports on TANF MOE expenditures	DHR MSDE OCYF DBM	3/1/04, and quarterly thereafter	Status
143	N00B DHR – Social Services Administration	Final Report	Task Force on Child Welfare System Accountability	12/1/04	Study
144	N00C DHR – Community Services Administration	Report including the number of enrolled participants, the number of active participants, expenditures on case management, fiscal intermediary, transitional, and waiver services	DHR	10/1/03 1/1/04 4/1/04 7/1/04	Status
155	N00I DHR – Family Investment Administration	Quarterly reports on TANF expenditures, obligations, and remaining balance	DHR	9/1/03, and quarterly thereafter	Status
156	P00 Department of Labor Licensing and Regulation	Report on transferring the Division of Employment and Training out of the DLLR	DLLR DBM	10/01/03	Study
163	Q00B DPSCS – Division of Correction – Headquarters	Report on the available options for providing inmate medical services	DPSCS DBM	11/01/03	Study
165	Q00P DPSCS – Division of Pretrial and Detention Services	Report on conditions at the Women's Detention Center	DPSCS	45 days prior to expenditure	Status (ROF)
175	R00A04 State Department of Education – Subcabinet Fund	Out-of-home placement data	OCYF	12/01/03	Study
176	R00A04 State Department of Education – Subcabinet Fund	Plan for independent evaluation of providers	IRC	12/01/03	Study
177	R13M00 Morgan State University	Notice of intent to adopt tuition rates that would generate revenue greater than \$39,074,910	MSU	45 days prior to adopting tuition and fee rates	Status

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
177	R13M00 Morgan State University	Detailed report on cost saving measures and efficiencies taken	MSU	45 days prior to adopting tuition and fee rates	Status
181	R30B University System of Maryland	Report specifying the allocation of legislative reduction	USM	07/01/03	Status
182	R30B University System of Maryland	Report on the application and potential cost of separation and layoff policies to employees in grant-funded positions	USM	10/01/03	Study
183	R30B University System of Maryland	Notice of intent to adopt tuition and fee rates that would generate more revenue than assumed in the unrestricted fund appropriation	USM	45 days prior to approving tuition and fee rates	Status
183	R30B University System of Maryland	Detailed report on cost saving measures and efficiencies taken	USM	45 days prior to approving tuition and fee rates	Status
186	R30B36 USM – University System of Maryland Office	Notice of Columbus Center lease	USM Office	Upon completion	Status (ROF)
186	R30B36 USM – University System of Maryland Office	Specific and separate budget information for higher education centers and teacher education grants	USM Office DBM	Annual budget submission	Status
187	R62I MHEC	Report evaluating methodology used to set funding guidelines	MHEC	12/01/03	Study
188	R62I00.01 MHEC	Report on revisions to policy related to low-productivity programs	MHEC	08/01/03	Study
189	R62I MHEC	Plan for resuming public health courses at the Shady Grove campus	Johns Hopkins University	01/01/04	Study
190	R62I00.05 MHEC	Report on higher education enrollment trends; relationships among enrollment growth, access, affordability, and capacity; and recommendations on meeting enrollment growth and maintaining access to quality education	USM Maryland Association of Community Colleges MHEC	09/01/03	Study

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
191	R62I00.07 MHEC	Plan for expenditure of funds designated to enhance historically black institutions	MHEC	45 days prior to expenditure of funds	Status (ROF)
194	R75T Higher Education	Report specifying the allocation of legislative reduction	USM	07/01/03	Status
194	R75T Higher Education	Notice of Columbus Center lease	USM Office	Upon completion	Status (ROF)
196	R95C Baltimore City Community College	Grant availability documentation	BCCC	Prior to filling 11 positions	Status (ROF)
204	S00A Department of Housing and Community Development (DHCD)	Memorandum of Understanding between DHCD and Baltimore City regarding utilization of grant funds	DHCD Baltimore City	7/1/03	Status
204	S00A Department of Housing and Community Development (DHCD)	Quarterly reports on use of lead abatement funds in Baltimore City	DHCD Baltimore City	10/1/03 and quarterly thereafter	Status
204	S00A Department of Housing and Community Development	Five-year strategic plan for the development of heritage areas	DHCD Maryland Heritage Areas Authority DBED	11/1/03	Study
205	S00A Department of Housing and Community Development	Quarterly reports of demand and delinquency data for the department's rental housing, homeownership, special loan, and neighborhood business development programs	DHCD	7/1/03 and quarterly thereafter	Status
206	S50B Maryland African American Museum Corp. (MAAMC)	Memorandum of Understanding setting forth the terms and conditions of the fiscal 2004 grant funds	MAAMC DBM	7/1/03	Study
206	S50B Maryland African American Museum Corp.	Museum Operations Business Plan	MAAMC	11/1/03	Study

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
211	U00A Department of the Environment	Enterprise Environmental Management System Update	MDE DBM	Prior to Board of Public Works EEMS contract approval	Status
217	V Department of Juvenile Justice (DJJ)	Report on future programming at the Hickey School	DJJ	15 days prior to the publication of an RFP	Status
217	V Department of Juvenile Justice	Implementation of wraparound service delivery approach to youth in the juvenile justice system	DJJ and other child-serving agencies	12/1/03	Study
218	V Department of Juvenile Justice	Implementation of fiscal 2004 initiatives	DJJ	11/1/03	Status
218	V Department of Juvenile Justice	Outcomes for Youth Service Bureaus (YSB)	DJJ YSBs	12/1/03	Study
219	W Department of State Police (DSP)	DNR Sworn Officers and DSP consolidation	DBM DNR DSP	11/1/03	Study
220	W Department of State Police	Uniform Crime Report	DSP	45 days before expenditure	Status (ROF)
223	W Department of State Police	Maryland Integrated Ballistics Identification System Progress Report	DSP	10/1/03	Study
224	W Department of State Police	Full Cost of Extraditions Report	DSP	7/31/03 10/31/03 1/31/04 4/31/04 6/30/04	Study
224	W Department of State Police	Civilianization of certain DSP functions	OLA	11/1/03	Study
233	Section 37	Report of all Executive Pay Plan positions	DBM MDOT	7/15/03 10/15/03 1/15/04 4/15/04	Status
234	Section 38	Report on status of ledger control account	State's Treasurer's Office/ General Accounting Division	Quarterly beginning 7/1/03	Status

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
234	Section 39	Report on funding for homeland security	DBM	10/1/03	Status
235	Section 40	Report on pilot sick leave incentive program	DBM	2/1/04	Status
236	Section 41	List of abolished positions	DBM	12/1/03	Status
239	Section 44	Record of regular and contractual FTE position activity	DBM	As needed	Status
239	Section 44	Report of location of sworn police officer FTE positions by program level	DBM	With Governor's budget books	Status
240	Section 45	Analysis of the effectiveness of the employee buyout pilot	DBM	6/1/04	Study
241	Section 48	Audit of the Maryland Health Care Foundation	OLA	10/1/03	Status
Capital					
251	DE02.01 Board of Public Works – General State Facilities	New capital facilities renewal projects – letter of notification	DGS	As required, prior to expenditure	Status
252	DE02.01 Board of Public Works – General State Facilities	Revised time-line for the completion of the Public Safety Communications System	DBM	9/1/03	Status
254	KA00 DNR – Land and Water Conservation Services	Notification of land acquisition and conservation easement purchases exceeding \$2 million	DNR	45 days prior to seeking Board of Public Works approval	Status
256	KA00 DNR – Land and Water Conservation Services	Conservation Easements Report	DNR	10/1/03	Study
259	ML01 Mental Hygiene Administration	Consolidation of existing network of State-run psychiatric hospitals	DHMH	9/1/03	Study
270	SA00 Department of Housing and Community Development	Statewide housing policy report and strategic plan – interim report	DHCD	9/30/04	Study

Summary of 2003 Joint Chairmen's Report Items

JCR Page	Budget Code/Agency	Information Requests	Author	Due Date	Type of Report
270	SA00 Department of Housing and Community Development	Statewide housing policy report and strategic plan – final report	DHCD	12/31/04	Study
271	SA00 Department of Housing and Community Development	MOU between DHCD and Baltimore City regarding utilization of grant funds	DHCD Baltimore City	7/1/03	Status
271	SA00 Department of Housing and Community Development	Quarterly reports on use of lead abatement funds in Baltimore City	DHCD Baltimore City	10/1/03, and quarterly thereafter	Status
275	WA01 Department of State Police	Report addressing possibility of and concerns with co-locating DSP facilities with local law enforcement facilities	DSP	9/1/03	Study

**LEGISLATIVE POLICY COMMITTEE
10:00 A.M., TUESDAY, JUNE 17, 2003
120 LOWE HOUSE OFFICE BUILDING, ANNAPOLIS, MD 21401**

PART 8.

**STATE TREASURER'S OFFICE
WRITTEN REPORT TO THE LEGISLATIVE POLICY COMMITTEE**

**TREASURER'S REPORT TO
LEGISLATIVE POLICY COMMITTEE
JUNE 17, 2003**

**Nancy K. Kopp
State Treasurer**

Section §5-104 of the State Government Article of the Annotated Code of Maryland provides that, "The Treasurer shall address the Legislative Policy Committee of the General Assembly on a semi-annual basis and as necessary on issues of legislative importance, including the activities of the Board of Public Works, bond sales, and investment and procurement initiatives."

Accordingly, the following report is submitted:

State Treasurer's Office

As we enter the most challenging fiscal time in several years, the office is working diligently to become ever more efficient and effective in assisting agencies and the citizens of Maryland with State Treasury-related issues. This includes support for state agencies in working to limit insurance costs, and improving banking and cash management procedures. We are continuing to forge an alliance with the Comptroller's Office and we are building upon the reports of the Office of Legislative Audits in helping agencies improve their business practices. Additionally, we have initiated different workgroups made up of our STO staff and local government representatives to both address local needs and mutually utilize the experience and successes of various agencies. We are also holding small informative seminars for foreign dignitaries and other groups that will allow us to explain our role in state government. While we realize that we must do more with less, we will not allow our service to suffer due to fiscal considerations.

Investment

The General Fund investment portfolio totaled \$2,865,341,701 on March 31, 2003. This represents a decrease of over \$1.2 billion from the balance of \$4,108,904,549 on March 31, 2002. Much of this decrease was due to reductions in various reserve funds, as well as a reduction in State revenue and in interest earned on investments.

On March 31, 2003, the portfolio was earning 1.78% compared to 2.29% during the same period last year. The result of this rare change is that interest earnings for the first 9 months of fiscal year 2003 totaled \$29,904,463 compared with earnings of \$71,565,784 for the same 9 month period for fiscal year 2002; a decrease of over \$41 million or 58.2%.

Interest rates have been declining since the beginning of calendar year 2001, and will probably remain at these historically low levels through calendar year 2003. This will result in continued lower interest earnings for all of fiscal year 2003 and into fiscal year 2004.

The Office continues to invest according to our adopted investment policy, which sets out our goals, priorities and constraints. Our overriding goal continues to be maintaining required liquidity to assure uninterrupted funding of State government and local payments. In the coming months we will continue to review our cash management practices to assure best returns.

Bond Sales/Leasing

"The State of Maryland has a diverse broad-based economy that continues to experience an employment decline, but a milder overall decline than most other states in the nation. The State

also benefits from high wealth and income levels, and unemployment that is below the national levels; historically sound financial management and performance that lead to the build up of reserves through fiscal 2001.” These statements were part of the Standard and Poor’s rating agency report of the State of Maryland.

While a large number of other public entities have recently been down rated, all three major bond rating agencies continue to give the State of Maryland an “AAA” rating. We are one of only eight states so highly rated. It should be noted however, that the solutions recommended to deal with the current fiscal problems and the State’s ability to solve the looming structural problems will have a direct impact on how the rating agencies view Maryland’s rating. The State of Maryland’s most recent bond sale was February 19, 2003 for \$586,120,000. This sale consisted of the First Series A - \$500,000,000 Capital Improvement Bonds and First Series B - \$86,120,000 Refunding Bonds. The true interest cost for the bond sale was 3.569%. This was the lowest interest rate in recent history, a testament to Maryland’s underlying strong economy. The next General Obligation bond sale is scheduled for July 16, 2003.

The capital lease-financing program allows State agencies to acquire equipment and pay for those items over a three-to-five year time frame. The current Master Equipment Lease-Purchase Agreement in the amount of \$96,000,000 has a term of December 1, 2002 thru November 30, 2003. Financing on this agreement will begin June, 2003 through First Municipal Credit Corporation.

The Treasurer’s Office also manages a \$30,000,000 Energy Performance Master Lease-Purchase Agreement, which provides funding for energy conservation projects at State facilities and allows agencies to invest in projects that ultimately save both energy and money. This program has currently funded \$12,321,228.99 in projects. The Treasurer’s Office also assists various municipalities and the Maryland Energy Assistance Program in their effort to improve energy efficiency in buildings and facilities.

New statutes, sponsored at the request of the State Treasurer, by the Joint Committee on the Management of Public Funds, authorizes the Treasurer to issue variable rate debt, limit the number of years that either authorized but unissued debt or allocations issued but unexpended can remain on the books, and avoid federal arbitrage payments through flexible funds allocations. These bills increase the State’s flexibility in dealing with the current interest rate situation and reduce expenses. The STO will not utilize the increased flexibility regarding variable rate and swap authority until further debt management policies and protective measures are fully adopted.

Board of Public Works

The Treasurer represents the General Assembly on the Board of Public Works. Due to Maryland’s fiscal problems, the BPW must take an active role not only in approving contracts and procurements but also in budget cutting. This will require closer coordination with the Legislature than ever before.

In preparation for Board of Public Works (BPW) meetings, the Governor, the Comptroller and the Treasurer meet 15-30 minutes beforehand to discuss general issues. Staffers for the three BPW members, along with the Secretary of the Board of Public Works, will begin meeting on the Mondays prior to the bi-weekly meetings. In addition, the Treasurer appreciates a closer working relationship with legislative fiscal staff and the fiscal committees. The Treasurer is considering publication of a brief post-meeting analysis for distribution to the General Assembly.

As noted in the December 11, 2002 report, funds available for the Public School Construction Capital Improvement Program for fiscal year 2003 total \$156.5 million. The program is funded by a \$135.1 million bond authorization, \$3 million in "PAYGO" funds, \$2.4 million in Stadium Authority funds and \$16 million reallocated from the Public School Construction Program Statewide Contingency Account. For fiscal year 2004, funding for public school construction will be \$116.5 million.

The Task Force to Study Public School Facilities, established by the 2002 General Assembly and chaired by the Treasurer, will issue its recommendations and final report to the Governor and the General Assembly by December 31, 2003, as stipulated in S B 498, passed by the General Assembly and signed by the Governor. The task force designed an adequacy study based on minimum acceptable standards for educational institutions. It was distributed to the Local Education Agencies (LEAs) to use as a survey, with results due by mid-July. A cost analysis will follow publication of the survey results. The task force is examining alternative funding strategies for public school construction, such as lease-lease back, sale-lease back, performance-based contracting and public-private partnerships.

Insurance

Although the Insurance Division procures commercial insurance policies for certain risks, most of the coverage provided is self-insured through the State Insurance Trust Fund (SITF). This Fund is administered and managed by the Insurance Division.

Insurance coverage includes real and personal State property, physical damage for State vehicles, and liability claims brought under the Maryland Tort Claims Act. The commercial policies that are procured cover professional liability exposures, transportation risks, excess property exposures and student athletes accident programs. Commercial insurance placements for the upcoming year are anticipated to be approximately \$13 million in contract values. This increase is a result of updated property values and the continued "hardening" of the commercial insurance market. The Insurance Division has developed a property survey to send out every year to each State agency so that the Division can obtain an accurate value of the State's property.

This year, the Insurance Division's Claims Department will investigate and adjust more than 4,100 claims, an increase of approximately 40% over last year. The primary focus of the Claims Department is to provide superior service to its internal and external customers through prompt and accurate claims processing. Open claim files are now under 1,400, which represent a significant decrease from the more than 3,000 claims that were open in March 2000.

The Division continues to explore improvements to its technology systems, and use of the internet, to augment its ability to meet the needs of its customers, both in terms of providing prompt claims service, and also to make available comprehensive loss history and analysis, and to assist State Agencies in establishing loss control and loss prevention programs. The Insurance Division has a Loss Prevention Department, which has, as its primary goal, working with all State Agencies to control and prevent losses. However, the current staffing shortage in the Insurance Division, which exceeds 20%, presents significant challenges in accomplishing our risk management and loss prevention objectives. We continue to explore means of dealing with these constraints. The Division maintains a continuing educational program, conducting periodic seminars for the Insurance Coordinators of each State Agency.

Banking Services

The goal of Banking Services is to reconcile the primary bank accounts of the State and to provide timely and accurate reporting and tracking of State disbursements and receipts. We strive to achieve our goal by using efficient new payment technologies and automated processes and interfaces between banks, agencies and Banking Services.

In partnership with agencies across the State, we are seeking improved, efficient and simpler methods for taxpayers, vendors and others to transact their business with the State of Maryland. An example of an improved process is our coordinated effort with the Comptroller's Revenue Administration Division to implement the Direct Debit of tax payments, which allows taxpayers to electronically pay taxes initiated by a "Direct Debit" to their bank accounts. This project currently includes payments for withholding tax, individual income tax, and personal estimated tax payments. We are in discussion with the Comptroller's Office to add alcohol and tobacco tax, sales and use tax and motor fuel tax, into the Direct Debit payment stream.

To enhance the performance of our core functions of prompt and accurate tracking of transactions and allocating and reconciling receipts, we are implementing "Depository Plus" for all the State agencies. This service allows agencies to record deposits at a detail level never before offered by Banking Services. Deposits and electronic transfers will be recorded at the financial agency level, and, if requested, at the batch agency level, through the use of sub accounts to ensure the correct posting of all receipts. The sub accounts roll up into the State's master depository account for investment purposes. This process will provide accurate and timely banking information to fiscal officers of our state agencies. It will also provide the agencies with validated deposit receipts, downloaded from the bank files through "Direct", a web based system offered by Bank of America.

Another major project is our automated Account Reconciliation Process (ARP), which will be implemented this year. It will provide efficiencies through agency specific services, such as the automatic notification of electronic receipts, and the ability to update electronic transmission information that will significantly improve the functions offered by Banking Services.

We anticipate other enhancements to our processes as we communicate with our peers in other states and discover how they meet today's banking challenges, and explore new financial

products that will increase our capabilities to provide excellent cost-saving banking services to the Maryland State Agencies.

Information Technology

The Information Technology Division's mission is to support, maintain and enhance the technological capability and infrastructure of the State Treasurer's Office, in order to meet the diverse needs of both our internal divisions and the agencies we serve. The systems in place support multi-platform hardware, programs, applications and operating systems. The Data Processing area processes over twenty thousand transactions and checks per day.

The Information Technology group is currently working on various projects to improve productivity within the State Treasurer's Office and to assist in achieving the office's critical business objectives. Enhancements to the State Treasurer's website are in progress and this new website will provide improved information to the public and other state agencies. We are also working with the Banking Services Division to implement Depository Plus and the new automated Account Reconciliation system. We will also be working with DBM and other state agencies to develop a Disaster/Recovery approach for STO, including contingency plans for check printing.

I appreciate the opportunity to provide this information to the Legislative Policy Committee. If the Committee members have any questions, please call me at (410) 260-7160 or Mr. Charles G. Williams, Chief Deputy Treasurer, on (410) 260-7390.

LEGISLATIVE POLICY COMMITTEE
10:00 A.M., TUESDAY, JUNE 17, 2003
120 LOWE HOUSE OFFICE BUILDING, ANNAPOLIS, MD 21401

PART 9.

SUNNY DAY FUND REQUESTS
DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT (DBED)

- Summary Charts of Sunny Day Fund Project Requests prepared by the Department of Legislative Services (p. 1)
- Sunny Day Fund Requests for Consideration and Approval:

New Requests:

1.	University of Maryland College Park (Technology Research Center)	\$5,000,000
	DLS Analysis p. 19	
	DBED Request p. 27	
2.	University of Maryland Baltimore (Health Sciences Research Park)	\$4,000,000
	DLS Analysis p. 35	
	DBED Request p. 45	
3.	University of Maryland College Park (Bioprocess Scale-up Facility)	\$775,000
	DLS Analysis p. 53	
	DBED Request p. 57	
	TOTAL	\$9,775,000

**Status of the Economic Development Opportunities (Sunny Day) Fund
June 2003**

Fiscal 2003 beginning unencumbered balance	\$33,361,81
Fiscal 2003 general fund appropriation	0
Estimated repayment of principal and interest during fiscal 2003	6,022,556
Other Income – miscellaneous recoveries	1,663
Fiscal 2003 operating expenses	(1,294,193)
Fiscal 2003 fund adjustment	<u>(10,000,000)</u>
Total funds available	<u>\$28,091,843</u>
Disbursements	(2,500,000)
Committed Funds*	(13,750,000)
Withdrawals and changes in fiscal 2003 of previously approved projects (**for June 2003: none; for January 2003, see below)	1,000,000
Current funds available	<u>\$12,841,843</u>
June 2003 LPC requests	(9,775,000)
Estimated balance as of June 2003	<u>\$3,066.843</u>

*This does not include an additional \$2.5 million approved by the LPC in January 2003 for Morgan Stanley of which \$1 million is not to be disbursed until fiscal 2008 and \$1.5 million in fiscal 2011.

**The following withdrawal was presented to the Legislative Policy Committee in January 2003, and represent funds returned to the Sunny Day Fund during fiscal 2003.

<i>Bookham Technology, Inc.</i>	<i>June 2001 Approval</i>	<i>\$1,000,000</i>
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**Economic Development Opportunities (Sunny Day) Fund
June 2003**

Requests for New Funding

University of Maryland, College Park (Regional Research and Technology Park)	\$5,000,000	
University of Maryland, Baltimore (Health Sciences Biomedical Research Park)	\$4,000,000	
University of Maryland, College Park (Expand Bioprocess Scale-Up Facility)		<u>\$775,000</u>
Total		\$9,775,000

Requests for Modification

None

Notification of Withdrawal

None

New Sunny Day Fund Projects June 2003

Firm Name	Type of Firm	Sunny Day Funds	Assistance Type	Other State Funds	Total Project Investment	Gross Direct Jobs Add'l.	Current	State Tax Benefit	Sunny Day Recouped	Local Participation	DLS Recommend.
University of MD College Park (Tech. Research Center)	University-Private Developer Partnership	\$5,000,000	Investment	University of MD: \$12 million	\$35 million	8,000	---	\$15.1 million	2.7 years	none	Approve – with conditions
University of MD Baltimore (Health Sciences Research Park)	University-Private Developer Partnership	\$4,000,000	Investment	TEDCO: \$1 million grant	Phase I: \$30 million (Entire project: \$80 to \$100 million)	Phase I: 360 jobs (Entire project: 3,000)	---	\$530,700	5.1 years	Empower Baltimore Mgt Corp. \$3 mill. loan Economic Dev. Admin. \$2 mill. grant Baltimore City (value of land) \$1.4 mill. grant	Approve – with conditions
University of MD College Park (Bioprocess Scale-up Facility)	University	\$775,000	Grant	None	\$775,000	N/A (anticipate indirect increase of jobs)	---	Unknown	N/A	None	Disapprove
Totals		\$9,775,000				8,360					

Notes: The “Other State Funds” and “Local Participation” figures do not include benefits which may be generally available to new businesses, such as job creation tax credits or enterprise zone credits. *MEDAAF*: Maryland Economic Development Assistance and Authority Fund; *MITP*: Maryland Industrial Training Program.

Prepared by: Department of Legislative Services, June 2003

Approved Sunny Day Projects (New Projects Only)

Fiscal 1990 to 2003

Updated: June 2003

- Himont, Inc., now Montell (\$2.275 million loan) - expand manufacturing center (fiscal 1990)
- Information Technology Center (\$1 million grant) - develop the center (fiscal 1992)
- Northwest Airlines (\$750,000 loan) - equip airline passenger reservation facility (fiscal 1992)
- Chesapeake Consortium (\$1 million grant) - develop prototype electric vehicle (fiscal 1993); unexpended funds transferred to Northrop Grumman (fiscal 1997)
- Advanced Lithography Group (\$600,000 grant) - develop technology to enhance production of semiconductors (fiscal 1993)
- Westinghouse (\$500,000 grant) - develop high-technology law enforcement equipment (fiscal 1993)
- Mountaire Corporation (\$2 million loan)- purchase and renovate the Campbell Soup facility in Salisbury, Wicomico County (fiscal 1994)
- Vitro Corporation (\$1.5 million grant) - implement a software engineering education and training program for employees at Montgomery County facility (fiscal 1994)
- Cellulose Fullstoff Fabrik (\$750,000 grant) - purchase land in Kent County for the construction of a paper recycling and cellulose production facility (fiscal 1994)
- Martin Marietta Aero and Naval Systems, now Lockheed-Martin (\$900,000 grant) - train staff and retool and upgrade equipment to fulfill a newly-awarded General Electric contract, Baltimore County (fiscal 1994)
- Maryland Industrial Training Program (\$500,000 grant) - provide five firms with consultation and matching grant assistance for training new employees, with an emphasis on newly located companies; various locations (fiscal 1994)
- Maryland Manufacturing Modernization Network (\$500,000 grant) - match a federal Technology Reinvestment Project grant to assist manufacturers (defense-dependent companies) in becoming more competitive through deployment of technology; statewide (fiscal 1994)
- Maryland Health Care Product Alliance (\$350,000 grant) - match a federal grant to provide assistance to companies in utilizing defense technologies to create health care products and businesses; statewide (fiscal 1994)

- SuperValu, Inc. (\$500,000 grant) - train new and existing employees at new food distribution facility in Harford County (fiscal 1995)
- Defense Adjustment Revolving Loan Fund (\$500,000 grant) – match a federal grant to provide working capital loans to defense dependent companies for manufacturing modernization and technology commercialization; statewide (fiscal 1995)
- TNT Logistics (\$150,000 grant) – assist in re locating corporate headquarters to Anne Arundel County (fiscal 1995)
- Trans-Tech, Inc. (\$1.25 million loan) – expand capital facilities in Frederick County to fulfill a newly awarded Motorola cellular telephone contract (fiscal 1995)
- Rohr, Inc. (\$1 million grant) – relocate equipment and retrain workers at Hagerstown, Washington County facility to absorb the transfer of producti on responsibilities from California (fiscal 1995)
- London Fog Industries (\$500,000 grant) – make capital improvements, relocate equipment, and retrain workers at the Park Circle, Baltimore City manufacturing facility (fiscal 1995)
- University of Maryland Eastern Shore (\$750,000 grant) – match a federal grant of \$2.25 million to establish a Southern Eastern Shore Revolving Loan Fund (fiscal 1995)
- Maryland Industrial Training Program (\$400,568 g rant) – pr ovide four firms with consultation and matching grant assistance for training new employees and upgrading skills of existing employees, for new and expanding companies; various locations (fiscal 1995)
- McCormick & Co., Inc. (\$5 million: \$4 million loan and \$1 million grant) – assist in land acquisition, building construction, and equipment purchase in Harford County (approved fiscal 1995, charged to fiscal 1996)
- Avesta Sheffield East, Inc. (\$1.45 million: \$1.1 million grant and \$350,000 loan) – upgade equipment and refurbish stainless steel plant in Baltimore County (fiscal 1996)
- Saks Fifth Avenue (\$3 million: \$2.5 million conditional loan and \$500,000 grant) – assist in constructing and equipping of distribution center in Harford County (fiscal 1996)
- Ballys Health and Tennis Cor poration (\$1.5 million loan) – assist in the purchase of equipment to consolidate member services operations at Baltimore County location (fiscal 1996)
- Marada Industries (\$1.4 million conditional loan) – construc t and equip manufacturing facility in Carroll County (fiscal 1996)

- Nabisco Holdings, Inc. (\$1.2 million conditional loan) – assist in equipment acquisition for refurbished manufacturing plant in Dorchester County (fiscal 1996)
- Art Litho Company (\$1.3 million loan) – construct a new facility or purchase and install upgraded equipment in Baltimore County (fiscal 1996)
- Sweetheart Cup Company, Inc. (\$1.08 million conditional loan) – upgrade equipment and relocate corporate headquarters to Baltimore County (fiscal 1996)
- TESSCO Technologies (\$1 million conditional grant) – consolidate operations and upgrade equipment in Baltimore County (fiscal 1996)
- MedImmune, Inc. (\$4 million loan) – assist in construction of a pharmaceutical production facility in Frederick County (fiscal 1996)
- Fila Sports, Inc. (\$1.25 million conditional grant) – assist in expansion of warehouse and distribution facility in Anne Arundel County (fiscal 1996, modified December 2000)
- Staples, Inc. (\$2.7 million: \$2 million loan and \$700,000 conditional loan) – assist in construction of a new distribution center in Washington County (fiscal 1997)
- Canam Steel Corporation (\$1.5 million: \$1 million loan and \$500,000 conditional grant) – upgrade plant and construct addition of administrative facilities in Frederick County (fiscal 1997)
- Filtronic Comtek (\$1 million loan) – provide working capital and assist in purchase of equipment and machinery for Wicomico County facility (fiscal 1997)
- Wm. T. Burnett, Inc. (STX) (\$1 million: \$500,000 loan and \$500,000 conditional grant) – consolidate headquarters operation in Baltimore City (fiscal 1997)
- Principal Health Care, Inc. (\$750,000 conditional grant) – retain and expand administrative offices in Montgomery County (fiscal 1997)
- Southern Eastern Shore Revolving Loan Fund (\$500,000 grant) – match \$1.5 million federal funds for defense adjustment loan fund (fiscal 1997)
- Dome Corporation (\$600,000: \$300,000 grant and \$300,000 conditional loan) – renovate facilities at the Hopkins Bayview Campus (Baltimore City) to accommodate the Center for Inherited Disease Research (fiscal 1997)
- Prince George's Metro Center, Inc. (\$1.5 million loan) – renovate office tower to accommodate the Federal Emergency Management Agency (fiscal 1997)

- Northrop Grumman (\$5.5 million: \$4 million grant and \$1.5 million conditional loan; will include another \$6 million conditional loan over fiscal years 1998-2001) – retain the Electronic Sensors and Systems Division operations in Anne Arundel County (fiscal 1997)
- Integrated Health Services, Inc. (\$2.5 million conditional loan) – develop corporate campus and headquarters in Baltimore County (approved December 1996) – filed for Chapter 11 Bankruptcy Protection on February 2, 2000
- Watson Wyatt & Company (\$1.3 million conditional loan) – make leasehold improvements to accommodate the relocation of Wellspring Resources and company headquarters in Montgomery County (approved December 1996, withdrawn November 1997)
- C.M. Offray and Son, Inc. (\$1 million conditional loan) – acquire manufacturing facility in Washington County to allow for company expansion (approved December 1996)
- Aspen Systems Corporation (\$500,000 conditional loan) – make leasehold improvements to Montgomery County facility to accommodate company consolidation (approved December 1996)
- Unisite Design, Inc. (\$800,000 conditional loan) – acquire, make improvements, and equip new manufacturing facility in Caroline County (approved December 1996)
- RWD Technologies (\$1.272 million conditional loan) – make tenant improvements at Howard County facility to accommodate expansion of employee performance consulting business (approved December 1996, withdrawn in December 2000)
- Telespectrum Worldwide (\$1 million: \$500,000 loan and \$500,000 conditional loan) – make leasehold improvements to establish a telemarketing call center in Washington County (approved December 1996, withdrawn May 1997)
- Continental Plastic Containers (\$180,000 conditional grant) – relocate manufacturing equipment from facilities in other states to Baltimore County facility (approved December 1996)
- Metris Companies and Metris Direct (\$800,000 conditional loan) – make leasehold improvements to establish a regional customer operations service center in Baltimore County (approved December 1996)
- Rite Aid Corporation (\$2.25 million conditional loan) – construct a regional distribution facility in Harford County (approved March 1997)
- Domino Sugar (\$3 million: \$2 million conditional loan and \$1 million loan) – renovate and expand facility at Baltimore's Inner Harbor (approved June 1997, withdrawn December 1998)

- Solo Cup Company (\$500,000 conditional loan) – construct distribution center in Harford County (approved June 1997)
- Harland Company (\$1 million conditional loan) – construct new facility in Anne Arundel County to consolidate mid-Atlantic printing operations (approved June 1997)
- McGregor Printing (\$250,000 conditional loan) – acquire and equip facility in Carroll County to expand into direct mail advertising (approved June 1997)
- Amisys Managed Care (\$555,000 conditional loan) – make leasehold improvements for expansion of headquarters facility in Montgomery County (approved June 1997, withdrawn December 1997)
- Acacia Group (\$300,000 conditional loan) – relocate corporate headquarters from Washington, D.C. to leased office space in Montgomery County (approved June 1997, withdrawn June 1998)
- T. Rowe Price (\$1 million conditional loan) – construct new facility in Baltimore County to accommodate expansion (approved June 1997)
- The Cosmetic Center (\$1.05 million: \$600,000 conditional loan and \$450,000 loan) – consolidate headquarters and distribution space in Howard County due to merger (approved June 1997, withdrawn December 1998)
- Human Genome Sciences (\$2 million loan) – construct new laboratory facility in Montgomery County (approved June 1997)
- Bata Shoe (\$1 million conditional loan) – construct new facility and renovate existing facility for consolidation, both in Harford County (approved June 1997, withdrawn June 1998)
- Safeway (\$800,000 conditional loan) – construct distribution facility in Prince George's County (approved June 1997, first of multi-year \$2 million commitment)
- ASCI (\$1 million conditional grant) – expand and enhance headquarters in Anne Arundel County, finance leasehold improvements, and construct digital fiber optic network (approved June 1997)
- Northrop Grumman (\$1.5 million conditional loan, second year of five-year commitment) – (approved June 1997)
- International Masonry Institute and International Union of Bricklayers and Allied Craftsmen (\$1.5 million loan) – develop national trowel trades training facility at Fort Ritchie, Washington County (approved July 1997, modified December 2000)

- MCI Communications (\$450,000 loan) – leasehold improvements to establish an in-bound call services center in Frederick County (approved December 1997, withdrawn July 1998)
- Sierra Military Health Services, Inc. (\$750,000: \$400,000 loan and \$350,000 conditional loan) – leasehold improvements to establish company headquarters in Baltimore City (approved December 1997)
- DAP, Inc. (\$425,000 conditional loan) – assist in relocation expenses, leasehold improvements, and purchase of equipment for corporate headquarters in Baltimore City (approved December 1997)
- F&G Life Insurance Co. (\$500,000 conditional loan) – leasehold improvements, furniture, and equipment for the retention of F&G Life in Baltimore City (approved December 1997)
- ADP, Inc. (\$200,000 conditional loan) – purchase of machinery and equipment to support expanding work force in Baltimore County (approved December 1997, withdrawn December 1998)
- Dahbura Real Estate Partnership/Hub Labels (\$200,000 conditional loan) – expansion of the manufacturing facility of Hub Labels in Washington County (approved December 1997, modified June 2002)
- Wood Products, Inc. (\$350,000 conditional loan) – procurement of more efficient and advanced machinery for mill operation in Garrett County (approved December 1997, modified June 2002)
- Bethlehem Steel Corporation (\$5.5 million conditional grant) – construction of a new cold rolling mill at the Sparrows Point, Baltimore County plant (approved December 1997)
- Baltimore Marine Industries (\$4 million: \$3 million loan and \$1 million conditional loan) – to provide working capital to assist BMI restore operations to the former Bethlehem Steel Shipyard in Baltimore County (approved December 1997)
- Chalprep Limited Partnership/Radio One (\$500,000: \$400,000 conditional loan and \$100,000 loan) – acquisition of an office building in Prince George’s County to house the headquarters of Radio One (approved fiscal 1998, withdrawn January 1998)
- Allied Signal Technical Services Corporation (\$1 million conditional loan) – to assist in equipping a new facility in Howard County (approved June 1998)
- BioReliance (\$3 million loan) – consolidation and expansion of a headquarters and manufacturing facility in Montgomery County (approved June 1998)

- Cellco Partnership/Bell Atlantic Mobile (\$1.5 million loan) – to assist Bell Atlantic Mobile consolidate its regional headquarters to a new facility in Howard County (approved June 1998, withdrawn January 2000)
- Digene Corporation (\$1 million loan) – consolidation and expansion of headquarters and biotech research and development operations in Montgomery County (approved June 1998)
- Genetic Therapy, Inc. (\$2 million loan) – construction of an office and laboratory facility in Montgomery County (approved June 1998, withdrawn December 1998)
- Manugistics (\$1.75 million conditional loan) – to assist the company purchase or lease new office space in Montgomery County (approved June 1998, withdrawn June 1999)
- Maryland Casualty Company (\$2.4 million conditional loan) – renovation of existing facilities and the construction of a parking garage in Baltimore City (approved June 1998, withdrawn June 1999)
- MRA Systems, Inc. (\$3 million conditional loan) – renovations and purchase of major equipment at airplane maintenance and parts facility in Baltimore County (approved June 1998, withdrawn December 1999)
- Simon Pearce (\$500,000 conditional loan) – to assist in establishing a glass manufacturing facility in Garrett County (approved June 1998)
- US Foodservice (\$250,000 conditional loan) – relocation and expansion of its headquarters facility in Howard County (approved June 1998)
- Northrop Grumman (\$1.5 million conditional loan, third installment of five year \$7.5 million commitment) (approved June 1998)
- Safeway, Inc. (\$400,000 conditional loan, second installment of total \$2 million commitment) (approved June 1998)
- Bechtel Power Corporation (\$2 million conditional loan) – construction and equipment for consolidation of operations in Frederick County (approved December 1998)
- Celera Genomic (\$4 million loan) – equipment purchase and installation for this new company in Montgomery County (approved December 1998, withdrawn in June 2001)
- Dietz & Watson, Inc. (\$750,000 conditional loan) – acquisition, renovation, and expansion of a meat processing facility in Baltimore City (approved January 1999)

- Magellan Behavioral Health (\$2 million conditional grant) – equipment and leasehold improvements for expansion of headquarters operations in Howard County (approved December 1998, modified December 2001)
- MEDO, Inc. (\$300,000 conditional loan) – equipment and leasehold improvements for the expansion of operations in Baltimore City (approved December 1998, withdrawn January 2000)
- Merkle Computer Systems (\$1,150,000 conditional loan) – equipment and leasehold improvements for in the expansion of headquarters and operations in Prince George’s County (approved December 1998, withdrawn June 2000)
- National Association of Security Dealers, Inc. (\$1 million conditional loan) – consolidation and expansion of operations in Montgomery County (approved December 1998)
- Sodexo Marriott Services (\$750,000 conditional loan – decreased to \$500,000) – leasehold improvements associated with the retention and expansion of headquarters operations in Montgomery County (approved December 1998, modified December 1999)
- Telecommunication Systems, Inc. (\$400,000 conditional loan) – equipment and leasehold improvements for the expansion of operations in Anne Arundel County (approved December 1998, December 2000)
- Marriott International (\$14,200,000 conditional loan over four years) – to assist in the retention and expansion of corporate headquarters operations (approved April 1999; fiscal 2000 disbursement approved at \$5 million, modified to \$12.5 million June 2002, clarified January 2003)
- Bertelsmann, A.G. (\$2.5 million conditional grant) – to assist in facility expansion for consolidation of publishing house distribution activities in Carroll County (approved June 1999)
- MICROS Systems (\$1.2 million loan at 2 percent) – for equipment and leasehold improvements associated with consolidation of operations into a larger facility in Prince George’s County (approved June 1999)
- Monumental Life/AEGON (\$2,176,000 conditional loan – decreased to \$1,835,000 – decreased to \$1,747,000) –renovation of office space and purchase of property for possible expansion in Baltimore City (approved June 1999, modified December 2000 and December 2001)
- Northrop Grumman (\$1.5 million conditional loan, fourth installment of five year \$7.5 million commitment) – (approved June 1999)

- Safeway, Inc. (\$400,000 conditional loan, third installment of total \$2 million commitment) – (approved June 1999)
- Allison Transmission Division of General Motors (\$2,250,000 conditional loan) – for equipment and other eligible costs associated with construction of new transmission manufacturing plant in Baltimore County (approved July 1999)
- Ameritrade Holding Corporation (\$1 million conditional grant) – to establish software and systems development center in Anne Arundel County (approved December 1999, withdrawn June 2002)
- Discovery Communications (\$2.4 million conditional loan) – to expand headquarters operations in Montgomery County (approved December 1999, modified December 2001)
- Lockheed Martin Launching Systems (\$300,000 conditional grant) – to expand and renovate an existing facility in Baltimore County and construct a new facility at the same location (approved December 1999, withdrawn in June 2001)
- RWD Technologies, Inc. (\$500,000 conditional grant) – for equipment and fit-up expense at a new facility in Baltimore County (approved December 1999, withdrawn in December 2000)
- Sweetheart Holdings, Inc. (\$800,000 conditional loan) – to establish a distribution center for Sweetheart Cup Company in Carroll County and establish a new EarthShell manufacturing operation in Baltimore County (approved December 1999, withdrawn in December 2000)
- Banc One National Processing Corporation (\$2 million: \$1 million loan; \$750,000 grant; \$250,000 contingent grant) – to be provided to the Maryland Economic Development Corporation (MEDCO) for the construction of a check remittance processing facility and parking garage in Baltimore City (approved April 2000, modified December 2000)
- QIAGEN Sciences, Inc. (\$2.5 million conditional loan) – for the construction of a manufacturing and research and development headquarters in Montgomery County (approved April 2000)
- Digex, Inc. (\$3 million conditional loan for Phase I; additional \$1 million request expected if requirements are met) – for the construction of a web hosting facility in Prince George's County (approved June 2000)
- Dynatech LLC (\$2,225,000 conditional loan for Phase I; additional \$775,000 request expected if requirements are met) – expansion of headquarters operation in Montgomery County (approved June 2000)

- RAG American Coal Holding, Inc. (\$500,000 conditional loan) – to consolidate American operations headquarters in Anne Arundel County (approved June 2000, withdrawn in June 2001)
- Northrop Grumman (\$1.5 million conditional loan, final installment of five year \$7.5 million commitment) – (approved June 2000)
- Safeway, Inc. (\$400,000 conditional loan, final installment of total \$2 million commitment) – (approved June 2000)
- Aetna U.S. Healthcare, Inc. (Prince George’s County) \$500,000 conditional loan to be used by the company to absorb a portion of the cost of new equipment as a part of the consolidation and expansion project of a new Regional Headquarters for Aetna U.S. Healthcare, Inc. in Largo (approved December 2000, withdrawn December 2001)
- Allison Transmission Division of General Motors Corporation (Baltimore County) (project II) (\$1.5 million conditional loan to be used to assist the company with the expansion of the manufacturing plant (project II) currently under construction in the White Marsh area of Baltimore County (project I)(approved December 2000)
- Corvis Corporation (Howard County) \$1.2 million conditional loan to be used for building construction or tenant improvements and equipment as the company seeks to expand its executive offices and manufacturing operations (approved December 2000, withdrawn June 2002)
- Clairson International Corporation – d/b/a ClosetMaid (wholly-owned subsidiary of Emerson Electric Company)(Garrett County) \$3 million conditional grant to assist the company the construction and equipping of a new manufacturing and distribution facility to be located in an Enterprise Zone within the Town of Grantsville in the Northern Garrett Industrial Park (approved December 2000)
- MedImmune (Montgomery County) \$2.5 million conditional grant to assist the company in the expansion of its operations in Gaithersburg (approved December 2000)
- Ciena Corporation (Anne Arundel County) \$1 million conditional grant to be used for building construction or tenant improvements and equipment as the company seeks to expand its manufacturing operations (approved June 2001, withdrawn June 2002)
- Bookham Technology, Inc. (Howard County) \$1 million conditional loan to be used for establishing a North American headquarters and a manufacturing facility (approved June 2001, withdrawn January 2003)

- Giant/Royal Ahold (Howard County) \$1.25 million conditional grant to be used to assist Giant relocate (and expand) its distribution center from Landover to Jessup (approved June 2002)
- Mack Trucks (Washington County) \$2 million conditional loan to be used to assist Mack Trucks make operational and machining equipment improvements at its existing manufacturing facility in Hagerstown (approved January 2003)
- Morgan Stanley & Co. (Baltimore City) \$3.5 million conditional grant to assist Morgan Stanley lease office space in Baltimore City. Disbursements in three phases (\$1 million in fiscal 2004, \$1 million in fiscal 2008, and \$1.5 million in 2011) (approved January 2003)
- University of Maryland, Baltimore (Baltimore City) \$4 million investment to assist UMB with the development of a health sciences biomedical research park adjacent to and affiliated with UMB (government-university-private entities research park) (before LPC June 2003)
- University of Maryland, College Park (Prince George's County) \$5 million investment to assist UMCP with the development of a regional research and technology park adjacent to and affiliated with UMCP (government-university-private entities research park) (before LPC June 2003)
- University of Maryland, College Park (Prince George's County) \$775,000 grant to provide new equipment for an expansion of the Bioprocess Scale-Up Facility (BSF) at UMCP (under the Maryland Technology Enterprise institute)—the equipment is to expand BSF's current capability to the next step which is to "scale-up" products for the commercial market (government-university-private entities research park) (before LPC June 2003)

Note: conditional loan: payment is forgiven if certain employment or investment conditions are met;
conditional grant: payment is required only if certain employment or investment conditions are not met

University of Maryland at College Park (Prince George's County)

Sunny Day Funds	\$5,000,000	Recommendation:	Approve With Conditions
Type of Assistance	Investment	<p>Conditions: The terms and conditions of this project have not been finalized. The university recently initiated negotiations with the private developer selected from the pool of applicants that responded to the University Request for Proposal. The final agreement is likely to include the following conditions:</p> <ul style="list-style-type: none"> ▪ semi-annual reporting requirement; ▪ university control over types of entities occupying the facility to ensure research collaboration; and ▪ forgiveness feature: allows early withdrawal of DBED's negotiated proportionate investment. This is intended to allow the university to use the \$5 million of Sunny Day funds to attract nonuniversity-related entities to the research park by defraying the cost of tenant improvements. 	
Current Employment	0		
Projected Employment	8,000 – based on 1.5 million sq. ft. of lease space		
Other Direct Public Investment	\$12 million	Date of LPC Meeting:	June 17, 2003
Direct Company Investment	Approximately \$18 million	Does not meet 5-to-1 Investment Criteria, however, statute does not require a 5-to-1 private investment	
Total Project Cost	Approximately \$35 million	Smart Growth Area:	Yes
Time to Recoup Sunny Day Funds	2.7 years	Annual State Income and SalesTax Revenue	\$15.1 million

Proposed Use of Sunny Day Funds

The Department of Business and Economic Development (DBED) is requesting the transfer of \$5 million from the Economic Development Opportunities Program (Sunny Day)

Fund to assist the University of Maryland at College Park (UMCP) with the development of a regional research and technology park adjacent to and affiliated with the university.

UMCP, in partnership with DBED and an as yet to be selected private developer, intends to establish a research park, complete with laboratory and incubator facilities, dedicated to the advancement of technology, computer science, mathematics, engineering, physical and life sciences, and biotechnology. The basis for establishing the facility is to attract the development of major federal, university, and private sector research facilities to the State, and to take advantage of the university's substantial research and development funding and activities through collaborative research agreements with prospective tenants. The facility, which will be situated on a 130-acre site adjacent to the university and the College Park METRO center, is within a State priority funding area. In addition, the research park is located within a Prince George's County approved Transit District Development Zone initiated through Prince George's County Council Resolution (CR-114-1989) to promote the coordinated and integrated development of the land surrounding the College Park METRO referred to as the College Park-Riverdale Transit District.

Although the statute governing the Sunny Day fund allows the funds to be used as an investment, this project and the proposed \$4 million of Sunny Day funds for the University of Maryland at Baltimore Technology Park are the first investment based Sunny Day proposals to be presented to the Legislative Policy Committee (LPC). The capability to utilize Sunny Day funds as an investment was added by Chapter 305 of 2000.

UMCP intends to establish a 501(c)(3) corporation instituted under the University Board of Regents' Affiliated Foundation Policy to own the land, prepare the infrastructure, set design criteria, market the park to prospective tenants, and manage the day-to-day operations of the park. Essentially, the corporation would control overall development through ground leases to private sector developers which in turn would finance, construct, and manage individual research facilities that meet their specific requirements. The formation of a 501(c)(3) separate from the university will provide a means of university control and influence over the development and operations of the park, and will shield the university from direct financial risk associated with such a large project. This corporate structure will further enable the university to significantly control tenant occupancy thereby ensuring collaboration with the university research.

Proposed State and Private Source Funding

Exhibit 1 shows the funding by source for the initial investment in the research park. A total of \$35 million is to be invested in order to acquire the 130 acres encompassing the proposed park and fund any necessary infrastructure improvements like roads, water and sewer, and other utilities.

Exhibit 1
Proposed State and Private Funding Sources

<u>Fund Source</u>	<u>Assistance</u>	<u>Amount</u>
Sunny Day	Investment	\$ 5,000,000
University of Maryland	Investment	12,000,000
Private Developer	Investment	<u>18,000,000</u>
Total		\$35,000,000

DBED intends to use the \$5 million of Sunny Day funds as an “investment” in the research park. The Sunny Day funds and a \$12 million investment from UMCP are intended to leverage approximately \$18 million from a private developer for a total investment of \$35 million. These funds will be used to complete the purchase of the land and provide any necessary infrastructure improvements to make the site marketable to prospective developers. DBED advises that UMCP has already purchased a 25-acre site known as the “Litton property” which includes a 128,000 square foot leasable facility. The Department of Defense (DOD) intends to fully lease this facility to engage in joint research activities in areas related to homeland defense. The revenue generated from a lease with DOD will provide the cash-flow necessary to finance the private developer's financial contribution to the overall project.

It is estimated that the full build-out of the research park will take at least 15 years and an estimated \$375 million in expenses that will be borne entirely by prospective developers. The initial project investors, who will own the land encompassing the park, will likely engage in ground lease agreements with individual private developers for the construction of leaseable research and laboratory space. It is anticipated that full build-out of the research park will encompass roughly 2.8 million of leasable research, laboratory, and incubator space. A financial analysis of the park's anticipated development set a 15-year development period and 100,000 square foot annual tenant absorption rate as the financial analysis benchmarks. **Exhibit 2** shows the anticipated 15-year tenant composition.

Exhibit 2
Conceptual Composition of Tenant Occupancy
(15-year Analysis)

Anchor tenants (Federal Agencies)	500,000 sq. ft.
University affiliated tenants	600,000 sq. ft.
Other technology tenants	300,000 sq. ft.
Other (support services, incubator, etc)	<u>100,000 sq. ft.</u>
Total	1,500,000 sq. ft.

Source: Transwestern Commercial Services, report entitled *University of Maryland College Park Technology Research Park Concept Study*.

The overall financial outcomes derived from the 15-year financial model indicate that cash flows will be sufficient to cover expenses and meet the investors required rate of return while providing a small cumulative surplus. The Department of Legislative Services (DLS) advises that the financial figures presented in the financial model are estimated derived from assumptions that are likely to change somewhat as the provisions of the investment partnership is finalized.

Performance Requirements and Private Investment Issues

Performance Requirements: The Sunny Day statute – State Finance and Procurement Article, Section 7-314 – includes in the definition of an extraordinary economic development opportunity a project that assists in the retention or expansion of an existing public institution and that is “consistent with the strategic plan of the State for economic development; and creates or retains substantial employment, particularly in areas of high unemployment.” Furthermore, Section 7-314(h) specifically requires the establishment of performance requirements that utilize claw-back provisions when utilizing Sunny Day funds in connection with an extraordinary economic development opportunity. The statute defines performance requirements to include claw-back, penalty, rescission, and recalibration clauses that utilize job creation, capital investment, and other measures of economic development. However, the statute creates some ambiguity concerning the proposed project by further defining a performance requirement to mean a contractual agreement that requires the fund recipient to meet minimum economic development outcomes in exchange for a grant or loan. Since the proposed project entails the use of the funds as an investment rather than as a grant or loan it appears that the requirement to utilize performance criteria and claw-back provisions does not apply. DLS has been advised that DBED will require certain performance requirements from UMCP. These include the following conditions:

- **Reporting requirement:** UMCP will be required to provide semi-annual reports detailing, among other economic and financial data, the parks development progress, tenant occupancy, job creation, capital investment, and general overall performance.
- **Specified use clause:** DBED will negotiate a clause that would require UMCP to repay the Sunny Day funds should the research park not be used as specified in the forthcoming negotiated agreements between UMCP, DBED, the undetermined private developer, and the 503(c) (1) corporate entity. In general, UMCP intends to exert control over the types of tenants occupying the facility to ensure a level of research collaboration with the university. However, since negotiations with the selected private developer are only just recently underway and not finalized, the details of such a provision has yet to be worked out. **DLS advises that UMCP and DBED representatives be prepared to further elaborate and discuss how such a clause might be applied to the proposed project.**
- **Patient capital:** DBED advises that the investment will be made as “patient capital” and thus long term in nature. The department indicates in its letter to the LPC that the Sunny Day investment would begin to receive a negotiated proportionate interest in revenue stream only after construction costs and debt service is paid. Depending upon the finalized financial agreements between the prospective investors, it is likely that the initial \$5 million Sunny Day investment would not begin to receive a share of the projects net annual revenue stream until approximately 15 years from the date of the investment. Because the terms and conditions of the investment partnership have yet to be fully negotiated and finalized with the selected development team, DLS is unable to fully determine the State’s position in the project. Measured in terms of the anticipated job creation and financial impact, the project represents a significant economic development opportunity. Furthermore, the project will enable the State to take advantage of, cultivate, and grow the substantial amount of State, federal, and private research that is funded and conducted in the State. However, in as much as the terms and conditions of the State’s and the university’s interest in the investment partnership are not fully resolved, **DLS recommends that DBED be required to provide the LPC with a written summary and explanation of the final terms and conditions negotiated between the investment partners once completed. The LPC should have 45 days to review and comment on the information provided.**
- **Forgiveness feature:** DBED indicates that a forgiveness feature will be included in the final terms and conditions that would allow DBED and the fund recipient to use a portion or all of the initial Sunny Day investment to incentivise and attract nonuniversity-related entities to the business park. DBED’s negotiated proportionate share in the investment partnership could be reduced or eliminated to allow the funds to be used to provide an individual private entity with subsidized or reduced tenant costs as a means of attracting them to the research park. **DLS recommends that should this forgiveness feature ever**

be invoked DBED should be required to submit a modification proposal to the LPC for its approval.

Private Investment: The \$18 million of anticipated private investment in the project fails to meet the Sunny Day statute five-to-one private investment requirement provision. The project could on the one hand be interpreted as an extraordinary economic development opportunity under Section 7-314(a)(6)(ii) of statute concerning the retention or expansion of an existing public institution. Such a project would not require the recipient to invest in capital at a level of five times the value of the incentive offered. Thus, while the \$18 million of anticipated private investment in the project would fail to meet a five-to-one private investment requirement the statute may not require such an investment if the project is construed to be provided in support of an existing public institution. DLS notes, however, that while the funds will be provided directly to UMCP they are intended to support a proportionate interest in a newly established 503(c)(1) corporation and could therefore reasonably be interpreted as an extraordinary economic development opportunity under Section 7-314(a)(6)(i) as an extraordinary economic development opportunity designed to attract new private sector enterprises to the State. If interpreted as such, the provision requiring a five-to-one level of private investment would apply to the proposed project. In either case, DLS believes the level of investment for this project is substantial and the benefits to the State generated by the facility are also expected to be significant. **Accordingly, DLS advises that the five-to-one investment requirement be waived should the statute be interpreted to require such a level of private investment.**

Economic Impact Analysis

A summary of the economic impact of the proposed project is detailed below. DBED projects that the research park will create 8,000 new jobs once the research park reaches full capacity. The benchmark for full capacity is set at 15 years with a tenant absorption rate of 100,000 square feet of leased space annually. Based on these assumptions, the annual development of the Research Park could produce approximately 533 new jobs annually through year 15 of operations. The average annual salary is expected to be approximately \$56,000, which exceeds the benchmark used to evaluate Sunny Day projects (150 percent of the federal minimum wage which is \$7.73 per hour). The analysis assumes that 80 percent of the jobs created will be executive and professional positions earning average salaries ranging from \$50,000 to \$100,000.

DBED's economic impact analysis also estimates the annual State retail and State personal income tax generated by the park's activities at \$15.1 million once the park reaches full capacity. Based on a pro-rated estimate of the annual direct State income and sales tax revenues for the project utilizing the 15-year expansion benchmark, the State could expect to recoup the initial \$5 million Sunny Day investment in approximately 2.7 years.

Summary of Economic Impact for Maryland Residents

Total Jobs Retained:	0
Total Jobs Created:	8,000
Direct State Income and Sales Tax:	\$15.1 million
Direct Local Income Tax:	\$7.7 million
Time to Recoup Sunny Day Funds:	2.7 years

Note: These figures are based on annual operations at full capacity.

Conclusion and Recommendation – Approve with Conditions

DLS believes that the proposed Sunny Day investment represents a significant and extraordinary economic development opportunity for the State and meets the established criteria for use of Sunny Day funds. The project is expected to create a significant number of new jobs and encourage a substantial amount of private investment in the park over the next 15 years. Accordingly, we recommend approval of the Sunny Day fund investment to assist UMCP in the development of the proposed technology research center. Approval, however, should be conditioned on the following:

- DBED and UMCP should be required to provide the LPC with a written summary and explanation of the final terms and conditions negotiated between the investment partners once completed. The committee should have 45 days to review and comment on the information provided.
- DBED should be required to submit an official modification request to the LPC for its consideration should the department and/or UMCP seek to invoke the forgiveness provision outlined above.

June 17, 2003

The Honorable Thomas V. "Mike" Miller, Jr.
President
Maryland State Senate
State House, Annapolis, MD 21401

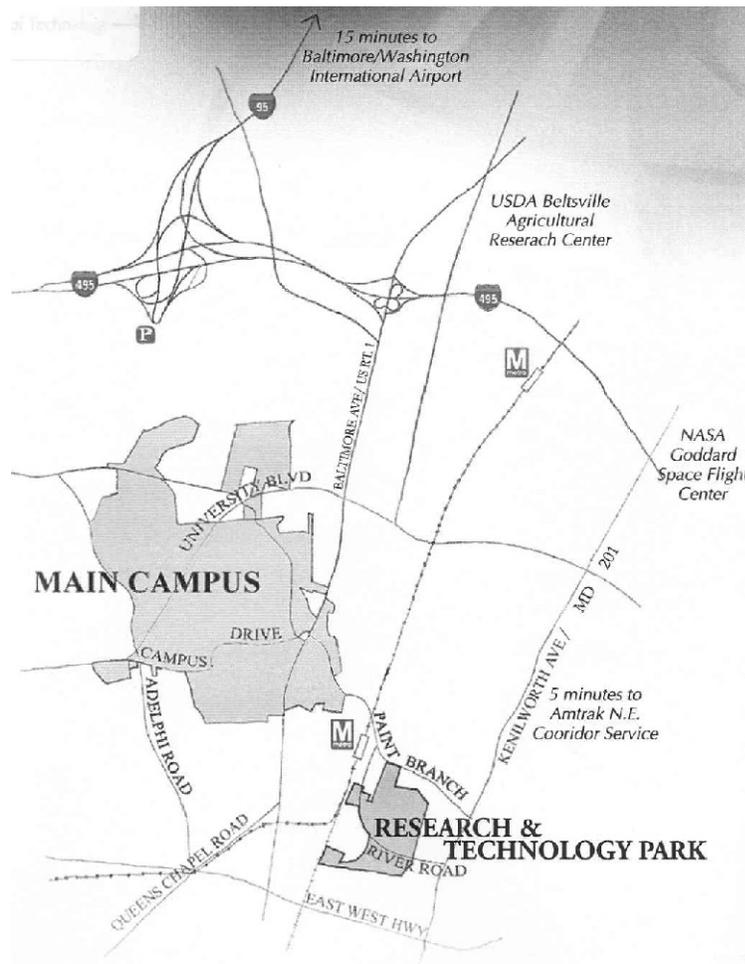
The Honorable Michael E. Busch, Jr.
Speaker
Maryland House of Delegates
State House, Annapolis, MD 21401

Dear Mr. President and Mr. Speaker:

The Department of Business and Economic Development (the "Department") requests approval by the Legislative Policy Committee ("LPC") for the use of \$5,000,000 from the Economic Development Opportunities Program Fund ("Sunny Day") to be used as an investment (the "Sunny Day Investment") to assist in the development of a Technology Research Center (the "Park") at the University of Maryland College Park ("UM", the "University").

University-industry-government research parks similar to the proposed Park have become major forces in local, state, and national economic growth in general, and specifically for a wide range of high technology industries. While providing a positive atmosphere for emergent companies and scientific advancement, these parks have been a major source of job growth and commercial expansion for the communities in which they are located. They have created technical job growth at all educational and technical skill levels. In addition, the ancillary services that emerge to support the research parks and the enterprises created that take advantage of the new real and intellectual products, spread economic development throughout the regions in which the parks are located, indeed throughout the State. The importance of proximity to and collaboration with large academic research centers has now become critical for the further growth of higher education, research and development.

The Park will be located on an assemblage of approximate 130 acres of land southeast of the main campus, which is currently known as the "Metro Site", which is adjacent to the College Park/UM Metro Station (see location map below). This project will help spur development of the Metro Station area, and will be the first Metro Station-related development project in Prince George's County.



The Park will not only support the synergy between the private sector and the University, but also provide the following amenities:

- *Located adjacent to and affiliated with UM*
- *State-of-the-art research, laboratory and incubator facilities*
- *2.8 million square foot park planned to encompass 130 acres*
- *Dedicated to the advancement of technology, computer science, mathematics, engineering, physical and life sciences, and biotechnology*
- *Park neighbors include: Food and Drug Administration, United States Department of Agriculture, American Center for Physics, and Riggs Bank Computer Center*
- *Minutes from National Aeronautics & Space Administration, Goddard and Beltsville Agricultural Research Center of the USDA*
- *Easy access to air and rail transportation*
- *Minutes from I-95 and I-495*
- *Adjacent to College Park/UM Metro Station*

The Honorable Thomas V. "Mike" Miller, Jr.

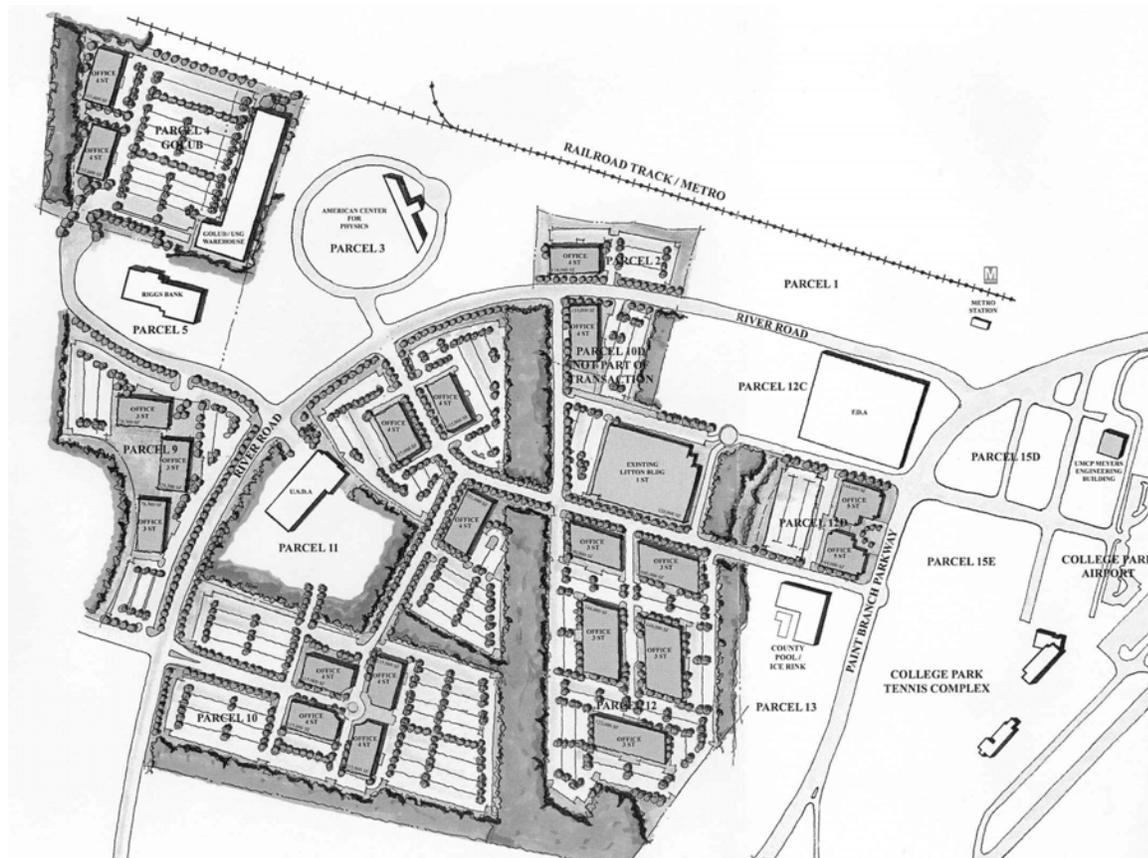
The Honorable Michael E. Busch, Jr.

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- *Wide range of conveniently located housing options*
- *Highly educated metropolitan area work force*
- *First building available in 2003, 128,000 sq. ft. 1st class office, laboratory, high bay assembly space*
- *MARC commuter rail service to Baltimore & Washington*

Ownership of the Park, which is still under negotiation, is expected to consist of a "to be formed entity", separate from the University, which among other things, might own the ground, prepare the infrastructure, set design criteria, and market the Park to prospective companies. The structure would allow the partnering with a private real estate developer (the "Developer") who would be expected to bring both investment and development funds to the project. The University is currently evaluating RFP responses with the final developer to be selected shortly (see drawing of potential finished Park below).



Based upon an analysis and feasibility study, performed by Transwestern Commercial Services for UM in July of 2002, of twenty-five existing technology parks nationwide, and a survey of the Maryland/DC technology tenant market, a conservative absorption forecast of 100,000 square feet per year is anticipated in

the Park over a fifteen year time period. Projected tenant groups and their corresponding absorption over that time period are listed in the following table:

Anchor tenants (Federal Agencies)	500,000 SF	33%
University affiliated tenants	600,000 SF	40%
Other technology tenants	300,000 SF	20%
Other (support services, incubator, etc.)	100,000 SF	7%
Total	1,500,000 SF	100%

To date, the University has been able to attract substantial research partners to areas adjacent to the Park, including the FDA's \$80,000,000 Center for Food Safety, the headquarters building for The American Institute of Physics, The American Physical Society, and other related scientific agencies. With respect to the Park itself, UM has already attracted the Department of Defense ("DOD") to an existing 128,000 square foot facility on one of the purchased properties. The Department of Defense will fully lease the facility and will engage in joint research activities with the University, other federal laboratories, and the private sector in areas related to Homeland Defense. This DOD project originated out of the University's ability to attract a long term multi million dollar research grant from DOD, in addition to attracting a University Affiliated Research Center ("UARC"), which is one of only 14 such centers in the United States.

The proposed Park will be adjacent to the UM campus and will be a world class ***national*** research center planned to attract the talent and investment capital required to expand existing scientific research in the private sector, government agencies, and at the University. The Park would also create the physical environment that will allow the private sector, government agencies, and the University to pursue growth in new areas of study.

Park tenants will enjoy unparalleled access to value added research and core services allowing the use of specialized university facilities and resources as follows:

- *Sponsored research and outreach programs (2001 = \$308,000,000)*
- *Unique opportunities to collaborate with internationally recognized researchers and over 3,000 faculty and 3,600 graduate assistants*
- *Access to highly skilled student pool: 8,500 graduate and 25,000 under-graduate students*
- *Access to University libraries*
- *Access privileges to state-of-the-art laboratory and testing facilities such as:*
 - *Neutral Buoyancy Facility*
 - *Autonomous Mobile Robotic Laboratory*

The Honorable Thomas V. "Mike" Miller, Jr.

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June 17, 2003

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- *G. L. Martin Wind Tunnel*
 - *Center for Superconductivity Research*
 - *Variety of NMR and EPR spectrometers*
 - *Center for Satellite and Hybrid Communication Network*
 - *Institute for Research in Electronics and Applied Physics*
 - *UV-visible absorption and mass spectrometers*
 - *Powerful microscopes including electron and laser scanning equipment*
-
- *Access to recreation, conference and food service facilities*
 - *Access to University telecommunications system backbone*
 - *Access to campus transit system*

The University currently has \$12,000,000 invested in the purchase of land at the Metro site with an additional \$19,000,000 needed to secure the remaining assemblage property and \$4,000,000 needed for infrastructure and road improvements, for a total land and infrastructure cost of approximately \$35,000,000 for the 130 acres. Under the currently proposed structure, the private Developer would be responsible for at least \$18,000,000 of the un-funded costs with the remaining \$5,000,000 being funded by the requested Sunny Day Investment. The estimated \$375,000,000 build-out expense for the entire Park over the 15-year period would be born by the Developer (see drawing of potential finished Park below).

The \$5,000,000 Sunny Day Investment will be invested in the "to be formed entity" through UM, which along with UM's land investment, will be used to negotiate a proportionate interest in the new entity. It is anticipated that all capitalization of the new entity will be patient, and will be repaid through a negotiated net revenue stream from potential present/future leases and/or property sales after construction costs and debt service. The Sunny Day Investment will be repaid from its proportionate share of the above net revenue stream. The University will report semi-annually to the Department as to the Park's progress in an agreed upon reporting format, which will include, but not be limited to, a narrative outlining the project as a whole, and its current financial status through financial statements, projections, budgets, and net revenue stream calculations. The Sunny Day Investment will also carry a forgiveness feature that can be used by UM and the Department to attract non-University related entities to the Park. This feature would allow incremental/total forgiveness of the \$5,000,000 and/or its accrued rate of return to maximize attraction of such non-University related entities by defraying tenant costs.

The attached economic impact analysis provided by the Department's Office of Business and Economic Research indicates that Maryland would recoup its investment in the Park in less than a year at full build out. In the attached analysis,

The Honorable Thomas V. "Mike" Miller, Jr.
The Honorable Michael E. Busch, Jr.
June 17, 2003
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it is noted that annual personal income taxes, local personal income surtaxes and retail sales taxes combined for a total direct impact of about \$22,858,100 at full build out. Direct impact is derived from the operations and purchases of the facility while indirect impact is calculated on the economic activities of company employees, suppliers and suppliers' employees.

The State will benefit from the projected \$375,000,000 of capital investment in the Park, in addition to the creation of approximately 8,000 new jobs over the 15 year development period at an average salary of approximately \$56,000, for an annual payroll potential of \$448,000,000 by year 15. The Park represents not only an "extraordinary economic development opportunity" as mandated by the Sunny Day statute, but also a unique opportunity. This \$5,000,000 Sunny Day Investment will help leverage the creation of a world class research and development center that will attract the talent and investment capital required to expand not only existing scientific research in the private sector, at the University, and throughout the State, but will also help create the physical environment that will allow these companies and the University to pursue growth in new areas of study that will provide significant economic impact to the region and the State in years to come. The Department strongly endorses this application to provide financial assistance to the Park and recommends your approval.

Sincerely,

Aris Melissaratos
Secretary

Attachment

cc: Governor Robert L. Ehrlich, Jr.
The Honorable Ulysses Currie
The Honorable Ida G. Ruben
The Honorable Howard P. Rawlings
Deputy Secretary Vernon J. Thompson
Mr. Tim Perry
Ms. Thomas Lewis
Mr. Karl S. Aro
Mr. Warren G. Deschenaux
Ms. Lynne Taylor Porter
Ms. Kristin Jones
Mr. John Favazza

The Honorable Thomas V. "Mike" Miller, Jr.

The Honorable Michael E. Busch, Jr.

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bcc: Allen Ashwood
Laila Atallah
Robert Brennan
Gregory Cole
James C. DiPaula
Ilene Garten
James Henry
Richard Higgins
Mike McManus
Rhonda Ray
Stephen Tancredi
Lavonne White

July 3, 2003

The Honorable Aris Melissaratos, Secretary
Department of Business and Economic Development
217 East Redwood Street, 23rd Floor
Baltimore, Maryland 21202

**Re: University of Maryland at College Park
Technology Research Center**

Dear Secretary Melissaratos:

On behalf of the Legislative Policy Committee (LPC), this is to formally advise you that at its meeting on Tuesday, June 17, 2003, the Legislative Policy Committee considered and approved the transfer of \$5,000,000 to the Department of Business and Economic Development (DBED) from the Economic Development Opportunities Program (Sunny Day) Fund for the purpose of assisting the University of Maryland College Park (UM) with the development of an international research and technology park adjacent to and affiliated with the university.

The LPC understands that the funds are to be structured in the form of an investment. Specifically, DBED will invest the \$5,000,000 through an agreement with UM into a to-be-formed entity between UM and an as yet to be selected private developer to establish a research park, including laboratory and incubator facilities, dedicated to the advancement of technology, computer science, mathematics, engineering, physical sciences, life sciences, homeland defense, and biotechnology. The basis for establishing the facility is to attract the development of major federal, university, and private sector research facilities to the State, and to take advantage of the university's substantial research and development funding and activities through collaborative research agreements with prospective tenants.

Further, the LPC understands that the to-be-formed entity may be involved with matters including ownership of the land, preparation of the infrastructure, setting design criteria, marketing the park to prospective tenants, and managing the day-to-day operations of the park. Under this structure, UM will have control of tenant occupancy. The Sunny Day funds and the existing \$12 million UM investment are intended to leverage approximately \$18 million of additional investment for a total initial investment of approximately \$35 million. These funds will be used for the purchase of land and infrastructure improvements to make the site marketable to prospective developers. An estimated 8,000 jobs and substantial property tax revenues are expected to result over a 15-year period from this project.

The Honorable Aris Melissaratos, Secretary
July 3, 2003
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The LPC agrees that the following be included in the final terms and conditions:

- UM will be required to provide DBED with semi-annual reports detailing, among other things, economic and financial data, the park's development progress, tenant occupancy, job creation, capital investment, and general overall performance.
- DBED will negotiate a clause that would require UM to repay the Sunny Day funds should the research park not be used as specified in the agreement between UM and DBED.
- As a "patient capital" investment, the State is anticipated to receive a proportionate interest in any appropriate revenue stream as negotiated in the agreement between UM and DBED.
- DBED will negotiate a forgiveness feature in the agreement between UM and DBED to allow for the use of a portion or all of the initial Sunny Day investment to attract non-university-related entities to the research park.

The LPC's approval is conditioned on the following:

- DBED and UM are required to provide the LPC with a written summary and explanation of the final terms and conditions of the to-be-formed entity and the agreement between UM and DBED once completed. The LPC has 45 days to review and comment on the information provided.
- DBED is required to submit an official modification request to the LPC for its consideration should DBED or UM seek to invoke the forgiveness provision.

Please let me know if you have any questions or if you require additional information relating to the action by the Legislative Policy Committee.

Sincerely,

Karl S. Aro
Executive Director

KSA/TDB/ncs

cc: Senator Thomas V. Mike Miller, Jr.
Delegate Michael E. Busch
Ms. Lynne B. Porter

Maryland Department of Business and Economic Development

UM Technology Research Center

Business Development Project

Economic Impact: Annual Operations at Full Capacity

	<i>Direct Impact</i>	<i>Indirect Impact</i>	<i>Total Impact</i>
<i>Expenditures (\$MM)</i>	\$562.9	\$380.2	\$943.2
<i>Wages and Salaries (\$MM)</i>	\$306.3	\$172.7	\$479.1
<i>Employee Benefits (\$MM)</i>	\$0.0	\$0.0	\$0.0
<i>Employment (FTE Jobs)</i>	7,995	6,075	14,070
<i>State Retail Sales Tax (\$K)</i>	\$3,380.7	\$2,024.3	\$5,405.0
<i>State Personal Income Tax (\$K)</i>	\$11,761.4	\$6,255.8	\$18,017.1
<i>State Real Property Tax (\$K)</i>	\$215.5	na	\$215.5
<i>State Corporate Income tax (\$K)</i>	\$0.0	na	\$0.0
<i>Local Personal Income Surtax (\$K)</i>	\$7,716.0	\$4,149.2	\$11,865.2
<i>Local Real Property Tax (\$K)</i>	\$2,468.4	na	\$2,468.4

Notes

Figures are expressed in constant, year 2003 dollars

\$MM denotes millions of dollars

\$K denotes thousands of dollars

FTE denotes Full-Time Equivalent

Expenditures category is inclusive of all expenses including operations, payroll and benefits.

University of Maryland, Baltimore (Baltimore City)

Sunny Day Funds	\$4,000,000	Recommendation:	Approve with Conditions
Type of Assistance	Investment	<p>Conditions: The terms and conditions of this project have not been finalized. The university has yet to begin negotiations with the private developer selected from the pool of applicants that responded to the University Request for Proposal. The final agreement is likely to include the following conditions:</p> <ul style="list-style-type: none"> ▪ semi-annual reporting requirement; ▪ university control over types of entities occupying the facility to ensure research collaboration; and ▪ investment will be made as “patient capital.” Typically, this kind of equity interest does not receive investment returns until after other cash flows needs are met. The department indicates in its letter to the LPC that the Sunny Day investment would be recouped through negotiated flexible additional rent payments and royalty agreements. 	
Current Employment	0		
Projected Employment	360		
Other Direct Public Investment	\$4,400,000	Date of LPC Meeting:	June 17, 2003
Direct Company Investment	Between \$20 to \$30 million	Does not meet 5-to-1 Investment Criteria, however, statute does not require a 5-to-1 private investment	
Total Project Cost	Approximately \$30 million	Smart Growth Area:	Yes
Time to Recoup Sunny Day Funds	5.1 years	Annual State Income and Sales Tax Revenue	\$530,700 – based on full capacity in 2006

Proposed Use of Sunny Day Funds

The Department of Business and Economic Development (DBED) is requesting the transfer of \$4 million from the Economic Development Opportunities Program (Sunny Day) Fund to assist the University of Maryland at Baltimore (UMB) with the development of a health sciences biomedical research park adjacent to and affiliated with UMB.

In partnership with DBED and an as yet to be selected private developer, UMB intends to establish a research park dedicated to biomedical and health science research. By providing laboratory, incubator, and office space, UMB expects the research park to assist companies in collaborating with and marketing to the federal and private health sciences institutions located in the State and the mid-Atlantic region. In addition, the park will help the State establish a critical mass of lab and research facilities needed to attract life science and biotechnology companies from other parts of the region, facilitate the commercialization of products derived from the research endeavors engaged at the research park, and connect companies with UMB research expertise and services. Construction would begin in late 2003 and the space is anticipated to be fully leased by 2006.

Project Scope

Development of the research park will be market driven and thus there is no pre-conceived time-table for the park's overall future development. The portion of the project to be completed in connection with the Sunny Day fund request is referred to as "phase I;" it consists of the acquisition of 4.6 acres of land and the construction of a multi-level building of approximately 120,000 square feet of wet lab, incubator, and office space. Total expenditures for phase I are expected to be \$30 million. The site selected for the entire project is a vacant and undeveloped eight-acre site within the Poppleton neighborhood adjacent to UMB. Baltimore City is currently negotiating a land disposition agreement with favorable terms to UMB for 4.6 acres of land upon which "building one" will be constructed. An additional 3.4 acres of land have been identified for future acquisition and development. DBED and UMB anticipate that phase I development will create approximately 360 new jobs in Baltimore City. When fully complete, the facility will include eight buildings, contain 750,000 square feet of lab and office space, create 3,000 new jobs, and generate approximately \$200 to \$240 million of private development funds. This represents a substantial employment opportunity for the city and an area of the city considered as distressed. In addition, the project will serve as a facilitator of future community development and revitalization to the Poppleton neighborhood.

Corporate Structure – Anticipated Use

UMB will serve as the anchor tenant in "building one" and lease one-half or 60,000 square feet of space. The university is currently negotiating the rental rate with the prospective development teams and expects to pay approximately \$15 per square foot. UMB, through its supporting nonprofit corporate entity, intends to sublease the space as follows:

- 20,000 square foot incubator for start-up biomedical companies

- 20,000 square foot Industry Collaboration Center for researchers of established biomedical companies and UMB faculty engaged in collaborative research
- 20,000 square foot UMB Transitional Research Center for UMB researchers in the process of commercializing new technologies into the market place

With the approval of the Board of Regents of the University System of Maryland, UMB established a 501(c)(3) nonprofit corporation in April 2003 for the purpose of developing the research park. This corporate entity will own the land, prepare the infrastructure, set design criteria, market the park to prospective tenants, and manage the day-to-day operations of the park. Essentially, the corporation would control overall development through ground leases to private sector developers that in turn would finance, construct, and manage individual research facilities that meet their specific requirements. The formation of a 501(c)(3) separate from UMB will provide a means of university control and influence over the parks development and operations and shield the university from direct financial risk associated with such a large project. This corporate structure will further enable UMB to significantly control tenant occupancy, thereby ensuring collaboration with the university research.

Proposed State, Local, and Private Source Funding

Exhibit 1 shows the total funding by source for phase I of the project.

Exhibit 1
Proposed State, Local, and Private Funding Sources

<u>Fund Source</u>	<u>Assistance</u>	<u>Amount</u>
Sunny Day	Investment	\$ 4,000,000
Maryland Technology Development Corporation	Grant	1,000,000
Empower Baltimore Management Corporation	Loan	3,000,000
Economic Development Administration	Grant	2,000,000
Baltimore City – value of land owned by the city to be transferred to UMB	Grant	1,400,000
Private developer	Investment	18,600,000
Total		\$30,000,000

The intended use and status of each of the proposed funding sources is provided below:

- ***Sunny Day funds:*** DBED intends to use the \$4 million of Sunny Day funds as an investment in the project with UMB. UMB will in turn negotiate on behalf of DBED for a proportionate interest in the project. The funds will be used by UMB to attract private sector life sciences and technology based businesses to the park. Specifically, the funds will be used to fund the cost of tenant improvements to suit the individualized needs of prospective tenants. This presents the State with an opportunity to assist numerous businesses and collaborative research efforts and promotes the commercialization of the ideas and inventions emerging from such research. In addition, such a research park enhances and provides a venue for the collaboration between federal labs, university researchers and faculty, and private sector researchers. DBED intends for the Sunny Day funds to be recouped by UMB through negotiated lease arrangements or in the case of start-up companies through royalty agreements. **Since the Sunny Day funds are intended to be used to make tenant improvements in “building one” only, and at some point in the future other buildings will be constructed at the research park in connection with the overall development plan, DBED should be prepared to advise the committee concerning whether additional Sunny Day funds will be sought at a later date to make similar tenant improvements in buildings two through eight. Furthermore, in as much as construction of “building one” is not scheduled to be completed until December 2004 and the tenant improvements for which the Sunny Day funds will be applied are unlikely to be made until sometime after construction is completed, DLS recommends as a condition of the committee’s approval that the disbursement of the Sunny Day funds be delayed until such time that DBED provides DLS with a list of the anticipated “building one” tenants and the estimated tenant improvement costs for the prospective leases sufficient to demonstrate adequate occupancy of the building and sufficient need for the investment of Sunny Day funds. DBED should include in its investment agreement with UMB a provision that would allow DBED to disburse the funds incrementally based on identifiable need reflected in tenant occupancy rates for the non-UMB occupied portion of “building one.” Incremental disbursement will still enable UMB to market that availability of Sunny Day funded tenant improvements to prospective tenants.**
- ***Maryland Technology Development Corporation (TEDCO):*** Through its Incubator Facilities Program, TEDCO is providing \$1 million towards the construction of an incubator in “building one”. The incubator is part of the space that will be occupied by UMB.
- ***Empower Baltimore Management Corporation:*** UMB is seeking \$3 million in capital financing to assist in purchasing lab equipment to outfit the incubator and industry

collaboration center. Although the incubator and industry collaboration center will be part of the space occupied by UMB, the equipment will be available to other tenants in the building. The funding terms of the loan, which would be made to the nonprofit corporate entity created to establish the investment partnership, have not been fully negotiated. However, UMB reports that the following terms are likely: \$3 million loan at a rate of interest of 3 percent for a term of 20 years. No payments would be made in years one and two and interest only payments in year three.

- ***Economic Development Administration:*** UMB is pursuing a \$2 million grant from the federal Economic Development Administration (EDA) for infrastructure improvements on the site. The EDA has provided funding for incubators in other research parks around the nation.
- ***Baltimore City:*** The city is negotiating a land disposition agreement with UMB for 4.6 acres of land that will encompass part of the overall project. The city's Board of Estimates is expected to approve the sale of the land to UMB at its July 31, 2003 hearing. After which, the contract will be brought before the Board of Public Works for approval. DBED's letter to the Legislative Policy Committee (LPC) indicates that the financial contribution being attributed to the land is \$1.4 million. However, the terms of the land agreement including purchase price and considerations have not been finalized.
- ***Private Sector Investment:*** UMB issued a Request for Proposal (RFP) for the development of the research park. UMB is currently in the process of selecting a private developer for the two responses to the RFP received. UMB expects to select and begin exclusive negotiations with the preferred developer in early June 2003. The private developer selected will be expected to contribute roughly \$18 million to the project, in return, for a proportionate investment in the future revenue stream expected to be generated by the project.

Several of the funding components of the project remain unresolved. In addition, the project may also result in eligible Enterprise Zone and Job Creation tax credits from the State in an undetermined amount. Therefore, **DLS recommends that DBED and UMB be prepared to update the committee concerning the status of project's funding sources and incentives.**

Performance Requirements and Private Investment Issues

Performance Requirements: The Sunny Day statute – State Finance and Procurement Article Section 7-314 – includes in the definition of an extraordinary economic development opportunity a project that assists in the retention or expansion of an existing public institution that is “consistent with the strategic plan of the State for economic development; and creates or

retains substantial employment, particularly in areas of high unemployment.” Furthermore, Section 7-314(h) specifically requires the establishment of performance requirements that utilize claw-back provisions when utilizing Sunny Day funds in connection with an extraordinary economic development opportunity. The statute defines performance requirements to include claw-back, penalty, rescission, and recalibration clauses that utilize job creation, capital investment, and other measures of economic development. However, the statute creates some ambiguity concerning the proposed project by further defining a performance requirement to mean a contractual agreement that requires the fund recipient to meet minimum economic development outcomes in exchange for a grant or loan. Since the proposed project entails the use of the funds as an investment rather than as a grant or loan it appears that the requirement to utilize performance criteria and claw-back provisions does not apply.

DLS has been advised that DBED will require the following conditions of UMB:

- **Reporting requirement:** UMB will be required to provide semi-annual reports detailing among other economic and financial data the parks development progress, tenant occupancy, job creation, capital investment, and general overall performance.
- **Specified use clause:** DBED will negotiate a clause that would require UMB to repay the Sunny Day funds should the research park not be used as negotiated in forthcoming agreements between the parties. In general, UMB intends to exert control over the types of tenants occupying the facility to ensure a level of research collaboration with the university. However, since negotiations with the selected private developer have yet to be initiated the details of such a provision are not final. **DLS advises that UMB and DBED representatives be prepared to further elaborate and discuss how such a clause might be applied to the proposed project.**
- **Patient capital:** DBED advises that the investment will be made as “patient capital” and thus long term in nature. Typically, this kind of equity interest does not receive investment returns until after other cash flows needs are met. The department indicates in its letter to the LPC that the Sunny Day investment would be recouped through negotiated flexible additional rent payments and royalty agreements. Flexible rent payments are most likely to involve a negotiated proportionate interest in revenue stream only after costs such as debt service is paid. Investments that derive royalty payments from successful start-up companies are also long term and speculative in nature. It is likely, therefore, that the initial Sunny Day investment will not begin to receive a share of the projects net annual revenue stream for many years. However, measured in terms of the anticipated job creation and financial impact, the project represents a significant economic development opportunity. Furthermore, the project will enable the State to take advantage of, cultivate, and grow the substantial amount of State, federal, and private research that is funded and conducted in the State.

It is difficult to fully evaluate the State's interest in the project, including the financial implications, because many of the terms and conditions of the investment partnership agreements have yet to be fully negotiated and finalized between the State, Baltimore City, UMB, the nonprofit corporate entity, and the private developer. Specifically, the following agreements are currently pending: (1) Land Disposition Agreement between Baltimore City and UMB; (2) ground lease between UMB and the nonprofit corporate entity; (3) ground sub-lease between the nonprofit corporate entity and the private developer; and (4) the office lease between UMB and the private developer. UMB advises that it anticipates that these agreements will be finalized and all outstanding issues resolved by the end of July 2003 and brought to the Board of Public Works by September 2003. However, in as much as the terms and conditions of the State's and the university's interest in the investment partnership are not fully resolved, **DLS recommends that DBED be required to provide the LPC with a written summary and explanation of the final terms and conditions negotiated between the investment partners once completed. The LPC should have 45 days to review and comment on the information provided. DLS further recommends that DBED and UMB be prepared to update the LPC as to the status of each and any outstanding agreements and contracts required in connection with the project at the LPC meeting.**

Private Investment: The \$18.6 million of anticipated private investment in the project falls short of meeting the Sunny Day statute five-to-one private investment requirement provision. A private capital investment of \$20 million would be required based on the proposed \$4 million of Sunny Day funds. The project could, however, be interpreted as an extraordinary economic development opportunity under Section 7-314(a)(6)(ii) of statute concerning the retention or expansion of an existing public institution. Such a project would not require the recipient to invest in capital at a level of five times the value of the incentive offered. Thus, while the \$18.6 million of anticipated private investment in the project would fail to meet a five-to-one private investment requirement the statute may not require such an investment if the project is construed to be provided in support of an existing public institution. DLS notes, however, that while the funds will be provided directly to UMB they are intended to support a proportionate interest in a newly established 503(c)(1) corporation and could, therefore, reasonably be interpreted as an extraordinary economic development opportunity under Section 7-314(a)(6)(i) as an extraordinary economic development opportunity designed to attract new private sector enterprise to the State. If interpreted as such, the provision requiring a five-to-one level of private investment would apply to the proposed project. In either case, DLS believes the level of investment for this project is substantial and the benefits to the State generated by the facility are also expected to be significant. **Accordingly, DLS advises that the five-to-one investment requirement be waived should the statute be interpreted to require such a level of private investment.**

Economic Impact Analysis

A summary of the economic impact for phase I of the proposed project is detailed below. DBED projects that the phase I development will create 360 new jobs once the research park reaches full capacity in 2006. The average annual salary is expected to be approximately \$37,000, which exceeds the benchmark used to evaluate Sunny Day projects (150 percent of the federal minimum wage which is \$7.73 per hour). The economic impact analysis also estimates the annual State retail and State personal income tax generated by phase I development at \$537,700 once phase I development is fully occupied. Based on a pro-rated estimate of the annual direct State income and sales tax revenues for the State could expect to recoup the initial \$4 million Sunny Day investment in approximately 5.1 years. The State's investment could be recouped more rapidly depending upon the timing of future additional development of the research park. In addition, phase I will serve to facilitate future development of the park which is expected to generate 3,000 new jobs when fully completed.

Summary of Economic Impact for Maryland Residents

Total Jobs Retained:	0
Total Jobs Created:	360
Direct State Income and Sales Tax:	\$530,700
Direct Local Income Tax:	\$251,000
Time to Recoup Sunny Day Funds:	5.1 years

Note: These figures are based on annual operations at full capacity in 2006.

Conclusion and Recommendation – Approve with Conditions

DLS believes that the proposed Sunny Day investment represents a significant and extraordinary economic development opportunity for the State and meets the established criteria for use of Sunny Day funds. The project is expected to create a significant number of new jobs and encourage a substantial amount of private investment in the park. Accordingly, DLS recommends approval of the Sunny Day fund investment to assist UMB in the development of the proposed technology research center.

Approval should, however, be conditioned on the following:

- **DBED and UMB providing the LPC with a written summary and explanation of the final terms and conditions negotiated between the investment partners once completed. The LPC should have 45 days to review and comment on the information provided.**
- **Disbursement of the Sunny Day funds should be delayed until such time that DBED provides DLS with a list of the anticipated “building one” tenants and the estimated tenant improvement costs for the prospective leases sufficient to demonstrate adequate occupancy of the building and sufficient need for the investment of Sunny Day funds. DBED should include in its investment agreement with UMB a provision that would allow DBED to disburse the funds incrementally based on identifiable need reflected in tenant occupancy rates for the non-UMB occupied portion of “building one.”**

June 17, 2003

The Honorable Thomas V. "Mike" Miller, Jr.
President
Maryland State Senate
State House, Annapolis, MD 21401

The Honorable Michael E. Busch
Speaker
Maryland House of Delegates
State House, Annapolis, MD 21401

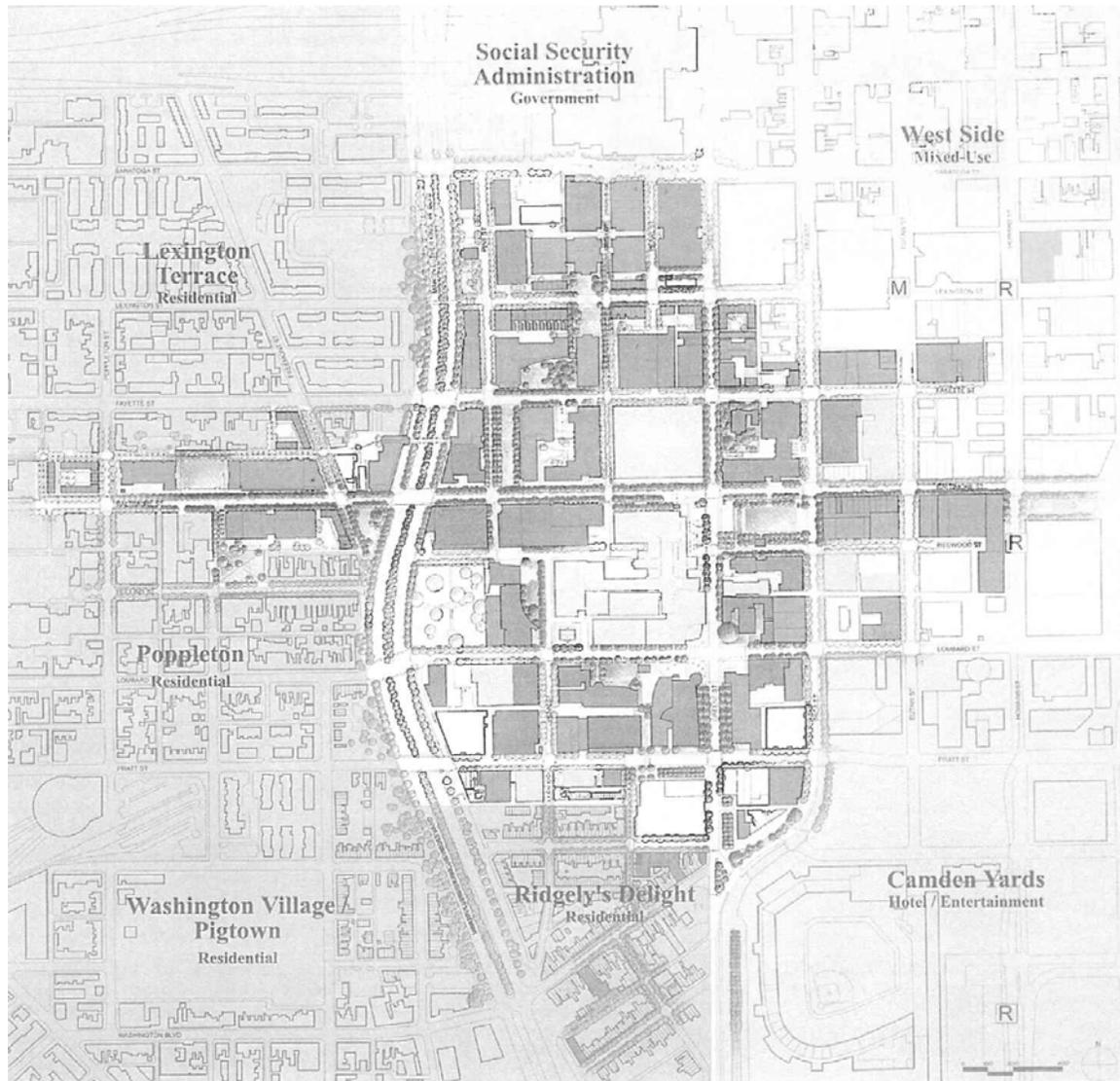
Dear Mr. President and Mr. Speaker:

The Department of Business and Economic Development (the "Department") requests approval by the Legislative Policy Committee ("LPC") for the use of \$4,000,000 from the Economic Development Opportunities Program Fund ("Sunny Day") to be used as an investment (the "Sunny Day Investment") to assist in the development of a Health Sciences Research Park (the "Park") at the University of Maryland, Baltimore ("UMB", the "University").

The University and its surrounding campus have served the community for nearly 200 years fostering, research, teaching, clinical care and community service. The majority of the state's health, law and human services professionals are trained at the UMB campus. Each of the six professional schools is nationally ranked and together with the Graduate School awarded 1,729 degrees in academic year 2002. The University has over 5,100 employees, including 1,634 faculty members with an operating budget of \$520,000,000 for FY 2002. The University occupies 32 acres in the heart of Baltimore City, west of Baltimore's Inner Harbor and Central Business District and adjacent to Camden Yards. Currently the physical plant consists of 54 buildings with 4,992,155 gross square feet of space.

The proposed Park will be adjacent to the UMB campus and will provide a world class *regional* research center to attract the talent and investment capital required to build on the existing scientific research in Baltimore City and the surrounding area. The Park would also create the physical environment that would encourage new private sector, government agency, and University growth in new areas of study. The following map shows the existing and proposed development of the UMB campus (shaded) and surrounding area in Baltimore City, with the proposed Park just west of the main campus.

The Honorable Thomas V. "Mike" Miller, Jr.
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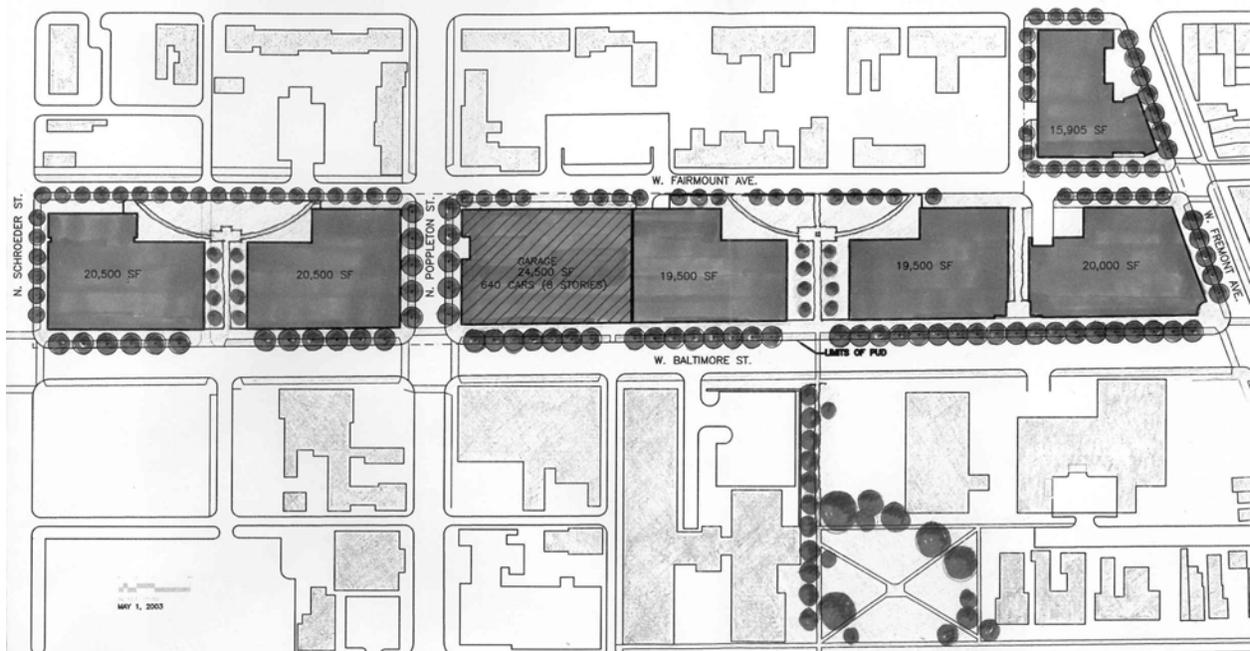


The Park will attract private sector companies who will profit by being located near the University, while enjoying the following amenities of the Park and surrounding area:

- *State-of-the-art research, laboratory and incubator facilities*
- *750 thousand square foot park planned to encompass 8 acres*
- *Dedicated to the advancement of life sciences and biotechnology*
- *A short drive to NIH, FDA*
- *Easy access to air and rail transportation*
- *Minutes from I-95 and I-695*
- *Four international airports*
- *Adjacent to Light Rail and Metro*
- *Wide range of conveniently located housing options*
- *Highly educated metropolitan area work force*

- *First building available in 2004, 120,000 sq. ft. 1st class office and laboratory*
- *MARC commuter rail service to Baltimore & Washington*

Phase I of the Park will be for the construction of Building One, to be built on the northwest corner of West Baltimore Street and Fremont Avenue. Building One will be a multi level building of approximately 120,000 square feet consisting of wet lab, incubator, and office space with the potential to accommodate 360 jobs. The City is currently negotiating a Land Disposition Agreement with favorable terms to UMB for 4.6 acres of land. An additional 3.4 acres of city-owned land and under-utilized commercial properties have been identified for future acquisition. Total expenditures for Building One are projected at approximately \$30,000,000. The complete build-out of the Park is projected to cost between \$200,000,000 and \$240,000,000 and will result in approximately 750,000 square feet of lab and office space that could accommodate 3,000 employees (see drawing of potential development of the first 4.6 acres of the Park below).



University-industry-government research parks similar to the proposed Park have become major forces in local, state, and national economic growth in general, and specifically for a wide range of high technology industries. While providing a positive atmosphere for emergent companies and scientific advancement, these parks have been a major source of job growth and commercial expansion for the communities in which they are located. They have created technical job growth at all educational and technical skill levels. In addition, the ancillary services that emerge to support the research parks and the enterprises created that take advantage of the new real and intellectual products, spread economic development

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throughout the regions in which the parks are located, indeed throughout the State. The importance of proximity to and collaboration with large academic research centers has now become critical for the further growth of higher education, research and development.

Ownership of the Park will be a "non profit entity," separate from the University, which among other things, would own the ground, set design criteria, and assist in marketing the Park to prospective tenants. The structure would allow the entity to engage a real estate developer who would be expected to bring development funds to the project. The University is currently evaluating two RFP responses with the final developer to be selected shortly. Both respondents have certified MBE and WBE entities on their development teams and fully embrace the City's MBE and WBE requirements. The proposed funding for the Park is as follows:

State Sunny Day Investment	\$4,000,000
Maryland Technology Development Corporation	1,000,000
Empower Baltimore Management Corporation	3,000,000
Economic Development Administration	2,000,000
Baltimore City Land Transfer	1,400,000
Private Developer	<u>18,600,000</u>
Total	\$30,000,000

Baltimore City will transfer title of 4.6 acres of land located on the north side of the 800 and 900 blocks of West Baltimore Street to UMB.

The University will serve as the anchor tenant in Building One and will lease approximately half of the space. The \$4,000,000 Sunny Day Investment will be invested with UMB who will use the funds to attract private sector life science and technology based businesses to the non-UMB space by defraying tenant improvement costs. The University will look to recapture the Sunny Day Investment funds by structuring the leases of credit tenants to include flexible additional rent payments, while the structure for start-ups would include royalty agreements that would leverage the upside of successful company growth. The Sunny Day Investment will be considered patient capital, and will be repaid to the Department from the above additional rent and royalty repayments. The University currently has a list of several companies that have expressed an interest in moving to the Park. The University will report semi-annually to the Department as to the Park's progress in an agreed upon reporting format, which will include, but not be limited to, a narrative outlining the project as a whole, and its current financial status through financial statements, projections, budgets, leases, and additional rent and royalty calculations.

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The Park will create multiple benefits for both the university and the community. Most directly, the complex will boost UMB's already robust research capacity – both by increasing the opportunities for university research and by attracting bioscience firms to establish offices and research units within the Park. Potential private sector tenants will leverage the University's exceptional research capabilities and existing relationships with potential access to:

- *\$305,000,000 in sponsored research in FY 2002*
- *Between 40 and 60 companies engaged in collaborations at any given time*
- *Center for Clinical Trials for assisting businesses with FDA approval*
- *University libraries*
- *50 to 100 inventions per year available for licensing and joint development*
- *State-of-the-art laboratory and testing facilities*
- *Recreation, conference and food service facilities*
- *60 discoveries licensed to technology companies over the last 5 years*
- *Platform technologies that are viable foundations for new companies*
- *Maryland's only School of Pharmacy and Dental School*
- *Maryland's existing 300 bioscience companies, which represent the third largest concentration in the U.S.*
- *Access to University telecommunications system backbone*
- *Baltimore's low cost of living compared to other bioscience areas*
- *24 start-up companies in the last 4 years*
- *Significant federal, state, and city tax credits*

The Park will help develop land that has been unproductive and vacant for the last 18 years, and will revitalize Baltimore's Poppleton neighborhood, which is located south of the Park (see location map on page 2). Neighborhood residents and City officials have expressed strong interest in having the Park as a neighbor. In addition, the Park will bring needed economic benefits to the surrounding community. Currently, the average household income in the Village of Poppleton is \$16,400 per year, 75% below the average for the Baltimore Primary Statistical Area. Between 1990 and 2000, the number of residents in Poppleton decreased by 24.5%. Currently, 23% of the housing units in the neighborhood are vacant. The full build out of the Park is projected to create 3,000 jobs, 1,100 of which will be available for individuals with a high school education. The lower education/training level jobs to be created in the Park will average \$24,000 to \$40,000 in salary. The Empower Baltimore Management Corporation ("EBMC") will be providing customized training to maximize the number of community residents earning jobs. Publicity about the Park is already attracting the attention of private developers interested in improving existing and creating new residential and retail developments in the neighborhood.

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The attached economic impact analysis provided by the Department's Office of Business and Economic Research, indicates that Maryland can recoup its Sunny Day investment in this project in 5.1 years. The impact analysis is based on Phase I Building One and does not reflect the return to the State beyond Phase I. Build-out beyond Phase I will accelerate the timing to recoup the Sunny Day Investment. In the attached analysis, it is noted that annual personal income taxes, local personal income surtaxes and retail sales taxes combined for a total direct annual impact of nearly \$781,000. Direct impact is derived from the operations and purchases of the facility while the indirect impact is calculated on the economic activities of company employees, suppliers and suppliers' employees.

The State will benefit from the anticipated aggregate investment of \$240,000,000 in the Park when full build-out is achieved, in addition to the creation of approximately 3,000 new jobs over an estimated 12-year development period at an average salary of \$37,000. Two economic impact studies by the Jacob France Institute found that direct economic impact will be \$290,000,000. Total impact, including indirect and induced affects, will be \$437,000,000. The Park represents an "extraordinary economic development opportunity" as mandated by the Sunny Day statute by leveraging the creation of a world class research and development center that will strengthen the bioscience community in Baltimore and throughout Maryland, accelerate the pace of emerging spin-off businesses that capitalize on UMB technologies, create approximately 3,000 new jobs at the Park, and stimulate economic development in the surrounding areas, specifically in the Poppleton community. The Department strongly endorses this application to provide financial assistance to the Park and recommends your approval.

Sincerely,

Aris Melissaratos
Secretary

Attachment

cc: Governor Robert L. Ehrlich, Jr.
The Honorable Ulysses Currie
The Honorable Ida G. Ruben
The Honorable Howard Rawlings
Deputy Secretary Vernon J. Thompson
Mr. Tim Perry
Mr. Thomas Lewis
Ms. Kristin Jones
Mr. John Favazza

The Honorable Thomas V. "Mike" Miller, Jr.

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Mr. Karl S. Aro

Mr. Warren G. Deschenaux

Ms. Lynne Taylor Porter

The Honorable Thomas V. "Mike" Miller, Jr.

The Honorable Michael E. Busch, Jr.

June 17, 2003

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AM/DGarrett/dm

bcc: Allen Ashwood
Laila Atallah
Robert Brennan
Gregory Cole
James C. DiPaula
Ilene Garten
James Henry
Richard Higgins
Mike McManus
Rhonda Ray
Stephen Tancredi
Lavonne White

July 3, 2003

The Honorable Aris Melissaratos, Secretary
Department of Business and Economic Development
217 East Redwood Street, 23rd Floor
Baltimore, Maryland 21202

**Re: University of Maryland at Baltimore
Health Sciences Research Center**

Dear Secretary Melissaratos:

On behalf of the Legislative Policy Committee (LPC), this is to formally advise you that at its meeting on Tuesday, June 17, 2003, the Legislative Policy Committee considered and approved the transfer of \$4,000,000 to the Department of Business and Economic Development (DBED) from the Economic Development Opportunities Program (Sunny Day) Fund for the purpose of assisting the University of Maryland at Baltimore (UMB) with the development of a health sciences biomedical research and technology park adjacent to and affiliated with the university.

The LPC understands that the funds are to be structured in the form of an investment. Specifically, DBED will invest the \$4,000,000 through an agreement with UMB into an entity comprised of UMB and an as yet to be selected private developer to establish a research park dedicated to biomedical and health science research. By providing laboratory, incubator, and office space, the research park is expected to assist companies in collaborating with and marketing to the federal and private health sciences institutions located in the State and the mid-Atlantic region. In addition, the park is expected to help the State establish a critical mass of lab and research facilities needed to attract life science and biotechnology companies from other parts of the region, facilitate the commercialization of products derived from the research endeavors engaged at the research park, and connect companies with UMB research expertise and services.

Further, the LPC understands that the entity comprised of UMB and the as yet to be selected private developer may be involved with such things as ownership of the land, preparation of the infrastructure, setting design criteria, marketing the park to prospective tenants, and managing the day-to-day operations of the park. Under this structure, UMB will have control of tenant occupancy. The Sunny Day funds and the proposed \$7.4 million of grants and loans (\$1 million Maryland Technology Development Corporation grant, \$3 million Empower Baltimore Management Corporation loan, \$2 million Economic Development Administration grant, and \$1.4 million value of Baltimore City land grant) are intended to leverage approximately \$18.6 million from a private developer for a total initial investment of \$30 million. These funds will be used to make tenant improvements in "building one" of the project. An estimated 360 jobs are expected to result from Phase I of this project.

The Honorable Aris Melissaratos, Secretary
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The LPC agrees that the following be included in the final terms and conditions:

- UMB will be required to provide DBED with semi-annual reports detailing, among other things, economic and financial data, the parks development progress, tenant occupancy, job creation, capital investment, and general overall performance.
- DBED will negotiate a clause that would require UMB to repay the Sunny Day funds should the research park not be used as specified in the agreement between UMB and DBED.
- As a “patient capital” investment, the State is anticipated to receive a proportionate interest in any appropriate revenue stream as negotiated in the agreement between UMB and DBED.

The LPC’s approval is conditioned on the following:

- DBED and UMB are required to provide the LPC with a written summary and explanation of the final terms and conditions of the entity comprised of UMB and the as yet to be selected private developer and the agreement between UMB and DBED once completed. The LPC has 45 days to review and comment on the information provided.
- DBED will include in its agreement with UMB a provision that would allow UMB to disburse the funds incrementally based on identifiable need reflected in tenant occupancy rates for the non-UMB occupied portion of “building one.” DBED and UMB will provide DLS sufficient information prior to disbursement of funds to demonstrate sufficient need for use of such funds.

Please let me know if you have any questions or if you require additional information relating to the action by the Legislative Policy Committee.

Sincerely,

Karl S. Aro
Executive Director

KSA/TDB/ncs

cc: Senator Thomas V. Mike Miller, Jr.
Delegate Michael E. Busch
Ms. Lynne B. Porter

Maryland Department of Business and Economic Development

UMB Health Sciences Research Park Phase I

Business Development Project

Economic Impact: Annual Operations at Full Capacity

	<i>Direct Impact</i>	<i>Indirect Impact</i>	<i>Total Impact</i>
<i>Expenditures (\$MM)</i>	\$32.7	\$21.0	\$53.6
<i>Wages and Salaries (\$MM)</i>	\$10.4	\$4.5	\$14.9
<i>Employee Benefits (\$MM)</i>	\$3.6	\$1.6	\$5.2
<i>Employment (FTE Jobs)</i>	360	151	511
<i>State Retail Sales Tax (\$K)</i>	\$150.2	\$63.1	\$213.3
<i>State Personal Income Tax (\$K)</i>	\$380.5	\$159.9	\$540.4
<i>State Real Property Tax (\$K)</i>	\$ 15.6	na	\$15.6
<i>State Corporate Income tax (\$K)</i>	\$0.0	na	\$0.0
<i>Local Personal Income Surtax (\$K)</i>	\$251.0	\$105.5	\$356.5
<i>Local Real Property Tax (\$K)</i>	\$433.6	na	\$433.6

Notes

Figures are expressed in constant, year 2003 dollars

\$MM denotes millions of dollars

\$K denotes thousands of dollars

FTE denotes Full-Time Equivalent

Expenditures category is inclusive of all expenses including operations, payroll and benefits.

University of Maryland College Park (Prince George's County)

Sunny Day Funds	\$775,000	Recommendation: Disapprove	
Type of Assistance	grant	Conditions: None applicable	
Current Employment	1		
Projected Employment	0		
Other Direct Public Investment	\$0	Date of LPC Meeting:	June 17, 2003
Direct Company Investment	\$0	Does Not Meet 5 to 1 Investment Criteria	
Total Project Cost	\$775,000	Smart Growth Area:	yes
Time to Recoup Sunny Day Funds	N/A	Annual State Tax Revenue	Unknown

Proposed Use of Sunny Day Funds

The Department of Business and Economic Development (DBED) is requesting a grant for \$775,000 to provide new equipment for the Bioprocess Scale-up Facility (BSF) at the University of Maryland in College Park. BSF is a laboratory under the Maryland Technology Enterprise Institute that assists companies seeking to develop or “scale up” products for the commercial market. Services provided by BSF to the private sector and the federal government include fermentation, cell culture, purification, and product analysis.

Most of the requested Sunny Day funds will be used to buy equipment to enhance the laboratory’s capabilities so that it can expand its purification and separation capacity (also known as downstream processing). Several BSF clients now contract with private companies or build their own facilities because BSF cannot complete the development process. The remaining funds will purchase equipment such as a revised sprinkler system and a chemical fume hood to improve safety.

Bioprocess Scale-up Facility

Constructed in 1985, BSF is one of a few state university facilities in the United States that supports test tube research and is the only facility in Maryland that offers scale-up processes for small companies. Since 1998, BSF has conducted almost 700 fermentations for clients that include Synergy, the National Institutes of Health, and MedImmune; it has participated in projects such as development of Lyme disease vaccines and biotechnology education kits.

BSF assists companies and public organizations with the beginning stages of bioprocessing to determine whether a product is viable and charges a cost recovery fee based on a sliding scale. It also links companies with statewide resources for manufacturing; projects developed at BSF can be transferred directly to production scale at the privately run BioCenter in Baltimore. Since its inception, it has participated in approximately 600 projects with private, State, and federal partners and has served 37 Maryland firms. BSF also provides workforce training for biotechnology companies.

The facility, which operates in cooperation with the chemical engineering department, has one full-time project manager and hires graduate students to conduct the analyses. Departmental faculty also offer expertise for complex bioprocessing projects. The University of Maryland built BSF at a cost of \$500,000 and later spent \$908,000 on improvements.

Performance Requirement

DBED is not proposing any performance requirements for this project. The Department of Legislative Services (DLS) notes that the facility employs students to provide the fermentation services, rather than full-time employees. BSF cannot predict or control the number of jobs that may be created by the private sector as a result of a successful product.

Private Investment

No private investment will be provided for this project. The statute that authorizes the Sunny Day program only requires a five-to-one private capital investment ratio if the recipient is a private sector enterprise.

Other Public Support

No other public support is pledged for this project. DBED advises that the university's request is not eligible for funds from other programs such as the Maryland Economic Development Assistance Authority Fund.

Economic Impact Analysis

BSF estimates that the number of projects generated by the additional processing equipment would increase by approximately 25 percent. The facility currently handles 300 projects annually. Several clients, such as the U.S. Army and Ventenna Medical, now contract with in- and out-of-state companies for downstream processing; they are expected to contract

with BSF to conduct all stages of processing if BSF had the capability. Some potential clients, such as the Walter Reed Medical Center, delayed projects to construct their own purification facility.

The potential increase in employment or State tax revenue as a result of these additional projects cannot be accurately predicted. According to BSF, many of its clients have retained or expanded employment through successful production that began at BSF. For example, Paragon Bioservices in Baltimore began as a three-person firm in 1996 – BSF assisted Paragon develop their own production work for cancer research and the firm now has 21 employees.

Conclusion and Recommendation

DLS does not recommend that this request be approved. The grant request for BSF does not fit into the standard parameters of a Sunny Day project as it contains no performance requirements for job creation or retention and does not offer any private investment. (As stated earlier, the statute that authorizes Sunny Day funds does not hold public institutions to the five-to-one investment ratio requirement.) Accordingly, the grant funds would not be subject to any clawback provisions for failure to meet any requirements.

The statute defines an extraordinary opportunity for retention or expansion of an existing public or private institution as one that is consistent with the strategic plan of the State for economic development and creates or retains substantial employment, particularly in areas of high unemployment. While the project is consistent with the strategic development plan and will likely generate additional employment in Maryland, the employment increase is not substantial. The Legislative Policy Committee (LPC) may approve an opportunity that is not extraordinary if the executive agency offers a detailed justification for the exception.

DLS recognizes the unique qualities of this facility and its strong contributions to the biotech community, particularly its ability to serve smaller companies that would otherwise find it difficult to develop their own products. It also acknowledges BSF's role in helping to create employment and enhancing the State's attractiveness to out-of-state businesses. The requested equipment would allow BSF to provide a service that only one other state university (Colorado State University) offers at the industrial commercial level.

DLS is concerned, however, that due to the lack of any direct job creation or retention or private investment, the request does not meet the intent of the Sunny Day program. In addition, it would be difficult or impossible to attach any enforceable performance requirement on this grant or to estimate the economic impact of this purchase on Maryland. The request also raises the prospect of setting a precedent of using Sunny Day funds for public projects that would otherwise be supported through the appropriations process or other sources.

While Sunny Day funds can be loaned or granted when existing State programs lack sufficient resources, the project must still meet the criteria for an extraordinary development opportunity.

The LPC may wish to request the university to explore BSF's ability to obtain the funds from recover the requested funds through loans, increased fees, or federal grants. DLS observes that BSF charges its clients a below-market fee for its service. DLS also notes that the Colorado Bioprocessing Center's state funding was eliminated in 2002. The center, which is progressing toward complete self sufficiency, has traditionally relied on revenues for about 50 percent of its lab costs and now expects to use local, federal, or nonprofit grant funds, in addition to client fees, for major purchases.

June 17, 2003

The Honorable Thomas V. "Mike" Miller
President
Maryland State Senate
State House
Annapolis, MD 21401

The Honorable Michael E. Busch, Jr.
Speaker
Maryland House of Delegates
State House
Annapolis, MD 21401

Dear Mr. President and Mr. Speaker:

The Department of Business and Economic Development (the "Department") hereby requests approval by the Legislative Policy Committee for the use of \$775,000 from the Economic Development Opportunities Program Fund ("Sunny Day"), for a grant to the University of Maryland Technology Enterprise Institute Bioprocess Scale-up Facility ("BSF"). The funds will be used to purchase the necessary equipment critical for Maryland companies to perform process research and design for their bio-manufacturing processes.

The Biotechnology Program of the Maryland Technology Enterprise Institute exemplifies the University of Maryland's commitment to support growth of biotechnology in Maryland. The program links biotechnology businesses with the University of Maryland researchers, and provides technical assistance to assist those businesses in their on going research and development efforts. The BSF is a major component of the Biotechnology Program as a vital link in the development of biotechnology products and processes. The BSF offers services in fermentation, separation, purification and product analysis to companies, academic researchers, and federal laboratories. With technical expertise and modern equipment, the BSF is the only facility in Maryland available to small and large biotech businesses on a project-by-project basis. The BSF also provides referrals to services and facilities in Maryland ranging from short-term assistance to full-scale production.

The BSF was originally constructed and equipped in 1985 at a cost of \$500,000. Subsequent improvements totaling \$908,000 have increased the overall capital investment to \$1,408,000. The BSF has had a major impact within the University System of Maryland, in federal laboratories and in industry. Within the University System, the BSF has carried out literally hundreds of fermentation and cell culture research projects in support of research at College Park, UMBC, UMAB, UMBI and Salisbury State Campuses. In addition to these individual scale-up projects, several undergraduate classes use the BSF routinely. In these classes, students may participate in the operation of the pilot plant equipment, adding hands-on experience to their resumes. Graduate students from the Center for Biosystems Research (UMBI), Chemistry and Biochemistry, Animal Sciences and Chemical Engineering Departments have conducted aspects of their thesis research using the equipment of the BSF. Many students who have worked in the BSF have found excellent employment opportunities with local biotechnology firms. To date approximately twenty-five people have been trained in bioprocess scale-up and optimization techniques through their involvement at the BSF. Human Genome Sciences alone has hired six of these BSF graduates. Other graduates have gone on to Maryland firms, medical schools and other universities.

The BSF has supported research collaborations with more than seven federal and state laboratory programs, including an ongoing relationship with the Biotechnology Unit of the NIDDK (NIH). Several UMCP graduate students have continued their research at NIH through this relationship. Other notable collaborations have been with NAID, NIST, NRL, the U.S. Army Edgewood RDE Center and USDA. Collaborating universities include the University of Pennsylvania, Penn State, Pacific Union College, University of Kentucky, Vanderbilt, Wayne State, Cornell, Duke, and Ain Shams University in Cairo, Egypt. With more than 678 fermentations conducted since 1998 alone, the BSF has accelerated the research and development of local biotechnology leaders such as Human Genome Sciences Inc., NIH and Medimmune Inc., as well as growing Maryland start-ups such as Martek Biosciences and Digene Corporation.

The BSF's capabilities include:

- Fermentation
- Cell Culture
- Separation
- Purification
- Product Analysis

- Challenging problems such as biopolymers, turbulence and multiphase fluid dynamics, biosensors, process analysis and control, and both metabolic and biochemical engineering.

The BSF's advantages include: 1) the only research and development laboratory of its kind in Maryland available to both small and large companies; 2) production processes are directly transferable to partners operating under cGMP (required for FDA-approved clinical trials), such as Cambrex Inc. and the Walter Reed Army Institute of Research; 3) the BSF enables small manufacturing companies to offer extended capabilities to major pharmaceutical (Big Pharma) companies out of state; 4) BSF researchers are some of the best in Maryland: the last seven BSF graduates were each offered jobs at Human Genome Sciences; and 5) it is a key resource for both the development of Maryland biotechnology companies as well as for attracting companies to the State of Maryland.

More than 37 Maryland bio firms are current or recent recipients of assistance from BSF. Many of these companies who brought their scale-up needs to the BSF later used the knowledge gained in the relationship to purchase and install their own fermentation pilot plants. In several cases the BSF assisted them in selecting equipment, and training their own workforce.

The BSF, which has already served biotech giants such as Human Genome Sciences, NIH, and Medimmune, needs to upgrade its facilities, enabling the facility to scale-up larger and more diverse biological products and processes. The following items would be purchased with the proposed grant and result in a state-of-the-art bioprocessing facility that is critical for Maryland companies to perform process research and design for their biomanufacturing processes:

<u>Item</u>	<u>\$ / Unit</u>	<u>\$ total</u>
1) Chemical fume hood	25,000	25,000
2) New/additional autoclave	50,000	50,000
3) Cold room	30,000	30,000
4) Restore wall finishes in entire lab	3.00/sq. ft.	30,000
5) Expand facility, separations/purification lab	1,000/sq. ft.	100,000
6) New window/observation ports/public viewing/training (3)	5,000	15,000
7) Process fermentation vessels & purification equip. (4)	75,000	300,000
8) Analytical equip. (spectrofluorimeter, SDS-Page)	200,000	200,000
9) Revised sprinkler system for improved safety	15,000	15,000
10) Upgrade security system	2,500/door	<u>10,000</u>
	Total	\$775,000

The Honorable Thomas V. "Mike" Miller
The Honorable Michael E. Busch, Jr.
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In addition to providing in-house services, the BSF staff are developing a program to train employees of biotech companies in the latest production techniques. Fermentation, cell culture and purification will be featured in this new workforce training initiative. Few states in the country can provide bioprocessing services that span manufacturing process from test tube to packaged product, and the BSF is a key link in this chain. Although the BSF has invested capital in the facility, it has not invested five times the grant amount being proposed, thus the Department is seeking an exception to the Sunny Day statute. The Department endorses this application to provide assistance and recommends approval.

Sincerely,

Aris Melissaratos
Secretary

cc: The Honorable Robert L. Ehrlich, Jr.
The Honorable Ulysses Currie
The Honorable Ida G. Ruben
The Honorable Howard P. Rawlings
Deputy Secretary Vernon J. Thompson
Mr. Tim Perry
Mr. Thomas Lewis
Mr. Karl S. Aro
Mr. Warren G. Deschenaux
Ms. Lynne Taylor Porter
Ms. Kristin Jones
Mr. John Favazza

The Honorable Thomas V. "Mike" Miller
The Honorable Michael E. Busch, Jr.
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AM/HDates/dm

bcc: Allen Ashwood
Laila Atallah
Robert C. Brennan
D. Gregory Cole
James C. DiPaula
Ilene S. Garten
James L. Henry
Richard Higgins
Mike McManus
Rhonda Ray
Stephen Tancredi
Lavonne White

July 3, 2003

The Honorable Aris Melissaratos, Secretary
Department of Business and Economic Development
217 East Redwood Street, 23rd Floor
Baltimore, Maryland 21202

**Re: University of Maryland at College Park
Bioprocess Scale-up Facility**

Dear Secretary Melissaratos:

On behalf of the Legislative Policy Committee, this is to formally advise you that at its meeting on Tuesday, June 17, 2003, the Legislative Policy Committee considered and approved the transfer of \$775,000 to the Department of Business and Economic Development from the Economic Development Opportunities Program (Sunny Day) Fund for the purpose of assisting the University of Maryland at College Park with purchasing new equipment for the Bioprocess Scale-up Facility. This facility is a laboratory under the Maryland Technology Enterprise Institute that assists companies seeking to develop or "scale up" products for the commercial market.

The Legislative Policy Committee understands that the funds are to be structured in the form of a grant. There are no performance, job creation, or capital investment requirements associated with the funds. Specifically, the funds will be used to buy equipment to enhance the laboratory's capabilities so that it can expand its purification and separation capacity. With the additional processing equipment, it is anticipated that the number of projects that the facility can accommodate in a year (approximately 30 per year) could increase by approximately 25 percent.

Please let me know if you have any questions or if you require additional information relating to the action by the Legislative Policy Committee.

Sincerely,

Karl S. Aro
Executive Director

KSA/TDB/ncs

cc: Senator Thomas V. Mike Miller, Jr.
Delegate Michael E. Busch
Ms. Lynne B. Porter

University of Maryland at College Park (Prince George's County)

Sunny Day Funds	\$5,000,000	Recommendation:	Approve With Conditions
Type of Assistance	Investment	<p>Conditions: The terms and conditions of this project have not been finalized. The university recently initiated negotiations with the private developer selected from the pool of applicants that responded to the University Request for Proposal. The final agreement is likely to include the following conditions:</p> <ul style="list-style-type: none"> ▪ semi-annual reporting requirement; ▪ university control over types of entities occupying the facility to ensure research collaboration; and ▪ forgiveness feature: allows early withdrawal of DBED's negotiated proportionate investment. This is intended to allow the university to use the \$5 million of Sunny Day funds to attract nonuniversity-related entities to the research park by defraying the cost of tenant improvements. 	
Current Employment	0		
Projected Employment	8,000 – based on 1.5 million sq. ft. of lease space		
Other Direct Public Investment	\$12 million	Date of LPC Meeting:	June 17, 2003
Direct Company Investment	Approximately \$18 million	Does not meet 5-to-1 Investment Criteria, however, statute does not require a 5-to-1 private investment	
Total Project Cost	Approximately \$35 million	Smart Growth Area:	Yes
Time to Recoup Sunny Day Funds	2.7 years	Annual State Income and SalesTax Revenue	\$15.1 million

Proposed Use of Sunny Day Funds

The Department of Business and Economic Development (DBED) is requesting the transfer of \$5 million from the Economic Development Opportunities Program (Sunny Day)

Fund to assist the University of Maryland at College Park (UMCP) with the development of a regional research and technology park adjacent to and affiliated with the university.

UMCP, in partnership with DBED and an as yet to be selected private developer, intends to establish a research park, complete with laboratory and incubator facilities, dedicated to the advancement of technology, computer science, mathematics, engineering, physical and life sciences, and biotechnology. The basis for establishing the facility is to attract the development of major federal, university, and private sector research facilities to the State, and to take advantage of the university's substantial research and development funding and activities through collaborative research agreements with prospective tenants. The facility, which will be situated on a 130-acre site adjacent to the university and the College Park METRO center, is within a State priority funding area. In addition, the research park is located within a Prince George's County approved Transit District Development Zone initiated through Prince George's County Council Resolution (CR-114-1989) to promote the coordinated and integrated development of the land surrounding the College Park METRO referred to as the College Park-Riverdale Transit District.

Although the statute governing the Sunny Day fund allows the funds to be used as an investment, this project and the proposed \$4 million of Sunny Day funds for the University of Maryland at Baltimore Technology Park are the first investment based Sunny Day proposals to be presented to the Legislative Policy Committee (LPC). The capability to utilize Sunny Day funds as an investment was added by Chapter 305 of 2000.

UMCP intends to establish a 501(c)(3) corporation instituted under the University Board of Regents' Affiliated Foundation Policy to own the land, prepare the infrastructure, set design criteria, market the park to prospective tenants, and manage the day-to-day operations of the park. Essentially, the corporation would control overall development through ground leases to private sector developers which in turn would finance, construct, and manage individual research facilities that meet their specific requirements. The formation of a 501(c)(3) separate from the university will provide a means of university control and influence over the development and operations of the park, and will shield the university from direct financial risk associated with such a large project. This corporate structure will further enable the university to significantly control tenant occupancy thereby ensuring collaboration with the university research.

Proposed State and Private Source Funding

Exhibit 1 shows the funding by source for the initial investment in the research park. A total of \$35 million is to be invested in order to acquire the 130 acres encompassing the proposed park and fund any necessary infrastructure improvements like roads, water and sewer, and other utilities.

Exhibit 1
Proposed State and Private Funding Sources

<u>Fund Source</u>	<u>Assistance</u>	<u>Amount</u>
Sunny Day	Investment	\$ 5,000,000
University of Maryland	Investment	12,000,000
Private Developer	Investment	<u>18,000,000</u>
Total		\$35,000,000

DBED intends to use the \$5 million of Sunny Day funds as an “investment” in the research park. The Sunny Day funds and a \$12 million investment from UMCP are intended to leverage approximately \$18 million from a private developer for a total investment of \$35 million. These funds will be used to complete the purchase of the land and provide any necessary infrastructure improvements to make the site marketable to prospective developers. DBED advises that UMCP has already purchased a 25-acre site known as the “Litton property” which includes a 128,000 square foot leasable facility. The Department of Defense (DOD) intends to fully lease this facility to engage in joint research activities in areas related to homeland defense. The revenue generated from a lease with DOD will provide the cash-flow necessary to finance the private developer's financial contribution to the overall project.

It is estimated that the full build-out of the research park will take at least 15 years and an estimated \$375 million in expenses that will be borne entirely by prospective developers. The initial project investors, who will own the land encompassing the park, will likely engage in ground lease agreements with individual private developers for the construction of leaseable research and laboratory space. It is anticipated that full build-out of the research park will encompass roughly 2.8 million of leasable research, laboratory, and incubator space. A financial analysis of the park's anticipated development set a 15-year development period and 100,000 square foot annual tenant absorption rate as the financial analysis benchmarks. **Exhibit 2** shows the anticipated 15-year tenant composition.

Exhibit 2
Conceptual Composition of Tenant Occupancy
(15-year Analysis)

Anchor tenants (Federal Agencies)	500,000 sq. ft.
University affiliated tenants	600,000 sq. ft.
Other technology tenants	300,000 sq. ft.
Other (support services, incubator, etc)	<u>100,000 sq. ft.</u>
Total	1,500,000 sq. ft.

Source: Transwestern Commercial Services, report entitled *University of Maryland College Park Technology Research Park Concept Study*.

The overall financial outcomes derived from the 15-year financial model indicate that cash flows will be sufficient to cover expenses and meet the investors required rate of return while providing a small cumulative surplus. The Department of Legislative Services (DLS) advises that the financial figures presented in the financial model are estimated derived from assumptions that are likely to change somewhat as the provisions of the investment partnership is finalized.

Performance Requirements and Private Investment Issues

Performance Requirements: The Sunny Day statute – State Finance and Procurement Article, Section 7-314 – includes in the definition of an extraordinary economic development opportunity a project that assists in the retention or expansion of an existing public institution and that is “consistent with the strategic plan of the State for economic development; and creates or retains substantial employment, particularly in areas of high unemployment.” Furthermore, Section 7-314(h) specifically requires the establishment of performance requirements that utilize claw-back provisions when utilizing Sunny Day funds in connection with an extraordinary economic development opportunity. The statute defines performance requirements to include claw-back, penalty, rescission, and recalibration clauses that utilize job creation, capital investment, and other measures of economic development. However, the statute creates some ambiguity concerning the proposed project by further defining a performance requirement to mean a contractual agreement that requires the fund recipient to meet minimum economic development outcomes in exchange for a grant or loan. Since the proposed project entails the use of the funds as an investment rather than as a grant or loan it appears that the requirement to utilize performance criteria and claw-back provisions does not apply. DLS has been advised that DBED will require certain performance requirements from UMCP. These include the following conditions:

- **Reporting requirement:** UMCP will be required to provide semi-annual reports detailing, among other economic and financial data, the parks development progress, tenant occupancy, job creation, capital investment, and general overall performance.
- **Specified use clause:** DBED will negotiate a clause that would require UMCP to repay the Sunny Day funds should the research park not be used as specified in the forthcoming negotiated agreements between UMCP, DBED, the undetermined private developer, and the 503(c) (1) corporate entity. In general, UMCP intends to exert control over the types of tenants occupying the facility to ensure a level of research collaboration with the university. However, since negotiations with the selected private developer are only just recently underway and not finalized, the details of such a provision has yet to be worked out. **DLS advises that UMCP and DBED representatives be prepared to further elaborate and discuss how such a clause might be applied to the proposed project.**
- **Patient capital:** DBED advises that the investment will be made as “patient capital” and thus long term in nature. The department indicates in its letter to the LPC that the Sunny Day investment would begin to receive a negotiated proportionate interest in revenue stream only after construction costs and debt service is paid. Depending upon the finalized financial agreements between the prospective investors, it is likely that the initial \$5 million Sunny Day investment would not begin to receive a share of the projects net annual revenue stream until approximately 15 years from the date of the investment. Because the terms and conditions of the investment partnership have yet to be fully negotiated and finalized with the selected development team, DLS is unable to fully determine the State’s position in the project. Measured in terms of the anticipated job creation and financial impact, the project represents a significant economic development opportunity. Furthermore, the project will enable the State to take advantage of, cultivate, and grow the substantial amount of State, federal, and private research that is funded and conducted in the State. However, in as much as the terms and conditions of the State’s and the university’s interest in the investment partnership are not fully resolved, **DLS recommends that DBED be required to provide the LPC with a written summary and explanation of the final terms and conditions negotiated between the investment partners once completed. The LPC should have 45 days to review and comment on the information provided.**
- **Forgiveness feature:** DBED indicates that a forgiveness feature will be included in the final terms and conditions that would allow DBED and the fund recipient to use a portion or all of the initial Sunny Day investment to incentivise and attract nonuniversity-related entities to the business park. DBED’s negotiated proportionate share in the investment partnership could be reduced or eliminated to allow the funds to be used to provide an individual private entity with subsidized or reduced tenant costs as a means of attracting them to the research park. **DLS recommends that should this forgiveness feature ever**

be invoked DBED should be required to submit a modification proposal to the LPC for its approval.

Private Investment: The \$18 million of anticipated private investment in the project fails to meet the Sunny Day statute five-to-one private investment requirement provision. The project could on the one hand be interpreted as an extraordinary economic development opportunity under Section 7-314(a)(6)(ii) of statute concerning the retention or expansion of an existing public institution. Such a project would not require the recipient to invest in capital at a level of five times the value of the incentive offered. Thus, while the \$18 million of anticipated private investment in the project would fail to meet a five-to-one private investment requirement the statute may not require such an investment if the project is construed to be provided in support of an existing public institution. DLS notes, however, that while the funds will be provided directly to UMCP they are intended to support a proportionate interest in a newly established 503(c)(1) corporation and could therefore reasonably be interpreted as an extraordinary economic development opportunity under Section 7-314(a)(6)(i) as an extraordinary economic development opportunity designed to attract new private sector enterprises to the State. If interpreted as such, the provision requiring a five-to-one level of private investment would apply to the proposed project. In either case, DLS believes the level of investment for this project is substantial and the benefits to the State generated by the facility are also expected to be significant. **Accordingly, DLS advises that the five-to-one investment requirement be waived should the statute be interpreted to require such a level of private investment.**

Economic Impact Analysis

A summary of the economic impact of the proposed project is detailed below. DBED projects that the research park will create 8,000 new jobs once the research park reaches full capacity. The benchmark for full capacity is set at 15 years with a tenant absorption rate of 100,000 square feet of leased space annually. Based on these assumptions, the annual development of the Research Park could produce approximately 533 new jobs annually through year 15 of operations. The average annual salary is expected to be approximately \$56,000, which exceeds the benchmark used to evaluate Sunny Day projects (150 percent of the federal minimum wage which is \$7.73 per hour). The analysis assumes that 80 percent of the jobs created will be executive and professional positions earning average salaries ranging from \$50,000 to \$100,000.

DBED's economic impact analysis also estimates the annual State retail and State personal income tax generated by the park's activities at \$15.1 million once the park reaches full capacity. Based on a pro-rated estimate of the annual direct State income and sales tax revenues for the project utilizing the 15-year expansion benchmark, the State could expect to recoup the initial \$5 million Sunny Day investment in approximately 2.7 years.

Summary of Economic Impact for Maryland Residents

Total Jobs Retained:	0
Total Jobs Created:	8,000
Direct State Income and Sales Tax:	\$15.1 million
Direct Local Income Tax:	\$7.7 million
Time to Recoup Sunny Day Funds:	2.7 years

Note: These figures are based on annual operations at full capacity.

Conclusion and Recommendation – Approve with Conditions

DLS believes that the proposed Sunny Day investment represents a significant and extraordinary economic development opportunity for the State and meets the established criteria for use of Sunny Day funds. The project is expected to create a significant number of new jobs and encourage a substantial amount of private investment in the park over the next 15 years. Accordingly, we recommend approval of the Sunny Day fund investment to assist UMCP in the development of the proposed technology research center. Approval, however, should be conditioned on the following:

- DBED and UMCP should be required to provide the LPC with a written summary and explanation of the final terms and conditions negotiated between the investment partners once completed. The committee should have 45 days to review and comment on the information provided.
- DBED should be required to submit an official modification request to the LPC for its consideration should the department and/or UMCP seek to invoke the forgiveness provision outlined above.

University of Maryland, Baltimore (Baltimore City)

Sunny Day Funds	\$4,000,000	Recommendation:	Approve with Conditions
Type of Assistance	Investment	<p>Conditions: The terms and conditions of this project have not been finalized. The university has yet to begin negotiations with the private developer selected from the pool of applicants that responded to the University Request for Proposal. The final agreement is likely to include the following conditions:</p> <ul style="list-style-type: none"> ▪ semi-annual reporting requirement; ▪ university control over types of entities occupying the facility to ensure research collaboration; and ▪ investment will be made as “patient capital.” Typically, this kind of equity interest does not receive investment returns until after other cash flows needs are met. The department indicates in its letter to the LPC that the Sunny Day investment would be recouped through negotiated flexible additional rent payments and royalty agreements. 	
Current Employment	0		
Projected Employment	360		
Other Direct Public Investment	\$4,400,000	Date of LPC Meeting:	June 17, 2003
Direct Company Investment	Between \$20 to \$30 million	Does not meet 5-to-1 Investment Criteria, however, statute does not require a 5-to-1 private investment	
Total Project Cost	Approximately \$30 million	Smart Growth Area:	Yes
Time to Recoup Sunny Day Funds	5.1 years	Annual State Income and Sales Tax Revenue	\$530,700 – based on full capacity in 2006

Proposed Use of Sunny Day Funds

The Department of Business and Economic Development (DBED) is requesting the transfer of \$4 million from the Economic Development Opportunities Program (Sunny Day) Fund to assist the University of Maryland at Baltimore (UMB) with the development of a health sciences biomedical research park adjacent to and affiliated with UMB.

In partnership with DBED and an as yet to be selected private developer, UMB intends to establish a research park dedicated to biomedical and health science research. By providing laboratory, incubator, and office space, UMB expects the research park to assist companies in collaborating with and marketing to the federal and private health sciences institutions located in the State and the mid-Atlantic region. In addition, the park will help the State establish a critical mass of lab and research facilities needed to attract life science and biotechnology companies from other parts of the region, facilitate the commercialization of products derived from the research endeavors engaged at the research park, and connect companies with UMB research expertise and services. Construction would begin in late 2003 and the space is anticipated to be fully leased by 2006.

Project Scope

Development of the research park will be market driven and thus there is no pre-conceived time-table for the park's overall future development. The portion of the project to be completed in connection with the Sunny Day fund request is referred to as "phase I;" it consists of the acquisition of 4.6 acres of land and the construction of a multi-level building of approximately 120,000 square feet of wet lab, incubator, and office space. Total expenditures for phase I are expected to be \$30 million. The site selected for the entire project is a vacant and undeveloped eight-acre site within the Poppleton neighborhood adjacent to UMB. Baltimore City is currently negotiating a land disposition agreement with favorable terms to UMB for 4.6 acres of land upon which "building one" will be constructed. An additional 3.4 acres of land have been identified for future acquisition and development. DBED and UMB anticipate that phase I development will create approximately 360 new jobs in Baltimore City. When fully complete, the facility will include eight buildings, contain 750,000 square feet of lab and office space, create 3,000 new jobs, and generate approximately \$200 to \$240 million of private development funds. This represents a substantial employment opportunity for the city and an area of the city considered as distressed. In addition, the project will serve as a facilitator of future community development and revitalization to the Poppleton neighborhood.

Corporate Structure – Anticipated Use

UMB will serve as the anchor tenant in "building one" and lease one-half or 60,000 square feet of space. The university is currently negotiating the rental rate with the prospective development teams and expects to pay approximately \$15 per square foot. UMB, through its supporting nonprofit corporate entity, intends to sublease the space as follows:

- 20,000 square foot incubator for start-up biomedical companies

- 20,000 square foot Industry Collaboration Center for researchers of established biomedical companies and UMB faculty engaged in collaborative research
- 20,000 square foot UMB Transitional Research Center for UMB researchers in the process of commercializing new technologies into the market place

With the approval of the Board of Regents of the University System of Maryland, UMB established a 501(c)(3) nonprofit corporation in April 2003 for the purpose of developing the research park. This corporate entity will own the land, prepare the infrastructure, set design criteria, market the park to prospective tenants, and manage the day-to-day operations of the park. Essentially, the corporation would control overall development through ground leases to private sector developers that in turn would finance, construct, and manage individual research facilities that meet their specific requirements. The formation of a 501(c)(3) separate from UMB will provide a means of university control and influence over the parks development and operations and shield the university from direct financial risk associated with such a large project. This corporate structure will further enable UMB to significantly control tenant occupancy, thereby ensuring collaboration with the university research.

Proposed State, Local, and Private Source Funding

Exhibit 1 shows the total funding by source for phase I of the project.

Exhibit 1
Proposed State, Local, and Private Funding Sources

<u>Fund Source</u>	<u>Assistance</u>	<u>Amount</u>
Sunny Day	Investment	\$ 4,000,000
Maryland Technology Development Corporation	Grant	1,000,000
Empower Baltimore Management Corporation	Loan	3,000,000
Economic Development Administration	Grant	2,000,000
Baltimore City – value of land owned by the city to be transferred to UMB	Grant	1,400,000
Private developer	Investment	18,600,000
Total		\$30,000,000

The intended use and status of each of the proposed funding sources is provided below:

- ***Sunny Day funds:*** DBED intends to use the \$4 million of Sunny Day funds as an investment in the project with UMB. UMB will in turn negotiate on behalf of DBED for a proportionate interest in the project. The funds will be used by UMB to attract private sector life sciences and technology based businesses to the park. Specifically, the funds will be used to fund the cost of tenant improvements to suit the individualized needs of prospective tenants. This presents the State with an opportunity to assist numerous businesses and collaborative research efforts and promotes the commercialization of the ideas and inventions emerging from such research. In addition, such a research park enhances and provides a venue for the collaboration between federal labs, university researchers and faculty, and private sector researchers. DBED intends for the Sunny Day funds to be recouped by UMB through negotiated lease arrangements or in the case of start-up companies through royalty agreements. **Since the Sunny Day funds are intended to be used to make tenant improvements in “building one” only, and at some point in the future other buildings will be constructed at the research park in connection with the overall development plan, DBED should be prepared to advise the committee concerning whether additional Sunny Day funds will be sought at a later date to make similar tenant improvements in buildings two through eight. Furthermore, in as much as construction of “building one” is not scheduled to be completed until December 2004 and the tenant improvements for which the Sunny Day funds will be applied are unlikely to be made until sometime after construction is completed, DLS recommends as a condition of the committee’s approval that the disbursement of the Sunny Day funds be delayed until such time that DBED provides DLS with a list of the anticipated “building one” tenants and the estimated tenant improvement costs for the prospective leases sufficient to demonstrate adequate occupancy of the building and sufficient need for the investment of Sunny Day funds. DBED should include in its investment agreement with UMB a provision that would allow DBED to disburse the funds incrementally based on identifiable need reflected in tenant occupancy rates for the non-UMB occupied portion of “building one.” Incremental disbursement will still enable UMB to market that availability of Sunny Day funded tenant improvements to prospective tenants.**
- ***Maryland Technology Development Corporation (TEDCO):*** Through its Incubator Facilities Program, TEDCO is providing \$1 million towards the construction of an incubator in “building one”. The incubator is part of the space that will be occupied by UMB.
- ***Empower Baltimore Management Corporation:*** UMB is seeking \$3 million in capital financing to assist in purchasing lab equipment to outfit the incubator and industry

collaboration center. Although the incubator and industry collaboration center will be part of the space occupied by UMB, the equipment will be available to other tenants in the building. The funding terms of the loan, which would be made to the nonprofit corporate entity created to establish the investment partnership, have not been fully negotiated. However, UMB reports that the following terms are likely: \$3 million loan at a rate of interest of 3 percent for a term of 20 years. No payments would be made in years one and two and interest only payments in year three.

- ***Economic Development Administration:*** UMB is pursuing a \$2 million grant from the federal Economic Development Administration (EDA) for infrastructure improvements on the site. The EDA has provided funding for incubators in other research parks around the nation.
- ***Baltimore City:*** The city is negotiating a land disposition agreement with UMB for 4.6 acres of land that will encompass part of the overall project. The city's Board of Estimates is expected to approve the sale of the land to UMB at its July 31, 2003 hearing. After which, the contract will be brought before the Board of Public Works for approval. DBED's letter to the Legislative Policy Committee (LPC) indicates that the financial contribution being attributed to the land is \$1.4 million. However, the terms of the land agreement including purchase price and considerations have not been finalized.
- ***Private Sector Investment:*** UMB issued a Request for Proposal (RFP) for the development of the research park. UMB is currently in the process of selecting a private developer for the two responses to the RFP received. UMB expects to select and begin exclusive negotiations with the preferred developer in early June 2003. The private developer selected will be expected to contribute roughly \$18 million to the project, in return, for a proportionate investment in the future revenue stream expected to be generated by the project.

Several of the funding components of the project remain unresolved. In addition, the project may also result in eligible Enterprise Zone and Job Creation tax credits from the State in an undetermined amount. Therefore, **DLS recommends that DBED and UMB be prepared to update the committee concerning the status of project's funding sources and incentives.**

Performance Requirements and Private Investment Issues

Performance Requirements: The Sunny Day statute – State Finance and Procurement Article Section 7-314 – includes in the definition of an extraordinary economic development opportunity a project that assists in the retention or expansion of an existing public institution that is “consistent with the strategic plan of the State for economic development; and creates or

retains substantial employment, particularly in areas of high unemployment.” Furthermore, Section 7-314(h) specifically requires the establishment of performance requirements that utilize claw-back provisions when utilizing Sunny Day funds in connection with an extraordinary economic development opportunity. The statute defines performance requirements to include claw-back, penalty, rescission, and recalibration clauses that utilize job creation, capital investment, and other measures of economic development. However, the statute creates some ambiguity concerning the proposed project by further defining a performance requirement to mean a contractual agreement that requires the fund recipient to meet minimum economic development outcomes in exchange for a grant or loan. Since the proposed project entails the use of the funds as an investment rather than as a grant or loan it appears that the requirement to utilize performance criteria and claw-back provisions does not apply.

DLS has been advised that DBED will require the following conditions of UMB:

- **Reporting requirement:** UMB will be required to provide semi-annual reports detailing among other economic and financial data the parks development progress, tenant occupancy, job creation, capital investment, and general overall performance.
- **Specified use clause:** DBED will negotiate a clause that would require UMB to repay the Sunny Day funds should the research park not be used as negotiated in forthcoming agreements between the parties. In general, UMB intends to exert control over the types of tenants occupying the facility to ensure a level of research collaboration with the university. However, since negotiations with the selected private developer have yet to be initiated the details of such a provision are not final. **DLS advises that UMB and DBED representatives be prepared to further elaborate and discuss how such a clause might be applied to the proposed project.**
- **Patient capital:** DBED advises that the investment will be made as “patient capital” and thus long term in nature. Typically, this kind of equity interest does not receive investment returns until after other cash flows needs are met. The department indicates in its letter to the LPC that the Sunny Day investment would be recouped through negotiated flexible additional rent payments and royalty agreements. Flexible rent payments are most likely to involve a negotiated proportionate interest in revenue stream only after costs such as debt service is paid. Investments that derive royalty payments from successful start-up companies are also long term and speculative in nature. It is likely, therefore, that the initial Sunny Day investment will not begin to receive a share of the projects net annual revenue stream for many years. However, measured in terms of the anticipated job creation and financial impact, the project represents a significant economic development opportunity. Furthermore, the project will enable the State to take advantage of, cultivate, and grow the substantial amount of State, federal, and private research that is funded and conducted in the State.

It is difficult to fully evaluate the State's interest in the project, including the financial implications, because many of the terms and conditions of the investment partnership agreements have yet to be fully negotiated and finalized between the State, Baltimore City, UMB, the nonprofit corporate entity, and the private developer. Specifically, the following agreements are currently pending: (1) Land Disposition Agreement between Baltimore City and UMB; (2) ground lease between UMB and the nonprofit corporate entity; (3) ground sub-lease between the nonprofit corporate entity and the private developer; and (4) the office lease between UMB and the private developer. UMB advises that it anticipates that these agreements will be finalized and all outstanding issues resolved by the end of July 2003 and brought to the Board of Public Works by September 2003. However, in as much as the terms and conditions of the State's and the university's interest in the investment partnership are not fully resolved, **DLS recommends that DBED be required to provide the LPC with a written summary and explanation of the final terms and conditions negotiated between the investment partners once completed. The LPC should have 45 days to review and comment on the information provided. DLS further recommends that DBED and UMB be prepared to update the LPC as to the status of each and any outstanding agreements and contracts required in connection with the project at the LPC meeting.**

Private Investment: The \$18.6 million of anticipated private investment in the project falls short of meeting the Sunny Day statute five-to-one private investment requirement provision. A private capital investment of \$20 million would be required based on the proposed \$4 million of Sunny Day funds. The project could, however, be interpreted as an extraordinary economic development opportunity under Section 7-314(a)(6)(ii) of statute concerning the retention or expansion of an existing public institution. Such a project would not require the recipient to invest in capital at a level of five times the value of the incentive offered. Thus, while the \$18.6 million of anticipated private investment in the project would fail to meet a five-to-one private investment requirement the statute may not require such an investment if the project is construed to be provided in support of an existing public institution. DLS notes, however, that while the funds will be provided directly to UMB they are intended to support a proportionate interest in a newly established 503(c)(1) corporation and could, therefore, reasonably be interpreted as an extraordinary economic development opportunity under Section 7-314(a)(6)(i) as an extraordinary economic development opportunity designed to attract new private sector enterprise to the State. If interpreted as such, the provision requiring a five-to-one level of private investment would apply to the proposed project. In either case, DLS believes the level of investment for this project is substantial and the benefits to the State generated by the facility are also expected to be significant. **Accordingly, DLS advises that the five-to-one investment requirement be waived should the statute be interpreted to require such a level of private investment.**

Economic Impact Analysis

A summary of the economic impact for phase I of the proposed project is detailed below. DBED projects that the phase I development will create 360 new jobs once the research park reaches full capacity in 2006. The average annual salary is expected to be approximately \$37,000, which exceeds the benchmark used to evaluate Sunny Day projects (150 percent of the federal minimum wage which is \$7.73 per hour). The economic impact analysis also estimates the annual State retail and State personal income tax generated by phase I development at \$537,700 once phase I development is fully occupied. Based on a pro-rated estimate of the annual direct State income and sales tax revenues for the State could expect to recoup the initial \$4 million Sunny Day investment in approximately 5.1 years. The State's investment could be recouped more rapidly depending upon the timing of future additional development of the research park. In addition, phase I will serve to facilitate future development of the park which is expected to generate 3,000 new jobs when fully completed.

Summary of Economic Impact for Maryland Residents

Total Jobs Retained:	0
Total Jobs Created:	360
Direct State Income and Sales Tax:	\$530,700
Direct Local Income Tax:	\$251,000
Time to Recoup Sunny Day Funds:	5.1 years

Note: These figures are based on annual operations at full capacity in 2006.

Conclusion and Recommendation – Approve with Conditions

DLS believes that the proposed Sunny Day investment represents a significant and extraordinary economic development opportunity for the State and meets the established criteria for use of Sunny Day funds. The project is expected to create a significant number of new jobs and encourage a substantial amount of private investment in the park. Accordingly, DLS recommends approval of the Sunny Day fund investment to assist UMB in the development of the proposed technology research center.

Approval should, however, be conditioned on the following:

- **DBED and UMB providing the LPC with a written summary and explanation of the final terms and conditions negotiated between the investment partners once completed. The LPC should have 45 days to review and comment on the information provided.**
- **Disbursement of the Sunny Day funds should be delayed until such time that DBED provides DLS with a list of the anticipated “building one” tenants and the estimated tenant improvement costs for the prospective leases sufficient to demonstrate adequate occupancy of the building and sufficient need for the investment of Sunny Day funds. DBED should include in its investment agreement with UMB a provision that would allow DBED to disburse the funds incrementally based on identifiable need reflected in tenant occupancy rates for the non-UMB occupied portion of “building one.”**

University of Maryland College Park (Prince George's County)

Sunny Day Funds	\$775,000	Recommendation: Disapprove	
Type of Assistance	grant	Conditions: None applicable	
Current Employment	1		
Projected Employment	0		
Other Direct Public Investment	\$0	Date of LPC Meeting:	June 17, 2003
Direct Company Investment	\$0	Does Not Meet 5 to 1 Investment Criteria	
Total Project Cost	\$775,000	Smart Growth Area:	yes
Time to Recoup Sunny Day Funds	N/A	Annual State Tax Revenue	Unknown

Proposed Use of Sunny Day Funds

The Department of Business and Economic Development (DBED) is requesting a grant for \$775,000 to provide new equipment for the Bioprocess Scale-up Facility (BSF) at the University of Maryland in College Park. BSF is a laboratory under the Maryland Technology Enterprise Institute that assists companies seeking to develop or “scale up” products for the commercial market. Services provided by BSF to the private sector and the federal government include fermentation, cell culture, purification, and product analysis.

Most of the requested Sunny Day funds will be used to buy equipment to enhance the laboratory’s capabilities so that it can expand its purification and separation capacity (also known as downstream processing). Several BSF clients now contract with private companies or build their own facilities because BSF cannot complete the development process. The remaining funds will purchase equipment such as a revised sprinkler system and a chemical fume hood to improve safety.

Bioprocess Scale-up Facility

Constructed in 1985, BSF is one of a few state university facilities in the United States that supports test tube research and is the only facility in Maryland that offers scale-up processes for small companies. Since 1998, BSF has conducted almost 700 fermentations for clients that include Synergy, the National Institutes of Health, and MedImmune; it has participated in projects such as development of Lyme disease vaccines and biotechnology education kits.

BSF assists companies and public organizations with the beginning stages of bioprocessing to determine whether a product is viable and charges a cost recovery fee based on a sliding scale. It also links companies with statewide resources for manufacturing; projects developed at BSF can be transferred directly to production scale at the privately run BioCenter in Baltimore. Since its inception, it has participated in approximately 600 projects with private, State, and federal partners and has served 37 Maryland firms. BSF also provides workforce training for biotechnology companies.

The facility, which operates in cooperation with the chemical engineering department, has one full-time project manager and hires graduate students to conduct the analyses. Departmental faculty also offer expertise for complex bioprocessing projects. The University of Maryland built BSF at a cost of \$500,000 and later spent \$908,000 on improvements.

Performance Requirement

DBED is not proposing any performance requirements for this project. The Department of Legislative Services (DLS) notes that the facility employs students to provide the fermentation services, rather than full-time employees. BSF cannot predict or control the number of jobs that may be created by the private sector as a result of a successful product.

Private Investment

No private investment will be provided for this project. The statute that authorizes the Sunny Day program only requires a five-to-one private capital investment ratio if the recipient is a private sector enterprise.

Other Public Support

No other public support is pledged for this project. DBED advises that the university's request is not eligible for funds from other programs such as the Maryland Economic Development Assistance Authority Fund.

Economic Impact Analysis

BSF estimates that the number of projects generated by the additional processing equipment would increase by approximately 25 percent. The facility currently handles 300 projects annually. Several clients, such as the U.S. Army and Ventenna Medical, now contract with in- and out-of-state companies for downstream processing; they are expected to contract

with BSF to conduct all stages of processing if BSF had the capability. Some potential clients, such as the Walter Reed Medical Center, delayed projects to construct their own purification facility.

The potential increase in employment or State tax revenue as a result of these additional projects cannot be accurately predicted. According to BSF, many of its clients have retained or expanded employment through successful production that began at BSF. For example, Paragon Bioservices in Baltimore began as a three-person firm in 1996 – BSF assisted Paragon develop their own production work for cancer research and the firm now has 21 employees.

Conclusion and Recommendation

DLS does not recommend that this request be approved. The grant request for BSF does not fit into the standard parameters of a Sunny Day project as it contains no performance requirements for job creation or retention and does not offer any private investment. (As stated earlier, the statute that authorizes Sunny Day funds does not hold public institutions to the five-to-one investment ratio requirement.) Accordingly, the grant funds would not be subject to any clawback provisions for failure to meet any requirements.

The statute defines an extraordinary opportunity for retention or expansion of an existing public or private institution as one that is consistent with the strategic plan of the State for economic development and creates or retains substantial employment, particularly in areas of high unemployment. While the project is consistent with the strategic development plan and will likely generate additional employment in Maryland, the employment increase is not substantial. The Legislative Policy Committee (LPC) may approve an opportunity that is not extraordinary if the executive agency offers a detailed justification for the exception.

DLS recognizes the unique qualities of this facility and its strong contributions to the biotech community, particularly its ability to serve smaller companies that would otherwise find it difficult to develop their own products. It also acknowledges BSF's role in helping to create employment and enhancing the State's attractiveness to out-of-state businesses. The requested equipment would allow BSF to provide a service that only one other state university (Colorado State University) offers at the industrial commercial level.

DLS is concerned, however, that due to the lack of any direct job creation or retention or private investment, the request does not meet the intent of the Sunny Day program. In addition, it would be difficult or impossible to attach any enforceable performance requirement on this grant or to estimate the economic impact of this purchase on Maryland. The request also raises the prospect of setting a precedent of using Sunny Day funds for public projects that would otherwise be supported through the appropriations process or other sources.

While Sunny Day funds can be loaned or granted when existing State programs lack sufficient resources, the project must still meet the criteria for an extraordinary development opportunity.

The LPC may wish to request the university to explore BSF's ability to obtain the funds from recover the requested funds through loans, increased fees, or federal grants. DLS observes that BSF charges its clients a below-market fee for its service. DLS also notes that the Colorado Bioprocessing Center's state funding was eliminated in 2002. The center, which is progressing toward complete self sufficiency, has traditionally relied on revenues for about 50 percent of its lab costs and now expects to use local, federal, or nonprofit grant funds, in addition to client fees, for major purchases.