



Summary Reports of Committees To the Legislative Policy Committee

2024 Interim Report

Annapolis, Maryland
January 2025

**Summary Reports of Committees
To the Legislative Policy Committee**

**Annapolis, Maryland
January 2025**

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General Assembly of Maryland

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MARYLAND GENERAL ASSEMBLY
LEGISLATIVE POLICY COMMITTEE

January 2025

Members of the Legislative Policy Committee
Members of the Maryland General Assembly

Members:


Pursuant to Section 2-409(b) of the State Government Article, attached for your review and information is a compilation of the 2024 interim activities and recommendations of the standing, joint statutory, and special joint committees of the General Assembly.

For further information or copies of this summary report or individual committee reports, please email the staff for the Legislative Policy Committee, Ryane Necessary ryane.necessary@mlis.state.md.us or Dana Tagalicod dana.tagalicod@mlis.state.md.us.

We wish to thank the committee chairs and the staff from the Department of Legislative Services for their time, effort, and contributions to the work of the committees during the 2024 interim.

Sincerely,


William C. Ferguson IV
Co-Chair


Adrienne A. Jones
Co-Chair

WCF:AAJ/RMN:DKT/mpd

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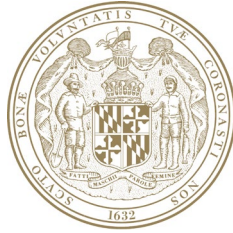
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Standing Committees

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Vice Chair



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Paul D. Corderman
Sarah Elfreth
Shelly Hettleman
Michael A. Jackson
J. B. Jennings
Nancy J. King
Cory McCray
Johnny Ray Salling
Craig Zucker

THE SENATE OF MARYLAND Budget and Taxation Committee

December 12, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The Senate Budget and Taxation Committee is pleased to present the report of its 2024 interim activities. The committee members were active in numerous commissions, committees, and studies. In addition, one site visit was conducted. The subcommittees did not meet.

Full Committee Activities

On November 1, the committee had a site visit to Cecil County, Maryland. The committee visited Winbak Farm, the Fair Hill training center and racetrack, York Building Products, and the Donaldson Brown Center.

On November 12, the committee attended a joint fiscal briefing with the Spending Affordability Committee and the House Appropriations and Ways and Means Committees, during which the committees were briefed on the revenue and spending projections for the current and upcoming fiscal years.

I would like to thank the committee members for their continued dedication, representatives of the public and private organizations who kept us informed and expressed their views, as well as our committee counsel and staff for their support.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Guy Guzzone".

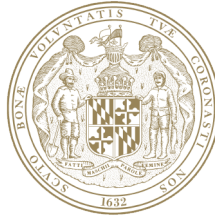
Guy Guzzone
Chair

GG/DB/cgs

cc: Sally Robb
Jody Sprinkle
Matthew Jackson
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Ryan Bishop

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CHAIR

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THE SENATE OF MARYLAND
EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE

December 11, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The Senate Committee on Education, Energy, and the Environment is pleased to report on its interim activities. During the 2024 interim, the committee participated in three days of site visits to multiple locations relevant to the committee's work.

September 26: Morgan State University and Boordy Vineyards

On September 26, the committee visited Morgan State University to tour their National Center for Equitable AI and Machine Learning Systems (CEAMLS). This multidisciplinary center conducts theoretical and applied socially responsible AI research aimed at solving complex real world problems while creating trustworthy intelligent systems and addresses algorithmic bias in AI research to educate the public on the possible disproportionate impact on the areas of health, prosperity, and happiness. The committee discussed external funding partnerships and existing collaborations. Students enrolled in the center briefed the committee on their current projects, including an AI curriculum used in Baltimore City public schools, climate and environmental sustainability, cognitive neurodiversity, and public safety.

Following the visit to CEAMLS, the committee traveled to Boordy Vineyards in Baltimore County. There, the committee toured the vineyard's winery, barrel cellar, and tasting room, and learned about the wine making process. Representatives from the vineyard and from the Maryland Department of Agriculture discussed efforts by Maryland winemakers to adapt to the State's changing climate, combat invasive species like the spotted lantern fly, and develop a market for Maryland wines – particularly through agritourism.

October 23: Calvert Cliffs Nuclear Power Plant and Cove Point Terminal

On October 23, the committee traveled to Lusby to visit the Calvert Cliffs Nuclear Power Plant owned by Constellation, which supplies over 40% of Maryland's electricity. Constellation officials briefed the committee on a range of topics, including the role of nuclear energy in both energy supply and economic development in the State, carbon-free investments that Constellation has initiated, and the potential for co-location of large energy users at or near Calvert Cliffs.

The committee then visited the Cove Point Liquefied Natural Gas (LNG) terminal, which exports natural gas produced in the United States and Canada to countries overseas. There, the committee toured the plant and saw the facility's operations and processing of LNG into transport cylinders for shipping. The facility, which was retrofitted from importing to exporting LNG in 2018, provides critical energy resources for many countries, including European nations that had relied on gas exports from Russia before the invasion of Ukraine.

November 18: University of Maryland College Park and Montgomery County Recycling Center

On November 18, the committee traveled to the University of Maryland, College Park to tour several campus facilities related to entrepreneurship. The committee visited the ION Storage Systems facilities; a Maryland-based startup company producing solid-state batteries for use in electric vehicles, defense and aerospace sectors, medical, consumer electronics, and grid storage sectors. Next, the committee toured the IDEA Factory, the student-led entrepreneurial hub to discuss the resources available for student entrepreneurs on campus. This tour included an overview of student projects in the robotics lab. Finally, the committee was briefed by the university President and Provost regarding the impacts on student demographic diversity due to the U.S. Supreme Court's decision ending affirmative action in the higher education admissions process. The visit concluded with an overview of the mission and purpose of the Artificial Intelligence Interdisciplinary Institute at Maryland.

From College Park, the committee continued on to the Montgomery County Recycling Center. There, the committee toured the county's transfer station, where materials such as electronics, books, clothing, mattresses, and scrap metal are accepted for proper disposal and recycling. The committee also toured the county's materials recycling facility, where mixed recyclables collected through curbside recycling programs are inspected, sorted, and baled for sale as raw materials. The visit concluded with a presentation from the Maryland Department of the Environment providing an overview of recycling in Maryland and a preview of the forthcoming statewide recycling needs assessment.

December 11, 2024

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The committee greatly appreciates the assistance of the many private citizens, public officials, and legislative staff who participated in the activities of the committee during the 2024 interim. We look forward to continuing our work on these and other important topics during the upcoming legislative session.

Sincerely,

A handwritten signature in black ink, reading "Brian J. Feldman". The signature is written in a cursive style with a large, sweeping flourish at the end.

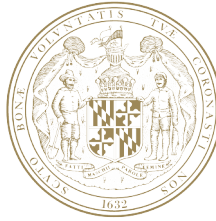
Brian J. Feldman
Chair

BF/AMM/cgs

cc: Sally Robb
Matthew Jackson
Victoria Gruber
Ryan Bishop

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CHAIR

KATHERINE KLAUSMEIER
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BENJAMIN F. KRAMER
CLARENCE K. LAM
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ALONZO T. WASHINGTON

THE SENATE OF MARYLAND FINANCE COMMITTEE

December 11, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The Senate Finance Committee respectfully submits its report summarizing the committee's activities during the 2024 interim. Committee members participated in three site visits and one full committee briefing during the 2024 interim.

Site Visit to the Key Bridge

On May 7, members of the Senate Finance Committee, along with members of the Transportation and Environment Subcommittee of the House Appropriations Committee, visited the Key Bridge site in Baltimore. After assembling at the Maryland Cruise Terminal, committee members received a briefing from the response coordinators and reviewed charts of the wreckage. Following a safety briefing, members boarded a boat with representatives of the U.S. Coast Guard, the Maryland Department of Transportation, and the Maryland Department of the Environment. Committee members received additional information about the ship impact, the bridge collapse, and recovery efforts while viewing the bridge site.

Site Visit to TEDCO

On August 29, the committee visited the Maryland Technology Development Corporation (TEDCO) at its offices in Columbia. Staff from TEDCO provided a brief history and overview of its operations. TEDCO also presented details on all of its special funds and related programs including the Maryland Stem Cell Research Fund, the Maryland Innovation Initiative Fund, Small Business Innovation Research and Technology Transfer Incentive Matching Grant and Technical Assistance Programs, the Venture Fund, the Maryland Equity Investment Fund, the Pre-Seed Rural Business Innovation Initiative Fund, the Maryland Makerspace Initiative Program, the Institute for Women Entrepreneur Excellence, the Equitech Growth Fund, the Cyber Maryland Program and Fund, the Human Relevant Research Fund, the Pava LaPere Innovation Acceleration Grant Program, the Baltimore Innovation Initiative Pilot Program, and other social impact funds and seed funds. In addition, committee members had the opportunity to tour the TEDCO office space and have informal conversations with TEDCO staff regarding the presentation.

Site Visit to the Alcohol, Tobacco, and Cannabis Commission

On September 12, the committee visited the Alcohol, Tobacco, and Cannabis Commission (ATCC). Staff from ATCC provided an overview of its licensing and enforcement activities related to alcoholic beverages and tobacco in the State. The staff also detailed its enforcement role related to illicit cannabis including the unlicensed sale or distribution of cannabis and the sale of cannabis to underage individuals. The presentation closed with an overview of highlights and initiatives during fiscal years 2024 and 2025. Following the ATCC presentation, the committee received a tour of the new ATCC offices located in Baltimore, including its secure storage area for storing seized contraband.

Briefing on Property and Casualty Insurance

On November 12, the Maryland Insurance Administration (MIA) and its newly appointed Acting Insurance Commissioner, Marie Grant, briefed the committee on emerging trends in property and casualty insurance. During the presentation, the committee received an overview of MIA (including an overview of ratemaking and insurance terminology), details on private passenger automobile insurance (including recent market data, factors that impact insurance premium rates, and the impact of wild animal collisions on insurance premium rates), and details on homeowners insurance trends (including market data, a market hardening survey, and the decreasing availability of coverage for mobile and manufactured homes – particularly in Worcester County). The briefing concluded with committee members having the opportunity to ask questions and MIA providing consumer resources that the committee members may share with constituents.

The committee expresses its appreciation for the advice and assistance provided by governmental officials, State agency staff, and members of the public during the 2024 interim. The committee looks forward to the same spirit of cooperation and assistance during the forthcoming 2025 session.

Respectfully submitted,



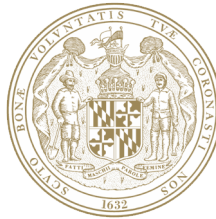
Pamela Beidle, Chair

PB/AG/cgs

cc: Sally Robb
Matthew Jackson
Victoria L. Gruber
Ryan Bishop

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CHAIR

JEFF WALDSTREICHER
VICE CHAIR



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MIKE MCKAY
C. ANTHONY MUSE
CHARLES E. SYDNOR III, ESQ.
CHRISTOPHER WEST

THE SENATE OF MARYLAND
JUDICIAL PROCEEDINGS COMMITTEE

December 11, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

Last spring, I indicated that the Judicial Proceedings Committee had no immediate plans to meet during the 2024 interim. I am writing now to report that, while the full committee did not meet, several members of the committee participated in a joint hearing on October 24 with members of the Senate Budget and Taxation Committee and the House Judiciary and Appropriations committees regarding the Division of Parole and Probation within the Department of Public Safety and Correctional Services.

Specifically, the hearing focused on the Department's efforts in response to the murder of parole officer Davis Martinez on May 31. The hearing involved both Department leadership as well as union officials representing parole and probation officers. A follow-up hearing to further assess the Department's efforts is currently scheduled for December 19.

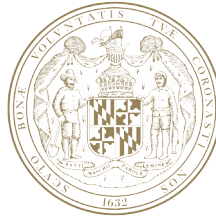
Sincerely,

A handwritten signature in black ink that reads "William C. Smith, Jr.".

William C. Smith, Jr.
Chair

WCS/jdl/jsp

cc: Sally Robb
Matthew Jackson
Victoria Gruber
Ryan Bishop



THE MARYLAND HOUSE OF DELEGATES APPROPRIATIONS COMMITTEE

December 11, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

I am pleased to provide the 2024 interim report for the House Appropriations Committee. The committee held two briefings, including one full committee meeting and one subcommittee meeting, and two site visits. A summary of the committee's activities is listed below.

Full Committee

On November 12, the committee held a fiscal briefing jointly with the Senate Budget and Taxation Committee, the House Ways and Means Committee, and the Spending Affordability Committee. The Department of Legislative Services (DLS) reported on the economic outlook, revenue estimates, general fund forecast, and the status of the reserve fund.

Health and Social Services Subcommittee

On December 17, the subcommittee met jointly with the House Health and Government Operations Committee for a briefing by the Maryland Department of Health regarding modifications to the self-directed care policies of the Developmental Disabilities Administration.

Public Safety and Administration Subcommittee

On September 11, the subcommittee visited the Charlotte Hall Veterans Home in St. Mary's County for a briefing by the Maryland Department of Veterans and Military Families. The subcommittee also toured the facility and met with residents, staff, and the facility's new healthcare contractor.

Transportation and Environment Subcommittee

On May 7, the subcommittee along with the Senate Finance Committee visited the Francis Scott Key Bridge in Baltimore, viewed the site via boat, and was briefed on the Key Bridge collapse, debris removal, and the upcoming rebuild project. The subcommittee also visited the Maryland Transportation Authority operations center facility.

December 11, 2024

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The committee extends its appreciation for the assistance and information provided by State and local officials, private citizens, and the staff of DLS during the 2024 interim.

Sincerely,



Ben Barnes
Chair

BSB/KW/mbb

cc: Matthew Jackson
Sally Robb
Victoria L. Gruber
Ryan Bishop

C. T. WILSON
CHAIR

BRIAN M. CROSBY
VICE CHAIR.



THE MARYLAND HOUSE OF DELEGATES
ECONOMIC MATTERS COMMITTEE

December 10, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

On behalf of the House Economic Matters Committee, I am submitting a summary report of our activities during the 2024 legislative interim.

When the 2024 regular session ended, the members of the Economic Matters Committee anticipated monitoring several issues within its subject matter jurisdiction. The committee met twice as a whole, and several members also participated in meetings or otherwise engaged regarding pertinent issues.

The committee met on September 24, 2024 for a site visit to PJM Interconnection, LLC in Audubon, Pennsylvania. There the committee met with PJM's senior leadership, received an energy briefing on energy matters within the State, and held a group discussion on topics like renewable energy generation, the Maryland Piedmont Reliability Project, and colocation of data centers. Following the discussion, the committee was given a tour of the PJM Control Room, a command center that directs and maintains the high-voltage electric grid that serves the PJM region.

The committee met again for a retreat in Cambridge, Maryland on October 16 and 17, 2024. During the retreat the committee had a site visit and received several briefings. The first day of the retreat, the committee visited SunMed Growers, a licensed cannabis grower and processor in Cecil County. The committee received a tour of the facility and was able to view SunMed's

growing, processing, and packaging facilities. The committee then received briefings from the Maryland Cannabis Commission and the Office of Social Equity. On the second day, the committee received briefings from the Department of Labor and the Maryland Insurance Administration. The Department of Labor updated committee members on developments regarding earned wage access, the Family and Medical Leave Insurance program, and Unemployment Insurance. The Maryland Insurance Administration gave an overview of the duties of the Administration, background information on topics such as ratemaking, property and casualty rate filing review standards, upcoming trends in property and casualty insurance, and rising automobile and homeowners' insurance premium rates.

In addition, committee members also participated in the Apprenticeship 2030 Commission, which examined methods to reduce skill shortages in high demand occupations and provide affordable training for career pathways for young people. Commission members visited locations in central Maryland and the Eastern Shore, as well as London and Zurich to learn about apprenticeships in other countries. On an individual basis, committee members pursued a variety of other matters, including issues related to artificial intelligence.

The Economic Matters Committee wishes to thank those agencies and individuals who contributed their time and talent during this 2024 interim to inform and advise the committee.

Respectfully submitted,



C.T. Wilson
Chair

CTW/RKS:TKH:EMW;DCB/jj

cc: Victoria L. Gruber
Ryan Bishop
Jeremy Baker
Sally Robb



THE MARYLAND HOUSE OF DELEGATES
ENVIRONMENT AND TRANSPORTATION COMMITTEE

December 13, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

On behalf of the House Environment and Transportation Committee, I am submitting this summary report of the committee's activities during the 2024 interim.

The full committee held virtual briefings on (1) Governor Wes Moore's executive order on implementing Maryland's Climate Pollution Reduction Plan; (2) the status of various activities of the Maryland Department of the Environment (MDE); and (3) recent claims filed by Maryland Attorney General Anthony G. Brown regarding the collapse of the Francis Scott Key Bridge. The committee also held a site visit to the Baltimore Region (Baltimore County and Baltimore City) and a two-day site visit to Southern Maryland (Calvert County and St. Mary's County). Lastly, many members worked diligently throughout the interim to assist the work of the committee by participating in several task forces and study commissions.

Virtual Briefings

Governor's Climate Change Executive Order

The Climate Solutions Now Act (Chapter 38 of 2022) made broad changes to the State's approach to reducing statewide greenhouse gas (GHG) emissions and addressing climate change. Among other things, the Act accelerated previous statewide GHG emissions reductions targets originally established under the Greenhouse Gas Emissions Reduction Act by requiring the State to develop plans, adopt regulations, and implement programs to (1) reduce GHG emissions by 60% from 2006 levels by 2031 and (2) achieve net-zero statewide GHG emissions by 2045. To implement Chapter 38, MDE published Maryland's Climate Pollution Reduction Plan in December 2023. Most recently, in June 2024, Governor Moore signed Executive Order 01.01.2024.19 to further advance Maryland's Climate Pollution Reduction Plan. The executive order sets forth an all-of-government approach to address climate change, including by requiring agency-specific climate implementation plans, new emissions standards, and the creation of the Governor's Subcabinet on Climate. On October 22, the committee held a briefing on the executive order, which was presented by the Governor's Chief Sustainability Officer, Meghan Conklin, the Secretary of the Environment, Serena C. McIlwain, and the Assistant Secretary of the Maryland Department of Transportation (MDOT), Joseph McAndrew.

Update on Environmental Initiatives

On October 22, Secretary McIlwain provided a status update on a number of MDE activities, including updates on activities relating to climate pollution reductions, Building Energy Performance Standards, Advanced Clean Trucks, Maryland Commission on Climate Change working groups, enhanced producer responsibility, paint stewardship, MDE's Pollution Early Detection System for wastewater treatment facilities, Study on Well and Septic Permitting, and the Workgroup on Mold Standards and Remediation.

Overview of Francis Scott Key Bridge Claims

On November 19, Attorney General Brown briefed the committee on the claims filed for negligence and environmental damages against the owners and operators of the cargo ship Dali for the collapse of the Francis Scott Key Bridge in March 2024. The presentation included a statement of the alleged damages, an estimated timeline for litigation, and the legal framework under which the case was filed.

Full Committee Site Visits

September

On September 17, the committee toured the Maryland Port Administration's (MPA) Seagirt and Dundalk Marine Terminals and visited MPA's Masonville Cove Environmental Education Center, where the committee was briefed by various modals of MDOT on issues including fallout from the collapse of the Francis Scott Key Bridge, transit, confined aquatic disposal of dredged material, and the updated consolidated transportation plan. The committee also toured the Baltimore Harbor with the Chesapeake Bay Foundation to learn more about oyster restoration efforts and fishery issues in and around the harbor.

November

On November 12 and 13, the committee visited several locations across Southern Maryland to conduct site visits.

- The committee toured Morgan State University's Patuxent Environmental & Aquatic Research Laboratory (also known as PEARL), which works to increase the understanding of coastal and environmental systems to ensure their proper management and protection. The committee received presentations on the current research efforts at the laboratory, which include monitoring plastic concentrations in coastal waters and conducting blue crab population surveys. The committee also learned about the educational opportunities that are provided for interns and graduate students.
- The committee visited the University of Maryland's Uncrewed Aircraft Systems Research and Operations Center (UROC). The committee received an overview of UROC operations and research, as well as an uncrewed aircraft systems demonstration.

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Page 3

- The committee visited Point Lookout State Park, where it was briefed by the Department of Natural Resources on the Park's history and operations, as well as on the Maryland State Park System in general. In addition, the Natural Resources Police provided a demonstration of its capabilities in performing its duties, which include maritime homeland security, maritime and rural search and rescue, and the enforcement of hunting, fishing, and boating laws. These capabilities included the use of aircraft, helicopters, and unmanned aerial vehicles (drones), K-9 units, and specialty diving apparatus and maritime vessels.

The committee wishes to thank the many private citizens and public officials who participated in the committee's activities during the 2024 interim; their time and talents are greatly appreciated.

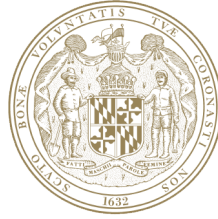
Respectfully submitted,



Marc Korman
Chair

MK/RN/TPT/CCF/BV/km

cc: Sally Robb
Matthew Jackson
Victoria L. Gruber
Ryan Bishop



THE MARYLAND HOUSE OF DELEGATES
HEALTH AND GOVERNMENT OPERATIONS COMMITTEE

December 19, 2024

The Honorable Bill Ferguson, Co-chair
The Honorable Adrienne A. Jones, Co-chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

This letter provides a summary of the 2024 interim work of the House Health and Government Operations Committee (HGO). The full committee met on two occasions for briefings and attended two site visits. On October 9, HGO held a virtual meeting with a briefing from the Maryland Insurance Administration to receive an introduction from the new Insurance Commissioner, be briefed on the approved 2025 Affordable Care Act premium rates, and receive updates on the Reinsurance Program and the Young Adult Health Insurance Subsidies Program. On October 23, the committee visited the Klein Family Center and University of Maryland Upper Chesapeake Health Aberdeen facility, and on November 12, the committee toured facilities at the University of Maryland, College Park. Finally, on December 17, HGO held a virtual briefing on the Developmental Disabilities Administration's self-directed services waiver programs.

HGO appreciates the advice and assistance of the private citizens and public officials who participated in the committee's activities during the 2024 interim. As Chair, I would also like to thank the committee members and staff for their time and effort.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseline A. Pena-Melnyk".

Joseline A. Pena-Melnyk
Chair

JAP/ERH:LAR:LJS/led

Enclosure

cc: Victoria L. Gruber
Ryan Bishop
Matthew Jackson

Sally Robb
Members, Health and Government
Operations Committee

House Health and Government Operations Committee

2024 Interim Report

Approved 2025 Individual and Small Group Rates

On October 9, the House Health and Government Operations Committee (HGO) was briefed by the Maryland Insurance Administration (MIA) on the individual non-medigap and small group markets approved health insurance premiums for calendar 2025. MIA told committee members that rates for individual market health plans will increase by an average of 6.2%. MIA noted that the individual rates in calendar 2025 are impacted by a new carrier, Wellpoint, entering the market with 10 plans offered statewide. Overall, premiums in the individual market remain 17% lower than they were in calendar 2018, thanks to the continued success of the State Reinsurance Program (SRP). MIA also told committee members that calendar 2025 rates for small group market health plans will increase by an average of 4.5% and approved individual American Care Act dental rates for calendar 2025 will increase by an average of 0.3%.

Maryland Health Benefit Exchange Updates

On October 9, HGO was updated by the Maryland Health Benefit Exchange (MHBE) on SRP and the Young Adult Health Insurance Subsidies Program. The success of both programs has led MHBE enrollment to an all-time high, with 217,000 individuals enrolled in health plans in calendar 2024. MHBE credits SRP with increasing enrollment in individual plans by 42% both on and off MHBE since calendar 2019. MHBE also noted that SRP has led to the fifth lowest monthly premiums in the country, at an average of \$475 per month (or \$112/month for federal tax credit eligible individuals). Additionally, the Young Adult Health Insurance Subsidies Program provides subsidies to over 57,000 young adults between the ages of 18 and 34. This number is expected to increase in future calendar years due to raising the eligible age of subsidy recipients to 37 years of age and the Medicaid unwind.

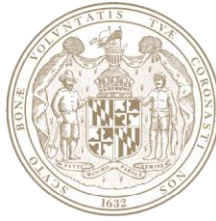
Site Visits to University of Maryland Upper Chesapeake Health Locations and University of Maryland, College Park

On October 23, members of HGO toured the Klein Family Center in Bel Air and University of Maryland Upper Chesapeake Health (UM UHC) Aberdeen facility, which included an overview of behavioral health programs at UM UHC, a question-and-answer session, and tours of both facilities.

On November 12, members of HGO toured the University of Maryland, College Park School of Public Health building, the E. A. Fernandez IDEA Factory, and the Thurgood Marshall School of Public Policy building.

Developmental Disabilities Administration – Self-Directed Services

On December 17, HGO and the House Appropriations Committee’s Health and Social Services subcommittee held a briefing on the Developmental Disabilities Administration’s (DDA) Self-Directed Services (SDS) waiver programs. On October 24, DDA published a policy manual on SDS related to required documentation, form updates, and requests for overtime staff. DDA stated the following: the policy changes contained in the manual did not result in fewer provided services; monthly training is being provided for coordinators of community services; and a waiver advisory council for stakeholder input concerning the policy changes has been established. Members of HGO also heard from two financial and counseling services providers on how they are assisting SDS participants in adhering to the policy manual. A Maryland support broker discussed the impact of the SDS policy updates on support brokers and employers, including issues related to wages. A representative of the Self-Directed Advocacy Network of Maryland stated that the policy changes were made without notice to stakeholders, and that the changes are counter to several provisions of the Self Direction Act of 2022. A participant in SDS with complex medical needs discussed issues with the SDS policy changes, particularly with hiring family as staff and difficulties when communicating with DDA. Finally, a family member of an SDS participant with complex medical needs discussed the civil rights of individuals with disabilities and their right to self-direction of services to enable them to live in the community.



THE MARYLAND HOUSE OF DELEGATES
JUDICIARY COMMITTEE

December 10, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The House Judiciary Committee respectfully submits this summary report of its activities during the 2024 interim.

The committee did not meet this interim.

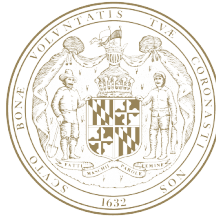
Sincerely,

A handwritten signature in cursive script that reads "Luke Clippinger".

Luke Clippinger
Chair

LHC/CER/jag

cc: Sally Robb
Jeremy Baker
Victoria L. Gruber
Ryan Bishop



THE MARYLAND HOUSE OF DELEGATES
WAYS AND MEANS COMMITTEE

December 13, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The House Ways and Means Committee respectfully submits its report of activities for the 2024 interim. The committee had an especially productive interim that included multiple briefings and site visits and interim studies that will inform the committee's legislative work during the 2025 session and in future years. A summary of the committee's activities is listed below.

Full Committee

On October 22, the committee traveled to the city of Hagerstown. The committee met at Meritus Park, where Mayor Takesha Martinez welcomed the committee and introduced members of the town's staff, local representatives, and partners in attendance. Jill Thompson, Director of the Department of Community and Economic Development, provided an overview of the construction of Meritus Park and its first season of operations, and an overview of recent investment and local development within the city. The committee also heard a presentation on legislative priorities for the area, followed by a guided tour of the Meritus Park facility and surrounding downtown area. Afterward, the committee traveled to Rocky Gap Resort and Casino and received a tour of the casino floor, hotel, and golf facilities.

On October 23, the committee traveled to the city of Cumberland, where Jacob Shade, executive director of the Western Maryland Economic Future Investment Board, provided an overview of the work of the Board and the projects awarded grants through the Senator George C. Edwards Fund. Afterward, Matthew Miller, executive director/president of the Cumberland Economic Development Corporation, provided a guided tour of downtown Cumberland, including several of the sites highlighted earlier during Jacob Shade's presentation.

On November 12, the committee met jointly with the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Spending Affordability Committee for a fiscal briefing from the Department of Legislative Services.

December 13, 2023

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On November 13, the committee observed the canvass of mail-in and provisional ballots by the Howard County Board of Elections in Columbia. The committee members learned about the canvass and other aspects of the election process.

At the direction of the committee, committee staff completed an interim study of the issues raised by House Bill 919 of 2024. The study focused on the implications and practicality of authorizing counties to establish a special property tax rate for commercial and industrial property. The research and discussions with stakeholders that were conducted for the study will inform the committee's work on this issue in the 2025 session.

At the direction of the committee, committee staff completed an interim study on questions raised by House Bill 1485 of 2024. The study focused on different costs to State and local school systems based on the requirements of various pieces of legislation that require changes to public school curricula. The research will inform the committee's work on this issue in the 2025 session and in the future.

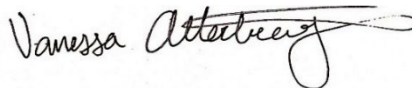
Site Visits by Members of the Committee

On October 9, members of the committee were invited for a tour and informational briefing of the Lourie Center for Infants and Young Children in Rockville. Committee members and staff who attended learned about the center's work helping young children with pediatric psychiatry and mental health.

On November 18, members of the committee were invited for a tour and informational briefing at the Maryland School for the Deaf in Columbia. Members and staff who attended learned of the school's history and its mission to educate its unique population of students through ASL and bilingual education.

The committee would like to extend its gratitude to the State and local officials as well as other private and public individuals who contributed their time, effort, knowledge, and talent during the 2024 interim to inform and advise the committee on issues of interest to the committee. The committee would also like to thank DLS and the committee staff for their continued support.

Sincerely,



Vanessa E. Atterbeary
Chair

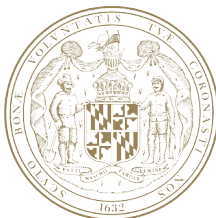
VEA/GHB:AMJ:SDW/ael

cc: Matthew Jackson
Sally Robb
Victoria L. Gruber
Ryan Bishop

Statutory and Special Joint Committees

The following committees did not meet during the 2024 interim:

- Joint Committee on the Chesapeake and Atlantic Coastal Bays Critical Area;
- Joint Committee on Gaming Oversight;
- Joint Committee on Legislative Ethics;
- Joint Committee on Legislative Information Technology and Open Government;
- Oversight Committee on Unemployment Insurance; and
- Workers' Compensation Benefit and Insurance Oversight Committee.



MARYLAND GENERAL ASSEMBLY
JOINT COMMITTEE ON ADMINISTRATIVE, EXECUTIVE, AND LEGISLATIVE REVIEW

December 16, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The following report of the Joint Committee on Administrative, Executive, and Legislative Review (AELR) for 2024 is submitted in accordance with § 2-506(b) of the State Government Article. AELR has several statutory review functions relating to the activities of the Executive Branch. The joint committee's primary role is to review regulations issued by State administrative agencies.

Statistical Overview

The overall number of regulations submitted saw a substantial decrease in 2024 versus 2023. As of December 10, 2024, AELR had received 13 regulations submitted by executive agencies in 2024 for emergency approval and 187 regulations proposed for adoption within normal timeframes, for a total of 200 regulations. In 2023, AELR received 34 emergency regulations and 326 proposed regulations for a total of 354 regulations. The reason for the substantial drop in regulations submitted in 2024 is unclear. However, there was a bump in submissions in 2023 due to prior challenges with the new ELF system, which is the online database agencies use to submit and track regulations through the promulgation process. The new ELF system has been an ongoing issue and is discussed in more detail below.

AELR has compiled statistics since 1993 on the number of regulations received from each agency. The Maryland Department of Health has historically been the most prolific agency in

December 16, 2024

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submitting regulations, and in 2024 again submitted the most regulations (28 regulations, of which 3 were emergency regulations). In 2024, the Department of Natural Resources (DNR) submitted 24 regulations, and the Maryland Department of Labor submitted 17 regulations, one of which was an emergency regulation. Also in 2024, the State Board of Education submitted 15 regulations, of which one was an emergency regulation; the Maryland Department of Transportation submitted 11 regulations; and the State Board of Elections submitted 10 regulations.

Major Regulatory Issues

Typically, AELR meets infrequently, if at all. However, in 2024, there were five hearings held in response to requests from AELR members to discuss emergency regulations. Below is a brief description of some of the more notable emergency regulations for which hearings were held in 2024, and the outcome of the hearings.

Maryland Department of Natural Resources

Emergency Regulation 23-312E

Fisheries Service: Striped Bass: COMAR 08.02.15.08, .09, and .12

On November 28, 2023, DNR submitted emergency regulations that created an in-season closure period for the striped bass recreational and charter boat fishery and defined the term “target” for the purpose of provisions prohibiting individuals from targeting striped bass at certain times. AELR held a hearing on the regulations on February 2, 2024, which continued on February 9, 2024. The regulations were ultimately approved and went into effect on February 9, 2024.

Maryland Cannabis Administration

Emergency Regulation

DLS Control No. 24-019E

Maryland Cannabis Administration: COMAR 10.62 and COMAR 14.17

On March 11, 2024, the Maryland Cannabis Administration (MCA) submitted emergency regulations that amended previous emergency regulations adopted by MCA in July 2023 (See DLS Control No. 23-121E) in accordance with Chapters 254 and 255 of 2023. Broadly speaking, the regulations repealed the medical cannabis regulations under COMAR 10.62, combined medical and adult-use cannabis regulations under new COMAR 14.17, and established a comprehensive regulatory framework for the State’s adult-use cannabis market and the conversion and issuance of cannabis licenses in the State. AELR held a hearing on the regulations on June 7, 2024 and voted to approve emergency status for the regulations. The regulations were in effect from June 7, 2024 to August 31, 2024. Associated proposed permanent regulations went into effect July 22, 2024.

December 16, 2024

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Maryland Department of Agriculture

Emergency Regulation

DLS Control No. 24-066E

Soil and Water Conservation:

Food Processing Residuals Utilization Program: COMAR 15.20.13.01-.28

Emergency Regulation

DLS Control No. 24-067E

Soil and Water Conservation:

Agricultural Operation Nutrient Management Plan Requirements: COMAR 15.20.07.02

Collectively, these two sets of emergency regulations submitted by the Maryland Department of Agriculture (MDA) in July 2024: (1) established the Food Processing Residuals Utilization Program within MDA, in accordance with Chapters 531 and 532 of 2024; and (2) updated the Maryland Nutrient Management Manual to incorporate by reference Supplement No. 10 (March 2024). Supplement No. 10 establishes standards for storing and land applying food processing residuals, including limiting the number of food processing residual applications that a person may make per season per field at an agricultural operation. AELR held a hearing on both sets of emergency regulations on September 9, 2024 and, in response to AELR feedback at the hearing, the agency decided to withdraw and resubmit the regulations. MDA resubmitted updated emergency regulations in September 2024 (See DLS Control Nos. 24-114E and 24-115E) and AELR approved emergency status for both sets of emergency regulations effective October 16, 2024.

Supervisory Responsibilities under the State Documents Law

As part of its supervisory responsibilities under the “State Documents Law” (Title 7, Subtitle 2 of the State Government Article), AELR continued to monitor significant developments concerning publications of the Division of State Documents (DSD), a unit within the Office of the Secretary of State. DSD publishes the *Maryland Register* and COMAR. One item of note is the ongoing update to DSD’s ELF system, which is the online interface that agencies use to electronically file regulations.

Due to a system upgrade, DSD took the previous ELF system offline in September 2022 and replaced it with a new system, referred to as “ELF 2.0.” Despite efforts by DSD and the Department of Information Technology, issues with the functionality and usability of ELF 2.0 have continued throughout 2023 and 2024.

Chapters 349 and 350 of 2023 were enacted in response to issues raised by the conversion to ELF 2.0. The Acts make various changes to the laws regarding the publishing of the *Maryland Register*, the submission and review of proposed and emergency regulations by State agencies, and the development and functionality of the electronic filing system. The Acts also required DSD to report to AELR by December 31, 2023, on the status of the development and deployment of

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ELF 2.0. In that report, DSD noted that ELF 2.0 “continues to fail many functions that delay agency regulations, on occasion fails to send adequate notices to the AELR Committee and causes [DSD] serious problems with our publication responsibilities.” Ultimately DSD concluded that there is support to establish a new database for COMAR and the *Maryland Register*, and that DSD intends to move to promptly secure their regulatory system.

Existing Agency Operations and Regulations

Under § 2-506(b) of the State Government Article, AELR is required to comment on any legislative action that is needed to change or reverse a regulation of a unit of the Executive Branch. AELR has generally been satisfied with the continued cooperation it receives from the Executive Branch regarding their regulation submissions. However, as discussed above, there have been ongoing issues regarding the electronic filing system used to submit regulations to DSD and, by extension, the Department of Legislative Services (DLS). DLS will continue to monitor the situation and may recommend additional legislative actions depending on how the issue evolves.

AELR wishes to note its appreciation for the continued cooperation of the Executive Branch and its various agencies in making the process of legislative review of regulations successful.

Sincerely,



Mary Washington
Senate Chair



Samuel I. Rosenberg
House Chair (Presiding)

MW:SIR/KPK/GC/KVL/bal

cc: Sally Robb
Matthew Jackson
Victoria L. Gruber
Ryan Bishop



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

JOINT AUDIT AND EVALUATION COMMITTEE

January 21, 2025

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The Joint Audit and Evaluation Committee respectfully submits the report of its activities during the 2024 interim. The joint committee's work covered the following principal areas of activity.

Review of Selected Legislative Audits and Program Evaluations

The joint committee met on September 4, November 13, and December 10 to review several legislative audits conducted by the Office of Legislative Audits (OLA) covering the period from October 2023 to November 2024. The joint committee reviewed the audits (and received updates from the prior audits) listed below:

- Department of Information Technology (report dated March 2024);
- Maryland Department of Health – Office of the Secretary and Other Units (report dated October 2023);
- Maryland Department of Health – Medical Care Programs Administration (report dated November 2023);
- University System of Maryland – University of Maryland Global Campus (report dated August 2024);
- University System of Maryland Office (report dated September 2024);
- University System of Maryland – Frostburg State University (report dated September 2024);

January 21, 2025

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- Department of Public Safety and Correctional Services – Incarcerated Individual Healthcare Contracts (report dated November 2024);
- Department of Public Safety and Correctional Services – Maryland Correctional Enterprises (report dated June 2024); and
- Department of Public Safety and Correctional Services – Central Operations (report dated September 2024).

The joint committee also issued a letter of concern in response to an audit report (based on the nature and significance of the findings). Letters of concern typically request that agencies review the audit report, ascertain whether the recommendations have been or will be promptly implemented and that an ongoing monitoring process exists, and provide a status report to the committee. The letter of concern issued by the joint committee is listed below:

- Maryland Public Broadcasting Commission (report dated October 2024).

The joint committee also reviewed the following program evaluations at the October 15 meeting, conducted by the Office of Program Evaluation and Government Accountability:

- Prescription Drug Disposal;
- Neighborhood BusinessWorks; and
- Workforce Development, Part I and Part II.

Review of Chapter 497 (SB 982) of 2024

Pursuant to Chapter 497 of 2024, the joint committee, in consultation with the Joint Committee on Cybersecurity, Information Technology, and Biotechnology (JCCIB), was required to study and make recommendations on or before December 1, 2024 for any statutory and operational changes necessary to address the findings of the fiscal compliance audit of the Department of Information Technology (DoIT) issued in March 2024 by OLA.

On September 4, the joint committee held a joint meeting with JCCIB to hear from OLA and DoIT regarding the status of the audit findings and recommendations. An informal workgroup composed of members from both committees met to discuss potential legislative actions to address the audit findings; however, given the significant complexity of the policy issues raised by the audit, and the need to engage with various stakeholders from other State agencies, the joint committee requested an extension to submit the final report until December 1, 2025.

Review of OLA Follow-up Processes for Repeat Audit Findings

Agencies with five or more repeat audit findings are required by law to provide status reports to OLA on corrective actions taken on all findings within nine months of the related audit reports and, thereafter, quarterly status reports until satisfactory progress has been made on all findings or the next audit begins. At the December 10 meeting, review of the follow-up audit process from fiscal 2009 through 2024 showed that the overall percentage of repeat audit findings decreased from 33% for the audit cycle ending June 30, 2009, to 30% for the audit cycle ending June 30, 2024. After a decline in 2013 to 21%, the overall repeat findings percentage started rising again (up to 29%) in June 2021. The number of repeat findings stabilized for the audit cycle ending June 30, 2022 and June 30, 2023 (27%) but for the audit cycle ending June 30, 2024, the repeat findings percentage increased by three percentage points to 30%.

Budget Actions on Repeat Audit Findings

Since 2013, the *Joint Chairmen's Report* (JCR) has annually included budget bill language restricting appropriations for agencies with four or more repeat audit findings until corrective action has been taken on those repeat findings. This process is not mutually exclusive from the statutory follow-up process described above. The 2023 JCR contained budget bill language restrictions for 4 agencies with a combined 17 repeat findings: Department of Human Services (DHS) – Local Department Operations; DHS – Family Investment Administration; Maryland Department of Health (MDH) – Developmental Disabilities Administration; and Maryland Department of Labor – Division of Unemployment Insurance. OLA's review of the status reports submitted by these agencies in calendar year 2024 concluded that all 4 agencies had not fully resolved the findings, with about 80% of the collective findings still in progress. The budget committees did not release the restricted funds for these agencies.

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Page 4

The 2024 JCR contained budget bill language restrictions for 5 agencies with a combined 25 repeat findings: Uninsured Employers' Fund; Department of General Services – Office of State Procurement; MDH – Medical Care Programs Administration; DHS – Social Services Administration; and the Maryland Higher Education Commission. OLA will review the reports submitted by these agencies and will report its conclusions regarding the corrective actions to the budget committees during the 2025 session. In addition, there were budget language restrictions in April 2023 and 2024 for cybersecurity-related findings.

Respectfully submitted,



Senator Clarence K. Lam
Senate Chair



Delegate Jared Solomon
House Chair

CKL:JS/DB/bal

cc: Sally Robb
Matthew Jackson
Victoria L. Gruber
Ryan Bishop
Brian Tanen
Michael Powell



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

JOINT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

December 16, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The Joint Committee on Children, Youth, and Families respectfully submits the following summary of its 2024 interim activities. The joint committee met once to learn about programs that serve children, youth, and families and may be relevant throughout an individual's lifespan.

On November 20, the joint committee heard a presentation by the Maryland Association of Local Management Boards. The presentation addressed the history, notable trends, and funding concerns of local management boards in the State. The conversation with the committee also addressed the roles of the boards in implementing the Blueprint for Maryland's Future and supporting access to affordable child care.

The joint committee wishes to thank those individuals who contributed their time and expertise to inform and advise the joint committee's work.

Sincerely,

Handwritten signature of Mary-Delany James in black ink.

Mary-Delany James
Senate Chair

Handwritten signature of Kevin M. Harris in black ink.

Kevin M. Harris
House Chair

MDJ:JT/TB:KB/vc

cc: Sally Robb
Matthew Jackson
Victoria L. Gruber
Ryan Bishop



THE MARYLAND GENERAL
ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

**JOINT COMMITTEE ON CYBERSECURITY, INFORMATION TECHNOLOGY,
AND BIOTECHNOLOGY**

December 19, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The Joint Committee on Cybersecurity, Information Technology, and Biotechnology respectfully submits this summary report of its 2024 interim activities. The joint committee held three meetings focused on cybersecurity, biotechnology, and artificial intelligence (AI) in education.

At the first meeting on September 4, the joint committee met jointly with the Joint Audit and Evaluation Committee (JAEC) to satisfy requirements established under Chapter 497 of 2024 (Senate Bill 982). Chapter 497 required JAEC, in consultation with the joint committee, to study and make recommendations for any statutory or operational changes necessary to address findings in the audit of the Department of Information Technology (DoIT) issued in April 2024 by the Office of Legislative Audits (OLA). The meeting included a presentation on the history of DoIT, a review of the requirements established under Chapter 497, a review of the audit by OLA, and a presentation by DoIT regarding the audit's findings. In addition, the joint committees met in closed session to discuss the audit's specific findings regarding cybersecurity issues at DoIT. For additional information regarding this meeting, including any recommendations made by JAEC and the joint committee, please refer to JAEC's summary letter of its 2024 interim activities to the Legislative Policy Committee.

At the second meeting on September 25, the joint committee heard from presenters regarding (1) an overview of biotechnology in agriculture; (2) a summary of biotechnology in health care; and (3) the future of biotechnology.

- Representatives from Bioenergy Devco, the Maryland Department of Agriculture (MDA), and F3 Tech provided an overview of biotechnology in agriculture in the State. Bioenergy Devco described its process for transforming food waste into renewable energy and other materials. MDA discussed the Animal Waste Technology Fund and its role in providing grants to advance the adoption of technologies to reduce animal waste and produce renewable energies. F3 Tech presented on how it invests in early- and late-stage biotechnology companies. Each presenter also discussed how Maryland can strengthen its position among other states to attract new biotechnology companies and investment to the State.
- The Greater Baltimore Committee (GBC) presented on biotechnology in the health care sector in the State. GBC discussed how Maryland acts as a technology hub due to its proximity to several federal agencies, universities, and research laboratories. Among other findings, GBC noted that though the State is strong with providing early-stage funding for biotechnology companies, more is needed to provide financial support to middle-stage companies so they remain in Maryland.
- The Department of Commerce and the Maryland Tech Council presented on the future of biotechnology in the State. Generally, the presenters discussed the challenges facing the biotechnology industry in the State, the impact of State support to the biotechnology industry, and how the State can further invest in its biotechnology workforce. In addition, the presenters identified sectors within the biotechnology industry where the State can become a national leader.

At the third meeting on December 11, the joint committee heard from presenters regarding the use and best practices of AI in education. The joint committee also heard from DoIT and received an update of its activities over the past year.

- The first panel, comprised of representatives from the Southern Regional Education Board, the West Virginia Department of Education, and the Colorado Department of Education, discussed best practices of the use of AI in education. The panelists provided an overview of how AI tools can help students create work promoting critical thinking and enhance collaborative creativity. The panelists also advised that clear guidance on the use of AI is necessary so educators, administrators, and policymakers can balance the opportunities that come with the use of AI with ethical and pedagogical concerns.
- The second panel included representatives from the Public School Superintendents' Association of Maryland and representatives from the Baltimore, Harford, Prince George's, and Howard County public school systems. The panelists discussed how AI is used in local classrooms, including curriculum and lesson development and how interactive student projects are developed. The

representatives from the local public school systems also discussed how their individual school systems are implementing AI in their classrooms.

- DoIT provided a general annual update to its activities over the past year. Among other things, DoIT discussed its organizational growth, how the department is developing guidelines for the use of AI in State government, its digital modernization efforts, and the department's activities regarding cybersecurity.

Please contact us if you have any questions concerning the joint committee's activities.

Respectfully submitted,



Katie Fry Hester
Senate Chair



Anne R. Kaiser
House Chair

KFH:ARK/TE/bal

cc: Sally Robb
Matthew Jackson
Victoria L. Gruber
Ryan Bishop



THE MARYLAND GENERAL
ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991
JOINT COMMITTEE ON FAIR PRACTICES AND STATE PERSONNEL OVERSIGHT

January 10, 2025

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The Joint Committee on Fair Practices and State Personnel Oversight is charged with overseeing the employment policies and personnel systems of the Executive Branch of State government and the State's equal employment opportunity policies and procedures. The committee met twice during the 2024 interim on October 29 and December 11 and is pleased to present its interim report. All of the meetings and meeting materials from the 2024 interim are recorded and available for viewing at [Committees - Joint Committee on Fair Practices and State Personnel Oversight \(maryland.gov\)](https://www.maryland.gov/committees/joint-committee-on-fair-practices-and-state-personnel-oversight).

October 29

Maryland State Police Employee Relations and Hiring Practices

Following up on issues addressed by the committee last year, the meeting began with a look at changes to Department of State Police employee relations. Colonel Roland L. Butler, Jr., Superintendent of the Maryland State Police (MSP), discussed changes that MSP has made to address overall problems with workplace culture and limit practices that were found to be discriminatory against certain job applicants. MSP's new Performance Perspectives Program; the Superintendent's Diversity Roundtable; and the Office of Diversity, Equity, and Inclusion were highlighted during the presentation as key efforts to improve workplace culture. The committee raised multiple questions about the MSP Internal Affairs (IA) unit, which was almost entirely rebuilt to address widespread, substantial issues. Superintendent Butler reported that the unit needed wholesale reform, and that a series of small measures would not have been sufficient to overcome IA's deficiencies. One priority for the reformed unit is to consistently communicate with complainants to build trust in its investigations.

Superintendent Butler also addressed changes to MSP's hiring and promotion processes that were implemented pursuant to findings by the Civil Rights Division of the U.S. Department

January 10, 2025

Page 2

of Justice (DOJ). A consent decree identified two flaws in MSP's hiring process, which were the fitness test deadline and a written test that was discriminatory against certain groups of job applicants. While MSP is continuing to use the discriminatory test, the agency is delaying deadlines for fitness tests to be more accommodating. These tests will eventually be replaced by new tests developed in coordination with DOJ. MSP is also soliciting a vendor to review various MSP jobs and better tailor hiring requirements to the specific day-to-day responsibilities of those jobs, rather than broadly apply the same standards to most MSP positions. DOJ acknowledged that MSP's discrimination was unintentional, and that MSP has been cooperative through the review process.

State Medical Director

Helene T. Grady, the Secretary of the Department of Budget and Management (DBM), provided the committee with an overview of the Office of the State Medical Director (SMD). SMD is a contracted unit that performs medical assessments to determine whether an individual is healthy enough to start or resume certain positions or tasks. Generally, SMD medical evaluations cannot be reviewed or appealed; however, adverse employment actions stemming from a medical evaluation can be reviewed and appealed.

Workplace Bullying

In the 2016 interim, the committee directed DBM to work with exclusive representatives of bargaining units to address bullying in State workplaces. DBM recently modified its practices to address bullying to overcome weaknesses that the agency identified in its policies. Changes include extending the time frame to investigate a protected status complaint, enhancing training for investigators, and utilizing human resources software to better track bullying complaints.

December 11

Staffing to Meet Long-term Care Facility Surveying Goals

This meeting began with a presentation from the Maryland Department of Health (MDH) on staffing and capacity issues that are delaying required nursing home inspections. Deputy Secretary Nilesh Kalyanaraman and Executive Director Tia Witherspoon-Udocox addressed the actions taken to fill vacancies at the Office of Health Care Quality (OHCQ) to resolve a backlog of surveys to evaluate long-term care facilities. OHCQ assesses many health care facilities and providers for compliance with State licensing requirements and federal certification requirements. Annual surveys of long-term care facilities in Maryland have lagged since before the COVID-19 pandemic, which exacerbated delays. OHCQ reported that while the agency expects to have a backlog for another two or three years, it is making progress thanks to new hires funded in recent budget bills. Since fiscal 2022, surveyors have completed more annually required surveys each year while continuing to complete around 4,000 complaint surveys each year. Survey rates should continue to increase as newly hired surveyors complete a lengthy training program and begin

performing surveys independently. Deputy Secretary Kalyanaraman asked that committee members who are aware of egregious conditions at long-term care facilities reach out to help OHCQ identify areas of need.

Clifton T. Perkins Hospital

Clifton T. Perkins Hospital (Perkins) is a State facility for the treatment of individuals who have been found incompetent to stand trial or adjudicated as not criminally responsible (NCR) for a violent felony. Laura Herrera Scott, the Secretary of MDH, presented on the recent history of Perkins and how MDH has responded to make the facility safer for patients and staff. MDH replaced the leadership and leadership structure at Perkins with acting leadership while new leaders are recruited and hired. Secretary Herrera Scott reported that she was not aware of the conditions and controversies at Perkins due to a concerted effort by facility leadership to cover up the issues. Questions from the committee focused on the command structure and cover-up culture at Perkins that kept the Secretary unaware of serious issues, including an MSP investigation into a patient's death and the destruction of evidence in violation of a court order. While the leadership that instigated the cover ups has been removed, not every employee involved in hiding controversies has been removed.

To improve oversight moving forward, MDH established an improvement plan and set up a new chain of command that reports to the Secretary's office from State facilities. MDH implemented a new incident report form, including a new triage system for incidents in order to better address needs at facilities. In September, MDH contracted with an expert third party to audit Perkins, which involved onsite visits and communications with facility staff and exclusive bargaining representatives. A preliminary report was published in November, and the final audit findings are due January 1, 2025. In addition to health care providers, MDH is working to hire security attendants to meet staffing ratios set by statute in 2020. The conversation also addressed individuals who remain in conventional correctional facilities despite being incompetent to stand trial or adjudicated as NCR. Secretary Herrera Scott contended that the problem cannot be resolved by hiring more health care providers, and that it will require cooperation between all branches of government.

Executive Branch Job Vacancies

The next item on the agenda was a broad examination of vacancies in State positions. DBM Secretary Grady reported that while the vacancy rate continues to decline, it still stands around 10%. The State has added a net of 1,800 new employees since January 2023. This net positive is the result of a combination of hiring new staff and retaining more staff than prior years. DBM initiatives are streamlining the hiring process with new practices, such as referring quality candidates to other units who are hiring for a position well suited for a candidate. The agency organized two on-the-spot hiring fairs in calendar 2024, which enabled agencies to meet with over 1,000 job candidates at each event. Other changes to the hiring process have decreased the average length of time between posting to onboarding from 120 days to 100 days.

Medicare Enrollment

Due to an upcoming change in the State's prescription drug benefit for retirees, retired State employees need to enroll under Medicare Part D by December 31 or find an alternative plan to meet their prescription coverage needs. Despite an outreach campaign to inform retirees of the need to enroll and how to enroll, as of December 8, 15,259 eligible retirees or their dependents have not enrolled. Some eligible retirees will likely receive a prescription benefit through another job's retirement benefits or a spouse's plan, but DBM cannot reliably estimate how many State retirees fit those categories. Secretary Grady asked that members of the General Assembly help with outreach to eligible retirees to ensure that they are aware of the approaching deadline and how to enroll.

Equal Employment Opportunity Report


The committee also heard a presentation on the Annual Statewide Equal Employment Opportunity (EEO) Report. This report examined how well the State has met its goals to provide fair opportunities for everyone to be considered for employment and promotions in State government, and whether all employees and applicants are treated with respect. The committee asked whether employees are aware of how they can file complaints if they feel there was a violation of EEO policies. The training process for EEO officers emphasizes following up with individuals to affirm that they understand the EEO complaint process and can address questions.

American Federation of State, County, and Municipal Employees

The meeting concluded with a representative of the American Federation of State, County, and Municipal Employees commenting on the various items on the day's agenda.

We wish to thank the committee members for their participation, the representatives of public and private organizations who kept us informed and expressed their views, and the committee staff for their support.

Sincerely,


Clarence K. Lam
Senate Chair


Dalya Attar
House Chair

CKL:DA/TB/ds

cc: Sally Robb
Matthew Jackson

Victoria L. Gruber
Ryan Bishop



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

JOINT COMMITTEE ON FEDERAL RELATIONS

December 13, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

As co-chairs of the Joint Committee on Federal Relations, we would like to give you an update on our committee's work this year. The joint committee did not hold briefings during the 2024 interim but did undertake its annual review of a portion of the interstate compacts of which Maryland is a member.

Annual Interstate Compact Review

The joint committee conducts an annual review of Maryland's membership in various interstate compacts (covering all compacts over a four-year cycle) by sending questionnaires to the State agencies involved with each of the compacts to assess if Maryland's continued membership serves the interests of the State and whether any legislative changes are needed.

The compacts up for review this year were: (1) the Atlantic States Marine Fisheries Compact; (2) the Interstate Compact on Mental Health; (3) the Middle Atlantic Interstate Forest Fire Protection Compact; (4) the Jennings Randolph Lake Project Compact; (5) the Interstate Compact for Adult Offender Supervision; (6) the Interstate Compact for Juveniles (ICJ); (7) the Emergency Management Assistance Compact; (8) the Potomac River Bridges Towing Compact; (9) the Southern Regional Education Board (SREB); (10) the Washington Metropolitan Area Transit Authority Compact; and (11) the Washington Metropolitan Area Transit Regulation Compact.

Questionnaire responses have been submitted for all 11 compacts up for review this interim. For each of the 11 compacts, the agencies recommend that the State continue its membership in the compacts and have not suggested legislative changes. However, information provided in two of the questionnaires have prompted additional action:

December 13, 2024

Page 2

- ***Interstate Compact for Juveniles*** – In the Department of Juvenile Services’ questionnaire responses for ICJ, the department identified concerns about (1) the ongoing vacancy in the judicial position on the State Council for Interstate Juvenile Supervision and (2) incidents of the Maryland Juvenile Court releasing confirmed and suspected victims of sex trafficking to individuals who had not been properly vetted through ICJ. We are requesting additional information from the department to see if the joint committee can assist in addressing those concerns.
- ***Southern Regional Education Board*** – The Maryland Higher Education Commission is responsible for managing the State’s involvement in SREB, and the State receives significant benefit from SREB relating to higher education. SREB, however, also offers data and support to policymakers and educators in the region relating to preK-12 education and we plan to reach out to the State Superintendent of Schools to determine whether the State could benefit from greater use of those resources.

Sincerely,



Jill P. Carter
Senate Chair



Lily Qi
House Chair

JPC:LQ/BV:YR/km

cc: Sally Robb
Matthew Jackson
Victoria L. Gruber
Ryan Bishop



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

JOINT COMMITTEE ON ENDING HOMELESSNESS

December 16, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The Joint Committee on Ending Homelessness is pleased to submit a summary report of its 2024 interim activities. This report also serves as the joint committee's annual report detailing its work. The joint committee met virtually this interim to receive a general briefing on the status of homelessness services in the State.

At the October 30 meeting, the Department of Housing and Community Development updated the joint committee on existing homelessness prevention programs and the distribution of housing and homelessness prevention funding. The Department of Human Services discussed their initiatives targeting homelessness and provided an update on a recently enacted bill regarding the Kinship Care Program. The Baltimore City Mayor's Office of Homeless Services discussed their funding sources, initiatives targeting homelessness, and future plans. Finally, Healthcare for the Homeless presented their recent policy achievements and initiatives.

The joint committee does not have any formal recommendations for this interim period. However, the joint committee looks forward to a productive session focusing on issues related to housing and homelessness, in addition to continuing our work next interim. We wish to thank the joint committee members for their participation, representatives of public and private organizations who kept us informed, and our committee staff for their support.

Sincerely,

A handwritten signature in cursive script that reads "Jill P. Carter".

Jill P. Carter
Chair

JPC/HCA/vc

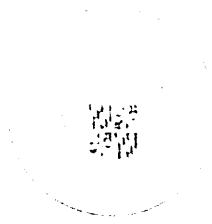
cc: Victoria L. Gruber
Ryan Bishop
Matthew Jackson
Sally Robb

SENATOR ARTHUR ELLIS
SENATE CHAIR

SENATOR PAMELA G. BEIDLE
SENATOR PAUL D. CORDERMAN
SENATOR MARY-DULANY JAMES

DELEGATE COURTNEY WATSON
HOUSE CHAIR

DELEGATE EMILY SHETTY
DELEGATE JOSHUA STONKO



MARYLAND GENERAL ASSEMBLY
JOINT COMMITTEE ON THE MANAGEMENT OF PUBLIC FUNDS

December 14, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The Joint Committee on the Management of Public Funds is pleased to present this report on its activities undertaken during the 2024 interim in the conduct of its charge to oversee the general management of State public funds. The joint committee met twice and was briefed on several relevant topics, including the State's economic development programs, the activities of the Comptroller's and Treasurer's offices, and audits of local governments.

The joint committee will sponsor legislation to increase the annual audit waiver threshold from \$250,000 to \$700,000 for local governments under § 16-305 of the Local Government Article and to require minimum qualifications for municipal employees with specified financial responsibilities.

The joint committee greatly appreciates the assistance of the many individuals who participated in the activities of the joint committee during the 2024 interim.

Respectfully Submitted,

Handwritten signature of Arthur Ellis in black ink.

Arthur Ellis
Senate Chair

Handwritten signature of Courtney Watson in black ink.

Courtney Watson
House Chair

AE:CW/HM/EW/bal

Enclosure

cc: Sally Robb
Matthew Jackson
Victoria L. Gruber
Ryan Bishop

Joint Committee on the Management of Public Funds 2024 Interim Report

The Joint Committee on the Management of Public Funds held two meetings during the 2024 interim.

September 18 Meeting

Representatives of the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), the Maryland Technology Development Corporation (TEDCO), the Maryland Department of Commerce, and Meridian Management Group (MMG) addressed the joint committee regarding their economic development and small business financing programs across the State.

Maryland Agricultural and Resource-Based Industry Development Corporation

Stephen McHenry, the executive director of MARBIDCO, briefed the joint committee on MARBIDCO's mission and on Maryland agriculture. MARBIDCO recently received \$3.8 million from the U.S. Department of Agriculture to establish a revolving loan fund for livestock processing facilities, which are unable to keep up with demand in the State. The program complements MARBIDCO's Livestock Processing Equipment Grant Program and MARBIDCO hopes these programs will increase processing capacity for livestock and seafood, including the invasive blue catfish. In 2006, the General Assembly passed the Agriculture Stewardship Act, which provided MARBIDCO with annual funding for core programming and required the agency to become self-sustaining. Fiscal 2025 is the final year of state payments for the program and the agency is on track to become fully self-sustaining by the end of the fiscal year. In response to a question regarding whether MARBIDCO is making investments in empty warehouse or greenhouse spaces, Executive Director McHenry said that indoor food production is eligible for MARBIDCO's programs and provided an example of an indoor mushroom growing operation in Bladensburg that the agency recently funded.

Maryland Technology Development Corporation

Troy LeMaile-Stovall, chief executive officer of TEDCO, provided an overview of TEDCO's investment programs, which invest only in Maryland, and work as venture capital programs to support businesses in the early stages of their establishment. TEDCO's new programs include the Institute for Women Entrepreneur Excellence, the Cyber Maryland program, the Equitech Growth Fund, and the Human Relevant Research Fund. In addition, TEDCO has begun distributing federal State Small Business Credit Initiative (SSBCI) funds through its existing

programs to provide start-up funding and company investments, deploying more than \$15 million in SSBCI funding in fiscal 2024.

Maryland Department of Commerce

Andy Fish, senior director of the Office of Finance Programs for the Department of Commerce (Commerce), provided an update on the department's business development programs, including the Port of Baltimore Emergency Business Assistance Program. The program, which provided assistance to businesses impacted by the Key Bridge collapse, has awarded \$10 million to 126 recipients as of September 2024. Senator Ellis and Delegate Watson commended the department on its efforts assisting and retaining businesses affected by the bridge collapse. Other relatively new programs administered by Commerce include:

- the Maryland New Start Microloan Program, which has received one application;
- the Build Our Future Grant Pilot Program, which awarded \$9.0 million to 11 grantees in fiscal 2024;
- the Cannabis Business Assistance Fund, which provided \$45.6 million to 9 entities in fiscal 2024; and
- the Child Care Capital Support Revolving Loan Fund, which provided \$9.5 million in loans to 50 child care businesses in fiscal 2024.

In addition, Commerce updated the joint committee on three other programs: the Maryland Small Business Development Financing Authority (MSBDF) managed by MMG; the Small, Women, and Minority-Owned Businesses Account funded through video lottery terminal revenues; and the Maryland Economic Development Assistance Authority and Fund, which provides below-market, fixed-rate financing for businesses in priority funding areas in the State.

Meridian Management Group

Stanley Tucker, Executive Director of MMG, and Tim Smoot, Chief Operating Officer, presented information about two of MMG's programs, MSBDF and the Maryland Casino Business Investment Fund (MCBIF), both of which promote entrepreneurs in Maryland, particularly women- and minority-owned businesses. Senator Ellis noted a lack of transactions in Charles, St. Mary's, and Calvert counties and offered to reach out to discuss improving outreach to businesses in those areas. Mr. Smoot said MMG would welcome the assistance.

October 30 Meeting

The joint committee received written testimony from the State Treasurer and heard from the Comptroller, the Office of Legislative Audits (OLA), and local governments.

State Treasurer's Office – Update on Activities

State Treasurer Dereck Davis provided written testimony on the activities of the Treasurer's Office. The testimony highlighted the Maryland 529 Program, which has received several accolades since the Treasurer's Office has assumed oversight of the program. Priorities for 2025 include securing funding to support the State Treasurer's Office's major information technology project and other operational needs.

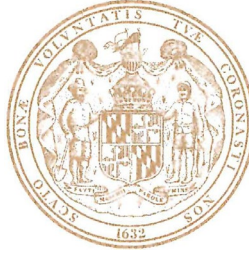
Comptroller's Office – Update on Activities

Comptroller Brooke Lierman provided an update on the activities of the Comptroller's Office. The Comptroller explained how the agency is launching Maryland Tax Connect, a new online portal for taxpayers, and is joining IRS Direct File in 2025. The Comptroller discussed the need for additional staffing for customer service in the Taxpayer Services Division and the priority of fortifying the agency's Compliance Division to help close the tax gap.

Office of Legislative Audits – Review of Local Government Audit Reports

The Office of Legislative Audits (OLA) presented information on the reviews of local government audits for fiscal 2023. OLA found that the local governments generally complied with generally accepted accounting principles and auditing standards and the local governments generally appeared to be in good financial condition. However, OLA's report summarized the most significant and frequent problem areas found during its annual review of local government audits, which included failing to timely submit audit reports.

Failing to timely submit local government audit reports has been an ongoing issue for a number of years so the joint committee requested local governments that were delinquent in filing audit reports to report to the joint committee on their failure to timely submit the reports. The joint committee heard from Dorchester County, the Town of Barclay, the Town of Forest Heights, the City of Hyattsville, the Town of Lonaconing, the Town of Rock Hall, the City of Seat Pleasant, and the Town of Sudlersville on their failures to timely submit audit reports. The joint committee also heard from the Town of Princess Anne regarding the disclaimer of opinion on its financial statements. The joint committee discussed the need to exempt more small local governments from the annual audit requirements and agreed to sponsor legislation to increase the annual audit waiver threshold from \$250,000 to \$700,000 for local governments under § 16-305 of the Local Government Article. In addition, the joint committee noted issues with municipalities hiring qualified employees in their accounting or finance departments and agreed to sponsor legislation to require minimum qualifications for municipal employees with specified financial responsibilities.



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

JOINT COMMITTEE ON PENSIONS

December 19, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

During the 2024 interim, the Joint Committee on Pensions met three times. The joint committee addressed legislative proposals requested by the Board of Trustees for the State Retirement and Pension System. The joint committee made recommendations on these items at its final meeting for the 2024 interim, voting to sponsor eight legislative proposals. The joint committee also had briefings on the actuarial valuation of the system and the system's investments. In addition, the joint committee had a briefing from the Maryland Teachers and State Employees Supplemental Retirement Plans that provided an overview of the plan and information on automatic enrollment. A complete report of the joint committee's 2024 interim activities and legislative recommendations will be published in January 2025.

We thank the joint committee members for their diligence and attention to the work of the committee. Also, on behalf of the committee members, we thank Phillip S. Anthony, Joe Gutberlet, and Callie Ingwersen of the Department of Legislative Services, and the staff of the Maryland State Retirement Agency for their assistance.

Sincerely,

A black ink signature of Michael A. Jackson, consisting of a large, stylized loop followed by a horizontal line.

Michael A. Jackson
Senate Chair

A blue ink signature of Catherine M. Forbes, written in a cursive style.

Catherine M. Forbes
House Chair

MAJ:CMF/PSA:JG/csi

cc: Sally Robb
Matthew Jackson
Victoria L. Gruber
Ryan Bishop



THE MARYLAND GENERAL
ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

Joint Subcommittee on Program Open Space and Agricultural Land Preservation

December 17, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne A. Jones, Co-Chair
Members of the Legislative Policy Committee

Dear President Ferguson, Speaker Jones, and Members:

The Joint Subcommittee on Program Open Space (POS) and Agricultural Land Preservation respectfully submits this summary report of its activities during the 2024 interim. The subcommittee held two virtual meetings during the 2024 interim.

September 24 Meeting

The September 24 meeting consisted of an overview of the status of recent legislation and other topics presented by representatives of several State agencies, including the Department of Natural Resources (DNR), the Maryland Department of Agriculture (MDA), including the Maryland Agricultural Land Preservation Foundation (MALPF), and the Maryland Department of Planning (MDP). The legislation discussed included the Tree Solutions Now Act (Ch. 645 of 2021); the Great Maryland Outdoors Act (Ch. 39 of 2022); the Maryland the Beautiful Act (Ch. 546 of 2023); Natural Resources – Maryland State Parks – Funds and Plan Alterations (Ch. 402 of 2024); Natural Resources – Gwynns Falls State Park – Focus Group, Advisory Committee, and Report (Ch. 965 of 2024); and State Planning – Preservation of Agricultural Land – Goal (Chs. 284 and 285 of 2021). Other topics of discussion included (1) demand for land preservation programs versus available funding geographically and over time; (2) connection of land preservation programs to Chesapeake Bay restoration; (3) State Land Preservation and Recreation Plan status and county land acquisition goal attainment; (4) POS fund balances; and (5) small, minority, and women-owned business participation in agriculture.

DNR noted that as of March 2024, the Tree Solutions Now Act, which set the goal of 5 million trees to be planted by 2031, resulted in the planting of 478,628 trees, with 41,079 in underserved communities, with the rate of planting increasing by approximately 23% per year. DNR also highlighted how the Great Maryland Outdoors Act had boosted the department's hiring capacity, with the department close to initiating hiring for 67 positions at the time of the meeting. The Maryland the Beautiful Act established the goal of conserving 30% of State lands by 2030 and 40% by 2040. The State met the 30% goal at the end of 2023 with more than 1.85 million acres of land conserved. Regarding POS, DNR noted that POS Stateside has preserved 365,000 acres. The POS Stateside unencumbered balance at the time of the meeting was \$150 million. There was an estimated \$115 million and 13,750 acres in the pipeline. Regarding POS Local, the fund balance was \$140 million. In fiscal 2024, \$113 million was encumbered for over 100 projects. At the time of the meeting, DNR was processing 35 POS Local applications totaling \$13.3 million. The Rural Legacy Program has seen an average demand for funding of \$96 million per year, while funding authorized annually averages over \$17 million. Senator Sarah K. Elfreth raised the question of what sort of properties DNR looked to acquire.

MDA noted that in 2024 alone, MALPF had preserved 14,000 acres, via 102 easements, with a \$64 million outlay – nearly twice as many properties as in 2023 – for a total of 370,000 acres preserved through MALPF, with a total outlay of \$972 million. MDA highlighted the numbers of small, minority, and women-owned and operated Maryland farms. MDA was provided \$6.1 million for 2023 and 2024 under the Local Food Purchase Assistance Cooperative Agreement to fund the purchase of local food from Maryland farmers and watermen. The grants were distributed directly to the Maryland Food Bank and Capital Area Food Bank, which purchased \$3.6 million worth of food from 36 farms and 30 watermen in 2023. Under the Maryland Food and Agricultural Resiliency Mechanism Grant Program, eight nonprofits received \$200,000 in 2023. Socially disadvantaged farmers accounted for 56% of applicants under the Small Acreage Cover Crop Program in 2024, and 71% of applicants between July 1, 2023, and September 24, 2024, under the Urban Agriculture Water and Power Infrastructure Grant Program. Senator Gallion asked for an update on MDA's State value-added agricultural specialist position. Senator Elfreth asked a question on budget concerns regarding agricultural preservation and programs supporting agriculture moving forward.

MDP updated the subcommittee on the goal to preserve 1,030,000 acres of productive agricultural land by 2030. By the end of fiscal 2024, 904,818 acres (87.8% of the goal) had been preserved, with 370,005 acres under MALPF, 29,090 acres under the Maryland Green Print Program, 124,556 acres under the Rural Legacy Program, 142,232 acres under the Maryland Environmental Trust, 2,346 acres through the Maryland Agricultural and Resource-Based Industry Development Corporation, and 236,589 acres under local purchase of development rights and transfer of developments programs.

The subcommittee ended its meeting with a discussion on the Gwynn Falls State Park process led by Delegate Robbyn Lewis.

December 11 Meeting

The December 11 meeting consisted of discussions with representatives of MDA, DNR, MDP, the Maryland Food System Resiliency Council, and the Maryland Department of Emergency Management (MDEM) regarding the following: (1) Leadership in Environmentally Engaged Farming (LEEF) program development status; (2) value-added agriculture and urban agriculture infrastructure needs and trends; (3) Certified Local Farm and Fish Program status of involvement of Maryland farmers and seafood processors in State procurement; (4) the status of Chesapeake Bay Agreement public water access goals; (5) Gwynns Falls State Park status, economic benefits, and connectivity to the Baltimore City park system; (6) Next Generation Adaptation Plan status of State lands resiliency plans for climate adaptation; (7) Maryland Land Preservation Recreation Plan and Maryland Park Service Comprehensive Long-Range Strategic Plan status; (8) meeting the goal of conserving 40% of the State by 2040 and the possibility of legislation to expand the State income tax credit for conservation easement donations and other actions; and (9) statewide Food Insecurity Map status and the relation to agricultural land and producers.

MDA previewed the new LEEF program for targeting agricultural nutrient reduction and community practices as well as other programs. MDA also gave an update on MALPF preservation as of December 6, with 376,497 acres preserved, via 2,802 easements, and with an outlay of over \$1 billion. Due to a decrease in the budget, the MALPF Board merged the fiscal 2025 and fiscal 2026 budgets. Delegate Lewis raised the question of how to address preservation goals along with economic development and housing investment interests. Senator Benjamin Brooks asked about the startup costs and licensing for value-added agriculture.

DNR provided an update on Chesapeake Bay Watershed Agreement Water Access goals. The participating states have met the Bay Agreement's goal of adding 300 new public access sites by 2025. In Maryland, there are 500 public water access sites, 251 boat ramps, 235 soft access sites, 14 transient docking/wharfs, and 20 water trail maps/guides. DNR also provided an update on Gwynns Falls State Park. Senator Brooks asked about Bay Agreement water access goals. Senator Elfreth asked for a breakdown of the new public access sites added in Maryland since the Bay Agreement was signed in 2014, and what was to come next for water access in the State. Delegate Terry L. Baker asked whether Maryland's 500 public water access sites included local sites. DNR also spoke of potential legislation to give sustainability not only in acquisition dollars but also in operations. Delegate Lewis asked whether the opportunity for value capture and establishing revenues to run the Gwynns Falls/Leakin Park partnership park in a sustainable way was on DNR's agenda. Delegate Lewis commended DNR and partners for demonstrating a robust model for effective collaboration in Gwynns Falls Leakin Park Partnership initiative; she also expressed hope that the Advisory Group will explore ways that the park could generate revenue to fund its operations and maintenance.

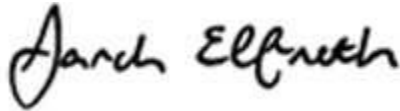
MDP discussed potential amendments to current land use policy from "smart" to "sustainable" growth, potential legislation to expand the State income tax credit for conservation

easement donations due to the fiscal situation, and noted other long-term actions to meet the goal of conserving 40% of the State's land by 2040. MDP also spoke of the importance of focusing on growth policy to reach this goal. Delegate Lewis raised the question of how to optimize sustainable housing development. Senator Brooks asked about affordability regarding transit-oriented developments.

MDEM gave an overview of the Maryland Office of Resilience, and the Maryland Food System Resiliency Council provided an overview of the Council and the Council's recommendation on Food Insecurity Mapping. Delegate Lewis asked whether funding was being requested for the Food Insecurity Mapping. A council representative noted that while legislation would not be required, funding would be required, with the council's recommendation consisting of a one-time appropriation of \$300,000.

On behalf of the subcommittee, we wish to thank the individuals who contributed their time and effort during the 2024 interim in assisting the subcommittee with its work. We also wish to thank the members of the subcommittee for their participation and our staff for their support.

Respectfully submitted,



Sarah K. Elfreth
Senate Chair



Robbyn Lewis
House Chair

SKE:RL/DM:AG/acl

cc: Sally Robb
Matthew Jackson
Victoria L. Gruber
Ryan Bishop



MARYLAND GENERAL ASSEMBLY
SPENDING AFFORDABILITY COMMITTEE

December 17, 2024

The Honorable Wes Moore.
Governor, State of Maryland
State House
Annapolis, Maryland 21401

Dear Governor Moore:

We are pleased to submit the fiscal policy recommendations of the Spending Affordability Committee made during the 2024 interim. These recommendations were adopted by the committee at its meeting on December 17, 2024. The committee reviewed data concerning the economic condition of the State, revenue and expenditure trends during the past several years, personnel data, the Transportation Trust Fund, and the results of the Capital Debt Affordability Committee report.

Recommendations were made concerning the fiscal 2026 spending limit and sustainability, general fund and reserve fund balances, general obligation and higher education debt limits, State employment, and the Transportation Trust Fund.

As required by law, the recommendations of the committee have been submitted to the Governor and the Legislative Policy Committee.

We are most appreciative of the time and effort expended by each member of the committee. A special note of thanks and appreciation is extended to John L. Bohanan, Jr., Citizens Advisor, for his valuable assistance and input.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark S. Chang".

Delegate Mark S. Chang
Presiding Chair

MC:JR/MM/mrm

Enclosure

A handwritten signature in black ink, appearing to read "Jim Rosapepe".

Senator Jim Rosapepe
Senate Chair



MARYLAND GENERAL ASSEMBLY
SPENDING AFFORDABILITY COMMITTEE

December 17, 2024

The Honorable Bill Ferguson, Co-Chair
The Honorable Adrienne Jones, Co-Chair
Members of the Legislative Policy Committee

Dear Colleagues:

We are pleased to submit the fiscal policy recommendations of the Spending Affordability Committee made during the 2024 interim. These recommendations were adopted by the committee at its meeting on December 17, 2024. The committee reviewed data concerning the economic condition of the State, revenue and expenditure trends during the past several years, personnel data, the Transportation Trust Fund, and the results of the Capital Debt Affordability Committee report.

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As required by law, the recommendations of the committee have been submitted to the Governor and the Legislative Policy Committee.

We are most appreciative of the time and effort expended by each member of the committee. A special note of thanks and appreciation is extended to John L. Bohanan, Jr., Citizens Advisor, for his valuable assistance and input.

Sincerely,

Handwritten signature of Delegate Mark S. Chang.

Delegate Mark S. Chang
Presiding Chair

Handwritten signature of Senator Jim Rosapepe.

Senator Jim Rosapepe
Senate Chair

MC:JR/MM/mrm

Enclosure

2024 Spending Affordability Committee Report and Recommendations to the Governor and the Legislative Policy Committee

The Spending Affordability Committee (SAC) was created in 1982 (Chapter 585). The committee is composed of equal numbers of senators and delegates and includes the Presiding Officers, the majority and minority leaders, the chairs of the fiscal committees (or their designees), and other members appointed by the Presiding Officers. A citizen advisory committee assists the committee.

The committee's primary responsibility is to recommend to the Governor and the General Assembly a level of spending for the State operating budget that is reflective of the current and prospective condition of the State's economy. Historically, this has been in the form of a recommended growth limit. More recently, however, the structural budget gap has been the focus of the committee's recommendations. The full list of the committee's prior recommendations and legislative action on the operating budget are reflected in the table in **Appendix 1**. Since the committee's inception over 40 years ago, its recommendations have been adhered to by the legislature in all but 1 year.

The committee's statutory responsibility is to consider spending in relation to the State's economy. In determining its recommendations, the committee has considered economic performance, revenue estimates, and current and future budget requirements.

Economy

After a deep but relatively brief recession resulting from the COVID-19 pandemic, the U.S. economy has recovered and experienced sustained growth in the last two years with inflation-adjusted gross domestic product increasing 2.9% in calendar 2023 and 2.9% in the first three quarters of 2024. The average annual growth rate in the five years prior to the pandemic (2014 to 2019) was 2.6%. Nationally, employment exceeded the prepandemic level in June 2022, and the economy added 6.9 million jobs between June 2022 and November 2024, a 4.6% increase.

In Maryland, the impact of the recession was similar to the country as a whole. Maryland's inflation-adjusted gross state product fell 8.9% between the fourth quarter of calendar 2019 and the second quarter of calendar 2020. Maryland exceeded the prepandemic peak in the fourth quarter of 2021, just three quarters after the United States achieved that milestone. The labor market, however, has been a different story. Although the U.S. economy attained the prepandemic level of jobs by summer 2022, Maryland has yet to achieve that goal as of fall 2024.

Employment growth for calendar 2024 has been very weak according to the monthly data from the Current Establishment Survey (CES), up just 0.3% through October with private-sector jobs falling 0.1%. However, data from the Quarterly Census of Employment and Wages (QCEW), available through June, shows much stronger growth of 2.0% for total employment and 1.8% for the private sector. By contrast, the CES data through June shows Maryland employment up just

2024 Spending Affordability Committee Report

0.1% and the private sector down 0.5%. The QCEW data is more consistent with data on wage growth, which was up 6.6% in calendar 2024 through June.

In September, the Board of Revenue Estimates (BRE) issued a revised economic forecast for Maryland, its first since March 2024. BRE estimated that employment growth of 1.2% in calendar 2023 will slow to 0.4% in calendar 2024 and 2025. Employment growth slows to just 0.1% in calendar 2026 and 2027 due to low population growth and an aging workforce. Wage growth slows to just under 4.0% per year, consistent with the prepandemic trend. In December 2024, BRE revised upward their estimate of personal income growth in calendar 2024 due to revisions and new data for the second quarter. The economic forecast beyond 2024 was little changed in December.

Revenues

Fiscal 2024 general fund revenues exceeded the estimate by \$217.2 million, or 0.9%. General fund revenues totaled \$24.9 billion in fiscal 2024, an increase of 5.0% over fiscal 2023, reflecting a one-time transfer in 2023 of \$800 million to the Blueprint for Maryland's Future Fund. In fiscal 2024, ongoing revenues grew 1.0% over fiscal 2023.

Among the major revenue sources, the personal income tax was below the estimate by \$79.7 million, or -0.6%. The sales tax was just slightly below the estimate (\$13.1 million, or -0.2%), and the corporate income tax exceeded the estimate by \$130.5 million (7.4%). The State lottery was over the estimate in fiscal 2024 by \$5.6 million (0.9%). Among other sources, there was substantial overattainment for the tax on insurance premiums, interest on investments, and miscellaneous revenues, but estate/inheritance tax and tobacco and alcohol tax revenues were below expectations. Combined, the other revenue sources were over the estimate in fiscal 2024 by \$173.8 million (7.0%).

In September 2024, BRE increased its estimate for fiscal 2025 general fund revenues by \$88.4 million, or 0.4%. Total general fund revenues were projected to increase by 0.8% in fiscal 2025, reflecting a one-time transfer in fiscal 2024 of \$150 million from the Local Income Tax Reserve Account to the General Fund. Ongoing revenues were forecasted to grow 1.4% in fiscal 2025 and 2.1% in fiscal 2026.

In December, BRE increased the estimate for fiscal 2025 general fund revenues by \$194.5 million, or 0.8%. Most of the revision was due to an increase in the personal income tax estimate of \$160.9 million (1.1%). The corporate income tax and sales tax were also revised up, but there was a substantial downward revision to the estimate for tobacco tax revenues. Fiscal 2025 revenues are projected to increase 1.6% in total and by 2.2% for ongoing revenues.

Despite the upward revision to the personal income tax in fiscal 2025, BRE chose not to change the estimate in fiscal 2026. This was due to uncertainty regarding the federal budget, tax,

2024 Spending Affordability Committee Report

and economic policies of the incoming presidential administration. Of particular concern would be major reductions to federal spending and the federal workforce, which could have a significant negative impact on the Maryland economy. Therefore, BRE thought it prudent to leave the personal income tax estimate unchanged in fiscal 2026. As a result, total general fund revenues in fiscal 2026 were revised up by just \$67.8 million (0.3%).

Budget Requirements

Taking into consideration the revenue projections by BRE in December 2024, the committee projects a cash shortfall of \$396 million at the close of fiscal 2025. The cash shortfall represents a change in circumstance from the \$1.0 billion balance at the close of fiscal 2024. The shortfall results from substantial anticipated general fund deficiency appropriations totaling \$1.42 billion, which include \$372 million related to prior year expenses with Medicaid bills from prior years representing the largest item. The remaining \$1.05 billion in anticipated general fund deficiencies relates to projected shortfalls in fiscal 2025. The largest projected deficiency is to pay provider reimbursements in the Developmental Disabilities Administration (\$350 million), which were understated due to erroneous budget assumptions. Additional anticipated deficiency appropriations exceeding \$100 million support:

- Medicaid and Medicaid-eligible behavioral health provider reimbursements (\$301 million) driven by higher than anticipated enrollment, utilization, and acuity;
- child care scholarships (\$155 million) due to the continuing impacts of statutory and departmental policy changes that altered eligibility and reimbursement rates; and
- inmate medical contracts (\$107 million), as the final contract amounts were not known at the time of the budget development.

The baseline estimate for fiscal 2026 projects general fund spending will increase by \$1.24 billion compared to the fiscal 2025 legislative appropriation after adjusting for anticipated deficiencies. The fiscal 2026 general fund ending balance is projected to be a shortfall of \$2.95 billion, after accounting for a transfer of \$70.2 million from the Revenue Stabilization Account (Rainy Day Fund) representing the amount over 10% of general fund revenue. The significant general fund spending increase reflects \$507 million of increased spending related to entitlements, driven primarily by Medicaid and Medicaid-eligible behavioral health provider reimbursements (\$455 million). In addition, the baseline anticipates \$469 million in appropriations to the Reserve Fund, including \$419.5 million for the required appropriation to the Rainy Day Fund and \$50 million of required appropriations for the retirement system and other postemployment benefits. Spending on local aid increases by \$221.5 million, driven primarily by retirement costs.

State agency costs are projected to increase by \$612 million. The largest increase in State

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agency spending supports an increase in compensation costs (\$172 million) and certain other fringe benefits including pension and health insurance costs (\$110 million). Compensation changes include the anticipation of a 2% cost-of-living adjustment for State employees, step increases, and the annualization of certain fiscal 2025 increments. Additional significant increases include Major Information Technology Development projects (\$155 million) and the child care scholarship program (\$103 million). These increases are partially offset by a decrease of \$150 million related to one-time operating support for the Washington Metropolitan Area Transit Authority.

The committee budget forecast assumes that the State will close fiscal 2026 with a balance of \$2.5 billion in the Rainy Day Fund, which represents 10.0% of general fund revenues.

As previously noted, current baseline projections estimate the General Fund to have a cash shortfall of \$396 million at the close of fiscal 2025 and \$2.95 billion at the close of fiscal 2026. The structural shortfall in fiscal 2026 is projected to be \$2.47 billion. As shown in **Exhibit 1**, which provides the cash and structural balance projections for the General Fund through fiscal 2030, the cash outlook worsens over time with a cash shortfall of \$6.28 billion in fiscal 2030. The structural shortfall increases to \$2.88 billion in fiscal 2027 before increasing substantially in the out-years, reaching \$4.83 billion in fiscal 2028, \$5.36 billion in fiscal 2029, and \$6.06 billion in fiscal 2030. Both the cash and structural shortfalls increase beginning in fiscal 2028, due to the need for general funds to support costs related to the Blueprint for Maryland’s Future. The general fund need for these costs increases from \$185 million in fiscal 2027 to \$2.1 billion in fiscal 2028, increasing further to \$3.4 billion in fiscal 2030.

Exhibit 1
General Fund Budget Outlook
Fiscal 2025-2030 Est.
(\$ in Millions)

	Working Appropriation <u>2025</u>	Est. <u>2026</u>	Est. <u>2027</u>	Est. <u>2028</u>	Est. <u>2029</u>	Est. <u>2030</u>
Cash	-\$396	-\$2,950	-\$3,100	-\$5,045	-\$5,575	-\$6,276
Structural Balance	-1,071	-2,474	-2,882	-4,827	-5,357	-6,058

Note: Estimates assume a Rainy Day Fund balance of 10% of general fund revenues.

Recommendations

In light of the considerations discussed earlier, the committee proposes the following recommendations for the 2025 session:

1. Operating Budget Spending Limit and Sustainability

A structural deficit of \$2.5 billion is forecast for fiscal 2026 and is projected to increase to \$6.0 billion by fiscal 2030. Cash shortfalls are expected to grow from \$3.0 billion in fiscal 2026 to \$6.3 billion by fiscal 2030. Maryland's budget challenges are exacerbated by uncertainty about the policy changes President-elect Trump and the new Congress may implement. The State's current revenue and spending forecasts do not assume any positive or negative impact on the Maryland economy or the availability of federal funds from changes in federal policy.

While the State has significant cash reserves and can take one-time actions to reduce the projected fiscal 2026 cash deficit, these one-time actions alone will not resolve the projected shortfall. Aligning long-term revenues and spending will require limiting spending and increasing revenue. These actions must be accompanied by strategies to stimulate growth in Maryland's private-sector workforce and productivity, which have experienced sluggish growth since 2017.

In recognition of this outlook, the committee recommends that the fiscal 2026 budget, as introduced and enacted:

- **erase the projected \$2.5 billion gap between ongoing general fund revenues and ongoing spending in fiscal 2026; and**
- **improve the outlook for fiscal 2028 so that ongoing revenues will support at least 94% of projected ongoing spending. Achieving this goal may require adjusting spending growth associated with mandates, entitlements, and other long-term commitments to better align with available revenues.**

2. Fund Balances

After assuming the transfer of funds in excess of 10% of general fund revenues from the Rainy Day Fund, it is anticipated that there will be cash shortfalls of \$396 million and \$2.95 billion at the close of fiscal 2025 and 2026, respectively. Reducing the Rainy Day Fund balance below 10% would assist the State in resolving the deficits in the short term but is insufficient to fully resolve the fiscal 2026 deficit. In light of current economic uncertainties, it is prudent to retain a healthy fund balance so that funds remain available in the event of a recession or federal actions that harm the Maryland economy. **Before considering drawing on the Rainy Day Fund, opportunities should be explored to (1) better align ongoing spending with ongoing revenues and (2) achieve one-time budgetary savings. The committee recommends:**

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- **maintaining a Rainy Day Fund balance of at least 7.5% of general fund revenues to ensure resources are available to mitigate the impact of an economic downturn and/or federal actions that harm the Maryland economy; and**
- **a minimum ending balance of at least \$100 million in the General Fund for fiscal 2026.**

3. Capital Budget

A. General Obligation Debt

In its 2024 report, the Capital Debt Affordability Committee (CDAC) recommended keeping annual general obligation (GO) bond authorizations at \$1.750 billion in fiscal 2026 and through the five-year planning period, which is consistent with the amount planned by CDAC last year and with the amount programmed in the 2024 *Capital Improvement Program* (CIP). However, in its 2023 recommendations, SAC recommended the annual level of authorizations be increased by 2% annually as a hedge against inflation. If the 2% annual growth policy were adopted, the fiscal 2026 authorization level would be \$1.785 billion, which is \$35 million higher than the amount recommended by CDAC. Over the five-year planning period from fiscal 2026 through 2030, the 2023 SAC recommended authorizations would total \$530 million greater than the CDAC recommendation.

The committee recommends the authorization of \$1.750 billion in new GO bonds for the 2025 session. For planning purposes, the level of authorizations should remain at the CDAC-recommended level of \$1.750 billion from fiscal 2027 through 2030.

The committee is concerned that potential reductions in the federal workforce and other actions by the President-elect may lead to a significant revenue write-down in March. If BRE writes revenues for fiscal 2025 and 2026 down by a cumulative amount of at least \$400 million, the General Assembly is authorized to increase the GO bond authorization for the 2025 session to as much as \$2.000 billion. Any authorization above \$1.750 billion may only be used to replace general fund pay-as-you-go appropriations from prior years and thereby provide one-time cash resources to help offset the shortfall caused by the revenue write-down. Both a \$1.750 billion and \$2.000 billion limit keep the State well within the CDAC debt affordability criteria, which limit debt service to 8% of State revenues and debt outstanding to 4% of State personal income.

The committee also recommends that the capital plan continue to make strategic capital and operating investments in facility renewal for State facilities managed by the Department of General Services and higher education facilities to reduce the backlog of projects and improve the condition of State facilities.

B. Higher Education Debt

The University System of Maryland (USM) intends to issue up to \$30 million in academic debt for fiscal 2026, which is the same amount authorized in fiscal 2025 and is consistent with the amount programmed in the 2024 CIP for fiscal 2026. This level of issuance will result in a debt service ratio within the 4.5% of current unrestricted funds and mandatory transfers criterion recommended by the system's financial advisers.

The committee concurs with the recommendation of CDAC that \$30 million in new academic revenue bonds may be authorized in the 2025 session for USM. USM should consider focusing the additional revenues to address facility maintenance needs.

4. State Employment

Personnel costs comprise approximately 18% of the State's operating budget. The committee anticipates a net increase of 468 positions in the fiscal 2026 budget compared to the fiscal 2025 legislative appropriation. This is comprised of 208 positions added in higher education, 243 new positions in the Executive Branch, and 17 new positions in the Judiciary. The resulting authorized number of State employees would be 86,047 in fiscal 2026.

The Executive Branch currently has a vacancy rate of 10.4% with 5,347 Executive Branch vacancies in October 2024, excluding higher education. While the number of vacant positions is still relatively high, there are approximately 2,300 more filled positions than there were at this time last year.

The committee recommends that that State fill existing positions within the limitations of the State's fiscal condition, prioritizing its most critical vacancies such as those that provide health, public safety, and other essential services. New activities requiring additional personnel, including the operation of new facilities and the implementation of new programs and agencies, should be prioritized in the same manner.

5. Transportation

The target closing balance for the Transportation Trust Fund (TTF) is intended to ensure that the Maryland Department of Transportation (MDOT) has sufficient working cash to administer its operating and capital programs. System preservation spending is necessary to maintain or bring capital assets into a State of Good Repair (SOGR), which is where assets are performing as designed, and the chance of breakdowns is small. MDOT's most recent calculation of the SOGR funding needs and the amount of programmed and projected funding identified a 10-year gap of \$11.2 billion. **The committee recommends:**

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- **a fiscal 2026 target closing balance of at least \$400 million for the TTF; and**
- **fiscal 2026 spending on system preservation of at least \$1.14 billion, which is the average annual amount spent over the previous 10 years.**

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Appendix 1
Prior Recommendations and Legislative Action on the Operating Budget
(\$ in Millions)

<u>Session Year</u>	<u>Committee Recommendation</u>		<u>Legislative Action</u>	
	<u>Growth Rate</u>	<u>Amount</u>	<u>Growth</u>	<u>Amount</u>
1983	9.00%	\$428.0	5.70	\$269.8
1984	6.15%	326.7	8.38	402.0
1985	8.00%	407.2	7.93	404.6
1986	7.70%	421.5	7.31	402.2
1987	7.28%	430.2	7.27	429.9
1988	8.58%	557.5	8.54	552.9
1989	8.79%	618.9	8.78	618.2
1990	9.00%	691.6	8.98	689.7
1991	5.14%	421.8	5.00	410.0
1992		No recommendation	10.0	823.3
1993	2.50%	216.7	2.48	215.0
1994	5.00%	443.2	5.00	443.2
1995	4.50%	420.1	4.50	420.0
1996	4.25%	415.0	3.82	372.8
1997	4.15%	419.6	4.00	404.6
1998	4.90%	514.9	4.82	506.6
1999	5.90%	648.8	5.82	640.6
2000 ¹	6.90%	803.0	6.87	800.0
2001 ²	6.95%	885.3	6.94	884.6
2002	3.95%	543.2	3.40	468.1
2003	2.50%	358.2	0.94	134.1
2004	4.37%	635.2	4.33	629.0
2005 ³	6.70%	1,037.1	6.69	1,036.3
2006 ³	9.60%	1,604.7	9.57	1,599.0
2007	7.90%	1,450.0	7.51	1,378.4
2008	4.27%	848.7	4.16	826.8
2009 ⁴	0.70%	145.7	0.19	39.2
2010 ⁴	0.00%	0.0	-	-626.9
2011	Reduce fiscal 2012 structural deficit by 33⅓%		36.90%/46.00% ⁵	
2012	Reduce fiscal 2013 structural deficit by 50.0%		50.60%	
2013	Reduce fiscal 2014 structural deficit by \$200.0 million			-211.2
2014	4.00%	937.8	2.76	646.4
	Reduce fiscal 2015 structural deficit by \$125.0 million			-126.1

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<u>Session Year</u>	<u>Committee Recommendation</u>		<u>Legislative Action</u>	
	<u>Growth Rate</u>	<u>Amount</u>	<u>Growth</u>	<u>Amount</u>
2015	Reduce fiscal 2016 structural deficit by 50.0%		68.27%	
2016	4.85%	1,184.2	4.55	1,111.2
2017	Reduce fiscal 2018 structural deficit by at least 50.0%		90.19%	
2018	Eliminate 100% of the fiscal 2019 structural deficit		100%	
2019	3.75%	1,019.0	3.31	900.7
	Maintain structural balance in fiscal 2020			76.0 ⁶
2020	Maintain structural balance in fiscal 2021			160.2
2021	Limit fiscal 2022 structural deficit to \$700 million or less			63.0
2022	Maintain structural balance in fiscal 2023			276.0
2023	Structural surplus of \$100 million in fiscal 2024			146.0
2024	Limit fiscal 2025 structural deficit to \$508 million or less			483.1

¹2000 legislative action does not reflect \$266 million of Cigarette Restitution Fund (CRF) appropriations. CRF dollars were excluded because it had not previously been available to the State. The 2000 growth rate, including CRF dollars, was 9.16%.

²Methodology revised effective with the 2001 session.

³The committee initially approved a limit of 5.70% for 2005 and 8.90% for 2006.

⁴Legislative action calculation includes federal funds under the American Recovery and Reinvestment Act of 2009 used in lieu of ongoing general fund spending.

⁵Spending reduction/total reduction.

⁶Amount reflects difference between the estimated structural deficit of \$64 million in the Governor’s allowance and the structural surplus of \$12 million in the legislative appropriation.