LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

Maryland
DEPARTMENT OF BUDGET AND MANAGEMENT

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 192/HOUSE BILL 152

BUDGET RECONCILIATION AND FINANCING ACT OF 2020

Senate Budget and Taxation Committee
February 26, 2020
House Appropriations Committee
February 27, 2020

Testimony by

David R. Brinkley
Secretary of Budget and Management

The Budget Reconciliation and Financing Act of 2020 (BRFA) implements several actions to balance the FY 2021 budget and to reduce the structural budget gap. These budget actions provide approximately $2.2 billion in General Fund savings through FY 2025, including more than $490 million in spending reductions in FY 2021.

Background

The Governor's FY 2021 budget proposal continues the administration's commitment to fiscal discipline and achieving a structurally balanced budget. The approach taken by the administration, reflected in the BRFA, includes the following:

- Taking a "Last In, First Out" approach to recently enacted mandates and providing relief from other funding mandates, both for one year only and ongoing;
- Limiting increases to certain provider reimbursement rates;
- Altering various funding requirements for FY 2021 only;
- Restructuring repayment for prior fund transfers to ensure obligations are met in a fiscally prudent manner;
- Authorizing certain reversions and fund transfers; and
- Making other changes to current law to provide budget relief in the short and/or long term.

As introduced, the BRFA addresses the FY 2021 projected shortfall and serves as an important step in addressing the State's ongoing structural budget gap.

Last In, First Out Mandate Relief

The BRFA takes a "Last In, First Out" approach, eliminating several funding mandates enacted in the past few years. These include mandated funding amounts for the following:

- Baltimore Symphony Orchestra
    - FY 2021 GF Savings - $1.6 million
- National Capital Strategic Economic Development Program
    - FY 2021 GF Savings - $7.2 million
- Maryland Public Broadcasting Commission
    - FY 2021 GF Savings - $215,561
- Maryland Energy Innovation Fund
    - FY 2021 SF Savings - $1.5 million

Other Mandate Relief

In addition to the actions listed above, the BRFA continues the Governor's commitment to enacting meaningful mandate relief in both the short and long-term. To this end, the BRFA:

- Limits growth under the Cade Formula for Community Colleges to 50 percent of the projected increase in FY 2021 and aligns future increases with General Fund revenue growth. Under current law, funding for the local community colleges was set to grow by nearly 15 percent. The BRFA provision will still allow the Cade formula to grow by $18.2 million to $268 million in FY 2021.
    - FY 2021 GF Savings - $18.2 million
- Authorizes rather than requires funding for the Community College Facilities Renewal Grant and allows the grant to be funded in the capital budget.
    - FY 2021 GF Savings - $4.3 million ($4.2 million in GO Bonds included in FY 2021 capital budget)
- Level funds the Sellinger Formula for Non Public Higher Education Institutions at the FY 2020 level of $59 million and limits future increases to revenue growth less one percentage point. Under current law, funding for the private colleges and universities was set to grow by 54 percent.
    - FY 2021 GF savings - $32 million
- Reduces the Seed Community Development Anchor Institution Fund mandate to $5 million and allows the funding to be provided in the capital budget.
    - FY 2021 GF savings of $5 million ($5 million in GO Bonds included in the FY 2021 capital budget)
- Aligns the Maryland Health Benefit Exchange funding mandate with prior year spending actuals.
    - FY 2021 SF Savings - $3 million
    - FY 2021 GF Revenue - $3 million
- Reduces the Annapolis PILOT payment to historical levels of $367,000.
    - FY 2021 GF Savings - $383,000
- Caps the Film Tax Credit at $10 million in FY 2021 only to align with projected activity.
    - FY 2021 GF revenue - $4 million

- Alters the Medicaid Deficit Assessment amount for FY 2021 to provide $10 million in special funds for Medicaid provider reimbursements, while maintaining the reduced assessment level in FY 2022 consistent with current law.
  - FY 2020 GF Savings - $10 million

Provider Rates

The BRFA makes several modifications to current law to limit rate increases for various service providers to no more than two percent. Specifically, the BRFA:

- Limits the rate increase for Developmental Disabilities Administration community service providers to two percent in FY 2021 only.
  - FY 2021 GF savings – $13.3 million
- Limits the rate increase for Behavioral Health community service providers to two percent in FY 2021 only.
  - FY 2021 GF savings – $11.1 million
- Limits the rate increase for nursing homes, medical day care, private duty nursing, personal care home and community-based services, and Community First Choices providers under Medicaid and the Maryland Children's Health to two percent in FY 2021 only.
  - FY 2021 GF Savings - $15.1 million
- Limits the rate increase for residential and child care programs set by the Interagency Rate Committee to no more than two percent in FY 2021.

Retirement/OPEB Sweepers

Under current law, a sweeper supplemental contribution to the retirement system and to the Postretirement Health Benefits Trust Fund are required under certain conditions. Each sweeper equals one-half of any unappropriated general fund balance in excess of $10 million, up to a $25 million maximum.

- The BRFA eliminates the pension and Other Postretirement Employee Benefits (OPEB) "sweeper" requirements for FY 2021 only.
  - FY 2021 GF savings - $50 million

Revenue Volatility

Chapters 4 and 550 of 2017 established a cap on income tax nonwithholding revenues. Initially, the cap was set at two percent of general fund revenues, beginning in FY 2020. Subsequent legislation enacted by the General Assembly phased in the cap over three years and dedicated certain excess revenues to specific purposes. The BRFA of 2020 makes modifications to the revenue volatility statute to:

- Slow implementation of the revenue volatility adjustment beginning in FY 2021 through FY 2025
  - FY 2021 GF Revenue increase - $133.7 million

- Repeal a provision restricting revenue volatility funds to provide employees belonging to specified collective bargaining units up to a 2 percent cost-of-living adjustment (COLA) in fiscal 2021.
    - While there is no specific budget action tied to this provision, a two percent COLA for the specified bargaining units is estimated to cost $21.4 million in General Funds in FY 2021.

Restructuring Repayments for Past Transfers

The BRFA restructures certain statutory repayments for past transfers to the General Fund. Specifically, the BRFA:

- Restructures the required $33.3 million repayment to the Local Reserve Account for $200 million transferred in FY 2011 to support the Medicaid program into twenty increments of $10 million each year, transferred directly from income tax revenue.
    - Net FY 2021 GF savings - $23.3 million
- Adjusts certain required repayments of transfer tax revenue to add missed repayments in FY 2020 onto the end of each schedule.

Reversions and Transfers

The BRFA:

- Authorizes the transfer to the General Fund of $43.9 million in the Dedicated Purpose Account originally intended for Program Open Space and fenced off by the General Assembly during the 2019 Session.
- Authorizes the reversion to the General Fund of $62 million in the Dedicated Purpose Account originally intended for the pension sweeper ($50 million) and the Washington Metropolitan Area Transit Authority's capital program ($12 million) that was fenced off by the General Assembly during the 2019 Session.
- Authorizes two transfers from the Board of Physicians Fund balance in FY 2021.
    - $400,000 to be used for the Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants; and
    - $199,517 in FY 2021 to be used to reimburse the Maryland Department of Health for general funds used in FY 2020 to grant scholarships.

SDAT Cost Reallocation

The BRFA increases the share of certain administrative costs within the State Department of Assessments and Taxation (SDAT) to be paid by local governments. Under current law, each county and Baltimore City are responsible for reimbursing 50% of the costs of real property valuation, business personal property valuation, and the SDAT Office of Information Technology.

- Beginning in FY 2021, the local contribution is increased to 60 percent.
- FY 2021 GF savings - $4.4 million

Other

The BRFA also:

- Authorizes the annual budget books to be provided in electronic or printed format at the discretion of the governor and eliminates the requirements for the number of copies provided and machine-readable files on the DBM website. In FY 2021, printing the budget books cost nearly $49,000.
- Allows the Comptroller to list unclaimed property owners on the web rather than in paid advertisements in newspapers.
    - FY 2021 GF Revenue - $320,000
- Clarifies that Maryland prekindergarten expansion grants are an allowable use under the Blueprint for Maryland's Future Fund.
- Alters current statute to ensure that the Senior Prescription Drug Assistance Program receives at least $14 million annually from premium tax exemption revenues, while the Community Health Resources Commission receives no more than $8 million.
- Reduces the required appropriation to the Rainy Day Fund by $284.4 million, leaving a balance in the Fund just above 6.25 percent of the December 2019 Board of Revenue Estimates' projection of FY 2021 General Fund revenues.
    - FY 2021 GF Savings - $284.4 million
- Redirects $5 million in Highway User Revenues allocated to Baltimore City to the Maryland Department of Transportation to support capital improvements for the Howard Street Tunnel project.

Departmental Position

The Department of Budget and Management believes that the Budget Reconciliation and Financing Act of 2020 is necessary to ensure a balanced FY 2021 budget and to advance the Administration's goal of resolving the ongoing structural budget gap. For these reasons, we urge the Committees to vote for a favorable report on SB 192/HB 152.

MCHI_LOI_SB192
Uploaded by: demarco, vincent
Position: FAV

HEALTH CARE for All
2600 ST. PAUL STREET BALTIMORE, MD 21218 P: (410)235-9000 F: (410)235-8963 WWW.HEALTHCAREFORALL.COM
MARYLAND CITIZENS' HEALTH INITIATIVE

STATEMENT OF THE
MARYLAND CITIZENS HEALTH INITIATIVE
REGARDING
SENATE BILL 192 – BUDGET RECONCILIATION AND FINANCING ACT
FEBRUARY 26, 2020

Mister Chairman and Members of the Budget and Taxation Committee:

The Maryland Citizens Health Initiative and the Health Care for All Coalition is an alliance of civil rights, labor, religious, and civic organization seeking to provide everyone with access to health care. They strongly urge you to reject the provision of this bill found on the top of Page 20 which would decrease the annual appropriation to the Maryland Health Benefit Exchange from $35 million to $32 million.

The argument by the Administration in favor of this cut is that not all of the funds have been spent in the past. There now exists an opportunity, however, to use those unspent funds to help small businesses provide health care to their employees and help to implement the landmark Maryland Easy Enrollment Health Insurance Program. Making this cut at this time, therefore, would not be prudent.

Thank you for your attention to this matter.

SuzanneFischerHuettner_FAV_SB0192

Uploaded by: Fischer-Huettner, Suzanne

Position: FAV

THE DAILY RECORD

Testimony before the Senate Budget & Taxation Committee
Support with Amendments
Senate Bill 192: Budget Reconciliation and Financing Act of 2020
February 26, 2020

Dear Mister Chair and Members of the Budget & Taxation Committee:

The Daily Record supports the Budget Reconciliation and Financing Act ("BRFA") with amendments. We respectfully request that the committee strike from page 5, line 13 through page 7, line 19. This section of the BRFA, as introduced, repeals the current requirement that the Comptroller publish a list of abandoned properties in newspapers. Instead, the bill requires the abandoned property list be maintained on a state website and encourages the use of the website through referral ads in newspapers.

The state should not end the historic requirement to publish this vital information in the format that is most secure, provided by a third party, and most accessible to the greatest number of citizens.

Newspapers serve as the independent third party that verifies that the government has followed the law in communicating legally required information. Their permanence ensures that public notices are provided correctly and in a timely manner. Newspapers will never go back and change a public notice after the fact. They are uniquely qualified to play the role of ensuring that the government provides public notice in an open, transparent, timely manner.

Citizens are accustomed to finding legal notices in newspapers, and the abandoned property list enjoys wide readership around the state. Far fewer viewers actually find notices on government websites - and those are viewers actively looking for specific information. While Internet use is widespread, it is far from universal. In fact, it is least accessible to senior citizens, minorities, and those of lower socioeconomic status – the same populations arguably most in need of reclaiming their abandoned property.

Finally, the security of websites is a vexing issue for both private industry and governments. If the state were to post this notice solely on its own website, it would likely become an even greater target for hackers. Even minor alterations could have major unforeseen consequences, potentially dragging the government into costly and wasteful litigation. Printed notices, with independent verification of accuracy, make that outcome far less likely.

Eliminating public notice advertising in newspapers might save the state some money in the short term, but the cost could high in the long term, both in dollars and public confidence.

Since 1888, the Daily Record has provided trusted legal and business information to Maryland readers. Our mission is to provide timely, accurate, objective and thought-provoking business, legal and professional news. We take our role in providing public notices very seriously.

It is for these reasons that we respectfully request a favorable with amendments report on SB 192.

Sincerely,

Suzanne Fischer-Huettner
Publisher, The Daily Record

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sb 192 - BRFA - Directorate
Uploaded by: sperlein, joan
Position: FAV

BALTIMORE CITY
BEHAVIORAL HEALTH DIRECTORATE

Senate Budget & Taxation Committee - February 26, 2020
Senate Bill 192
BCSAD opposition to BRFA Cut of Medicaid Provider Rates

The Baltimore City Substance Abuse Director (BSCAD) is an advocacy and provider organization comprised of 30 Baltimore City substance use disorders treatment providers representing all levels of care from prevention to residential treatment. Our mission is the promotion of high-quality, best-practice and effective substance use disorders treatment for the citizens of Baltimore City. We are also involved in and support legislation that ensures our citizens get the best possible care through active consideration of legislation as it relates to the health and well-being of our consumer population.

BCSAD strongly opposes the BRFA recommended 2% Medicaid provider rate decrease, and the budget analysis recommended 6 month delay of the mandated 4% provider rate increase. Both options underfund necessary substance use and mental health treatment by nearly $25 million. BCSAD supports the FY 21 budgeted 4% rate increase mandated by the minimum wage bill of 2019, and the HOPE Act of 2017.

The need and importance of the 4% Behavioral Health provider increase can't be stressed enough. The difference that the full 4% increase will make can be measured in lives saved from the availability and delivery of behavioral health services. The full 4% provider rate increase will help substance use and mental health providers **K**eep **T**heir **D**oors **O**pen.

Funding the budgeted 4% increase is necessary for providers to retain high quality, experienced staff, as well as recruit and train new staff, in response to our communities' continuing increased needs. The expected 4% increase will support the delivery of life-saving substance use and mental health treatment services, behavioral health crisis services, stabilization and referral services and overdose prevention and reversal services. Now is **not** the time to reduce the funding that providers desperately need to serve their communities.

While behavioral health providers are grateful for the small rate increases over the past few years, cost increases associated with providing high quality, evidence-based, licensed, accredited behavioral health services exceed these rate increases every year.

Marylanders suffering with addiction and mental health disorders deserve the best outcomes that treatment can offer – they and the provider community need and deserve the full 4% provider increase to be funded. This one decision will save countless Maryland lives.

BCSAD requests the full funding of the budgeted 4% provider increase in the FY 21 budget, and **opposes the BRFA cut to 2% in SB 192.**

Joan Sperlein, President
Baltimore City Behavioral Health Directorate

c/o REACH Health Services
2104 Maryland Avenue
Baltimore, Maryland 21218
(410) 752-6080, ext. 115

THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

BILL:	**Senate Bill 192 – Budget Reconciliation and Financing Act of 2020**
SPONSOR:	**Senate President (Requested by the Administration)**
HEARING DATE:	**February 26, 2020**
COMMITTEE:	**Budget and Taxation**
CONTACT:	**Intergovernmental Affairs Office, 301-780-8411**
POSITION:	**SUPPORT WITH AMENDMENTS**

The Office of the Prince George's County Executive **SUPPORTS Senate Bill 192 – Budget Reconciliation and Financing Act of 2020**, which authorizes, alters, or requires the distribution and payment of certain revenue in certain fiscal years; and alters the requirement that the Comptroller provide notice of abandoned property in a certain manner. SB 192 alters the manner in which the Governor is required to provide certain budget books; repeals and alters certain programs; increases the amount local governments are required to reimburse the State for certain services; and, repeals a requirement that the State appropriate money for certain purposes.

SB 192 would negatively Prince George's County with the proposed reductions in aid to counties, i.e. the reduction of funding for community colleges, the increase in the county's share of the state's cost of operating the State Department of Assessments and Taxation (SDAT), and the cut and repeal of the National Capital Strategic Economic Development Program. SB 192 proposes to increase the county's share of the operating costs for SDAT from 50% to 60% and reduce the funding for community colleges starting in 2022 going forward. The National Strategic Economic Development Program was passed for a particular area in Prince George's County, which should receive approximately $7M a year. These reductions and eliminations will negatively impact the County's budget in the future.

The County Executive would request amendments to SB 192 which would reverse these cuts to the aid to community colleges, the shifting of the State's operating costs for SDAT, and the repeal of the National Strategic Economic Development Program.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS Senate Bill 192 WITH AMENDMENTS** and asks for a **FAVORABLE** report on SB192.

SB192_ BRFA_Oppose_ Linda Cades
Uploaded by: Cades, Linda
Position: FWA

February 27, 2020

Testimony- Budget Reconciliation and Financing Act of 2020
HB 152- Oppose

My name is Linda Cades, and my 41 year old son Aaron receives home and community based services through DDA.

When he was 5 months old, Aaron suffered massive, irreversible brain damage as a result of a seizure disorder. Within a few months, we knew that he would be significantly disabled and require care throughout his life. We promised him then that we would always love him, no matter what. When we said that, we meant that we would do everything in our power to give him the best possible life he could have. We have done our best to do exactly that for over 40 years.

At 41, Aaron functions at about the level of a 5 year-old, so he cannot be left alone. That means that if either my husband or I cannot be there, someone else has to be there. Direct support workers employed with funding from DDA are the people who will be there for our family and thousands of other families like ours when we cannot be there now or when we are gone.

No parent can provide for a son or daughter with significant developmental disabilities alone. Aaron attended Kent County public schools until 1999 as a Level 5 special education student. When he turned 21, he entered Kent Center's day program. That program has helped him acquire skills and provides a safe place where he can be cared for by people trained to work with him. That was important both for him and for us.

After Aaron left the school system, my husband and I were both able to continue working because Kent Center was there to take care of Aaron while we worked. Without them, one of us would have had to stay home to care for our son. Because Kent Center's direct support workers were there, we were able to continue to work and be taxpayers.

Last year we made the difficult decision to apply for residential services. Aaron now lives in one of Kent Center's group homes in Chestertown. Direct support workers make sure he takes the medications he needs to prevent seizures. They make his meals and give him opportunities to be involved in our community like anyone else. They care for and about him, and that means everything to us.

41 years have gone by more quickly than we had ever thought they would. I am now 73 years old; my husband is 78. Neither of us is immortal. We know that, sooner or later, we will be gone, and someone else will have to take care of Aaron. We have no family members who can take over for us, so the direct support workers at Kent Center will have to be his family.

If Aaron were your son, what kind of people would you want caring for him when you are gone? Wouldn't you want the best possible, most highly trained, most caring people you could find to do that? How much do you think people like that would be worth when you were deciding what you should pay them? If you were me, these would be the people you would have to trust to make sure your son is safe and loved for the rest of his life when you are no longer there to protect him. Do you think such people are worth the minimum wage and no more? Should they get the same wage as a teen working in a fast food restaurant?

Here is what we are worried about. Every year, Kent Center depends upon Medicaid funding from Maryland and the federal government. Every year, the Maryland General Assembly has to weigh competing demands for that funding from a wide range of deserving people and organizations. All of us know that those funds are not unlimited.

Last year, when the General Assembly passed a bill gradually raising Maryland's minimum wage to $15.00 per hour, you appropriated an additional 4% so that service providers like Kent Center could continue to pay their direct support workers at least a little above the minimum wage. By doing so, you acknowledged that service providers who care for our most vulnerable citizens must have the money they need to hire qualified, caring, dedicated people to do that work.

In Governor Hogan's current budget, that 4% that was promised has been cut to 2%; not nearly enough to achieve that goal. Without that additional money, Kent Center and every other service provider will struggle to hire and retain good people. If the money is about the same, McDonalds is always hiring, and the work is much easier. Some service providers will have to shut down.

At present, Kent Center employs about 150 people. 130 of those people are direct support workers. They are the backbone of Kent Center and every other service provider. While that sounds like a lot of people, Kent Center has 20 vacancies they need to fill right now if they could find qualified people. Hiring and retaining good staff is a challenge every day.

As a parent, I worry about whether Kent Center will be able to keep the doors open now and after my husband and I are gone. Without adequate funding, they will not be able to hire and retain people I would trust to care for my son when I am no longer here. 74 other families are also depending upon them. If they close, who is going to take care of our sons and daughters?

All of us are depending upon you to make sure Kent Center and other Maryland service providers will always be there to care for our sons and daughters. You can do that by making sure Kent Center and all of the other service providers have enough funding to hire and retain qualified people who are willing and able to care for Maryland's most vulnerable citizens.

As parents, we are counting on you. Please don't let us down. Thank you.

Respectfully submitted,

Linda Cades

Kent Center Parent

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Kennedyville, Md 21645

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JohnsHopkins_SWA_Clapsaddle_SB192 BRFA
Uploaded by: Clapsaddle, Mary
Position: FWA

JOHNS HOPKINS
UNIVERSITY & MEDICINE
Government and Community Affairs

SB 192

Support with Amendment

TO: The Honorable Guy Guzzone, Chair
Senate Budget and Taxation Committee

FROM: Mary Clapsaddle
Director, State Affairs

DATE: February 26, 2020

Thank you for the opportunity to provide testimony regarding **SB 192 – Budget Finance and Reconciliation Act.** Johns Hopkins supports this legislation with amendments.

We understand the overarching objectives to craft a budget that is balanced, fund key priorities, and provide for appropriate levels of reserves. However, there are three areas that we believe require amendment in order to implement previous policy decisions made by the General Assembly.

First, the Governor, in his BRFA, abandons the ***Sellinger*** formula for the out-year support of independent colleges and universities. As you know, the General Assembly intentionally linked the funding formulas for independents, community colleges, and the Baltimore City Community College to the per student funding for public institutions. All segments collectively provide the breadth of choice for Maryland residents and should rise and fall together, budgetarily. During the lean years of the Great Recession, MICUA agreed to slow the increase in the Sellinger formula as a way to "do our part," but the statute called for a path for the formula to reach its full level of 15.5% of public spending per student in fiscal 2021. The Governor not only level-funds the total program at the fiscal 2020 level, but level-funds each institution for fiscal 2021, ignoring the dynamics of the formula. In the past, the General Assembly has rejected this approach, and, even if full funding is not provided, has directed that the funding flow through the formula.

More troubling is the rewrite of the law for fiscal 2022 and thereafter. Again, the Governor rejects the policy decision of the General Assembly as articulated in the formula. There is no logical reason to reject the formula for just this one segment of higher education, and the factor of one percentage point less than general fund revenue growth seems arbitrary.

Johns Hopkins, along with MICUA and its other members, would be happy to work with the committee on a multi-year formula approach, if needed, to reach the policy goal of funding 15.5% of spending on public university students.

Secondly, ***community providers*** are a vital part of the continuum of care for Marylanders; therefore, we respectfully request the restoration of community provider rates increase to

4%. This increase was promised last year as a result of the increase to the minimum wage. Community providers serve the most vulnerable populations through behavioral health, home health care, and adult medical day care services.

Community providers have been underfunded for years, and the changes last year to the minimum wage have only made operating costs more challenging. These fiscal challenges are not sustainable and will inevitably cause the closure of these valuable resources, which is not something the continuum of care can absorb. Community providers deliver essential services to aid patients after discharge from hospitals, preventing readmissions and creating a healthier Maryland.

Third, Johns Hopkins Health System, representing four hospitals in Maryland, respectfully requests that the General Assembly provide the promised $25 million reduction to the ***Medicaid deficit assessment*** in the state's final fiscal 2021 budget. We also urge the committee to reject the Department of Legislative Services' recommendation to maintain the assessment at the current fiscal 2020 level and to eliminate the commitment to reducing it in future years.

In 2015, Governor Hogan and the Maryland General Assembly committed to reduce the assessment by $25 million annually. The changes made in this budget do not reflect the commitment.

The assessment, passed in 2009 as a temporary measure to shore up a deficit in the state's Medicaid program, was just $19 million that first year, but ballooned to $390 million in 2015. Reducing the assessment yields multiple benefits for individual Marylanders and for the state. First, it lessens a financial burden on hospital patients, because the assessment adds approximately two percent to every hospital bill in Maryland. Additionally, the assessment artificially inflates Maryland's health care spending, which puts additional pressure on the state's ability to meet the cost-saving requirements of the Total Cost of Care agreement with the federal government.

Reducing and eventually eliminating the assessment in no way financially benefits hospitals; rather it is a direct reduction in health care costs. Continuing to reduce it is key to demonstrating to the federal government Maryland's determination to reduce health care costs and meet the requirements of the Total Cost of Care agreement.

Thank you for the opportunity to offer this testimony in **support of SB 192 with amendments**.

cc: Members, Senate Budget and Taxation Committee
President, Bill Ferguson

HFAM_FWA_SB192
Uploaded by: DeMattos, Joseph
Position: FWA

Health Facilities Association of Maryland
Partners in Quality Care

TESTIMONY BEFORE THE
SENATE BUDGET AND TAXATION COMMITTEE
February 26, 2020
Senate Bill 192: Budget Reconciliation and Financing Act of 2020

POSITION: Support with amendment

On behalf of the members of the Health Facilities Association of Maryland (HFAM), we appreciate the opportunity to testify on Senate Bill 192: Budget Reconciliation and Financing Act of 2020 (BRFA). HFAM represents the majority of skilled nursing and rehabilitation centers in Maryland, as well as assisted living communities and associate businesses that offer products and services to healthcare providers.

Our members provide the majority of post-acute and long-term care to Marylanders in need: 6.2 million days of care across all payer sources annually, including more than four million Medicaid days of care and more than one million Medicare days of care. Thousands of Marylanders across the state depend on the high-quality services that our skilled nursing and rehabilitation centers offer every day.

HFAM supports the Budget Reconciliation and Financing Act of 2020 with an amendment to restore the four (4) percent long-term care Medicaid rate increase called for in legislation enacted last year. The currently proposed two percent increase in the BRFA is half of the four percent that was mandated in legislation passed by the General Assembly in 2019.

Last session, HFAM steadfastly supported the Fight for Fifteen legislation with an amendment to include a four percent long-term care Medicaid rate increase from FY21 to FY26 to cover wages and wage compression associated with the incremental minimum wage increase. That important four percent Medicaid rate allocation was included in the enacted legislation.

Unfortunately, the four percent long-term care Medicaid rate increase mandated by the General Assembly and enacted last year is not in the BRFA or the FY21 Budget. We appreciate the two percent Medicaid rate increase currently identified in the BRFA, but it puts continued access to quality care for Marylanders in need at risk.

The two percent rate increase in the BRFA does not cover the rate of inflation in our sector, nor does it cover increasing labor costs. In 2019 Core CPI rose by 2.3 percent and according to the U.S. Bureau of Labor Statistics medical spending increased by 2.9 percent.

It is critical that we continue our work together to restore and secure a four percent total long-term care Medicaid rate increase for fiscal year 2021, which is estimated to be $28.7 million in general funds. This is necessary to account for the mandated minimum wage increase, to protect jobs in healthcare, and to ensure continued access to quality care for Marylanders in need.

It is important to keep in mind that healthcare, and especially long-term and post-acute care, is a people-helping-people business. The high level of commitment to Marylanders in need depends on continuous efforts of caring, compassionate, and dedicated professionals.

Residents who receive long-term and post-acute care in our centers often have severe, multiple comorbidities (congestive heart failure, diabetes, dementia, renal failure, or perhaps a behavioral diagnosis) and have high activities of daily living (ADL) scores, meaning that they need more help with everyday tasks. The vast majority of people cared for in our skilled nursing and rehabilitation centers would otherwise receive care in hospitals at a much higher cost.

Skilled nursing and rehabilitation centers aim to be the quality care solution in Maryland's unique Total Cost of Care (TCOC) environment. They are focused on quality, innovation, and providing cost-efficient quality care for Marylanders in need. The Maryland TCOC will not work without strong and properly funded skilled nursing and rehabilitation centers.

Our sector's success depends on adequate staffing, which in turn depends on adequate wages. Paying competitive wages is a key part of recruiting and retaining sufficiently trained and effective staff who provide quality care and improve lives of the most vulnerable Marylanders.

Approximately 70 percent of all revenue in Maryland skilled nursing and rehabilitation centers directly covers employee wages and benefits. Unlike hospitals, where care is underwritten by global budgets and guided by Maryland's unique Total Cost of Care contract, and unlike other businesses that are able to adjust pricing based on the market, about 80 percent of reimbursement paid to skilled nursing and rehabilitation centers are set by non-negotiable Medicare and Medicaid rates.

Securing a four percent total long-term care Medicaid rate increase to keep pace with the increases to the minimum wage and a more competitive job market is essential to supporting healthcare jobs and access to quality care. But more importantly, an increase in the Medicaid rate means that real people across the state will have a better quality of life.

We are thankful for the Senate Budget and Taxation Committee's leadership on behalf of Marylanders in need. We respectfully urge the Committee to add an additional two percent to the BRFA to restore the necessary and mandated four percent long-term care Medicaid rate increase in FY21 to protect quality care and support healthcare jobs.

Submitted by:

Joseph DeMattos
President and CEO
(410) 290-5132

SB192_BRFA_SWA_Tracey Eberhardt
Uploaded by: Eberhardt, Teresa
Position: FWA

Teresa and David Eberhardt
9625 Sea Shadow
Columbia, MD 21046
tracey@eberhardtfam.com

February 26, 2020

Dear Madams and Sirs:

We write to urge your support of **SB0192 & HB0152 with amendments to restore the 2% cut to DDA providers**. This funding is urgently required to enable human service providers to pay direct service professionals an appropriate wage. We are parents of a 30-year old young woman who has autism, developmental disabilities and difficult behavioral issues. Our daughter is supported in her home by The Arc of Howard County. She is supported during the day at Athelas Institute in Columbia, MD.

She is unable to be by herself at any time due to safety concerns. She requires assistance with bathing, dressing, medication administration, preparing meals, doing laundry, personal care and integration into the community. She is not able to read and not able to make phone calls unassisted. She needs constant supervision around food as she will eat raw and frozen meats as well as any other food items in reach.

We have attempted to have her live with two different roommates. Neither arrangement lasted due to her aggressive behavior toward her roommates. Her aggression is both physical and verbal. Her staff must be trained to use a very detailed behavior plan which includes collecting data as well as keeping our daughter safe and others safe. They must be very familiar with the behavior modification steps spelled out in this plan.

Our daughter's staff must also be trained in how to give medications, how to follow her special diet which is gluten and casein free and how to offer nutrition that will allow her to lose weight and be healthy.

Having reliable, competent staff is essential for our daughter. The struggle to obtain and keep staff to support our daughter, especially in the residential program, has been ongoing. Change is extremely difficult for our daughter and frankly trusting our very vulnerable daughter with new people all the time is unnerving.

Adequate funding, such as the funding that was in the Governor's proposed budget **before the BRFA cut**, is essential in helping providers hire and retain much needed staff. The staff caring for people such as our daughter deserve to be paid a living wage. Their work is challenging, personal and essential to very vulnerable citizens in our state. Given the phased-in increase in the minimum wage, the fees paid to human service providers must increase proportionately. The importance of avoiding an unfunded mandate was recognized in the original legislation increasing the minimum wage and it remains a critical need for service providers.

As parents, we have the constant fear and worry as to who will care for our child when we die. She will no doubt outlive us. Without a solid support system made up of dedicated, well trained and fairly paid staff, we fear our child will end up as one of the many marginalized homeless in our society. This is a real fear.

Thank you for your support of **SB0192 & HB0152 with amendments to reject the 2% cut to Developmental Disabilities provider payments and restore the 4% funding increase needed**.

Sincerely,

Teresa Eberhardt

David Eberhardt

AFSCME_SB 192 BRFA _ FWA
Uploaded by: Esty, Sue
Position: FWA

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

Patrick Moran - President

Testimony
SB 192 – Budget Reconciliation and Financing Act of 2020
Favorable with Amendment

There are many issues addressed in SB 192. On behalf of 18,000 state employees, we are concerned with pages 23-27 which delete efforts by the General Assembly to provide a 2% pay raise to state employees this fiscal year provided that the non-witholding income tax revenues exceeded estimates.

With this action, the Governor has chosen to delete up to a 2% pay raise to bargaining units represented by AFSCME and AFT. This action is in addition to a 1% pay raise that was denied to AFSCME bargaining units. With the exception of Fire Fighters, who had higher raises, that 1% raise was provided to <u>all</u> other state employees, whether represented in collective bargaining or not. In other words, supervisors, managers, and Secretaries of Departments received that 1% raise.

These denials are ill-advised and retaliatory. Just look at the timing. In the fall of 2018, the Hogan Administration insisted on ground rules for AFSCME's collective bargaining that included, in essence, a gag order. We would have been prevented from effectively communicating with our members and barred from communicating with legislators about collective bargaining issues. We refused to sign and filed an Unfair Labor Practice against the state. Because management would not continue negotitions, we had no contract for 2019. In spite of this lack of contract, AFSCME members received the 3% COLA that was negotiated by AFT in the summer of 2019. However, in the fall of 2019 we received the decision on the ULP. It determined that the actions of the Hogan Administration would violate basic constitutional rights. Following that decision, AFSCME-represented employees were denied the 1% raise.

These actions were ill-advised. Employees denied these raises include hard-to-recruit classifications like Correctional Officers, Juvenile Case Workers, and low paid jobs in clerical classifications, Social Services and Security. This is the opposite of what is needed to provide quality state services.

We ask the General Assembly to repair this damage and restore the total of 3% that was denied to hard-working state employees. This action would help protect vital state services, and assist in eliminating high vacancy rates at key state agencies.

MDAC_FWA_SB 192
Uploaded by: faulkner, Rachael
Position: FWA

Maryland Dental Action Coalition

10015 Old Columbia Road, Suite B-215
Columbia, Maryland 21046
www.mdac.us

To: **Senate Budget and Tax Committee**

Bill: **SB 192 – Budget Reconciliation and Financing Act**

Date: **February 26, 2020**

Position: **Support with Amendment**

The Maryland Dental Action Committee supports SB 192 – Budget Reconciliation and Financing Act with an amendment to preserve funding for the Community Health Resources Commission for fiscal 2021 and beyond. We are in strong support of ensuring that the Community Health Resources Commission has the opportunity to support the unmet needs of safety net providers across Maryland.

The Commission has been very supportive of expanding the capacity of safety net providers for adult dental services. As this Committee knows, Medicaid does not have an adult dental benefit. This means low-income adults must rely on safety net providers for their unmet needs. The Commission has been instrumental in expanding the dental safety net capacity across the state, including programs to reduce emergency room visits in Frederick and Anne Arundel Counties, expanding the capacity of private providers to provide reduced services in Allegany County, and expansion of dental capacity to meet the significant needs for adult dental services in Cecil County.

In June 2019, the Department implemented the adult dental waiver program which adds dental coverage for dually-eligible adults between the ages of 19-64 years of age. The Commission's work, by expanding dental capacity, has supported implementation of the waiver.

Please continue to support the Community Health Resources Commission's full funding. Please contact Robyn Elliott at relliott@policypartners.net or (443) 926-3443 if we can provide any further information.

Optimal Oral Health for All Marylanders

TCC_FWA_SB 192
Uploaded by: faulkner, Rachael
Position: FWA

THE COORDINATING CENTER

INSPIRED SOLUTIONS

Committee: **Senate Budget and Taxation Committee**
Bill Number: **Senate Bill 192**
Title: **Budget Reconciliation and Financing Act of 2020**
Hearing Date: **February 26, 2020**
Position: **Support with Amendment**

The Coordinating Center (The Center) opposes *HB 152 – Budget Reconciliation and Financing Act of 2020*. This bill would reduce provider rate increases in the FY 2021 budget from 4% to 2% for community-based Medicaid providers who serve Marylanders with disabilities and the most complex medical needs.

The Center is an independent, care coordination organization with over 35 years of experience, coordinating services for more than 10,000 people with disabilities and complex medical needs across the state.

During the 2019 legislative session, The Center was a strong proponent of an amendment to the minimum wage bill, requiring annual provider rate increases for Medicaid's home and community-based service providers. Unfortunately, we were extremely disappointed to see a 2% rate reduction in this year's BRFA for these services, which include private duty nursing, personal care services, and services provided through the Community First Choice program. Without rate increases to keep pace with the minimum wage, many of the individuals with complex medical needs that we provide care coordination for will be unable to find sufficient direct service staff in the community and will be at risk of spending their lives in institutional care.

In fact, a review conducted by the Hilltop Institute in 2018 for the Maryland Department of Health, illustrated in the chart below, shows that among these services, nearly all were underfunded when comparing reimbursement rates with an estimate of actual costs[i]. Without adequate rate increases, the gap between rates and actual costs will continue to widen, putting the health and safety of Marylanders at risk.

In addition, The Center supports restoring the 2% for developmental disability providers. It is often very difficult to find providers willing to do this challenging work, which often requires intensive labor. It is even more challenging in certain regions of the state such as Western Maryland and the Eastern Shore.

Thank you for your consideration of our testimony. If we can provide any further information, please contact Rachael Faulkner at rfaulkner@policypartners.net or (410) 693-4000.

Table 5. Draft Cost Estimates and MDH Reimbursements

Service	FY 19 Reimbursement	Estimated Cost	Difference
Medical Day Care (6 hour day)	$79.84	$86.90	$7.06
Respite Services (provided in an assisted living facility) (24 hours)	$78.43	$136.38	$57.95
Senior Center Plus (8 hours)	$49.45	$55.04	$5.59
Assisted Living II with MDC (18 hours)	$46.63	$87.83	$41.20
Assisted Living III with MDC (18 hours)	$58.80	$91.74	$32.94
Assisted Living II no MDC (24 hours)	$62.15	$115.39	$53.24
Assisted Living III no MDC (24 hours)	$78.43	$120.60	$42.17
Residential Habilitation Level 1 (24 hours)	$211.72	$274.98	$63.26
Residential Habilitation Level 2 (24 hours)	$280.34	$320.18	$39.84
Residential Habilitation Level 3 (24 hours)	$387.84	$477.10	$89.26
Day Habilitation Level 1 (5 hours)	$54.67	$71.48	$16.81
Day Habilitation Level 2 (5 hours)	$95.35	$99.64	$4.29
Day Habilitation Level 3 (5 hours)	$134.15	$353.01	$218.86
Supported Employment Level 1 (.75 hour)	$32.43	$35.46	$3.03
Supported Employment Level 2 (1 hour)	$54.67	$47.28	-$7.39
Supported Employment Level 3 (4 hours)	$134.15	$189.12	$54.97
Dietitian/Nutritionist Services	$67.97	$85.08	$17.11
Case Management (non-REM)	$63.75	$64.12	$0.37
Behavior Consultation	$67.97	$72.39	$4.42
Family Training	$67.97	$97.16	$29.19
Personal Assistance Services (non-shared) (Hourly)	$17.50	$25.54	$8.04
Personal Assistance Services (non-shared) (Daily) (12 hours)	$225.88	$295.08	$69.20
Personal Assistance Services (shared) (Hourly)	$11.67	$14.86	$3.19
Personal Assistance Services (shared) (Daily) (12 hours)	$150.59	$171.63	$21.04
Nurse Monitoring	$86.39	$93.94	$7.55
Consumer Training	$44.08	$60.95	$16.87
Individual Support Services	$26.51	$33.14	$6.63
Private Duty RN (1 participant) - per 15 minutes	$13.57	$18.53	$4.96
Private Duty RN (2+ participants) - per 15 minutes	$9.36	$10.80	$1.44
Private Duty LPN (1 participant) - per 15 minutes	$8.80	$13.33	$4.53
Private Duty LPN (2+ participants) - per 15 minutes	$6.08	$7.78	$1.70
CNA or HHA (1 participant) - non-CMT – per 15 minutes	$3.85	$7.26	$3.41
CNA or HHA (2+ participants) - non-CMT – per 15 minutes	$2.68	$4.25	$1.57
CNA or HHA (1 participant) – CMT – per 15 minutes	$4.65	$7.29	$2.64
CNA or HHA (2+ participants) – CMT – per 15 minutes	$3.20	$4.27	$1.07
Initial Nursing Assessment (2 hours)	$150.00	$153.05	$3.05
Initial Nursing Assessment (3 hours)	$150.00	$226.93	$76.93
Coordinated Care Fee, Initial Rate (5 hours)	$400.21	$416.46	$16.25
Coordinated Care Fee, Risk Adjusted High Initial (4 hours)	$295.51	$333.17	$37.66
Coordinated Care Fee, Risk Adjusted Low (3 hours)	$176.13	$249.88	$73.75
Coordinated Care Fee, Risk Adjusted Maintenance Level 3 (1.5 hours)	$92.96	$124.94	$31.98
Participation by physician in plan of care meeting (15 minutes)	$40.50	$58.43	$17.93

[i] Henderson, M., & Stockwell, I. (2018, November 26). Rate Methodology Study Pursuant to Section 2 of House Bill 1696 (2018). Baltimore, MD: The Hilltop Institute, UMBC.

MICUA_FWA_SB192
Uploaded by: Fidler, Sara
Position: FWA

MICUA

Maryland Independent College and University Association

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Support With Amendments

TESTIMONY

Senate Budget and Taxation Committee

SB 192 – Budget Reconciliation and Financing Act of 2020

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

February 26, 2020

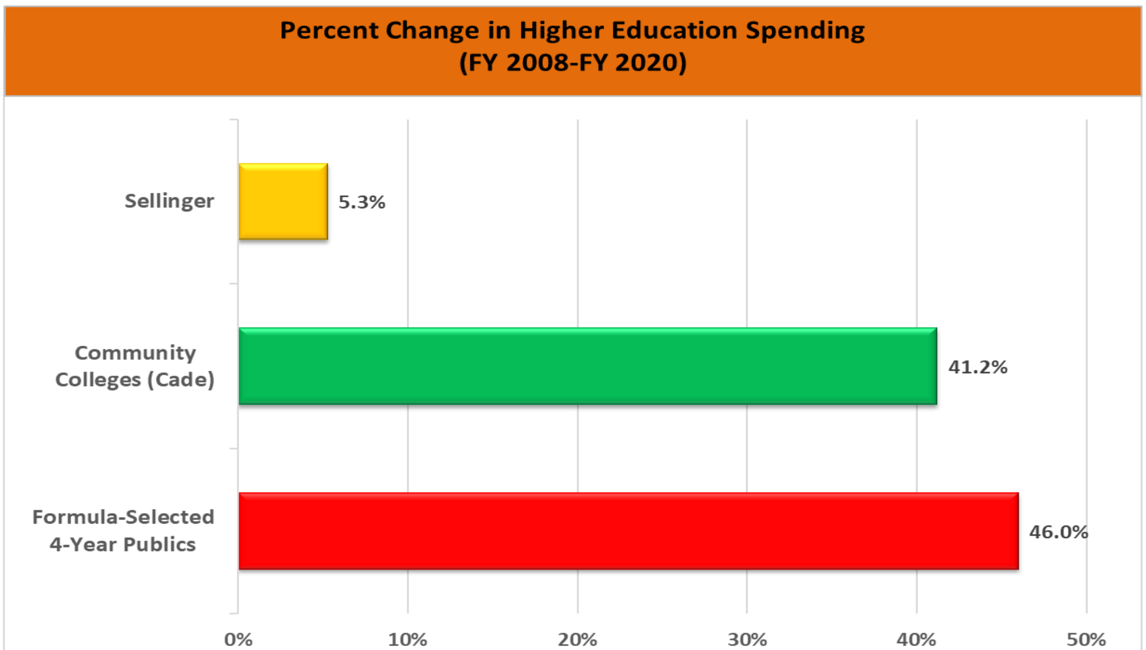
On behalf of the 13 State-aided MICUA member institutions, I submit this testimony in opposition to several provisions in *House Bill 152 – Budget Reconciliation and Financing Act of 2020* and request amendments to delete these provisions.

The legislation eliminates the link between the Sellinger Program – *Aid to Independent Colleges and Universities* – and selected 4-year public institutions of higher education in the State. This link was established in the 1970's, and has been a long-standing partnership in which we have been proud and honored to be involved. **This link ensures that a rising tide lifts all boats.** Further, this link encourages cooperation and collaboration among the State's public and private nonprofit colleges and universities. The link strengthens the opportunities for and access to a choice in higher education for all of Maryland's students.

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

Additionally, the legislation level-funds the Sellinger Program from fiscal 2020, eliminating $32 million that would have otherwise been allocated to our institutions under the current statute. Further, in level-funding the Sellinger Program, the legislation does not distribute funds to each eligible institution in accordance with enrollment. If this provision is adopted by the General Assembly, Sellinger funds will not "follow the student."

Between fiscal 2008 and fiscal 2020, the Sellinger Program has not kept pace with State aid to public institutions, as represented graphically below. It is also worth noting that these cuts have come at a difficult time for independent higher education. Several private, nonprofit colleges and universities in Maryland and across the nation have closed due to financial instability.



We urge you to restore the Sellinger Program statutory appropriation and reject the $32 million cut effectuated by this legislation.

The Sellinger Program was established to ensure that Maryland's independent institutions remain viable and vibrant and to recognize the services and savings the independent colleges and universities bring to Maryland. Today, the MICUA institutions provide educational services at more than 180 locations throughout the State, offer over 1,600 approved academic programs, and serve 65,600 students. The demographics of these students are similar to the demographics of students attending the State's public universities. To maintain this diverse student body, MICUA member institutions invest in student financial aid and are enrolling a greater number of low and very-low income students from Maryland's working class families. To increase access, the MICUA institutions have made good on their pledge to use their own resources to match the Guaranteed Access grants awarded to some of the lowest income students. **Last year, 89% of Sellinger funds were used to provide financial aid to Maryland residents.** The remaining Sellinger funds were used to support the State's goals for higher education.

Thank you for the opportunity to comment on the Budget Reconciliation and Financing Act of 2020. Please find below draft amendments that would effectuate the concerns described above.

AMENDMENTS TO SB 192

BY: Maryland Independent College and University Association (MICUA)

On page 12, in line 26, strike the brackets; and in the same line, strike "**, (5), AND (6)**".

On page 13, in line 26, strike "**AND**" and in lines 29 and 32, strike the brackets.

On pages 14 and 15, strike in their entirety the lines beginning with line 9 on page 14 down through line 6 on page 15, inclusive.

MHA_FWA_SB 192
Uploaded by: Frazee, Brian
Position: FWA

Maryland
Hospital Association

Senate Bill 192- Budget Reconciliation & Financing Act of 2020

Position: ***Support with Amendments***
February 26, 2020
Senate Budget & Taxation Committee

MHA Position
Maryland's 61 nonprofit hospitals and health systems care for millions of people each year, treating 2.3 million in emergency departments and delivering more than 67,000 babies. The 108,000 people they employ are caring for Maryland around-the-clock every day—delivering leading edge, high-quality medical service and investing a combined $1.75 billion in their communities, expanding access to housing, education, transportation, and food.

As major employers throughout the state, Maryland's hospital and system executives have identified the ability to recruit and retain physicians as their top challenge. We thank the Governor for including an additional $400,000 for the Loan Assistance Repayment Program in the BRFA. Enhancing funding for this program will allow us to draw down additional federal matching funds and will help fill critical shortage areas in our most underserved communities.

Maryland's hospitals also appreciate Governor Hogan and the Maryland General Assembly's partnership and commitment in making an annual reduction of the Medicaid Deficit Assessment a priority. We thank the Governor for including a $15 million reduction of the Medicaid Deficit Assessment in his proposed fiscal year 2021 budget. In 2015, Governor Hogan and the Maryland General Assembly committed to reduce the assessment by $25 million annually. Maryland's hospitals are therefore asking the General Assembly to amend the Budget Reconciliation & Financing Act of 2020 to provide the promised $25 million reduction in the state's final FY 2021 budget.

The assessment, passed in 2009 as a temporary measure to shore up a deficit in the state's Medicaid program, was just $19 million that first year, but ballooned to $390 million in 2015. Reducing the assessment yields multiple benefits for individual Marylanders and for the state. First, it lessens a financial burden on hospital patients, because the assessment adds approximately two percent to every hospital bill in Maryland. Additionally, the assessment artificially inflates Maryland's health care spending, which puts additional pressure on the state's ability to meet the cost-saving requirements of the Total Cost of Care agreement with the federal government.

Reducing and eventually eliminating the assessment in no way financially benefits hospitals; rather it is a true and direct reduction in health care costs in Maryland via our unique rate setting system. Continuing to reduce it is key to demonstrating to the federal government Maryland's determination to reduce health care costs and meet the requirements of the Total Cost of Care agreement.

For these reasons, we urge a ***favorable with amendments*** report.

For more information, please contact:
Brian Frazee, Bfrazee@mhaonline.org

SB192_BRFA_SWA_Cheryl Geske
Uploaded by: Geske, Cheryl
Position: FWA

Members of the Committee:

Please support the DDA budget with a restoration of the 2% funding increase that was cut through the BRFA.

When my son moved from his educational program at the Maryland School for the Blind 20 years ago, he received care and support from able, dedicated professionals. In 1999, the salaries for those professional workers was far enough above the minimum wage at that time to support them in their work and lives.

Today, 20 years later, in 2020, these exceptional people must work two jobs for two different agencies to make ends meet. Two agencies are necessary because DDA agencies cannot afford to pay their staff people appropriate wages, much less overtime that sometimes is much needed. Current staff could make more, with less effort, at retail companies, stocking shelves or cooking hamburgers. They are as dedicated and driven to personal service as are our excellent, underpaid teachers and educators.

These staff choose to work with individuals who have physical and mental challenges that make it difficult to live in our society and contribute as they wish to. The staff are so people-oriented that they choose to work two jobs, making it difficult for them to participate in their own family and social lives.

Where would the world be without Helen Keller who had her Annie Sullivan? Or Steven Hawking, who had essential care and support from able and dedicated staff? Outside this hearing room, perhaps just down the street, may be an individual who also could serve and contribute to the world's knowledge and beauty with the appropriate assistance. Is there another Steven Hawking, Van Gogh, the next astrophysicist, philosopher, artist or author sitting or lying in a room in Maryland, who cannot give to the world without assistance? What could my son and his housemates produce if they had staff who were not too exhausted to help them overcome the communication limitations of autism?

I implore you to ensure that the DDA budget includes 4% funding increases for community providers of developmental disabilities services and this funding is provided no later than July 1. This provides the bare minimum that was promised by you, our compassionate legislative body, last year. Our people need even more; but this is a life-saving first step.

I thank you in advance,

Cheryl Geske

11201 Lund Place

Kensington, MD 20895

Partners for Open Space_FWA_SB0192

Uploaded by: Jones, Ann

Position: FWA

PARTNERS *for* OPEN SPACE

The Honorable Guy J. Guzzone
Budget and Taxation Committee
Maryland State Senate
11 Bladen Street
Annapolis, MD 21401

The Honorable James C. Rosapepe
Budget and Taxation Committee
Maryland State Senate
11 Bladen Street
Annapolis, MD 21401

Dear Chair Guzzone and Vice Chair Rosapepe:

On behalf of Partners for Open Space, thank you for the opportunity to comment on the **Budget Reconciliation and Financing Act (BRFA) of 2020 (Senate Bill 192)**. This legislation includes a provision that would directly impact legislatively-mandated repayments for the state's premier 'green capital' program, Program Open Space (Page 35, lines 23-26). We respectfully request your committee to amend the BRFA and to remove this provision from the bill.

In its current draft, the BRFA allows the Governor to transfer $43.86 million in Program Open Space repayments from the Dedicated Purpose Account to the General Fund. These repayments are mandated according to a 2016 statute (Chapter 10) passed unanimously by both chambers. We urge members of the Senate Budget and Taxation Committee to strike the provision allowing the Governor to transfer Program Open Space repayments to the General Fund.

Since the program's beginning in 1969, more than $1.3 billion in transfer tax revenues dedicated for Program Open Space and its related land preservation programs have been diverted to the General Fund for other unrelated uses, and only half of this funding has been replaced. In passing the 2016 Chapter 10 law, Maryland's General Assembly recognized the need to honor its commitment and repay Program Open Space.

This year you are deliberating on a budget built on strong revenue forecasts based on a healthy and growing economy, In FY 2021, Maryland has the resources available to honor its commitment and stick to the adopted Program Open Space repayment schedule. This may not be the case in future budget years.

Our state is grappling with the impacts of rapid land-use change, the loss of natural areas, and the impacts of global climate change on Maryland residents and its environment. We submit that now is not the time to delay payments to a program that, by its very nature, assists in reducing the carbon footprint of future land use decisions.

Thank you for the opportunity to comment on this important matter that will have significant and lasting impacts on the health and well-being of Maryland's people and its environment.

Sincerely,

Josh Kurtz
Chair, Partners for Open Space

To learn more, please visit www.partnersforopenspace.org

MACS_FWA_SB 738
Uploaded by: Kallins, Lauren
Position: FWA

MACS
Maryland Association of Community Services

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Senate Finance Committee

SB 738: Health Care Providers and Health Benefit Plans – Discrimination in Provision of Services

Position: Support with Amendment
February 26, 2020

The Maryland Association of Community Services (MACS) is a non-profit association of over 100 agencies across Maryland serving people with intellectual and developmental disabilities (IDD). MACS members provide residential, day and supported employment services to thousands of Marylanders, so that they can live, work and fully participate in their communities.

Unlike large hospitals and other health care facilities, DDA-licensed residential providers (included in the definition of "related institutions") provide highly individualized supports to people with IDD in small, home-settings typically comprised of 2-4 people. Best practices in the field of developmental disabilities require a high degree of choice for people using supports-- including roommates, personal preferences, needs, employment, other activities, healthcare, etc.—all of which are important factors taken into consideration when a provider determines whether or not they are able to deliver the appropriate supports needed by a given person with IDD. These are decisions based on the expertise and staffing of the provider as well as the unique needs of other people with IDD who the provider may also be supporting in a particular home. Situations arise where a person's needs, related to their disability, and/or the gender make-up of a home, as well as the personal choice of the other people already living in a home contribute to a decision that a provider is not able to accept a person into services. This amendment complies with federal guidelines regarding individual choice, and allows providers to ensure that they can meet the needs of the individuals they serve.

Respectfully submitted in support with the attached amendment.

AMENDMENT REQUESTED BY
MARYLAND ASSOCIATION OF COMMUNITY SERVICES

SB 738 - HEALTH CARE PROVIDERS AND HEALTH BENEFIT PLANS - DISCRIMINATION IN PROVISION OF SERVICES

On page 1, after line 18, insert:

Section (B) of this section does not prevent providers of services to developmentally disabled individuals under Title 7 of the Health General Article from making a determination of whether to admit someone based on the ability of the provider to meet the needs of the individual, or the rights and preferences of individuals affected by the admission.

Explanation:

Unlike large hospitals and other health care facilities, DDA-licensed residential providers (included in the definition of "related institutions") provide highly individualized supports to people with IDD in small, home-settings typically comprised of 2-4 people. Best practices in the field of developmental disabilities require a high degree of choice for people using supports-- including roommates, personal preferences, needs, employment, other activities, healthcare, etc.—all of which are important factors taken into consideration when a provider determines whether or not they are able to deliver the appropriate supports needed by a given person with IDD. These are decisions based on the expertise and staffing of the provider as well as the unique needs of other people with IDD who the provider may also be supporting in a particular home. Situations arise where a person's needs, related to their disability, and/or the gender make-up of a home, as well as the personal choice of the other people already living in a home, contribute to a decision that a provider is not able to accept a person into services. This amendment complies with federal guidelines regarding individual choice and allows providers to ensure that they can meet the needs of the individuals they serve.

MACHC_Pam Kasemeyer_FWA_SB0192
Uploaded by: Kasemeyer, Pam
Position: FWA

MID-ATLANTIC ASSOCIATION OF COMMUNITY HEALTH CENTERS

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

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

DATE: February 26, 2020

RE: **SUPPORT ONLY IF AMENDED** – Senate Bill 192 – *Budget Reconciliation and Financing Act of 2020*

The Mid-Atlantic Association of Community Health Centers (MACHC) is the federally designated Primary Care Association for Delaware and Maryland Health Centers. Its members consist of community, migrant and homeless health centers, local non-profit and community-owned healthcare programs, including all of Maryland's federally qualified health centers (FQHCs). MACHC's members provide health care services to the medically underserved and uninsured. MACHC is built on helping our members in the delivery of accessible, affordable, cost effective, and quality primary health care to those in need. MACHC **supports only if amended** Senate Bill 192. MACHC wishes to register both its strong support for the Community Health Resource Commission (CHRC) and its strong opposition to the provisions of Senate Bill 192 that alter the funding formula for the CHRC that places the statutorily defined funding requirements for the Commission at risk and therefore potentially jeopardizes the critically important work of the Commission.

Throughout its existence, MACHC has worked collaboratively with the CHRC to achieve its objective of expanding access to high quality health care services to all Maryland residents. The grants provided by the CHRC have been invaluable in both serving the needs of the communities associated with the grant project and as a means to identify successful and sustainable approaches to addressing access challenges that can be replicated in other underserved communities. Furthermore, the grant funds awarded by the CHRC have enabled the grantees to leverage millions of additional dollars in federal and private funding to supplement the State's investment. The return on investment for the State is notable.

The Commission is required to be funded at $8 million per year and that funding comes from revenues paid by CareFirst to fund not only the Commission but the Senior Prescription Drug Assistance Program (SPDAP). The CHRC is currently mandated to receive $8 million in funding with the balance of the funding from CareFirst attributed to the SPDAP. To date, the funding from CareFirst has been sufficient to fully fund both the CHRC and SPDAP. In fact, SPDAP has not ever utilized all of the funds available to it from the fund. Despite that fact, Senate Bill 192 proposes to reprioritize the CareFirst funds by funding the SPDAP before funding the CHRC. This puts the CHRC at risk of not receiving its full appropriation.

MACHC strongly believes the CHRC will continue to be a vital and critical component of Maryland's commitment to address health care access and disparity issues while ensuring that high quality health care services are accessible to all Marylanders. MACHC strongly requests the deletion of the provision in SB 192 that changes the funding formula. The proposed amendment to the relevant language is attached.

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

MedChi_Pam Kasemeyer_FWA_SB0192

Uploaded by: Kasemeyer, Pam

Position: FWA

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

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

DATE: February 26, 2020

RE: **SUPPORT WITH AMENDMENT** – Senate Bill 192 – *Budget Reconciliation and Financing Act of 2020*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports with amendment** Senate Bill 192. MedChi wishes to register its strong support for the Community Health Resources Commission (CHRC). The CHRC was first created to provide a mechanism for the State to provide grant funding to creative community-based projects with the objective of identifying approaches to addressing Maryland's access to care challenges in underserved communities. The CHRC's impact on this objective is notable and has been recognized by policymakers as new initiatives related to the medically underserved have been identified. Furthermore, the grant program the CHRC administers has leveraged thousands of dollars in additional federal and private funding in support of the projects identified and funded through the CHRC.

The CHRC has been an invaluable force in Maryland's ongoing effort to assure adequate access to high quality health care services to all Maryland residents. MedChi fully supports the work of the CHRC and strongly urges this Committee to amend Senate Bill 192 by removing the proposed changes to the funding formula for the Commission. Currently the CHRC receives an allocation of $8 million from the CareFirst assessment. The balance funds the Senior Prescription Drug Assistance Program (SPDAP). To date, SPDAP has not fully utilized the $14 million available. However, Senate Bill 192 reverses the priority funding and specifies that SPDAP shall have priority and the balance will be allocated to the CHRC. This reprioritization could result in CHRC not receiving the $8 million specified in statute. Should SPDAP require additional funding in future years, discussion on funding for both SPDAP and CHRC could be considered. That situation does not exist currently and is not projected in the coming year. The proposed changes could significantly hinder the work of the CHRC and the communities served by the grant funding the CHRC provides to innovative projects that address challenging health concerns. MedChi strongly requests the proposed changes be deleted from Senate Bill 192.

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

MACo_FWA_SB0192
Uploaded by: Kinnally, Kevin
Position: FWA

Senate Bill 192

Budget Reconciliation and Financing Act of 2020

MACo Position: **SUPPORT WITH AMENDMENTS**

To: Budget & Taxation Committee

Date: February 26, 2020

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 192 **WITH AMENDMENTS.**

This bill is the Budget Reconciliation and Financing Act (BRFA), reconciling various provisions incorporated into the Administration's FY 2021 fiscal plan, bringing the proposed budget into balance for the year. MACo appreciates the difficult task of constructing a balanced budget plan. However, counties are concerned with certain components of the BRFA and their future effect on local governments.

PROPERTY TAX ASSESSMENT COST SHARE

Proposes shifting millions in costs directly to counties FY 2021 and thereafter.

MACo requests that the Committee reject this proposal on policy grounds

The BRFA proposes increasing counties' reimbursement of State Department of Assessments and Taxation (SDAT) functions, including costs of real property valuation, business personal property valuation, and information technology. Since 2013, counties have reimbursed the state for 50 percent of the costs for these functions, but the BRFA proposes increasing this share to 60 percent, permanently.

This proposed permanent cost shift not only imposes a significant fiscal burden on counties, but threatens the objective nature of having assessment functions managed and funded by an entity that does not meaningfully, directly benefit from the results of those assessments. Having assessments conducted by the State, rather than the counties, helps assure taxpayers that the assessing body provides objective, unbiased analysis. This becomes compromised when the assessing body receives significant funds from the jurisdictions directly benefiting from the results of those assessments. This cost shift, in effect, places the fox in the hen house by compromising the Department's unbiased nature.

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

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

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

The 2015 Joint Chairmen's Report provided:

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

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

COMMUNITY COLLEGE FUNDING REDUCTIONS

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

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

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

The BRFA proposes amending the Cade Funding Formula to limit the growth of community college funding. Beginning in FY 2022, funding for community colleges is limited to the FY 2021 appropriation plus the annual percentage increase in General Fund revenues above the estimated annual increase in General Fund revenues, which is calculated by the Board of Revenue Estimates. As a consequence of this alteration, the funding formula would no longer be annually linked to the FTES population, fixed cost, marginal cost, size factor, or hold harmless provision at the respective community colleges.

DLS estimates that this proposal would cut overall funding for community colleges by approximately $121 million by FY 2025.

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

HIGHWAY USER REVENUES

Proposes diverting $5 million of Baltimore City's Highway User Revenues for capital improvements to the Howard Street Tunnel.

MACo urges the Committee to reject this section of the BRFA

The BRFA proposes diverting $5 million per year of Baltimore City's share of highway user revenues to the Maryland Department of Transportation for four years beginning in fiscal 2021 to support the Howard Street Tunnel project.

The State created the highway user revenue formula in 1968, and for more than forty years afterward, local governments had received at least 30 percent of transportation revenues—mostly motor fuel tax and vehicle registration fees—to fund their roads and bridges. The Great Recession forced cuts to this area deeper than those in any other component of the state budget. Twenty-three counties' share of funds plummeted from nearly $300 million in 2007 to only $40 million in 2018: an 87 percent decimation. In 2018, Baltimore City alone received nearly $100 million less than it did before the cuts.

Chapters 330 and 331 of 2018 provide counties, municipalities, and Baltimore City with additional highway user revenues for five years beginning in fiscal 2020. The five-year statutory mandate provides welcomed stability for local transportation planners, who are able to forecast a revenue stream without year-to-year uncertainty.

It is unquestionable that local governments maintain the lion's share of the state's roads and bridges. Unlike most other states, in Maryland, local governments own and maintain 83% of the roads. **Diverting local highway user revenues to fund state capital improvement projects sets an alarming precedent**, **jeopardizing these desperately needed funds**.

OVERRIDE SPENDING FORMULAS IN PERPETUITY

Proposes dramatic long-term reductions by permanently capping formula increases.

MACo urges the Committee to reject these provisions of the BRFA

Several provisions of the BRFA, and accompanying legislation, are intended to reduce out-year expenditures by permanently capping formula increases in statutorily mandated programs to the level of general revenue growth. In effect, these provisions could have some of the deepest and longest-lasting effects of any fiscal policy, as formulas and spending priorities would be dramatically abrogated over time. The effect of this "mandate relief" would place important county programs in jeopardy and uncertainty. MACo would urge the Committee to reject these provisions, and to retain the year-by-year public hearings and evaluations of any cuts and changes needed to effect that year's budget plan.

CONCLUSION

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

SB192_The Arc Maryland_Oppose_Ande Kolp

Uploaded by: Kolp, Ande
Position: FWA

The Arc Maryland

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Senate Budget and Taxation Committee
HB0152: Budget Reconciliation and Financing Act
Position: Oppose

The Arc Maryland is the largest statewide advocacy organization dedicated to the rights and quality of life of children and adults with intellectual and developmental disabilities and their families.

With our colleagues, we respectfully request the restoration of the 2% funding that was removed through the BRFA. DDA and other Medicaid providers that are responsible for supporting tens of thousands of Marylanders with disabilities were promised 4% at minimum from this body, in acknowledgment of the critical services we provide and the fact that Medicaid providers are reliant on state funding to do the work of the state. When costs associated with implementing the minimum wage law go up, there needs to be funding to address those costs and 2% is not enough.

Providers are already struggling after years of insufficient funding. I believe you have seen our graphs over the years which show how the funding for DDA services has eroded, not keeping pace with the costs of doing business in Maryland. I know of at least two families who have recently told me their DD provider has not been picking up their adult children from their home for day services, due to direct support professional vacancies. I also know of a provider organization has exhausted their line of credit with the bank and is selling a building but even with those efforts, they do not believe they will be able to scrape together enough to make payroll in less than 4 weeks. I am terrified as I think about these situations and wonder how many other situations like these we don't know about.

The DD community cannot wait for the increase in funding that was promised and any delay in receiving the increase or plan to disseminate the increase to only certain services would be detrimental. We need a 4% increase beginning July 1, 2020. We need to do our best to stabilize a very fragile yet critical system.

Perhaps one of the groups that will suffer the most, if things don't change, are the transitioning youth. For years, we have watched the slow decline of TY admissions to DD adult provider organizations, often for reasons of "capacity." It isn't that providers don't have space or vacancies. Capacity, I have found, relates to a provider's inability to make new commitments to support people when they feel they cannot meet the commitments they have already made to care for existing people in their programs. It has gotten bad.

I spoke with a father in Anne Arundel county last month whose son graduated from high school in June 2019, just this past year. Prior to graduation, he and his wife went to 10 different providers and all declined to support his son, many citing his son's need for diabetes management and a lack of nursing funding and provider expertise to properly support the young man. After graduation, this father and his wife spent about a month more trying to find a provider before being forced to consider Self-Directed services for their son. It is not what they wanted but they were out of options. They developed the Self-directed services budget and submitted it but as of last month, they were still waiting for that budget to be finalized. His wife had to quit work. She had no choice since their son cannot be alone for any great length of time and they were well out of protected time to take off. This is one story of many I heard during our 8 stop Listening Tour throughout Maryland.

The system cannot withstand the cut to the promised increase of 4% through the Minimum Wage bill of 2019. We respectfully ask for the rejection of this recommended cut in the BRFA.

Respectfully submitted,
Ande Kolp
Executive Director

SB192_The Arc Maryland_Oppose_Ande Kolp
Uploaded by: Kolp, Ande
Position: FWA

The Arc Maryland

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Respectfully submitted,
Ande Kolp
Executive Director

T2020 SB192 FINAL

Uploaded by: OXNAM, GEOFF

Position: FWA

I. Katherine Magruder
Executive Director
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301-314-6061

Maryland Clean Energy Center (MCEC) was created as a not-for –profit corporate instrumentality of state in 2008 through an act of the Maryland General Assembly.

MCEC has an economic development mission to advance the adoption of clean energy, and energy efficiency products, services and technologies. MCEC leverages private capital and private sector capabilities engages in efforts to help create and retain jobs; drive economic and business development in local communities; assist in the commercialization of innovative technologies; reduce energy costs for consumers, and drive reductions in greenhouse gas emissions associated with the use of fossil fuels.

Bill Number: SB 192
Title: Budget Reconciliation and Financing Act of 2020

Hearing Dates: February 26, 2020
Committee: Senate Budget & Taxation Committee

Recommendation: REQUEST AMENDMENT to Reject Language that Eliminates Funding for Maryland Clean Energy Center

The Maryland Clean Energy Center (MCEC) was envisioned to operate like similar successful entities in the nation, and designed to leverage private investment to grow the advanced energy economy in the state. To date, MCEC has demonstrated its value toward achieving this directive and continues to be impactful even with ongoing uncertainty about funding for its operation.

MCEC has the capability and flexibility to do what the public sector cannot and the private sector will not. This makes MCEC critical in the transition of the clean energy industry, from the early days of pump priming, through public subsidies to its rapidly emerging, market-driven future. With a small staff and modest budget, MCEC has an outsized impact.

Since inception, MCEC has:

- Leveraged more than $75M in private capital for energy project financing
- Generated more than 500 clean energy jobs
- Launched an innovative technology accelerator to move clean energy technology developed in Maryland university labs to the marketplace
- Facilitated financing for over $38 million in energy efficiency improvement upgrades at state institutions; including: The University of Maryland College Park, UMBC, Coppin State, and the Institute for Bioscience and Biotechnology Research at Shady Grove
- Provided access to over $30M in low-cost loans to over 4,000 homeowners to improve the energy efficiency of their home with new HVAC systems and weatherization measures

- Enabled access over $6.5 M to convenient and affordable loans using Property Assessed Clean Energy (PACE) financing for commercial property owners in 15 jurisdictions in the state with the MDPACE program
- Connected numerous innovative clean energy businesses across the country with project development opportunities and partners in Maryland

With regard to funding, MCEC is providing a return on investment. To date MCEC has leveraged private investment at ratio of almost 19 to 1, for every public dollar spent, to succeed at its statute directed mission. For this success to continue MCEC must have a stable, definitive commitment of revenue to help support its operation and signal to project partners and capital providers that they can predictably count on MCEC for investment transactions. This legislation calls for such an investment which will allow MCEC to continue to be impactful.

In 2017 SB 313 was passed by the General Assembly and signed by the Governor, stipulating a 5 year funding commitment for MCEC as an affiliate of the Maryland Energy Innovation Institute (MEI^2). This commitment helped send the signal to finance and energy sector partners that the center was a worthy investment partner.

However, the cut proposed in the Budget Reconciliation and Financing Act of 2020 (BRFA), which will eliminate funding promised in statute for the Maryland Energy Innovation Fund, subsequently taking a step backward for the state.

To discontinue this funding indicates that the state is abandoning its commitment to support and advance growth of the clean energy economy. It sends the wrong signal to the market place.

On behalf of the Board of Directors of MCEC, I respectfully request that the committee members reject the language in the BRFA, and continue to fund the worthy enterprise MCEC has proven to be for our state.

Geoff Oxnam
Founder & CEO; American Microgrid Solutions
Chairman of the Board; Maryland Clean Energy Center

SB 192_FWA_MAXIM_Rosier

Uploaded by: Rosier, Collan B

Position: FWA

Collan B. Rosier
Director of Government Affairs
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corosier@maxhealth.com
410-910-1467

February 26, 2020

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

The Honorable Jim Rosapepe
Vice Chair, Senate Budget and Taxation Committee
Maryland General Assembly
101 James Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Re: Support for Amendments to S.B. 192, the Budget Reconciliation and Financing Act of 2020, to Restore a 4% Reimbursement Rate Increase for Medicaid Providers

Dear Chairman Guzzone, Vice Chairman Rosapepe, and distinguished members of the Committee:

My name is Collan Rosier and I am the Director of Government Affairs at Maxim Healthcare Services, Inc. ("Maxim"). Maxim is a national provider of home healthcare, homecare, and medical staffing solutions. Based in Columbia, Maryland, we provide services via offices in Towson, Millersville, Silver Spring, and Frederick which employ 1,000 caregivers serving 670 patients throughout the State of Maryland, primarily private duty nursing (PDN) services. Private duty nursing is skilled nursing care provided in the home for medically-complex and vulnerable patient populations under Medicaid, many of whom require assistive technology such as ventilators and tracheostomies to sustain life. We are also members of The Maryland-National Capital Homecare Association (MNCHA), which is the trade association for home health and homecare providers in Maryland and the District of Columbia.

I am writing to urge the Committee and the General Assembly to restore the full 4% annual reimbursement rate increase for providers under the Maryland Department of Health (MDH) Medical Care Programs Administration (MCPA). Currently, S.B. 192, the Budget Reconciliation and Financing Act of 2020 at Article – Health – General 7–307(d)(2) includes only a 2% Medicaid reimbursement rate increase instead of 4%. Doing so will enable homecare providers to better accomplish two priorities.

First, it will assist homecare providers in improving quality while containing healthcare costs. The cost of sixteen hours of PDN services is only a fraction the cost of a day in the hospital. Through reductions in avoidable hospital utilization, homecare providers keep people in their homes and communities—where they overwhelmingly prefer to be—and with appropriate skilled care support. This provides cost savings by rebalancing the state's long-term care financing toward home and community-based services (HCBS) rather than more costly facilities or institutional settings.

Second, non-competitive reimbursement rates for Medicaid providers, including those who administer PDN services, result in workforce challenges. These include increased overtime for caregivers and difficulty in finding qualified caregivers because reimbursement rates have fallen behind increases in the Consumer Price Index (CPI) as well as wages from other employers and settings such as hospital nurses. Providers' challenges in attracting caregivers can result in an insufficiently-sized workforce with the appropriate sophisticated skill levels to care for this highly complex population in the home. This can cause authorized service hours to go unfilled as patients are forced to seek out care in more expensive institutional settings.

Non-competitive wages and caregiver burnout exacerbate ever-growing recruitment and training challenges and result in increased turnover in our nursing staff—a problem that is endemic throughout healthcare. Furthermore, low reimbursement rates do not meet providers' operational expenses, nor allow providers to compete in the labor market. Increasing Medicaid reimbursement rates will allow providers to recruit and retain quality employees by providing more competitive wages to attract the most qualified caregivers for complex and high-acuity adults and children.

The proposed rate increase would reflect appropriate increases to account for changes in the cost of providing services and allow providers to offer more competitive wages, comply with federal and state mandates, adequately pay for medical supplies and equipment used for patient and client care, and afford expenditures such as rent, utilities, electronic health records systems, professional liability insurance, and health insurance for staff—all of which we as homecare providers struggle to meet here in Maryland.

Thank you for your continuous support of homecare and private duty nursing services as well as for considering my request on behalf of Maxim Healthcare Services. If you have any questions, please feel free to contact me at 410-910-1467 or corosier@maxhealth.com. I would also like to offer to have you accompany one of our caregivers on a homecare visit of one of your constituents so that you can learn more about the delivery of Medicaid homecare services in your district.

Sincerely,

Collan B. Rosier

Collan B. Rosier
Director of Government Affairs

cc: Members, Senate Budget and Taxation Committee

MDDC FWA SB192
Uploaded by: snyder, rebecca
Position: FWA

Maryland | Delaware | DC Press Association
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443-768-3281 | rsnyder@mddcpress.com
www.mddcpress.com

To: Health & Government Operations Committee

From: Rebecca Snyder, Executive Director, MDDC Press Association

Date: February 26,2020

Re: SB 192 SUPPORT with Amendments

The Maryland | Delaware | DC Press Association objects to the portion of this bill (page 5, line 13 through page 7, line 19) that would repeal the current requirement that the Comptroller publish a list of abandoned properties in newspapers. SB 192 would require the abandoned property list be maintained on a state web site and encourage the use of the website through referral ads in newspapers. The state should not end the historic requirement to publish this vital information in the format that is most secure, and is most likely to be seen and read by the greatest number of citizens.

For more than 200 years, newspapers have served as the independent third party that verifies that the government has followed the law in communicating legally required information to its citizens. Public notices printed in newspapers prove that the notice was correct and was given in a timely fashion. Printed notices cannot be changed after the fact; they cannot be altered; they cannot be ignored. They are a permanent, public record of government action. Newspapers are uniquely qualified to play this role, giving citizens assurance that the process is conducted openly and above board.

Citizens are accustomed to finding legal notices in newspapers, and the abandoned property list enjoys wide readership around the state. Notices on government websites would be seen by far fewer people, primarily by those who monitor government web sites. And while Internet use is widespread, it is far from universal. Among senior citizens, the poor and minorities, the Internet is not available in a majority of households. It is unlikely public notices would ever be seen by those people, the very families most likely to have inadvertently abandoned their property. When the list is published in newspapers, friends and family have an opportunity to help find property owners, since many people scan the listings for their own or familiar names.

The apparent rationale for the bill is to save costs, which we fully appreciate. However, those short-term cost savings could translate into big expense if the state is embroiled in litigation over the adequacy of notices that affect property rights of citizens.

Finally, the security of websites is a vexing issue, for both private industry and governments. If the state were to post this notice only on its own website, it could become a target for hackers. Even minor alterations could have major unforeseen consequences, potentially dragging the government into costly and wasteful litigation. Printed notices, with independent verification of accuracy, make that outcome far less likely.

Although newspapers have a financial interest in keeping the current requirements for public notice advertising, we strongly oppose the bill on the grounds of independence and ability to draw audience. But we also oppose the bill for reasons of sound public policy. Eliminating public notice advertising in newspapers might save the state some money in the short term, but the cost could high in the long term, both in dollars and public confidence.

Maryland | Delaware | DC Press Association
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MedChi_Steve Wise_FWA_SB0192

Uploaded by: Wise, Steve

Position: FWA

MedChi

The Maryland State Medical Society

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

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

DATE: February 26, 2020

RE: **SUPPORT WITH AMENDMENT** – Senate Bill 192 – *Budget Reconciliation and Financing Act of 2020*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports with amendment** Senate Bill 192.

Senate Bill 192 proposes to take $400,000 from the Board of Physicians fund balance, which is comprised of license fees, and transfer it to the Physician and Physician Assistant Loan Assistance Repayment Program (LARP). This is in addition to the $400,000 in license fees that are already transferred to LARP on an annual basis.

Senate Bill 192 cannot be viewed standing alone. Senate Bill 501/House Bill 998 separately propose to increase this annual amount to $1 million dollars, something the accompanying Fiscal Notes find "unsustainable" and a policy that will lead to an increase in already high license fees. Indeed, Maryland already has some of the highest physician license fees in the country, per the 2019 Sunset Review Evaluation of the Board. When the transfer proposed here and the $1M proposed by Senate Bill 501/House Bill 998 are added together, the equivalent of 10% of the Board's annual budget is going to the LARP program, which is not only unsustainable it is also inequitable. Maryland's "non-profit" hospitals are the chief beneficiaries of the LARP program, with most recipients being employed by them, yet they contribute nothing to LARP.

MedChi has always supported the annual transfer of $400,000 to LARP. However, we do not support any policy that continues to make license fees the sole funding source for LARP. If a one-time transfer of license fees is going to occur, as proposed here, it should be coupled with budget language requiring the stakeholders to convene in calendar year 2020 and develop a long-term plan that includes partial funding by hospitals. Continued transfers through the BRFA, or passage of Senate Bill 501/House Bill 998, which fund the entire LARP program through license fees, is not a fair policy and should not be continued.

For more information call:
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SB192_Oppose_Kennedy Krieger
Uploaded by: arneson, emily
Position: UNF

Kennedy Krieger Institute

Bradley L. Schlaggar MD PhD
President and CEO
Zanvyl Krieger Faculty Endowed Chair

A comprehensive resource for children with disabilities

February 26, 2020

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

Re: SB 192 - Budget Reconciliation and Financing Act of 2020

Dear Chairman Guzzone:

Kennedy Krieger Institute respectfully urges the Committee to reject the developmental disabilities community provider rate reductions and restore the 4% rate increase in Senate Bill 192 – Budget Reconciliation and Financing Act of 2020.

There are over 200 organizations in Maryland that serve 25,000 developmentally disabled individuals, a fraction of the overall population of people with developmental disabilities in Maryland. These organizations depend almost exclusively on Medicaid and State funds to flow through the Maryland Developmental Disabilities Administration to pay for staff. These programs are critical in providing those with developmental disabilities the ability to live full and meaningful lives that ensure their safety and wellbeing, while providing them the opportunities and choices all citizens deserve.

Acute shortages of community service providers combined with increasingly difficult workforce recruitment and retention has created an alarming situation for our most vulnerable citizens facing an imminent cessation of critical services. Half of all provider organizations have a direct support vacancy rate over 16%, with one in four provider organizations having a direct support vacancy rate of over 24%.

Vacancies are attributable due to the high stress, low wage work. For example, a direct service professional can make more working for a big-box retailer than in the support staff space. This situation, already precarious, will be exacerbated by the proposed cut to the rate increase in the BRFA. This cut, by diminishing the availability of already limited community supports and resources, will very likely have severe consequences to the health, education, independence, and employability of individuals with developmental disabilities.

Kennedy Krieger encourages legislators to respond to the workforce crisis of the developmental disabilities provider community and reject the rate reductions in the BRFA.

Sincerely,

Bradley L. Schlaggar, MD, PhD
President and CEO

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BHSB_Adrienne Breidenstine_UNF_SB0192

Uploaded by: Breidenstine, Adrienne

Position: UNF

Behavioral Health System Baltimore

February 26, 2020

Senate Budget and Taxation Committee
TESTIMONY IN OPPOSITION
SB 192 Budget Reconciliation and Financing Act of 2020

Behavioral Health System Baltimore (BHSB) is a nonprofit organization that serves as the local behavioral health authority (LBHA) for Baltimore City. BHSB works to increase access to a full range of quality behavioral health (mental health and substance use disorder) services and advocates for innovative approaches to prevention, early intervention, treatment and recovery for individuals, families, and communities.
Behavioral Health System Baltimore urges the General Assembly to oppose SB 192: Budget Reconciliation and Financing Act (BRFA), as this bill would significantly cut resources that support behavioral health services in Maryland.

Nearly 35 percent of Marylanders are served through the public behavioral health system (PBHS) in Baltimore City. This equates to approximately, 75,000 people served annually, however need for services is far greater than the current system capacity. In Baltimore City, 24,887 individuals have an opioid use disorder, yet the public system only has capacity to serve 17,587 individuals. This means that nearly 7,300 individuals cannot access opioid treatment services in Baltimore City, the community hit hardest by the opioid overdose epidemic. In addition, suicide rates have been steadily increasing in Maryland and across the United States. According to the CDC, suicide rates have increased 30 percent since 1999.

Restore FY 2021 Reimbursement Rate Increases for Community Behavioral Health Services
The Heroin and Opioid Prevention Effort (HOPE) and Treatment Act of 2017 and the subsequent minimum wage legislation of 2019 provide multi-year reimbursement rate increases for behavioral health services. However, the Governor's FY 2021 budget reduces that reimbursement rate to two percent, which falls far short of the required four percent increase for FY 2021. **Regular reimbursement rate increases for community-based services is a critical strategy to addressing the opioid overdose epidemic in Maryland as they will help to expand access to life-saving treatment and support services.**

The reimbursement rate increases support the infrastructure for PHBS and also increase access to life-saving services for vulnerable individuals in our community. At a time when the opioid epidemic is worsening and suicide rates are increasing, more people need access to traditional outpatient services, crisis services, rehabilitation, and residential treatment. The state should dedicate more resources to expanding access to treatment and support services—not less.

Reject the Funding Formula Change for the Community Health Resources Commission
In Fiscal Year 2016, BHSB was awarded a three-year grant of $600,000 from the Community Health Resources Commission (CHRC) to support services at the Crisis Stabilization Center. The grant contributes to the operating budget for the project, supporting project management, case management, and peer support services. The citywide Crisis Stabilization Center will provide 24/7 sobering services to individuals who are under the influence of drugs or alcohol. This is an important project, as it will help to expand access to substance use treatment—a key strategy to addressing the opioid epidemic in Maryland.

BHSB opposes the changes SB 192 makes to the funding formula for the CHRC, as it permanently reduces the Commission's operating budget. The CHRC has been a key partner in supporting the Crisis Stabilization Center—a project that satisfies requirements of the HOPE Act—and provides critical resources to communities to expand access to behavioral health care services for underserved populations. **Because the CHRC provides critical resources to communities to support innovative projects that expand access to behavioral health services, BHSB urges the committee to reject the proposed funding formula changes for the CHRC to ensure the Commission's annual budget remains at $8 million as required by statute.**

BHSB urges the General Assembly to oppose SB 192 and restore the cuts in the FY 2021 budget to reimbursement rates for community-based behavioral health services and the funding formula change to the operating budget for the Maryland Community Health Resources Commission.

MATOD_UNF_SB 192
Uploaded by: Ciekot, Ann
Position: UNF

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Senate Budget & Taxation Committee
February 26, 2020

Senate Bill 192
MATOD opposition to BRFA Cut of Medicaid Provider Rates

The Maryland Association for the Treatment of Opioid Dependence (**MATOD**) is an opioid use disorder provider and advocacy organization comprised of the majority Maryland's 93 Opioid Treatment Programs (OTPs), 7 Local Addiction and Behavioral Health Authorities and several behavioral health advocacy agencies.

MATOD strongly opposes the BRFA recommended 2% Medicaid provider rate, in lieu of the FY 21 budgeted 4% rate increase mandated by HB166 and SB280 in 2019.

The need and importance of the 4% Behavioral Health provider increase can't be stressed enough. The difference that the full 4% increase will make can be measured in lives saved from the availability and delivery of professional behavioral health services. The full 4% provider rate increase will help substance use and mental health providers **K**eep **T**heir **D**oors **O**pen.

Funding the budgeted 4% increase is necessary for providers to retain high quality, experienced staff, as well as recruit and train new staff, in response to our communities' continuing increased needs.

Funding the budgeted 4% increase will help maintain and increase life-saving outpatient and inpatient substance use and mental health treatment services, behavioral health crisis services, stabilization and referral services, and overdose prevention and reversal services. Now is **not** the time to reduce the funding that providers desperately need to serve their communities.

While behavioral health providers are grateful for the small rate increases over the past few years, cost increases associated with providing high quality, evidence-based, accessible, available, licensed and accredited behavioral health services exceed these rate increases every year.

Marylanders suffering with addiction and mental health disorders deserve the best outcomes that treatment can offer – they and the provider community need and deserve the full 4% provider increase to be funded. This one decision will save countless Maryland lives.

MATOD requests the full funding of the budgeted 4% provider increase in the FY 21 budget, and **opposes the BRFA cut to 2% in SB 192.**

MATOD members include community and hospital based Opioid Treatment Programs, local Health Departments, local Addiction and Behavioral Health Authorities and Maryland organizations that support evidence-based Medication Assisted Treatment. MATOD members include thousands of highly trained and dedicated addiction counselors, clinical social workers, physicians, nurse practitioners, physician assistants, nurses, peer recovery specialists and dedicated staff who work every day to save and transform lives.

MDDCSAM_UNF_SB 192

Uploaded by: Ciekot, Ann

Position: UNF

Maryland-DC Society of Addiction Medicine
A Chapter of American Society of Addiction Medicine

SB 192 Budget Reconciliation and Financing Act of 2020
Senate Budget and Taxation Committee   Feb 26, 2020

OPPOSE

MDDCSAM is the Maryland state chapter of the American Society of Addiction Medicine whose members are physicians and other health care providers who treat people with substance use disorder.

The 4% increase in Medicaid reimbursement for behavioral health providers that the Maryland General Assembly had agreed to must be preserved.

It is a critical part of the response to the ongoing opioid crisis, as well as the worsening suicide rate in Maryland.

Severe shortages persist in treatment availability for Marylanders affected by both substance use disorder and mental health disorders. Inadequate access to care for these treatable disorders can be tragic.

The Maryland-DC Society of Addiction Medicine is opposed to any reduction in the promised 4% rate of increase in reimbursements for behavioral health providers and the other health providers for whom this rate was deemed necessary.

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NCADD_UNF_SB 192
Uploaded by: Ciekot, Ann
Position: UNF

Senate Budget and Taxation Committee

February 26, 2020

Senate Bill 192 - Budget Reconciliation and Financing Act of 2020

Oppose

NCADD-Maryland is opposed to the provision in the Budget Reconciliation and Financing Act of 2020 that cuts in half the requirement that the budget include a 4% reimbursement rate increase for substance use and mental health services.

With the passage and signing of the Keep the Door Open provisions of the HOPE Act from 2017, and subsequently the Fight for 15 last year, the General Assembly and Governor Hogan committed to increasing reimbursement rates to mental health and substance use treatment programs on an ongoing basis. Those seeking and providing treatment are grateful. **We urge this committee to fully fund the planned 4% rate increase built into the proposed FY 2021 budget and reject the provision in the BRFA to cut it in half.** This is a uniquely bad time to pull back on the commitment to funding quality services.

Substance use disorder (SUD) treatment programs employ a host of clinical, para-professional and administrative personnel that provide essential community services. Among other things, the directors of these programs put together annual budgets, negotiate contracts, apply for grants, and try to recruit and retain qualified staff. They deal with line-items that they have little control over and that increase annually, such as rent, utilities, and health care benefits. They also do this in a largely fee-for-service system that does not take into account the actual costs of doing business.

Prior to passage of the HOPE Act in 2017, rates of reimbursement for substance use disorder treatment services had been adjusted just twice in twenty years. During that time, the field became much more professional, having instituted certification and licensure requirements for counseling staff and added medical personnel in many programs. In addition, IT infrastructure and support requirements have increased, including electronic health records, billing systems and staff, and data collection. All SUD programs also must be nationally accredited, and important and expensive process.

These are all items that require ever-growing line-times in budgets. When reimbursement rates do not keep pace, program directors have limited options. While they try to identify other funding streams, they also need to make decisions about staff salaries, benefit packages, and treatment capacity.

(over)

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No matter what the business, salaries and benefit packages are crucial to attracting qualified employees and keeping them from leaving for greener pastures. Programs in the publicly funded SUD treatment system have also had financial difficulty recruiting and retaining qualified staff. Retaining qualified staff is not just a matter of keeping turnover costs low. It also impacts continuity of care for a vulnerable population of people.

SUD providers and advocates are grateful for the rate increases that have happened in the last few years, and that are planned to continue. Being able to rely on the planned increases is essential to ensuring quality of care.

We urge you to reject language in the BRFA that reduces the 4% reimbursement rate increases for substance use disorder and mental health programs.

Committee: **Senate Budget & Taxation Committee**
Bill Number: **Senate Bill 192**
Title: **Budget Reconciliation and Financing Act of 2020**
Hearing Date: **February 26, 2020**
Position: **Oppose**

The Licensed Clinical Professional Counselors of Maryland (LCPCM) opposes *Senate Bill 192 – Budget Reconciliation and Financing Act.* This bill would reduce the FY 2021 reimbursement rate for behavioral health providers under the Public Behavioral Health System from 4% to 2%.

It is imperative that the behavioral health provider community have financial predictability to meet the needs in our communities. We believed that there would be a consistent process for adjusting annual rates for behavioral health providers when the legislature passed the Keep the Door Open Act in 2017, followed by minimum wage legislation last year. By having a consistent rate process, the Public Behavioral Health System should experience a more stable workforce and improved outcomes for consumers. This is due, in part, to an anticipated increase in behavioral health practitioners who may decide to accept Medicaid patients or a position with a behavioral health provider.

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

MASBHC_UNF_SB 192
Uploaded by: faulkner, rachael
Position: UNF

masbhc
MARYLAND ASSEMBLY ON
SCHOOL-BASED HEALTH CARE
education+health=success

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Committee:	**Senate Budget & Taxation Committee**
Bill Number:	**House Bill 192**
Title:	**Budget Reconciliation and Financing Act of 2020**
Hearing Date:	**February 26, 2020**
Position:	**Oppose**

The Maryland Assembly on School-Based Health Care (MASBHC) opposes *Senate Bill 192 – Budget Reconciliation and Financing Act of 2020.* This bill would reduce funding for the Maryland Community Health Resources Commission and behavioral health providers, which support the operations of school-based health centers.

Proposed $4 Million Cut to the Maryland Community Health Resources Commission

The Commission has been critical in expanding school-based health center capacity across the state. School-based health centers provide primary care, behavioral health services, and dental services to low-income children in public schools. The Commission has supported school-based health centers by providing much needed start-up funding to establish new school-based health centers and expand critical services in existing centers.

The Commission has also taken responsibility for the essential role of staffing the Council on the Advancement of School-Based Health Center. This Council is charged with developing State agency policy to ensure school-based health centers have the opportunity to grow and become integrated with the broader health care system.

Proposed 2% Rate Reduction for Behavioral Health Providers

By design, school-based health centers are located in schools with high concentrations of poverty and act as a safety net provider, particularly for students who experience barriers to accessing health care services in the community. Through leveraging additional funding, including Medicaid reimbursement, school-based health centers have been able to improve access and quality of care for youth, particularly hard-to-reach and underserved populations and become a key component of the safety net. This is illustrated by recent data showing that during the 2017-2018 school year, nearly one-third of the over 52,000 visits provided in school-based health centers were for behavioral health

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services[i]. Without a sufficient reimbursement rate from Medicaid, many school-based health centers would not be sustainable.

For these reasons, we would request that funding reductions in the BRFA to the Commission and Behavioral Health Providers be restored.

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

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[i] Demonstrating the Value of School-Based Health Centers in Maryland: A Roadmap. Tanya Schwartz, MPP, MSW and Megan Thomas, MPP. Harbage Consulting for The Maryland Community Health Resources Commission and the Council for the Advancement of School-Based Health Centers November 1, 2019.

MCF_UNFAV_SB192
Uploaded by: Geddes, Ann
Position: UNF

SB 192 – Budget Reconciliation and Financing Act

Committee: Budget and Taxation
Date: February 26, 2020
POSITION: Oppose Behavioral Health Rate Cut

The Maryland Coalition of Families: Maryland Coalition of Families (MCF) helps families who care for someone with behavioral health needs. Using personal experience as parents, caregivers and other loved ones, our staff provide one-to-one peer support and navigation services to parents and caregivers of young people with mental health issues and to any loved one who cares for someone with a substance use or gambling issue.

MCF strongly opposes the behavioral health rate cut of 2% that was included in SB 192.

The 4% rate increase that was passed in the minimum wage bill of the 2019 legislative session must be restored. That increase, along with the rate increase in the HOPE Act of the 2017 legislative session, were meant to address decades of underfunding of behavioral health services. Low rates for behavioral health services have led to a shortage of providers and high staff turnover.

We are particularly concerned about the shortage of providers that specialize in working with children and adolescents. Families wait for months to see an appropriate provider. Then, they are disheartened to find that staff turnover is extraordinarily high. Their child may form a bond with a therapist, only to have it broken and have to start over with another therapist. This leads to bad outcomes.

Moreover, because of the extreme shortage of child and adolescent clinicians, many families are resorting to having their child seen by adult providers. Children with mental health problems should receive treatment tailored to their needs, just as children should receive somatic care from a pediatrician and not an internist. They should not be forced to see adult providers because no child and adolescent clinicians are readily available.

It is not just children who experience shortages and a high turnover of clinicians. Adults too report having to tell their story over and over again as their mental health or substance use providers move on. It can be impossible to form a trusting relationship, which is critical to recovery.

Provider shortages and high staff turnover are both directly related to inadequate compensation. The $25 million cut must be restored.

Contact: Ann Geddes
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MHP_UNF_SB192
Uploaded by: goldman, robert
Position: UNF

MHP Making Home Possible

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Testimony to the Senate Budget and Taxation Committee
SB192 – Budget Reconciliation and Financing Act of 2020

Position: Oppose

Dear Chairman Guzzone and Members of the Budget & Taxation Committee:

On behalf of MHP, I urge the committee to reject the proposals in SB192 – Budget Reconciliation and Financing Act of 2020, which would eliminate funding for and repeal the establishment of the National Capital Strategic Economic Development Program; and cut in half funding for the Seed Community Development Anchor Institution Fund and remove the funding mandate.

By way of background, MHP is a non-profit housing provider with apartment communities located throughout Montgomery and Prince George's Counties. Our primary mission is to preserve and expand quality affordable housing; however, we take a comprehensive approach to developing affordable housing that integrates three things: housing people; empowering families; and strengthening neighborhoods.

We were troubled to learn that the Governor's budget has proposed defunding two program funds within DHCD that have a demonstrated ability to deliver affordable housing and revitalize blighted areas in our state: the National Capital Strategic Economic Development Fund, aka NED, and the Seed Community Development Anchor Institution Fund.

We are particularly concerned with the language in SB192 that proposes to eliminate funding for NED. The NED supports predevelopment activities for residential as well as commercial development projects. With respect to residential development, NED supports a wide range of uses, including site acquisition, engineering and design, and rehab of single-family homes. Affordable housing is rife with risks, especially in urban areas where the costs are higher, and the NED program helps mitigate against these risks. MHP has firsthand experience with the positive impact NED has on making projects a reality. In 2018, MHP received funding to support the rehabilitation of an apartment community in Silver Spring, and construction is expected to finally begin later this year. Predevelopment dollars are especially hard to come by and are essential to preserving existing affordable housing, which is inherently more risky than new construction.

The potential defunding of NED couldn't come at a worse time. As you may know, the Purple Line light rail project is under active construction in both Montgomery and Prince George's Counties. We know from the experience of other cities across the country that large infrastructure projects can lead to displacement of existing residents and have a negative impact on housing affordability if there is not a concerted effort to mitigate market disruptions. Incidentally, we are already seeing evidence that rents in the Purple Line corridor are increasing faster than outside the corridor. The NED represents a critical resource for the two counties as we strive to create a mix of affordable housing options in the corridor and avoid the mistakes of other communities.

Beyond residential development, NED helps to support commercial redevelopment for areas in need of revitalization. For example, funds have been used to support façade improvements for small businesses, as well as public infrastructure projects that improve the curb appeal of businesses. These types of improvements help small businesses compete in today's economy.

When we learned of the Governor's proposed budget, we were in conversations with Montgomery County Government about submitting a NED funding application to improve the streetscape in the Long Branch area of Silver Spring, which is home to many small businesses. It has been more than 40 years since the streetscape was last rebuilt, and it shows its age. Tree boxes are missing trees, streetlighting is inadequate, and what trees do exist haven't been properly maintained. Long Branch is one of the many stops along the Purple Line, so it is poised to create new economic opportunities for these small, disadvantaged businesses. That said, the current streetscape does little to invite those passing through the area to patronize the local businesses. Without the resources NED provides, these types of projects simply don't happen, and older business districts struggle to attract and retain customers.

In sum, NED is critical to ensuring that we maintain a diverse mix of affordable housing options in the Purple Line corridor and to positioning small businesses to reap the benefits of the public investment in the Purple Line. We urge you in the strongest possible terms to restore funding to NED and SEED, and to make the following changes to SB192.

1. On page 5 delete in their entirety lines 5 through 8.
2. On page 18 delete in their entirety lines 9 through 16.

Thank you for considering our views on the matter.

Submitted by Robert Goldman, President of MHP

CBH_UNF_SB192
Uploaded by: Hall, Shannon
Position: UNF

Testimony on SB 192
Budget Reconciliation and Financing Act of 2020
Senate Budget and Taxation Committee
February 26, 2020
POSITION: OPPOSE

The Community Behavioral Health Association of Maryland is the professional organization for providers of community-based mental health and substance use disorder treatment services. Our members serve the majority of the almost-300,000 children and adults who access care through the public behavioral health system. We provide outpatient treatment, residential and day programs, case management and assertive community treatment (ACT), employment supports, and crisis intervention.

We strongly oppose the cuts to community behavioral health providers on p.17, line 11, reducing the mandated rate increase for 2021 from 4% to 2%.

It is important to recall that in 2017's HOPE Act the Maryland General Assembly passed three years of mandated rate increases for community behavioral health providers in response to decades of financial neglect and the resulting increases in overdose deaths and suicides. FY 21 is the third year of that commitment in which providers were to receive 3% from the HOPE Act and an additional 1% to help offset the costs of compliance with minimum wage implementation.

Maryland is just beginning to turn the tide of opioid deaths, although suicides, particularly among teens, continue to plague even our most affluent communities. As the job market becomes increasingly competitive, community providers must receive reimbursement rates that will allow them to attract and retain a qualified workforce. Our direct care workers are the backbone of our organizations and make up over a quarter of our workforce. In addition, our outpatient clinics are struggling to compete with better-resourced hospital systems for professional staff, such as psychiatrists, nurse practitioners, and therapists. The HOPE Act increases have allowed providers to invest in their workforce, but decades of neglect can't be reversed in only two years.

We urge your rejection of the BRFA and its cut to community behavioral health providers.

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MAP_Opposition _SB192
Uploaded by: Jefferson, Stacey
Position: UNF

MARYLANDERS AGAINST POVERTY

Member Agencies:

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

Marylanders Against Poverty

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TESTIMONY IN OPPOSITION TO SB 192

Budget Reconciliation and Financing Act of 2020

Senate Budget and Taxation Committee
February 26, 2020

Submitted by Stacey Jefferson and Margo Quinlan, Co-Chairs

Marylanders Against Poverty (MAP) strongly urges the committee to reject the language in the BRFA, SB 192, that reduces Medicaid provider rates that were promised in the minimum wage bill last year, as well as language realigning funding for the Community Health Resources Commission.

MAP opposes language in the BRFA which would reduce Medicaid provider rates. *(Page 16 lines 9 and 18, page 17 line 11)***.** The Heroin and Opioid Prevention Effort (HOPE) and Treatment Act of 2017 and the subsequent minimum wage legislation of 2019 provide multi-year reimbursement rate increases for behavioral health services and other Medicaid providers. However, the Governor's FY 2021 budget reduces that reimbursement rate to two percent, which falls far short of the required four percent increase for FY 2021. As healthcare costs have risen over the years and the demand for these vital services has increased, provider rates have lagged behind, threating the ability for providers to keep their doors open. MAP strongly urges the committee to restore the FY 2021 reimbursement rate increases for Medicaid providers - community behavioral health services, developmental disability services, and senior services – in the critical effort to maintain and increase access to life-saving treatment and supportive services in Maryland.

MAP opposes language in the BRFA which threatens funding for the Community Health Resources Commission (CHRC). *(Page 17 lines 30-32; page 18 lines 1-8; page 19 lines 13-32; page 20 lines 1-14).* Since the passage of the Affordable Care Act, the health care landscape in Maryland has dramatically changed. Although over 90% of Marylanders have health insurance coverage, there are still gaps in access to health care throughout the state. Through their grant process, the CHRC is able to fund projects that seek to close those gaps to meet the needs of marginalized populations. CHRC grantees have demonstrated an ability to leverage their grant funds to provide essential services for Marylanders in need of health services that are not covered by insurance. Reorganizing and reducing the funding for the CHRC will also reduce leveraged dollars, which ultimately eliminates the ability of community providers to fill gaps in the health care system.

MAP appreciates your consideration and urges the committee to fully fund Medicaid provider rates, and fund the Community Health Resources Commission using the current formula in statute.

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

LifeSpan_Danna Kauffman_UNF_SB0192
Uploaded by: Kauffman, Danna
Position: UNF

Keeping You Connected…Expanding Your Potential…
In Senior Care and Services

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

FROM: Danna L. Kauffman
Pamela Metz Kasemeyer
Schwartz, Metz and Wise, PA
410-244-7000

DATE: February 26, 2020

RE: **OPPOSE** – Senate Bill 192 – *Budget Reconciliation and Financing Act of 2020*

On behalf of the LifeSpan Network, a senior care provider association representing Medicaid providers, such as nursing facilities, assisted living providers participating in the Community Options Waiver, and medical adult day centers, we **oppose** any effort to reduce the 4% rate increase contained in *Senate Bill 280 (Chapter 11) "Fight for Fifteen*" from the 2019 Session. Therefore, we request that the committee reject the change that reduces the 4% rate increase to 2% contained on page 17, line 11 of Senate Bill 192.

The restoration of the full 4% increase is vital to cover increases in routine operating costs and to offset increased costs associated with recent mandates, such as the increase in minimum wage and the implementation of paid sick and safe leave. Equally important is that, without the full 4%, the disparity in underfunding (cost of care versus amount of Medicaid payment) highlighted in the *Rate Methodology Study Pursuant to Section 2 of House Bill 1696 (Chapter 798 of the Acts of 2018)* will be exacerbated. While the FY2020 budget required the Department of Health to provide a detailed report on how it was going to close the funding disparity, the Department failed to submit this information and only stated that it is still reviewing the information.

Medicaid is the largest payer of long-term care services and supports in Maryland. For those needing 24-hour services, care is sought in nursing facilities or, for a few, in assisted living communities. Approximately 67% of individuals in a nursing facility are enrolled in Medicaid, meaning that 67% of the facility's revenue is derived from the State.[1]

[1] Maryland operates a Community Options Waiver which allows individuals to reside in assisted living communities under Medicaid. However, due to operational issues with the Waiver and extremely low funding, there are only a limited number of beds available under this program. Nonetheless, it remains a care option whose viability will be further jeopardized if monies are not added to the budget to offset an increase in minimum wage.

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Residents in a nursing facility are typically elderly and/or physically disabled and have significant care needs. Many require extensive assistance with activities of daily living that may range from difficulty walking to not being able to get oneself out of bed. Residents may also need daily assistance with dressing, bathing, eating and toileting. Nearly half suffer from Alzheimer's disease and other forms of dementia or have other challenging behavioral health needs. The Alzheimer's Association reports that by 2025 the rate of individuals with Alzheimer's is expected to increase by 18.2%. This is at the same time when Maryland's 60+ population is anticipated to increase from 1.2 million to 1.7 million, a 40% increase. The State must ensure the availability of services to an aging population. This involves both home-and-community based day services and those individuals whose health care needs are so complex they require 24-hour services.

Unlike other businesses that can adjust their prices to cover expenses, the State reimburses providers a set rate under the Medicaid program. Providers must use this rate to cover all expenses, including the payment of wages and benefits, which is the largest cost center for providers. As stated previously, over the last decade, the State has chronically underfunded Medicaid providers, with rates not keeping up with costs, which is highlighted in a recent State report, which shows the extent of the underfunding of the system for certain providers, including assisted living waiver providers. Without the full rate increase, providers would be placed in a precarious situation of trying to provide quality care and comply with both federal and State licensing regulations with less revenue to do so. Given the already chronic underfunding, providers will need to make tough choices – choices that will not benefit either the workers or the residents cared for by them.

MSCAN_Oppose_SB192
Uploaded by: Lienhard, Carol
Position: UNF

Maryland Senior Citizens Action Network

MSCAN

AARP Maryland

Alzheimer's Association, Maryland Chapters

Baltimore Jewish Council

Catholic Charities

Central Maryland Ecumenical Council

Church of the Brethren

Episcopal Diocese of Maryland

Housing Opportunities Commission of Montgomery County

Jewish Community Relations Council of Greater Washington

Lutheran Office on Public Policy in Maryland

Maryland Association of Area Agencies on Aging

Maryland Catholic Conference

Mental Health Association of Maryland

Mid-Atlantic LifeSpan

National Association of Social Workers, Maryland Chapter

Presbytery of Baltimore

The Coordinating Center

MSCAN Co-Chairs:
Carol Lienhard
Kimberly Burton
443-901-1550 x 210

SB 192
Budget Reconciliation and Financing Act of 2020

Senate Budget and Taxation Committee
February 26, 2020

Oppose

MSCAN is a statewide coalition of advocacy groups, service providers, faith-based and mission-driven organizations that supports policies that meet the housing and care needs of Maryland's low and moderate-income senior citizens.

MSCAN strongly urges the committee to reject the provisions in the BRFA that reduce Medicaid provider rates, as well as language that threatens the funding of the Community Health Resources Commission (CHRC).

MSCAN opposes language in the BRFA which would reduce Medicaid provider rates. *(Page 16 lines 9 and 18, page 17 line 11)*. The Heroin and Opioid Prevention Effort (HOPE) and Treatment Act of 2017 and the subsequent minimum wage legislation of 2019 provide multi-year reimbursement rate increases for behavioral health services and other Medicaid providers. However, the Governor's FY 2021 budget reduces that reimbursement rate to two percent, which falls far short of the required four percent increase for FY 2021. These rate cuts impact the continuum of senior care services, including nursing homes, medical adult day care services, home- and community-based services, and personal care services. These are vital programs for low-income seniors, and reducing the rates of these providers threatens the availability of these services. As the number of older adults has been consistently rising in Maryland - by 2030, Maryland's older adult population is anticipated to increase to 1.7 million - this rapid increase will require an unprecedented need in senior care support services. The state should dedicate more resources to expanding access to support services for our older adults - not less.

MSCAN opposes language in the BRFA which threatens funding for the Community Health Resources Commission (CHRC). *(Page 17 lines 30-32; page 18 lines 1-8; page 19 lines 13-32; page 20 lines 1-14).* Since the passage of the Affordable Care Act, the health care landscape in Maryland has dramatically changed. Although over 90% of Marylanders have health insurance coverage, there are still gaps in access to health care throughout the state – especially for low-income seniors. CHRC grantees have done innovate work for older adults, such as providing mobile fresh food for seniors, providing geriatric primary care services for home-bound low-income seniors, and providing dental care for low-income seniors. Reorganizing and reducing the funding for the CHRC eliminates the ability of community providers to fill gaps in the health care system, which ultimately harms low-income seniors in our state.

MSCAN urges the committee to fully fund Medicaid provider rates, and fund the Community Health Resources Commission using the current formula in statute.

MHAMD_UNFAV_SB192
Uploaded by: Martin, Dan
Position: UNF

MENTAL HEALTH ASSOCIATION OF MARYLAND

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1301 York Road, #505
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phone 443.901.1550
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SB 192 Budget Reconciliation and Financing Act of 2020
Budget and Taxation Committee
February 26, 2020
Position: OPPOSE BEHAVIORAL HEALTH RATE CUTS

The Mental Health Association of Maryland is a nonprofit education and advocacy organization that brings together consumers, families, clinicians, advocates and concerned citizens for unified action in all aspects of mental health, mental illness and substance use. **We appreciate the opportunity to present this testimony on Senate Bill 192.**

The Maryland General Assembly has taken several important steps in recent years to address a behavioral health crisis that is devastating families across the state. We are making progress, but we are not out of the woods yet. Unmet need persists, resources remain scarce, and we are at risk of undermining the progress we have made.

Overdose deaths increased in 2018 for the eighth year in a row, reaching an all-time high of 2,406. And while these deaths decreased by four percent during the first nine months of 2019, a total of 1,774 Marylanders still lost their lives to overdose during that time. Maryland suicides are increasing dramatically, and demand for mental health and substance use treatment has risen steadily since 2008, with nearly 300,000 Maryland children and adults currently using and depending on the state's public behavioral health system.

Despite the severity of this situation, it remains increasingly difficult for Marylanders to access affordable and efficient mental health and substance use treatment when and where needed. Health care costs have risen and demand for community behavioral health treatment has exploded, but funding for these services has not kept pace with the need.

Long overdue multi-year provider rate increases were included in the HOPE Act of 2017 and minimum wage legislation in 2019. But SB 192 as drafted would undermine those commitments, cutting a mandated rate increase in FY21 from 4% to 2% (pg. 16, line 18). If left unrestored, **this cut will underfund community mental health and substance use treatment by nearly $25 million.**

The slight decrease in overdose deaths in 2019 is proof that increasing resources for community behavioral health saves lives. It is critical that we do not pull the rug out from under our public behavioral health providers just as Maryland is turning a corner in this overdose crisis. **We urge you to reject the proposed cut to FY21 provider reimbursement rate increases and to implement the full 4% increase without delay.**

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

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

FROM: Danna Kauffman
Pam Metz Kasemeyer
Schwartz, Metz and Wise, PA
410-244-7000

DATE: February 26, 2020

RE: **OPPOSE** – Senate Bill 192 – *Budget Reconciliation and Financing Act of 2020*

The Maryland Association of Adult Day Services (MAADS) strongly **opposes** any effort to reduce the 4% rate increase contained in *Senate Bill 280 (Chapter 11) "Fight for Fifteen*" from the 2019 Session. Therefore, we request that the committee reject the change that reduced the 4% rate increase to 2% contained on page 17, line 11 of Senate Bill 192.

The restoration of the full 4% is vital to the health of medical adult day care centers. As indicated in the 2018 report - *Rate Methodology Study Pursuant to Section 2 of House Bill 1696 (Chapter 798 of the Acts of 2018)*, the underfunding of medical adult day care centers is especially pronounced. Given that the State did not complete the report requiring a detailed plan on closing the funding gap, the reduction by 2% of the mandatory 4% appropriation will simply exacerbate the underfunding.

Medical adult day is a community-based program, allowing the elderly and adults with physical and/or mental disabilities to remain in their homes but be transported to centers during the day to receive health monitoring, socialization, daily meals, and nursing care in a safe and structured environment. There are over 126 centers located throughout the State, caring for nearly 6,000 clients per day. Medical adult day programs are a critical component in the continuum of care. By providing individuals with daily nursing and other supportive services, participants can avoid more costly acute care visits. For family members of participants, they can go to work with the knowledge that their loved one is safe.

Centers and the State are now at a crossroads. Due to the chronic underfunding coupled with rising costs, centers are either operating in the negative or with very small margins. Unlike other businesses that can pass added costs on to consumers, centers do not have this option because clients are either on Medicaid, receive subsidies through the State grant program or, while private pay, are on fixed incomes and cannot afford higher fees. This underfunding is coming at a time when there is a greater need for home-and-community based services. Between 2015 and 2030, Maryland's 60+ population is anticipated to increase from 1.2 million to 1.7 million, a 40% increase. Similarly, the number of people aged 65 and older with Alzheimer's disease in Maryland is expected to increase 18.2% by 2025. As individuals live longer, Maryland must ensure the availability of affordable, community-based services. For those cared for in medical adult day centers, the only other option would be care in an institutional setting at a much higher cost to the State.

Therefore, given that the 4% rate increase was allocated in order to offset minimum wage increases and the minimum wage has already increased, we request that the Senate Budget and Taxation Committee reject the Governor's rate reduction in *Senate Bill 192: Budget Reconciliation and Financing Act* and work to restore the full appropriation in the FY2021 budget. We value both our employees and our participants and urge you to partner with us so that medical adult day centers can continue to be a viable community option for our State's elderly and physically and/or mental disabled residents.

LifeBridge_FWA_SB 192
Uploaded by: nathanson, martha
Position: UNF

LIFEBRIDGE HEALTH

CARE BRAVELY

Budget and Taxation Committee
February 26, 2020
Testimony of Martha Nathanson, Vice President, Government Relations and Community Development, LifeBridge Health
Position: SB192 - Budget Reconciliation and Financing Act of 2020 – **SUPPORT with Amendment**

Background: LifeBridge Health is the parent company of Sinai Hospital of Baltimore, Northwest Hospital, Carroll Hospital Center, and Grace Medical Center (formerly Bon Scours Hospital). Hospitals and health care facilities are, indeed, the very types of entities for which Seed funding is targeted. For example, at Sinai Hospital of Baltimore, near Pimlico Race Course, we have facilitated capital improvements along the nearby east-west Belvedere Avenue corridor, bordering our facility and the track. At Northwest, a suburban setting, we are investing in improvements along Old Court and Liberty Roads, partnering with Baltimore County and the State to enhance streetscaping. At Carroll Hospital, in a rural area, enhancing walkability with sidewalks and walking paths will bring much needed activity to areas in need of revitalization.

Planned Improvements: Sinai Hospital is developing our parcel adjacent to Pimlico Race Course. The initial building, set for groundbreaking around December, 2020, is our Center for Hope, a comprehensive violence intervention and prevention center of excellence, which received Seed funding in FY20. This improvement, along with implementation of the Park Heights Master Plan recommendations for housing, green space, a library, workforce housing and other projects, as well as complementary full-scale redevelopment of the Race Course property, will further catalyze the redevelopment of the entire Park Heights community – indeed, the precise goal of the Seed Fund.

Comprehensive VIP: Violence Intervention and Prevention Center of Excellence. Envisioned based upon our community's recommendations pursuant to our Community Health Needs Assessment under the Affordable Care Act, identifying violence as the most challenging health condition, the VIP building will house the Baltimore Child Abuse Center; the Kujichaguilia Center providing job training and internships for men who have been victims of traumatic violence; the hospital-based violence intervention program which intervenes with patients who are victims of violence to ensure their safety, and; a branch of the Safe Streets program building on the success of the existing Park Heights program. It will also house our elder abuse and domestic violence intervention and prevention programs. Most critically, the VIP Center will provide ready access for Center clients, family and community members to engage in violence prevention capacity building, including employment.

Hospital Anchor Role: The Seed legislation builds on anchors' relationship with their nearby communities. Hospitals operating under a global budget created as part of the Maryland All-Payor system focus more than ever on the social determinants of health – good schools, safe neighborhoods, effective transportation, decent housing, and a green, healthy environment, among others. These factors impact our communities' health, and under the population health model, fit squarely into our objectives. The Seed Community Anchor Institution Fund is just the "kick" needed to jumpstart the types of projects that will greatly enhance our communities and the health of our residents, and we request it be fully funded at $10M.

Amendment #1: SB192 (BRFA), Page 18, delete in their entirety lines 9 through 16.

Bayada_Laura Ness_UNF_SB0192
Uploaded by: Ness, Laura
Position: UNF

Testimony of Laura Ness
Mid-Atlantic Area Director of Government Affairs, BAYADA Home Health Care
Senate Budget and Taxation Committee
Bill Hearing – Budget Reconciliation and Financing Act of 2020
February 26, 2020

Thank you for having me at this important hearing. I am Laura Ness, the Mid-Atlantic Area Director of Government Affairs for BAYADA Home Health Care, a nonprofit home health care provider that helps people have a safe home life with comfort, independence, and dignity. BAYADA has more than 360 offices in 23 states, including Maryland, and is an active member of the Maryland-National Capital Homecare Association, also called MNCHA.

The majority of disabled people in this country, and in Maryland, prefer when possible to be cared for in the comfort of their own home. They want to be surrounded by the people who love them most and keep them safest. This is especially true for medically fragile children and the elderly.

Last year, MNCHA and its members were hopeful about the State's recognition of this sentiment when law makers took the important step of increasing the low Medicaid reimbursement rate for Licensed Practical Nurses, or LPNs. I want to take this opportunity to thank you and reiterate our deep appreciation for the work that you have done on this issue. The abysmally low rate is a major obstacle to ensuring home health services access in Maryland and thank you for recognizing that. Under your mandate, beginning in 2021 there was supposed to be a 4% increase of the LPN rate every year through 2026. Unfortunately, as you are likely aware, the proposed 2021 budget cut the increase from 4% to 2%. This reduction comes at the expense of Maryland's medically fragile and is a strong indicator of what could happen in years to come.

BAYADA, along with MNCHA and all the affected Marylanders, call on this body to support the restoration of the 2% LPN rate reduction, which we estimate will cost the state approximately $1.1 million. We also ask that you support the restoration of all the other health care provider rate cuts in the 2021 budget.

Every day when LPNs enter patient homes, they are the first and last intervention between patients staying in their homes or needing hospital admission. They provide care through observation, staging interventions, carrying out care plans like tracheotomy changes and suctioning, intravenous feeding through G-Tubes or GJ-Tubes, administering medication, and intervening with seizures or other neurological incidents—and that is just the direct medical care. They also spend time record keeping in order to ensure an accurate understanding of a patient's status and development, staying up to date on technologies and equipment being used in the home, and following up with family members.

Maryland's low reimbursement rate is contributing to a state-wide home care nursing shortage. Much of the time, LPNs cannot afford to work in home care because they cannot make enough money to support themselves or their families. Many choose to work in hospitals or nursing homes, which both pay meaningfully higher wages and both cost the state substantially more money than home health services. And many choose to work in a neighboring state that has a higher reimbursement rate. Most of Maryland's neighbors have significantly higher rates, including the District of Columbia, Delaware, Pennsylvania and West Virginia.

Marylanders are not receiving all the services they are entitled to and urgently need. In 2018, a Task Force appointed by Governor Hogan found that statewide, children and adults with medical disabilities were on average not receiving 16% of prescribed home health care nursing hours. That number goes up to 28% for those who have had care for less than six months. This is alarming and unfair. When patients do not receive the care they require from nurses, there are dangerous and potentially lethal consequences: hospitalization risk increases as do ER visits; family members are forced to take on the role of the nurse, which not only puts stress on a family but also has potentially harmful effects on income—time spent nursing is time spent out of work. This story is more common than you would like in Maryland, and the people deserve better.

And it is important to state that no one could fault an LPN for choosing their own livelihood. But it is the State’s responsibility to help solve this problem.

Providers are also relying on this rate increase to keep their doors open. This reduction is destabilizing, and many providers will need to reassess their businesses sustainability. And the real victims of this are the patients who will potentially lose even more access to the care they desperately need.

We must follow through on the promise we made last year to Maryland’s medically fragile and restore the LPN rate increase. Too many families are depending on us and we must make sure that the nurse comes to fill the next shift. Thank you and we hope you will support the rate restoration.

HIP_UNF_SB192
Uploaded by: prange proestel, stephanie
Position: UNF

February 26, 2020

Testimony to the Senate Budget and Taxation Committee
SB192 – Budget Reconciliation and Financing Act of 2020

Re: National Capital Strategic Economic Development Program (NED) and
Seed Community Development Anchor Institution Fund

Dear Chairman Peters and Members of the Budget & Taxation Committee:

On behalf of Housing Initiative Partnership (HIP), we urge the committee to reject two proposals in SB 192, the Budget Reconciliation and Financing Act of 2020: 1) to eliminate funding for and repeal the establishment of the National Capital Strategic Economic Development Program (NED); and 2) cut by 50% the funding for the Seed Community Development Anchor Institution Fund and remove the funding mandate.

About HIP:

Housing Initiative Partnership, Inc. (HIP) is an innovative, green nonprofit developer based in Prince George's County, Maryland dedicated to revitalizing neighborhoods and removing blight. For over 30 years, HIP has created housing and economic security for persons of low- and moderate-income and provided services that improve the quality of life in the communities we serve. HIP has developed over 460 multifamily affordable rental units and 85 single-family homes for sale to low- and moderate-income families. HIP is also a full-service, bi-lingual HUD-Certified Housing Counseling Agency. In 2019, HIP counseled 1,355 families.

We are extremely concerned by the proposed cuts to NED and SEED which have demonstrated a proven track record of success developing affordable housing, revitalizing commercial spaces, removing blight, and leveraging public and private dollars.

Need to Fund the National Capital Strategic Economic Development Fund

Particularly troubling is the elimination of funding and the repeal of the National Capital Strategic Economic Development Fund (NED). The NED fund provides grants to nonprofit community development organizations and government agencies to assist with the predevelopment activities for residential and commercial development in revitalization areas. Activities can include items such as site acquisition, land assembly, architecture and engineering, infrastructure, and renovation of single-homes. The need for affordable housing is ever growing. The Urban Institute's Housing Stability report calculated that just in Prince George's County alone, there is a shortage of 30,100 rental units serving households 80% or less of area median income and a shortage of 22,600 homeownership opportunities for households earning 50-80% of area median income. In addition, with the construction of the Purple Line connecting Montgomery and Prince George's Counties, there is significant pressure on existing affordable housing. Such infrastructure projects have historically caused significant displacement unless aggressive strategies are in place to protect existing residents. The corridor is already experiencing an accelerated rate of rent increases and a number of market-rate affordable apartment communities have been marketed and sold touting their "upside potential".

NED provides vital resources to leverage other private and public funds to create more affordable housing. HIP has received NED funds to support the construction of infill Net Zero Ready homes in Palmer Park and the Town of Fairmount Heights. In both communities, these will be the first new construction homes in over 25 years and they will be sold to first-time homebuyers earning 80% or less of AMI. NED funds will assist with the infrastructure costs. This is a critical resource which helped to push both projects forward and keep the homes affordable to homeowners earning 80% or less of area median income. Water and sewer utility connections alone will cost approximately $350,000. Without resources like NED, it is extremely difficult to maintain affordable sales prices.

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In 2019, NED funded 18 projects from predevelopment expenses, to renovation and new construction of single-family homes, to the development of new affordable apartments, to commercial façade improvements and lighting, to new community facilities.

The Washington, DC metropolitan area is extremely expensive. Providing quality housing near jobs reduces commute times, lessens the burden on road, reduces emissions, and improves citizens' quality of life. With such great need, production needs to scale up. This is extremely difficulty to do when the source of gap funds ebbs and flows. The National Capital Strategic Economic Development Program funds are critical to the work that HIP and other nonprofit developers undertake to increase the number of quality, affordable housing opportunities available for Maryland families.

We strongly urge the Committee to make whole the National Capital Strategic Economic Development Program and the Seed Community Development Anchor Institution Fund. Please make the following amendments to SB192:

- On page 5, delete in their entirety lines 5 through 8.
- On page 18, delete in their entirety lines 9 through 16.

Sincerely,
Stephanie Prange Proestel
Deputy Director
Housing Initiative Partnership

CBF_AlisonProst_UNF_SB0192
Uploaded by: Prost, Alison
Position: UNF

CHESAPEAKE BAY FOUNDATION

Environmental Protection and Restoration
Environmental Education

Senate Bill 192

Budget Reconciliation and Financing Act of 2020

DATE: FEBRUARY 26, 2020 **POSITION: OPPOSE PROPOSED $25 MILLION CUT TO BAY RESTORATION FUND**

POSITION

The Chesapeake Bay Foundation (CBF) recommends that the Senate Budget and Taxation Committee reject DLS's proposed $25 million cut to the Bay Restoration Fund when considering the Budget Reconciliation and Financing Act of 2020 (BRFA). With the 2025 deadline for restoring the Chesapeake Bay fast approaching, now is not the time to be diverting funds from the Bay Restoration Fund for purposes that do not directly improve water quality.

COMMENTS

Maryland established the Bay Restoration Fund (BRF) in 2004 in order to address the excessive amount of nutrient pollution entering the Chesapeake Bay causing a steady decline in water quality. Throughout Maryland, households and businesses pay into the BRF with an expectation that the State uses these funds to address pollution coming from wastewater treatment plants, septic systems, agriculture and, to limited extent, urban & suburban runoff. It would be a betrayal of the public trust to accept the DLS recommendation to take from the BRF for a purpose that does not provide a direct water quality benefit to local waters and the Chesapeake Bay.

Since the establishment of Chesapeake Bay Clean Water Blueprint in 2010, Maryland has be a leader when it comes to efforts to restore the Chesapeake Bay. The pollution reductions to date have largely come from the upgrades to waste water treatment plants funded through the BRF. In its final cleanup plan before 2025, the State is relying on additional reductions from this sector and the funding from the BRF to meet its pollution reduction requirements.

At this critical juncture in Bay cleanup efforts, we cannot afford to slow down the pace of projects that the BRF funds. In fact, we need to be accelerating our efforts. To divert funding from the BRF at this critical juncture is shortsighted and will put Maryland at risk of falling behind on its clean water commitments.

CONCLUSION

For these reasons, the Chesapeake Bay Foundation recommends that the Budget and Taxation Committee reject the $25 million fund diversion from the Bay Restoration Fund proposed by DLS. Please contact Alison Prost at 410-268-8816 or aprost@cbf.org with any questions.

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

SENATE BUDGET AND TAXATION COMMITTEE

February 26, 2020

TESTIMONY

Submitted by
Dr. Bernard Sadusky, Executive Director
Maryland Association of Community Colleges

SB 192 – Budget Reconciliation and Financing Act (BRFA) of 2020

Position: Oppose

The Maryland Association of Community Colleges (MACC) representing all of Maryland's 16 Community Colleges strongly opposes HB 152, which alters the full-time pupil allocation for our community colleges as funded in the Governor's FY 21 budget and changes the methodology for funding community colleges in future years. MACo also opposes language changes in the bill. This legislation is being opposed on both a fiscal and conceptual basis.

This legislation removes the decision-making powers from the duly elected legislature whose responsibility it is to determine budget reconciliation and allows for discussion with affected organizations. This legislation would signify a major power shift in that responsibility.

Fiscal support for Maryland's community colleges has not fully recovered from the "Great Recession" during with time our community colleges lost approximately $100 Million. This was attributed to the State fiscal posture and inability to adequately compensate community colleges for spiking enrollments brought about by a diminished labor market. Recognizing this revenue loss, the State adjusted the CADE formula "truing up" and legislatively adjusted the timeline and percentage tie for full CADE to occur in FY 2023.

This BRFA signifies that this administration has no intention of fully funding CADE, ignoring the State's promise of being equal partners with County government and students in addressing the cost of community colleges. Astonishingly, this reduction of funds and abandonment of the CADE formula is not being proposed during a recessionary period, but during a time of prosperity. This legislation signals a fundamental lack of understanding the needs of our community colleges. The funding model proposed for future years would inhibit our colleges' ability to innovate, provide program enhancements and address enrollment increases with predictability. It certainly would not be a value-based model.

MACC also object to the language changes in funding the Facilities Renewal Grant providing this grant as discretionary, instead of compulsory. Be mindful, funding for this program was unanimous on a bipartisan basis to address the deferred maintenance problem which has resulted from our $80 Million reduction to the Capital Improvement Program this administration imposed during the prior four fiscal years. That maintenance backlog totaled approximately $1 billion last year. The Facilities Renewal Grant guarantees that the needs of each institution are addressed in a timely fashion.

MACC Opposes this legislation as it pertains to community colleges and requests full formula funding as per FY21 tie as described in the Governors submitted budget. We also request future community college funding be based on the CADE formula with full CADE funding in FY23, as well as the elimination of the proposed new language for the Facilities Grant Program.

PGCC_Dr.Dukes_OPP_SB0192
Uploaded by: Sadusky, Dr. Bernard
Position: UNF

February 26, 2020

Senate Budget and Taxation Committee

Testimony by

Dr. Charlene M. Dukes, President
Prince George's Community College

Annapolis, Maryland

BILL: SB 192 Budget Reconciliation Finance Act (BRFA)

POSITION: Oppose

Thank you, Chair Guzzone, Vice Chair Rosapepe, and members of the Committee for giving me the opportunity to speak to you today on behalf of Maryland's 16 community colleges in acknowledgement of our support for the Governor's budget (SB 190 / HB 150) as submitted and our strong opposition to the Budget Reconciliation and Finance Act of 2020 (SB 192 / HB 152) also known as the "BRFA".

You are undoubtedly aware the BRFA of 2020 Cuts State Aid to Community College by 50%. In accordance with State law, the Governor's FY '21 Budget, (SB 190) provides $286.1 million in State aid to Maryland's community colleges as determined by the Cade formula that calculates the annual State aid appropriation to community colleges.

This is a well-deserved increase of $36.4 million or a 14.6% increase over last year's appropriation; however, along with the introduction of the State Budget, the Governor introduced SB 192 – the Budget Reconciliation and Finance Act of 2020 (the BRFA) that cuts the State aid to community colleges in half to $18.2 million or 7.3% over last year's appropriation.

As intended, the Cade funding formula jumps 2% for FY '21, from 23% in FY20 to 25% of the State aid granted per FTE to select four-year public institutions in Maryland. This percentage increase, coupled with a failure to include a $40 million salary enhancement granted to USM in the Cade calculation last year, resulted in the statutory increase of 14.6% for community colleges.

Historically, the State has underfunded their portion of the cost of a community college education for several decades by rebasing the Cade formula and or rescinding their appropriation 7 times during recessionary periods to balance the State budget. This accounts for a loss of over $100 million in State aid to community colleges. Full funding for community colleges was stretched out to FY ’23 resulting in further loss of State funding for community colleges.

Community colleges understood the State's necessity to rebase the funding during a recessionary economy, however, the present BRFA lacks this justification. Maryland current economy is in the midst of one of the strongest fiscal years ever. This is a year that the State Budget should strengthen support for community colleges.

We have been great partners with the State in a multiple of ways:

- Holding tuitions steady to ensure continued financial access to higher education for more than 500,00 students annually enrolled in credit, workforce development, and continuing education programs
- Reducing tuition and fees to support dual enrollment and access by low-income and FARMs students who want to pursue college while still in high school
- Accepting waivers of tuitions for populations of students who rightfully deserve them
- Re-allocating our financial resources to ensure that students with disabilities have access to accommodations that are critical to their success at our institutions
- Increasing graduation and certification attainment rates
- Offering programs and services in support of Maryland’s Ready for Business initiatives
- Utilizing college resources to support MHEC in marketing the Maryland Promise Scholarship Program
- Providing minimal salary enhancements or foregoing them altogether
- Supporting the Kirwan Commission Recommendations where there is clearly a role for community colleges in creating a world-class public education system without an identified fiscal note to support the work we are expected to do.

To spend billions of tax dollars on making more students “Career and College Ready” does nothing to benefit Maryland if community colleges are not ready to assume the next step.

The current BRFA permanently eliminates the Cade Formula for 15 community colleges and Baltimore City Community College funding formulas that calculate the annual State aid to community colleges and institutes funding based on the percentage increase in the growth of the State’s General Fund Revenues. Even with this potentially new established baseline, there appears to be a false assumption that community colleges are currently and have been the recipients of full and fair funding.

The BRFA, essentially, converts State funding for community college from a policy that is designed to increase the State’s contribution to the cost of a community college education to a new policy that funds State aid to community colleges on an “if funds are available” model. It ignores the General Assembly’s implicit approval of the Cade formula and signifies that lack of intention to ever fully fund community colleges as prescribed in the Cade.

Maryland's community colleges oppose this legislation that abolishes long-standing policies made and confirmed by actions of the General Assembly. We want to depend on the State as the State has always been able to depend upon Maryland's community colleges to be partners, collaborators, and doers.

It is also important to bring to your attention the elimination of the mandated funding for the Facilities Renewal Grant. The BRFA, too, removes the mandate and this funding at the discretion of the Governor's office. The mandated funding for this Program was unanimously enacted by the 2018 General Assembly on a bipartisan basis to address the community colleges' deferred maintenance issues.

Most of our buildings on community college campuses are between 50 and 75 years old and in need of maintenance. Last year, the 16 community colleges estimated a backlog of nearly $1 billion in deferred maintenance projects. Certainly, access to $4M annually will not solve our long-term deferred maintenance and capital budget needs, but it is a good faith step in the right direction to allow community colleges the resources to address this deferred need bi-annually on an individual institution basis. At Prince George's Community College, we are using the allocated funds to address heating and cooling needs through the purchase and installation of new, modern air handlers.

Thank you for your time and attention. I humbly urge you to oppose the Budget Reconciliation Finance Act of 2020 and support fully funding the expected $36M for your community colleges.

MNCHA_Dawn Seek_UNF_SB0192
Uploaded by: Seek, Dawn
Position: UNF

Home Health • Private Duty
Home Medical Equipment

February 26, 2020

The Honorable Guy Guzzone
Chair
Senate Budget and Taxation Committee,
3 West
Miller Senate Building
Annapolis, MD 21401

RE: **OPPOSE** – *Senate Bill 192: Budget Reconciliation and Financing Act*

Dear Chair Guzzone and Members of the Committee:

Thank you for allowing us to submit comments on this very important subject. The Maryland-National Capital Homecare Association (MNCHA) is a trade association representing Home Health, Home Care, and Durable Medical Equipment agencies across Maryland. These providers include those who deliver services to Medicaid recipients across the entire State.

MNCHA members are strongly opposed to the reductions taken in Senate Bill 192 (Page 17, line 11) which decreases the 4% rate increase provided under *Senate Bill 280: "Fight for Fifteen"* from the 2019 Session to only a 2% rate increase. This reduction has a devastating blow to home care agencies, especially given the fact that members are still required to pay the increased minimum wage without the funding to do so.

It is important to understand that Medicaid ONLY reimburses agencies $18.03/hour. This hourly rate must be used to cover personnel wages, payroll taxes, unemployment insurance, worker's compensation and any other personnel benefit as well as non-personnel expenses. This is already an insurmountable task. For example, included in the $18.03 is the requirement by the State for home care agencies to contract with a registered nurse to assess patients, write care plans and make ongoing intermittent visits to evaluate the patients. Covering the expense of the registered nurse combined with other direct care workers has agencies already operating on razor thin margins.

As indicated in the 2018 report - *Rate Methodology Study Pursuant to Section 2 of House Bill 1696 (Chapter 798 of the Acts of 2018),* the underfunding of home care agencies is especially pronounced. As a follow-up to this report, this committee required the Maryland Department of Health (MDH) to develop a detailed five-year plan for eliminating the funding disparity. However, rather than develop the plan, MDH simply stated that it was continuing to analyze the information.

This is particularly troubling given that it was the State's report that illustrated the underfunding, so it is reasonable to assume that the State has the necessary information to develop the funding plan.

Without an appropriate, corresponding Medicaid reimbursement increase or a plan for eliminating the funding disparity, MNCHA members are concerned with their ability to continue to maintain a high quality of care and services which work to ensure patient safety. Medicaid homecare services allows patients to thrive in their own homes and in their own environments surrounded by family and familiar things, which is their preference. Homecare patients are less likely to end up in emergency rooms or being admitted to hospitals. Without home care, many of these patients would require alternative living arrangements such as a long-term care facility, which is more costly to the Medicaid program.

Thank you for your consideration of these comments and we would be happy to answer any additional questions or provide any additional information to assist you in any way.

Respectfully,

Dawn E. Seek
Executive Director
MNCHA

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Uploaded by: sessa, rachel
Position: UNF

Department of Public Safety and Correctional Services

Office of the Secretary
Office of Government and Legislative Affairs
45 Calvert Street, Suite B7A-C, Annapolis MD 21401
410-260-6070 • Fax: 410-974-2586 • www.dpscs.state.md.us

March 26, 2020

Senate Budget and Taxation Committee
121 House Office Building
Annapolis, MD 21401-1991

RE: Senate Bill (SB) 192— Budget Reconciliation and Financing Act of 2020 — **OPPOSITION TO DLS RECOMMENDED CUTS**

Dear Chairman Guzzone & Members of the Senate Budget & Taxation Committee –

The Maryland Department of Public Safety and Correctional Services (Department) strongly opposes the budget cuts recommended by the Department of Legislative Services (DLS) in the Budget Reconciliation and Financing Act (BRFA) of 2020. Specifically, DLS is recommending cutting $18 million from the Department's fiscal year 2020 budget. This recommended action would jeopardize public safety in the State of Maryland.

DLS has historically testified and emphasized that the Department is chronically underfunded. Yet DLS is recommending cutting $18 million from the current fiscal year (FY). Not only does the Department disagree with this recommended action in principle, but it also disagrees with the justification for the recommended budget cut. After accounting for adjustments, the Department will only have a $4.4 million surplus which is needed to cover salary shortfalls related to inadequate special and federal funding.

This recommended action would have a drastic and negative impact to the Department's FY 2020 budget. I hope this information is useful. If you would like to discuss this further, please contact Chief of Staff Rachel Sessa at (410) 260-6070 or rachel.sessa@maryland.gov.

Sincerely,

Secretary Robert L. Green

SEIU_UNF_SB192
Uploaded by: Simon, Travis
Position: UNF

Hearing Testimony February 26, 2020
Senate Budget and Tax Committee
Service Employees International Union, Local 500, CtW, CLC

Senate Bill 192 – Budget Reconciliation and Financing Act of 2020

OPPOSE

SEIU Local 500 represents over 20,000 working people in the region. Our union represents the support staff at the Montgomery County Public School system, Family Child Care Providers, Faculty members at institutions of higher education, staff at non-profits and many other working people. SEIU Local 500 strongly opposes SB 192 – House Reconciliation and Financing Act.

Our nation's community colleges are known as "democracy's colleges." They were formed on the premise of both equal access to higher education for all socio-economic groups and a vision to educate and engage students on democracy itself. This is goal that, I believe, can be shared by elected officials on both sides of the political aisle. BRFA's proposed cuts to Maryland's Community Colleges would be a devastating blow to an already financially stressed system. SEIU Local 500 urges the state to continue using the CADE Funding Formula and we implore you to ensure that the state lives up to its side of the agreement and fully fund CADE by FY23.

According to the Penn Graduate School of Education Institute for Research on Higher Education, in 2020, 69% of jobs in Maryland will require an associate's degree or higher.[1] The benefits of community colleges extend beyond preparing students for the 21st century job market. Community colleges contribute to the state economy and have lasting social benefits. According to the Maryland Association of Community Colleges, Maryland's community colleges added $992.6 million in income to the state FY 2016. Maryland also benefited from social savings related to reduced crime, lower welfare and unemployment, and increased health and well-being across the state.[2]

Maryland's community colleges are successful in large part due to the excellent teaching skills, scholarship and professionalism brought to the classroom by the community college faculty – both part-time (adjuncts) and full-time. However, these faculty have increasingly been bearing the brunt of cuts and underfunding of our community colleges. Educators in Maryland's community colleges

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[1] https://www.gse.upenn.edu/pdf/irhe/affordability_diagnosis/Maryland_Affordability2016.pdf
[2] https://mdacc.org/wp-content/uploads/MACC_MainReport_1516_Final.pdf

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Pia Morrison, President

provide high quality education to their students and are dedicated to the communities they serve despite facing low pay, instability and under-resourced working conditions.

Adjunct faculty, who are 70% of the faculty in Maryland's community colleges, face particular challenges.[3] Adjuncts face inequitable compensation and receive no healthcare benefits or retirement contributions. They are considered temporary employees even if they teach every semester for 20 years or more. They often work on multiple campuses to make ends meet. This means they are not as available as they would like to be to meet with students, interact with faculty colleagues, or engage with the academic community. They sometimes have to rely on public assistance such as unemployment insurance. Many adjunct faculty are burdened with student debt from qualifications they earned in order to teach at community colleges. A survey that I carried out at Local 500 in 2015, showed that only 19% of the adjuncts teaching in Maryland's community colleges had a full-time job elsewhere and 33% said that they relied on teaching as an adjunct as their sole or primary source of income. Under-funding of our community colleges leaves adjunct faculty behind as they strive to educate their students so those students and their communities can achieve a brighter future.

Public higher education at the community college level is a vital investment in our state's economy and society with proven long-lasting benefits that both Democrats and Republicans can support. No-one should be left behind, particularly the educators whose work makes public higher education work. That is why I urge you to fully fund state aid to Maryland's community colleges this year and for years to come and oppose SB 192.

[3] Data from https://nces.ed.gov/ipeds

CatholicCharities-Oppose-SB 192
Uploaded by: Vaughan, Regan
Position: UNF

CATHOLIC CHARITIES BALTIMORE

CHERISHING THE DIVINE WITHIN ALL

Senate Bill 192
BUDGET RECONCILIATION AND FINANCING ACT

Senate Budget & Taxation Committee
February 26, 2020

Oppose

Catholic Charities of Baltimore opposes the provisions in SB 192 that would reduce funding for providers who are serving vulnerable populations in Maryland.

Inspired by the gospel to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. As the largest human service provider in Maryland working with tens of thousands of Marylanders each year, and an employer of over 2,000 people, we recognize the dignity of every individual.

We are committed to a Maryland where each person has the opportunity to reach his or her God-given potential. We fulfill this commitment as a provider of behavioral health, long term care and developmental disabilities services in partnership with the State. Our commitment to moving away from residential services and building our community based services has been completely aligned with the direction the State has moved. However, the chronic underfunding of providers and the unpredictability in rates has made it difficult for us and other providers to offer the high quality programming that these vulnerable populations deserve.

Medicaid Provider Funding

For years, Medicaid providers have been struggling to keep up with changes in best practices, the demands of our workforce and the desire to provide the highest quality of services to Marylanders. Last year, the legislature included 4% rate increases for Medicaid providers in the minimum wage bill. Programs used that promise to plan for the future. Unfortunately, SB 192 proposes to cut that increase to 2%. This would result in a $1 million reduction in payments for Catholic Charities alone. It jeopardizes our ability to continue providing the same quantity of programming at the same level of service which is a disservice to the vulnerable Marylanders we serve. ***We urge the committee to strike the language on page 16 line 4 through page 17 line 15.***

Community Health Resources Commission

Catholic Charities has partnered with the Community Health Resources Commission (CHRC) on numerous projects over the past 10 years. We have seen firsthand the transformative effect a grant from the CHRC can have on a program. $350,000 in CHRC grants to our Esperanza Center allowed us to leverage an additional $821,000 in private grants. This funding allowed the health center to completely revamp their model of care while expanding service delivery from 17 hours per week to 28. The CHRC grant process allows programs like ours to work outside the constructs of Medicaid funding to build capacity to serve underserved communities. ***We urge the committee to strike the language on page 17 line 16 through page 18 line 8; page 19 lines 13-32; page 20 lines 1-14***

The proposed cuts to health care providers and CHRC funding will be detrimental to the communities we serve. **Catholic Charities of Baltimore urges the committee to either strike the sections listed above or in the alternative to issue an unfavorable report for SB 192.** Thank you for your consideration of our views.

Submitted By: Regan Vaughan, Director of Advocacy

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CDN_UNF_SB 192
Uploaded by: wilson randall, claudia
Position: UNF

COMMUNITY DEVELOPMENT NETWORK OF MARYLAND

February 26, 2020

Senate Budget & Taxation Capital Subcommittee
Testimony in Opposition to SB 192 - Budget Reconciliation and Financing Act of 2020
Re: National Capital Strategic Economic Development Program and
Seed Community Development Anchor Institution Fund

Dear Chairman Peters:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all neighborhoods are thriving and where people of all incomes have abundant opportunities for themselves and their families.

We urge the committee to reject the proposals in the budget to:

1) Eliminate funding for and repeal the establishment of the National Capital Strategic Economic Development Program; and

2) Halve the funding for the Seed Community Development Anchor Institution Fund and remove the funding mandate.

Amendment No. 1
On page 5 delete in their entirety lines 5 through 8.

Amendment No. 2
On page 18 delete in their entirety lines 9 through 16.

National Capital Strategic Economic Development Program funds are critical to the work that our members do in the DC metropolitan area. This funding supports projects in first generation suburbs of Prince George's and Montgomery counties that need revitalization. I want to urge your committee to think about children and elderly in these areas of the state that need revitalization.

Seed Community Development Anchor Institution Fund provides competitive grants and loans to anchor institutions for community development projects in blighted areas of the state. Eligible applicants include institutions of higher education and healthcare institutions. Formal and informal collaborations between anchor institutions and community-based organizations help to lower poverty and increase the opportunity rate throughout the state. As a nation, we are getting sicker and more isolated as a nation – these collaborations reduce disease, increase achievement and reduce healthcare costs. Do not turn your back on these investments as they bring needed resources.

Claudia Wilson Randall, Associate Director, Community Development Network

SB192_comment_Kurtz
Uploaded by: Kurtz, Josh
Position: INFO

PARTNERS *for* OPEN SPACE

The Honorable Guy J. Guzzone
Budget and Taxation Committee
Maryland State Senate
11 Bladen Street
Annapolis, MD 21401

The Honorable James C. Rosapepe
Budget and Taxation Committee
Maryland State Senate
11 Bladen Street
Annapolis, MD 21401

Dear Chair Guzzone and Vice Chair Rosapepe:

On behalf of Partners for Open Space, thank you for the opportunity to comment on the **Budget Reconciliation and Financing Act (BRFA) of 2020 (Senate Bill 192)**. This legislation includes a provision that would impact legislatively-mandated repayments for the state's premier 'green capital' program, Program Open Space (Page 35, lines 23-26).

In the 2019 General Assembly session, $43.9 million in Program Open Space repayment funds scheduled for fiscal year (FY) 2020 were fenced off and remain unappropriated. In its current draft, the 2020 BRFA alters the Program Open Space repayment schedule by repealing the repayments for FY20 and extending the repayment by a year. This marks yet another year in which the repayment schedule has been altered and funding has been pushed forward into an uncertain future.

Program Open Space repayments, originally mandated according to a 2016 statute (Chapter 10) and passed unanimously by both chambers, respond to a history of cuts to the dedicated fund. Since the program's beginning in 1969, more than $1.3 billion in transfer tax revenues dedicated for Program Open Space and its related land preservation programs have been diverted to the General Fund for other unrelated uses, and only half of this funding has been replaced. In passing the 2016 Chapter 10 law, Maryland's General Assembly recognized the need to honor its commitment and repay Program Open Space.

This year you are deliberating on a budget built on strong revenue forecasts based on a healthy and growing economy, In FY 2021, Maryland has the resources available to honor its commitment and stick to the adopted Program Open Space repayment schedule. This may not be the case in future budget years.

Our state is grappling with the impacts of rapid land-use change, the loss of natural areas, and the impacts of global climate change on Maryland residents and its environment. We submit that now is not the time to further delay payments to a program that, by its very nature, assists in reducing the carbon footprint of future land use decisions.

Thank you for the opportunity to comment on this important matter that will have significant and lasting impacts on the health and well-being of Maryland's people and its environment.

Sincerely,

Josh Kurtz
Chair, Partners for Open Space

To learn more, please visit www.partnersforopenspace.org

Maryland Developmental Disabilities Council

EMPOWERMENT • OPPORTUNITY • INCLUSION

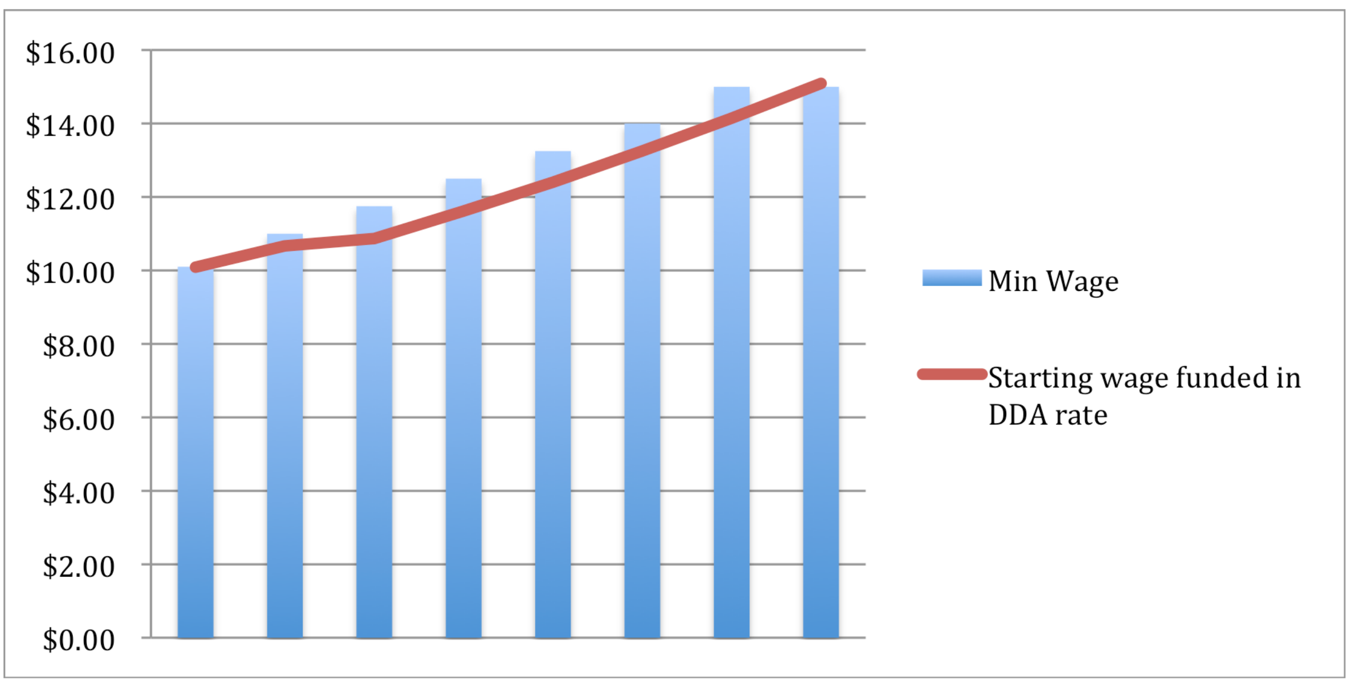
Senate Budget and Taxation Committee
February 26, 2020
SB 192: Budget Reconciliation and Financing Act of 2020

OPPOSE THE DEVELOPMENTAL DISABILITIES COMMUNITY SERVICES RATE DECREASE

The Maryland Developmental Disabilities Council is a public policy organization dedicated to advancing the inclusion of people with disabilities in all facets of community life. Much of the Developmental Disabilities (DD) community services delivery system is dependent upon a stable and qualified workforce to effectuate the rights of Marylanders with developmental disabilities to live full and inclusive lives. **An adequate reimbursement rate is essential to recruiting and retaining the skilled staff needed to make this possible.** It was for this reason that the Maryland General Assembly made a commitment to the DD community when it passed the minimum wage legislation (Fight for Fifteen) in 2019 and included language that mandated a 4% rate increase each year for four years beginning in FY20. This commitment is ever more important as the DD community grapples with high staff turnover and vacancy rates and competition for skilled staff amidst rising local and state minimum wages. The full 4% is critical to enabling direct support professionals to stay ahead of the minimum wage, and to fund the other costs necessary to provide community supports.

The system simply cannot afford a reduction in the mandated rate increase.

- With only a 2% rate increase, when the state minimum wage increases to $11.75 on January 1, 2021, the starting wage funded by the rate is not enough to meet minimum wage. The result is a troubling destabilization of this critical workforce.



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Kalani Brown, *Chairperson* • Rachel London, Esq., *Executive Director*

- **Direct support staff positions are not minimum wage jobs.** They must successfully complete State-mandated training, be certified by the Board of Nursing if they give any type of medication, pass a math and reading test, and undergo a criminal background check. They assist with a variety of daily activities that enable people with developmental disabilities to live and work in the community, and must make independent decisions involving the care and support of people with developmental disabilities.
- **A skilled workforce is essential facilitating the quality lives of people with developmental disabilities,** and enabling provider agencies to fulfill their statutory obligation to protect the health and safety of the individuals with disabilities they support.

The proposed rate reduction from 4% to 2% represents a $25 million loss in total funds - a shortfall that will present challenges to carry out the other critically important aspects of the Governor’s proposed budget absent the funds necessary to pay the workforce needed to carry it out.

The Maryland Developmental Disabilities Council therefore supports restoration of the full funding of the 4% rate increase.

Contact: Rachel London, Executive Director: RLondon@md-council.org

SB192 UMD testimony

Uploaded by: McKee-Seabrook, Molly
Position: INFO

SB 192 - Budget Reconciliation and Financing Act of 2020
February 26, 2020
Senate Budget & Taxation Committee

Recommendation: REQUEST AMENDMENT to Reject Language that Eliminates Funding for the Maryland Energy Innovation Fund, which provides funding for both the Maryland Clean Energy Center (MCEC) and the Maryland Energy Innovation Institute (MEI2), both co-located at the University of Maryland

The Maryland Energy Innovation Institute (MEI2), part of the University of Maryland's A. James Clark School of Engineering, provides a platform to catalyze basic research into new technology while stimulating economic growth and improving millions of lives across the state of Maryland. The Institute brings together science, industry, government and economic leaders to develop new energy technologies and facilitate the transfer of created technology into commercial reality. Through this truly interdisciplinary team, the institute develops solutions to global and local energy problems (i.e. cleaner and renewable energy solutions; more efficient use and storage of energy) and assists the transfer of knowledge and resources to the public in addition to transitioning the research into marketable products and services through locally based entrepreneurial ventures.

MEI2 drives UMD energy innovations in partnership with Mtech and Commerce. Moreover, with MCEC integrated into MEI2 its role as a "green bank" investment vehicle is instrumental in facilitating capital to support technology commercialization and project development, and provide a direct link to various energy sector stakeholders, industry, and utility partners. MCEC coordinates outreach and education with consumer audiences, convenes stakeholder partners, promotes and coordinates conferences and events that raise the profile of the work undertaken at MEI2 to a broader national and international audience.

MEI2 advances the UMD Research Enterprise – by increasing the visibility and impact of UMD energy and environmental research, supports State of Maryland Agencies by providing a centralized institute for the MEA, Commerce, DNR, PSC and Governor's needs with respect to specific energy expertise, including serving on governmental committees and providing input to reports, increasing economic growth in Maryland by accelerating Maryland's energy innovation ecosystem creating new companies and jobs, as well as assisting economic development officials in attracting companies to Maryland.

The Maryland Energy Innovation Institute leverages Maryland Energy Innovation Funds to assist Maryland academic institutions in obtaining federal and private funding to advance energy research and innovation. At the University of Maryland College Park (UMCP), alone this has assisted in obtaining over $40M in federal energy funding since MEI2 was created in

2017, a factor of >20X return to the Maryland economy compared to MEI2 portion of the MEIF during that time period ($1.8M).

MEI2, through its portion of the MEIF, provides annual innovation seed grants to assist spin-off companies, which translates university research results to commercially relevant products. In the initial two years 8 seed grants have been awarded to UMCP, University of Maryland Baltimore County (UMBC), and Johns Hopkins University (JHU), and this year's competition has resulted in 18 applications thus far from UMCP, UMBC, JHU, JHU-APL, University of Baltimore, Morgan State and UM Eastern Shore.

This has accelerated the progress of these companies toward commercial success, a couple of examples being Mobile Comfort and Ion Storage Systems. Mobile Comfort's $300K seed grant enabled them to translate their more efficient air conditioning technology into the prototype necessary for them to attract private funding and launch a worldwide consumer product. Ion Storage Systems leveraged their $100K seed grant for packaging of their advanced battery technology, to obtain $8M in private venture capital funding. This enabled them to move into the Maryland Energy Incubator, set up pilot-line manufacturing, and hire 15 employees.

The proposed cut in the Budget Reconciliation and Financing Act of 2020 (BRFA), which will eliminate promised funding in statute for the Maryland Energy Innovation Fund will send the wrong message about the state's commitment to clean energy innovation and growth in the economy. It's important to note that this action has no effect on the general fund as the Maryland Energy Innovation Fund is derived from Strategic Energy Investment Funds. We strongly urge a rejection of the language to cut the Maryland Energy Innovation Fund.

MRHA_INFO_SB 192
Uploaded by: Wilson, Lara
Position: INFO

Statement of Maryland Rural Health Association
To the Members of the Senate Budget & Taxation Health and Human Services Subcommittee
February 26, 2020
SB 192, Budget Reconciliation & Financing Act- Letter of Concern, Maryland Community Health Resources Commission

LETTER OF CONCERN: SB 192, BUDGET RECONCILIATION & FINANCING ACT OF 2020 -- MARYLAND COMMUNITY HEALTH RESOURCES COMMISSION

Chair Griffith and Members of the B&T Health & Human Services Subcommittee:

The Maryland Rural Health Association (MRHA) submits this Letter of Concern regarding language included in SB 192, the Budget Reconciliation and Financing Act (BRFA), that would result in a permanent cut of $4 million to the annual budget of the Maryland Community Health Resources Commission's (CHRC). **MRHA requests that your Subcommittee reject the language proposed in this year's BRFA and maintain the long-standing legislative mandate that the CHRC's budget be funded at no less than $8 million in FY 2021 and beyond.**

MRHA is a non-profit member organization comprised of local health departments, hospitals, health centers, AHECs, non-profits, universities, community organizations, health professionals, and community members. MRHA's mission is to educate and advocate for the optimal health and wellness of rural communities and their residents.

The CHRC is a critical partner in providing access to care for our rural communities. CHRC has provided funding for 121 projects in every rural area of the State. These projects have served more than 105,000 Marylanders, providing access to primary care, behavioral health, and dental services.

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

For these reasons, MRHA requests that your Subcommittee reject the language proposed in this year's BRFA that impacts the CHRC and maintain the long-standing legislative mandate of $8 million for the CHRC's budget.

Thank you again for your consideration. Please do not hesitate to contact me with any questions.

Lara Wilson, Executive Director, larawilson@mdruralhealth.org
cc: Members, Senate Budget & Taxation Committee

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