

SB 628 _MDL_Letter of Support.docx.pdf

Uploaded by: Andrew Fulginiti

Position: FAV

Senate Bill 628

Date: February 7, 2024
Committee: Senate Budget & Tax Committee
Bill Title: State Finance – Catastrophic Event Account and Federal Government Shutdown
Employee Assistance Loan Fund – Noncivilian Federal Employees
Re: **Letter of Support**

SB 628 would add noncivilian employees to the group of federal employees in Maryland eligible to receive financial assistance under the Federal Shutdown Paycheck Protection Act.

The General Assembly passed the Paycheck Protection Act in 2019 following the last federal shutdown. That shutdown lasted an unprecedented 34 days and pointed to the need for emergency assistance for employees impacted by the shutdown who might struggle to make ends meet without a paycheck.

The Paycheck Protection Act named civilian employees of the federal government as eligible for assistance under the statute, but it excluded noncivilian employees - that is, Maryland's roughly 30,000 active duty service members.

These individuals work at installations that include Fort Meade, Fort Detrick, Patuxent Naval Air Station, and Andrews Naval Air Facility - in jobs such as combat training, construction, engineering, healthcare, machine operation and repair, and transportation.

All other eligibility requirements for the federal shutdown loan program would apply to noncivilian applicants. They would be eligible only if they were designated as an "excepted," or "essential," employee - those who are required to work but are not paid during the shutdown due to a lapse in appropriations - and only if they were required to report to a work site in Maryland.

If eligible, they would be able to receive a \$700 no-interest loan under the program, as currently constructed. If the shutdown were prolonged and funding remained, a second loan would be offered. Loans would be due to be repaid to the State once the shutdown had ended and after they had received back pay for the shutdown period.

Having created the loan program in 2023, we hope that it will remain unneeded in 2024 and thereafter because shutdowns are averted. But, in the event that a shutdown does occur, it is critical that this assistance be available to civilian and noncivilian employees alike.



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The Department respectfully asks the Committee to consider this information and vote favorably on SB 628.

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DG Written Testimony_SB0628.pdf

Uploaded by: Senator Gile

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB0628 - State Finance - Catastrophic Event Account and Federal Government Shutdown Employee Assistance Loan Fund - Noncivilian Federal Employees

Mr. Chair, Mr. Vice Chair, and Members of the Senate Budget and Taxation Committee:

At the request of the Maryland Department of Labor (MDOL), SB0628 would expand the purposes of the Catastrophic Event Account and the Federal Government Shutdown Employee Assistance Loan Fund so that funds may be used to provide financial assistance to federal non-civilian employees, in addition to federal civilian employees as authorized under current law, in the event of a full or partial federal government shutdown due to a lapse in appropriations.

Background

The Catastrophic Event Account, which is within the State Reserve Fund and administered by the Department of Budget and Management, enables the State or a local government to respond quickly to a natural disaster or catastrophe that could not be addressed within existing State appropriations. Chapters 1 and 2 of 2019, among other things, expanded the account so that it may be used for federal civilian employee hardship in the event of a full or partial federal government shutdown due to a lapse in federal appropriations.

Separately, the Federal Government Shutdown Employee Assistance Loan Fund, administered by MDOL, can be used to provide no-interest loans to civilian federal employees who are (1) required to report to work at a work site located in the State and (2) not being paid because of a full or partial federal government shutdown due to a lapse in appropriations.

Because they are limited to civilian federal workers, Marylanders in uniform are not eligible for the financial stabilization that these programs provide in the event of a federal government shutdown, which is threatened every few months by dysfunction in Washington.

Solution

By simply striking three instances of the word “civilian,” SB0628 would expand eligibility to these two programs to Marylanders in uniform.

Per the Fiscal Note, SB0628 would not require any additional state resources.

For these reasons, I respectfully request a favorable report on SB0628.

Letter in Support with Amendments_ SB 628_HB 819_F

Uploaded by: Preeti Emrick

Position: FWA



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LETTER IN SUPPORT OF SB 628 / HB 819 WITH AMENDMENTS

**STATE FINANCE – CATASTROPHIC EVENT ACCOUNT AND FEDERAL GOVERNMENT SHUTDOWN
EMPLOYEE ASSISTANCE LOAN FUND – NON-CIVILIAN FEDERAL EMPLOYEES**

SENATE BUDGET AND TAXATION COMMITTEE

FEBRUARY 6, 2024

The Maryland Association of Counties (MACo.) Emergency Managers Affiliate (EM Affiliate) **SUPPORTS with AMENDMENTS SB 628 / HB 819 – State Finance – Catastrophic Event Account and Federal Government Shutdown Employee Assistance Loan Fund.** This bill seeks to alter the purpose of the Catastrophic Event Account (CEA) and the Federal Government Shutdown Employee Assistance Loan Fund to provide financial assistance to non-civilian federal employees.

The CEA enables the State or a local government to respond efficiently to natural disasters, various catastrophic events, and the financial hardships faced by federal civilian employees during a full or partial shutdown of the federal government due to a lapse in federal appropriations. Specifically, SB 628 / HB 819 would add federal contractors to the provisions under the CEA federal loan program in the event of a government shutdown. The EM Affiliate supports the purpose of the SB 628 / HB 819 but suggests an amendment that would be beneficial in preventing any undue delay in aiding the State and local governments during difficult times.

As the bill is currently written, during a partial or full shutdown, there is a 2-day review period by the Legislative Policy Committee (LPC) before funds can be transferred to the entity in need. However, there is a 15-day review period by the LPC during a natural disaster or other catastrophic event before funds can be transferred to the appropriate accounts. Therefore, an amendment to reduce the amount of time the LPC reviews transfers from CEA under catastrophic conditions from 15 days to 2 days would make the review periods congruent to each other and ensure that if the State Disaster Recovery Fund (SDRF) is utilized during an emergency, funds can be transferred out of the CEA to the SDRF, other state programs, or directly to locals without any delay. Accordingly, we urge the Committee to give SB 628 / HB 819 a report of **FAVORABLE with AMENDMENTS.**

Sincerely,

Preeti Emrick

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MACO EM AFFILIATE PRESIDENT