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THE SENATE OF MARYLAND
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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.