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## THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

## SPONSOR TESTIMONY HB 1055 - Commission on Nondiscrimination - Establishment

The Honorable Joseline Peña-Melnyk, Chair Health and Government Operations Committee Maryland House of Delegates Lowe House of Delegates Building, 6 Bladen Street Annapolis, MD 21401

Chair Peña-Melnyk, Vice-Chair Cullison, and Esteemed Members of the Health and Government Operations Committee:

HB 1055 convenes a task force of representatives from all three branches of government and various other stakeholders to:

- analyze the impacts of federal actions on Marylanders' civil rights and nondiscrimination protections
- identify gaps, inconsistencies, or deficiencies in the State and local frameworks for civil rights and nondiscrimination enforcement
- identify ways to ensure that individuals have diverse and effective remedies when they experience discrimination, and
- annually recommend actions to address the task force's findings.

This multi-year effort is necessary because the General Assembly has a duty to ensure that Marylanders continue to have robust and effective nondiscrimination protections, consistent with its legislative intent when it created those protections. Changes to federal civil rights protections are coming that will damage state-level protections and enforcement. Marylanders have no time to lose waiting for state government and stakeholder groups to separately figure out how to respond to those changes and *then* develop a compromise path after protections crumble. HB 1055 meets the moment by proactively and efficiently developing collaborative solutions to protect Marylanders' rights.

The federal administration is unilaterally changing longstanding interpretations of federal nondiscrimination laws<sup>1</sup>, slashing resources and staff for the agencies charged with enforcing

<sup>&</sup>lt;sup>1</sup> See various information from: <u>Crowell and Moring LLP</u>; <u>Arnold and Porter LLP</u>; <u>Brookings</u> Institute (see also <u>here</u> on racial discrimination); <u>EEOC</u>; <u>NBC</u> (see also <u>specific reporting on racial discrimination</u>); <u>Saul Ewing LLP</u>; <u>NPR</u>; <u>Holland and Knight LLP</u>; the <u>White House</u>; the <u>Congressional Research Service</u>; and <u>Franczek P.C.</u>

federal civil rights laws<sup>2</sup>, reducing funding for state-level human rights enforcement organizations<sup>3</sup>, and threatening to investigate, sue, and take other legal action against states over local nondiscrimination policies it disagrees with<sup>4</sup>.

At the state and local levels, recent court cases like *John Doe v. Catholic Relief Services (CRS)* and *Rowe v. Maryland Commission on Civil Rights (MCCR)* have illuminated inconsistencies and other barriers within Maryland's nondiscrimination framework<sup>5</sup>, enforcement agencies are experiencing significant staffing shortages and associated case backlogs<sup>6</sup>, and other agencies like the Maryland Insurance Administration struggle with ambiguous regulatory authority for implementing statutory protections<sup>7</sup>.

Meanwhile, plaintiffs and defendants are not able to consistently utilize existing statutes to access the courts or otherwise resolve disputes in ways that meaningfully redress alleged harms<sup>8</sup>. With so much uncertainty and so many fearful residents looking to Maryland state government for strong action in defense of their rights and protections, it is imperative that the General Assembly respond quickly and effectively.

I acknowledge and deeply appreciate MCCR's continued feedback on this legislation and have the utmost respect for its work as the agency at the forefront of the fight against discrimination in Maryland for nearly 100 years. As a gay Marylander, I am a beneficiary of its work to formally study the problem of sexual orientation discrimination and of its successful legislative advocacy in response to that study<sup>9</sup>.

<sup>&</sup>lt;sup>2</sup> See, e.g.,: <u>Washinton Post</u> (closing Social Security Administration's Office of Civil Rights and Equal Opportunity; cutting 90% of the Dept. of Labor's external contractor antidiscrimination group; cutting the Federal Trade Commission's internal equal employment opportunity office); <u>additional reporting</u> from WaPo (cuts at Veterans Affairs, Health and Human Services, and an outline of future cuts by DOGE); <u>AP News reporting</u> on cuts to Dept. of Ed, including civil rights enforcement, <u>New York Times</u> on the same; <u>NY Magazine</u> detailing personnel numbers cut from many agencies.

<sup>&</sup>lt;sup>3</sup> See: <u>AP Reporting re: cuts to Fair Housing Enforcement funding for local partners</u>, see also <u>ABC News on the same</u> <sup>4</sup> See: <u>Maine Press Herald</u>, <u>ABC 7</u> regarding investigations in Maine and Virginia; DOJ press releases regarding actions in <u>Illinois</u> and <u>California</u>, <u>Maine</u>, <u>and Minnesota</u>; and a <u>WaPo story</u> on DOJ's dismissal of a Maryland case over institutional discrimination against Black and women state police because it "advance[d] a DEI agenda." <sup>5</sup> See: <u>John Doe v. CRS</u> and <u>Rowe v. MCCR</u>

<sup>&</sup>lt;sup>6</sup> See: DLS Budget Analysis for this year's budget outlining a backlog of over 1,000 cases; and MCCR's most recent Legislative Audit discussing enforcement backlogs and delays (<u>October 2024</u>)

<sup>&</sup>lt;sup>7</sup> See Md. Insurance Code Ann. § 15-1A-22 and Md. Insurance Code Ann. § 2-202 (Sec. 15-1A-22 creates nondiscrimination protections in health insurance coverage for "race, sex, color, creed, national origin, marital status, sexual orientation, age, gender identity, or disability" and grants MCCR enforcement authority pursuant to sec. 2-202, which says the MIA Commissioner has "exclusive" jurisdiction to enforce "the laws of the State that relate to the underwriting or rate-setting practices..." but that MCCR only "has concurrent jurisdiction with the Commissioner over alleged discrimination on the basis of race, creed, color, or national origin." Additionally, there is no explicit grant of authority to either MCCR or MIA to promulgate regulations to enforce the nondiscrimination protections in either statute, which advocates report has recently impeded rulemaking processes.)

<sup>&</sup>lt;sup>8</sup> Private rights of action exist under current state law only for housing and employment discrimination, meaning all other claims cannot be brought to court unless MCCR pursues or allows that option. Additionally, recently proposed/passed legislation illuminates other concerns: <u>HB 113 / SB 584</u> (2025) <u>HB 487 / SB 484</u> (2025) <u>HB 136 / SB 233</u> (2024) <u>HB 394 / SB 50</u> (2024) <u>HB 1397</u> (2024) <u>HB 602</u> (2024)

<sup>&</sup>lt;sup>9</sup> Interim Report of the Special Commission to Study Sexual Orientation Discrimination in Maryland pursuant to E.O. 01.01.2000.19 and resulted in <u>SB 205</u> (2001)

That early 2000s study conducted pursuant to Gov. Glendening's Executive Order 01.01.2000.19 was one of the more recent formal studies that the agency has published without a specific statutory mandate-- and the agency's freely disclosed bandwidth constraints mean that nearly every study issued by MCCR since then was the result of a statutory or budget mandate passed by the General Assembly<sup>10</sup>. Even in its testimony on this bill, MCCR admits that:

"...as complaints alleging unlawful discrimination have increased drastically over the last decade while staffing levels have remained relatively constant, MCCR has been forced to forego formal studies, instead focusing on (1) the enforcement of Maryland's anti-discrimination laws and (2) harnessing the Education & Outreach Unit to host trainings, forums, town halls, and other events to gather information and, more generally, address issues within our communities. Without additional staff, MCCR is unable to conduct specialized and targeted studies as authorized under current law."

So while MCCR has the statutory authority to conduct the very study contemplated by this bill, it freely and frequently says it does not have the resources to do so even though it implies there is an urgent need for such work to be done on behalf of all Marylanders<sup>11</sup>.

According to DLS analysis of this year's budget, MCCR is rightly slated to receive an additional \$1.6 million to hire 11 additional staffers<sup>12</sup>. 3 are for education and outreach, 2 are for litigation, 1 is for administrative support, and the final 5 are for civil rights casework to address a backlog of over 1,000 cases. But, per the same analysis, nearly \$2 million of MCCR's budget this year comes from federal agencies like EEOC and HUD, each of which are slated to see significant budget cuts with ripple effects on their grantees like MCCR.

Further, existing state budget projections have worsened by hundreds of millions of dollars, making it extremely difficult for the state to step in and fill any gap in MCCR's federal funding<sup>13</sup>. Considering the fiscal landscape and the impending deluge of new state-level cases as federal nondiscrimination protections evaporate, it is unlikely that studies like the one contemplated by HB 1055 will be conducted by MCCR due to its bandwidth issues, even with the significant cash infusion in this year's budget.

Finally, there are other nondiscrimination protections outside of Title 20 that MCCR is not necessarily charged with enforcing—some of which are rife with ambiguity as to how their respective enforcing agencies can implement regulations pursuant to their statutory authority<sup>14</sup>.

<sup>11</sup> See MCCR's <u>Annual Reports</u> for the past several years, each of which highlight staffing and bandwidth problems as an obstacle to their mission, and briefly recommending legislative action but not including supporting analysis.

<sup>&</sup>lt;sup>10</sup> See, e.g., <u>Report, Sept. 1, 2021</u> (2021), <u>Sexual Harassment in the Workplace</u> (2022), and <u>Annual Reports</u> published pursuant to State Gov't Article Sec. 20-207(c)

 <sup>&</sup>lt;sup>12</sup> DLS Analysis of the FY 2026 Maryland Executive Budget (2025) -- <u>D27L00 – Maryland Commission on Civil Rights</u>
<sup>13</sup> Maryland Matters coverage on <u>March 7</u> (reporting on an additional \$280 million revenue gap) and <u>March 11</u> (Sen. Pres. Ferguson: "We have to brace for a Maryland recession.")

<sup>&</sup>lt;sup>14</sup> See footnote 7, above regarding MIA. See also this non exhaustive list: Com. Law § 12-704(1), Com. Law § 12-113(a)(2), Com. Law § 12-305(a), Com. Law § 12-503(b)(1), Com. Law § 12-603, Lab. & Empl. § 3-307, Educ. § 7-128(c), Educ. § 26-704(b), Health–Gen. § 19-408(b), Health–Gen. § 19-725(a), Health Occ. § 14-5F-10(c), Pub. Util. § 7-507(h)(1), Real Prop. § 8A-801(b), Tax–Prop. § 8-214(b)

HB 1055, then, provides a pathway for MCCR, the Office of the Attorney General (OAG), all branches of government, and a wide array of expert stakeholders representing both plaintiffs and defendants to thoroughly study nondiscrimination issues proactively and over a sustained period without incurring additional costs to MCCR or jeopardizing its critical enforcement and outreach work.

I have already proposed an amendment to address the fiscal note's projected costs to MCCR and OAG for staffing the task force, keeping them both as integral members of the task force but removing the requirement that they spend administrative resources on the committee. I am more than happy to also change its name responsive to MCCR's feedback.

The core point remains that Marylanders need quick, strong, and well-informed legislative action from their government to address the threats to their civil rights protections, and the agency that would normally conduct studies to support that action acknowledges it lacks the bandwidth to do so on its own because it must prioritize its diligent enforcement of Marylanders' civil rights protections.

To facilitate well-informed legislation to proactively advance and protect Marylanders' hard-won civil rights and nondiscrimination protections, I urge this committee to issue a favorable report on HB 1055.

Thank you,

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Delegate Kris Fair District 3, Frederick County