

Written Testimony

Opposition to Senate Bill 488

Submitted by Rusty Mitchell

Executive Director, Homewood Living Williamsport
Before the Maryland Senate Finance Committee

Madam Chair and Members of the Committee:

Thank you for the opportunity to submit written testimony in opposition to Senate Bill 488. My name is Rusty Mitchell, and I currently serve as the Executive Director of Homewood Living Williamsport. Prior to this role, I served as Associate Executive Director of Homewood Living Frederick. In these positions, I have worked closely with residents, resident associations, governing boards, and staff, and I have seen firsthand how governance decisions affect the stability, culture, and daily life of our communities.

While I respect the intentions of residents who support this legislation, I am concerned that SB 488 would create unintended consequences that could destabilize governance in multi-campus nonprofit continuing care retirement communities.

Existing Resident Participation

Residents already have a meaningful and structured voice in Homewood's governance. Across our five communities, seven residents currently serve as Special Directors or alternate directors on our boards. These individuals meet the same qualifications and fiduciary standards as all other board members and serve with duties focused on the long-term health and mission of the organization.

This governance model ensures resident input while maintaining consistent fiduciary standards across communities. It is balanced, intentional, and effective.

Imbalance Created by a Largest-Community Election Model

A significant concern with SB 488 is how it would function in a multi-campus organization.

In practice, a mandated resident-elected board seat would almost certainly be determined by the largest-campus. That would effectively allow one community, by virtue of its size, to select a voting board member with authority across all communities, including smaller campuses whose residents may not share the same priorities or concerns.

Residents are not monolithic. No single individual can reasonably represent the diverse perspectives of residents across multiple communities.

As Executive Director at Williamsport, I am aware that residents at another campus have actively communicated with residents in my community in an effort to encourage alignment with their position. I have heard firsthand from residents in Williamsport who have expressed frustration with what they perceive as an attempt to extend a localized dispute into other communities. Many have conveyed concern about the divisive tone of those communications and have expressed apprehension about what could happen if similar dynamics were introduced into board-level governance.

SB 488 risks amplifying the influence of an organized group from one campus while diminishing the voices of residents at smaller communities who do not share the same views.

Risk of Disruption and Confidentiality Concerns

There is also a practical governance concern.

Board members routinely receive confidential and highly sensitive information, including financial forecasts, strategic initiatives, personnel matters, regulatory issues, and bond-related disclosures. If a board seat becomes a vehicle for organized opposition or constituency advocacy, it opens the door to internal disruption and increases the risk that sensitive information could be mishandled or disclosed in ways that harm the organization and, ultimately, the residents we serve.

Effective governance depends on fiduciary responsibility, discretion, and a commitment to the well-being of the entire organization—not advocacy for a particular constituency.

Conclusion

Residents at Homewood already have a meaningful voice in governance. SB 488 would not enhance that voice. Instead, it risks creating imbalance between campuses, concentrating influence in the largest community, and introducing governance instability that could negatively impact the entire organization.

Based on my direct experience leading multiple Homewood communities, I respectfully urge the Committee to issue an unfavorable report on Senate Bill 488.

Thank you for your consideration.