

MONTGOMERY COUNTY OFFICE OF INTERGOVERNMENTAL RELATIONS 2018 END OF SESSION SUMMARY

Overview

For a fourth year of a legislative term, the 2018 Session turned out to be unusually active, reflecting a desire to address unfinished business in anticipation of a competitive State election cycle. In addition, there was a need to revamp State laws in response to policy shifts at the federal level, mostly related to federal tax reform. The Legislature also had to react to a number of events that unfolded as the Session progressed.

Looking back, the Session ended as it began, with the overrides of several contentious vetoes. Overall, despite philosophical differences, members of the Legislature worked across the aisle to advance the public good. The Montgomery County Delegation stood at the forefront, taking on key leadership roles in numerous fiscal and policy matters that will benefit State residents and businesses in the near term and for years to come.

Budget

The State operating and capital budgets ([SB 185](#) and [SB 186](#)) passed well before the legislative deadline with little controversy. However, this outcome would not have been predicted in January. At that point, the State's revenue outlook was unclear and further complicated by federal tax reform legislation that had only recently been signed into law. Once the picture came into focus, budget plans were settled upon with few fundamental differences between the House and Senate bills.

Overall, direct State aid to Montgomery County will increase from \$782 million to \$816 million, an increase of \$34 million. Twenty-six million dollars of that increase will be allocated to Montgomery County Public Schools (MCPS) through a formula that distributes State funds among the 24 school systems based on relative student wealth. (*See Chart 1*)

The State's capital budget reflects investments in Montgomery County totaling more than \$131 million. This does not include transportation funding nor does it include the State's full allocation of public school construction funds. It does include State funds for health facilities, libraries, higher education facilities, plus 25 smaller projects that will enhance the quality of life in Montgomery County. (*See Chart 2*)

Most of these State capital grants will be spent to improve public K-16 infrastructure within the County borders. Securing State dollars to help the County support its public-school construction program is always a key County priority. With funds still left to be allocated, the Delegation's strong advocacy has so far guaranteed \$54 million in State investment in MCPS facilities. Another \$39 million will be spent partnering with the County to construct new

buildings at Montgomery College’s Rockville and Takoma Park/Silver Spring campuses and to finish the fourth building at Universities at Shady Grove.

Further discussion of funding streams included in the budget to improve school safety and in anticipation of recommendations that will be made later this year to revise public K-12 funding formulas may be found under **Education**.

Taxes

How to revamp Maryland’s tax system in response to federal tax reform was initially predicted to be one of the biggest issues of the 2018 Session. However, once the impact on Maryland taxpayers became better understood and certain realities were accepted, a simple plan was developed and adopted that addressed three issues related to the new federal law: personal exemptions, standard deductions, and the estate tax.

1. [SB 184/HB 365](#) clarifies that for State income tax purposes, a taxpayer may deduct personal exemptions, even though the new federal law set the federal exemption to zero.
2. [SB 318](#) and [HB 570](#) increases the maximum value of Maryland’s standard deduction and indexes the new amounts to inflation.
3. [SB 646/HB 308](#) “decouples” the Maryland estate tax from the federal estate tax by establishing that the maximum amount that may be excluded from Maryland’s estate tax is \$5 million. The new federal law allows for an exclusion of double that amount through 2025, then eliminates the exclusion altogether.

Enactment of federal tax reform will result in a State revenue “windfall” which created an opportunity to set aside funds for future spending on public education and target additional tax relief by: (1) expanding eligibility for the State’s earned income tax credit ([SB 647/HB 856](#)); (2) expanding eligibility to subtract a portion of retirement income for calculating Maryland adjusted gross income ([SB 996](#), [HB 296](#), and [HB 327](#)); and (3) creating a State income tax credit for certain small employers who pay sick and safe leave ([SB 134](#)).

Unrelated to State taxes, legislation passed to delay from 2019 to 2021 local government repayments to the Local Income Tax Reserve Account held by the State Comptroller ([SB 742/HB 686](#)). This is the account that was used to refund local incomes taxes due taxpayers who were impacted by the 2015 U.S. Supreme Court’s decision in the appeal of *Maryland State Comptroller of the Treasury v Bryan Wynne*. The decision was costly to Montgomery County, with the County owing local income tax refunds of about \$145 million for protected claims and going forward, revenue losses estimated at \$30 million a year. Thanks to the strong advocacy from the Montgomery County Delegation, this two-year delay will allow the County to postpone \$43 million in repayments.

Economic Development

Two major initiatives directly tied to the economic health of the Washington region and the State of Maryland passed in 2018. The first provides for a new stream of dedicated State funding for capital investment in the Washington Metropolitan Area Transit Authority (WMATA). The amount is \$167 million a year and is in addition to the State funds currently flowing to WMATA, which will be inflated by 3 percent per year. The bills ([SB 277/HB 372](#)) are contingent upon legislation passing in the District of Columbia and the Commonwealth of Virginia, providing additional annual grants of \$178 million and \$154 million, respectively.

The second piece of successful legislation, called the PRIME Act, reflected the changes to State law that would be required to implement certain incentives included in the Maryland - Montgomery County proposal to attract Amazon to Montgomery County ([SB 877](#)). The bill allows for State income tax credits and property tax credits, for 10 years, in addition to a specific sales tax exemption – if the company chooses to locate in the County and if it meets the qualification criteria. Attracting Amazon is viewed by many as an unprecedented and transformational opportunity for Maryland. In addition to the creation of at least 50,000 new high paying jobs, other cutting-edge technology companies would be drawn to the region, which would have the added benefit of allowing the County to become less reliant on the federal government as an economic driver.

Primary and Secondary Education

Kirwan Commission

The General Assembly demonstrated its continuing commitment to revising the State's school finance and accountability programs by extending the term of the Commission on Innovation and Excellence in Education (Kirwan Commission) by one year ([HB 1415](#)). This bill also created or altered a number of programs as recommended by the Commission in its preliminary report, including: (1) a comprehensive teacher recruitment and outreach program; (2) the Maryland Early Literacy Initiative; (3) the Learning in Extended Academic Programs (LEAP) grant program; (4) the Public School Opportunities Enhancement Program; (5) the Teaching Fellows for Maryland scholarship program; and (6) the Career and Technology Education Innovation grant program. The fiscal 2019 budget includes \$11.4 million to fund the Commission's interim recommendations and dedicates \$200 million to support the future cost of implementing its final recommendations.

Education Funding "Lockbox"

A vigorous debate about the best way to create an education funding "lockbox" for video lottery revenues ended with passage of a proposed amendment to the Maryland Constitution that will appear on the November ballot. This proposal requires that video lottery revenues be used to supplement State funding for public schools above the amount currently required under

existing school finance formulas by \$125,000,000 in fiscal 2020, \$250,000,000 in fiscal 2021, \$375,000,000 in fiscal 2022 and an amount equal to 100 percent of video lottery revenues in fiscal 2023 ([SB 1122](#)).

Knott Commission

Acting primarily in response to recommendations made by the 21st Center School Facilities Commission (Knott Commission), the General Assembly passed the *21st Century School Facilities Act*, which streamlines the school construction approval process, provides more flexibility for public private partnerships, and expresses the General Assembly's desire to provide at least \$400 million for school construction in future years ([HB 1783](#)).

Although most components of the bill enjoyed broad bipartisan support, the measure generated extraordinary controversy because it removes the Board of Public Works (BPW) from the school construction approval process. The bill renames the Interagency Committee on School Construction as the Interagency *Commission* on School Construction (IAC), makes the IAC an independent Commission within the Maryland State Department of Education, and gives the IAC, rather than the BPW, final approval authority for school construction funding. This part of the bill is widely acknowledged to be a direct response by General Assembly leadership to extremely controversial decisions made by the Governor and Comptroller, as two of the three members of the BPW, to interfere with the priorities of local school systems. The General Assembly passed the bill in time to force the Governor to act on the bill early enough in Session to allow a veto override. As expected, the Governor vetoed the bill and the General Assembly overrode the veto with a vote that fell almost completely along party lines.

The bill requires the IAC to conduct a statewide facilities assessment and to develop a Facilities Condition Index and Educational Facilities Master Plan. However, the issue of how the new index and master plan will be used to influence funding decisions was deferred until a later time. More specifically, the bill creates a Workgroup on the Assessment and Funding of School Facilities (chaired by the State Superintendent) and requires that the Workgroup consider how the results of the statewide facilities assessment should be used in making school construction funding decisions and report back to the General Assembly.

Healthy School Facilities

Another successful bill relating to school construction creates a Healthy School Facility Fund to provide competitive grants to improve the health of school facilities (e.g., mold remediation, air conditioning, heating, indoor air quality). The Governor must appropriate \$30 million for the fund in fiscal 2020 and 2021 ([SB 611](#)).

School Safety

The tragic gun violence that occurred at Marjory Stoneman Douglas High School in Parkland, Florida and Great Mills High School in St. Mary's County during the 2018 Session motivated the General Assembly to pass sweeping legislation relating to school safety. The *Maryland Safe to Learn Act of 2018* elevates the State's oversight of school safety matters

dramatically by creating a School Safety Subcabinet to collaborate with local school systems, law enforcement agencies, community organizations, parents and other stakeholders to provide a comprehensive, coordinated approach to school safety ([SB 1265](#)).

Among other things, the measure requires local school systems to develop threat assessment teams, assess the safety of all schools, prepare emergency plans for all schools, and conduct active shooter drills. One of the most controversial components of the bill relates to the assignment of trained law enforcement personnel – known as School Resource Officers (SROs) – to public schools. Before the 2018-2019 school year begins, the bill requires each school system to file a report with the Maryland Center for School Safety (MCSS) that identifies the public high schools that have SROs and the local law enforcement coverage that is provided to public high schools without SROs. By December 15, 2018, MCSS must develop guidelines for identifying the appropriate number of SROs in all schools. By July 1, 2019, a local school system must complete safety assessments of all schools and develop a plan for the assignment of SROs as appropriate. Before the 2019-2020 school year begins, each local school system must file a report with MCSS that identifies all the public schools that have SROs and the adequate local law enforcement coverage that is provided to all public schools without SROs.

The fiscal 2019 budget includes \$41 million to help implement various school safety initiatives, including security improvements to school facilities. However, these funds may not be used to cover the costs associated with SROs. Beginning in fiscal 2020, the *Safe to Learn Act* requires the Governor to annually appropriate \$10 million for grants to local school systems to support SROs. The *21st Century School Facilities Act* (discussed above) requires the Governor to annually appropriate an additional \$10 million, also beginning in fiscal 2020, for grants to local school systems to cover the costs associated with school security improvements (e.g., door locks, places of refuge and surveillance cameras).

Length of School Year

The General Assembly overrode the Governor's decision to require the school year to end by June 15 by passing legislation that authorizes a local board of education to extend the school year for up to five days beyond June 15 without approval from the State Board of Education ([SB 729](#)).

Higher Education

Free Tuition

Numerous bills that would have reduced or eliminated tuition at community colleges were introduced this year. In the end, the General Assembly passed a bill that creates a Maryland Community College Promise Scholarship Program that will provide scholarships of up to \$5,000 to eligible students. Students are eligible for the scholarship if they meet certain academic requirements and have a federal adjusted gross income of \$100,000 or less, if single or residing in a single parent household, or \$150,000 or less, if married or residing in a two-parent household. Initial scholarships must be provided on a first-come, first-served basis based on greatest demonstrated financial need. Priority in subsequent years must be given to prior year

recipients who otherwise remain eligible. The Governor must annually appropriate \$15 million for the scholarship program ([HB 16](#)).

Facilities Renewal

A Community College Facilities Renewal Grant (CCFRG) program will be established within the Maryland Higher Education Commission to provide grants for improvements, repairs and deferred maintenance projects at community colleges. This grant funding is in addition to, and may not supplant funds provided by, the Community College Construction Grant (CCCG) program. Beginning in fiscal 2020, the Governor must appropriate an amount that is equal to 5 percent of the annual appropriation for the CCCG to the new CCFRG program. This is expected to be \$3 million in fiscal 2020 ([HB 403/SB 595](#)).

Student Loan Refinancing

Following up on an initial study completed last year, the General Assembly passed a bill that requires the State to continue its efforts to evaluate options for creating a student loan refinance program by engaging a consultant to conduct a market-specific study to determine the costs of, demand for, and long-term viability of such a program ([HB 605](#)).

Health and Human Services

Affordable Care Act (ACA)

Two companion pieces of legislation were passed to stabilize the Maryland Health Benefit Exchange (MHBE) – the State’s ACA health insurance exchange. The legislature created a one-time fee to be paid by health insurers to the State in lieu of a fee that the insurers would otherwise have paid to the federal government, but which the federal government will decline to collect in 2019. The State estimates that this will amount to a \$380 million distribution to the MHBE ([SB 387/HB 1782](#)). The second measure directs MHBE to apply for a waiver under §1332 of the ACA that would allow the State to create a reinsurance fund using the \$380 million collected from the fee. The reinsurance fund is to be designed to mitigate the impact of high-risk individuals on rates in the individual insurance market inside and outside the Exchange ([SB 1267/HB 1795](#)).

Opioids

Despite its continuing impact across the State, no major policy changes were made to address opioid abuse in Maryland. [House Bill 359](#) was enacted to encourage drug overdose data collection and sharing between law enforcement and government using information technology platforms. The data shared under this bill will be used to allocate public health and education resources. Maryland will also have an “alphanumerically memorable” pill mill tip line after the legislature took issue with the tip line’s current phone number ([HB 922](#)).

Two bills were adopted targeting health care providers who dispense opioids. One measure will require providers to advise patients of the risks and benefits associated with opioids

and co-prescribed benzodiazepines when prescribing these drugs ([SB 522/HB 653](#)). Additionally, providers who prescribe controlled dangerous substances will be required to periodically complete two hours of training related to prescribing and dispensing such substances ([SB 1223/HB 1452](#)). These measures aim to educate providers and patients about opioids and other prescribed medication with the hope of preventing and reducing opioid abuse.

Child Care

Maryland has fallen to the bottom nationally in its child care subsidy rates, which increasingly has made child care unaffordable for many families and left providers without adequate resources to continue their operations. The General Assembly acted this year to require the Governor by 2022 to include funds in the budget to bring the provider reimbursement rate for the Child Care Subsidy Program to 60 percent of the market rate. By increasing the provider reimbursement rate, parents will be charged less to make up the difference between the reimbursement rate and the operating costs of providers ([SB 379/HB 430](#)). A second bill was also adopted to provide additional child care benefits to parents who may become unemployed. The measure stipulates that jobless parents shall continue to receive a child care subsidy from the Child Care Subsidy Program for at least 90 days in a year if the parent meets other eligibility requirements ([HB 941](#)).

Food Security in Schools

The 2018 legislature adopted the Maryland Cares for Kids Act to allow non-public schools that participate in a federal school lunch program to participate in the State's free feeding program, and require the State to cover the entire cost of the student share of school breakfast by 2022 and the entire cost of the student share of school lunch by 2023, with phase-in periods for both meals. Presently, reduced-price eligible students pay 40 cents for a reimbursable lunch. In the event the 40-cent charge is removed, MCPS anticipates that an additional 570 reduced-price eligible students might participate in lunch daily ([HB 315](#)).

Parental Rights

After many years of consideration, Maryland finally adopted the *Rape Survivor Family Protection Act*. By mid-February, the legislature passed the bill and the Governor signed it into law. The Act authorizes a court to terminate the parental rights of an individual convicted of, or found by clear and convincing evidence to have committed, an act of non-consensual sexual conduct against the other parent that resulted in the conception of a child. The passage of the Act lessens the challenges faced by these families by ensuring that a perpetrator of sexual assault cannot continue to be unduly involved in the life of the rape survivor and her child ([SB 2/HB 1](#)).

Housing

A local bill sponsored by the Montgomery County Delegation passed giving the County's Housing and Opportunities Commission (HOC) an important tool to increase access to affordable housing in the County ([HB 220](#)). The bill allows HOC to create subsidiary entities in

partnership with the private sector. This legislation reflects the changing landscape of affordable housing financing models. Historically, housing authorities across the country developed “public housing” and they exclusively relied on public financing from the U.S. Department of Housing and Urban Development and local governments. Now, the trend is to develop mixed income properties, which include both market rate and affordable housing units. These developments are typically financed with a combination of private and public funds. This bill allows HOC to partner with the private sector to grow the County’s affordable housing inventory. It also ensures that HOC projects created under this new model will qualify for favorable tax treatment in the same manner as current HOC projects.

Environment

This was an unusually uneventful legislative Session for environmental issues. There were two bills introduced that would have substantially increased the Renewable Energy Portfolio Standard (RPS) requirements, but both were withdrawn following the committee hearings ([SB 732/HB 1453](#) and [HB 878](#)). The RPS requires utility companies to purchase renewable energy or renewable energy credits in an effort to shift the use of electricity produced from fossil fuels.

A pair of bills limiting the Governor’s authority to withdraw from the U.S. Climate Alliance ([HB 3](#)) and Regional Greenhouse Initiative ([HB 230](#)) passed this Session. Both bills prohibit withdrawal without enactment of a law by the General Assembly. The Climate Alliance was formed by a bipartisan group of governors with the goal of reducing greenhouse gas emissions consistent with the Paris Climate Accord. Maryland’s membership in the Regional Greenhouse Gas Initiative is required by the Maryland Healthy Air Act to tighten air pollution limits in an effort to reduce global climate change.

Members of the Montgomery County Delegation sponsored successful legislation that will now require home builders to provide purchasers with written information about energy efficient options prior to execution of the contract ([HB 1481](#)). This legislation complements a bill recently introduced by the Montgomery County Council that will require the seller of a new single-family home to give the buyer the option to install a solar panel system. The County Council bill will also require the seller to disclose the benefits of a solar panel system and provide a cost estimate for installation.

Public Safety

9-1-1 Next Generation Technology

Almost 50 years ago, a three-digit number, 9-1-1, was designated as the “universal emergency number” to request emergency assistance. Since then, communication systems have evolved but our 9-1-1 network technology has not – creating a serious public safety challenge for the State. The legislature approved the formation of the Commission to Advance Next Generation 9-1-1 (NG911) across Maryland tasked with studying related practices of this new technology as well as making recommendations on complex operational and funding issues. The new 9-1-1 systems must be reliable and efficient and lead to the modernization of Maryland’s

9-1-1 system that will include new and evolving capabilities of broadband voice and data communications that are essential for the safety and security of our residents as well as to our first responders. Next Generation 9-1-1 technology is required to keep up with this critical and increasingly complex public safety function by improving wireless caller location, accommodating incoming text/video to 9-1-1, and managing crisis-driven call overflows across the State. The Commission must file an initial report with the Governor by December 1, 2018 and a final report by December 1, 2019 ([SB 285/HB 634](#)).

9-1-1 Telecommunicators

Retaining 9-1-1 operators in public safety communications centers is a challenge that may be helped, in part, through a State bill enabling local governments to extend certain public safety employee benefits to the jurisdiction's 9-1-1 telecommunicators. Providing a property tax credit to these vital public safety employees – our community's initial first responders – may improve job satisfaction in what is an inherently emotional and stressful profession ([SB 1053](#)).

Gun Violence

Maryland has joined a handful of other states by enacting a “Red Flag Law” creating an extreme risk prevention order, like that available for domestic violence cases, allowing family members, health workers or law enforcement officers to seek a court order to temporarily restrict access to firearms for individuals who are believed to pose a threat to themselves or others. Following the immediate restricted access to guns, the respondent must be given a hearing before the court not later than seven days after the temporary extreme risk prevention order is served. Red Flag Laws have been credited with averting dozens of suicides by firearms and are supported as reasonable gun violence prevention measures ([HB 1302](#)).

Following the mass shooting in Las Vegas involving semi-automatic weapons equipped with highly lethal bump stock devices, legislation was adopted in Annapolis to ban the sale of “rapid fire trigger activators” in Maryland. The manufacture, sale, possession and use of the device would be prohibited, and violators would be subject to three years in prison and a fine of \$5,000 ([SB 707/HB 888](#)).

Human Trafficking

After more than 10 years of consideration, the General Assembly adopted legislation allowing prior sexual predatory behavior to be introduced as evidence in sex offense cases involving serial offenders. This “prior bad acts” law has been adopted by many states and will allow Maryland prosecutors to bring sexual offenders to justice. The measure was a priority of the Governor and was supported by Montgomery County's Commission for Women ([SB 270/HB 301](#)).

Animal Cruelty

Led by Montgomery County legislators, the General Assembly passed a law allowing a judge to prohibit an individual who's been convicted of a felony animal cruelty crime from future animal ownership or possession. As a local government charged with animal welfare enforcement including animal rescue, Montgomery County has responded to numerous cases of repeated animal cruelty that have led to subsequent felony convictions. For those egregious acts, a prohibition on ownership and animal possession should be available to a judge to impose at sentencing ([SB 1038/HB 212](#)).

Elections

Security

In the wake of Russia's sophisticated effort to interfere in and influence the outcome of the 2016 U.S. Presidential election through social media, fabricated news stories and cyber attacks, including unsuccessful attempts to hack into Maryland's voter registration system, the General Assembly passed several bills that are intended to make the State's election system more secure.

With the intent of bringing transparency to the social media world and preventing foreign interference in State and local elections, Maryland will become the first State in the nation to regulate political ads on Facebook and other social media platforms under the provisions of a bill that requires these entities to track all political advertisements, keep copies of them and record which users are being targeted. The bill requires social media platforms and newspapers to quickly post public information about who bought political advertisements, whom they benefit and how much was spent, similar to existing transparency requirements for television stations. It also prohibits a person from purchasing campaign materials or political advertisements using any currency other than U.S. currency. Facebook officials have been quoted as stating that they hope this bill can become a national model for standards governing disclosure of information relating to the purchase of political advertising ([HB 981/SB 875](#)).

A second bill that passed this year requires election service providers, including a local board of elections, to report security violations of any kind, as well as any attempted security violation committed by a foreign government or agent of a foreign government, to the State Board of Elections within 4 days. In turn, the State Board must notify the Governor and General Assembly within seven days ([HB 1331](#)). A third bill requires the State Board to conduct a post-election audit to evaluate the accuracy of the tabulation of votes for the purpose of improving the voting system for future elections ([HB 1278](#)).

Voter Registration

A bill that changes Maryland's automatic voter registration system from "opt-in" to "opt-out" became law without the Governor's signature prior to the end of Session. Eligible individuals will automatically be registered to vote when they interact with various State and

local agencies unless they affirmatively opt out. The bill also requires the State Board of Elections to work with the Comptroller to provide individuals who file a tax return electronically the opportunity to register to vote through a link to the online voter registration system ([SB 1048](#)).

A proposed constitutional amendment will be placed on this year's November ballot that would expand "same-day voter registration" to Election Day polling places ([HB 532](#)). Under current law, individuals may register to vote at a polling place during the early voting period. However, the Maryland Constitution prohibits same day registration at a polling place on Election Day.

Alcoholic Beverages

Breweries

Following the 2017 legislative Session, the Comptroller created the "Reform on Tap" task force. The task force was formed with the goal of reviewing the State's beer laws and discussing potential reforms. The 40-member task force met eight times and included brewers, distributors, retailers and members of the public and General Assembly. [House Bill 518](#) was the result of the task force's findings. This bill sought to make significant changes to State issued brewery licenses and would have repealed both brewing and retail sales limits. In addition, the bill would have raised the self-distribution limit for brewers from 3,000 barrels to 300,000 barrels annually. Although the bill helped shape a robust discussion about the changing landscape of Maryland breweries, it ultimately failed to advance out of the House Economic Matters Committee.

Task Force to Study Alcohol Regulation, Enforcement, Safety, and Public Health

Legislation was adopted establishing a task force to study whether the Office of the Comptroller should continue as the State agency tasked with regulating the alcoholic beverage industry or if a new agency should be created specifically for that purpose. The task force must consider recent changes in alcohol production, distribution and sale, as well public health, economic development and enforcement of alcohol regulation at both the State and local levels. The task force must report its findings to the General Assembly by December 1, 2018 ([HB 1316](#)).

Employee Benefits

Paid Sick Leave

On the second and third days of the 2018 Session, respectively, the House and Senate overrode the Governor's veto of the Maryland Healthy Working Families Act of 2017, which requires an employer with more than 14 employees to have a sick and safe leave policy under which an employee earns at least one hour of paid sick and safe leave for every 30 hours an employee works. After overriding the veto, a legislative kerfuffle ensued regarding the bill's effective date. Legislation that would have moved the effective date from February 11, 2018 to July 1, 2018 passed the Senate but died in the House ([SB 304](#)). This effective date was of particular concern to employers who have employees working in Montgomery County as well as elsewhere in the State because they must comply with two different sets of requirements. The County's more generous paid sick leave law applies to employees working within the County and the State law applies to employees working outside of the County.

Minimum Wage

As has been the case the last couple of years, bills that would have implemented the "Fight for Fifteen" goal by increasing the State's minimum wage from \$10.10 to \$15.00 over five years were filed in both the House and Senate but failed to advance in either chamber ([HB 664/SB 543](#)).

Internet Accessibility and Security

Net Neutrality

Legislation that was passed by the House this year and died in the Senate would have responded directly to changes in federal law that are expected by many to negatively impact the privacy of consumers who use the Internet as well as the ability of consumers to access the Internet. The first federal action occurred in 2017 when the President signed a Congressional resolution that disapproved rules adopted by the Federal Communications Commission (FCC) that established a framework for internet service providers (ISPs) (e.g., Verizon, Comcast, AT&T) regarding the use, sale and sharing of a customer's personal information. The bill would have established a similar framework and required ISPs that do business with State government to give all Maryland customers an opt-in choice before using personal information for marketing or other third-party uses. The second federal action occurred in December 2017 when the FCC repealed net neutrality rules that had been in place for two years and barred ISPs from restricting Internet traffic on their systems. The bill would have required ISPs who do business with the State to treat all customers equally when it comes to Internet speed and fees ([HB 1654](#)).

Siting of Small Wireless Facilities (5G Technology)

The State and local governments are working to ensure that future 5G wireless technology is deployed appropriately in their communities so that residents and businesses will have access to state-of-the-art wireless services. But this technology is creating challenges at the

local level because it requires the siting of thousands of large poles, antennas and other equipment in both residential and commercial areas. A bill that was requested by the wireless industry would have preempted local governments from crafting local solutions to ensure reasonable access for wireless deployments and appropriate community input. After an aggressive push back from counties and municipalities, the bill stalled in both chambers without a public hearing ([HB 1767/SB 1188](#)).

Rural Broadband

The General Assembly extended the term of the Rural Broadband Task Force for one year and expanded its scope to include all rural areas of the State, including Montgomery County's Agricultural Reserve ([HB 243/SB 968](#)). The Task Force must assess broadband and wireless service coverage, identify service gaps, and examine maps of Internet access to calculate cost for universal last-mile broadband coverage. A related bill requires the State to complete an inventory of all State and local government assets (e.g., cell towers, water towers, fiber optic cable routes) that can be used to assist with the expansion of broadband service to unserved and underserved areas ([HB 961](#)).

Maryland Public Information Act

In the past year, the State and local governments have experienced a proliferation of requests under the Maryland Public Information Act for "bulk lists" of e-mail addresses and telephone numbers that are maintained by State and local agencies for the purpose of disseminating emergency alerts (e.g., weather, school closings, active shooters) or information about government activities and services. In order to protect the privacy of residents and business and avoid the cybersecurity risks associated with disclosing email addresses and telephone numbers, the General Assembly passed legislation that allows a government agency to deny a request for this type of information ([HB 677/SB 477](#)).

Census

In anticipation of the efforts that will be undertaken by local governments and non-profit organizations to help motivate people to respond to the 2020 Census, the General Assembly passed legislation that became law after the Governor allowed the bill to take effect without his signature. The bill creates a 2020 Census Grant Program for issuing matching grants to local governments and nonprofit organizations to support the accurate counting of residents and collection of basic demographic and housing information. The Governor must allocate \$5 million for this program in fiscal 2020 ([SB 855](#)).

Accountability

Washington Suburban Sanitary Commission (WSSC) – Inspector General

A new Office of Inspector General (OIG) has been created for WSSC ([HB 419](#)). The current functions of the existing Office of Internal Audit will be transferred to the OIG. Among other things, the OIG is authorized to conduct independent evaluations and audits to: preserve

the Commission's reputation; improve the effectiveness, productivity or efficiency of programs and policies; prevent, investigate and report instances of fraud, waste and abuse; evaluate the adequacy and effectiveness of internal controls for accounting, financial, technology and operational policies; and improve compliance with applicable law, policy, and ethical standards of conduct

**Montgomery County Local Aid
Year-Over-Year Comparison
(\$ in thousands)**

<u>Direct Aid</u>	Final	Enacted	FY 2018 vs. FY 2019	
	<u>FY 2018</u>	<u>FY 2019</u>	<u>chg. \$</u>	<u>chg. %</u>
Primary & Secondary Education	690,234	716,448	26,214	3.8
Libraries	3,120	3,236	116	3.7
Community Colleges	49,860	51,286	1,426	2.9
Health Formula Grant	3,968	4,039	71	1.8
Transportation	10,203	13,016	2,813	27.6
<i>County Highway User/Capital Grants</i>	<i>5,430</i>	<i>7,808</i>	<i>2,378</i>	<i>43.8</i>
<i>Municipal Highway User/Capital Grants</i>	<i>4,394</i>	<i>4,829</i>	<i>435</i>	<i>9.9</i>
<i>Elderly and Handicapped</i>	<i>379</i>	<i>379</i>	-	-
Police	16,126	16,304	178	1.1
Fire and Rescue	1,962	1,962	-	-
Recreation (POS/Parks) and Environment	6,498	9,693	3,195	49.2
 Total Direct Aid	 781,971	 815,984	 34,013	 4.3
 <u>Retirement Contributions</u>	 <u>FY 2018</u>	 <u>FY 2019</u>	 <u>chg. \$</u>	 <u>chg. %</u>
Board of Education	153,335	155,859	2,524	1.6
Library Employees	3,132	3,195	63	2.0
Community College Faculty	11,234	11,085	(149)	(1.3)
 Total Retirement Contributions	 167,701	 170,139	 2,438	 1.5

Data: Maryland Department of Legislative Services



Montgomery County Capital Projects

Fiscal Year 2019

Public Schools (90% Allocation of Base Program)		53,711,700
Briggs Chaney Middle	561,600	
Burtonsville Elementary	561,600	
Damascus High	272,000	
Highland View Elementary	584,000	
Oakland Terrace Elementary	539,100	
Richard Montgomery Elementary #5	6,799,500	
Sequoyah Elementary	505,800	
Shady Grove Middle	476,100	
Wayside Elementary	1,000,000	
Wheaton High	16,500,000	
Targeted Supplemental Grant Program (EGRC)	25,912,000	
Public Libraries		200,000
New Wheaton Library	200,000	
Higher Education Facilities		38,679,000
Montgomery College - Rockville Student Services Center	13,824,000	
Montgomery College - Takoma Pk./Silver Spring Math & Science Cntr	1,741,000	
Universities at Shady Grove - Biomedical Sciences & Engineering Bld	23,114,000	
Health Facilities		4,899,000
Avery Road Treatment Center	1,505,000	
Charles E. Smith Life Communities Facility	250,000	
Holy Cross Health Network Integrated Senior Health Center	500,000	
Housing Unlimited, Inc.	941,000	
Main Street Connect, Inc.	885,000	
Mary's Center for Maternal and Child Care, Inc.	818,000	
Local Jails and Detention Centers		1,618,000
Montgomery County Pre-Release Center Dietary Center	1,618,000	
Parks and Recreation		927,000
Dolores R. Miller Park Improvements	67,000	
Seneca Creek State Park Ballenger Residence	20,000	
Seneca Creek State Park Maintenance Projects	612,000	
Seneca Landing Park Boat Ramp	100,000	
St. Paul Park Picnic Pavilion	34,000	
Wootton's Mill Park Aintree Drive Playground	94,000	
Other Legislative Initiatives		10,360,000
A Wider Circle Community Service Center	750,000	
Arts on the Block Studio	100,000	
Bender Jewish Community Cntr of Grtr Washington	75,000	
Dream Catcher Meadows	50,000	
Easter Seals Inter-Generational Center	100,000	
Gandhi Brigade Youth Media	150,000	
Ivymount School	65,000	
Josiah Henson Park	200,000	
Melvin J. Berman Hebrew Academy	150,000	
Metropolitan Ballet Theatre	100,000	
National Center for Children and Families	75,000	
Nonprofit Village Center	100,000	

Noyes Children's Library	100,000
Olney Theatre Center for the Arts	2,000,000
Our House Youth Home	200,000
Poolesville Economic Development Facility	1,000,000
RCI Group Home	250,000
Rockville Senior Center	200,000
Rockville Welcome Center	100,000
Round House Theatre	350,000
Sandy Sping Odd Fellows Lodge	15,000
Strathmore	3,000,000
UpCounty Nonprofit Hub	1,000,000
TLC's Katherine Thomas School	200,000
Winter Growth	30,000

Environment		20,917,000
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Sanitary Sewer Reconstruction - Cabin John Basin	5,278,000
Sanitary Sewer Reconstruction - Little Falls Basin	4,914,000
Sanitary Sewer Reconstruction - Muddy Branch Basin	5,824,000
Sanitary Sewer Reconstruction - Rock Creek Basin	4,901,000

Grand Total		131,311,700
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Montgomery County Office of Intergovernmental Relations

April 12, 2018

