

# END-OF-SESSION REPORT

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**APRIL 2021**



**G.S. Proctor**  
& ASSOCIATES, INC.  
*Lobbying & Consulting*

# A MESSAGE FROM OUR PRESIDENT & CEO

On behalf of the G.S. Proctor team, I want to thank you for trusting us to advocate on your behalf. We understand how important it is for you to have trusted partners working closely with you to protect your interests and identify opportunities to expand your capacity to deliver services, produce products, build sustainable communities, develop infrastructure, and provide critical services to at-risk or vulnerable communities.

This Session presented unprecedented circumstances, due to COVID-19 restrictions and health protocols. The Senate and House leadership were tasked with creating a safe environment for 188 legislators, their support staff, and thousands of stakeholders while managing a legislative process that involved interpreting the actions of dozens of committees working through complex legal, fiscal, and policy issues. In a traditional year, this is a balancing act that no amount of experience or intellectual capacity can prepare one for, but during a pandemic it required us to have the wisdom to be uniquely flexible and to work through key issues in innovative ways. All of us came out of this Session with a better appreciation for how technology can support community engagement by expanding the number of participants who can participate in the legislative process and compressing the time through which information is collected and distributed.

Our team focused on three themes: keeping our personnel safe, working as closely as possible with key decision-makers - both in the assembly and from the advocacy community, and communicating with you regularly on important developments. As we moved through the calendar and managed policy and fiscal issues in key committees past important milestones, it became increasingly clear that the experience our team has gained over the years paid off handsomely. It afforded us the opportunity to forecast administrative and political hurdles and develop strategies to work through them before they posed a significant problem to our clients.

This year, our team helped secure millions in grant funding and Legislative Bond Initiatives for area non-profits and municipalities. When Maryland voters elected to support sports betting at a rate of 2-to-1, we advised key committees on stakeholder equity on gaming matters. In a time when environmental stewardship is at the core of policy conversations, we

represented energy interests and collaborated with community stakeholders on delivery and reliability issues. We provided expertise and analysis on transportation policy; infrastructure and development issues; we successfully expanded opportunities for healthcare professionals to deliver critical services to the public; and most importantly - we provided our clients, partners, and in many cases our friends - the professionalism and courteous respect you have come to expect from G.S. Proctor & Associates, Inc.

We appreciate the opportunity you have given us to represent you. We know there are a number of other options you have to engage the legislative process and we understand that providing you this service with integrity is what inspired your confidence and trust in our team. We look forward to working with you through the interim in preparation for next Session.



Sincerely,  
Steve Proctor



# EXECUTIVE SUMMARY



Maryland's General Assembly has concluded its 442nd Legislative Session. The Session convened just two days before the passing of Former State Senate President, Thomas V. "Mike" Miller, Jr., and a week before the inauguration of U.S. President Joseph R. Biden, Jr. Change was certainly in the air across the political spectrum. On the national stage, newly elected majorities in the U.S. House of Representative and the U.S. Senate sought a significant change in policy prioritization, funding directives, and political messaging. In Maryland, even though this was not an election year for statewide and legislative offices, it was the year that the Assembly sought to secure significant changes and revisions to long standing laws, funding mechanisms and public accountability.

For the first time in history, our General Assembly carried out their legislative duties completely through a virtual format. Delegates and Senators used virtual meeting platforms to conduct hearings and reorganized the use of several buildings on the Maryland Legislative campus to safely incorporate social distancing and COVID-19 safety protocols. Despite an ongoing pandemic, Maryland's Government still carried through and passed a sweeping bipartisan [\\$1 Billion Stimulus RELIEF Package](#) in early February. With an agenda ranging from police reform, to sports betting, to the legalization of cannabis, a total of 2,344 bills were introduced, and of these bills, 1,380 originated in the House, and 964 came from the Senate.



In this final report, you'll find a summary of top legislative priorities for our clients this Session. The G.S. Proctor team invested significant time and energy in ensuring that our clients enjoyed similar levels of access during this "virtual session" as they have in more traditional legislative environments. Despite our transition from in-person to virtual meetings, we strengthened our legislative strategies for each of our clients concerning a wide-range of issues that impacted our client communities. We believe our efforts to secure legislative outcomes and funding through a variety of state agencies and programs yielded significant benefit for our clients and the communities they serve.

# LEGISLATIVE MATTERS



## COVID-19

This time last year, the novel coronavirus upended the U.S. economy and our way of life causing historic levels of unemployment and challenging many public officials on what kind of economic and social activity was reasonable considering the circumstances. The pandemic has shifted political and business priorities globally and in Maryland. The Maryland State Senate and the House of Delegates considered legislative proposals to stimulate a resurgence in struggling industries and to reinforce support systems for vulnerable communities.

A number of aspects surrounding the pandemic were introduced this Legislative Session such as unemployment, funding for small businesses, and protections for essential workers. Senate Bill 496 - Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act passed the legislature and was signed into law by Governor Larry Hogan on February 15th. The \$1.5 billion package included economic stimulus, grants for small businesses and non-profits, and direct relief checks for many Marylanders. Then on March 11th, less than a month later, the Federal American Rescue Plan Act was passed and \$6.355 billion was allocated to Maryland, with \$4 billion sent directly to the state and \$2.3 billion to county and municipal governments.





## **EDUCATION**

This Session, the Blueprint for Maryland's Future - Revisions bill, known as "Kirwan 2.0," received approval without the Governor's signature, citing concerns with how the State would fund the education reform initiative. The Governor vetoed the bill last Session due to the possibility of having to raise taxes with the uncertainty of the 2020 COVID pandemic. In February, the Maryland General Assembly overrode his veto, and passed Kirwan 2.0 into law. Reports show that House Bill 1372 sponsored by the Senate and House leadership "would adjust the timeline of the Blueprint for Maryland's Future, as well as address the learning loss that occurred during the coronavirus pandemic."

The State's approved sports betting legislation would allocate \$3 million of the State's portion of the proceeds to go toward unfunded elements of the Blueprint for Maryland's Future Fund. The money would be geared toward improving K-12 education. Another \$3 million would go to Historically Black Colleges and Universities (HBCUs).

Additionally, funding for HBCUs passed unanimously in the Senate, with an overwhelming majority in the House, and was signed into law by Governor Hogan. As part of a federal settlement, the State is required to spend \$57.7 million in extra funding each year for 10 years to be divided among the four state HBCUs and be used for academic programs, financial aid, recruiting and retaining staff, marketing, and online classes.

The Community Colleges collective bargaining bill, House Bill 894: Maryland Community College Employees Freedom to Collectively Bargain Act of 2021, passed this Session after similar bills were introduced every year since 2014, without success. The bill will expand bargaining rights to employees at all of Maryland's 16 community colleges. Reports show that this year's bill had the endorsement of 12 labor unions and other education and advocacy groups.

Under the Governor's budget, community college funding was initially revised for the coming fiscal year, resulting in community colleges receiving just half of the increase in state aid under Cade Formula. That left it up to legislators to restore community college funding this Session and keep the state on track for full Cade funding by 2023. However, the Maryland General Assembly agreed to expand the education budget with the boost from the federal stimulus funding that replenished the community college funding.





## **| GAMING**

On the last day of Session, lawmakers approved a measure to implement sports betting; a measure that Maryland voters supported, by referendum, by almost 2-to-1. The House of Delegates approved the initial effort 122-16 and, after numerous amendments, the Senate passed the measure 47-0 with the House concurring.

House Bill 940 allows sports wagering at casinos, three professional sports teams' stadiums, horse racing tracks and other existing operators. The State also would allow up to 30 licenses for businesses of various types that want to offer sports betting and up to 60 more licenses for mobile/online betting. The number of licenses represents a compromise, after the Senate proposed lifting caps. The State expects to raise between \$15 million and \$19 million, annually, the bulk of which would pay for education via the Blueprint for Maryland's Future Fund (BMFF), a fund that supports expanded pre-kindergarten and expanded job readiness training for high schoolers. There are a number of provisions that will support the Minority and Women-Owned Businesses to engage in the industry; including the Small, Minority-Owned, and Women-Owned Business Sports Wagering Assistance Fund, which will be funded by a percentage of the larger organizations' application fee. Additionally, two of the State's Historically Black Colleges (Bowie State University and Morgan State University) will also receive an annual \$1.5M to support training in the areas of data analytics and sports gaming to support minority students' participation in the industry.

It is expected that those brick-and-mortar licensees will be operating in the Fall of this year while the Sports Wagering Awards Review Commission (SWARC), a seven-member commission that is established by the bill, will create the regulations and application process around the mobile licenses in the coming months. The bill also supports MBE participation by encouraging a “meaningful relationship with MBE partner” in the mobile licensing process.





## **HEALTH CARE**

With an ongoing pandemic, healthcare was a prominent issue this Legislative Session. The House gave its unanimous approval to a bill that would help protect former patients from aggressive debt collection actions by the State's hospitals. Supporters of the bill made claims that hospitals could have done better with free and reduced-cost care options. The approved legislation, despite opposition of the Maryland Hospital Association, reduces the number of people who are driven into bankruptcy hospital lawsuits.

Despite a series of challenges with the rollout of the state's COVID-19 recovery and vaccination efforts, the leadership of the Maryland Department of Health saw a change with the approved [nomination of Secretary Dennis R. Schrader](#). Even though Secretary Schrader was nominated four years ago without success, he continued to work for the agency before becoming the Acting Secretary after former Secretary Robert Neall's departure.

Another public health bill that set parameters for expanding the use of telehealth in the State was [House Bill 123](#), which received support from the majority of the State leaders. The bill sets guidelines for Medicaid and private health insurers to pay for telehealth services, and the bill has a two-year sunset provision.

With the pandemic limiting access to routine health care for many Marylanders, there are more than 1,100 pharmacies and nearly 3,300 pharmacists licensed in the State of Maryland who can provide the necessary

care that Maryland patients need. To help combat the pandemic and future public health crises, legislators supported House Bill 1040 / Senate Bill 736 to expand pharmacist immunization authority to include the administration of all U.S. Food and Drug Administration-approved vaccines.

To further improve access to care for patients in our state, the Maryland Pharmacists Association successfully advocated to allow pharmacists to administer maintenance injectable medications resulting in increased treatment access to high-risk patient populations such as those with mental health illness and opioid dependence. By expanding pharmacist vaccination authority, this would increase options for patients to receive recommended immunizations in safe medical settings.





## **| LOCAL GOVERNMENT**

Just as the General Assembly faced challenges this Session, so did local governments. Counties and municipalities in Maryland appropriated money from the CARES Act's Coronavirus Relief Fund to create emergency programs and help struggling Marylanders and businesses in the early days of the pandemic, including increasing access to broadband and providing money for rental relief and eviction prevention.

With in-person gatherings suspended, a number of broadband bills were introduced this Session and particular attention was drawn to Senate Bill 66 / House Bill 97, known as the Digital Connectivity Act of 2021. These cross-filed bills will require the State to establish the Office of Digital Inclusion in the Department of Housing and Community Development. This office would be required to develop a statewide plan by July 1, 2022 to:

1. Provide 98% connectivity to universal, affordable, and reliable broadband Internet by December 31, 2025.
2. Provide every state resident the ability to connect to universal, reliable, and affordable broadband Internet that exceeds Federal Communications Commission standards for upload and download speeds by December 31, 2026.

The Maryland General Assembly also passed Senate Bill 824 / House Bill 1328,

the Maryland Association of Counties (MACo) Broadband Initiative, known as the Building Out Broadband Act of 2021. This Act will help close the digital divide by enhancing incentives and orchestrating opportunities for broadband deployment across the state. Additional MACo advocacy bills during the 2021 Legislative Session can be reviewed on MACo's Legislative Tracking Database.



## **PUBLIC SAFETY**

After months of bipartisan negotiations, leaders in the General Assembly drafted a package of police reform bills as a response to the decades of activism demanding greater transparency and accountability for law enforcement. Under the Maryland Police Accountability Act of 2021, a wide-range of policies includes a new disciplinary process, public access to records, no-knock warrants procedures, scholarships for future officers, and higher payouts in plaintiff lawsuits. Over the weekend, before Sine Die, Governor Hogan vetoed three police reform bills, expressing concerns that they pose a significant risk to public safety. The bills are:

- Senate Bill 71 - Maryland Police Accountability Act of 2021, which mandates body-worn cameras statewide and changes use-of-force guidelines.
- Senate Bill 178 - Maryland Police Accountability Act of 2021 (Anton's Law), which changes how search warrants can be executed, limits the use of no-knock warrants, and allows for the inspection of records relating to police conduct. Under the bill, police could only use no-knock warrants between 8 a.m. and 7 p.m., except in an emergency.
- House Bill 670 - Police Reform and Accountability Act of 2021, which repeals the Law Enforcement Officers' Bill of Rights.

All of the measures passed with more than the three-fifths vote needed to override Governor Hogan's vetoes.





## **| STATE BUDGET**

By law, the Maryland General Assembly is required to pass a balanced budget before the end of every Legislative Session. The Legislature met that requirement by passing a \$52.4 billion dollar spending plan for Fiscal Year 2022.

The budget will be used for increased financial assistance to Marylanders most in need, expand education funding to reopen schools, provide tax breaks for small businesses, and attempt to invest in broadband access for state residents without it. The budget will also bolster the State's unemployment insurance fund.

Some of the most significant increases in the budget are:

- \$300 million will be invested in expanding broadband
- \$100 million for workforce training
- \$600 million will go towards reopening schools
- \$572 million for COVID-19 operations
- \$585 million in tax relief for businesses and low-income Marylanders
- Replenishes the Unemployment Insurance Fund with \$1.1 billion
- \$800 million for Maryland Emergency Economic Relief Programs - tax relief and economic relief

Much like the operating budget, due to the improving economic outlook for

the State and the nearly \$4 billion of federal funds, the Governor and the Legislature were able to enact a \$4.274 billion Capital Budget for Fiscal Year 2022. This total includes \$2.274 billion for transportation projects, \$2 billion for other capital projects throughout the State, and \$833 million for school construction projects. Check out the [full Capital Budget report](#) with additional details.



## TRANSPORTATION

The Maryland General Assembly gave final approval to a measure that would fund a transit study in Southern Maryland. Many Southern Maryland lawmakers have advocated for a light rail line for numerous years, while others argue that a Bus Rapid Transit system is more realistic and would bring relief sooner. The bill would require the Governor to allocate \$25 million, over a five-year period, towards design, engineering work, and an environmental review of a possible transit system in the MD Route 5/U.S. Route 301 corridor. The measure would require that the project qualify for federal matching funds.

The House overwhelmingly supported [House Bill 67](#) to require the Governor and the State Department of Transportation to abide by the public promises they made on the controversial widening of Interstates 495 and 270 highway projects. Another legislation, [House Bill 485](#) related to the interstate projects, was to create an oversight board for the proposal of the public-private partnership. The Governor envisioned funding the highway and operating the express toll lanes to pay for the project. However, both pieces of legislation failed in committee.

The Maryland Department of Transportation received a positive vote to increase funding for the maintenance of Maryland's mass transit systems. The measures are out of a 2019 report that found a \$2 billion gap in state of good repair funding for buses and rail carts. [House Bill 114](#), known as the Transit



Safety and Investment Act initiatives, will receive increased support as part of the infusion of federal pandemic relief funds for state highway and transportation projects.

Legislation in the House and Senate that would have created a legal marijuana industry in Maryland did not make it out of committee this Session. The debate included questions about the tax rate for legal cannabis, how to incorporate social equity applicants into the industry, and whether full legalization would jeopardize the State's existing medical marijuana program. Advocates for traffic safety expressed their opposition to legalization citing concerns with Maryland's non-existing testing devices to detect impaired drugged driving. In addition, the need for the State to establish and fund a public safety campaign to educate drivers on the dangers of substance-impaired driving.



## **UTILITIES**

The 2021 Session was not a particularly energy-focused session as compared to some recent years. While there was heightened interest in dealing with climate change, ultimately the Session's biggest bill dealing with the issue, Senate Bill 414 / House Bill 583 known as the Climate Solutions Now Act, did not pass. The spread between the House amended bill and the Senate version was too great a divide and the bill died without an agreement on the amendments.

The biggest industry-supported utility bill this year was the Stride bill, House Bill 890. Baltimore Gas and Electric Company (BG&E) led the effort with the support of Washington Gas Light (WGL) and other smaller gas utilities. After passage in the House, the bill was met with stiff resistance and supporters of the bill indicated they had the votes to pass the bill in committee, but ultimately the bill did not come to a vote. It's expected to be introduced again in 2022.

Other bills of impact to utilities included:

- Senate Bill 496 / House Bill 612 The RELIEF Act (Passed): This bill provided direct monies from the state to utility companies to assist with paying arrearages on customer's accounts caused by the pandemic.
- House Bill 30 Office of the People's Counsel (OPC) Environmental Reform Act (Passed): This bill requires the OPC, in determining whether the

interests of residential and noncommercial users are affected. It considers public safety, economic welfare, and environmental interests of the State and its residents, including the State's progress in meeting its greenhouse gas emissions reduction goals. With the bill, OPC must hire at least one assistant people's counsel who will focus on environmental issues. OPC is also now included in the Maryland Commission on Climate Change and the Maryland Zero Emission Electric Vehicle Infrastructure Council.

- House Bill 298 / Senate Bill 83 Utility Regulation-Consideration of Climate & Labor (Passed): Despite unified opposition from utilities, the bill passed. Utilities raised concerns that requiring the Commission to consider undefined metrics for global climate warming would be difficult to equitably implement.
- House Bill 606 / Senate Bill 392 Electricity and Gas - Limited-Income Mechanisms and Assistance (Passed): Support was mixed among utilities, but turned quickly into opposition once language of the bill was amended to remove its optional participation and make it a requirement. A proposal for a limited-income mechanism must be submitted either in a rate case or as a separate application and must include five outlined components in the bill.
- House Bill 174 / Senate Bill 95 Public Utilities - Investor-Owned Utilities - Prevailing Wage (Passed): This bill requires investor-owned gas and/or electric utilities to require contractors and subcontractors on specified underground projects to pay their employees at least the applicable prevailing wage rate.
- Senate Bill 506 Public Utilities - Regulatory Assets - Prohibition (Died): This bill would have prohibited a public service company, in its utility operations, from demanding or collecting a rate of return on a regulatory asset created as a result of conditions addressed by a state of emergency as declared by the Governor.



