



Maryland General Assembly 2019 End of Session Report

Introduction

The 2019 Legislative Session of the Maryland General Assembly ended in sorrow. Maryland's longest serving Speaker of the House, Michael Busch, passed away the Sunday before Sine Die at the age of 72. **Speaker Busch** was elected to the House of Delegates in 1987, becoming Speaker in 2003.

It was a transformative year in the Maryland General Assembly with the beginning a new term. More than a third of the legislature were in their first year in office following 2018 election. **Governor Larry Hogan** began his second term as governor which was accompanied by an increased national profile while wading into presidential politics. Due to high profile retirements and a couple unexpected election upsets, we also saw four new committee chairs. There were a staggering 2,500 bills introduced, with the Democratic leadership prioritizing raising the minimum wage, raising the tobacco age, addressing prescription drug costs, expanding clean energy, and many other issues.

As a result of the work done by the General Assembly, Maryland will become the first state to be "foam free," with legislation passing banning the use of polystyrene in food service. Also, we became the 5th state to start the track towards a \$15/hr minimum wage, despite a gubernatorial veto which was quickly overridden. Maryland will be the 9th state to raise the minimum age to buy tobacco products to 21, while exempting active members of the armed forces.

The 2019 budget discussion largely centered, as it often does, around education. The Commission on Innovation and Excellence in Education, informally known as "Kirwan," was created a couple years ago to study and make recommendations on how to create a world-class education system. Recommendations released right before the start of Session included billions in new spending, and with the state's current fiscal situation, the result was a smaller proposal to start off, with larger discussions next year.

Due to the passing of the Speaker, and the health concerns of his Senate counterpart, **Senate President Mike Miller**, the future leadership of the General Assembly remains unclear. It will certainly be a busy interim as the leadership of begin developing their agendas for 2020.

Maryland State Child Care Association

It was an eventful session for the Maryland State Child Care Association as we tackled legislation expanding the child care tax credit and subsidy programs. Additionally, we saw the first wave of Kirwan legislation. While it was a successful session, it was a prelude to the work that must be undertaken over the summer as the State addresses final Kirwan Commission recommendations.

House Bill 521 - Procurement Preferences - Maryland Child Care Act

Pamela Queen

FAILED

House Bill 521 establishes a procurement preference for bidders or offerors that have an on-site licensed child care center for use by their employees. While MSCCA supported the intent of the legislation, the bill unfairly benefited

those companies with on-site licensed child care while discounting companies that subsidized employees child care costs. We worked with Delegate Queen to offer an amendment to her bill that would allow the procurement preference to apply to companies that provided reimbursement for expenses related to off-site licensed child care. While the bill did not progress in 2019, we expect Delegate Queen to continue introducing legislation related to child care and we will spend the summer building our relationship with her and educating her on the child care community.

House Bill 810/Senate Bill 870 - Income Tax - Child and Dependent Care Tax Credit

Senator Nancy King & Delegate Ariana Kelly

PASSED

Delegate Kelly expanded her leadership on child care issues by introducing legislation with Senator King that expands the existing child and dependent care tax credit by increasing the current phase-out for an individual whose income exceeds specified amounts and making the credit refundable for taxpayers with federal adjusted gross income of \$50,000 or less. Beginning in tax year 2020, the applicable income phase-outs are indexed based on the annual change in the cost of living. The bill as introduced by Delegate Kelly and Senator King would have reduced General Fund revenues by \$17.5 million. However, after amendments, the tax credit benefit to consumers is approximately \$11 million. This is a tremendous benefit for Maryland families.

House Bill 248/ Senate Bill 181 - Education - Child Care Subsidies - Mandatory Funding Level

Senator Nancy King & Delegate Adrienne Jones

PASSED

Delegate Jones and Senator King continued their track record of leadership in child care policy. This bill accelerated by one year a mandated appropriation for the Child Care Subsidy program by requiring the Governor to appropriate funds for fiscal 2021 in an amount sufficient to raise the program's provider reimbursement rates to a minimum of the sixtieth percentile of the most recent market rate survey. MSCCA provided written testimony in the House and Senate and Executive Director Christina Peusch testified before the Budget and Taxation Committee to argue for the need for this important bill.

House Bill 1413/Senate Bill 1030 - The Blueprint for Maryland's Future

The President & The Speaker

PASSED

The "Bridge to Kirwan" passed the last week of session providing \$255 million in FY 2020 and \$355 million in FY 2021. The bridge was utilized to give the Commission on Innovation and Excellence in Education the summer to make final recommendations on funding formulas. In addition to the funding formula for prekindergarten which includes the sliding scale, the Commission will also provide its final recommendation on diverse delivery phase-in. As part of the bridge, the supplemental prekindergarten grant program was extended at 100% funding through FY 2021. The program is retired after FY 2021 as the recommendations from the Kirwan Commission are adopted in the 2020 legislative session.

Concluding Thoughts

Over the summer, Compass Government Relations Partners looks forward to working with MSCCA to engage the Kirwan Commission members and educate them on the importance of community-based child care providers to a diverse delivery system. The 2020 legislative session will be critical to the future of your members and we look forward to advocating on their behalf.