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Health and Government  
Operations Committee

Government Operations and Estates  
and Trusts Subcommittee

Health Facilities and  
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## The Maryland House of Delegates

ANNAPOLIS, MARYLAND 21401

Dear Friends:

April 2018

On Monday, April 9th at midnight, after a marathon 90 days, the gavel came down for the final time on the 2018 Legislative session- marking the last year of our 4 year term in office. It has been an honor and privilege to serve as your representative in the Maryland House of Delegates. After considering a total of **3126** pieces of legislation between the House and the Senate, **Legislators of both parties worked together with the Hogan administration to deliver major victories for all Marylanders and for Carroll County.** 893 bills passed the Legislature and are awaiting the Governor's signature or veto- I will highlight a few.

### **The only Constitutional requirement of the Legislature is to pass a Balanced Budget...**

At the beginning of the Session, the Governor's budget package was released to both Houses of the Legislature who amended it and sent it back to the Governor for his signature. The Legislature may NOT increase the budget over what the Governor submitted, however, they can reprioritize the allocations. A \$44.4 billion spending plan was passed-a 2.2% growth over last year with a \$201.4 million General Fund balance and \$200 million saved to be dedicated to future costs of the Kirwin Commission (Education Spending). **The final budget of Hogan's four-year term includes record money for K-12 education, continues to grow the private sector and makes key investments in school safety and to support law enforcement to keep our communities safe.**

### **FEDERAL TAX PACKAGE AND IMPACT ON MARYLAND TAXES**

After President Trump's *Federal Tax Cuts and Jobs Act of 2017* was signed into law in December, Governor Hogan pledged to protect Maryland taxpayers from potential adverse effects that will impact families and businesses caused by the federal tax overhaul. I wholeheartedly agree with Governor Hogan.

At the end of January, Comptroller Franchot issued a report on the impact of the *Federal Tax Cuts and Jobs Act* on Maryland taxpayers. The findings of his fact-based, non-partisan report were that the vast majority of Marylanders will see significant federal tax relief (71% will pay less, 13% will pay more and 16% will not be impacted) - a total of \$2.8 billion which is an average savings of \$1741. Unfortunately, since the Maryland tax code is tied to the federal tax code, we needed to make legislative changes so that Marylanders would not be inadvertently impacted with increases in their STATE and LOCAL taxes.

Governor Hogan's proposed legislation- ***Protecting Maryland Taxpayers Act of 2018***- would have prevented a \$600M tax increase on Marylanders this year and would have meaningful impact on small business by making permanent a provision in Maryland law that prevents changes in the federal tax code from affecting Maryland state and local taxes. The legislation would allow Marylanders to get the "best of both worlds" by allowing them to choose to take the higher federal standard tax deduction while still utilizing longstanding deductions at the state level such as property taxes, mortgage interest and business deductions. I introduced similar legislation- "Holding Marylanders harmless" in Maryland's tax code. This has been the top priority of mine this session. Unfortunately, the General Assembly failed to act on most of these legislative proposals, and as a result, 700,000 or 22% of Marylanders will see an increase in their state and local taxes in 2018- the temptation of new tax revenue is too much for some in the General Assembly to pass up.

**Budget Reconciliation and Financing Act of 2018** allows for the spending of the \$550 million in revenue the state will receive because of the federal tax legislation. Right now, over 70 percent of the state budget is mandatory spending. I believe that common sense solutions must prevail. We need to meet the needs of individuals and organizations in Maryland, but excess funding from the federal government should be *returned* to the people who earned it in the first place. I voted against the bill.

### **PROVIDING TAX RELIEF FOR SOME**

**Income Tax - Standard Deduction – Cost-of-Living Adjustments** – permanently raises the standard deduction by \$250 for single filers and \$500 for joint filers and indexes it to inflation (something that I have long advocated for).

**Military, Law Enforcement, Fire, Rescue or Emergency Personnel and Correctional Officers Retirement Income “Hometown Heroes”** – exempts the first \$15,000 of retirement income from State taxes for individuals 55 and older.

**Small Business Relief Tax Credit** – provides \$5 million a year in tax credits to businesses with 14 or fewer employees that provide paid sick leave benefits to their employees. Qualifying applications must be approved by the Department and will be on a first-come first-served basis. This is the Governor’s initiative to help ease the burden the paid sick leave bill will have on small businesses.

**Cybersecurity Incentive Tax Credits** – continues Maryland’s successful Cybersecurity Investment Incentive Tax Credit Program through 2023 and adds an incentive to invest in Maryland-owned cybersecurity businesses.

**Earned Income Tax Credit - Individuals without Qualifying Children – Repeal of Minimum Age Requirement**– this legislation expands eligibility for the State and local earned income tax credit by repealing the minimum age requirement.

### **COMMITMENT TO BOLD EDUCATION REFORMS**

The budget provides an unprecedented \$6.5 billion for K-12 education, which is more than mandated by the legislative funding formulas. Every school system in Maryland will receive increased funding from the state. Also set aside is \$200 million for expected increases in state aid for recommendations of the Kirwin Commission. Public universities and colleges will hold tuition increases in turn for receiving a 4.1 percent spending boost and Community Colleges will be offered incentive payments to limit their tuition hikes to the same level.

**Ensuring that Students with Reading Difficulties are screened and interventions are provided**- I have long advocated for policies that would ensure that all students are able to read on grade level by the third grade. It is unfathomable to me, for all of the money we spend on education in our state, that many students leave school without adequate reading skills. This statewide legislation will require early screenings and interventions and provide notification to parents and put a strong statewide focus on early childhood literacy using evidenced- based structured reading instruction.

**Securing the Future: Computer Science Education for All**-- requires that by the 2021-2022 school year, each public school will offer at least one high quality Computer Science Course. Governor Hogan allocated an additional \$5 million in his budget for computer science initiatives and \$10 million is included for a multi-year collaborative effort in partnership with the University of Maryland to produce more graduate in key workforce areas such as science engineering and cybersecurity.

**Voters in November will see a Constitutional Amendment on the ballot to provide a “lock box” on revenues from Maryland’s six casinos and prohibit the state from spending it on anything other than education.**

## ENHANCING SCHOOL SAFETY

We **passed one of the most aggressive school safety proposals in the nation** by developing a comprehensive plan and requiring each school system to develop behavioral health assessment teams to identify students whose behavior may pose a threat to individuals attending or working in a public school. Each school system is required to identify a school safety coordinator and school resource officers who are adequately trained. Funding was also provided and will be distributed to local school systems and law enforcement agencies for school resource officers or local law enforcement coverage for schools and money to shore up the physical facilities of the school.

## REIGNING IN THE COST OF HEALTHCARE

The inability of Congress to eliminate OBAMACARE and their failure to produce a comprehensive health care solution, has caused health insurance rates in Maryland's individual market to skyrocket and potentially increase by another 50% or more in the coming year. Governor Hogan brought together a bipartisan team to address the crisis head-on and protect Marylanders from this increase by **establishing a reinsurance Program within the Maryland Health Benefit Exchange** to help stabilize rates for the next several years.

Answering the call from Marylanders begging for relief from the exorbitant cost of prescription drugs, a **new Drug Cost Commission is tasked with determining how to make prescription drugs more affordable**. The commission will review, evaluate, and assess the pharmaceutical distribution and payment system in the State and determine why drug costs are so high in America compared to other nations.

## TACKLING THE HEROIN AND OPIOID EPIDEMIC

Governor Hogan has been addressing the heroin and opioid crisis since he first took office- first by declaring a "State of Emergency" and then by targeting resources and taking it to the streets. The administration has worked with our local leaders in Carroll County and has an "all hands on deck" attitude towards this crisis which is devastating our communities. More resources have been provided to local jurisdictions for prevention, treatment and enforcement. Legislation passed that will expand the volume dealer law to include Fentanyl and allow for the prosecution of high-level drug traffickers who deal in large quantities of drugs. We also passed legislation that will allow emergency services providers and law enforcement officers to input and share data about opioid overdoses.

**Legalization of Recreational Marijuana- Not Happening-** Many thought that 2018 would be *The Year for Marijuana Legislation* and we heard a variety of bills to legalize *recreational* marijuana. I oppose the legalization of marijuana. With the current drug epidemic, it is unfathomable to me that some want to legalize another mind altering drug. This bill died in committee.

## PROTECTING OUR ENVIRONMENT

The budget provides **historic funding to ensure Maryland remains a national leader in environmental stewardship**, including a record \$1.2 billion investment in wide ranging Chesapeake Bay restoration efforts. For the third year in a row, and for the third time in state history, the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund will be fully funded. No budget actions will divert funding away from Bay restoration efforts in order to plug budget holes. The budget also makes important investments in land preservation and green space across the state. Unlike the prior Administration who robbed from land preservation programs to balance the budget, Program Open Space and land programs are fully funded for the first time in a decade.

## **PROTECTING MARYLANDERS FROM VIOLENT CRIME**

The FY2019 budget makes important investments to support law enforcement and keep our communities safe. This includes increasing to \$74.5 million Police Aid to Local Governments and Municipalities, investing \$36.3 million in grants for local law enforcement, and providing \$8.2 million to upgrade and replace the State Police Vehicle Fleet.

Legislation *prohibits violent offenders* from being ordered to treatment in lieu of incarceration until they are eligible for parole. A person who is trafficking drugs while using a firearm will now be sentenced to a minimum 5 year mandatory sentence.

**Rape Survivor Family Protection Act** - After 10 years of delay and a long fought battle, legislation passed that will let rape victims terminate the parental rights of their assailants. **For years, our Women's Legislative Caucus has supported this bill.**

**Criminal Procedure - Firearms - Transfer** - ensures that people, after sentencing on a domestically related crime, are prohibited from possession of a firearm.

## **PROTECTING OUR PETS**

**Humane Adoption of Companion Animals in Research Act** - known as the "Beagle Bill" - brought many emails into my inbox imploring us to ensure that dogs or cats, used for research, are able to be adopted.

**No More Puppy- and Kitten-Mills Act of 2018** - will prohibit retail stores from selling dogs or cats obtained from puppy or kitten mills. These animals are often bred and kept in horrific conditions and the will to stop pet stores from selling animas acquired from such operations.

## **IMPROVING OUR LOCAL ROADS**

Restoration of Highway User Revenue (HUR) has been an issue for counties and municipalities for nearly a decade, when Governor O'Malley raided the Transportation Trust Fund to balance the State's budget. We have been fighting to get those dollars restored ever since. **Highway Users Revenues- Distributions** creates a formula for local governments to receive their allocation of gas & titling tax revenues. **Governor Hogan's budget includes \$11.5 million to improve MD 30 in Hampstead - there are currently over \$44 million in ongoing transportation projects under construction all throughout Carroll County.**

## **GOVERNOR HOGAN'S REDISTRICTING REFORM FAILED**

### **General Assembly and Congressional Legislative Redistricting Apportionment Commission**

Maryland is the most gerrymandered state in the nation. A recent poll says Marylanders want redistricting to be handled by a bipartisan commission. The overwhelming majority of people want to do what's right and they stand with the Governor. The Constitution is pretty clear on this; it says representation is chosen by the people. With the politically-slanted district lines in Maryland, you could make a strong argument that representation is chosen by politicians in Annapolis, instead of by the people and that is clearly wrong. Gerrymandering affects everyone because democracy doesn't work when some are not fairly represented. Every vote should count and every community's voice should be heard. We will try again next year and are hopeful that the Supreme Court will settle this once and for all.

**Bad Bills -This session Democrats passed some radical and out of touch legislation- I voted NO.**

A sampling of a few ...

- **A drastic change in oversight for school construction funds** will take power away from the elected *Board of Public Works*, which includes the Governor, Comptroller and Treasurer, and hands it over to an unelected (unaccountable) nine member commission. Unfortunately, Governor Hogan's VETO was overridden.
- **Automatic voter registration** that will create additional fraud and "same day" voter registration that is the only one in the nation that will not require identification.
- **Drastic changes to the governor's ability to make recess appointments.**
- **Providing taxpayer-funded college scholarships for noncitizens.**

**CARROLL COUNTY RECEIVES FUNDING FOR CAPITAL PROJECTS**

With the Governor's help we were able to secure funding for Carroll County needed projects, these resources will go a long way for these non-profits, the community college, and the safety of our area:

- **Westminster Rescue Mission**, awarded **\$250,000** to expand their transitional housing and residential treatment housing.
- **Boys and Girls Club of Westminster** awarded **\$150,000** for the renovation of new facility.
- **Carroll County Veterans Independence Project** awarded **\$100,000** to renovate a new facility.
- **Gamber and Community Fire Company Carnival Grounds** awarded **\$25,000** for upgrading and burial of electric service.
- **Freedom Army National Guard Readiness Center** in Sykesville appropriated for planning and construction with **\$16,000,000.**
- A new **Department of Juvenile Services Female Detention Center** on grounds of Thomas O'Farrell Youth Center will be built with **\$22,649,000.**
- **Carroll Community College** will receive funds for systemic renovation.

If you are not already receiving our periodic e-mail updates-"**News From Annapolis**", and are interested in doing so, please e-mail us at [susan.krebs@house.state.md.us](mailto:susan.krebs@house.state.md.us) or call 410-841-3200.

I value your input on the issues and we take pride in excellent constituent service, please do not hesitate to contact our office.

Sincerely,



Susan W. Krebs  
Delegate  
Carroll County - District 5