



2015 Legislative Session Adjourns

Dear Friend,

The 2015 Session of the Maryland General Assembly concluded on April 13, 2015. The following is a summary of several important topics that may interest you. Thank you for taking the time to read this email and if you have any questions or comments about these or any other issues, please do not hesitate to contact me at brian.feldman@senate.state.md.us.

A Balanced Budget

From the onset of Governor Hogan's introduction of his proposed Fiscal Year (FY) 2016 Budget, the discussions in the legislature focused on restoring crucial funding for public school education and previously approved COLA cuts for State employees that had taken effect in January. During the ninety day Session, the balanced \$ 40.7 billion Budget was fully vetted and I am pleased to report that the General Assembly allocated monies to reinstate funding for education, including fully funding the Geographic Cost of Education Index (GCEI), and State employees' COLAs.

Two weeks ago, the Budget passed the Senate by a bi-partisan, unanimous vote and a slightly different version of the Budget passed the House of Delegates by an overwhelming margin. However, four days before the end of Session, the Governor introduced a new supplemental budget that created uncertainty on the use of those monies - totaling approximately \$ 202 million. The legislature had voted to restore \$ 68.1 million for public schools (\$ 17.7 million to Montgomery County), \$ 68.7 million to State employees for their previously approved COLA and \$ 65.2 million for health care initiatives which included mental health providers, the disability community, treating heroin addiction and providing health care for pregnant women. Governor Hogan would not agree to those provisions and, in the end, the Budget approved by the legislature sets aside that \$ 202 million and protects it from being used by the Governor for other programs. My hope is that Governor Hogan will decide to use the \$ 202 million to fund these critical priorities.

The State's Rainy Day Fund will receive \$ 814 million and the statutorily State required pension obligations are fully funded. In addition to the required obligations, the Budget contains an additional \$ 75 million for the State pension fund. Also, a "sweeper" provision was added to the Budget to ensure that certain leftover funds in the General Fund balance shall be added to the pension fund. One note of caution is that if our pension system investment returns continue to underperform relative to other state pension funds, which has been the case in recent years, we will need to adopt new strategies to ensure the health of the system for Maryland state employees and retirees.

As the original author and lead sponsor of the innovative Biotechnology Tax Credit program, I am pleased to report that this program has been extremely successful in incentivizing investors in small, early stage biotech companies in Maryland. This year, \$ 12 million has been allocated again to the program for FY 2016. The investment reflects Maryland's long-term goal of continuing to grow the State's biotechnology sector.

The FY 2016 Budget increases funding to local governments and Montgomery County is slated to receive more than \$ 727 million in direct aid, a 1.8% increase over FY 2015.

One of Maryland's greatest achievements is its educational system. I am proud of Maryland's designation from *Education Week*, the Nation's leading education newspaper, which ranks Maryland's public schools **3rd in the Nation**. This distinction is a direct result of the significant investment the State has made in K-12 education over the last decade. The total support for K-12 public school education in the FY 2016 budget is \$ 6.1 billion. Higher education will receive \$ 5.53 billion for our public colleges and universities. Additionally, funding for community colleges increased by over 3%. Together, these investments have made higher education more affordable and accessible for all.

Maryland has also retained its **AAA bond rating**, one of only ten states in the Nation to receive such a rating from all three rating agencies - Standard and Poor's, Moody's Investors and Fitch Ratings. Fitch stated that Maryland's rating "**reflects its sound financial operations, a wealthy, diversified economy and strong management of debt.**"

Maryland's Economy

Maryland continues to make positive strides economically. Over the past twelve months, more than 37,900 new jobs were created and we have recovered all of the jobs that were lost during the recession. Additionally, our unemployment rate is the lowest it has been in four years.

In an effort to keep Maryland's economy strong and improve our State's business climate, last year the Senate President and the House Speaker convened **The Maryland Economic Development and Business Climate Commission** (known as the Augustine Commission), chaired by Norman R. Augustine, the retired CEO of Lockheed Martin. The Commission was charged with examining the State's current economic development structure and incentive programs and make recommendations to the General Assembly to encourage both large and small business growth in Maryland, reduce burdensome regulations and provide Marylanders with the resources and training they need to get jobs in our State's growing industries. The Commission submitted an interim report in February. According to the report, Maryland's economic growth can be improved by addressing ten precise areas. Specifically highlighted was improving our economic development strategy, weaning our reliance on Federal jobs and creating a culture of government officials who will foster economic growth. The Commission cited a Nobel Prize winning study that stated between 50% and 85% of modern day GDP growth is in science and technology. With Federal revenue for the State projected to decline, it is imperative to expand our investments in the science and technology fields. The Commission is scheduled to report again in September on State and local business-related taxes and tax incentives. If you are interested in reading the interim report in its entirety, you can click [here](#).

Feldman Agenda

It is both an honor and rewarding to advocate for people with disabilities in Maryland and I am pleased to sponsor an unprecedented piece of financial legislation for the disability community. The bill, **The Task Force on the Maryland Achieving A Better Life Experience (ABLE) Program**, establishes a task force to create the framework for a newly created tax-advantaged savings account for Marylanders with disabilities. When fully implemented, individuals with disabilities and their families will be able to set up and fund accounts similar to 529 College Savings Plans. The account funds can cover employment training and assistance, educational expenses, transportation and medical expenses without affecting eligibility for Social Security and Medicaid. The bill is a direct result of the Federal bi-partisan ABLE legislation enacted in December, 2014 which authorizes states to implement their own ABLE programs.

I was also able to secure unanimous passage for **The Task Force to Study Maternal Mental Health** bill which will expand our understanding of mental health in new and expecting mothers. The charge for the Task Force is to review the best practices in place around the Country and make policy recommendations about the treatment for women who experience mental health disorders during pregnancy and up to a year after giving birth.

Consistent with the findings of the Augustine Commission, it is imperative that we enact policies which focus on education in the science and technology sectors. This session, I introduced legislation, **The Task Force to Study a Program for Interest-Free Loans to STEM College Students in Maryland**, to establish a task force to explore

options for implementing greater opportunities for students studying within the STEM disciplines. Although this bill unanimously passed in the Senate, no action was taken in the House and the task force will not be created this year. It is critical that we expand access to STEM education as it is one of the fastest growing areas of job growth in our State economy and an important component in growing Maryland's economy in the future.

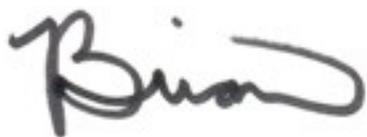
I am dedicated to passing legislation that promotes clean, renewable energy sources in Maryland. This session I sponsored **The Maryland Clean Energy Advancement Act of 2015**, the **environmental community's top legislative priority**. As the lead sponsor, I worked with environmental advocates to establish a requirement of 25% clean electricity in Maryland by 2020, a compromise from the bill's original target of 40% clean power by 2025. Maryland's Climate Action Plan calls for raising our Renewable Portfolio Standard to 25% by 2020 and is cited as the single biggest step Maryland can take to reduce emissions of climate-disrupting pollution. Equally important, the State's growing Clean Energy Sector holds tremendous economic potential in terms of job creation. Although this initiative did not pass, I remain committed to enacting policies which promote clean, renewable energy sources for Maryland so that we can diversify our State's economic portfolio while also reaching our clean energy goals.

On a related note, I was able to gain passage of a bill to support the growing electric vehicle industry. **The Maryland Electric Vehicle Infrastructure Council** bill extends the Council through 2020, tasking it to continue investigating advancements in the commercialization of electric vehicles and exploring options to upgrade Maryland's network for charging electric cars. I serve as the Senate representative on the Council. I also sponsored two additional electric vehicle bills that did not gain passage this year. The first, **Use of High Occupancy Vehicle Lanes**, would have set up a reciprocal agreement with Virginia, allowing Maryland and Virginia drivers with electric vehicles to use HOV lanes. The second, **Installation and Use of Electric Vehicle Recharging Equipment**, would have established explicit standards relating to the installation and use of electric vehicle recharging equipment in multi-unit housing communities and businesses in leased buildings. Although these two bills did not pass, I will continue to advocate for the expanded use of electric vehicles in Maryland.

Along with your District 15 Delegates - Kathleen Dumais, David Fraser-Hidalgo and Aruna Miller - I am pleased to report that we were very successful in securing bond bill funding for **The Potomac Community Resources Home**. The Potomac Community Resources Home provides much needed housing for persons with developmental differences.

In closing, I want to thank you again for contacting me during this Session with your thoughts and comments. I value your input and if you have any questions or comments, please do not hesitate to contact me at Brian.Feldman@senate.state.md.us or call me at [301-858-3169](tel:301-858-3169).

Sincerely,

A handwritten signature in black ink, appearing to read "Brian", written in a cursive style.