



END OF SESSION LETTER 2018

Dear Friend,

The 2018 Session of the Maryland General Assembly concluded at midnight on April 9th. The following is a summary of several important topics and initiatives 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.

Transportation

The Metro Funding Act of 2018 - which I sponsored in the Senate - was not only one of the most significant bills passed this Session but one of the most important bills for the DC Metro Region over the past several decades. I worked closely with my colleagues in the Maryland General Assembly and my counterparts in Virginia and the District of Columbia to facilitate passage of this historic legislation. **The Metro Funding Act** addresses Metro's ailing system by providing a new, permanent, dedicated funding stream - something that exists in every other large transit system in the Nation but has proven elusive to our system since its inception in 1967, despite the shared regional goal of improving the safety and reliability of our aging system. The process required a coordinated effort in the three jurisdictions to achieve agreement on the total amount of new dedicated funds as well as the respective share that each jurisdiction is required to contribute. *The Washington Post* opined that this agreement is "...a story about American democracy working. It features bipartisanship, compromise in the public interest, competent public servants and responsiveness to voter will."

Additionally, I successfully sponsored the **Metro Board Member Act** that creates governance reforms to improve oversight and political accountability.

Health Subcommittee Chair and Feldman Legislation

As Chair of the Senate Finance Committee's Health Subcommittee, I oversee legislation that touches on a broad range of health care policy and health insurance issues. This year, I led discussions on a variety of topics that include the rising cost of health insurance, reforms to Maryland's medical cannabis program, opioid addiction and controlling prescription drug costs.

I am particularly concerned about the long term viability of our health insurance markets and, this Session, I worked with my fellow legislators on a health insurance initiative focused on stabilizing our vulnerable individual insurance market. **The Establishment of a Reinsurance Program** creates a mechanism to provide reinsurance to carriers that offer individual health benefit plans. However, this legislation, signed by the Governor last week, will only serve as a short-term fix. As the Senate Chair of the Maryland Health Insurance Coverage Protection Commission, I will make sure the Commission takes a comprehensive look at the individual health insurance market with an eye to finding longer term solutions.

Maryland's medical cannabis program is designed to provide relief to tens of thousands of Marylanders who suffer from a variety of ailments. However, the roll-out of our medical cannabis program has not been without

its challenges. This Session, we addressed some of those challenges by reforming **The Natalie M. LaPrade Medical Cannabis Commission** to expand outreach to ensure greater racial, ethnic and gender diversity in the medical cannabis industry and improve access and affordability. As the principal Senate negotiator tasked with resolving differences between the House and the Senate, an agreement was reached that rectifies several outstanding issues and gets the program back on track to assist qualifying patients.

The soaring cost of prescription drugs is a serious financial burden, making up 18% of all health care costs. Following up on the important work that was done in Maryland last year with the passage of the Nation's first prescription price gouging legislation, I sponsored a bill to create a task force to study the advisability of creating a cooperative to reduce the cost of generic drugs and medical supplies. As the Senate Chair of the Maryland Health Insurance Coverage Protection Commission, I will oversee the debate during the interim on this and other proposals to assist consumers with rising drug and medical equipment costs.

The opioid epidemic is real and the solutions to address the problem are complex. In an effort to find ways to ameliorate this public health emergency, I introduced and advocated for a number of bills to attack this crisis. One of my bills that gained passage authorizes hospice care providers working in private homes to safely dispose of unused opioids and thereby not have the drugs diverted from the intended patient. Safe and secure disposal of these addictive drugs is one critical solution in fighting the illicit use of opioids.

Taxes

At the outset of this Session, my colleagues and I sought to mitigate the negative impact on Maryland taxpayers as a result of Congressional changes made by the Federal **Tax Cuts and Jobs Act of 2017**. The General Assembly considered many legislative proposals aimed at keeping Marylanders taxes under control.

I co-sponsored a bi-partisan bill that restores personal exemptions in Maryland. Prior to this, Maryland's exemptions had been tied to the Federal exemptions. However, the Federal exemptions were eliminated in the Federal tax legislation of 2017. Without this bill, it is estimated that Maryland taxpayers would pay an additional \$730 million in taxes in Fiscal Year (FY) 2019 and \$500 million in subsequent years.

Another piece of legislation that passed is the **Standard Deduction Alteration** bill. This initiative raises the standard deduction amount that Marylanders can utilize on their State tax returns. Roughly half of Maryland's 2.7 million taxpayers already take the standard deduction and would see lower bills under this provision. As many as 700,000 more filers are expected to take the standard deduction on their State tax returns next year. Without this legislation, Maryland taxpayers would have to pay the State an additional \$137.8 million in taxes in FY 2019 alone.

Notwithstanding the enactment of these new State tax provisions, there are several more steps that need to be taken at the State level to further resolve the negative impact on Marylanders as a result of the Federal tax law changes. As more data is compiled this year, I fully anticipate additional legislation will need to be introduced next Session.

A Balanced Budget

From Governor Hogan's introduction of his proposed FY 2019 Budget in January, discussions in the Legislature during the 90 day Session focused on preserving crucial funding for priority areas such as education and economic development. The \$44.6 billion balanced budget was fully vetted and approved by the General Assembly. In a display of bipartisanship, the FY 2019 Budget passed the Senate unanimously and by an overwhelming vote in the House of Delegates. We were able to fund our priorities without increasing the burden on Maryland taxpayers. The General Fund will have a \$100 million balance and the Rainy Day Fund will contain \$879 million - well in excess of the recommended levels. In addition, prudent spending cuts implemented by the FY 2019 Budget eliminates the structural deficit and creates a structural surplus of \$158 million.

One of Maryland's greatest achievements is its public education system. I am proud of Maryland's designation from *Education Week*, the Nation's leading education newspaper, which ranks Maryland's public schools **6th** 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. State support for K-12 schools in FY 2019 exceeds \$6.5 billion, with direct aid to local school systems increasing by 2.9%. State support for Maryland four year colleges and universities grows by \$60.8 million, or 4.1%, thereby limiting tuition growth to a modest 2.0%. Furthermore, community colleges that limit tuition growth to 2.0% will share \$2 million in incentive payments. These investments will make higher education in Maryland even more affordable and accessible.

Maryland remains committed to providing vital health care services to its residents. Medicaid funding in FY 2019 will increase \$181 million to a total of \$11.4 billion. 1.4 million Marylanders will receive the coverage they need as a result. The Budget also includes a 3.5% rate increase for providers of the developmentally disabled and people with behavioral health needs. These spending adjustments will help ensure that Maryland is responsive to the health-related needs of its citizenry.

The FY 2019 Budget increases funding to local governments and Montgomery County is slated to receive over \$816 million in direct aid, a solid 4.3% increase over FY 2018. Additionally, Montgomery County has been allocated more than \$53.7 million for public school construction and \$38.7 million for higher education facilities - \$23.1 million of which is going to The Universities at Shady Grove to fund the continued construction of a new biomedical sciences building on the Rockville campus, located in my Senate District.

Maryland has also retained its coveted AAA bond rating, one of only eleven states to receive the rating from all three rating agencies - S&P Global Ratings (formerly Standard and Poor's), Moody's Investors and Fitch Ratings. The AAA bond rating is essential to keeping our State's borrowing costs low, which allows the State to finance a wide range of critical capital improvements.

Ensuring School Funding

When casino gaming was approved in Maryland in 2007, the revenues were to be used to fund public school education. Over time, those revenues have been diverted to fund other items in the Budget. The **Fix The Fund Act**, if approved by voters, guarantees all revenue from casino gaming will be spent to improve public schools. Through a **constitutional amendment that will be on the ballot in November**, a "lockbox" will be created to provide money to the State's basic educational funding formula. It is estimated that educational funding will increase by nearly \$500 million per year.

Environment

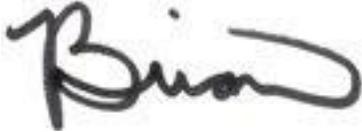
Following the success of the 2016 **Clean Energy Jobs** bill, I again partnered with environmental advocates and clean energy sector businesses to sponsor **The Clean Energy Jobs Act of 2018**. The purpose of the bill was to expand our State's goals for securing electricity from renewable sources to 50% by 2030 and to make significant investments in clean energy job training programs. Unfortunately, this bill did not pass but I am committed to continue to find ways to grow our emerging clean energy economy while also protecting our fragile environment.

Capital Projects

In collaboration with my District 15 colleagues, Delegates Kathleen Dumais, David Fraser-Hidalgo and Aruna Miller, I worked to secure capital funding for five worthy projects in our area. Two schools, **The Treatment and Learning Centers at the Katherine Thomas School** and **Ivymount School**, will access State funds to upgrade their infrastructure. A third project will support individuals with neurodevelopmental disorders through interaction with therapeutic farm animals at **Dream Catcher Meadows**. Additionally, **The Metropolitan Ballet Theatre and Academy** will receive funding for their new facility being built in Clarksburg. Lastly, the District 15 team was able to obtain **\$1 million in funding** for a **custom wine crush and teaching facility** in Poolesville. In partnership with the Montgomery County Revenue Authority, entrepreneurs interested in the wine industry will be able to lease small parcels of land to start their businesses. And, in conjunction with the University of Maryland and the Universities at Shady Grove, this facility will support educational opportunities to study viticulture and enology science, hospitality, marketing and culinary arts - creating opportunities for students across the State.

In closing, I want to thank you 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 in Annapolis as 301-858-3169. You can also follow me on  and .

Sincerely,



By Authority: Citizens for Brian Feldman, Elaine Garson, Treasurer