UNIVERSITY of MARYLAND
THE FOUNDING CAMPUS

HIGHLIGHTS OF THE 2012 SESSION OF THE MARYLAND GENERAL ASSEMBLY

April 2012

Office of Government and Community Affairs
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HIGHLIGHTS OF THE 2012 SESSION

Office of Government and Community Affairs

www.umaryland.edu/offices/government/

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Overview - The 430th session of the Maryland General Assembly convened on January 11, 2012 and adjourned "Sine Die" at midnight on Monday, April 9, 2012. This was the second regular session of the four-year (2011- 2014) term of office for the Governor and Maryland General Assembly. Of the more than 2,600 bills and resolutions introduced at the 2012 session, the Office of Government and Community Affairs tracked more than 770 bills that could impact the University of Maryland, Baltimore (UMB) community and assisted with testimony presented at more than 100 hearings.

Special Session - Although the regular session ended on April 9th, it is anticipated that a "special session" will be called to resolve budget-related, financing and other matters affecting State and local government. Because legislation failed which would have generated additional revenue and modified state spending, the State Operating Budget contains provisions, commonly known as the "doomsday budget," that will reduce anticipated appropriations for FY13. To avoid having those reductions take effect, the legislature must enact legislation at a special session to offset those reductions, including legislation that would generate substantial new revenue and shift certain retirement costs to local government. Without a special session, the legislature also will fail to address the out year structural deficit.

Appreciation - We greatly appreciate the expertise and time devoted by faculty, students, and staff who review legislation, provide testimony or participate in advocacy efforts ensuring that the legislature recognizes the great value of the University. It is an honor to represent so many talented individuals and showcase our extraordinary educational, research, clinical care and public service activities.

Highlights of the 2012 Session - This document is a brief overview of the State operating and capital budgets, key bills that passed, key bills that failed, and outcome of the recent primary election in Maryland. Note that this report includes a description of the anticipated reductions in FY 13 funding because the legislature failed to pass the Budget Reconciliation and Financing Act (SB 152) and the State and Local Revenue and Financing Act (SB 523).

2012 End of Session Report - By mid-May or following the anticipated special session, we will issue a more comprehensive summary of legislative actions, including pertinent reporting requirements and opportunities for participation in study groups, task forces, etc related to the newly enacted legislation. We will meet with university leadership to discuss the report and seek guidance for future initiatives. The report will be available at: www.umaryland.edu/offices/government/government/.

Bill Signings - The Governor has 30 days after presentment of bills to sign, veto or allow legislation to become law without his signature. Bill signings are held in the State House, with signings held on the following dates for legislation that passed at the 2012 Session: Tuesday, April 10 at 10:30 am; Wednesday, May 2 at 2:00 pm; and Tuesday, May 22 at 10:30 am. On the day prior to each scheduled bill signing, the Governor's office lists the bills to be signed at: www.gov.state.md.us/.

Assistance - Once again, we thank you for your continued assistance. For questions about this report or legislative matters, you may contact us at 410-269-5087 or by email.

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HIGHLIGHTS OF THE 2012 SESSION

PART I - STATE OPERATING AND CAPITAL BUDGETS

STATE OPERATING BUDGET

SB 150 - State Operating Budget Bill
SB 152 - Budget Reconciliation and Financing Act of 2012 (BRFA)
SB 523 - State and Local Revenue and Financing Act of 2012

Background

At the January opening of the 2012 session, the legislature confronted another difficult economic forecast, including a projected structural deficit of $1.1 billion for FY 13 and a continuing slow economic recovery for Maryland. The December 2011 report of the Spending Affordability Committee (SAC) set the stage in noting that "the State's budgetary outlook continues to reflect the national recession that began in December 2007. Although the recession officially ended in June 2009, job growth and revenue growth remain stagnant at best and are projected to recover slowly. Uncertainty about projected actions at the federal level, which would affect both the State budget and workforce, also works to dampen the outlook." The report stated that the 18 month long recession that began in December 2007 was the longest and deepest of the post-World War II period and recent revisions show that the recession was even deeper than previously thought, so the slow recovery is not unexpected.

The extraordinary fiscal problems over the past five years with plummeting state revenues, resulted in massive new federal assistance, extensive reliance on fund transfers, huge mid-year spending reductions, employee furloughs, temporary salary reductions, elimination of state positions, and no salary increases for most state employees. Prior to the opening of the 2011 session, the projected gap between state revenues and spending had grown to nearly $2 billion, driven in large part by the loss of the $1 billion one-time federal stimulus package. In order to retain the State's coveted AAA bond rating, the Spending Affordability Committee recommended that at the 2011 session, actions be taken to eliminate the structural deficit over a three-year period. By the close of the 2011 session, the legislature had closed the gap by nearly 37%; when coupled with revenue actions, the structural deficit was reduced by 46%.

Budget and Revenue Actions at 2012 Session and Potential Special Session

At the 2012 session, the legislature resolved to reduce the remaining structural deficit of $1.1 billion by at least 50%. By mid-session, Maryland was notified that it maintained the AAA rating (one of only eight states). By March, the Senate and House took different positions on SB 150 (State Operating Budget) and on how to reduce the State's structural deficit by 50%. The differences were to be resolved be passing conference committee agreements on SB 150 and several other bills, including SB 152 (Budget Reconciliation and Financing Act or BRFA) and SB 523 (State and Local Revenue Financing Act).

Before adjourning on April 9th, the Maryland Senate and House came to an agreement on, and passed, the fiscal year 2013 operating and capital budgets (SB 150 and SB 151). However, the General Assembly failed to pass SB 152 (BRFA) and SB 523 (State and Local Revenue Financing Act). The enrolled FY 13 Operating Budget Bill (SB 150) includes provisions requiring significant General Fund reductions, commonly known as the "doomsday budget," resulting from the failure to pass SB 152 and SB 523.

Due to the failure to pass SB 152 (BRFA), there will be $181 million in additional reductions to local governments. Additionally, other actions included in the BRFA, will not take effect. For a summary of

the BRFA actions which failed to be enacted, see pages 10-17 of the following document: http://mlis.state.md.us/2012rs/budget_docs/all/Operating/Committee_Reports/House_Summary.pdf.

Due to the failure to pass SB 523 (the Financing Act), there will be $250 million in cuts to State agency appropriations for FY 13, including $170 million in targeted reductions, $50 million to be allocated across all State agencies for general operating expenses, and $30 million in savings from eliminating 500 positions in the Executive Branch. The Governor may choose to convene a Special Session allowing further consideration of the BRFA and revenue options. In that case, some or all of the reductions will be restored. The Department of Budget and Management issued the following list of reductions that will be implemented if no further action is taken at a special session.

Contingent Reduction Actions for FY 13 in Budget Bill (SB 150)

	$ in Millions
Contingent on Failure of SB 152 - Budget Reconciliation and Financing Act	
Eliminate Geographic Cost of Education Index	$128.8
Reduce Disparity Grant by 10%	12.0
Eliminate Supplemental Disparity Grant	19.6
Eliminate Local Law Enforcement Grants	20.8
Subtotal	***$181.2***
Contingent on Failure of SB 523 - State and Local Revenue and Financing Act of 2012	
Eliminate Sustainable Communities Tax Credit	7.0
Eliminate provider increases for Mental Hygiene Administration	3.1
Reduce capacity at RICAs; patients may be absorbed in private RTCs	6.5
Eliminate provider increases for Developmental Disabilities Administration	8.6
Eliminate provider increases for foster care	1.4
Eliminate provider increases for non-public placements	2.1
Reduce non-public higher education grants	3.8
Reduce funding for community colleges	19.9
Eliminate Delegate and Senatorial scholarships	11.8
Reduce public higher education	38.5
Eliminate Biotechnology Tax Credit	8.0
Eliminate Stem Cell Research Fund	10.4
Increase employee share of health insurance costs	15.0
Eliminate 500 positions	30.0
Reduce agency operating expenses	50.0
Eliminate State employee cost of living adjustment	33.8
Subtotal	***$250.0***
GRAND TOTAL	$431.20

CAUTION:

The following describes the actions taken in SB 150 - State Operating Budget - but prior to the contingent reductions listed on page 4 of this report. Unless a special session is convened and actions taken to eliminate the contingent reductions, the following appropriations are subject to those reductions.

Specific State Operating Budget Provisions (SB 150)

University System of Maryland (USM)

Special Note: USM estimates that the contingent reductions listed on page 4 of this report could result in direct budget cuts exceeding $50 million. The reduction would have a major negative impact on USM students, faculty and staff adversely affecting our programs, services, and operations which advance the State's economy and quality of life.

Before accounting for the contingent reduction, SB 150 includes the following appropriations:

- **Appropriation / Reductions** - The appropriation for USM approximates $1.07 billion from a combination of General Funds and Higher Education Investment Funds (HEIF), prior to any adjustments. Revenues from the HEIF are derived from a statutory 6% of corporate income tax revenues. In the aggregate, state support remains fairly flat, not keeping pace with current services needs or inflation.

  There is $12.9 million to support a 2% COLA for employees, effective January 1, 2013 (a transfer from the Department of Budget and Management) and $9.0 million to offset the need for a 2% increase in resident, undergraduate tuition rates (by holding the increase to 3% rather than 5%).

  The USM appropriation will be modified by the following legislative actions:
  - Cut $5.3 million to reduce general fund expenditures (in earlier actions, the Senate had cut $5.3 million; the House had cut $11.6 million. The budget conference committee agreed to the cut of $5.3 million);

  - Restricted $1.0 million, requiring the funds be used only to provide incentive funding to USM institutions that propose to offer new programs at any of the non-USM Regional Higher Education Centers or else the funds revert to the General Fund (in earlier actions, the House had added this provision and the conference committee agreed to support it).

  - Restricted $250,000 of general operating expenses at the University of Maryland, Baltimore (UMB) to be transferred to USM for use by USM institutions to leverage State resources to assist farmers in the State with estates and trusts issues, compliance and environmental laws, and other matters necessary to preserve family farms; otherwise the funds revert to the General Fund (in earlier actions, the Senate had restricted the funds to establish a new University of Baltimore law clinic dedicated for farmers, but the House rejected the provision; the conference committee modified the provision).

  Final adjustments and allocations among the institutions will be made by USM to reflect the actions enacted in the State budget.

- **Fund Balance Reduction** - A reduction in fund balance was anticipated in SB 152 (failed), but a similar bill may be introduced at a special session to require a transfer of funds.

- **Tuition Freeze** - The Governor's allowance included general funds equivalent to a 2% increase in resident, undergraduate tuition rates, which was included in the appropriation. Public senior higher education institutions are expected to hold undergraduate, resident tuition increases to 3% (for the third consecutive year starting in FY 11, following a four year tuition freeze in effect from FY 07 - FY 10).

- **Reporting Requirements** -The Joint Chairmen's Report, to be issued later this month by the budget committees, is expected to require reports by USM on:

    - Faculty instructional workload (due by 12/01/12);
    - Institutional aid by expected family contribution category (due by 12/14/12); and
    - Loan data by expected family contribution category (due by 12/14/12).

University of Maryland, Baltimore (UMB)

Before accounting for the contingent reductions listed on page 4 of this report, SB 150 includes the following appropriations:

- **Appropriation** - The appropriation of $184.3 million (General Fund and HEIF support) will be revised to reflect the final budget actions (as described above under USM). State support remains flat, not keeping pace with current services needs or inflation.

- **$285,250 Grant for the Governor's Wellmobile Program** - The Governor included this grant in the Maryland Higher Education Commission (MHEC) budget. Last year, the Governor failed to include an appropriation for the Wellmobile in the original FY12 budget, but added funding in a supplemental budget, which was adopted by the legislature.

University of Maryland Medical Group (UMMG) – Cigarette Restitution Funding (CRF)

Before accounting for the contingent reductions listed on page 4 of this report, SB 150 includes the following appropriations:

- **$6,230,300 for Cancer Research and Screenings - Increase of $3.0 million over FY12** - The University of Maryland Medical Group (UMMG), as specified in law for purposes of the Cigarette Restitution Funds (CRF) Program, consists of the University of Maryland Medical System, University of Maryland, Baltimore, and University of Maryland School of Medicine. FY 12 was the twelfth year of funding from the CRF. Beginning in FY 10, the CRF support was sharply reduced, due to severe State fiscal problems, resulting in a dramatic reduction in CRF funds for four UMMG grants established by law. Total funding for FY10 decreased from $9.5 million to $2.9 million, with the CRF funds diverted by the State to offset surging Medicaid expenditures. The cuts reduced funding by more than 75% for three of the grants. As a result, two of the grants -- the Statewide Network and Tobacco-Related Diseases Research grants -- were terminated and repealed at the request of UMMG. In FYs 10, 11 and 12, the funding remained flat for the Cancer Research and the Baltimore City Public Health grants. Internal funding has temporarily mitigated the reduction to the Cancer Research grant.

Beginning with FY13, State law mandated funding for the Cancer Research grant at the $10 million level. Although the Governor included that amount in the budget, he also included provisions in SB 150 which would flat fund the Cancer grant at the $2.0 million level and divert the increase to the Medicaid budget. The legislature rejected the Governor's provision to flat fund the cancer grant, which resulted in an increase in funding from $2.0 million to $5 million for FY 13 (in earlier actions, the Senate had rejected the Governor's provisions to flat fund the grant, but the House had adopted the provisions; the budget conference committee agreed on the Senate action). The funding for FY 13 follows:

- **$5,007,300 for the UM Cancer Research Grant (up from $2 million in FY 12); and**

- **$1,223,000 for the Baltimore City Public Health Grant.**

- **Mandated CRF Support for Future Years** - The statute continues to mandate $10 million for the Cancer Research Grant in future years. The legislature had rejected a provision in SB 152 (which failed) that would have allowed the Governor to include funding in future budgets at the FY12 level.

University of Maryland Medical System (UMMS)

Before accounting for the contingent reductions listed on page 4 of this report, SB 150 includes the following appropriations:

- **$3,000,000 - Shock Trauma Subsidy** - Since FY 10, the Maryland Health Care Commission (MHCC) annually disburses $3 million to the Shock Trauma Center from the Maryland Emergency System Operations Fund (MEMSOF) as an operating subsidy for standby costs and homeland security requirements. The $200,000 grant that the Maryland Institute for Emergency Medical Services Systems (MIEMSS) had annually distributed to UMMS in support of research and educational program costs was discontinued for FY13.

- **$750,000 – Kernan Hospital Subsidy** - Beginning in FY 2009, grant funding was included in the Family Health Administration (DHMH) appropriation. As per the Education Article, §13-405, the grant is to enable UMMS to continue to provide uncompensated care and to assist with the capital financial needs in support of the former Montebello population which was transferred to UMMS under §13-402 of the Article.

Other Major State Operating Budget Provisions (SB 150)

Business & Economic Development (DBED) / MD Technology Development Corporation (TEDCO)

Before accounting for the contingent reductions listed on page 4 of this report, SB 150 includes the following appropriations:

- **$5.0 million - Maryland Innovation Initiative** - Appropriation added in the Supplemental Budget, to fund the new program created in **HB 442** - Economic Development - Maryland Technology Development Corporation - Maryland Innovation Initiative (described in Part II).

- **$10.4 million - Stem Cell Research Fund** (will be eliminated if the contingent reductions on page 4 of this report take effect).

- **$8.0 million - Biotechnology Investment Tax Credits** (will be eliminated if the contingent reductions on page 4 of this report take effect).

- **USM Unmanned Aerial Vehicle Industry** – The Budget Conference Committee added a provision to the Office of Business Development expressing intent that some portion of the $2.5 million appropriation be used to collaborate with USM to develop an incubator program for businesses associated with the unmanned aerial vehicle industry.

Health & Mental Hygiene, Department of (DHMH):

Before accounting for the contingent reductions listed on page 4 of this report, SB 150 includes the following appropriations:

- **$4.0 million - Health Enterprise Zones Health Regulatory Commissions** - The appropriation provides funding to implement the provisions of **SB 234** (summarized in Part II). SB 150 made the appropriation contingent on enactment of the legislation, which was signed into law on April 10, 2012. Further, $3.75 million of the appropriation is restricted until the Maryland Community Health Resource Commission (MCHRC) submits a report to the legislature detailing how the funds will be spent, including criteria in selecting Health Enterprise Zones, how funding is to be allocated, and outcome measures for monitoring progress.

- **Maryland Health Benefit Exchange** - The budget includes $26.5 million, of which $24.6 million is from federal funds, which represents the first formal submission of a budget. The exchange was created at the 2011 Session in response to the Federal Affordable Care Act of 2010. The exchange will provide a marketplace for individuals and small businesses to purchase affordable health coverage. See **HB 443** (summarized in Part II).

- **Medicaid Appropriation/Reductions** - Totals $7.3 billion, growing by only 3.4% over FY 12. Enrollment is expected to exceed one million for FY 13, with enrollment being the major cost driver. To better control costs in the future, Maryland needs to focus on long-term care expenditures. The major legislative actions relating to the Medicaid budget follow:

    - FY 12 Deficiency - Adjusted a proposed FY 12 deficiency appropriation based on a decline in the anticipated roll-over of bills (a reduction of nearly $128 million - 50% GFs & 50% FFs);

    - FY 12 Appropriations - The Budget Conference Committee further adjusted the appropriation for FY 12 based on favorable enrollment estimates (increased the Governor's proposed reduction of $60.0 million to $85.5 million - 50% GFs & 50% FFs);

    - Physician Fees - Reduced the proposed $75.3 million increase in physician evaluation and management fees to eliminate the increase for non-primary care physicians (a reduction of $32 million – 50% GFs & 50% FFs);

    - Managed Care Organizations (MCOs) - Reduced rates by 1%, which still provides capitated rates that fall within the actuarially sound rate range (a reduction of $6 million GFs);

- Information Systems - Reduced funding to eliminate assumption for early take-over of the new information system (a reduction of $24.5 million - 25% GFs & 75% FFs);

- Chronic Health Home Initiative - Reduced funds to reflect anticipated start-up delay in this initiative which is intended to provide medical homes for individuals with certain chronic conditions (a reduction of $7.3 million – 9% GFs & 91% FFs);

- Cigarette Restitution Fund - Transferred $11.3 million to Medicaid that otherwise would have supported tobacco and cancer programs;

- Orthodontia - Reduced to tighten criteria (a reduction of $0.5 million -50% GFs & 50% FFs); and

- Hospital Rates - Restriction added by the Budget Conference Committee requiring any portion of an increase in hospital inpatient or outpatient rates not used for that purpose be used to offset cost containment built into provider reimbursements that negatively impacts the Medicare waiver.

- **Medicaid Cost-Shift to Hospital Rates/ Revenues** - The Medicaid Funding Assessment (enacted in law in HB 72, Laws of 2011) requires the HSCRC to approve a combination of hospital assessments and remittances (currently estimated at $413 million) to support the Medicaid Program. The assessment and remittances may be reduced by any savings from Commission-approved rates or policies. The Maryland Hospital Association (MHA) notes that the Joint Chairmen's Report will contain language expressing the legislature's intent that savings from the Maryland Health Insurance Program (MHIP) and Primary Adult Care (PAC) Program as a result of health care reform be used to reduce the hospital assessment beginning in FY 14, and that the assessment be phased-out by FY 18.

- **Devices for Treatment of Cancer** - DHMH, with DBED, to report on research and development collaborations between Maryland companies and Maryland academic researchers that accelerate the development of devices, diagnostics, and therapeutics that improve cancer outcomes (due by 12/01/12).

- **Mental Hygiene** - The Budget Conference Committee restricted $100,000 pending submission by 01/01/13 of: (1) a facility program for the replacement of the existing inpatient capacity at the Spring Grove Hospital Center (SGHC), including the facility size and location; (2) in consultation with the Department of General Services, a public-private partnership request for the redevelopment of the SGHC with the financing of new State-operated in-patient psychiatric capacity; (3) a plan to facilitate utilization of a parcel at the SGHC cited in the December 2011 plan for recreational space; (4) detail on how the mental hygiene community-based services fund can be used to accelerate the development of community capacity to reduce the demand for State-operated inpatient psychiatric capacity. Note: DHMH is yet to submit a report required in the FY 12 budget relating to the long-term capital needs of the public mental health system (due date was extended to 09/01/12). These items may impact the Maryland Psychiatric Research Center (MPRC).

- **Problem Gambling Fund** - SB 152 (failed) had authorized the Governor to transfer up to $950,000 by June 30, 2012 from the Problem Gambling Fund, under the Alcohol and Drug Abuse Administration (ADAA) to the Education Trust Fund. The FY 13 budget includes $1.625 million for the Problem Gambling Fund to develop a Center of Excellence on problem gambling. The ADAA has an MOU with the School of Medicine for a gambling hotline and to provide training to the workforce on gambling addiction treatment. ADAA is amending the MOU to include workforce capacity development, public awareness of problem gambling, and prevention initiatives.

- **Integration of Behavioral Health Care** - Based on a 2011 study, a consultant's report concluded that the State should opt for a new system for the integration of behavioral health, due to the high prevalence of co-occurring substance abuse and mental health conditions. DHMH plans to develop a detailed integration plan by 09/30/12, including mechanisms to align incentives, what models of care in Maryland need support, incentives required to deploy those models, how to measure the outcomes of a new system, and the capacity of various entities to play roles required under the new system.

- **Board of Physicians** - Restricts $1 million until DHMH promulgates in regulations sanctioning guidelines for physicians and allied health professionals, as required by Chapters 533 and 534 of 2010 and reports that the guidelines have been approved by the Joint Committee on Administrative, Executive, and Legislative Review.

- **Budget Projections for Health Occupation Boards** - Requires DHMH to report on whether each board's revenue projections are adequate to support licensure and disciplinary actions for future years, including use of a uniform method to project revenues and a five-year budget projection by each board (due by 08/01/12).

- **Other Reporting Requirement** - The Joint Chairmen's Report, to be issued later this month by the budget committees, is expected to require the following reports:

    - Development of an advanced directive registry (due by 10/01/12);
    - Feasibility of implementing severe combined immunodeficiency disease screening of newborns (due by 12/31/12);
    - Plan for a State traumatic brain injury trust fund (due by 12/01/12);
    - Implementation of FY 13 Medicaid cost containment actions, including uncompensated care, outpatient price tiering, and limiting medically needy inpatient care (due by 09/15/12);
    - Any budgetary actions that negatively impacts the Medicare waiver cushion or the HSCRC approved hospital financial targets (due by 12/01/12); and
    - Planning and design of a chronic health home program (with a State Plan amendment).

Human Resources, Department of (DHR):

- **Child Welfare Caseload Data** - Requires a report by 12/01/12 on the actual number of cases and filled positions assigned, by jurisdiction, for specified caseload types in order to ensure an adequate child welfare workforce.

Maryland Higher Education Commission (MHEC):

Before accounting for the contingent reductions listed on page 4 of this report, SB 150 includes the following appropriations:

- **Appropriations** - SB 150 includes the following for FY 13, which could benefit UMB students:

    - Wellmobile - $285,250 (also listed above under UMB);
    - Complete College Maryland - $250,000 competitive grants for research-based college completion best practices;
    - Delegates Scholarships - $5.3 million;
    - Graduate and Professional Scholarships - $1.2 million;

- Janet Hoffman Loan Assistance Repayment Program - $1.5 million;
- Loan Assistance Repayment for Physicians - $0.5 million;
- Nurse Support Program II - $13.8 million;
- Senatorial Scholarships - $6.5 million; and
- Workforce Shortage Student Assistance Grants - $1.3 million.

- **Reporting Requirements** - The Joint Chairmen's Report, to be issued later this month by the Budget Committees, is expected to require the following reports:

  - Outcomes of students participating in access and success programs by cohort (due by 10/15/12);
  - Best practices and annual progress toward the 55% degree completion goal (due by 12/14/12); and
  - Framework for performance-based funding (due by 12/14/12).

Personnel:

Before accounting for the contingent reductions listed on page 4 of this report, SB 150 includes the following appropriations and changes:

- **Employee COLA** - For the first time since 2009, the budget includes funds for a modest 2% cost-of living (COLA) increase for State employees, effective January 1, 2013. However, this funding will be eliminated, if the contingent reductions as listed on page 4 of this report take effect.

- **Medical Plan Changes** - Medical plan design changes will result in higher employee/retiree premium contributions, use-based cost shifting or some combination of the two:

  - For PPO (Preferred Provider Organization) and POS (Point of Service) plans, effective July 1, 2012 coinsurance coverage will change for both "in and out of network" provider benefits and out-of-pocket payments will be required for the first time for in-network benefits.

  - For a summary of the State Employee and Retiree Health and Welfare Benefits Program go to: **http://dbm.maryland.gov/benefits/Pages/newsdisplay.aspx?CID=9**

- **Abolished Positions** - The Budget Conference Committee added an uncodified provision (Section 47- SB 150) requiring the Governor to abolish 64 regular full-time positions from the Executive Branch during FY 13 prior to 01/01/13. This is in addition to the 500 positions that will be eliminated if the contingent reductions as listed on page 4 of this report take effect.

Miscellaneous Actions:

Before accounting for the contingent reductions listed on page 4 of this report, SB 150 includes the following appropriations:

- **Across the Board Reductions** - Provisions in SB 150 require that any across-the-board reductions, unless otherwise stated, apply to the University System of Maryland (USM) and other public higher education institutions.

STATE CAPITAL BUDGET

SB 151 – Creation of a State Debt – Maryland Consolidated Capital Loan
SB 1036 – Academic Facilities Bonding Authority

The following items are of interest to the UMB community:

University of Maryland, Baltimore (UMB):

- **$4,672,000 – Health Sciences Research Facility III**: Provides, for the second year, funds for preliminary design of a new research facility, subject to the requirement that the University of Maryland, Baltimore provide an equal and matching fund for this purpose. This appropriation accelerates state funds for this project that was included in the Governor's Capital Improvement Plan, but not scheduled for any state funding until FY 15. The project is estimated to cost approximately $280 million. It is to be located on the site presently occupied by Hayden-Harris Hall (former Dental School facility). Approximately two-thirds of the facility will address space needs for research, with the remaining one-third to support functions currently in the Medical School Teaching Facility to enable the phased renovation of that building.

- **$2,675,000 – UMB Facilities Renewal (SB 1036)**:
  - Electrical Distribution System Upgrades (Campus wide) - $345,000;
  - Medical School Teaching Facility - Mechanical Infrastructure Upgrade - $990,000;
  - Fire Alarm System Upgrades and Replacements (Campus wide) - $350,000; and
  - Mechanical HVAC Upgrades (Campus wide) - $990,000.

- **$167,800 – Handicapped Accessibility Modifications**: Miscellaneous projects supporting handicapped accessibility modifications, which are budgeted under the Department of Disabilities.

University of Maryland Medical System (UMMS):

- **$10.0 million - Trauma, Critical Care, and Emergency Medicine Expansion** - To provide a grant to assist in the construction and equipping of the University of Maryland Medical Center – Trauma, Critical Care, and Emergency Medical Services Expansion project. The project is a seven story patient-care building that will connect the Shock Trauma Center (STC) and the Weinberg Building. When finished, the new facility will include an expansion of the Emergency Department, a surgical suite with 10 new operating rooms, a simulation center/training lab, 12 surgical intensive care beds, and 48 trauma beds (of which 24 are new and 24 are replacement beds). The project is expected to cost $160.0 million and be completed in FY 14.

  The state's commitment is $50.0 million. UMMS is to provide $97 million and expects to receive $13.0 million in federal funding through the Department of Defense. To date, UMMS has received $2.4 million of the $13.0 million anticipated from federal funds; any shortfall will need to be made up through UMMS operating reserves or other sources.

- **$3.5 million - State Support for Shock Trauma Center Renovation – Phase I** - FY 13 represents the final installment of State funding for this project. Beginning in fiscal 2009, the state's support of Shock Trauma's annual equipment and capital renewal expenses was moved from the operating budget to the capital budget. Prior to fiscal 2009, funding was included in the operating budget from the Maryland Emergency Medical System Operations Fund (MEMSOF) in the amount of $3.5

million per year. The funding for this renewal was moved to the capital budget to preserve the fiscal integrity of the MEMSOF fund, which was predicted to run a negative balance by the end of fiscal 2011. Budget bill language was included in the 2008 capital budget bill to recognize the legislature's intent to continue funding equipment and capital renewal expenditures at the STC through fiscal 2011. The fiscal 2011 capital budget submitted by the Governor deferred the final installment of $3.5 million to fiscal 2012. However, that funding was deferred to FY 13 due to sufficient funds from prior state appropriations.

Phase II is estimated to cost $35.0 million with a State commitment of $17.5 million. State support is not anticipated until FY 14.

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HIGHLIGHTS OF THE 2012 SESSION

PART II - OTHER MAJOR LEGISLATION

This section provides a brief description of a number of the major bills that were passed by the General Assembly during the 2012 Session. The **2012 End of Session Report**, to be issued by the Office of Government and Community Affairs by mid- May or following the anticipated special session, will provide more comprehensive information.

Bills take effect on October 1, 2012 unless otherwise indicated. Any bill except the budget bill is subject to the Governor's veto. To view a specific bill, go to the Maryland General Assembly website at: **http://mlis.state.md.us/#bill** and enter the bill number (i.e., HB 70). The 90 Day Report, which is published by legislative staff shortly after the close of the legislative session, is organized by subject matter and provides a short summary of most bills that pass. A copy of that report will be available at:
http://mlis.state.md.us/other/DLSBriefingsReportsPublications.htm.

Administration Legislation

The executive branch, under Governor Martin O'Malley and Lieutenant Governor Anthony Brown, submitted a package of legislation addressing health care, family law, and insurance; economic innovation and the environment; and state government. In addition to the budget bills described in
Part I, the following Administration sponsored bills passed during the 2012 Session:

Health Care, Family Law, and Insurance
- Civil Marriage Protection Act (HB 438)
- Maryland Health Benefit Exchange Act of 2012 (HB 443)
- Maryland Health Improvement and Disparities Reduction Act of 2012 (SB 234)
- Workers' Compensation – Medical Presumptions and Study (HB 1101)

Economic Innovation and the Environment
- Economic Development – TEDCO – Maryland Innovation Initiative (HB 442)
- Environment – Bay Restoration Fund – Fees and Uses (HB 446)
- Family Farm Preservation Act of 2012 (HB 444 / SB 294)
- Sustainable Growth and Agricultural Preservation Act of 2012 (SB 236)

State Government
- Creation of State Debt – Qualified Zone Academy Bonds (SB 153)
- Legislative Districting Plan of 2012 (HJ 1 / SJ 1)
- Procurement – Investment Activities in Iran (HB 440 / SB 235)

Maryland's health care system encompasses private insurance coverage, public insurance coverage, gap-filling programs, public health programs, and regulation and quality assurance activities. The legislation described below impacts health occupation boards, health policy, and the delivery of human service programs.

HB 824 State Board of Physicians – Appointment and Term of Chair

A sunset evaluation of the Maryland Board of Physicians (MBP) and its advisory committees was conducted in 2011. Bills that would have implemented recommendations from the sunset review relating to licensing, complaint resolution, board resources and other issues were not enacted. Instead, DHMH has arranged for Dr. Jay A. Perman, President of the University of Maryland, Baltimore to organize and oversee an independent comprehensive review of the board. A report is anticipated later this year.

This bill requires the Governor to appoint the chair of the MBP. The term of office for the chair is two years. The termination date for the MBP remains July 1, 2013. These bills take effect June 1, 2012.

HB 688 / SB 870 State Board of Physicians - Athletic Trainer Advisory Committee – Education, Supervision, and Administration

Athletic trainers were added to the jurisdiction of the State Board of Physicians (MBP) in 2009. With respect to the Athletic Trainer Advisory Committee these bills implement recommendations of the sunset review. Specifically, these bills alter the educational requirements for licensure as an athletic trainer, authorize athletic trainers to accept an "outside referral" from specified licensed health care practitioners, and clarify the acceptable mechanisms that a physician may use to supervise an athletic trainer. Physicians, hospitals, institutions, alternative health systems, and other employers are prohibited from employing an athletic trainer without a license or an approved evaluation and treatment (E&T) protocol. These emergency bills take effect upon enactment.

HB 395 / SB 921 State Board of Nursing – Sunset Extension and Revisions

A sunset evaluation of the Board of Nursing was conducted in 2011. These bills extend the termination date of the board by 10 years to July 1, 2023. Although Maryland law authorizes a waiver of criminal history records checks for certain applicants who have had such checks in another state within the previous five years, federal law (P.L. 92-544) prohibits federal criminal records obtained by boards of nursing as part of the licensing process from being shared with health care employers or others. Thus, these bills repeal the board's authority to grant a waiver from the criminal history records check (CHRC) requirements for registered nurse (RN), licensed practical nurse (LPN), and certified nursing assistant (CNA) applicants who have completed such a check through another state board of nursing within the previous five years. The bills add a certified medication technician (CMT) to the Nursing Assistant Advisory Committee and require the advisory committee to meet at least monthly.

Uncodified language in the bills require: (1) DHMH in consultation with the Department of Budget and Management (DBM) to perform a management and personnel study to determine the necessity and allocation of additional staff for the board; and (2) information on how the Board has improved its use of

data collection and tracking for the application and complaint resolution processes, and implementation and use of the sanctioning guidelines; and (3) the Board's plan to implement the findings of the personnel study. The management and personnel study must be completed by October 1, 2013, and submitted by December 1, 2013. The board's report on implementation of sanctioning guidelines and results of the management and personnel study are due December 1, 2012. These bills take effect June 1, 2012.

HB 238 / SB 337 State Board of Nursing – Nurses, Nursing Assistants, Medication Technicians, and Electrologists – Licensure and Certification Requirements

These bills extend the statute of limitations for prosecution of a misdemeanor offense for certain violations of the Maryland Nurse Practice Act or Maryland Electrologist Act (including practicing without a license) from one to three years after the offense was committed. The bills also require a registered nurse (RN) or licensed practical nurse (LPN) who resides in a Nurse Licensure Compact state (which includes Maryland) to hold a license in only one party state at a time. The license must be issued by the home state. The bills add a definition for "advanced practice nurse" and establish title protection for nurse practitioner, nurse anesthetists, nurse midwives, nurse psychotherapists, and clinical nurse specialists. An individual certified as a nurse anesthetist, nurse midwife, nurse psychotherapist, or clinical nurse specialist prior to October 1, 2012, is deemed to have met the educational requirements for advanced practice. The bills clarify that a preceptorship program includes clinical training for both nursing students and nurses returning to active practice from inactive status. The requirement that the board file a notice in the *Maryland Register* of each revocation or suspension of a license within 24 hours of the revocation or suspension is repealed.

HB 754 / SB 841 State Board of Dental Examiners – Licenses – Examination Requirements for Dentists and Dental Hygienists

The State Board of Dental Examiners issues 11 types of licenses, including a general license to practice dentistry (or dental hygiene) and a limited license to practice dentistry. A limited license is issued to graduates of dental schools outside of the United States or Canada and authorizes the licensee to practice dentistry, including as an intern or resident, only for and on patients of a specific institution or public health program named on the license. These bills conform the examination requirements for all individuals coming into Maryland to seek licensure as a dentist or dental hygienist from the State Board of Dental Examiners by requiring passage of the American Dental Licensing Examination (ADLEX) or the American Dental Hygiene Licensing Examination (ADHLEX).

HB 172 / SB 344 Health Occupations - Dental Hygienists – Local Anesthesia

These bills expand the scope of practice for dental hygienists to include administration of local anesthesia by inferior alveolar nerve block to anesthetize soft tissue to facilitate dental hygiene procedures. The bills specify that: (1) administration must be performed under the supervision of a dentist who is physically present and prescribes the administration of the local anesthesia by the dental hygienist; and (2) the dental hygienist must first complete any board-established educational requirements from an accredited dental hygiene program and pass a board-required written and clinical exam. A dental hygienist who completes the educational and exam requirements prior to October 1, 2011, must complete a refresher course and clinical exam from an accredited dental hygiene program. Additionally, the State Board of Dental Examiners must report how implementation of this act has impacted the dental profession by October 1, 2015.

HB 1356 Health Insurance – Dental Preventive Care – Coverage

This bill requires insurers, nonprofit health service plans, health maintenance organizations, and dental plan organizations (carriers) that provide dental benefits on an expense-incurred basis to provide coverage for "dental preventive care" in a specified manner. "Dental preventive care" means a preventive dental visit, screening, oral examination, teeth cleaning (prophylaxis), fluoride treatment, or routine preventive service that is a covered benefit under a policy or contract issued or delivered by a carrier. If such care is available and all other requirements for coverage are met, carriers must provide the coverage: (1) at any time during the plan year for a policy or contract that covers dental preventive care once during the plan year; or (2) in accordance with any frequency limitation for a policy or contract that covers dental preventive care more than once during the plan year, but at an interval that is no greater than 120 days during a plan year. The bill applies to all policies, contracts, and dental benefit plans issued, delivered, or renewed in the State on or after October 1, 2012, or, for policies, contracts, and dental benefit plans in effect in the State on October 1, 2012, but not subject to renewal before October 1, 2013, no later than October 1, 2013.

HB 283 / SB 274 State Board of Pharmacy – Sunset Extension and Revisions

The sunset review found that the board staff had dealt admirably with significantly expanded duties associated with the regulation of an industry that continues to grow at a rapid rate. Thus, these bills extend the termination date of the State Board of Pharmacy by 10 years to July 1, 2023. The sunset review also found that the administrative process associated with the Drug Therapy Management Program to be onerous and the joint approval process inconsistent with the policies of other health occupations boards and with the approval processes of drug therapy management programs in other states. Consequently these bills remove the requirement that the State Board of Pharmacy and the State Board of Physicians jointly approve physician-pharmacist agreements and protocols used under the Drug Therapy Management Program and, instead, requires physicians and pharmacists who enter into such agreements to submit a copy of the agreement and any subsequent modifications to their respective licensing board. The bills authorize the board to assess a fee, as established in regulation, for approval of a physician-pharmacist agreement under the Drug Therapy Management Program. The bills also alter the dates on which pharmacy permits and wholesale distributor permits expire from December 31 to May 31 to accommodate the revised permit renewal date of May 31.

Uncodified language requires the board to submit: (1) a report by December 1, 2012 on the implementation and use of sanctioning guidelines, and (2) by October 1, 2013 the impact of modifications made to the drug therapy management program; actions to reduce the length of the pharmacy technician registration process; status of the Board's contractual relationship with the Pharmacists' Education and Advocacy Council (PEAC); and financial analysis. These bills take effect July 1, 2012.

HB 73 / SB 95 State Board of Social Work Examiners – Sunset Extension and Program Evaluation

The sunset review found that the Board of Social Work Examiners was sufficiently meeting its mandated duties, including efficiently issuing licenses and taking disciplinary actions where warranted. These bills extend the termination date for the State Board of Social Work Examiners by 10 years to July 1, 2024. Uncodified language requires the board to submit a report on or before October 1, 2013, that includes an analysis of licensing trends for the licensed social work associate license and updates on licensing fees and the board's disciplinary process. These bills take effect July 1, 2012.

HB 834 Child Abuse and Neglect – Alternative Response

This departmental bill authorizes the Secretary of the Department of Human Resources (DHR) to establish an alternative response system, instead of a traditional investigation, for selected reports of suspected abuse or neglect. DHR must develop a data collection process to assess the impact of alternative response in the areas of child safety, timeliness of response and service, coordination and provision of local human services, cost effectiveness, recordkeeping, and other significant related issues. By October 1, 2014, DHR must report on its preliminary assessment of alternative response and its recommendations for continuing the alternative response program. A final report on the alternative response program must be submitted by October 1, 2015. The bill takes effect July 1, 2012; however, DHR may not begin actual implementation of alternative response in local departments of social services before July 1, 2013.

HB 348 / SB 474 State Board of Professional Counselors and Therapists – Certified Professional Counselor-Alcohol and Drug – Repeal

These bills implement recommendations as a result of the board's 2007 sunset review. Among other things, the sunset review required the board to study the certification structure for alcohol and drug counselors to determine whether the three-tiered certification structure is of continued benefit to the profession and the public. The board recommended that the Certified Professional Counselor-Alcohol and Drug (CPC-AD) credential be repealed for new applicants, while authorizing currently certified CPC-ADs to renew their certification and continue practicing nonclinical alcohol and drug counseling. The board's authority to (1) waive the requirements for certification for an applicant licensed or certified to practice as a CPC-AD in another state; (2) place a CPC-AD on inactive status; or (3) reinstate the certificate of a CPC-AD is also repealed.

HB 957 / SB 395 Health Occupations – Public Disclosure of Professional Credentials and Reports on Advertising Regulations and Policies

These bills prohibit a physician from representing to the public that the physician is certified by a public or private board, including a multidisciplinary board, or that the physician is board certified, unless: (1) the physician discloses the full name of the board and the name of the specialty or subspecialty; and (2) the certifying board meets specified requirements. Uncodified language requires each health occupations board to submit a report on any existing regulations or policies governing advertising by health care practitioners by December 31, 2012.

HB 243 / SB 179 Kathleen A. Mathias Chemotherapy Parity Act of 2012

These bills prohibit insurers, nonprofit health service plans, and health maintenance organizations that provide coverage for both orally administered cancer chemotherapy and cancer chemotherapy administered intravenously or by injection from imposing dollar limits, copayments, deductibles, or coinsurance requirements on coverage for orally administered cancer chemotherapy that are less favorable to an enrollee than those that apply to cancer chemotherapy administered intravenously or by injection. These bills apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after October 1, 2012.

SB 234 Maryland Health Improvement and Disparities Reduction Act of 2012

This Administration bill establishes a process for designation of "Health Enterprise Zones" (HEZs) to target State resources to reduce health disparities, improve health outcomes, and reduce health costs and hospital admissions and readmissions in specific areas of the State. To be designated as an HEZ, a nonprofit community-based organization or local government agency must apply to DHMH. The bill authorizes specified incentives for "Health Enterprise Zone practitioners" who practice in an HEZ, including: (1) State income tax credits; (2) loan repayment assistance; (3) priority to enter the Maryland Patient Centered Medical Home (PCMH) Program; and (4) priority for receipt of any State funding available for electronic health records. A "Health Enterprise Zone practitioner" means a health care practitioner who is licensed or certified under the Health Occupations Article and who provides primary care (including obstetrics, gynecological services, pediatric services, or geriatric services); behavioral health services (including mental health or alcohol and substance abuse services); or dental services.

Annually by December 15, the Maryland Community Health Resources Commission (MCHRC) and the Secretary of DHMH must report on the number and types of incentives granted in each HEZ; evidence of the impact of the incentives in attracting HEZ practitioners, reducing health disparities, and improving health outcomes; and evidence of progress in reducing health costs and hospital admissions and readmissions in HEZs. DHMH in consultation with MCHRC, may adopt regulations to carry out the bill's provisions relating to HEZs.

Annually by December 1, each Maryland institution of higher education that offers a program necessary for the licensing of health care professionals (medicine, nursing, dentistry, social work, public health, and allied health) must report on the actions taken by the institution to reduce health disparities. This requirement takes effect October 1, 2012, and is not subject to termination.

Uncodified language requires the Health Services Cost Review Commission (HSCRC) and the Maryland Health Care Commission (MHCC) to study the feasibility of including racial and ethnic performance data tracking in quality incentive programs and, in coordination with the evaluation of the PCMH program, measure the impact of the program on eliminating disparities in health outcomes. The commissions must report by January 1, 2013, data by race and ethnicity in quality incentive programs, if feasible, and recommendations for criteria and standards to measure the impact of the PCMH program on the elimination of disparities in health care outcomes.

The Maryland Health Quality and Cost Council (MHQCC) must convene a workgroup to examine appropriate standards for cultural and linguistic competency and the feasibility and desirability of incorporating these standards into reporting and tiering of reimbursement rates by payors; assess the feasibility of and develop recommendations for criteria and standards establishing multicultural health care; and recommend criteria for health care providers in the State to receive continuing education in multicultural health care. Membership of the workgroup may include academic centers of health literacy and health disparities research, experts on health disparities and health literacy, health care professionals and providers, and members of the Patient Centered Learning Medical Home Learning Collaborative. The academic centers of health literacy and health disparities research must assist MHCC and DHMH in staffing and leading the workgroup. The workgroup must submit its findings and recommendations to MHQCC by December 1, 2013.

Each nonprofit hospital's annual community benefit report must include a description of the hospital's efforts to track and reduce health disparities. This requirement takes effect October 1, 2012, and is not subject to termination.

The FY 2013 budget includes $4 million for the Health Enterprise Zone Reserve Fund. The bill generally takes effect July 1, 2012, but some provisions take effect October 1, 2012. The HEZ and tax credit provisions of the bill terminate June 30, 2016.

HB 1149 / SB 781 Health Insurance – Coverage for Services Delivered Through Telemedicine

These bills require insurers, nonprofit health service plans, and health maintenance organizations (HMOs) to cover and reimburse for health care services appropriately delivered through "telemedicine." Uncodified language requires the Department of Public Safety and Correctional Services to study the use of telemedicine services to identify opportunities to reduce costs and report by December 1, 2012. The bills also require DHMH to review other state Medicaid agencies' telemedicine policies and procedures and conduct a fiscal analysis of the potential effect of Medicaid coverage of telemedicine, and submit a report by December 1, 2012. The bills apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after October 1, 2012.

HB 443 Maryland Health Benefit Exchange Act of 2012

This Administration bill expands the operating structure of the Maryland Health Benefit Exchange by, among other things, authorizing the exchange to contract with health insurance carriers in a certain manner, establishing the framework for the Small Business Health Options Program (SHOP) Exchange, and establishing navigator programs for the SHOP and Individual exchanges. The bill requires SHOP Exchange navigators to be licensed, Individual Exchange navigators to be certified, and insurance producers to be authorized to sell qualified plans in the SHOP and/or Individual exchanges. The bill also establishes a process for selecting the benchmark plan that will serve as the standard for the essential health benefits for health benefit plans offered in the small group and individual markets, both inside and outside the exchange.

The bill requires the State benchmark plan to be selected by the Maryland Health Care Reform Coordinating Council (MHCRCC) through an open, transparent, and inclusive process. Any action of the council must be taken only by the affirmative vote of at least nine members. The council must obtain guidance necessary to determine the 10 health benefit plans deemed eligible by the U.S. Secretary of Health and Human Services to be the State benchmark plan, conduct a comparative analysis of the benefits of each plan, solicit the input of stakeholders and the public, and select a plan that complies with all requirements of specified State and federal laws. By September 30, 2012, the council must select the State benchmark plan for coverage beginning January 1, 2014.

The bill also includes multiple requirements regarding further study and reporting. The bill establishes a joint legislative and executive committee that must, by December 1, 2012, in consultation with specified stakeholders, conduct a study and report its findings and recommendations on the financing mechanisms that should be used to enable the exchange to be self-sustaining by 2015.

By December 1, 2015, the exchange, in consultation with the Maryland Insurance Administration, must conduct a study and report its findings and recommendations on whether the State should develop a risk adjustment program as an alternative to the federal or Maryland-specific model selected and, if so, how the alternative program should be designed, when it should be implemented, whether certain strategies

should be implemented, and whether the State should develop a Maryland-specific reinsurance program to ensure affordability of premiums in the individual market.

The exchange, in consultation with its advisory committees and other stakeholders, must conduct studies and report its findings and recommendations on: (1) the establishment of requirements for continuity of care in the State's health insurance markets (by December 1, 2012); (2) whether the exchange should remain an independent public body or should become a nongovernmental, nonprofit entity (by December 1, 2015); and (3) whether to continue to maintain separate small group and individual markets or to merge the two markets (by December 1, 2016). The FY 2013 budget includes $26.5 million for the exchange. The bill takes effect June 1, 2012, although some provisions do not take effect until January 1, 2014.

SB 954 Medical Records – Enhancement or Coordination of Patient Care

This bill authorizes specific medical information or medical data contained in an individual's medical or claims records to be disclosed to the individual's treating providers or to the individual's carrier or accountable care organization (ACO) for the sole purposes of enhancing or coordinating patient care or assisting the treating providers' clinical decision making. A disclosure may not be used for underwriting or utilization review purposes. Carriers, ACOs, and health care providers must provide a specific notice regarding the information to be shared, with whom it will be shared, and the specific types of uses and disclosures that may be made. This notice must include an opportunity for an individual to opt-out of the sharing of the individual's medical record.

HB 362 Northeast Maryland Higher Education Advisory Board

This bill establishes the Northeast Maryland Higher Education Advisory Board (NMHEAB) and specifies board membership and duties. Among the membership of the advisory board is one representative of each of the 4-year institutions of higher education offering programs at the Center and site appointed by the institution. Site is defined as a 4-year institution of higher education that offers undergraduate and graduate programs in Cecil County and Harford County and is affiliated with the Center. Board members must be appointed by November 1, 2012. Duties of the board are to assist and support the development of higher education in Cecil and Harford counties.

HB 679 Cultural Competency and Health Literacy – Education

This bill expands the voluntary Cultural Linguistic Health Care Provider Competency Program to encompass all health care *professionals*, including pharmacists and health educators, rather than *providers* and renames the program accordingly. By December 1, 2012, universities, colleges, and higher education programs for specified healthcare professions (medicine, nursing, dentistry, social work, public health, and allied health) must report to the General Assembly and the Maryland Office of Minority Health and Health Disparities on the courses that have been developed as required under the bill. The bill takes effect July 1, 2012.

HB 1228 Regional Higher Education Centers – Funding Formula

This bill requires the Maryland Higher Education Commission (MHEC) to calculate grants for each regional higher education center (RHEC) administered by MHEC using a specified formula. Funding for the formula is as provided in the annual State budget. MHEC must review and make recommendations regarding the inclusion of outcome and performance measures in the RHEC funding formula and report its findings and recommendations by October 1, 2013. The bill takes effect July 1, 2012.

HB 141 / SB 405 Life Sciences Advisory Board – Purpose and Membership

These bills increase the membership of the existing Life Sciences Advisory Board (LSAB) in the Department of Business and Economic Development (DBED) to include three members with executive small business experience in the life sciences. In addition, the bills charge the board with recommending state and federal policies, priorities, practices, and legislation to expedite the creation of private-sector jobs through the commercialization of life sciences research.

HB 442 Economic Development – Maryland Technology Development Corporation – Maryland Innovation Initiative

This Administration bill establishes the Maryland Innovation Initiative and the Maryland Innovation Initiative Fund (MIIF) in the Maryland Technology Development Corporation (TEDCO) to promote technology transfer from Maryland's public and private nonprofit research institutions to the private sector. To qualify for participation in the initiative, the University of Maryland, College Park; Johns

Hopkins University; and the University of Maryland, Baltimore must each provide at least $200,000 annually to carry out the initiative's established purpose. Morgan State University (MSU) and the University of Maryland, Baltimore County (UMBC) must each provide at least $100,000 annually to the initiative.

The bill requires the University System of Maryland (USM) and MSU to undertake qualified "high impact development activities." "High impact economic development activity" means an initiative, transaction, or other undertaking to create or facilitate: (1) 20 or more new jobs in the State; (2) the award or completion of at least $1 million in externally funded research or other projects; (3) the establishment or relocation of one or more new companies doing business in the State; (4) the production of at least $1 million of annual gross revenue; (5) the licensing and potential commercialization of a promising new technology or product; or (6) an academic program to meet workforce demand in a documented labor shortage field.

The Board of Regents must report annually on high impact economic development activity undertaken during the preceding fiscal year by Oct 1.

In addition, the bill increases from $500,000 to $1 million, the minimum value for which any contract for services, capital improvement or disposition of personal property by USM must be submitted to BPW for review and approval. However, the dispositions of personal property purchased with the proceeds of a general obligation loan in any amount remains subject to review and approval by BPW.

The FY 2013 budget includes $5 million for this initiative. The bill takes effect July 1, 2012.

PART III– MAJOR BILLS WHICH DID NOT PASS AT THE 2012 SESSION

HB 15 / SB 995	Medical Marijuana – Caregiver – Affirmative Defense
HB 87 / SB 152	Budget Reconciliation and Financing Act of 2012
HB 289 / SB 399	Economic Development – Maryland Stem Cell Research Act – Revisions
HB 408 / SB 505	Health Occupations – Imaging and Radiation Therapy Services – Accreditation
HB 576 / SB 358	Public-Private Partnerships
HB 696	Institutions of Higher Education – Hiring of Outside Legal Counsel – Requirements
HB 746 / SB 434	Institutions of Postsecondary Education – Electronic Account, Service, and Communications Device Privacy Protection
HB 751	University System of Maryland – Law School Clinics – Prohibited Activities
HB 943 / SB 570	Income Tax Credit – Qualified Research and Development Expenses
HB 1024 / HB 1158	Medical Marijuana Oversight Commission
HB 1167	Cigarette Restitution Fund – Lung Cancer Screening and Biotechnology
HB 1226 / SB 687	Higher Education – Academic Program Action – Repeal of Application Fees
HB 1341 / SB 953	Medicaid Sustainability Commission
HB 1349 / SB 945	University of Maryland, Baltimore – Environmental Law Clinic – Reimbursement of Lawsuit Expenses
HB 1407 / SB 784	Department of Health and Mental Hygiene - Workgroup on Cancer Clusters and Environmental Causes of Cancer
SB 432	Procurement – Maryland Buy American Steel and Manufactured Goods Act
SB 523	State and Local Revenue and Financing Act of 2012
SB 758	Department of Health and Mental Hygiene - Containment Laboratories - Oversight
SB 839	College Affordability and Innovation Act of 2012

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HIGHLIGHTS OF THE 2012 SESSION

PART IV – UNOFFICIAL RESULTS 2012 CONGRESSIONAL PRIMARY ELECTION IN MARYLAND

Maryland adopted new congressional districts on October 20, 2011 (per U.S. Constitution Article I, Section 2) based on the changes in population reported in the 2010 U.S. Census. Below are the unofficial results of the Primary Election in Maryland for the new congressional districts conducted on April 3, 2012. The two Democratic candidates in Maryland's 1st Congressional District remain too close to call. Certification of election results are due April 13, 2012.

Key: * Denotes incumbent
* * Denotes current member of Maryland General Assembly

REPRESENTATIVES IN SENATE

Election Cycle	Democrat	Republican
U.S. Senators serve six-year terms with one-third of the body standing for election every two years (U.S. Constitution, Art. 1, sec. 3).	Benjamin Cardin*	Daniel John Bongino

REPRESENTATIVES IN CONGRESS

District/County		Democrat	Republican
1	Baltimore Co., Caroline, Carroll, Cecil, Dorchester, Harford, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester	Wendy Rosen or John LaFerla *(Pending certification of results)*	Andrew Harris*
2	Anne Arundel, Baltimore City, Baltimore Co., Harford, and Howard	C. A. Dutch Ruppersberger *	Nancy Jacobs**
3	Anne Arundel, Baltimore City, Baltimore Co., Howard, and Montgomery	John P. Sarbanes*	Eric Delano Knowles
4	Anne Arundel and Prince George's	Donna Edwards*	Faith M. Loudon
5	Anne Arundel, Calvert, Charles, Prince George's, and St. Mary's	Steny H Hoyer*	Anthony J. O'Donnell**
6	Allegany, Frederick, Garrett, Montgomery, and Washington	John Delaney	Roscoe G. Bartlett*
7	Baltimore City, Baltimore Co., and Howard Co.	Elijah E. Cummings*	Frank C. Mirabile
8	Carroll, Frederick, and Montgomery	Chris Van Hollen *	Ken Timmerman