BILL SUMMARIES

Protecting Maryland's Children

Lifetime Supervision for Sex Offenders

Background: The O'Malley-Brown Administration has made public safety an integral part of its mission by establishing a key goal of a 25 percent reduction in violent crime against women and children by 2012. We have partnered with our local jurisdictions to crack down on repeat violent offenders by ramping up our efforts to use DNA and digitally enhanced fingerprint evidence to solve crimes and by supporting our courageous police officers, fire fighters, and first responders.

In order to meet this goal, we have championed a number of public safety bills, but we have also made equally important changes administratively. The Division of Parole and Probation (DPP) has focused its attention on known violent and sexual offenders. All sex offenders are assigned to specially trained agents, required to be under the strictest probationary terms, and placed on GPS monitoring at intake. Violent offenders are placed in the Violence Prevention Initiative (VPI) and, along with sex offenders, are strictly monitored under a "containment model" with a zero tolerance policy for violations.

Governor O'Malley courageously committed the resources upon taking office to addressing an inherited backlog of 24,000 DNA samples. As a result, more than 100 sex offenders have been arrested since March 2007 through DNA database matches.

Description: The bill requires that courts sentence certain serious sex offenders (convicted of first degree rape/attempt; second degree rape/attempt; first degree sexual offense/attempt; certain second degree and third degree sexual offenses; certain sexual abuse of a minor) and sex offenders with multiple offenses to mandatory lifetime supervision. This lifetime supervision must be consecutive to any sentence or probationary term imposed for the underlying offense. The sentencing court must order a presentence investigation prior to imposing the conditions of this lifetime supervision, which may include GPS monitoring. The bill also provides for criminal penalties for violations and provides that any sentence imposed for a violation of lifetime supervision is not subject to dimunition credits.

The bill further provides that, following the original sentence and an additional three years of lifetime supervision, a person may petition the sentencing court for discharge from this supervision. In order to file a petition, a person must have a recommendation from their supervising agent and a risk assessment conducted by a sexual offender treatment provider. A sentencing court may not discharge a person from lifetime supervision unless there is a finding that the person no longer poses an unacceptable risk to community safety.

Job Creation and Economic Recovery

Job Creation and Recovery Tax Credit

Background: Maryland's unemployment rate is 7.5%. While Maryland's unemployment rate remains well below the national average, Marylanders who are out of work through no fault of their own are still struggling to find jobs in this sluggish economy. This initiative can put more than 6,000 Marylanders back to work if fully utilized, and will relieve pressure on the state's Unemployment Insurance Trust Fund by taking more Marylanders off unemployment.

Description: To get Marylanders back to work and off the unemployment rolls, this bill will offer any Maryland business a $3,000 tax credit for every unemployed Marylander it hires. This one-year initiative is capped at $20 million, and $250,000 per employer. The hired individual must be kept employed for at least one year, and must fill a position that is new or that has been vacant for the prior six months. This tax credit applies to employees who are currently on unemployment insurance benefits, or who were in the past year.

Unemployment Insurance Trust Fund Modernization

Background: The national recession has resulted in an unprecedented demand on the unemployment insurance trust fund. It has triggered a statutorily-mandated increase in employers' rates next year while businesses are still struggling to cope with the economic downturn. In addition, despite increased revenues from the rate shift and the relative health of Maryland's trust fund compared to 25 other state funds in bankruptcy, the fund's solvency will remain at risk through 2010 and will require a short-term federal loan to meet benefit obligations.

Legislation: The Governor will mitigate the recession's impact on employers' rate obligations in three ways:

1) *Administrative* p*ayment plans and legislative interest rate reduction*: The Administration will institute payment plans to allow employers to spread out their payments over a longer time frame. It will also seek a reduction of the current 1.5% interest rate for late payment of rate obligations to 1%.

2) *$83 million in rate relief*: The Administration will propose legislation to provide $83 million in immediate rate relief to employers. The bill will authorize a one-year shift from Table F to Table E when the State's taxable wage base declines $1 billion and the trust fund receives an influx of outside funds to compensate for the revenue reduction.

3) *Immediate influx to trust fund of $126.8 million in federal dollars*: The Administration will shore up the fund's declining balance and enable rate relief by proposing legislation to access $126.8 million in federal stimulus funds. To enable Maryland to meet federal requirements for accessing the funds, the proposal will: a) adopt Alternative Base Period, a second method of calculating workers' eligibility for benefits which will likely be required soon as a matter of federal law or policy; b) make technical adjustments to our existing law allowing benefits for part-time workers; and c) provide additional benefits to unemployed workers in training programs, the lowest-cost option available under the federal law, which will stimulate workforce development and training necessary to get people working again.

Fueling Innovation through Renewable Resources

Vehicle Excise Tax for Plug-in Electric Vehicles

Background: The transition from gasoline powered to electric vehicles will provide enormous and far-reaching environmental, economic, national security and health benefits to our citizens. Electric vehicles will reduce petroleum use and greenhouse gas emissions, lower fuel costs, improve air quality, and increase the State's and country's energy independence. A new generation of Plug-in Hybrid Electric Vehicles (PHEVs) will come on the market in 2010 – 2012, including the Chevy Volt, and other electric-powered vehicles by Nissan, Ford, Toyota and Chrysler. In 2008, Congress included in the Energy Improvement and Extension Act a new tax credit for qualified PHEVs purchased between 2009 and 2014. The credit ranges from $2,500 to $7,500 for passenger vehicles.

Legislation: To incentivize the purchase of electric vehicles in Maryland, the Governor is proposing a 3-year vehicle excise tax exemption for the purchase of plug-in electric vehicles. The excise tax exemption would be capped at $2,000 per vehicle. Exemptions would be limited to one per individual and 10 per business entity. The cost of the exemptions, estimated to be $270,000 in fiscal year 2011, would be paid for out of Regional Greenhouse Gas Initiative (RGGI) proceeds in the Strategic Energy Investment Fund.

Accelerating the Solar Renewable Portfolio Standard (RPS)

Background: Maryland's Renewable Portfolio Standard (RPS) requires that a specific percentage of electricity sold in the State must come from solar energy. The solar requirement starts with 0.005% in 2008 and increases each year, peaking at 2% in 2022 and remaining at 2% for each year thereafter. Compared to some other states such as New Jersey and Delaware, Maryland's solar requirement increases very slowly in the early years of the RPS, and then increases more rapidly in the last few years.

Legislation: This legislation will accelerate Maryland's solar RPS requirements in the early years (2011 – 2017), resulting in more residential and commercial solar installations in those years. It will make the phase-in of the Solar RPS more evenly distributed over the next decade and provide more long-term support for Maryland's growing solar industry. This change will put the State's solar goals more in line with New Jersey and Delaware. Additional solar energy in Maryland will decrease peak load electricity prices in the summertime, reduce greenhouse gas emissions by displacing fossil-fueled powered generation, create new green jobs, and help Maryland meet its renewable energy goals. The Alternative Compliance Payment, a fee that must be paid if an electricity provider fails to meet the solar component of Maryland's RPS, will also be adjusted in the legislation.

Reauthorize Renewable Energy Production Tax Credit

Background: The existing tax credit program is set to expire at the end of 2010. This program offers Marylanders a state income tax credit for electricity generated by a renewable resource.

Legislation: The existing program cap of $25 million would remain. The Governor proposes offering Marylanders a state income tax credit limited to $2.5 million to any eligible taxpayer for electricity generated by qualified resources of 0.85 cents per kilo-watt hour, and 0.50 cents per kilo-watt hour for electricity generated from co-firing a qualified resource with coal. The tax credit program would be reauthorized through 2014.

Off-Shore Wind Energy

Background: Supporting our efforts to lead in this new clean energy sector, the proposal would create an effective regulatory framework for offshore wind energy development by addressing gaps in existing regulatory authority. The proposal makes the necessary statutory changes in advance of formal offshore wind energy proposals and applications.

Legislation: The legislation establishes the Public Service Commission's jurisdiction over renewable energy lines from offshore wind facilities and allows the construction of a submerged or buried renewable energy line in the beach erosion control district as long as the wind generation facility to which the lines are connected is located at least three miles off the coast. Also the building of the lines could not have any adverse impact on the environment.

Keeping Marylanders in their Homes

Foreclosure Mediation

Background: Despite the federal Home Affordable Modification Program and other loss mitigation options that are available to help borrowers, many homeowners who may be eligible for loan modifications that could save their homes do not receive them. As a result, the harmful tide of foreclosures continues to rise. Building on the O'Malley-Brown Administration's bold reforms of the foreclosure process and timelines in 2007, the Administration remains committed to ensuring that those homeowners who are eligible for loan modifications are able to obtain them, and that others can pursue alternatives to avoid foreclosure or lessen its harmful impact. Borrowers who may be eligible for loan modifications to save their homes but find themselves facing foreclosure anyway should be afforded the opportunity to talk directly with their lenders to find a resolution before their homes are sold.

Legislation: This bill establishes a foreclosure mediation process for Maryland homeowners upon the filing of foreclosure proceedings. It requires lenders/servicers to use the 45 day period prior to the filing of the foreclosure action more productively to achieve loan modifications where possible by requiring the Notice to include a loss mitigation application and other information helpful to the homeowner to prevent the loss of their home.

The bill prohibits the filing of a foreclosure action without completion of loan modification review by requiring the lender/servicer to file, at the time of filing the foreclosure action, an affidavit documenting completion of review, reasons for denial and calculations on which denial was based, or showing that review could not be completed because borrower failed to engage in the process. Lenders/Servicers must also document that other loss mitigation alternatives were considered.

A Borrower can file a "Request for Foreclosure Mediation" on a form that the lender/servicer is required to provide, giving every Maryland family facing foreclosure the right to request a mediation session, face-to-face, with the servicer filing foreclosure.

In order to ensure sufficient housing counseling services to support program, and to help defray judicial costs for implementation, the bill requires the lender/servicer to pay a $100 fee upon the filing of a foreclosure action to be used for additional housing counselors and judicial resources to implement the program. That fee may not be passed on to the borrower.

Improving America's Number One School System

NOTE: The Governor also plans on introducing legislation at a later date to better position Maryland for federal Race to the Top funding. The Governor continues to work with stakeholders to craft reforms that will further improve the nation's number one public school system.

Longitudinal Data System (LDS)

Background: The final report of the Interagency Committee on the Development of the Maryland LDS proposed legislation to create an integrated P-20 LDS Center and governing board and address compliance and privacy requirements necessary to implement the Maryland LDS. The creation of a Statewide LDS will enable the exchange of student data among agencies and institutions within the State, and generate timely and accurate information about student achievement that can be used to improve Maryland's education system and guide decision-makers at all levels.

Legislation: This bill would create an integrated LDS from elementary through higher education, avoiding having separate systems for each level of school which is both ineffectual and nonsensical.

Higher Education Investment Fund

Background: The Higher Education Investment Fund (HEIF) was created by Governor O'Malley to help stabilize tuition and make college more affordable for Maryland's working families. It is scheduled to sunset at the end of FY2010.

Legislation: This bill makes funding for the HEIF from corporate income tax revenues permanent and establishes a Tuition Stabilization Account in the HEIF based on recommendations from the Bohanan Commission. Creation of a Tuition Stabilization Account helps enforce the message that we need to have a predictable, affordable tuition policy and avoid large spikes in the future.

P-20 Leadership Council

Background: In 2007, Governor O'Malley created the P-20 Leadership Council to create an integrated statewide system to better prepare Maryland students for the jobs of the 21st century while enhancing the State's economic competitiveness by creating a workforce with 21st century skills. The Council was established by Executive Order to formalize the Council under the Governor's leadership and to expand the Council's efforts to focus on workforce development and economic competitiveness

Legislation: This legislation codifies the P-20 Leadership Council and adding legislative participation to the Council, which will strengthen its role in guiding State policy on education and workforce development and will demonstrate Maryland's commitment to developing strong P-20 connections, which could help Maryland leverage federal and private funds for its P-20 efforts.

Expanding Healthcare

Patient Centered Medical Home Program

Background: The patient centered medical home (PCMH) is a model of primary care in which a team of health professionals, guided by a personal physician, provides continuous, comprehensive, and coordinated care in a culturally and linguistically sensitive manner. A PCMH practice provides for all of a patient's health care needs or appropriately collaborates with other qualified professionals to provide patient-centered care through evidence-based medicine, expanded access and communication, care coordination and integration, and care quality and safety. A PCMH is hoped to lower the total costs of care, improve clinical care processes, increase patient access, enhance patient experience of care, and improve staff work satisfaction.

PCMH pilot programs are underway in over 20 states, including an 11 practice pilot established in the spring of 2009 by Carefirst. Pennsylvania, Vermont, Minnesota and Oregon have enacted major health reform legislation with the PCMH as a key element. The Maryland Health Quality and Cost Council adopted a plan in December 2009 to launch an all-payer PCMH program composed of 50 practices, 200 providers, and up to 200,000 patients beginning in January 2011.

Legislation: The bill directs the Maryland Health Care Commission (MHCC) to establish a PCMH Program consisting of all-payer and single-payer PCMH pilots. A PCMH program in law will establish a clear state action claim and protect stakeholders from federal anti-trust challenges.

The shared savings approaches envisioned in the Maryland PCMH models require a change in the Insurance Article. The bill will modify the Insurance Article to permit the use of care coordination payments and incentive-based bonus arrangements for providers that participate in a Maryland PCMH program (incentive based programs are currently limited under the Insurance Article to those derived from quality measures).

Carriers will be permitted to share medical information they collect about a patient with that individual's PCMH and other treating providers rendering health care services, if the patient consents to that release at enrollment in the PCMH.

Making government more efficient

Maryland False Health Claims Act of 2010

Background**:** This bill will significantly advance the State's efforts to contain costs and eliminate waste and abuse in State health programs. First, the State currently can recover only actual losses proven dollar for dollar; no extrapolation of audit findings or penalties for repeat offenders are possible except in the criminal context. The ability to bring civil suits for treble damages will augment the State's recoveries substantially. The federal government recovered more than $3.1 billion under the federal FCA in 2006, and the over twenty states which have enacted false claims acts have realized increased recoveries of up to 100%. For example, Virginia's Medicaid state recoveries have risen from the $20 million range to the $100 million range in the two years since enactment of its FCA.

Second, the bill will increase the State's share of any recoveries to the Medicaid program obtained in a civil fraud action by 10%. Under current law, the State's percentage share of recoveries is limited to its percentage contribution to the Medicaid program. Where the State contributes 40% with a 60% federal match, for example, the State recovers only 40% of any damages. The federal Deficit Reduction Act ("DRA"), however, creates an incentive for states to enact FCAs with qui tam provisions by increasing the States' share of any recoveries under such acts by 10%.

Legislation**:** This bill will enable the State to recover damages and penalties from individuals who defraud the State by filing false claims against State health plans and programs (*e.g.*, Medicaid). It also mirrors the federal False Claims Act ("FCA") by including a "qui tam" provision through which private persons, known as "relators" or "whistleblowers," can file suit and recover a share of any damages or penalties awarded the State.

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