



GREATER BALTIMORE COMMITTEE

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March 25, 2019

State House Update

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MD GENERAL ASSEMBLY

[General Assembly Website](#)

[Committee Schedule](#)

Message to Members

The next major deadline for the Maryland General Assembly's 2019 legislative session is April 1, which is the date that the budget bill must be passed by both chambers. More often than not, the legislature is able to meet this deadline and it appears this year will be no different.

In Maryland, the Governor proposes a budget and the legislature is restricted in that it may only approve the budgeted amount or make cuts. The House of Delegates passed its budget bill on March 13 while the Senate of Maryland passed its version on March 21. As is the case in every legislative session, there are differences between the two versions of the budget that must be negotiated in a conference committee.

The Fiscal Year 2020 budget, which becomes effective July 1, 2019, amounts to \$46.6 billion. A highlight of the budget is new funding to carry out initial recommendations of the Commission on Innovation and Excellence in Education, better known as the Kirwan Commission. There are differences between the funding levels proposed by the Senate and House, but new spending will likely fall somewhere between

GBC EVENTS**March 27, 2019**

Newsmaker Breakfast:
An Inside View of How Energy
is Traded

April 9, 2019

Newsmaker Breakfast with
Baltimore City Councilman Eric
Costello

April 15, 2019

Breakfast Briefing:
What the Affordable Care Act
Means for You

May 13, 2019

GBC Annual Meeting

June 3, 2019

Newsmaker Breakfast with
Baltimore Mayor Catherine
Pugh

July 10, 2019

GBC Golf Classic

Speaker Series with
Chris McDonell,
President and CEO,
McDonell Consulting
Group/Sandler Training:

May 8, 2019

LinkedIn and the Art of Social
Selling

September 26, 2019

Closing the Sale: How to Inspect
What you Expect

November 20, 2019

Effective Networking and
Business Development

Event and sponsorship
information:

Lisa Byrd at 410-727-2820

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the respective recommended levels of \$225 million and \$320 million.

The budget also protects the \$1.1 billion State Reserve Fund, better known as the Rainy Day Fund, and allows for \$120.1 million in additional reserves. The importance of holding these reserves are numerous. Primarily, it helps Maryland weather potential economic downturns, which are becoming more likely as the current economic recovery shows its age. An economic downturn, in fact, may have already begun. Maryland's expected revenues have been reduced for the current fiscal year by \$138 million and roughly \$131 million for Fiscal Year 2020.

Another reason for holding budget reserves is to help make the case for maintaining Maryland's AAA bond rating. On March 19 it was announced that all three major bond rating agencies reaffirmed Maryland's AAA rating. Maryland is one of only 12 states to hold this coveted designation, which keeps borrowing costs down by achieving lower interest rates on bonds.

It may not always be exciting or get the media attention it deserves, but the Maryland General Assembly's most important function is approving a balanced budget. It is vital that Maryland has strong fiscal stewardship to best serve its citizens.

As always, if you have any questions or concerns, please feel free to contact me.

Sincerely,



Donald C. Fry
President and CEO

Important Legislation Pending in 2019 Legislative Session

With two weeks remaining in the 90-day session of the Maryland General Assembly, important legislation is moving quickly through the legislative process in order to achieve passage prior to Sine Die on April 8. Below is a recap of four important items:

\$15 Per Hour Minimum Wage

Legislation to raise Maryland's statewide minimum wage to \$15 per hour passed both chambers and now heads to the desk of Governor Larry Hogan. The bills passed with veto-proof majorities in both chambers, meaning that the legislature can likely override a potential gubernatorial veto. It is rare, but if the legislature is able to send the bill to the Governor more than a week prior to the close of session and the bill is vetoed, lawmakers can attempt a veto override during the same session. Governor Hogan has not indicated whether he will veto minimum wage

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legislation, but he has expressed concern about its effect on businesses.

The Greater Baltimore Committee (GBC) proposed several amendments that sought an easier transition for businesses that have to absorb this major policy change. Many of the amendments recommended by the GBC made their way into the final version of the legislation, most notably a longer implementation period for small businesses. In its final form, the bill calls for a \$15 per hour statewide minimum wage by January 1, 2025 (rather than 2023 as originally proposed) and July 1, 2026 for small businesses with 14 or fewer employees. With the passage of this legislation, Maryland is set to join a growing list of states that have already implemented a \$15 per hour minimum wage.

Johns Hopkins University Police Force

The GBC supported legislation to authorize the creation of a police force for Johns Hopkins University. Public safety was identified by the GBC as the number one concern for businesses and important for a competitive business environment. The creation of a Johns Hopkins University police force does not address all public safety concerns in Baltimore City, but it is a positive step forward. Johns Hopkins University is the region's largest employer, an important institution of higher education and one of the leading hospitals in the country. Allowing a 100-person police force to patrol the Homewood academic campus, the Peabody Institute and the Johns Hopkins Hospital puts the university in line with similarly authorized police forces currently patrolling the State's public colleges and universities.

Preakness Stakes at Pimlico Race Course

The GBC, Baltimore City leaders and others from the region have joined together to ensure that the future of the Preakness Stakes at Pimlico Race Course is secure. The race and the redevelopment of the race track facilities are important components of the Pimlico neighborhood's economic well-being. Without them, plans for redeveloping the adjoining area and creating new jobs and economic activity would be severely limited. The GBC is supporting legislation in Annapolis to create a Pimlico Race Course Study Workgroup and opposing bills that allow for Racetrack Facility Renewal Account funds to be used to build a "super track" at Laurel Park.

There have been two new developments in the effort to save the Preakness. First, Baltimore City's Senate Delegation sent a letter to the Senate Budget and Taxation Committee urging them to defeat a bill authorizing the Maryland Economic Development Corporation (MEDCO) to issue \$80 million in bonds to provide funding for a Laurel "super track" and \$40 million for a training center at the former Bowie Race Track while the Stronach Group, owner of both tracks, neglects Pimlico Race Course. If the committee chooses to move the legislation, the letter urges the adoption of an amendment that would require a planned-unit development be presented to the

Maryland Board of Public Works for the Pimlico site before any MEDCO bonds for Laurel would be issued.

Additionally, a lawsuit has been filed by the City of Baltimore and others against the Stronach Group. This effort seeks to keep the Preakness at Pimlico, block the use of bonds to fund improvements to Laurel Race Track and grant ownership of Pimlico and the Preakness to Baltimore City through condemnation.

Kirwan Commission Recommendations

As budget leaders from the Maryland General Assembly meet in a conference committee to hammer out an agreement on the budget, legislation implementing the initial recommendations of the Kirwan Commission remains on the table. The introduced version of the legislation calls for an increase of \$1 billion in education funding over the next two fiscal years to implement recommendations, including increased funding for teacher salaries, students with disabilities and for an expansion of pre-K for low-income four year olds.

The Commission for Innovation and Excellence in Education, known as the Kirwan Commission for its Chair, former University System of Maryland Chancellor William "Brit" Kirwan, was tasked with creating broad recommendations that improve Maryland's education system. An interim report was released weeks ago, leading to the introduction of legislation by Democratic leaders of the Maryland General Assembly.

Commentaries by GBC President and CEO Donald C. Fry

[Click here](#) to read Don Fry's commentary, *A two-pronged approach to fighting violent crime*, in *The Daily Record*, posted on March 22, 2019.

[Click here](#) to listen to Don Fry's commentary, *Harrison's Confirmation Portends Bright Future*, on WBAL News Radio 1090, posted on March 13, 2019.

Upcoming Dates of Interest

On [March 27](#), the GBC is holding a Newsmaker Breakfast "An Inside View of How Energy is Traded." This event will begin at 7:30 a.m. at Exelon Headquarters, 1310 Point Street, Baltimore, MD 21231.

On [April 9](#), the GBC is hosting a Newsmaker Breakfast with Baltimore City Councilman Eric Costello. This event will begin at 7:30 a.m. at the GBC Office, 111 South Calvert Street, Suite 1700, Baltimore, MD 21202.

On [April 15](#), the GBC is hosting a Breakfast Briefing "What the Affordable Care Act Means for You." This event will begin at

7:30 a.m. at the GBC Office, 111 South Calvert Street, Suite 1700, Baltimore, MD 21202.

Join the GBC on [May 13](#) for its 64th Annual Meeting, the state's premier business event of the year. To become a sponsor or to purchase tickets, please contact [Lisa Byrd](#), Director of Events and Business Development, at 410-727-2820.