

JEANNIE HADDAWAY-RICCIO
Legislative District 37B
Caroline, Dorchester, Talbot,
and Wicomico Counties

—
ASSISTANT MINORITY WHIP

—
Chair, Talbot County Delegation

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Economic Matters Committee

—
Joint Committee on Federal Relations



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End of Session Report

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The Budget

Maryland's structural deficit continues to loom at \$2-3 billion over the next few fiscal years. Despite this daunting figure, the House Appropriations Committee only reduced the Governor's budget by an additional \$11.7 million and the Senate Budget and Tax Committee only reduced the Governor's budget by \$9.3 million. Just a few days later, the Governor introduced a supplemental budget totaling over \$12 million.

There were several contentious issues debated in the budget, including whether to pass the cost of teacher pensions off on the counties, whether to continue to take highway user revenues from local jurisdictions and whether to continue state employee furloughs. There was also debate over the raiding of special funds, such as professional boards and environmental funds, because they are supposed to be dedicated revenue sources. Because the House and Senate positions differed on many of these issues, the budget bill went to a conference committee.

During the conference committee, agreement was reached on nearly 80 amendments. At the end of the conference, the budget was \$16 million more than the Governor's budget – an anomaly considering the fact that the Maryland General Assembly is supposed to reduce the budget, not increase it.

Delegate Jeannie Haddaway-Riccio voted against the budget citing concerns about the future. "Relying on federal stimulus money which is a one-time fix is not a good solution," Haddaway-Riccio said. "I also think it is short sighted not to address the structural deficit or our \$32 billion pension liability. This budget continues spending at unsustainable levels and almost surely sets Maryland up for another massive tax increase in the near future."

Minority Party Alternative Budget

Again this year, the House Republican Caucus offered an alternative budget plan. The House Minority Leadership presented the plan to members of the Maryland General Assembly in the Joint Hearing Room earlier in the session. Specific recommendations for reductions in spending included: (1) eliminating Medicaid fraud and abuse which would save \$195 million, (2) reducing Executive branch salaries to \$1 below the Governor's salary (\$150,000/year) which saves \$2.3 million, (3) eliminating out-of-state travel reimbursements which saves \$1.3 million and (4) delaying implementation of GCEI which saves \$126 million.

The savings accrued by the plan would have also eliminated the need for future state employee furloughs while fully funding the Chesapeake Bay Restoration Fund, allowing for a reduction in the State's sales tax and a reduction in the corporate income tax. While some of these recommendations were adopted in the State budget, the overall plan was rejected.

The Capital Budget of 2010

Many of the projects in the capital budget are funded with General Obligation (GO) bonds. In Maryland, GO bonds are repaid to bond holders through revenues from the property tax. Maryland's capital budget has increased nearly \$2 billion in recent years. With an increasing capital budget and declining state revenues, continued spending in the capital budget will almost surely result in the need for a property tax increase.

An alternative plan was proposed that would have slowed spending in the capital budget that Delegate Jeannie Haddaway-Riccio supported, however the alternative plan was rejected by the House Appropriations Committee. Without the alternative plan in place, Del. Haddaway-Riccio voted against the capital budget citing concerns about the level of debt service in our State. A chart from the Capital Debt Affordability Committee below demonstrates Maryland's outstanding debt service:

Total tax supported debt outstanding*

<i>Year</i>	<i>Debt</i>	<i>Debt Service</i>
2010	\$9,460,200,000	\$1,103,815,000
2011	\$10,069,967,000	\$1,185,587,000
2012	\$10,820,133,000	\$1,278,682,000

General Obligation Bonds

<i>Year</i>	<i>Debt</i>	<i>Debt Service</i>
2010	\$6,356,000,000	\$783,000,000
2011	\$6,808,000,000	\$846,000,000
2012	\$7,234,000,000	\$885,000,000

Economy

Job Creation and Recovery Tax

The Governor introduced legislation (Senate Bill 106/House Bill 92) that creates an income tax credit for employers who hire qualified individuals between January 1, 2010, and December 31, 2010. The tax credit will be \$5,000 per employee hired and is capped at \$250,000 per employer and \$20 million total. The bill passed both houses and has become law. Delegate Jeannie Haddaway-Riccio voted in support.

Unemployment Insurance Changes

In an effort to capture federal stimulus money, the Governor proposed legislation that expands eligibility and increases benefits for unemployed workers. The emergency legislation (House Bill 91/Senate Bill 107) implements an alternate base period calculation system, provides benefits to unemployed workers who are in job training programs and expands benefits for part-time workers. While the stimulus money will provide short-term funding to cover these expansions, many question what will happen once the stimulus money is gone. The Department of Legislative Services has estimated that the federal stimulus money will last only a few months. This emergency legislation passed both houses and has become law. Delegate Jeannie Haddaway-Riccio voted in opposition.

Mandatory Shift Breaks

House Bill 1299, called the Healthy Retail Employee Act, would require certain retail establishments to offer non-working shift breaks to their employers. The bill applies to retailers with 50 or more employees. Shift breaks must be provided to employees that work more 20 weeks or more a year. The shift break must be a fifteen minute break between every 4-6 hours of work and a thirty minute break for every 6 or more hours of work. The bill originally allowed an employee to file a civil action in court against an employer for violation of the law. However, it was amended to provide that the Department of Labor, Licensing and Regulation may impose penalties of \$300 per employee for a first offense and \$600 for a second or subsequent offense. The bill passed both houses and becomes effective March 1, 2011. Delegate Jeannie Haddaway-Riccio voted in opposition.

Environment & Energy

Stormwater Management

As a result of legislation passed in 2007, the Maryland Department of the Environment began developing more stringent regulations for stormwater management in Maryland. Many stakeholders raised concerns that these new regulations would have unintended consequences. One of the most contentious provisions was a very limited grandfathering clause that left it unclear whether projects that had already been permitted or that were already under construction would be required to meet the new regulations.

After speaking with industry professionals in her district, including environmental engineers, Delegate Jeannie Haddaway-Riccio and several other legislators introduced bills that would provide a stronger grandfathering period. As a result, a workgroup was formed in the House Environmental Matters Committee and an agreement has been reached on a revised set of regulations. The business community, the Maryland Municipal League, the Maryland Association of Counties, the Department of the Environment and most members of the environmental community support the new plan.

The Chesapeake Bay Foundation stated that “the proposed revisions preserve the high water quality standards exactly as they were established in the 2009 regulations” and “the revisions also still require builders to use new Environmental Site Design technology, which is more effective at reducing pollution than older technology” (source: www.cbf.org).

“This is a win for the environment and the economy,” Haddaway said. “We can now move forward with a more balanced approach that will help us meet Chesapeake Bay restoration goals without sacrificing Maryland jobs and without negatively impacting our economy.” More information is available on the Maryland Department of the Environment’s web site at www.mde.state.md.us.

Oyster Sanctuaries

The Department of Natural Resources has been working on a plan to increase the number of oyster sanctuaries in Maryland but that also takes a large percentage of working bottom away from watermen. Negotiations between the Governor’s Office, the Department, legislators and watermen have been ongoing ever since. An agreement is close to being reached however Talbot County and St. Mary’s County are still points of contention. Delegate Jeannie Haddaway-Riccio has been working with stakeholders to try to resolve these final issues. “Everyone believes that oyster sanctuaries are a good idea,” Haddaway said. “But in a time when we are talking about preserving jobs, it is wrong to put hundreds of people out of business. I believe we can find a workable solution that will benefit everyone and on that premise, I will continue to advocate for the best plan for Talbot County.”

Bisphenol-A in Children's Products

Delegate Jeannie Haddaway-Riccio voted in favor of a bill that prohibits the sale, manufacture and distribution of children's products that contain bisphenol-A (BPA), a harmful compound found in some plastics. The bill also requires manufacturers to use materials that are the least toxic alternative available on the market. According to the Centers for Disease Control and Prevention (CDC), BPA can leach from reusable food and water containers and baby bottles. While the U.S. Food and Drug Administration used to assert that BPA packaging was safe, more recently FDA has cited concerns that it may have an effect on the brain, behavior and reproductive organs of fetuses, infants and young children. The bill passed and has been signed into law. It becomes effective July 1, 2010.

Renewable Energy Funding

Delegates Jeannie Haddaway-Riccio cosponsored legislation that would have allowed Maryland residents to contribute to a fund for solar and wind projects in the State. House Bill 1512 would have provided a voluntary \$2 check-off on ratepayers' utility bills. The revenues collected would have gone into the Maryland Strategic Energy Investment Fund (SEIF) to fund renewable energy loans and grants. The House Economic Matters Committee gave the legislation an unfavorable report.

Credit Transfers for Municipalities

House Bill 852 would have allowed municipalities that generate energy from renewable resources to transfer excess generation credits to other properties owned, leased or operated by the municipality. This method lowers utility costs for municipalities and provides incentives for additional renewable energy projects. Delegate Jeannie Haddaway-Riccio was a cosponsor of the legislation which passed in the House. When the bill reached the Senate, it was amended into another, more comprehensive net metering bill (Senate Bill 355) which will become law October 1, 2010.

Agriculture and Net Metering

House Bill 1169 directed the Public Service Commission to adopt regulations that would allow "meter aggregation" for utility customers that generate more electricity than they consume. Meter aggregation combines readings from various meters on the same property. The bill also allows credits to be transferred from meter to meter through either physical aggregation or virtual aggregation. This is beneficial for properties with multiple buildings and access to fuel sources such as dairy farms that use methane digesters. Delegate Jeannie Haddaway-Riccio was a cosponsor of this legislation which passed in the House. When the bill reached the Senate, it was amended into another, more comprehensive net metering bill (Senate Bill 355) which will become law October 1, 2010.

Solar Energy RPS

Senate Bill 277 increases solar energy requirements in Maryland and helps Maryland's renewable energy market become more competitive with other Mid-Atlantic States such as New Jersey. The legislation puts a market mechanism in place with the intent of reducing the need for government subsidies over time. The intent is also to help Maryland reach grid parity as quickly as possible. Delegate Jeannie Haddaway-Riccio voted in favor of the legislation which passed in both houses and will become law January 1, 2011.

Education

BOAST Tax Credit

The "Building Opportunities for All Students and Teachers" legislation, also known as BOAST, was introduced again this year. The bill would have provided an income tax credit for contributions made to private schools for scholarships and innovative education programs or to public school teachers for costs associated with certification coursework. Delegate Jeannie Haddaway-Riccio was a cosponsor of the bill. In the last days of the session, the House Ways and Means Committee amended the bill to change the tax credit into a grant program and added a provision that would have prohibited Jewish schools from being eligible for the funding. These amendments were so controversial that the bill was never reported out of the committee.

Maintenance of Effort Waivers

To be eligible for additional education funding, counties must provide at least the same amount of funding that they did in the previous year. This policy is defined in Section 5-202 in the State's Education Article and is referred to as Maintenance of Effort (MOE). Several bills were introduced this year to provide counties with a waiver to the MOE because of budgetary constraints. Legislation was also introduced to set up a criteria for a waiver before it could be granted, however all of the bills failed in the House Ways and Means Committee.

Fairness in Negotiations Act

House Bill 243 establishes a Public School Labor Relations Board (PSLRB) to administer and enforce labor laws for local boards of education and their employees. It also repeals the authority of the State Board of Education and local school boards to make decisions on public school labor relations disputes. The bill was extremely controversial since it will likely result in increased costs for local school boards. The bill passed in both houses and will take effect on July 1, 2010. Delegate Jeannie Haddaway-Riccio voted in opposition.

Maryland Youth Crisis Hotline

House Bill 942 requires County Boards of Education to provide students with the Maryland Youth Crisis Hotline phone number by publishing it in the Student Handbook and by placing it on the student's id card if one is provided by the school. The Maryland Youth Crisis Hotline (1-800-422-0009) is part of the Youth Suicide Prevention Program and allows students age 14-24 to call 24 hours a day if they need support. According to the Center for Disease Control, suicide is the third leading cause of death for youth between the ages of 15 and 24 and is the fourth leading cause of death for youth between the ages of 10 and 14. Delegate Jeannie Haddaway-Riccio was a cosponsor of this bill and voted in support.

Safe Schools Act of 2010

The Safe Schools Act of 2010 requires courts to notify school administrators when a public school student is placed under the supervision of the Department of Juvenile Services for serious and violent crimes. It also requires the State Board of Education to develop a policy to address gang activity that can be adopted by local boards of education. Delegate Jeannie Haddaway-Riccio voted in support of this legislation.

Eastern Shore

Sara's Law & Jessica's Law

The Eastern Shore Delegation introduced legislation this year that would have toughened Maryland's child sex offender laws. Delegates Jeannie Haddaway-Riccio, Addie Eckardt and Jim Mathias presented the bill to the House Judiciary Committee. The bill would have added a civil commitment option in Maryland, required lifetime supervision for the worst offenders and eliminated diminution ("good time") credits. It would also require that sex offenders who are arrested for a crime to appear before a judge before they can be released or detained. Under current law they can appear before a district court commissioner and they are sometimes released on their own recognizance allowing them to commit additional crimes.

All of the elements of the bill were aimed at improving Maryland's version of Jessica's Law but also specifically addressed the Sara Foxwell case. Sara Foxwell was an 11-year-old Wicomico County resident who was kidnapped and murdered by a known sex offender. While the bill received an unfavorable report from the House Judiciary Committee, the Senate added some of the provisions to another bill called the Enhanced Jessica's Law bill. Unfortunately, the provisions were later stripped out in conference committee. The House version of the Enhanced Jessica's Law (House Bill 254) originally included a 20-year minimum sentence, but was amended down to 15 years by the House Judiciary Committee. On the last day of session, it barely made it to final approval, reaching the House floor at 11:55pm (the deadline for bills is midnight). The bill passed and becomes law on October 1, 2010.

Heritage Tax Credit and the Sustainable Communities Act of 2010

Delegate Jeannie Haddaway-Riccio cosponsored legislation with the Governor that re-establishes the Maryland Heritage Tax Credit through Fiscal Year 2014. In addition to encouraging infill and redevelopment of downtown areas, the Heritage Tax Credit has been an important economic development tool for the Eastern Shore. The legislation (HB475), entitled the Sustainable Communities Act of 2010, also expands eligibility for the rehabilitation tax credit to some non-historic properties. The Maryland Historic Trust can award an unlimited amount of credits to residential properties however the commercial program is limited to the amount of money the Governor puts in the budget through FY'2014. The bill passed both houses and will become law on June 1, 2010.

Health Care Shortages on the Eastern Shore

It is estimated that there is a 60% shortage in primary care physicians on the Eastern Shore and an even greater number in Western Maryland and Southern Maryland. The lack of primary care is part of a national problem as less than 2% of new physicians are choosing primary care as a field. Nurse Practitioners can help fill the gap, but legal and regulatory constraints in Maryland have made it difficult for them practice. Delegate Jeannie Haddaway-Riccio cosponsored House Bill 319 which removes some of those barriers and improves access to health care for rural Marylanders. The bill passed in both houses and has been signed into law.

Resident Delegate Legislation

Delegate Jeannie Haddaway-Riccio was the lead sponsor of legislation (House Bill 47) that would have amended Maryland's constitution in an effort to provide every county with a resident delegate. This issue is of particular interest to Caroline County since they have not had a resident delegate for over twenty years. This year would have been a good year to pass the legislation because of the decennial Census and redistricting, however the bill received an unfavorable report from the Rules and Executive Nominations Committee.

Maryland Wineries Legislation

The Maryland Wineries Modernization Act clarifies that Maryland wineries can perform four retail functions: (1) sell wine for on-premise consumption, (2) sell wine for off-premise consumption, (3) serve a limited menu of food and (4) allow the sampling of wine. The bill also standardizes the hours and days of operation for wineries across the State and for once provides a clear set of standards of guidelines. Delegate Jeannie Haddaway-Riccio was a cosponsor of this legislation and voted in support recognizing its importance to economic development in Maryland and particularly on the Eastern Shore where several new wineries are developing.

Septic System Upgrades

The Maryland Department of the Environment (MDE) is the lead agency for the Chesapeake Bay Restoration Fund program which provides financial assistance for waste water treatment and septic system upgrades. There are twelve contractors approved in the State to perform septic system upgrades and many Maryland residents have chosen to participate in the program. A problem arose when MDE was paying the homeowners rather than the contractors (on average \$12,000-\$14,000 per project) because some homeowners were keeping the money instead of turning it over to the contractor. One Eastern Shore business was owed nearly \$2 million.

Since last March, Delegate Jeannie Haddaway-Riccio, Delegate Addie Eckardt and Senator Richard Colburn attempted to get MDE to change their policy. Due to a lack of response from the Department, Delegate Jeannie Haddaway-Riccio sponsored House Bill 36, which would have required MDE to pay the contractor directly once the homeowner, the health department and the Department approved that the work had been completed satisfactorily. Senator Richard Colburn sponsored the same legislation in the Senate. After a hearing was held on the bill in the House Environmental Matters Committee, MDE finally conceded to change their policy.

Child Advocacy Centers

Child Advocacy Centers are child-friendly facilities that investigate, diagnose and treat children who may have been abused or neglected. They also provide a platform for law enforcement, prosecutors, departments of social services and mental health professionals to interview child victims, conduct medical examinations and provide therapy. This collaboration helps ensure that children are not re-victimized as they go through the system. There are currently twenty one centers in Maryland including in Talbot, Caroline, Dorchester and Wicomico Counties. Delegate Jeannie Haddaway-Riccio cosponsored House Bill 1043 which helps Child Advocacy Centers in Maryland with funding from the State Victims of Crime Fund and provides organizational support from the Governor's Office of Crime Control and Prevention (GOCCAP).

About Delegate Jeannie Haddaway-Riccio

Delegate Jeannie Haddaway-Riccio has been a member of the Maryland House of Delegates since 2003. She is a member of the House Economic Matters Committee, the Public Utilities Subcommittee, the Business Regulation Subcommittee and the Consumer Protection/Corporate Law Subcommittee. This year, she was elected 1st Vice President of the Women's Caucus. Additionally she serves as Assistant Minority Whip, Chair of the Talbot County Delegation and Treasurer of the Eastern Shore Delegation. She is the owner of a graphic design company, called Dragonfly Designs LLC, and she is a native of Talbot County where she resides with her husband, Joseph Riccio and their dog Max.