

# MOORE-MILLER ADMINISTRATION 2025 LEGISLATIVE AGENDA

Two storms have hit Maryland's shores at the same time. First, COVID funding from the federal government papered over a major inherited structural deficit. We are now facing the worst budget crisis in at least twenty years – worse than that of the Great Recession. Second, we will see a stark new policy direction from the Trump administration and an unpredictable Republican-controlled government, with the potential to implement policies that could hurt Maryland's economy.

We didn't create these twin challenges, but we will work through them together. In partnership with the General Assembly, it's our responsibility to weather the storm and set us on the path to a more prosperous future. We cannot simply tax or spend our way out of these twin challenges – we need to grow.

That is why this year, the Governor's Agenda aims to create an economy that grows the middle class and gives everyone the chance to reach the next rung on the economic ladder. The governor is introducing nine bills this year that each advance this critical mission.

Governor Moore has put forward commonsense policies to create new jobs, build new pathways to employment for workers of all backgrounds, and ensure that more Marylanders can access work, wages, and wealth. The governor's agenda elevates key administration priorities to connect more Marylanders to opportunity, from ensuring Maryland has the best public schools in the country to elevating apprenticeships. At the same time, the governor's policies will support business growth and build out the sectors of our economy that Maryland stands to win.

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### THE DECADE ACT OF 2025 SB 427, HB 498

Delivering Economic Competitiveness and Advancing Development Efforts

The goal of this legislation is to sharpen the tools in the State's economic development toolbox by revamping, relocating, rebranding - and in some cases, repealing - programs to maximize returns on investments. This will be accomplished by (1) applying lessons learned from the administration of economic development programs to improve them; (2) ensuring that programs are straightforward and easy to market and utilize; (3) ensuring that our economic tools are complimentary of one another by focusing on high potential, priority industries; and (4) eliminating programs that are ineffective or have served their purpose.

#### **Support for High Potential Industry Sectors**

- Standardize target industry sectors across relevant programs to ensure concentration of effort of economic incentives.
- Move the Build Our Future Program to MEDCO and extend the sunset date to 2030.
- Revitalize the RISE Zone Program and move administration to MEDCO.
- Alter the Innovation Incentive Tax Credit ("IITC") and the Biotechnology Investment Incentive Tax Credit ("BIITC") to make them more appealing for investors.
- Revamp the Buy Maryland Cyber Tax Credit to correct failures of the Program to date.

#### **Business Attraction & Development**

- Revamp and rebrand the Advantage Maryland Program also known as ("MEDAAF") to better align with economic development best practices and State industry sector priorities.
- Revamp and rebrand the Maryland Small Business Development Financing Authority ("MSBDFA") and the Small, Minority, and Women-Owned Businesses Account ("SMWOBA") to ensure sufficient funding levels and best serve targeted businesses.

- Focus the E-Nnovation Initiative Fund specifically focus on endowed professorships towards fields of study centered on target sector list.
- Extend the sunset for Research and Development Tax Credit.
- Alter the appointment schedule of the Life Science Advisory Board ("LSAB").
- Expand MEDCO's Tax Increment Financing ("TIF") powers to include target innovation sector infrastructure.
- Modernize TEDCO's disinvestment rules to enhance their funding capabilities.
- Alter the Sunny Day program to locate at Commerce and rename the "Strategic Closing Fund".
- Build upon the success of the Child Care Capital Support Revolving Loan Fund to better incentivize desired outcomes and increase the number of child care slots available.



## THE DECADE ACT OF 2025 SB 427, HB 498 (continued)

- Alter the Military Loan Program to require applicants to be certified in the state's Veteran-owned Small Business Enterprise ("VSBE") program so that we are targeting support for businesses with multiple levers.
- Rename Partnership for Workforce
  Quality Grant Program to Talent
  Accelerator Grant Program.

#### Delivering Economic Competitiveness and Advancing Development Efforts

- Allow MEDCO to utilize up to 5% of appropriations to address staffing and administrative costs.
- Eliminate the per production \$10M cap in the Film Production Activity Tax Credit and provide more certainty of tax credit availability by keeping future years' overall activity capped at the FY2026 level.

#### Sunset Underperforming Programs & Entities that have Served Their Purposes

- Repeal the Job Creation Tax Credit Program.
- Repeal the One Maryland Program.
- Repeal the Employer Security Clearance Costs Tax Credit.
- Sunset the Maryland Industrial Development Financing Authority ("MIDFA").
- Sunset Maryland Economic Adjustment Fund ("MEAF").
- Sunset the Maryland Economic Development Commission ("MEDC").
- Repeal the Commerce Subcabinet and replace it with an Economic Competitiveness Subcabinet via Executive Order.

This comprehensive legislation is one part of a broad-based effort to reinvigorate the State's approach to economic development. The broad effort includes this legislation, the Executive Order on economic growth, the reorganization of the Department of Commerce, and direct budget investment in highimpact programs and projects.



### THE HOUSING FOR JOBS ACT OF 2025 SB 430, HB 503

The Housing for Jobs Act directly addresses the primary driver of unaffordability and financial insecurity in the state: housing costs. This unaffordability is particularly impacting young people who are moving out of the state at an increased rate. **The legislation seeks to tackle this housing affordability and supply crisis by setting goals and creating special pathways for regions and local jurisdictions to maintain sufficient housing to support jobs available in the region.** 

#### **Key Points**

Over the last decade, housing costs have **far outpaced inflation and wages.** As overall costs have increased by **24%**, median rents have increased **36%** and median home prices have increased by **48%**. (DHCD analysis of Census and BLS data).

1 in 3 Maryland families are cost burdened by their monthly rent or mortgage payment, including 53% of Maryland renters who pay more than 30% of their income on rent (2023 ACS). This means that there is less money for spending, saving, and wealth creation - and our economy is reflecting this. Maryland ranks **43rd** among states for housing affordability and **9th highest** in total cost of living (US News), the highest among neighboring states. This is driving migration out of the state, led by young Marylanders aged 17 - 34 who made up **65%** of outmigration in 2022 with nearly **40,000 young Marylanders leaving the state that year alone**, according to the US Census. This problem is only worsening: Polling from the Maryland Association of Realtors has shown that **44% of younger renters are considering leaving Maryland due to housing costs**.

#### **Identify Housing Infrastructure Gaps**

**Regional** housing infrastructure gaps identify shortages of housing units by comparing housing stock to the total number of jobs in the region. If there are more than 1.5 jobs per housing unit, a region has a shortage.

**Local** housing infrastructure gaps apportion the regional housing infrastructure gaps to local jurisdictions by their percentage share of regional jobs.

This bill <u>only applies to local jurisdictions</u> with housing infrastructure gaps. Once a gap is closed, the bill no longer applies.



## THE HOUSING FOR JOBS ACT OF 2025 SB 430, HB 503 (continued)

#### **Approvals and Denials**

**Approvals:** Local jurisdictions with a housing infrastructure gap have an obligation to approve new housing units unless there is a reason for denial that outweighs the community's need for housing. This obligation includes finding ways to allow a version of a project that mitigates concerns to move forward. This requirement is intended to maximize the housing produced under existing local rules and does not require jurisdictions to increase allowed residential density outside of their own processes.

**Denials:** Local jurisdictions with housing infrastructure gaps can deny housing projects that are found to have specific adverse impacts that outweigh the community's need for housing, including:

- Specific adverse impact to the health and safety of residents of the proposed development;
- Insufficient school capacity (Excess of 100% capacity at school in attendance area or adjacent schools);
- Inadequate water or sewer facilities;
- Necessary for compliance with State or Federal law;

- Development is located in an area zoned for heavy industrial use, conservation, or agricultural land; or
- Development does not comply with objective development standards at the time of application submission. Objective development standards are defined as those that are not subject to discretionary judgment and facilitate development at the density permitted on the site.

#### **Reductions in Gaps**

**Standard Reductions:** Each standard housing unit built will reduce the local housing gaps on a one-to-one basis.

**Enhanced Reductions for Targeted Development:** A gap reduction of 1.5 units will be achieved for each unit developed that meets at least one of the following:

- 1.5 unit reduction for every 1 affordable housing unit built (deed-restricted to be affordable to a household earning 60% or less of the area median income for a period of at least 40 years.)
- 1.5 unit reduction for every 1 unit built
  within 0.75 miles of a passenger rail
  station



## THE HOUSING FOR JOBS ACT OF 2025 SB 430, HB 503 (continued)

#### Enforcement

**Reporting:** When denying a housing development, local jurisdictions must provide in writing the specific reasons for denial. Should these reasons comply with allowable denials for jurisdictions with gaps, the denial is final.

**Determinations:** Should the denial of a housing development not hold up to scrutiny, a builder may appeal to a Circuit Court judge to enforce this policy. In such a case, if the judge finds that the developer has standing after reviewing the denial report, the judge will be empowered to determine whether the denial was legal. This simply ensures that building and land use laws are applied as advertised and that plans established during the zoning and planning processes are broadly applied once a builder is prepared to move forward.



### THE ENERGIZE MARYLAND ACT OF 2025 SB 434, HB 505

This legislation accelerates in-state clean energy development, solving cost and reliability issues, and driving economic growth, while making Maryland a leader in sustainability.

Maryland is at a critical juncture in its clean energy transition, with Governor Moore leading the charge by building on the Climate Solutions Now Act's ambitious goals of reducing greenhouse gas emissions by 60% by 2031 and achieving carbon neutrality by 2045. Through his 2024 executive order committing to 100% clean electricity, the Governor has solidified Maryland's leadership in the clean energy transition. **The Empowering New Energy Resources & Green Initiatives toward a Zero-Emission (ENERGIZE) Maryland Act accelerates clean energy development, addressing cost, reliability, and supply-demand challenges while positioning Maryland as a national leader in sustainability, reducing energy costs for residents, and driving economic growth.** 

#### THE CLEAN ENERGY STANDARD

The legislation updates Maryland's Renewable Portfolio Standard to streamline clean energy goals, incorporating nuclear energy as an eligible resource to help achieve 100% clean electricity in Maryland.

#### OFFSHORE WIND MODERNIZATION

This legislation reforms the offshore wind (OSW) solicitation process by authorizing the Public Service Commission (PSC) to set an undisclosed ratepayer impact cap, fostering more competitive bids and reducing costs for ratepayers.

The bill removes the requirement for offshore wind to interconnect on the Delmarva Peninsula, allowing for more flexible, equitable, and advantageous agreements on the transmission infrastructure needed to deliver OSW energy to Maryland.

#### SOLAR ACP SCHEDULE

This proposal aims to stabilize the solar alternative compliance payment (ACP) schedule within the RPS, promoting sustained and meaningful growth in solar energy generation.

#### NUCLEAR ENERGY PROCUREMENT

This legislation establishes a procurement framework, inspired by Maryland's OSW model, to support the development of both traditional nuclear power plants and advanced small modular reactors (SMRs) within the state.



### THE EXCELLENCE IN MARYLAND PUBLIC SCHOOLS ACT

SB 429, HB 504

The bill maintains our statewide commitment to provide every student with access to the best schools in the country.

The Excellence in Maryland Public Schools Act proposes common-sense solutions to address the state's educator shortage and better position Maryland to successfully tackle full implementation of the Blueprint for Maryland's Future amid challenges as a result of the pandemic. This will be accomplished by (1) pausing the implementation of collaborative time and redirecting substantial funding toward teacher recruitment and preparation initiatives and innovative pilot grants for teacher roles and collaboration; (2) enhancing teacher development and retention programs; and (3) temporarily freezing community schools funding increases for two years, while making strategic investments and policy changes to support a three-point plan to make Maryland's community schools the best in the nation.

#### **Key Points**

In the midst of a national teacher shortage affecting Maryland's ambitious education goals, the estimated 12,000 to 15,000 additional teachers needed to fulfill the Blueprint's requirement that teachers be provided 40% of their time for collaboration is not yet logistically feasible to drive the intended benefits for student learning.

Maryland's 621 community schools now represent 45% of public schools statewide. The Blueprint has made an unprecedented investment in community schools, positioning Maryland as a national leader in this transformative educational approach.

#### **Collaborative Time & Teacher Recruitment**

- Fund Maryland's Grow Your Own Initiative that leads to full teacher licensure, debt-free, while earning a wage with benefits and receiving on-the-job training and mentoring. This will create teacher apprenticeships and residencies for school-based staff, high school graduates, and career changers.
- Welcome Experienced Teachers to Maryland: Build a national campaign that markets Maryland as "The Best State to be a Teacher", provides a stipend to cover some moving expenses for outof-state teachers, and eases inter-state teacher licensure transfer by entering into the Interstate Teacher Mobility Compact.
- Pause Collaborative Time Requirement and Funding Increases: Temporarily pause the 40% non-teaching time rule for four years and associated increases in funding for compensatory education and multilingual learners. Maintains funding increases for Special Education: Maintain



### THE EXCELLENCE IN MARYLAND PUBLIC SCHOOLS ACT

SB 429, HB 504 (continued)

The bill maintains our statewide commitment to provide every student with access to the best schools in the country.

funding increases to account for increased enrollment projections and invest in a study on the implementation of differentiated levels of special education funding to match students' unique needs and level of special education services.

• **Collaborative Time Innovation (CTI) Demonstration Grants:** Provide funding to establish the Collaborative Time Innovation (CTI) demonstration grant program that will provide multi-year competitive grants to local school systems to pilot innovative models for teacher collaboration.

#### **Teacher Retention and Development**

- Create the Academic Excellence Program: To improve early literacy and numeracy in Maryland schools, establish an Academic Excellence Program to provide teachers with instructional coaching, mentorship, and professional learning. This integrated, evidence-based approach will ensure a strategic focus on strengthening foundational literacy and numeracy skills, and driving increases in student achievement.
- Launch a Maryland School Leader Academy: Launch a Maryland School Leader Academy to prepare school administrators, assistant principals, and administrator candidates to serve as strong instructional leaders in Maryland's highest-poverty schools.

#### Supporting Effective Implementation of the Community School Model

- **Building State Capacity:** Build capacity at the State level to support evidence-driven community schools by increasing staff capacity at MSDE, supporting a technical assistance network for local community school coordinators, providing MSDE the authority to develop regulations on the allowable uses of funds, and utilizing an all-of-government approach to supporting community schools through the deployment of the Children's Cabinet.
- Enhancing Local Capacity: Boost local school system capacity to support community schools by utilizing up to 50% of the Concentration of Poverty Grant (CPG) funds to provide shared services to community schools, expand the allowable uses of funds to include academic interventions, including for literacy and numeracy services and new pay structures to drive experienced teachers to serve in community schools, and providing training and support for all community schools to establish a School-Community Partnership Committee.



### THE EXCELLENCE IN MARYLAND PUBLIC SCHOOLS ACT

SB 429, HB 504 (continued)

The bill maintains our statewide commitment to provide every student with access to the best schools in the country.

• Maintain Funding at FY26 Levels for Two Years: Freezing community schools funding at FY26 levels for two years will provide time to improve how the program is implemented. Funding will be held at these levels for FY27 and FY28 and scheduled increases will resume in FY29. State funding for community schools began in the 2019-2020 school year as we grappled with the pandemic, resulting in understandable implementation inconsistencies across the state. Sustaining state funding with this pause in year-over-year increases will allow local school systems adequate time and resources to equip school staff with tools and knowledge to inform their implementation strategy. There are many bright spots in Maryland's community schools, and this extension of the funding timeline will allow for greater sharing of what's worked and replication of success.

#### **Consortium of Consolidated Community Supports**

• Maintain Consortium funding at FY25 levels for four years. Investing at current levels and slowing growth provides an opportunity to optimize the Consortium's role in addressing student behavioral health challenges. A more comprehensive and integrated strategy will be developed that aligns with broader healthcare reforms, ensuring that funding streams are better coordinated and targeted toward the most pressing needs.



### THE RAISE ACT OF 2025 SB 431, HB 501

The Registered Apprenticeship Investments for a Stronger Economy ("RAISE") Act of 2025 seeks to expand and create new career pathways to good, middle class jobs through highquality Registered Apprenticeships in Maryland.

**Registered Apprenticeships (RA) are a gold standard of career preparation, blending classroom instruction with hands-on, mentor-guided (or "journeyperson") training in real-world settings.** As an "earn-while-you-learn" model, RAs provide workers with a paid job where they acquire valuable skills and increase their earning potential as they progress. Upon completion, apprentices earn a nationally recognized credential, ensuring their qualifications are portable and respected across industries nationwide.

#### Establish the Maryland Office of Registered Apprenticeship Development within the Maryland Apprenticeship and Training Program of the Department of Labor

The Maryland Office of Registered Apprenticeship Development ("MORAD") will be charged with developing, sustaining, and tracking Registered Apprenticeship opportunities and will be empowered to do so by the programs proposed in the sections below.

#### Establish the Registered Apprenticeship Qualified Intermediary Program

Apprenticeship Intermediaries are entities that play a critical role in supporting the development and expansion of Registered Apprenticeship programs by acting as a bridge between employers, apprentices and potential apprentices, training providers, and the State. Apprenticeship Intermediaries generally recruit employers or help sponsors learn the RA model and build a quality program.

In particular, intermediaries will: **1)** Connect sponsors, employers, or apprenticeship program participants with Registered Apprenticeship programs; **2)** Convene stakeholders to develop Registered Apprenticeship programs; and **3)** Carry out other key functions as deemed appropriate by the Department to successfully build and scale Registered Apprenticeship programs that achieve desired workforce outcomes.

#### Establishment of the Maryland Apprenticeship Incentive Program ("MAIP")

The initial costs for employers to start a Registered Apprenticeship program can be daunting, creating a significant barrier to expanding the number of apprenticeships offered in Maryland. MAIP seeks to address this by offering financial assistance in the form of grants to employers to offset these costs. These grants will be issued on a rolling basis and are designed as reimbursements to ensure that the funds are appropriately and effectively deployed. In order to receive an incentive, employers must attest in writing that they intend to keep the apprentice on as a full time employee upon completion of the apprenticeship.



## THE RAISE ACT OF 2025

**SB 431, HB 501** (continued)

The Registered Apprenticeship Investments for a Stronger Economy ("RAISE") Act of 2025 seeks to expand and create new career pathways to good, middle class jobs through highquality Registered Apprenticeships in Maryland.

#### Automatic Licensure Upon Completion of Designated Registered Apprenticeships

Registered Apprenticeships involve multiple years of on-the-job-learning and hundreds of hours of rigorous classroom instruction. Despite demonstrating proficiency under the guidance of an on-the-job journeyperson, many Registered Apprentices are still required to sit for a written licensing exam, which often unnecessarily delays Marylanders who are ready to contribute their workforce skills.

Under this section, the Department of Labor will require automatic licensure by certain occupational licensing boards upon completion of a Registered Apprenticeship should the apprentice have met all requirements as established by the applicable licensing board, ensuring that public safety and professional standards are upheld.

This process is already in place with the Maryland State Board of Electricians and with the Maryland Board of Heating, Ventilation, Air Conditioning and Refrigeration Contractors (HVACR). To further this process, this proposal seeks to begin with the <u>State Board of Plumbing</u> to waive the license examination requirement for individuals who have completed an approved Registered Apprenticeship if all other requirements established by the Board are met. This section further provides the Secretary of Labor with the authority to designate other licenses where the relevant professional licensing board shall waive the testing requirement once a Registered Apprenticeship is complete, provided that all other requirements established by the Board are met.

#### **Expansion of Journeyperson-to-Apprentice Ratios**

This section includes two distinct policies:

**First,** this section establishes a **default, minimum** journeyperson-to-apprentice ratio of 1:1. This will be particularly important because the Department expects that the USDOL Office of Apprenticeship will likely rescind protections for apprenticeships and workers, including by expanding ratios for hazardous occupations and resurrecting the "Industry-Recognized Apprenticeship Program ("IRAP") model which is out of step with state policy. Establishing Maryland's minimum ratio as 1:1 will protect the essential safety and quality of our Registered Apprentices regardless of federal action and will allow for exceptions only when prudent.

During the 2024 Legislative Session, the General Assembly passed legislation to require the Department to create a list of vetted nonhazardous occupations where it is safe for the public, journeypersons, apprentices, and other workers on-site for this ratio to be expanded within reason. The Department utilized USDOL Guidelines and other data to examine occupations where the work presented safety risks to the workers and for the general consuming public. The final report contains this vetted nonhazardous occupations list, which the Department will continue to maintain and update as circumstances change.



## THE RAISE ACT OF 2025

**SB 431, HB 501** (continued)

The Registered Apprenticeship Investments for a Stronger Economy ("RAISE") Act of 2025 seeks to expand and create new career pathways to good, middle class jobs through highquality Registered Apprenticeships in Maryland.

**Second,** this section creates an expedited pathway for the Maryland Apprenticeship and Training Council ("MATC") to consider expanded ratios for certain nonhazardous occupations. Under current practice, Registered Apprenticeship program sponsors can request a deviation from the 1:1 ratio, but they must wait at least one year from the time that their apprenticeship program becomes registered.

This proposal will allow sponsors of programs in nonhazardous occupations to submit requests to MATC at the point of registration rather than waiting a year. This is expected to remove barriers and make RAs more appealing to non-traditional industries, like cybersecurity, while maintaining quality evaluations by MATC, including safety analysis, union sign-off for collectively bargained occupations, and other measures.



## THE EXPUNGEMENT REFORM ACT OF 2025

SB 432, HB 499

This bill expands on the Governor's Executive Clemency Order last year to ensure every Marylander has better pathways to work, wages, and wealth.

This legislation seeks to alleviate the burdens that Marylanders with criminal records face by:

- Allowing individuals who completed their probation or parole to be eligible for expungement even with a technical violation.
- 2. Expanding the list of charges eligible of expungement to include:
  - a. Driving without a license;
  - b. Counterfeiting Prescription;
  - c. Stolen Credit Card;
  - d. Obtaining property or services by bad check;

- e. Resisting Arrest; and
- f. False Statement to an Officer.
- Expanding the list of dispositions that are removed from public view from Judiciary Case Search to include Stet charges.
- Removing all convictions included within the Cannabis Pardons from public view on Judiciary Case Search.

In June 2024, Governor Moore issued an Executive Clemency Order pardoning 175,000 Maryland convictions related to the possession of cannabis, including convictions for misdemeanor possession of cannabis and certain convictions for misdemeanor possession of drug paraphernalia. The order represents the largest pardon for misdemeanor cannabis possession charges for any state in the country and the inclusion of paraphernalia makes Maryland the first state to take such action.

Criminal records create numerous barriers, fueling and reinforcing cycles of poverty, and even old and minor records can make it difficult for someone to gain employment, housing, education, and licensing prospects. Providing individuals who served their time and fulfilled their rehabilitation requirements the opportunity to clear their criminal records would transform lives.

Black individuals made up 71% of Maryland's prison population even though they are 29% of Maryland's overall population. The Department of Public Safety and Correctional Services, Division of Probation and Parole (DPP) reports that 43% of the population under general supervision in 2022 did not successfully complete the terms of their supervision because of technical parole violations, commission of new offenses, and other unsatisfactory behavior. According to the Administrative Office of the Courts, there were 45,001 petitions for expungement in FY21 and 38,448 petitions for expungement in FY22 in both the district and circuit court.



## THE EXPUNGEMENT REFORM ACT OF 2025

SB 432, HB 499 (continued)

This bill expands on the Governor's Executive Clemency Order last year to ensure every Marylander has better pathways to work, wages, and wealth.

In 2022, the Appellate Court of Maryland's Abhishek Decision ruled that any probation violation renders the underlying conviction indefinitely ineligible for expungement. The Abhishek Decision had far-reaching consequences because a probation violation renders not only the underlying conviction non-expungeable, but any other prior convictions that fall within the expungement statute's waiting period.



### THE MODEL EMPLOYER ACT SB 433, HB 502

This bill will establish a new office within the Department of Disabilities that will make Maryland a national leader in employing individuals with disabilities, addressing both employment disparities and workforce shortages.

This legislation will formalize the State's commitment to improving employment opportunities for people with disabilities while addressing Maryland's critical workforce needs. Together, we can ensure Maryland not only solves today's employment problems but creates a more inclusive and diverse workforce for the future. This investment will reduce workforce shortages, grow the tax base, and decrease reliance on public benefits—saving the state money.

#### **Bill Components**

Establishes the Office of Disability Employment Advancement and Policy (ODEAP)

- Located within the Maryland Department of Disabilities.
- Supports employment outcomes for job seekers with disabilities.

#### Launches Maryland as a Model Employer

- Modeled on the nationally recognized State as a Model Employer (SAME) Initiative, Maryland will improve hiring, retention, and advancement of individuals with disabilities.
- Maryland State government will serve as a model employer for private-sector business by committing to improve hiring, recruitment, retention, and advancement of people with disabilities in the State workforce.

#### **Key SAME Initiative Activities**

- Outreach: Coordinate engagement of job seekers with disabilities in partnership with other state agencies including Department of Labor, Department of Rehabilitative Services (DORS), Department of Health-Developmental Disabilities Administration (DDA) & Behavioral Health Administration (BHA).
- Attracting Talent: Help State agencies attract and support qualified candidates with disabilities.
- Supportive Resources: Subsidize reasonable accommodations for new employees with disabilities.
- Barrier Identification: Review and remove employment barriers in State hiring practices.
- Strategic Planning: Assist agencies in developing hiring and retention plans for employees with disabilities.
- Data Tracking: Measure and report progress to the Governor and General Assembly.



## THE MODEL EMPLOYER ACT

SB 433, HB 502 (continued)

This bill will establish a new office within the Department of Disabilities that will make Maryland a national leader in employing individuals with disabilities, addressing both employment disparities and workforce shortages.

#### **Anticipated Impacts**

Addressing Employment Gaps

• Currently, only 45% of Marylanders with disabilities (ages 18-64) are employed, compared to 79% of those without disabilities in the same demographic (Disability Statistics Compendium's 2024 Annual Report). To be competitive in the global economy, the State and all employers must use the talents and important contributions of all workers, including those with disabilities.

#### Solving Workforce Shortages

• Maryland faces a severe worker shortage, with only 40 workers available for every 100 jobs (Maryland Chamber of Commerce). Tapping into the underutilized talent pool of individuals with disabilities can help fill these gaps.

#### Improving Economic Outcomes

• Reducing barriers and increasing employment opportunities for people with disabilities will result in significant economic benefits for individuals, businesses, and the State. This includes a stronger tax base, lower disability unemployment, and less dependence on public assistance programs.



## CHESAPEAKE BAY LEGACY ACT

SB 428, HB 506

This legislation takes a bold step forward in safeguarding the future of the Chesapeake Bay by delivering a comprehensive plan to accelerate its restoration efforts.

Under Governor Moore's leadership as chair of the Chesapeake Executive Council, Maryland has a critical opportunity to lead Chesapeake Bay restoration efforts. Despite recent progress, the EPA recently reported missed environmental targets, underscoring the need for bold action. **This proposal offers a comprehensive plan addressing agriculture, fisheries, aquaculture, and permitting to tackle these challenges and secure the Bay's future.** 

#### AGRICULTURE

The legislation creates the Maryland Leaders in Environmentally Engaged Farming (LEEF) pilot program to incentivize farmers to adopt and expand best practices. By reallocating \$2 million from the underutilized Tree Solutions Now Act, the program aims to drive conservation efforts that enhance Chesapeake Bay water quality.

The legislation also redefines healthy soils and authorizes long-term leases on over 100,000 acres of Department of Natural Resources (DNR) agricultural land for regenerative farming practices.

#### AQUACULTURE

This legislation extends the annual report deadline by 30 days, giving permittees more time to submit reports while enabling efficient processing, timely renewals, and operational certainty for aquaculture.

The legislation also authorizes the Department to require mediation for aquaculture lease protests and to collect fees for survey work and public notices related to leases.

#### **FISHERIES MANAGEMENT**

This proposal streamlines Fisheries Management Plans (FMPs) by removing outdated species lists, aligning with Atlantic States Marine Fisheries Commission plans, and incorporating key policy and guidance documents for informed decision-making.

This proposal introduces a targeted exemption for "ike jime," a sustainable fish processing method widely used in Asia to preserve the fish's flavor and texture.

#### WATER QUALITY

This proposal modernizes the 40-year-old Water Quality Monitoring (WQM) Program and requires the Maryland Department of the Environment (MDE), by December 31, 2025, to allow federally, state, or locally funded oyster restoration projects to generate and certify water quality trading credits.

#### RESTORATION EFFORTS THROUGH ENVIRONMENTAL PERMITS

The legislation updates the Whole Watershed Restoration Partnership process requiring the State management team to work with project sponsors to create comprehensive permit plans. It establishes a collaborative permitting process between DNR and MDE for pilot projects under the Whole Watershed Act of 2024.



## THE PROCUREMENT REFORM ACT OF 2025

SB 426, HB 500

The bill aims to modernize and enhance the State's procurement system to ensure efficiency, effectiveness, and equity.

This legislation proposes the **modernization and streamlining** of state procurement in an effort to simplify the process for the state and vendors; reduce lead times; and improve responsiveness through the enhancement of procurement criteria and flexibility. The bill **promotes equity** by increasing opportunities for socially and economically disadvantaged businesses to compete; and **consolidates socioeconomic programs** at the Governor's Office of Small, Minority, and Women Business Affairs (GOSBA) to increase efficiencies. The bill also **clarifies laws and processes** to ensure consistent interpretation of procurement laws across all agencies; and **enhances transparency** by introducing workforce and supplier diversity plans to align with national best practices.

#### **Streamlining and Efficiency**

- Eliminate the \$50,000 floor for Small Business Reserve (SBR) contracts.
- Allow Procurement Officers to modify contracts within the small procurement threshold.
- Mandate oral presentations for high-value procurements to improve evaluation.

#### Methods of Source Selection and Workforce Diversity

- Empower the Chief Procurement Officer (CPO) to establish source selection methods.
- Enhance the efficiency of the master contracting process, allowing Procurement Officers to focus on a more manageable number of task orders.

#### **Procurement Preferences**

- Ensure that bids or proposals are not rejected for minor irregularities on submission forms.
- Allow procurement officers to increase MBE and VSBE participation goals at any point before contract execution.

- Empower the Chief Procurement Officer (CPO) to determine procurements eligible for noncompetitive source selection methods.
- Empower the Chief Procurement Officer to approve expedited procurements.
- Require Workforce Diversity Plans for contracts over \$500,000 and Supplier Diversity Plans for those over \$250,000.
- Enable the Chief Procurement Officer to cancel solicitations or reject all bids.
- Create a Veteran Small BusinessEnterprise Reserve program from the Department of Veterans and Military Families.
- Reduce reporting burdens for MBEs.
- Centralize Socioeconomic Programs in GOSBA.



## THE PROCUREMENT REFORM ACT OF 2025

SB 426, HB 500 (continued)

#### **Prompt Payments**

 Require payments under SBR contracts within 15 days of invoice approval (50% reduction in vendor wait time).

#### **Clarification of Terms and Delegation**

- Expand the delegation authority of the Department of General Services (DGS) Secretary to the CPO.
- Clarify Definition of "Statewide Contract".

#### Workforce Development and Good Labor Practices

• Establish a Requirement for Internships and Apprenticeships on Certain State Contracts.

#### **Anticipated Impacts:**

- Efficiency Gains: Streamlined processes will reduce administrative burdens and procurement timelines.
- Increased Equity: Enhanced opportunities for small, minority, and veteran-owned businesses.

- The bill aims to modernize and enhance the State's procurement system to ensure efficiency, effectiveness, and equity.
- Explore automated payment solutions through the 21st Century Financial Systems Enterprise (21CFSE) Workgroup.
- Centralize placement of procurement laws within Division II of the State Finance and Procurement (SF&P) Article.
- Establish "Carrots for Contractors" who Practice Good Labor Standards.
- **Transparency:** Workforce and supplier diversity reporting will drive informed decision-making.
- **Economic Growth:** Improved vendor experience and payment practices will attract more businesses to partner with the State.

