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LETTER IN SUPPORT OF SB 628 / HB 819 WITH AMENDMENTS

**STATE FINANCE – CATASTROPHIC EVENT ACCOUNT AND FEDERAL GOVERNMENT SHUTDOWN
EMPLOYEE ASSISTANCE LOAN FUND – NON-CIVILIAN FEDERAL EMPLOYEES**

SENATE BUDGET AND TAXATION COMMITTEE

FEBRUARY 6, 2024

The Maryland Association of Counties (MACo.) Emergency Managers Affiliate (EM Affiliate) **SUPPORTS with AMENDMENTS SB 628 / HB 819 – State Finance – Catastrophic Event Account and Federal Government Shutdown Employee Assistance Loan Fund.** This bill seeks to alter the purpose of the Catastrophic Event Account (CEA) and the Federal Government Shutdown Employee Assistance Loan Fund to provide financial assistance to non-civilian federal employees.

The CEA enables the State or a local government to respond efficiently to natural disasters, various catastrophic events, and the financial hardships faced by federal civilian employees during a full or partial shutdown of the federal government due to a lapse in federal appropriations. Specifically, SB 628 / HB 819 would add federal contractors to the provisions under the CEA federal loan program in the event of a government shutdown. The EM Affiliate supports the purpose of the SB 628 / HB 819 but suggests an amendment that would be beneficial in preventing any undue delay in aiding the State and local governments during difficult times.

As the bill is currently written, during a partial or full shutdown, there is a 2-day review period by the Legislative Policy Committee (LPC) before funds can be transferred to the entity in need. However, there is a 15-day review period by the LPC during a natural disaster or other catastrophic event before funds can be transferred to the appropriate accounts. Therefore, an amendment to reduce the amount of time the LPC reviews transfers from CEA under catastrophic conditions from 15 days to 2 days would make the review periods congruent to each other and ensure that if the State Disaster Recovery Fund (SDRF) is utilized during an emergency, funds can be transferred out of the CEA to the SDRF, other state programs, or directly to locals without any delay. Accordingly, we urge the Committee to give SB 628 / HB 819 a report of **FAVORABLE with AMENDMENTS.**

Sincerely,

Preeti Emrick

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MACO EM AFFILIATE PRESIDENT