

BILL: House Bill 1400
TITLE: State Employee and Retiree Health and Welfare Benefits Program – Employees of Qualifying Organizations
DATE: March 1, 2018
POSITION: SUPPORT WITH AMENDMENTS
COMMITTEE: Appropriations Committee
CONTACT: John R. Woolums, Esq.

The Maryland Association of Boards of Education (MABE), representing all of the state's local boards of education, supports House Bill 1400, with an amendment pertaining to the purpose of the workgroup.

MABE is supporting House Bill 1400 because it would add local boards of education to the provision of law that makes it a local option for county governments and municipalities to join the State Employee and Retiree Health and Welfare Benefits Program. Under current law, an employee of a county or, municipal corporation, may enroll and participate in the health insurance benefit options established under the State Employee and Retiree Health and Welfare Benefits Program with the approval of the governing body of the county or, municipal corporation. Again, MABE endorses local control and discretion in decision-making to enter into cooperative purchasing and intergovernmental agreements, and therefore supports the approach taken in this legislation.

House Bill 1400 also proposes to create a Task Force to Study Cooperative Purchasing for Health Insurance. MABE does not oppose creating such a task force, but does object to the directive to the group to recommend pooling health care purchasing “by transitioning counties, municipal corporations, and county boards to the State health plan.” Therefore, MABE is requesting an amendment to strike the quoted language, which is found on page 5 in lines 24 and 25.

MABE acknowledges the bill sponsor’s longstanding support for the expanded use of intergovernmental and cooperative purchasing practices by local and state governments and the overarching goals of greater efficiencies and cost savings for Maryland’s taxpayers. Fortunately, Maryland’s local school systems already routinely participate in numerous purchasing consortia and enter into cooperative purchasing agreements.

Specifically, the Eastern Shore of Maryland Educational Consortium (ESMEC) was formed in 1986 by the nine public school systems of the Eastern Shore of Maryland for the purpose of collaboratively working together to address the educational needs of the Shore. Two major functions of ESMEC include the Health Care Alliance and the Eastern Shore Energy Trust; and through these entities the collective purchasing power of Eastern Shore counties, municipalities and school systems has achieved substantial cost savings over the course of many years for local governments and taxpayers.

For these reasons, MABE requests a favorable report on House Bill 1400, with the requested amendment.