

**House Appropriations Committee**

**Report on**

**Senate Bill 360 – the Budget Bill**

**Senate Bill 362 – the Budget Reconciliation and  
Financing Act**

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**Maryland General Assembly  
Annapolis, Maryland**

**March 18, 2024**



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# **Fiscal 2025 Budget Budget Bill (SB 360) and the Budget Reconciliation and Financing Act (SB 362) As Amended by the House Appropriations Committee**

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**Meets Spending Affordability Goals:** Both the general fund balance of \$163 million and the structural shortfall of -\$439 million surpass the Spending Affordability Committee (SAC) goals of \$100 million fund balance and -\$508 million structural balance.

**Preserves Reserves:** About \$2.5 billion in cash resources are preserved including \$2.3 billion in the Revenue Stabilization Account (Rainy Day Fund) (9.4% of general fund revenues) and \$163 million in the General Fund. The level of reserves retained for the future exceeds the goals of SAC.

**Raises Ongoing Revenues to Address the State's Transportation Needs:** Revenues of \$576 million are generated in fiscal 2025 by raising vehicle registration fees, increasing the vehicle excise tax and gradually repealing the trade-in allowance against the excise tax, establishing a transportation network company impact fee for each passenger trip, collecting an annual registration surcharge from owners of zero-emission and hybrid vehicles, and increasing fines for speeding in work zones. The additional revenue will allow MDOT to increase bond revenue (net of debt service) by \$217 million in fiscal 2025.

**Strengthens the State's Emergency Medical System:** Almost \$105 million of new revenue is dedicated to emergency medical services beginning in fiscal 2025 including about \$35 million for shock trauma, \$9 million to expand reimbursements from the Maryland Trauma Services Fund, and \$61 million to eliminate a projected structural deficit for the Emergency Medical System Operations Fund, which supports the State police aviation command, coordination of the State's emergency medical system, and grants to locals for fire and rescue equipment.

**Improves the Financial Condition of the Blueprint Fund:** The budget sets aside an additional \$140 million to cover out-year Kirwan implementation costs.

**Restores Funds for Legislative Priorities:** The proposed budget restores funds for legislative priorities that the Governor proposed reducing including almost \$10 million for community colleges, almost \$6 million for resiliency activities, \$5 million for pediatric cancer, \$1 million for Maryland Public Television, and \$1 million for warrant apprehension grants.

**Adds Funds to Meet Debt Service Obligations and Creates Capacity for Legislative Capital Priorities:** The budget shifts \$113 million of capital projects from general obligation (GO) bonds, freeing up GO bond capacity for legislative priorities in the capital budget. Other notable legislative additions include \$21 million for debt service, \$10 million for rental housing, \$4.6 million for Maryland Legal Services Corporation, \$4.2 million to

expand eligibility and increase the minimum benefit for the Supplemental Nutrition Assistance Program benefit for seniors, \$4 million for police accountability grants, \$3.6 million for home detention monitoring, \$3 million for a child care professional development fund, \$2 million for dental clinics serving low-income households, \$2 million for Blueprint coordinators, \$1.8 million for rape crisis centers, and \$1 million for food banks.

**Alleviates Projected Shortfalls for Entitlement Programs:** The Governor is authorized to withdraw \$199 million from the Rainy Day Fund to ensure that Medicaid and foster care are adequately funded.

**Increases Funding for Public Schools:** Under the committee's budget proposal, State support for public schools will total \$9.1 billion. Aid to local school systems will increase an estimated \$454.7 million, or 5.2%.

**Boosts State Employee Salaries and Funds Other Initiatives to Facilitate Recruitment and Retention in a Highly Competitive Labor Market:** The allowance includes \$454.7 million for fiscal 2025 salary increases including a 3% cost-of-living adjustment (5% for members for law enforcement officers), employee salary increments, bonus increments for employees with 4.5 years or more of service, targeted salary increases for hard to fill positions, and bonuses for certain public safety workers. Another \$12 million is provided for a deferred compensation match for State employees.

**Continues to Provide Vital Health Care Services:** Medicaid funding totals \$14.4 billion, allowing the State to provide coverage to over 1.6 million of our residents. Rate increases of 3% are funded for providers serving the developmentally disabled, behavioral health providers, nursing homes, and most Medicaid community-based providers.

**Enhances Funding for Public Safety and Maintains Support for Victim Services:** The budget funds police aid at \$121.4 million, \$46 million above the statutorily required amount. New funding of \$8 million is provided for gun violence prevention and intervention programs, while \$12 million is provided to enhance community-based services for juveniles and invest in services to families residing in communities with high crime rates. Over \$36 million in State support brings total funding in fiscal 2025 for victim services to \$60 million.

**Supports Families with Children:** Almost \$488 million of new funding is allocated to the child care scholarship program to address shortfalls in fiscal 2023 and 2024 and adequately fund the fiscal 2025 budget. The program has seen participation more than double since January 2021 to more than 31,000 children. House actions also prohibit planned increases in co-payments.

**Invests in the State's Climate Pollution Reduction Plan:** The budget includes \$90 million for the climate pollution reduction efforts including \$17 million for grants to purchase/lease electric school buses, \$23 million to install vehicle charging infrastructure, and \$50 million for grants to electrify hospitals, schools, multi-family housing, and other community buildings.

## Fiscal 2025 General Fund Balancing Strategy

	<u>Governor</u>	<u>Senate</u>	<u>APP</u>
<b>Fiscal 2025 Ending Balance (Before Legislation)</b>	<b>-\$924.4</b>	<b>-\$924.4</b>	<b>-\$924.4</b>
<b>Revenue Adjustments including Transfers</b>			
Board of Revenue Estimate March Revisions	-\$255.3	-\$255.3	-255.3
Budget Reconciliation and Financing Act (BRFA)	350.1	744.5	745.8
<b>Spending Adjustments</b>			
Reductions Contingent on BRFA	\$660.3	\$30.3	29.7
Reductions Contingent on Other Legislation	16.9	16.9	16.9
Spending Reductions		748.4	787.5
Spending Additions for Legislative Priorities		-219.4	-236.9
<b>Fiscal 2025 Estimated Closing Balance</b>	<b>-\$152.3</b>	<b>\$141.0</b>	<b>\$163.4</b>

APP: House Appropriations Committee

## Fiscal 2024 and 2025 Revenues and Transfers Authorized by the Budget Reconciliation and Financing Act

<b>BRFA General Fund Transfers</b>	<b><u>Senate</u></b>	<b><u>APP</u></b>
Local Income Tax Reserve Fund	\$150.0	\$150.0
DPA: Cybersecurity (Leaves \$98 million)	149.5	149.5
State Unemployment Insurance Trust Fund	60.0	60.0
DPA: Guilford Avenue – Canceled Capital Project	28.9	28.9
DPA: Parks Critical Maintenance Funds Not Needed in Near Term	14.0	14.0
DPA: MDEM Headquarters – Canceled Capital Project	9.1	9.1
DPA: Unspent Fiscal 2023 Funds for Health Care Providers	7.6	7.6
DPA: Conowingo Dam – Canceled Capital Project	6.0	6.0
DPA: Unspent Fiscal 2023 Funds for LEAP	4.5	4.5
Bard Building Demolition Savings	2.0	2.0

<b>BRFA General Fund Revenues</b>		
Revenue Volatility Cap Adjustment	\$260.0	\$260.0
Redirect Special Fund Interest Earnings to General Fund	29.3	29.3
Lottery Agent Commission Modifications	22.4	22.4
Repeal Small Business Tax Credit	1.3	1.3
Transportation Network Impact Fee		1.3
<b>Total Fiscal 2024 and 2025 General Fund Actions</b>	<b>\$744.5</b>	<b>\$745.8</b>

<b>BRFA Transfers to Blueprint Fund</b>	
School Construction Revolving Loan Fund	\$40.0

<b>BRFA Transportation Trust Fund Revenues</b>	
Increase Vehicle Registration Fee	\$273.0
Vehicle Excise Tax Changes (Includes Treatment of Trade-in)	267.0
Increase Work Zone Speeding Fines	25.8
Transportation Network Impact Fees	37.4
Electric Vehicle Surcharge	5.8
<b>Total Transportation Trust Fund Revenues</b>	<b>\$609.0</b>
Transportation Bond Revenues (Net of Debt Service)	\$216.9
<b>Total Fiscal 2024 and 2025 Transportation Revenues</b>	<b>\$825.9</b>

<b>Other Special Fund Revenues</b>	
Increase Vehicle Registration Surcharge (Trauma Care)	\$113.5
Increase Work Zone Speeding Fines (Maryland State Police)	5.7
<b>Total Other Special Fund Revenues</b>	<b>\$119.2</b>

APP: House Appropriations Committee  
 BRFA: Budget Reconciliation and Financing Act  
 DPA: Dedicated Purpose Account  
 LEAP: Learning in Extended Academic Programs  
 MDEM: Maryland Department of Emergency Management



## Legislative Actions on Spending (\$ in Millions)

### Proposed Budget Reductions

#### General Fund Reductions

##### Fiscal 2025 Actions

	<u>Senate</u>	<u>APP</u>
Appropriation to Rainy Day Fund (Budget Leaves Balance of \$2.3 Billion in Rainy Day Fund)	\$495.497	\$495.497
Reduce Funds for Sellinger Formula	58.811	63.811
No One-time Funds for Pension System and Retiree Health Liability	50.000	50.000
Increase Estimate of Vacant Positions to 8.6% (Current Vacancies Exceed 10%)	24.941	24.941
Partially Reduce Payment to Pension System That Exceeds Actuarially Required Amount	21.612	21.612
Constrain Growth in Community College Aid to 54% Higher Than Fiscal 2020 Actual*	12.740	12.740
Savings from Delay in FAML I Implementation**	12.443	12.443
No New Funds for School Construction Revolving Loan in Fiscal 2025	10.000	10.000
Fund Enough Act at \$5 Million (Added Back Below)		10.000
Delete Double Budgeted Funds for Salary Increments for Judiciary	7.911	7.911
Funds for Replacement Cash Assistance Benefits Are Overstated	7.500	7.500
Fund Park Operations with Special Funds Diverted from Program Open Space Stateside Fund Balance*	6.679	6.679
Reduce Funds for Center for Violence Prevention and Intervention As State Plan Is Not Due Until May 2025	6.000	8.000
Operating Savings in Judiciary to Align with Prior Experience	5.600	5.600
Align budget for Department of Service and Civic Innovation with expenditures for 550 participants		5.500
Fund Business Façade Program with GO Bonds Rather Than Cash	5.000	5.000
No Discretionary Police Aid Enhancement	5.000	5.000
Fund Swap for Child Support Operations Due to Availability of Special Funds	3.655	3.655
Fund Swap in MDE Contingent on Increases in Special Fund Fees**	3.455	3.455
Administrative Costs of Summer Food Program Overstated		3.200
Funds Swap for School Resource Officers	3.000	3.000
Fund Behavioral Health Costs with Surpluses from Various Health Boards*	2.556	2.556
Fund Tree Solutions Now Act with Bay 2010 Trust Fund*	2.500	2.500
Reduce Grants for Revitalization of North West Avenue by 50%		2.500
No Expansion of EARN and a \$300k Reduction That Is Added Back for a Specific Program		2.300
No Funds for New Talent Innovation Initiative		2.000
Use Fund Balance to Fund Fisheries Program*	1.794	1.794
Budgeting Error for Comptroller	1.037	1.037
Repeal Mandate for Telework Assistance Grant**	1.000	1.000
Fund Swap for Office of Attorney General Consumer Protection Division*	0.700	0.700
Reduce Mandate for Mel Noland Woodland Incentives Program By 50%*	0.500	
Align Budget for Appointed Attorney Program with Actual Experience	0.500	0.500
Vacancy Savings for DoIT	0.377	0.377
Reduce Funds for Maryland 250 Program Due to Availability of Prior Year Funding		0.250
Fund Medicaid Costs with Special Funds from Balance in Integrated Care Fund*	0.217	0.217
Vacancy Savings in Governor's Office of Crime Prevention and Policy	0.171	0.171
Reducing operating costs for Maryland State Police	0.114	0.508
Vacancy Savings in Department of Service and Civic Innovation	0.111	0.111
Reduce Funds for Maryland Native Plants Program*	0.100	
Vacancy Savings in Department of Commerce	0.096	0.096
Delete Double Budgeted Funds for Employee Health Insurance in MDH	0.077	0.077
Vacancy Savings in DBM	0.037	0.037
Budgeting Error at Commission on African American History and Culture	0.029	0.029

##### Fiscal 2024 Actions

No Fiscal 2024 Funds for School Construction Revolving Loan Fund	\$20.000	\$20.000
Fund Catastrophic Event Fund at \$10 Million	9.419	9.419

	<u>Senate</u>	<u>APP</u>
Foster Care Deficiency Overstates Funding Need	7.000	7.000
Cybersecurity Funds in Dedicated Purpose Account (Added Back Below)	4.000	8.000
Fund Tree Solutions Now Act with Bay 2010 Trust Fund*	2.500	2.500
PAYGO Funds for Institute for Health Computing		2.000
Align Budget for Appointed Attorney Program with Actual Experience	0.500	0.500
Historic Train Map	0.400	0.400
<b>Total</b>	<b>\$795.578</b>	<b>\$834.123</b>

### Special Fund Reductions

#### Fiscal 2025 Actions

Reduce Funds for Consortium for Coordinated Community Supports		\$100.0
Increase Estimate of Vacant Positions To 8.6% (Current Vacancies Exceed 10%)	\$10.268	10.268
Correct Retirement Budgeting Error	8.974	8.974
No Funds for Emergency Preparedness Grants to Local School Systems	3.000	3.000
Correct Budget Error Providing Unneeded Funds for Electronic Licensing Modernization Project	2.793	2.793
Partially Reduce Payment to Pension System That Exceeds Actuarially Required Amount	1.684	1.684
DHS Budgeting Error	1.556	1.556
No Vehicle Registration Stickers on License Plates*		1.050
Reduce Funds in DHCD for Operating Assistance Grants	1.000	1.000
Delete Double Budgeted Employee Health Insurance Funds for Comptroller's Office	0.158	0.158
Vacancy Savings in Department of Commerce	0.031	0.031
<b>Total</b>	<b>\$29.463</b>	<b>\$130.513</b>

\* Contingent on Budget Reconciliation and Financing Act (SB 362).

\*\* Contingent on Legislation.

### Proposed Budget Additions

#### General Fund Additions

#### Fiscal 2025 Additions

	<u>Senate</u>	<u>APP</u>
PAYGO Capital for Rental Housing (\$47.0 Million), Strategic Demolition Fund (\$30 Million), and Homeownership (\$16 Million) Shifted from GO Bonds	\$110.197	92.962
Fully Fund Debt Service	21.000	21.000
Rental Assistance Contingent on SB 370/HB 428	5.000	5.000
Grant to Maryland Legal Services Corporation Including \$1 Million Contingent on SB 797	4.600	4.600
Restore Grants to Locals for Police Accountability to \$8 Million	4.000	4.000
Home Detention Monitoring	2.700	3.600
Operating Funds for Baltimore Regional Neighborhood Initiative (Includes \$240,050 for Coppin Heights CDC, \$150,000 for Jubilee Baltimore, and \$50,000 for Mt. Pleasant Development)	2.000	2.000
Maryland Association of Boards of Education for Health Centers in Prince George's County	2.000	2.000
Grant to Maryland Hospital Association for Nursing Development Program	2.000	2.000
Comptroller for Tax Fraud Detection Technology and Educating Public on Tax Compliance	2.000	2.000
Grant to Living Classrooms	1.750	3.500
Grant to UMB School of Medicine for Rural Health Equity and Access Scholarship Program	1.400	1.400
Grant to East Baltimore Neighborhood Development Fund	1.000	1.000
Operating Funds for National Capital Strategic Economic Development Program (NED)	1.000	1.000
Grant to Dwyer Workforce Development	1.000	1.000
Grant to Maryland School for the Blind for Employee Compensation	1.000	1.000
Grant for Drone Based Security System At the Port of Baltimore	1.000	1.000
Grant to Cal Ripken Sr. Foundation	1.000	1.000
Increase Funds for Maryland Supportive Housing Waiver	1.000	1.000
Grant to USM School of Dentistry for Operating Costs of an Emergency Dental Clinic	1.000	1.000
Grant to Arundel Lodge for Urgent Care for Behavioral Health Needs	1.000	1.000
Grant to Baltimore Jewish Council	0.900	0.900

	<u>Senate</u>	<u>APP</u>
Fully Fund Formula Aid for Sexual Assault and Rape Crisis Centers	0.841	0.841
Grant to State Library Resource Center Contingent on SB 434/HB489	0.776	0.776
Expand Janet Hoffman Scholarship Eligibility to All School Nurses Contingent on SB 441	0.750	0.750
Grants to Local Management Boards	0.750	0.750
Grant to Northbay	0.750	0.750
Grant to UMGC for Completion Scholarships	0.750	0.750
MSDE's Division of Rehabilitation Services to Match Available Federal Funds	0.700	0.700
Grant to Maryland Humanities Council for SHINE Grants	0.550	0.550
Grant to Capital Area Food Bank	0.500	0.500
Grant to Maryland Food Bank	0.500	0.500
Increase Funding for Medical Adult Daycare Centers	0.500	0.500
Grant to Maryland Coalition Against Sexual Assault for Rape Crisis Centers	0.500	1.000
Grant to MPT for Center for Maryland History Films	0.500	0.500
Grant to Maryland Patient Safety Center	0.500	1.000
Grant to Baltimore Symphony Orchestra	0.500	0.500
Grant to CASH Campaign	0.500	0.500
Grant to Fuel Fund of Maryland	0.500	0.500
Grant to City of Frederick for Mental Health Services	0.500	0.500
Grant to Gilchrist Center for Hospice Care	0.500	0.500
Nine Additional Field Inspectors and Associated Funding for MDL	0.500	0.500
Office of Public Defender for Staff Salary Increases	0.500	0.500
Department of Agriculture for Technical Assistance	0.500	0.500
Grant to Vehicles for Change Contingent on SB 181	0.500	0.500
Grant to Revitalize Middle Branch of Patapsco River	0.500	0.500
University System of Maryland School of Dentistry for Pediatric Dental Clinic Services	0.500	1.000
Grant to UMBC's Choice Program	0.500	0.500
Grant to Boys and Girls Clubs of Metropolitan Baltimore	0.500	0.500
Grant to Morgan State University for Center for Equitable Artificial Intelligence and Machine Learning Systems	0.500	0.500
Maryland Network Against Domestic Violence	0.500	1.000
Grant to MDL to Reimburse Employers Paying Community Colleges for Apprenticeship Training	0.500	0.500
Growing Family Child Care Opportunities Program Contingent on SB 882	0.450	0.450
Grant to the Hippodrome Theater	0.400	0.400
Personnel Grants to Counties for EMS/Firefighter Personnel Costs	0.350	0.350
Grant to Maryland Children's Alliance	0.350	0.350
Grant to University System of Maryland Hagerstown for IT System Upgrades	0.300	0.300
Professional Volunteer Firefighter Innovative Cancer Screening Contingent on SB 578	0.300	0.300
Additional Funds for DNR for Midge Spraying	0.300	0.300
Comptroller for Grants for Low Income Tax Clinics	0.250	0.250
Maryland to Host Council of State Governments Conference in 2024	0.250	0.250
Grant to Towson University for Center for Community Schools	0.250	0.250
Grant to Nancy Grasmick Leadership Institute	0.250	0.250
Grant to Prince George's Gateway Development Authority	0.250	0.250
Grant for Mensonet Operations	0.250	0.250
Grant to DNR for Fresh Water Mussels	0.250	0.250
Funds for DHCD to Conduct a Study of Commercial Community Land Trusts	0.250	0.250
Fund Maryland Entertainment District Security Grant Program	0.250	0.250
Grant to City of Hagerstown for Long-range Water and Wastewater Infrastructure Study	0.250	0.250
Grant to MDL for a Bus Driver Wage Study	0.250	0.250
Grant to the Baltimore Animal Rescue and Care Shelter	0.200	0.200
Grant to Chesapeake Shakespeare Company	0.200	0.200
Grant to Grassroots Crisis Intervention Center	0.200	0.200
Two PINS and Associated Funding for Department of Natural Resources Contingent on SB 969	0.200	0.200
Grant to Black Rock Center for the Arts	0.190	0.190
Grant to Baltimore Arts Realty Corporation for Smart Garments Operating Fund	0.175	0.175

	<u>Senate</u>	<u>APP</u>
Grant to Historic Annapolis Foundation for Management of Historic Properties	0.165	0.165
Fund for State Prosecutor and State Board of Elections Contingent on SB 978	0.161	0.161
Grant to Family League of Baltimore	0.150	0.150
Grant to Humanim	0.150	0.150
Study on Diploma and Degree Employment Discrimination Contingent on SB 910	0.150	0.150
Grant to Boys and Girls Club of Southern Maryland	0.150	0.150
Grant to Hagerstown Community College for a Facilities Study	0.125	0.125
Grant to Babe Ruth Museum	0.125	0.125
Funds for Black Fly Mitigation	0.113	0.113
Grant to League of Dreams for Water Safety and STEM Programs	0.110	0.110
Add One Position and Associated Funding for Office of Health Care Quality for Nursing Home Surveys	0.103	0.103
Grant to Ylena Leadership Foundation	0.100	0.100
Grant to ALS Association DC/Maryland/Virginia Chapter	0.100	0.100
Grant to Junior Achievement for Biztown Program	0.100	0.100
Grant to Pro Bono Counseling for WARMLine	0.100	0.100
Grant to Potomac River Fisheries Commission for Oyster Spat	0.100	0.100
Grant to the Robert Johnson Community Center	0.100	0.100
Grant to Forest Heights for infrastructure needs	0.100	0.100
Grant to Belair Edison Neighborhood Inc.	0.085	0.085
Grant to Lighthouse Bistro	0.075	0.075
Grant to Lincoln Technical Institute	0.075	0.075
Grant to Huntington City Community Development Corporation	0.075	0.075
Grant to Zaching Against Cancer Foundation	0.050	0.250
Grant to Baltimore Community Rowing	0.050	0.050
Grant to Sandy Spring Civic Association	0.050	0.050
Grant to Chesapeake K-9 Fund	0.050	0.050
Grant to Maryland Fire Museum	0.050	0.050
Grant to Neighbor Ride Inc.	0.050	0.050
Grant to Senior Rides	0.050	0.050
Grant to the Sultana Foundation	0.030	0.030
Grant to Cradelrock Children's Center	0.025	0.025
Schaefer Center to Staff the Apprenticeship 2030 Commission	0.025	0.025
Grant to ReBuild Metro	0.020	0.020
Grant to Build Haiti Foundation	0.010	0.010
Emergency Rental Assistance		5.000
Grants to Local Management Boards contingent on SB 482/HB 694		5.000
Infrastructure Development Contingent on SB 482/HB 964		5.000
Expand Eligibility and Increase Minimum Benefit for Supplemental Benefit for Seniors Contingent on SB 35/HB5 6665		4.200
Department of Legislative Services for Staff Retention and to Address Workload Increases (Includes 12 PINS)		2.000
Grant for Capital Region Violence Intervention Program		1.000
8 Additional Positions for the Comptroller		0.750
Grant to Catholic Charities for Operation of Angel's Watch Emergency Family Shelter		0.500
Grant to Engineering for US All		0.500
Grant to Local Initiatives Support Corporation		0.400
Grant to EARN for a Leasing Agent Training Program		0.300
Grant to UMCP's National Center for Smart Growth		0.250
Grant to Prince George's Child Resource Center (Child Resource Connect)		0.250
Grant to Economic Action Maryland		0.225
MHEC for Implementation of Program Approval Workgroup Recommendations Including 1 Position		0.150
Grant to Center for Infant and Child Loss		0.150
Grant for Your Public Radio Corporation		0.100

	<u>Senate</u>	<u>APP</u>
Grant to Maryland Senior Olympics		0.050
Grant to Prince George's Cultural Arts Foundation for 2024 Lake Arbor Jazz Festival		0.035
Funds for operation of the Public Health Commission		0.025

**Fiscal 2024 Additions**

PAYGO Capital for Rental Housing Shifted from GO Bonds	\$20.000	\$20.000
Grant to Pride of Baltimore	0.250	0.250
Grant to Central Baltimore Partnership to Restore Historic Train Map	0.400	0.400
Cybersecurity Improvements for State and Local Governments	4.000	4.000
Cybersecurity Improvements for Comptroller's Office		4.000
<b>Total General Fund Additions</b>	<b>\$219.400</b>	<b>\$236.900</b>

**Special Fund Additions**

**Fiscal 2025 Additions**

Funds for AIB to Provide Technical Assistance	\$1.100	\$1.100
Funds for AIB for Rent and a Government Affairs position	0.140	0.290
School Resource Officers	3.000	3.000
Office of Correctional Ombudsman contingent on SB 134/HB 297	1.000	1.000
Child Care Professional Development Fund		3.000
Blueprint Coordinators		2.000
<b>Total Special Fund Additions</b>	<b>\$5.240</b>	<b>\$10.390</b>

AIB: Accountability and Implementation Board

APP: House Appropriations Committee

CASH: Creating Assets, Savings and Hope

CDC: Community Development Corporation

DHCD: Department of Housing and Community Development

DHS: Department of Human Services

DNR: Department of Natural Resources

DoIT: Department of Information Technology

EARN: Employment Advancement Right Now

EMS: emergency medical services

FAMLI: Family Medical Leave Insurance

GO: general obligation

IT: information technology

MDE: Maryland Department of the Environment

MDL: Maryland Department of Labor

MPT: Maryland Public Television

MSDE: Maryland State Department of Education

PAYGO: pay-as-you-go

PIN: position identification number

STEM: science, technology, engineering, and mathematics

UMB: University of Maryland, Baltimore Campus

UMBC: University of Maryland Baltimore County

UMCP: University of Maryland, College Park Campus

UMGC: University of Maryland Global Campus

USM: University System of Maryland

## Fiscal Note – Summary of the Fiscal 2025 Budget Bill – SB 360

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>
<b>Governor's Allowance</b>					
Fiscal 2024 Budget	\$27,419,764,021	\$11,961,174,909	\$19,723,586,024	\$5,099,576,126	\$64,204,101,080 <sup>(1)</sup>
Fiscal 2025 Budget	26,491,280,495	12,315,732,841 <sup>(2)</sup>	19,352,152,715	5,490,263,944	63,649,429,995 <sup>(3)</sup>
<b>Supplemental Budget No. 1</b>					
Fiscal 2024 Deficiencies	\$0				\$0
Fiscal 2025 Budget	\$0	88,121,129			88,121,129
<b>Subtotal</b>	<b>\$0</b>	<b>\$88,121,129</b>	<b>\$0</b>	<b>\$0</b>	<b>\$88,121,129</b>
<b>Budget Reconciliation and Financing Act of 2024</b>					
Fiscal 2024 Contingent Reductions	-\$2,500,000				-2,500,000
Fiscal 2024 Contingent Appropriations	0	2,500,000	0	0	2,500,000
Fiscal 2025 Contingent Reductions	-27,185,456	11,385,001 <sup>(4)</sup>	0	0	-15,800,455
Fiscal 2025 Contingent Appropriations	0	95,000,000	0	0	95,000,000
<b>Subtotal</b>	<b>-\$29,685,456</b>	<b>\$108,885,001</b>	<b>\$0</b>	<b>\$0</b>	<b>\$79,199,545</b>
<b>Legislative Reductions</b>					
Fiscal 2024 Deficiencies	-\$47,318,934	\$0	\$0	\$0	-\$47,318,934
Fiscal 2025 Budget	-757,118,228 <sup>(5)</sup>	-129,463,399	-216,214,468	0	-1,102,796,095
<b>Total Reductions</b>	<b>-\$804,437,162</b>	<b>-\$129,463,399</b>	<b>-\$216,214,468</b>	<b>\$0</b>	<b>-\$1,150,115,029</b>
<b>Legislative Additions</b>					
Fiscal 2024 Deficiencies	\$28,650,000	\$0	\$0	\$0	\$28,650,000
Fiscal 2025 Budget	\$208,250,000 <sup>(6)</sup>	\$10,390,000	\$0	\$0	\$218,640,000
<b>Total Additions</b>	<b>\$236,900,000</b>	<b>\$10,390,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$247,290,000</b>
<b>Appropriations</b>					
Fiscal 2024 Budget	\$27,398,595,087	\$11,963,674,909	\$19,723,586,024	\$5,099,576,126	\$64,185,432,146
Fiscal 2025 Budget	25,915,226,811	12,391,165,572	19,135,938,247	5,490,263,944	62,932,594,574
<b>Change</b>	<b>-\$1,483,368,276</b>	<b>\$427,490,663</b>	<b>-\$587,647,777</b>	<b>\$390,687,818</b>	<b>-\$1,252,837,572</b>

<sup>(1)</sup> Reflects \$1.2 billion in proposed deficiencies, including \$359.7 million in general funds, \$64.1 million in special funds, \$754.8 million in federal funds, \$2.6 million in current unrestricted funds, and \$2.1 million in current restricted funds. Assumes \$75.0 million in unspecified general fund reversions and includes \$52.0 million in targeted general fund reversions. Excludes \$203.6 million in special funds that double counts general fund spending.

<sup>(2)</sup> Excludes \$53.7 million of special funds that double counts general fund spending.

<sup>(3)</sup> Includes \$18.8 million in contingent appropriations, including \$15.1 million in general funds, \$3.7 million in special funds. Assumes \$75.0 million in unspecified general fund reversions.

<sup>(4)</sup> Includes \$12.4 million of assumed special funds to replace general fund reductions that are contingent on legislation.

<sup>(5)</sup> Includes \$16.9 million of reductions that are contingent on legislation.

<sup>(6)</sup> Includes \$24.2 million in additions contingent on legislation.

**Fiscal 2024 and 2025 General Fund and Other Budgetary Impacts  
Contingent on the Budget Reconciliation and Financing Act (SB 362)**

	<u>Senate</u>	<u>House</u>
<b>General Fund Revenue Actions</b>		
Reduce the Amount of Funds Reserved Due to Revenue Volatility Cap (Fiscal 2024 and 2025)	\$260.0	\$260.0
Reduce Lottery Agent Commissions for Sales from 6.0% to 5.75% and the Commission for Cashing of a Ticket from 3% to 2% (Fiscal 2024 and 2025)	22.4	22.4
Redirect Interest from a Variety of Special Funds (Fiscal 2024 and 2025)	29.3	29.3
Transportation Network Company Impact Fee	0.0	1.3
Repeal the Small Business Relief Tax Credit	1.3	1.3
	<b>\$312.9</b>	<b>\$314.2</b>
<b>Transportation Trust Fund Revenue Actions</b>		
Vehicle Registration Fee Increase Among All Classes of Vehicles	\$0.0	\$273.0
Increase in Vehicle Excise Tax and Alterations to the Trade In Allowance	0.0	267.0
Establishing a Transportation Network Company Impact Fee	0.0	37.4
Increase and Alterations to the Highway Work Zone Speed Monitoring System Citations	0.0	25.8
Establishing an Electric Vehicle Surcharge	0.0	5.8
	<b>\$0.0</b>	<b>\$608.9</b>
Transportation Bond Revenues	\$0.0	\$216.9
<b>Total Transportation Revenue</b>	<b>\$0.0</b>	<b>\$825.9</b>
<b>Other Special Fund Revenue</b>		
Increase Vehicle Registration Surcharge to Support Trauma Care	\$0.0	\$113.5
Department of State Police Special Funds	0.0	6.3
	<b>\$0.0</b>	<b>\$119.8</b>
<b>Transfers to the General Fund</b>		
Local Income Tax Reserve Account: Overalllocation Based on Closeout Review, Net of Canceled Repayments	\$150.0	\$150.0
DPA: Cybersecurity	149.5	149.5
Unemployment Insurance Trust Fund (State Self-insured Fund)	60.0	60.0
DPA: PAYGO – Renovations to 2100 Guilford Ave.	28.9	28.9
DPA: State Facilities Renewal for DNR Critical Maintenance	14.0	14.0
DPA : PAYGO – MDEM Headquarters Renovation and Expansion Project at Camp Fretterd Military Reservation	9.1	9.1
DPA: Assisted Living Facilities, Hospitals, and Nursing Homes	7.6	7.6
DPA: PAYGO – Conowingo Dam Dredging	6.0	6.0
DPA: Learning in Extended Academic Programs	4.5	4.5
Withdrawal Funding for Bard Building Demolition	2.0	2.0
	<b>\$431.6</b>	<b>\$431.6</b>
<b>Other Transfers</b>		
Transfer School Construction Revolving Loan Fund Balance to the Blueprint for Maryland's Future Fund	<b>\$0.0</b>	<b>\$40.0</b>
<b>Contingent General Fund Reductions</b>		
MHEC: Cade Formula – Alter Formula to Change Enrollment Calculation, Alter Calculation, Remove the Hold Harmless Provisions, and Reduce the Percentage of FTES from 29% to 27.2%	\$12.7	\$12.7
DNR: Authorize the Use of Program Open Space State Balance for the Forest Service and Maryland Park Service in Fiscal 2025 Only	6.7	6.7

	<u>Senate</u>	<u>House</u>
DNR: Allow Funds from the Chesapeake and Coastal Bays 2010 Trust Fund to Satisfy Mandate for Tree Solutions Now Act of 2021 (Fiscal 2024 and 2025)	5.0	5.0
MDH: Authorize the Use of Special Fund Balances from State Board of Examiners of Professional Counselors (\$1.6 million), State Board of Occupational Therapy Practice (\$0.4 million), and State Board of Examiners of Psychologists (\$0.4 million) to Be Used for Programs in BHA	2.6	2.6
DNR: Eliminate Mandated Appropriation into the Fisheries Research and Development Fund in Fiscal 2025 Only	1.8	1.8
OAG: Eliminate Mandate for the Consumer Protection Division	0.7	0.7
DNR: Reduce Mandate for the Mel Noland Woodland Incentives and Fellowship Fund	0.5	0.0
MDH: Transfer Funds from the Health Information Exchange Fund to the Medical Care Programs Administration for IT	0.2	0.2
MDA: Eliminate Mandate for the Maryland Native Plants Program	0.1	0.0
	<b>\$30.3</b>	<b>\$29.7</b>
 <b>Contingent Special Fund Reductions</b>		
MDOT: MVA Eliminate Requirement to Issue Registration Stickers	<b>\$0.0</b>	<b>\$1.1</b>
 <b>Contingent Special Fund Appropriations</b>		
DPA: SEIF Transfer for implementing Climate Reduction Plan	\$90.0	\$90.0
MDH: Senior Prescription Drug Assistance Program Balance for Behavioral Health Services	5.0	5.0
DNR: Allow Funds from the Chesapeake and Coastal Bays 2010 Trust Fund to Satisfy Mandate for Tree Solutions Now Act of 2021	2.5	2.5
	<b>\$97.5</b>	<b>\$97.5</b>
 <b>Total Impact of the BRFA</b>	 <b>\$677.2</b>	 <b>\$1,664.7</b>

BHA: Behavioral Health Administration  
BRFA: Budget Reconciliation and Financing Act  
DPA: Dedicated Purpose Account  
DNR: Department of Natural Resources  
FTES: full-time equivalent student  
IT: information technology

MDA: Maryland Department of Agriculture  
MDEM: Maryland Department of Emergency Management  
MDH: Maryland Department of Health  
MHEC: Maryland Higher Education Commission  
MVA: Maryland Vehicle Administration  
OAG: Office of the Attorney General  
PAYGO: pay-as-you-go  
SEIF: Strategic Energy Investment Fund



**Estimated Revenue Impacts of Certain Provisions Amended into the  
Budget Reconciliation and Financing Act (SB 362)**

**Fiscal 2024-2029**

**(\$ in Millions)**

**STATE REVENUES BY PROVISION (Excluding Bond Revenue Effects)**

	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>	<b><u>FY 2028</u></b>	<b><u>FY 2029</u></b>
Vehicle Excise Tax Alterations	\$11.7	\$255.2	\$270.4	\$278.8	\$283.1	\$287.5
Annual Surcharge for Electric Vehicles	0.4	5.4	6.8	7.5	8.1	8.8
Annual Vehicle Registration Fee Increases	21.0	252.0	252.0	252.0	252.0	252.0
Annual Vehicle Registration Surcharge Increases (\$23 more)	8.7	104.8	104.8	104.8	104.8	104.8
Transportation Network Company Impact Fee	0.0	38.7	40.4	42.2	44.0	46.8
Highway Work Zone Fines Increased	0.0	32.1	51.5	42.4	34.5	27.9
Combined Reporting	0.0	0.0	0.0	0.0	65.3	224.6
<b>Total Impact from Tax, Fee, Fine, and Surcharge Revenue</b>	<b>\$41.9</b>	<b>\$688.2</b>	<b>\$725.9</b>	<b>\$727.6</b>	<b>\$791.8</b>	<b>\$952.4</b>
Transportation Bond Revenues (net of Debt Service)	0.0	216.9	620.4	726.0	602.9	423.9
<b>Total Revenue Impact including Transportation Bond Revenues</b>	<b>\$41.9</b>	<b>\$905.1</b>	<b>\$1,346.3</b>	<b>\$1,453.6</b>	<b>\$1,394.7</b>	<b>\$1,376.4</b>

**Quantified State Revenues by Fund/Entity**

General Fund	\$0.0	\$1.3	\$0.3	\$0.3	\$50.6	\$173.3
Transportation Trust Fund	33.2	575.7	609.7	613.6	625.6	655.6
Trauma Physician Services Fund	0.8	9.1	9.1	9.1	9.1	9.1
Maryland Emergency Medical System Operations Fund	5.1	61.0	61.0	61.0	61.0	61.0
Higher Education Investment Fund	0.0	0.0	0.0	0.0	3.9	13.5
Department of State Police	0.0	6.3	11.1	8.8	6.9	5.2
University of Maryland Medical System (Shock Trauma)	2.9	34.6	34.6	34.6	34.6	34.6
Transportation Bond Revenues (Net of Debt Service)	0.0	216.9	620.4	726.0	602.9	423.9
<b>Total State Revenues (All Funds) (Including Net Bond Proceeds)</b>	<b>\$41.9</b>	<b>\$905.1</b>	<b>\$1,346.3</b>	<b>\$1,453.6</b>	<b>\$1,394.7</b>	<b>\$1,376.4</b>
<b>Total Transportation Revenues (TTF and Net Bond Proceeds)</b>	<b>\$33.2</b>	<b>\$792.7</b>	<b>\$1,230.1</b>	<b>\$1,339.6</b>	<b>\$1,228.5</b>	<b>\$1,079.5</b>

# House Appropriations Committee Action on the Budget Reconciliation and Financing Act of 2024 (SB 362)

The Budget Reconciliation and Financing Act (BRFA) of 2024, as amended<sup>1</sup> by the House Appropriations Committee, accomplishes the following:

Transportation Trust Fund Revenue Actions	\$608.9
Transportation Bond Revenue	216.9
General Fund Revenue Actions	314.2
Revenue to Support Trauma Services	113.5
Other Special Fund Revenue	6.3
Transfers to the General Fund	431.6
Transfer to the Blueprint for Maryland’s Future Fund	40.0
Special Fund Contingent Appropriations	97.5
Expenditure Reductions (General and Special Funds)	30.7
<b>Total Fiscal 2024 and 2025 Impact of BRFA on Budget Plan</b>	<b>\$1,664.7</b>

Note: Numbers in chart do not sum to total due to rounding.

Technical Amendments: Purpose and function paragraphs and renumbering. (p. 1-8, 88, 89, 92-95, 97)

1

*Strikes a provision that would have eliminated the requirement that the Governor provide \$150,000 annually for a native plant specialist at the University of Maryland Extension and \$100,000 annually for the Maryland Department of Agriculture to administer the Native Plants Program. (p. 8)*

2

*Modifies a provision to permanently eliminate the requirement that the Governor provide \$700,000 of general funds for the Consumer Protection Division and authorize the Governor to include special funds of \$700,000 annually for the division instead of applying this change to fiscal 2025 only. (p. 8-9)*

3

*Adds a provision to include work zone safety speed control systems citations to other automated citation practices and amend the use of these fines to include highway safety programs. (p. 9)*

12

<sup>1</sup> Provisions added or amended in whole or in part, except by a technical amendment, are noted in italics.

*Modifies a provision to repeal the School Construction Revolving Loan Fund and authorize a transfer of \$40 million from the fund balance to the Blueprint for Maryland's Future Fund instead of eliminating the mandate. (p.10, 88, 95)*

4

*Restores a provision to alter the allowable uses of the Blueprint for Maryland's Future Fund that is provided for Coordinated Community Supports to include reimbursements for school-based behavioral health services including reimbursing the Maryland Department of Health (MDH) Medical Care Programs Administration for services provided on a fee-for-service basis through a Medicaid waiver and adds a requirement that the Community Health Resources Commission procure a certain type of referral platform. (p. 12-15)*

5

*Modifies a provision to prohibit an increase in Child Care Scholarship co-payment levels above those in place on January 1, 2024, and restores a requirement that prohibits a freeze in enrollment without certain notifications. (p. 15-16)*

6

Amends the Cade funding formula to specify the State aid per full-time equivalent student (FTES) for the public four-year institutions is to be calculated using the second prior year students at the public four-year institutions and second prior year actual expenditures. (p. 18, 20)

Modifies a provision that alters the Cade formula to remove the hold harmless provisions, alters the enrollment count for the community college institutions, removes the fixed cost portion of the distribution by institution, and would have lowered the statutory percentage of State aid per FTES for the select public-four year institutions from 29% to 26.5% to instead set the percentage of State aid per FTES in the formula to 27.2%. (p. 17-24)

Amends the Baltimore City Community College funding formula to specify the State aid per FTES for the public four-year institutions is to be calculated using the second prior year students at the public four-year institutions and second prior year actual expenditures. (p. 24-28)

Amends the Sellinger funding formula to specify the State aid per FTES for the public four-year institutions is to be calculated using the second prior year students at the public four-year institutions and second prior year actual expenditures. (p.29-30)

*Modifies a provision to reduce the percentage of State aid per FTES for select public four-year institutions used for the Sellinger funding formula from 16.6% to the current law level of 15.5%. (p. 28-30)*

7

Strikes a provision that would have removed a prohibition on the MDH Developmental Disabilities Administration setting a dollar cap on self-directed and family-directed goods and services. (p.30-31)

Adds a provision to expand the allowable uses of the Senior Prescription Drug Assistance Program Fund to include the Kidney Disease program and certain mental health services for the uninsured beginning in fiscal 2025. (p.31-32)

*Adds a provision to amend provisions related to the Maryland Trauma Physician Service Fund to:*

- *expand the purpose of the fund to include the documented costs of trauma health care practitioners (in addition to trauma physicians) (p. 32-34, 38);*
- *expand the revenue sources deposited into the fund to include 20% of fines associated with guilty pleas for impaired driving and any funds transferred from the General Fund (p. 34);*
- *alter the maximum reimbursement rates for on-call costs (p. 34-38);*
- *increase the maximum amount of reimbursable on-call hours that a Level II trauma center may receive (p. 36);*
- *require certain reporting (p. 39-40); and*
- *establish mandated annual grants of \$900,000 to certain pediatric trauma centers. (p. 40)*

Alters the requirement to provide \$5.0 million of general funds for the Business Façade Improvement Fund to allow either general funds or GO bonds to be used to meet the requirement. (p. 41)

Eliminates the requirement that the Governor provide \$1,794,000 for the Fisheries Research Development Fund in fiscal 2025 only. (p. 41)

*Strikes a provision that would have reduced the amount that the Governor must provide for the Mel Noland Woodland Incentives and Fellowship Fund from \$1.0 million to \$500,000 beginning in fiscal 2025. (p.41-42)*

Amends a provision that allows the Governor to use the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to meet the requirement to provide \$2.5 million for tree plantings on public and private land beginning in fiscal 2025 to be consistent with the original intent of the provision that this authorization begins in fiscal 2024. (p. 42)

Strikes a provision that would have reduced the amount that the Governor must provide in fiscal 2025 and 2026 for grants to local law enforcement agencies for warrant apprehension efforts from \$2.0 million to \$1.0 million. (p. 42-43)

*Adds a provision to establish a transportation network company impact fee, which must be assessed for all transportation network passenger trips that originate in the State. (p. 43-46, 57)*

Modifies a provision that would have capped at \$100 million the amount of projected nonwithholding income tax revenue that must, under certain circumstances, be subtracted from the projected general fund revenue estimate in fiscal 2025 and 2026 to instead cap the amounts at \$0 in fiscal 2024 and 2025 and make no change to current law in fiscal 2026. (p. 46-47)

Redirects interest earned on special fund accounts to the General Fund for fiscal 2024 through 2028 only and provides exemptions for certain accounts. (p. 48, 89-92)

Strikes a provision that would have eliminated the requirement that the Governor provide printed budget books with the submission of the budget. (p. 48)

Strikes a provision that would have eliminated the requirement that the Governor distribute certain fiscal 2023 general fund surplus to the Revenue Stabilization Account (Rainy Day Fund), the State Retirement and Pension System, and the Postemployment Benefits Trust Fund in fiscal 2025 only because the funds are reduced directly in the budget bill. (p.48-49)

Modifies a provision that reduces the commissions received by lottery agents for cashing winning tickets from 3% to 2% and would have reduced the commission received for the selling of tickets from 6.0% to 5.5% of gross lottery sales to instead alter lottery ticket sales commissions to 5.75%. (p. 49-50)

Adds a provision to reduce the required retirement reinvestment contribution from \$75 million to \$50 million annually beginning in fiscal 2025 and repeal the requirement to reduce the pension contribution by the amount of certain administrative fees beginning in fiscal 2026. (p. 50-51)

Adds a provision to specify that a required \$10 million distribution to the Local Income Tax Reserve Account is to repay a transfer of \$350 million to the Education Trust Fund beginning in fiscal 2026 and ends the distribution after fiscal 2060. (p. 51)

*Adds a provision to:*

- *require affiliated corporations to submit a combined income tax return beginning in tax year 2028 to reflect the aggregate income tax liability of all members of the combined group; and*
- *require the Comptroller to adopt implementing regulations, consistent with the principals adopted by the Multistate Tax Corporation. (p. 52-57)*

14

*Adds a provision to:*

- *specify uses of revenue generated from transportation network company impact fees, including establishing an account within the Transportation Trust Fund;*
- *alter the trade-in allowance for a vehicle based on the fuel source of the vehicle that a buyer is purchasing beginning on July 1, 2024, but eliminating the trade in allowance after July 1, 2029 (p. 69-72);*
- *increase the vehicle excise tax rate from 6% to 6.5% (p. 72-74);*
- *increase annual vehicle registration fees for all classifications and authorizes payment in installments (p. 74-82);*
- *increase the amount of the vehicle registration surcharge and increase or establish specified surcharge revenue distributions to the Maryland Trauma Physician Services Fund, the R Adams Cowley Shock Trauma Center, and the Maryland Emergency Medical System Operations Fund (p. 82);*
- *establish an annual surcharge on electric vehicle registrations to support the Transportation Trust Fund (p. 82-83);*
- *amend requirements related to work zone control systems to increase fines for citations and require certain reporting (p. 83-85); and*
- *increase the fines for individuals convicted of impaired driving. (p. 85-88)*

16

*Strikes a provision that would have reduced the amount of funding the Governor must provide for state of good repair funding in MTA in fiscal 2025 only from \$450.0 million to \$439.0 million. (p. 60)*

Eliminates the requirement that MTA purchase only zero-emission buses and instead requires that beginning in fiscal 2025 at least 25% of bus purchases be zero-emission and alters exceptions based on available supply. (p. 60)

*Strikes a provision that would have advanced the reduction in the local share of the Highway User Revenue Distribution that would have occurred in fiscal 2028 to fiscal 2026. (p. 61-62)*

9

*Adds a provision to:*

- *restore a provision that would eliminate the requirement that the Motor Vehicle Administration provide vehicle registration stickers for license plates (p. 62, 64-66); and*
- *expand the allowable uses of revenues generated from work zone speeding citations to include highway and/or work zone safety efforts and system preservation within the State Highway Administration. (p. 63-64)*

10

*Amends a provision to:*

- *make a technical amendment (p. 88);*
- *repeal the Maryland Commission on Transportation Revenue and Infrastructure Needs (TRAIN Commission) (p. 95);*
- *establish intent regarding uses of new transportation revenues; and*
- *specify the timing of the trade-in allowance provisions. (p. 96)*

17

Strikes a provision that would have eliminated the requirement that the Governor provide at least the amount of prior year appropriation for the Maryland Public Broadcasting Commission increased by general fund growth and the requirement that the Governor provide an additional amount based on lower receipts of specific federal grants. (p. 88)

Repeals the small business relief tax credit available to small businesses that provide paid sick and safe leave to qualified employees. (p. 88)

Modifies a provision that would have authorized a transfer of \$40.0 million of balance in the account used by the State to pay unemployment compensation benefits for State employees to the General Fund in fiscal 2025 to authorize a transfer of \$60.0 million. (p. 92-93)

Strikes a provision that would have authorized a transfer of \$5.75 million of balance in the Resilient Maryland Revolving Loan Fund to the General Fund in fiscal 2025. (p. 93)

Strikes a provision that would have authorized a transfer of \$5.0 million of balance in the Pediatric Cancer Fund to the General Fund in fiscal 2025. (p. 93)

Modifies a provision that authorizes transfer of fund balance from three health professional boards (Board of Professional Counselors and Therapists, State Board of Occupational Therapy Practice, and State Board of Examiners for Psychologists) to reduce the amounts to be transferred from the State Board of Occupational Therapy Practice and the State Board of Examiners for Psychologists. These reductions result in transfers of a total of \$2.5 million to the MDH Behavioral Health Administration in fiscal 2025 rather than \$3.0 million as introduced. (p. 93)

Authorizes a transfer of remaining fund balance of \$216,845 from the Health Information Exchange Fund for which spending authority has ended to the MDH Medical Care Programs Administration to support information technology activities. (p. 93)

*Makes a technical amendment related to the striking of a transfer of miscellaneous expenses (\$0.4 million) concurred with by both the House and Senate to a provision that authorizes transfers from various funds in the Dedicated Purpose Account (DPA) to the General Fund including \$149.5 million for cybersecurity purposes, \$28.9 million for renovations to 2100 Guilford Avenue, \$9.1 million for the Maryland Department of Emergency Management headquarters renovation and expansion, and \$6.0 million for Conowingo Dam dredging. (p. 93)*

Modifies a provision that authorizes a transfer of \$90 million from the Strategic Energy Investment Fund (SEIF) to the DPA to be used to support the implementation of the Climate Solutions Now Act of 2022 and the State's Climate Pollution Reduction Plan to specify the distribution of SEIF transfers by account and prohibit a transfer from the energy assistance account. (p. 94)

Adds a provision that authorizes a transfer of \$14 million from the DPA, originally intended for critical maintenance at State parks, to the General Fund in fiscal 2025. (p. 94)

Adds a provision to authorize a transfer of \$7.5 million in unspent funds from the DPA, originally intended to support assisted living facilities (\$7.3 million), nursing homes (\$132,321), and hospitals (\$108,302), to the General Fund in fiscal 2025. (p. 95)



Adds a provision to authorize a transfer of \$4.5 million in unspent funds from the DPA, originally intended for use in the Learning in Extended Academic Programs, to the General Fund in fiscal 2025. (p. 95)

Adds a provision to authorize a transfer of \$6.7 million from the Program Open Space State land acquisition fund balance to be used for personnel expenses in the Maryland Park Service and Maryland Forest Service in fiscal 2025 only. (p. 95)

Adds a provision to reduce pay-as-you-go (PAYGO) funding in fiscal 2022 for the demolition of the Bard building at Baltimore City Community College by \$2.0 million to reflect actual project costs. (p. 95)

Adds a provision to expand the allowable uses of a fiscal 2024 PAYGO miscellaneous capital grant to the Living Classrooms Foundation to allow funds to be used for insurance expenses. (p. 95)

Adds a provision to authorize a transfer of \$150 million of funds from the Local Income Tax Reserve account, representing funds that were overdistributed net of canceled repayments, to the General Fund in fiscal 2024. (p. 95).

## State Expenditures – General Funds

Fiscal 2024-2025

(\$ in Millions)

<u>Category</u>	<u>2024 Working Appropriation</u>	<u>2025 Allowance</u>	<u>APP 2025 Reductions <sup>(1)</sup></u>	<u>APP 2025 Additions</u>	<u>APP 2025 Appropriation</u>	<u>\$ Change 2024 to 2025</u>	<u>% Change 2024 to 2025</u>
Debt Service	\$425.1	\$376.1	\$0.0	\$21.0	\$397.1	-\$28.0	-6.6%
County/Municipal	\$455.4	\$419.6	-\$5.0	\$4.8	\$419.3	-\$36.1	-7.9%
Community Colleges	475.5	490.1	-12.7	0.1	477.5	2.0	0.4%
Education/Libraries	7,227.2	7,391.4	-3.0	0.8	7,389.2	162.0	2.2%
Health	115.8	123.2	0.0	0.0	123.2	7.4	6.4%
<b><i>Aid to Local Governments</i></b>	<b><i>\$8,273.8</i></b>	<b><i>\$8,424.2</i></b>	<b><i>-\$20.7</i></b>	<b><i>\$5.7</i></b>	<b><i>\$8,409.2</i></b>	<b><i>\$135.3</i></b>	<b><i>1.6%</i></b>
Foster Care Payments	\$268.5	\$261.3	\$0.0	\$0.0	\$261.3	-\$7.2	-2.7%
Assistance Payments	122.7	136.9	-10.7	4.2	130.4	7.6	6.2%
Medical Assistance	4,880.1	4,865.0	0.0	1.5	4,866.5	-13.6	-0.3%
Property Tax Credits	76.4	79.4	0.0	0.0	79.4	3.0	3.9%
<b><i>Entitlements</i></b>	<b><i>\$5,347.7</i></b>	<b><i>\$5,342.6</i></b>	<b><i>-\$10.7</i></b>	<b><i>\$5.7</i></b>	<b><i>\$5,337.6</i></b>	<b><i>-\$10.2</i></b>	<b><i>-0.2%</i></b>
Health	\$2,362.6	\$2,633.4	-\$23.3	\$5.1	\$2,615.1	\$252.6	10.7%
Human Services	516.9	512.5	-3.7	1.6	510.5	-6.5	-1.3%
Juvenile Services	312.9	328.9	0.0	0.0	328.9	15.9	5.1%
Public Safety/Police	1,895.8	1,979.2	-0.5	0.0	1,978.7	82.9	4.4%
Higher Education	2,209.5	2,319.9	0.0	5.9	2,325.8	116.3	5.3%
Transportation	1.1	150.0	0.0	1.1	151.1	150.0	n/a
Other Education	914.3	994.8	-63.8	7.3	938.3	24.0	2.6%
Agriculture/Natural Res./Environment	234.5	234.8	-14.4	1.7	222.0	-12.5	-5.3%
Other Executive Agencies	1,643.2	1,753.0	-72.7	48.1	1,728.5	85.3	5.2%
Judiciary	667.9	696.4	-14.0	8.2	690.6	22.7	3.4%
Legislative	152.3	158.4	0.0	2.0	160.4	8.2	5.4%
<b><i>State Agencies</i></b>	<b><i>\$10,911.0</i></b>	<b><i>\$11,761.4</i></b>	<b><i>-\$192.4</i></b>	<b><i>\$80.9</i></b>	<b><i>\$11,650.0</i></b>	<b><i>\$739.0</i></b>	<b><i>6.8%</i></b>
Deficiencies (for Prior Years)	134.5	0.0	0.0	0.0	0.0	-\$134.5	-100.0%
<b>Total Operating</b>	<b>\$25,092.1</b>	<b>\$25,904.3</b>	<b>-\$223.8</b>	<b>\$113.3</b>	<b>\$25,793.8</b>	<b>\$701.7</b>	<b>2.8%</b>
Capital <sup>(2)</sup>	\$1,171.0	\$89.0	-\$15.0	\$94.5	\$168.4	-\$1,002.6	-85.6%
<b>Subtotal</b>	<b>\$26,263.1</b>	<b>\$25,993.3</b>	<b>-\$238.8</b>	<b>\$207.8</b>	<b>\$25,962.2</b>	<b>-\$300.9</b>	<b>-1.1%</b>
Reserve Funds	\$1,210.5	\$573.0	-\$545.5	\$0.5	\$28.0	-\$1,182.5	-97.7%
<b>Appropriations</b>	<b>\$27,473.6</b>	<b>\$26,566.3</b>	<b>-\$784.3</b>	<b>\$208.3</b>	<b>\$25,990.2</b>	<b>-\$1,483.4</b>	<b>-5.4%</b>
Reversions	-\$75.0	-\$75.0	\$0.0	\$0.0	-\$75.0	\$0.0	0.0%
<b>Grand Total</b>	<b>\$27,398.6</b>	<b>\$26,491.3</b>	<b>-\$784.3</b>	<b>\$208.3</b>	<b>\$25,915.2</b>	<b>-\$1,483.4</b>	<b>-5.4%</b>

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<sup>(1)</sup> APP reductions include \$44.1 million contingent on legislation

<sup>(2)</sup> Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2024 working appropriation reflects \$359.7 million in deficiencies and \$47.3 million in APP cuts to the deficiencies plus \$127.0 million in reversions including \$52.0 million in targeted reversions. It also reflects legislative additions of \$28.7 million.

**State Expenditures – State Funds**  
**Fiscal 2024-2025**  
(\$ in Millions)

<b>Category</b>	<b>2024 Working Appropriation</b>	<b>2025 Allowance</b>	<b>APP Reductions + Fund Swaps <sup>(1)</sup></b>	<b>APP 2025 Additions</b>	<b>APP 2025 Appropriation</b>	<b>\$ Change 2024 to 2025</b>	<b>% Change 2024 to 2025</b>
Debt Service	\$1,868.3	\$1,933.0	\$0.0	\$21.0	\$1,954.0	\$85.7	4.6%
County/Municipal	\$968.9	\$1,016.3	-\$5.0	\$4.8	\$1,016.0	\$47.1	4.9%
Community Colleges	475.5	490.1	-12.7	0.1	477.5	2.0	0.4%
Education/Libraries	8,727.9	9,181.9	-6.0	5.8	9,181.7	453.8	5.2%
Health	115.8	123.2	0.0	0.0	123.2	7.4	6.4%
<b>Aid to Local Governments</b>	<b>\$10,288.0</b>	<b>\$10,811.4</b>	<b>-\$23.7</b>	<b>\$10.7</b>	<b>\$10,798.3</b>	<b>\$510.3</b>	<b>5.0%</b>
Foster Care Payments	\$270.7	\$263.6	\$0.0	\$0.0	\$263.6	-\$7.1	-2.6%
Assistance Payments	138.3	147.2	-12.3	4.2	139.1	0.8	0.6%
Medical Assistance	5,561.3	5,602.0	0.0	1.5	5,603.5	42.2	0.8%
Property Tax Credits	76.4	79.4	0.0	0.0	79.4	3.0	3.9%
<b>Entitlements</b>	<b>\$6,046.7</b>	<b>\$6,092.2</b>	<b>-\$12.3</b>	<b>\$5.7</b>	<b>\$6,085.6</b>	<b>\$38.9</b>	<b>0.6%</b>
Health	\$3,108.2	\$3,379.1	-\$120.7	\$5.1	\$3,263.5	\$155.3	5.0%
Human Services	684.2	666.1	-3.7	1.6	664.0	-20.2	-2.9%
Juvenile Services	317.1	332.3	0.0	0.0	332.3	15.1	4.8%
Public Safety/Police	2,100.6	2,179.1	-0.5	0.0	2,178.6	78.0	3.7%
Higher Education	7,478.1	7,961.0	0.0	5.9	7,966.9	488.8	6.5%
Other Education	1,201.8	1,256.2	-63.8	11.7	1,204.1	2.3	0.2%
Transportation	2,334.0	2,648.8	-1.1	1.1	2,648.8	314.8	13.5%
Agriculture/Natural Res./Environment	591.3	595.3	-5.2	1.7	591.7	0.4	0.1%
Other Executive Agencies	2,936.3	3,157.8	-96.9	49.1	3,110.0	173.7	5.9%
Judiciary	747.5	780.7	-14.0	8.2	774.9	27.4	3.7%
Legislative	152.3	158.4	0.0	2.0	160.4	8.2	5.4%
<b>State Agencies</b>	<b>\$21,651.4</b>	<b>\$23,114.8</b>	<b>-\$305.9</b>	<b>\$86.3</b>	<b>\$22,895.2</b>	<b>\$1,243.8</b>	<b>5.7%</b>
Deficiencies (for Prior Years)	\$134.5	\$0.0	\$0.0	\$0.0	\$0.0	-\$134.5	-100.0%
<b>Total Operating</b>	<b>\$39,988.9</b>	<b>\$41,951.3</b>	<b>-\$341.9</b>	<b>\$123.7</b>	<b>\$41,733.2</b>	<b>\$1,744.3</b>	<b>4.4%</b>
Capital <sup>(2)</sup>	\$3,337.5	\$1,941.1	-\$15.0	\$94.5	\$2,020.5	-\$1,317.0	-39.5%
Transportation	1,371.4	1,400.2	0.0	0.1	1,400.3	28.9	2.1%
Environment	271.5	210.6	0.0	0.0	210.6	-60.9	-22.4%
Other	1,694.6	330.2	-15.0	94.4	409.6	-1,285.0	-75.8%
<b>Subtotal</b>	<b>\$43,326.4</b>	<b>\$43,892.4</b>	<b>-\$356.9</b>	<b>\$218.1</b>	<b>\$43,753.7</b>	<b>\$427.3</b>	<b>1.0%</b>
Reserve Funds	\$1,210.5	\$663.0	-\$545.5	\$0.5	\$118.0	-\$1,092.5	-90.3%
<b>Appropriations</b>	<b>\$44,536.8</b>	<b>\$44,555.4</b>	<b>-\$902.4</b>	<b>\$218.6</b>	<b>\$43,871.7</b>	<b>-\$665.2</b>	<b>-1.5%</b>
Reversions	-\$75.0	-\$75.0	\$0.0	\$0.0	-\$75.0	\$0.0	0.0%
<b>Grand Total</b>	<b>\$44,461.8</b>	<b>\$44,480.4</b>	<b>-\$902.4</b>	<b>\$218.6</b>	<b>\$43,796.7</b>	<b>-\$665.2</b>	<b>-1.5%</b>

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<sup>(1)</sup> APP net reductions include \$45.1 million contingent on legislation and \$12.4 million in additional special fund spending due to funding swaps tied to general fund contingent reductions.

<sup>(2)</sup> Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2024 working appropriation reflects \$429.5 million in deficiencies and \$47.3 million in APP cuts to the deficiencies plus \$127.0 million in reversions including \$52.0 million in targeted reversions. It also reflects legislative additions of \$28.7 million. Fiscal 2024 excludes \$203.6 million, and fiscal 2025 excludes \$53.7 million of special funds that double count general fund spending.

**State Expenditures – All Funds**  
**Fiscal 2024-2025**  
(\$ in Millions)

<b>Category</b>	<b>2024 Working Appropriation</b>	<b>2025 Allowance</b>	<b>APP Reductions + Fund Swaps <sup>(1)</sup></b>	<b>APP 2025 Additions</b>	<b>APP 2025 Appropriation</b>	<b>\$ Change 2024 to 2025</b>	<b>% Change</b>
Debt Service	\$1,875.8	\$1,937.9	\$0.0	\$21.0	\$1,958.9	\$83.1	4.4%
County/Municipal	\$1,052.0	\$1,098.4	-\$5.0	\$4.8	\$1,098.1	\$46.1	4.4%
Community Colleges	475.5	490.1	-12.7	0.1	477.5	2.0	0.4%
Education/Libraries	9,965.6	10,379.4	-6.0	5.8	10,379.2	413.6	4.2%
Health	115.8	123.2	0.0	0.0	123.2	7.4	6.4%
<b>Aid to Local Governments</b>	<b>\$11,608.9</b>	<b>\$12,091.1</b>	<b>-\$23.7</b>	<b>\$10.7</b>	<b>\$12,078.0</b>	<b>\$469.1</b>	<b>4.0%</b>
Foster Care Payments	\$337.0	\$350.1	\$0.0	\$0.0	\$350.1	\$13.1	3.9%
Assistance Payments	2,377.3	2,392.4	-215.5	4.2	2,181.1	-196.2	-8.3%
Medical Assistance	14,627.4	14,394.5	0.0	1.5	14,396.0	-231.4	-1.6%
Property Tax Credits	76.4	79.4	0.0	0.0	79.4	3.0	3.9%
<b>Entitlements</b>	<b>\$17,418.1</b>	<b>\$17,216.4</b>	<b>-\$215.5</b>	<b>\$5.7</b>	<b>\$17,006.6</b>	<b>-\$411.5</b>	<b>-2.4%</b>
Health	\$5,400.0	\$5,614.7	-\$121.0	\$5.1	\$5,498.8	\$98.8	1.8%
Human Services	1,374.0	1,361.8	-10.8	1.6	1,352.6	-21.3	-1.6%
Juvenile Services	326.1	338.6	0.0	0.0	338.6	12.5	3.8%
Public Safety/Police	2,142.1	2,216.7	-0.5	0.0	2,216.2	74.1	3.5%
Higher Education	7,478.1	7,961.0	0.0	5.9	7,966.9	488.8	6.5%
Other Education	1,683.9	1,631.1	-63.8	11.7	1,579.0	-104.9	-6.2%
Transportation	2,582.2	2,788.7	-1.1	1.1	2,788.7	206.5	8.0%
Agriculture/Natural Res./Environment	698.7	701.7	-5.2	1.7	698.1	-0.6	-0.1%
Other Executive Agencies	4,517.2	4,689.8	-102.6	49.1	4,636.3	119.2	2.6%
Judiciary	750.3	782.9	-14.0	8.2	777.1	26.7	3.6%
Legislative	152.3	158.4	0.0	2.0	160.4	8.2	5.4%
<b>State Agencies</b>	<b>\$27,104.9</b>	<b>\$28,245.3</b>	<b>-\$318.9</b>	<b>\$86.3</b>	<b>\$28,012.7</b>	<b>\$907.8</b>	<b>3.3%</b>
Deficiencies (for Prior Years)	\$258.1	\$0.0	\$0.0	\$0.0	\$0.0	-\$258.1	n/a
<b>Total Operating</b>	<b>\$58,265.7</b>	<b>\$59,490.5</b>	<b>-\$558.1</b>	<b>\$123.7</b>	<b>\$59,056.1</b>	<b>\$790.4</b>	<b>1.4%</b>
Capital <sup>(2)</sup>	\$4,784.2	\$3,754.0	-\$15.0	\$94.5	\$3,833.5	-\$950.8	-19.9%
Transportation	2,542.6	2,764.0	0.0	0.1	2,764.1	221.5	8.7%
Environment	388.3	383.9	0.0	0.0	383.9	-4.5	-1.2%
Other	1,853.3	606.2	-15.0	94.4	685.5	-1,167.8	-63.0%
<b>Subtotal</b>	<b>\$63,050.0</b>	<b>\$63,244.6</b>	<b>-\$573.1</b>	<b>\$218.1</b>	<b>\$62,889.6</b>	<b>-\$160.4</b>	<b>-0.3%</b>
Reserve Funds	\$1,210.5	\$663.0	-\$545.5	\$0.5	\$118.0	-\$1,092.5	-90.3%
<b>Appropriations</b>	<b>\$64,260.4</b>	<b>\$63,907.6</b>	<b>-\$1,118.6</b>	<b>\$218.6</b>	<b>\$63,007.6</b>	<b>-\$1,252.8</b>	<b>-1.9%</b>
Reversions	-\$75.0	-\$75.0	\$0.0	\$0.0	-\$75.0	\$0.0	0.0%
<b>Grand Total</b>	<b>\$64,185.4</b>	<b>\$63,832.6</b>	<b>-\$1,118.6</b>	<b>\$218.6</b>	<b>\$62,932.6</b>	<b>-\$1,252.8</b>	<b>-2.0%</b>

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<sup>(1)</sup> APP net reductions include \$45.1 million contingent on legislation and \$12.4 million in additional special fund spending due to funding swaps tied to general fund contingent reductions.

<sup>(2)</sup> Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2024 working appropriation reflects \$1.2 billion in deficiencies and \$47.3 million in APP cuts to the deficiencies plus \$127.0 million in reversions including \$52.0 million in targeted reversions. It also reflects legislative additions of \$28.7 million. Fiscal 2024 excludes \$203.6 million, and fiscal 2025 excludes \$53.7 million of special funds that double count general fund spending.