

HOUSE JOINT RESOLUTION 17

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2000 Regular Session
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By: **Delegates Klima, Kittleman, Brinkley, Getty, Amedori, Boutin, Kach, J. Kelly, Snodgrass, Flanagan, Parrott, Glassman, Eckardt, McClenahan, Redmer, Walkup, Elliott, Stull, O'Donnell, Murphy, Boschert, Hutchins, Rzepkowski, Ports, Cryor, Stocksdale, Edwards, McKee, Greenip, Bartlett, and Shank**

Introduced and read first time: February 11, 2000
Assigned to: Appropriations

HOUSE JOINT RESOLUTION

1 A House Joint Resolution concerning

2 **Spending Affordability - Limitation on the Unrestrained Growth in State**
3 **Spending**

4 FOR the purpose of declaring that appropriations at the 2000 legislative session of
5 the Maryland General Assembly that are subject to a certain spending
6 affordability limit shall be limited to an amount 5.4% over appropriations
7 approved by the General Assembly at the 1999 legislative session; and generally
8 relating to spending affordability determinations by the General Assembly.

9 WHEREAS, The Spending Affordability Committee was created in 1982
10 (Chapter 585, Acts of 1982); and

11 WHEREAS, The Committee is composed of 18 legislative members including the
12 Presiding Officers, the majority and minority leaders, the chairmen of the fiscal
13 committees (or their designees), and other members appointed by the Presiding
14 Officers, and is assisted by a four-member citizen advisory committee; and

15 WHEREAS, The Committee's primary responsibility is to recommend to the
16 Governor and the General Assembly a level of spending for the State operating budget
17 that is reflective of the current and prospective condition of the State's economy; and

18 WHEREAS, The Committee gives consideration to constraining
19 disproportionate growth in State funding expenditures in any fiscal year which might
20 necessitate or "build in" unsustainable levels of spending in future years; and

21 WHEREAS, Especially during periods of strong economic growth, the
22 Committee has attempted to exert a "smoothing effect" on spending by limiting
23 spending increases relative to the level of growth in the State's economy; and

24 WHEREAS, The Committee's prior recommendations and legislative action
25 concerning the growth of the operating budget for spending are set forth in the
26 following table:

1	Spending Affordability		Legislative
2	Committee		Action
3 Fiscal	Recommendation	Percent of Growth in	Spending
4 Year	For Spending Growth	Personal Income	Growth
5 1983	10.18%	90% of growth in personal	
6			income 9.62%
7 1984	9.00%	80% of growth in personal	
8			income 5.70%
9 1985	6.15%	102% of growth in personal	
10			income 8.38%
11 1986	8.00%	120% of growth in personal	
12			income 7.93%
13 1987	7.70%	75% of growth in personal	
14			income 7.31%
15 1988	7.28%	90% of growth in personal	
16			income 7.27%
17 1989	8.58%	136% of growth in estimated	
18			personal income 8.54%
19 1990	8.79%	113% of growth in estimated	
20			personal income 8.78%
21 1991	9.00%	125% of growth in estimated	
22			personal income 8.98%
23 1992	5.14%	86% of growth in estimated	
24			personal income 5.00%
25 1993	None		10.00%
26 1994	2.50%	52% of growth in estimated	
27			personal income 2.48%
28 1995	5.00%	92% of growth in estimated	
29			personal income 5.00%
30 1996	4.50%	77% of growth in estimated	
31			personal income 4.50%
32 1997	4.25%	88% of growth in estimated	
33			personal income 3.82%
34 1998	4.15%	86% of growth in estimated	
35			personal income 4.00%
36 1999	4.90%	96% of growth in estimated	
37			personal income 4.82%
38 2000	5.90%	124% of growth in estimated	
39			personal income 5.82%
40 2001	6.90%	128% of growth in estimated	
41			personal income; and

42 WHEREAS, The Committee's recommendations have consistently served as a de
43 facto limit on the budget as enacted by the General Assembly; and

44 WHEREAS, The Committee met on December 14, 1999 and recommended a
45 budget growth of 6.9% "compared to estimated personal income growth of 5.4%",
46 which is 128% of the predicted growth in personal income; and

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1 WHEREAS, Taxes from capital gains have accounted for about 25% of the
2 increase in income for revenues in recent years, and capital gains taxes historically
3 have been a volatile source of revenue; and

4 WHEREAS, The statutorily stated goal of the spending affordability process is
5 to limit the rate of growth in State spending to a level that does not exceed the rate of
6 growth of the State's economy; and

7 WHEREAS, Limiting the growth in State spending to the estimated 5.4%
8 growth in person income would allow State operating spending to increase by \$628
9 million; now, therefore, be it

10 RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That
11 appropriations at the 2000 legislative session of the Maryland General Assembly that
12 are subject to the spending affordability limit shall be limited to an amount 5.4% over
13 appropriations approved by the General Assembly at the 1999 legislative session; and
14 be it further

15 RESOLVED, That a copy of this Resolution be forwarded by the Department of
16 Legislative Services to the Honorable Parris N. Glendening, Governor of Maryland;
17 the Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland; and
18 the Honorable Casper R. Taylor, Jr., Speaker of the House of Delegates.