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# **Analysis of Supplemental Budget No. 1**

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**Department of Legislative Services  
Office of Policy Analysis  
Annapolis, Maryland**

**April 3, 2012**



**Supplemental Budget No. 1**  
**Action by Fund Source**  
(\$ in Millions)

	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>CUF</u>	<u>Reimb.</u>	<u>Total</u>
DHCD low income weatherization		\$24.5				\$24.5
MSDE RTTT early learning challenge grant			\$14.6			14.6
DLLR unemployment insurance IT projects			13.0			13.0
DBED/MEA offshore wind power		6.0				6.0
OPD bail review hearings	\$8.4					8.4
DJS residential per diems	5.6	3.1	0.3			9.0
DBM federal fund reimbursement for IWIF transfer	5.1					5.1
DHMH mental health services	5.0					5.0
TEDCO Maryland Innovation Initiative	5.0					5.0
DHCD rental housing program		4.8				4.8
DHMH DC hospitals claims processing charge	4.5		4.5			9.0
MDA cover crops	3.6					3.6
MSDE reinstate government assessment test	3.5					3.5
Military firing range repairs			3.3			3.3
DHMH psychiatric rehabilitation services	3.0		1.5			4.5
DHMH nursing home operating expenses	3.0		3.0			6.0
DPSCS overtime	3.0					3.0
Other	18.4	0.9	0.6		\$0.3	20.2
<b>Subtotal</b>	<b>\$68.1</b>	<b>\$39.3</b>	<b>\$40.7</b>	<b>\$0.0</b>	<b>\$0.3</b>	<b>\$148.4</b>
DBM prescription drug contract savings	-10.6	-2.9	-2.2	-3.0		-18.8
Medicaid lower than expected costs	-30.0		-30.0			-60.0
<b>Total Spending</b>	<b>\$27.5</b>	<b>\$36.4</b>	<b>\$8.4</b>	<b>-\$3.0</b>	<b>\$0.3</b>	<b>\$69.5</b>

CUF: current unrestricted funds

DBED: Department of Business and Economic Development

DBM: Department of Budget and Management

DC: District of Columbia

DHCD: Department of Housing and Community Development

DHMH: Department of Health and Mental Hygiene

DJS: Department of Juvenile Services

DPSCS: Department of Public Safety and Correctional Services

DLLR: Department of Labor, Licensing, and Regulation

IT: information technology

IWIF: Injured Workers' Insurance Fund

MDA: Maryland Department of Agriculture

MEA: Maryland Energy Administration

MSDE: Maryland State Department of Education

OPD: Office of the Public Defender

RTTT: Race To The Top

TEDCO: Technology Development Corporation

**House and Senate General Fund Balance**  
**Effect of Supplemental Budget No. 1**  
(\$ in Millions)

	<u>Admin.</u>	<u>Senate</u>	<u>House</u>
<b>Starting Fiscal 2012 Balance</b>	<b>\$990</b>	<b>\$990</b>	<b>\$990</b>
<b>Revenues</b>	<b>\$14,260</b>	<b>\$14,260</b>	<b>\$14,260</b>
Supplemental Budget No. 1	4	0	0
<b><i>Subtotal Revenues</i></b>	<b><i>\$14,264</i></b>	<b><i>\$14,260</i></b>	<b><i>\$14,260</i></b>
<b>Appropriations</b>	<b>\$15,041</b>	<b>\$14,977</b>	<b>\$14,976</b>
Supplemental Budget No. 1	13	13	13
<b><i>Subtotal Appropriations</i></b>	<b><i>\$15,054</i></b>	<b><i>\$14,990</i></b>	<b><i>\$14,989</i></b>
<b>Closing Fiscal 2012/Starting Fiscal 2013 Balance</b>	<b>\$200</b>	<b>\$260</b>	<b>\$261</b>
<b>Revenues</b>	<b>\$15,160</b>	<b>\$15,399</b>	<b>\$15,184</b>
Supplemental Budget No. 1	15	15	15
<b><i>Subtotal Revenues</i></b>	<b><i>\$15,175</i></b>	<b><i>\$15,414</i></b>	<b><i>\$15,199</i></b>
<b>Appropriations</b>	<b>\$15,325</b>	<b>\$15,473</b>	<b>\$15,371</b>
Supplemental Budget No. 1 – New Spending	14	14	14
Supplemental Budget No. 1 – Contingent Reductions			
<b><i>Subtotal Appropriations</i></b>	<b><i>\$15,339</i></b>	<b><i>\$15,487</i></b>	<b><i>\$15,385</i></b>
<b>Closing Fiscal 2013 Balance Before Supplemental 1</b>	<b>\$45</b>	<b>\$199</b>	<b>\$87</b>
<b>Closing Fiscal 2013 Balance After Supplemental 1</b>	<b>\$36</b>	<b>\$187</b>	<b>\$75</b>
<b>Difference</b>	<b><u>-\$9</u></b>	<b><u>-\$12</u></b>	<b><u>-\$12</u></b>

**Supplemental Budget No. 1**  
**General Fund Spending Summary**  
**Fiscal 2012-2013**  
(\$ in Millions)

	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
<b>Revenue</b>			
National Mortgage Settlement		\$7.2	
DC Hospital Bill Processing Charge		6.0	
CCU Transfers	\$3.9	-0.8	
Other		2.1	
<b>Total Revenue</b>	<b>\$3.9</b>	<b>\$14.5</b>	<b>\$18.5</b>
<b>Spending</b>			
OPD bail review hearings	\$2.0	\$6.4	
DJS residential per diems	5.6		
DBM federal fund reimbursement for IWIF transfer	5.1		
DHMH mental health services	5.0		
TEDCO Maryland Innovation Initiative		5.0	
DHMH DC hospitals claims processing charge		4.5	
MDA cover crops	3.6		
MSDE reinstate government assessment test		3.5	
DHMH psychiatric rehabilitation services		3.0	
DHMH nursing home operating expenses		3.0	
DPSCS overtime	3.0		
Other	10.0	8.5	
DBM prescription drug contract savings		-10.6	
DHMH reappropriate DDA surplus funds	-13.3	13.3	
MSDE Education Trust Fund VLT license delay	22.5	-22.5	
Medicaid lower than expected costs	-30.0		
<b>Total Spending</b>	<b>\$13.5</b>	<b>\$14.0</b>	<b>\$27.5</b>

CCU: Central Collection Unit  
DBM: Department of Budget and Management  
DC: District of Columbia  
DDA: Developmental Disabilities Administration  
DHMH: Department of Health and Mental Hygiene  
DJS: Department of Juvenile Services  
DPSCS: Department of Public Safety and Correctional Services  
IWIF: Injured Workers' Insurance Fund  
MDA: Maryland Department of Agriculture  
MSDE: Maryland State Department of Education  
OPD: Office of the Public Defender  
TEDCO: Technology Development Corporation  
VLT: video lottery terminals

**Spending Affordability Analysis**  
**Effect of Supplemental Budget No. 1**  
(\$ in Millions)

	<u>Senate</u>	<u>House</u>
<b>Estimated Structural Gap (December 2011)</b>	<b>\$1,105.0</b>	<b>\$1,105.0</b>
Target Reduction	\$552.5	\$552.5
Percent of Fiscal 2013 Structural Deficit	50.0%	50.0%
<b>2012 Session Actions Prior to Supplemental Budget No. 1</b>	<b>\$593.2</b>	<b>\$552.9</b>
<b>Percent of Fiscal 2012 Structural Deficit</b>	<b>53.7%</b>	<b>50.0%</b>
Supplemental Budget No. 1		
Ongoing Fiscal 2013 Revenue	-\$6.7	-\$6.7
Ongoing Fiscal 2013 Spending	29.6	29.6
<b><i>Subtotal</i></b>	<b>\$22.9</b>	<b>\$22.9</b>
<b>2012 Session Actions with Supplemental Budget No. 1</b>	<b>\$570.3</b>	<b>\$529.9</b>
<b>Percent of Fiscal 2013 Structural Deficit</b>	<b>51.6%</b>	<b>48.0%</b>
<b>Amount Above (Bad) or Below (Good) SAC</b>	<b>-\$17.8</b>	<b>\$22.6</b>

**Personnel**

SAC Limit	79,119
Allowance	79,117
Conference Committee Action	-12
Supplemental Budget No. 1	91
Allowance + Supplemental Budget No. 1	79,196
Amount Above/(Below) SAC	77

## Supplemental Budget No. 1 Overview

<u>Page</u>	<u>Item #</u>	<u>Committee</u>	<u>Item</u>	<u>DLS Rec.</u>	<u>GF</u>	<u>SF</u>	<u>FF</u>	<u>CUF</u>	<u>CRF</u>
3	1	PSA/PST	<b>Office of the Public Defender</b> Deficiency appropriation to provide funds for case related expenses and office assistance.		\$934,183				
3	2	PSA/PST	<b>Office of the Public Defender</b> Deficiency appropriation to provide funds for indigent representation at bail hearings only, including weekends.	Add contingent language	1,979,597				
3	3	PSA/PST	<b>Office of the Public Defender</b> To provide funds for indigent representation at bail hearings only, including weekends.	Add contingent language	6,396,276				
4	4	T&E/PST	<b>Maryland Energy Administration</b> To provide funds for the development of offshore wind power.	Modify language		\$4,500,000			
4	5	PSA/PST	<b>Executive Department - Boards, Commissions, and Offices</b> To provide funds for a grant to the Prince George's County State's Attorney Office to support the Strategic Investigations Unit.	Delete	350,000				
4	6	EED/EBA	<b>Maryland Stadium Authority</b> To provide funds to study the economic feasibility of building a stadium for the DC United in Westport.	Delete	175,000				
4	7	T&E/PST	<b>Department of Planning</b> To provide funds for a grant to the Maryland Women's Heritage Center.	Delete	250,000				
4	8	PSA/HHS	<b>Military Department</b> Deficiency appropriation to provide funds for utility costs.		393,678				
5	9	PSA/HHS	<b>Military Department</b> Deficiency appropriation to provide funds for Guard activations due to Hurricane Lee and Tropical Storm Irene.		46,290				
5	10	CPH/CAP	<b>Military Department</b> Deficiency appropriation to provide funds for updating the Gunpowder Military Reservation's firing range for better safety standards.				\$250,000		

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5	11	CPH/CAP	<b>Military Department</b> To provide funds for updating the Gunpowder Military Reservation's firing range for better safety standards.				3,000,000		
5	12	PSA/PST	<b>Office of Administrative Hearings</b> To provide funds for an additional contractual clerk related to the passage of HB1374 to establish pre-file mediations.			40,339			
5	13	T&E/EBA	<b>Maryland State Lottery Agency</b> Deficiency appropriation to provide funds for three new Casino Compliance positions at the Maryland Live! Casino and Arundel Mills.		37,287				
6	14	T&E/EBA	<b>MD State Lottery Agency</b> To provide funds for three new Casino Compliance positions at the Maryland Live! Casino at Arundel Mills.		164,541				
6	15	APP/B&T	<b>Department of Budget and Management</b> Deficiency appropriation to provide funds to reimburse the federal government for the federal portion of IWIF and the State Insurance Trust Fund revenues transferred to the General Fund in fiscal 2009.		5,110,000				
6	16	PSA/B&T	<b>State Retirement Agency</b> To provide funds for additional positions and support costs to oversee trust assets in the Investment Division.			41,377			
6	17	PSA/EBA	<b>Department of General Services</b> Deficiency appropriation to provide funds for increased electricity costs.		1,277,616				
7	18	T&E/PST	<b>Department of Natural Resources</b> <b>To provide funds for turnover relief and associated supplies to support 8 officers for an Academy Class and 15 Cadet hires.</b>	Delete	1,349,599				
7	19	T&E/PST	<b>Department of Agriculture</b> <b>To provide funds to support operations of the Rural Maryland Council.</b>	Delete	167,000				
7	20	T&E/PST	<b>Department of Agriculture</b> <b>To provide funds to support operations of the Maryland Agricultural Education and Rural Development Assistance Fund.</b>	Delete	167,000				

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7	21	T&E/PST	Department of Agriculture Deficiency appropriation to provide funds to support cover crop payments to farmers.	Delete	3,607,500				
7	22	HHR/HHS	Department of Health and Mental Hygiene Deficiency appropriation to provide funds for a grant to support 2-1-1 Maryland.		121,000				
8	23	HHR/HHS	Department of Health and Mental Hygiene To provide funds for a grant to support 2-1-1 Maryland.		363,000				
8	24	HHR/HHS	Department of Health and Mental Hygiene To provide funding to the PACT program to provide medical day care services.		150,000				
8	25	HHR/HHS	Department of Health and Mental Hygiene To provide increased funding for newborn screening laboratory supplies.		400,000				
8	26	HHR/HHS	Department of Health and Mental Hygiene To provide additional funding for psychiatric rehabilitation for the uninsured.		1,500,000				
8	27	HHR/HHS	Department of Health and Mental Hygiene Deficiency Appropriation to provide funds for prior year claims on the public mental health system.		5,000,000				
8	28	HHR/HHS	Department of Health and Mental Hygiene To provide funds for Community Crisis Response teams.		1,000,000				
9	29	HHR/HHS	Department of Health and Mental Hygiene To restore funding to provide psychiatric rehabilitation payments to Johns Hopkins Bayview Medical Center.		1,500,000		1,500,000		
9	30	HHR/HHS	Department of Health and Mental Hygiene Deficiency appropriation to reduce the appropriation for community-based services to individuals eligible for services from DDA.		-13,297,109				
9	31	HHR/HHS	Department of Health and Mental Hygiene To provide funding for community-based services to individuals eligible for services from DDA.	Delete	13,297,109				

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9	32	HHR/HHS	<b>Department of Health and Mental Hygiene</b> Deficiency appropriation to adjust the appropriation based on revised enrollment estimates.	Reduce	-30,000,000		-30,000,000		
9	33	HHR/HHS	<b>Department of Health and Mental Hygiene</b> To provide funds to nursing home facilities for operating expenses.		3,000,000		3,000,000		
9	34	HHR/HHS	<b>Department of Health and Mental Hygiene</b> To provide funds for a rate increase for hospital services in DC.	BRFA	4,500,000		4,500,000		
10	35	EED/EBA	<b>Department of Labor, Licensing and Regulation</b> To provide funds for the Financial Regulation program as awarded by the National Mortgage Foreclosure Settlement.		225,000				
10	36	EED/EBA	<b>Department of Labor, Licensing and Regulation</b> Deficiency appropriation to provide funds for regulatory oversight of horse racing and pari-mutuel wagering at Rosecroft Raceway.		250,805				
10	37	EED/EBA	<b>Department of Labor, Licensing and Regulation</b> To provide funds to establish a Health Care Personnel Training Program.	Delete	500,000				
10	38	EED/EBA	<b>Department of Labor, Licensing and Regulation</b> To provide funds for pass-through grants.				13,000,000		
10	39	PSA/PST	<b>Department of Public Safety and Correctional Services</b> Deficiency appropriation to provide for overtime costs.		1,024,390				
11	40	PSA/PST	<b>Department of Public Safety and Correctional Services</b> Deficiency appropriation to provide for overtime costs.		448,171				
11	41	PSA/PST	<b>Department of Public Safety and Correctional Services</b> Deficiency appropriation to provide for overtime costs.		1,527,439				
11	42	EED/EBA	<b>Maryland State Department of Education</b> To provide funds for administrative expenses associated with the Race to the Top Early Learning Challenge Grant.				354,292		

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11	43	EED/EBA	<b>Maryland State Department of Education</b> To provide funds to reinstate the Government High School Assessment in fiscal 2013 and begin developing the essay portion for implementation for fiscal 2014.	Add Contingent Language	3,500,000				
11	44	EED/EBA	<b>Maryland State Department of Education</b> To provide funds for the Enhanced Child Care Tracking System.				3,475,232		
12	45	EED/EBA	<b>Maryland State Department of Education</b> To provide funds to implement the Race to the Top Early Learning Challenge Grant.				10,743,261		
12	46	EED/EBA	<b>Maryland State Department of Education</b> Deficiency appropriation to reflect revised revenue projections from the Education Trust Fund generated by VLTs.		22,500,000	-22,500,000			
12	47	EED/EBA	<b>Maryland State Department of Education</b> To reflect revised revenue projections for the Education Trust Fund generated by VLTs.		-22,500,000	22,500,000			
12	48	EED/EBA	<b>Maryland State Department of Education</b> To realize additional revenue from the Local Boards of Education for administrative charges for the State Retirement System.				155,941		
12	49	EED/EBA	<b>Maryland State Department of Education</b> To fully fund the SEED School funding formula.			300,000			
13	50	EED/EBA	<b>Maryland State Department of Education</b> To reduce the appropriation to adjust for enrollment changes.			-97,074			
13	51	EED/EBA	<b>Maryland State Department of Education</b> To provide funds for the Healthy Families program.	Narrative	2,238,178				
13	52	EED/EBA	<b>Maryland State Department of Education</b> To reduce the appropriation to adjust for enrollment changes.			-107,717			
13	53	EED/EBA	<b>Maryland State Department of Education</b> To reduce the appropriation to adjust for enrollment changes.			-3,000			

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13	54	EED/EBA	<b>Maryland State Department of Education</b> Deficiency appropriation to fund all eligible teachers in the Teacher Quality Incentive program.		2,387,204				
13	55	EED/EBA	<b>Maryland Higher Education Commission</b> Deficiency appropriation to provide funds for legal services associated with a lawsuit against the agency.		90,000				
14	56	EED/EBA	<b>Maryland Higher Education Commission</b> Deficiency appropriation to fund fiscal 2011 obligations for the College Preparation Intervention Program.		419,906				
14	57	EED/EBA	<b>Maryland Higher Education Commission</b> To realize additional revenue from the community colleges for administrative charges associated with the State Retirement System.			7,561			
14	58	EED/EBA	<b>Maryland Higher Education Commission</b> Deficiency appropriation to fund fiscal 2011 obligations associated with higher education investment workforce grants for workforce and professional education of incoming BRAC personnel.		405,219				
14	59	EED/EBA	<b>Maryland Higher Education Commission</b> To increase the grant to the Regional Higher Education Centers.		250,000				
14	60	HHR/HHS	<b>Department of Housing and Community Development</b> Deficiency appropriation to provide funds for Empower Maryland weatherization projects.			83,700			
15	61	HHR/HHS	<b>Department of Housing and Community Development</b> To provide funds for Empower Maryland weatherization projects.			302,301			
15	62	HHR/HHS	<b>Department of Housing and Community Development</b> Deficiency appropriation to provide funds for Empower Maryland weatherization projects.			2,914,961			
15	63	HHR/HHS	<b>Department of Housing and Community Development</b> To provide funds for Empower Maryland weatherization projects.			21,234,567			

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15	64	HHR/HHS	<b>Department of Housing and Community Development</b> To provide funds for weatherization projects.			1,000,000			
16	65	CPH/CAP	<b>Department of Housing and Community Development</b> Deficiency appropriation to provide funds for rental housing units for nonelderly disabled households in Maryland.			150,000			
16	66	CPH/CAP	<b>Department of Housing and Community Development</b> Deficiency appropriation to provide funds for Empower Maryland weatherization projects.			625,000			
16	67	CPH/CAP	<b>Department of Housing and Community Development</b> To provide funding for rental housing units for nonelderly disabled households in Maryland.			850,000			
16	68	CPH/CAP	<b>Department of Housing and Community Development</b> To provide funds for Empower Maryland weatherization projects.			3,125,000			
16	69	EED/EBA	<b>Maryland African American Museum Corporation</b> Deficiency appropriation to provide funds to address a fiscal 2012 operating deficit.		450,000				
16	70	EED/EBA	<b>Department of Business and Economic Development</b> To provide funds to support the Manufacturing Extension Partnership program.		250,000				
17	71	EED/EBA	<b>Department of Business and Economic Development</b> To provide additional funds to support the Tri County Councils.		167,000				
17	72	CPH/CAP	<b>Department of Business and Economic Development</b> To add an appropriation to provide funds to support the Offshore Wind Business Development Fund.			1,500,000			
17	73	EED/EBA	<b>Maryland Technology Development Corporation</b> <b>To add an appropriation to provide funds to support the Maryland Innovation Initiative.</b>	<b>Reduce</b>	<b>5,000,000</b>				
17	74	T&E/PST	<b>Maryland Department of the Environment</b> <b>To provide funds to support additional permitting and compliance activities related to the WIP.</b>	<b>Delete</b>	<b>200,000</b>				

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17	75	T&E/PST	<b>Maryland Department of the Environment</b> To provide funds to support tracking and reporting for water supply systems.				600,000		
18	76	APP/PST	<b>Department of Juvenile Services</b> Deficiency appropriation to provide additional funds for residential per diems.		5,607,617	3,100,000	250,000		
18	77	PSA/PST	<b>Department of State Police</b> Deficiency appropriation to provide funds for Field Force overtime.		939,845				
18	78	PSA/PST	<b>Department of State Police</b> Deficiency appropriation to provide funds for trooper turnover due to unattained speed camera revenue.		1,230,272	-1,230,272			
18	79	PSA/PST	<b>Department of State Police</b> Deficiency appropriation to provide funds for gasoline due to higher prices.		1,000,000				
18	80	APP/B&T	<b>Public Debt</b> To provide funds for debt service payments on the State's general obligation bonds.			865,437			
19		APP/B&T	<b>Across-the-board Reduction</b> To reduce funding for health insurance.	<b>Reduce</b>	-7,586,222	-2,908,012	-2,230,757		
19		APP/B&T	<b>Across-the-board Reduction</b> To reduce funding for health insurance in higher education.		-3,042,734			-\$3,042,734	
			<b>Total Funds</b>		<b>\$27,513,866</b>	<b>\$36,357,900</b>	<b>\$8,442,028</b>	<b>-\$3,042,734</b>	

**C80B00**  
**Office of the Public Defender**

**Supplemental Budget No. 1**

**Item # 2**

**C80.B00.02 District Operations**

Add the following language to the general fund appropriation:

provided these funds are contingent on the enactment of Senate Bill 422 or House Bill 261.

**Explanation:** This language makes the general fund deficiency appropriation contingent upon legislation.

**Item # 3**

**C80.B00.02 District Operations**

Add the following language to the general fund appropriation:

provided these funds are contingent on the enactment of Senate Bill 422 or House Bill 261.

**Explanation:** This language makes the general fund appropriation contingent upon legislation.

## Sections

### Supplemental Budget No. 1

#### Item # 4

Add the following section:

#### **Section 38 Revenues in the Strategic Energy Investment Fund**

Section 38. AND BE IT FURTHER ENACTED, That the Department of Budget and Management shall provide an annual report on the Strategic Energy Investment Fund (SEIF) to the General Assembly in conjunction with submission of the fiscal 2014 budget and annually thereafter as an appendix to the Governor's budget books. This report shall include information for the actual fiscal 2012 budget, fiscal 2013 working appropriation, and fiscal 2014 allowance. The report shall detail revenue assumptions used to calculate the available SEIF for each fiscal year including:

- (1) the number of auctions;
- (2) the number of allowances sold;
- (3) the allowance price for both the current and future control period allowances sold in each auction;
- (4) alternative compliance payments;
- (5) contributions received as a result of the Exelon Corporation/Constellation Energy Group merger; and**
- ~~(5)~~ (6) fund balance used to support the appropriation.

The report shall also include detail on the amount of the SEIF available to each agency that receives funding through each required allocation:

- (1) energy assistance;
- (2) energy efficiency and conservation programs, low-and moderate-income sector;
- (3) energy efficiency and conservation programs, all other sectors;
- (4) renewable and clean energy programs and initiatives, education, and climate change programs;

- (5) administrative expenditures;
- (6) dues owed to the Regional Greenhouse Gas Initiative, Inc.; and
- (7) transfers made to other funds.

**Explanation:** This language requires the Department of Budget and Management (DBM) to include as an appendix in the Governor’s budget books for fiscal 2014 detail on the revenue assumptions used to determine the amount of the SEIF available for use in each year as well as how those revenues will be distributed to various agencies. This information increases transparency and the understanding of the use of the SEIF by the General Assembly. Similar language was first included in the fiscal 2012 budget bill.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on revenue assumptions and use of the SEIF	DBM	With submission of the Governor’s fiscal 2014 budget books and annually thereafter

**D15A0516**  
**Executive Department**  
**Governor's Office of Crime Control and Prevention**

**Supplemental Budget No. 1**

**Item # 5**

**Budget Amendments**

**BOARDS, COMMISSIONS, AND OFFICES**

**D15A05.16 Governor's Office of Crime Control and Prevention**

Reduce appropriation for the purposes indicated:

	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Eliminate grant funding for the Prince George's County State's Attorney's Office to preserve fund balance given the fiscal condition of the State.	350,000	GF
Total Reductions	350,000	0.00

**D28A03**  
**Maryland Stadium Authority**

**Supplemental Budget No. 1**

**Item # 6**

**D28A03.41 Maryland Stadium Authority**

Reduce appropriation for the purposes indicated:

	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Delete general funds for an economic impact and feasibility study of building a stadium for the DC United soccer team due to an economic impact and market study already having been completed. If additional studies are required, the team or Baltimore City should cover the costs.	175,000	GF
Total Reductions	175,000	0.00

**D40W**  
**Department of Planning**

**Supplemental Budget No. 1**

**Item # 7**

**Budget Amendments**

**D40W01.08 Museum Services**

Reduce appropriation for the purposes indicated:

	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Delete fiscal 2013 funding for the Women’s Heritage Center since committee narrative would request a report on the appropriate funding level for fiscal 2014. The fiscal 2013 funding would provide for administrative staff, development of programming, development of a capital campaign for funding, completion of the Maryland Women’s Hall of Fame to include all inductees up to the present, and pre-design planning and search for a permanent site. The committee narrative adopted by the House Appropriations Committee would have the Department of Human Resources in conjunction with the Commission for Women and the Department of Planning, work together to develop a plan for funding sustainability including funding to lease space to house the Center. The narrative proposed by the House states the intent of the committees that the necessary State support be included in the fiscal 2014 budget. The report is due October 15, 2012.	250,000	GF
Total Reductions	250,000	0.00

**K00A**  
**Department of Natural Resources**

**Supplemental Budget No. 1**

**Item # 18**

**Budget Amendments**

**K00A07.04 Field Operations**

Reduce appropriation for the purposes indicated:

	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Delete fiscal 2013 additional funding for the Natural Resources Police. The additional funding would support eight Natural Resources Police positions for an Academy Class and 15 cadet positions and provide for associated operating costs. However, the budget committees have adopted committee narrative on a report providing level of services standards for the Natural Resources Police in order to determine an appropriate staffing level. The report is due December 31, 2012. Therefore additional funding is premature at this point.	1,349,599	GF
Total Reductions	1,349,599	0.00

**L00A**  
**Department of Agriculture**

**Supplemental Budget No. 1**

**Item # 19**

**Budget Amendments**

**L00A12.18 Rural Maryland Council**

Reduce appropriation for the purposes indicated:

	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Delete fiscal 2013 funding for the Rural Maryland Council. The funding would support operations of the Rural Maryland Council. The Department of Budget and Management is considering a reimbursable fund budget amendment for the Rural Maryland Council that would allocate \$250,000 from the Invest Maryland Program over fiscal 2012 and 2013 and thus funding is already proposed for the Rural Maryland Council. In addition, the Department of Business and Economic Development provides economic development funding to rural areas of Maryland, and no positions or funding were provided for the Rural Maryland Council in the Governor's fiscal 2013 allowance.	167,000 GF	
Total Reductions	167,000	0.00

**L00A**  
**Department of Agriculture**

**Supplemental Budget No. 1**

**Item # 20**

**Budget Amendments**

**L00A12.19 Maryland Agricultural Education and Rural Development Assistance Fund**

Reduce appropriation for the purposes indicated:

	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Delete fiscal 2013 funding for the Maryland Agricultural Education and Rural Development Assistance Fund. The funding would support operations through grants. The Department of Business and Economic Development provides economic development funding to rural areas of Maryland. In addition, no funding was provided for this program in the Governor's fiscal 2013 allowance.	167,000 GF	
Total Reductions	167,000	0.00

**L00A**  
**Department of Agriculture**

**Supplemental Budget No. 1**

**Item # 21**

**Budget Amendments**

**L00A15.04 Resource Conservation Grants**

Reduce appropriation for the purposes indicated:

	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Delete additional fiscal 2012 funding for the Cover Crop Program. The funding would support cover crop payments to farmers. The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund is projected to have an approximately \$3.6 million fund balance at the end of fiscal 2012, which, in combination with any funding made available from reduced expenditures from the fund in fiscal 2012, could be brought in through a special fund budget amendment to fund the Cover Crop Program.	3,607,500	GF
Total Reductions	3,607,500	0.00

**M00M**  
**Department of Health and Mental Hygiene**  
**Developmental Disabilities Administration**

**Supplemental Budget No. 1**

**Item # 31**

Reduce appropriation for the purposes indicated:

	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Delete fiscal 2012 surplus funding to be re-appropriated in fiscal 2013. The committees have adopted language in the Budget Reconciliation and Financing Act, for fiscal 2012 only, that allows the agency to retain \$5,000,000 in unspent general funds for use in fiscal 2013 for specified purposes.	\$13,297,109	GF
<b>Total General Fund Reductions</b>	<b>\$13,297,109</b>	

**M00Q01.03**  
**Medical Care Provider Reimbursements**

**Supplemental Budget No. 1**

**Item # 32**

**M00Q01.03 Medical Care Provider Reimbursements**

Increase negative deficiency appropriation:	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Increase the negative deficiency appropriation for fiscal 2012 Medical Care Provider Reimbursements based on favorable trends in enrollment and service expenditures.	12,750,000 GF 12,750,000 FF	
Total Reductions	25,500,000	0.00

**M00Q**  
**Department of Mental Health and Hygiene**

**Supplement Budget No. 1**

**Item # 34**

**BRFA Amendment Authorizing DC Hospital Charge**

**Action Needed to Authorize Claims Processing Fee in Item 34**

Health – General 15-102.8.

(A) THE DEPARTMENT MAY IMPOSE A CLAIMS PROCESSING CHARGE ON ALL MEDICAID CLAIMS PROCESSED, APPROVED, AND PAID BY THE DEPARTMENT TO HOSPITALS LOCATED IN THE DISTRICT OF COLUMBIA FOR THE PROVISION OF INPATIENT AND OUTPATIENT HOSPITAL SERVICES.

(B) THE AMOUNT TO BE PAID UNDER SUBSECTION (A) OF THIS SECTION MAY NOT EXCEED 6% OF THE AMOUNT OF CLAIMS PAID.

(C) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE FUNDS RECEIVED BY THE DEPARTMENT UNDER THIS SECTION SHALL BE USED PRIMARILY TO SUPPLEMENT AND NOT SUPPLANT THE APPLICABLE MEDICAID FEE FOR SERVICE RATES FOR SERVICES PROVIDED BY HOSPITALS LOCATED IN THE DISTRICT OF COLUMBIA.

(D) THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

**DLS Recommendation:** Strike section C because it is unnecessary. Typically, intent language is not added to Medicaid fees.

**P00**  
**Department of Labor, Licensing, and Regulation**

**Supplemental Budget No. 1**

**Item # 37**

**P00G Division of Workforce Development and Adult Learning**

Reduce appropriation for the purposes indicated:	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Delete general funds for grants for health personnel training to preserve fund balance given the fiscal condition of the State. In addition, legislation that created the health care personnel training fund provided that the fund should consist solely of federal money.	500,000	GF
Total Reductions	500,000	0.00

**R00A02**  
**Maryland State Department of Education**

**Supplemental Budget No. 1**

**Item # 43**

Add the following language:

, provided that \$3,500,000 of this appropriation made for the purpose of reinstating the Government High School Assessment is contingent on enactment of SB 293 or HB 1227 requiring the implementation of an assessment program in social studies that includes a written response.

**Explanation:** This language makes \$3.5 million provided by Supplemental Budget 1 to the Maryland State Department of Education to reinstate the Government High School Assessment contingent on the enactment of legislation requiring the State Board of Education and the State Superintendent of Schools to implement an assessment program in social studies that includes a written response.

**M00F03**  
**Department of Health and Mental Hygiene**  
**Family Health Administration**

**Supplemental Budget No. 1**

**Item # 51**

**Committee Narrative**

**Report on Home Visiting Programs:** It is the intent of the committees that the State shall only fund evidence-based home visiting programs, as defined by the U.S. Department of Health and Human Services. Furthermore, the committees direct the Department of Health and Mental Hygiene (DHMH), in conjunction with the Maryland State Department of Education (MSDE), and the Children’s Cabinet to report to the committees by July 1, 2012, on the feasibility of consolidating existing home-visiting programs under one agency. The report should inform the committees where the program should be located, and who should administer the funds. Furthermore, the report should identify the benefits of consolidating the program and indicate whether the fragmentation of the current programs is appropriate given the maintenance of effort requirement related to the Maternal, Infant, and Early Childhood Home Visiting Program funded through the federal Patient Protection and Affordable Care Act (PPACA). Finally, the report should advise the committees on how funding for home visiting is currently administered by DHMH and MSDE, and examine alternative methods of administering such funds in future years, including the introduction of a competitive grant process and administering funds based on jurisdictional need.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on home visiting programs	DHMH MSDE Children’s Cabinet	July 1, 2012

**T50T01**  
**Maryland Technology Development Corporation**

**Supplemental Budget No. 1**

**Item # 73**

**T50T01.04 Maryland Innovation Initiative**

Reduce appropriation for the purposes indicated:	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Reduce funds for the Maryland Innovation Initiative. This action would leave \$2.5 million for the program which is sufficient to begin this new program.	2,500,000	GF
Total Reductions	2,500,000	0.00

**U00A**  
**Department of the Environment**

**Supplemental Budget No. 1**

**Item # 74**

**Budget Amendments**

**U00A04.01 Water Management Administration**

Reduce appropriation for the purposes indicated:

	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Delete fiscal 2013 additional funding for supporting the Watershed Implementation Plan. This funding would support permitting and compliance activities since special fund revenues in the fiscal 2013 allowance are overstated. However, the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund or one of the Maryland Department of the Environment's other special funds may be used for this purpose instead.	200,000	GF
Total Reductions	200,000	0.00

**F10**  
**Department of Budget and Management**

**Supplemental Budget No. 1**

Add the following language to Amendment 3:

Legislature

<u>Fund</u>	<u>Amount</u>
General	199,739

Judiciary

<u>Fund</u>	<u>Amount</u>
General	836,682
Special	58,602
Federal	12,866

**Explanation:** The Department of Budget and Management estimates that the new pharmacy contract will reduce State health insurance costs by \$16.9 million. Executive Branch reductions total \$15.8 million. The supplemental budget reduces appropriations to reflect savings to the Executive Branch budget. This action reduces savings for the legislature and judiciary.

## Sections

### Section xx Additional Position Abolitions

Add the following section:

SECTION . AND BE IT FURTHER ENACTED, That the Governor shall abolish 77 regular full-time equivalent positions from the Executive Branch during fiscal 2013. Further provided that abolitions shall occur on or before January 1, 2013, and an accounting of the abolished positions shall be noted in Appendix E of the fiscal 2014 budget submission.

**Explanation:** This action abolishes 77 regular full-time equivalent positions in the Executive Branch. The Spending Affordability Committee (SAC) limited the Executive Branch to 79,119 regular positions. The Governor's allowance was 2 positions below this limit. The legislature has abolished 12 positions resulting in 14 positions below the SAC limit. The reduction is made because the supplemental budget added 91 positions in Supplemental Budget No. 1, thus increasing the positions in the Executive Branch above the limit. Deleting 77 positions brings the total position cap below SAC limit.