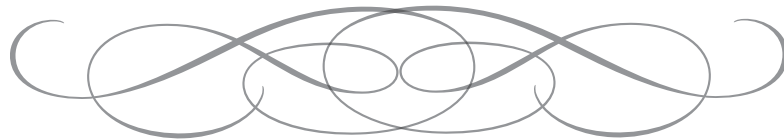


Report of the
Senate Budget and Taxation Committee
to the Maryland Senate



2015 SESSION



Recommendations, Reductions, and Summary of
Action Pertaining to:
House Bill 70

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2015 Budget Assignments

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Morgan State University
University System of Maryland
Bowie State University
Coppin State University
Frostburg State University
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Salisbury University
Towson University
University of Maryland Baltimore County
University of Maryland Eastern Shore

Elizabeth C. Bayly

Department of Labor, Licensing, and Regulation
Business Regulation
Workforce Development
Maryland African American Museum Corporation
Maryland Commission on Civil Rights
Maryland Insurance Administration
Maryland Public Broadcasting Commission
Secretary of State
Uninsured Employers' Fund
Workers' Compensation Commission

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Office of the Attorney General
Office of the public Defender
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Department of Public Safety and Correctional Services
Administration
Criminal Injuries Compensation Board
Maryland Parole Commission
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Police and Correctional Training Commissions

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Department of Health and Mental Hygiene
Developmental Disabilities Administration
Office of Health Care Quality
Prevention and Health Promotion Administration
Public Health Administration
Maryland Health Benefit Exchange
Maryland Health Insurance Plan

Patrick S. Frank

Department of Budget and Management
Personnel
Department of Information Technology
Public Debt
State Reserve Fund

Andrew D. Gray

Chesapeake Bay Overview
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Department of Natural Resources
Department of Planning
Department of the Environment
Maryland Environmental Service

Garret T. Halbach

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Baltimore City Community College
College Savings Plans of Maryland
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Maryland Higher Education Commission (MHEC)
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St. Mary's College of Maryland
University System of Maryland
University of Maryland University College

Richard H. Harris

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David B. Juppe	Department of Budget and Management Secretary
Matthew D. Klein	Board of Public Works (PAYGO) Capital Fiscal Briefing (PAYGO Overview)
Jason A. Kramer	Department of Housing and Community Development Maryland Transportation Authority Maryland Department of Transportation Maryland Aviation Administration Maryland Port Administration Motor Vehicle Administration
Steven D. McCulloch	Maryland Department of Transportation Debt Service Requirements Maryland Transit Administration Overview Secretary's Office State Highway Administration Washington Metropolitan Area Transit Authority
Jordan D. More	Department of Health and Mental Hygiene Administration Behavioral Health Administration Health Professionals Boards and Commissions Health Regulatory Commissions Health Systems and Infrastructure Administration Payments to Civil Divisions of the State
Simon G. Powell	Department of Health and Mental Hygiene Medical Care Programs Administration

Jolshua S. Rosado

Comptroller of Maryland
Department of General Services
Executive Department
Boards, Commissions, and Offices
Governor
Governor's Office of Crime Control and Prevention
Maryland General Assembly
State Archives
State Treasurer

Michael C. Rubenstein

Maryland Supplemental Retirement Plans
State Retirement Agency

Rebecca J. Ruff

Board of Public Works
Department of Juvenile Services
Interagency Committee on School Construction
Maryland School for the Deaf
Maryland State Department of Education
Aid to Education
Early Childhood Development
Funding for Educational Organizations
Headquarters

Jody J. Sprinkle

Department of Business and Economic Development
Maryland Economic Development Corporation
Maryland Stadium Authority
Maryland Technology Development Corporation
State Lottery and Gaming Control Agency

Laura M. Vykol

Department of State Police
Maryland Emergency Medical System Operations Fund
Maryland Institute for Emergency Medical Services Systems
Military Department

Tonya D. Zimmerman

Department of Human Resources
Administration
Child Support Enforcement Administration
Office of Home Energy Programs
Maryland Energy Administration
Office of People's Counsel
Public Service Commission
State Board of Elections

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Senate Budget and Taxation Committee – Reductions

		<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Ed. Funds</u>	<u>Total Funds</u>	<u>Positions</u>
2016 Budget Request							
XX	Payments to Civil Divisions of the State	\$2,111,335	\$0	\$0	\$0	\$2,111,335	
	General Assembly of Maryland	311,740	0	0	0	311,740	
	Judiciary	21,628,041	895,163	57,314	0	22,580,518	33.0
	Office of the State Prosecutor	32,260	0	0	0	32,260	
	Maryland Energy Administration	0	178,991	0	0	178,991	2.0
	Governor's Office of Crime Control and Prevention	3,720,710	0	0	0	3,720,710	
	Department of Planning	0	214,214	0	0	214,214	
	Maryland Health Benefit Exchange	0	1,498,276	0	0	1,498,276	
	Office of Administrative Hearings	255,529	85,176	85,176	0	425,881	
	Comptroller of Maryland	49,094	0	0	0	49,094	
	Department of Information Technology	7,152,660	29,000	10,000	0	7,191,660	
	State Retirement Agency	0	35,892	0	0	35,892	1.0
	Department of Natural Resources	875,000	8,639,632	0	0	9,514,632	
	Department of Natural Resources – PAYGO	0	27,882,266	0	0	27,882,266	
	Department of Agriculture	1,125,000	0	0	0	1,125,000	
	Department of Agriculture – PAYGO	0	9,830,434	0	0	9,830,434	
	Department of Health and Mental Hygiene (DHMH) – Health Professional Boards and Commission	1,002,549	0	0	0	1,002,549	
	DHMH – Health Systems and Infrastructure Administration	3,920,689	0	7,022,750	0	10,943,439	9.0
	DHMH – Behavioral Health Administration	2,000,000	0	0	0	2,000,000	
	DHMH – Developmental Disabilities Administration	2,615,113	1,766	2,074,176	0	4,691,055	
	DHMH – Medical Care Programs Administration	14,646,937	0	75,867,466	0	90,514,403	
	Department of Human Resources (DHR) – Administration	0	0	338,250	0	338,250	

<u>Agency</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Ed. Funds</u>	<u>Total Funds</u>	<u>Positions</u>
DHR – Child Support Enforcement	0	751,633	0	0	751,633	
Accelerate Actuarial Funding of Retirement Program	62,650,000	5,966,000	5,966,000	0	74,582,000	
Department of Public Safety and Correctional Services – Operations	0	0	0	0	0	10.0
Maryland State Department of Education (MSDE) – Aid to Education	15,719,544	0	0	0	15,719,544	
Maryland Higher Education Commission	5,061,674	0	0	0	5,061,674	
Aid to Community Colleges	9,045,514	0	0	0	9,045,514	
State Support for Higher Education Institutions	1,440,978	0	0	0	1,440,978	
Baltimore City Community College	0	0	0	1,440,978	1,440,978	
Department of Housing and Community Development	3,615,462	8,000,000	0	0	11,615,462	
Department of Business and Economic Development	500,000	342,958	0	0	842,958	
Public Debt	40,000,000	0	0	0	40,000,000	
<i>Subtotal Fiscal 2016 Regular Budget</i>	<i>\$199,479,829</i>	<i>\$64,351,401</i>	<i>\$91,421,132</i>	<i>\$1,440,978</i>	<i>\$356,693,340</i>	<i>55.0</i>
Fiscal 2016 Total Budget	\$199,479,829	\$64,351,401	\$91,421,132	\$1,440,978	\$356,693,340	55.0
Fiscal 2015 Deficiency Budget						
Department of Planning	0	-300,000	0	0	-300,000	
Department of Natural Resources	0	-235,000	0	0	-235,000	
DHMH – Medical Care Programs Administration	67,000,000	0	0	0	67,000,000	
MSDE – Aid to Education	-376,995	0	0	0	-376,995	
<i>Subtotal Fiscal 2015 Deficiency Budget</i>	<i>\$46,623,005</i>	<i>-\$535,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$46,088,005</i>	
Total Fiscal 2015 Deficiency Budget	\$66,623,005	-\$535,000	\$0	\$0	\$66,088,005	
Grand Total Budget Bill	\$266,102,834	\$63,816,401	\$91,421,132	\$1,440,978	\$422,781,345	55.0

A15000

Payments to Civil Divisions of the State

Budget Amendments

A15000.01 Disparity Grants

Strike the following language from the general fund appropriation:

~~, provided that this appropriation shall be reduced by \$2,111,335 contingent upon the enactment of the Budget Reconciliation Financing Act~~

Explanation: This action strikes the contingent language in the budget bill and restores the appropriation for the Disparity Grants to the currently mandated level.

Add the following language to the general fund appropriation:

, provided that the allocation of the Disparity Grants shall be distributed to the eligible counties as follows:

<u>Allegany</u>	<u>7,298,505</u>
<u>Baltimore City</u>	<u>79,051,790</u>
<u>Caroline</u>	<u>2,131,782</u>
<u>Cecil</u>	<u>299,498</u>
<u>Dorchester</u>	<u>2,022,690</u>
<u>Garrett</u>	<u>2,131,271</u>
<u>Prince George's</u>	<u>21,694,767</u>
<u>Somerset</u>	<u>4,908,167</u>
<u>Washington</u>	<u>1,516,224</u>
<u>Wicomico</u>	<u>6,653,843</u>

Explanation: This language dictates how much each county receives under the Disparity Grants for fiscal 2016. Each county receives the lesser amount of what that county received in fiscal 2014 or what it would receive under current law in fiscal 2016.

Amendment No.

1

A15O00

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. <i>Reduce funds for the Disparity Grants so that each eligible county receives the lesser amount of what that county received in fiscal 2014 or what it would receive under current law in fiscal 2016.</i>	2,111,335	GF
<i>Total Reductions</i>	2,111,335	

Amendment No.

2

C00A Judiciary

Budget Amendments

Add the following language:

Provided that \$1,410,759 in general funds is eliminated and 33 new regular positions shall be reduced from the Judiciary's budget.

Explanation: This action deletes the new positions from the Judiciary's budget due to the State's fiscal condition.

Amend the following language:

Further provided that a ~~\$3,442,000~~\$2,838,567 General Fund reduction is made for operating expenditures. The Chief Judge shall allocate this reduction across the Judicial Branch.

Explanation: This action reduces the Judiciary's fiscal 2016 budget for operating expenditures across the divisions. These reductions will level fund some operating expenses in light of the State's fiscal condition.

Amendment No.

3

Add the following language:

Further provided that 19 positions and \$2,049,490 in general funds are contingent upon the enactment of HB 111 or SB 332.

Explanation: This action makes the funding for these positions contingent upon the enactment of HB 111 or SB 332. Included in the amount are 19 new positions, as well as 4 contractual bailiff full-time equivalents and supply costs, which will support the creation of 5 circuit court and 2 District Court judges.

C00A

JUDICIARY

C00A00.04 District Court

Add the following language to the general fund appropriation:

, provided that \$10,000,000 of the General Fund appropriation may be expended only for the purpose of providing attorneys for required representation at initial appearances before District Court commissioners consistent with the holding of the Court of Appeals in DeWolfe v. Richmond and associated costs to administer the program. Any funds not expended for this purpose shall revert to the General Fund. Further provided that any State funds to provide attorneys for required representation at initial appearances before District Court commissioners shall be done so on the basis of the calendar 2014 distribution of initial appearances within each county. If the allotment for a specific county is expended before the end of the fiscal year, then any further costs shall be addressed first by reallocating any unspent amounts remaining from other county allotments at the end of the fiscal year, and any final unresolved amounts to be paid by that county. Further provided that the Chief Judge is authorized to process a budget amendment to transfer up to \$10,000,000 in general funds to the appropriate unit of State government upon the enactment of legislation designating that unit of government to assume responsibility for providing attorneys for required representation at initial appearances before District Court commissioners.

Explanation: This language restricts the use of \$10 million of the Judiciary's general funds appropriated for the implementation of Richmond for this purpose only and appropriates the costs of initial appearances per county based on calendar 2014 appearances. Further, this language authorizes the transfer of the funds to another agency if legislation provides for an alternate solution to the Appointed Attorney Program.

Add the following language:

Further provided that \$100,000 in general funds of this appropriation may not be expended until the Judiciary submits a report to the budget committees detailing the monthly and total expenditures of the Appointed Attorney Program for fiscal 2015, including expenditures for the reimbursement of tolls and mileage. The report shall be submitted by October 1, 2015, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This language restricts \$100,000 in general funds pending receipt of a report from the Judiciary detailing the expenditures of the Appointed Attorney Program for fiscal 2015, including the reimbursement of tolls and mileage.

C00A

Information Request	Authors	Due Date
Appointed attorney program cost	Judiciary	October 1, 2015

C00A00.06 Administrative Office of the Courts

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Eliminate the salary reclassification for the Administrative Office of the Courts related to the Judiciary-commissioned salary study. This increase is being denied due to the fiscal condition of the State.	9,516,124 GF	
Total Reductions	9,516,124	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	245.25	245.25		0.00
General Fund	70,036,614	60,520,490	9,516,124	
Special Fund	17,500,000	17,500,000	0	
Total Funds	87,536,614	78,020,490	9,516,124	

C00A00.10 Clerks of the Circuit Court

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Eliminate the salary reclassification for the Clerks of the Court division related to the Judiciary-commissioned salary study. This increase is being denied due to the fiscal condition of the State.	593,816 SF	
Total Reductions	593,816	0.00

C00A

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	1,455.50	1,455.50		0.00
General Fund	90,365,551	90,365,551	0	
Special Fund	19,811,696	19,217,880	593,816	
Total Funds	110,177,247	109,583,431	593,816	

Committee Narrative

Information on Savings from the Maryland Electronic Court Project: The budget committees are concerned about the ever increasing costs associated with the Maryland Electronic Court (MDEC) major information technology development project. The committees expect that because the project is supposed to make the Judiciary more efficient by reducing the support costs necessary in the current system, that there will be fiscal savings and a return on investment, especially in personnel. A report detailing the potential fiscal savings should be submitted to the budget committees by November 1, 2015.

Information Request	Author	Due Date
MDEC fiscal savings report	Judiciary	November 1, 2015

Use of Land Records Improvement Fund: The committees direct that the Judiciary report on the Maryland State Archives' expenditures of the money granted to them from the Land Records Improvement Fund (LRIF) and the agreement between the two organizations. The report shall be provided by September 1, 2015, and then every two years thereafter.

Information Request	Authors	Due Date
Maryland State Archives' use of LRIF	Judiciary Maryland State Archives	September 1, 2015

~~**Information on Contractual Bailiffs:** The budget committees are concerned with the employment status of contractual bailiffs who have been serving the Judiciary for more than eight years and request information on whether the bailiffs would benefit by or prefer serving in a permanent position. The committees request a report on the status of contractual bailiffs and whether it would be appropriate to convert these positions into permanent positions. A report detailing the status of contractual bailiffs should be submitted to the budget committees by November 1, 2015.~~

C00A

Information Request	Author	Due Date
Contractual bailiff status	Judiciary	November 1, 2015

C82D
Office of the State Prosecutor

Budget Amendments

OFFICE OF THE STATE PROSECUTOR

C82D00.01 General Administration

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Delete 1 full-time equivalent contractual.	32,260 GF	
Total Reductions	32,260	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	13.00	13.00		0.00
General Fund	1,466,087	1,433,827	32,260	
Total Funds	1,466,087	1,433,827	32,260	

C96J
Uninsured Employers' Fund

Committee Narrative

UNINSURED EMPLOYERS' FUND

C96J00.01 General Administration

Report on the Uninsured Employers' Fund Balance Maintenance: The committees direct that the Uninsured Employers Fund (UEF) report on options for maintaining the UEF fund balance and whether the 2% assessment rate on workers' compensation awards is appropriate to maintain the fund's viability. The report should be presented to the committees by September 1, 2015.

Information Request	Author	Due Date
Report on UEF's fund balance maintenance	UEF	September 1, 2015

D05E
Board of Public Works

Committee Narrative

BOARD OF PUBLIC WORKS

D05E01.01 Administration Office

Notification to the General Assembly of Proposed Reductions: It is the intent of the budget committees that the Board of Public Works (BPW) provide notification to the Legislative Policy Committee, the House Appropriations Committee, and the Senate Budget and Taxation Committee of any proposed reductions to an appropriation at least 72 hours prior to the item's consideration for approval. The proposed reductions should also be posted on the BPW website. The submitted notice should include the following information:

- the agency and program where each proposed reduction is located;
- the amount of the proposed reduction in both dollars and percentage values;
- the fund source of the appropriation subject to the proposed reduction;
- a brief narrative summary of the impact of the proposed reduction on the program for which the appropriation is intended; and
- any projected reductions in workforce as a result of the proposed reduction.

Information Request	Author	Due Date
Notice of proposed reductions	BPW	72 hours before consideration for approval

Improving Minority Business Enterprise Participation: The budget committees are concerned by the fact that the number of contracts awarded by the Board of Public Works (BPW) with 0% Minority Business Enterprise (MBE) participation increased by 51% in fiscal 2014. Although the increase in the State's MBE goal from 25% to 29% of the cost of the contract shows a step in the right direction, it is evident that more progress is necessary. As the lead agency for overseeing State procurement, BPW should play an integral part in guiding that improvement. To that end, the budget committees direct BPW, in consultation with the Governor's Office of Minority Affairs, to provide a report identifying the State's plan for

D05E

increasing the number of contracts that meet the State's MBE participation goal. The report shall be submitted to the budget committees no later than September 30, 2015

Information Request	Author	Due Date
Improving Minority Business Enterprise participation	BPW	September 30, 2015

D05E01.10 Miscellaneous Grants to Private Non-Profit Groups

Operational Reporting: In continuance of the practice that began in July 2008, the committees request that the Maryland Zoological Society submit:

- audited financial statements for fiscal 2015; and
- year-to-date monthly attendance figures for the zoo for fiscal 2016 (by visitor group).

Information Request	Author	Due Date
Audited financials	Maryland Zoological Society	November 1, 2015
Attendance report	Maryland Zoological Society	Monthly

D06E
Board of Public Works – Capital Appropriation

Budget Amendments

D06E02.02 Public School Capital Appropriation

Amend the following language:

, provided that ~~\$20,690,000~~ \$15,000,000 of this appropriation made for the purpose of public school construction may not be expended for that purpose but instead may be transferred by budget amendment to the Department of Housing and Community Development (DHCD) to be used only to support capital programs currently funded through the use of taxable general obligation bonds. The transferred funds shall be allocated within DHCD in the following manner:

- (1) \$10,000,000 for S00A25.07 Rental Housing Programs – Capital; and
- (2) ~~\$7,000,000~~ \$5,000,000 for S00A25.08 Homeownership Programs – Capital; and
- (3) ~~\$3,690,000 for S00A25.09 Special Loans Program – Capital.~~

Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: The Governor’s allowance provides \$30.0 million in general fund pay-as-you-go (PAYGO) to support public school construction. ~~Approximately \$9.3 million is required to fund outstanding reimbursements owed by the State to Prince George’s County. Due to the timing of the completion of the associated projects, these obligations can only be funded by cash reimbursement. The remaining \$20.7 million in~~ *The funding for these* proposed school construction projects could be supported via tax-exempt bonds. This action ~~proposed repurposing \$20.7~~ *repurposes \$15.0* million of the general fund PAYGO appropriation to support capital programs within DHCD. These DHCD programs are currently funded through the use of taxable bonds, which are more expensive and increase the State’s out-year debt service costs. The school construction projects that would have otherwise been funded through the PAYGO appropriation can be supported through the use of general obligation bonds or any unreserved contingency funds.

Amendment No.

4

D13A13
Maryland Energy Administration
Executive Department

Budget Amendments

MARYLAND ENERGY ADMINISTRATION

D13A13.01 General Administration

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete the position for the Governor's Energy Advisor (PIN 002055) because the position is duplicative. A portion of the role of the Maryland Energy Administration (MEA) is to advise the Governor on a variety of energy matters. The director of MEA should serve as the energy advisor. This position has been vacant since June 2013.	90,916 SF	1.00
2. Delete a position created outside of the Rule of 100 because the grant funds have ended. One position (PIN 088568) was created in a Board of Public Works action in September 2012. The position was created outside of the Rule of 100 in fiscal 2013 because a federal grant (referred to as Advancing Energy Efficiency in Public Buildings) was being used to support the position. Positions created outside of the Rule of 100 are required to be abolished after the fund source is no longer available. The grant funds end in fiscal 2015, but the position is not abolished. The fiscal 2016 allowance funds the position from the Strategic Energy Investment Fund. The position is filled, but the individual could be moved into a vacant PIN within the agency.	88,075 SF	1.00
Total Reductions	178,991	2.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	34.00	32.00		2.00
Special Fund	5,874,701	5,695,710	178,991	
Federal Fund	778,286	778,286	0	
Total Funds	6,652,987	6,473,996	178,991	

D13A13

Committee Narrative

Program Specific Managing for Results Measures: The Maryland Energy Administration's (MEA) Managing for Results (MFR) submission currently focuses largely on measures of State energy policy. The MFR measures progress in meeting EmPOWER Maryland goals, increasing renewable energy in service, and alternative fuel vehicle use. Although there are a couple of measures of program activity related to MEA's pay-as-you-go programs, the MFR's otherwise do not reflect activities of the agency. With several years of experience with programs funded by the Strategic Energy Investment Fund, MEA should begin tracking performance in these programs. The budget committees request that MEA begin reporting performance related to agency programs and activities along with progress toward State energy goals in its annual MFR submission beginning with the fiscal 2017 budget books.

Information Request	Author	Due Date
Performance measures related to agency activities and programs	MEA	With submission of the fiscal 2017 budget books

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

Budget Amendments

BOARDS, COMMISSIONS, AND OFFICES

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

Strike the following language from the general fund appropriation:

~~, provided that this appropriation shall be reduced by \$3,720,710 contingent upon the enactment of legislation reducing the required appropriation for State Aid for Police Protection.~~

Explanation: The fiscal 2015 budget bill, as introduced, includes a \$3,720,710 reduction to the State Aid for Police Protection grant, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2015. This action strikes that contingent reduction.

Add the following language to the general fund appropriation:

, provided that the reduction in the State Aid for Police Protection grant shall be allocated on a proportional basis.

Explanation: Direct the Secretary of the Department of Budget and Management to reduce the State Aid for Police Protection allocation on a proportional basis for all jurisdictions.

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce the State Aid for Police Protection (SAPP) formula-funded appropriation by \$3.7 million, or 5.2%, to constrain growth in general fund expenditures. The current fiscal 2016 formula-funded appropriation for SAPP is \$71.0 million. The reduction would reduce SAPP to \$67.3 million, which is consistent with the reduced formula funding in fiscal 2014.	3,720,710 GF	
Total Reductions	3,720,710	0.00

D15A0516

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	39.00	39.00		0.00
General Fund	100,575,889	96,855,179	3,720,710	
Special Fund	2,281,455	2,281,455	0	
Federal Fund	21,384,795	21,384,795	0	
Total Funds	124,242,139	120,521,429	3,720,710	

Committee Narrative

Report on Phasing Out General Funds for State's Attorneys Offices: The committees are concerned that general funds are increasing every year to fund States' Attorneys Offices (SAO), which are a local function, thus it is the intent of the committees that the State's role should be limited. In the absence of a statewide policy or State funding formula for the funding of SAOs, the committees request the Governor's Office of Crime Control and Prevention (GOCCP) to submit a report to the committees by December 1, 2015, on a plan to phase out general funding of SAOs over a three-year period so that no general fund grants are made by fiscal 2019. The report shall include (1) a current breakdown of funds used to support SAOs in the last three fiscal years by general and federal funds; (2) what programs the funding supports and in which counties they are used in; and (3) a plan of how much in general funds will be allocated by the State in each year of the three-year phase-out period of funding for SAOs.

Information Request	Author	Due Date
Report on phasing out funding using the general fund for SAOs by fiscal 2019	GOCCP	December 1, 2015

D16A
Secretary of State

Budget Amendments

SECRETARY OF STATE

D16A06.01 Office of the Secretary of State

Strike the following language:

~~, provided that 1 regular position, PIN 002079, is abolished to reflect the loss of funds for the position due to cost containment.~~

~~**Explanation:** The fiscal 2016 allowance includes a 2% across the board reduction in general funds. The agency has indicated that it intends to leave a vacancy open in order to meet the reduction. The position is abolished in order to reflect the Administration's goal of ongoing, structural reductions.~~

Amendment No.

5

D18A18
Governor's Office for Children

Committee Narrative

D18A18.01 Governor's Office for Children

Out-of-home Placements: To facilitate evaluation of Maryland's family preservation programs in stemming the flow of children from their homes, the Governor's Office for Children (GOC), on behalf of the Children's Cabinet, is requested to prepare and submit to the budget committees a report on out-of-home placements containing data on the total number of out-of-home placements and entries by jurisdiction over the previous three years and similar data on out-of-state placements. The report should also provide information on the costs associated with out-of-home placements, the reasons for new placements, and an evaluation of data derived from the application of the Maryland Family Risk Assessment. Data should also be collected concerning indicated findings of child abuse and neglect occurring while families are receiving family preservation services or within one year of case closure. Each agency or administration that funds or places children and youth in out-of-home placements is requested to work closely with GOC and comply with any data requests necessary for production of the report.

Information Request	Author	Due Date
Report on out-of-home placements	GOC	December 15, 2015

D25E
Interagency Committee for School Construction
Board of Public Works

Budget Amendments

ON SCHOOL CONSTRUCTION

D25E03.01 General Administration

Add the following language to the general fund appropriation:

, provided that \$50,000 of this appropriation made for the purpose of General Administration may not be expended until the Interagency Committee on School Construction submits fiscal 2013 and 2014 annual maintenance reports to the budget committees. The reports shall be submitted by November 1, 2015, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This language restricts \$50,000 in general funds for the Interagency Committee on School Construction (IAC) until fiscal 2013 and 2014 annual maintenance reports are submitted to the budget committees.

Information Request	Author	Due Date
Fiscal 2013 annual maintenance report	IAC	November 1, 2015
Fiscal 2014 annual maintenance report	IAC	November 1, 2015

Committee Narrative

~~**Baltimore City Public School System Construction Management Capacity Progress Report:** The budget committees are concerned about the ongoing issues raised by staff for the Interagency Committee on School Construction (IAC) regarding the apparent mismanagement of State-funded projects by the Baltimore City Public School (BCPS) system. In order to address those issues and bring the construction management capacity of BCPS more in line with other Maryland school systems, the budget committees urge BCPS to strongly consider adoption of the recommendations put forth by IAC staff in its November 2014 report. As a means of monitoring the school system's progress toward reconciling the identified areas of concern, the budget committees request that IAC submit a progress report detailing the efforts made by BCPS to improve the management of state-funded projects and protect the investments made using State and local resources. In addition to noting any progress, or lack thereof, the report should~~

D25E

~~also identify any additional or continued concerns. This progress report shall be submitted to the budget committees no later than December 15, 2015.~~

Baltimore City Public School System Construction Management Capacity Progress Report: *In a November 2014 report, staff for the Interagency Committee on School Construction (IAC) identified six potential areas for improving the construction management capacity within the Baltimore City Public School (BCPS) system. As a means of monitoring the school system's effort to address the identified areas of improvement, the budget committees request that IAC submit a progress report detailing actions taken by BCPS to maintain the performance management of State-funded projects and protect the investments made using State and local resources. In addition to noting any progress, the report should also identify any additional or continued opportunities for improved operational efficiency or enhanced program management effectiveness. This progress report shall be submitted to the budget committees no later than December 15, 2015.*

Information Request	Author	Due Date
Progress report on BCPS improvements to construction management	IAC	December 15, 2015

Report on the Relationship between Facility Maintenance and School Construction: The budget committees are interested in understanding the extent to which failures in school maintenance contribute to increased public school construction costs. The Interagency Committee on School Construction (IAC) is directed to evaluate the relationship between identified maintenance deficiencies and school construction needs for each jurisdiction. In addition to identifying the areas of improvement within each jurisdiction, the report should recommend best practices for school maintenance that should be implemented in order to avoid the need for future costly school construction projects. The report is due to the budget committees no later than October 1, 2015.

Information Request	Author	Due Date
Report on the relationship between facility maintenance and school construction	IAC	October 1, 2015

D26A
Department of Aging

Budget Amendments

D26A07.02 Senior Centers Activities Centers Operating Fund

Add the following language to the general fund appropriation:

, provided it is the intent of the General Assembly that grant awards from the Maryland Department of Aging to the local area agencies on aging should be made by the end of the first month of the fiscal year.

Further provided that \$100,000 of the General Fund appropriation made for administrative expenses may not be expended until the Maryland Department of Aging submits a report to the budget committees by September 1, 2015, on why there were delays in grant awards in recent years and changes the agency made to improve and accelerate the grant award process to the local area agencies on aging so that they are made by the end of the first month of the fiscal year. The committees shall have 45 days to review and comment. Funds restricted pending receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The budget committees are concerned about delays in the grant award process in the Maryland Department of Aging (MDOA). Traditionally, instructions were sent to area agencies on aging (AAA) in the March or April preceding the fiscal year for which grantees are applying, and the grants were awarded by the end of the first quarter of that fiscal year, usually in the first month. However, in recent years, the instructions have not been sent until after the fiscal year had started, and the funds are not awarded until late in the fiscal year. County-operated AAAs have had to use county funds to cover their operations in lieu of the grants, and AAAs that are operated as nonprofits are required to obtain short-term loans. As of February 2015, most AAAs statewide have still not yet received their full fiscal 2015 State grant awards.

The budget language establishes the intent of the General Assembly that the awarding of grants return to the beginning of the fiscal year, as had been the practice in prior years. The language further requests a report on what the problems have been in recent years, and what the agency has done to ensure the awards were made in a timelier manner.

Information Request	Author	Due Date
Report on improving the award of State grants to AAAs	MDOA	September 1, 2015

Amendment No.

6

D26A

Committee Narrative

~~**Timing of Grant Awards:** The budget committees are concerned about delays in the grant award process in the Maryland Department of Aging (MDOA). Traditionally, instructions were sent to area agencies on aging (AAA) in the March or April preceding the fiscal year for which grantees are applying, and the grants were awarded by the end of the first quarter of that fiscal year, usually in the first month. However, in recent years the instructions have not been sent until after the fiscal year had started, and the funds are not awarded until late in the fiscal year. County-operated AAAs have had to use county funds to cover their operations in lieu of the grants, and AAAs that are operated as nonprofits are required to obtain short-term loans. As of March 2015, few AAAs statewide have received their full fiscal 2015 State grant award.~~

~~It is the intent of the General Assembly that grant awards from MDOA to the local area agencies on aging be made by the end of the first month of the fiscal year.~~

~~The budget committees request that MDOA submit a report by September 1, 2015, on why there were delays in grant awards in recent years and changes the agency made to improve and accelerate the grant award process to the local area agencies on aging so that they are made by the end of the first month of the fiscal year.~~

Information Request	Author	Due Date
Report on improving the award of State grants to AAAs	MDOA	September 1, 2015

D38I
State Board of Elections

Committee Narrative

STATE BOARD OF ELECTIONS

D38I01.01 General Administration

Funding for 2016 Presidential Primary: The fiscal 2016 allowance omitted certain costs necessary for the functioning of the new voting system in the 2016 presidential primary, including the paper ballots, Express Pass Printers, Universal Service Bus drives, certain election management system support, and privacy sleeves. The State Board of Elections (SBE) indicates that the costs for items necessary for the functioning of the election, but not included in the allowance, total \$7.4 million (half of which are general funds and half of which are local special funds). The committees request that SBE report on how it will fund the necessary costs for the 2016 presidential primary and the impact on the election if no additional funds are available for this purpose.

Information Request	Author	Due Date
Report on funding for the 2016 presidential primary	SBE	August 15, 2015

D40W01
Department of Planning

Budget Amendments

DEPARTMENT OF PLANNING

D40W01.03 Planning Data Services

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce \$200,000 in special fund appropriation attributable to the Parcel Mapping Fund. The fiscal 2016 budget is balanced using \$200,000 in special funds that do not exist because they are being used in fiscal 2015 in order to backfill for cost containment actions.	200,000 SF	
Total Reductions	200,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	29.00	29.00		0.00
General Fund	2,530,644	2,530,644	0	
Special Fund	207,464	7,464	200,000	
Total Funds	2,738,108	2,538,108	200,000	

D40W01.07 Management Planning and Educational Outreach

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce contractual full-time equivalent funding increases to reflect the fiscal 2016 salary reduction. This reduction may be allocated across the following programs: Management Planning and Educational Outreach, Museum Services, Research Survey and Registration, and Preservation Services.	14,214 SF	
Total Reductions	14,214	0.00

D40W01

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	14.00	14.00		0.00
General Fund	1,148,589	1,148,589	0	
Special Fund	3,210,206	3,195,992	14,214	
Federal Fund	717,207	717,207	0	
Total Funds	5,076,002	5,061,788	14,214	

D50H Military Department

Committee Narrative

MILITARY DEPARTMENT OPERATIONS AND MAINTENANCE

D50H01.06 Maryland Emergency Management Agency

The Maryland Emergency Management Agency's Managing for Results Section: The budget committees are concerned that the current Managing for Results (MFR) data reported by the Maryland Emergency Management Agency (MEMA) is vague and does not offer adequate insight into the agency's objectives and performance. It is the intent of the budget committees that MEMA provide more detailed agency objectives and performance measures for the MFR section of the fiscal 2017 budget books, and for subsequent fiscal years.

Maryland Freestate ChalleNGe Academy Report: *The Freestate ChalleNGe Academy (FCA) is a division of the National Guard Youth ChalleNGe Program established in 1993. The FCA is a State-run 22-week residential program followed by a 12-month post-residential intervention phase for 16- to-18-year-olds who have dropped out of high school or are at risk of dropping out. The Maryland National Guard operates two classes of 100 at-risk youths annually. The Military Department has an objective that 80% of FCA graduates continue schooling, get a job, or enter the military; the department has been unable to meet this objective since fiscal 2010 and experienced significant decreases in graduates meeting this objective in fiscal 2013 and 2014. The budget committees are requesting the Military Department to submit a comprehensive report providing greater detail and analysis of the program, including:*

- *an overview of the program, including program objectives, an organizational chart, and any relevant background information;*
- *a sample curriculum or schedule for an FCA attendee;*
- *outreach efforts made and strategies implemented to recruit at-risk youths to the program;*
- *State and federal funding the program has received or has been appropriated from fiscal 2007 to 2016; and*
- *graduate outcome statistics, as tracked during the 12-month post-residential period, from fiscal 2012 to 2015, including:*
 - *graduates that achieved a general educational development diploma, or other education or job-oriented certificate;*

D50H

- *graduates who continued education (distinguishing between those who returned to high school and those that continued education at an institution of higher education or vocational school);*
- *graduates who obtained employment, distinguishing between part time and fulltime; and*
- *graduates who entered military service.*

Additionally, the report should provide a comparison of Maryland's FCA graduate outcome statistics to the other Freestate Challenge Academy programs operated by the National Guard, to whatever level of detail is available. A report should be submitted to the budget committees by December 1, 2015.

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>Maryland Freestate Challenge Academy Report</i>	<i>Military Department</i>	<i>December 1, 2015</i>

D55P00
Department of Veterans Affairs

Committee Narrative

***Legislative Intent Regarding the Staffing of Service Centers:** It is the intent of the General Assembly that the Department of Budget and Management and the Maryland Department of Veterans Affairs work to address the workload of benefits specialists at service offices statewide by transferring and filling vacant benefits specialist positions at the four service office locations with a disproportionately high workload.*

D78Y01

Maryland Health Benefit Exchange

Budget Amendments

MARYLAND HEALTH BENEFIT EXCHANGE

D78Y01.01 Maryland Health Benefit Exchange

Strike the following language from the special fund appropriation:

~~, provided that this appropriation shall be reduced by \$1,498,276 contingent upon the enactment of legislation reducing the required appropriation of \$35,000,000~~

Explanation: The fiscal 2016 budget bill as introduced includes a \$1,498,276 special fund reduction to the Maryland Health Benefit Exchange, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act (BRFA) of 2015. This action strikes that contingent reduction as the legislature can make that reduction without the BRFA.

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. <i>Reduce the appropriation of the Maryland Health Benefit Exchange by \$1,388,156 in special funds. This action implements the Governor's proposal to reduce the agency's special fund appropriation by \$1,498,276, as the budget for the Department of Budget and Management Personnel includes an additional reduction of \$110,120 in special funds to reflect the agency's share of the Section 21 increment reduction.</i>	1,388,156	SF
<i>Total Reductions</i>	1,388,156	

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	69.00	69.00		0.00
Special Fund	23,690,073	22,301,917	1,388,156	
Federal Fund	17,444,873	17,444,873	0	
Total Funds	41,134,946	39,746,790	1,388,156	

Amendment No.

7

D78Y01

Committee Narrative

Report on Connector Entities: *The committees request the Maryland Health Benefit Exchange (MHBE) to report by October 1, 2015, on the role of, and expectations for, connector entities in shaping enrollment, which has been lower than expected. Specifically, MHBE should report on how the role of connector entities is expected to evolve as MHBE has now completed its second open enrollment period.*

Information Request	Author	Due Date
Connector Entities	Department of Health and Mental Hygiene	October 1, 2015

D78Y01.02 Major Information Technology Development Projects

Report on System Integration: The new eligibility determination information technology (IT) system of the Maryland Health Benefit Exchange (MHBE) does not currently offer the single point-of-entry for benefits determinations that had been the original long-term goal promised of MHBE's original system. Although the federal government has extended enhanced federal funding (90% Federal Medicaid Assistance Percentage) for IT system integration for an additional three years, it is unclear if the new platform can be the basis for the promised single point-of-entry system. The committees request MHBE, in consultation with the Department of Information Technology, to report by December 1, 2015, on any plans to move toward a single point-of-entry system.

Information Request	Author	Due Date
System integration	MHBE	December 1, 2015

D80Z01
Maryland Insurance Administration

Budget Amendments

INSURANCE ADMINISTRATION AND REGULATION

D80Z01.01 Administration and Operations

Add the following language to the special fund appropriation:

, provided that since the Maryland Insurance Administration (MIA) has had four or more repeat findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), \$150,000 of this agency's administrative appropriation may not be expended unless:

- (1) MIA has taken corrective action with respect to all repeat audit findings on or about January 1, 2016; and
- (2) a report is submitted to the budget committees by OLA, listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days to review and comment to allow for funds to be released prior to the end of fiscal 2016.

Explanation: The Joint Audit Committee has requested that budget bill language be adopted for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each such agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency, and a determination by OLA that each finding was corrected. OLA shall submit reports to the budget committees on the status of repeat findings.

Information Request	Author	Due Date
Report on status of repeat audit findings	OLA	45 days prior to the expenditure of funds

D99A
Office of Administrative Hearings

Committee Narrative

~~**Non-English Speaker Accommodation.** The budget committees are concerned that the Office of Administrative Hearings (OAH) may not be taking reasonable steps to provide equal access to public services for individuals who are non-English speakers in accordance with Chapter 141 of 2002. The budget committees request OAH to provide a report detailing whether OAH is taking reasonable steps to (1) provide oral language services for non-English speakers; (2) translate applications or informational materials, notices, and complaint forms ordinarily provided to the public into any language spoken by any non-English speaking population that constitutes 3% of the overall population within the geographic area served by the OAH as measured by the U.D. Census; and (3) use any additional methods or means necessary to achieve equal access to public services. If OAH is not taking any of the actions listed above, the report shall include a plan to implement actions to provide equal access to public services for individuals who are non-English speakers.~~

Information Request	Author	Due Date
Non-English speaker accommodation	OAH	September 1, 2015

E00A
Comptroller of Maryland

Budget Amendments

OFFICE OF THE COMPTROLLER

E00A01.01 Executive Direction

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Cut \$26,157 to bring the contractual full-time equivalents back to the fiscal 2015 level as the full appropriation is unneeded in the allowance.	26,157 GF	
Total Reductions	26,157	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	35.50	35.50		0.00
General Fund	3,609,379	3,583,222	26,157	
Special Fund	642,567	642,567	0	
Total Funds	4,251,946	4,225,789	26,157	

BUREAU OF REVENUE ESTIMATES

E00A03.01 Estimating of Revenues

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Cut 1 unneeded contractual full-time equivalent in the Bureau of Revenue Estimates to bring the agency back to the fiscal 2015 level.	22,937 GF	
Total Reductions	22,937	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	5.00	5.00		0.00
General Fund	926,976	904,039	22,937	
Total Funds	926,976	904,039	22,937	

E00A

REVENUE ADMINISTRATION DIVISION

E00A04.01 Revenue Administration

Add the following language to the general fund appropriation:

, provided that since the Comptroller has had four or more repeat audit findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), \$200,000 of this agency's administrative appropriation may not be expended unless:

- (1) the Comptroller has taken corrective action with respect to all repeat audit findings on or before November 1, 2015; and
- (2) a report is submitted to the budget committees by OLA, listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days to review and comment to allow funds to be released prior to the end of fiscal 2015.

Explanation: The Joint Audit Committee has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each such agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency and a determination by the Office of Legislative Audits (OLA) that each findings was corrected. OLA shall submit reports to the budget committees on the status of repeat findings.

Information Request	Author	Due Date
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

E50C
State Department of Assessments and Taxation

Committee Narrative

Advisory Council Creation and ~~Business Process Analysis Report~~ Legislation Request: It is the intent of the committees to assure progress on the implementation of the 2014 Assessment Workgroup (AWG) recommendations by directing the State Department of Assessments and Taxation (SDAT) to establish a State and Local Advisory Council. The advisory council shall be composed of the following members:

- the executive director of SDAT;
- a representative from a local State assessment office;
- five members representing county governments appointed by the Maryland Association of Counties;
- three members representing municipal governments appointed by the Maryland Municipal League;
- a representative from the Department of Information Technology (~~DoIT~~);
- a representative from the Department of Planning; and
- a representative from the Governor's StateStat Office.

The advisory council shall meet periodically to discuss issues of mutual interest, including but not limited to the assessment of real and personal property and tax credit programs and exemptions; guidance on the implementation of the AWG recommendations from the December 15, 2014 report; and, business process changes and the leveraging of new technologies to achieve greater operational efficiencies.

Further, it is the intent of the committees to assure progress on the implementation of the AWG recommendations by directing SDAT to introduce legislation during the 2016 session of the General Assembly that responds to the recommendations from the December 15, 2014 report.

~~The committees further direct SDAT, in consultation with DoIT and other appropriate entities, to perform a business process analysis in an effort to realize additional efficiencies within the assessment and administrative processes of SDAT and to determine how technology can be~~

E50C

~~utilized to maximize that efficiency. The analysis should produce recommendations to achieve greater efficiencies in the performance of property assessments and other functions through the use of new technologies; improve the transfer of data between SDAT and local governments; and, suggest adequate staffing levels in light of new technology and business process changes. The department should report its findings to the State and Local Advisory Council and the budget committees by December 1, 2015.~~

Information Request	Author	Due Date
Business process analysis	SDAT	December 1, 2015

E75D
State Lottery and Gaming Control Agency

Budget Amendments

STATE LOTTERY AND GAMING CONTROL AGENCY

E75D00.01 Administration and Operations

Add the following language to the special fund appropriation:

, provided that no portion of this appropriation may be expended for the planning or implementation of the sales of traditional lottery games over the Internet until the State Lottery and Gaming Control Agency reports to the budget committees on a proposed platform and regulatory structure for a program of online sales. The budget committees shall have 45 days to review and comment on the report. Further provided, before the State Lottery and Gaming Control Agency promulgates regulations to authorize the sale of traditional lottery games over the Internet, the agency shall:

- (1) solicit the input of all licensed lottery agents; and
- (2) conduct a public hearing. The date of the public hearing shall be conspicuously posted on the agency's Web site at least 30 days prior to the hearing date.

Further provided that no portion of this appropriation may be expended for the implementation of the sales of traditional lottery games over the Internet until the Legislative Policy Committee has had 45 days to review and comment on the report submitted to the budget committees.

Explanation: This language restricts funds until the State Lottery and Gaming Control Agency submits a report on any plans to develop the sale of traditional lottery games over the Internet. The language also prohibits the agency from pursuing a plan to develop sales over the Internet until the Legislative Policy Committee had had an opportunity for review and comment.

Amendment No.

8

F10
Department of Budget and Management

Budget Amendments

Strike the following language:

Provided that 3 regular positions are abolished from this budget on July 1, 2015.

Explanation: ~~The language abolishes 3 regular positions to ensure that the 2% reduction produces ongoing out year savings. The Secretary is authorized to allocate the reduction to the appropriate program(s).~~

Amendment No.

9

Strike the following language:

Provided that \$1,000,000 of the General Fund appropriation may not be expended unless the Department of Budget and Management provides a report to the budget committees on July 1, 2015 which provides a complete accounting of the 2% across the board reduction for fiscal 2016 in Section 19 of this Act. This report should include a detailed allocation of the reduction by agency and program, as well as the impact of each reduction on the operations of each agency and program. The budget committees shall have 45 days to review and comment from the date of receipt of the report. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise, to any other purpose, and shall revert to the General Fund if the report is not received by July 1, 2015.

Explanation: ~~This language restricts \$1,000,000 in general funds until the Department of Budget and Management (DBM) provides a report to the budget committees on July 1, 2015, which details the allocation of the 2% across the board cut required by Section 19. The report shall detail the amounts cut by agency and program, including the impact of the reduction on agency operations.~~

Information Request

Author

Due Date

2% across the board
reduction detail

DBM

July 1, 2015

Amendment No.

10

F10

OFFICE OF PERSONNEL SERVICES AND BENEFITS

F10A02.01 Executive Direction

Add the following language to the general fund appropriation:

, provided that \$100,000 of this appropriation may not be expended until the Department of Budget and Management develops a report on fiscal 2015 closeout of the Employee and Retiree Health Insurance Account. This report shall include:

- (1) The closing fiscal 2015 fund balance;
- (2) The actual provider payments due in the fiscal year;
- (3) The State, employee, and retiree contributions;
- (4) An accounting of rebates, recoveries, and other costs; and
- (5) Any closeout transactions processed after the fiscal year ended.

The report shall be submitted to the budget committees by October 1, 2015. The budget committees shall have 45 days to review and comment following the receipt of the report. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: Requires the Department of Budget and Management to submit a report with fiscal 2015 closeout data for the Employee and Retiree Health Insurance Account.

Information Request	Author	Due Date
Report requiring fiscal 2015 closeout data for the Employee and Retiree Health Insurance Account	Department of Budget and Management	October 1, 2015

OFFICE OF BUDGET ANALYSIS

F10A05.01 Budget Analysis and Formulation

Add the following language:

Provided that the Department of Budget and Management shall submit detail of the 2% across-the-board reduction in fiscal 2016 by program, subprogram, Comptroller Object, and subobject to the budget committees and the Department of Legislative Services by July 1, 2015.

F10

Further provided that it is the intent of the budget committees that this detailed allocation shall be reflected in the fiscal 2016 Fiscal Digest published in July 2015.

Explanation: Section 19 of the fiscal 2016 budget bill includes a 2% across-the-board general fund reduction allocated by financial agency code. In addition to supplying the budget committees with greater specificity on the actions and impacts of the reduction during the session, it is also important to ensure that the reductions are allocated by program, subprogram, object, and subobject in the Fiscal Digest, which provides the legislative appropriation by agency, program, and fund on the first day of the fiscal year. This data will be used to forecast the fiscal 2017 baseline by the Department of Legislative Services, thus an accurate accounting for the reduction is essential.

Information Request	Author	Due Date
2% reduction detail	Department of Budget and Management	July 1, 2015
2% reduction by program	Department of Budget and Management	In the Fiscal Digest

Committee Narrative

Voluntary Separation Program Costs Incurred and Avoided: Included in the Administration's fiscal 2016 budget plan is implementation of a Voluntary Separation Program (VSP). This program is to be implemented in fiscal 2015, in order to reduce general fund expenditures in fiscal 2015 and 2016. To provide incentives for employees, the program includes a one-time payment to employees leaving State service. The program proposes to permanently abolish positions for employees that are accepted into the plan. Agencies are able to determine which positions will be accepted into the plan and abolished. To determine what costs have been incurred and saved by VSP, the Department of Budget and Management (DBM) should report to the committees on the results of the program by September 1, 2015. This report should identify which positions were abolished by Position Identification Number and program code, how much was provided in incentives, how much of fiscal 2015 and 2016 salary and benefit costs were avoided, what the fund source of any costs and savings is, when positions were vacated, length of service for the incumbent in the abolished position, the extent to which positions were reclassified, and when the positions were abolished. The report should include data concerning any vacant positions that were abolished to meet the target that 500 positions be abolished.

Information Request	Author	Due Date
Report on the Voluntary Separation Program	DBM	September 1, 2015

F10

Ratio of Supervisors and Managers to Employees for Agencies: The budget committees are concerned that State agencies, including those with independent personnel systems, may have become unbalanced in their ratio of employees to supervisors and managers. All executive branch personnel systems, including independent personnel systems, are asked to provide a report on ratio of supervisors and managers to employees for each of their agencies. The report should also include a report on the ideal ratio of employees to supervisors and managers for each agency. The report is due by December 1, 2015.

Information Request	Authors	Due Date
Ratio of Executive Branch supervisors and managers to employees	Department of Budget and Management Maryland Department of Transportation Higher Education Maryland Transportation Authority Maryland Food Center Authority Maryland Automobile Insurance Fund Maryland Stadium Authority College Savings Plans of Maryland Maryland Environmental Services	December 1, 2015

F50 Department of Information Technology

Budget Amendments

MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT FUND

F50A01.01 Major Information Technology Development Project Fund

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete <i>Reduce</i> funds for the Medicaid Enterprise Restructuring Project (MERP). Concerns have been raised about the riskiness of this project. The project was plagued with delays and needed to be rebaselined. MERP is now 21 months behind the rebaselined schedule. Two cure notices have been issued and a stop order was issued in August 2014. The department <i>Department of Health and Mental Hygiene (DHMH)</i> should reevaluate its plan and resubmit its plan when it is ready to move forward. <i>DHMH may add matching federal funds in its budget based on the level of transferred funding.</i>	7,775,410 6,775,410	GF GF
2. Reduce funds for the Automated Financial System (AFS) project due to project delays. The AFS project was initially expected to have completed the planning phase by June 2014; however, the current project schedule anticipates completing the planning phase instead in November 2015. The implementation phase was initially projected to last one year. Based on that timeframe and the current schedule, the Department of Human Resources would not complete the implementation phase until fiscal 2017. As a result, not all of the funds included in the fiscal 2016 allowance, which is the amount needed to complete the project, would be required. A reduction of the same amount is included in the Major Information Technology Development Project Fund for the State share of the project costs.	338,250	GF
Total Reductions	8,113,660 7,113,660	

F50

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	35,606,996	27,493,336 28,493,336	8,113,660 7,113,660	
Special Fund	1,844,542	1,844,542	0	
Total Funds	37,451,538	29,337,878 30,337,878	8,113,660 7,113,660	

Amendment No.

11

OFFICE OF INFORMATION TECHNOLOGY

F50B04.07 Web Systems

Add the following language to the general fund appropriation:

, provided that \$500,000 of this appropriation may not be expended until the department develops Managing for Results (MFR) indicators related to Web sites and Web applications offered by State agencies. The budget committees shall have 45 days to review and comment following the publication of MFR data in the Governor's fiscal 2017 budget books. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: The budget bill language restricts \$500,000 until the department develops Managing for Results indicators for State web applications. Indicators measuring the number and quality of websites and applications should be included in the Department of Information Technology's (DoIT) managing for results (MFR) indicators that are included with the fiscal 2017 budget books.

Information Request	Author	Due Date
Website and applications MFR indicators	DoIT	With fiscal 2017 budget books

Committee Narrative

Report on Personnel Actions: The budget committees are concerned about the high level of vacancies at the Department of Information Technology (DoIT). The committees concur with a DoIT report that characterizes the information technology landscape as rapidly changing and, therefore, recommends that incremental personnel adjustments are required. The department should review its positions in order to determine if the positions are appropriately compensated to meet the demands placed on the department. Positions that are not appropriately classified should be reclassified in the fiscal 2017 allowance. DoIT should report its findings to the committees no later than December 1, 2015.

Information Request	Author	Due Date
Report on personnel actions	DoIT	December 1, 2015

State Policies on Internet Advertising: In 2014, the State Department of Assessments and Taxation (SDAT) entered into an agreement with Towson University's Office of Information Services. Under the agreement, the university hosts and markets SDAT's website for commercial advertising sales that generate revenues. This is the first such arrangement of its kind, and it is possible that more arrangements will follow. The Department of Information Technology's (DoIT) mission is to develop State Internet standards. To provide guidance for State agencies that consider Internet advertising, the department should develop State policies on Internet advertising. These policies should consider statutory authority to advertise on the Internet, federal regulations, other states' policies, appropriate content, and appropriate compensation. This report should be submitted to the committees by November 2, 2015.

Information Request	Author	Due Date
State policies on Internet advertising	DoIT	November 2, 2015

G20J
State Retirement Agency
Maryland State Retirement and Pension Systems

Budget Amendments

STATE RETIREMENT AGENCY

G20J01.01 State Retirement Agency

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Delete 1 full-time equivalent administrative specialist III (new position). The agency has been holding an identical position in the same unit vacant since July 2014.	35,892 SF	1.00
Total Reductions	35,892	1.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	204.00	203.00		1.00
Special Fund	18,532,251	18,496,359	35,892	
Total Funds	18,532,251	18,496,359	35,892	

Committee Narrative

Disability Benefits Processing and Appropriateness: Disability benefits paid by the State Retirement and Pension System have grown at a faster pace than normal service retirement benefits but are not closely tracked. The last systematic assessment of the process for reviewing and granting disability benefit was completed almost 15 years ago, and there is no recent record of any systematic review of the appropriateness of the benefits awarded. The committees request that the State Retirement Agency (SRA) conduct a review of recent trends in the application for and award of disability benefits and of its process for reviewing and awarding disability benefits. They also request that the Department of Legislative Services (DLS) review the level of disability benefits awarded, including how they compare with benefits awarded by other states and by Social Security. SRA and DLS should submit a joint report, including findings and recommendations to the House Appropriations Committee, Senate Budget and Taxation Committee, and the Joint Committee on Pensions by October 30, 2015.

G20J

Information Request	Authors	Due Date
Report on disability benefits	SRA DLS	October 30, 2015

H00
Department of General Services

Committee Narrative

OFFICE OF THE SECRETARY

H00A01.01 Executive Direction

Annual Report on Energy Conservation Efforts: The State Building Energy Efficiency and Conservation Act of 2006 required the Department of General Services (DGS) and the Maryland Energy Administration to develop energy use index and savings goals for every State agency. Consistent with the State Building Energy Efficiency and Conservation Act, the EmPOWER Maryland Energy Efficiency Act of 2008 established a State goal of achieving a 15% reduction in per capita electricity consumption and peak demand by the end of 2015. On November 1, 2015, DGS shall submit a status report to the committees outlining the State's energy conservation efforts. The report shall include:

- strategies employed by the department to reduce statewide energy consumption;
- an update on the implementation of the State's utility database, including the status of agency compliance in providing missing utility data;
- statewide utility costs and consumption data (by agency);
- energy use index and savings goals for every State agency; and
- the State's level of compliance with the State Building Energy Efficiency and Conservation Act and the EmPOWER Maryland Energy Efficiency Act.

Information Request	Author	Due Date
Report on energy conservation	DGS	November 1, 2015

H00

Budget Amendments

OFFICE OF PROCUREMENT AND LOGISTICS

H00D01.01 Procurement and Logistics

Add the following language to the general fund appropriation:

provided that since the Department of General Services (DGS) has had four or more repeat audit findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), \$200,000 of this agency's administrative appropriation may not be expended unless:

- (1) DGS has taken corrective action with respect to all repeat audit findings on or before November 1, 2015; and
- (2) a report is submitted to the budget committees by OLA, listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days to review and comment to allow funds to be released prior to the end of fiscal 2015.

Explanation: The Joint Audit Committee has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each such agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency and a determination by the Office of Legislative Audits (OLA) that each finding was corrected. OLA shall submit reports to the budget committees on the status of repeat findings.

Information Request	Author	Due Date
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

OFFICE OF FACILITIES PLANNING, DESIGN AND CONSTRUCTION

H00G01.01 Facilities Planning, Design and Construction

Add the following language:

Further provided that \$500,000 of this appropriation may not be expended until the Department of General Services submits a report to the budget committees that provides the anticipated design and construction timeline for Phase I of State Center.

H00

The report shall be submitted by July 1, 2015, and the committees shall have 45 days to review and comment. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The Department of General Services (DGS) and the Maryland Department of Transportation (MDOT) are actively engaged in determining the course of action concerning the future development of State Center. The language directs DGS to provide the budget committees with a report the Administration's current plans for Phase I of State Center.

Information Request	Author	Due Date
State Center update	DGS	July 1, 2015

J00
Department of Transportation

Budget Amendments

Add the following language:

Provided that it is the intent of the General Assembly that projects and funding levels appropriated for capital projects, as well as total estimated project costs within the Consolidated Transportation Program (CTP), shall be expended in accordance with the plan approved during the legislative session. The department shall prepare a report to notify the budget committees of the proposed changes in the event the department modifies the program to:

- (1) add a new project to the construction program or development and evaluation program meeting the definition of a “major project” under Section 2-103.1 of the Transportation Article that was not previously contained within a plan reviewed in a prior year by the General Assembly and will result in the need to expend funds in the current budget year;
or
- (2) change the scope of a project in the construction program or development and evaluation program meeting the definition of a “major project” under Section 2-103.1 of the Transportation Article that will result in an increase of more than 10% or \$1,000,000, whichever is greater, in the total project costs as reviewed by the General Assembly during a prior session.

For each change, the report shall identify the project title, justification for adding the new project or modifying the scope of the existing project, current year funding levels, and the total project cost as approved by the General Assembly during the prior session compared with the proposed current year funding and total project cost estimate resulting from the project addition or change in scope.

Further provided that notification of project additions, as outlined in paragraph (1) above; changes in the scope of a project, as outlined in paragraph (2) above; or moving projects from the development and evaluation program to the construction program, shall be made to the General Assembly 45 days prior to the expenditure of funds or the submission of any contract for approval to the Board of Public Works.

Explanation: This annual budget bill language requires the department to notify the budget committees of proposed changes to the transportation capital program that will add a new project that was not in the fiscal 2015 through 2020 CTP or will increase a total project's cost by more than 10% or \$1 million, due to a change in scope. Reports are to be submitted with the draft and final versions of the CTP, with each using the 2015 session CTP as the basis for comparison. In addition, notification is required as needed throughout the budget year, if certain changes to projects are made.

J00

Information Request	Authors	Due Date
Capital budget changes from one CTP version to the next	Maryland Department of Transportation	With draft CTP With final CTP
Capital budget changes throughout the year	Maryland Department of Transportation	45 days prior to the expenditure of funds or seeking Board of Public Works approval

Add the following language:

The Maryland Department of Transportation (MDOT) may not expend funds on any job or position of employment approved in this budget in excess of 9,183.5 positions and 40.7 contractual full-time equivalents paid through special payments payroll (defined as the quotient of the sum of the hours worked by all such employees in the fiscal year divided by 2,080 hours) of the total authorized amount established in the budget for MDOT at any one time during fiscal 2016. The level of contractual full-time equivalents may be exceeded only if MDOT notifies the budget committees of the need and justification for additional contractual personnel due to:

- (1) business growth at the Helen Delich Bentley Port of Baltimore or Baltimore/Washington International Thurgood Marshall Airport which demands additional personnel; or
- (2) emergency needs that must be met, such as transit security or highway maintenance.

The Secretary shall use the authority under Sections 2-101 and 2-102 of the Transportation Article to implement this provision. However, any authorized job or position to be filled above the regular position ceiling approved by the Board of Public Works shall count against the Rule of 100 imposed by the General Assembly. The establishment of new jobs or positions of employment not authorized in the fiscal 2016 budget shall be subject to Section 7-236 of the State Finance and Procurement Article and the Rule of 100.

Explanation: This annual budget bill language establishes a position ceiling for MDOT each year to limit growth in regular positions and contractual full-time equivalents.

Information Request	Author	Due Date
Need for additional regular or contractual positions	MDOT	As needed

J00

Add the following language:

Further provided that no funds may be expended for any program of assistance to counties or municipalities for roads or other transportation purposes unless the funds were included in the budget as submitted or in a modification to that budget by a supplemental budget that is approved by the General Assembly and provides the specific intended distribution of funds.

Further provided that \$46,416,000 of the appropriation intended for the Red Line project and \$127,732,000 of the appropriation intended for the Purple Line Project, included in the appropriation for program J00H01.05 Facilities and Capital Equipment, may only be expended in those amounts for those purposes unless otherwise provided for in a supplemental budget as approved by the General Assembly.

Explanation: This language restricts funding for transportation aid to local governments and for major transit capital projects to the purposes intended unless the funding is modified in a supplemental budget approved by the General Assembly.

J00A01
The Secretary's Office
Department of Transportation

Budget Amendments

THE SECRETARY'S OFFICE

J00A01.02 Operating Grants-In-Aid

Add the following language to the special fund appropriation:

, provided that no more than \$4,094,947 of this appropriation may be expended for operating grants-in-aid, except for:

- (1) any additional special funds necessary to match unanticipated federal fund attainments;
or
- (2) any proposed increase either to provide funds for a new grantee or to expand funds for an existing grantee.

Further provided that no expenditures in excess of \$4,094,947 may occur unless the department provides notification to the budget committees to justify the need for additional expenditures due to either item (1) or (2) above and the committees provide review and comment or 45 days elapse from the date such notification is provided to the committees.

Explanation: This annual language caps the level of special funds provided for operating grants-in-aid. The cap may be increased to match unanticipated federal dollars or to provide new or expanded grant funding upon notification to the budget committees.

Information Request	Author	Due Date
Explanation of need for additional special funds for operating grants-in-aid	Maryland Department of Transportation	As needed

Committee Narrative

Coordinated Alternative to Paratransit Service Pilot Project Evaluation: The Maryland Department of Transportation (MDOT), in coordination with the Washington Metropolitan Area Transit Authority (WMATA), and various human service providers, has implemented a pilot project to test alternative service delivery models for customers of WMATA's MetroAccess paratransit services. The hope is that alternative transportation services can be provided at a lower cost for certain MetroAccess subset populations. The budget committees request that MDOT report the results of its evaluation of the pilot program including the service

J00A01

improvements realized and potential cost savings achieved. The report should also include a discussion of the broader paratransit policy challenges and what role, if any, a future alternative service could play in addressing the growth projections for MetroAccess services.

Information Request	Author	Due Date
Report on the evaluation of paratransit pilot projects	MDOT	December 1, 2015

Budget Amendments

J00A01.03 Facilities and Capital Equipment

Add the following language to the special fund appropriation:

, provided that no funds may be expended by the Secretary's Office for any system preservation or minor project with a total project cost in excess of \$500,000 that is not currently included in the fiscal 2015-2020 Consolidated Transportation Program except as outlined below:

- (1) the Secretary shall notify the budget committees of any proposed system preservation or minor project with a total project cost in excess of \$500,000, including the need and justification for the project, and its total cost; and
- (2) the budget committees shall have 45 days to review and comment on the proposed system preservation or minor project.

Explanation: This language provides legislative oversight of grants exceeding \$500,000 that are not listed in the current Consolidated Transportation Program.

Information Request	Author	Due Date
Notification of the intent to fund a capital grant exceeding \$500,000 that is not listed in the current Consolidated Transportation Plan	Maryland Department of Transportation	As needed

J00A01

Committee Narrative

J00A01.04 Washington Metropolitan Area Transit – Operating

Report on the January 2015 Yellow Line Train Incident: The budget committees request that once the National Transportation Safety Board (NTSB) has completed its investigation of, and issued its report on the January 2015 Yellow Line train incident, that the Washington Metropolitan Area Transit Authority (WMATA) provide a report (1) summarizing the NTSB findings and recommendations; and (2) detailing the corrective actions WMATA has taken and plans to take as a result of the incident and to respond to the NTSB recommendations. The report should be submitted to the committees 45 days after the NTSB investigation report is released.

Information Request	Author	Due Date
Report on January 2015 Yellow Line train incident and corrective actions taken or planned in response	WMATA	45 days after release of the NTSB report on the incident

J00A04
Debt Service Requirements
Department of Transportation

Budget Amendments

Add the following language:

Consolidated Transportation Bonds may be issued in any amount provided that the aggregate outstanding and unpaid balance of these bonds and bonds of prior issues may not exceed \$2,855,105,000 as of June 30, 2016. Further provided that the amount paid for debt service shall be reduced by any proceeds generated from net bond sale premiums, provided that those revenues are recognized by the department and reflected in the Transportation Trust Fund forecast. Further provided that the appropriation for debt service shall be reduced by any proceeds generated from net bond sale premiums. To achieve this reduction, the Maryland Department of Transportation (MDOT) may either use the proceeds from the net premium to reduce the size of the bond issuance or apply the proceeds from the net premium to any eligible bond debt service.

Explanation: Section 3-202 of the Transportation Article requires the General Assembly to establish the maximum debt outstanding each year in the budget bill. The level will be based on outstanding debt as of June 30, 2015, plus projected debt issued during fiscal 2016 in support of the transportation capital program.

Add the following language:

MDOT shall submit with its annual September and January financial forecasts information on:

- (1) anticipated and actual nontraditional debt outstanding as of June 30 of each year; and
- (2) anticipated and actual debt service payments for each outstanding nontraditional debt issuance from fiscal 2015 through 2025.

Nontraditional debt is defined as any debt instrument that is not a Consolidated Transportation Bond or a Grant Anticipation Revenue Vehicle bond; such debt includes, but is not limited to, Certificates of Participation, debt backed by customer facility charges, passenger facility charges, or other revenues, and debt issued by the Maryland Economic Development Corporation or any other third party on behalf of MDOT.

Explanation: The General Assembly is interested in monitoring the use of nontraditional debt by MDOT. The information requested provides the budget committees with additional information on the usage and annual costs of nontraditional debt.

J00A04

Information Request	Author	Due Date
Nontraditional debt outstanding and anticipated debt service payments	MDOT	With the September forecast With the January forecast

Add the following language:

The total aggregate outstanding and unpaid principal balance of nontraditional debt, defined as any debt instrument that is not a Consolidated Transportation Bond or a Grant Anticipation Revenue Vehicle bond issued by MDOT, may not exceed \$685,370,000 as of June 30, 2016. Provided, however, that in addition to the limit established under this provision, MDOT may increase the aggregate outstanding unpaid and principal balance of nontraditional debt so long as:

- (1) MDOT provides notice to the Senate Budget and Taxation Committee and the House Appropriations Committee stating the specific reason for the additional issuance and providing specific information regarding the proposed issuance, including information specifying the total amount of nontraditional debt that would be outstanding on June 30, 2016, and the total amount by which the fiscal 2016 debt service payment for all nontraditional debt would increase following the additional issuance; and
- (2) the Senate Budget and Taxation Committee and the House Appropriations Committee have 45 days to review and comment on the proposed additional issuance before the publication of a preliminary official statement. The Senate Budget and Taxation Committee and the House Appropriations Committee may hold a public hearing to discuss the proposed increase and shall signal their intent to hold a hearing within 45 days of receiving notice from MDOT.

Explanation: This language limits the amount of nontraditional debt outstanding at the end of fiscal 2016 to the total amount that is projected to be outstanding from all previous nontraditional debt issuances as of June 30, 2015, and all anticipated sales in fiscal 2016. The language allows MDOT to increase the amount of nontraditional debt outstanding in fiscal 2016 by providing notification to the budget committees regarding the reason that the additional issuances are required.

Information Request	Author	Due Date
Justification for increasing nontraditional debt outstanding	MDOT	45 days prior to publication of a preliminary official statement

J00H
Maryland Transit Administration
Department of Transportation

Committee Narrative

MARYLAND TRANSIT ADMINISTRATION

J00H01.01 Transit Administration

Transit Performance: The committees are concerned about the performance measures reported by the Maryland Transit Administration (MTA) with the fiscal 2016 budget that shows a decline in ridership in fiscal 2014, core bus on-time performance not meeting the established goal for the past three years, and farebox recovery rates below the level mandated in State law. By July 1, 2015, MTA should post on its website a transit performance improvement plan indicating how these issues are to be remedied. Further, MTA should post on its website quarterly updates beginning October 1, 2015, indicating the specific actions taken and progress made in implementing the improvement plan.

J00H01.02 Bus Operations

Bus Real-time Information System: The Maryland Transit Administration (MTA) has just started a beta test of a Global Positioning System (GPS) tracking function for its bus fleet that allows customers to obtain real-time arrival information at a specific bus stop via the MTA website. The committees request that MTA submit a report evaluating the beta test and indicating any changes or improvements that are to be made as a result of the beta test.

Information Request	Author	Due Date
Report evaluating the beta test of the bus real-time tracking system	MTA	December 1, 2015

Budget Amendments

J00H01.06 Statewide Programs Operations

Add the following language to the special fund appropriation:

, provided that \$1,000,000 of this appropriation, made for the purpose of providing a grant to Baltimore City for the operation of the Charm City Circulator, may not be expended until Baltimore City and the Maryland Transit Administration execute a Memorandum of Understanding (MOU) in which the city agrees to maintain the operations of the Circulator's Banner bus route along a geographically similar alignment as the route operated as of

J00H

January 1, 2015. Funds restricted pending execution of the MOU may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the MOU is not executed.

Explanation: This language restricts a portion of the grant to Baltimore City for the operation of the Charm City Circulator until the city agrees to maintain operations of the Banner bus route in an alignment similar to that in effect as of January 1, 2015.

Amendment No.

12

J00J
Maryland Transportation Authority

Committee Narrative

J00J00.41 Operating Program

Unencumbered Cash on Hand: Due to the changing nature of the Maryland Transportation Authority's (MDTA) operating expenses and toll revenues, MDTA has as its benchmark that the amount of unencumbered cash on hand be a minimum of \$350 million. MDTA should report to the budget committees by November 1, 2015, on whether linking the benchmark to the level of operating expenses would be more appropriate, and what best practices are in use by other authorities nationally.

Information Request	Author	Due Date
Unencumbered cash on hand benchmark	MDTA	November 1, 2015

K00A
Department of Natural Resources

Budget Amendments

Concur with the following language on the general fund appropriation:

, provided that this appropriation shall be reduced by \$148,750 contingent upon the enactment of legislation to increase the use of Waterway Improvement Funds for administration costs in the Department of Natural Resources.

, provided that this appropriation shall be reduced by \$87,500 contingent upon the enactment of legislation to increase the use of Waterway Improvement Funds for administration costs in the Department of Natural Resources.

, provided that this appropriation shall be reduced by \$275,625 contingent upon the enactment of legislation to increase the use of Waterway Improvement Funds for administration costs in the Department of Natural Resources.

, provided that this appropriation shall be reduced by \$56,875 contingent upon the enactment of legislation to increase the use of Waterway Improvement Funds for administration costs in the Department of Natural Resources.

, provided that this appropriation shall be reduced by \$253,750 contingent upon the enactment of legislation to increase the use of Waterway Improvement Funds for administration costs in the Department of Natural Resources.

, provided that this appropriation shall be reduced by \$52,500 contingent upon the enactment of legislation to increase the use of Waterway Improvement Funds for administration costs in the Department of Natural Resources.

Explanation: The budget bill as introduced includes a combined reduction of \$875,000 in general funds in the Office of the Secretary contingent on the Budget Reconciliation and Financing Act of 2015 authorizing the use of additional Waterway Improvement Funds for administration costs.

K00A

MARYLAND PARK SERVICE

K00A04.01 Statewide Operations

Amend the following language on the general fund appropriation:

, provided that this appropriation shall be reduced by ~~\$2,448,953~~ \$2,213,953 contingent upon the enactment of ~~legislation to eliminate the Maryland Park Service's payment in lieu of taxes to local jurisdictions~~ SB 134 or HB 1091.

, provided that this appropriation shall be reduced by \$50,000 ~~contingent upon the enactment of legislation to eliminate the Maryland Park Service's payment in lieu of taxes to local jurisdictions~~ contingent upon the enactment of SB 134 or HB 1091.

Explanation: The budget bill as introduced includes a combined reduction of \$2,498,953 in general funds contingent upon the Budget Reconciliation and Financing Act of 2015 striking the provision that the Maryland Park Service – Statewide Operations and Maryland Park Service – Revenue Operations provide payment in lieu of taxes to local jurisdictions. This action restores \$235,000 of the special fund appropriation for payment in lieu of taxes to Garrett County from the Deep Creek Lake Recreation Maintenance and Management Fund *contingent upon the enactment of SB 134 or HB 1091 and restores the entire payment in lieu of taxes amount if both SB 134 and HB 1091 fail.*

Amendment No.

13

LAND ACQUISITION AND PLANNING

K00A05.10 Outdoor Recreation Land Loan

Concur with the following language on the special fund appropriation:

Notwithstanding the appropriations above, the Special Fund appropriation for the Outdoor Recreation Land Loan shall be reduced by \$27,882,266 contingent on the enactment of legislation crediting \$37,712,700 of the transfer tax revenue to the General Fund. The reduction shall be distributed in the following manner:

Program Open Space –	
State Acquisition	\$8,792,264
Program Open Space –	
Local Share	\$12,851,229
Rural Legacy	<u>\$6,238,773</u>
Total	\$27,882,266

K00A

Explanation: This action concurs with the reduction of the transfer tax allocation for capital programs contingent upon the Budget Reconciliation and Financing Act of 2015 transferring the revenues to the general fund, as proposed by the Governor. This action also concurs with the fiscal 2015 negative deficiencies for the Critical Maintenance Program (\$2,088,000), the Ocean City Beach Replenishment (\$500,000), and the Natural Resources Development Fund (\$4,535,821).

BOATING SERVICES

K00A11.02 Waterway Improvement Capital Projects

Add the following language to the special fund appropriation:

, provided that \$250,000 of this appropriation made for the purpose of Waterway Improvement Program capital projects may not be expended for waterway improvement projects submitted by the Administration but may be used only for the purpose of dredging projects specified by the Department of Natural Resources at Deep Creek Lake. Funds not used for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: This action restricts Waterway Improvement Program funding for Deep Creek Lake dredging projects. The department is authorized to increase its special fund appropriation by budget amendment supported by available fund balance in order to restore funding to the projects that are currently programmed to receive fiscal 2016 funding but would not otherwise as a result of this action.

Amendment No.

14

CHESAPEAKE AND COASTAL SERVICE

K00A14.02 Chesapeake and Coastal Service

Add the following language to the special fund appropriation:

, provided that this appropriation shall be reduced by \$8,639,632 contingent upon the enactment of legislation to allocate Chesapeake and Atlantic Coastal Bays 2010 Trust Fund revenue to the General Fund. Further provided that \$690,000 of this appropriation attributable to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund may not be expended for nonpoint source pollution reduction but may be used only for the purpose of providing a grant to the Maryland Department of Agriculture to fund 14 district managers and 11 secretarial positions in soil conservation districts that have been jointly funded with the county governments but are not

K00A

included in the fiscal 2016 allowance. Funds not used for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: The budget bill as introduced includes a reduction of \$8,639,632 contingent upon the Budget Reconciliation and Financing Act of 2015 transferring the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund special funds to the general fund. This action concurs with that proposed contingent reduction and restricts \$690,000 in special fund appropriation attributable to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund for providing a grant to the Maryland Department of Agriculture to fund district managers and secretarial positions in soil conservation districts. The Maryland Department of Agriculture's fiscal 2016 allowance reflects a funding reduction for district managers and clerical positions in soil conservation districts and this action restores that funding.

L00A
Department of Agriculture

Budget Amendments

OFFICE OF THE SECRETARY

L00A11.01 Executive Direction

Add the following language to the general fund appropriation:

, provided that since the Maryland Department of Agriculture (MDA) has had four or more repeat findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), \$200,000 of this agency's appropriation may not be expended unless:

- (1) MDA has taken corrective action with respect to all repeat audit findings from its April 2013 fiscal compliance audit, on or before November 1, 2015; and
- (2) a report is submitted to the budget committees by OLA, listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days to review and comment to allow for funds to be released prior to the end of fiscal 2016.

Explanation: The Joint Audit Committee has requested that budget bill language be adopted for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each such agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency and a determination by OLA that each finding was corrected. OLA shall submit reports to the budget committees on the status of repeat findings. Given that MDA has not resolved any of the four repeat findings from its April 2013 fiscal compliance audit that was reviewed by OLA in January 2015, and because \$100,000 was restricted in MDA's fiscal 2015 budget for that purpose, an increased amount of funding is again restricted until the repeat findings are resolved.

Information Request	Author	Due Date
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

L00A

L00A11.11 Capital Appropriation

Concur with the following language on the special fund appropriation:

, provided that this appropriation shall be reduced by \$9,830,434 contingent upon the enactment of legislation crediting transfer tax revenues to the General Fund.

Explanation: This action concurs with the Governor's proposed contingent reduction to the transfer tax portion of the Maryland Agricultural Land Preservation Program's special fund appropriation.

OFFICE OF MARKETING, ANIMAL INDUSTRIES, AND CONSUMER SERVICES

L00A12.20 Maryland Agricultural and Resource-Based Industry Development Corporation

Strike the following language from the general fund appropriation:

~~, provided that this appropriation shall be reduced by \$1,125,000 contingent upon the enactment of legislation reducing the required appropriation.~~

Explanation: The fiscal 2016 budget bill as introduced includes a \$1,125,000 reduction to the Maryland Agricultural and Resource-Based Industry Development Corporation, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2014. This action strikes that contingent reduction.

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. This action reduces the Maryland Agricultural and Resource-Based Industry Development Corporation's appropriation by \$1,125,000 consistent with the proposed contingent reduction in the fiscal 2016 budget.	1,125,000	GF
Total Reductions	1,125,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	4,000,000	2,875,000	1,125,000	
Total Funds	4,000,000	2,875,000	1,125,000	

M00A
Office of the Secretary
Department of Health and Mental Hygiene

Committee Narrative

OFFICE OF THE SECRETARY

M00A01.01 Executive Direction

Residential Facility Standards: The budget committees remain concerned about the fact that the percentage of residential and program buildings meeting licensing standards, current building codes, and patient/client needs has remained below 50% for several years. The committees request that the Department of Health and Mental Hygiene (DHMH) in conjunction with the Department of Budget and Management (DBM) submit a report by November 1, 2015, that provides for a plan on how the State will improve facilities, either through the renovation of current facilities, the building of new ones, using flex-capacity with private facilities, or other means to ensure that all buildings meet current standards in the next five years.

Information Request	Authors	Due Date
Five-year plan on improving residential facility standards	DHMH DBM	November 1, 2015

M00B0104
Health Professionals Boards and Commissions
Department of Health and Mental Hygiene

Budget Amendments

REGULATORY SERVICES

M00B01.04 Health Professionals Boards and Commissions

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce general funds for the Natalie M. LaPrade Medical Marijuana Commission. The agency is authorized to process a budget amendment to provide for these costs with special funds. If insufficient special fund revenue is collected in fiscal 2016, the agency should seek a general fund deficiency with the fiscal 2017 budget submission.	1,002,549 GF	
Total Reductions	1,002,549	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	136.10	136.10		0.00
General Fund	1,492,234	489,685	1,002,549	
Special Fund	16,239,162	16,239,162	0	
Total Funds	17,731,396	16,728,847	1,002,549	

Committee Narrative

Health Board Fund Balances: It is the intent of the budget committees that each health occupation board should analyze anticipated expenditures and revenues when setting a reasonable target for its fund balance. The 1998 Report on Special Fund Balances of the Health Occupations Boards and Commission on Kidney Disease provides some useful guidance in understanding the relationship between licensure fee levels, expenditure projections, and fund balances. However, it should not be considered a mandate. Each board should perform an individual financial analysis on their current fee structure, and the Department of Health and Mental Hygiene (DHMH) shall submit a report by November 1, 2015, to the budget committees on how the current licensing fee levels for each health professional board and commission relate to the corresponding expenditures and fund balances for each board and commission.

M00B0104

Information Request	Author	Due Date
Special fund balances of health professional boards	DHMH	November 1, 2015

M00F0201
Health Systems and Infrastructure Administration
Department of Health and Mental Hygiene

Budget Amendments

M00F02.01 Health Systems and Infrastructure Services

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce 9 positions and reduce federal funds for the State Innovation Models grant down to the appropriate level.	7,022,750 FF	9.00
Total Reductions	7,022,750	9.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	19.00	10.00		9.00
General Fund	1,637,416	1,637,416	0	
Special Fund	15,000	15,000	0	
Federal Fund	9,049,950	2,027,200	7,022,750	
Total Funds	10,702,366	3,679,616	7,022,750	

M00F02.07 Core Public Health Services

Strike the following language from the general fund appropriation:

~~provided that this appropriation shall be reduced by \$7,841,378 contingent upon the enactment of legislation reducing the required appropriation for Core Public Health Services~~

Explanation: This action strikes the contingent language in the budget bill for the appropriation for Core Public Health Services.

M00F0201

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce general funds for Core Public Health Services by \$3,920,689, which is half of the reduction provided in the Governor's budget.	3,920,689	GF
Total Reductions	3,920,689	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	49,584,587	45,663,898	3,920,689	
Federal Fund	4,493,000	4,493,000	0	
Total Funds	54,077,587	50,156,898	3,920,689	

M00F03
Prevention and Health Promotion Administration
Department of Health and Mental Hygiene

Budget Amendments

M00F03.04 Family Health and Chronic Disease Services

Strike the following language from the special fund appropriation:

~~, provided that this appropriation shall be reduced by \$7,200,000 contingent upon the enactment of legislation reducing the required appropriation from the Cigarette Restitution Fund for Academic Health Centers~~

Explanation: The fiscal 2016 budget bill as introduced includes a \$7,200,000 special fund reduction to the Prevention and Health Promotion Administration Family Health and Chronic Disease program, contingent upon enactment of a provision in the Budget and Reconciliation and Financing Act of 2015. This action strikes that contingent reduction, as the legislature can effectuate that reduction without the need for legislation.

Add the following language to the special fund appropriation:

, provided that it is the intent of the General Assembly that, beginning in fiscal 2016, cancer research grant funds be allocated between academic health centers as follows: 80% to the University System of Maryland and 20% to The Johns Hopkins University.

Explanation: Cancer research grants funded through the Cigarette Restitution Fund are mandated to be awarded annually to academic health centers. Historically, the University System of Maryland (USM) and The Johns Hopkins University (JHU) have received an average of approximately 80% and 20%, respectively, of these grant funds. However, in more recent years, USM has been awarded 85% or more of these funds, with JHU receiving 15% or less. This language expresses the intent that cancer research grant funds be awarded in a manner consistent with the average historical allocation.

Amendment No.

15

M00F03

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce the appropriation of the Prevention and Health Promotion Administration Family Health and Chronic Disease program by \$3,600,000 in special funds to recognize a reduction to the appropriation from the Cigarette Restitution Fund to academic health centers.	3,600,000	SF
Total Reductions	3,600,000 0	

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	131.00	131.00		0.00
General Fund	21,825,047	21,825,047	0	
Special Fund	46,798,346	43,198,346 46,798,346	3,600,000 0	
Federal Fund	147,154,169	147,154,169	0	
Total Funds	215,777,562	212,177,562 215,777,562	3,600,000 0	

Amendment No.

16

M00L
Behavioral Health Administration
Department of Health and Mental Hygiene

Budget Amendments

M00L01.01 Program Direction

Add the following language to the general fund appropriation:

, provided that \$100,000 of this appropriation made for the purpose of administration may not be expended until the Department of Health and Mental Hygiene submits a report to the Senate Budget and Taxation Committee and House Appropriations Committee concerning how funds related to the Synar penalty are to be expended, on the structure and nature of the tobacco retailer compliance programs that will utilize these funds, how these programs will ensure future compliance with the federal Synar inspections of tobacco retailers, and whether additional regulatory or statutory changes are needed to ensure compliance. The report shall be submitted by November 15, 2015, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the committees.

Explanation: The language requests the Department of Health and Mental Hygiene (DHMH) to report on the compliance programs it intends to fund with the Synar penalty funds located in the Behavioral Health Administration budget.

Information Request	Author	Due Date
Information on funding and outcome measures for Synar compliance programs.	DHMH	November 15, 2015

Add the following language to the general fund appropriation:

Further provided that authorization is hereby provided to process a Special Fund budget amendment up to \$2,000,000 from the Cigarette Restitution Fund to support the Synar Program.

Explanation: This language authorizes the administration to process a special fund budget amendment in the amount of \$2,000,000 from the Cigarette Restitution Fund to support the Synar program.

M00L

Add the following language to the general fund appropriation:

Further provided that \$100,000 of this appropriation made for the purpose of administration may not be spent until the Department of Health and Mental Hygiene submits a report to the budget committees containing information on the utilization and expenditure for behavioral health services based upon the user's eligibility group under Medicaid. The report shall be submitted by August 1, 2015, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the committees. Further provided that, beginning with the period ending June 30, 2015, the quarterly report that is produced by the administrative service organization that oversees the public behavioral health system include a breakdown of data based on the user's eligibility group under Medicaid.

Explanation: This language requests that the Department of Health and Mental Hygiene (DHMH) report on the breakdown of users within the public behavioral health system based on how those users qualify for Medicaid. Specifically, the report should break down whether the individuals qualify under the federal Affordable Care Act expansion, or under traditional Medicaid eligibility. This data should be incorporated into the quarterly reports that the administrative service organization submits to the department.

Information Request	Author	Due Date
Utilization and expenditures on behavioral health services by Medicaid eligibility	DHMH	August 1, 2015

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce general funds related to the Synar penalty. The agency is authorized to process a budget amendment to provide for these costs with special funds from the Cigarette Restitution Fund.	2,000,000	GF
Total Reductions	2,000,000	0.00

M00L

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	139.90	139.90		0.00
General Fund	16,891,730	14,891,730	2,000,000	
Special Fund	54,812	54,812	0	
Federal Fund	3,859,981	3,859,981	0	
Total Funds	20,806,523	18,806,523	2,000,000	

Committee Narrative

Specialty Behavioral Health Information Sharing: The budget committees are concerned about the coordination of care and information sharing between the behavioral health administrative service organization (ASO) and the Medicaid managed care organizations (MCO) regarding individuals who use both somatic and specialty behavioral health services. The budget committees request that the Department of Health and Mental Hygiene (DHMH) submit a report on the efforts conducted by the ASO and MCOs on how they are working together to improve the exchange of information and the coordination of care for Medicaid-eligible individuals who use specialty behavioral health services while at the same time ensuring compliance with federal regulation on data-sharing.

Information Request	Author	Due Date
Specialty behavioral health information sharing	DHMH	November 1, 2015

M00M
Developmental Disabilities Administration
Department of Health and Mental Hygiene

Budget Amendments

DEVELOPMENTAL DISABILITIES ADMINISTRATION

M00M01.02 Community Services

Strike the following language from the general fund appropriation:

~~, provided that this appropriation shall be reduced by \$9,152,894 contingent upon the enactment of legislation reducing the required provider rate increase to 1.75%~~

Explanation: The fiscal 2016 budget bill as introduced includes a \$9,152,894 general fund reduction to the Developmental Disabilities Administration Community Services program, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2014. This action strikes that contingent reduction.

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce the appropriation of the Developmental Disabilities Administration's Community Services program by \$6,537,782 \$2,615,113 in general funds, \$4,415 \$1,766 in special funds, and \$5,185,440 \$2,074,176 in federal funds to recognize a reduction in provider rate increases from 3.5% to 2.25% 3.0%.	6,537,782 2,615,113 4,415 1,766 5,185,440 2,074,176	GF GF SF SF FF FF
Total Reductions	11,727,637 4,691,055	

M00M

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	106.00	106.00		0.00
General Fund	559,748,116	553,210,334 557,133,003	6,537,782 2,615,113	
Special Fund	5,861,143	5,856,728 5,859,377	4,415 1,766	
Federal Fund	461,236,708	456,051,268 459,162,532	5,185,440 2,074,176	
Total Funds	1,026,845,967	1,015,118,330 1,022,154,912	11,727,637 4,691,055	

Amendment No.

17

Strike the following language from the special fund appropriation:

~~provided that this appropriation shall be reduced by \$6,181 contingent upon the enactment of legislation reducing the required provider rate increase to 1.75%~~

Explanation: The fiscal 2016 budget bill as introduced includes a \$6,181 special fund reduction to the Developmental Disabilities Administration Community Services program, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2014. This action strikes that contingent reduction.

Strike the following language from the federal fund appropriation:

~~provided that this appropriation shall be reduced by \$7,259,616 contingent upon the enactment of legislation reducing the required provider rate increase to 1.75%~~

Explanation: The fiscal 2016 budget bill as introduced includes a \$7,259,616 federal fund reduction to the Developmental Disabilities Administration Community Services program, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2014. This action strikes that contingent reduction.

M00M

Committee Narrative

Report on Transitioning Youth Placements: *The committees request the Developmental Disabilities Administration (DDA) to report by October 1, 2015, on: the number of transitioning youths (TY) who exited the educational system since fiscal 2011 but have not received TY funding and remain without DDA-funded services; and DDA's plan to ensure that TY services are provided in a timely manner for individuals who exit the education system in 2015, including a timeline and necessary steps to ensure that TY-eligible individuals are able to begin services on July 1, 2015.*

Information Request	Author	Due Date
Transitioning youth	Department of Health and Mental Hygiene	October 1, 2015

Report on Emergency and Crisis Resolution Placements: *The committees request the Developmental Disabilities Administration (DDA) to report by October 15, 2015, on the definition of "emergency" used by DDA to determine funding for emergency placements; and the methods used by DDA to determine who is selected to receive funding for crisis resolution placements.*

Information Request	Author	Due Date
Emergency and crisis resolution placements	Department of Health and Mental Hygiene	October 15, 2015

M00Q
Medical Care Programs Administration
Department of Health and Mental Hygiene

Committee Narrative

MEDICAL CARE PROGRAMS ADMINISTRATION

M00Q01.01 Deputy Secretary for Health Care Financing

***Federal Funding for Community-based Care:** The federal Institution for Mental Diseases (IMD) exclusion prohibits Medicaid reimbursement for services provided to adults between the ages of 21 and 64 in an IMD. An IMD is a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care and treatment of individuals with mental diseases. However, clinical evidence demonstrates that cost-effective, clinically appropriate, community-based substance use disorder services can be provided to adults in IMDs. While the Department of Health and Mental Hygiene (DHMH) has in the past unsuccessfully sought federal waivers to the IMD exclusion, the committees request that DHMH submit a report by November 15, 2015, on possible options to leverage federal Medicaid funding for IMDs either through the Alternative Benefit Plan for the Medicaid Expansion Population or through a Section 1115 Medicaid waiver.*

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>IMD exclusion</i>	<i>DHMH</i>	<i>November 15, 2015</i>

Budget Amendments

M00Q01.03 Medical Care Provider Reimbursements

Add the following language:

All appropriations provided for program M00Q01.03 Medical Care Provider Reimbursements are to be used for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except as provided for in Section 48 of this budget bill.

Explanation: The language restricts Medicaid provider reimbursement funding to that purpose except as provided for in Section 48.

M00Q

Add the following language to the general fund appropriation:

Further provided that this appropriation shall be reduced by \$955,000 contingent upon the enactment of legislation reducing the Maryland Health Insurance Plan assessment to 0.0% of net hospital patient revenue for fiscal 2016 only.

Explanation: The language reduces Medicaid general funds by \$955,000 contingent on legislation temporarily reducing the Maryland Health Insurance Plan (MHIP) assessment to 0.0% of net hospital patient revenue. That assessment, currently 0.3% of net hospital patient revenue, currently goes into the MHIP fund and generates an estimated \$39.0 million annually based on current hospital patient revenue estimates. The \$955,000 represents a portion of the total \$3.155 million Medicaid general fund share payment of that assessment.

Strike the following language to the general fund appropriation:

~~Further provided that this appropriation shall be reduced by \$7,200,000 contingent upon the enactment of legislation reducing funding for other programs supported by the Cigarette Restitution Fund.~~

Explanation: The action strikes a contingency provision related to the Cigarette Restitution Fund. The legislature has the authority to make this reduction absent legislation.

Strike the following language to the general fund appropriation:

~~Authorization is hereby provided to process a Special Fund amendment up to \$7,200,000 \$3,930,000 from the Cigarette Restitution Fund to support the Medical Assistance Program.~~

Explanation: Amend language authorizing the transfer of funds from the Cigarette Restitution Fund (CRF) to Medicaid to reflect additional funding made available as a result of reducing Cigarette Restitution Fund (CRF) support for nonpublic textbooks and a reduction in the available CRF funding as a result of increasing support for Academic Health centers for cancer research. Strike language no longer required based on legislative actions.

Amendment No. **18**

Strike the following language from the general fund appropriation:

~~Further provided that this appropriation shall be reduced by \$14,500,000 contingent upon the enactment of legislation removing the requirement that the Medicaid Deficit Assessment be reduced by an amount equal to general fund savings to the Medicaid program attributable to implementation of the All Payer Model contract.~~

M00Q

Explanation: The action strikes language cutting \$14.5 million in general funds by delaying the application of savings attributable to the implementation of the all-payer model contract to the Medicaid Deficit Assessment.

Reduce appropriation for the purposes indicated:		<u>Funds</u>	<u>Positions</u>
1.	Reduce general funds based on the availability of Cigarette Restitution Funds. This funding is available based on a concomitant reduction in funding for academic health center cancer research.	3,600,000	GF
2.	Reduce general fund support based on the availability of funding from the Cigarette Restitution Fund. This funding is available from a proposed reduction to Nonpublic School Textbooks.	330,000	GF
3.	Delete fiscal agent early takeover funding. The need to restructure the Medicaid Enterprise Restructuring Project means that these funds will not be required in fiscal 2016.	4,966,937	GF
		14,900,751	FF
4.	Reduce grant funding to local health departments for eligibility determination assistance. The fiscal 2016 budget includes \$15.0 million in grant funding for local health departments for eligibility determination assistance, an increase of \$2.3 million. The reduction still provides for a \$1.3 million increase over fiscal 2015.	250,000	GF
		750,000	FF
5.	Reduce funding for nonemergency transportation grants. The fiscal 2016 budget is \$3.2 million, 9%, above the most recent actual. Program expenditures have been falling since fiscal 2012. Although additional demand might be anticipated because of the recent Medicaid expansion, fuel costs have fallen significantly. The proposed reduction still allows for a \$2.2 million, 6%, increase over fiscal 2015 funding.	500,000	GF
		500,000	FF
6.	Reduce funding for hospital presumptive eligibility. Under the Affordable Care Act, at the request of hospitals, states have to establish a presumptive eligibility program that provides temporary Medicaid coverage for individuals pending full eligibility review. The fiscal 2016 budget include \$50 million to cover the	10,000,000	GF
		3,975,000	GF
		10,000,000	FF
		3,975,000	FF

M00Q

costs of the program which began in fall 2014. Initial utilization suggests actual costs will be lower.

- | | |
|--|------------------------------|
| 7. Reduce funding for health homes. The fiscal 2016 budget includes \$16.6 million in funding for health homes. Based on current utilization trends and cost data, the program can continue to grow and still be adequately funded even with the proposed reduction. | 4,000,000 GF
6,000,000 FF |
|--|------------------------------|

Total Reductions	55,797,688 39,817,688
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<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	2,464,366,005	2,440,719,068 2,450,674,068	23,646,937 13,691,937	
Special Fund	937,007,802	937,007,802	0	
Federal Fund	5,076,047,831	5,043,897,080 5,049,922,080	32,150,751 26,125,751	
Total Funds	8,477,421,638	8,421,623,950 8,437,603,950	55,797,688 39,817,688	

Amendment No.

19

Committee Narrative

Health Homes: The committees request the Department of Health and Mental Hygiene (DHMH) to report on patient outcomes for participants in health homes. The report should include a comparison with Medicaid enrollees with similar chronic conditions who are not in health homes as well as a comparison of outcomes between health homes (both of the same provider type and between health home provider types).

Information Request	Author	Due Date
Health Homes	DHMH	November 1, 2015

M00Q

Community First Choice and Community Options: *The committees are interested in additional information on the implementation of the Community First Choice (CFC) Program and the consolidated Community Options (CO) waiver. Specifically, the committees request the Department of Health and Mental Hygiene (DHMH) to submit a report detailing: the number of program participants being served by CFC and CO; the distribution of CFC and CO participants by Resource Utilization Group (RUG); the budget ranges for each RUG in CFC and CO; a comparison of RUG budgets to spending on plans of service for calendar 2013 and 2014; the extent to which approved plans of service vary from the RUG budget by RUG category; and the number and dollar value of exceptions being granted from the RUG budget by RUG category. The report shall be submitted by October 1, 2015 and shall include CFC and CO data through June 30, 2015.*

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>CFC and CO</i>	<i>DHMH</i>	<i>October 1, 2015</i>

Budget Amendments

M00Q01.08 Major Information Technology Development Projects

Add the following language:

Provided that no funding that has not been previously appropriated may be expended on the Medicaid Enterprise Restructuring Project until the Department of Health and Mental Hygiene and the Department of Information Technology submit a revised Information Technology Project Request (ITPR) to the budget committees for review and comment. The ITPR shall include revised timelines based on an integrated master schedule that meets best practices, as well as updated cost estimates. The budget committees shall have 45 days to review and comment on the ITPR.

Explanation: The current effort to replace the legacy Medicaid Management Information System has stalled. The Department of Health and Mental Hygiene (DHMH) has issued two cure notices and a stop work order to the current vendor. However, there is no sign of any progress in responding to the concerns raised by DHMH and the Department of Information Technology (DoIT) about work quality and project documentation. The language requires DHMH and DoIT to submit a revised ITPR to the budget committees for review prior to spending any new funding on the project. At this point, virtually all of the fiscal 2015 appropriation for the Medicaid Enterprise Restructuring Project (MERP) remains available for reboot the project and is not subject to this language.

M00Q

Information Request	Authors	Due Date
Revised MERP ITPR	DHMH DoIT	Prior to the expenditure of new funding on MERP

Reduce appropriation for the purposes indicated:		<u>Funds</u>	<u>Positions</u>
1. Delete funding for the Medicaid Enterprise Restructuring Project. The project is significantly behind schedule and has been subject to a stop work order for the past six months. There are still available fiscal 2015 funds to move forward with the project depending on the direction chosen by the department.		49,741,715	FF
Total Reductions		49,741,715	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Federal Fund	58,491,715	8,750,000	49,741,715	
Total Funds	58,491,715	8,750,000	49,741,715	

N00A
Office of the Secretary
Department of Human Resources

Budget Amendments

OFFICE OF THE SECRETARY

N00A01.01 Office of the Secretary

Add the following language to the general fund appropriation:

, provided that since the Department of Human Resources (DHR) Administration has had four or more repeat findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), \$100,000 of this agency's administrative appropriation may not be expended unless:

- (1) DHR has taken corrective action with respect to all repeat audit findings on or before November 1, 2015; and
- (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days to review and comment to allow for funds to be released prior to the end of fiscal 2016.

Explanation: The Joint Audit Committee has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each such agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency and a determination by OLA that each finding was corrected. OLA shall submit reports to the budget committees on the status of repeat findings.

Information Request	Author	Due Date
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

Committee Narrative

Performance Measures Related to the State Earned Income Credit: In the Evaluation of the Maryland Earned Income Tax Credit draft released in calendar 2014, the Department of Legislative Services found that no State agency was responsible for promoting the program, which may have factored into lower responsiveness during the recent recession than other safety net programs. Recommendations in the evaluation included that the Department of Human

N00A

Resources (DHR), in consultation with the Office of the Comptroller, be designated to promote the program and that DHR integrate goals, objectives, and performance measures related to the program into the department's performance measures. The committees request that DHR include in its fiscal 2017 Managing for Results submission goals, objectives, and performances measures related to the State Earned Income Credit.

Information Request	Author	Due Date
Performance measures for the State Earned Income Credit	DHR	With the submission of the fiscal 2017 allowance

Earned Income Tax Credit Promotion: The draft evaluation of the Maryland Earned Income Credit released in calendar 2014 by the Department of Legislative Services found that no State agency was responsible for promoting the program. It is the intent of the committees that the Department of Human Resources (DHR), in consultation with the Department of Health and Mental Hygiene (DHMH) and the Office of the Comptroller, be responsible for promoting the Earned Income Tax Credit (EITC) program. The committees request that DHR, in consultation with DHMH and the Office of the Comptroller, report on the promotion efforts undertaken by each agency.

Information Request	Authors	Due Date
Report on EITC promotion efforts	DHR DHMH Office of the Comptroller	December 1, 2015

Budget Amendments

N00A01.04 Maryland Legal Services Program

Add the following language to the general fund appropriation:

, provided that \$12,157,193 of this appropriation made for the purpose of the Maryland Legal Services Program may be expended only for that purpose. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: The language restricts the general fund appropriation for the Maryland Legal Services Program (MLSP) to that purpose and if it is not needed for that purpose, requires the funds to revert to the general fund. During the fiscal 2013 closeout process, the Department of Human Resources recorded an unprovided-for payable in the MLSP. This was the second consecutive year an unprovided-for payable was recorded and the fourth since fiscal 2007 in the program. Although no unprovided-for payable was recorded in fiscal 2014

N00A

and some of the underlying problems appear to have been addressed, given the important function of the MLSP, it remains necessary to ensure the program is adequately funded. Similar language has been adopted in each of the last two fiscal years.

N00F
Office of Technology for Human Services
Department of Human Resources

Budget Amendments

OFFICE OF TECHNOLOGY FOR HUMAN SERVICES

N00F00.02 Major Information Technology Development Projects

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funds for the Automated Financial System project due to project delays. The Automated Financial System project was initially expected to have completed the planning phase by June 2014; however, the current project schedule anticipates completing the planning phase instead in November 2015. The implementation phase was initially projected to last one year. Based on that timeframe and the current schedule, DHR would not complete the implementation phase until fiscal 2017. As a result, not all of the funds included in the fiscal 2016 allowance, which is the amount needed to complete the project, would be required. A reduction of the same amount is included in the Major Information Technology Development Project Fund for the State share of the project costs.	338,250	FF
Total Reductions	338,250	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Federal Fund	676,500	338,250	338,250	
Total Funds	676,500	338,250	338,250	

N00G
Local Department Operations
Department of Human Resources

Budget Amendments

LOCAL DEPARTMENT OPERATIONS

N00G00.01 Foster Care Maintenance Payments

Add the following language to the general fund appropriation:

Further provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.03 Child Welfare Services. Funds not expended or transferred shall revert to the General Fund.

Explanation: This language restricts general funds appropriated for foster care payments to that use only or for transfer to N00G00.03 Child Welfare Services, where child welfare caseworker positions are funded.

Committee Narrative

Actual Cost Per Case Data for Foster Care Programs: In order to better project future costs for foster care programs, the Department of Human Resources (DHR) should report to the budget committees for each year for fiscal 2012 to 2014, the actual spending on foster care maintenance payments. The report should show, for each foster care program, actual average caseload levels, actual average monthly costs, and actual total expenditures, excluding any funding not spent in the individual fiscal year (funds to address prior year shortfalls and anything else not spent toward foster care in the individual fiscal year). Reported figures should also include the various nonmaintenance payments programs included under budget code N00G00.01 Foster Care Maintenance Payments.

Information Request	Author	Due Date
Actual average monthly caseload, average monthly costs, and total expenditures, for each type of foster care program, fiscal 2012 to 2014	DHR	September 1, 2015

N00G

Budget Amendments

N00G00.03 Child Welfare Services

Add the following language to the general fund appropriation:

, provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.01 Foster Care Maintenance Payments. Funds not expended or transferred shall revert to the General Fund.

Explanation: This language restricts general funds appropriated for child welfare services to that use only or for transfer to N00G00.01 Foster Care Maintenance Payments.

Committee Narrative

Child Welfare Caseload Data: The committees believe that maintaining an adequate child welfare workforce is essential to improving outcomes for children entering the State's care. Therefore, in order to maintain oversight of this important issue, the committees request that the Department of Human Resources (DHR), on November 20, 2015, report to the committees on the actual and annual average number of cases and filled positions assigned, by jurisdiction, for the following caseload types using data current within 70 days:

- Intake Screening;
- Child Protective Investigation;
- Consolidated Home Services;
- Interagency Family Preservation Services;
- Services to Families with Children – Intake;
- Foster Care;
- Kinship Care;
- Family Foster Homes – Recruitment/New Applications;
- Family Foster Home – Ongoing and Licensing;

N00G

- Adoption;
- Interstate Compact for the Placement of Children; and
- Caseworker Supervisors.

Information Request	Author	Due Date
Report on caseload data and filled positions assigned by jurisdiction for specified caseload types	DHR	November 20, 2015

N00H
Child Support Enforcement Administration
Department of Human Resources

Budget Amendments

CHILD SUPPORT ENFORCEMENT ADMINISTRATION

N00H00.08 Support Enforcement - State

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete funds for a central business improvement contract. These funds are intended for a new contract to assist the Child Support Enforcement Administration to implement recommendations of a business process review. The department should implement the recommendations using existing agency personnel.	718,877 SF	
2. Reduce funds for a local Area Network contract with the University of Maryland to remove a cost-of-living adjustment (COLA). Section 20 of the fiscal 2016 budget bill is an across-the-board salary reduction to withdraw the fiscal 2015 COLA for State employees. Consistent with that action, this action reduces a contract increase which the Child Support Enforcement Administration indicates is the result of staff COLAs. The Department of Human Resources is authorized to process a budget amendment to restore these funds contingent on the restoration of the COLA.	32,756 SF	
Total Reductions	751,633	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	77.30	77.30		0.00
General Fund	2,646,019	2,646,019	0	
Special Fund	10,396,772	9,645,139	751,633	
Federal Fund	29,673,058	29,673,058	0	
Total Funds	42,715,849	41,964,216	751,633	

N00H

Committee Narrative

Cost Benefit Analysis of Baltimore City Child Support Enforcement: The current Baltimore City child support privatization contract is set to expire in February 2016. The committees request that the Department of Human Resources (DHR) conduct a cost benefit analysis to determine whether it would be more beneficial to the customers and the State to return the child support enforcement function to the State or to remain with a private contractor. The cost benefit analysis should normalize costs over 10 years. The cost benefit analysis should consider the following:

- direct and indirect costs;
- timeframe required to insource the function;
- the number of positions required including positions necessary to improve performance;
- staffing qualifications and types of staffing;
- location;
- projected collections compared to similar jurisdictions and to the extent possible factoring in employment, income, and ability to pay; and
- performance in all federal performance measures.

Information Request	Author	Due Date
Cost benefit analysis on Baltimore City child support	DHR	December 1, 2015

N00I
Family Investment Administration
Department of Human Resources

Committee Narrative

FAMILY INVESTMENT ADMINISTRATION

N00I00.04 Director's Office

No Wrong Door Program Report: The committees request that the Department of Human Resources (DHR) report to the General Assembly on the department's efforts to implement the recommendations contained in the 2011 No Wrong Door Report, including an analysis of additional steps that could be taken to ensure that when Marylanders attempt to access the social safety net, they are able to access a full range of services from multiple entry points. The department should specifically discuss where gaps in access to services exist; how DHR works with other State agencies to ensure individuals have access to, and are aware of, the full range of benefits and programs for which they are eligible; how coordination among the agencies can be improved; if expanding the scope of outreach workers' activities can further the goals of No Wrong Door; and the feasibility of creating a grant program to implement innovative No Wrong Door strategies across the State.

Information Request	Author	Due Date
Report on improving the No Wrong Door program	DHR	December 1, 2015

Report on Improving Supplemental Nutrition Assistance Program Outreach to Seniors: The budget committees are interested in expanding access to the Supplemental Nutrition Assistance Program (SNAP) for eligible seniors who do not currently receive SNAP benefits. The Department of Human Resources (DHR) should submit a report outlining possible strategies that can help eligible seniors start to receive benefits, particularly those outlined in the *Reaching the Underserved Elderly and Working Poor in SNAP* report from Mathematica Policy Research.

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>Report on increasing SNAP access for eligible seniors</i>	<i>DHR</i>	<i>October 1, 2015</i>

N00I0006
Office of Home Energy Programs
Department of Human Resources

Committee Narrative

N00I00.06 Office of Home Energy Programs

Program Enhancements: In a report submitted in response to a 2014 Joint Chairmen’s Report request about a Public Service Commission (PSC) review of the energy assistance program, PSC indicated that the Department of Human Resources (DHR) was considering enhancements to the energy assistance program as a result of higher revenue from the Regional Greenhouse Gas Initiative (RGGI) carbon dioxide emission allowance auctions and more certainty in this revenue due to a permanent change in the RGGI auction proceeds allocation. DHR explained that it is considering two phases of enhancements, with some enhancements in fiscal 2016 and some additional enhancements in fiscal 2017. The committees are interested in the types of enhancements that will be implemented and request that DHR provide information on the enhancements implemented in fiscal 2016 and enhancements planned for fiscal 2017.

Information Request	Author	Due Date
Energy assistance program enhancements implemented in fiscal 2016	DHR	July 15, 2015
Planned energy assistance program enhancements to be implemented in fiscal 2017	DHR	December 15, 2015

Federal Performance Measures: In November 2014, the U.S. Department of Health and Human Services announced that it would begin requiring new performance measures for the Low-Income Home Energy Assistance Program beginning in federal fiscal 2016. The committees are interested in understanding the Office of Home Energy Programs (OHEP) performance in these measures but recognize that the agency needs time to adjust its data system and processes to capture this data. It is the intent of the committees that the Department of Human Resources begin reporting on these new performance measures for OHEP beginning with the fiscal 2018 Managing for Results submission.

Energy Assistance Application Processing Times: The 2014 Joint Chairmen’s Report requested that the Department of Human Resources (DHR) provide monthly reports on energy assistance application processing times. Through December 16, 2014, the information has shown that certain jurisdictions experience more difficulty than others processing applications timely. The committees are interested in whether these jurisdictions are working to improve application processing timeliness. The committees request that DHR provide, by local

N00I0006

administering agency, (1) the number of applications received; (2) the average number of days to process applications; and (3) the number and percent of applications processed within 30 days, 55 days, and longer than 60 days.

Information Request	Author	Due Date
Application processing times	DHR	December 30, 2015
Application processing times	DHR	June 30, 2016

P00
Department of Labor, Licensing, and Regulation

Committee Narrative

DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING

P00G01.12 Adult Education Program

***Report on the General Education Development (GED) Testing System:** The committees direct that the Department of Labor, Licensing, and Regulation (DLLR) report on the current GED testing system and alternative options for GED testing implementation. The report should consider insights from stakeholders and comparable systems outside the State.*

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>Report on GED testing implementation and options</i>	<i>DLLR</i>	<i>September 1, 2015</i>

Q00

Department of Public Safety and Correctional Services

Budget Amendments

Amend the following language:

Provided that 50 10 General Fund positions within the Department of Public Safety and Correctional Services – Administration shall be abolished as of July 1, 2015.

Explanation: This action deletes 50 10 positions within the Department of Public Safety and Correctional Services – *Administration* as of July 1, 2015. The department currently has well over the necessary number of vacancies needed to meet fiscal 2016 turnover. This action will better align actual vacant positions with the department's turnover requirements. The language only abolishes the positions. The funding for the positions remains in the budget for use toward fulfilling cost containment reductions.

Amendment No.

20

Committee Narrative

Report on Actions to Improve Public Safety and Security in State Correctional Facilities:

The budget committees are concerned about the status of implementation of nonstatutory recommendations proffered by the Special Joint Commission on Public Safety and Security in State and Local Correctional Facilities intended to address concerns with staffing, security evaluations, and how best to control the entrance of contraband into correctional facilities. The committees, therefore, request that the Department of Public Safety and Correctional Services (DPSCS) submit a report to the committees that provides:

- a schedule for achieving American Correctional Association accreditation at all State facilities, as well as the department's progress in regard to that schedule;
- a schedule for increasing in-service training for correctional officers at all State facilities, as well as the department's progress in regard to that schedule;
- the status of fully staffing and operating the Polygraph Unit, as well as data indicating the number of polygraph tests conducted; and
- a summary of standards modifications adopted by the Maryland Commission on Correctional Standards following the enactment of Chapters 142 and 143 of 2014.

Q00

Information Request	Author	Due Date
Actions to improve public safety and security in State correctional facilities	DPSCS	December 1, 2015

Q00Q
Operations
Department of Public Safety and Correctional Services

Budget Amendments

GENERAL ADMINISTRATION – NORTH

Q00R01.01 General Administration

Strike the following language:

~~, provided that the Department of Public Safety and Correctional Services (DPSCS) shall regularly conduct a new post-by-post security staffing analysis for each of its custodial agents in order to identify the actual number of regular positions needed to safely and securely staff the State's correctional institutions. DPSCS shall provide a written report to the budget committees no later than December 1, 2015, with bi-annual submissions thereafter, summarizing the results of the analysis and explaining the need for any staffing changes resulting from the staffing analysis or changes in policy that require the use of additional positions. The budget committees shall have 45 days to review and comment following receipt of the report.~~

Explanation: This action requires DPSCS to regularly conduct a post-by-post security staffing analysis and submit a summary report to the budget committees no later than December 1, 2015, explaining the need for any increases in staffing. Providing proper staffing can have an impact on the amount of overtime used by the custodial agencies. Over the past decade, the department has increased its use of temporary posts filled with overtime in order to implement policies designed to improve safety and security in the facilities. After careful review, it appears that the majority of these temporary posts should actually be permanent positions. Conducting regular staffing assessments should assist the department and the General Assembly in monitoring the staffing and overtime situation in the State's correctional and detention facilities.

Information Request	Author	Due Date
Staffing analysis	DPSCS	December 1, 2015

Amendment No. **21**

Q00S02.09 Dorsey Run Correctional Facility

Add the following language:

, provided that no funds within this budget may be expended for operations at Dorsey Run Correctional Facility (DRCF) Phase II until a report outlining a department facility plan is submitted to the budget committees. The report shall contain future uses, including plans for

Q00Q

renovation, demolition, or upgrade, as well as anticipated changes in the future operating cost, of DRCF, Brockbridge Correctional Facility, the Jail Industries building, and any other facilities affected by the opening of DRCF Phase II. Upon receipt, the budget committees shall have 45 days to review and comment.

Explanation: The department has not yet identified a plan for staffing, populating, or operating DRCF Phase II, which is scheduled to become operational at the end of fiscal 2016. The language restricts the use of funds for DRCF Phase II until a report outlining a facility plan is submitted to the budget committees. The submitted report should specifically address the future uses, including plans for renovation, demolition, or upgrade, as well as anticipated changes in the future operating cost, of DRCF, Brockbridge Correctional Facility, the Jail Industries building, and any other facilities affected by the opening of DRCF Phase II.

Information Request	Author	Due Date
Department facility plan	Department of Public Safety and Correctional Services	45 days prior to release of funds

Committee Narrative

***Post-by-post Staffing Analysis:** Providing proper staffing can have an impact on the amount of overtime used by the custodial agencies. The budget committees are concerned that over the past decade, the department has increased its use of temporary posts filled with overtime in order to implement policies designed to improve safety and security in the facilities. After careful review, it appears that the majority of these temporary posts should actually be permanent positions. Conducting regular staffing assessments should assist the department and the General Assembly in monitoring the staffing and overtime situation in the State's correctional and detention facilities. The committees, therefore, request that the Department of Public Safety and Correctional Services (DPSCS) conduct a bi-annual post-by-post security staffing analysis and submit a summary report to the budget committees no later than December 1, 2015, explaining the need for any increases in staffing.*

Information Request	Author	Due Date
Post-by-post staffing analysis	DPSCS	December 1, 2015

R00A01
Headquarters
State Department of Education

Budget Amendments

Amend the following language:

Provided that it is the intent of the General Assembly that the ~~at least \$43,500,000 of the appropriation made for the~~ Maryland State Department of Education (MSDE) attempt to fully fund ~~shall be expended on~~ State assessment contracts within its existing fiscal 2016 appropriation and that future budgets for MSDE provide the necessary resources to properly fund State assessments so as to avoid the need for annual deficiency appropriations.

Explanation: State assessment contracts are habitually underfunded. The fiscal 2016 allowance includes a \$16.8 million general fund deficiency to cover an identified shortfall in fiscal 2015. Although a \$7.0 million increase is provided for State assessments in fiscal 2016, the appropriation is still estimated to be underfunded by at least \$6.7 million. This action ~~restricts \$43.5 million for the sole purpose of fully funding State assessment contracts in fiscal 2016~~ expresses legislative intent that the MSDE attempt to find additional resources within its fiscal 2016 appropriation to commit toward the underfunded assessment contracts and that future budgets include the appropriate level of funding for State assessments.

Amendment No.

22

Add the following language:

Provided that it is the intent of the General Assembly that no individual loaned educator be engaged by the Maryland State Department of Education (MSDE) for more than 6 years. For loaned educators engaged in fiscal 2010, the time already served at MSDE may not be counted toward the 6-year limit.

Further provided that it is the intent of the General Assembly that all loaned educators submit annual financial disclosure statements, as is required by State employees in similar positions.

Further provided that MSDE shall provide an annual census report on the number of loaned educator contracts and any conversion of these personnel to regular positions to the General Assembly by December 15, 2015, and every year thereafter. The annual report shall include job function, title, salary, fund source(s) for the contract, the first year of the contract, the number of years that the loaned educator has been employed by the State, and whether the educator files a financial disclosure statement. MSDE shall also provide a report to the budget committees prior to entering into any new loaned educator contract to provide temporary assistance to the State. The budget committees shall have 45 days to review and comment from the date of receipt of any report on new contracts.

R00A01

Explanation: This annual language on loaned educators expresses legislative intent that loaned educators should not be engaged for more than six years, educators should submit annual financial disclosure statements as appropriate, and reports on the loaned educator program should be submitted. The loaned educator program at MSDE allows local employees to work for MSDE on special projects.

Information Request	Author	Due Date
Report on loaned educator contracts	MSDE	December 15, 2015, and annually thereafter

Strike the following language:

~~Further provided that 50 vacant positions shall be abolished within the Headquarters of the Maryland State Department of Education as of July 1, 2015.~~

~~**Explanation:** This action deletes 50 vacant positions within the Headquarters of the Maryland State Department of Education (MSDE) as of July 1, 2015. The department currently has over 130 vacancies; however, only 79 vacancies are required to meet fiscal 2016 budgeted turnover. This action will better align actual vacant positions with the department's turnover requirements. The language only abolishes the positions. The funding for the positions remains in the budget for use toward fulfilling cost containment reductions or underfunded state assessment contracts.~~

Amendment No.

23

Committee Narrative

HEADQUARTERS

R00A01.01 Office of the State Superintendent

Availability of Automated External Defibrillators in Elementary Schools: An automated external defibrillator (AED) is a portable electronic device, designed for use by a layperson, which automatically diagnoses certain life-threatening cardiac conditions and is able to treat them through defibrillation. The budget committees are interested in determining the feasibility of having an AED available in all elementary schools in Maryland. The Maryland State Department of Education (MSDE) should explore whether requiring the presence of an AED in each elementary school in the State is a viable option and the estimated fiscal impact imposed by such a requirement. The report is due to the budget committees no later than September 30, 2015.

R00A01

Information Request	Author	Due Date
Feasibility of providing automated external defibrillators to all elementary schools	MSDE	September 30, 2015

State Education Technology Plan: *As the State and local education agencies (LEA) prepare to administer the Partnership for Assessment of Readiness for College and Careers (PARCC) tests fully online by the 2017-2018 school year, and the technology needs for schools to implement digital learning and other educational innovations continue to grow, the committees are concerned that the State does not have a statewide strategic plan for education technology that will provide a school environment that will prepare students for the 21st century digital environment, help attract and retain high quality teachers, and enable a better use of school time. Based on reports submitted by the Maryland State Department of Education (MSDE) and LEAs in 2014 on the readiness and needs of LEAs to implement PARCC fully online and ultimately achieve one-to-one access to digital resources, there is inconsistent and incomplete information on the current state of technology across the State's public schools. Therefore, the committees request that MSDE, in consultation with the Department of Information Technology and LEAs, develop a State Education Technology Plan that identifies the technology, both wired and wireless infrastructure and equipment, that is needed in each public school to support online assessment administration and digital learning in an environment that is conducive to one-to-one access to digital resources, including "bring your own device" options. The plan should include recommendations to conduct a statewide analysis of the technology capabilities of each LEA based on the plan's proposed technology, identify gaps in technology readiness across the State, and estimate the cost of implementing the plan. MSDE should request funds in the fiscal 2017 budget to conduct the statewide analysis. MSDE shall submit a draft State Education Technology Plan as a preliminary report by December 15, 2015, in order to receive feedback from the local education agencies and other stakeholders. Any feedback to the preliminary report should be submitted to MSDE and the committees by February 15, 2016. MSDE should submit a final report on the State Education Technology Plan by June 1, 2016.*

Information Request	Author	Due Date
Preliminary report on the education technology plan	MSDE	December 15, 2015
Feedback on preliminary report	MSDE	February 15, 2016
Final report	MSDE	June 16, 2016

R00A01

Budget Amendments

R00A01.02 Division of Business Services

Add the following language to the general fund appropriation:

, provided that \$500,000 of this appropriation may not be expended until the Maryland State Department of Education submits a report to the budget committees on all federal grants appropriated in programs R00A01.01 through R00A01.18 in fiscal 2015, the amount of each grant that is unexpended at the end of the State fiscal year, and anticipated expiration date for each award. The report shall be submitted by September 1, 2015, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The Maryland State Department of Education (MSDE) is the recipient of multiple federal grant awards every year. At times, it can be difficult to reconcile those grant awards with actual expenditures within the State's fiscal year. This action restricts funds until MSDE provides detail on federal awards received, the amount of the awards that remain unexpended at the end of the State's fiscal year, and when each of the grant awards are expected to expire.

Information Request	Author	Due Date
Federal grant fund expenditures	MSDE	September 1, 2015

R00A01.04 Division of Accountability and Assessment

Add the following language to the general fund appropriation:

, provided that \$500,000 of this appropriation made for the purpose of accountability and assessments may not be expended until the Maryland State Department of Education (MSDE) submits a report to the budget committees on the progress made toward administering the Partnership for Assessment of Readiness for College and Careers (PARCC) assessments online. The report shall specifically include:

- (1) the number of students and percent of the total tested population taking the PARCC exams in the online versus paper-based format;
- (2) any technological problems encountered by MSDE or the local education agencies (LEA) in the preparation, administration, and evaluation of the PARCC exams;

R00A01

- (3) the progress made by the LEAs in addressing previously identified technological issues regarding the implementation of PARCC and digital learning; and
- (4) any outstanding or newly identified issues related to the implementation of PARCC and the advancement of digital learning.

The report shall be submitted no later than December 1, 2015, and the budget committees shall have 45 days to review and comment. Funds restricted pending receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: Maryland has a goal of fully administering the PARCC exams online by the 2016-2017 school year. During administration of the PARCC field tests in spring 2014, a number of technological issues were identified with the online administration of the tests. Furthermore, the General Assembly has expressed interest in advancing the general implementation of digital learning in the classroom. This report restricts funding with the MSDE Headquarters until a report is provided on the progress made toward online implementation of PARCC assessments and closing the gaps in digital learning.

Information Request	Author	Due Date
Progress report on PARCC and digital learning	MSDE	December 1, 2015

R00A01.10 Division of Early Childhood Development

Add the following language to the general fund appropriation:

provided that \$100,000 of this appropriation made for the purpose of general administration may not be expended until the Division of Early Childhood Development within the Maryland State Department of Education (MSDE) submits a report to the budget committees on the Early Learning Assessment (ELA) and Kindergarten Readiness Assessments (KRA) associated with the Ready for Kindergarten: Maryland's Early Childhood Comprehensive System program. The report shall include an update of any improvements made to KRA by MSDE, particularly with regard to identified connectivity issues, adjustments in the length of the assessment, and time required to administer the exam. The report should also identify any issues encountered and feedback received from fall 2015 administration of KRA, in addition to reporting the percent of tests administered using paper and online. Finally, the report should include an evaluation of the first administration of ELA, including any issues identified by educators and potential resolutions. The report shall be submitted to the budget committees no later than December 31, 2015, and the budget committees shall have 45 days to review and comment. Funds restricted pending receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

R00A01

Explanation: The Ready for Kindergarten: Maryland's Early Childhood Comprehensive System program attempts to align new assessments for early learners with the State's new College- and Career-ready Standards. The first administration of the KRA took place in fall 2014. A number of issues with the test were identified by teachers, including the total number of assessments administered to students, the impact the length of the test and the time required for administration had on available time for instruction, problems with connectivity, and a lack of available technology for online administration. This language restricts funds until MSDE reports on any improvements made to the KRA and any issues identified during the fall 2015 administration of the exam. In addition, the ELA, for children ages three to six, has yet to be administered. This report requests an evaluation of the administration of that exam, as well.

Information Request	Author	Due Date
Report on early learning assessments	MSDE	December 31, 2015

Add the following language to the general fund appropriation:

Further provided that \$50,000 of this appropriation made for the purpose of administering the Child Care Subsidy Program may not be expended until the Maryland State Department of Education (MSDE) submits a report to the budget committees on the fiscal outlook of the Child Care Subsidy Program. The report shall specifically include the fiscal implications of the Child Care and Development Block Grant reauthorization, the feasibility of eliminating the enrollment freeze in fiscal 2016, 2017, or 2018, and the cost of increasing reimbursement rates to the 50th, 60th, and 75th percentile of the current market. The report shall be submitted to the budget committees no later than July 31, 2015, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The budget committees are concerned with the growing number of children and families currently estimated to be on the waitlist for receiving a child care subsidy voucher and the inconsistencies in the funding provided for the Child Care Subsidy program since fiscal 2011. This language restricts funds pending receipt of a report on the fiscal outlook of the program, including the potential for eliminating the current enrollment freeze and for improving reimbursement rates for participating providers. The report is due by July 31, 2015.

Information Request	Author	Due Date
Report on the fiscal outlook of the Child Care Subsidy Program	MSDE	July 31, 2015

R00A01

R00A01.17 Division of Library Development and Services

Strike the following language from the general fund appropriation:

~~provided that this appropriation shall be reduced by \$2,173,655 contingent upon the enactment of legislation delaying the requirement to establish a Deaf Culture Digital Library and phasing in the increased funding provided for the Maryland Library for the Blind per Chapter 498 of 2014 over ten years.~~

Explanation: The fiscal 2016 budget bill as introduced includes a \$2,173,655 reduction within the Division of Library Development and Services contingent upon the enactment of a provision in the Budget Reconciliation and Financing Act of 2015 that would delay implementation of the Deaf Culture Digital Library and phase in increased funding for the Maryland Library for the Blind and Physically Handicapped over 10 years. This action strikes the contingent language.

R00A02
Aid to Education
State Department of Education

Budget Amendments

Concur with the following language:

, provided that this appropriation shall be reduced by \$1,793,461 contingent upon the enactment of legislation phasing in the increase per resident amount over ten years.

, provided that this appropriation shall be reduced by \$526,083 contingent upon the enactment of legislation phasing in the increase per resident amount over ten years.

Explanation: This action acknowledges the Administration's proposed plan to extend the phase-in of per capita funding increases for Public Libraries and the State Library Network.

Add the following language:

Provided that the Maryland State Department of Education shall notify the budget committees of any intent to transfer the funds from program R00A02 Aid to Education to any other budgetary unit. The budget committees shall have 45 days to review and comment on the planned transfer prior to its effect.

Explanation: The Maryland State Department of Education (MSDE) should not transfer any funds from Aid to Education until the transfer is reviewed by the budget committees.

Information Request	Author	Due Date
Report on any transfer of funds from R00A02	MSDE	45 days prior to the transfer of funds

Strike the following language:

~~, provided that this appropriation shall be reduced by \$52,788,580 contingent upon the enactment of legislation level funding the per pupil foundation amount at the fiscal year 2015 amount and freezing the net taxable increase phase-in.~~

Add the following language to the general fund appropriation:

, provided that this appropriation shall be reduced by \$40,725,775 contingent upon the enactment of legislation level funding the per pupil foundation amount at the fiscal 2015 amount.

R00A02

Concur with the following language:

, provided that this appropriation shall be reduced by \$17,799,024 contingent upon the enactment of legislation level funding the per pupil foundation amount at the fiscal year 2015 amount.

, provided that this appropriation shall be reduced by \$139,007 contingent upon the enactment of legislation level funding the per pupil foundation amount at the fiscal year 2015 amount.

, provided that this appropriation shall be reduced by \$3,754,335 contingent upon the enactment of legislation level funding the per pupil foundation amount at the fiscal year 2015 amount.

, provided that this appropriation shall be reduced by \$2,902,468 contingent upon the enactment of legislation level funding the per pupil foundation amount at the fiscal year 2015 amount.

Strike the following language:

~~, provided that this appropriation shall be increased by \$1,266,162 contingent upon the enactment of legislation level funding the per pupil foundation amount at the fiscal year 2015 amount.~~

Explanation: This action acknowledges and modifies contingent language pertaining to level funding the per pupil foundation amount at the fiscal 2015 level. The contingent increase in funding for the Guaranteed Tax Base (GTB) is unconstitutional. The Administration should instead provide a supplemental appropriation for the GTB in accordance with the proposed funding plan for State education aid. In addition, this action separates the reductions within the State Share of the Foundation program that result from level funding the per pupil foundation amount and from freezing the Net Taxable Income grant calculation at the fiscal 2015 levels.

Committee Narrative

AID TO EDUCATION

R00A02.01 State Share of Foundation Program

Baltimore City Public Schools: *Baltimore City Public Schools (BCPS) are facing a deficit of \$108.0 million, as reported in the media, for fiscal 2016. The total deficit includes a reduction in State aid of \$35.6 million in the Governor's proposed fiscal 2016 budget, most of which is being restored by the General Assembly, and \$72.7 million in other costs. These other costs include \$27.5 million to repay the reserve fund for funds that were transferred into the general fund in fiscal 2015 in order to maintain a balanced budget, thus marking the second year in a row that the school system faced a structural budget deficit. The committees are concerned that the use of fund balance to maintain a balanced budget, and the apparently unanticipated growth*

R00A02

in ongoing costs for fiscal 2016 represent a return to the past, when BCPS faced multiple years of budget deficits and accepted a substantial loan from Baltimore City government in order to maintain a balanced budget nearly 10 years ago. Therefore, the committees request a report from the Baltimore City Board of School Commissioners that includes (1) the full amount of the structural deficit for fiscal 2016, itemized by cost, and the reasons for those increases in spending beyond what was anticipated by BCPS; (2) how the board resolved the structural deficit for fiscal 2016, including reductions in spending and any new revenues as well as a schedule for repaying the reserve fund; and (3) how the board will ensure that BCPS does not face a deficit both during fiscal 2016 and for the out-years. The board shall submit the report to the committees by July 1, 2015.

Information Request	Author	Due Date
<i>Report on BCPS deficit</i>	<i>BCPS</i>	<i>July 1, 2015</i>

Budget Amendments

R00A02.07 Students With Disabilities

Amend the following language:

Further provided that \$10,000,000 of this appropriation made for the purpose of funding nonpublic placements may not be expended until the Maryland State Department of Education and the Department of Budget and Management provides the budget committees with a report on the flaws in the calculations of basic cost and the local share of basic cost. The report should specifically outline all of the issues with the calculations, propose solutions to the identified flaws in the basic cost and local share of basic cost calculations, and identify the degree to which these errors have contributed to the increased State cost for nonpublic placements since fiscal 2012. The report should also provide fiscal estimates associated with correcting the errors, including the amount of additional revenue for the Maryland School for the Blind. The report shall be submitted no later than July 1, 2015, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The Department of Legislative Services, *the Department of Budget and Management (DBM)*, and the Maryland State Department of Education (MSDE) are aware of flaws in the methodologies used for calculating basic cost and the local share of basic cost, which is used to determine local funding amounts for nonpublic placements. The fiscal 2016 allowance does not attempt to correct these errors. This action restricts \$10 million in funding for nonpublic placements pending receipt of a report from MSDE *and DBM* identifying the specific flaws in the calculations and providing proposed solutions for correcting the errors. The report is due July 1, 2015.

R00A02

Information Request	Authors	Due Date
Calculating basic cost and the local share of basic cost	MSDE DBM	July 1, 2015

Amendment No.

24

R00A02.55 Teacher Development

Add the following language to the general fund appropriation:

provided that this appropriation made for the purpose of providing Quality Teacher Incentives shall be reduced by \$13,400,000 contingent on the enactment of HB 72 or SB 57 that would limit eligibility for receiving a stipend through the program to educators who were eligible for the stipend in fiscal 2014 and remain teaching in a comprehensive needs school.

Further provided that \$100,000 of this appropriation may not be expended until the Maryland State Department of Education (MSDE) submits a report to the budget committees on the proposed restructuring of fiscal incentive programs for educators. The report should provide a review of best practices for administering fiscal incentive programs for educators and an evaluation of the current Quality Teacher Incentive program and any incentive programs piloted through the Race to the Top grant program. In addition, it should include at least two alternate grant proposals for programs designed to improve the quality of educators at the State's lowest performing schools. The proposals should include fiscal estimates associated with implementing and administering the program. The report should also identify any proposed statutory changes necessary to improve existing programs or implement new programs. The report shall be submitted by December 1, 2015, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: Funding for Quality Teacher Incentives (QTI) increases substantially in fiscal 2015 and 2016. The increase is artificially created because of an increase in the number of stipend-eligible schools due to a misalignment between State assessments and the new State College and Career-Ready curriculum. This language reduces fiscal 2016 funding in line with fiscal 2014 actual expenditures, contingent on the enactment of a provision in HB 72 that would freeze eligibility for receiving a stipend to those educators who received stipends in fiscal 2014. In addition to the funding concerns, the current administration of the QTI program creates a disincentive for improving school performance. Once a school improves enough to no longer have the comprehensive needs status, a teacher loses the stipend funding. Concerns with how the QTI program has been functioning are not new. This action includes language to have the Maryland State Department of Education review the current QTI program and propose alternate plans for restructuring fiscal incentive programs for educators.

R00A02

Information Request	Author	Due Date
Restructuring fiscal incentive programs for teachers	Maryland State Department of Education	December 1, 2015

R00A03
Funding for Educational Organizations
State Department of Education

Committee Narrative

FUNDING FOR EDUCATIONAL ORGANIZATIONS

R00A03.03 Other Institutions

Evaluation of Grants Made to State Aided Institutions: Over the past decade, the number of State Aided Institutions (SAI) has increased by 54%, from 26 grant recipients in fiscal 2005 to 40 in fiscal 2015. In many instances, the services provided by the grant recipients fall into duplicative categories. The budget committees, therefore, direct the Maryland State Department of Education (MSDE) to evaluate the current process for selecting SAI grant recipients and allocating grant resources. In its evaluation, the department should specifically review the potential for consolidating the number of grant recipients and the potential for rotating recipients from year to year. In addition, the report should identify the percentage of each current recipient's budget that is funded through the SAI grant award. The report shall be submitted to the budget committees no later than October 1, 2015.

Information Request	Author	Due Date
Evaluation of grants made to State Aided Institutions	MSDE	October 1, 2015

Budget Amendments

R00A03.04 Aid to Non-Public Schools

	<u>Funds</u>	<u>Positions</u>
Reduce appropriation for the purposes indicated:		
1. Reduce Cigarette Restitution Funding for the Maryland Nonpublic School Textbook Program in line with fiscal 2014 actual expenditures. This action will result in a related general fund reduction to Medicaid funding.	330,000	SF
Total Reductions	330,000	0

R00A03

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Special Fund	6,040,000	5,710,000 6,040,000	330,000 0	
Total Funds	6,040,000	5,710,000 6,040,000	330,000 0	

Amendment No.

25

R13M00
Morgan State University

Budget Amendments

MORGAN STATE UNIVERSITY

R13M00.00 Morgan State University

Add the following language to the unrestricted fund appropriation:

, provided that \$738,000 of this appropriation made for the purpose of increasing expenditures on institutional need-based financial aid above the fiscal 2015 level may be expended only for that purpose. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: This language restricts \$0.7 million of the general fund appropriation that was provided in the fiscal 2014 supplemental budget to increase expenditures on institutional need-based financial aid, only be expended to increase need-based aid above the fiscal 2015 level.

R14D00
St. Mary's College of Maryland

Budget Amendments

ST. MARY'S COLLEGE OF MARYLAND

R14D00.00 St. Mary's College of Maryland

Add the following language:

Provided it is the intent of the General Assembly that St. Mary's College of Maryland receive a portion of any midyear reduction in Higher Education Investment Fund cost containment action in fiscal 2015 or later.

Explanation: It is the intent of the General Assembly that St. Mary's College of Maryland receive a portion of any midyear reduction in Higher Education Investment Fund cost containment action in fiscal 2015 or later.

R30B00
University System of Maryland

Committee Narrative

Status Report on Progress Toward Programs Meeting Performance Metrics: The fiscal 2014 budget provided \$13 million in general funds to fund program enhancements or initiatives and the fiscal 2015 budget included an additional \$10 million for enhancements that were funded from fund balance in fiscal 2014. These funds are being used to support activities addressing three University of Maryland goals of (1) transforming the academic model; (2) increasing graduates in science, technology, engineering, and mathematics and health professions; and (3) helping the State achieve its 55% completion goal which includes closing the achievement gap. The University System of Maryland (USM) submitted a report in July 2013 detailing how these funds would be spent and the metrics to be used to measure the progress or results of the enhancement funded activities. The committees are interested in the progress these activities have made toward meeting the metrics in fiscal 2015 and progress made to date in fiscal 2016.

Information Request	Author	Due Date
Report on the progress toward meeting the metrics	USM	November 1, 2015

R30B27
Coppin State University
University System of Maryland

Budget Amendments

COPPIN STATE UNIVERSITY

R30B27.00 Coppin State University

Add the following language to the unrestricted fund appropriation:

, provided that \$378,000 of this appropriation made for the purpose of increasing expenditures on institutional need-based financial aid above the fiscal 2015 level may be expended only for that purpose. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Further provided that it is the intent of the General Assembly that spending on institutional need-based financial aid shall be at least equal to the amount spent in fiscal 2014.

Explanation: This language restricts \$0.4 million of the general fund appropriation provided in the fiscal 2014 supplemental budget to increase expenditures on institutional need-based financial aid only be expended to increase need-based aid above the fiscal 2015 level and expresses intent that expenditures on need-based aid should, at a minimum, be equivalent of expenditures in fiscal 2014.

R30B36
University System of Maryland Office
University System of Maryland

Budget Amendments

UNIVERSITY SYSTEM OF MARYLAND OFFICE

R30B36.00 University System of Maryland Office

Add the following language to the unrestricted fund appropriation:

, provided that \$100,000 of this appropriation made for the purpose of administration at the University System of Maryland Office may not be expended until the University System of Maryland Office submits a report on the performance criteria and goals that will be used to evaluate the performance of the chancellor. The report shall be submitted to the budget committees by October 1, 2015, or 45 days prior to the release of funds. The budget committees shall have 45 days to review and comment on the report. Funds restricted pending receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: This language restricts the University System of Maryland Office (USMO) general fund appropriation until a report is submitted on the performance criteria and goals that will be used to evaluate the performance of the chancellor as required by the Board of Regent's employment contract with the new chancellor effective July 1, 2015. The report is to be submitted by October 1, 2015.

Information Request	Author	Due Date
Report on performance criteria and goals of the chancellor	USMO	October 1, 2015

Amendment No. **26**

Committee Narrative

~~**Feasibility of Expanding MPowering:** MPowering, a formal alliance between the University of Maryland, College Park and the University of Maryland, Baltimore was approved by the Board of Regents in March 2012. Under this alliance each institution is able to leverage its resources to improve and enhance academic programs, research, technology transfer, and commercialization. This type of collaboration can be beneficial particularly among research institutions that do not have the resources to fully take advantage of transferring and commercializing technology and would also facilitate interdisciplinary research. The~~

R30B36

~~committees are interested in the feasibility of expanding MPowering to include the University of Maryland Baltimore County and if there could be other opportunities to create partnerships similar to MPowering with other institutions. The committees request the University System of Maryland Office (USMO) to submit a report by August 31, 2015, on the feasibility of expanding MPowering and creating similar collaborations among other institutions.~~

~~Information Request~~

~~Report on the feasibility of
expanding MPowering~~

~~Author~~

~~USMO~~

~~Due Date~~

~~August 31, 2015~~

R62I00
Maryland Higher Education Commission

Budget Amendments

Amend the following language:

Provided that \$100,000 of ~~this~~ the appropriation made for the purpose of *general* administration in the Maryland Higher Education Commission shall be restricted pending a report on higher education institutions' revised sexual misconduct policies. The report shall be submitted by ~~July 1, 2015~~ *December 1, 2015*, and the budget committees shall have 45 days to review and comment. Funds restricted pending receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This language restricts the Maryland Higher Education Commission (MHEC) general fund appropriation until a report is submitted on higher education institutions', including community colleges, four-year public and private nonprofit institutions and for profit institutions, revised sexual misconduct policies to ensure compliance with federal laws and regulations. Section 11-601 of the Education Article requires the governing board of each institution of higher education to submit written policy on sexual assault to MHEC and for MHEC to review and make recommendations for changes in policies. In addition, the report should include the status of each institution's implementation of its revised policies.

Information Request	Author	Due Date
Report on higher education institutions revised sexual misconduct policies	MHEC	July 1, 2015 <i>December 1, 2015</i>

Amendment No.

27

R62I00

R62I00.01 General Administration

Add the following language to the general fund appropriation:

, provided that since the Maryland Higher Education Commission (MHEC) has had four or more repeat findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), \$100,000 of this agency's administrative appropriation may not be expended unless:

- (1) MHEC has taken corrective action with respect to all repeat audit findings on or before November 1, 2015; and
- (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days to review and comment to allow funds to be released prior to the end of fiscal 2016.

Explanation: The Joint Audit Committee has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each such agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency and a determination by OLA that each finding was corrected. OLA shall submit reports to the budget committees on the status of repeat findings. Given that MHEC has not resolved two of four repeat audit findings from its October 2013 fiscal compliance audit that was reviewed by OLA in March 2015, this action again restricts funding until the repeat findings are resolved.

Information Request	Author	Due Date
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

Amendment No.

28

R62I00.03 Joseph A. Sellinger Formula for Aid to Non-Public Institutions of Higher Education

Strike the following language from the general fund appropriation:

~~, provided that this appropriation shall be reduced by \$6,461,675 contingent upon the enactment of legislation reducing the required appropriation for aid to non-public institutions of higher education~~

R62I00

Explanation: This language is not necessary for the General Assembly to reduce the appropriation.

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce Sellinger formula funding.	5,061,675 GF	
	5,061,674	
Total Reductions	5,061,675	0.00
	5,061,674	

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	47,883,915	42,822,240	5,061,675	
		42,822,241	5,061,674	
Total Funds	47,883,915	42,822,240	5,061,675	
		42,822,241	5,061,674	

Amendment No.

29

R62I00.05 The Senator John A. Cade Funding Formula for the Distribution of Funds to Community Colleges

Strike the following language from the general fund appropriation:

~~provided that this appropriation shall be reduced by \$13,045,513 contingent upon the enactment of legislation reducing the required appropriation for formula aid to community colleges~~

Explanation: This language is not necessary for the General Assembly to reduce the appropriation.

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Rerun the Cade funding formula in fiscal 2016 with a different funding amount and apply hold harmless funding. This reduces the total funding from the allowance by \$9 million. This includes hold harmless funding.	9,045,515 GF	
	9,045,514	
Total Reductions	9,045,515	0.00
	9,045,514	

R62I00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	248,436,368	239,390,853 239,390,854	9,045,515 9,045,514	
Total Funds	248,436,368	239,390,853 239,390,854	9,045,515 9,045,514	

Amendment No.

30

R62I00.07 Educational Grants

Add the following language:

Provided that it is the intent of the General Assembly that institutional grants to a public 4-year institution should be transferred only by budget amendment to that institution.

Explanation: This action provides greater clarity to the General Assembly on when an institution receives an institutional grant from the Maryland Higher Education Commission and also prevents funds from being double counted in the working appropriation.

Add the following language to the general fund appropriation:

, provided that \$4,900,000 in general funds designated to enhance the State's four historically black colleges and universities may not be expended until the Maryland Higher Education Commission submits a report to the budget committees outlining how the funds will be spent. The budget committees shall have 45 days to review and comment on the report. Funds restricted pending receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This annual language restricts the expenditure of funds until the commission reports to the budget committees on the plans for spending funds designated to enhance the State's four historically black colleges and universities (HBCU).

Information Request	Author	Due Date
HBCU enhancement expenditure report	Maryland Higher Education Commission	July 1, 2015

Committee Narrative

Report on Best Practices and Annual Progress Toward the 55% Completion Goal: The committees understand that in order to meet the State's goal to have at least 55% of Maryland's residents age 25 to 64 holding at least one degree credential by 2025, accurate and timely information on degree progression and best practices is needed to ensure that the State is on track to meet the goal. The committees request that the Maryland Higher Education Commission (MHEC) annually collect and analyze student- and transcript-level data on progression, graduation, and other relevant metrics from each public institution of higher education, including community colleges and regional higher education centers. MHEC should submit a report by December 15 each year that analyzes the data and shows each institution's progress toward the State and institutional goals in 2025. The report should also include a summary of best practices and findings on the effectiveness of institutions' programs, as well as any concerns regarding lack of progress or best practices that are not being implemented by institutions.

In addition, the committees request that MHEC, on behalf of the Governor and General Assembly and in collaboration with the Governor's Prekindergarten-20 Council, convene a biennial Summit on Completion that provides a forum for representatives of all segments of education (including K-12), economic and workforce development, and other stakeholders to share best practices on college completion that are underway in Maryland and hear from experts on best practices in other states that may be replicated in Maryland. A summary of the summit should be included in the annual report on best practices and progress toward the 55% goal.

Information Request	Author	Due Date
Report on best practices and progress toward 55% completion goal	MHEC	December 15, 2015, and annually thereafter

Report on Outcomes of Students Participating in Access and Success Programs by Cohort: The committees understand that as part of the State's agreement with the federal Office for Civil Rights, the State has provided annual funding to Maryland's public historically black colleges and universities (HBCU) to improve retention and graduation rates. From fiscal 2001 to 2006, the funds were budgeted through the Maryland Higher Education Commission (MHEC) and released after each HBCU submitted proposals to MHEC outlining how the funds would be spent in the coming year. Beginning in fiscal 2007, Access and Success funds were appropriated directly to HBCUs. The committees request that MHEC collect progression, retention, and graduation data from each public HBCU on all students participating in the Access and Success program in fiscal 2015. Data should be analyzed and presented by institution and program. Data should include the throughput completion rate in credit-bearing coursework for required remedial classes and graduation rates. The report should include a summary of fiscal 2015 programs supported by Access and Success funds and a statement from each institution on how

R62I00

findings from the 2014 report have been used to inform and improve programs and student services supported by Access and Success funds. The report shall be submitted by October 15, 2015, and every year thereafter.

Information Request	Author	Due Date
Report on the fiscal 2015 outcomes by cohort of students participating in Access and Success programs	MHEC	October 15, 2015, and annually thereafter

~~**Future of the Maryland Higher Education Commission:** With changes in leadership at the Maryland Higher Education Commission (MHEC) and a continued effort to maximize State resources across all agencies in times of limited State support, the committees believe it is an appropriate time for MHEC to reexamine the current structure of MHEC and to develop recommendations to improve the higher education coordination, monitoring, and reporting body in Maryland. MHEC should work with the Maryland State Department of Education (MSDE), the University System of Maryland (USM), and representatives from the community colleges and independent institutions to consider and make recommendations, including the following options: (1) that MHEC should become an office within MSDE; (2) that MHEC should be an equal partner with MSDE within a new State-level prekindergarten-20 agency; or that (3) MHEC should retain its current form. The authors of this report are encouraged to think broadly and to explore, at a minimum, sharing administrative resources to generate cost efficiencies for MHEC and MSDE and to reduce redundancies and how community colleges fit in to the State's higher education organization given that there is no longer a State Board of Community Colleges. The authors should also consider agency models used in other states, and to note whether ideas from prior State commissions such as the 1963 Curlett Report or 1999 Larson Report have been implemented or addressed.~~

Information Request	Authors	Due Date
Report on the role, structure, and future of MHEC	MHEC MSDE USM Maryland Association of Community Colleges Maryland Independent College and University Association	December 15, 2015

R62I00

Financial Aid Deadline: March 1 is a State deadline to be eligible for specific scholarships and financial aid programs; the federal deadline for the Free Application for Federal Student Aid (FAFSA) is June 30. It is the intent of the budget committees that the Maryland Higher Education Commission (MHEC), in consultation with the University System of Maryland, Morgan State University, St. Mary's College of Maryland, the Maryland Association of Community Colleges, and the Maryland Independent College and University Association, be responsible for a report which examines the positives and negatives of changing the Maryland deadline for FAFSA submission closer to aligning with the federal deadline of June 30 and examines the award process regarding timing and availability of financial awards. The report is due to the budget committees no later than October 30, 2015.

Information Request	Author	Due Date
Implications of changing FAFSA deadline and distribution of financial aid awards	MHEC	October 30, 2015

Consolidated Maryland Net Price Calculator Information: The committees are interested in the feasibility of the Maryland Higher Education Commission (MHEC) operating a centralized website showing the federally required net price calculator for all Maryland higher education institutions. MHEC should explore options such as whether this could be included within existing State programs, such as the MDGo4It website. The report shall be submitted by December 15, 2015.

Information Request	Author	Due Date
Consolidated Maryland net price calculator information	MHEC	December 15, 2015

Recommendations for New Metrics and Programs for Nontraditional Students: The committees are concerned that standard metrics, such as the graduation rate for first-time, full-time students, for evaluating institutional outcomes are not appropriate for institutions that enroll a majority of nontraditional students. Additionally, many State programs focus only on students enrolling in higher education directly from high school. The committees request that the Maryland Higher Education Commission (MHEC) propose new metrics that more accurately measure how well an institution gets nontraditional students to graduation. MHEC should also examine its own programs and other State programs that assist students enrolling in, or success within, higher education. MHEC should take a broad view as to who nontraditional students are, where they enroll, for how long, and what challenges exist outside the classroom for these students and what institutions can do to facilitate success in this student demographic.

R62I00

For submission to the budget committees, MHEC should recommended new metrics and changes to State programs to benefit nontraditional students. The report shall be submitted by December 15, 2015.

Information Request	Author	Due Date
Report on recommendations for new metrics and program changes for nontraditional students	MHEC	December 15, 2015

Report on Uses of Physicians' Fee Revenue: The committees are interested in the uses of special funds that the Maryland Higher Education Commission (MHEC) receives from the Board of Physicians for the purpose of the Health Personnel Shortage Incentive Grant program and the Maryland Loan Assistance Repayment Program for Physicians. MHEC should report how much funding has been received for both programs from fiscal 2010 through 2015, how much has been expended, and how awards are made and to whom they are made. MHEC should also include any recommendations to improve these programs' outcomes given the coordination that is required with the Board of Physicians, the Department of Health and Mental Hygiene, and higher education institutions.

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>Report on uses of physicians' fee revenue</i>	<i>MHEC</i>	<i>December 15, 2015</i>

Report on Credit-free Courses and Programs: The committees are interested in the noncredit, or credit-free, courses and certificate and training programs offered at Maryland's community colleges and having this information available in a single comprehensive report. The report should include enrollment, program completion outcomes, certificates or other equivalent awards earned by type, employment status of graduates, and wage gains for graduates.

When submitting the report, the Maryland Higher Education Commission (MHEC) should also recommend new metrics and any changes to State programs to benefit nontraditional students.

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>Report on credit-free courses and programs</i>	<i>MHEC</i>	<i>December 15, 2015</i>

R75T00 Higher Education

Budget Amendments

HIGHER EDUCATION

R75T00.01 Support for State Operated Institutions of Higher Education

Add the following language to the general fund appropriation:

provided it is the intent of the General Assembly that no funds be expended by Baltimore City Community College on the demolition of the Bard Building in fiscal 2015 or 2016 until Part I and Part II programs have been approved by the Department of Budget and Management's Office of Capital Planning.

Explanation: This language restricts Baltimore City Community College from demolishing the Bard Building until a capital program plan has been approved by the Department of Budget and Management.

Add the following language to the general fund appropriation:

Further provided that \$738,000 of this appropriation made for the purpose of increasing expenditures on institutional need-based financial aid at Morgan State University may be expended only for that purpose. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: This language restricts \$0.7 million of Morgan State University's general fund appropriation provided in the fiscal 2014 supplemental budget to increase institutional need-based financial aid above the fiscal 2013 level to be expended only on need-based aid.

Add the following language to the general fund appropriation:

Further provided that \$378,000 of this appropriation made for the purpose of increasing expenditures on institutional need-based financial aid at Coppin State University may be expended only for that purpose. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: This language restricts \$0.4 million of Coppin State University's general fund appropriation provided in the fiscal 2014 supplemental budget to increase institutional need-based financial aid above the fiscal 2013 level to be expended only on need-based aid.

R75T00

Add the following language to the general fund appropriation:

Further provided that ~~\$1,540,978~~ \$1,440,978 of this appropriation made for the purpose of Baltimore City Community College be reduced.

Explanation: This action ~~holds harmless~~ reduces State support for BCCC to fiscal 2015 State support with all cost containment actions in 2016.

Amendment No. **31**

Add the following language to the general fund appropriation:

Further provided that \$100,000 of this appropriation made for the purpose of administration at the University System of Maryland Office (USMO) may not be expended until the USMO submits a report on the performance criteria and goals that will be used to evaluate the performance of the chancellor. The report shall be submitted to the budget committees by October 1, 2015, or 45 days prior to the release of funds. The budget committees shall have 45 days to review and comment on the report. Funds restricted pending receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: This language restricts the USMO general fund appropriation until a report is submitted on the performance criteria and goals that will be used to evaluate the performance of the chancellor as required by the Board of Regent's employment contract with the new chancellor effective July 1, 2015. The report is to be submitted by October 1, 2015.

Information Request	Author	Due Date
Report on performance criteria and goals of the chancellor	USMO	October 1, 2015

Amendment No. **32**

Committee Narrative

Sexual Misconduct Policies: The issue of sexual assault of ~~women~~ while in college has garnered much attention and discussion especially with the release of the U.S. Department of Education's Office for Civil Rights (OCR) list of 52 institutions under investigation for possible violations of federal law regarding the handling of sexual assault and harassment complaints. The initial list included Frostburg State University. The list has since grown to 100 institutions and includes Morgan State University (MSU) and The Johns Hopkins University. The new federal regulations, effective July 1, 2015, increase requirements of institutions in not only preventing but also in handling sexual misconduct complaints. The budget committees are interested in ensuring that higher education institutions' revised sexual misconduct policies are compliant with recent revisions to federal laws and regulations and also in the implementation of those policies. The budget committees request all higher education institutions including community colleges and the four-year public and private nonprofit institutions: (1) report if the institution has an amnesty policy and if so how is it implemented; (2) with regard to pending federal requirements, how the institution plans to implement a climate survey; and (3) provide a list of all memorandums of understanding applicable to the issue of sexual misconduct. Institutions shall submit the information by July 15, 2015.

Information Request	Authors	Due Date
Report on status and implementation of sexual misconduct policies	University System of Maryland MSU St. Mary's College of Maryland Maryland Independent College and University Association Maryland Association of Community Colleges	July 15, 2015

Instructional Faculty Workload Report: The committees request that the University System of Maryland (USM), Morgan State University (MSU), and St. Mary's College of Maryland (SMCM) continue to provide annual instructional workload reports for tenured and tenure-track faculty. By focusing on these faculty, the committees gain a sense of the teaching activities for the regular core faculty. However, there are other types of instructional faculty at institutions such as full- and part-time nontenured/nontenure track faculty including adjunct faculty, instructors, and lecturers. Focusing on only tenured/tenure-track faculty provides an incomplete picture of how students are taught. Therefore, the report should also include the instructional workload when all types of faculty are considered. Additional information may be included at the institution's discretion. Furthermore, USM's report should include the percent of faculty

R75T00

meeting or exceeding teaching standards for tenured and tenure-track faculty for the University of Maryland, Baltimore.

Information Request	Authors	Due Date
Annual report on faculty workload	USM MSU SMCM	December 15, 2015

Institutional Aid, Pell, and Loan Data by Expected Family Contribution Category: In order to more fully understand all types of aid available to students, the committees request that data be submitted for each community college, public four-year institution, and independent institution on institutional aid, Pell grants, and student loans. Data should include, by expected family contribution (EFC), the number of loans and average loan size of federal subsidized and unsubsidized loans, and loans from private sources as reported to the Maryland Higher Education Commission (MHEC). Additionally, data should be provided on Pell grants, including the number and average award size by EFC. Finally, data should include the number of institutional aid awards and average award size by EFC for institutional grants, institutional athletic scholarships, and other institutional scholarships. The data in the response should differentiate between need-based aid and merit scholarships. Data should also include the number of institutional aid awards and average award size by EFC for tuition waivers/remissions of fees to employees and dependents and students. Waiver information for students should be reported by each type of waiver in State law. This report should cover fiscal 2015 data received by MHEC from State institutions and is to be submitted in an electronic format (Excel file).

Information Request	Author	Due Date
Report on financial aid categories by EFC	MHEC	December 15, 2015

Meeting Schedule and Report Timeline: The P-20 Council was established under Section 24-801 of the Education Article to investigate ways to improve prekindergarten through post-secondary education, advance workforce creation, and make the State more competitive. Statute requires the council to meet at least quarterly and annually submit a report on December 15 that includes recommendations and a summary of the council's activities for the year. The budget committees would like to ensure that progress continues under the work of the P-20 Council. Therefore, the committees request that the Governor's office submit the schedule of meetings that the P-20 Council will hold during 2015 by May 1, 2015. Additionally, statute requires the council to submit a report every two years beginning by December 1, 2014, on the progress of implementing the College and Career Readiness and College Completion Act (CCRCCA) strategies required by Chapter 533 of 2013. The committees also request the council submit a timeline for submitting a report on the status of implementing CCRCCA by May 1, 2015.

R75T00

Information Request	Author	Due Date
<i>Meeting schedule of the P-20 Council and timeline for submitting CCRCCA report</i>	<i>P-20 Council</i>	<i>May 1, 2015</i>

Report to Ensure High Quality Teachers: *The P-20 Council established a task force on teacher education to develop recommendations and an action plan to ensure Maryland programs produce high quality teachers. The budget committees are interested in the task force examining identified best practices of high performing countries and developing recommendations to producing high quality teachers and making teaching a profession with career ladders. The committees request the task force to submit a report with recommendations to ensure Maryland produces high quality teachers based on identified best practices by November 15, 2015.*

Information Request	Author	Due Date
<i>Recommendations on ensure high quality teachers</i>	<i>Task Force on Teacher Education</i>	<i>November 15, 2015</i>

Report on the Reassessment of Fund Splits: *In calculating the State-funded portion of personnel cost increases for State-supported positions (positions supported with State funds, tuition revenues, and other unrestricted funds), the Department of Budget and Management (DBM) uses fund splits that have not been reviewed in over 10 years. DBM originally developed the fund splits in consultation with the University System of Maryland (USM). A result of not regularly reviewing the fund splits, it does not accurately reflect changes in higher institutions' revenue streams in which tuition and fee revenues account for an increasing share of unrestricted revenues. Over the past 2 years, questions have also been raised regarding what portion of cost-of-living adjustments and salary increments should be funded by the State. Therefore, the budget committees are interested in the development of fund splits in which the State funds a fair and proportionate share of increases in personnel costs related to State-supported positions. USM and DBM, along with the Department of Legislative Services (DLS), should review the fund splits and submit a report to the committees on the current fund splits, and to the extent consensus can be reached, the proposed new splits and how the portions were calculated, by August 15, 2015.*

Information Request	Authors	Due Date
<i>Report on the reassessment of the fund splits for State-supported personnel costs</i>	<i>USM DBM DLS</i>	<i>August 15, 2015</i>

R95C00
Baltimore City Community College

Budget Amendments

BALTIMORE CITY COMMUNITY COLLEGE

R95C00.00 Baltimore City Community College

Add the following language:

Provided it is the intent of the General Assembly that no funds be expended by Baltimore City Community College (BCCC) on the demolition of the Bard Building in fiscal 2015 or 2016 until Part I and Part II programs have been approved by the Department of Budget and Management's Office of Capital Planning.

Explanation: This language restricts BCCC from demolishing the Bard Building until a capital program plan has been approved by the Department of Budget and Management.

Add the following language to the unrestricted fund appropriation:

, provided that this appropriation made for the purpose of BCCC be reduced by \$1,540,978 \$1,440,978.

Explanation: This action ~~holds harmless~~ *reduces* State support for BCCC to ~~fiscal 2015~~ State support with all cost containment actions *in 2016*.

Amendment No. **33**

S00A
Department of Housing and Community Development

Budget Amendments

Add the following language to the general fund appropriation:

Provided that this appropriation shall be reduced by \$2,400,000 in general funds contingent upon the enactment of legislation authorizing the use of the Maryland Housing Counseling Fund for operational expenses. Authorization is hereby provided to process a Special Fund amendment of up to \$2,400,000 to support operational expenses. The Secretary is authorized to allocate the General Fund reduction across any program.

Explanation: A general fund reduction and special fund amendment for operational expenses are contingent upon the enactment of the Budget Reconciliation and Financing Act of 2015. This is a technical correction to make the language free standing.

DIVISION OF NEIGHBORHOOD REVITALIZATION

S00A24.01 Neighborhood Revitalization

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete general funds and replace with special funds using the savings created by increasing the department's turnover rate to 10%. The department is authorized to add special funds by budget amendment to replace the general funds deleted by this action.	1,215,462 GF	
Total Reductions	1,215,462	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	32.00	32.00		0.00
General Fund	4,910,000	3,694,538	1,215,462	
Special Fund	11,057,201	11,057,201	0	
Federal Fund	11,949,161	11,949,161	0	
Total Funds	27,916,362	26,700,900	1,215,462	

S00A

DIVISION OF DEVELOPMENT FINANCE

S00A25.04 Housing and Building Energy Programs

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Delete special funds due to the budgeting of unawarded funds from the EmPOWER program. The department is authorized to add special funds by budget amendment if further EmPOWER funds are approved by the Public Service Commission.	8,000,000 SF	
Total Reductions	8,000,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	25.00	25.00		0.00
Special Fund	36,143,300	28,143,300	8,000,000	
Federal Fund	3,581,510	3,581,510	0	
Total Funds	39,724,810	31,724,810	8,000,000	

DIVISION OF FINANCE AND ADMINISTRATION

S00A27.01 Finance and Administration

Strike the following language from the general fund appropriation:

~~provided that this appropriation shall be reduced by \$2,400,000 contingent upon the enactment of legislation authorizing the use of the Maryland Housing Counseling Fund for operational expenses. Authorization is hereby provided to process a Special Fund amendment of up to \$2,400,000 to support the Finance and Administration Program.~~

Explanation: The bill as introduced includes a general fund reduction and authorization for a special fund amendment for operational expenses, which are contingent upon the enactment of the Budget Reconciliation and Financing Act of 2015. The language is stricken so it can be replaced by free standing language in the department.

T00
Department of Business and Economic Development

Budget Amendments

DIVISION OF BUSINESS AND ENTERPRISE DEVELOPMENT

T00F00.08 Office of Finance Programs

Add the following language to the special fund appropriation:

, provided that \$100,000 of this appropriation made for the purpose of funding the Office of Finance Programs may not be expended until the Department of Business and Economic Development submits a report on its activities under the State Small Business Credit Initiative. The report shall include a discussion on the delayed implementation of the program and a detailed explanation of the steps taken to address the delay. The report shall also include a detailed accounting of the administrative costs of the initiative by departmental program.

Further provided that the budget committees shall have 45 days to review and comment from the date of receipt of the report. Funds restricted pending receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: This language will restrict funds under the department's Office of Finance Programs until it submits a report on the delayed implementation of the State Small Business Credit Initiative (SSBCI).

Information Request	Author	Due Date
Report on SSBCI	Department of Business and Economic Development	45 days prior to the release of funds

T00F00.19 CyberMaryland Investment Incentive Tax Credit Program

Strike the following language from the general fund appropriation:

~~, provided that this appropriation shall be reduced by \$500,000 contingent upon the enactment of legislation reducing the required appropriation for the Tax Credit Program.~~

Explanation: The fiscal 2016 budget bill as introduced includes a \$500,000 reduction to the CyberMaryland Investment Incentive Tax Credit Program that is contingent upon the enactment of a provision in the Budget Reconciliation and Financing Act of 2015. This action strikes the contingent reduction so that the reduction may be taken directly.

T00

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce funds under the CyberMaryland Investment Incentive Tax Credit Program reflecting the actual demand under the program.	500,000	GF
Total Reductions	500,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	2,000,000	1,500,000	500,000	
Total Funds	2,000,000	1,500,000	500,000	

T00F00.23 Maryland Economic Development Assistance Authority and Fund

Add the following language to the general fund appropriation:

, provided that \$150,000 of this appropriation made for the purpose of providing business financial assistance may not be expended for that purpose and instead may be used only to provide a grant to the National Center for the Veteran Institute for Procurement to provide training and procurement opportunities to Maryland-based veteran-owned business or entrepreneurs. Funds not used for this restricted purpose may not be expended or otherwise transferred and shall revert to the General Fund.

Explanation: This language would restrict funds under the Maryland Economic Development Assistance Authority and Fund to be used only to provide a grant to the National Center for the Veteran Institute for Procurement to provide training and procurement opportunities to Maryland-based veteran-owned businesses.

Amendment No.

34

T00

DIVISION OF TOURISM, FILM AND THE ARTS

T00G00.05 Maryland State Arts Council

Strike the following language from the general fund appropriation:

~~, provided that this appropriation shall be reduced \$1,361,571 contingent upon the enactment of legislation reducing the required appropriation for the Maryland State Arts Council.~~

Explanation: The fiscal 2016 budget bill as introduced includes a \$1,361,571 reduction to the Maryland State Arts Council contingent upon the enactment of a provision in the Budget Reconciliation and Financing Act of 2015 that allows the Governor to fund the mandate at the fiscal 2014 level.

T00G00.08 Preservation of Cultural Arts Program

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funds under the Preservation of Cultural Arts in order to transfer the funds to the general fund.	342,958	SF

Total Reductions	342,958
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<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Special Fund	2,000,000	1,657,042	342,958	
Total Funds	2,000,000	1,657,042	342,958	

Amendment No.

35

U00A
Department of the Environment

Budget Amendments

Add the following language:

Provided that 6 regular positions shall be abolished and \$500,000 in general funds reduced from the appropriation of the Maryland Department of the Environment (MDE) unless the 6 regular positions are reclassified by January 1, 2016, for statewide inspection, enforcement, compliance, compliance assistance, and permit issuance related to erosion and sediment control in the Water Management Administration – Compliance subprogram. MDE shall submit a report to the budget committees by January 15, 2016, indicating whether or not the positions were reclassified and, if they were reclassified, what work these positions will do to address the requirement to inspect every active construction site for compliance with erosion and sediment control plans on average of once every 2 weeks in accordance with State regulations.

Explanation: MDE has been unable to muster sufficient resources to inspect every active construction site for compliance with erosion and sediment control plans on average of once every two weeks in accordance with State regulations. This is reflected in the department's November 2011 audit and again in its January 2015 audit. This action abolishes 6 positions and funding unless the positions are reclassified for this purpose in the Water Management Administration – Compliance subprogram by January 1, 2016.

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
Status of positions for erosion and sediment control inspection	MDE	January 15, 2016

Amendment No. **36**

Committee Narrative

WATER MANAGEMENT ADMINISTRATION

U00A04.01 Water Management Administration

~~**Soil and Erosion Control Inspection:** The committees are concerned that the Maryland Department of the Environment (MDE) has been unable to inspect every active construction site for compliance with erosion and sediment control plans an average of once every two weeks in accordance with State regulations. This is reflected in MDE's November 2011 audit and again in its January 2015 audit. Therefore, the committees request the submission of a report on how~~

U00A

~~MDE will meet this requirement. The report shall be coordinated with the construction industry, environmental advocacy stakeholders, and the Department of Budget and Management (DBM) and include the following:~~

- ~~• the universe of inspection sites;~~
- ~~• the number of sites that MDE inspects;~~
- ~~• the number of sites that each delegated authority inspects;~~
- ~~• the number of remaining sites that are not inspected;~~
- ~~• strategies for reducing the remaining sites not inspected to zero including, but not limited to, lowering the standard in regulation, delegating additional authority for inspections to other entities, fostering greater coordination with local governments, increasing inspection positions, and evaluating the usefulness of surveillance technology, such as unmanned aerial vehicles; and~~
- ~~• an action plan implementing the strategies for reducing the remaining sites not inspected to zero including funding, positions, programmatic changes, performance measures, and a timeline for implementation to which the fiscal 2016 working appropriation and fiscal 2017 allowance may be compared.~~

Information Request	Authors	Due Date
Soil and erosion control inspection report	MDE DBM	September 1, 2015

V00A
Department of Juvenile Services

Budget Amendments

DEPARTMENTAL SUPPORT

V00D02.01 Departmental Support

Add the following language to the general fund appropriation:

, provided that since the Department of Juvenile Services (DJS) has had four or more repeat findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), \$100,000 of this agency's administrative appropriation may not be expended unless:

- (1) DJS has taken corrective action with respect to all repeat audit findings on or before November 1, 2015; and
- (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days to review and comment to allow for funds to be released prior to the end of fiscal 2016.

Explanation: The Joint Audit Committee has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each such agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency and a determination by OLA that each finding was corrected. OLA shall submit reports to the budget committees on the status of the repeat findings.

Information Request	Author	Due Date
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

Committee Narrative

Juvenile Services Education: The budget committees are concerned ~~that about~~ the level of educational services received by youth in Department of Juvenile Services' (DJS) facilities ~~may not be adequate, particularly since responsibility for providing those services was transferred from DJS to the Maryland State Department of Education (MSDE).~~ The budget committees request DJS and *the Maryland State Department of Education (MSDE)* to jointly submit ~~certification that a report concerning the education services that all youth in DJS detention or committed treatment facilities are receiving education services that align with all State and~~

V00A

~~federal requirements. The submitted report should specifically document the total amount of instruction time received by students per week at each facility, whether the educators at each facility are State or contractual employees, and that all education-related needs for special education students are currently being met~~ *whether students with disabilities have all Individualized Education Program special education and related services implemented in the least restrictive environment.* The requested information is due to the budget committees no later than September 30, 2015.

Information Request	Authors	Due Date
Juvenile Services Education	DJS MSDE	September 30, 2015

W00A
Department of State Police

Budget Amendments

Strike the following language:

~~Provided that 50 General Fund positions are abolished by July 1, 2015.~~

~~**Explanation:** Abolish 50 positions funded with general funds, which would result in savings of approximately \$5 million. The Department of State Police is required to reduce the fiscal 2016 allowance by \$5,226,000 in general funds to meet an across-the-board reduction of 2%.~~

Amendment No. **37**

MARYLAND STATE POLICE

W00A01.02 Field Operations Bureau

Add the following language to the general fund appropriation:

provided that \$500,000 of this appropriation made for the purpose of the Aviation Command may not be expended until the Aviation Command submits a report to the budget committees on measures taken to address issues identified by the Office of Legislative Audits' Special Report: Department of State Police Aviation Command Mission Data. The budget committees shall have 45 days to review and comment following receipt of the report. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The Office of Legislative Audits (OLA) submitted a special report that reviewed Aviation Command mission data from fiscal 2006 to 2013 and reviewed the collection methodology for the data. OLA identified four issues that the Aviation Command should address to ensure consistent and accurate mission data collection. This action restricts \$500,000 until a report is submitted describing actions the Aviation Command has taken to address these issues.

Information Request	Author	Due Date
Report detailing actions taken to address issues identified by OLA	Department of State Police Aviation Command	45 days prior to the expenditure of funds

Committee Narrative

Maryland Coordination and Analysis Center Budget Appendix: It is the intent of the budget committees that the Department of State Police, in conjunction with the Maryland Coordination and Analysis Center (MCAC) and the Department of Budget and Management, continue to submit budget information that consolidates State budgetary resources to MCAC in the form of an appendix in the Maryland Budget Highlights book in fiscal 2017 and subsequent fiscal years. Budget information and the resulting appendix should include more comprehensive personnel expenditure information, including position counts, from each State agency assigned at MCAC.

Report on Diversity in Hiring and Promotion Within Sworn Officer Ranks: The budget committees request that the Department of State Police (DSP) submit a report detailing the department's plans to increase diversity in hiring and promotion within sworn officer ranks. The report should provide the most recent demographic breakdown of DSP's sworn officers by rank, race, ethnicity, and gender. The report should also compare DSP's diversity to the diversity of the State and other comparable police forces in the area. In addition, DSP should identify any diversity goals or standards the department aims to meet. A report shall be submitted by December 1, 2015, to the budget committees.

Information Request	Author	Due Date
Report on diversity in hiring and promotion within sworn officer ranks	DSP	December 1, 2015

Report on Junk and Scrap Metal Enforcement: Since 2010, the Department of State Police (DSP) Regional Automated Property Information Database (RAPID) Team has worked with the Comptroller's Field Enforcement Division to enforce junk and scrap metal laws. The budget committees request that DSP submit a report providing an update on junk and scrap metal enforcement in the State since 2010 and recommendations that could improve enforcement, including suggestions on legislation and budgetary support. A report should be submitted to the budget committees by December 1, 2015.

Information Request	Author	Due Date
Report on junk and scrap metal enforcement	DSP	December 1, 2015

X00A00 Public Debt

Budget Amendments

X00A00.01 Redemption and Interest on State Bonds

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce the general fund appropriation. On March 4, 2015, the State sold \$518.0 million in new general obligation (GO) bonds and \$365.4 million in refunding bonds. The new bond issuance generated \$72.6 million in bond sale premiums. The allowance assumes that \$39.3 million in premiums is applied to debt service. The additional \$33.3 million can also be applied to debt service. The new bond sale also projected \$25.9 million in fiscal 2016 debt service. Actual debt service for the sale is \$22.4 million. The sale reduces fiscal 2016 debt service by \$3.5 million. Fiscal 2016 savings from the refunding sale total \$3.6 million. Taken together, the bond sale reduced fiscal 2016 debt service costs by \$7.1 million and added \$33.3 million to the Annuity Bond Fund. This provides sufficient savings and fund balances to reduce the general fund appropriation by \$40.0 million.	40,000,000	GF
Total Reductions	40,000,000 0	

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	274,000,000	234,000,000	40,000,000	
Special Fund	845,377,926	845,377,926	0	
Federal Fund	11,477,263	11,477,263	0	
Total Funds	1,130,855,189	1,090,855,189	40,000,000	

Committee Narrative

~~**Review Capital Debt Affordability Process:** To manage State debt, the State created the Capital Debt Affordability Committee (CDAC). The committee has adopted two criteria to determine if State debt is affordable: State debt outstanding cannot exceed 4% of State personal income and State debt service cannot exceed 8% of State revenues. These criteria have succeeded in reducing State debt, which was unacceptably high in the late 1970s. However, the committees are concerned that the State has been increasing authorizations while State revenues have not been able to keep up with increasing debt service costs. Debt service costs are expected to increase at a rate of 6% per year while State property tax revenues, which support debt service, are expected to increase at a rate of 1% per year. The State is also at the debt limit and any reductions in revenue estimates will be difficult for the capital budget program to absorb. Two specific concerns about the affordability process are that the cost of authorizing additional debt is undervalued and that the State's current fiscal condition is not considered. CDAC should review the affordability process to examine how the process can better evaluate the cost of increasing authorizations and better link the affordability criteria with the State's current fiscal condition. Procedures to address these concerns should be adopted. CDAC should report on its evaluation and new procedures in its October 2015 report.~~

Information Request	Author	Due Date
Review of debt affordability process	CDAC	With the October 2015 annual report

Y01A State Reserve Fund

Budget Amendments

Y01A02.01 Dedicated Purpose Account

Strike the following language from the general fund appropriation:

~~, provided that this appropriation shall be reduced by \$50,000,000 contingent upon the enactment repealing the required repayment of transfer tax revenue.~~

Explanation: The Administration is required to appropriate \$50 million into the DPA in fiscal 2016 to repay previous fund transfers. This language clarifies that the funds are contingent upon failure to enact of legislation removing the funds. Since the language is not required for the General Assembly, the language is removed.

Add the following language to the general fund appropriation:

, provided that \$10,000,000 of this appropriation shall be transferred to the Local Income Tax Reserve Account on July 1, 2015.

Explanation: The budget includes \$100 million to be transferred to the Local Income Tax Reserve Account. The funds are transferred to reimburse the \$100 million that was transferred from the account to the general fund in fiscal 2014. One purpose of the Local Income Tax Reserve Account is to transfer income tax receipts that the State collects on behalf of local jurisdictions to those jurisdictions. Since fund balances have fallen below \$100 million after especially large transfers to local governments, it is unclear the fund has sufficient revenues to support local income tax payments without this \$100 million. To ensure that funds in this account are sufficient to fully support local income tax payments, the administration included \$100 million in the Dedicated Purpose Account to be transferred to the Local Income Tax Reserve Account. This language requires that these funds are transferred to the account on the first day, so that the account has sufficient reserves throughout the fiscal year.

Strike the following language from the general fund appropriation:

~~Transfer Tax Reimbursement.....50,000,000~~

Explanation: This is a technical amendment.

Y01A

Amend the following language:

Local Income Tax Reserve Account Repayment...~~400,000,000~~ 10,000,000

Explanation: Modify language to reflect the House budget.

Committee Narrative

Use of Rainy Day Funds: The budget committees are concerned with the continued reliance on fund transfers from accounting reserves and dedicated fund balances for support of the budget. Other states, even AAA-rated states, put much more reliance on their revenue stabilization funds to address acute revenue shortfalls and have done so without altering their credit ratings. In Maryland, the practice of continually discounting funds and balances has prompted legislation creating barriers to future transfers and requiring funds lost to be replenished with the effect of burdening future budgets. The budget committee thereafter suggests that budgeting practices be altered to include use of the Revenue Stabilization Account as a resource of first resort to address budget gaps.

Fiscal 2015 Deficiencies

Fiscal 2015 Deficiency

D40W01.07 Management Planning and Educational Outreach

Strike the following language on the special fund appropriation:

~~D40W01.01 Management Planning and Educational Outreach~~

~~To become available immediately upon passage of this budget to adjust the appropriation for fiscal year 2015 to reduce funding for Maryland Heritage Areas Authority grants.~~

Special Fund Appropriation ~~-300,000~~

Explanation: This action strikes the fiscal 2015 negative deficiency appropriation of \$300,000 in special funds for Maryland Heritage Areas Authority grants. There is a complementary action in the Budget Reconciliation and Financing Act (BRFA) of 2015 to reject the Governor's proposed \$209,000 transfer from the Maryland Heritage Areas Authority Financing Fund balance. The BRFA action along with the estimated remaining \$74,812 Maryland Heritage Areas Authority Financing Fund balance are sufficient to support the majority of the restored \$300,000 appropriation provided for by this action.

Fiscal 2015 Deficiencies

Fiscal 2015 Deficiency

MARYLAND PARK SERVICE

K00A04.01 State-Wide Operations

Add the following language to the special fund appropriation:

To become available immediately upon passage of this budget to both supplement and reduce the fiscal year 2015 appropriation to provide funds for operational expenses for the Maryland Park Service ~~and to eliminate the Maryland Park Service's payment in lieu of taxes to local jurisdictions.~~

General Fund Appropriation

22,783,636

~~Special Fund Appropriation, provided that, \$235,000 of this appropriation made for the purpose of administering the Maryland Park Service may be used only for the purpose of providing a grant to Garrett County attributable to its revenue sharing payment from the Deep Creek Lake Recreation Maintenance and Management Fund. Funds not used for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled contingent upon the enactment of SB 134 or HB 1091, this appropriation is reduced by \$1,600,000, provided that the remaining \$235,000 shall be provided only as a grant to Garrett County for revenue sharing payments from Deep Creek Lake Recreation Maintenance and Management Fund earnings. Further provided that, contingent upon the failure of SB 134 and HB 1091, \$1,835,000 shall be used only for the purpose of making revenue sharing payments to local jurisdictions from Forest or Park Reserve Fund nontimber earnings and Deep Creek Lake Recreation Maintenance and Management Fund earnings. Funds not used for these restricted purposes may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.~~

~~-24,900,636~~

~~-24,665,636~~

~~-23,065,636~~

~~-2,117,000~~

~~-1,882,000~~

~~-282,000~~

Explanation: ~~This action reduces the fiscal 2015 negative deficiency appropriation by \$235,000 in special funds and specifies that Garrett County shall receive its revenue sharing payment from the Deep Creek Lake Recreation Maintenance and Management Fund. The~~

Fiscal 2015 Deficiencies

~~agency is authorized to bring in a budget amendment using the fund balance from Program Open Space—State and the Forest or Park Reserve Fund in order to support the Maryland Park Service since the \$235,000 from the Deep Creek Lake Recreation Maintenance and Management Fund will no longer be available for that purpose. This action restores the funding for payment in lieu of taxes to local jurisdictions from the Forest or Park Reserve Fund nontimber earnings and Deep Creek Lake Recreation Maintenance and Management Fund earnings if both SB 134 and HB 1091 fail. Further, this action specifies that if either SB 134 or HB 1091 is enacted then the appropriation is reduced by \$1,600,000 and the remaining \$235,000 is paid to Garrett County from the Deep Creek Lake Recreation Maintenance and Management Fund.~~

Amendment No. **38**

K00A04.06 Revenue Operations

Add the following language to the special fund appropriation:

~~To become available immediately upon passage of this budget to reduce the appropriation for fiscal year 2015 to address a shortfall in transfer tax revenue by eliminating the Maryland Park Service's payment in lieu of taxes to local jurisdictions.~~

Special Fund Appropriation, provided that this appropriation shall be reduced by \$140,000 contingent upon the enactment of SB 134 or HB 1091. -140,000
0

Explanation: *This action restores the funding for payment in lieu of taxes to local jurisdictions from the Forest or Park Concession Account. If either SB 134 and HB 1091 are enacted, then the appropriation is reduced as originally proposed by the Governor.*

Amendment No. **39**

Fiscal 2015 Deficiencies

Fiscal 2015 Deficiency

MEDICAL CARE PROGRAMS ADMINISTRATION

M00Q01.03 Medical Care Provider Reimbursements

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce deficiency need based on most recent estimate of fiscal 2015 overall Medicaid expenditures.	20,000,000	GF
Total Reductions	20,000,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	38,000,000	18,000,000	20,000,000	
Total Funds	38,000,000	18,000,000	20,000,000	

Amend the following language on the general fund appropriation:

, provided that this appropriation shall be reduced by ~~\$45,000,000~~ \$47,000,000 contingent upon the enactment of legislation authorizing the use of the Maryland Health Insurance Plan Fund for Medicaid provider reimbursements

Explanation: The language reduces general funds by \$47 million contingent upon legislation authorizing the use of a surplus in the Maryland Health Insurance Plan Fund for Medicaid. Authorization is included in the Budget Reconciliation and Financing Act of 2015.

Fiscal 2015 Deficiencies

Fiscal 2015 Deficiency

R00A02.07 Students With Disabilities

Strike the following language to the general fund appropriation:

~~R00A02.07—Students with Disabilities~~

~~To become available immediately upon passage of this budget to reduce the appropriation for fiscal year 2015 to implement cost containment reductions by reducing nonpublic placement provider rates.~~

~~General Fund Appropriation~~ ~~-376,995~~

Explanation: This action strikes the fiscal 2015 negative deficiency appropriation of \$376,995 in general funds for nonpublic placement providers within the Maryland State Department of Education Aid to Education budget. The negative deficiency would have reduced nonpublic placement provider rates to the fiscal 2014 level for the last quarter of fiscal 2015. This action restores the rate increase.

Amendment No.

40

Sections

Budget Amendments

Amend the following section:

Section 17 Using Funds for Their Intended Purpose

SECTION 17. AND BE IT FURTHER ENACTED, That funds appropriated to the various State agency programs and subprograms in Comptroller Objects 0152 (Health Insurance), 0154 (Retirees Health Insurance Premiums), 0175 (Workers' Compensation), 0217 (Health Insurance), 0305 (DBM Paid Telecommunications), 0322 (Capital Lease Telecommunications), 0874 (Office of Attorney General Administrative Fee), 0876 (DoIT IT Services Allocation), 0894 (State Personnel System Allocation), 0897 (Enterprise Budget System Allocation), and 1303 (rent paid to DGS) are to be utilized for their intended purposes only. ~~The expenditure or transfer of these funds for other purposes requires the prior approval of the Secretary of Budget and Management.~~ Notwithstanding any other provision of law, the Secretary of Budget and Management may transfer amounts appropriated in Comptroller Objects 0152, 0154, 0217, 0305, 0322, and 0876 between State departments and agencies by approved budget amendment in fiscal year 2015 and fiscal year 2016. All funds budgeted in or transferred to Comptroller Objects 0152 and 0154, and any funds restricted in this budget for use in the employee and retiree health insurance program that are unspent shall be credited to the fund as established in accordance with Section 2-516 of the State Personnel and Pensions Article of the Annotated Code of Maryland.

Further provided that each agency that receives funding in this budget in any of the restricted Comptroller Objects listed within this section shall establish within the State's accounting system a structure of accounts to separately identify for each restricted Comptroller Object, by fund source, the legislative appropriation, monthly transactions, and final expenditures. It is the intent of the General Assembly that an accounting detail be established so that the Office of Legislative Audits may review the disposition of funds appropriated for each restricted Comptroller Object as part of each closeout audit to ensure that funds are used only for the purposes for which they are restricted and that unspent funds are reverted or canceled.

Explanation: This amendment pertaining to restricted objects of expenditure is amended to disallow transfers to other purposes and makes it possible for the Office of Legislative Audits to track the disposition of funds in restricted statewide subobjects.

Sections

Amend the following section:

Section 19 2% Across-the-Board Reduction

SECTION 19. AND BE IT FURTHER ENACTED, That for fiscal year 2016, the general fund appropriations in Section 1 of this act for ~~Executive Branch~~ agencies shall be reduced by ~~\$117,992,000~~ \$121,007,173. This reduction may be allocated to any object or subject of expenditure related to agency operations in the following amounts in accordance with a schedule determined by the Governor, Chief Judge, and the Presiding Officers:

Agency	General Funds
<u>B75 General Assembly</u>	<u>311,740</u>
<u>C00 Judiciary</u>	<u>2,703,433</u>
C80 Office of the Public Defender	2,019,000
C81 Office of the Attorney General	363,000
C82 State Prosecutor	30,000
C85 Maryland Tax Court	13,000
D05 Board of Public Works (BPW)	153,000
D10 Executive Department – Governor	255,000
D11 Office of the Deaf and Hard of Hearing	8,000
D12 Department of Disabilities	65,000
D15 Boards and Commissions	196,000
D16 Secretary of State	41,000
D18 Governor’s Office for Children	40,000
D25 BPW Interagency Committee for School Construction	38,000
D26 Department of Aging	430,000
D27 Maryland Commission on Civil Rights	52,000
D28 Maryland Stadium Authority	252,000
D38 State Board of Elections	133,000
D39 Maryland State Board of Contract Appeals	14,000
D40 Department of Planning	267,000
D50 Military Department	249,000
D55 Department of Veterans Affairs	166,000
D60 Maryland State Archives	45,000
D90 Canal Place Preservation and Development Authority	2,000
E00 Comptroller of Maryland	1,745,000
E20 State Treasurer’s Office	105,000
E50 Department of Assessments and Taxation	549,000
E75 State Lottery and Gaming Control Agency	507,000
E80 Property Tax Assessment Appeals Board	22,000
F10 Department of Budget and Management	327,000
F50 Department of Information Technology	1,310,000
H00 Department of General Services	1,270,000
K00 Department of Natural Resources	1,126,000

Sections

L00 Department of Agriculture	513,000
M00 Department of Health and Mental Hygiene	27,215,000
N00 Department of Human Resources	6,888,000
P00 Department of Labor, Licensing and Regulation	954,000
Q00 Department of Public Safety and Correctional Services	24,378,000
R00 State Department of Education – Headquarters	2,785,000
R00 Children’s Cabinet Interagency Fund	475,000
R00 Maryland Longitudinal Data System Center	47,000
R15 Maryland Public Broadcasting Commission	168,000
R62 Maryland Higher Education Commission	2,068,000
R75 Support for State Operated Institutions of Higher Education	27,211,000
S00 Department of Housing and Community Development	160,000
S50 Maryland African American Museum Corporation	41,000
T00 Department of Business and Economic Development	1,084,000
T50 Maryland Technology Development Corporation	407,000
U00 Department of the Environment	698,000
V00 Department of Juvenile Services	5,882,000
W00 Department of State Police	5,226,000
Total General Funds	117,992,000
	<u>121,007,173</u>

Explanation: A statewide across-the-board reduction in the budget as introduced cut \$118 million in general funds from Executive Branch agencies. This action includes the Legislative and Judicial branches, which increases the overall cut by \$3 million in general funds.

Amend the following section:

Section 21 Delete Employee Increments

SECTION 21. AND BE IT FURTHER ENACTED, That for fiscal year 2016 funding for salaries and wages shall be reduced by ~~\$102,520,296~~ \$108,148,235 in ~~Executive Branch State~~ agencies to eliminate the July 1, 2015, and January 1, 2016, merit increases. Funding for this purpose shall be reduced in the appropriate sub-object expenditure applicable to the merit increases funding within the ~~Executive Branch State~~ agencies in fiscal year 2016 by the following amounts in accordance with a schedule determined by the Governor and Chief Judge:

	Agency	General Funds
C00	Judiciary	<u>5,159,158</u>
C80	Office of the Public Defender	1,210,139
C81	Office of the Attorney General	259,744
C82	State Prosecutor	12,206
C85	Maryland Tax Court	2,259
D05	Board of Public Works (BPW)	13,002

Sections

D10	Executive Department – Governor	78,005
D11	Office of the Deaf and Hard of Hearing	6,804
D12	Department of Disabilities	27,798
D15	Boards and Commissions	140,185
D16	Secretary of State	52,030
D18	Governor’s Office for Children	27,788
D25	BPW Interagency Committee for School Construction	27,940
D26	Department of Aging	27,201
D27	Maryland Commission on Civil Rights	70,087
D38	State Board of Elections	40,453
D39	Maryland State Board of Contract Appeals	2,951
D40	Department of Planning	184,579
D50	Military Department	100,746
D55	Department of Veterans Affairs	55,353
D60	Maryland State Archives	29,022
E00	Comptroller of Maryland	930,591
E20	State Treasurer’s Office	44,878
E50	Department of Assessments and Taxation	423,242
E75	State Lottery and Gaming Control Agency	174,660
E80	Property Tax Assessment Appeals Board	11,179
F10	Department of Budget and Management	182,809
F50	Department of Information Technology	162,129
H00	Department of General Services	542,162
K00	Department of Natural Resources	1,203,933
L00	Department of Agriculture	261,121
M00	Department of Health and Mental Hygiene	7,552,124
N00	Department of Human Resources	3,562,224
P00	Department of Labor, Licensing and Regulation	176,967
Q00	Department of Public Safety and Correctional Services	9,601,868
R00	State Department of Education	588,050
R15	Maryland Public Broadcasting Commission	164,000
R62	Maryland Higher Education Commission	66,533
R75	Support for State Operated Institutions of Higher Education	43,699,000
R99	Maryland School for the Deaf	350,000
T00	Department of Business and Economic Development	216,741
U00	Department of the Environment	281,044
V00	Department of Juvenile Services	3,748,066
W00	Department of State Police	4,908,311
	Total General Funds	81,219,924
	Total General Funds	<u>86,379,082</u>

Sections

	Agency	Special Funds
C00	Judiciary	301,347
C81	Office of the Attorney General	58,860
C90	Public Service Commission	193,699
C91	Office of the People's Counsel	32,881
C94	Subsequent Injury Fund	25,199
C96	Uninsured Employers Fund	19,436
C98	Workers' Compensation Commission	137,058
D12	Department of Disabilities	1,450
D13	Maryland Energy Administration	48,787
D15	Boards and Commissions	2,114
D26	Department of Aging	1,975
D38	State Board of Elections	2,345
D40	Department of Planning	13,999
D53	Maryland Institute for Emergency Medical Services Systems	128,768
D55	Department of Veterans Affairs	2,009
D60	Maryland State Archives	54,964
D78	Maryland Health Benefit Exchange	110,120
D80	Maryland Insurance Administration	287,559
D90	Canal Place Preservation and Development Authority	1,943
E00	Comptroller of Maryland	168,787
E20	State Treasurer's Office	1,371
E50	Dept. of Assessments and Taxation	437,239
E75	State Lottery and Gaming Control Agency	113,213
F10	Department of Budget and Management	156,634
F50	Department of Information Technology	12,857
G20	State Retirement Agency	142,420
G50	Teachers and State Employees Supplemental Retirement Plans	11,868
H00	Department of General Services	10,482
J00	Department of Transportation	6,382,000
K00	Department of Natural Resources	866,074
L00	Department of Agriculture	97,027
M00	Department of Health and Mental Hygiene	397,204
N00	Department of Human Resources	98,322
P00	Department of Labor, Licensing and Regulation	345,013
Q00	Department of Public Safety and Correctional Services	364,150
R00	State Department of Education	38,710
R15	Maryland Public Broadcasting Commission	196,000
S00	Department of Housing and Community Development	300,805
T00	Department of Business and Economic Development	78,534
U00	Department of the Environment	580,556
W00	Department of State Police	1,102,022
	Total Special Funds	<u>12,914,334</u>
		<u>13,325,801</u>

Sections

	Agency	Federal Funds
C00	Judiciary	57,314
C81	Office of the Attorney General	32,536
D12	Department of Disabilities	9,868
D15	Boards and Commissions	23,428
D26	Department of Aging	21,116
D27	Maryland Commission on Civil Rights	10,136
D40	Department of Planning	13,985
D50	Military Department	279,078
D55	Department of Veterans Affairs	16,933
J00	Department of Transportation	695,000
K00	Department of Natural Resources	129,242
L00	Department of Agriculture	9,502
M00	Department of Health & Mental Hygiene	952,099
N00	Department of Human Resources	3,125,861
P00	Department of Labor, Licensing and Regulation	1,216,866
Q00	Dept. of Public Safety and Correctional Services	174,628
R00	State Department of Education	1,212,579
R62	Maryland Higher Education Commission	1,649
S00	Department of Housing and Community Development	106,697
T00	Department of Business and Economic Development	8,179
U00	Department of the Environment	334,411
V00	Department of Juvenile Services	12,245
	Total Federal Funds	<u>8,386,038</u>
		<u>8,443,352</u>

Explanation: This adds the Judiciary and Maryland Health Benefit Exchange to the Section 21 increment reduction.

Add the following section:

Section 24 Executive Long-term Forecast

SECTION 24. AND BE IT FURTHER ENACTED, That the Governor's budget books shall include a forecast of the impact of the Executive budget proposal on the long-term fiscal condition of the General Fund, the Transportation Trust Fund, and higher education Current Unrestricted Fund accounts. This forecast shall estimate aggregate revenues, expenditures, and fund balances in each account for the fiscal year last completed, the current year, the budget year, and four years thereafter. Expenditures shall be reported at such agency, program or unit levels, or categories as may be determined appropriate after consultation with the Department of Legislative Services. A statement of major assumptions underlying the forecast shall also be provided, including but not limited to general salary increases, inflation, and growth of caseloads in significant program areas.

Sections

Explanation: This annual language provides for the delivery of the Executive's general fund, transportation, and higher education forecasts and defines the conditions under which they are to be provided.

Information Request	Author	Due Date
Executive forecasts	Department of Budget and Management	With the submission of the Governor's fiscal 2017 budget books

Add the following section:

Section 25 Across-the-board Reductions and Higher Education

SECTION 25. AND BE IT FURTHER ENACTED, That all across-the-board reductions applied to the Executive Branch, unless otherwise stated, shall apply to current unrestricted and general funds in the University System of Maryland, St. Mary's College of Maryland, Morgan State University, and Baltimore City Community College.

Explanation: This section explicitly applies reductions intended for the full Executive Branch to the University System of Maryland, St. Mary's College of Maryland, Morgan State University, and Baltimore City Community College, unless their exclusion is specifically stated.

Add the following section:

Section 26 Chesapeake Employers' Insurance Company Fund Accounts

SECTION 26. AND BE IT FURTHER ENACTED, That the General Accounting Division of the Comptroller of Maryland shall establish a subsidiary ledger control account to debit all State agency funds budgeted under subobject 0175 (workers' compensation coverage) and to credit all payments disbursed to the Chesapeake Employers' Insurance Company (CEIC) via transmittal. The control account shall also record all funds withdrawn from CEIC and returned to the State and subsequently transferred to the General Fund. CEIC shall submit monthly reports to the Department of Legislative Services concerning the status of the account.

Explanation: This section provides continuation of a system to track workers' compensation payments to the CEIC Fund for payment of claims, current expenses, and funded liability for incurred losses by the State.

Sections

Information Request	Author	Due Date
Report on status of ledger control account	CEIC	Monthly beginning on July 1, 2015

Add the following section:

Section 27 Reporting Federal Funds

SECTION 27. AND BE IT FURTHER ENACTED, That the Governor's budget books shall include a summary statement of federal revenues by major federal program sources supporting the federal appropriations made therein along with the major assumptions underpinning the federal fund estimates. The Department of Budget and Management (DBM) shall exercise due diligence in reporting this data and ensure that they are updated as appropriate to reflect ongoing congressional action on the federal budget. In addition, DBM shall provide to the Department of Legislative Services (DLS) data for the actual, current, and budget years listing the components of each federal fund appropriation by Catalog of Federal Domestic Assistance number or equivalent detail for programs not in the catalog. Data shall be provided in an electronic format subject to the concurrence of DLS.

Explanation: This annual language provides for consistent reporting of federal monies received by the State.

Information Request	Author	Due Date
Reporting components of each federal fund appropriation	DBM	With submission of the fiscal 2017 budget

Add the following section:

Section 28 Federal Fund Spending

SECTION 28. AND BE IT FURTHER ENACTED, That in the expenditure of federal funds appropriated in this budget or subsequent to the enactment of this budget by the budget amendment process:

- (1) State agencies shall administer these federal funds in a manner that recognizes that federal funds are taxpayer dollars that require prudent fiscal management, careful application to the purposes for which they are directed, and strict attention to budgetary and accounting procedures established for the administration of all public funds.

Sections

- (2) For fiscal 2016, except with respect to capital appropriations, to the extent consistent with federal requirements:
- (i) when expenditures or encumbrances may be charged to either State or federal fund sources, federal funds shall be charged before State funds are charged except that this policy does not apply to the Department of Human Resources with respect to federal funds to be carried forward into future years for child welfare or welfare reform activities;
 - (ii) when additional federal funds are sought or otherwise become available in the course of the fiscal year, agencies shall consider, in consultation with the Department of Budget and Management (DBM), whether opportunities exist to use these federal revenues to support existing operations rather than to expand programs or establish new ones; and
 - (iii) DBM shall take appropriate actions to effectively establish the provisions of this section as policies of the State with respect to the administration of federal funds by executive agencies.

Explanation: This annual language defines the policies under which federal funds shall be used in the State budget.

Add the following section:

Section 29 Indirect Costs Report

SECTION 29. AND BE IT FURTHER ENACTED, That the Department of Budget and Management (DBM) shall provide an annual report on indirect costs to the General Assembly in January 2016 as an appendix in the Governor's fiscal 2017 budget books. The report shall detail by agency for the actual fiscal 2015 budget the amount of statewide indirect cost recovery received, the amount of statewide indirect cost recovery transferred to the General Fund, and the amount of indirect cost recovery retained for use by each agency. In addition, it shall list the most recently available federally approved statewide and internal agency cost-recovery rates. As part of the normal fiscal/compliance audit performed for each agency once every three years, the Office of Legislative Audits shall assess available information on the timeliness, completeness, and deposit history of indirect cost recoveries by State agencies. Further provided that for fiscal 2016, excluding the Maryland Department of Transportation, the amount of revenue received by each agency from any federal source for statewide cost recovery may be transferred only to the General Fund and may not be retained in any clearing account or by any other means, nor may DBM or any other agency or entity approve exemptions to permit any agency to retain any portion of federal statewide cost recoveries.

Sections

Explanation: This is annual language that requires a report on indirect costs and disallows waivers of statewide cost recovery.

Information Request	Author	Due Date
Annual report on indirect costs	DBM	With submission of the Governor's fiscal 2017 budget books

Add the following section:

Section 30 Reporting on Budget Data and Organizational Charts

SECTION 30. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that all State departments, agencies, bureaus, commissions, boards, and other organizational units included in the State budget, including the Judiciary, shall prepare and submit items for the fiscal 2017 budget detailed by Comptroller subobject classification in accordance with instructions promulgated by the Comptroller of Maryland. The presentation of budget data in the State budget books shall include object, fund, and personnel data in the manner provided for in fiscal 2016 except as indicated elsewhere in this Act; however, this may not preclude the placement of additional information into the budget books. For actual fiscal 2015 spending, the fiscal 2016 working appropriation, and the fiscal 2017 allowance, the budget detail shall be available from the Department of Budget and Management (DBM) automated data system at the subobject level by subobject codes and classifications for all agencies. To the extent possible, except for public higher education institutions, subobject expenditures shall be designated by fund for actual fiscal 2015 spending, the fiscal 2016 working appropriation, and the fiscal 2017 allowance. The agencies shall exercise due diligence in reporting this data and ensuring correspondence between reported position and expenditure data for the actual, current, and budget fiscal years. This data shall be made available on request and in a format subject to the concurrence of the Department of Legislative Services (DLS). Further, the expenditure of appropriations shall be reported and accounted for by the subobject classification in accordance with the instructions promulgated by the Comptroller of Maryland.

Further provided that due diligence shall be taken to accurately report full-time equivalent counts of contractual positions in the budget books. For the purpose of this count, contractual positions are defined as those individuals having an employee-employer relationship with the State. This count shall include those individuals in higher education institutions who meet this definition but are paid with additional assistance funds.

Further provided that DBM shall provide to DLS with the allowance for each department, unit, agency, office, and institution, a one-page organizational chart in Microsoft Word or Adobe PDF format that depicts the allocation of personnel across operational and administrative activities of the entity.

Sections

Explanation: This annual language provides for consistent reporting of fiscal 2015, 2016, and 2017 budget data and provides for the submission of department, unit, agency, office, and institutions' organizational charts to DLS with the allowance.

Information Request	Author	Due Date
Agency organizational charts	DBM	With submission of the fiscal 2017 budget

Add the following section:

Section 31 Interagency Agreements

SECTION 31. AND BE IT FURTHER ENACTED, That on or before August 1, 2015, each State agency and each public institution of higher education shall report to the Department of Budget and Management (DBM) any agreements in place for any part of fiscal 2015 between State agencies and any public institution of higher education involving potential expenditures in excess of \$100,000 over the term of the agreement. Further provided that DBM shall provide direction and guidance to all State agencies and public institutions of higher education as to the procedures and specific elements of data to be reported with respect to these interagency agreements, to include at a minimum:

- (1) a common code for each interagency agreement that specifically identifies each agreement and the fiscal year in which the agreement began;
- (2) the starting date for each agreement;
- (3) the ending date for each agreement;
- (4) a total potential expenditure, or not-to-exceed dollar amount, for the services to be rendered over the term of the agreement by any public institution of higher education to any State agency;
- (5) a description of the nature of the goods and services to be provided;
- (6) the total number of personnel, both full-time and part-time, associated with the agreement;
- (7) contact information for the agency and the public institution of higher education for the person(s) having direct oversight or knowledge of the agreement;
- (8) the amount and rate of any indirect cost recovery or overhead charges assessed by the institution of higher education related to the agreement; and
- (9) the justification submitted to DBM for indirect cost recovery rates greater than 20%.

Sections

Further provided that DBM shall submit a consolidated report to the budget committees and the Department of Legislative Services by December 1, 2015, that contains information on all agreements between State agencies and any public institution of higher education involving potential expenditures in excess of \$100,000 that were in effect at any time during fiscal 2015.

Further provided that the Secretary of Budget and Management shall review each current higher education interagency agreement to determine why the services cannot be provided by the State agencies and is, therefore, appropriate for using higher education; ensure that agencies maintain documentation of all agreements, amendments, task orders, and invoices; ensure that the overhead charges and direct service costs are not excessive; and ensure that all work performed by higher education is documented. Further provided that no new higher education interagency agreement may be entered into during fiscal 2016 without prior approval of the Secretary of Budget and Management.

Explanation: The language requires all State agencies and public institutions of higher education to report on all interagency agreements between State agencies and public institutions of higher education having a total potential expenditure over the term of the agreement in excess of \$100,000. This applies only to agreements for the purchase of goods and/or services and does not apply to grants or space agreements between State agencies and public institutions of higher education. The report also requires DBM to report on the justification for any interagency agreement with an indirect cost recovery rate greater than 20%. Further, it requires that DBM submit a consolidated report on all agreements by December 1, 2015, to the budget committees and the Department of Legislative Services. *Review of each agreement and approval of new agreements by the Secretary of DBM is also required.*

Information Request	Author	Due Date
Consolidated report on all interagency agreements	DBM	December 1, 2015

Amendment No. **41**

Add the following section:

Section 32 Budget Amendments

SECTION 32. AND BE IT FURTHER ENACTED, That any budget amendment to increase the total amount of special, federal, or higher education (current restricted and current unrestricted) fund appropriations, or to make reimbursable fund transfers from the Governor's Office of Crime Control and Prevention or the Maryland Emergency Management Agency, made in Section 1 of this Act shall be subject to the following restrictions:

Sections

- (1) This section may not apply to budget amendments for the sole purpose of:
 - (i) appropriating funds available as a result of the award of federal disaster assistance; and
 - (ii) transferring funds from the State Reserve Fund – Economic Development Opportunities Fund for projects approved by the Legislative Policy Committee.
- (2) Budget amendments increasing total appropriations in any fund account by \$100,000 or more may not be approved by the Governor until:
 - (i) that amendment has been submitted to the Department of Legislative Services (DLS); and
 - (ii) the budget committees or the Legislative Policy Committee have considered the amendment or 45 days have elapsed from the date of submission of the amendment. Each amendment submitted to DLS shall include a statement of the amount, sources of funds and purposes of the amendment, and a summary of the impact on regular position or contractual full-time equivalent payroll requirements.
- (3) Unless permitted by the budget bill or the accompanying supporting documentation or by any other authorizing legislation, and notwithstanding the provisions of Section 3-216 of the Transportation Article, a budget amendment may not:
 - (i) restore funds for items or purposes specifically denied by the General Assembly;
 - (ii) fund a capital project not authorized by the General Assembly provided, however, that subject to provisions of the Transportation Article, projects of the Maryland Department of Transportation (MDOT) shall be restricted as provided in Section 1 of this Act;
 - (iii) increase the scope of a capital project by an amount 7.5% or more over the approved estimate or 5.0% or more over the net square footage of the approved project until the amendment has been submitted to DLS and the budget committees have considered and offered comment to the Governor or 45 days have elapsed from the date of submission of the amendment. This provision does not apply to MDOT; and
 - (iv) provide for the additional appropriation of special, federal, or higher education funds of more than \$100,000 for the reclassification of a position or positions.

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- (4) A budget may not be amended to increase a Federal Fund appropriation by \$100,000 or more unless documentation evidencing the increase in funds is provided with the amendment and fund availability is certified by the Secretary of Budget and Management.
- (5) No expenditure or contractual obligation of funds authorized by a proposed budget amendment may be made prior to approval of that amendment by the Governor.
- (6) Notwithstanding the provisions of this section, any federal, special, or higher education fund appropriation may be increased by budget amendment upon a declaration by the Board of Public Works that the amendment is essential to maintaining public safety, health, or welfare, including protecting the environment or the economic welfare of the State.
- (7) Budget amendments for new major Information Technology projects, as defined by Sections 3A-301 and 3A-302 of the State Finance and Procurement Article, must include an Information Technology Project Request, as defined in Section 3A-308 of the State Finance and Procurement Article.
- (8) Further provided that the fiscal 2016 appropriation detail as shown in the Governor's budget books submitted to the General Assembly in January 2016 and the supporting electronic detail may not include appropriations for budget amendments that have not been signed by the Governor, exclusive of the MDOT pay-as-you-go capital program.
- (9) Further provided that it is the policy of the State to recognize and appropriate additional special, higher education, and federal revenues in the budget bill as approved by the General Assembly. Further provided that for the fiscal 2017 allowance, the Department of Budget and Management shall continue policies and procedures to minimize reliance on budget amendments for appropriations that could be included in a deficiency appropriation.

Explanation: This annual language defines the process under which budget amendments may be used.

Sections

Add the following section:

Section 33 Maintenance of Accounting Systems

SECTION 33. AND BE IT FURTHER ENACTED, That:

- (1) The Secretary of the Department of Health and Mental Hygiene shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2015 in program M00Q01.03 Medical Care Provider Reimbursements have been disbursed for services provided in that fiscal year and shall prepare and submit the periodic reports required under this section for that program.
- (2) The State Superintendent of Schools shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2015 to program R00A02.07 Students With Disabilities for Non-Public Placements have been disbursed for services provided in that fiscal year and to prepare periodic reports as required under this section for that program.
- (3) The Secretary of the Department of Human Resources shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2015 in program N00G00.01 Foster Care Maintenance Payments have been disbursed for services provided in that fiscal year, including detail on average monthly caseload, average monthly cost per case, and the total expended for each foster care program, and to prepare the periodic reports required under this section for that program.
- (4) For the programs specified, reports shall indicate total appropriations for fiscal 2015 and total disbursements for services provided during that fiscal year up through the last day of the second month preceding the date on which the report is to be submitted and a comparison to data applicable to those periods in the preceding fiscal year.
- (5) Reports shall be submitted to the budget committees, the Department of Legislative Services, the Department of Budget and Management, and the Comptroller on November 1, 2015; March 1, 2016; and June 1, 2016.
- (6) It is the intent of the General Assembly that general funds appropriated for fiscal 2015 to the programs specified that have not been disbursed within a reasonable period, not to exceed 12 months from the end of the fiscal year, shall revert.

Explanation: This annual language requires the maintenance of accounting systems for certain programs, states the intent of the General Assembly that general funds not disbursed be reverted, and requires reporting of disbursements by the Department of Health and Mental Hygiene (DHMH), the Maryland State Department of Education (MSDE), and the Department of Human Resources (DHR). The language pertaining to reporting of foster care data for fiscal 2015 is modified to request average monthly caseload and cost by type of foster care program (regular,

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institutional group homes, emergency, intermediate, treatment, purchase homes, independent living, minor mothers, subsidized guardianship, and subsidized adoption.)

Information Request	Authors	Due Date
Report on appropriations and disbursements in M00Q01.03, R00A02.07, and N00G00.01	DHMH DHR MSDE	November 1, 2015 March 1, 2016 June 1, 2016

Add the following section:

Section 34 Secretary's or Acting Secretary's Nomination and Salary

SECTION 34. AND BE IT FURTHER ENACTED, That no funds in this budget may be expended to pay the salary of a Secretary or an Acting Secretary of any department whose nomination as Secretary has been rejected by the Senate or an Acting Secretary who was serving in that capacity prior to the 2015 session whose nomination for the Secretary position was not put forward and approved by the Senate during the 2015 session unless the Acting Secretary is appointed under Article II, Section 11 of the Maryland Constitution prior to July 1, 2015.

Explanation: This language ensures that the intentions of the General Assembly are reflected in the payment of executive salaries.

Add the following section:

Section 35 The "Rule of 100"

SECTION 35. AND BE IT FURTHER ENACTED, That the Board of Public Works (BPW), in exercising its authority to create additional positions pursuant to Section 7-236 of the State Finance and Procurement Article, may authorize during the fiscal year no more than 100 positions in excess of the total number of authorized State positions on July 1, 2015, as determined by the Secretary of Budget and Management. Provided, however, that if the imposition of this ceiling causes undue hardship in any department, agency, board, or commission, additional positions may be created for that affected unit to the extent that positions authorized by the General Assembly for the fiscal year are abolished in that unit or in other units of State government. It is further provided that the limit of 100 does not apply to any position that may be created in conformance with specific manpower statutes that may be enacted by the State or federal government nor to any positions created to implement block grant actions or to implement a program reflecting fundamental changes in federal/State relationships. Notwithstanding anything contained in this section, BPW may authorize additional positions to meet public emergencies resulting from an act of God and violent acts of man that are necessary to protect the health and safety of the people of Maryland.

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BPW may authorize the creation of additional positions within the Executive Branch provided that 1.25 full-time equivalent contractual positions are abolished for each regular position authorized and that there be no increase in agency funds in the current budget and the next two subsequent budgets as the result of this action. It is the intent of the General Assembly that priority is given to converting individuals that have been in contractual positions for at least 2 years. Any position created by this method may not be counted within the limitation of 100 under this section.

The numerical limitation on the creation of positions by BPW established in this section may not apply to positions entirely supported by funds from federal or other non-State sources so long as both the appointing authority for the position and the Secretary of Budget and Management certify for each position created under this exception that:

- (1) funds are available from non-State sources for each position established under this exception;
- (2) the position's classification is not one for which another position was abolished through the Voluntary Separation Program;
- (3) positions necessary to hire State employees in the Department of Human Resources for the Baltimore City Office of Child Support Enforcement contingent on returning the child support enforcement function to State service from a private contractor; and
- (4) any positions created will be abolished in the event that non-State funds are no longer available.

The Secretary of Budget and Management shall certify and report to the General Assembly by June 30, 2016, the status of positions created with non-State funding sources during fiscal 2012, 2013, 2014, 2015, and 2016 under this provision as remaining, authorized, or abolished due to the discontinuation of funds.

Explanation: This annual language, the Rule of 100, limits the number of positions that may be added after the beginning of the fiscal year to 100 and provides for exceptions to the limit.

Information Request	Author	Due Date
Certification of the status of positions created with the non-State funding sources during fiscal 2012, 2013, 2014, 2015, and 2016	DBM	June 30, 2016

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Add the following section:

Section 36 Annual Report on Authorized Positions

SECTION 36. AND BE IT FURTHER ENACTED, That immediately following the close of fiscal 2015, the Secretary of Budget and Management shall determine the total number of full-time equivalent (FTE) positions that are authorized as of the last day of fiscal 2015 and on the first day of fiscal 2016. Authorized positions shall include all positions authorized by the General Assembly in the personnel detail of the budgets for fiscal 2015 and 2016, including nonbudgetary programs, the Maryland Transportation Authority, the University System of Maryland self-supported activities, and the Maryland Correctional Enterprises.

The Department of Budget and Management (DBM) shall also prepare during fiscal 2016 a report for the budget committees upon creation of regular FTE positions through Board of Public Works action and upon transfer or abolition of positions. This report shall also be provided as an appendix in the fiscal 2017 Governor's budget books. It shall note, at the program level:

- (1) where regular FTE positions have been abolished;
- (2) where regular FTE positions have been created;
- (3) from where and to where regular FTE positions have been transferred; and
- (4) where any other adjustments have been made.

Provision of contractual FTE position information in the same fashion as reported in the appendices of the fiscal 2017 Governor's budget books shall also be provided.

Explanation: This is annual language providing reporting requirements for regular and contractual State positions.

Information Request	Author	Due Date
Total number of FTEs on June 30 and July 1, 2015	DBM	July 14, 2015
Report on the creation, transfer, or abolition of regular positions	DBM	As needed

Sections

Add the following section:

Section 37 Annual Executive Pay Plan Report

SECTION 37. AND BE IT FURTHER ENACTED, That the Department of Budget and Management and the Maryland Department of Transportation are required to submit to the Department of Legislative Services (DLS) Office of Policy Analysis:

- (1) a report in Excel format listing the grade, salary, title, and incumbent of each position in the Executive Pay Plan (EPP) as of July 15, 2015; October 15, 2015; January 15, 2016; and April 15, 2016; and
- (2) detail on any lump-sum increases given to employees paid on the EPP subsequent to the previous quarterly report.

Flat-rate employees on the EPP shall be included in these reports. Each position in the report shall be assigned a unique identifier that describes the program to which the position is assigned for budget purposes and corresponds to the manner of identification of positions within the budget data provided annually to the DLS Office of Policy Analysis.

Explanation: Legislation adopted during the 2000 session altered the structure of the EPP to give the Governor flexibility to compensate executives at appropriate levels within broad salary bands established for their positions, without reference to a rigid schedule of steps, and through other compensation methods such as a flat rate salary. These reports fulfill a requirement for documentation of any specific recruitment, retention, or other issues that warrant a pay increase.

Information Request	Authors	Due Date
Report of all EPP positions	Department of Budget and Management Maryland Department of Education	July 15, 2015; October 15, 2015; January 15, 2016; and April 15, 2016

Add the following section:

Section 38 Positions Abolished in the Budget

SECTION 38. AND BE IT FURTHER ENACTED, That no position identification number assigned to a position abolished in this budget may be reassigned to a job or function different from that to which it was assigned when the budget was submitted to the General Assembly. Incumbents in positions abolished, except participants in the Voluntary Separation Program, may continue State employment in another position.

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Explanation: This language prevents employees from being moved into positions abolished in the budget. It also allows that incumbents in abolished positions may continue State employment in another position. The language also includes a temporary clause that excludes participants in the Voluntary Separation Program from continuing employment in other positions. This is consistent with the goals of the program.

Add the following section:

Section 39 Annual Report on Health Insurance Receipts and Spending

SECTION 39. AND BE IT FURTHER ENACTED, That the Secretary of Budget and Management shall include as an appendix in the fiscal 2017 Governor's budget books an accounting of the fiscal 2015 actual, fiscal 2016 working appropriation, and fiscal 2017 estimated revenues and expenditures associated with the employees' and retirees' health plan. The data in this report should be consistent with the data submitted to the budget data submitted to the Department of Legislative Services. This accounting shall include:

- (1) any health plan receipts received from State agencies, employees, and retirees, as well as prescription rebates or recoveries, or audit recoveries, and other miscellaneous recoveries;
- (2) any premium, capitated, or claims expenditures paid on behalf of State employees and retirees for any health, mental health, dental, or prescription plan, as well as any administrative costs not covered by these plans; and
- (3) any balance remaining and held in reserve for future provider payments.

Explanation: This language provides an accounting of the health plan revenues received and expenditures made on behalf of State employees and retirees. The language proposes that the language in the report be consistent with the budget data submitted with the budget bill.

Information Request	Author	Due Date
Accounting of the employee and retiree health plan revenues and expenditures	Department of Budget and Management	With submission of Governor's fiscal 2017 budget books

Sections

Add the following section:

Section 40 Historical and Projected Chesapeake Bay Restoration Spending

SECTION 40. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the Maryland Department of Planning, the Department of Natural Resources, the Maryland Department of Agriculture, the Maryland Department of the Environment, and the Department of Budget and Management provide a report to the budget committees by December 1, 2015, on Chesapeake Bay restoration spending. The reports shall be drafted subject to the concurrence of the Department of Legislative Services (DLS) in terms of both electronic format to be used and data to be included. The report shall include:

- (1) fiscal 2015 annual spending by fund, fund source, program, and State government agency; associated nutrient and sediment reduction; and the impact on living resources and ambient water quality criteria for dissolved oxygen, water clarity, and “chlorophyll a” for the Chesapeake Bay and its tidal tributaries, which is to be submitted electronically in disaggregated form to DLS;
- (2) projected fiscal 2016 to 2025 annual spending by fund, fund source, program, and State government agency; associated nutrient and sediment reductions; and the impact on living resources and ambient water quality criteria for dissolved oxygen, water clarity, and “chlorophyll a” for the Chesapeake Bay and its tidal tributaries, which is to be submitted electronically in disaggregated form to DLS; and
- (3) an overall framework discussing the needed regulations, revenues, laws, and administrative actions and their impacts on individuals, organizations, governments, and businesses by year from fiscal 2015 to 2025 in order to reach the calendar 2025 requirement of having all best management practices in place to meet water quality standards for restoring the Chesapeake Bay, which is to be both written in narrative form and tabulated in spreadsheet form that is submitted electronically in disaggregated form to DLS.

Explanation: This language expresses the intent that the Maryland Department of Planning (MDP), the Department of Natural Resources (DNR), the Maryland Department of Agriculture (MDA), the Maryland Department of the Environment (MDE), and the Department of Budget and Management (DBM) provide a report by December 1, 2015, on recent and projected Chesapeake Bay restoration spending and associated impacts and the overall framework to meet the calendar 2025 requirement of having all best management practices in place to meet water quality standards for restoring the Chesapeake Bay.

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Information Request	Authors	Due Date
Historical and projected Chesapeake Bay restoration spending	MDP DNR MDA MDE DBM	December 1, 2015

Add the following section:

Section 41 Chesapeake Bay Restoration Spending

SECTION 41. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the Department of Budget and Management, the Department of Natural Resources, and the Maryland Department of the Environment provide two reports on Chesapeake Bay restoration spending. The reports shall be drafted subject to the concurrence of the Department of Legislative Services (DLS) in terms of both electronic format to be used and data to be included. The scope of the reports is as follows:

- (1) Chesapeake Bay restoration operating and capital expenditures by agency, fund type, and particular fund source based on programs that have over 50% of their activities directly related to Chesapeake Bay restoration for the fiscal 2015 actual, fiscal 2016 working appropriation, and fiscal 2017 allowance, which is to be included as an appendix in the fiscal 2017 budget volumes and submitted electronically in disaggregated form to DLS; and
- (2) 2-year milestones funding by agency, best management practice, fund type, and particular fund source along with associated nutrient and sediment reductions for fiscal 2014, 2015, 2016, and 2017, which is to be submitted electronically in disaggregated form to DLS.

Explanation: This language expresses the intent that the Department of Budget and Management (DBM), the Department of Natural Resources (DNR), and the Maryland Department of the Environment (MDE) provide at the time of the fiscal 2017 budget submission information on (1) Chesapeake Bay restoration spending for programs that have over 50% of their activities directly related to Chesapeake Bay restoration; and (2) two-year milestones funding.

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Information Request	Authors	Due Date
Summary of Chesapeake Bay restoration spending for programs that have over 50% of their activities directly related to Chesapeake Bay restoration, and two-year milestones expenditures	DBM DNR MDE	Fiscal 2017 State budget submission

Add the following section:

Section 42 Regional Greenhouse Gas Initiative Revenues

SECTION 42. AND BE IT FURTHER ENACTED, That the Department of Budget and Management shall provide an annual report on the revenue from the Regional Greenhouse Gas Initiative (RGGI) carbon dioxide emission allowance auctions and set-aside allowances to the General Assembly in conjunction with the submission of the fiscal 2017 budget and annually thereafter as an appendix to the Governor’s budget books. This report shall include information for the actual fiscal 2015 budget, fiscal 2016 working appropriation, and fiscal 2017 allowance. The report shall detail revenue assumptions used to calculate the available Strategic Energy Investment Fund (SEIF) from RGGI auctions for each fiscal year including:

- (1) the number of auctions;
- (2) the number of allowances sold;
- (3) the allowance price for both current and future (if offered) control period allowances sold in each auction;
- (4) prior year fund balance from RGGI auction revenue used to support the appropriation; and
- (5) anticipated revenue from set-aside allowances.

The report shall also include detail on the amount of the SEIF from RGGI auction revenue available to each agency that receives funding through each required allocation, separately identifying any prior year fund balance for:

- (1) energy assistance;
- (2) energy efficiency and conservation programs, low- and moderate-income sector;

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- (3) energy efficiency and conservation programs, all other sectors;
- (4) renewable and clean energy programs and initiatives, education, climate change, and resiliency programs;
- (5) administrative expenditures;
- (6) dues owed to the RGGI, 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 2017 detail on the revenue assumptions for RGGI auctions budgeted in each fiscal year as well as how those revenues are distributed to various agencies. This information increases transparency, differentiates funding from the SEIF that is available from sources other than RGGI auctions, and allows for analysis of whether the allocation of RGGI auction revenue meets statutory requirements. This language is similar to language included in prior budget bills.

Information Request	Author	Due Date
Report on revenue assumptions and use of RGGI auction revenue	DBM	With submission of the Governor's fiscal 2017 budget books and annually thereafter

Add the following section:

Section 43 Submission of the Uniform Crime Report

SECTION 43. AND BE IT FURTHER ENACTED, THAT \$1,000,000 of the General Fund appropriation within the Department of State Police (DSP) may not be expended until DSP submits the Crime in Maryland, 2014 Uniform Crime Report (UCR) to the budget committees. The budget committees shall have 45 days to review and comment following receipt of the report. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Further provided that, if DSP encounters difficulty obtaining necessary crime data on a timely basis from local jurisdictions who provide the data for inclusion in the UCR, DSP shall notify the Governor's Office of Crime Control and Prevention (GOCCP). GOCCP shall withhold a portion, totaling at least 15%, but no more than 50%, of that jurisdiction's State Aid for Police Protection (SAPP) grant for fiscal 2016 upon receipt of notification from DSP. GOCCP shall

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withhold SAPP funds until such a time that the jurisdiction submits its crime data to DSP. DSP and GOCCP shall submit a report to the budget committees indicating any jurisdiction from which crime data was not received on a timely basis and the amount of SAPP funding withheld from each jurisdiction.

Explanation: The annual language was originally added because DSP had not been submitting its annual crime report in a timely manner due to issues related to receiving crime data from the local jurisdictions. As such, this language withholds a portion of the general fund appropriation until the budget committees receive the 2014 UCR. The language also specifies that GOCCP, upon receipt of notification from DSP, must withhold a portion of a delinquent jurisdiction's SAPP grant until certain crime data is received by DSP. Finally, DSP and GOCCP must submit a report to the budget committees that includes information on any jurisdiction that did not report crime data on a timely basis and the amount of SAPP funding that was withheld from each jurisdiction.

Information Request	Author	Due Date
2014 UCR	DSP	45 days prior to the expenditure of funds

Add the following section:

Section 44 Reduction to Department of Information Technology Reimbursable Fund

SECTION 44. AND BE IT FURTHER ENACTED, That the authorization to expend \$78,000 in reimbursable funds in the Department of Information Technology is deleted. The Governor shall develop a schedule for allocating this reimbursable fund reduction across the departments as appropriate. The reduction under this section shall equal at least the amounts indicated for the budgetary types listed:

<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>\$39,000</u>
<u>Special</u>	<u>\$29,000</u>
<u>Federal</u>	<u>\$10,000</u>

Further provided that if the Governor does not continue the salary increase that went into effect on January 1, 2015, to State employees in fiscal 2016 then the following appropriations shall be restricted from expenditure:

<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>\$34,000</u>
<u>Special</u>	<u>\$26,000</u>
<u>Federal</u>	<u>\$8,000</u>

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These restricted amounts shall revert at the end of fiscal 2016 based according to a schedule developed by the Governor.

Explanation: This action extends the back of the bill reductions to the Department of Information Technology's reimbursable funds to reduce eliminate increments and merit increases (Section 21) in fiscal 2016. Additionally, the General Assembly has expressed the policy intent that the 2% general salary increase that went into effect on January 1, 2015, not be reduced in fiscal 2016. The allowance, as introduced, revises the State employee salary plan downward as of July 1, 2015, to the level of salary before the 2% increase went into effect. Other legislative action in the budget bill restricts funds to only be used to maintain the 2% general salary increase for the Executive Branch. This section restricts the amount of funding in the Legislative and Judicial budgets unless the Governor agrees to maintain the 2% salary increase provided to State employees.

Add the following section:

Section 45 Reduction to the Office of Administrative Hearings Reimbursable Fund

SECTION 45. AND BE IT FURTHER ENACTED, That the authorization to expend \$425,881 in reimbursable funds in the Office of Administrative Hearings is deleted. The Governor shall develop a schedule for allocating this reimbursable fund reduction across the departments as appropriate. The reduction under this section shall equal at least the amounts indicated for the budgetary types listed:

<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>\$255,529</u>
<u>Special</u>	<u>\$85,176</u>
<u>Federal</u>	<u>\$85,176</u>

Further provided that if the Governor does not continue the salary increase that went into effect on January 1, 2015, to State employees in fiscal 2016 then the following appropriations shall be restricted from expenditure:

<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>\$107,917</u>
<u>Special</u>	<u>\$35,972</u>
<u>Federal</u>	<u>\$35,972</u>

These restricted amounts shall revert at the end of fiscal 2016 according to a schedule developed by the Governor.

Sections

Explanation: This action extends the back-of-the-bill reductions to the Office of Administrative Hearing's reimbursable funds to eliminate increments and merit increases (Section 21) in fiscal 2016 and to extend the general 2% reduction (Section 19). Additionally, the General Assembly has expressed the policy intent that the 2% general salary increase that went into effect on January 1, 2015, not be reduced in fiscal 2016. The allowance, as introduced, revises the State employee salary downward as of July 1, 2015, to the level of salary before the 2% increase went into effect. This section restricts the amount of funding in the Office of Administrative Hearings unless the Governor agrees to maintain the 2% salary increase provided to State employees.

Add the following section to the budget bill:

Section 46 Adopt Contingent Language Applying Governor's Salary Reduction to the General Assembly and Judiciary

SECTION 46. AND BE IT FURTHER ENACTED, That if the Governor does not continue the salary increase that went into effect on January 1, 2015, to State employees in fiscal 2016 then the following general fund appropriations shall be restricted from expenditure:

	<u>Agency</u>	<u>General Funds</u>
<u>B75</u>	<u>General Assembly</u>	<u>468,929</u>
<u>C00</u>	<u>Judiciary</u>	<u>1,803,004</u>

These restricted amounts shall revert at the end of fiscal 2016 based according to a schedule developed by the Chief Judge and Presiding Officers.

Explanation: The General Assembly has expressed the policy intent that the 2% general salary increase that went into effect on January 1, 2015, not be reduced in fiscal 2016. The allowance, as introduced, revises the State employee salary plan downward as of July 1, 2015, to the level of salary before the 2% increase went into effect. Other legislative action in the budget bill restricts funds to only be used to maintain the 2% general salary increase for the Executive Branch. This section restricts the amount of funding in the Legislative and Judicial budgets unless the Governor agrees to maintain the 2% salary increase provided to State employees.

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Add the following section:

Section 47 Reduce Pension Reinvestment Funds Contingent on Enactment of Legislation to Accelerate Full Actuarial Funding of Retirement Program

SECTION 47. AND BE IT FURTHER ENACTED, That, the following amounts of appropriations for the pension systems for the employees (Comptroller Object 0161), State Police (Comptroller Object 0165), law enforcement officers (Comptroller Object 0169) and teachers (Comptroller Object 0163) shall be reduced, contingent upon the enactment of HB 72 or SB 57 to accelerate full actuarial funding of the pension plans:

<u>Programs</u>	<u>Fund</u>	<u>Amount</u>
<u>Aid for Local Employee Fringe Benefits</u>	<u>General</u>	<u>\$38,829,454</u>
<u>Aid to Community Colleges – Fringe Benefits</u>	<u>General</u>	<u>\$2,137,919</u>
<u>General Assembly</u>	<u>General</u>	<u>\$414,953</u>
<u>Judiciary</u>	<u>General</u>	<u>\$1,395,555</u>
<u>Executive Branch</u>	<u>General</u>	<u>\$19,872,119</u>
<u>Executive Branch</u>	<u>Special</u>	<u>\$5,783,117</u>
<u>Judiciary</u>	<u>Special</u>	<u>\$182,883</u>
<u>Executive Branch</u>	<u>Federal</u>	<u>\$5,966,000</u>

Explanation: Contingent on the enactment of HB 72 or SB 57, which repeal the corridor funding method and establish the supplemental contribution at \$75 million until the system is 85% funded, general, special, and federal fund contributions to the State Retirement and Pension System decrease.

Add the following section:

Section 48 Restricted Funds for General Assembly Priorities

SECTION 48. AND BE IT FURTHER ENACTED, That \$90,000,000 of the general fund appropriation in Program Y01A02.01 Dedicated Purpose Account made for the purpose of local income tax revenue repayment, \$50,000,000 of the general fund appropriation in Program Y01A02.01 Dedicated Purpose Account made for the purpose of transfer tax repayment, ~~\$16,700,000~~ \$22,725,000 of the general fund appropriation in Program M00Q01.03 Medical Care Provider Reimbursements made for the purpose of provider reimbursements, \$15,000,000 of the general fund appropriation in D06E02.02 Public School Capital Appropriation made for the purpose of school construction, ~~\$10,000,000~~ \$13,000,000 of the general fund appropriation in Program N00G00.08 Assistance Payments made for the purpose of cash assistance payments, and, contingent on the enactment of legislation freezing the net taxable increase phase-in, \$11,910,705 of the general fund appropriation in Program R00A02.01

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State Share of Foundation Aid made for the purpose of the net taxable increase phase-in may not be expended for those purposes and instead may only be transferred as follows:

- (1) \$68,700,000 across State agencies for salaries and wages to offset the 2% reduction in State salary schedules included in Section 20 of this budget bill, contingent on the enactment of legislation removing a restriction on the ability to award cost-of-living adjustments in fiscal year 2016;
- (2) ~~\$68,000,000~~ \$68,100,000 to Program R00A02.01 State Share of Foundation Aid for funding of the Geographic Cost of Education Index;
- (3) ~~\$14,400,000~~ \$15,100,000 to Program M00Q01.03 Medical Care Provider Reimbursements to restore primary care and specialty physician evaluation and management rates to ~~93%~~ 90.9% of Medicare effective April 1, 2015;
- (4) \$6,500,000 to Program M00Q01.10 Medicaid Behavioral Health Provider Reimbursements to maintain community mental health provider reimbursement rates at the rate in effect January 1, 2015;
- (5) \$4,800,000 to Program M00Q01.03 Medical Care Provider Reimbursements to maintain coverage for pregnant women between 185% to 250% of the federal poverty level beyond January 1, 2016, and expanded family planning services for women up to 200% of the federal poverty level beyond January 1, 2016;
- (6) \$4,800,000 to Program M00Q01.03 Medical Care Provider Reimbursements to maintain Community First Choice, private duty nursing, medical day care, personal care, and home- and community-based provider reimbursement rates at the rate in effect January 1, 2015;
- (7) \$2,200,000 to Program M00M01.02 Community Services to support purchase of care contracts for individual and family support services;
- (8) \$2,100,000 to Program M00Q01.04 Office of Health Services to support adult day care grants;
- (9) \$2,000,000 to Program M00L01.02 Community Services to expand substance abuse treatment targeted at individuals with heroin addiction;
- (10) \$1,800,000 to Program R00A03.01 Maryland School for the Blind for additional program support;
- (11) \$1,700,000 to Program R00A02.07 Students With Disabilities to provide rate increases to non-public placement providers; and

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- (12) ~~\$1,600,000~~ \$1,000,000 to Program M00Q01.10 Medicaid Behavioral Health Provider Reimbursements to restore psychiatrist evaluation and management rates to 93% 90.9% of Medicare effective April 1, 2015;
- (13) *\$15,000,000 to Program M00F03.04 Family Health and Chronic Disease Services to provide an operating grant to Dimensions Healthcare System for Prince George's County Hospital Center;*
- (14) *\$5,700,000 to Program M00Q01.03 Medical Care Provider Reimbursements to maintain nursing home reimbursement rates at the rate in effect January 1, 2015;*
- (15) *\$3,000,000 to Program M00M01.02 Community Services to support crisis resolution services; and*
- (16) *\$125,000 to Program M00F03.04 Family Health and Chronic Disease Services to provide additional support for children's medical day care services.*

Funds not used for these restricted purposes may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund or, in the case of funds from the Dedicated Purpose Account, remain within that account.

Further provided that nothing in this Section shall limit the Governor's ability to decide which, if any, restriction to implement in whole or in part, and which source of and amount of funding to use in implementing a particular restricted purpose.

Further provided that the Department of Budget and Management shall report to the budget committees by August 15, 2015, on which, if any, restriction has been implemented.

Explanation: The language restricts ~~\$178.6~~ \$202.6 million in general funds from five different programs to be used only to support a variety of other programming throughout the State budget. With the exception of the \$2.0 million for expanded substance abuse treatment for individuals with heroin addiction ~~and~~, \$1.8 million for the School for the Blind, *and \$125,000 for children's medical day care services*, all of the identified programming was reduced in the fiscal 2016 allowance. *Funding for children's medical day care services was level funded in fiscal 2016 compared to the working appropriation after accounting for a \$125,000 reduction made by the Board of Public Works in July 2014. Funding for Prince George's County Hospital Center was not included in the fiscal 2016 allowance based on a prior memorandum of understanding on the extent of State operating support.* The language does not limit the ability of the Governor to choose between programming that can be restored and also provides the Governor with flexibility on which fund source to use to restore any programming.

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Information Request	Author	Due Date
Implementation of funding restrictions	Department of Budget and Management	August 15, 2015

Amendment No.

42

Add the following section:

Section 49 Weather-related Closures

SECTION 49. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that, in fiscal 2015 and 2016, the Developmental Disabilities Administration within the Department of Health and Mental Hygiene shall:

- (1) determine all cost savings realized due to nonpayment to providers for weather-related closures;
- (2) implement a methodology to distribute funds from cost savings realized due to nonpayment to providers for weather-related closures to:
 - (i) providers that experienced loss of revenue due to weather-related closures; and
 - (ii) residential service providers that experienced weather-related costs including staff overtime, resident relocation, or other costs necessary to ensure health and safety; and
- (3) distribute, based on the proportion of financial loss reported by each provider and to the extent funds are available in the budget, all funds from cost savings realized due to nonpayment to providers for weather-related closures to providers submitting required information.

To be eligible to receive redistributed funds from cost savings realized due to nonpayment to providers for weather-related closures, a provider shall report to the department:

- (1) the date or dates of each weather-related absence for which a claim is being submitted;
- (2) a detailed listing of financial losses and/or increased costs directly attributed to each weather-related absence; and
- (3) an explanation of how the claimed amount of financial losses and increased costs were determined.

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The department shall prepare guidelines and instructions for providers to submit weather-related claims. In addition, the department must, within 30 days after the end of the fiscal year, report to the committees the amount of funds from cost savings realized due to nonpayment to providers that is distributed to providers in fiscal 2015 and 2016.

Explanation: In fiscal 2012, the Developmental Disabilities Administration (DDA) changed its reimbursement policies with regard to absence days in residential, day, and supported employment services. Historically, DDA had paid standard daily rates to providers when individuals did not attend the fee payment system programs. Beginning July 1, 2011, DDA increased the rate for present days in these programs and reduced the number of bed hold days or absence days to residential programs to align with the Federal Center for Medicare and Medicaid Services reimbursable limit of 33 days. For day habilitation and supported employment programs, DDA eliminated payment for absence days on which matching federal funds cannot be claimed. This language expresses the intent that funds from cost savings realized due to nonpayment to providers in fiscal 2015 and 2016 for weather-related closures be distributed to providers, based on the proportion of financial loss reported by each provider and to the extent funds are available in the budget, to providers submitting required information.

Information Request	Author	Due Date
Weather-related closures	Department of Health and Mental Hygiene	Within 30 days after the end of fiscal 2015 and 2016

Amendment No.

43

Technical Amendment

Technical Amendment No. 1

Renumber SECTION 24. as SECTION ~~49.~~ 50. and SECTION 25. as SECTION ~~50.~~ 51.

Amendment No.

44

Supplemental Budget No. 1

Supplemental Budget No. 1

Amend the following language on the special fund appropriation:

Special Fund Appropriation, provided that these funds intended as transportation grants shall be allocated as follows:

Baltimore City	2,000,000
<u>Baltimore County</u>	<u>2,454,898</u>
<u>Howard County</u>	<u>942,953</u>
County Governments	4,000,000
Municipal Governments	19,000,000
	<u>15,602,149</u>

Further provided that \$4,000,000 of this appropriation to county governments and ~~\$19,000,000~~ 15,602,149 of this appropriation to municipal governments shall be allocated to eligible counties and municipalities as provided in Section 8-404 and 8-405 of the Transportation Article and may be expended only in accordance with Section 8-408 of the Transportation Article.

25,000,000

Further provided that the amounts indicated for Baltimore County and for Howard County are in addition to the amounts these counties will receive under the allocation of the \$4,000,000 allocated to all county governments.

Explanation: Because there are no municipalities within Baltimore and Howard counties, this amendment provides a proportionate share of the municipal grant to Baltimore and Howard counties based on their share of total car registrations (county and municipal) and total lane miles (county and municipal).

Amendment No.

45