

SUPPLEMENTAL BUDGET NO. 2 - FISCAL YEAR 2016

April 2, 2015

Mr. President, Mr. Speaker,
Ladies and Gentlemen of the General Assembly:

Pursuant to the authority conferred on me by Article III, Section 52, Subsection (5) of the Constitution of Maryland, and in accordance with the consent of the (State Senate) - (House of Delegates), duly granted, I hereby submit a supplement to House Bill 70 and/or Senate Bill 55 in the form of an amendment to the original budget for the Fiscal Year ending June 30, 2016.

Supplemental Budget No. 2 will affect previously estimated funds available for budget operations as shown on the following summary statement.

SUPPLEMENTAL BUDGET SUMMARY**Sources:**

Estimated general fund unappropriated balance July 1, 2016 (per Supplemental Budget #1)		47,256,980
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Adjustment to revenue:**General Funds:**

Fiscal Year 2016 Revenues		
Military Retirement Income	-2,700,000	
Hometown Heroes Act	-2,500,000	-5,200,000

Special Funds:

SWF305 Cigarette Restitution Fund	5,000,000	
SWF320 Speed Monitoring Systems Fund	1,000,000	
D53301 Maryland Emergency Medical Systems Operations Fund	1,420,000	
X00301 Annuity Bond Fund	33,279,019	40,699,019

Federal Funds:

AA.W00 Asset Seizure Funds	2,145,000	2,145,000
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Total Available**84,900,999****Uses:**

General Funds	1,949,386	
Special Funds	40,699,019	
Federal Funds	2,145,000	44,793,405

**Revised estimated general fund unappropriated
balance July 1, 2016.**

40,107,595

BOARD OF PUBLIC WORKS - CAPITAL APPROPRIATION

1. D06E02.01 Public Works Capital Appropriation

To add an appropriation on page 10 of the printed bill (first reading file bill), to provide funds for the following capital projects. Expenditure of these funds will be made in accordance with State Finance and Procurement Article Sections 3-601 through 3-607 and 7-305.

(1) Sinai Hospital of Baltimore, Inc.	2,000,000	
(2) Doctors Community Hospital	2,000,000	
(3) Southern Maryland Regional Higher Education Center	450,000	
(4) Harford County Agricultural Research and Exposition Foundation	50,000	
 Object .12 Grants, Subsidies and Contributions	 4,500,000	
 General Fund Appropriation		 4,500,000

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

2. E50C00.05 Business Property Valuation

In addition to the appropriation shown on page 27 of the printed bill (first reading file bill), to provide funds for the exemption from the personal property tax for small businesses that have personal property with an assessed value of \$10,000 or less.

Object .12 Grants, Subsidies, and Contributions	7,417,446	
 General Fund Appropriation, provided that this appropriation is contingent upon the enactment of legislation to implement an exemption from the personal property tax for small business that have personal property with an assessed value of \$10,000 or less for all taxable years beginning after June 30, 2015.		 7,417,446

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

3. M00L01.02 Community Services

In addition to the appropriation shown on page 64 of the printed bill (first reading file bill), to provide funds to expand substance abuse treatment targeted at individuals with heroin addiction.

Object .08 Contractual Services	2,000,000	
 General Fund Appropriation		 2,000,000

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES

4. Q00R02.01 Maryland Correctional Institution - Hagerstown

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2015 to provide additional funds for custodial overtime and utilities expenses. Funds may be realigned to other units within the department.

Personnel Detail:		
Overtime	<u>8,500,000</u>	
Object .01 Salaries, Wages and Fringe Benefits	8,500,000	
Object .06 Fuel and Utilities	<u>2,500,000</u>	
	11,000,000	
 General Fund Appropriation		 11,000,000

STATE DEPARTMENT OF EDUCATION

5. R00A01.12 Division of Student, Family and School Support

In addition to the appropriation shown on page 95 of the printed bill (first reading file bill), to provide funds for a charter school funding study and two positions to support the Department's administration of the charter school program.

Personnel Detail:		
Education Program Specialist I	1.00	70,409
Staff Specialist III	1.00	57,929
Fringe		60,895
Turnover		-40,253
Object .01 Salaries, Wages and Fringe Benefits		<u>148,980</u>
Object .08 Contractual Services		<u>250,000</u>
		398,980

General Fund Appropriation 398,980

6. R00A03.03 Other Institutions

In addition to the appropriation shown on page 101 of the printed bill (first reading file bill), to add Young Audiences of Maryland to the list of State Aided Institutions.

Object .12 Grants, Subsidies and Contributions 50,000

General Fund Appropriation 50,000

7. R00A03.05 Student Assistance Organization Business Entity Grants

To add an appropriation on page 105 of the printed bill (first reading file bill), to provide funds to be used for a new grant program reimbursing business entities for no more than 50 percent of the certified amount they contribute to a student assistance organization to provide financial assistance to students attending non-public schools. □

Object .12 Grants, Subsidies, and Contributions 5,000,000

Special Fund Appropriation, provided that this appropriation shall be for grants equal to no more than 50 percent of the certified amount a business entity contributes to a student assistance organization to provide financial assistance to students attending non-public schools that meet the eligibility requirements to participate in Program RA03.04 Aid to Non-Public Schools Program for Textbooks and Computer Hardware and Software administered by the Maryland State Department of Education. The Department of Business and Economic Development shall administer the grant program. The Department shall:

(1) Establish a process and requirements for 501(c)(3) charitable organizations to be designated as student assistance organizations, including requiring organizations to spend a minimum amount but no less than 95% of grant eligible funds annually on financial assistance for qualified education expenses as provided in §530(b)(3)(a) of the Internal Revenue Code;

(2) Establish a process and requirements for contributions by business entities to be certified by the Department prior to making a contribution as eligible to receive a grant under this

program on a first-come, first-served basis, including an annual cap on the amount of contributions per business entity that are eligible for a grant of up to 50%;

(3) Designate qualified education expenses for which student assistance organizations may provide financial assistance to students attending non-public schools, including requiring organizations to provide financial assistance to students attending at least four eligible non-public schools on a priority basis first to students who are eligible to receive free and reduced-price meals and then to other students based on financial need; and

(4) Establish a process and reporting requirements for student assistance organizations to ensure compliance with the program's requirements.

5,000,000

DEPARTMENT OF STATE POLICE

8. W00A01.02 Field Operations Bureau

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2015 to provide funds for overtime for sworn personnel, leave payouts, training, automotive maintenance, building maintenance, and ammunition.

Personnel Detail:

Overtime	661,862
Leave Payouts	741,604
Object .01 Salaries, Wages and Fringe Benefits	<u>1,403,466</u>
Object .04 Travel	42,529
Object .07 Motor Vehicle Operations and Maintenance	308,337
Object .08 Contractual Services	281,756
Object .09 Supplies and Materials	<u>233,911</u>
	2,270,000

General Fund Appropriation
Special Fund Appropriation

1,270,000
1,000,000

9. W00A01.02 Field Operations Bureau

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2015 to provide funds to the Aviation Command for overtime for sworn personnel, aircraft fuel, aircraft maintenance, pilot training, pilot uniforms, and technological support for the Computer Aided Dispatch and Records Management System.

Personnel Detail:

Overtime	525,000
Object .01 Salaries, Wages and Fringe Benefits	<u>525,000</u>
Object .07 Motor Vehicle Operations and Maintenance	725,000
Object .08 Contractual Services	300,000
Object .09 Supplies and Materials	<u>225,000</u>
	1,775,000

General Fund Appropriation
Special Fund Appropriation

355,000
1,420,000

10. W00A01.02 Field Operations Bureau

In addition to the appropriation on page 131 of the printed bill (first reading file bill), to provide funds to be used for 100 Trooper Candidate permanent positions and associated funding for the Department of State Police Field Operations Bureau.

Personnel Detail:		
MSP Trooper Candidate	100.00	4,084,500
Fringe Benefits		7,260,076
Turnover		<u>-7,097,658</u>
Object .01 Salaries, Wages and Fringe Benefits		4,246,918
Object .07 Motor Vehicle Operations and Maintenance		2,173,638
Object .09 Supplies and Materials		<u>383,300</u>
		6,803,856

General Fund Appropriation

6,803,856

11. W00A01.02 Field Operations Bureau

In addition to the appropriation on page 131 of the printed bill (first reading file bill), to provide funds to be used to reopen the Annapolis State Police Barracks.

Personnel Detail:		
Administrative Aide	2.00	77,272
Police Communication Officer	5.00	188,310
Police Communication Supervisor	1.00	44,545
Automotive Service Specialist	2.00	78,682
Maintenance Mechanic Senior	1.00	28,976
Fringe Benefits		190,536
Turnover		<u>-260,448</u>
Object .01 Salaries, Wages and Fringe Benefits		347,873
Object .06 Fuel and Utilities		33,750
Object .08 Contractual Services		11,500
Object .09 Supplies and Materials		25,000
Object .11 Equipment Additional		965,000
Object .14 Land and Structures		<u>50,000</u>
		1,433,123

General Fund Appropriation

1,433,123

12. W00A01.03 Criminal Investigation Bureau

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2015 to provide funds from the Asset Sharing program. The funds will be used for overtime for sworn personnel, upgrade of phone systems, training, minority recruiting, cell tracking software, information technology upgrades, upgrade of expired hazardous materials masks, and matching for several federal grants. □

Personnel Detail:		
Overtime		<u>100,000</u>
Object .01 Salaries, Wages and Fringe Benefits		100,000
Object .03 Communications		150,000
Object .04 Travel		150,000
Object .08 Contractual Services		350,000
Object .09 Supplies and Materials		550,000
Object .10 Equipment Replacement		650,000
Object .12 Grants, Subsidies, and Contributions		<u>195,000</u>
		2,145,000

Federal Fund Appropriation

2,145,000

13. X00A00.01 Redemption and Interest on State Bonds

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2015 to provide funds to realize bond premiums earned by the State during its March 2015 bond sale.

Object .13 Fixed Charges	0
General Fund Appropriation	-33,279,019
Special Fund Appropriation	33,279,019

**AMENDMENTS TO HOUSE BILL 70/ SENATE BILL 55
(First Reading File Bill)**

Amendment No. 1:

On page 103, after line 6, insert "Young Audiences of Maryland 50,000".

Includes the grant to Young Audiences of Maryland in the list of State Aided Institutions.

SUMMARY

SUPPLEMENTAL APPROPRIATIONS

	General Funds	Special Funds	Federal Funds	Current Unrestricted Funds	Total Funds
Appropriation					
2015 Fiscal Year	12,625,000	35,699,019	2,145,000	0	50,469,019
2016 Fiscal Year	<u>22,603,405</u>	<u>5,000,000</u>	<u>0</u>	<u>0</u>	<u>27,603,405</u>
Subtotal	<u>35,228,405</u>	<u>40,699,019</u>	<u>2,145,000</u>	<u>0</u>	<u>78,072,424</u>
Reduction in Appropriation					
2015 Fiscal Year	-33,279,019	0	0	0	-33,279,019
2016 Fiscal Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	<u>-33,279,019</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-33,279,019</u>
Net Change in Appropriation	<u><u>1,949,386</u></u>	<u><u>40,699,019</u></u>	<u><u>2,145,000</u></u>	<u><u>0</u></u>	<u><u>44,793,405</u></u>

Sincerely,

Lawrence J. Hogan, Jr.
Governor