

HOUSE BILL 1407

B1

9lr3293
CF SB 1040

By: **Chair, Appropriations Committee**

Introduced and read first time: February 28, 2019

Rules suspended

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 10, 2019

CHAPTER _____

1 AN ACT concerning

2 **Budget Reconciliation and Financing Act of 2019**

3 FOR the purpose of authorizing or altering the distribution of certain revenue; altering
4 certain required appropriations; expanding the uses of certain funds; specifying that
5 certain money received by a certain department is included as a revenue source for
6 a certain Fund; altering the cap on a certain adjustment to a certain revenue
7 estimate relating to nonwithholding income tax revenues; *requiring the budget books*
8 *to include certain data and the results of certain calculations used to calculate certain*
9 *State education aid; requiring a supplemental budget bill that includes a certain*
10 *appropriation to include certain data and the results of certain calculations used to*
11 *calculate certain State education aid; requiring, for a certain fiscal year, the*
12 *distribution of certain revenues to a certain Fund to be used for a certain purpose;*
13 *requiring the Governor to include in the budget bill submitted at a certain General*
14 *Assembly session an appropriation equal to a certain amount to be used for a certain*
15 *purpose; repealing the authority of a certain Commission to adjust, under certain*
16 *circumstances, the distribution of proceeds from video lottery terminals in Baltimore*
17 *City, Anne Arundel County, and Cecil County; requiring a certain certification of*
18 *support to be included in a certain major capital project request; altering, for a certain*
19 *fiscal year, a certain budgeted Medicaid Deficit Assessment; requiring a certain*
20 *amount of money to be available in a certain Fund at the end of a certain fiscal year*
21 *to be used for a certain purpose; authorizing the Governor to process a certain budget*
22 *amendment to appropriate certain revenues to be used for a certain purpose if a*
23 *certain condition is met; authorizing the transfer of certain funds; *requiring the**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 *transfer of certain funds*; making a stylistic change; and generally relating to the
2 financing of State and local government.

3 BY repealing and reenacting, without amendments,
4 Article – Education
5 Section 6–117.1(a)(1) and (3)
6 Annotated Code of Maryland
7 (2018 Replacement Volume and 2018 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article – Education
10 Section 6–117.1(e)(1)
11 Annotated Code of Maryland
12 (2018 Replacement Volume and 2018 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article – Labor and Employment
15 Section 10–301(a) and (c)
16 Annotated Code of Maryland
17 (2016 Replacement Volume and 2018 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Labor and Employment
20 Section 10–314
21 Annotated Code of Maryland
22 (2016 Replacement Volume and 2018 Supplement)

23 BY repealing and reenacting, without amendments,
24 Article – State Finance and Procurement
25 Section 3A–309(a), (b), (e), (h), and (i) ~~and 6–104(a)(1), 6–104(a)(1), 7–115(a) and (b),~~
26 ~~and 7–330(b), (c), and (f)~~
27 Annotated Code of Maryland
28 (2015 Replacement Volume and 2018 Supplement)

29 BY repealing and reenacting, with amendments,
30 Article – State Finance and Procurement
31 Section 3A–309(f) ~~and 6–104(e), 6–104(e), 7–329, and 7–330(g) and (j)~~
32 Annotated Code of Maryland
33 (2015 Replacement Volume and 2018 Supplement)

34 BY adding to
35 Article – State Finance and Procurement
36 Section 7–115(g) and 7–120
37 Annotated Code of Maryland
38 (2015 Replacement Volume and 2018 Supplement)

39 BY repealing

1 Article – State Government
 2 Section 9–1A–37(c)
 3 Annotated Code of Maryland
 4 (2014 Replacement Volume and 2018 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article – Transportation
 7 Section 2–103.1(c)(6)
 8 Annotated Code of Maryland
 9 (2015 Replacement Volume and 2018 Supplement)

10 BY repealing and reenacting, with amendments,
 11 Chapter 397 of the Acts of the General Assembly of 2011, as amended by Chapter
 12 425 of the Acts of the General Assembly of 2013, Chapter 464 of the Acts of
 13 the General Assembly of 2014, Chapter 489 of the Acts of the General
 14 Assembly of 2015, Chapter 23 of the Acts of the General Assembly of 2017,
 15 and Chapter 10 of the Acts of the General Assembly of 2018
 16 Section 16(c)

17 BY repealing and reenacting, with amendments,
 18 Chapter 489 of the Acts of the General Assembly of 2015, as amended by Chapter
 19 321 of the Acts of the General Assembly of 2016
 20 Section 9(c)

21 BY adding to
 22 Chapter 489 of the Acts of the General Assembly of 2015, as amended by Chapter
 23 321 of the Acts of the General Assembly of 2016
 24 Section 9(d)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 26 That the Laws of Maryland read as follows:

27 **Article – Education**

28 6–117.1.

29 (a) (1) In this section the following words have the meanings indicated.

30 (3) “Program” means the Teacher Induction, Retention, and Advancement
 31 Pilot Program.

32 (e) (1) (i) For fiscal year 2018, the Governor shall include in the annual
 33 budget bill an appropriation of \$2,100,000 to the Program.

34 (ii) For fiscal year 2019, the Governor shall include in the annual
 35 budget bill an appropriation of \$3,000,000 for the Program.

(iii) For fiscal year 2020 and each fiscal year thereafter, the Governor shall include in the annual budget bill an appropriation of [~~\$5,000,000~~] **\$1,000,000** for the Program.

Article – Labor and Employment

10–301.

(a) In this subtitle the following words have the meanings indicated.

(c) “Fund” means the Uninsured Employers’ Fund.

10–314.

(a) The Fund shall consist of:

(1) the money credited to the Fund under Title 9 of this article;

(2) income from investments that the State Treasurer makes for the Fund;

and

(3) interest on deposits or investments of money from the Fund.

(b) The Director shall use the Fund to pay:

(1) each award under Title 9 of this article charged against the Fund;

(2) the amount that the Director authorizes for an expert or witness hired under § 10–310(c) of this subtitle;

(3) other proper charges that the Director authorizes; [and]

(4) whenever an employer who is self-insured in accordance with § 9–404 or § 9–405 of this article becomes insolvent, any outstanding obligations of the employer;

AND

(5) HEARING LOSS CLAIMS FOR RETIREES OF THE BETHLEHEM STEEL CORPORATION.

(c) The liability of the Board, Director, Fund, State Treasurer, and State for all proper charges against the Fund is limited to the assets of the Fund.

Article – State Finance and Procurement

3A–309.

1 (a) There is a Major Information Technology Development Project Fund.

2 (b) The purpose of the Fund is to support major information technology
3 development projects.

4 (e) Except as provided in subsection (f) of this section, the Fund consists of:

5 (1) money appropriated in the State budget to the Fund;

6 (2) as approved by the Secretary, money received from:

7 (i) the sale, lease, or exchange of communication sites,
8 communication facilities, or communication frequencies for information technology
9 purposes; or

10 (ii) an information technology agreement involving resource
11 sharing;

12 (3) that portion of money earned from pay phone commissions to the extent
13 that the commission rates exceed those in effect in December 1993;

14 (4) money received and accepted as contributions, grants, or gifts as
15 authorized under subsection (c) of this section;

16 (5) general funds appropriated for major information technology
17 development projects of any unit of State government other than a public institution of
18 higher education that:

19 (i) are unencumbered and unexpended at the end of a fiscal year;

20 (ii) have been abandoned; or

21 (iii) have been withheld by the General Assembly or the Secretary;

22 (6) any investment earnings; and

23 (7) any other money from any source accepted for the benefit of the Fund.

24 (f) The Fund does not include any money:

25 (1) received by the [Department of Transportation,] Maryland
26 Transportation Authority[,] or THE Maryland Public Broadcasting Commission;

27 (2) received by the Judicial or Legislative branches of State government; or

1 (3) generated from pay phone commissions that are credited to other
2 accounts or funds in accordance with other provisions of law or are authorized for other
3 purposes in the State budget or through an approved budget amendment.

4 (h) Expenditures from the Fund shall be made only:

5 (1) in accordance with an appropriation approved by the General Assembly
6 in the annual State budget; or

7 (2) through an approved State budget amendment under Title 7, Subtitle
8 2, Part II of this article, provided that a State budget amendment for any project not
9 requested as part of the State budget submission or for any project for which the scope or
10 cost has increased by more than 5% or \$250,000 shall be submitted to the budget
11 committees allowing a 30-day period for their review and comment.

12 (i) The Fund may be used:

13 (1) for major information technology development projects;

14 (2) as provided in subsections (j) and (l) of this section; or

15 (3) notwithstanding § 3A-301(b)(2) of this subtitle, for the costs of the first
16 12 months of operation and maintenance of a major information technology development
17 project.

18 6-104.

19 (a) (1) In this section, “nonwithholding income tax revenues” means the State
20 share of income tax quarterly estimated and final payments with returns made by
21 individuals, as defined in § 10-101 of the Tax – General Article.

22 (e) (1) Beginning with the revenue estimate for fiscal year 2020, the Bureau
23 shall calculate the share of General Fund revenues represented by nonwithholding income
24 tax revenues in accordance with this subsection.

25 (2) (i) For each fiscal year, the Bureau shall calculate the 10-year
26 average share of General Fund revenues represented by nonwithholding income tax
27 revenues.

28 (ii) 1. For each fiscal year, the 10-year average shall use the 10
29 most recently completed fiscal years for which data are available when the estimate is
30 prepared in the September before the beginning of the fiscal year.

31 2. The same 10-year average shall be used in all subsequent
32 revisions to the revenue estimate for that fiscal year.

1 (3) (i) Subject to subparagraph (ii) of this paragraph, for each fiscal
2 year, if the Bureau's estimate of the share of General Fund revenues from nonwithholding
3 income tax revenues is above the 10-year average share, the Bureau shall adjust the
4 revenue estimate by reducing General Fund revenues from nonwithholding income tax
5 revenues by an amount sufficient to align the estimated share of General Fund revenues
6 from nonwithholding income tax revenues with the 10-year average share of General Fund
7 revenues from nonwithholding income taxes.

8 (ii) The adjustment made under subparagraph (i) of this paragraph
9 may not exceed the following percentage of total General Fund revenues:

- 10 1. ~~[0.5%]~~ **0.25%** for fiscal year 2020;
- 11 2. 1% for fiscal year 2021; and
- 12 3. 2% for fiscal year 2022 and each fiscal year thereafter.

13 (iii) The capped estimate calculated under this paragraph shall be
14 incorporated in the revenue estimate the Bureau shall report to the Board in the report
15 required under subsection (b)(2) of this section.

16 7-115.

17 (a) On submission of the budget bill to the presiding officers of the General
18 Assembly, the Governor shall provide the supporting material specified in this section.

19 (b) The Governor shall provide budget books that include the information required
20 in this section.

21 (c) THE BUDGET BOOKS SHALL INCLUDE SUPPORTING DATA AND THE
22 RESULTS OF THE CALCULATIONS REQUIRED UNDER § 5-202(L) OF THE EDUCATION
23 ARTICLE.

24 7-120.

25 ON SUBMISSION OF A SUPPLEMENTAL BUDGET BILL TO THE PRESIDING
26 OFFICERS OF THE GENERAL ASSEMBLY THAT INCLUDES AN APPROPRIATION IN
27 ACCORDANCE WITH § 5-202(L) OF THE EDUCATION ARTICLE, THE GOVERNOR SHALL
28 PROVIDE SUPPORTING DATA AND THE RESULTS OF THE CALCULATIONS REQUIRED
29 UNDER THAT SUBSECTION.

30 7-329.

31 (a) (1) In this section the following words have the meanings indicated.

1 (2) “Fund” means the Fiscal Responsibility Fund established under §
2 7–330 of this subtitle.

3 (3) (i) “Nonwithholding income tax revenues” means the State share of
4 income tax quarterly estimated and final payments with returns made by individuals, as
5 defined in § 10–101 of the Tax – General Article.

6 (ii) “Nonwithholding income tax revenues” does not include:

7 1. the county share of income tax quarterly estimated and
8 final payments with returns made by individuals;

9 2. income tax payments made by corporations;

10 3. income tax refunds paid to individuals or corporations; or

11 4. income tax withholding.

12 (b) At the end of fiscal year 2020, and each fiscal year thereafter, if General Fund
13 revenues for the fiscal year are less than the March estimate of the Board of Revenue
14 Estimates, the amount of nonwithholding income tax revenues that exceeds the capped
15 estimate determined under § 6–104(e) of this article shall be applied to close the gap in
16 revenues for that fiscal year.

17 **(B–1) AT THE END OF FISCAL YEAR 2020 ONLY, IF THE AMOUNT OF**
18 **NONWITHOLDING INCOME TAX REVENUES THAT EXCEEDS THE CAPPED ESTIMATE**
19 **DETERMINED UNDER § 6–104(E) OF THIS ARTICLE EXCEEDS THE AMOUNT**
20 **NECESSARY TO CLOSE THE GAP IN REVENUES UNDER SUBSECTION (B) OF THIS**
21 **SECTION, THE STATE COMPTROLLER SHALL DISTRIBUTE THE REMAINDER TO THE**
22 **FISCAL RESPONSIBILITY FUND ESTABLISHED UNDER § 7–330 OF THIS SUBTITLE**
23 **FOR THE PURPOSE OF PROVIDING A ONE–TIME BONUS IN FISCAL YEAR 2021 FOR**
24 **PERMANENT EMPLOYEES IN THE EXECUTIVE, JUDICIAL, AND LEGISLATIVE**
25 **BRANCHES OF STATE GOVERNMENT WHO ARE NOT:**

26 **(1) IN A BARGAINING UNIT THAT HAS AGREED TO AND RATIFIED THE**
27 **ECONOMIC TERMS OF A MEMORANDUM OF UNDERSTANDING FOR FISCAL YEAR 2020;**
28 **OR**

29 **(2) (I) ELECTED TO A POSITION BY POPULAR VOTE;**

30 **(II) IN A POSITION BY ELECTION OR APPOINTMENT THAT IS**
31 **PROVIDED FOR BY THE MARYLAND CONSTITUTION; OR**

32 **(III) IN THE EXECUTIVE PAY PLAN.**

1 (c) [If] EXCEPT AS PROVIDED IN SUBSECTION (B-1) OF THIS SECTION, IF the
2 amount of nonwithholding income tax revenues that exceeds the capped estimate
3 determined under § 6-104(e) of this article exceeds the amount necessary to close the gap
4 in revenues under subsection (b) of this section, and if the balance of the Revenue
5 Stabilization Account under § 7-311 of this subtitle is less than 6% of the estimated General
6 Fund revenues for that fiscal year, the State Comptroller shall distribute to the Revenue
7 Stabilization Account the lesser of:

8 (1) the remaining balance of nonwithholding income tax revenues in excess
9 of the capped estimate determined under § 6-104(e) of this article; or

10 (2) the amount required for the Revenue Stabilization Account balance to
11 equal 6% of the estimated General Fund revenues for that fiscal year.

12 (d) [If] EXCEPT AS PROVIDED IN SUBSECTION (B-1) OF THIS SECTION, IF the
13 amount of nonwithholding income tax revenues that exceeds the capped estimate
14 determined under § 6-104(e) of this article exceeds the amount the State Comptroller is
15 required to distribute to the Revenue Stabilization Account under subsection (c) of this
16 section, the State Comptroller shall distribute:

17 (1) subject to subsection (e) of this section, 50% of the remaining amount to
18 the Revenue Stabilization Account; and

19 (2) the remainder to the Fiscal Responsibility Fund established under §
20 7-330 of this subtitle.

21 (e) The distribution to the Revenue Stabilization Account under subsection (d)(1)
22 of this section does not apply if the amount in the Revenue Stabilization Account exceeds
23 10% of General Fund revenues.

24 7-330.

25 (b) There is a Fiscal Responsibility Fund.

26 (c) The purpose of the Fund is to retain the amount of nonwithholding income tax
27 revenues deposited to the Fund in accordance with § 7-329(d)(2) of this subtitle until the
28 revenues are appropriated in the State budget.

29 (f) The Fund consists of nonwithholding income tax revenues that exceed the
30 capped estimate determined under § 6-104(e) of this article deposited into the Fund by the
31 State Comptroller under § 7-329(d)(2) of this subtitle.

32 (g) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
33 SUBSECTION, THE Fund may be used only to provide pay-as-you-go capital funds for:

34 [(1)] (1) public school construction and public school capital improvement
35 projects, in accordance with Title 5, Subtitle 3 of the Education Article;

1 ~~[(2)]~~ ~~(II)~~ capital projects at public community colleges; and

2 ~~[(3)]~~ ~~(III)~~ capital projects at four-year public institutions of higher
3 education.

4 **(2) FOR FISCAL YEAR 2021 ONLY, MONEY IN THE FUND SHALL BE**
5 **USED TO PROVIDE A ONE-TIME BONUS FOR PERMANENT EMPLOYEES IN THE**
6 **EXECUTIVE, JUDICIAL, AND LEGISLATIVE BRANCHES OF STATE GOVERNMENT WHO**
7 **ARE NOT:**

8 **(I) IN A BARGAINING UNIT THAT HAS AGREED TO AND RATIFIED**
9 **THE ECONOMIC TERMS OF A MEMORANDUM OF UNDERSTANDING FOR FISCAL YEAR**
10 **2020; OR**

11 **(II) 1. ELECTED TO A POSITION BY POPULAR VOTE;**
12 **2. IN A POSITION BY ELECTION OR APPOINTMENT THAT**
13 **IS PROVIDED FOR BY THE MARYLAND CONSTITUTION; OR**

14 **3. IN THE EXECUTIVE PAY PLAN.**

15 (j) (1) ~~[The]~~ **EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS**
16 **SUBSECTION, THE Governor shall include in the budget bill for the second following fiscal**
17 **year an appropriation equal to the amount in the Fund for pay-as-you-go capital projects.**

18 (2) Money expended from the Fund for pay-as-you-go capital projects is
19 supplemental to and is not intended to take the place of funding that otherwise would be
20 appropriated for capital projects, including those funded with pay-as-you-go funds and
21 the proceeds from the sale of general obligation bonds.

22 **(3) THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL**
23 **SUBMITTED AT THE 2021 SESSION OF THE GENERAL ASSEMBLY AN APPROPRIATION**
24 **EQUAL TO THE AMOUNT DISTRIBUTED TO THE FUND IN ACCORDANCE WITH §**
25 **7-329(B-1) OF THIS SUBTITLE TO PROVIDE A ONE-TIME BONUS IN FISCAL YEAR**
26 **2021 FOR PERMANENT EMPLOYEES IN THE EXECUTIVE, JUDICIAL, AND**
27 **LEGISLATIVE BRANCHES OF STATE GOVERNMENT WHO ARE NOT:**

28 **(I) IN A BARGAINING UNIT THAT HAS AGREED TO AND RATIFIED**
29 **THE ECONOMIC TERMS OF A MEMORANDUM OF UNDERSTANDING FOR FISCAL YEAR**
30 **2020; OR**

31 **(II) 1. ELECTED TO A POSITION BY POPULAR VOTE;**

1 **2. IN A POSITION BY ELECTION OR APPOINTMENT THAT**
2 **IS PROVIDED FOR BY THE MARYLAND CONSTITUTION; OR**

3 **3. IN THE EXECUTIVE PAY PLAN.**

4 **Article – State Government**

5 9–1A–37.

6 **[(c) (1) Subject to paragraphs (2) through (5) of this subsection, if a video**
7 **lottery operation license is awarded to a video lottery facility in Prince George’s County,**
8 **the Commission may increase for a video lottery facility located in:**

9 **(i) Anne Arundel County, by not more than 2% of the proceeds from**
10 **video lottery terminals at the video lottery facility, the percentage under § 9–1A–27(a)(8)**
11 **of this subtitle; and**

12 **(ii) Baltimore City, by not more than 3% of the proceeds from video**
13 **lottery terminals at the video lottery facility, the percentage under § 9–1A–27(a)(8) of this**
14 **subtitle.**

15 **(2) If the Commission increases the percentage of proceeds from video**
16 **lottery terminals for the video lottery facility in Anne Arundel County under paragraph (1)**
17 **of this subsection, the Commission shall increase the percentage of proceeds for the video**
18 **lottery facility in Baltimore City by at least the same percentage point increase as for Anne**
19 **Arundel County.**

20 **(3) (i) If a video lottery operation license is awarded to a video lottery**
21 **facility in Prince George’s County, the Commission may increase for a video lottery facility**
22 **in Cecil County, by not more than 5% of the proceeds from video lottery terminals at the**
23 **video lottery facility, the percentage under § 9–1A–27(a)(2) of this subtitle.**

24 **(ii) Any increased distribution of video lottery terminal proceeds**
25 **under this paragraph for a video lottery facility in Cecil County shall be used for:**

26 **1. marketing, advertising, and promotional costs required**
27 **under § 9–1A–23 of this subtitle; and**

28 **2. capital improvements at the video lottery facility.**

29 **(4) (i) On or before January 1, 2019, the Commission shall determine**
30 **any adjustment authorized under paragraph (1) of this subsection to the percentage under**
31 **§ 9–1A–27(a)(8) of this subtitle or under paragraph (3) of this subsection.**

32 **(ii) Any adjustment authorized under this subsection may not take**
33 **effect:**

1 1. until a video lottery operation license is issued to a video
 2 lottery facility in Prince George's County; and

3 2. earlier than July 1, 2019.

4 (5) Before the Commission may make a determination on any adjustment
 5 under this subsection, the Commission shall report to the Governor and the General
 6 Assembly, in accordance with § 2-1246 of this article, on:

7 (i) the impact on existing facilities from a video lottery facility
 8 located in Prince George's County;

9 (ii) unexpected monetary gains to licensees from factors including
 10 the delayed opening of other facilities;

11 (iii) the monetary benefit to existing licensees from the removal of
 12 statutory or regulatory restrictions on video lottery operations;

13 (iv) increased revenue to licensees from the authorization of table
 14 games;

15 (v) the impact of any adjustments to the Education Trust Fund;

16 (vi) the tax implications, if any, and cost of the ownership of the video
 17 lottery terminals by video lottery facilities; and

18 (vii) any other factors related to the gaming market in Maryland and
 19 the ability of the State gaming program to compete with surrounding states.]

20 **Article – Transportation**

21 2-103.1.

22 (c) (6) For a major capital project to be considered for inclusion in the
 23 construction program of the Consolidated Transportation Program, a request must be
 24 submitted to the Secretary by the proposing entity along with a purpose and need summary
 25 statement justifying the project that includes:

26 (i) The location of the project, including a map of the project limits,
 27 project area, or transportation corridor;

28 (ii) The need for the project; [and]

29 (iii) A discussion of how the project:

30 1. Addresses State transportation goals; and

2. Supports local government land use plans and goals; AND

(IV) A CERTIFICATION OF SUPPORT FOR THE PROJECT BY A MAJORITY OF THE SENATORS AND A MAJORITY OF THE DELEGATES FROM THE LEGISLATIVE DELEGATION OF THE COUNTY IN WHICH THE PROJECT IS LOCATED.

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cont

Chapter 397 of the Acts of 2011, as amended by Chapter 425 of the Acts of 2013, Chapter 464 of the Acts of 2014, Chapter 489 of the Acts of 2015, Chapter 23 of the Acts of 2017, and Chapter 10 of the Acts of 2018

SECTION 16. AND BE IT FURTHER ENACTED, That, in addition to any other revenue generated under § 19–214 of the Health – General Article, as amended by this Act:

(c) (1) For fiscal year 2015 and 2016, the Commission and the [Department of Health and Mental Hygiene] **MARYLAND DEPARTMENT OF HEALTH** shall adopt policies that will provide up to \$389,825,000 in special fund revenues from hospital assessment and remittance revenue.

(2) For fiscal year 2017, the Governor shall reduce the budgeted Medicaid Deficit Assessment by \$25,000,000 over the assessment level for the prior year.

(3) For fiscal year 2018, the budgeted Medicaid Deficit Assessment shall be \$364,825,000.

(4) For fiscal year 2019, the budgeted Medicaid Deficit Assessment shall be \$334,825,000.

(5) For fiscal year 2020, the budgeted Medicaid Deficit Assessment shall be ~~[\$294,825,000] \$314,825,000~~ **\$309,825,000.**

4

(6) Beginning with the State budget submission for fiscal year 2021, the Governor shall reduce the budgeted Medicaid Deficit Assessment annually by \$25,000,000 over the assessment level for the prior fiscal year.

(7) To the extent that the Commission takes other actions that reduce Medicaid costs, those savings shall also be used to reduce the budgeted Medicaid Deficit Assessment.

(8) To the maximum extent possible, the Commission and the [Department of Health and Mental Hygiene] **MARYLAND DEPARTMENT OF HEALTH** shall adopt policies that preserve the State’s Medicare waiver.

Chapter 489 of the Acts of 2015, as amended by Chapter 321 of the Acts of 2016

SECTION 9. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law:

1 (c) (1) Except as provided in paragraph (2) of this subsection **AND SUBJECT**
 2 **TO SUBSECTION (D) OF THIS SECTION**, the remaining fund balance obtained from the
 3 federal Medicare program or the Medicaid program may be used in fiscal years 2016
 4 through 2019 to support integrated care networks designed to reduce health care
 5 expenditures and improve outcomes for unmanaged high-needs Medicare patients and
 6 patients dually eligible for Medicaid and Medicare, consistent with the goals of Maryland's
 7 all-payer model.

8 (2) \$90,000 of the remaining fund balance obtained from the federal
 9 Medicare program or the Medicaid program may be used in fiscal years 2016 and 2017 to
 10 support the remaining expenses of the Maryland Health Insurance Plan.

11 **(D) (1) AT THE END OF FISCAL YEAR 2019, THE FUND BALANCE**
 12 **OBTAINED FROM THE FEDERAL MEDICARE PROGRAM OR THE MEDICAID PROGRAM**
 13 **SHALL BE NOT LESS THAN \$10,000,000.**

14 **(2) FOR FISCAL YEAR 2020, \$10,000,000 OF THE REMAINING FUND**
 15 **BALANCE OBTAINED FROM THE FEDERAL MEDICARE PROGRAM OR THE MEDICAID**
 16 **PROGRAM MAY BE USED BY THE MARYLAND DEPARTMENT OF HEALTH TO FUND**
 17 **PROVIDER REIMBURSEMENTS IN THE MEDICAID PROGRAM.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That the unexpended
 19 appropriation for a utilization review audit contract in Community Services (M00M01.02)
 20 within the Developmental Disabilities Administration in the Maryland Department of
 21 Health, that was included in the fiscal year 2019 operating budget (Chapter 570 of the Acts
 22 of 2018) is reduced by \$2,309,355 in federal funds and \$3,124,422 in general funds, which
 23 shall revert to the General Fund.

24 SECTION 3. AND BE IT FURTHER ENACTED, That the unexpended
 25 appropriation for a financial management services contract for self-directed services in
 26 Community Services (M00M01.02) within the Developmental Disabilities Administration
 27 in the Maryland Department of Health, that was included in the fiscal year 2019 operating
 28 budget (Chapter 570 of the Acts of 2018) is reduced by \$602,758 in federal funds and
 29 \$815,496 in general funds, which shall revert to the General Fund.

30 ~~SECTION 4. AND BE IT FURTHER ENACTED, That the unexpended~~
 31 ~~appropriation for residential per diems within the Department of Juvenile Services that~~
 32 ~~was included in the fiscal year 2019 operating budget (Chapter 570 of the Acts of 2018)~~
 33 ~~shall be reduced by \$4,000,000 in general funds.~~

34 SECTION 4. AND BE IT FURTHER ENACTED, That the unexpended appropriation
 35 for residential per diems within the Department of Juvenile Services that was included in
 36 the fiscal year 2019 operating budget (Chapter 570 of the Acts of 2018) shall be reduced by
 37 \$500,000 in general funds.

1 SECTION ~~5~~ 4 5. AND BE IT FURTHER ENACTED, That the unexpended
 2 appropriation for correctional officer positions within the Department of Public Safety and
 3 Correctional Services that was included in the fiscal year 2019 operating budget (Chapter
 4 570 of the Acts of 2018) shall be reduced by ~~\$15,000,000~~ ~~\$7,500,000~~ \$10,000,000 in general
 5 funds.

6 SECTION ~~6~~ 5 6. AND BE IT FURTHER ENACTED, That the unexpended
 7 appropriation in the Medicaid program that was included in the fiscal year 2019 operating
 8 budget (Chapter 570 of the Acts of 2018) shall be reduced by \$25,000,000 in general funds.

9 SECTION ~~7~~ 6 7. AND BE IT FURTHER ENACTED, That, notwithstanding any
 10 other provision of law, \$10,000,000 of the funds in the Economic Development
 11 Opportunities Account under § 7-314 of the State Finance and Procurement Article shall
 12 revert to the General Fund.

13 SECTION ~~8~~ 7 8. AND BE IT FURTHER ENACTED, That the unexpended
 14 appropriation for the Teacher Induction, Retention, and Advancement Pilot Program under
 15 § 6-117.1 of the Education Article that was included in the fiscal year 2019 operating
 16 budget (Chapter 570 of the Acts of 2018) shall be reduced by \$2,000,000 in general funds,
 17 which shall revert to the General Fund.

18 ~~SECTION 9. 8. AND BE IT FURTHER ENACTED, That, notwithstanding any other~~
 19 ~~provision of law, for fiscal year 2020 only, \$2,000,000 from the Maryland Trauma Physician~~
 20 ~~Services Fund under § 19-130 of the Health General Article may be used for Medicaid~~
 21 ~~provider reimbursements.~~

22 SECTION 9. AND BE IT FURTHER ENACTED, That the Governor is authorized to
 23 process a budget amendment to appropriate \$15,766,919 in additional Education Trust
 24 Fund revenues received in fiscal year 2020 as a result of the repeal of § 9-1A-37(c) of the
 25 State Government Article as enacted by Section 1 of this Act. If Chapter _____ (S.B.
 26 1030/H.B. 1413) of the Acts of the General Assembly of 2019 takes effect, the special funds
 27 may be appropriated only to provide additional funding for students with disabilities as
 28 specified in Section 5 of Chapter _____ (S.B. 1030/H.B. 1413) of the Acts of the General
 29 Assembly of 2019.

30 SECTION 10. AND BE IT FURTHER ENACTED, That, notwithstanding § 7-311(i)
 31 of the State Finance and Procurement Article or any other provision of law, for fiscal year
 32 2020 only, and only as provided in the fiscal year 2020 operating budget bill, funds may be
 33 transferred by budget amendment from the Revenue Stabilization Account established
 34 under § 7-311 of the State Finance and Procurement Article and funds may be transferred
 35 by budget amendment from the Dedicated Purpose Account established under § 7-310 of
 36 the State Finance and Procurement Article and may be used for fiscal year 2020 for
 37 purposes as specified in the fiscal year 2020 operating budget bill.

38 SECTION 11. AND BE IT FURTHER ENACTED, *That, notwithstanding any other*
 39 *provision of law, on or before June 30, 2019, the Governor shall transfer to the General Fund*
 40 *\$4,000,000 of the State-supported fund balance of the University System of Maryland.*

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1 SECTION 12. AND BE IT FURTHER ENACTED, That, notwithstanding any other
2 provision of law, on or before June 30, 2019, the Governor shall transfer to the General Fund
3 \$400,000 of the State-supported fund balance of Morgan State University.

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4 SECTION 13. AND BE IT FURTHER ENACTED, That, notwithstanding any other
5 provision of law, on or before June 30, 2019, the Governor shall transfer to the General Fund
6 \$267,012 from the Reimbursable Project Contingency Fund authorized under § 3-103(h)(3)
7 of the Natural Resources Article.

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8 SECTION 14. AND BE IT FURTHER ENACTED, That the \$994,000 identified in
9 the fiscal year 2018 closeout audit as being improperly retained by the Field Operations
10 Bureau (W00A01.02) within the Department of State Police shall be credited to the General
11 Fund.

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12 SECTION ~~10~~ ~~11~~ 15. AND BE IT FURTHER ENACTED, That this Act shall take
13 effect June 1, 2019.

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cont