

House Appropriations Committee

Report on

Senate Bill 190 – the Budget Bill

**Senate Bill 192 – the Budget Reconciliation and
Financing Act**

**Maryland General Assembly
Annapolis, Maryland**

March 16, 2020

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Budget Balancing Plan

As Amended by the House Appropriations Committee

Floor Amendments

Achieves Spending Affordability Committee Goals: The proposed budget achieves the Spending Affordability Committee's dual goals of leaving a fund balance of at least \$100 million and eliminating the structural shortfall in fiscal 2021. The committee's actions leave a fund balance of \$231.3 million and produce a structural surplus of \$67 million.

Preserves Reserves: Almost \$1.4 billion in cash resources are preserved including \$1.2 billion in the Rainy Day Fund. Collectively, these cash balances equate to 7% of general fund revenues.

Constrains Growth in State Spending: Growth in general fund spending increases \$78.6 million or 0.4%.

Maintains the State's Commitment to Public Schools: Under the committee's budget plan, State support for public schools will exceed \$7.2 billion. Direct aid to local school systems will increase an estimated \$236.3 million, or 3.8%. The budget plan dedicates \$362 million to support the implementation of The Blueprint for Maryland's Future.

Restores Funds for Legislative Priorities: The budget restores almost \$40 million of general funds reduced by the Governor to increase reimbursement rates for providers delivering services to Maryland's most vulnerable populations, \$18.2 million for aid to community colleges, and \$10.6 million for aid to independent colleges and universities. Funds are also restored for the Baltimore Symphony Orchestra, Maryland Public Television, and economic development projects in the National Capital region.

Funds Coronavirus Response: \$10 million is included in the fiscal 2020 budget to respond to the pandemic, and separate legislation authorizes the Governor to utilize \$50 million from the Rainy Day Fund if necessary.

Continues to Provide Vital Health Care Services: Medicaid funding totals \$11.9 billion allowing the State to provide coverage to 1.4 million of our residents.

Promotes Affordability of Higher Education: State support for Maryland's public four-year colleges and universities grows by \$64.9 million (3.9%) allowing undergraduate tuition rates to increase a modest 2.0%. Funding for community colleges increases by \$36.5 million (11%).

Funds Rate Increases for Providers Serving Children and Vulnerable Populations: A 4.0% rate increase is funded for providers serving the developmentally disabled, people with behavioral health needs, and Medicaid enrollees. Rate increases of 2.0% are funded for human service providers.

Employee Compensation: A 2% general salary increase is funded effective January 1, 2021 (5% for law enforcement officers effective July 1, 2020). If fiscal 2020 nonwithholding income tax revenues exceed the official revenue estimate by a specified amount, employees who were excluded from a 1% salary increase on January 1, 2020, will receive the 1% increase in fiscal 2021, and if funds are available, members of various bargaining units will receive a 2% increase.

Fiscal 2021 Balancing Strategy
(\$ in Millions)

	<u>Governor</u>	<u>Senate</u>	<u>APP</u>	<u>Final</u>
Fiscal 2021 Ending Balance Before Legislation	-\$641.1	-\$641.1	-\$641.1	-\$641.1
Revenue Adjustments				
Legislative Actions		\$1.8	\$2.0	\$2.0
Legislation				
Budget Reconciliation and Financing Act	\$727.5	\$649.5	\$679.4	\$710.8
Tax Relief Proposals	-17.9	0.0	0.0	0.0
Building Opportunity Act (SB 276/HB 338)	40.0	0.0	0.0	0.0
Spending				
Supplemental Budget No. 1 – Net Savings	\$18.1	\$18.1	\$18.1	\$18.1
Net Legislative Budget Cuts		100.7	111.2	141.4
Additional Savings Reserved for Legislative Priorities		-0.5	-5.0	-5.0
Legislative Priorities		0.5	5.0	5.0
Fiscal 2021 Estimated Closing Balance	\$126.6	\$129.1	\$169.7	\$231.3

APP: House Appropriations Committee
HB: House Bill
SB: Senate Bill

**Proposed Budget Reductions
Senate Bill 190 and Senate Bill 192
Fiscal 2021 Budget and Fiscal 2020 Deficiency Appropriations
(\$ in Millions)**

General Funds

	<u>Senate</u>	<u>APP</u>	<u>Final</u>
<u>Medicaid</u>			
C Slow Reduction to Medicaid Hospital Deficit Assessment	\$10.0	\$20.0	\$10.0
<i>Remove Overbudgeted Fiscal 2020 Funding</i>	15.0	15.0	15.0
Fund Swap to Recognize Available Federal Funds for Transportation Services	3.9	3.9	3.9
Fund Swap to Use Available Cigarette Restitution Funds		4.5	2.6
Savings from Resumption of Audits of Hospital Claims	3.0	3.0	3.0
C Fund Small Rural Pharmacy Access Program with Board of Pharmacy Fund Balance	0.8	0.8	0.8
C <i>Reduce Funds for Behavioral Health ASO Contract for Liquidated Damages</i>	0.3	0.3	0.3
Total	\$32.9	\$47.4	\$35.6
<u>Higher Education</u>			
C Limit Increase in Aid to Independent Colleges and Universities	\$20.9	\$22.4	\$21.4
Reduce Operating Support for University System of Maryland	5.0	5.0	5.0
C Limit Increase in Aid to Community Colleges		3.6	0.0
Limit Increase for Promise Scholarship Funds to 300% to Better Align with Expected Utilization	3.5	3.5	3.5
C <i>Withdraw Surplus Fiscal 2020 Promise Scholarship Funds</i>	3.0	3.0	3.0
Reduce Operating Support for Morgan State University		0.3	0.3
Total	\$32.4	\$37.8	\$33.2
<u>State Agencies</u>			
Overbudgeted Funds for MD THINK Major IT Project	\$16.5	\$16.5	\$16.5
Judiciary Operating Costs in Fiscal 2021	14.5	15.1	14.2
Employee and Retiree Health Insurance Program Costs are Overstated	7.5	7.5	7.5
Reduce Funds for More Jobs for Marylanders to Still Allow \$9 Million in New Credits	7.1	7.1	7.1
Shift Howard Street Tunnel Project Costs to Transportation Trust Fund	10.0	9.0	9.0
<i>Fiscal 2020 Deficiency for Judiciary Salary Increases</i>		5.6	2.8
Reduce Overbudgeted Funds for Debt Service	5.0	5.0	5.0
Major IT Fund Surplus Due to Revenue Sharing Agreements and Cash Flow on Projects	3.0	3.2	3.2
C <i>DPSCS Vacancy Savings in Fiscal 2020</i>	2.5	2.5	2.5
DPSCS Vacancy Savings in Fiscal 2021	5.0	2.5	5.0
C Raise Drinking Driver Monitoring Program Fee	1.3	1.3	1.3
Align Funds for SmartWork with Recent Experience	1.0	1.0	1.0
Fund Fiscal 2021 Local Health Improvement Coalition Grant with Available Special Funds	1.0	1.0	1.0

General Funds

	<u>Senate</u>	<u>APP</u>	<u>Final</u>
C Fund Maryland Primary Care Program with Board of Physicians Fund Balance	0.8		0.0
Reduce Funds for Maryland Primary Care Program		1.0	0.5
No Funds for More Jobs for Marylanders Sales Tax Refund Due to Lack of Interest	1.0	1.0	1.0
Delete 14 Long-term Vacancies in Juvenile Services	0.8		0.0
Assume New Prosecutor Positions will take Three Months to Fill		0.6	0.0
Delay Expansion of Aging's Community for Life Program		0.6	0.0
Better Align Vacancy Assumptions for Department of General Services with Experience	0.5	0.5	0.5
Federal Fund Availability for DDA Quality Control Contract Understated		0.5	0.5
Abolish 15 Long-Term Vacancies in Dept. of Information Technology	0.3	0.3	0.3
Repeal Mandate for Child and Parent Resource Center Due to Audit Findings - Fiscal 2021	0.3	0.3	0.3
Delete Three Long-term Vacancies in MDL	0.2	0.2	0.2
C <i>Reduce Election Management System IT Project Based on Estimate of Final Project Cost</i>		0.2	0.2
C <i>Withdraw Unused Fiscal 2020 Funds for Dairy Margin Coverage Program</i>	0.2	0.2	0.2
Delete Eight Long-term Vacancies in MDH	0.2	0.2	0.2
Abolish 3 Long-term Vacant Positions in Comptroller's Budget	0.2	0.2	0.2
C <i>Repeal Mandate for Child and Parent Resource Center Due to Audit Findings – Fiscal 2020</i>	0.2	0.2	0.2
Shift Responsibilities of Office of Education Accountability to Office of Inspector General	0.2	0.2	0.2
Various Operating Costs for DPSCS		0.1	0.0
Better Align Vacancy Assumptions for Office of Governor with Current Experience	0.1	0.1	0.1
Abolish a Vacant Position in Department of Planning	0.1	0.1	0.1
C <i>Withdraw Surplus Fiscal 2020 Funds for MSDE Inspector General</i>		0.1	0.0
Delete 2 New Veterans' Cemetery Caretakers as Existing Positions Remain Vacant	0.1	0.1	0.1
Vacancy Savings in Department of Commerce Reflecting Actual Experience	0.3		0.0
Delete DHS Position Vacant More than One Year	0.03	0.03	0.03
Additional Funds for Salaries and 6 New Positions for Dept. of Legislative Services			-2.0
Add Funds to Judiciary Budget for Fiscal 2021 General Salary Increase	-4.5	-4.5	-4.5
Total	\$75.2	\$79.4	\$74.2
<u>Reserves</u>			
C Rainy Day Fund	\$284.4	\$284.4	\$284.4
C Defer Repayment of Local Income Tax Reserve Fund Repayment	33.3	33.3	33.3
C No Funds Swept to Additional Retirement Payment	25.0	25.0	25.0
C No Funds Swept to OPEB Payment	25.0	25.0	25.0
Total	\$367.8	\$367.8	\$367.8

General Funds

	<u>Senate</u>	<u>APP</u>	<u>Final</u>
<u>PAYGO</u>			
C Fund Portion of MDOT Storm Water Management Improvements with Bay Restoration Fund and Increase the Share of WMATA Mandate Costs Paid for by Transportation Trust Fund		\$12.5	\$0.0
Reduce Program Open Space Repayment Amount and Extend Repayment Another Year		1.0	38.2
Reduce Community College Facility Renewal Funding to Amount Mandated	0.3	0.3	0.3
Total	\$0.3	\$13.8	\$38.5
 Total General Funds	 \$508.7	 \$546.3	 \$549.3

Special Funds

	<u>Senate</u>	<u>APP</u>	<u>Final</u>
<u>Operating Costs</u>			
C Reduce Transportation Trust Fund Spending on Storm water Management Due to Availability of Bay Restoration Funds		\$12.5	\$0.0
Vacancy Savings for Maryland Department of Transportation	\$10.5	10.5	10.5
C <i>Reduce Unspent Concentration of Poverty Funds</i>	<i>6.0</i>	<i>6.0</i>	<i>6.0</i>
Reduce Funds for BOOST		4.5	2.6
C Reduce Overbudgeted Funds for Health Benefit Exchange	3.0	3.7	3.7
Employee and Retiree Health Insurance Program Costs are Overstated	1.6	1.6	1.6
No Funds For Animal Waste Technology Fund	1.5	1.5	1.5
Special Fund Availability for DHS is Overstated	1.0	1.0	1.0
Reduce Funds for IT Project and SBE's Planned Wide Area Network Due to Objections from Local Boards	0.7	0.9	0.9
Align Funding for New Tax System with Cash Flow Needs of Project	0.7	0.7	0.7
Judiciary Operating Costs	0.4	0.4	0.4
<i>Fiscal 2020 Deficiency for Judiciary Salary Increases</i>	<i>0.0</i>	<i>0.4</i>	<i>0.4</i>
C Savings from Publicizing Abandoned Property Electronically		0.3	0.0
Reduce Funds for Contractual Employees for Office of Attorney General	0.3	0.3	0.3
Reduce Funds for Airport Consulting Contract	0.3	0.3	0.3
<i>Delete Funds for Energy Administration as Budget Overstates Available Revenue</i>	<i>0.2</i>	<i>0.2</i>	<i>0.2</i>
C <i>Reduce Election Management System IT Project Based on Estimate of Final Project Cost</i>		<i>0.2</i>	<i>0.2</i>
Delete 3 Vacant Positions at MDE	0.2	0.2	0.2
Reduce Funds for MDL to Level Available	0.1	0.1	0.1
Abolish 15 Long-term Vacancies in Dept. of Information Technology	0.1	0.1	0.1
Abolish Vacant Positions in Department of Natural Resources	0.2	0.1	0.1
Abolish 3 Long-term Vacant Positions in Comptroller's Budget	0.01	0.01	0.01
Better Align Vacancy Assumptions for Department of General Services with Experience	0.02	0.02	0.02
Delete DHS Position Vacant More than One Year	0.003	0.003	0.003
Add Funds to Judiciary Budget for Fiscal 2021 General Salary Increase	-0.3	-0.3	-0.3
Total	\$26.5	\$32.7	\$30.5

APP: House Appropriations Committee
ASO: Administrative Services Organization
DHS: Department of Human Services
DPSCS: Department of Public Safety and Correctional Services
IT: information technology
MDE: Maryland Department of the Environment
MDH: Maryland Department of Health
MDL: Maryland Department of Labor
MD THINK: Maryland's Total Human-services Integrated Network
PAYGO: pay-as-you-go
SBE: State Board of Elections

Note: Fiscal 2020 reductions in italics.

C: Contingent on Passage of Legislation

Legislative Priorities (\$ in Millions)

Administration General Fund Reductions Restored by General Assembly

	Amount Restored		
	<u>Senate</u>	<u>APP</u>	<u>Final</u>
Restore 4% Rate Increase for Developmental Disabilities, Behavioral Health, and Medicaid Providers (Governor proposed trimming to 2%)	\$39.5	\$39.5	\$39.5
Restore Full Funding for Community College Aid Formula	18.2	14.6	18.2
Restore Funds for Independent Colleges and Universities	11.1	9.6	10.6
Restore Full Funding for National Capital Strategic Economic Development Program	7.2	7.2	7.2
No Increase to Local Share of SDAT Costs	4.4	4.4	4.4
Fully Fund Mandate for Baltimore Symphony Orchestra	1.6	1.6	1.6
Fully Fund Increase to Annapolis PILOT Payment	0.4	0.4	0.4
Fully Fund Mandated Increase for Maryland Public Television	0.2	0.2	0.2
Total Administration Reductions Restored	\$82.6	\$77.5	\$82.1

General Funds Restricted ("Fenced") for Legislative Priorities

State Nutrition Program	\$0.5	\$0.5	\$0.5
Assistance to Businesses Impacted by the Purple Line Construction *		2.0	2.0
Creating a Women's Pre-release Pilot Program		1.5	1.5
Pretrial Services Grant Fund		0.8	0.8
Grant to Chesapeake Bay Foundation for Educational Programming		0.4	0.4
Hiring Compliance and Enforcement Staff at MDE and MDA		0.4	0.4
Establishment of a Private Letter Ruling Process by Comptroller		0.3	0.3
Make Office Vacancies Extinct Program		0.1	0.1
	\$0.5	\$6.0	\$6.0
Total Funding for Priorities Not Funded by Governor	\$83.0	\$83.4	\$88.0

APP: House Appropriations Committee
 MDA: Maryland Department of Agriculture
 MDE: Maryland Department of the Environment
 PILOT: payment in lieu of taxes
 SDAT: State Department of Assessments and Taxation

*Includes \$1 million of special funds and \$1 million of general funds.

General Fund: Recent History and Outlook
House Appropriations Committee
As Amended by Floor Amendments
Fiscal 2019-2021
(\$ in Millions)

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Funds Available			
Ongoing Revenues	\$18,224	\$18,764	\$19,410
Balances and Transfers	391	1,132	450
Short-term Revenues	229	0	0
Total Funds Available	\$18,843	\$19,896	\$19,860
Appropriations, Deficiencies, and Cost Containment			
Net Ongoing Operating Costs and Deficiencies	\$17,758	\$18,783	\$19,286
One-time Spending	85	124	174
Appropriations to Reserve Fund	26	661	558
One-time Targeted Reversions/Contingent Reductions	0	-17	-389
Total Spending	\$17,869	\$19,550	\$19,629
Cash Balance/(Shortfall)	\$974	\$346	\$231
Structural			
Balance (Ongoing Revenues Less Ongoing Operating Costs)	\$466	-\$19	\$67
Ratio (Ongoing Revenues/Ongoing Operating Costs)	102.6%	99.9%	100.6%
Reserve Fund Activity			
Appropriations to Rainy Day Fund	\$15	\$444	\$7
Transfers to General Fund	0	-158	-54
Estimated Rainy Day Fund Balance – June 30	\$876	\$1,180	\$1,152
Total Cash (Rainy Day Fund and General Fund Balance)	\$1,851	\$1,526	\$1,383
Rainy Day Fund Balance In Excess of 5%	-\$33	\$244	\$193

Houses Appropriations Committee Floor Amendments to Senate Bill 190

Amendment No. 1

On page 2 of the Committee Reprint, under the heading Payments to Civil Divisions of the State, in program A15O00.01 Disparity Grants, in line 14 following “~~received~~” insert “, provided that \$250,000 of this appropriation made for the purpose of a Disparity Grant for Baltimore City may not be expended until Baltimore City includes in its Capital Improvement Plan an upgrade for a facility in East Baltimore that would be suitable as a transfer site for small haulers that need to dispose of waste and provides a report to the budget committees detailing the transfer site location and timeline for opening. The report shall be submitted prior to the expenditure of funds, and the budget committees shall have 45 days from the date of receipt of the report to review and comment. Funds restricted pending receipt of this 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”.

Amendment No. 2

On page 3 of the Committee Reprint, under the heading Department of Legislative Services, in program B75A01.07 Office of Policy Analysis, in line 7 after “Appropriation” insert “, provided that this appropriation is increased by \$2,000,000 and 6 regular positions are added”.

Amendment No. 3

On page 4 of the Committee Reprint, under the heading Judiciary, in line 2 strike “\$3,554,879” and substitute “\$2,662,280”; and in line 4 strike “57.0” and substitute “46.0” and in the same line strike “46” and substitute “35”.

Amendment No. 4

On page 7 of the Committee Reprint, under the heading Office of the Attorney General, in program C81C00.01 Legal Counsel and Advice, in line 12 following “, provided that” strike beginning with “, contingent” down through and including “HB 745,” in line 14.

Amendment No. 5

On page 9 of the Committee Reprint, under the heading Office of the Attorney General, in program C81C00.22 Baltimore City Violent Crime Prosecution Division, in line 20 strike “1,906,888” and substitute “2,547,873”.

Houses Appropriations Committee Floor Amendments to Senate Bill 190

Amendment No. 6

On page 14 of the Committee Reprint, under the heading Maryland Energy Administration, in program D13A13.08 Renewable and Clean Energy Programs and Initiatives, in line 15 following “that” strike beginning with “,” down through “SB 740,” in line 17.

Amendment No. 7

On page 23 of the Committee Reprint, under the heading Children’s Services, in program D21A02.01 Children and Youth Division, in line 11 strike “\$250,000” and insert “\$100,000”.

Amendment No. 8

On page 28 of the Committee Reprint, under the heading Department of Aging, in program D26A07.03 Community Services, in line 2 following “Fund” insert “Further provided that \$600,000 of this appropriation for the Community for Life (CFL) program may be expended only to establish new CFLs in jurisdictions with populations above 600,000 that have not yet received funding under this program. 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”.

Amendment No. 9

On page 28 of the Committee Reprint, under the heading Department of Aging, in program D26A07.03 Community Services, in line 3 strike “25,035,025” and substitute “25,635,025”; and in line 5 strike “56,911,216” and substitute “57,511,216”.

Amendment No. 10

On page 31 of the Committee Reprint, under the heading Department of Planning, in program D40W01.03 Planning Data and Research, in line 22 following “Appropriation” insert “, provided that \$150,000 of this appropriation made for the purpose of general administrative expenses in the Planning Data and Research program may not be expended pending the submission of a confirmatory letter from the Maryland Department of Planning to the budget committees by August 1, 2020. The letter shall indicate that a Memorandum of Understanding has been signed between the Maryland Department of Planning and the Department of Legislative Services on the provision of geocoded addresses for prisoners listed in the database maintained by the Department of Public Safety and Correctional Services. The budget committees shall have 45 days from the date of the receipt of the confirmatory letter to review and comment. Funds restricted pending the receipt of the confirmatory letter may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the confirmatory letter is not submitted to the budget committees”.

Houses Appropriations Committee Floor Amendments to Senate Bill 190

Amendment No. 11

On page 64 of the Committee Reprint, under the heading State Highway Administration, in program J00B01.01 State System Construction and Equipment, in line 41 strike beginning with “Further provided” down through and including “Fund.” in line 12 on page 65.

Amendment No. 12

On page 72 of the Committee Reprint, under the heading Land Acquisition and Planning, in program K00A05.10 Outdoor Recreation Land Loan, in line 22 strike beginning with “Further provided” down through and including “canceled” in line 34.

Amendment No. 13

On page 87 of the Committee Reprint, under the heading Deputy Secretary for Public Health Services, in program M00F01.01 Executive Direction, in line 14 strike “9,463,045” and substitute “9,963,045”; and in line 17 strike “18,350,222” and substitute “18,850,222”.

Amendment No. 14

On page 98 of the Committee Reprint, under the heading Medical Care Programs Administration, in program M00Q01.01 Deputy Secretary for Health Care Financing, in line 13 following “Appropriation” insert “, provided that \$100,000 of this appropriation intended for administration may not be expended until the Maryland Department of Health and the Hilltop Institute at the University of Maryland, Baltimore County, in consultation with other stakeholders, submit a report to the budget committees that provides a cost-benefit analysis of expanding access to long-term care services through home- and community-based waivers. The analysis should include: (1) a comparison of all health care costs incurred by individuals by different levels of acuity who have moved into waiver services and those who remain on the waiting list for waiver services; (2) to the extent practical, comparison data for a five-year period; (3) how to capture savings from provision of waiver services through Medicaid that accrues to Medicare for the benefit of the Medicaid program; (4) the extent to which the provider community can accommodate additional individuals served through waiver and similar Medicaid services; and (5) any other information that is necessary to adequately capture the full extent of incurred cost and cost avoidance from more fully utilizing waiver services. The report shall be submitted by December 1, 2020 and the committees shall have 45 days from the date of the receipt of the report 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”.

Houses Appropriations Committee Floor Amendments to Senate Bill 190

Amendment No. 15

On page 99 of the Committee Reprint, under the heading Medical Care Programs Administration, in program M00Q01.03 Medical Care Provider Reimbursements, in line 36 strike “\$20,000,000” and substitute “\$10,000,000”.

Amendment No. 16

On page 100 of the Committee Reprint, under the heading Medical Care Programs Administration, in program M00Q01.03 Medical Care Provider Reimbursements, in line 4 strike “3,167,530,546” and substitute “3,169,401,363”; and in line 17 strike “9,897,998,557” and substitute “9,899,869,374”.

Amendment No. 17

On page 100, under the heading Medical Care Programs Administration, in program M00Q01.03 Medical Care Provider Reimbursements, in line 8 strike “\$4,500,000” and substitute “\$2,629,183”.

Amendment No. 18

On page 103 of the Committee Reprint, under the heading Health Regulatory Commissions, in program M00R01.01 Maryland Health Care Commission, in line 6 following “Appropriation” insert “, provided that \$500,000 of this appropriation to be used to provide a grant to the R Adams Cowley Shock Trauma Center may not be made until the University of Maryland Medical System submits a report to the budget committees and the Joint Audit and Evaluation Committee (JAEC) detailing specific responses to findings and recommendations contained in the March 2020 Office of Legislative Audits Special Review of Board of Directors Activities and the December 2019 Special Committee of the Board of the University of Maryland Medical System internal forensic audit report undertaken with advice by Latham and Watkins, LLP. The report shall be submitted by October 1, 2020 and the budget committees and JAEC shall have 45 days to review and comment from the date the report is received. Funds restricted pending the receipt of the report may not be expended or transferred by budget amendment or otherwise to any other purpose and shall be canceled”

Amendment No. 19

On page 103 of the Committee Reprint, under the heading Health Regulatory Commissions, in program M00R01.02 Health Services Cost Review Commission, in line 14 following “Appropriation” insert “, provided that \$250,000 of this appropriation made for the purpose of administration may not be expended for that purpose and instead may only be used to

Houses Appropriations Committee Floor Amendments to Senate Bill 190

fund an independent actuarial analysis of the state’s hospital medical liability market. The independent actuarial analysis shall include: (1) the cost of hospital self-insurance programs including the availability, adequacy and affordability of hospital reinsurance in the state; (2) an examination of hospital reinsurance climates in other states and the ability of states to maintain adequate access to hospital reinsurers; (3) the impact on Maryland’s medical liability climate of implementing each of the provisions of California’s Medical Injury Compensation Reform Act; and (4) recommendations on how to stabilize the hospital liability market in the state to ensure both continued access to essential services and success under Maryland’s Total Cost of Care Model.

The Health Care Services Cost Review Commission shall submit the independent actuarial analysis to the Senate Budget and Taxation Committee, Senate Judicial Proceedings Committee, Senate Finance Committee, House Judiciary Committee, House Health and Government Operations Committee, and the House Appropriations Committee by September 15, 2020. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled”.

Amendment No. 20

On page 121 of the Committee Reprint, under the heading Department of Public Safety and Correctional Services, in line 9 strike “\$2,500,000” and insert “\$5,000,000”.

Amendment No. 21

On page 121 of the Committee Reprint, under the heading Department of Public Safety and Correctional Services, in line 22 following “~~canceled.~~” insert “Further provided that \$890,000,000 of this appropriation made for the purpose of Comptroller Object 01 Salaries and Wages 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 or be canceled.”.

Amendment No. 22

On page 125 of the Committee Reprint, under the heading Patuxent Institution, in program Q00D00.01 Patuxent Institution, in line 18 strike “60,031,662” and substitute “60,053,112”; and in line 20 strike “60,244,062” and substitute “60,265,512”.

Amendment No. 23

On page 128 of the Committee Reprint, under the heading Division of Correction – West Region, in program Q00R02.04 Western Correctional Institution, in line 12 strike “64,458,623” and substitute “64,523,623”; and in line 14 strike “64,633,623” and substitute “64,698,623”.

Houses Appropriations Committee Floor Amendments to Senate Bill 190

Amendment No. 24

On page 129 of the Committee Reprint, under the heading Division of Correction – East Region, in program Q00S02.02 Maryland Correctional Institution - Jessup, in line 14 strike “43,883,863” and substitute “43,901,869”; and in line 16 strike “43,983,869” and substitute “44,001,869”.

Amendment No. 25

On page 130 of the Committee Reprint, under the heading Division of Correction – East Region, in program Q00S02.06 Southern Maryland Pre-Release Unit, in line 24 strike “6,158,917” and substitute “6,163,267”; and in line 26 strike “6,303,917” and substitute “6,308,267”.

Amendment No. 26

On page 131 of the Committee Reprint, under the heading Division of Correction – East Region, in program Q00S02.08 Eastern Correctional Institution, in line 5 strike “123,053,247” and substitute “123,060,747”; and in line 8 strike “123,635,247” and substitute “123,642,747”.

Amendment No. 27

On page 131 Committee Reprint, under the heading Division of Correction – East Region, in program Q00S02.10 Central Maryland Correctional Facility, in line 26 strike “18,689,262” and substitute “18,694,262”; and in line 28 strike “18,774,262” and substitute “18,779,262”.

Amendment No. 28

On page 151 of the Committee Reprint, under the heading Funding for Educational Organizations, in program R00A03.05 Broadening Options and Opportunities for Students Today, in line 28 following “school year.” strike beginning with “In order to” down through and including “year.” in line 42.

Amendment No. 29

On page 156 of the Committee Reprint, under the heading Funding for Educational Organizations, in program R00A03.05 Broadening Options and Opportunities for Students Today, in line 1 strike “5,500,000” and substitute “7,370,817”.

Houses Appropriations Committee Floor Amendments to Senate Bill 190

Amendment No. 30

On page 163 of the Committee Reprint, under the heading Maryland Higher Education Commission, in program R62I00.03 Joseph A. Sellinger Formula for Aid to Non-Public Institutions of Higher Education, in line 36 strike “\$22,435,098” and substitute “\$21,435,098”.

Amendment No. 31

On page 164 of the Committee Reprint, under the heading Maryland Higher Education Commission, in program R62I00.05 The Senator John A. Cade Funding Formula for the Distribution of Funds to Community Colleges, in line 9 following “Appropriation” strike beginning with “, provided” down through and including “10%” in line 14.

Amendment No. 32

On page 193 of the Committee Reprint, under the heading State Reserve Fund, in program Y01A02.01 Dedicated Purpose Account, in line 28 strike beginning with “Further provided” down through and including “\$12,500,000” in line 42.

Amendment No. 33

On page 194 of the Committee Reprint, under the heading State Reserve Fund, in program Y01A02.01 Dedicated Purpose Account, in line 1 strike “\$265,503,782” and substitute “\$228,333,333”; and on the same page in line 6 strike “38,170,449” and substitute “0”.

Amendment No. 34

On page 195 of the Committee Reprint, under the heading Judiciary, in program C00A00.10 Clerks of the Circuit Court, in line 26 strike “842,303” and substitute “3,657,277”; and in line 29 strike “27,209” and substitute “205,160”; and in line 31 strike “869,512” and substitute “3,862,437”.

Amendment No. 35

On page 278 of the Committee Reprint, under the heading Maryland Technology Development Corporation, in program T50T01.09 Maryland Technology Infrastructure Fund, in line 25 strike beginning with “HB 343,” down through and including “SB 602” in line 26 and insert “legislation enacted in Calendar 2020”.

Houses Appropriations Committee Floor Amendments to Senate Bill 190

Amendment No. 36

On page 40 of the Committee Reprint, under the heading Compliance Division, in program E00A05.01 Compliance Administration, strike beginning with “, provided” in line 11 down through “publication” in line 19; and on page 43, under the heading State Department of Assessments and Taxation, in program E50C00.02 Real Property Valuation, strike beginning with “, provided” in line 11 down through “amount” in line 21; and on the same page, under the heading State Department of Assessments and Taxation, in program E50C00.04 Office of Information Technology, strike beginning with “, provided” in line 25 down through “amount” in line 35; and on the same page, under the heading State Department of Assessments and Taxation, in program E50C00.05 Business Property Valuation, strike beginning with “, provided” in line 39 down through “amount” in line 7 of page 44; and on page 91, under the heading Behavioral Health Administration, in program M00L01.02 Community Services, strike beginning with “, provided” in line 40 down through “services” in line 2 of page 92; and on page 92, under the heading Behavioral Health Administration, in program M00L01.02 Community Services, strike beginning with “, provided” in line 4 down through “services” in line 9; and on the same page, under the heading Behavioral Health Administration, in program M00L01.03 Community Services for Medicaid State Fund Recipients, strike beginning with “, provided” in line 27 down through “services” in line 32; and on page 96, under the heading Developmental Disabilities Administration, in program M00M01.02 Community Services, strike beginning with “, provided” in line 36 down through “providers” in line 41; and on the same page, under the heading Developmental Disabilities Administration, in program M00M01.02 Community Services, strike beginning with “, provided” in line 43 down through “providers” in line 5 of page 97; and on page 97, under the heading Developmental Disabilities Administration, in program M00M01.02 Community Services, strike beginning with “, provided” in line 6 down through “providers” in line 11; and on page 99, under the heading Medical Care Programs Administration, in program M00Q01.03 Medical Care Provider Reimbursements, strike beginning with “Further provided” in line 31 down through “increase.” in line 34; and on page 100, under the heading Medical Care Programs Administration, in program M00Q01.03 Medical Care Provider Reimbursements, strike beginning with “, provided” in line 11 down through “increase” in line 15; and on page 101, under the heading Medical Care Programs Administration, in program M00Q01.07 Maryland Children’s Health Program, strike beginning with “.” in line 34 down through “increase” in line 38; and on the same page, under the heading Medical Care Programs Administration, in program M00Q01.07 Maryland Children’s Health Program, strike beginning with “, provided” in line 40 down through “increase” in line 44; and on page 102, under the heading Medical Care Programs Administration, in program M00Q01.10 Medicaid Behavioral Health Provider Reimbursements, strike beginning with “, provided” in line 20 down through “services” in line 25; and on the same page under the heading Medical Care Programs Administration, in program M00Q01.10 Medicaid Behavioral Health Provider Reimbursements, strike beginning with “, provided” in line 27 down through “services” in line 32; and on page 107, under the heading Office of Technology for Human Services, in program N00F00.04 General Administration, in line 24 strike “Information” and insert “Integrated”; and on page 160, under the heading Maryland Public Broadcasting Commission, in program R15P00.02 Administration and Support Services, strike beginning with “, provided” in

Houses Appropriations Committee Floor Amendments to Senate Bill 190

line 26 down through “session” in line 31; and on page 171, under the heading Division of Neighborhood Revitalization, in program S00A24.01, strike beginning with “, provided” in line 29 down through “Fund” in line 1 of page 172; and on page 179, under the heading Division of Tourism, Film and the Arts, in program T00G00.02 Office of Tourism Development, strike beginning with “, provided” in line 3 down through “Orchestra” in line 8; and on page 220, under the heading Judiciary, strike beginning with “Judiciary” in line 9 down through “871,500” in line 12, and insert “Judiciary Clerk of Court 1 (A) (@118,600) 7 830,200
Judiciary Clerk of Court II (B) (@121,600) 6 729,600
Judiciary Clerk of Court III (C) (@122,750 6 736,500
Judiciary Clerk of Court IV (D) (@124,500) 5 622,500”; and on page 283, under the heading Amendments to Senate Bill 190/House Bill 150, in line 10 strike “and.” and insert “and”.

**General Fund Reductions and Other Budgetary Actions
Contingent on the Budget Reconciliation and Financing Act (SB 192)
(\$ in Millions)**

	<u>Senate</u>	<u>APP</u>	<u>Final</u>
Contingent General Fund Reductions – Fiscal 2020			
Maryland Community College Promise Scholarship Program Funds Unneeded Due to Awarded Scholarships	\$3.0	\$3.0	\$3.0
Personnel Savings in Department of Public Safety and Correctional Services Due to Vacancies	2.5	2.5	2.5
Lower than Expected Costs for Election Management System Major IT Project	0.0	0.2	0.2
Anticipated Liquidated Damages for the Administrative Services Organization Contract in the Behavioral Health Administration	0.3	0.3	0.3
Unused Appropriation for the Dairy Margin Coverage Program	0.2	0.2	0.2
Grant to Child and Parent Resource Group, Inc. Portion of Grant Not Yet Provided to Grantee	0.2	0.2	0.2
Start Up Delays for the Maryland State Department of Education Office of Inspector General	0.0	0.1	0.0
Contingent Special Fund Reduction – Fiscal 2020			
Concentration of Poverty Grant Based on Eligible Schools	\$6.0	\$6.0	\$6.0
Lower than Expected Costs for Election Management System Major IT Project	0.0	0.2	0.2
Contingent General Fund Reductions – Fiscal 2021			
Reduce the Appropriation to the Revenue Stabilization Fund	\$284.4	\$284.4	\$284.4
Eliminate Payments for Retirement Reinvestment and for the Post-Retirement Health Benefits Fund	50.0	50.0	50.0
Alter Local Reserve Account Repayments to Make a Direct Distribution Beginning in Fiscal 2024 Rather Than an Appropriated Repayment and Extend Repayment	33.3	33.3	33.3
Reduce Sellinger Funding in Fiscal 2021	20.9	22.4	\$21.4
Reduce Funds for Washington Metropolitan Area Transit Authority Due to Availability of Transportation Trust Funds Due to a Transfer from the Bay Restoration Fund for Watershed Implementation Plan Projects	0.0	12.5	\$0.0
Alter Reduction in Medicaid Deficit Assessment	10.0	20.0	10.0
Reduce Aid to Community Colleges Under the Cade Formula in Fiscal 2021 Only	0.0	3.6	0.0
Increase the Fee for the Drinking Driver Monitor Program to Support Operational Costs	1.3	1.3	1.3
Use the Maryland Board of Physicians Fund Balance for the Maryland Primary Care Program	0.8	0.0	0.0
Use the State Board of Pharmacy Fund Balance for the Pharmacy Access Initiative in Medicaid	0.8	0.8	0.8
Grant to Child and Parent Resource Group, Inc. Repeal of Mandate	0.3	0.3	0.3
Contingent Special Fund Reductions – Fiscal 2021			
Reduce Funds in the Maryland Department of Transportation for Watershed Implementation Plan Projects to be Replaced by Bay Restoration Funds	\$0.0	\$12.5	\$0.0
Reduce Maryland Health Benefit Exchange Mandate	3.0	3.5	3.5
Alteration of Requirements Related to Abandoned Property Notification	0.0	0.3	0.0
Total Reductions	\$416.9	\$457.6	\$417.6
Fund Balance Transfers – Fiscal 2021			
Rainy Day Fund Balance	\$54.0	\$54.0	\$54.0
Dedicated Purpose Account – Fiscal 2020 Program Open Space Repayment	43.9	43.9	43.9
Maryland Board of Physicians Fund Balance	0.0	1.0	0.9
General Fund Revenue Actions – Fiscal 2021			
Alter Phase-in of Revenue Volatility Adjustment	\$133.7	\$132.7	\$193.7
Alteration of Reporting Requirements for 1099 Forms	5.0	5.0	5.0
Reduce Maximum Credits Allowed Under Film Production Activity Tax Credit	2.0	4.0	2.0
Reduce Mandate for the Maryland Health Benefit Exchange	3.0	3.5	3.5
Alteration of Requirements Related to Abandoned Property Notification	0.0	0.3	0.0
Special Fund Revenue Actions – Fiscal 2021			
Alter Car Dealer Fees by Eliminating Administrative Fee and Increasing Dealer Processing Fee	0.0	5.0	\$15.0
Increase Drinking Driver Monitor Program Fee	1.3	1.3	1.3
Total Revenue Actions and Fund Balance Transfers	\$242.8	\$250.6	\$319.2
Total Impact of the BRFA on APP Budget Plan	\$659.7	\$708.3	\$736.8

APP: House Appropriations Committee

BRFA: Budget Reconciliation and Financing Act

House Appropriations Committee Action on the Budget Reconciliation and Financing Act (SB 192)

The Budget Reconciliation and Financing Act (BRFA) of 2020, as amended¹ by the House Appropriations Committee, accomplishes the following:

Technical Amendments: Purpose and function paragraphs and renumbering.

1

Strikes a provision to repeal the mandated funding for the Baltimore Symphony Orchestra (p. 8).

Strikes a provision to repeal the National Capital Strategic Economic Development Program including the mandated appropriations of \$200,000 for operating costs and \$7.0 million for capital costs in fiscal 2021 through 2025 (p. 8).

Adds provisions to repeal, beginning in fiscal 2022, the Rate Stabilization Fund and the distribution of certain premium tax revenues to the Rate Stabilization Fund and instead direct those revenues to the General Fund (p. 8-9, 35, 64).

Adds provisions to repeal a mandate for fiscal 2020 through 2023 for the Child and Parent Resource Group, Inc. within the Violence Intervention Prevention Program and reduce the fiscal 2020 general fund appropriation by \$156,500, the amount that has not been provided to the grantee (p. 9, 63-64).

Restores a provision to eliminate the requirement that abandoned property notices be published and instead requires a quarterly notification of the searchable electronic abandoned property database (p. 9-13).

2

Adds a provision to increase the Drinking Driver Monitor Program fee from \$55 to \$75 beginning in fiscal 2021 (p. 13-14).

Adds a provision to extend the \$40 land records surcharge used to fund the land records offices and the Judiciary's information technology budget permanently, which would revert to \$20 under current law (p. 14-15).

Adds provisions to reduce the funding that the Governor is required to provide for the Maryland Agriculture and Resource-Based Industry Development Corporation from fiscal 2022 through 2024 and extend the required funding to fiscal 2025, as well as specify a distribution between core programs and the Certified Local Farm Enterprise Program contingent on legislation (p. 15-16, 58, 64).

Allows The Blueprint for Maryland's Future Fund to be used for Maryland prekindergarten expansion grants (p. 16).

¹ Provisions added or amended in whole or in part, except by a technical amendment, are noted in *italics*.

Restores a provision to alter the Senator John A. Cade Funding Formula Aid for Community Colleges in fiscal 2021 and alters the funding in that year only but concurs with the Senate in rejecting the Administration's provision to link future formula increases to the level of projected general fund revenue growth (p. 16-24).

3

Amends a provision to strike the repeal of the mandate for the Community College Facilities Renewal Grant Program but authorize the program to be funded in the operating or capital budget beginning in fiscal 2022 rather than fiscal 2021 (p. 24-25).

Amends a provision related to the Joseph A. Sellinger Formula for private institutions to restore \$9.6 million of the mandated increase for fiscal 2021 rather than \$11.1 million but strikes provisions that would have altered the future formula funding levels (p. 25-28).

4

Adds a provision to clarify that the Maryland 529 Save4College State Contribution Program award allocation is limited to provide a match to no more than two accounts per beneficiary (p. 28).

Strikes a provision to eliminate the mandate for the Maryland Public Broadcasting Commission (p. 28-29).

Strikes a provision to reduce the fiscal 2021 rate increase for behavioral health, developmental disabilities, and various Medicaid providers from 4% to 2% (p. 29-31).

Adds provisions to alter the distribution of payments collected under the value-based purchasing program and specifies how any surplus funding collected under the program can be used (p. 9, 31-33).

Strikes a provision to alter the use of the CareFirst premium tax exemption beginning in fiscal 2021 to make the distribution of \$8 million to the Community Health Resources Commission a cap rather than a floor and to make the distribution of \$14 million to the Senior Prescription Drug Assistance Program a floor rather than a cap (p. 33-34, 35-37).

Amends a provision to strike the repeal of the mandate for the Seed Community Development Anchor Institution Fund and reduce the mandate from \$10 million to \$5 million for fiscal 2021 only (p. 34-35).

Adds provisions to transfer the role of fiscal agent of the Children's Cabinet Interagency Fund and its associated appropriation from MSDE to the Governor's Office of Crime Prevention, Youth, and Victim Services (p. 16, 35).

Amends a provision to reduce the mandate for the Maryland Health Benefit Exchange to \$31.5 million permanently rather than \$32 million in fiscal 2021 only (p. 37).

5

Adds a provision to prohibit the Uninsured Employers' Fund from expending any money for administrative expenses without an appropriation beginning in fiscal 2021 (p. 37-38).

Strikes a provision to reduce the mandate to reimburse the City of Annapolis for services provided to the State from \$750,000 to \$367,000 and eliminate the inflationary increase that was set to begin in fiscal 2022 (p. 38-39).

Amends a provision to change the cap on the adjustment to general fund revenues related to nonwithholding income tax revenues, sets dollar amounts rather than a percent of general fund revenue beginning with \$61 million in fiscal 2021 rather than \$60 million, but otherwise retains the provision and slows the full phase-in to a 2% cap until fiscal 2026 rather than fiscal 2022 (p. 38-40).

7

Adds a provision to prohibit the restoration of an item specifically reduced by the General Assembly for the same purpose as originally proposed except in an emergency (p. 41).

Amends a provision to allow certain items to be provided electronically but otherwise rejects provisions to authorize the Governor's Budget Books to be provided either electronically or in print and repeal the requirement that the information be archived (p. 9, 40-42).

Amends a provision to eliminate, for fiscal 2021 only, the mandate to distribute general fund surplus to the State Retirement and Pension System and the Post-Retirement Health Benefits Trust Fund to make a technical correction (p. 42-43).

Amends a provision to authorize a fiscal 2021 3% cost-of-living adjustment (COLA) for employees represented by American Federation of State, County, and Municipal Employees (AFSCME) and a 2% COLA for employees represented by AFT Healthcare-Maryland and the Maryland Professional Employees Council if revenue is realized to prioritize the 1% COLA for AFSCME with the remainder distributed proportionately among the bargaining units up to 2% (p. 43-47).

8

Adds a provision to require the revenue from the State admissions and amusement tax on electronic bingo and electronic tip jars in Calvert County to specified recipients to be appropriated in the Payments to Civil Divisions of the State rather than provided outside the budget process (p. 47).

Amends a provision to alter the repayment mechanism and amount to the Local Reserve Account from a \$33.3 million annual appropriation to a \$10.0 million direct distribution of general fund revenue and delay the beginning of the direct distribution from fiscal 2021 to 2024 (p. 47-49).

Amends a provision to reduce the maximum credits for the film production activity tax credit to \$10 million beginning in fiscal 2021 rather than \$12 million in that year only (p. 49-50).

Adds a provision to alter the reporting threshold for third-party settlement organizations on the 1099-K to conform to the 1099-MISC (p. 50).

Strikes a provision to increase the local share of State Department of Assessments and Taxation costs from 50% to 60% (p. 51-52).

Adds a provision to alter the property tax assessment rate for land actively used as a country club or golf course for any new or extended agreement that takes effect on or after June 1, 2020, using a three-year phase-in to \$5,000 per acre or actual market value, inflated annually by the increase in the State assessable base (p. 52-54).

6

Alters the repayment of transfer tax revenue to repeal the fiscal 2020 repayment and extend the repayment schedule by one year. In addition, portions of the repayment are restructured to specific levels rather than shares of the total amount (p. 54-57).

Adds a provision to eliminate the administrative fee that car dealers are allowed to retain for collecting and remitting the vehicle titling tax (p. 57-58).

10

Amends a provision to alter the phase-down of the Medicaid Deficit Assessment for fiscal 2021 and 2022 to reduce the phase-down in fiscal 2021 (from \$15 million to \$5 million) while providing the same total decrease between the two years (\$50 million) (p. 58-59).

11

Adds a provision to amend fiscal 2020 restrictions on Baltimore City transportation aid to remove requirements that funds be provided on a reimbursable basis and to correct/clarify the name of a road for which funds are restricted (p. 59-61).

12

Strikes a provision to end the mandated transfer of \$1.5 million from the Strategic Energy Investment Fund to the Maryland Energy Innovation Fund after fiscal 2020 rather than fiscal 2022 (p. 61).

Limits the increase in rates for providers who have rates set by the Interagency Rates Committee to 2% in fiscal 2021 (p. 61).

Strikes a provision to authorize a transfer of \$199,517 from the Board of Physicians Fund balance to the Maryland Department of Health – Office of the Secretary in fiscal 2021 (p. 61).

Authorizes for fiscal 2021 only the use of \$400,000 from the Board of Physicians Fund balance for the Loan Assistance Repayment Program for Physicians and Physician Assistants (p. 61).

Reduces the fiscal 2021 funding to the Revenue Stabilization Account by \$284.4 million (p. 62).

Strikes a provision to require the diversion of \$5.0 million for fiscal 2021 through 2024 from the Baltimore City share of Highway User Revenues to the Maryland Department of Transportation to support capital improvements for the Howard Street Tunnel (p. 62).

Authorizes a transfer of \$43,860,950 from the Dedicated Purpose Account designated for Program Open Space from fiscal 2020, which will not be spent, to the General Fund in fiscal 2021 (p. 62).

Amends a provision to require a transfer of unspent funds in the Dedicated Purpose Account to the Annuity Bond Fund rather than to the General Fund (p. 62).

Adds a provision to require a transfer of \$54 million from the Revenue Stabilization Fund to the General Fund in fiscal 2021 (p. 62).

Adds a provision to authorize a transfer of \$750,000 from the balance in the State Board of Pharmacy Fund in both fiscal 2021 and 2022 to Medicaid to support a small, rural pharmacy access initiative (p. 62).

Strikes a provision to authorize a transfer of \$800,000 from the Maryland Board of Physicians Fund balance in both fiscal 2021 and 2022 to support the Maryland Primary Care Program and instead authorizes a fiscal 2021 transfer of \$1.0 million from the Maryland Board of Physicians Fund balance to the General Fund (p. 62).

13

Adds a provision to prohibit the Maryland Board of Physicians from setting licensing fees below a certain level in fiscal 2021 (p. 63).

14

Adds a provision to authorize a transfer of \$12.5 million from the Bay Restoration Fund balance to the Maryland Department of Transportation to be used for Watershed Implementation Plan compliance projects (p. 63).

15

Adds a provision to reduce the fiscal 2020 appropriation for premium subsidy payments for the federal Dairy Margin Coverage Program in the Maryland Department of Agriculture by \$216,253 based on utilization (p. 63).

Adds a provision to reduce the fiscal 2020 appropriation for the new Administrative Services Organization contract in the Maryland Department of Health Behavioral Health Administration based on provisions in the contract authorizing liquidated damages (p. 63).

Adds a provision to reduce the fiscal 2020 special fund appropriation from The Blueprint for Maryland's Future Fund for Concentration of Poverty Grants by \$6.0 million based on funding needs (p. 63).

Adds a provision to reduce the fiscal 2020 appropriation for the Maryland Community College Promise Scholarship Program by \$3.0 million based on awarded scholarships (p. 63).

Adds a provision to reduce the fiscal 2020 appropriation for the Department of Public Safety and Correctional Services by \$2.5 million based on personnel spending trends (p. 63).

Adds a provision to reduce the fiscal 2020 general fund appropriation of the Department of Information Technology Major Information Technology Development Project Fund by \$234,387 and the fiscal 2020 special fund appropriation of the State Board of Elections by \$234,388 for the Agency Election Management System due to a lower reported total project cost (p. 64).

16

Adds a provision to reduce the fiscal 2020 appropriation for the Maryland State Department of Education Office of Inspector General by \$100,000 based on startup delays in creating the office and hiring staff (p. 64).

17

House Appropriations Committee Floor Amendment Actions on the Budget Reconciliation and Financing Act (SB 192)

The Budget Reconciliation and Financing Act (BRFA) of 2020, as amended² by the House Appropriations Committee in Floor Amendments, accomplishes the following:

Floor Amendments Offered by the House Appropriations Committee to the Second House Committee Reprints

Technical Amendment

1

Strikes provisions to eliminate the requirement that abandoned property notices be published and require a quarterly notification of the searchable electronic abandoned property database.

2

Strikes a provision to alter the Senator John A. Cade Funding Formula Aid for Community Colleges.

3

Amends a provision related to the Joseph A. Sellinger Formula for private institutions to restore \$10.6 million of the mandated increase for fiscal 2021 rather than \$9.6 million while maintaining the formula for future increases.

4

Adds provisions to require the Department of Public Safety and Correctional Services (DPSCS) to provide certain identifying information to the Maryland Department of Planning (MDP) and the Department of Legislative Services (DLS) for the purposes of redistricting and to require MDP to enter into a Memorandum of Understanding with DLS by August to provide certain information by a certain date related to the data furnished by DPSCS.

5

Amends a provision to reduce the mandate for the Maryland Health Benefit Exchange to \$31.5 million in fiscal 2021 only rather than permanently.

6

Amends a provision to eliminate the adjustment to general fund revenues related to nonwithholding income tax revenues in fiscal 2021 only, rather than increasing the cap on the adjustment to \$61 million, but otherwise retains the provision to set dollar level caps and delay the full phase-in to a 2% cap until fiscal 2026 rather than fiscal 2022. This provision increases the revenue available to the general fund by \$61 million in fiscal 2021.

7

Amends a provision to permanently set the maximum credits for the film production activity tax credit at \$12 million beginning in fiscal 2021 rather than \$10 million.

8

² Provisions added or amended in whole or in part, except by a technical amendment, are noted in *italics*.

Alters the repayment of transfer tax revenue to extend the repayment for an additional year to account for missing the fiscal 2021 repayment.

9

Amends a provision to eliminate the administrative fee that car dealers are allowed to retain for collecting and remitting the vehicle titling tax to also increase the car dealer processing fee from \$300 to \$500.

10

Amends a provision to increase the Medicaid Deficit Assessment reduction by \$10 million, so that it is \$15 million below the fiscal 2020 level, and make that level permanent, rather than continuing the phase down.

11

Amends a provision to transfer \$900,000 rather than \$1.0 million from the Maryland Board of Physicians fund balance to the General Fund in fiscal 2021.

12

Strikes a provision to authorize a transfer of \$12.5 million from the Bay Restoration Fund balance to the Maryland Department of Transportation to be used for Watershed Implementation Plan compliance projects.

13

Strikes a provision to reduce the fiscal 2020 appropriation for the Maryland State Department of Education Office of Inspector General by \$100,000 based on startup delays in creating the office and hiring staff.

14

SB0192/924164/1

BY: Appropriations Committee

AMENDMENTS TO SENATE BILL 192
(Third Reading File Bill – Committee Reprint)

AMENDMENT NO. 1

On page 1, strike beginning with “repealing” in line 3 down through “manner;” in line 6.

On pages 1 and 2, strike beginning with “altering.” in line 23 on page 1 down through “distribution;” in line 1 on page 2.

On page 2, in line 14, after “regulations;” insert “requiring that the Department of Public Safety and Correctional Services provide certain information, in electronic form, to the Maryland Department of Planning and the Department of Legislative Services, on or before a certain date; requiring, for purposes of creating certain State and federal redistricting plans, the Department of Planning and the Department of Legislative Services to enter into a certain memorandum of understanding relating to certain incarcerated individuals on or before a certain date;”.

On page 3, in line 9, after “dealers;” insert “increasing a certain car dealer processing fee;”.

On page 4, strike in their entirety lines 33 through 37, inclusive.

On page 5, in line 21, strike “16-305(c)(1).”; and after line 39, insert:

“BY repealing and reenacting, with amendments,

Article - Election Law

Section 8-701(a)

Annotated Code of Maryland

(2017 Replacement Volume and 2019 Supplement)”.

On page 7, after line 23, insert:

“BY repealing and reenacting, with amendments,
Article - State Government
Section 2-2A-01
Annotated Code of Maryland
(2014 Replacement Volume and 2019 Supplement)”.

On page 8, in line 2, after “13-812” insert “and 15-311.1(b)”; and after line 4, insert:

“BY repealing and reenacting, without amendments,
Article - Transportation
Section 15-311.1(a)
Annotated Code of Maryland
(2012 Replacement Volume and 2019 Supplement)”.

AMENDMENT NO. 2

On pages 11 through 13, strike in their entirety the lines beginning with line 18 on page 11 through line 25 on page 13, inclusive.

AMENDMENT NO. 3

On pages 21 through 24, strike in their entirety the lines beginning with line 9 on page 21 through line 20 on page 24, inclusive.

AMENDMENT NO. 4

On page 27, in line 27, strike “\$68,624,905” and substitute “\$69,624,905”.

AMENDMENT NO. 5

On page 29, after line 27, insert:

“Article – Election Law

8–701.

(a) (1) The population count used after each decennial census for the purpose of creating the congressional districting plan used to elect the State’s Representatives in Congress:

[(1)] (I) may not include individuals who:

[(i)] 1. were incarcerated in State or federal correctional facilities, as determined by the decennial census; and

[(ii)] 2. were not residents of the State before their incarceration; and

[(2)] (II) shall count individuals incarcerated in the State or federal correctional facilities, as determined by the decennial census, at their last known residence before incarceration if the individuals were residents of the State.

(2) BEGINNING WITH THE 2020 DECENNIAL CENSUS:

(I) ON OR BEFORE OCTOBER 31 IN THE YEAR OF EACH DECENNIAL CENSUS, THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES SHALL SUBMIT TO THE MARYLAND DEPARTMENT OF PLANNING AND THE DEPARTMENT OF LEGISLATIVE SERVICES THE FOLLOWING IDENTIFIABLE INFORMATION, IN ELECTRONIC FORM, FOR EACH INDIVIDUAL INCARCERATED IN A STATE CORRECTIONAL FACILITY ON APRIL 1 IN THE YEAR OF THE DECENNIAL CENSUS:

1. THE NAME OF THE INDIVIDUAL;

2. THE ADDRESS OF THE INDIVIDUAL'S LAST KNOWN RESIDENCE;

3. THE INDIVIDUAL'S RACE OR ETHNICITY; AND

4. ANY OTHER INFORMATION NECESSARY TO FULFILL THE PURPOSES OF THIS SECTION; AND

(II) ON OR BEFORE AUGUST 1 IN THE YEAR OF EACH DECENNIAL CENSUS, THE MARYLAND DEPARTMENT OF PLANNING AND THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING, THE TERMS OF WHICH SHALL REQUIRE THE DEPARTMENT OF PLANNING AND THE DEPARTMENT OF LEGISLATIVE SERVICES TO WORK COLLABORATIVELY TO:

1. SUMMARIZE THE RESULTS OF THE GEOCODED DATA CREATED BY THE DEPARTMENT OF PLANNING AS REQUIRED UNDER COMAR 35.05.01;

2. USING THE GEOCODED DATA, IDENTIFY THE INDIVIDUALS INCARCERATED IN A STATE CORRECTIONAL FACILITY OR FEDERAL CORRECTIONAL FACILITY IN THE STATE THAT WILL BE INCLUDED IN THE ADJUSTED CENSUS DATA UNDER THIS SECTION;

3. MAKE ANY NECESSARY CHANGES TO THE DEPARTMENT OF PLANNING'S GEOCODED DATABASE;

4. JOINTLY REVIEW FOR ACCURACY ANY CHANGES TO THE CENSUS DATA BY ANY SOFTWARE VENDOR OR OTHER ENTITY; AND

5. JOINTLY CERTIFY, ON OR BEFORE MARCH 15 IN THE YEAR FOLLOWING EACH DECENNIAL CENSUS, THE ADJUSTED CENSUS DATA TO BE USED FOR REDISTRICTING UNDER THIS SECTION.

On page 47, after line 6, insert:

“Article – State Government

2–2A–01.

(A) The population count used after each decennial census for the purpose of creating the legislative districting plan for the General Assembly:

(1) may not include individuals who:

(i) were incarcerated in State or federal correctional facilities, as determined by the decennial census; and

(ii) were not residents of the State before their incarceration; and

(2) shall count individuals incarcerated in the State or federal correctional facilities, as determined by the decennial census, at their last known residence before incarceration if the individuals were residents of the State.

(B) BEGINNING WITH THE 2020 DECENNIAL CENSUS:

(1) ON OR BEFORE OCTOBER 31 IN THE YEAR OF EACH DECENNIAL CENSUS, THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES

SHALL SUBMIT TO THE MARYLAND DEPARTMENT OF PLANNING AND THE DEPARTMENT OF LEGISLATIVE SERVICES THE FOLLOWING IDENTIFIABLE INFORMATION, IN ELECTRONIC FORM, FOR EACH INDIVIDUAL INCARCERATED IN A STATE CORRECTIONAL FACILITY ON APRIL 1 IN THE YEAR OF THE DECENNIAL CENSUS:

(I) THE NAME OF THE INDIVIDUAL;

(II) THE ADDRESS OF THE INDIVIDUAL'S LAST KNOWN RESIDENCE;

(III) THE INDIVIDUAL'S RACE OR ETHNICITY; AND

(IV) ANY OTHER INFORMATION NECESSARY TO FULFILL THE PURPOSES OF THIS SECTION; AND

(2) ON OR BEFORE AUGUST 1 IN THE YEAR OF EACH DECENNIAL CENSUS, THE MARYLAND DEPARTMENT OF PLANNING AND THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING, THE TERMS OF WHICH SHALL REQUIRE THE DEPARTMENT OF PLANNING AND THE DEPARTMENT OF LEGISLATIVE SERVICES TO WORK COLLABORATIVELY TO:

(I) SUMMARIZE THE RESULTS OF THE GEOCODED DATA CREATED BY THE DEPARTMENT OF PLANNING AS REQUIRED UNDER COMAR 35.05.01;

(II) USING THE GEOCODED DATA, IDENTIFY THE INDIVIDUALS INCARCERATED IN A STATE CORRECTIONAL FACILITY OR FEDERAL

CORRECTIONAL FACILITY IN THE STATE THAT WILL BE INCLUDED IN THE ADJUSTED CENSUS DATA UNDER THIS SECTION;

(III) MAKE ANY NECESSARY CHANGES TO THE DEPARTMENT OF PLANNING’S GEOCODED DATABASE;

(IV) JOINTLY REVIEW FOR ACCURACY ANY CHANGES TO THE CENSUS DATA BY ANY SOFTWARE VENDOR OR OTHER ENTITY; AND

(V) JOINTLY CERTIFY, ON OR BEFORE MARCH 15 IN THE YEAR FOLLOWING EACH DECENNIAL CENSUS, THE ADJUSTED CENSUS DATA TO BE USED FOR REDISTRICTING UNDER THIS SECTION.”.

AMENDMENT NO. 6

On page 37, in lines 21 and 22, strike “AND EACH FISCAL YEAR THEREAFTER”; and after line 25, insert:

“(III) FOR EACH STATE FISCAL YEAR THEREAFTER, THE APPROPRIATION SHALL BE NOT LESS THAN \$35,000,000.”.

AMENDMENT NO. 7

On page 39, in line 23, strike “\$61,000,000” and substitute “\$0”.

AMENDMENT NO. 8

On page 50, in line 3, strike “\$10,000,000” and substitute “\$12,000,000”.

AMENDMENT NO. 9

On page 54, in line 23, after “(i)” insert:

“1. THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL FOR FISCAL YEAR 2021 A GENERAL FUND APPROPRIATION TO THE SPECIAL FUND IN THE AMOUNT OF \$5,690,501.”

2.”;

in line 24, strike “2021, 2022, AND 2023” and substitute “**2022 AND 2023**”; and after line 25, insert:

“3. THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL FOR FISCAL YEAR 2024 A GENERAL FUND APPROPRIATION TO THE SPECIAL FUND IN THE AMOUNT OF \$6,809,499.”

On page 55, in line 12, strike “2021 THROUGH 2025” and substitute “**2022 THROUGH 2026**”; and in line 14, strike “2026” and substitute “**2027**”.

On page 56, in line 8, strike “2021” and substitute “**2022**”; in line 10, strike “2025” and substitute “**2026**”; in line 12, strike “2029” and substitute “**2030**”; and in line 14, strike “2030” and substitute “**2031**”.

AMENDMENT NO. 10

On page 58, after line 10, insert:

“15-311.1.

(a) (1) In this section, “dealer processing charge” includes an amount charged by a dealer for:

- (i) The preparation of written documentation of the transaction;**
- (ii) Obtaining the title and license plates for the vehicle;**

- (iii) Obtaining a release of lien;
- (iv) Filing title documents with the Administration;
- (v) Retaining documentation and records of the transaction;
- (vi) Complying with federal or State privacy laws; or
- (vii) Other administrative services concerning the sale of the vehicle.

(2) “Dealer processing charge” does not include a charge to purchase or install tangible personal property on or in the vehicle, or to perform mechanical service on the vehicle.

(b) (1) If a dealer charges a dealer processing charge, the charge:

- (i) Shall be reasonable;
- (ii) May not exceed:
 - 1. \$200 for the period from July 1, 2011, through June 30, 2014; [and]
 - 2. \$300 [on and after] FOR THE PERIOD FROM July 1, 2014, THROUGH JUNE 30, 2020; and
 - 3. \$500 ON AND AFTER JULY 1, 2020; AND

(iii) Shall reflect dealer expenses generally incurred for the services identified in subsection (a)(1) of this section.

(2) A dealer shall provide a written disclosure of the services included in the dealer processing charge on request by the purchaser.”.

AMENDMENT NO. 11

On page 59, in line 14, after “2021” insert “AND EACH FISCAL YEAR THEREAFTER”; in line 15, strike “\$304,825,000” and substitute “\$294,825,000”; strike in their entirety lines 16 through 20, inclusive; and in lines 21 and 24, strike “(9)” and “(10)”, respectively, and substitute “(7)” and “(8)”, respectively.

AMENDMENT NO. 12

On page 62, in line 35, strike “\$1,000,000” and substitute “\$900,000”.

AMENDMENT NO. 13

On page 63, strike in their entirety lines 4 through 8, inclusive; and in lines 9, 16, 22, 28, 33, and 37, strike “19.”, “20.”, “21.”, “22.”, “23.”, and “24.”, respectively, and substitute “18.”, “19.”, “20.”, “21.”, “22.”, and “23.”, respectively.

AMENDMENT NO. 14

On page 64, in line 3, strike “25.” and substitute “24.”; strike in their entirety lines 10 through 13, inclusive; in lines 14, 20, 25, and 27, strike “27.”, “28.”, “29.”, and “30.”, respectively, and substitute “25.”, “26.”, “27.”, and “28.”, respectively; and in line 28, strike “28 and 29” and substitute “26 and 27”.