
Fiscal Briefing Appendix

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

January 2020

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Budget Reconciliation and Financing Act of 2020 (SB 192/HB 152)

Mandate Relief: Ongoing

- ***National Capital Strategic Economic Development Program:*** Repeals 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 (Chapter 732 of 2019).
- ***Cade Funding Formula:*** Rebases the program in fiscal 2021 and alters the future formula increases to the level of projected general fund revenue growth.
- ***Community College Facilities Renewal Grant Program:*** Repeals the mandate for the Community College Facilities Renewal Grant Program and authorizes the program to be funded in the capital budget.
- ***Sellinger Program:*** Level funds the program in fiscal 2021 at the fiscal 2020 level and alters the future formula increase to one percentage point lower than the projected general fund revenue growth.
- ***Maryland Public Broadcasting Commission:*** Eliminates the mandate for the Maryland Public Broadcasting Commission.
- ***Seed Community Development Anchor Institution Program:*** Repeals the mandate and reduces the funding for the Seed Community Development Anchor Institution from \$10 million to \$5 million beginning in fiscal 2021 (Chapter 25 of 2019).
- ***Maryland Health Benefit Exchange:*** Reduces the mandate for the Maryland Health Benefit Exchange from \$35 million to \$32 million beginning in fiscal 2021.
- ***City of Annapolis:*** Reduces the mandate for services provided to the State by the City of Annapolis from \$750,000 to \$367,000 and eliminates the inflationary increase that was set to begin in fiscal 2022 (Chapters 3 and 4 of 2019).
- ***Repayment to the Local Reserve Account:*** Reduces the repayment to the Local Reserve Account annually from \$33.3 million to \$10 million, extends the repayment period from fiscal 2026 to 2040, and changes the repayment mechanism from an appropriation to a direct distribution from general fund revenues.
- ***Transfer Tax Repayment:*** 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.

- ***Maryland Energy Innovation Fund:*** Ends the mandated transfer of \$1.5 million from the Strategic Energy Investment Fund to the Maryland Energy Innovation Fund in fiscal 2020 rather than 2022.

Mandate Relief: One Time

- ***Baltimore Symphony Orchestra:*** Repeals the mandate of \$1.6 million for the Baltimore Symphony Orchestra, which was scheduled to end in fiscal 2021 (Chapter 743 of 2019).
- ***Developmental Disability Administration (DDA) Provider Rates:*** Reduces for fiscal 2021 only the mandated rate increase from 4% to 2% for community service providers (Chapters 10 and 11 of 2019).
- ***Behavioral Health Provider Rates:*** Reduces for fiscal 2021 only the mandated rate increase for behavioral health providers from 4% to 2% (Chapters 10 and 11 of 2019).
- ***Medicaid Provider Rates:*** Reduces for fiscal 2021 only the mandated rate increase for various Medicaid service providers from 4% to 2% (Chapters 10 and 11 of 2019).
- ***Pension and Retiree Health Sweeper:*** Eliminates, 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.

Changes to the Use of Special Funds

- ***The Blueprint for Maryland's Future Fund Expansion:*** Allows The Blueprint for Maryland's Future Fund to be used for Maryland prekindergarten expansion grants.
- ***Use of Carefirst Premium Tax Exemption:*** Alters the use of the Carefirst premium tax exemption beginning in fiscal 2021 making the distribution of \$8 million to the Community Health Resources Commission a cap rather than a floor and making the distribution of \$14 million to the Senior Prescription Drug Assistance Program a floor rather than a cap.
- ***Board of Physicians Fund:*** Authorizes 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.
- ***Board of Physicians Fund:*** 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

- ***Baltimore City Share of Highway User Revenues:*** Requires 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.

Revenue Actions

- ***Revenue Volatility:*** Changes the cap on the adjustment to general fund revenues related to the nonwithholding income tax revenue to dollar amounts rather than a percent of general fund revenue, beginning with \$60 million in fiscal 2021, and slows the full phase-in to a 2% cap until fiscal 2026 rather than fiscal 2022.
- ***Film Tax Credit:*** Reduces the maximum credits for the Film Production Activity Tax Credit from \$14 million to \$10 million in fiscal 2021 only.

Reversions and Transfers

	<u>Fiscal 2020</u>	<u>Fiscal 2021</u>
Dedicated Purpose Account		
Fiscal 2020 Program Open Space Repayment		\$43,860,950
Pension Sweeper	\$50,000,000	
WMATA	12,000,000	

Cost Control or Miscellaneous Provisions

- ***Abandoned Property Publication:*** Eliminates the requirement that abandoned property notices be published and instead requires a quarterly notification of the searchable electronic abandoned property database.
- ***Printing of Governor's Budget Books:*** Authorizes the Governor's Budget Books to be provided either electronically or printed at the Governor's discretion and requires certain detail including Managing for Results measures and personnel detail to be provided on the Department of Budget and Management website. Repeals the requirement that the information be archived.
- ***Fiscal Responsibility Fund:*** Repeals the authorization for the Fiscal Responsibility Fund to be used for a fiscal 2021 cost-of-living adjustment for permanent employees represented by certain unions
- ***State Department of Assessments and Taxation (SDAT) Cost Share:*** Increases the local share of SDAT costs from 50% to 60%.

- ***Medicaid Deficit Assessment:*** Alters the phase- down of the Medicaid Deficit Assessment for fiscal 2021 and 2022 to reduce the phase-down in fiscal 2021 (from \$25 million to \$15 million) while providing the same total decrease between the two years (\$50 million).
- ***Provider Rates Set by Interagency Rates Committee:*** Limits the increase in rates for providers who have rates set by the Interagency Rates Committee to 2% in fiscal 2021.
- ***Revenue Stabilization Account:*** Reduces the fiscal 2021 funding to the Revenue Stabilization Account by \$284.4 million leaving about a 6.25% fund balance.

Gaming Program
Revenues and Impact on the Education Trust Fund
Fiscal 2020-2021
(\$ in Millions)

	2020 Estimate			2021 Estimate		
	<u>September</u>	<u>December</u>	<u>Difference</u>	<u>September</u>	<u>December</u>	<u>Difference</u>
Video Lottery Terminals						
Education Trust Fund	\$456.5	\$458.5	\$2.0	\$445.3	\$447.3	\$1.9
Casino Operators	541.2	543.8	2.6	548.3	550.9	2.6
Local Impact Grants	62.4	62.7	0.3	63.2	63.5	0.3
SMWOBA ¹	0.0	0.0	0.0	17.1	17.2	0.1
Purse Dedication	67.2	67.5	0.3	68.1	68.4	0.3
RFRA	11.0	11.0	0.0	11.1	11.2	0.0
State Lottery Agency	11.5	11.6	0.1	11.6	11.7	0.1
Gross Revenues	\$1,149.9	\$1,155.1	\$5.2	\$1,164.8	\$1,170.1	\$5.3
Table Games						
Education Trust Fund	\$94.9	\$93.3	-\$1.6	\$96.5	\$94.6	-\$1.9
Casino Operators	506.0	497.5	-8.5	514.9	504.7	-10.2
Local Impact Grants	31.6	31.1	-0.5	32.2	31.5	-0.6
Gross Revenues	\$632.5	\$621.9	-\$10.6	\$643.6	\$630.9	-\$12.7
Total Gross Revenues	\$1,782.4	\$1,777.0	-\$5.4	\$1,808.5	\$1,801.0	-\$7.4
Total Education Trust Fund	\$551.4	\$551.8	\$0.4	\$541.9	\$541.9	\$0.0

SMWOBA: Small, Minority, and Women-Owned Businesses Account
RFRA: Racetracks Facility Renewal Account

¹ The Budget Reconciliation and Financing Act of 2017 (Chapter 23) diverted the distribution that normally goes to the SMWOBA to the Education Trust Fund in fiscal 2019 and 2020. The distribution is 0.75% of gross video lottery terminal revenues at the Rocky Gap facility and 1.5% at all other casinos.

Source: State Lottery and Gaming Control Agency; Board of Revenue Estimates.

**Change in Structural Outlook
Since End of 2019 Legislative Session
(\$ in Millions)**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
DLS Estimate of Structural Gap June 2019	-\$977	-\$1,220	-\$1,434	-\$1,533
DLS Estimate of Structural Gap January 2020	-37	-701	-905	-984
Change	\$940	\$519	\$529	\$549

What Changed

Ongoing Revenues

Revisions to Revenue Estimate	\$169	-\$38	-\$54	-\$42
Slow Implementation of Revenue Volatility Legislation	134	267	202	140
Governor's Tax Relief Proposals	-18	-48	-48	-50
Other	-7	-2	-4	14
Additional Revenues	\$279	\$179	\$97	\$61

Structural Spending

Entitlements (Favorable Trends and Proposed BRFA Actions)	-\$83	-\$64	-\$93	-\$136
Debt Service (Bond Premium Increase in Fiscal 2021)	-218	21	20	6
Local Aid (Slower K-12 growth and community colleges in BRFA)	-117	-174	-229	-239
State Agencies/Other (Lower Growth in Personnel Costs, Sellinger, <i>etc.</i>)	-243	-122	-130	-119
Spending Reductions	-\$661	\$339	-\$432	-\$488

BRFA: Budget Reconciliation and Financing Act
DLS: Department of Legislative Services

**Status of the General Fund
Fiscal 2019
(\$ in Millions)**

Starting Balance		\$589.6
Revenues		
BRE Estimated Revenue July 2019	\$18,199.0	
Fiscal 2019 Closeout Revenues	36.2	
Total		\$18,235.3
Transfers		
Budgeted Tax Credits	\$18.6	
Total		\$18.6
Funds Available		\$18,843.5
Spending		
Fiscal 2019 Legislative Appropriation	\$17,860.0	
Deficiencies	52.1	
Targeted Reversions/Closeout	-7.8	
Estimated Agency Reversions	-35.0	
Net Expenditures		\$17,869.3
Ending Balance		\$974.2

BRE: Board of Revenue Estimates

**Status of the General Fund
Fiscal 2020
(\$ in Millions)**

Starting Balance		\$974.2
Revenues		
BRE Estimated Revenue December 2019	\$18,721.2	
Legislation/Other	12.1	
Total		\$18,733.3
Transfers		
Rainy Day Fund	\$158.0	
Budgeted Tax Credits	27.6	
Total		\$185.6
Funds Available		\$19,893.1
Spending		
Fiscal 2020 Allowance	\$19,418.8	
Deficiencies	223.3	
Specified Reversions	-128.5	
Estimated Agency Reversions	-35.0	
Net Expenditures		\$19,478.6
Ending Balance		\$414.5

BRE: Board of Revenue Estimates

**Status of the General Fund
Fiscal 2021
(\$ in Millions)**

Starting Balance			\$414.5
Revenues			
BRE Estimated Revenue December 2019	\$19,172.9		
Legislation/Other	122.1		
Total			\$19,295.0
Transfers			
Budgeted Tax Credits	\$30.5		
Fiscal 2020 Program Open Space Transfer from DPA	43.9		
Total			\$74.3
Funds Available			\$19,783.8
Spending			
Fiscal 2021 Allowance	\$20,240.9		
Contingent Reductions	-530.6		
Estimated Agency Reversions	-35.0		
Net Expenditures			\$19,675.3
Ending Balance			\$108.5

BRE: Board of Revenue Estimates

DPA: Dedicated Purpose Account

Revenue Assumptions Fiscal 2020-2021

	<u>2020</u>	<u>2021</u>
Revenue Assumptions		
Maryland Health Exchange	\$3,000,000	\$3,000,000
MDH Disproportionate Hospital Share	9,109,143	\$9,255,563
Lottery Revenue Adjustment		-259,723
* Unclaimed Property		320,000
* Film Tax Credit Capped to \$10 million		4,000,000
* Phase-In Revenue Volatility		133,665,000
* Restructure transfer to the Local Income Tax Reserve		-10,000,000
Total	\$12,109,143	\$139,980,840

	<u>2020</u>	<u>2021</u>
Transfers		
* Fiscal 2020 Program Open Space		\$43,860,950
Total		\$43,860,950

	<u>2020</u>	<u>2021</u>
Proposed Administration Legislation		
* Hometown Heroes		-\$7,200,000
* Military Retirement Income Deduction		-10,600,000
* Franchise Tax Exemption		-57,156
Total	\$0	-\$17,857,156

MDH: Maryland Department of Health

* Items require a statutory change through legislation.

**Deficiency Appropriations Provide
\$16.3 Million to Backfill \$243.7 Million in
Unreleased Funding for Legislative Priorities**

<u>Funds Earmarked for Legislative Priorities</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Funded by Fiscal 2020 Deficiency</u>
GOCCP: Baltimore Regional Information Center	\$3,678,339		\$1,572,592
Comptroller: Grant to Cash Campaign of Maryland	200,000		
Comptroller: Private Letter Ruling Process	255,946		
MDOT: Transit Fares for Youth in Summer Employment		\$168,000	
MDOT: Study of Regional Transportation Authorities		45,000	
MDOT: Southern Maryland Rapid Transit Project		2,500,000	
MDOT: Fort Smallwood Road*		1,750,000	
MDOT: Sail Baltimore		300,000	
MDOT: Frederick Avenue and Wendly Road*		600,000	
MDH: Tuberculosis Grants	100,000		100,000
MDH: Bed Registry System	100,000		100,000
MDH: Grants to Nonprofit for Chronic Pain Management	750,000		750,000
MDH: Tele-education for Childhood Mental Health Disorders	1,800,000		1,800,000
Medicaid: Prescription Drug Affordability Board	750,000		
Medicaid: Expand Medicaid Access to Hepatitis C Treatment	1,300,000		1,300,000
Medicaid: Revise Managed Care Organization Rates	1,000,000		
DHS: Grant to Support Transition to Two Generation Model	950,000		950,000
MDL: Baltimore City YouthWorks	1,000,000		
MDL: Anne Arundel YouthWorks	500,000		
MDL: Prince George's Workforce Development Board	500,000		
MDL: Adult High School Programs in Opportunity Zones	300,000		
MDL: Hagerstown Community College	200,000		
DPSCS: Salary Increase for Correctional Officers (Above Governor's Plan)	7,000,000		
DPSCS: Staffing Study	500,000		
MHEC: Modifications to Maryland College Aid System	125,000		
MHEC: Reaccredit Physician's Assistant Program at UMES	1,000,000		
MHEC: Attorney Fees for Violation of Sexual Assault Policies	250,000		
MHEC: Eastern Shore Center for Innovation Entrepreneurship and Economic Development	307,750		
MHEC: TeamBuilder's Academy at Prince George's Community College	250,000		
MHEC: Youth for Success Youth Conflict Management	50,000		

<u>Funds Earmarked for Legislative Priorities</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Funded by Fiscal 2020 Deficiency</u>
MHEC: Nurse Practitioner Program at FSU	261,500		
DHCD: East Baltimore Development, Inc.	2,500,000		
DHCD: Baltimore Rock Opera Society	175,000		
Commerce: Grant to Visit Baltimore	500,000		
Commerce: Minority Outreach for Business Programs	300,000		
Commerce: University of Maryland – WellMobile	200,000		
Commerce: Prince George’s Community College Operating Expenses	250,000		
TEDCO: Baltimore and Prince George's State’s Attorney’s Offices Grants	250,000		250,000
TEDCO: Baltimore Police Dept. Technology Improvements	7,000,000		4,600,000
TEDCO: Baltimore Symphony Orchestra	1,600,000		
TEDCO: Implement Ending Youth Homelessness Act	500,000		
TEDCO: North Bay Overnight Program	430,000		
TEDCO: Irvington Place and Harlem Gardens Security Grants	150,000		
TEDCO: Rape Kit Testing Grant Fund	3,500,000		3,500,000
TEDCO: Pretrial Services Grant Fund	750,000		
TEDCO: Crest Regional Higher Education Center	50,000		
MDE: Remediation of 1600 Harford Avenue Property	200,000		
Reserve Fund: Public School Construction	127,000,000		
Reserve Fund: DHCD Pay-as-you-go Programs	25,000,000		
Sunny Day Fund: Maryland Academy of Sciences Operating Support	335,000		
Sunny Day Fund: MSU Task Force on Reconciliation and Equity	25,000		
Sunny Day Fund: Grant to Lighthouse Homeless Shelter	100,000		
DNR (POS Repayment): Engineering and Construction	190,888		
DNR (POS Repayment): Park Service Operations	3,999,576		1,400,000
DNR (POS Repayment): Rural Legacy	6,893,048		
DNR (POS Repayment): POS Local Share	8,535,752		
DNR (POS Repayment): Natural Resources Development Fund – Unspecified Projects	3,625,036		
DNR (POS Repayment): Natural Resources Development Fund – Historic St. Mary's Commission	1,000,000		
DNR (POS Repayment): Natural Resources Development Fund – Jefferson Patterson Park	3,875,000		
DNR (POS Repayment): Critical Maintenance Program	9,286,358		
MDA (POS Repayment): Agricultural Land Preservation Program	6,455,292		

<u>Funds Earmarked for Legislative Priorities</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Funded by Fiscal 2020 Deficiency</u>
POCA: Board of Trustees of Arts Education in Maryland Schools Alliance		150,000	
POCA: Board of Directors of Arts Every Day		50,000	
POCA: 901 Arts		50,000	
POCA: Montgomery County for BlackRock Center for the Arts		150,000	
POCA: Annapolis Community Foundation for a Statue of Queen Anne		50,000	
POCA: Chesapeake Shakespeare Company		50,000	
Total Funds	\$237,804,485	\$5,863,000	\$16,322,592

Commerce: Department of Commerce
 DHCD: Department of Housing and Community Development
 DHS: Department of Human Services
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 FSU: Frostburg State University
 GOCCP: Governor's Office of Crime Control and Prevention
 MDA: Maryland Department of Agriculture
 MDE: Maryland Department of the Environment
 MDH: Maryland Department of Health
 MDL: Maryland Department of Labor
 MDOT: Maryland Department of Transportation
 MHEC: Maryland Higher Education Commission
 MSDE: Maryland State Department of Education
 MSU: Morgan State University
 POCA: Preservation of Cultural Arts
 POS: Program Open Space
 TEDCO: Maryland Technology Development Corporation
 UMES: University of Maryland Eastern Shore

* A recent Attorney General's opinion has determined that the Governor may not continue to withhold these funds.

Fiscal 2020 Total Fund Deficiencies
Amount to \$616.1 Million; \$223.3 Million in General Funds
(\$ Millions)

	<u>GF</u>	<u>SF</u>	<u>FF</u>	<u>CUF</u>	<u>RF</u>	<u>Total</u>
Medicaid: Additional demand for services driven by automation of Transitional Medicaid Assistance eligibility; funding for the Calendar 2020 ACA insurer fee; and growth in behavioral health services, specifically psychiatric rehabilitation and substance use disorder treatment. Also reflects changes in special fund availability, in particular additional funding from the Rate Stabilization Fund.	\$108.1	\$106.3	\$206.3	\$0.0	\$0.0	\$420.6
Information Technology projects: Funding for various projects including MD Think (\$27.2 million in GF and \$33.9 million in FF); SBE's Same Day Registration and Voting Systems (\$1.3 million in GF and \$5.1 million in SF), and the statewide Personnel System (\$1.1 million in GF).	30.4	5.3	33.9	0.0	0.9	70.6
Salary Enhancements: DBM: 1% general salary increase effective January 1, 2020, for most employees (\$19.1 million in GF, \$4.5 million in SF, and \$1.5 million in FF); DPSCS: correctional officer retention bonus (\$7.6 million in GF); Judiciary: fiscal 2020 3% general salary increase (\$6.5 million in GF and \$0.4 million in SF); and MSP: negotiated fitness and education bonuses (\$0.7 million in GF and \$0.1 million in SF).	32.2	5.0	1.5	0.0	0.0	38.7
Operating Expenses in Various Agencies: MDH: including funding for substance use disorder services, the Breast and Cervical Cancer program, Crownsville security and maintenance expenditures, and savings from an unawarded contract in DDA (\$9.0 million in GF, \$0.2 million in SF, and -\$1.9 million in FF); Justice, Youth and Victim Services: various grant expenditures (\$3.3 million in SF and \$1.8 million in FF); MHEC: funding for the Save4College State Contribution program (\$3.7 million in GF) and the Maryland 529 ABLE program (\$0.3 million); Maryland Energy Administration: additional grant funding (\$2.9 million in SF); BPW: funding to replenish the contingency fund, Baltimore Zoo, and compensating unlawfully convicted offenders (\$2.3 million in GF); Stadium Authority: legal expenses (\$2.0 million in GF); MSP: equipment and other operating expenses (\$1.8 million in GF); DGS: expansion of procurement office, security system upgrades, and expenses related to temporary relocation of the Towson District Court (\$1.6 million in GF); Natural Resources: funding for recreational vehicle trails, a dredged material containment facility, and various studies (\$1.4 million in SF); and other agencies (\$4.2 million in GF, -\$0.2 million in SF, \$0.1 million in FF, and \$0.8 million in CUF).	24.9	7.5	-0.1	0.8	0.0	33.2

State Expenditures – General Funds
Fiscal 2019-2021
(\$ in Millions)

<u>Category</u>	<u>2019 Actual</u>	<u>2020 Working Appropriation</u>	<u>2021 Allowance</u>	<u>2021 Contingent Reductions</u>	<u>2021 Adjusted Allowance</u>	<u>2020 to 2021 \$ Change</u>	<u>% Change</u>
Debt Service	\$286.0	\$287.0	\$226.0	\$0.0	\$226.0	-\$61.0	-21.3%
County/Municipal	\$286.2	\$309.4	\$314.2	\$0.0	\$314.2	\$4.8	1.6%
Community Colleges	321.7	330.7	367.2	-18.2	349.0	18.4	5.5%
Education/Libraries	6,053.2	6,397.0	6,622.6	0.0	6,622.6	225.6	3.5%
Health	51.9	59.1	60.0	0.0	60.0	0.9	1.6%
<i>Aid to Local Governments</i>	<i>\$6,712.9</i>	<i>\$7,096.2</i>	<i>\$7,364.1</i>	<i>-\$18.2</i>	<i>\$7,345.9</i>	<i>\$249.7</i>	<i>3.5%</i>
Foster Care Payments	\$188.2	\$191.2	\$209.3	\$0.0	\$209.3	\$18.1	9.5%
Assistance Payments	41.6	40.6	47.6	0.0	47.6	7.0	17.3%
Medical Assistance	3,394.3	3,638.7	3,841.3	-31.5	3,809.8	171.1	4.7%
Property Tax Credits	96.8	97.2	97.2	0.0	97.2	0.0	0.0%
<i>Entitlements</i>	<i>\$3,720.9</i>	<i>\$3,967.7</i>	<i>\$4,195.5</i>	<i>-\$31.5</i>	<i>\$4,164.0</i>	<i>\$196.3</i>	<i>4.9%</i>
Health	\$1,489.5	\$1,575.4	\$1,638.8	-\$18.0	\$1,620.9	\$45.4	2.9%
Human Services	376.0	369.3	374.1	0.0	374.1	4.8	1.3%
Juvenile Services	262.1	264.3	265.7	0.0	265.7	1.4	0.5%
Public Safety/Police	1,529.5	1,580.0	1,597.4	0.0	1,597.4	17.4	1.1%
Higher Education	1,493.6	1,587.6	1,688.5	0.0	1,688.5	100.8	6.4%
Other Education	456.6	486.6	528.7	-32.3	496.4	9.8	2.0%
Agriculture/Natural							
Res./Environment	127.3	148.2	161.2	0.0	161.2	13.0	8.8%
Other Executive Agencies	746.5	837.8	887.4	-6.5	880.8	43.1	5.1%
Judiciary	508.0	540.7	568.8	0.0	568.8	28.1	5.2%
Legislative	91.6	97.6	102.1	0.0	102.1	4.5	4.6%
<i>State Agencies</i>	<i>\$7,080.7</i>	<i>\$7,487.6</i>	<i>\$7,812.7</i>	<i>-\$56.8</i>	<i>\$7,756.0</i>	<i>\$268.4</i>	<i>3.6%</i>
Total Operating	\$17,800.5	\$18,838.5	\$19,598.3	-\$106.4	\$19,491.8	\$653.3	3.5%
Capital ⁽¹⁾	\$59.5	\$77.0	\$84.7	-\$56.3	\$28.3	-\$48.6	-63.2%
<i>Subtotal</i>	<i>\$17,860.0</i>	<i>\$18,915.4</i>	<i>\$19,683.0</i>	<i>-\$162.8</i>	<i>\$19,520.2</i>	<i>\$604.7</i>	<i>3.2%</i>
Reserve Funds	\$9.3	\$598.2	\$557.9	-\$367.8	\$190.2	-\$408.0	-68.2%
Appropriations	\$17,869.3	\$19,513.6	\$20,240.9	-\$530.6	\$19,710.3	\$196.7	1.0%
Reversions	\$0.0	-\$35.0	-\$35.0	\$0.0	-\$35.0	\$0.0	0.0%
Grand Total	\$17,869.3	\$19,478.6	\$20,205.9	-\$530.6	\$19,675.3	\$196.7	1.0%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2020 working appropriation includes \$223.3 million in deficiencies and \$128.5 million in targeted reversions. The fiscal 2020 adjusted allowance reflects \$530.6 million in reductions contingent on legislation.

State Expenditures – Special and Higher Education Funds*
Fiscal 2019-2021
(\$ in Millions)

Category	2019 Actual	2020 Working Appropriation	2021 Allowance	2021 Contingent Reductions +SF Add-Backs	2021 Adjusted Allowance	2020 to 2021 \$ Change	% Change
Debt Service	\$1,338.3	\$1,388.8	\$1,528.9	\$0.0	\$1,528.9	\$140.1	10.1%
County/Municipal	\$380.6	\$403.5	\$454.6	\$0.0	\$454.6	\$51.0	12.6%
Community Colleges	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Education/Libraries	556.4	688.1	676.1	0.0	676.1	-12.0	-1.7%
Health	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Aid to Local Governments	\$937.0	\$1,091.6	\$1,130.6	\$0.0	\$1,130.6	\$39.0	3.6%
Foster Care Payments	\$3.6	\$4.3	\$4.3	\$0.0	\$4.3	\$0.0	0.7%
Assistance Payments	9.5	5.4	6.4	0.0	6.4	1.0	18.7%
Medical Assistance	958.7	992.6	910.7	10.0	920.7	-71.9	-7.2%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Entitlements	\$971.8	\$1,002.3	\$921.4	\$10.0	\$931.4	-\$70.8	-7.1%
Health	\$362.6	\$444.7	\$518.3	-\$3.1	\$515.2	\$70.6	15.9%
Human Services	100.8	76.6	77.2	0.0	77.2	0.6	0.8%
Juvenile Services	3.2	3.0	3.3	0.0	3.3	0.2	7.8%
Public Safety/Police	213.6	234.2	286.2	0.0	286.2	52.1	22.2%
Higher Education	4,691.7	4,868.3	4,910.8	0.0	4,910.8	42.6	0.9%
Other Education	65.8	72.7	82.2	0.0	82.2	9.4	13.0%
Transportation	2,029.6	2,046.6	2,184.2	0.0	2,184.2	137.6	6.7%
Agriculture/Natural							
Res./Environment	281.9	304.2	302.8	0.0	302.8	-1.4	-0.5%
Other Executive Agencies	624.4	746.0	771.5	4.0	775.5	29.6	4.0%
Judiciary	53.0	66.7	69.8	0.0	69.8	3.1	4.6%
State Agencies	\$8,426.4	\$8,863.0	\$9,206.4	\$1.0	\$9,207.3	\$344.3	3.9%
Total Operating	\$11,673.6	\$12,345.7	\$12,787.3	\$11.0	\$12,798.3	\$452.6	3.7%
Capital	\$1,850.6	\$1,998.0	\$1,636.3	\$0.0	\$1,636.3	-\$361.7	-18.1%
Transportation	1,402.8	1,568.2	1,205.2	0.0	1,205.2	-363.0	-23.1%
Environment	220.3	177.7	216.4	0.0	216.4	38.7	21.7%
Other	227.6	252.0	214.7	0.0	214.7	-37.3	-14.8%
Grand Total	\$13,524.2	\$14,343.6	\$14,423.6	\$11.0	\$14,434.6	\$90.9	0.6%

* Includes higher education fund (current unrestricted and current restricted) net of general and special funds.

Note: The fiscal 2020 working appropriation reflects deficiencies of \$136.6 million, \$0.5 million in targeted reversions, and excludes \$43.5 million that double counts general fund spending. The fiscal 2021 allowance excludes \$40 million that double counts general fund spending. The fiscal 2021 adjusted allowance reflects \$3.4 million in reductions contingent on legislation and \$14.3 million in additional special fund spending due to funding swaps.

State Expenditures – State Funds
Fiscal 2019-2021
(\$ in Millions)

Category	2019 Actual	2020 Working Appropriation	2021 Allowance	2021 Contingent Reductions +SF Add-Backs	2021 Adjusted Allowance	2020 to 2021	
						\$ Change	% Change
Debt Service	\$1,624.3	\$1,675.8	\$1,754.9	\$0.0	\$1,754.9	\$79.1	4.7%
County/Municipal	\$666.8	\$712.9	\$768.8	\$0.0	\$768.8	\$55.9	7.8%
Community Colleges	321.7	330.7	367.2	-18.2	349.0	18.4	5.5%
Education/Libraries	6,609.6	7,085.0	7,298.6	0.0	7,298.6	213.6	3.0%
Health	51.9	59.1	60.0	0.0	60.0	0.9	1.6%
Aid to Local Governments	\$7,649.9	\$8,187.8	\$8,494.7	-\$18.2	\$8,476.5	\$288.7	3.5%
Foster Care Payments	191.8	\$195.5	213.6	\$0.0	\$213.6	\$18.1	9.3%
Assistance Payments	51.1	46.0	54.1	0.0	54.1	8.1	17.5%
Medical Assistance	4,353.0	4,631.3	4,752.0	-21.5	4,730.5	99.2	2.1%
Property Tax Credits	96.8	97.2	97.2	0.0	97.2	0.0	0.0%
Entitlements	\$4,692.7	\$4,970.0	\$5,116.9	-\$21.5	\$5,095.4	\$125.4	2.5%
Health	1,852.0	\$2,020.1	\$2,157.1	-\$21.1	\$2,136.1	\$116.0	5.7%
Human Services	476.8	445.9	451.3	0.0	451.3	5.4	1.2%
Juvenile Services	265.4	267.4	269.0	0.0	269.0	1.6	0.6%
Public Safety/Police	1,743.1	1,814.2	1,883.6	0.0	1,883.6	69.5	3.8%
Higher Education	6,185.3	6,455.9	6,599.3	0.0	6,599.3	143.4	2.2%
Other Education	522.3	559.3	610.8	-32.3	578.6	19.3	3.4%
Transportation	2,029.6	2,046.6	2,184.2	0.0	2,184.2	137.6	6.7%
Agriculture/Natural Res./Environment	409.2	452.4	464.0	0.0	464.0	11.6	2.6%
Other Executive Agencies	1,370.9	1,583.7	1,658.9	-2.5	1,656.4	72.7	4.6%
Judiciary	561.0	607.4	638.6	0.0	638.6	31.2	5.1%
Legislative	91.6	97.6	102.1	0.0	102.1	4.5	4.6%
State Agencies	\$15,507.1	\$16,350.5	\$17,019.1	-\$55.8	\$16,963.3	\$612.7	3.7%
Total Operating	\$29,474.1	\$31,184.1	\$32,385.6	-\$95.5	\$32,290.1	\$1,106.0	3.5%
Capital ⁽¹⁾	1,910.1	\$2,074.9	\$1,721.0	-\$56.3	\$1,664.6	-\$410.3	-19.8%
Transportation	1,402.8	1,568.2	1,205.2	0.0	1,205.2	-363.0	-23.1%
Environment	220.8	178.3	217.1	0.0	217.1	38.8	21.8%
Other	286.5	328.4	298.7	-56.3	242.3	-86.1	-26.2%
Subtotal	\$31,384.2	\$33,259.1	\$34,106.6	-\$151.8	\$33,954.7	\$695.7	2.1%
Reserve Funds	9.3	\$598.2	\$557.9	-\$367.8	\$190.2	-\$408.0	-68.2%
Appropriations	\$31,393.5	\$33,857.2	\$34,664.5	-\$519.6	\$34,144.9	\$287.7	0.8%
Reversions	0.0	-\$35.0	-\$35.0	\$0.0	-\$35.0	\$0.0	0.0%
Grand Total	\$31,393.5	\$33,822.2	\$34,629.5	-\$519.6	\$34,109.9	\$287.7	0.9%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2020 working appropriation reflects deficiencies of \$360.0 million, \$129.0 million in targeted reversions, and excludes \$43.5 million of special funds that double counts general fund spending. The fiscal 2021 allowance excludes \$40 million of special funds that double counts general fund spending. The fiscal 2021 adjusted allowance reflects \$533.9 million in reductions contingent on legislation and \$14.3 million in additional special fund spending due to funding swaps.

State Expenditures – Federal Funds
Fiscal 2019-2021
(\$ in Millions)

	2019	2020	2021	2021	2021	2020 to 2021	
		Working		Contingent	Adjusted	\$	%
<u>Category</u>	<u>Actual</u>	<u>Appropriation</u>	<u>Allowance</u>	<u>Reductions</u>	<u>Allowance</u>	<u>Change</u>	<u>Change</u>
Debt Service	\$11.6	\$11.5	\$11.0	\$0.0	\$11.0	-\$0.5	-4.6%
County/Municipal	\$70.9	\$74.1	\$74.7	\$0.0	\$74.7	\$0.7	0.9%
Community Colleges	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Education/Libraries	896.6	984.7	969.7	0.0	969.7	-15.0	-1.5%
Health	0.0	0.0	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$967.5</i>	<i>\$1,058.7</i>	<i>\$1,044.4</i>	<i>\$0.0</i>	<i>\$1,044.4</i>	<i>-\$14.3</i>	<i>-1.4%</i>
Foster Care Payments	\$79.0	\$74.6	\$74.4	\$0.0	\$74.4	-\$0.2	-0.3%
Assistance Payments	991.8	1,045.2	1,044.4	0.0	1,044.4	-0.8	-0.1%
Medical Assistance	6,878.7	7,058.2	7,100.6	-31.4	7,069.1	10.9	0.2%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$7,949.5</i>	<i>\$8,178.0</i>	<i>\$8,219.4</i>	<i>-\$31.4</i>	<i>\$8,188.0</i>	<i>\$10.0</i>	<i>0.1%</i>
Health	\$1,036.7	\$1,136.8	\$1,583.9	-\$12.6	\$1,571.2	\$434.5	38.2%
Human Services	545.1	610.1	626.8	0.0	626.8	16.6	2.7%
Juvenile Services	3.7	4.6	4.4	0.0	4.4	-0.2	-4.2%
Public Safety/Police	35.4	41.7	33.7	0.0	33.7	-8.0	-19.3%
Higher Education	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Other Education	246.3	307.8	325.1	0.0	325.1	17.4	5.7%
Transportation	90.8	108.2	106.5	0.0	106.5	-1.7	-1.5%
Agriculture/Natural							
Res./Environment	66.0	68.4	71.7	0.0	71.7	3.3	4.8%
Other Executive Agencies	594.5	617.6	615.4	0.0	615.4	-2.2	-0.4%
Judiciary	0.5	1.0	0.3	0.0	0.3	-0.7	-73.2%
Across-the-board Cuts	0.0	0.0	0.0	0.0	0.0	0.0	n/a
<i>State Agencies</i>	<i>\$2,619.0</i>	<i>\$2,896.1</i>	<i>\$3,367.7</i>	<i>-\$12.6</i>	<i>\$3,355.0</i>	<i>\$459.0</i>	<i>15.8%</i>
Total Operating	\$11,547.5	\$12,144.3	\$12,642.5	-\$44.1	\$12,598.4	\$454.1	3.7%
Capital	\$850.2	\$1,237.3	\$1,242.5	\$0.0	\$1,242.5	\$5.3	0.4%
Transportation	788.4	1,120.7	1,160.2	0.0	1,160.2	39.5	3.5%
Environment	43.3	52.9	53.1	0.0	53.1	0.3	0.5%
Other	18.6	63.8	29.2	0.0	29.2	-34.6	-54.2%
Grand Total	\$12,397.8	\$13,381.6	\$13,885.0	-\$44.1	\$13,841.0	\$459.3	3.4%

Note: The fiscal 2020 working appropriation includes \$255.3 million in deficiencies. The fiscal 2021 adjusted allowance reflects \$44.1 million in reductions contingent on legislation.

State Expenditures – All Funds
Fiscal 2019-2021
(\$ in Millions)

<u>Category</u>	<u>2019 Actual</u>	<u>2020 Working Appropriation</u>	<u>2021 Allowance</u>	<u>Contingent Reductions +SF Add-Backs</u>	<u>Adjusted 2021 Allowance</u>	<u>2020 to 2021 \$ Change</u>	<u>% Change</u>
Debt Service	\$1,635.9	\$1,687.4	\$1,765.9	\$0.0	\$1,765.9	\$78.6	4.7%
County/Municipal	\$737.7	\$787.0	\$843.5	\$0.0	\$843.5	\$56.5	7.2%
Community Colleges	321.7	330.7	367.2	-18.2	349.0	18.4	5.5%
Education/Libraries	7,506.2	8,069.7	8,268.3	0.0	8,268.3	198.6	2.5%
Health	51.9	59.1	60.0	0.0	60.0	0.9	1.6%
Aid to Local Governments	\$8,617.4	\$9,246.5	\$9,539.1	-\$18.2	\$9,520.9	\$274.4	3.0%
Foster Care Payments	270.8	\$270.1	\$288.0	\$0.0	\$288.0	\$17.9	6.6%
Assistance Payments	1,042.9	1,091.2	1,098.5	0.0	1,098.5	7.3	0.7%
Medical Assistance	11,231.7	11,689.6	11,852.6	-52.9	11,799.7	110.1	0.9%
Property Tax Credits	96.8	97.2	97.2	0.0	97.2	0.0	0.0%
Entitlements	\$12,642.2	\$13,148.0	\$13,336.3	-\$52.9	\$13,283.4	\$135.4	1.0%
Health	2,888.7	\$3,156.8	\$3,741.0	-\$33.7	\$3,707.3	\$550.5	17.4%
Human Services	1,021.9	1,056.1	1,078.1	0.0	1,078.1	22.0	2.1%
Juvenile Services	269.1	271.9	273.3	0.0	273.3	1.4	0.5%
Public Safety/Police	1,778.5	1,855.9	1,917.3	0.0	1,917.3	61.4	3.3%
Higher Education	6,185.3	6,455.9	6,599.3	0.0	6,599.3	143.4	2.2%
Other Education	768.6	867.1	936.0	-32.3	903.7	36.6	4.2%
Transportation	2,120.4	2,154.8	2,290.7	0.0	2,290.7	136.0	6.3%
Agriculture/Natural Res./Environment	475.2	520.8	535.7	0.0	535.7	15.0	2.9%
Other Executive Agencies	1,965.4	2,201.3	2,274.3	-2.5	2,271.8	70.5	3.2%
Judiciary	561.6	608.4	638.9	0.0	638.9	30.5	5.0%
Legislative	91.6	97.6	102.1	0.0	102.1	4.5	4.6%
Across-the-board Cuts	0.0	0.0	0.0	0.0	0.0	0.0	n/a
State Agencies	\$18,126.1	\$19,246.6	\$20,386.7	-\$68.4	\$20,318.3	\$1,071.7	5.6%
Total Operating	\$41,021.6	\$43,328.5	\$45,028.1	-\$139.5	\$44,888.5	\$1,560.0	3.6%
Capital ⁽¹⁾	2,760.3	\$3,312.2	\$2,963.5	-\$56.3	\$2,907.2	-\$405.1	-12.2%
Transportation	2,191.2	2,688.9	2,365.4	0.0	2,365.4	-323.5	-12.0%
Environment	264.1	264.1	270.2	0.0	270.2	6.2	2.3%
Other	305.1	359.3	327.9	-56.3	271.5	-87.7	-24.4%
Subtotal	\$43,782.0	\$46,640.7	\$47,991.6	-\$195.9	\$47,795.7	\$1,155.0	2.5%
Reserve Funds	9.3	\$598.2	\$557.9	-\$367.8	\$190.2	-\$408.0	-68.2%
Appropriations	\$43,791.3	\$47,238.9	\$48,549.5	-\$563.6	\$47,985.9	\$747.0	1.6%
Reversions	0.0	-\$35.0	-\$35.0	\$0.0	-\$35.0	\$0.0	0.0%
Grand Total	\$43,791.3	\$47,203.9	\$48,514.5	-\$563.6	\$47,950.9	\$747.0	1.6%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2020 working appropriation reflects deficiencies of \$615.2 million, \$129.0 million in targeted reversions, and excludes \$43.5 million of special funds that double counts general fund spending. The fiscal 2021 allowance excludes \$40 million of special funds that double counts general fund spending. The fiscal 2021 adjusted allowance reflects \$578.0 million in reductions contingent on legislation and \$14.3 million in additional special fund spending due to funding swaps.

General Fund – Proposed Fiscal 2021 Changes Over Adjusted Fiscal 2020 Spending

Aid to Local Governments	\$250.0
Education and library aid	225.6
Community colleges	18.4
Other aid	6.0
Entitlements	\$196.3
Medicaid	171.1
Foster care payments including a 2% provider rate increase and accounting for changes in caseload and placement mix and federal fund availability	18.1
Assistance payments, primarily due to an increase in benefit levels and increased TDAP caseload (due to underestimation of fiscal 2020 caseload)	7.0
Major Personnel Costs (Including Institutions of Higher Education)	\$115.7
Fiscal 2021 general salary increase (2% effective January 1, 2021)	40.6
Retirement contributions	19.7
Annualization of January 1, 2020 general salary increase	19.2
SLEOLA general salary increase (4% effective July 1, 2020) and increments	13.8
Employee and retiree health insurance	13.7
Annual Salary Review Increases	11.9
Various bonuses	-3.2
State Agency Operations	\$141.4
USM: Funding for current services (\$12.5 million); workforce development (\$10.0 million); Support for new facilities (\$5.5 million); UMBC funding guidelines (\$4.0 million); additional mandated support for MPowering Council and UMBC in Chapter 345 of 2019 (\$2.4 million); infrastructure improvement for UB related to Baltimore Police Academy (\$2.4 million); and backfilling for lower HEIF support (\$1.4 million)	38.2
Behavioral Health: 2% community provider rate increase for community behavioral health services to the uninsured and local behavioral health agencies (\$4.7 million), growth in spending on behavioral health treatment for the uninsured and for Medicaid-ineligible services (\$19.1million), and administrative contracts (\$4.0 million)	27.8
DDA: Community provider rate increase (2%) (\$13.3 million); and expansion funding (13.0 million)	23.3
Commerce: Howard St. Tunnel project	10.0
MSU: Funding for new facility and security/safety enhancements	9.7
Major Information Technology Development Projects	7.3
MHEC: Restoring Promise Scholarship program to \$15.0 million (\$8.0 million) partially offset by reduced support for Educational Excellence Awards based on special fund availability (-\$1.3 million)	6.7
Contractual employment	6.7
DoIT: Security Operations Center migration (\$10.0 million) partially offset by reduction of funding for Statewide Cybersecurity assessments now budgeted in the Dedicated Purpose Account (-\$5.0 million)	5.0

General Fund – Proposed Fiscal 2021 Changes Over Adjusted Fiscal 2020 Spending (Cont.)

State Agency Operations (cont.)

Public Safety and Correctional Services: Medical contract (\$10.8 million); CJIS support ((-\$3.5 million), one-time ADA compliance study (-\$1.0 million), and savings from closure of Brockbridge facility (-\$8.4 million)	\$4.9
DGS: Facility critical maintenance, security contracts, and security equipment	4.1
Children's Cabinet Interagency Fund: Mandated grant to Baltimore City Local Management Board per Chapter 25 of 2019	3.5
DNR: Forest service funding	3.5
Statewide Personnel and Enterprise Budgeting systems	2.8
Maryland Arts Council funding	2.7
State Psychiatric and Chronic Hospital Operations	2.6
Department of Aging: Grant funding	1.8
Labor: Workforce development funding	1.7
DHCD: Neighborhood revitalization	1.2
DBM: Reduction in advertising and other administrative costs concerning Medicare retiree prescription drug changes	-1.1
Agriculture: decrease in funding for farmers' share of premium cost to participate in the federal Dairy Margin Coverage Program	-1.5
MDVA: Reduction of improvement funding at Veterans Cemeteries	-2.6
DHS: Training and technical assistance contracts for evidence based practices and Sobriety Treatment and Recovery Teams (\$2.8 million); post adoption savings initiative (\$2.0 million); federal fund availability in Child Welfare (-\$2.3 million); and reductions in funding for information technology legacy systems (-\$6.0 million)	-3.5
Maryland Department of Planning: Elimination of one-time census activities	-6.0
Justice, Youth and Victim Services: Reduced funding for Baltimore Regional Intelligence Center (-\$2.0 million), IT improvements in the Baltimore City Police Department (\$4.6 million), and Rape Kit Testing (-\$3.5 million) partially offset by increased Justice Reinvestment funding (\$1.5 million)	-8.6
Miscellaneous	-\$517.6
Debt Service	-61.0
Pay-as-you-go	-48.6
Reserve Fund Activity	-408.0
Other	12.1
Total	\$196.7

CJIS: Criminal Justice Information System
 DBM: Department of Budget and Management
 DDA: Developmental Disabilities Administration
 DGS: Department of General Services
 DHCD: Department of Housing and Community Development
 DHS: Department of Human Services
 DNR: Department of Natural Resources
 DoIT: Department of Information Technology

HEIF: Higher Education Trust Fund
 MDVA: Maryland Department of Veterans Affairs
 MHEC: Maryland Higher Education Commission
 MSU: Morgan State University
 SLEOLA: State Law Enforcement Officers Labor Alliance
 TDAP: Temporary Disability Assistance Program
 UB: University of Baltimore
 UMBC: University of Maryland Baltimore County
 USM: University System of Maryland

Total Expenditure and Enrollment Growth in Medicaid Remains Modest, but the Need for General Funds Remains Relatively Strong

Medical Care Programs Expenditures Fiscal 2019-2021 (\$ Millions)

	<u>2019</u>	<u>Work. App.</u> <u>2020</u>	<u>Adj. Leg. App.</u> <u>2021</u>	<u>\$ Change</u> <u>2020-2021</u>	<u>% Change</u> <u>2020-2021</u>
General Funds	\$3,405.3	\$3,627.7	\$3,809.8	\$182.1	5.0%
Special Funds	958.7	992.6	920.7	-71.9	-7.2%
Federal Funds	6,878.7	7,040.3	7,069.1	28.9	0.4%
Total	\$11,242.7	\$11,660.6	\$11,799.7	\$139.1	1.2%

Note: Fiscal 2019 includes deficiencies attributable to that year. Fiscal 2020 appropriation reflects deficiencies attributable to that year and planned reversions. Fiscal 2021 allowance reflects contingent reductions and anticipated special fund backfills. Data is for major provider payments only and includes Medicaid-funded behavioral health services.

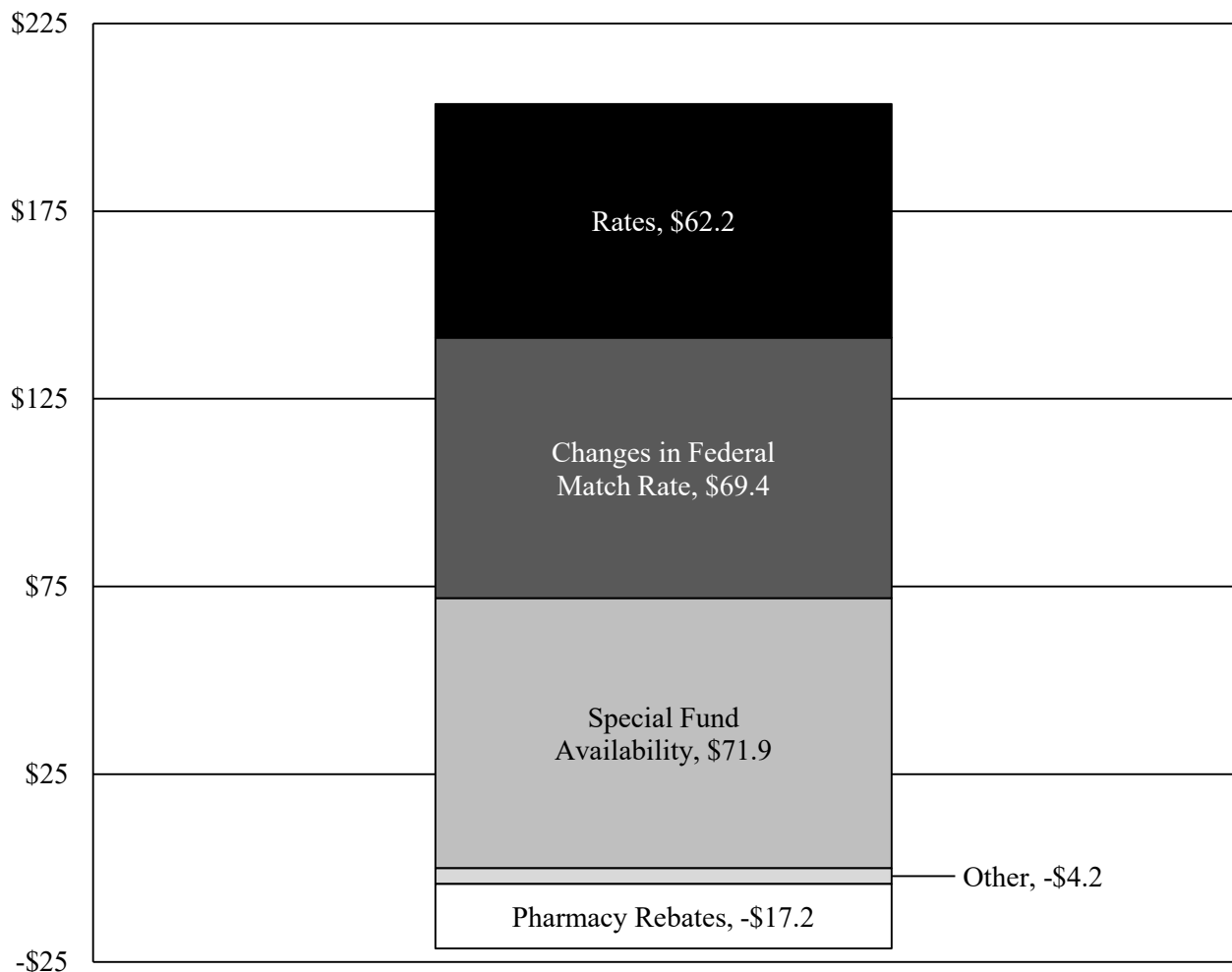
- Deficiencies in Medicaid total \$450.9 million (\$136.4 million in general funds, \$90.3 million in special funds, and \$224.3 million in federal funds) of which \$29.0 million is for fiscal 2019 expenses carried forward into fiscal 2020. The extent of general fund deficiencies was mitigated by the availability of unanticipated special funds to support the Medicaid program, primarily from the Rate Stabilization Fund.
- The key drivers of higher than projected expenditures in fiscal 2020 include additional spending as a result of increased enrollment due to a February 2019 change made to the Medicaid eligibility system to automatically grant Transitional Medicaid Assistance (TMA) coverage for certain low-income individuals who lose eligibility for various reasons including an increase in earned income or hours of employment; the impact of the calendar 2020 managed care organization (MCO) rate increase which, as is normal, was not included in the fiscal 2020 budget; funding for the calendar 2020 ACA insurer fee; and an unexpected increase in psychiatric rehabilitation program spending in the behavioral health budget.

In fiscal 2021, after adjusting for the various deficiencies, planned reversions, and contingent reductions, fiscal 2021 budget growth is a modest \$139.1 million (1.2%) with general fund growth of \$182.1 million (5.0%). Major drivers of general fund growth include:

- Rate increases (\$62.2 million). The budget includes a contingent rate reduction for behavioral health and other Medicaid providers (from 4.0% to 2.0%), 2% for regulated services, and the impact of the calendar 2020 MCO rate increase (5.2% overall but only 1.4% when adjusted for the impact of including HIV/AIDS drugs into rates).

- The federal matching rate for the Affordable Care Act (ACA) expansion population falls from 91.5% to 90.0% in fiscal 2021, resulting in an increase of \$40.5 million in general funds. The federal matching rate for the Maryland Children’s Health Program falls from 79.4% to 67.9% in fiscal 2021, resulting in an increase of \$28.9 million in general funds.
- Special fund availability declines by \$71.9 million, primarily as a result of the loss of the one-time surplus in Rate Stabilization Funds and funds authorized in Chapter 16 of 2019 plus a \$15 million drop in the Medicaid deficit assessment rather than the scheduled \$25 million reduction. This latter action is contingent on the Budget Reconciliation and Financing Act.
- Budgeted enrollment growth is expected to be only 1.2% in fiscal 2021 over fiscal 2020, driven by the Transitional Medical Assistance change with total enrollment of just over 1.4 million.

Medicaid – Why General Funds Grow
Fiscal 2020-2021
(\$ in Millions)



State Aid to Local Governments
Fiscal 2021 Allowance
(\$ in Thousands)

County	County - Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total	Change	
			Public Schools	Libraries	Health	Subtotal			Over FY 2020	Percent Change
Allegany	\$16,596	\$7,215	\$88,250	\$859	\$2,024	\$114,944	\$8,417	\$123,361	\$1,261	1.0%
Anne Arundel	47,012	34,148	413,693	2,516	4,792	502,160	69,621	571,781	19,060	3.4%
Baltimore City	297,842	0	910,178	9,549	8,747	1,226,316	63,039	1,289,355	1,144	0.1%
Baltimore	27,130	49,228	753,143	6,541	5,770	841,813	102,059	943,872	32,750	3.6%
Calvert	5,612	2,954	92,221	546	862	102,194	14,262	116,456	1,196	1.0%
Caroline	6,365	1,916	63,489	345	1,001	73,116	4,922	78,038	2,049	2.7%
Carroll	6,955	9,643	142,142	1,107	2,265	162,111	21,628	183,739	3,151	1.7%
Cecil	10,154	7,016	112,938	890	1,591	132,588	14,240	146,828	1,843	1.3%
Charles	4,811	9,682	201,611	1,211	2,001	219,315	23,039	242,354	2,910	1.2%
Dorchester	7,209	1,310	49,575	317	957	59,368	3,963	63,331	2,218	3.6%
Frederick	10,897	13,123	278,262	1,623	2,663	306,569	35,791	342,360	12,356	3.7%
Garrett	6,581	4,337	23,564	176	975	35,633	3,417	39,050	845	2.2%
Harford	8,575	13,904	232,340	1,820	3,005	259,643	31,083	290,726	6,798	2.4%
Howard	8,874	23,377	292,353	1,062	2,268	327,934	62,449	390,383	10,425	2.7%
Kent	1,435	533	10,279	111	936	13,294	1,836	15,130	1	0.0%
Montgomery	33,490	53,318	802,044	3,459	4,223	896,534	170,961	1,067,495	35,093	3.4%
Prince George's	111,091	36,947	1,269,599	7,641	6,819	1,432,097	119,406	1,551,503	55,640	3.7%
Queen Anne's	2,365	2,252	37,853	206	835	43,510	6,368	49,877	1,079	2.2%
St. Mary's	3,521	3,428	115,956	841	1,316	125,062	13,892	138,954	1,352	1.0%
Somerset	8,390	1,125	36,320	321	886	47,041	2,995	50,037	1,649	3.4%
Talbot	2,973	2,040	16,415	121	668	22,217	3,928	26,145	1,372	5.5%
Washington	14,184	10,884	196,625	1,460	2,508	225,660	18,241	243,901	9,346	4.0%
Wicomico	18,114	6,297	165,325	1,166	1,820	192,723	12,958	205,681	5,959	3.0%
Worcester	8,355	2,461	21,299	170	1,115	33,399	7,396	40,795	432	1.1%
Unallocated	100,279	6,506	139,028	19,535	0	265,349	0	265,349	81,829	44.6%
Total	\$768,809	\$303,642	\$6,464,501	\$63,593	\$60,044	\$7,660,589	\$815,913	\$8,476,502	\$291,760	3.6%

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Aid to Local Governments
Fiscal 2020 Working Appropriation
(\$ in Thousands)

County	County - Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	\$16,615	\$6,594	\$87,303	\$840	\$1,997	\$113,350	\$8,750	\$122,100
Anne Arundel	46,564	31,777	396,775	2,432	4,714	482,262	70,459	552,721
Baltimore City	294,678	0	910,779	9,501	8,593	1,223,552	64,659	1,288,211
Baltimore	26,927	45,505	725,008	6,407	5,668	809,515	101,607	911,122
Calvert	5,809	2,809	90,655	515	851	100,638	14,621	115,260
Caroline	6,202	1,789	61,582	334	988	70,895	5,094	75,989
Carroll	6,814	9,158	139,256	1,069	2,234	158,531	22,056	180,587
Cecil	9,727	6,822	111,618	867	1,570	130,604	14,380	144,985
Charles	4,698	9,373	198,743	1,163	1,974	215,950	23,494	239,444
Dorchester	5,589	1,203	48,930	309	945	56,976	4,138	61,113
Frederick	10,497	12,352	267,090	1,563	2,625	294,128	35,876	330,004
Garrett	6,441	4,124	22,960	169	963	34,656	3,549	38,205
Harford	8,399	12,660	226,122	1,749	2,962	251,891	32,037	283,928
Howard	8,725	21,773	281,169	1,028	2,236	314,930	65,027	379,957
Kent	1,406	555	10,266	105	926	13,259	1,871	15,130
Montgomery	33,201	52,380	762,967	3,388	4,148	856,085	176,317	1,032,401
Prince George's	110,228	33,404	1,215,084	7,628	6,701	1,373,045	122,819	1,495,863
Queen Anne's	2,332	2,180	36,733	192	824	42,261	6,538	48,799
St. Mary's	3,431	3,315	114,348	807	1,296	123,197	14,405	137,602
Somerset	7,861	911	35,379	314	875	45,340	3,048	48,388
Talbot	2,928	1,825	15,410	119	659	20,940	3,833	24,773
Washington	8,405	9,838	193,513	1,417	2,474	215,647	18,908	234,555
Wicomico	16,352	5,905	161,135	1,132	1,796	186,320	13,401	199,722
Worcester	8,263	2,410	20,912	165	1,102	32,851	7,512	40,363
Unallocated	57,817	6,375	100,231	19,097	0	183,520	0	183,520
Total	\$709,909	\$285,038	\$6,233,969	\$62,308	\$59,119	\$7,350,342	\$834,400	\$8,184,742

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Aid to Local Governments
Dollar Difference Between Fiscal 2021 Allowance and Fiscal 2020 Working Appropriation
(\$ in Thousands)

County	County - Municipal	Community Colleges	Direct State Aid				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	-\$19	\$621	\$947	\$19	\$26	\$1,594	-\$332	\$1,261
Anne Arundel	447	2,371	16,918	84	78	19,898	-838	19,060
Baltimore City	3,164	0	-601	48	154	2,764	-1,620	1,144
Baltimore	204	3,724	28,135	134	101	32,298	452	32,750
Calvert	-197	145	1,566	31	11	1,556	-360	1,196
Caroline	164	127	1,907	10	14	2,221	-172	2,049
Carroll	141	484	2,886	38	31	3,580	-428	3,151
Cecil	426	194	1,320	23	21	1,984	-140	1,843
Charles	113	309	2,869	48	27	3,365	-455	2,910
Dorchester	1,620	107	645	9	12	2,392	-175	2,218
Frederick	400	771	11,171	60	38	12,441	-85	12,356
Garrett	140	213	604	7	12	976	-131	845
Harford	176	1,244	6,218	72	43	7,752	-954	6,798
Howard	149	1,604	11,184	34	32	13,004	-2,579	10,425
Kent	29	-23	13	6	10	36	-35	1
Montgomery	289	938	39,077	71	74	40,449	-5,356	35,093
Prince George's	862	3,543	54,515	13	118	59,052	-3,412	55,640
Queen Anne's	32	72	1,120	14	11	1,249	-170	1,079
St. Mary's	91	112	1,608	34	20	1,865	-513	1,352
Somerset	529	214	941	7	11	1,702	-53	1,649
Talbot	45	216	1,005	3	9	1,278	94	1,372
Washington	5,779	1,046	3,112	43	34	10,013	-667	9,346
Wicomico	1,762	391	4,190	34	24	6,402	-443	5,959
Worcester	92	51	387	5	13	548	-115	432
Unallocated	42,463	131	38,797	439	0	81,829	0	81,829
Total	\$58,900	\$18,605	\$230,533	\$1,286	\$925	\$310,247	-\$18,487	\$291,760

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Aid to Local Governments
Percent Change: Fiscal 2021 Allowance over Fiscal 2020 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-0.1%	9.4%	1.1%	2.3%	1.3%	1.4%	-3.8%	1.0%
Anne Arundel	1.0%	7.5%	4.3%	3.5%	1.7%	4.1%	-1.2%	3.4%
Baltimore City	1.1%	n/a	-0.1%	0.5%	1.8%	0.2%	-2.5%	0.1%
Baltimore	0.8%	8.2%	3.9%	2.1%	1.8%	4.0%	0.4%	3.6%
Calvert	-3.4%	5.2%	1.7%	6.0%	1.3%	1.5%	-2.5%	1.0%
Caroline	2.6%	7.1%	3.1%	3.0%	1.4%	3.1%	-3.4%	2.7%
Carroll	2.1%	5.3%	2.1%	3.5%	1.4%	2.3%	-1.9%	1.7%
Cecil	4.4%	2.8%	1.2%	2.6%	1.3%	1.5%	-1.0%	1.3%
Charles	2.4%	3.3%	1.4%	4.1%	1.4%	1.6%	-1.9%	1.2%
Dorchester	29.0%	8.9%	1.3%	2.8%	1.2%	4.2%	-4.2%	3.6%
Frederick	3.8%	6.2%	4.2%	3.8%	1.4%	4.2%	-0.2%	3.7%
Garrett	2.2%	5.2%	2.6%	4.4%	1.2%	2.8%	-3.7%	2.2%
Harford	2.1%	9.8%	2.7%	4.1%	1.5%	3.1%	-3.0%	2.4%
Howard	1.7%	7.4%	4.0%	3.4%	1.4%	4.1%	-4.0%	2.7%
Kent	2.0%	-4.1%	0.1%	5.9%	1.1%	0.3%	-1.9%	0.0%
Montgomery	0.9%	1.8%	5.1%	2.1%	1.8%	4.7%	-3.0%	3.4%
Prince George's	0.8%	10.6%	4.5%	0.2%	1.8%	4.3%	-2.8%	3.7%
Queen Anne's	1.4%	3.3%	3.0%	7.3%	1.3%	3.0%	-2.6%	2.2%
St. Mary's	2.6%	3.4%	1.4%	4.3%	1.5%	1.5%	-3.6%	1.0%
Somerset	6.7%	23.5%	2.7%	2.3%	1.2%	3.8%	-1.7%	3.4%
Talbot	1.5%	11.8%	6.5%	2.3%	1.4%	6.1%	2.5%	5.5%
Washington	68.8%	10.6%	1.6%	3.0%	1.4%	4.6%	-3.5%	4.0%
Wicomico	10.8%	6.6%	2.6%	3.0%	1.4%	3.4%	-3.3%	3.0%
Worcester	1.1%	2.1%	1.8%	3.0%	1.2%	1.7%	-1.5%	1.1%
Unallocated	73.4%	2.1%	38.7%	2.3%	n/a	44.6%	-100.0%	44.6%
Total	8.3%	6.5%	3.7%	2.1%	1.6%	4.2%	-2.2%	3.6%

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Aid to Local Governments – Comparison by Per Capita Aid and Annual Change

Fiscal 2020-2021

County	\$ in Thousands			Percent Difference	Per Capita State Aid		Annual Change in State Aid	
	Fiscal 2020 Appropriation	Fiscal 2021 Allowance	Difference					
Allegany	\$122,100	\$123,361	\$1,261	1.0%	1. Caroline	\$2,343	1. Talbot	5.5%
Anne Arundel	552,721	571,781	19,060	3.4%	2. Baltimore City	2,140	2. Washington	4.0%
Baltimore City	1,288,211	1,289,355	1,144	0.1%	3. Wicomico	1,993	3. Frederick	3.7%
Baltimore	911,122	943,872	32,750	3.6%	4. Dorchester	1,979	4. Prince George's	3.7%
Calvert	115,260	116,456	1,196	1.0%	5. Somerset	1,949	5. Dorchester	3.6%
Caroline	75,989	78,038	2,049	2.7%	6. Allegany	1,738	6. Baltimore	3.6%
Carroll	180,587	183,739	3,151	1.7%	7. Prince George's	1,706	7. Anne Arundel	3.4%
Cecil	144,985	146,828	1,843	1.3%	8. Washington	1,616	8. Somerset	3.4%
Charles	239,444	242,354	2,910	1.2%	9. Charles	1,501	9. Montgomery	3.4%
Dorchester	61,113	63,331	2,218	3.6%	10. Cecil	1,428	10. Wicomico	3.0%
Frederick	330,004	342,360	12,356	3.7%	11. Frederick	1,339	11. Howard	2.7%
Garrett	38,205	39,050	845	2.2%	12. Garrett	1,339	12. Caroline	2.7%
Harford	283,928	290,726	6,798	2.4%	13. Calvert	1,266	13. Harford	2.4%
Howard	379,957	390,383	10,425	2.7%	14. St. Mary's	1,233	14. Garrett	2.2%
Kent	15,130	15,130	1	0.0%	15. Howard	1,208	15. Queen Anne's	2.2%
Montgomery	1,032,401	1,067,495	35,093	3.4%	16. Harford	1,145	16. Carroll	1.7%
Prince George's	1,495,863	1,551,503	55,640	3.7%	17. Baltimore	1,139	17. Cecil	1.3%
Queen Anne's	48,799	49,877	1,079	2.2%	18. Carroll	1,091	18. Charles	1.2%
St. Mary's	137,602	138,954	1,352	1.0%	19. Montgomery	1,014	19. Worcester	1.1%
Somerset	48,388	50,037	1,649	3.4%	20. Anne Arundel	993	20. Calvert	1.0%
Talbot	24,773	26,145	1,372	5.5%	21. Queen Anne's	993	21. Allegany	1.0%
Washington	234,555	243,901	9,346	4.0%	22. Worcester	787	22. St. Mary's	1.0%
Wicomico	199,722	205,681	5,959	3.0%	23. Kent	781	23. Baltimore City	0.1%
Worcester	40,363	40,795	432	1.1%	24. Talbot	707	24. Kent	0.0%
Unallocated	183,520	265,349	81,829	44.6%				
Total	\$8,184,742	\$8,476,502	\$291,760	3.6%	Statewide Average	\$1,403	Statewide Average	3.6%

Regular Full-time Equivalent Position Changes
Fiscal 2019 Actual to Fiscal 2021 Allowance

<u>Department/Service Area</u>	<u>2019 Actual</u>	<u>2020 Working</u>	<u>2021 Allowance</u>	<u>2020-2021 Change</u>
Public Safety, Health and Human Services				
Public Safety and Correctional Services*	10,414	10,139	9,618	-521
Health	6,278	6,415	6,347	-68
Human Services	6,120	6,119	6,119	0
Police and Fire Marshal	2,440	2,463	2,458	-5
Juvenile Services	1,987	1,987	1,987	0
Subtotal	27,239	27,123	26,529	-594
Transportation	9,058	9,058	9,058	0.0
Other Executive				
Legal (Excluding Judiciary)	1,480	1,486	1,508	22.0
Executive and Administrative Control	1,571	1,606	1,608	2.3
Financial and Revenue Administration	2,097	2,100	2,095	-5.0
Budget and Management and DoIT	569	541	530	-11.0
Retirement	184	189	189	0.0
General Services	582	641	645	4.0
Natural Resources	1,340	1,348	1,344	-4.3
Agriculture	352	394	410	16.0
Labor, Licensing, and Regulation	1,452	1,397	1,378	-19.0
MSDE and Other Education	1,974	1,991	1,986	-5.0
Housing and Community Development	331	331	331	0.0
Commerce	188	188	188	0.0
Environment	893	893	893	0.0
Subtotal	13,013	13,106	13,106	0
Executive Branch	49,310	49,286	48,692	-594
Higher Education	26,826	27,322	27,343	21
Judiciary	4,029	4,048	4,103	55
Legislature	751	760	761	1
Total	80,916	81,416	80,899	-517

DoIT: Department of Information Technology
MSDE: Maryland State Department of Education

*The fiscal 2021 budget bill includes language to abolish 561 vacant positions in the Department of Public Safety and Correctional Services. The abolished positions have been removed from this chart.

Source: Department of Budget and Management; Department of Legislative Services

Major Position Changes Since 2019 Session

Department/ Service Area	Fiscal 2020			Fiscal 2021				
	<u>New</u>	<u>Deficiencies</u>	<u>Transfers</u>	<u>New</u>	<u>Abolish</u>	<u>Transfers</u>	<u>Adj.</u>	<u>Change</u>
Agriculture		40.0		16.0				56.0
General Services		12.0	21.0	4.0				37.0
Attorney General			1.0	26.0	-6.0			21.0
State Police			5.0		-5.0			0.0
Veterans Affairs				7.0				7.0
Alcohol and Tobacco Commission				3.0				3.0
Natural Resources Assessments and Taxation		0.5		2.0	-6.8			-4.2
Education Information Technology		3.0		2.0	-10.0			-5.0
Labor			-3.0		-10.0			-13.0
Health			-18.0	1.0	-20.0			-37.0
Public Safety				33.0	-100.9		-0.1	-68.0
Other Executive Branch			-13.0		-521.0			-534.0
Executive Subtotal	0.0	57.5	0.0	112.0	-706.8	0.0	0.2	-537.0
General Assembly		4.0		1.0				5.0
Higher Education	438.7			21.0				459.7
Judiciary						55.0		55.0
Total	438.7	61.5	0.0	134.0	-706.8	55.0	0.2	-17.2

Source: Department of Budget and Management; Department of Legislative Services

Major Changes by Agency

- **Public Safety:** Fiscal 2021 budget language requires the Department of Public Safety and Correctional Services to identify and abolish 521 vacant positions. In fiscal 2020, 6 vacant positions were transferred to the Military Department for the Opioid Operational Command Center; 6 vacant positions were transferred to the Department of General Services for capital projects; and 1 was transferred to the Office of the attorney general.
- **Higher Education:** 438.65 new positions created with flex authority; 54 new positions reflect contractual conversions at Morgan State
- **Judiciary:** 55 new positions, mainly court clerks, courtroom staff, and operational positions in various departments
- **Health:** Across fiscal years 2020 and 2021, the Maryland Department of Health saw a net 68 position reduction:
 - 14.2 position reduction at Chronic Hospitals
 - 42.1 position reduction at behavioral health facilities
 - 2.5 position net loss in administration
 - 10 positions added at the Office of Health Care Quality for surveyors to meet annual inspection targets
 - 12 positions added for the Medical Cannabis Commission
 - 4.1 position reduction at other medical boards
 - 5 positions added at the Maryland Health Care Commission, 4 of which are to support the prescription drug affordability board
 - 0.9 opioid grant administrator position added at the Behavioral Health Administration
 - 20.2 net positions reduced in public health, with the abolishment of 28 vacant positions offset by 6.8 positions transferred from other programs and departments
 - 17 new or transferred positions in the Developmental Disabilities Administration (DDA)
 - 23.2 positions abolished or transferred from state facilities serving developmentally disabled, offset by one new position created in DDA
 - 6.6 net positions lost within Medicaid

- ***Agriculture:*** 40 positions created with a fiscal 2020 deficiency appropriation were formerly grant funded by Chesapeake and Atlantic Coastal Bays 2010 Trust Fund and are now regular State positions in order to improve retention and will be supplemented by 13 new positions in fiscal 2021. The positions are intended to accelerate agricultural best management practices. 3 additional new fiscal 2021 positions for hemp research and production legislation and lanternfly containment.
- ***General Services:*** In fiscal 2020, 13 positions were transferred from the Maryland Department of Labor as part of Capital Police merger; 3 positions were transferred from the Department of Information Technology (DoIT) for procurement; and 1 position transferred from the Department of General Services to the Department of Budget and Management that was mistakenly transferred. Twelve new positions created with a deficiency appropriation are in the procurement office. In fiscal 2021, 4 new positions are created in various classifications.
- ***Labor:*** 5 positions transferred to DoIT in fiscal 2020; 14 positions are abolished in fiscal 2021 in the Division of Unemployment Insurance; 6 other positions are abolished in fiscal 2021 across the agency.
- ***Attorney General:*** 25 new positions were created in fiscal 2021 for prosecutors and staff for the Baltimore City Violent Crime Prosecution Division; 6 prosecutor positions were abolished.
- ***Information Technology:*** 10 long-term vacant positions were abolished.
- ***State Department of Education:*** A net 8 position reduction across multiple programs.
- ***Veterans Affairs:*** 7 new cemetery caretakers added in fiscal 2021 (there have been 33 new cemetery caretakers since fiscal 2018)
- ***Assessments and Taxation:*** 5 new positions across fiscal 2020 and 2021 created for the State Tax Sale Ombudsman office, offset by 10 abolished vacant positions.
- ***Natural Resources:*** 2.5 new positions in fiscal 2020 and 2021 to implement clean energy jobs legislation and to provide technical assistance for nuisance flooding and climate resilience, offset by the abolition of 6.75 positions in fiscal 2021.
- ***Alcohol and Tobacco Commission:*** 3 new positions created in a newly created department

Contractual Full-time Equivalent Positions Changes
Fiscal 2020 Working to Fiscal 2021 Allowance

<u>Department/Service Area</u>	<u>Working Appropriation 2020</u>	<u>Allowance 2021</u>	<u>Change 2020-2021</u>
Public Safety, Health and Human Services			
Public Safety and Correctional Services	360	338	-23
Health	531	661	130
Human Services	77	77	0
Police and Fire Marshal	51	51	0
Juvenile Services	130	135	5
<i>Subtotal</i>	<i>1,149</i>	<i>1,262</i>	<i>113</i>
Transportation	122	122	0
Other Executive			
Legal (Excluding Judiciary)	137	136	-2
Executive and Administrative Control	195	196	1
Financial and Revenue Administration	44	52	8
Budget and Management and DoIT	34	35	1
Retirement	8	8	0
General Services	38	40	2
Natural Resources	403	407	4
Agriculture	60	68	8
Labor	215	244	29
MSDE and Other Education	187	186	-1
Housing and Community Development	95	94	-1
Commerce	26	26	0
Environment	72	81	9
<i>Subtotal</i>	<i>1,516</i>	<i>1,573</i>	<i>58</i>
Executive Branch	2,787	2,957	170
Higher Education	7,260	7,567	307
Judiciary	356	367	11
Legislature	0	0	0
Total	10,403	10,891	488

DoIT: Department of Information Technology
MSDE: Maryland State Department of Education

Source: Department of Budget and Management; Department of Legislative Services

State Reserve Fund Activity
Fiscal 2020 and 2021
(\$ in Millions)

	<u>Rainy Day</u> <u>Fund</u>	<u>Dedicated Purpose</u> <u>Account</u>	<u>Catastrophic</u> <u>Event Account</u>
Estimated Balances June 30, 2019	\$876.5	\$0.0	\$2.5
Fiscal 2020 Appropriations	\$443.8	\$215.9	\$0.5
Transfer to General Fund	-158.0	-62.0	0.0
Restrict for Legislative Initiatives	0.0	0.0	0.0
DHCD BusinessWorks Loan Repayment	0.0	0.0	1.3
Transfer to Program Open Space	0.0	0.0	0.0
Grant to WMATA	0.0	-110.0	0.0
Interest Earnings	18.1	0.0	0.0
Estimated Balances June 30, 2020	\$1,180.4	\$43.9	\$4.3
Fiscal 2021 Appropriations	\$291.4	\$266.5	\$0.0
Transfer to General Fund*	-284.4	0.0	0.0
Pension Sweeper*	0.0	-25.0	0.0
OPEB Liability Sweeper*	0.0	-25.0	0.0
Fiscal 2020 POS Transfer to General Fund*	0.0	-43.9	0.0
Local Income Tax Reserve Repayment*	0.0	-33.3	0.0
Transfer to Program Open Space	0.0	-38.2	0.0
Grant to WMATA	0.0	-125.0	0.0
Cybersecurity Assessments	0.0	-20.0	0.0
Interest Earnings	18.5	0.0	0.0
Estimated Balances June 30, 2021	\$1,205.9	\$0.0	\$4.3
Percent of Revenues in Reserve	6.3%		

*Notes contingent reduction based on provision in SB 192, the Budget Reconciliation and Financing Act of 2020

DHCD: Department of Housing and Community Development
OPEB: Other Post Employment Benefits
POS: Program Open Space
WMATA: Washington Metropolitan Area Transit Authority

Transportation Trust Fund Forecasts
Fiscal 2019-2025
(\$ in Millions)

	<u>Final</u> <u>2019-2024</u>	<u>Final</u> <u>2020-2025</u>	<u>Change</u>
Revenues			
Taxes and Fees	\$18,681	\$19,242	\$562
General Fund Transfers (in Dedicated Purpose Fund)	793	903	110
Operating and Other Revenues	3,503	3,513	10
Federal Operating Assistance	626	638	12
Bond Proceeds/Premiums	2,920	2,267	-653
Change in Fund Balance	-33	144	177
Total Revenues	\$26,490	\$26,707	\$218
Expenditures			
Debt Service	\$2,589	\$2,696	\$107
Operating Budget	13,568	14,417	849
Purple Line Availability Payments	304	458	154
Deductions to Other Agencies	441	477	36
State Aid	1,507	1,540	33
State Capital Program	8,082	7,120	-962
Total Expenditures	\$26,490	\$26,707	\$218

Lowest Net Income Debt Service Coverage Ratio: 2.6 in Fiscal 2020 and 2025

- The fiscal 2020 to 2025 Transportation Trust Fund forecast includes general fund transfers from the Dedicated Purpose Account totaling \$903 million. This comprises the \$110 million included in the fiscal 2020 budget as enacted, \$125 million in fiscal 2021 and \$167 million each year from fiscal 2022 to 2025 to support the dedicated capital grant to the Washington Metropolitan Area Transit Administration.
- Compared to the prior six-year forecast, total revenue (excluding the general fund transfers) increases by a net \$108 million with decreased bond proceeds offset by increases in taxes and fees and use of fund balance.
- On the expenditure side of the equation, increased operating expenses, Purple Line Availability Payments, and debt service contribute to a decrease in the State capital program of \$962 million compared to the prior six-year program.

Transportation Capital Program
January 2019 vs. January 2020 Plan
(\$ in Millions)

	<u>2019 Plan</u>	<u>2020 Plan</u>	<u>Change</u>
Fiscal 2021			
Secretary's Office	\$27.7	\$42.7	\$15.0
Motor Vehicle Administration	22.7	42.1	19.4
Maryland Aviation Administration	97.4	311.2	213.8
Maryland Port Administration	219.7	206.3	-13.4
Maryland Transit Administration	632.6	640.9	8.3
Washington Metropolitan Area Transit Authority	459.9	444.1	-15.8
State Highway Administration	1,254.2	1,315.6	61.4
State Aid	260.4	264.4	4.0
Fiscal 2021 Total	\$2,974.6	\$3,267.3	\$292.7
Special Funds	\$1,454.7	\$1,467.1	\$12.4
Federal Funds	1,165.1	1,225.9	60.8
General Fund Transfer	167.0	125.0	-42.0
Other Funds	187.8	449.3	261.5
Fiscal 2021 Total Funds	\$2,974.6	\$3,267.3	\$292.7
Six-year Funding			
Secretary's Office	\$244.4	\$146.5	-\$97.9
Motor Vehicle Administration	143.4	147.0	3.6
Maryland Aviation Administration	644.7	1,034.0	389.3
Maryland Port Administration	842.6	1,159.7	317.1
Maryland Transit Administration	3,310.1	3,007.0	-303.1
Washington Metropolitan Area Transit Authority	2,574.9	2,705.5	130.6
State Highway Administration	7,352.2	6,584.9	-767.3
State Aid	1,326.3	1,541.2	214.9
Six-year Funding Total	\$16,438.6	\$16,325.8	-\$112.8
Special Funds	\$8,636.5	\$7,747.2	-\$889.3
Federal Funds	5,845.6	5,822.1	-23.5
General Fund Transfers	793.0	903.0	110.0
Other Funds	1,163.5	1,853.5	690.0
Six-year Total Funds	\$16,438.6	\$16,325.8	-\$112.8

Transportation Capital Program (Cont.)

- Capital spending in fiscal 2021 is \$292.7 million higher than anticipated in the 2019 *Consolidated Transportation Program* (CTP). Nearly three-quarters of the increase occurs in the Maryland Aviation Administration, which is projecting the issuance of \$186.4 million in revenue bonds to support projects at the Baltimore-Washington International Thurgood Marshall Airport.
- Net six-year funding decreases by nearly \$113 million compared to the prior six-year plan. Modes receiving increase funding comprise the port, airport, State aid, Washington Metropolitan Area Transit Authority, and Motor Vehicle Administration. Reduced funding is projected for the State Highway Administration, the Maryland Transit Administration, and the Secretary's Office.
- The Fiscal 2020-2025 CTP expands on the use of non-Transportation Trust Fund sources to support transportation projects. The funding plan for the \$466 million Howard Street Tunnel project includes \$40 million in general funds between fiscal 2021 and 2022 and \$124.5 million in general obligation bonds between fiscal 2022 and 2024.

Capital Budget : Top Funded Programs and Projects - All Funds
Fiscal Year 2021 as Introduced
(\$ in Millions)

<u>Agency</u>	<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
IAC	Building Opportunity Fund	\$0.0	\$340.0	\$0.0	\$0.0	\$0.0	\$340.0
IAC	Public School Construction Program	280.0	0.0	0.0	0.0	0.0	280.0
MDE	Maryland Water Quality Revolving Loan Fund	7.7	0.0	0.0	111.6	38.4	157.7
MHEC	Community College Construction Grant Program	84.5	0.0	0.0	0.0	0.0	84.5
MDE	Bay Restoration Fund	0.0	0.0	0.0	75.0	0.0	75.0
USMO	University of Maryland at Southern Maryland Third Academic Building	62.2	0.0	0.0	0.0	0.0	62.2
DHCD	Rental Housing Program	25.0	0.0	12.0	16.5	8.0	61.5
UMES	School of Pharmacy and Health Professions	61.3	0.0	0.0	0.0	0.0	61.3
DNR	Program Open Space - State	0.0	0.0	11.4	42.1	3.0	56.5
DNR	Program Open Space - Local	0.0	0.0	8.5	44.2	0.0	52.7
MDA	Maryland Agricultural Land Preservation Program	0.0	0.0	6.5	42.1	0.0	48.6
IAC	Supplemental Capital Grant Program	40.0	0.0	0.0	0.0	0.0	40.0
FSU	Education and Health Sciences Center	30.1	5.0	0.0	0.0	0.0	35.1
BPW	Facilities Renewal Fund	34.7	0.0	0.0	0.0	0.0	34.7
MDE	Maryland Drinking Water Revolving Loan Fund	4.0	0.0	0.0	14.8	14.7	33.5
SMCM	Academic Building and Auditorium	30.7	0.0	0.0	0.0	0.0	30.7
IAC	Healthy School Facilities Fund	0.0	30.0			0.0	30.0
DHCD	Strategic Demolition Fund	26.5	0.0	0.0	0.0	0.0	26.5
IAC	Local Share of School Construction Costs Revolving Loan Fund	0.0	20.0	0.0	0.0	0.0	20.0
DNR	Rural Legacy Program	0.0	0.0	1.9	18.0	0.0	19.9
DHCD	Homeownership Programs	16.0	0.0	0.0	3.0	0.0	19.0
MES	Infrastructure Improvement Fund	11.6	0.0	1.9	4.7	0.0	18.2
DPSCS	High Temperature Distribution and Perimeter Security Improvements	18.1	0.0	0.0	0.0	0.0	18.1
CSU	Percy Julian Sciences Building	17.5	0.0	0.0	0.0	0.0	17.5

<u>Agency</u>	<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
DNR	Waterway Improvement Fund	0.0	0.0	0.0	13.5	2.5	16.0
MDE	Bay Restoration Fund Septic System Program	0.0	0.0	0.0	15.0	0.0	15.0
DPSCS	Therapeutic Treatment Center	15.0	0.0	0.0	0.0	0.0	15.0
DNR	Natural Resources Development Fund	0.0	0.0	3.3	9.0	0.0	12.3
USMO	Capital Facilities Renewal	0.0	12.0	0.0	0.0	0.0	12.0
DHCD	Community Development Grant Program	0.0	0.0	0.0	0.0	12.0	12.0
DHCD	Baltimore Regional Neighborhoods Initiative	12.0	0.0	0.0	0.0	0.0	12.0
DHCD	Neighborhood Business Development Program	8.0	0.0	0.5	2.2	0.0	10.7
DHCD	Housing and Building Energy Programs	1.0	0.0	0.0	8.6	1.0	10.6
DHCD	Special Loan Programs	4.0	0.0	0.0	4.4	2.0	10.4
IAC	Public School Safety Grant Program	0.0	10.0		0.0	0.0	10.0
UMCP	Campuswide Building Wing 1 Replacement	5.0	5.0	0.0	0.0	0.0	10.0
MSU	Deferred Maintenance and Site Improvements	10.0	0.0	0.0	0.0	0.0	10.0
UMES	Campus Flood Mitigation Project	0.0	10.0	0.0	0.0	0.0	10.0
<i>Subtotal Top Funded Programs and Projects</i>		<i>\$804.8</i>	<i>\$432.0</i>	<i>\$46.0</i>	<i>\$424.7</i>	<i>\$81.6</i>	<i>\$1,789.2</i>
<i>Subtotal Other Funded Programs and Projects</i>		<i>\$299.3</i>	<i>\$0.0</i>	<i>\$17.9</i>	<i>\$6.3</i>	<i>\$0.0</i>	<i>\$323.4</i>
Total		\$1,104.1	\$432.0	\$63.9	\$431.0	\$81.6	\$2,112.6
Deauthorizations as Introduced		-\$9.1	\$0.0	\$0.0	\$0.0	\$0.0	-\$9.1
Grand Total		\$1,095.0	\$432.0	\$63.9	\$431.0	\$81.6	\$2,103.5

BPW: Board of Public Works

CSU: Coppin State University

DHCD: Department of Housing and Community Development

DNR: Department of Natural Resources

DPSCS: Department of Public Safety and Correctional Services

FSU: Frostburg State University

IAC: Interagency Committee on School Construction

MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment

MES: Maryland Environmental Service

MHEC: Maryland Higher Education Commission

MSU: Morgan State University

SMCM: St. Mary's College of Maryland

UMCP: University of Maryland, College Park Campus

UMES: University of Maryland Eastern Shore

USMO: University System of Maryland Office

**School Construction – Components of Governor’s Fiscal 2021 Plan
(\$ in Millions)**

	<u>2021</u>
General Funds	
Nonpublic School Safety Improvements	\$3.5
<i>Subtotal</i>	<i>\$3.5</i>
General Obligation Bonds	
Public School Construction Program	\$280.0
Supplemental Capital Grant Program	40.0
Aging Schools Program	6.1
Nonpublic Aging Schools Program	3.5
<i>Subtotal</i>	<i>\$329.6</i>
Revenue Bonds*	
Building Opportunity Fund	\$340.0
Healthy School Facilities Fund	30.0
Local Share of School Construction Costs Revolving Loan Fund	20.0
Public School Safety Grant Program	10.0
<i>Subtotal</i>	<i>\$400.0</i>
Total	\$733.1

*Revenue bonds are supported by the Education Trust Fund.

Status of Capital Mandates

	<u>Mandate Amount</u>	<u>Budget</u>	<u>Notes</u>
Supplemental School Construction	\$40,000,000	\$40,000,000	GO Bonds
Program Open Space Repayment	38,170,449	38,170,449	General Funds in Dedicated Purpose Account
Healthy Schools Facility Fund	30,000,000	30,000,000	Revenue Bond funds – Building Opportunity Fund
Baltimore Regional Neighborhood Initiative	12,000,000	12,000,000	General Funds
School Safety Enhancements	10,000,000	10,000,000	Revenue Bond funds – Building Opportunity Fund
Seed Anchor Institution Funds	10,000,000	5,000,000	BRFA repeals mandate
National Capital Strategic Economic Development Fund	7,000,000	0	BRFA eliminates the program
Aging Schools	6,109,000	6,109,000	GO Bonds
Local Libraries	5,000,000	7,300,000	GO Bonds
Rural Legacy	5,000,000	0	
Aid to Community Colleges – Facilities Renewal	4,333,000	4,233,000	GO Bonds
Shelter and Transitional Housing	3,000,000	3,000,000	GO Bonds
Comprehensive Flood Management Program	3,000,000	3,000,000	GO Bonds
African American Heritage	1,000,000	1,000,000	GO Bonds
Total	\$174,612,449	\$159,812,449	

BRFA: Budget Reconciliation and Financing Act

GO: general obligation

Capital Budget: Projects Deferred or Not Funded
(\$ in Millions)

<u>Project / Program</u>	<u>Planned</u>	<u>Recommended</u>
MSD: Veditz Building Renovation	\$10.040	\$0.425
MDH: Clifton T. Perkins North Wing	6.677	0.000
DJS: Baltimore City Juvenile Justice Center Renovation	7.413	0.000
DJS: New Female Detention Center	19.357	0.000
MIL: MEMA Headquarters Renovation	8.400	0.585
DNR: Rural Legacy Program	5.000	0.000
MDP: Maryland Archeological Conservation Laboratory Expansion and Renovation	4.699	0.215
DPSCS: Jessup Regional Electrical Infrastructure Upgrade	6.400	0.994
DPSCS: MCI-H Perimeter Security Upgrade	3.355	0.000
DPSCS: RCI Gatehouse and Perimeter Security System and ADA Housing Unit	5.830	0.000
BPW: Hagerstown District Court Addition	2.458	0.000
BPW: Shillman Building Renovation	16.390	0.713
DSP: Berlin Barrack and Garage	6.744	0.158
UMMS: Comprehensive Cancer Treatment and Organ Transplant Center	20.000	7.500
USMO: Capital Facilities Renewal	10.000	0.000

<u>Project / Program</u>	<u>Preauthorized</u>	<u>Recommended</u>
HSMCC: Maryland Heritage Interpretive Center	\$7.500	\$0.000
MSU: Morgan State University Convocation Center	5.000	0.000
MISC: The League for People with Disabilities – Facility Upgrade	4.500	0.250
MISC: Round House Theatre	1.500	0.000
MISC: Olney Theatre	2.000	0.250
MISC: Merriweather Post Pavilion	2.000	0.000
MISC: Prince George's County Public High School Athletic Facilities	3.000	0.000
MISC: JHU New Medical Research Building Children's Medical/Surgical Center/North Tower Annex	12.000	2.000
MISC: Maryland Science Center	1.500	0.000
MISC: Prince George's County Amphitheatre	14.000	0.000
MISC: Downtown Frederick Hotel and Conference Center Public Amenities	2.500	0.000
MISC: Bay Sox Stadium	1.000	0.000
MISC: MedStar Franklin Hospital	3.500	2.000
MISC: Sinai Hospital of Baltimore	1.000	0.000
MISC: Port Discovery	1.000	0.000

ADA: Americans with Disabilities Act
BPW: Board of Public Works
DJS: Department of Juvenile Services
DNR: Department of Natural Resources
DPSCS: Department of Public Safety and Correctional Services
DSP: Department of State Police
HSMCC: Historic St. Mary's City Commission
JHU: Johns Hopkins University
MCI – H: Maryland Correctional Institution – Hagerstown
MDH: Maryland Department of Health
MDP: Maryland Department Planning
MEMA: Maryland Emergency Management Agency
MIL: Military Department
MISC: miscellaneous
MSU: Morgan State University
MSU: Morgan State University
RCI: Roxbury Correctional Institution
UMMS: University of Maryland Medical System
USMO: University System of Maryland Office