



The Legislative Wrap-Up

Library and Information Services, Department of Legislative Services

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INTRODUCTION OF LEGISLATION – DEADLINES

Out of the 2,600 bills and resolutions to be considered this session, 392 have been introduced to date. With this number of bills to review within a 90-day time frame, the General Assembly has adopted deadlines that provide for the introduction of legislation.

Deadlines for the second full week of the 2013 session included January 16 as the final date for the Governor to introduce the Budget Bill and January 18 as the Senate deadline for the introduction of Administration legislation (i.e., the Governor's bills).

Introduction deadlines will continue into early February:

- February 1 (the twenty-fourth day) is the Senate Bill Introduction Date, after which all Senate bills and resolutions are referred to the Senate Rules Committee; and
- February 8 (the thirty-first day) is the House Introduction Date, after which all bills and resolutions are referred to the House Rules and Executive Nominations Committee.

Bills referred to the respective Rules committees are generally re-referred to the appropriate standing committee if the sponsors of the late-filed bills provide a reasonable explanation as to why the bills were introduced after the bill introduction dates. However, the late introduction adds an extra step that may delay the bill's progress.

LEGISLATIVE BRIEFINGS

During the first weeks of each session, the principal standing committees and their subcommittees receive informational briefings on issues related to policy decisions that legislators will address. The briefings are listed on the General Assembly's website (mgaleg.maryland.gov) under the Schedules heading found on the home page. Recordings of the briefings are archived on the website so that the public can review the commentaries without attending the meeting in person.

Among the briefing topics offered this session are health care reform, speed cameras and driving statistics, the state of the Chesapeake Bay, the Marcellus Shale safe drilling initiative, veterans in the health care workforce, prescription drug monitoring, telemedicine, and toll collection issues. Additionally, State agencies such as the Lottery and Gaming Control Agency, the Board of Elections, and the Maryland Racing Commission make presentations. Each session, the Department of Legislative Services staff also present a fiscal briefing for each of the standing committees.

FISCAL MATTERS

State Operating Budget

Midweek, Governor O'Malley submitted his \$37.3 billion fiscal 2014 proposed budget. As introduced, the budget includes a \$376 million appropriation to the reserve accounts and is a 4% increase from the fiscal 2013 budget as enacted, leaving an estimated \$236 million surplus ([HB 100/SB 125](#)). The budget covers the fiscal year from July 1 to June 30, 2014, as well as any deficiencies arising in the current fiscal year. Total proposed appropriations in the budget may not exceed total estimated revenues.

Maryland's Budget Bill appropriates funds for the legislature, the judiciary, and all Executive Branch agencies. The General Assembly may increase or decrease appropriations relating to the legislature and the judiciary, which are relatively small components of the State budget, but may neither increase nor transfer funds from one program to another for the executive agencies. Consequently, the legislature's role for most of the appropriations in the budget is limited to reducing or restricting the amount of money requested by the Governor.

While the Budget Bill is introduced into both chambers after being received from the Governor, only one version of the first reading bill is printed (with both a House and a Senate bill number at the top) to save paper and printing costs. The two chambers alternate years for beginning consideration of the budget, and the House will move the Budget Bill this year.

The Maryland Constitution requires that the budget be balanced and that both chambers of the General Assembly pass the Budget Bill by the 83rd day, which is April 1 this year. The General Assembly goes into an extended session if the Budget Bill does not pass by the 90th day. During an extended portion of the session, the General Assembly may deal only with the Budget Bill and with the cost of the extended session. This has only happened once during the 1992 session.

Following are highlights in the Budget Bill:

- the general fund structural deficit is reduced by more than \$200 million to \$166 million;
- public education receives \$6 billion, a \$206.2 million increase from FY 2013. The Geographic Cost of Education Index is fully funded at \$130.8 million. An additional \$8.3 million begins a 5-year phased-in change in the calculation of the county net taxable income component of the education funding formula;
- State universities and colleges receive \$1.3 billion in General and Higher Education Investment Funds, an additional \$89.7 million in State funding, which is a 7.4% increase. Among the increases are \$32.4 million for academic transformations such as course redesigns and enrollment initiatives and course redesigns for science, technology, engineering, and mathematics (STEM) and health areas. The budget holds tuition increases for in-state undergraduate students to 3% at the University System of Maryland and Morgan State University. The Joseph A. Sellinger Formula for Aid to Non-Public Institutions of Higher Education is allowed \$41.3 million;
- community colleges receive \$286.7 million in State grants, plus \$3 million in a deficiency appropriation for fiscal 2013;
- Medicaid, including the Children's Health Insurance Program, is allowed \$7.4 billion, a 3.3% increase over fiscal 2013;
- the Health Benefit Exchange system is allocated \$108.5 million in State and federal funds, including \$23.6 million in a deficiency appropriation for fiscal 2013;
- community services providers are allowed a 2.5% increase, with \$46 million in additional funds;
- Health Enterprise Zones receive \$4 million to reduce health disparities;

- the Developmental Disabilities Administration is allocated an additional \$9.3 million for services expansion;
- the Sustainable Communities Tax Credit is allocated \$10 million, an increase of \$3 million from last year;
- the Maryland Biotechnology Investment Tax Credit Reserve Fund is allocated \$10 million, an increase of \$2 million from last year;
- the CyberMaryland Investment Incentive Tax Credit Program is allocated \$3 million;
- the Maryland Stem Cell Research Fund is allocated \$10.4 million;
- the Chesapeake Bay 2010 Trust Fund is allocated \$31.2 million, double the fiscal 2013 appropriation of \$15.6 million; and
- State employees are to receive a 3% cost-of-living adjustment effective January 1, 2014, and eligible employees will receive a salary increment effective April 1, 2014.

Budget Reconciliation and Financing Act of 2013

The Budget Reconciliation and Financing Act of 2013, also known as the BRFA, reallocates revenue, transfers money from special funds to the general fund, and changes other laws to reduce expenditures to balance the current budget ([HB 102/SB 127](#)). Changes made by the 2013 BRFA include:

- requires that if the Racing Special Fund has insufficient funds to make full grants to certain racing and rural development assistance funds, then the amounts allocated shall be reduced;
- increases the percentage of revenue dedicated to the general fund from the State admissions and amusement tax on electronic bingo and electronic tip jars from 20% to 25% and eliminates the allocation of revenue to the Special Fund for Preservation of Cultural Arts in Maryland;
- repeals the requirement that the State pay the Local Reserve Account \$50 million each year in fiscal years 2014 through 2020;
- authorizes \$15.4 million in transportation grants to municipalities;
- authorizes that \$89.2 million in transfer tax revenue be transferred to the general fund by June 30, 2014;

- requires that \$30 million in Medicaid savings be attained from a combination of tiered rates for hospital outpatient and emergency department services and hospital services;
- repeals the tax credit for utilities purchasing Maryland-mined coal; and
- limits reimbursement rate increases for nonpublic providers of education for students with disabilities to 2.5%.

STATE OF THE STATE ADDRESS

Governor O'Malley is scheduled to deliver the State of the State address to Maryland's Senators and Delegates in the chamber of the House of Delegates at noon on January 30. The 2013 address is the seventh delivered by the Governor, who gave his first State of the State in 2007. Governor O'Malley is now in the third year of his second term, which will officially close with the swearing in of his successor in January 2015.