

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 922 (Delegate Redmer, *et al.*)
Commerce and Government Matters

Maryland Commission on Efficiency in Government

This bill creates a 15-member Maryland Commission on Efficiency in Government to study the operations and services of units of State government and formulate recommendations for improvement in services, increased efficiency, or decreased costs including opportunities for improvements in management and administration. The commission is to hold public hearings and is to be funded, to the extent permitted under law, by private sources and without cost to the State. The commission must present a final report to the Governor by August 1, 2004.

The bill is effective July 1, 2002 for a period of three years and is abrogated on June 30, 2005.

Fiscal Summary

State Effect: The bill's requirements could be handled with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: None applicable.

Background: The fiscal 2003 State budget totals \$22 billion, of which \$11 billion is general funds, \$6 billion is special and higher education funds, and \$5 billion is federal funds. Personal income taxes provide 53% of general fund revenues and sales and use

taxes provide 28%. The State lottery is the third largest general fund revenue source providing 4% of revenues. **Exhibit 1** shows State expenditures by all funds.

State Fiscal Effect: To the extent the commission requires State support, it is assumed that State agencies will utilize existing resources.

Additional Comments: In general, monetary gifts to a unit of government must be accepted by the Governor and appropriated through the budget process. Certain gifts in kind by private sector firms, such as providing research staff, may result in conflict of interest or privacy issues for some of the information (finances, personnel) the commission is to review under the bill's requirements.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2002
lc/jr

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Exhibit 1
State Expenditures -- All Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2001</u>	<u>Work. App. FY 2002</u>	<u>Adjusted Allowance FY 2003</u>	<u>FY 2002 to FY 2003 \$ Difference</u>	<u>% Difference</u>
Debt Service	\$580.7	\$614.5	\$647.5	\$33.0	5.4
Aid to Education					
General Government	691.8	723.2	722.1	(1.1)	(0.2)
Community Colleges	163.3	178.5	187.9	9.4	5.3
Education/Libraries	3,260.4	3,442.6	3,643.6	201.0	5.8
Health	57.0	61.4	66.6	5.2	8.5
	<u>4,172.6</u>	<u>4,405.7</u>	<u>4,620.3</u>	<u>214.5</u>	<u>4.9</u>
Entitlements					
Foster Care Payments	218.0	233.8	234.3	0.5	0.2
Assistance Payments	342.1	359.8	364.6	4.8	1.3
Medical Assistance	2,686.0	3,080.8	3,250.8	170.0	5.5
Property Tax Credits	52.6	55.7	55.8	0.1	0.2
	<u>3,298.8</u>	<u>3,730.1</u>	<u>3,905.5</u>	<u>175.4</u>	<u>4.7</u>
State Agencies					
Health	1,650.1	1,746.0	1,872.8	126.8	7.3
Human Resources	921.4	923.6	964.0	40.4	4.4
Systems Reform Initiative	85.1	72.2	72.2	(0.0)	(0.1)
Juvenile Justice	164.9	179.1	194.2	15.1	8.4
Public Safety/Police	1,015.7	1,071.5	1,130.7	59.2	5.5
Higher Education	2,751.2	2,950.8	3,085.1	134.3	4.6
Other Education	376.8	418.1	434.1	16.0	3.8
Transportation	972.0	1,028.5	1,074.7	46.2	4.5
Agriculture/Nat.	279.9	308.9	332.3	23.4	7.6
Resources/Environment					
Other Executive Agencies	1,063.3	1,176.5	1,225.9	49.4	4.2
Judicial/Legislative	295.0	333.4	367.6	34.2	10.3
Across-the-Board Cuts	0.0	0.0	(15.9)	(15.9)	n.a.
	<u>9,575.4</u>	<u>10,208.6</u>	<u>10,737.8</u>	<u>529.2</u>	<u>5.2</u>
Subtotal	\$17,627.5	\$18,959.0	\$19,911.1	\$952.1	5.0
Capital	2,099.6	2,210.2	1,935.5	(274.7)	(12.4)
Transfers	2.0	0.0	0.0	0.0	n.a.
Transfer to MDTA	19.9	0.0	0.0	0.0	n.a.
Reserve Fund	315.8	176.8	186.0	9.3	5.2
Appropriations	\$20,064.8	\$21,345.9	\$22,032.6	\$686.7	3.2
Reversions	0.0	(25.0)	(46.0)	(21.0)	84.0
Grand Total	\$20,064.8	\$21,320.9	\$21,986.6	\$665.7	3.1

Note: FY 2002 includes deficiencies and \$227.4 million in specific reversions. The adjusted allowance for FY 2003 includes \$128.1 million in general fund reductions contingent on legislation.