

HB0050/643129/1

BY: The Minority Leader

AMENDMENT TO HOUSE BILL 50
(First Reading File Bill)

On page 240, after line 4, insert:

“SECTION 46. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of this Act, general fund appropriations shall be reduced by \$116,000,000. The reduction shall be allocated as follows:

Executive Branch \$109,000,000

Judicial Branch \$7,000,000

The Governor is hereby authorized to allocate the reduction among agencies and programs of the executive branch including higher education. This reduction may not apply to the following items:

- (1) Debt service;
- (2) Contributions toward Teachers Retirement;
- (3) Contributions to Employees Retirement;
- (4) Funds for employee increments and general salary increase;
- (5) Enrollment growth for Medicaid and the Maryland Children’s Health Program; or
- (6) Funds for additional correctional officers.

(Over)

In addition to the reduction required above, a total of \$567,205,932 in general fund appropriations shall be reduced from programs within the Maryland State Department of Education as follows, contingent upon the enactment of legislation to level fund certain education aid formulas in fiscal 2008 and to provide for a phased implementation of the final year of the Bridge to Excellence that is consistent with the growth in State revenues:

(1)	<u>R00A02.01</u>	<u>State Share of Foundation Program</u>	<u>\$289,496,209</u>
(2)	<u>R00A02.02</u>	<u>Compensatory Education</u>	<u>\$156,613,283</u>
(3)	<u>R00A02.07</u>	<u>Students with Disabilities</u>	<u>\$48,418,081</u>
(4)	<u>R00A02.24</u>	<u>Limited English Proficient</u>	<u>\$37,340,650</u>
(5)	<u>R00A02.25</u>	<u>Guaranteed Tax Base</u>	<u>\$18,391,501</u>
(6)	<u>R00A02.39</u>	<u>Transportation</u>	<u>\$16,946,208”;</u>

and in lines 5 and 12, strike “46.” and “47.”, respectively, and substitute “47.” and “48.”, respectively.

Explanation: The amendment provides for a \$683.2 million general fund reduction in the fiscal 2008 budget, \$567.2 million of which is contingent on legislation that would set fiscal 2008 funding for certain education programs equal to fiscal 2007 funding. Certain items in the budget would not be subject to the across-the-board reduction of \$109 million. Implementing these reductions would limit fiscal 2008 general fund budget growth to \$200 million or 1.5% above fiscal 2007, exclusive of appropriations to the reserve fund. It would also add \$683 million to the fiscal 2008 fund balance that could be applied to the projected \$1.5 billion budget gap in fiscal 2009.