

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 559 (Senator Rosapepe)
Budget and Taxation

Study – Protecting Unemployed Maryland During the Next Recession

This bill requires the Spending Affordability Committee (SAC) to study the impact of a recession on the utilization of social safety net programs. SAC must make recommendations regarding establishing subaccounts in the State Reserve Fund to be used during a recession to avoid a reduction in social safety net programs, requiring the Governor to appropriate funds to the subaccounts during times of economic expansion, and determining when it is appropriate to access funds in the subaccounts. SAC must report its findings and recommendations to the Governor and General Assembly by December 31, 2019. **The bill takes effect July 1, 2019, and terminates June 30, 2020.**

Fiscal Summary

State Effect: None. The study can be conducted using existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Department of Legislative Services provides staff services for SAC, and units in the Executive Branch must cooperate with SAC and provide information and staff as requested. SAC is charged with reviewing revenue and expenditure projections, the overall status of the State's economy, and indicators such as personal income and gross State product.

Based on its review and no later than December 1 of each year, SAC must recommend to the Governor and the Legislative Policy Committee, for the upcoming fiscal year:

- a recommended level of State spending, new debt authorization, and State personnel;
- a recommended use of any anticipated surplus; and
- other findings or recommendations that the committee considers appropriate.

In assembling the proposed budget, the Governor is not bound by SAC's recommendation.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Treasurer's Office; Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2019
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