

Department of Legislative Services  
Maryland General Assembly  
2022 Session

FISCAL AND POLICY NOTE  
Third Reader

House Bill 891  
Appropriations

(Delegate McIntosh, *et al.*)

Budget and Taxation

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Department of Transportation and Spending Affordability Committee – Reports

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This bill (1) requires the Maryland Department of Transportation (MDOT) to report to specified committees of the General Assembly on estimated costs related to projects for which planning funds were added to the budget by the General Assembly, as specified; (2) requires MDOT to include specified information in the *Consolidated Transportation Program* (CTP) related to projects receiving construction or planning funds for the first time; (3) alters the date by which the Spending Affordability Committee (SAC) must submit its annual report; and (4) expands the information that must be included in the SAC report. **The bill takes effect June 1, 2022.**

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Fiscal Summary

**State Effect:** MDOT can implement the bill with existing resources; however, some of the information required may not be available during the timeframe required, as discussed below. The Department of Legislative Services (DLS), which staffs SAC, can also implement the bill with existing budgeted resources. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Bill Summary:**

*Maryland Department of Transportation*

On submission of the budget bill to the General Assembly, MDOT must report to specified committees of the General Assembly on the estimated costs for planning, engineering,

right-of-way acquisition, and construction for all projects for which planning funds were added to the budget by the General Assembly during the previous three legislative sessions.

The CTP must include a table that identifies each project receiving (1) construction funds for the first time in the budget request year and for the first time in the current year if the funds were not identified in the budget year in the CTP released the previous January and (2) planning funds under the same set of circumstances. For each project included in one of those tables, the table must identify where the project is listed in the CTP and, by fund, the amount included in the current year budget and the budget request year for the project.

### *Spending Affordability Committee*

The bill alters the date by which SAC must submit its annual report to the Legislative Policy Committee (LPC) and the Governor each year (from December 1 to December 20). In addition, the bill expands the items the report must address. Specifically, the report must include (1) a recommended end-of-the-year general fund balance; (2) a recommended end-of-the-year balance in the Revenue Stabilization Account; (3) a recommended structural balance goal; (4) a recommended fund balance for the Transportation Trust Fund; and (5) a recommended minimum expenditure level for system preservation by MDOT.

### **Current Law:**

#### *Maryland Department of Transportation – Project Planning*

Long-term transportation planning in the State is a collaborative process designed to consider input from the public, local jurisdictions, metropolitan planning organizations, and elected officials. Among the numerous reports, meetings, and discussions that take place, two important documents are developed by MDOT to guide transportation planning in the State: the [CTP](#) and the Maryland Transportation Plan ([MTP](#)).

The CTP, which is issued annually to the General Assembly, local elected officials, and interested citizens, provides a description of projects proposed by MDOT for development and evaluation or construction over the next six-year period.

The MTP is a 20-year forecast of State transportation needs based on MDOT's anticipated financial resources during that 20-year period. It must be revised every five years through an inclusive public participation process. Furthermore, it must be expressed in terms of goals and objectives and include a summary of the types of projects and programs that are proposed to accomplish the goals and objectives, using a multimodal approach when feasible.

## *Spending Affordability Committee*

Established in 1982, SAC studies and reviews the status and projections of State revenues and expenditures and the status and projections of the Maryland economy. The purpose of the committee is to limit the rate of growth of State spending to a level that does not exceed the rate of growth of the State's economy. DLS is required to staff SAC, and units in the Executive Branch must cooperate with SAC and provide information and staff as requested.

Based on its review, and no later than December 1 of each year, SAC must submit a report to LPC and the Governor with recommendations on fiscal goals for the State budget to be considered at the next regular session of the General Assembly, including:

- 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 SAC considers appropriate.

In developing the proposed budget, the Governor is not bound by SAC's recommendations.

**Additional Comments:** MDOT advises that while most of the additional information required by the bill is readily available and can be provided using existing budgeted resources, other information (specifically, project cost estimates for projects that are just beginning the planning process) may not be available in the timeframe required.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** SB 593 (Senator Guzzone) - Budget and Taxation.

**Information Source(s):** Maryland Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 24, 2022  
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