

SUPPLEMENTAL BUDGET NO. 3 - FISCAL YEAR 2017

March 10, 2016

Mr. President, Mr. Speaker,
Ladies and Gentlemen of the General Assembly:

Pursuant to the authority conferred on me by Article III, Section 52, Subsection (5) of the Constitution of Maryland, and in accordance with the consent of the (State Senate) - (House of Delegates), duly granted, I hereby submit a supplement to Senate Bill 190 and/or House Bill 150 in the form of an amendment to the original budget for the Fiscal Year ending June 30, 2017.

Supplemental Budget No. 3 will affect previously estimated funds available for budget operations as shown on the following summary statement.

SUPPLEMENTAL BUDGET SUMMARY**Sources:**

Estimated general fund unappropriated balance July 1, 2017 (per Supplemental Budget #2)		407,903,424
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Adjustment to revenue:**General Funds:**

Fiscal Year 2016 Revenues		
Board of Revenue Estimates - March 9, 2016	9,228,177	
Fiscal Year 2017 Revenues		
Board of Revenue Estimates - March 9, 2016	-60,636,507	-51,408,330

Special Funds:

D90302 Rental Income	18,000	
D90305 Capital and Renovation Fund	407,760	
F10301 Various State Agencies	2,419,037	
M00347 Marijuana Citation Fund	275,000	
D79307 Senior Prescription Drug Assistance Program	-2,112,306	
Q00303 Inmate Welfare Funds	-4,000,000	-2,992,509

Federal Funds:

F10501 Various State Agencies	32,637	
93.778 Medical Assistance Program	-57,198,577	
16.754 Harold Rogers Prescription Drug Monitoring Program	270,391	
93.959 Block Grants for Prevention and Treatment of Substance Abuse	1,086,575	
93.958 Block Grants for Community Mental Health Services	1,000,000	
93.537 Affordable Care Act Medicaid Emergency Psychiatric Demonstration	1,000,000	-53,808,974

Adjustment to General Fund Appropriations:

Medical Care Provider Reimbursements - FY 2016 Reversion	15,000,000	15,000,000
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Total Available**314,693,611****Uses:**

General Funds	68,573,483	
Special Funds	-2,992,509	
Federal Funds	-53,808,974	11,772,000

**Revised estimated general fund unappropriated
balance July 1, 2017.**

302,921,611

BOARD OF PUBLIC WORKS**1. D06E02.01 Public Works Capital Appropriation**

To add an appropriation on page 9 of the printed bill (first reading file bill), to provide funds for the following capital projects. Expenditure of these funds will be made in accordance with State Finance and Procurement Article Sections 3-601 through 3-607 and 7-305.

(1) Morgan State University - New Student Services Support Building	4,700,000	
(2) Coppin State University - Percy Julian Science Renovation for the College of Business	1,300,000	
(3) University of Maryland Baltimore County - Interdisciplinary Life Sciences Building	5,000,000	
(4) University of Maryland Eastern Shore - School of Pharmacy and Allied Health Professions	3,500,000	
(5) University System of Maryland Office - Biomedical Sciences and Engineering Education Facility at the Universities at Shady Grove	<u>31,700,000</u>	
Object .14 Land and Structures	46,200,000	
General Fund Appropriation		46,200,000

BOARDS, COMMISSIONS, AND OFFICES**2. D15A05.16 Governor's Office of Crime Control and Prevention**

In addition to the appropriation shown on page 12 of the printed bill (first reading file bill), to transfer the funds associated with the day reporting center pilot program for Maryland's Heroin and Opioid Emergency Task Force from the Department of Public Safety and Correctional Services to the Governor's Office of Crime Control and Prevention.

Object .08 Contractual Services	540,000	
General Fund Appropriation		540,000

MARYLAND STATE BOARD OF CONTRACT APPEALS**3. D39S00.01 Contract Appeals Resolution**

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for staff leave payouts.

Object .01 Salaries, Wages and Fringe Benefits	23,700	
General Fund Appropriation		23,700

DEPARTMENT OF VETERANS AFFAIRS

4. D55P00.05 Veterans Home Program

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to support an Energy Performance Contract payment.

Object .06 Fuel and Utilities	57,144	
General Fund Appropriation		57,144

MARYLAND HEALTH BENEFIT EXCHANGE

5. D78Y01.01 Maryland Health Benefit Exchange

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for legal services.

Object .08 Contractual Services	2,800,000	
General Fund Appropriation		2,800,000

CANAL PLACE PRESERVATION AND DEVELOPMENT AUTHORITY

6. D90U00.01 General Administration

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for renovation projects and vehicle replacement.

Object .07 Motor Vehicle Operations and Maintenance	18,000	
Object .08 Contractual Services	407,760	
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	425,760	
Special Fund Appropriation		425,760

COMPTROLLER OF MARYLAND

7. E00A04.01 Revenue Administration

In addition to the appropriation shown on page 22 of the printed bill (first reading file bill), to provide funds to administer the Achieving a Better Life Experience (ABLE) subtraction modification.

Object .08 Contractual Services	745,000	
General Fund Appropriation		745,000

DEPARTMENT OF BUDGET AND MANAGEMENT

8. F10A02.04 Division of Personnel Services

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to implement the Human Resources Shared Services initiative for payroll functions.

Personnel Detail:	
Regular Earnings	146,440
Fringe Benefits	77,274
Turnover Expectancy	-5,468
Object .01 Salaries, Wages and Fringe Benefits	<u>218,246</u>

General Fund Appropriation

218,246

9. F10A02.04 Division of Personnel Services

In addition to the appropriation shown on page 28 of the printed bill (first reading file bill), to provide funds to implement the Human Resources Shared Services initiative for payroll functions.

Personnel Detail:	
Regular Earnings	585,759
Fringe Benefits	350,312
Turnover Expectancy	-22,375
Object .01 Salaries, Wages and Fringe Benefits	<u>913,696</u>

General Fund Appropriation

913,696

10. F10A02.08 Statewide Expenses

In addition to the appropriation shown on pages 28 and 29 of the printed bill (first reading file bill), to provide funds to implement certain collective bargaining agreements. Funds will be transferred to other State agencies by budget amendment.

Personnel Detail:	
Shift Differential	1,119
Miscellaneous Adjustments	7,458,859
Reclassifications	4,073,364
Overtime	614,544
Other Fringe Benefit Costs	1,936
Object .01 Salaries, Wages and Fringe Benefits	<u>12,149,822</u>

General Fund Appropriation, provided that funds appropriated for collective bargaining agreements may be transferred to other State agencies by budget amendment.

9,698,148

Special Fund Appropriation, provided that funds appropriated for collective bargaining agreements may be transferred to other State agencies by budget amendment.

2,419,037

Federal Fund Appropriation, provided that funds appropriated for collective bargaining agreements may be transferred to other State agencies by budget amendment.

32,637

DEPARTMENT OF INFORMATION TECHNOLOGY

11. F50A01.01 Major Information Technology Development Project Fund

In addition to the appropriation shown on page 30 of the printed bill (first reading file bill), to provide funds for the Department of Human Resources Shared Human Services Platform project.

Object .08 Contractual Services		13,784,449	
General Fund Appropriation, provided that funds appropriated herein for Major Information Technology Development projects may be transferred to programs of the respective financial agencies.			13,784,449

DEPARTMENT OF GENERAL SERVICES

12. H00B01.01 Facilities Security

In addition to the appropriation shown on page 33 of the printed bill (first reading file bill), to provide five additional security personnel for the Crownsville complex and the surrounding grounds.

Personnel Detail:			
Police Officer II	4.00		196,468
Building Security Officer	1.00		30,066
Fringe			189,433
Turnover			<u>-21,724</u>
Object .01 Salaries, Wages and Fringe Benefits			394,243
General Fund Appropriation			394,243

13. H00C01.01 Facilities Operation and Maintenance

In addition to the appropriation shown on page 33 of the printed bill (first reading file bill), to provide two additional maintenance personnel for the Crownsville complex and the surrounding grounds.

Personnel Detail:			
Maintenance Mechanic Senior	2.00		67,850
Fringe			47,282
Turnover			<u>-5,616</u>
Object .01 Salaries, Wages and Fringe Benefits			109,516
General Fund Appropriation			109,516

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

14. M00F06.01 Office of Preparedness and Response

In addition to the appropriation shown on page 59 of the printed bill (first reading file bill), to fund a grant to 2-1-1 Maryland.

Object .12 Grants, Subsidies and Contributions		183,300	
General Fund Appropriation			183,300

15. M00L01.01 Program Direction

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to be used for salaries in the Behavioral Health Administration.

Object .01 Salaries, Wages and Fringe Benefits	901,423	
Federal Fund Appropriation		901,423

16. M00L01.01 Program Direction

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for a contract with Chesapeake Regional Information System for our Patients (CRISP) for the Prescription Drug Monitoring Program and assistance from the Maryland Institute for Policy Analysis and Research for the Overdose Prevention Program.

Object .08 Contractual Services	530,426	
Federal Fund Appropriation		530,426

17. M00L01.02 Community Services

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to be used for substance abuse treatment and community mental health services.

Object .08 Contractual Services	2,101,540	
Special Fund Appropriation		275,000
Federal Fund Appropriation		1,826,540

18. M00L01.02 Community Services

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to be used for behavioral health provider reimbursements.

Object .08 Contractual Services	1,289,241	
General Fund Appropriation		1,289,241

19. M00L01.02 Community Services

In addition to the appropriation shown on page 60 of the printed bill (first reading file bill), to fund treatment services for Health - General Article Section 8-507 commitments.

Object .08 Contractual Services	3,000,000	
General Fund Appropriation		3,000,000

20. M00L01.02 Community Services

In addition to the appropriation shown on page 60 of the printed bill (first reading file bill), to provide general funds to account for an anticipated under attainment of special funds.

Object .08 Contractual Services	0	
General Fund Appropriation		2,112,306
Special Fund Appropriation		-2,112,306

21. M00L01.03 Community Services for Medicaid State Fund Recipients

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to be used for inpatient hospital services.

Object .08 Contractual Services	1,000,000	
Federal Fund Appropriation		1,000,000

22. M00L01.03 Community Services for Medicaid State Fund Recipients

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to be used for behavioral health provider reimbursements.

Object .08 Contractual Services	908,444	
General Fund Appropriation		908,444

23. M00L01.03 Community Services for Medicaid State Fund Recipients

In addition to the appropriation shown on page 60 of the printed bill (first reading file bill), to provide additional funding for placements at Institutions for Mental Disease (IMD).

Object .08 Contractual Services	3,000,000	
General Fund Appropriation		3,000,000

24. M00Q01.03 Medical Care Provider Reimbursements

To reduce the appropriation on page 65 of the printed bill (first reading file bill), to reflect a projected decrease in Medicaid enrollment and utilization.□

Object .08 Contractual Services	-116,200,000	
General Fund Appropriation		-58,100,000
Federal Fund Appropriation		-58,100,000

25. M00Q01.06 Kidney Disease Treatment Services

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide additional funds for Kidney Disease Program provider reimbursements.

Object .08 Contractual Services	2,000,000	
General Fund Appropriation		2,000,000

26. M00Q01.07 Maryland Children's Health Program

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide additional funds for Maryland Children's Health Program provider reimbursements.

Object .08 Contractual Services	10,000,000	
General Fund Appropriation		10,000,000

27. M00Q01.10 Medicaid Behavioral Health Provider Reimbursements

To become available immediately upon passage of this budget to reduce the appropriation for fiscal year 2016 to realign funds for behavioral health provider reimbursements to M00L01.02 and M00L01.03.

Object .08 Contractual Services	-2,197,685	
General Fund Appropriation		-2,197,685

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES**28. Q00A02.01 Administrative Services**

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for staff leave payouts. Funds may be realigned to other units in the Department via budget amendment.

Personnel Detail:		
Accrued Leave Payout		750,000
Object .01 Salaries, Wages and Fringe Benefits		<u>750,000</u>
General Fund Appropriation		750,000

29. Q00A02.01 Administrative Services

In addition to the appropriation shown on page 81 of the printed bill (first reading file bill), to provide adequate funds for inmate chaplaincy, education, and legal services programs related to a projected shortfall in the Inmate Welfare Fund. Funds may be realigned to other units in the Department via budget amendment.

Object .08 Contractual Services	4,000,000	
General Fund Appropriation		4,000,000

30. Q00S02.01 Jessup Correctional Institution

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for overtime for correctional officers. Funds may be realigned to other units in the Department via budget amendment.

Personnel Detail:

Overtime	8,000,000	
Object .01 Salaries, Wages and Fringe Benefits	8,000,000	

General Fund Appropriation		8,000,000
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31. Q00T03.01 Division of Parole and Probation - Central Region

To reduce the appropriation on page 87 of the printed bill (first reading file bill), to transfer the funds associated with the day reporting center pilot program for Maryland's Heroin and Opioid Emergency Task Force from the Department of Public Safety and Correctional Services to the Governor's Office of Crime Control and Prevention.

Object .08 Contractual Services	-540,000	
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General Fund Appropriation		-540,000
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32. Q00T04.04 Baltimore Central Booking and Intake Center

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for required maintenance projects.

Object .08 Contractual Services	2,770,000	
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General Fund Appropriation		2,770,000
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MARYLAND STATE DEPARTMENT OF EDUCATION**33. R00A01.01 Office of the State Superintendent**

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for the Charter School Study.

Object .08 Contractual Services	218,190	
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General Fund Appropriation		218,190
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34. R00A02.01 State Share of Foundation Program

In addition to the appropriation shown on page 93 of the printed bill (first reading file bill), to provide funding for grants to counties with declining student enrollment.

Object .08 Contractual Services	13,764,885	
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General Fund Appropriation		13,764,885
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35. R00A02.07 Students With Disabilities

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for projected shortfalls within the Autism Waiver Program.

Object .08 Contractual Services	413,501	
General Fund Appropriation		413,501

36. R00A03.01 Maryland School for the Blind

In addition to the appropriation shown on page 96 of the printed bill (first reading file bill), to provide enhanced funding for the Maryland School for the Blind.

Object .12 Grants, Subsidies and Contributions	1,028,104	
General Fund Appropriation		1,028,104

MARYLAND HIGHER EDUCATION COMMISSION**37. R62I00.01 General Administration**

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to pay for legal services.

Object .08 Contractual Services	900,000	
General Fund Appropriation		900,000

38. R62I00.07 Educational Grants

In addition to the appropriation shown on page 105 of the printed bill (first reading file bill), to provide a grant to the Frederick Center for Research and Education in Science and Technology.

Object .12 Grants, Subsidies and Contributions	244,012	
General Fund Appropriation		244,012

39. R62I00.41 Maryland Higher Education Outreach and College Access Pilot Program

To add an appropriation on page 107 of the printed bill (first reading file bill), to provide funding for the Maryland Higher Education Outreach and College Access Pilot Program.

Object .12 Grants, Subsidies and Contributions	250,000	
General Fund Appropriation		250,000

**AMENDMENTS TO SENATE BILL 190/ HOUSE BILL 150
(First Reading File Bill)**

Amendment No. 1:

On page 80, after line 2, insert "Provided that \$4,000,000 in Inmate Welfare Funds will be reduced throughout the Department related to a projected revenue shortfall."

Reduces special funds throughout the Department of Public Safety and Correctional Services due to a projected shortfall in Inmate Welfare Funds for which a general fund deficiency is being provided.

Amendment No. 2:

On page 105, after line 27, insert "Frederick Center for Research and Education in Science and Technology..... 244,012".

Technical correction to add the new grant for Frederick CREST to the list of grants.

Amendment No. 3:

On page 131, strike lines 8 and 9 in their entirety and replace with "MARYLAND STATE BOARD OF CONTRACT APPEALS". In line 11, strike "D15A05.24" and replace with "D39S00.01".

Technical correction to provide the deficiency where the Board is located in the budget in fiscal year 2016.

Amendment No. 4:

On page 172, after line 11, insert "SECTION 22. AND BE IT FURTHER ENACTED. That general fund appropriation for fiscal 2017 shall be reduced by \$904,957 for salaries and wages related to Human Resources Shared Services Initiative in Executive Branch agencies to reflect the transfer of positions to the Department of Budget and Management for this purpose. Funding shall be reduced in Object 01 Salaries and Wages within Executive Branch agencies in fiscal 2017 by the following amounts in accordance with a schedule determined by the Governor:

<u>D26</u>	<u>Department of Aging</u>	<u>59,842</u>
<u>D40</u>	<u>Department of Planning</u>	<u>74,364</u>
<u>D50</u>	<u>Military Department</u>	<u>78,742</u>
<u>H00</u>	<u>Department of General Services</u>	<u>57,604</u>
<u>M00</u>	<u>Department of Health and Mental Hygiene</u>	<u>139,629</u>
<u>N00</u>	<u>Department of Human Resources</u>	<u>77,939</u>
<u>Q00</u>	<u>Department of Public Safety and Correctional Services</u>	<u>194,633</u>
<u>T00</u>	<u>Department of Commerce</u>	<u>74,899</u>
<u>U00</u>	<u>Department of the Environment</u>	<u>58,160</u>
<u>V00</u>	<u>Department of Juvenile Services</u>	<u>89,145</u>
	<u>Total General Funds</u>	<u>904,957</u>

Further provided that the Governor is hereby authorized to transfer by approved budget amendment from State agencies to the F10 Department of Budget and Management- Office of Personnel Services and Benefits (DBM OPSB), positions and funding related to the Human Resources (HR) Shared Services initiative to be provided by DBM-OPSB in fiscal year 2017.

In line 12, after the word Section, strike "22" and replace with "23", and in line 18, strike "23" and replace with "24".

Adds language that authorizes the Governor to transfer funding and positions from State agencies to DBM for the HR shared services initiative and renumbers the Sections of the budget bill accordingly.

SUMMARY

SUPPLEMENTAL APPROPRIATIONS

	General Funds	Special Funds	Federal Funds	Current Unrestricted Funds	Total Funds
Appropriation					
2016 Fiscal Year	28,150,781	700,760	4,258,389	0	33,109,930
2017 Fiscal Year	<u>99,967,659</u>	<u>2,419,037</u>	<u>32,637</u>	<u>0</u>	<u>102,419,333</u>
Subtotal	<u>128,118,440</u>	<u>3,119,797</u>	<u>4,291,026</u>	<u>0</u>	<u>135,529,263</u>
Reduction in Appropriation					
2016 Fiscal Year	0	0	0	0	0
2017 Fiscal Year	<u>-59,544,957</u>	<u>-6,112,306</u>	<u>-58,100,000</u>	<u>0</u>	<u>-123,757,263</u>
Subtotal	<u>-59,544,957</u>	<u>-6,112,306</u>	<u>-58,100,000</u>	<u>0</u>	<u>-123,757,263</u>
Net Change in Appropriation	<u><u>68,573,483</u></u>	<u><u>-2,992,509</u></u>	<u><u>-53,808,974</u></u>	<u><u>0</u></u>	<u><u>11,772,000</u></u>

Sincerely,

Lawrence J. Hogan, Jr.
Governor