

House Appropriations Committee

Report on

House Bill 100 – the Budget Bill

**House Bill 1407 – the Budget Reconciliation and
Financing Act**

**Maryland General Assembly
Annapolis, Maryland**

March 11, 2019

Contents

	<u>Page</u>
Fiscal 2020 Budget – Budget Bill (HB 100) and the Budget Reconciliation and Financing Act (HB 1407) as Amended by the House Appropriations Committee	1
Fiscal 2020 Balancing Strategy	3
Proposed Budget Reductions – House Bill 100 and House Bill 1407 – Fiscal 2020 Budget and Fiscal 2019 Deficiency Appropriations	4
Legislative Priorities.....	7
Funding Restricted for The Blueprint for Maryland’s Future (Kirwin Commission).....	8
House Appropriations Committee – Status as of March 11, 2019.....	9
Fiscal Note – Summary of the Budget Bill – House Bill 100	10
General Fund Reductions and Other Budgetary Actions Contingent on the Budget Reconciliation and Financing Act (HB 1407)	11
House Appropriations Committee Action on the Budget Reconciliation and Financing Act of 2019 (HB 1407).....	12
Maryland Structural Budget Status.....	14
State Expenditures – General Funds.....	15
State Expenditures – State Funds.....	16
State Expenditures – All Funds	17

**Fiscal 2020 Budget
Budget Bill (HB 100) and the
Budget Reconciliation and Financing Act (HB 1407)
As Amended by the House Appropriations Committee**

Achieves Spending Affordability Committee Goals: The proposed budget achieves the Spending Affordability Committee's dual goal of leaving a fund balance of at least \$100 million and eliminating the structural shortfall in fiscal 2020. The committee's actions leave a fund balance of \$120.1 million and produce a structural surplus of \$23 million for fiscal 2020.

Preserves Reserves: More than \$1.2 billion in cash resources are preserved, including \$1.1 billion in the Rainy Day Fund and \$120.1 million in the General Fund. Collectively, these cash balances equate to 6.6% of general fund revenues.

Constrains Growth in State Spending: Expenditures subject to the Spending Affordability Committee's spending limit increase only 3.31%, well below the 3.75% cap set by the committee. The overall budget including federal funds grows 4.2% to \$46.7 billion.

Maintains the State's Commitment to Public Schools: Under the committee's budget plan, State support for public schools will exceed \$7.0 billion for the first time. Direct aid to local school systems will increase an estimated \$500.7 million, or 8.6%. The budget plan dedicates \$320.5 million to support the fiscal 2020 recommendations of the Commission on Innovation and Excellence in Education (Kirwan Commission).

School Construction: Coupled with planned actions in the capital budget bill, the legislative plan dedicates \$500 million to school facility needs, \$62 million more than allocated in the Governor's budget.

Funds for Legislative Priorities: The budget re-purposes \$177 million of general funds and \$101 million of special funds for legislative priorities, including \$105 million for Kirwan, \$127 million for school construction, and \$25 million for housing programs originally funded in the capital budget with taxable bonds. The budget plan also directs the Governor to process a budget amendment adding \$216 million of special funds earmarked for education to implement the recommendations of the Kirwan Commission.

Continues to Provide Vital Health Care Services: Medicaid funding totals \$11.3 billion, also allowing the State to provide coverage to 1.4 million of our residents. The budget includes an additional \$80.0 million in funding targeted at substance use disorder treatment as the State continues to grapple with the ongoing opioid epidemic.

Promotes Affordability of Higher Education: State support for Maryland's public four-year colleges and universities grows by \$109.5 million (7.2%), allowing in-state undergraduate tuition rates to increase a modest 2.0%.

Funds Rate Increases for Providers Serving Children and Vulnerable Populations: A 3.5% rate increase is funded for providers serving the developmentally disabled and people with behavioral health needs. Rate increases of 3.0% are funded for most other health and human service providers.

Employee Compensation: A 3% general salary increase (5% for law enforcement officers) is funded effective July 1, 2019. If fiscal 2020 nonwithholding income tax revenues exceed the official revenue estimate, most employees who are not represented by bargaining units that reached agreements with the State on compensation for fiscal 2020 will qualify for a bonus that would be paid in fiscal 2021.

**Fiscal 2020 Balancing Strategy
(\$ in Millions)**

	<u>Governor</u>	<u>APP</u>
Fiscal 2020 Closing Balance Before Legislation	\$140.5	\$140.5
Revenue Adjustments		
Board of Revenue Estimates March 2019	-\$268.5	-\$268.5
Legislative Actions		-1.6
Legislation		
Budget Reconciliation and Financing Act		133.4
Administration Tax Relief Proposals	-35.0	
Spending		
Supplemental Budget No. 1	27.1	2.1
Net Legislative Budget Cuts		114.4
Additional Savings Reserved for Legislative Priorities		177.1
Legislative Priorities		-177.1
Fiscal 2020 Estimated Closing Balance	-\$135.9	\$120.1

APP: House Appropriations Committee

**Proposed Budget Reductions
House Bill 100 and House Bill 1407
Fiscal 2020 Budget and Fiscal 2019 Deficiency Appropriations
(\$ in Millions)**

General Fund Reductions

APP

Local Aid

C	Align Funds for Teacher Induction, Retention, and Advancement Program with Demand	\$6.0
	Reduce Aid to Community Colleges to Reflect Reductions to Public Four-year Institutions	1.7
	Total	\$7.7

Medicaid

C	Fiscal 2019 Surplus Due to Favorable Trends	\$25.0
C	Slow Phase-down of Medicaid Hospital Deficit Assessment	20.0
C	Use Surplus from Defunct Maryland Health Insurance Plan to Fund Medicaid	10.0
	Fund Money Follows the Person Rebalancing Initiative with Fiscal 2019 Surplus	5.3
	Substitute Available Special Funds from CRF for General Funds	4.5
	Delete Funds for Supplemental Payments to MCOs as Payment Amount If Any Is Uncertain	2.9
C	Utilize Maryland Trauma Fund Surplus for Medicaid	2.0
	Align Funding for Health Homes with Recent Trends	1.8
	Savings from Streamlining Delivery of Non-emergency Transportation Services	0.5
	Total	\$72.0

Higher Education

	Reduce Funds for USM to Recognize Fund Balance in Excess of System's Goal	\$10.0
	No Funds for Promise Plus Scholarship as Program Will Not Incur Costs Until Fiscal 2021	8.0
	Reduce Funds for MSU to Align with Reduction to USM	1.0
	No Additional Funding for the Center for Education, Justice, and Ethics	0.5
	Reduce Aid to Non-Public Institutions of Higher Education	0.4
	Total	\$19.8

State Agencies

	Judiciary: Deny 36 new positions (\$2.5 Million); Deny Funding for Design of Court of Appeals Building (\$3.4 Million); and Reduce Operating Costs (\$12.5 Million)	\$18.4
	No Funding for New Technology Infrastructure Fund	16.5
	Reduce Funds for Employee and Retiree Health Insurance Due to Available Balance	10.2
	Fiscal 2020 Correctional Officer Vacancy Savings	10.0
	More Jobs for Marylanders – Budget Overstates Demand	8.0
C	<i>Fiscal 2019 Correctional Officer Vacancy Savings</i>	7.5
	Reduce Funds for Six-month Delay in Start of Employee Student Loan Benefit	6.0

	Reduce Catastrophic Event Fund to \$4 Million	6.0
	Sunny Day Fund – Delete Funds for Marriott Payment That Is Not Required Until Fiscal 2021	5.0
C	Transportation Revenues from Resource Sharing Agreements to Support Major IT Projects	5.0
C	<i>Reduce Unspent Fiscal 2019 Funds for MDH Administrative Contracts</i>	3.9
	No Expansion of Earning Advancement Right Now (EARN)	3.0
	Funding for New State Grants IT System Not Needed Until Fiscal 2021	2.0
C	No General Fund Subsidy for Uninsured Employers Fund	2.0
	Reduce Funds for Maryland Economic Development Assistance Authority and Fund Use Portion of Balance in Strategic Energy Investment Fund to Purchase State Vehicles	2.3
	Reduce Mandated Increase for Maryland Public Television Due to Lack of Plan for Spending	1.5
	Reduce Funds for Duplicative Program for Refurbishing of Durable Medicaid Equipment	1.1
	Administrative Savings in Office of Comptroller	1.0
	<i>No Additional Fiscal 2019 Funding for State Center Litigation</i>	0.5
	Reduce Funding for One-time Fiscal 2019 Center for School Safety Expenses	0.4
	No Funding for School Safety Tip Line	0.4
	Eliminate 5 Vacant Positions in the Medicaid Program	0.3
	Operating Savings in SRA, DGS, DBM, and MSDE	0.2
	No Positions for Office of Education Accountability	0.2
	Abolish 2.5 Vacant Positions in DLLR	0.1
	Total	\$111.7
	Reserves	
	Reduce Rainy Day Fund Balance from 6.5% to 6.0% of Revenues	\$90.0
	Level Fund Supplemental Payment to Pension System at \$75 Million	50.0
	Total	\$140.0
	PAYGO	
	Align Capital Contribution to WMATA with Amount WMATA Expects to Receive	\$15.0
	Reduce Funds for SEED Community Development Anchor Institution Fund to \$2.5 Million	2.5
	Reduce Funds for Hazardous Substance Clean-Up Program	0.1
	Total	\$17.6
	Total General Fund Reductions	\$368.9

Special Fund Reductions

APP

Operating Costs

No Funds for Integrated Care Network as Statutory Authority to Spend Has Lapsed	\$8.1
Align Funds for DHS Electric Bill Payment Assistance with Statutory Authorization	6.2
No New Awards for BOOST	4.5
Reduce Funds for Employee and Retiree Health Insurance Due to Available Balance	3.4
Reduce Funds for Electronic Licensing System for DLLR Based on Project Schedule	2.0
Reduce Operating Costs for Health Benefit Exchange to Align with Actual Experience	1.0
Reduce Funds in the Board of Pharmacy for New Licensure System	0.9
Reduce Funds for Operating Costs for SRA	0.6
Delete 5 Long Vacant Positions in State Lottery and Gaming Control Agency	0.4
Operating Savings in Uninsured Employers Fund and DLLR	0.1
Total	\$27.1
Total Special Fund Reductions	\$27.1

APP: House Appropriations Committee
BOOST: Broadening Options and Opportunities for Students Today
CRF: Cigarette Restitution Fund
DBM: Department of Budget and Management
DGS: Department of General Services
DHS: Department of Human Services
DLLR: Department of Labor, Licensing, and Regulation
DLS: Department of Legislative Services
IT: information technology
MCO: managed care organization
MDH: Maryland Department of Health
MSDE: Maryland State Department of Education
MSU: Morgan State University
PAYGO: pay-as-you-go
SEED: School for Education Evolution and Development
SRA: State Retirement Agency
USM: University System of Maryland
WMATA: Washington Metropolitan Area Transit Authority

C: These Items Are Contingent on Passage of the Budget Reconciliation and Financing Act (HB 1407).

Note: Fiscal 2019 deficiency reductions in italics.

Legislative Priorities (\$ in Millions)

<u>General Funds Restricted for Legislative Priorities</u>	<u>APP</u>
School Construction	\$127.0
Neighborhood Revitalization and Rental Housing Funded with Cash Rather Than Bonds	25.0
Baltimore Police Department – Technology Improvements	7.8
Establish a Rape Kit Testing Grant Fund	4.0
The Blueprint for Maryland’s Future	4.0
East Baltimore Development Inc.	2.5
Baltimore Symphony Orchestra	1.6
Implement Ending Youth Homelessness Act	1.0
Pretrial Services Grant Fund in GOCCP	1.0
Grants to State’s Attorneys’ Offices in Baltimore City and Prince George’s County	0.5
Baltimore City YouthWorks Program	0.5
Grant to Visit Baltimore to Attract National College Sporting Event to the State	0.5
North Bay Overnight Program	0.4
Eastern Shore Center for Innovation, Entrepreneurship, and Economic Development	0.4
Establish Private Letter Ruling Process for Comptroller’s Office	0.3
Pay Attorney’s Fees of Higher Education Students Involved in Disciplinary Proceedings Related to Violations of Sexual Assault Policies	0.3
Grant to Cash Campaign of Maryland to Promote Financial Capability of Low-income Individuals and Families	0.3
Security Personnel for Irvington Place and Harlem Gardens	0.2
Crest Regional Higher Education Center	0.1
Total Funding for Priorities Not Funded by Governor	\$177.1
<u>Special Funds Restricted for Legislative Priorities</u>	
Blueprint for Maryland’s Future Funded from Education Trust Fund Lock Box	\$100.8
<u>Special Fund Additions Authorized by Budget Bill and BRFA</u>	
The Blueprint for Maryland’s Future Funded from Kirwan Implementation Fund	\$200.0
The Blueprint for Maryland’s Future Funded with New Education Trust Fund Revenue	15.8

APP: House Appropriations Committee
BRFA: Budget Reconciliation and Financing Act
GOCCP: Governor’s Office of Crime Control and Prevention
Kirwan: Commission on Innovation and Excellence in Education

**Funding Restricted for The Blueprint for Maryland's Future
(Kirwan Commission)
Fiscal 2020
(\$ in Millions)**

Contingent on Enactment of SB 1030 and HB 1413 – The Blueprint for Maryland's Future and Release by the Governor:

Full-day Prekindergarten for Four-year-olds	\$29.3
Special Education Grants*	133.4
Concentration of Poverty School Grants (Includes MSDE Coordinator Position)	54.6
Teacher Salary Incentive Grants	75.0
Transitional Supplemental Instruction Grants	23.0
Mental Health Coordinators for Each Local School System	2.0
Teacher Collaboratives	2.5
Outreach and Training	0.3
MSDE IT System	0.5
Total	\$320.5

*\$19.8 million for Special Education grants is also contingent on enactment of SB 1040/HB 1407, the Budget Reconciliation and Financing Act.

Fund Sources:

Education Trust Fund	\$116.5
Kirwan Commission Special Fund	200.0
Repurposed General Funds from the TIRA	4.0
Total	\$320.5

IT: information technology

Kirwan: Commission on Innovation and Excellence in Education

MSDE: Maryland State Department of Education

TIRA: Teacher Induction, Retention, and Advancement Pilot Program

House Appropriations Committee Status as of March 11, 2019

	<u>FY 2019</u>	<u>FY 2020</u>
Starting General Fund Balance	\$589,590,296	\$716,912,478
 Revenues		
BRE Estimated Revenues – December 2018	\$18,069,802,740	\$18,622,305,650
BRE Revenue Revision – March 2019	-137,977,364	-130,534,058
Budget Reconciliation Legislation – Revenues	10,000,000	46,000,000
Additional Revenues	73,050,122	79,890,779
Subtotal Revenues	\$18,014,875,498	\$18,617,662,371
 Net Transfer to the GF from the Rainy Day Fund	 \$0	 \$158,000,000
 Subtotal Available Revenues	 \$18,604,465,794	 \$19,492,574,849
 Appropriations		
General Fund Appropriations	\$17,908,914,162	\$19,561,867,839
Deficiencies	53,040,363	0
Supplemental Budgets	-25,515,291	-1,543,465
Legislative Reductions/Contingent Legislation	-13,885,918	-152,889,412
Estimated Agency Reversions	-35,000,000	-35,000,000
Subtotal Appropriations	\$17,887,553,316	\$19,372,434,962
 Closing General Fund Balance	 \$716,912,478	 \$120,139,887

BRE: Board of Revenue Estimates
GF: General Fund

Fiscal Note

Summary of the Budget Bill – House Bill 100

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>
Governor’s Allowance					
Fiscal 2019 Budget	\$17,926,954,525	\$9,179,215,997	\$13,091,453,029	\$4,656,155,634	\$44,853,779,185 ⁽¹⁾
Fiscal 2020 Budget	19,526,867,839 ⁽²⁾	9,128,435,374	13,177,083,146	4,775,103,692	46,607,490,051
Supplemental Budget No. 1					
Fiscal 2019 Deficiencies	-\$25,515,291	\$235,000	\$0	\$0	-\$25,280,291
Fiscal 2020 Budget	-\$1,543,465	2,600,000	-14,252,470		-13,195,935
Subtotal	-\$27,058,756	\$2,835,000	-\$14,252,470	\$0	-\$38,476,226
Budget Reconciliation and Financing Act of 2019					
Fiscal 2019 Deficiencies	-\$38,439,918	\$0	-\$2,912,113	\$0	-\$41,352,031
Fiscal 2020 Contingent Reductions	-39,000,000	54,766,919 ⁽³⁾	0	0	15,766,919
Subtotal	-\$77,439,918	\$54,766,919	-\$2,912,113	\$0	-\$25,585,112
House Appropriations Committee Reductions					
Fiscal 2019 Deficiencies	\$24,554,000	\$0	\$0	\$0	\$24,554,000
Fiscal 2020 Budget	-113,889,412	179,624,925 ⁽⁴⁾	-16,763,816	0	48,971,697
Total Reductions	-\$89,335,412	\$179,624,925	-\$16,763,816	\$0	\$73,525,697
Appropriations					
Fiscal 2019 Budget	\$17,887,553,316	\$9,179,450,997	\$13,088,540,916	\$4,656,155,634	\$44,811,700,863
Fiscal 2020 Budget	19,372,434,962	9,365,427,218	13,146,066,860	4,775,103,692	46,659,032,732
Change	\$1,484,881,646	\$185,976,221	\$57,525,944	\$118,948,058	\$1,847,331,869

⁽¹⁾ Reflects \$216.5 million in proposed deficiencies, including \$53.0 million in general funds, \$77.0 million in special funds, and \$86.4 million in federal funds. Assumes \$35.0 million in unspecified general fund reversions.

⁽²⁾ Assumes \$35.0 million in unspecified general fund reversions.

⁽³⁾ Assumes \$39.0 million in special funds to back-fill for general fund reductions and \$15.8 million in spending on The Blueprint for Maryland’s Future utilizing Education Trust Fund revenue generated by the Budget Reconciliation and Financing Act of 2019.

⁽⁴⁾ Includes the assumption of \$200 million in special fund spending on The Blueprint for Maryland’s Future utilizing revenue from the Commission on Innovation and Excellence in Education Fund.

**General Fund Reductions and Other Budgetary Actions
Contingent on the Budget Reconciliation and Financing Act
(HB 1407)
(\$ in Millions)**

	<u>APP</u>
Contingent General Fund Reductions – Fiscal 2019	
Reduce Unspent Funds for Medicaid Due to Favorable Trends	\$25.0
Reduce Unspent Funds for Correctional Officer Salaries for DPSCS	7.5
Reduce Unspent Funds for Administrative Contracts for DDA	3.9
Reduce the Teacher Induction, Retention, and Advancement Pilot Program	2.0
Contingent General Fund Reductions – Fiscal 2020	
Slow Phase-down of Medicaid Deficit Assessment on Hospitals	\$20.0
Utilize Balance Retained After Repeal of MHIP for Medicaid	10.0
Reduce MITDPF Due to Available Funds from MDOT Resource Sharing Agreements	5.0
Reduce Uninsured Employers Fund Due to Expanded Use of Funds	2.0
Utilize Trauma Physician Services Fund for Medicaid	2.0
Total Reductions	\$77.4
Revenue Action – Fiscal 2019	
Require Reversion from Sunny Day Fund for Amazon Incentives	\$10.0
Revenue Action – Fiscal 2020	
Scale Back Year 1 Impact of Revenue Volatility on General Fund Revenue Estimates	\$46.0
Total Impact of BRFA on APP Budget Plan	\$133.4

APP: House Appropriations Committee
BRFA: Budget Reconciliation and Financing Act
DDA: Developmental Disabilities Administration
DPSCS: Department of Public Safety and Correctional Services
MDOT: Maryland Department of Transportation
MHIP: Maryland Health Insurance Plan
MITDPF: Major Information Technology Development Project Fund

House Appropriations Committee Action on the Budget Reconciliation and Financing Act of 2019 (HB 1407)

The Budget Reconciliation and Financing Act (BRFA) of 2019, as amended¹ by the House Appropriations Committee (APP), accomplishes the following:

Fiscal 2019 Expenditure Reductions	\$38.4
Fiscal 2020 Expenditure Reductions	39.0
Total Reductions	\$77.4
Fiscal 2019 Revenue Actions	\$10.0
Fiscal 2020 Revenue Actions	46.0
Total Impact of BRFA on APP Budget Plan	\$133.4

Note: Numbers in chart do not sum to total due to rounding.

Technical Amendments: Purpose and function paragraphs and renumbering.

1

Reduces to \$1.0 million the mandated funding for the Teacher Induction, Retention, and Advancement Pilot program and withdraws \$2.0 million in fiscal 2019 funding (p. 3 and 13).

Adds a provision to authorize the Uninsured Employers' Fund to pay claims related to hearing loss for retirees of the Bethlehem Steel Corporation (p. 3 and 4).

2

Requires funds from Resource Sharing Agreements of the Maryland Department of Transportation to be deposited into the Major Information Technology Development Project Fund (p. 4-6).

Decreases the maximum amount of projected nonwithholding income tax revenue that, under certain circumstances, must be subtracted from projected general fund revenue estimates in fiscal 2020, from 0.5% to 0.25% (p. 6).

Adds a provision that alters, for fiscal 2020 only, the use of estimated nonwithholding income tax revenues, if realized, to provide one-time bonuses for certain employees in fiscal 2021 (p. 6-10).

3

¹ Provisions added or amended in whole or in part, except by a technical amendment, are noted in *italics*.

Adds a provision that repeals the authorization to increase the share of proceeds provided to the video lottery facility licensees and authorizes the processing of a budget amendment to use the additional Education Trust Fund revenues for special education grants contingent on The Blueprint for Maryland's Future (SB 1030 or HB 1413) taking effect (p. 10,11,13, and 14).

4

Reduces the mandated reduction in the Medicaid Deficit Assessment from \$40.0 million to \$20.0 million, increasing the assessment from \$294,825,000 to \$314,825,000 (p. 11 and 12).

Diverts \$10.0 million of the balance retained after the repeal of the Maryland Health Insurance Plan to Medicaid (p. 12).

Reduces the fiscal 2019 funding for two contracts in the Maryland Department of Health Developmental Disabilities Administration that will not be procured (p. 13).

Strikes a provision that reduces fiscal 2019 funding for residential per diems in the Department of Juvenile Services (p. 13).

5

Modifies a provision that reduces fiscal 2019 funding for correctional officer salaries in the Department of Public Safety and Correctional Services (p. 13).

6

Reduces fiscal 2019 funding in Medicaid due to favorable caseload trends (p. 13).

Requires the fiscal 2019 funding for the Sunny Day fund related to the Amazon incentives to revert to the General Fund (p. 13).

Authorizes for fiscal 2020 only \$2.0 million from the Maryland Trauma Physician Services Fund to be used for Medicaid (p. 13).

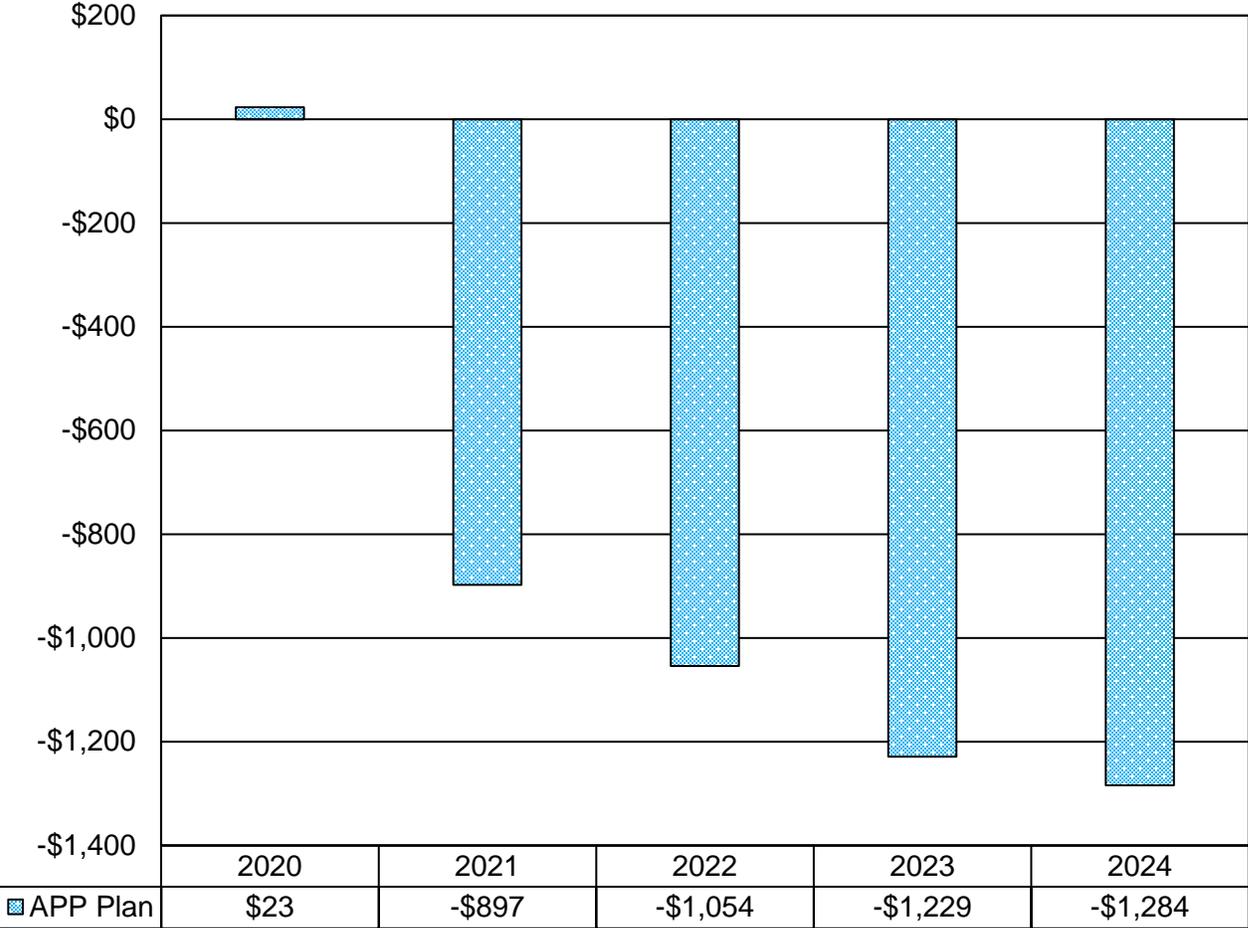
Adds a provision to authorize the Governor to process a budget amendment to use a portion of the Rainy Day Fund balance above 6% of the estimated general fund revenues and funds in the Dedicated Purpose Fund for the pension system for legislative priorities in fiscal 2020 (p. 14).

7

Maryland Structural Budget Status

Fiscal 2020-2024

(\$ in Millions)



APP: House Appropriations Committee

State Expenditures – General Funds
(\$ in Millions)
Fiscal 2019-2020

<u>Category</u>	<u>APP 2019 Work. Approp.</u>	<u>2020 Allowance</u>	<u>APP 2020 Reductions</u>	<u>APP 2020 Priorities ⁽¹⁾</u>	<u>APP 2020 Appropriation</u>	<u>2019 to 2020 \$ Change</u>	<u>% Change</u>
Debt Service	\$286.0	\$287.0	\$0.0	\$0.0	\$287.0	\$1.0	0.3%
County/Municipal	\$287.9	\$300.9	\$0.0	\$0.5	\$301.4	\$13.5	4.7%
Community Colleges	322.4	331.0	-1.7	0.0	329.3	6.9	2.1%
Education/Libraries	6,059.1	6,411.9	-4.0	4.0	6,411.9	352.9	5.8%
Health	52.7	55.4	0.0	0.0	55.4	2.7	5.1%
Aid to Local Governments	\$6,722.0	\$7,099.2	-\$5.7	\$4.5	\$7,098.0	\$376.0	5.6%
Foster Care Payments	\$188.2	\$191.2	\$0.0	\$0.0	\$191.2	\$3.1	1.6%
Assistance Payments	45.4	40.6	0.0	0.0	40.6	-4.8	-10.5%
Medical Assistance	3,414.9	3,544.3	-47.0	0.0	3,497.3	82.4	2.4%
Property Tax Credits	101.2	97.2	0.0	0.0	97.2	-4.0	-3.9%
Entitlements	\$3,749.6	\$3,873.3	-\$47.0	\$0.0	\$3,826.3	\$76.7	2.0%
Health	\$1,467.0	\$1,545.5	-\$0.2	\$0.0	\$1,545.4	\$78.4	5.3%
Human Services	372.3	362.8	0.0	0.0	362.8	-9.4	-2.5%
Children's Cabinet Interagency Fund	18.5	18.5	0.0	0.0	18.5	0.1	0.3%
Juvenile Services	264.2	260.3	0.0	0.0	260.3	-3.9	-1.5%
Public Safety/Police	1,521.5	1,542.4	-10.0	0.0	1,532.4	10.9	0.7%
Higher Education	1,481.8	1,540.1	-11.5	0.0	1,528.7	46.9	3.2%
Other Education	461.2	497.6	-10.2	1.1	488.5	27.3	5.9%
Agriculture/Natural Res./Environment	127.1	142.2	0.0	0.0	142.2	15.1	11.9%
Other Executive Agencies	782.8	996.7	-63.5	19.5	952.8	169.9	21.7%
Judiciary	508.5	545.7	-18.4	0.0	527.3	18.7	3.7%
Legislative	91.3	95.5	0.0	0.0	95.5	4.2	4.6%
State Agencies	\$7,096.1	\$7,547.4	-\$113.7	\$20.6	\$7,454.3	\$358.2	5.0%
Total Operating	\$17,853.7	\$18,806.9	-\$166.4	\$25.1	\$18,665.6	\$811.9	4.5%
Capital ⁽²⁾	\$59.5	\$83.3	-\$2.6	\$152.0	\$232.6	\$173.2	291.1%
Subtotal	\$17,913.2	\$18,890.2	-\$169.0	\$177.1	\$18,898.3	\$985.1	5.5%
Reserve Funds	\$9.3	\$670.2	-\$161.0	\$0.0	\$509.2	\$499.8	5,348.3%
Appropriations	\$17,922.6	\$19,560.3	-\$330.0	\$177.1	\$19,407.4	\$1,484.9	8.3%
Reversions	-\$35.0	-\$35.0	\$0.0	\$0.0	-\$35.0	\$0.0	0.0%
Grand Total	\$17,887.6	\$19,525.3	-\$330.0	\$177.1	\$19,372.4	\$1,484.9	8.3%

APP: House Appropriations Committee

BRFA: Budget Reconciliation and Financing Act of 2019 (HB 1407)

⁽¹⁾ APP reduced the allowance by \$177.1 million but provided authorization for those funds to be used for a variety of purposes. However, spending the \$177.1 million is at the discretion of the Governor.

⁽²⁾ Includes the Heritage Structure Rehabilitation Tax Credit Reserve Fund.

Note: The fiscal 2019 working appropriation includes \$27.5 million in deficiencies and APP cuts to the deficiencies, including \$38.3 million in reductions contingent on the BRFA. The fiscal 2020 APP cuts include \$39 million contingent on the BRFA.

**State Expenditures – State Funds
(\$ in Millions)
Fiscal 2019-2020**

<u>Category</u>	<u>APP 2019 Work. Approp.</u>	<u>2020 Allowance</u>	<u>APP 2020 Reductions</u>	<u>APP 2020 Priorities ⁽¹⁾</u>	<u>APP 2020 Appropriation</u>	<u>2019 to 2020 \$ Change</u>	<u>% Change</u>
Debt Service	\$1,623.8	\$1,675.8	\$0.0	\$0.0	\$1,675.8	\$52.0	3.2%
County/Municipal	\$662.7	\$701.4	\$0.0	\$0.5	\$701.9	\$39.2	5.9%
Community Colleges	322.4	331.0	-1.7	0.0	329.3	6.9	2.1%
Education/Libraries	6,615.5	6,886.1	-39.8	320.5	7,156.9	541.4	8.2%
Health	52.7	55.4	0.0	0.0	55.4	2.7	5.1%
Aid to Local Governments	\$7,653.3	\$7,973.9	-\$41.5	\$321.0	\$8,243.4	\$590.1	7.7%
Foster Care Payments	\$192.5	195.5	\$0.0	\$0.0	\$195.5	\$3.0	1.6%
Assistance Payments	55.5	46.0	0.0	0.0	46.0	-9.5	-17.0%
Medical Assistance	4,347.0	4,418.2	-10.5	0.0	4,407.7	60.7	1.4%
Property Tax Credits	101.2	97.2	0.0	0.0	97.2	-4.0	-3.9%
Entitlements	\$4,696.1	\$4,756.9	-\$10.5	\$0.0	\$4,746.4	\$50.3	1.1%
Health	\$1,896.7	\$1,998.3	-\$10.2	\$0.0	\$1,988.2	\$91.4	4.8%
Human Services	454.8	445.5	-6.2	0.0	439.3	-15.5	-3.4%
Children's Cabinet Interagency Fund	18.5	18.5	0.0	0.0	18.5	0.1	0.3%
Juvenile Services	267.8	263.3	0.0	0.0	263.3	-4.5	-1.7%
Public Safety/Police	1,739.1	1,771.4	-10.0	0.0	1,761.4	22.3	1.3%
Higher Education	6,215.4	6,397.0	-11.5	0.0	6,385.6	170.2	2.7%
Other Education	533.3	570.0	-14.7	1.1	556.4	23.1	4.3%
Transportation	1,974.9	2,035.6	0.0	0.0	2,035.6	60.8	3.1%
Agriculture/Natural Res./Environment	430.5	437.6	0.0	0.0	436.6	6.1	1.4%
Other Executive Agencies	1,532.8	1,754.8	-60.6	19.5	1,713.7	180.9	11.8%
Judiciary	570.6	611.0	-18.4	0.0	592.6	22.0	3.9%
Legislative	91.3	95.5	0.0	0.0	95.5	4.2	4.6%
State Agencies	\$15,725.7	\$16,398.7	-\$131.5	\$20.6	\$16,286.7	\$561.1	3.6%
Total Operating	\$29,698.9	\$30,805.2	-\$183.5	\$341.6	\$30,952.3	\$1,253.4	4.2%
Capital ⁽²⁾	\$2,049.9	\$2,032.1	-\$67.6	\$152.0	\$2,086.5	\$36.6	1.8%
Transportation	1,514.2	1,425.9	0.0	0.0	1,425.9	-88.4	-5.8%
Environment	220.8	178.3	-0.1	0.0	178.2	-42.6	-19.3%
Other	314.9	427.9	-67.5	152.0	482.4	167.6	53.2%
Subtotal	\$31,748.8	\$32,837.3	-\$251.1	\$493.6	\$33,038.8	\$1,290.0	4.1%
Reserve Funds	\$9.3	\$670.2	-\$161.0	\$0.0	\$509.2	\$499.8	5,348.3%
Appropriations	\$31,758.2	\$33,507.5	-\$412.1	\$493.6	\$33,548.0	\$1,789.8	5.6%
Reversions	-\$35.0	-\$35.0	\$0.0	\$0.0	-\$35.0	\$0.0	0.0%
Grand Total	\$31,723.2	\$33,472.5	-\$412.1	\$493.6	\$33,513.0	\$1,789.8	5.6%

APP: House Appropriations Committee

BRFA: Budget Reconciliation and Financing Act of 2019 (HB 1407)

⁽¹⁾ APP reduced the allowance by \$277.9 million but provided authorization for those funds to be used for a variety of purposes. In the budget bill and the BRFA, APP identified additional special fund spending priorities of \$215.8 million for The Blueprint for Maryland's Future (HB 1413). However, spending the total additional amount of \$493.6 million is at the discretion of the Governor.

⁽²⁾ Includes the Heritage Structure Rehabilitation Tax Credit Reserve Fund.

Note: The fiscal 2019 working appropriation includes \$104.8 million in deficiencies and APP cuts to the deficiencies, including \$38.3 million in reductions contingent on the BRFA. The fiscal 2020 APP cuts include \$39 million contingent on the BRFA and \$45.8 million in additional special fund spending due to funding swaps.

State Expenditures – All Funds
(\$ in Millions)
Fiscal 2019-2020

<u>Category</u>	APP 2019 Work. Approp.	2020 Allowance	APP 2020 Reductions	APP 2020 Priorities ⁽¹⁾	APP 2020 Appropriation	2019 to 2020	
						\$ Change	% Change
Debt Service	\$1,636.6	\$1,687.4	\$0.0	\$0.0	\$1,687.4	\$50.7	3.1%
County/Municipal	\$736.7	\$775.4	\$0.0	\$0.5	\$775.9	\$39.2	5.3%
Community Colleges	322.4	331.0	-1.7	0.0	329.3	6.9	2.1%
Education/Libraries	7,577.4	7,870.8	-39.8	320.5	8,141.5	564.1	7.4%
Health	52.7	55.4	0.0	0.0	55.4	2.7	5.1%
Aid to Local Governments	\$8,689.2	\$9,032.6	-\$41.5	\$321.0	\$9,302.1	\$612.9	7.1%
Foster Care Payments	\$261.3	\$270.1	\$0.0	\$0.0	\$270.1	\$8.8	3.4%
Assistance Payments	1,158.0	1,091.2	0.0	0.0	1,091.2	-66.8	-5.8%
Medical Assistance	11,413.2	11,262.1	-20.4	0.0	11,241.7	-171.5	-1.5%
Property Tax Credits	101.2	97.2	0.0	0.0	97.2	-4.0	-3.9%
Entitlements	\$12,933.7	\$12,720.6	-\$20.4	\$0.0	\$12,700.2	-\$233.6	-1.8%
Health	\$3,006.1	\$3,142.4	-\$13.4	\$0.0	\$3,129.0	\$122.9	4.1%
Human Services	1,006.9	1,016.5	-6.2	0.0	1,010.3	3.4	0.3%
Children's Cabinet Interagency Fund	18.5	18.5	0.0	0.0	18.5	0.1	0.3%
Juvenile Services	273.1	267.8	0.0	0.0	267.8	-5.3	-1.9%
Public Safety/Police	1,774.0	1,808.8	-10.0	0.0	1,798.8	24.8	1.4%
Higher Education	6,215.4	6,397.0	-11.5	0.0	6,385.6	170.2	2.7%
Other Education	816.1	875.6	-14.7	1.1	862.0	46.0	5.6%
Transportation	2,073.3	2,143.7	0.0	0.0	2,143.7	70.4	3.4%
Agriculture/Natural Res./Environment	500.1	504.7	0.0	0.0	503.7	3.6	0.7%
Other Executive Agencies	2,128.1	2,384.8	-64.2	19.5	2,340.1	212.0	10.0%
Judiciary	571.7	611.2	-18.4	0.0	592.8	21.1	3.7%
Legislative	91.3	95.5	0.0	0.0	95.5	4.2	4.6%
State Agencies	\$18,474.5	\$19,266.6	-\$138.4	\$20.6	\$19,147.9	\$673.4	3.6%
Total Operating	\$41,734.0	\$42,707.1	-\$200.3	\$341.6	\$42,837.5	\$1,103.5	2.6%
Capital ⁽²⁾	\$3,103.3	\$3,293.0	-\$67.6	\$152.0	\$3,347.4	\$244.0	7.9%
Transportation	2,497.8	2,570.2	0.0	0.0	2,570.2	72.3	2.9%
Environment	264.1	231.1	-0.1	0.0	231.0	-33.1	-12.5%
Other	341.4	491.7	-67.5	152.0	546.2	204.8	60.0%
Subtotal	\$44,837.4	\$46,000.1	-\$267.9	\$493.6	\$46,184.9	\$1,347.5	3.0%
Reserve Funds	\$9.3	\$670.2	-\$161.0	\$0.0	\$509.2	\$499.8	5,348.3%
Appropriations	\$44,846.7	\$46,670.3	-\$428.9	\$493.6	\$46,694.0	\$1,847.3	4.1%
Reversions	-\$35.0	-\$35.0	\$0.0	\$0.0	-\$35.0	\$0.0	0.0%
Grand Total	\$44,811.7	\$46,635.3	-\$428.9	\$493.6	\$46,659.0	\$1,847.3	4.1%

APP: House Appropriations Committee

BRFA: Budget Reconciliation and Financing Act of 2019 (HB 1407)

⁽¹⁾ APP reduced the allowance by \$277.9 million but provided authorization for those funds to be used for a variety of purposes. In the budget bill and the BRFA, APP identified additional special fund spending priorities of \$215.8 million for The Blueprint for Maryland's Future (HB 1413). However, spending the total additional amount of \$493.6 million is at the discretion of the Governor.

⁽²⁾ Includes the Heritage Structure Rehabilitation Tax Credit Reserve Fund.

Note: The fiscal 2019 working appropriation includes \$191.2 million in deficiencies and APP cuts to the deficiencies, including \$41.4 million in reductions contingent on the BRFA. The fiscal 2020 APP cuts include \$39 million contingent on the BRFA and \$45.8 million in additional special fund spending due to funding swaps.