
Senate Budget and Taxation Full Committee

Additional Pages

March 17, 2023

B75A01
Department of Legislative Services

Committee Narrative

Adopt the following narrative:

***Baltimore City Infrastructure Report:** The Department of Legislative Services (DLS) will assess the costs and benefits of the State issuing \$1 billion in bonds to spend on infrastructure in Baltimore City, including roads, bridges, water systems, and broadband infrastructure, along with exploring the potential for the \$1 billion investment to leverage an additional \$3 billion in federal funds to invest over a 36-month period to create 10,000 apprenticeship positions in Baltimore City. The study will estimate the potential impact on the General Fund of the creation of 10,000 apprenticeship positions and the economic mobility attached to them over the period that the bonds are outstanding.*

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>Baltimore City Infrastructure Report</i>	<i>DLS</i>	<i>December 22, 2023</i>

D38I01
State Board of Elections

Committee Narrative

Adopt the following narrative:

***Expanded Opportunities for Pre-trial Facility Voting:** The State Board of Elections (SBE) implemented voting in pre-trial facilities in Baltimore City via drop boxes for the first time in the 2022 election cycle. SBE is in the process of expanding voting opportunities for those in other pre-trial facilities in the State. The budget committees request that SBE submit a report, due December 1, 2023, on the progress SBE has made in expanding pre-trial voting opportunities across the State.*

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>Report on SBE plan to expand opportunities for voting in pre-trial facilities</i>	<i>SBE</i>	<i>December 1, 2023</i>

F10A
Office of the Secretary
Department of Budget and Management

Budget Amendment

Add the following language to the general fund appropriation:

, provided that, since eight State agencies have repeat audit findings in calendar 2022 compliance reports issued by the Office of Legislative Audits (OLA) for certain repeat findings, \$250,000 of the appropriation made for the purpose of Executive Direction may not be expended until:

- (1) representatives from agencies with certain repeat audit findings in calendar 2022 have met with the State Chief Information Security Officer (SCISO) to identify and document a path for resolution of any outstanding issues and the agency has taken corrective action with respect to the findings, including articulating any ongoing associated costs and a timeline for resolution if the corrective action is not complete;
- (2) SCISO submits a report to OLA by February 1, 2024, addressing corrective actions taken, a path and timeline for resolution of any outstanding issues, and any ongoing costs associated with corrective actions; and
- (3) a report is submitted to the budget committees and the Joint Audit and Evaluation Committee (JAEC) by OLA, no later than May 1, 2024, listing each repeat audit finding in accordance with item (1) that demonstrates the agencies' commitment to correct each repeat audit finding.

The budget committees and JAEC shall have 45 days to review and comment from the date of the receipt of the report. General funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise and shall revert to the General Fund if the report is not submitted.

Explanation: Audit reports from calendar 2022 identified certain repeat audit findings in State agencies and local school systems. This language requires that these agencies report their plans to remediate repeat audit findings to SCISO. SCISO should review these plans and report to OLA about these agencies' plans. OLA should review SCISO's findings and report on the commitment to resolving these repeat findings to the budget committees and JAEC.

Information Request	Author	Due Date
Report on repeat audit findings	SCISO OLA	February 1, 2024 May 1, 2024

F10A02
Personnel
Department of Budget and Management

Budget Amendment

Add the following section:

SECTION XX. AND BE IT FURTHER ENACTED, That \$100,000 of the general fund appropriation made for the purpose of administrative expenses in F10A02.01 Executive Direction in the Department of Budget and Management (DBM) shall not be expended until DBM submits a report containing:

- (1) an update on the progress made toward reducing the Executive Branch vacancy rate;
- (2) the status of the planned salary competitiveness survey;
- (3) steps that DBM has taken or plans to take to improve State recruitment and retention of employees;
- (4) a compilation of reports from all agencies with a vacancy rate of 15% or higher on July 1, 2023. The reports from each agency shall compare the agency with peer agencies and surrounding jurisdictions with respect to wage and salary levels, hiring and retention bonuses, and any other relevant metrics related to attracting and retaining employees for job classifications for which the agency is currently experiencing high vacancy rates.

The report shall be submitted by October 1, 2023, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This language restricts funds pending a report on the status of efforts to improve Executive Branch recruitment and retention of State employees.

Information Request	Author	Due Date
Progress in recruitment and retention of State employees	DBM, State agencies with vacancy rates above 15%	October 1, 2023

F10A02
Personnel
Department of Budget and Management

Committee Narrative

F10A02.01 General Administration

***Modernization of the State Personnel System:** The committees believe that the current vacancy crisis in State agencies creates the need and opportunity to modernize State Personnel Management System's (SPMS) recruitment, hiring, and retention system. While competitive compensation is a major component of any solution, the State must also undertake significant reforms to the way it recruits and hires State employees.*

The Department of Budget and Management (DBM) should create a Task Force on the Modernization of the State Personnel Management System. The task force should include:

- *representatives of DBM's Office of Personnel Services and Benefits;*
- *State agency executives;*
- *collective bargaining unit representatives;*
- *private sector human resources experts; and*
- *representatives of the Maryland Department of Transportation (MDOT), which has a personnel system independent of the SPMS.*

The task force should identify current State hiring practices that hinder recruitment and hiring, including:

- *the approval process for agencies to begin hiring for a position;*
- *the length of time between stages of the hiring process;*
- *the requirements for selection to an interview;*
- *degree requirements; and*
- *any other impediments to the State hiring process*

The task force should consider such improvements as:

- *proactive recruitment strategies, including in high schools and in cooperation with local workforce agency career counselors;*

F10A02

- *rewriting position titles and job descriptions to be more attractive to potential applicants;*
- *continuous posting of appropriate positions;*
- *streamlining the hiring process to reduce the time from application to hiring;*
- *expanding career ladders, beginning with a low experience level and integrating on-the-job and classroom training;*
- *sponsorship of registered apprenticeships;*
- *focusing applicant requirements on relevant skills rather than degrees; and*
- *other improvements identified by task force members.*

DBM should provide a report on the task force's findings and recommendations to the budget committees by January 2, 2024.

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>Report of Task Force on the Modernization of the State Personnel System</i>	<i>DBM</i>	<i>January 2, 2024</i>

J00B0101
State Highway Administration
PAYGO Capital

Budget Amendment

J00B01.05 County and Municipality Funds

Add the following language to the Special Fund Appropriation:

, provided that \$177,959 of this appropriation made for the purpose of providing a grant to the City of Seat Pleasant may not be expended until The City of Seat Pleasant, by August 1, 2023, procures, using a competitive bidding process, an independent certified public accounting firm with expertise in municipal corporation government to conduct an audit of the City of Seat Pleasant. The audit shall evaluate all revenues and expenditures of the City of Seat Pleasant beginning with fiscal year 2019.

Further provided that on award of the contract, and prior to the commencement of the audit, the independent certified public accounting firm shall consult with the Joint Audit and Evaluation Committee established under Title 2, Subtitle 6 of the State Government Article and the Office of Legislative Audits established under Title 2, Subtitle 12 of the State Government Article in the development of the scope and objectives of the performance audit.

Further provided that a certified public accounting firm that provides services to the City of Seat Pleasant may not bid on the procurement.

Further provided that on or before January 1, 2024, in accordance with § 2-1257 of the State Government Article, the audit report shall be submitted to the Joint Audit and Evaluation Committee, the Office of Legislative Audits, the budget committees, and the General Assembly, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted to the budget committees.

Explanation: *This language restricts the Highway User Revenues grant to the City of Seat Pleasant until an audit is performed and the audit report submitted.*

A15O00
Payments to Civil Divisions of the State

Committee Narrative

A15O00.01 Disparity Grants

Baltimore City Tax Incentives: The budget committees are interested in learning more about Baltimore City’s use of tax incentives. Baltimore City should submit a report to the Maryland General Assembly on the use of tax incentives, such as tax increment financing and payment-in-lieu of taxes agreements used to encourage major development projects. The report should include the extent to which these tools are utilized, the goals associated with the projects, and the impacts on local communities of the projects. The report should be submitted by January 1, 2024, and also provide information about how the City’s Department of Finance provides oversight of these tax incentives to ensure that funds are allocated properly, and that community, equity, and economic development goals of the projects are met.

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>Report on Baltimore City tax incentives</i>	<i>Baltimore City</i>	<i>January 1, 2024</i>

C81C
Office of the Attorney General

Committee Narrative

C81C00.16 Criminal Investigation Division

Add the following language to the general fund appropriation:

. provided that \$1,048,706 of this appropriation made for the purpose of funding personnel in the Criminal Investigations Division and 12 new regular positions shall be transferred, by budget amendment to program C81C00.14 Civil Litigation Division, contingent upon the enactment of SB 540 or HB 772 authorizing the Attorney General to investigate, prosecute, and remediate certain civil rights violations.

Explanation: The enactment of SB 540 or HB 772 would require additional personnel in the Civil Litigation Division in the Office of the Attorney General. This amendment realigns 12 new positions requested for the Criminal Investigation Division in the fiscal 2024 allowance to the Civil Litigation Division, along with the funds needed for those 12 positions, pending the enactment of SB 540 or HB 772.

P00
Maryland Department of Labor

Committee Narrative

P00G01.07 Workforce Development

***Apprenticeships for the State Workforce:** Registered Apprenticeship is a nationally recognized model for workforce development with significant evidentiary support indicating that it can improve employee recruitment, training, retention, and wages. Recognizing both the ongoing need to strengthen the State's public sector workforce and the Maryland Department of Labor's (MDL) role as the State Apprenticeship Agency, the committees direct MDL to establish individual apprenticeship workgroups in conjunction with the Department of Budget and Management (DBM), the Department of General Services (DGS), or other State agencies with workforce skills shortages which MDL identifies.*

Agencies which MDL determines appropriate shall work in partnership with MDL to examine their own staffing needs and any structural opportunities in the State workforce where registered apprenticeship may be an effective tool.

Each workgroup should provide the committees with an interim report to be submitted by December 1, 2023, and a final report to be submitted no later than June 30, 2024. Each report shall address the following:

- *develop a mutually agreed upon standard for identifying priority occupations based on staff vacancies, turnover, long-term workforce needs, and other criteria determined by the workgroups;*
- *provide data on recruitment, hiring, training, vacancy, retention, upcoming retirements, and use of contractual or temporary staff for all identified priority occupations;*
- *assess identified priority occupations for their potential fit with Registered Apprenticeship, including the high school level of a Registered Apprenticeship;*
- *review and assess existing apprenticeship programs in identified priority occupations, including those in the private sector and national and international models;*
- *make recommendations for the development of registered apprenticeships for priority occupations within Maryland's public sector workforce; and*
- *identify statutory, budgetary, and policy changes needed to further any workgroup recommendations.*

DBM, DGS, and other State agencies as MDL determines appropriate shall supply MDL with any personnel data and supplemental information needed to adequately report on the items

P00

identified above. Where appropriate, MDL, DBM, and DGS should also engage other State agencies in workgroup activities and reporting.

<i>Information Request</i>	<i>Author</i>	<i>Due Date</i>
<i>Individual workgroup interim reports on the development of apprenticeship pathways</i>	<i>MDL</i>	<i>December 1, 2023</i>
<i>Individual workgroup final reports on the development of apprenticeship pathways</i>	<i>MDL</i>	<i>June 30, 2024</i>

Z00
Legislative Additions to the Budget

- (12) \$5,300,000 in general funds is added to the appropriation for program E00A01.01 Executive Direction within the Comptroller of Maryland for the purposes of ownership, consulting services, buildout, and implementation of a central document management system and the ownership, consulting services, buildout, and implementation of a customer relationship management system information technology upgrades. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund;

Z00
Legislative Additions to the Budget

Budget Amendment

- (2) \$400,000,000 \$300,000,000 in general funds is added to the appropriation for program Y01A02.01 Dedicated Purpose Account within the State Reserve Fund to be transferred to the Blueprint for Maryland’s Future Fund to offset future education costs;

- (3) \$100,000,000 \$200,000,000 in general funds is added to the appropriation for program Y01A02.01 Dedicated Purpose Account within the State Reserve Fund to support the State match for future federal grant awards and to fund future environmental studies for the Red Line and Southern Maryland Rapid Transit projects. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund;

Y01A
State Reserve Fund

Budget Amendment

Provided that the Governor is authorized to process a budget amendment transferring up to \$100,000,000 from the Y01A01.01 Revenue Stabilization Account fund balance to the Maryland Department of Transportation (MDOT) to provide the State match for federal grant awards not currently reflected in the 2023-2028 Consolidated Transportation Program, contingent on MDOT submitting a report, 30 days prior to the submission of the budget amendment, that lists the projects that qualified for federal awards requiring a State match, the amount of the federal awards, and the required State matches.

Explanation: *Enhanced infrastructure funding available from the federal government will require State matching funds beyond what is currently anticipated in the capital program for the Maryland Department of Transportation. This action allows the use of up to \$100 million in Rainy Day Fund balance to help offset those costs.*

Information Request	Author	Due Date
<i>Transportation Projects Requiring a State Match</i>	<i>MDOT</i>	<i>30 days prior to budget amendment submission</i>

Pension System

Budget Amendment

Add the following section:

SECTION XX. AND BE IT FURTHER ENACTED, That for fiscal 2024 the reinvestment savings contribution for the Maryland State Retirement and Pension System shall be reduced by \$39,719,020 in Executive Branch, Legislative Branch, and Judicial Branch agencies. Funding for this purpose shall be reduced in Comptroller Object 0161 (Employees' Combined System), Comptroller Object 0163 (Teachers' Combined System), Comptroller Object 0165 (State Police), and Comptroller Object 0169 (Law Enforcement Officers Pension System) within programs in the Executive Branch, Legislative Branch, and Judicial Branch agencies in Section 1 of this Act in fiscal 2024 by the following amounts in accordance with a schedule determined by the Governor, the Presiding Officers, and Chief Judge:

<u>Programs</u>	<u>Fund</u>	<u>Amount</u>
<u>General Assembly of Maryland</u>	<u>General Fund</u>	<u>\$238,378</u>
<u>Judiciary</u>	<u>General Fund</u>	<u>\$742,872</u>
<u>Executive Branch</u>	<u>General Fund</u>	<u>\$34,018,750</u>
<u>Judiciary</u>	<u>Special Fund</u>	<u>\$40,704</u>
<u>Executive Branch</u>	<u>Special Fund</u>	<u>\$3,307,363</u>
<u>Executive Branch</u>	<u>Federal Fund</u>	<u>\$1,370,953</u>

Further provided that the general fund reduction in the Executive Branch above shall include a reduction of \$3,274,808 to the appropriation for program R75T00.01 State Support for Higher Education Institutions, and that the Unrestricted Fund appropriation for the purpose of employer retirement contributions for the University System of Maryland shall be reduced by \$2,830,251 and the Unrestricted Fund appropriation for the purpose of employer retirement contributions for Morgan State University shall be reduced by \$444,557.

Explanation: *This language reduces funding for the reinvestment savings contribution to the State pension system.*

Z00
Legislative Additions to the Budget

Budget Amendment

\$5,000,000 \$25,500,000 in general funds is added to the appropriation for program D53T00.01 General Administration within the Maryland Institute for Emergency Medical Services Systems for the purpose of providing additional funds to cover anticipated shortfalls to the Maryland Emergency Medical Services Operations Fund (MEMSOF) in fiscal 2024 and 2025 and to provide the R Adams Cowley Shock Trauma Center with additional funds to ensure that the grant award from the MEMSOF in fiscal 2024 equals \$8,700,000 in fiscal 2024 and equals \$3,700,000 in fiscal 2025. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund;

\$9,500,000 in general funds is added to the appropriation for program Y01A02.01 Dedicated Purpose Account within the State Reserve Fund to provide assistance to trauma facilities in the State, including the R Adams Cowley Shock Trauma Center, experiencing financial challenges;

S00A
Department of Housing and Community Development

Budget Amendments

S00A24.02 Neighborhood Revitalization – Capital Appropriation

Reduce funding for the Baltimore Regional Neighborhood Initiative -\$4,850,000 GF and National Capital Strategic Economic Development Fund programs. A separate action would add funding for specific projects within these programs.

Add the following language:

(X) \$2,850,000 for the Baltimore Regional Neighborhood Initiative (S00A24.02) in the Department of Housing and Community Development for the purpose of providing grants as follows:

(i) \$400,000 to the Board of Directors of the Central Baltimore Partnership, Inc. for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of the McCormick Building at 414-418 W. Franklin Street project;

(ii) \$2,000,000 to the Chicago TREND Corporation for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of infrastructure improvements for the Edmondson Village Shopping Center project;

(iii) \$250,000 to the Officers of Eager Park Partners, LLC for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of Eager Landing; and

(iv) \$200,000 to the Board of Directors of the Historic East Baltimore Community Action Coalition, Inc. (HEBCAC) for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of the HEBCAC property

(XX) \$2,000,000 for the National Capital Strategic Economic Development Fund (S00A24.02) in the Department of Housing and Community Development for the purpose of providing a grant to the County Executive and County Council of Montgomery County for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of the Burtonsville Crossing Shopping Center

Explanation: *This language adds funding in the Baltimore Regional Neighborhood Initiative and National Capital Strategic Economic Development Fund programs for specified projects.*