

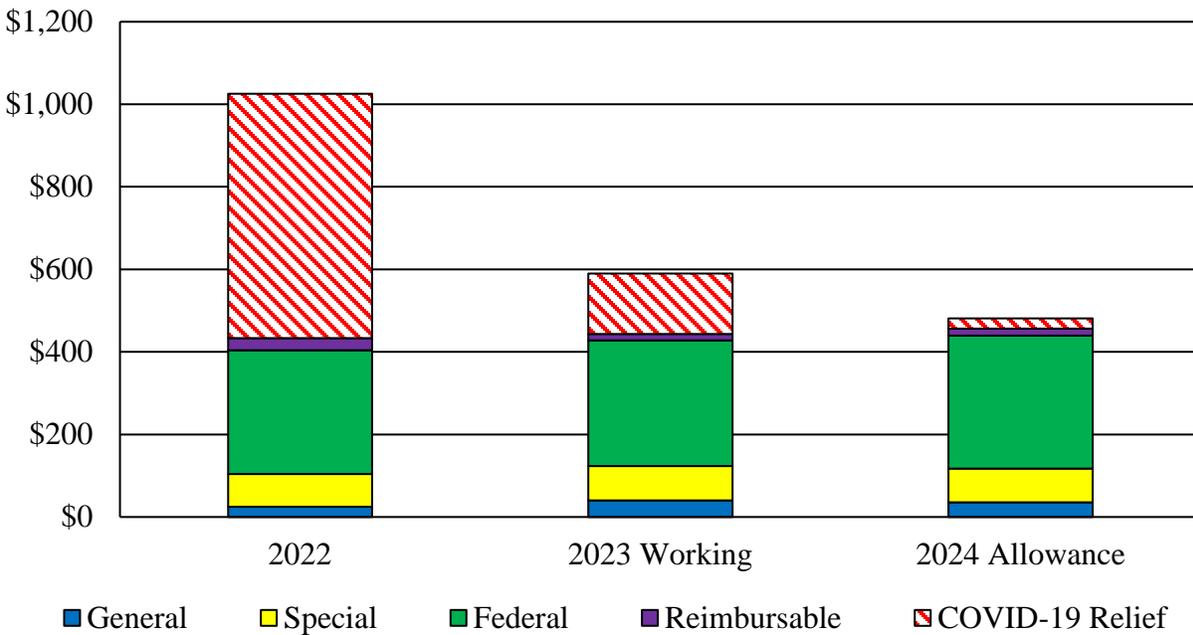
S00A
Department of Housing and Community Development

Executive Summary

The mission of the Department of Housing and Community Development (DHCD) is to work with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work, and prosper. The department’s programs are administered through three operating divisions: the Division of Development Finance, which includes the Community Development Administration (CDA); the Division of Neighborhood Revitalization; and the Division of Credit Assurance, which includes the Maryland Housing Fund’s mortgage insurance activities. CDA issues nonbudgeted tax-exempt and taxable bonds and mortgage-backed securities that are a major source of DHCD revenues.

Operating Budget Summary

**Fiscal 2024 Budget Decreases \$109.2 Million, or 18.5%, to \$480.8 Million
(\$ in Millions)**



Note: COVID-19 relief funding includes federal funds from the Coronavirus Aid, Relief, and Economic Security Act; the Coronavirus Response and Relief Supplemental Appropriations Act; and the American Rescue Plan Act. The fiscal 2023 working appropriation includes deficiency appropriations, including the department’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

For further information contact: Emily R. Haskel

Emily.Haskel@mlis.state.md.us

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- Excluding COVID-19 relief funding, the fiscal 2024 allowance increases by \$12.8 million, or 2.9%, compared to fiscal 2023 after accounting for deficiencies, including a \$10 million increase in federal funds for rental subsidies under the department’s contract with the U.S. Department of Housing and Urban Development (HUD).
- General funds decrease by \$4.5 million, or 11.2%, primarily due to one-time funding in fiscal 2023 to provide matching funds for Prince George’s County affordable housing programs (a decrease of \$20.0 million), partially offset by an increase of \$5.2 million to implement the Climate Solutions Now Act of 2022 (Chapter 38) as well as an increase of \$10 million for the Community Safety Works program, which was funded with federal COVID-19 relief funding in fiscal 2023.

Key Observations

- ***Federal Assistance for Renters Winds Down, as Homeowner Assistance Ramps Up:*** The Emergency Rental Assistance Program (ERAP) provided more than \$750 million to assist Maryland renters who fell behind on rent during the COVID-19 pandemic. DHCD and Maryland jurisdictions expect to exhaust all ERAP funds within the next few months. DHCD is also administering nearly \$250 million for the Homeowner Assistance Fund (HAF) to keep homeowners in their homes, with \$57.8 million in assistance provided in the first year of the program as of January 2023, and expenditures expected to continue through September 2026.
- ***Broadband Operating Programs Launched in Fiscal 2022:*** DHCD used federal funding from the American Rescue Plan Act (ARPA) to fund new broadband initiatives beginning in fiscal 2022, including a subsidy for household broadband costs, a program to provide computing devices to low-income households, and grant programs to promote digital inclusion and expand broadband access and adoption. Broadband funding to date across DHCD’s operating and capital budgets totals approximately \$435 million, with additional federal funding in excess of \$124 million anticipated from the Infrastructure Investment and Jobs Act (IIJA).
- ***State and Federal Legislation Increase Funding for Energy Programs:*** The fiscal 2024 allowance includes \$5.2 million in general funds to implement Chapter 38. The IIJA also provides a total of \$45.7 million in supplemental federal funds to Maryland for weatherization assistance, which DHCD anticipates spending from fiscal 2023 to 2027. The fiscal 2024 budget includes \$2.0 million for the program as a fiscal 2023 deficiency as well as \$6.0 million in fiscal 2024. Overall, funding for DHCD’s energy programs increases by \$8.1 million, or 18.4%, compared to fiscal 2023 after accounting for deficiencies, to a total of \$52.2 million in the fiscal 2024 allowance.

Operating Budget Recommended Actions

1. Adopt narrative requesting that broadband initiatives be budgeted in a separate program.

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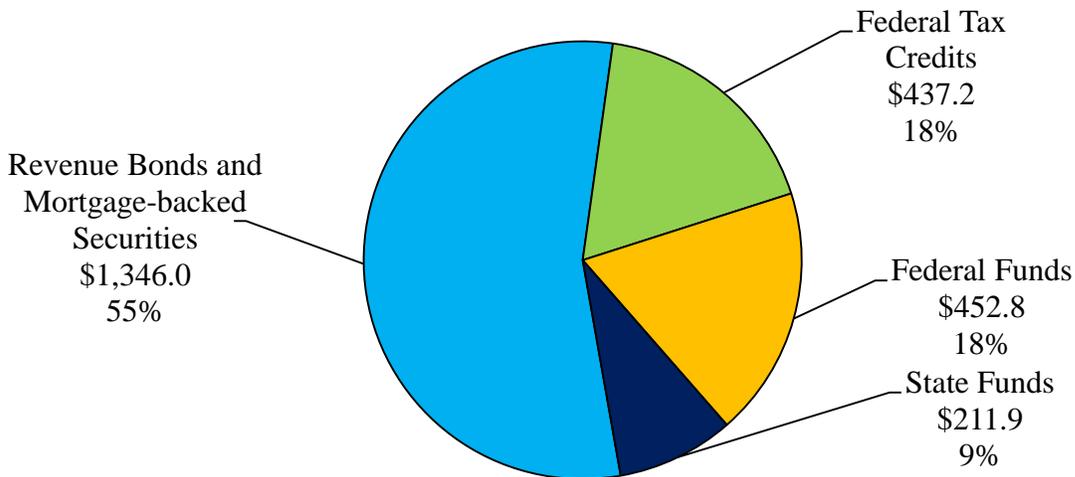
Operating Budget Analysis

Program Description

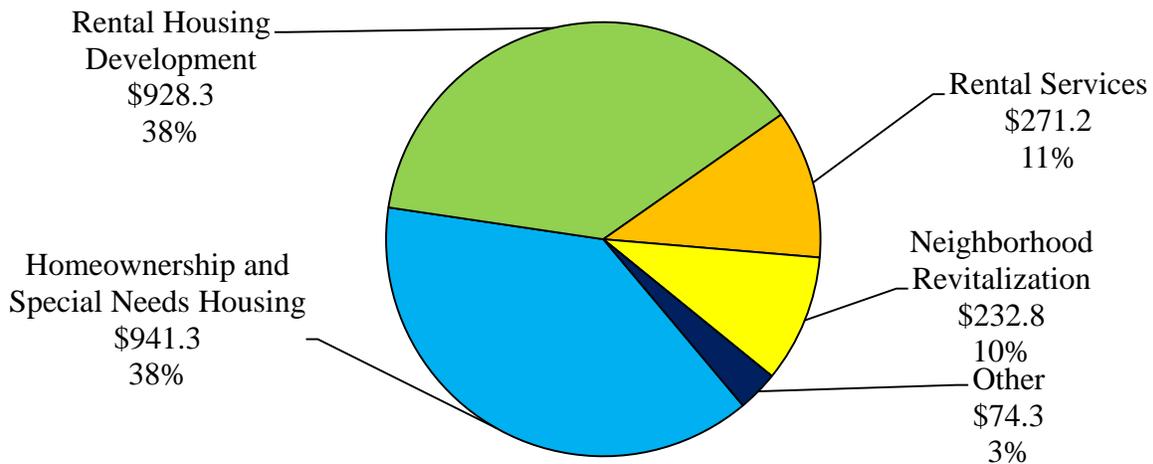
DHCD uses both budgeted and nonbudgeted funds to address Maryland’s housing needs. **Exhibit 1** shows the sources and uses of DHCD’s funding in fiscal 2022. More than 70% of DHCD’s funding in fiscal 2022 came from nonbudgeted revenue bonds, securities, or tax credits. DHCD’s budgeted federal funds account for 18% of the department’s total funding, while State funds make up only 9%. DHCD’s funding from all sources totaled nearly \$2.5 billion in fiscal 2022, increasing 6.9% from fiscal 2021 due to increased tax credits offset by a decrease in federal funds for COVID-19 relief. Homeownership programs and rental housing development account for more than three quarters of DHCD’s fiscal 2022 expenditures, with rental housing’s share increasing from prior years due to large increases in federal tax credits and multifamily revenue bond issuances.

Exhibit 1
Sources and Uses of DHCD’s Operating and Capital Budgets
Budgeted and Nonbudgeted Funds
Fiscal 2022
(\$ in Millions)

Sources of Funding



Uses of Funding



Total: \$2,447.9 Million

DHCD: Department of Housing and Community Development

Note: Other includes Housing Energy Efficiency, Local Government Finance, and Business Lending.

Source: Department of Housing and Community Development

Fiscal 2023

Proposed Deficiencies

The fiscal 2024 allowance includes several proposed deficiency appropriations for DHCD programs in fiscal 2023, as follows:

- \$2.0 million in federal funds for the Weatherization Assistance Program (WAP), available from the IJJA. The fiscal 2024 allowance includes an additional \$6.0 million for weatherization from the IJJA. This funding is discussed in more detail in the Proposed Budget Change section of this analysis.
- \$923,915 in federal funds for COVID-19 relief programs, including \$500,000 for the Community Development Block Grant program, \$224,000 for the Community Services Block Grant program, \$102,962 for the Housing Stability Counseling program, and \$96,953 for the Mainstream housing voucher program.
- \$194,480 in general funds for housing accommodations to wrongfully convicted individuals, as required by Chapter 77 of 2021 (the Walter Lomax Act). With this deficiency, the fiscal 2023 funding for this purpose totals \$527,000, an increase from \$333,000 in fiscal 2022. The fiscal 2024 allowance includes \$530,000. DHCD estimates the amount required based on the pipeline of cases and the amount required to cover five years of housing costs per case.
- \$101,000 in special funds from the department’s General Bond Reserve Fund for Technical Assistance Grants. Through this grant program, DHCD supports technical assistance and operating costs of local governments and nonprofits for community development projects. Including the deficiency with the existing fiscal 2023 appropriation, in addition to other special funds that DHCD has available and plans to realign, will result in level funding the program at \$1.25 million annually from fiscal 2022 through the fiscal 2024 allowance.
- Various special and federal fund deficiencies throughout the department have a net zero impact on the funding level but serve to realign funding to implement contractual conversions for 20 positions. All of the converted positions have been filled for at least two years and fulfill functions such as the development of program policies and procedures as well as federal compliance and financial reporting.

One-time and Limited-time Funding Provided in Fiscal 2023

Project Restore

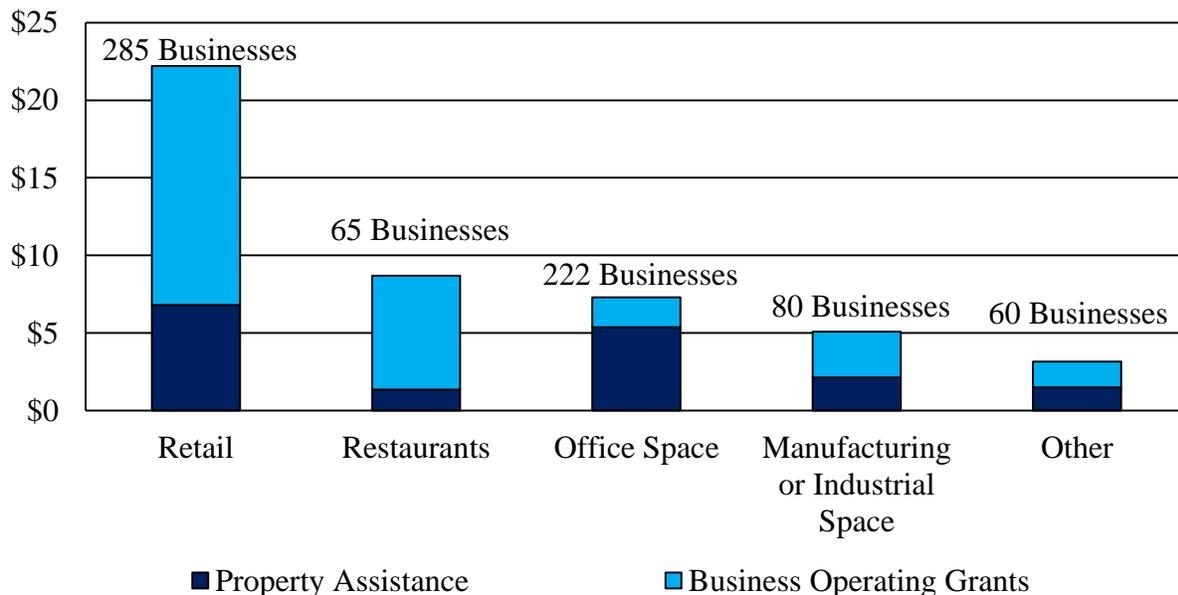
The Project Restore program was initiated in fiscal 2022 using \$25.0 million in federal funds available from the ARPA State Fiscal Recovery Funds to support businesses opening

or expanding in vacant space, and the fiscal 2023 working appropriation also includes \$25.0 million in ARPA federal funds for the program. The fiscal 2024 allowance does not continue funding for Project Restore.

Project Restore offered two types of grants: a property assistance grant of up to \$30,000 (\$2,500 per month for one year) to support a business’ rent, mortgage, or property taxes; and a business operations grant of up to \$250,000 to support one year of staffing, capital improvements, inventory, and other operating costs. Businesses in Tier 1 areas of the State were eligible for a second year of business operations grants. Tier 1 areas for the Project Restore program included the 10 jurisdictions designated based on economic conditions as defined in § 1-101 of the Economic Development Article, in addition to the 3 additional jurisdictions designated as Tier 1 by the Secretary of Commerce under the More Jobs for Marylanders program, as well as all opportunity zones and Main Street Maryland communities throughout the State. Recipients of the property assistance grant were required to have 50 or fewer employees, and business operations grant recipients were required to be businesses that generate sales and use tax.

Exhibit 2 shows the distribution of Project Restore funding, cumulatively, by industry and purpose, with nearly half of the funding awarded to recipients in the retail industry. More than 80% of funding was awarded to projects in Tier 1 areas.

Exhibit 2
Project Restore Awards
Fiscal 2022-2023
(\$ in Millions)



Source: Department of Housing and Community Development

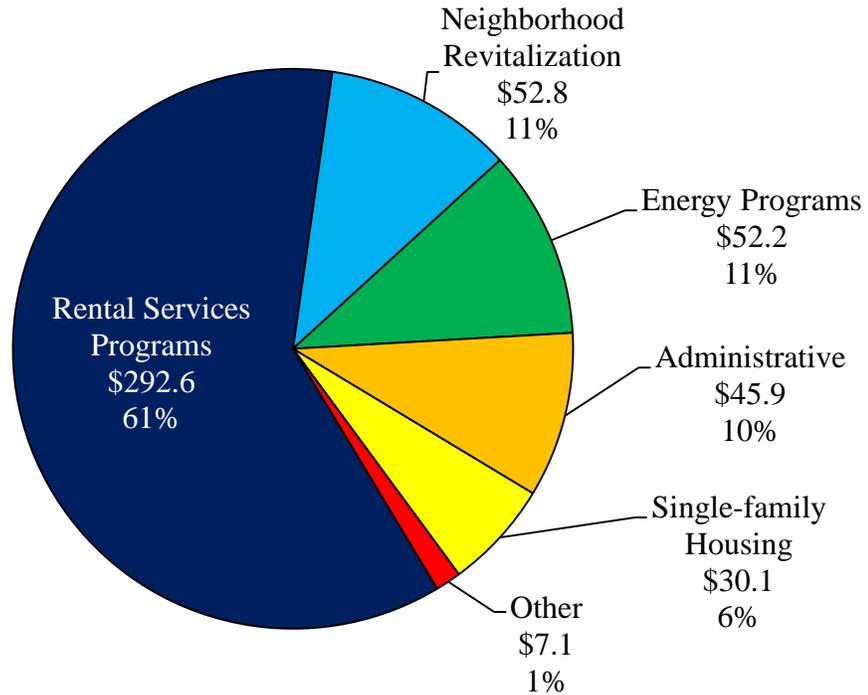
Water Utility Assistance Program

DHCD’s fiscal 2023 working appropriation includes \$20.0 million in federal funds available from the ARPA State Fiscal Recovery Funds for a Water Utility Assistance Program to provide grants to utilities to pay down outstanding arrearages for households impacted by the COVID-19 pandemic. This program is separate from the Low Income Household Water Assistance Program administered by the Office of Home Energy Programs in the Department of Human Services (DHS). While the DHS program is open to households to apply directly, utilities will apply to the Water Utility Assistance Program for bulk relief of household arrearages. In both programs, funds are disbursed directly to the utility company. DHCD initially advised that DHCD and DHS plan to have a process to check for potential duplication between the programs, and the application will also require self-attestation that the arrearages are not covered by a separate program. Although the funding is budgeted in DHCD, the Department of Budget and Management (DBM) advises that DBM, rather than DHCD, is processing applications for the program through a consulting company. The reason the funding is budgeted in DHCD despite DBM managing the program and DHS overseeing other water assistance funding is unclear. The \$20.0 million provided in fiscal 2023 is expected to be one-time, and accordingly, no funding is included in the fiscal 2024 allowance. **DHCD should comment on whether the planned process for checking for duplication between programs is occurring or if a new process has been developed.**

Fiscal 2024 Overview of Agency Spending

As shown in **Exhibit 3**, the fiscal 2024 allowance is dominated by the Rental Services Program, which accounts for 61% of the \$480.8 million allowance. The primary purpose of the program is to administer project-based rental assistance and monitor low-income housing across the State for compliance with Section 8 requirements under a contract with HUD. This contract includes \$260 million in rental subsidies in fiscal 2024. Aside from rental services, DHCD’s largest programs are Neighborhood Revitalization (11% of the allowance), which includes the State’s homelessness programs, and Energy Programs (11% of the allowance).

Exhibit 3
Overview of Agency Spending
Fiscal 2024 Allowance
(\$ in Millions)



Note: The fiscal 2024 allowance does not include salary enhancements that are budgeted in the Statewide Account within the Department of Budget and Management.

Source: Governor’s Fiscal 2024 Budget Books

Proposed Budget Change

As shown in **Exhibit 4**, the fiscal 2024 allowance decreases by \$109.2 million compared to the fiscal 2023 working appropriation after accounting for deficiencies. This is primarily due to COVID-19 relief funding budgeted in fiscal 2023 that does not continue in the fiscal 2024 allowance, including nearly \$50 million for ERAP. One-time funding provided in fiscal 2023 for initiatives such as matching funds for Prince George’s County affordable housing programs also contributes to the decrease. These decreases are partially offset by increases in rental services and energy programs.

Exhibit 4
Proposed Budget
Department of Housing and Community Development
(\$ in Thousands)

| How Much It Grows: | <u>General Fund</u> | <u>Special Fund</u> | <u>Federal Fund</u> | <u>Reimb. Fund</u> | <u>Total</u> |
|-----------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|---------------------|
| Fiscal 2022 Actual | \$24,537 | \$79,404 | \$892,193 | \$29,047 | \$1,025,182 |
| Fiscal 2023 Working Appropriation | 40,047 | 83,619 | 451,025 | 15,323 | 590,014 |
| Fiscal 2024 Allowance | <u>35,553</u> | <u>82,054</u> | <u>347,005</u> | <u>16,222</u> | <u>480,834</u> |
| Fiscal 2023-2024 Amount Change | -\$4,493 | -\$1,565 | -\$104,021 | \$899 | -\$109,180 |
| Fiscal 2023-2024 Percent Change | -11.2% | -1.9% | -23.1% | 5.9% | -18.5% |

Where It Goes:

Personnel Expenses

| | <u>Change</u> |
|---|----------------------|
| Employee and retiree health insurance | \$1,084 |
| Salaries and wages, excluding new positions | 866 |
| Annualization of November 2022 4.5% cost-of-living adjustment..... | 528 |
| Employee retirement..... | 305 |
| Salaries and benefits for 2 new positions to implement the Climate Solutions Now Act... | 154 |
| Social Security contributions | 139 |
| Other fringe benefit adjustments | 13 |
| Turnover adjustments | -65 |
| Federal funding for administration of COVID-19 relief programs | -6,027 |

COVID-19 Relief

| | |
|--|---------|
| HOME Investment Partnerships Program (HOME-ARP)..... | 900 |
| Other COVID-19 relief programs..... | -780 |
| Emergency Housing Vouchers | -1,205 |
| Homeowner Assistance Fund | -12,979 |
| Water Utility Assistance Program: one-time funding in fiscal 2023..... | -20,000 |
| Project Restore grants | -24,841 |
| Emergency Rental Assistance Program..... | -48,575 |

Energy Programs

| | |
|--|--------|
| Climate Solutions Now Act grants – mandated funding (Chapter 38 of 2022). Fiscal 2023 funding of \$3.75 million provided in DHCD’s capital budget | 5,000 |
| Infrastructure Investment and Jobs Act: Weatherization Assistance Program..... | 4,000 |
| Reimbursable funds for the Maryland Energy Assistance Program..... | 770 |
| EmPOWER Program grants | -2,000 |

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| Where It Goes: | <u>Change</u> |
|---|----------------------|
| Rental Services Programs | |
| Rental subsidies under Section 8 administration contract (4% increase) | \$10,000 |
| Section 811 Project Rental Assistance Demonstration Program | 1,000 |
| Administrative fees associated with Housing Choice Voucher program | 200 |
| Section 8 Moderate Rehabilitation Program..... | 100 |
| Other Changes | |
| Contractual personnel costs, including 17 new full-time-equivalent positions | 2,250 |
| Other changes | 481 |
| Operating Assistance Grants are level funded, although fiscal 2023 does not reflect planned special fund realignment | 379 |
| Office equipment in the Office of Management Services | 371 |
| Feminine hygiene products for Community Action Agencies (Chapter 725 of 2022) | 300 |
| Contract costs for the Office of Information Technology | 163 |
| Software for the Division of Neighborhood Revitalization..... | 122 |
| Reimbursable funds for Healthy Homes for Healthy Kids lead removal program | 108 |
| Federal funding for Emergency Solutions Grants | 100 |
| Equipment costs for the Office of Information Technology | 100 |
| Circuit Rider program received enhanced funding in fiscal 2023 | -100 |
| One-time supplemental funding in fiscal 2023 for operating grants for the Baltimore Regional Neighborhood Initiative and National Capital Strategic Economic Development Program..... | -2,040 |
| One-time funding in fiscal 2023 to provide matching funds for Prince George’s County affordable housing programs | -20,000 |
| Total | -\$109,180 |

DHCD: Department of Housing and Community Development

Note: Numbers may not sum to total due to rounding.

Energy Programs

Overall, funding for DHCD’s energy assistance programs increases by \$8.1 million, or 18.4%, after accounting for deficiencies, to a total of \$52.2 million in the fiscal 2024 allowance. The increase is driven by an increase in general funds to implement Chapter 38 (\$5.2 million) and an increase in federal funds from the IJA for weatherization assistance (\$4.0 million). Special funds for grants under the EmPOWER Maryland program, which is funded through an assessment on utility ratepayers and helps low-income households undertake energy conservation projects in their homes at no charge, decrease from \$4.0 million to \$2.0 million because the fiscal 2024 allowance currently only includes half a year of funding, pending renewal of the

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EmPOWER program beyond calendar 2023. DHCD expects the appropriation to be increased once the extension of program funding is approved.

Climate Solutions Now Act

Chapter 38 requires DHCD to develop and implement a grant program to reduce greenhouse gas emissions in affordable housing projects and mandates funding of \$5.0 million annually from fiscal 2024 to 2026. This mandate is met in fiscal 2024 with \$5.0 million in DHCD's operating budget. In addition, the General Assembly provided \$3.75 million in funding for the program in fiscal 2023 through DHCD's capital budget by restricting funding in the Revenue Stabilization Account or Rainy Day Fund, which Governor Wes Moore released in January 2023. DHCD is in the process of developing the program and anticipates opening applications by July 2023. DHCD notes that the program will complement the department's existing energy assistance programs by providing funding for additional project types such as fuel switching and renewable energy generation that would not be funded under current programs. The fiscal 2024 allowance also includes 2 new regular positions for a program manager and project manager to implement the grant program.

IJA – Weatherization Assistance

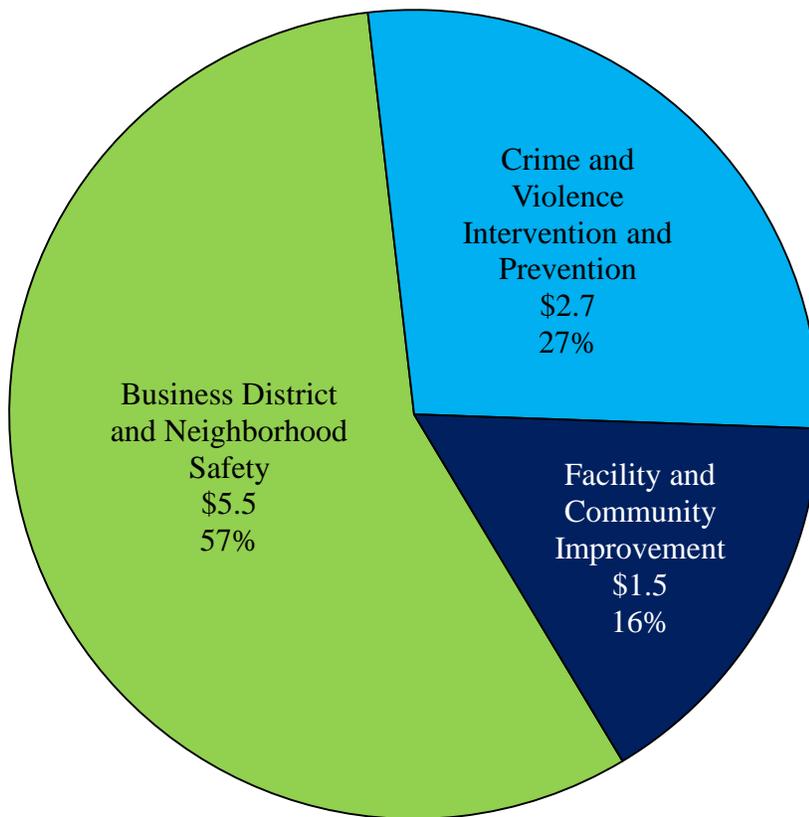
DHCD is expected to receive a total award of \$45.7 million in federal funds from the IJA for WAP, which is available until expended though encouraged to be used within five years. WAP provides energy efficiency improvements to low-income households. DHCD plans to spend these funds across fiscal 2023 to 2027, using \$30 million to service more than 4,300 housing units, with the remaining \$15.7 million used for administrative costs, including vehicles and equipment, as well as providing training and technical assistance. The fiscal 2024 budget includes \$2.0 million for the program as a fiscal 2023 deficiency as well as \$6.0 million in fiscal 2024. This funding is in addition to regular federal funds for WAP grants, which total \$4.0 million in each of fiscal 2023 and 2024.

Community Safety Works

The Community Safety Works program was initially created as part of Governor Lawrence J. Hogan Jr.'s ReFund the Police Initiative, with \$10.0 million in general funds provided in fiscal 2022. The program was funded using \$10.3 million in federal ARPA State Fiscal Recovery Funds in fiscal 2023, and the fiscal 2024 allowance includes \$10.0 million in general funds to continue the program. Community Safety Works provides grants for business district or facility improvements to Main Street communities or other community development nonprofits. Grants can be used for surveillance tools such as lighting and cameras; pedestrian and vehicle traffic management tools such as landscaping, fencing, or expanding restaurant space to sidewalks and roadways; and other improvements that renovate and improve public spaces to remove signals of blight. DHCD expanded the eligible uses in fiscal 2023 to include grants for crime and violence intervention and prevention, including social services and direct outreach. **Exhibit 5** shows the fiscal 2023 Community Safety Works awards by category.

Award recipients spanned 18 jurisdictions, although more than 70% of funding was awarded to recipients in Baltimore City.

Exhibit 5
Community Safety Works Awards
Fiscal 2023
(\$ in Millions)



Source: Department of Housing and Community Development

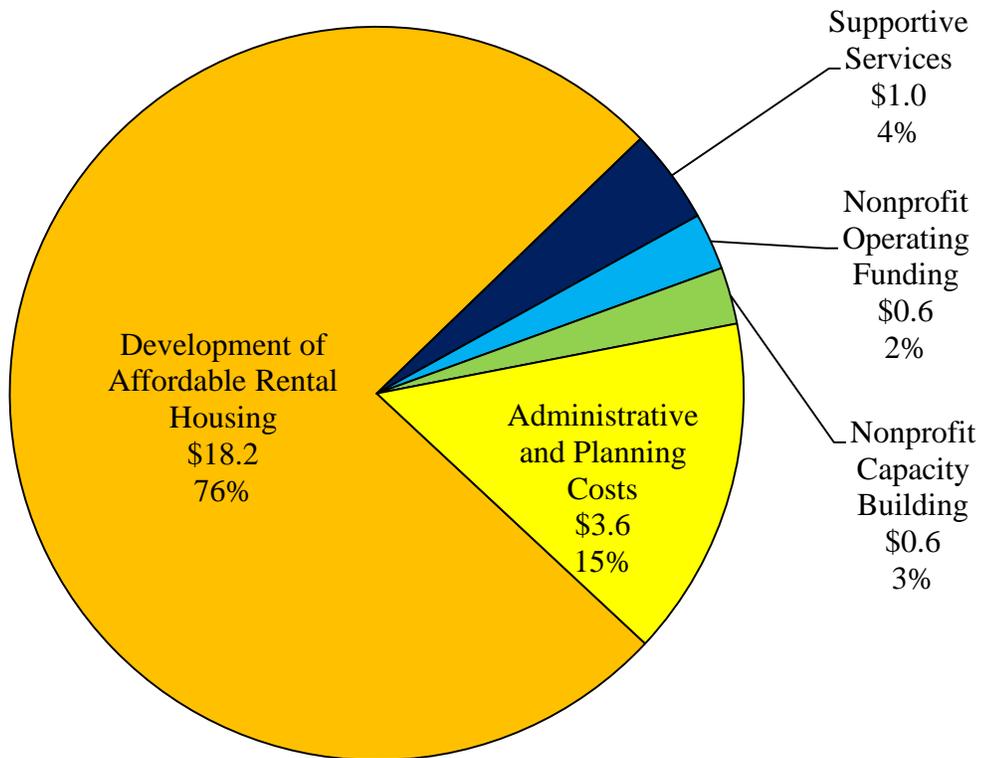
COVID-19 Relief Funding

Federal funds for COVID-19 relief decrease by \$107.5 million in the fiscal 2024 allowance, including \$44.8 million in ARPA State Fiscal Recovery Funds for Project Restore grants and water utility assistance (discussed in the Fiscal 2023 section of this analysis), \$13.0 million for the HAF

(discussed in Issue 1 of this analysis), and \$48.6 million for ERAP (discussed in Issue 2 of this analysis).

DHCD’s overall award from the ARPA for the HOME Investment Partnerships Program (known as HOME-ARP) totals \$24.0 million, which DHCD anticipates spending over the course of fiscal 2023 to 2030. Funding for HOME-ARP in the fiscal 2024 allowance totals \$1.4 million, an increase of \$900,000 from fiscal 2023. From fiscal 2022 through the fiscal 2024 allowance, only \$1.9 million has been appropriated to date, with \$22.1 million remaining for future fiscal years. DHCD plans to allocate the bulk of the funding to the creation of affordable rental housing, as shown in **Exhibit 6**.

Exhibit 6
HOME-ARP Allocation Plan
Fiscal 2023-2030
(\$ in Millions)



HOME-ARP: HOME Investment Partnerships Program – American Rescue Plan

Source: Department of Housing and Community Development

Personnel Data

| | <u>FY 22 Actual</u> | <u>FY 23 Working</u> | <u>FY 24 Allowance</u> | <u>FY 23-24 Change</u> |
|------------------------|--------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Regular Positions | 333.00 | 353.00 | 355.00 | 2.00 |
| Contractual FTEs | <u>105.62</u> | <u>95.00</u> | <u>112.00</u> | <u>17.00</u> |
| Total Personnel | 438.62 | 448.00 | 467.00 | 19.00 |

Vacancy Data: Regular Positions

| | | |
|---|-------|--------|
| Turnover and Necessary Vacancies, Excluding New Positions | 16.72 | 5.02% |
| Positions and Percentage Vacant as of 12/31/22 | 37.10 | 11.14% |
| Vacancies Above Turnover | 20.38 | |

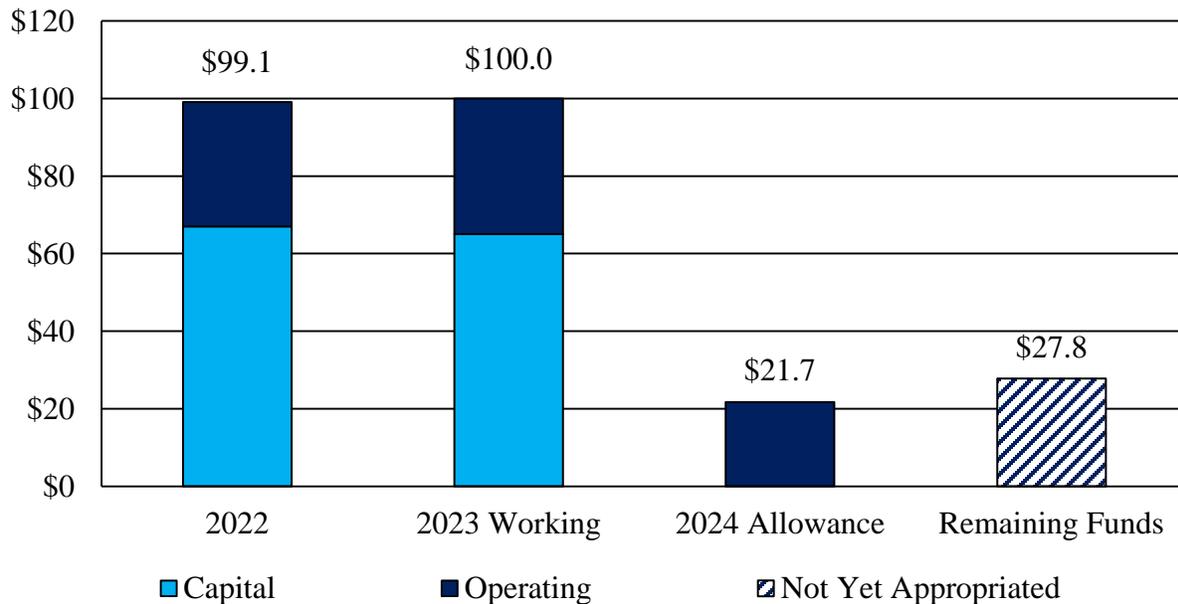
- The above personnel data reflect the conversion of 30 contractual full-time equivalent (FTE) positions to 20 regular positions included as a proposed deficiency appropriation for fiscal 2023. After accounting for these contractual conversions, contractual FTEs increase by 17 in the fiscal 2024 allowance, primarily to provide ongoing administrative support for COVID-19 relief programs.
- Regular positions increase by 2 positions to implement the Climate Solutions Now grant program, discussed further in the Proposed Budget Change section of this analysis.
- From the end of calendar 2021 to the end of calendar 2022, the department’s vacancy rate increased from 6% to 11%. The largest increases in vacancies are in the Office of the Secretary and the Division of Finance and Administration. Of the 37 positions vacant as of January 2023, nearly three quarters have been vacant for less than 6 months, and 15 have been vacant for less than 3 months.

Issues

1. HAF Assists Over 4,200 Households in First Year

The ARPA created the HAF to provide relief to homeowners at risk of displacement through foreclosure or loss of utilities or home energy services. The U.S. Treasury allocated funding based on states’ share of unemployed individuals and the number of borrowers with mortgages in foreclosure or more than 30 days delinquent. Maryland received \$248.6 million for the program, all administered by DHCD. DHCD has until September 2026 to spend these funds. **Exhibit 7** shows the funds appropriated for the HAF program by fiscal year across both the operating and capital budgets, including \$21.7 million in operating budget funding in the fiscal 2024 allowance. Applications for the program opened in January 2022, and DHCD has paid or approved \$79.5 million as of January 2023, including \$57.8 million in household assistance. Although budgeted funding decreases significantly in fiscal 2024, DHCD will continue to use the prior years’ capital appropriations to disburse funds under the program, with anticipated expenditures of approximately \$70 million in fiscal 2023 and \$60 million in each of fiscal 2024 and 2025.

Exhibit 7
Homeowner Assistance Fund Appropriations
Fiscal 2022-2024
(\$ in Millions)

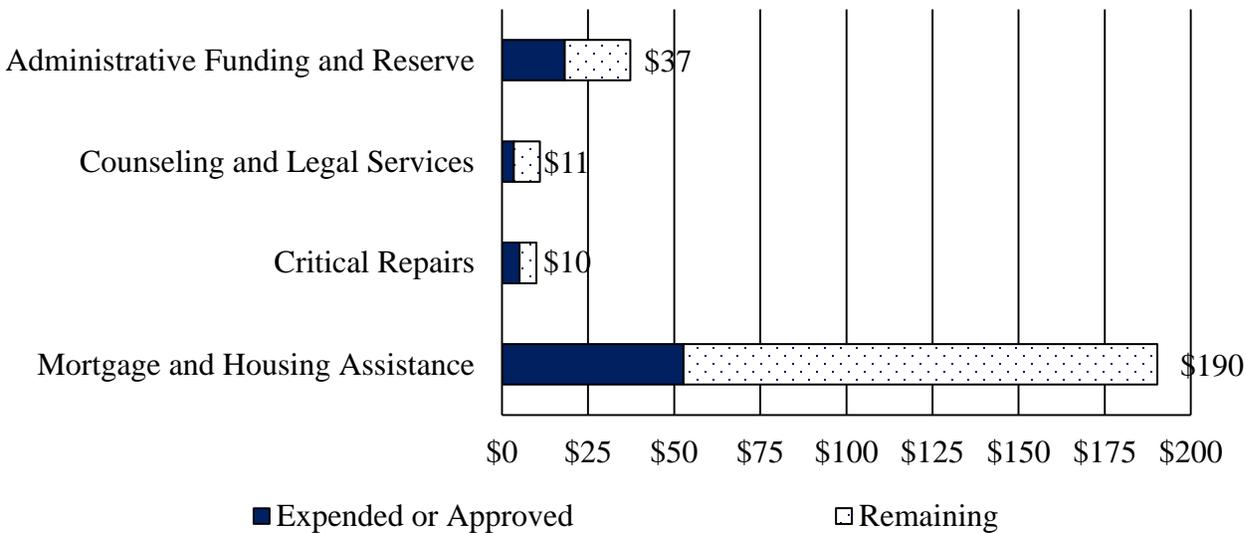


Source: Governor’s Fiscal 2024 Budget Books

Exhibit 8 shows a breakdown of how DHCD has allocated its HAF funding, as well as how much has been expended or approved to be paid in each category. The bulk of the funding is for grants and loans to prevent foreclosure, totaling \$190 million, or 77% of DHCD’s HAF award.

- Grants of up to \$10,000 target homeowners at imminent risk of displacement, with eligibility limited to households not exceeding 100% of the area median income (AMI).
- No-interest loans of up to \$30,000 are available to homeowners with income up to 150% of AMI with the goal of reducing a homeowner’s monthly mortgage payments going forward to less than 40% of the household’s income. Repayment of the loan will be due at the end of the mortgage, although DHCD may allow full or partial forgiveness.

Exhibit 8
Homeowner Assistance Fund Allocations and Expenditures
As of January 2023
(\$ in Millions)



Note: Administrative Funding and Reserve includes \$14.8 million for an information technology contract including a call center and application processing system, as well as \$10.0 million in reserve for case management or other needs.

Source: Department of Housing and Community Development

Applicants for both the grant and loan programs must self-attest to having experienced financial hardship due to COVID-19. The \$52.7 million in expended mortgage and housing assistance shown in Exhibit 8 has been provided to nearly 3,500 households and consists of \$44 million in grants and \$9 million in loans. More than 65% of recipients are Black, and the average household income of recipients is \$48,000, compared to the State median income of approximately \$120,000.

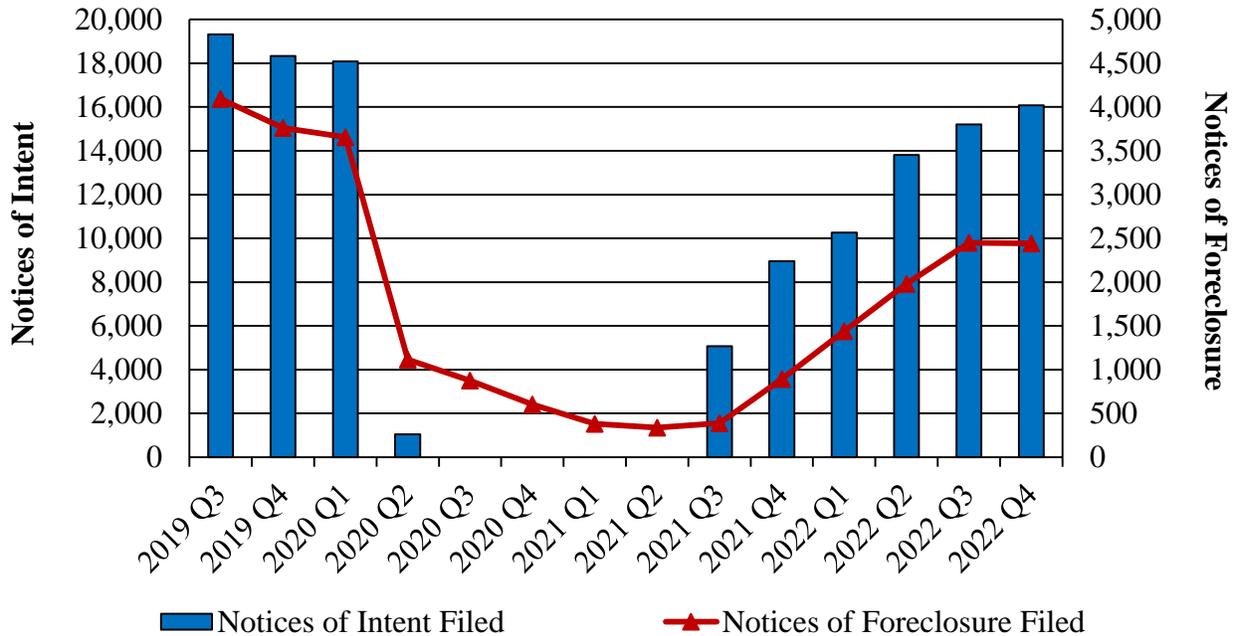
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DHCD also set aside \$10 million of its HAF funding for a critical repairs grant program to address energy and health and safety issues that could lead to homeowner displacement. The program provides grants of up to \$10,000 to households with income up to 150% of AMI for emergency repairs, such as mold remediation, asbestos and lead paint removal, electrical or plumbing repairs, and lack of heat or air conditioning, that homeowners have been unable to address due to the financial impact of COVID-19. As of January 2023, DHCD has approved 852 applications under this program totaling \$5.1 million.

Foreclosures Increasing from Pandemic Lows

Federal and State actions during the pandemic provided mortgage forbearance and limited the processing of foreclosures. Federal actions offered forbearance of up to 18 months and placed a moratorium on foreclosures for homeowners with federally backed mortgages through June 2021. In Maryland, per executive order, the Office of the Commissioner of Financial Regulation (OCFR) did not accept Notices of Intent to Foreclose (NOI) from April 3, 2020, through June 30, 2021. **Exhibit 9** shows the number of NOIs and Notices of Foreclosure (NOF) filed in Maryland with OCFR. Both measures generally increased throughout calendar 2022, and NOIs are approaching prepandemic levels, while NOFs remain below. According to the Black Knight Mortgage Monitor, Maryland had the eighth highest rate in the nation of noncurrent mortgages as of October 2022, with 4.2% of loans delinquent or in foreclosure compared to the national average of 3.3%. Maryland's rate of noncurrent mortgages represents a decrease of nearly 19% compared to the prior year, in line with the national trend.

**Exhibit 9
Foreclosure Measures
October 2019 to December 2022**



Note: A Notice of Intent to Foreclose (NOI) is a written notice sent by a lender to a borrower to initiate the foreclosure process once the borrower is delinquent or otherwise in contractual default. Foreclosure can occur as early as 45 days after an NOI. A Notice of Foreclosure (NOF) is submitted to the Office of the Commissioner of Financial Regulation (OCFR) within 7 days of the initial court filing and starts the legal foreclosure process. Not all NOF filings result in actual foreclosures, as a case can be dismissed if, for example, the borrower reaches an agreement with the lender. Per executive order, OCFR did not accept NOIs from April 3, 2020, through June 30, 2021.

Source: Maryland Department of Labor

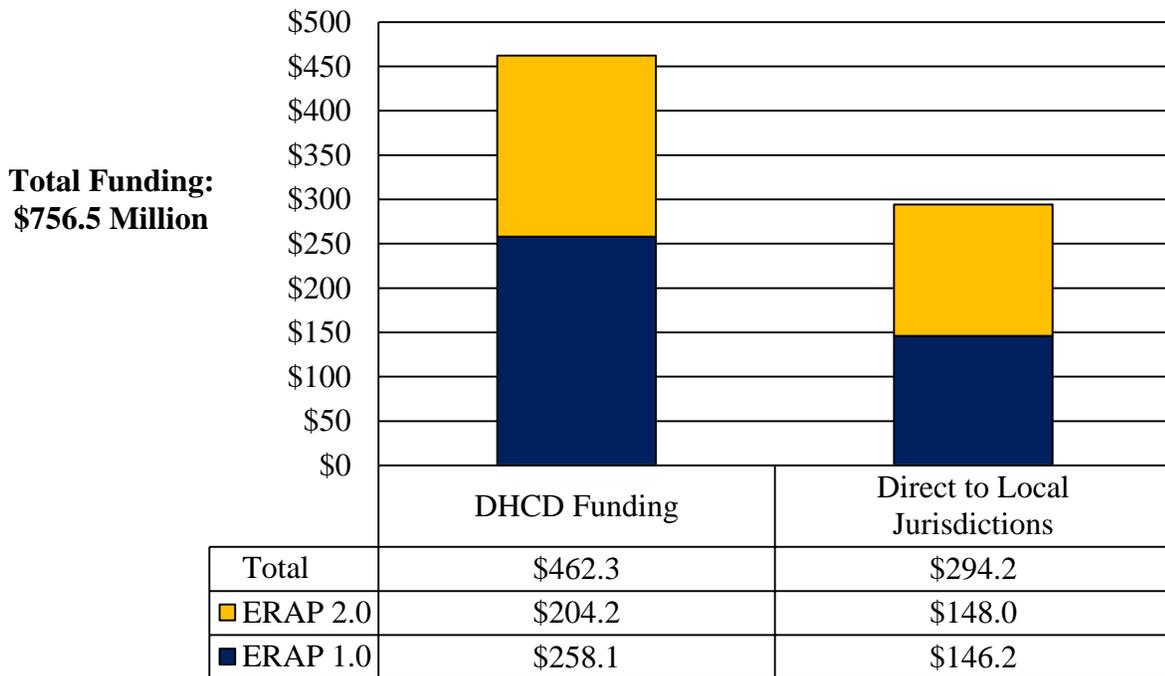
2. Emergency Rental Assistance Program Nears End of Funds

The COVID-19 pandemic exacerbated housing insecurity in the nation due to high levels and extended periods of unemployment, and many renters fell behind on rent payments. In response, the U.S. Congress created ERAP 1.0 in December 2020 through the Consolidated Appropriations Act and added a second round of funding (ERAP 2.0) through the ARPA in March 2021. ERAP funds can be used to provide rental or utility arrearage assistance of up to 12 months, as well as 3 months of prospective assistance, to renters who have experienced financial hardship due to COVID-19 and who have household incomes at or below 80% of AMI. ERAP 2.0 provides additional funding for, and extends the maximum duration of, such assistance; however, total assistance between both programs may not exceed 18 months.

Funding Overview

The U.S. Treasury allocated both rounds of funding based on population to DHCD as well as directly to the eight largest local jurisdictions in Maryland. For ERAP 2.0 only, the U.S. Treasury provided additional funding to high-need jurisdictions, including Baltimore City and Baltimore, Montgomery, and Prince George’s counties. In addition, the U.S. Treasury reallocated funding between jurisdictions based on program obligations and expenditures in several rounds of reallocation, which resulted in a net increase of \$2.7 million for Maryland jurisdictions from funds reallocated from other states. DHCD’s allocation remained unchanged, and some funding was shifted between Maryland’s direct allocation jurisdictions. As shown in **Exhibit 10**, Maryland’s ERAP funding totals \$756.5 million, including \$404.2 million from ERAP 1.0 and \$352.2 million from ERAP 2.0. DHCD and the local jurisdictions were required to obligate ERAP 1.0 funds by September 30, 2022, and expend them by the end of January 2023, and have until September 30, 2025, to expend ERAP 2.0 funds. The fiscal 2024 allowance includes \$280,000 for ERAP 2.0 administration; nearly all funding for both rounds was appropriated in prior fiscal years.

Exhibit 10
Emergency Rental Assistance Program Funding
 (\$ in Millions)



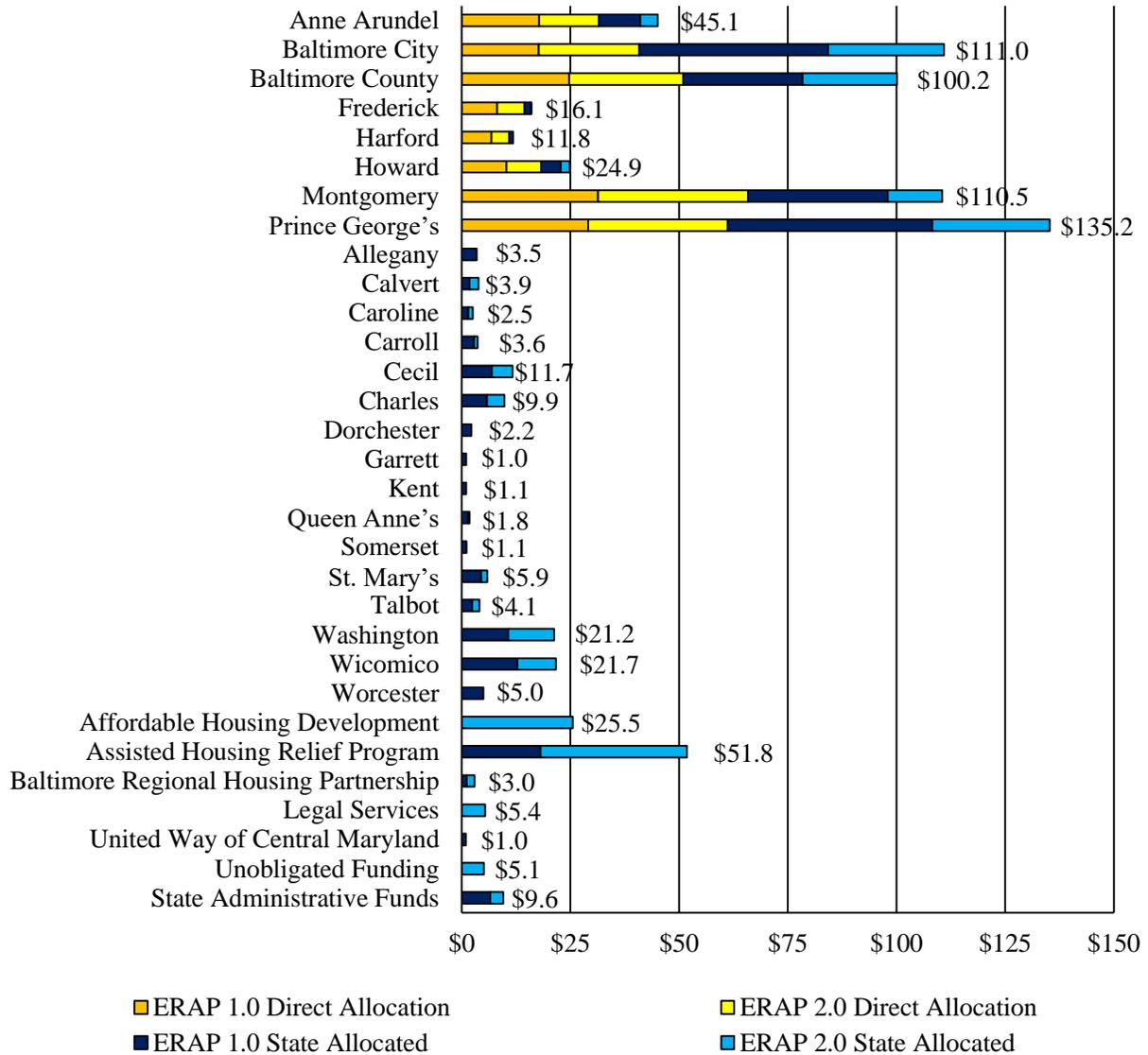
DHCD: Department of Housing and Community Development
 ERAP: Emergency Rental Assistance Program

Source: Department of Housing and Community Development

S00A – Department of Housing and Community Development

DHCD elected to distribute the majority of both rounds of State-allocated funds to local jurisdictions, using a formula based on the number of renters at risk of eviction and making adjustments to local allocations based on continued needs. **Exhibit 11** shows all ERAP funding by jurisdiction for both rounds, including State-allocated funds and funds received directly from the U.S. Treasury. DHCD also retained some funding to administer directly, including setting aside \$25.5 million for affordable housing development, as well as deploying \$51.8 million through the Assisted Housing Relief Program to provide bulk rental assistance to tenants in multifamily properties that had previously received DHCD financing. DHCD also provided \$5.4 million for legal services through a grant to the Maryland Legal Services Corporation (MLSC) to implement the Access to Counsel in Evictions Program (discussed further under the Evictions and Access to Counsel heading). As of January 2023, DHCD still has \$5.1 million in unobligated ERAP 2.0 funds to allocate as needed as the program winds down.

Exhibit 11
Emergency Rental Assistance Program Funding by Jurisdiction and Program
As of January 2023
(\$ in Millions)



ERAP: Emergency Rental Assistance Program

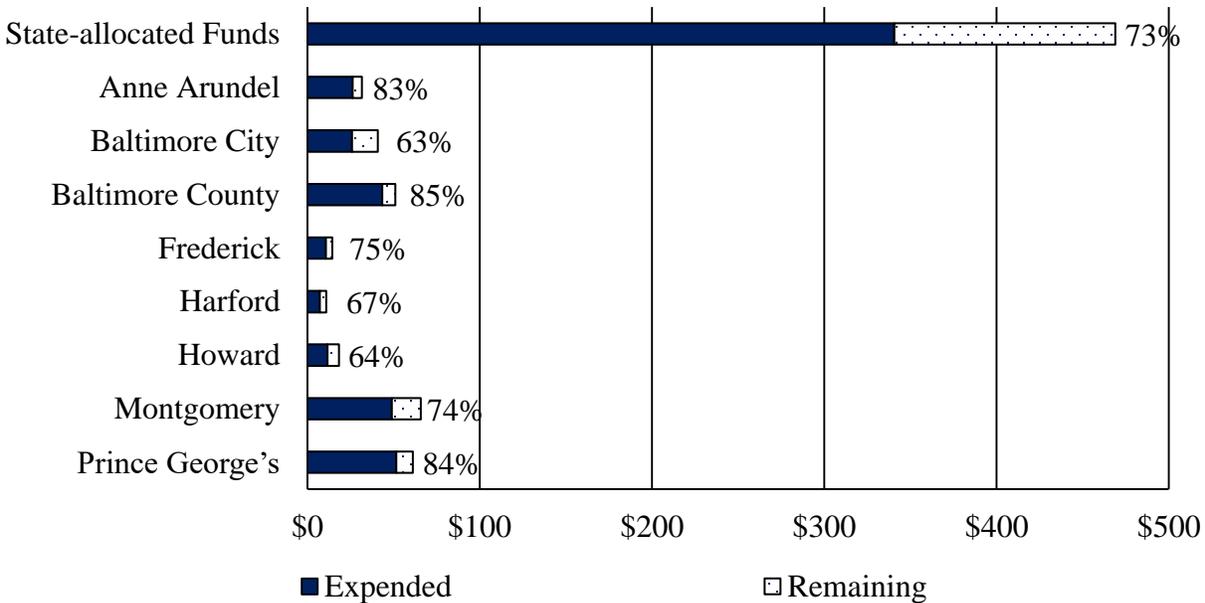
Note: The Baltimore Regional Housing Partnership serves Housing Choice Voucher tenants in Baltimore City and Anne Arundel, Baltimore, Carroll, Harford, and Howard counties. United Way of Central Maryland funding represents administrative capacity-building funding only, as funds provided by Baltimore City and Baltimore, Harford, and Howard counties to United Way for financial assistance to renters are included instead in those counties' allocations.

Source: Department of Housing and Community Development

ERAP Expenditures and Remaining Funds

ERAP has provided \$539.8 million in assistance to more than 101,000 households in Maryland as of November 30, 2022. Overall, as of November 2022, 75% of Maryland’s ERAP funding had been expended, and all ERAP funds are expected to be exhausted by March or April 2023 based on DHCD’s current projections of application pipelines. **Exhibit 12** shows ERAP expenditures for the State-directed funds and the direct allocation jurisdictions across both program rounds, as well as the remaining unspent funds as of November 2022. As of February 2023, only six local programs maintained fully open applications (Carroll, Charles, Frederick, Harford, Queen Anne’s, and Talbot counties), and three additional local programs were open on a limited basis only to households at risk of imminent eviction (Anne Arundel, Baltimore, and Prince George’s counties). All other local programs have already closed to new applications, although many are still processing existing applications. Some local jurisdictions are planning to use additional federal funds, such as Local Fiscal Recovery Funds available from the ARPA, to provide additional support following the exhaustion of ERAP funding. However, the scale of this funding is limited and is only expected to sustain local programs for a few months beyond the end of ERAP funding.

Exhibit 12
ERAP Expenditures by Grantee as of November 30, 2022
 (\$ in Millions)



Note: Data for the eight local jurisdictions only includes the direct allocation from the U.S. Treasury and does not include any State-allocated funds for those jurisdictions.

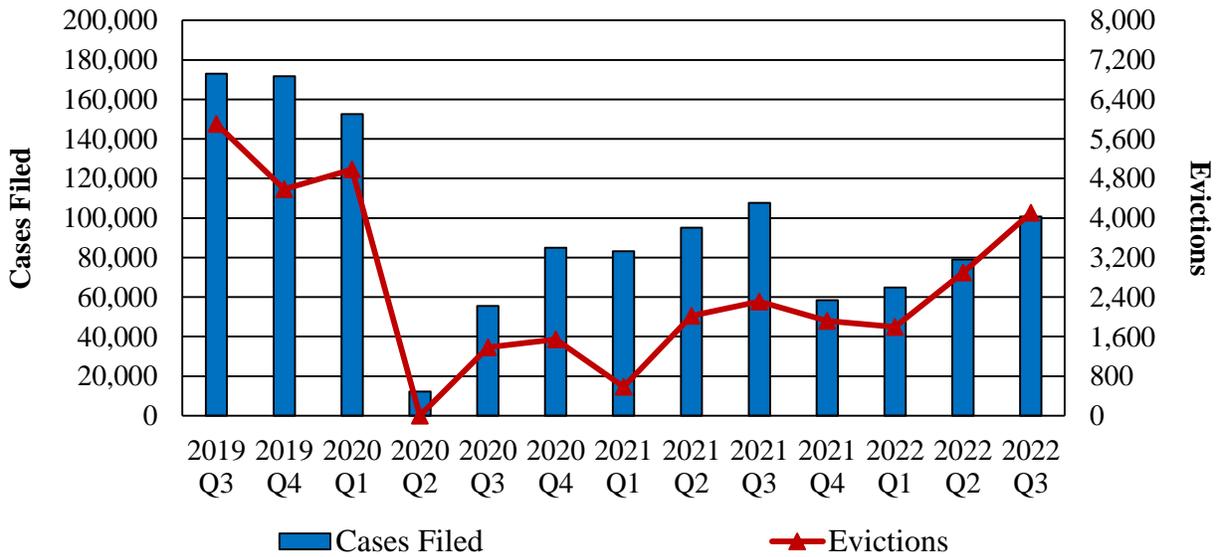
Source: Department of Housing and Community Development

Based on data from the U.S. Census Bureau’s Household Pulse Survey, the National Equity Atlas estimates that more than 100,000 Maryland households, or approximately 13% of renter households, remained behind on rent as of mid-December 2022, with total rental debt estimated at nearly \$375 million. Of these households, approximately 13% were waiting for a response on their rental assistance applications, and nearly 65% had not applied for assistance.

Evictions and Access to Counsel

Despite high levels of rent delinquency, eviction filings and evictions have been suppressed during the pandemic, first due to federal and State eviction prevention measures and court closures, and later also due to the growing availability of rental assistance. **Exhibit 13** shows the number of failure to pay rent cases filed and the evictions that took place across the State from October 2019 to September 2022. Although still below prepandemic eviction levels, evictions increased significantly during calendar 2022, with more than 4,100 households evicted in the third quarter, a 78% increase compared to the same period in 2021.

Exhibit 13
Failure to Pay Rent Cases and Evictions
October 2019 to September 2022



Note: Maryland courts restricted operations during the pandemic beginning on March 16, 2020. Warrants of restitution associated with failure to pay rent actions resumed in July 2020, and failure to pay rent cases resumed at the end of August 2020. In November 2020, courts returned to restricted operations until March 2021. Due to the Omicron surge, the District Court did not hear failure to pay rent cases from December 29, 2021, through March 6, 2022, after which the court resumed normal operations. Data for the fourth quarter of calendar 2022 was not available at the time of this writing.

Source: District Court of Maryland

As noted by the Access to Counsel in Evictions Task Force created through Chapter 746 of 2021, most tenants do not have legal representation in eviction cases, and increasing representation is effective in preventing or delaying evictions, giving tenants more time to secure new housing or connect with rental assistance programs. The task force continued to meet throughout the 2022 interim, and the task force’s January 2023 report noted progress in implementation of the Access to Counsel in Evictions program, including MLSC awarding grants to civil legal aid organizations, initiating development of a coordinated intake system for tenants seeking assistance, and providing funding for training programs to develop a pipeline of attorneys. As noted previously, DHCD provided \$5.4 million in ERAP funding to support start-up costs for the program in fiscal 2023. The fiscal 2024 allowance includes \$16.5 million in the Office of the Attorney General (OAG) for the program, which MLSC estimates will be sufficient to cover program costs at the current stage of implementation, when combined with remaining funding available to be carried over from fiscal 2023. The Access to Counsel in Evictions program is discussed in further detail in the Judiciary and OAG analyses.

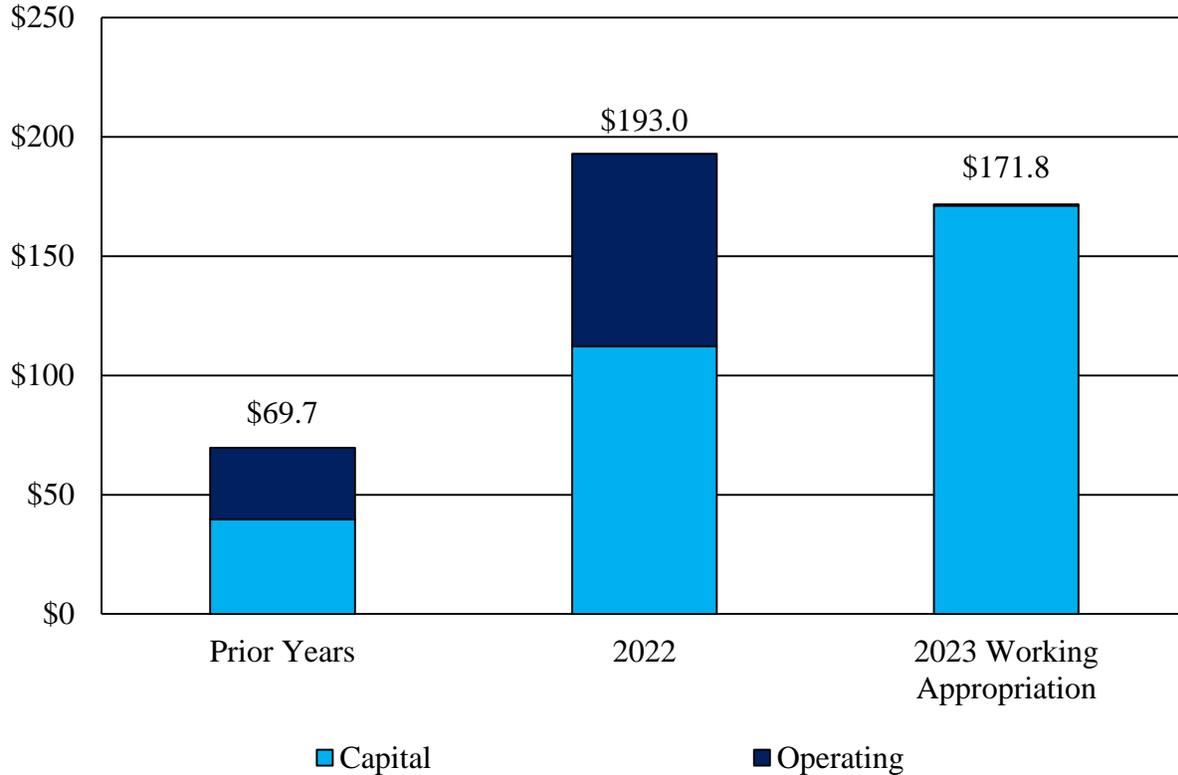
Chapter 685 of 2022 required DHCD to develop a public dashboard to display data on evictions throughout the State in more detail than is currently available on the District Court website. DHCD reports that, as of January 2023, the District Courts began collecting required data elements, such as the zip code of properties subject to eviction and are working with DHCD to establish data sharing procedures. If data sharing progresses smoothly, DHCD anticipates the dashboard could launch as early as March 2023.

3. Broadband Operating Programs Take Shape

Chapter 74 of 2021 renamed the Office of Rural Broadband in DHCD to the Office of Statewide Broadband (OSB) and expanded its responsibilities to include the development of a statewide broadband plan, collecting and publishing data on broadband availability and speed, and furthering digital inclusion efforts. Funding for broadband programs has also increased dramatically through federal legislation, including approximately \$400 million that the State designated to be used for this purpose from the ARPA and more than \$100 million anticipated from the IIJA. Other than this federal funding, from fiscal 2019 to 2022, DHCD has administered \$9.7 million in general obligation bonds and \$6.0 million in general fund grants for the expansion of broadband infrastructure. DHCD also administered approximately \$22.7 million in federal funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to support students’ broadband needs.

Exhibit 14 shows all funding appropriated for broadband programs across DHCD’s operating and capital budgets through the fiscal 2023 working appropriation. The fiscal 2024 allowance contains only \$1.3 million in general funds for OSB, including \$800,000 in administrative funding and \$500,000 for technical assistance and other operating grants. No funding is reflected yet in the fiscal 2023 working appropriation or the fiscal 2024 allowance for anticipated federal funds from the IIJA (see further discussion under Anticipated IIJA Funding heading). The majority of funding is provided through the capital budget for infrastructure expansion programs, which will be discussed further in the capital budget analysis for DHCD – SA0.

Exhibit 14
Funding for Broadband Programs
Fiscal 2019-2023
(\$ in Millions)

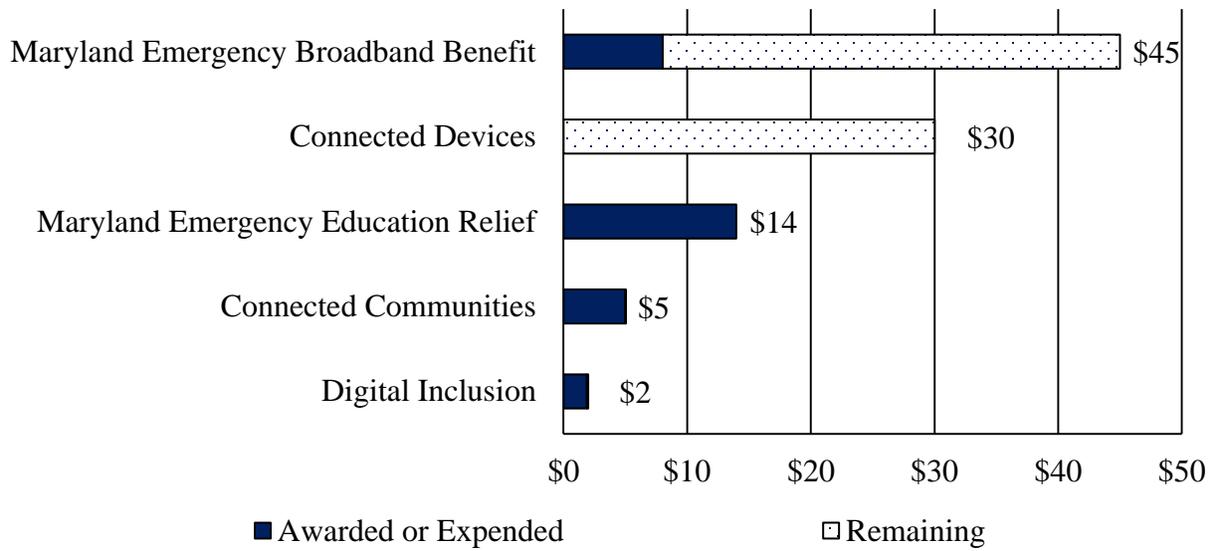


Note: Excludes personnel costs. Fiscal 2023 capital funding of \$171.2 million is appropriated in the Dedicated Purpose Account. The fiscal 2024 allowance includes only \$500,000 in general funds for broadband initiatives. Funding anticipated from the Infrastructure Investment and Jobs Act is not yet reflected in the budget.

Source: Governor’s Budget Books

Several new programs funded through the operating budget launched in fiscal 2022 or 2023. All are funded using federal funds from the ARPA, with the exception of the Maryland Emergency Education Relief Program, which used federal funds from the CARES Act. **Exhibit 15** shows the funding awarded or expended under each program, as well as remaining allocated funds.

Exhibit 15
Broadband Programs Funded in the Operating Budget
Fiscal 2022-2023
As of January 2023
(\$ in Millions)



Source: Department of Housing and Community Development

- Maryland Emergency Broadband Benefit (MEBB):** provides a \$15 per month subsidy for low-income households, supplementing the federal Affordable Connectivity Program (ACP). Households apply directly through their service provider for the ACP subsidy, and then are automatically enrolled in the MEBB. As of January 2023, more than 50,000 Maryland households are receiving the subsidy. Participation in the ACP has been lower than anticipated, and OSB is partnering with the nonprofit organization Education Superhighway to conduct outreach about the federal program and provide application assistance. Funding for the MEBB totals \$45.0 million appropriated in fiscal 2022, which DHCD projects to expend by fiscal 2025.
- Connected Devices Program:** provides computing devices to low-income households. The Board of Public Works (BPW) approved the \$30 million contract to procure approximately 145,000 devices in October 2022, and DHCD expects to make awards in early calendar 2023 for local jurisdictions and community partners to distribute the devices.

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- ***Digital Inclusion Grant Program:*** provides grants to nonprofits, local jurisdictions, or educational institutions to improve digital adoption. DHCD awarded \$1.9 million for 30 digital inclusion projects in October 2022.
- ***Connected Communities Grant Program:*** provides grants to local governments and nonprofits to expand broadband access to low-income households through community-based gap networks provided at low or no cost. DHCD awarded \$5.0 million for 27 projects in July 2022.
- ***Maryland Emergency Education Relief:*** provides grants to schools, libraries, and community centers to support the needs of students that lack necessary internet access. DHCD awarded \$14.0 million across two funding rounds in the second half of calendar 2022.

DHCD's broadband programs are currently budgeted within the Office of the Secretary. **Given the expansion of operating budget funding and the deployment of funds through multiple subsidy and grant programs, the Department of Legislative Services (DLS) recommends adopting narrative requesting that broadband initiatives be budgeted in a separate program code, with subprograms as appropriate.** Budgeting these subprograms separately will enable improved tracking of allocations and expenditures by purpose.

Anticipated IIJA Funding and Planning Efforts

The IIJA was signed by President Joseph R. Biden, Jr. in November 2021 and includes more than \$60 billion in funding nationally for broadband programs. The largest program is the Broadband Equity, Access, and Deployment Program (BEAD), which provides \$42.5 billion nationally for grants to states allocated by formula, with a \$100 million state minimum. The formula is based on the proportion of unserved locations in each state as well as unserved locations in high-cost areas, both of which will be determined using maps currently under development by the Federal Communications Commission (FCC). FCC published preliminary draft maps in November 2022, which are currently undergoing a challenge and revision process. State allocations for BEAD funding are expected to be announced by the end of June 2023. Maryland is also expected to receive approximately \$4.8 million annually for five years under the State Digital Equity Capacity Grant Program to ensure access to affordable internet service for disadvantaged and vulnerable communities. **Exhibit 16** summarizes the broadband programs that will be funded through the IIJA and the nationwide funding available through each program.

Exhibit 16
Infrastructure Investment and Jobs Act Broadband Programs and
National Funding Levels
(\$ in Billions)

| <u>Program</u> | <u>Funding</u> | <u>Allocation Method</u> | <u>Description</u> |
|--|-----------------------|---|--|
| Broadband Equity, Access, and Deployment | \$42.5 | Formula; State Minimum: \$100 million | Infrastructure projects in unserved or underserved areas. State allocations expected June 2023. |
| State Digital Equity Capacity Grant | 1.5 | Formula; Maryland: \$4.8 million annually | Funding for states to develop and implement plans to ensure disadvantaged and vulnerable communities have access to affordable internet. |
| Digital Equity Competitive Grant | 1.3 | Competitive | Eligible grantees include nonprofits, libraries, and community institutions. Funding can be used for digital inclusion activities, training and workforce development, provision of devices or equipment, or upgrading public access computing centers. |
| Middle-Mile Infrastructure Grant | 1.0 | Competitive | Funding to build out middle-mile infrastructure that does not connect directly to the end user. Eligible applicants include state and local governments, nonprofits, and technology and telecommunications companies. OSB assisted Maryland Broadband Cooperative in applying for funding. |
| Rural e-Connectivity Program | 2.0 | Competitive | Additional funding for existing broadband infrastructure grant program for rural areas. |
| Affordable Connectivity Benefit | 14.2 | Subsidy | Subsidizes broadband costs for low-income households. Makes permanent the Emergency Broadband Benefit created through the Consolidated Appropriations Act of 2020 and reduces the monthly benefit amount from \$50 to \$30. |
| Total | \$62.4 | | |

OSB: Office of Statewide Broadband

Source: Infrastructure Investment and Jobs Act; Federal Funds Information for States

IIJA Planning Grants

In December 2022, DHCD was awarded initial grants of \$5.0 million for BEAD and \$967,000 for the Digital Equity program to conduct planning efforts. These funds have not yet been added to DHCD’s budget. DHCD is required to develop a five-year action plan under the BEAD program and a Digital Equity Plan under the State Digital Equity Capacity Grant program before accessing additional program funds. Chapter 74 also charged OSB with developing a statewide plan to ensure that all households in Maryland have access to affordable and reliable broadband service by the end of calendar 2026. OSB is using the IIJA planning grants to hire a consultant to develop the required plans and expects a statewide plan to be available by summer 2023.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Broadband Initiatives: The committees remain interested in understanding how funding for broadband programs is allocated. Given the expansion of funding and the deployment of funds through multiple subsidy and grant programs, the committees request that the Department of Housing and Community Development (DHCD) and the Department of Budget and Management (DBM) separately identify funding for the Office of Statewide Broadband in a unique program code and further identify specific initiatives in subprogram detail.

| Information Request | Author | Due Date |
|----------------------------|---------------|---|
| Broadband funding | DHCD DBM | With the submission of the fiscal 2025 allowance, or with earlier budget documentation as appropriate |

Appendix 1
2022 Joint Chairmen’s Report Responses from Agency

The 2022 *Joint Chairmen’s Report* (JCR) requested that DHCD prepare two reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Adaptive Reuse of Vacant Commercial Spaces:*** The department identified existing programs that, while focused on redevelopment or affordable housing creation more broadly, may be used for adaptive reuse, including the Catalytic Revitalization Tax Credit, the Maryland Historic Revitalization Tax Credit, and the Low Income Housing Tax Credit (LIHTC). The Catalytic Revitalization Tax Credit provides a tax credit of up to 20% of project costs for the redevelopment of former government-owned properties, and applicants are encouraged to include an affordable housing component. The Maryland Historic Revitalization Tax Credit, administered by the Maryland Historical Trust, includes an enhanced benefit of an additional 5% credit if the project has also received LIHTC funding. LIHTC is the largest source of available funding for affordable housing and is available for adaptive reuse in addition to new construction. The report concludes that a new adaptive reuse program is not necessary, as the department’s current programs are already sufficiently flexible.
- ***Homelessness Solutions Program:*** The committees requested a report on how the increased funding for homelessness programs in the fiscal 2023 budget would be used, including allocations by Continuum of Care (CoC) for fiscal 2022 and 2023. As of January 2023, DHCD had not submitted the requested report. However, the department separately provided DLS with the CoC allocations and briefed the Joint Committee on Ending Homelessness on the increased funding in fall 2022.

Appendix 2
Energy Efficiency Program Management System
Major Information Technology Project
Department of Housing and Community Development

| New/Ongoing: Ongoing | | | | | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|---------------------------------------|----------------|----------------|----------------|
| Start Date: July 2020 | | | | | Est. Completion Date: May 2023 | | | |
| Implementation Strategy: Agile | | | | | | | | |
| (\$ in Millions) | Prior Years | 2023 | 2024 | 2025 | 2026 | 2027 | Remainder | Total |
| SF | \$1.100 | \$0.467 | \$0.467 | \$0.850 | \$0.083 | \$0.000 | \$0.000 | \$2.967 |
| Total | \$1.100 | \$0.467 | \$0.467 | \$0.850 | \$0.083 | \$0.000 | \$0.000 | \$2.967 |

- **Project Summary:** The project aims to procure and implement a commercial off-the-shelf system for the management of DHCD’s Housing and Building Energy programs. The new system will provide a comprehensive platform for case management, application information, audits, contractor information, and payment processing and tracking.
- **Need:** The current web-based system is no longer sufficient to handle the increasing complexity and volume of DHCD energy assistance. The current system also lacks flexibility and requires extensive vendor intervention for even minor modifications.
- **Changes:** During the 2022 session, it was anticipated that the contract would be awarded in May 2022. However, DHCD advises that the contract is now expected to be presented to BPW in February 2023.
- **Concerns:** Overall, identified risks for the project are low. Some potential risks include the vendor not fully understanding DHCD’s programs or how the underlying database is supposed to work.

Appendix 3
Object/Fund Difference Report
Department of Housing and Community Development

| <u>Object/Fund</u> | <u>FY 22</u> <u>Actual</u> | <u>FY 23</u> <u>Working</u> <u>Appropriation</u> | <u>FY 24</u> <u>Allowance</u> | <u>FY 23 - FY 24</u> <u>Amount Change</u> | <u>Percent</u> <u>Change</u> |
|---|-------------------------------|--|----------------------------------|--|---------------------------------|
| Positions | | | | | |
| 01 Regular | 333.00 | 333.00 | 355.00 | 22.00 | 6.6% |
| 02 Contractual | 105.62 | 125.00 | 112.00 | -13.00 | -10.4% |
| Total Positions | 438.62 | 458.00 | 467.00 | 9.00 | 2.0% |
| Objects | | | | | |
| 01 Salaries and Wages | \$ 41,258,643 | \$ 50,208,668 | \$ 49,841,983 | -\$ 366,685 | -0.7% |
| 02 Technical and Special Fees | 6,433,922 | 8,025,743 | 8,694,478 | 668,735 | 8.3% |
| 03 Communication | 127,003 | 158,950 | 171,450 | 12,500 | 7.9% |
| 04 Travel | 96,102 | 361,992 | 337,372 | -24,620 | -6.8% |
| 06 Fuel and Utilities | 187,343 | 230,000 | 276,000 | 46,000 | 20.0% |
| 07 Motor Vehicles | 129,033 | 227,477 | 233,366 | 5,889 | 2.6% |
| 08 Contractual Services | 58,722,258 | 59,607,540 | 40,003,828 | -19,603,712 | -32.9% |
| 09 Supplies and Materials | 134,400 | 215,021 | 225,600 | 10,579 | 4.9% |
| 10 Equipment – Replacement | 260,508 | 693,000 | 1,175,500 | 482,500 | 69.6% |
| 11 Equipment – Additional | 172,436 | 200,500 | 197,000 | -3,500 | -1.7% |
| 12 Grants, Subsidies, and Contributions | 912,594,294 | 460,508,641 | 374,555,640 | -85,953,001 | -18.7% |
| 13 Fixed Charges | 4,774,021 | 5,116,016 | 5,122,200 | 6,184 | 0.1% |
| 14 Land and Structures | 291,622 | 0 | 0 | 0 | 0.0% |
| Total Objects | \$ 1,025,181,585 | \$ 585,553,548 | \$ 480,834,417 | -\$ 104,719,131 | -17.9% |
| Funds | | | | | |
| 01 General Fund | \$ 24,537,023 | \$ 39,827,066 | \$ 35,553,287 | -\$ 4,273,779 | -10.7% |
| 03 Special Fund | 79,404,229 | 82,567,898 | 82,054,343 | -513,555 | -0.6% |
| 05 Federal Fund | 892,193,032 | 447,835,479 | 347,004,669 | -100,830,810 | -22.5% |
| 09 Reimbursable Fund | 29,047,301 | 15,323,105 | 16,222,118 | 899,013 | 5.9% |
| Total Funds | \$ 1,025,181,585 | \$ 585,553,548 | \$ 480,834,417 | -\$ 104,719,131 | -17.9% |

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments that are budgeted in the Department of Budget and Management.

Appendix 4
Fiscal Summary
Department of Housing and Community Development

| <u>Program/Unit</u> | <u>FY 22 Actual</u> | <u>FY 23 Wrk Approp</u> | <u>FY 24 Allowance</u> | <u>Change</u> | <u>FY 23 - FY 24 % Change</u> |
|--|-------------------------|-----------------------------|----------------------------|------------------------|-----------------------------------|
| 20 Office of The Secretary | \$ 98,654,300 | \$ 24,847,217 | \$ 19,605,582 | -\$ 5,241,635 | -21.1% |
| 22 Division of Credit Assurance | 5,980,114 | 7,629,177 | 7,588,308 | -40,869 | -0.5% |
| 24 Division of Neighborhood Revitalization | 499,471,260 | 152,602,367 | 52,816,257 | -99,786,110 | -65.4% |
| 25 Division of Development Finance | 411,068,499 | 388,202,656 | 388,268,977 | 66,321 | 0% |
| 26 Division of Information Technology | 3,610,630 | 4,071,266 | 4,614,327 | 543,061 | 13.3% |
| 27 Division of Finance and Administration | 6,396,782 | 8,200,865 | 7,940,966 | -259,899 | -3.2% |
| Total Expenditures | \$ 1,025,181,585 | \$ 585,553,548 | \$ 480,834,417 | -\$ 104,719,131 | -17.9% |
| General Fund | \$ 24,537,023 | \$ 39,827,066 | \$ 35,553,287 | -\$ 4,273,779 | -10.7% |
| Special Fund | 79,404,229 | 82,567,898 | 82,054,343 | -513,555 | -0.6% |
| Federal Fund | 892,193,032 | 447,835,479 | 347,004,669 | -100,830,810 | -22.5% |
| Total Appropriations | \$ 996,134,284 | \$ 570,230,443 | \$ 464,612,299 | -\$ 105,618,144 | -18.5% |
| Reimbursable Fund | \$ 29,047,301 | \$ 15,323,105 | \$ 16,222,118 | \$ 899,013 | 5.9% |
| Total Funds | \$ 1,025,181,585 | \$ 585,553,548 | \$ 480,834,417 | -\$ 104,719,131 | -17.9% |

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include cost-of-living adjustments.