



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

Board of Public Works Budget Reduction Clarification Act Fact Sheet

The **Board of Public Works Budget Reduction Clarification Act** makes three changes to the Board of Public Works (BPW's) long-standing interim budget cutting authority, building upon legislation passed into law in 2016.

The BPW consists of the Governor, the Comptroller, and the Treasurer, and has numerous responsibilities related to the approval of state expenditures. As part of its powers, the BPW can make cuts to certain appropriations in the state's operating budget of not more than 25%.<sup>1</sup> The statute is unclear whether it allows the BPW to cut 25% of an agency's appropriation or just 25% of a specific line item or whether multiple 25% cuts can be made over the course of a fiscal year. In light of this issue, clarification is needed to ensure the transparency and effectiveness of the BPW's budget reduction power.

The bill makes the following three changes:

- 1) Extends from three business days to ten days the requirement that the 2016 legislated requirement that the BPW provide advance public notice of any cuts. This provides greater transparency for the BPW and gives members of the public and stakeholders insight into the process that impacts the state functions they care about.
- 2) Clarifies that the BPW can reduce 25% over the course of a fiscal year, not 25% every time it meets. The Attorney General's office interprets the current language to allow the BPW to cut 25% at each meeting, which has happened on several occasions. In 2009, three agencies saw their budgets reduced by more than 25% for the fiscal year: Maryland Energy Administration (44%), Department of Information Technology (26%), and the Department of Housing and Community Development (27%). The bill would restore the original goal of the law which is to limit cuts to appropriations in the operating budget.
- 3) Clarifies that the BPW can cut 25% of a line item, which removes the issue of the BPW ending entire programs because it is reducing 100% of a line item but less than 25% of that line item's agency. For example, three State agencies experienced cumulative general fund budget cuts in excess of 25% of their appropriation in FY 2009. This change would preserve some legislative control over the budget yet does not impair the BPW's ability to respond to economic downturns such as the COVID-19 recession.

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<sup>1</sup> Md. Code State Finance & Procurement Art. § 7-213.