



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

DAVID R. BRINKLEY
Secretary

BOYD K. RUTHERFORD
Lieutenant Governor

MARC L. NICOLE
Deputy Secretary

HOUSE BILL 1245 Guaranteed Access Grant and Next Generation Scholars of Maryland – Alterations (Washington)

STATEMENT OF INFORMATION

DATE: March 16, 2021

COMMITTEE: House Appropriations

SUMMARY OF BILL: HB 1245 makes permanent the \$5 million mandated appropriation for the Next Generation Scholars of Maryland Program; and expands the number of students who pre-qualify for Guaranteed Access Grants.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the extension of the original mandated funding for this program that is due to expire after FY 2023. Increasing the number of students who pre-qualify for Guaranteed Access Grant awards, which are prioritized in the allocation of Educational Excellence Awards, will reduce the number of Educational Assistance Grants. DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which requires spending allocations for FY 2022 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2020.

Economic conditions remain precarious as a result of COVID-19, making revenue predictions in the out year forecast susceptible to revenue write downs. Many individuals and households are unemployed or underemployed, with many industry sectors operating at much less than 100% capacity. Federal stimulus programs are providing much needed relief in the short term, but the impact of the COVID-19 pandemic continues to present significant risk in FY 2023 and beyond.

The General Assembly and Administration have successfully enacted the Governor's emergency Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act (SB 496 RELIEF Act), which provides \$1.2 billion in direct stimulus and tax relief for Maryland working families, small businesses, and those who have lost their jobs as a result of the COVID-19 pandemic. It is incumbent upon us to allow the impact of this unprecedented relief package on the State's economy to take effect. Further mandated spending increases need to be reevaluated within the context of an ongoing pandemic.

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