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SENATE BILL 660 State Lottery Fund – Maryland Humanities Council – Funding (Guzzone)

STATEMENT OF INFORMATION

DATE: February 17, 2021

COMMITTEE: Senate Budget & Taxation

SUMMARY OF BILL: SB 660 repeals the distribution of \$150,000 to the Maryland Humanities Council from the Racing Special Fund and makes the \$150,000 distribution from the Lottery Fund.

EXPLANATION: The distribution of \$150,000 to the Maryland Humanities Council (MHC) from the Racing Special Fund was repealed with the enactment of Ch. 184/185 of 2018. While the sponsor's intent may be to remedy that inadvertent termination of funding for the MHC, the Department of Budget and Management (DBM) has consistently funded MHC in the amount of \$150,000.

Prior to the enactment of Ch. 184/Ch. 185 of 2018, revenue had come from the State Lottery Fund to the Racing Special Fund in the Department of Labor and then was transferred to the Department of Planning who provided the actual grant to the Humanities Council. DBM was made aware by the Maryland Humanities Council, the Department of Labor and Department of Planning that the \$150,000 in Racing Special Fund revenues was no longer available for distribution to the MHC

To ensure the MHC continued to receive a \$150,000 grant to offset the special fund revenue shortfall, DBM agreed to provide \$150,000 in General Funds to the Maryland Humanities Council. That funding continues in FY 2022. Below is a history of funding for MHC:

MD Humanities Council Funding FY17-FY22

FY17 - \$0

FY18 - \$150,000 (RF)*

FY19 - \$150,000 (RF)*

FY20 - \$150,000 (RF)*

FY21 - \$150,000 (GF)

FY22 - \$150,000 (GF)

*FY 2018 - FY 2020 are reimbursable funds because the funding was going from the Division of Racing through the Department of Planning and then to the MD Humanities Council. Beginning in FY 2021, General Funds were provided to offset the revenue loss from the Special Racing Fund.

The Department of Legislative Services FY 2021 budget analysis for the Department of Planning confirms the change in funding for the MHC. MHC also receives a separate grant in the amount of \$107,000 that also continues to be funded.

DBM brings this matter to the committee's attention to ensure that passage of this legislation does not have the unintended effect of doubling the \$150,000 grant funding for MHC.

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