



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

HOUSE BILL 833 Natural Resources - State Lakes Protection and Restoration Fund - Mandatory Funding (Buckel)

STATEMENT OF INFORMATION

DATE: March 3, 2021

COMMITTEE: House Environment & Transportation and House Appropriations

SUMMARY OF BILL: HB 833 increases from \$1 million to \$3 million the annual mandated appropriation to the State Lakes Protection and Restoration Fund.

EXPLANATION: The \$1 million mandated appropriation amount in FY 2021 was reduced by 10% at the July 1, 2020 meeting of the Board of Public Works, resulting in a \$900,000 appropriation. The FY 2022 Budget fully funds the \$1 million mandate, and budgets the \$173,479 from the prior year fund balance for a total of \$1,73,479 in FY 2022.

The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the \$2 million increase of \$1 million mandated appropriation that originally was a three year program.

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 for the remainder of FY 2021 and FY 2022 highly volatile. 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, but the impact of the COVID-19 pandemic continues to present a significant budgetary vulnerability.

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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