



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

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Lieutenant Governor

DAVID R. BRINKLEY
Secretary

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Deputy Secretary

HOUSE BILL 1446 Universities at Shady Grove Regional Higher Education Center – Workforce Development Programs – Funding (Solomon)

STATEMENT OF INFORMATION

DATE: March 15, 2022

COMMITTEE: House Appropriations

SUMMARY OF BILL: HB 1446 mandates an appropriation in the amount of \$5 milli in FY 2024 and FY 2025 to the Universities at Shady Grove Regional Higher Education Center (USG), the purpose of which is to establish or support workforce development programs at USG.

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 aggregate \$10 million mandated appropriations that impact the FY 2024 and FY 2025 budgets.

The FY 2023 Budget allocates \$24.5 million for USG. State support to the University of Maryland System has included \$32 million in funding for workforce development activities across the System, including \$8.1 million for programs involving USG in whole or in part. This funding supports academic programs that fill critical workforce needs across the State. An additional \$23.5 million in State support has been appropriated since FY 2022 for public health and healthcare programs to fill health-related workforce needs.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature’s new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland’s Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor’s tax relief proposals.

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary

vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

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