



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 1048 Commission on African American History and Culture - Alterations (Senator Verda Welcome Act) (Henson)

STATEMENT OF INFORMATION

DATE: March 10, 2022

COMMITTEE: House Appropriations

SUMMARY OF BILL: HB 1048 removes the Commission on African American History and Culture from the Governor's Office of Community Initiatives and establishes the Commission as an independent unit of the Executive branch; mandates an annual appropriation in the amount of \$1.6 million for the Commission on African American History and Culture; and mandates an appropriation in the amount of \$3 million in FY 2024 for capital improvements at the Banneker-Douglass Museum.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy, but on the aggregate \$4.6 million mandated appropriation provision, which impacts the FY 2024 budget and the \$1.6 million mandated appropriation which impacts subsequent budgets. The FY 2023 Budget allowance includes \$760,501 toward operations of the Banneker-Douglass Museum.

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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