

HOUSE BILL 891

Testimony by Delegate Maggie McIntosh

Department of Transportation and Spending Affordability Committee -- Reports

Appropriations Committee – March 1, 2022

Good afternoon, Vice-Chair Chang and members of the Appropriations Committee. I am grateful for the opportunity to introduce **House Bill 891 Department of Transportation and Spending Affordability Committee -Reports**.

Next year the General Assembly will be given new power to add to the executive budget. This could have a significant impact on the budget and the State's fiscal standing. **The purpose of this bill is to prepare guardrails for the 2023 session when the General Assembly will have the authority to add to the executive's budget.** The bill requires the Spending Affordability Committee to annually set additional fiscal goals that will guide legislative decision making on the budget and requires additional reporting from the Maryland Department of Transportation (MDOT) to:

- identify projects newly added to the budget by the executive; and
- determine the construction cost of projects the General Assembly adds to the budget for planning

The new goals the Spending Affordability Committee must annually establish include **fund balance targets for the Rainy Day Fund and Transportation Trust Fund, a structural balance target, and a minimum level of system preservation spending for MDOT.**

The additional goals will act as guardrails that guide the process of adding to the budget and maintain the General Assembly's tradition of fiscally responsible decision-making.

The purpose of the system preservation goal is to ensure the State continues its long-standing practice of devoting a significant portion of MDOT capital funds to maintaining the existing transportation system so that it does not deteriorate in favor of expansion.

New reporting from MDOT will facilitate the General Assembly's review of new projects added by the Governor and provide accurate construction estimates for projects the General Assembly may wish to add to the budget.

The new fund balance and structural budget targets ensure the State maintains a minimum level of reserves and constrains the growth in structural shortfalls.

Outline of Actions to Take in Legislation and House/Senate Rules

	Statute	Rules
Prohibit Steering of Funds to a Private Company		X

Prohibit Funds for Essentially Religious Endeavor (same as language in capital budget bill)		X (and/or BBL)
Prohibit cuts to Actuarially Required Retirement Contribution and MDOT Debt Service		X
Require Floor Amendment adding funds to include an offsetting reduction		X
Require sharing of Floor Amendments with Committee Chair 24 hours before being offered		X
Require members requesting budget committees add funds for a specific purpose to provide a written request to the Chair of the committee on letterhead by the 45 th day of session.		X
Require that grant recipients exist at time of budget enactment		X
Fund Legislative Bond Initiatives in Capital Budget not Operating Budget		X
SAC to recommend structural balance goal	X	
SAC to recommend year end General Fund, Rainy Day Fund, and Transportation Trust Fund balances	X	
SAC to recommend a minimum amount of transportation spending on system preservation	X	
The Chamber will enact a budget that complies with the recommendations of the Spending Affordability Committee		X
Require MDOT to report annually on construction cost of projects added to the CTP for planning and design by the General Assembly in the prior three years	X	
Require MDOT to identify in one place in the CTP any projects starting construction in the allowance year and the amount included in the allowance and identify any projects starting, planning, and design in the allowance year and the amount included in the allowance	X	
Prohibit reductions related to caseload trends, medical inflation, and utilization of services in Medicaid and Temporary Cash Assistance unless a surplus is identified by the Department of Legislative Services		X