



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 443 Maryland Corps Program - Revisions (Rosenberg)

STATEMENT OF INFORMATION

DATE: February 8, 2022

COMMITTEE: House Appropriations

SUMMARY OF BILL: HB 443 reconstitutes the seven-member Board of Directors on Sept 1, 2022 and makes it an instrumentality of the State; creates an Executive Director and staff who are employees of the State; expands the scope of the Program to provide training and support services for program participants; utilizes the Board as an intermediary with the AmeriCorps Program to secure federal funding and focus on expanding the service opportunities in state and local parks and in the public health sector; and mandates annual appropriations in the amounts of \$5 million in FY 2024; \$10 million in FY 2025; \$15 million in FY 2026; and \$20 million in FY 2027 and in each fiscal year thereafter. The mandated appropriation is in addition to any federal funding for State service or volunteer programming.

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 \$50 million mandated appropriation (FY 2024 - FY 2027) that impacts the FY 2024 and all subsequent budgets. The FY 2023 Budget includes the first year of the \$150,000 annual mandated appropriation for the Maryland Corps Program.

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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