



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 935 Health and Health Insurance – Behavioral Health Services – Expansion (Behavioral Health System Modernization Act) (Bagnall)

STATEMENT OF INFORMATION

DATE: March 9, 2022

COMMITTEE: House Health & Government Operations

SUMMARY OF BILL: HB 935, in part, mandates an appropriation in the amount of \$15 million in FY 2024, \$18 million in FY 2025, \$21 million in FY 2026, and \$24 million in FY 2027 and each fiscal year thereafter for wellness and recovery centers, recovery community centers, and peer recovery services; **requires funding** for 100 slots in the Mental Health Case Management Program; and mandates appropriations in the amount of \$150,000 in FY 2024, \$250,000 in FY 2025, and \$350,000 in FY 2026 and each fiscal year thereafter.

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 millions of dollars in mandated appropriations that impact the FY 2024 and subsequent budgets. 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.

The FY 2023 Budget allocates: \$5 million for the Behavioral Health Crisis Response Grant Program; \$4.8 million for mobile crisis teams that provide 24/7 availability of intervention services to the location of a person in crisis; and \$3.4 million in federal funds for Home and Community Based Services in Behavioral Health Medicaid under the Children’s Health Insurance Program.

The Capital Improvement Program provides for the construction of four 24-hour regional behavioral health crisis centers throughout the State (FY 2023 - FY 2026). The FY 23 Capital Budget includes funding to begin a prototypical design for these crisis centers.

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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