



# Maryland

DEPARTMENT OF BUDGET  
AND MANAGEMENT

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## SENATE BILL 874 Community Health and Safety Works Grant Program and Fund - Establishment

### STATEMENT OF INFORMATION

**DATE: March 7, 2023**

**COMMITTEE: Senate Budget and Taxation**

**SUMMARY OF BILL:** SB 874 establishes the Community Health and Safety Works Grant Program which would provide funding for projects that improve the quality of life or increase the economic potential of the communities through crime prevention strategies. The Department of Housing and Community Development would administer the program. The bill also creates a fund, the Community Health and Safety Works Grant Program Fund, to support the cost of the program. Additionally, the bill establishes a \$10 million mandate annually to the fund and allows the fund to retain all interest earned rather than reverting to the General Fund.

**EXPLANATION:** SB 874 establishes a new program to be administered by the DHCD. This program is supported by an accompanying special fund. That fund would have a mandated annual appropriation of \$10 million in perpetuity and be permitted to retain any interest earned on the funding. This would annually reduce General Funds available for other purposes and eliminate revenue to the General Fund from the interest earned.

The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and strives to create a structurally balanced budget, in which the growth in spending is less than the growth in revenues. In light of current economic uncertainty and the potential for a downturn, the Department urges caution in passing legislation significantly expanding State required expenditures without offsetting revenues. General fund mandates can have the effect of crowding out the State’s ability to fund staffing, salary adjustments, and in general invest strategically and holistically in State government’s human capital and the infrastructure required to carry out State government’s mission. State government must be intentional, disciplined, and strategic with its allocation of State funding to ensure maximum impact toward priority outcomes.

### General Fund Structural Budget Outlook, Fiscal 2024 – 2028 (\$ millions)

	Est. 2024	Est. 20235	Est. 2026	Est. 2027	Est. 2028
<b>Structural Balance</b>	\$337	\$232	\$263	\$529	\$1,113
<b>Adjusted for Blueprint</b>				-\$963	-\$1,207

Department of Legislative Services, January 2023 Fiscal Briefing

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