



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor

HELENE GRADY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 370 Income Tax - Community Schools - Rental Assistance for Community School Families Program and Fund - Establishment

STATEMENT OF INFORMATION

DATE: January 30, 2024

COMMITTEE: Ways and Means Committee

SUMMARY OF BILL: Senate Bill 370 establishes the Rental Assistance for Community School Families Program and related fund to provide rental assistance to eligible student households at community schools. The Maryland State Department of Education (MSDE) must administer the program, and the Governor must include an appropriation of \$10 million in the fiscal 2026 budget.

EXPLANATION: Senate Bill 370 establishes a \$10 million general fund mandate starting in fiscal 2026, and annually thereafter. Special fund revenues and expenditures increase commensurately.

The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and will be working with the General Assembly to achieve structural balance over the long-term. In light of current projected general fund deficits in fiscal 2026 forward, the Department urges caution in passing legislation significantly increasing general fund expenditures. State government must be intentional, disciplined, and strategic with its allocation of State funding to ensure maximum impact toward priority outcomes.

It would be challenging for the State to manage this additional general fund mandate given the forecasted out-year deficits for the General Fund.

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