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Deputy Secretary

Senate Bill 467 Maryland Forestry Education Fund- Mandatory Funding Extension

Statement of Information

DATE: February 12th 2025

COMMITTEE: Budget and Taxation

SUMMARY OF BILL:

This bill extends the funding mandate for the Maryland Forestry Education Fund (the Fund) through fiscal year 2031. Under current law, the Governor must include a \$250,000 appropriation to the Fund in the annual budget bill for fiscal years 2025 and 2026.

EXPLANATION:

At the start of FY 2025, the mandated appropriation for the Fund was eliminated through the Board of Public Work's cost containment exercise. Due to State fiscal constraints, the Budget Reconciliation and Financing Act submitted with the FY 2026 Governor's Allowance includes an item to eliminate the mandate for the Fund in FY 2026, therefore allowing a \$250,000 general fund reduction. Given the elimination of funding in both mandated years, the sunset of this mandate after FY 2026 would have no operational impact on the Department of Natural Resources or its partners. The extension of the mandate would have an impact on the State's general fund budget.

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 2027 forward, the Department urges caution in passing legislation to significantly increase general fund expenditures without commensurate decreases in other areas or additional revenue to fund the new activity. State government must be intentional, disciplined, and strategic with its allocation of State funding to ensure maximum impact toward priority outcomes.

Given the forecasted out-year deficits for the General Fund, it would be challenging for the State to manage this increase in spending

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