

Quick Look at Fiscal 2024 Budget

Budget Growth Fiscal 2023-2024 (\$ in Millions)

	<u>2023 Plan</u>	<u>2024 Plan</u>	<u>\$ Change</u>	<u>% Change</u>
All Funds	\$64,066	\$62,888	-\$1,178	-1.8%
General Funds	28,180	26,949	-1,231	-4.4%
Special Funds*	15,179	16,957	1,777	11.7%
Federal Funds	20,707	18,982	-1,725	-8.3%

*Includes higher education funds.

- The Governor's spending plan leaves a closing balance of \$2.3 billion at the end of fiscal 2023 and \$820 million at the end of fiscal 2024.
- The Revenue Stabilization Account (Rainy Day Fund) ends fiscal 2024 with a balance of \$2.5 billion (10% of general fund revenues). Combined cash balances at the close of fiscal 2024 of \$3.3 billion represent about 13.3% of general fund revenues.
- General fund spending declines in fiscal 2024 as the fiscal 2023 budget includes a one-time appropriation of \$2.3 billion to the Rainy Day Fund, and the fiscal 2024 plan assumes no additional allocation to the savings account. Removing appropriations to the Rainy Day Fund from the calculation produces general fund growth of 4.3% and total fund growth of 1.9% in fiscal 2024.
- Federal spending declines in fiscal 2024 as temporary federal aid from the American Rescue Plan Act begins to dissipate. Federal funds for entitlement programs also fall as enhanced Medicaid matching funds sunset and Supplemental Nutrition Assistance Program benefit enhancements expire. **Except for transportation formula aid, which is recognized in the *Consolidated Transportation Program's* five-year plan, very little funding from the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) is included in the budget. Much of the funding for states in the two Acts will be awarded at a future date on a competitive basis.**
- The Administration's budget plan includes revenue and spending adjustments with a combined general fund impact of \$448 million in fiscal 2024 that are contingent on enactment of legislation. Tax relief proposals that reduce general fund revenues by \$204 million in fiscal 2024 and \$230 million by fiscal 2028 include:

- Exempting military retirement income from the income tax.
- Establishing a more robust Child Tax Credit.
- Removing the sunset on temporary enhancements to the Earned Income Tax Credit enacted at the 2021 session for tax years 2020 through 2022.

Net expenditure adjustments increase general fund spending by \$244 million with the most significant expense associated with accelerating planned rate increases for health care providers to align with an accelerated implementation of a \$15 minimum wage.

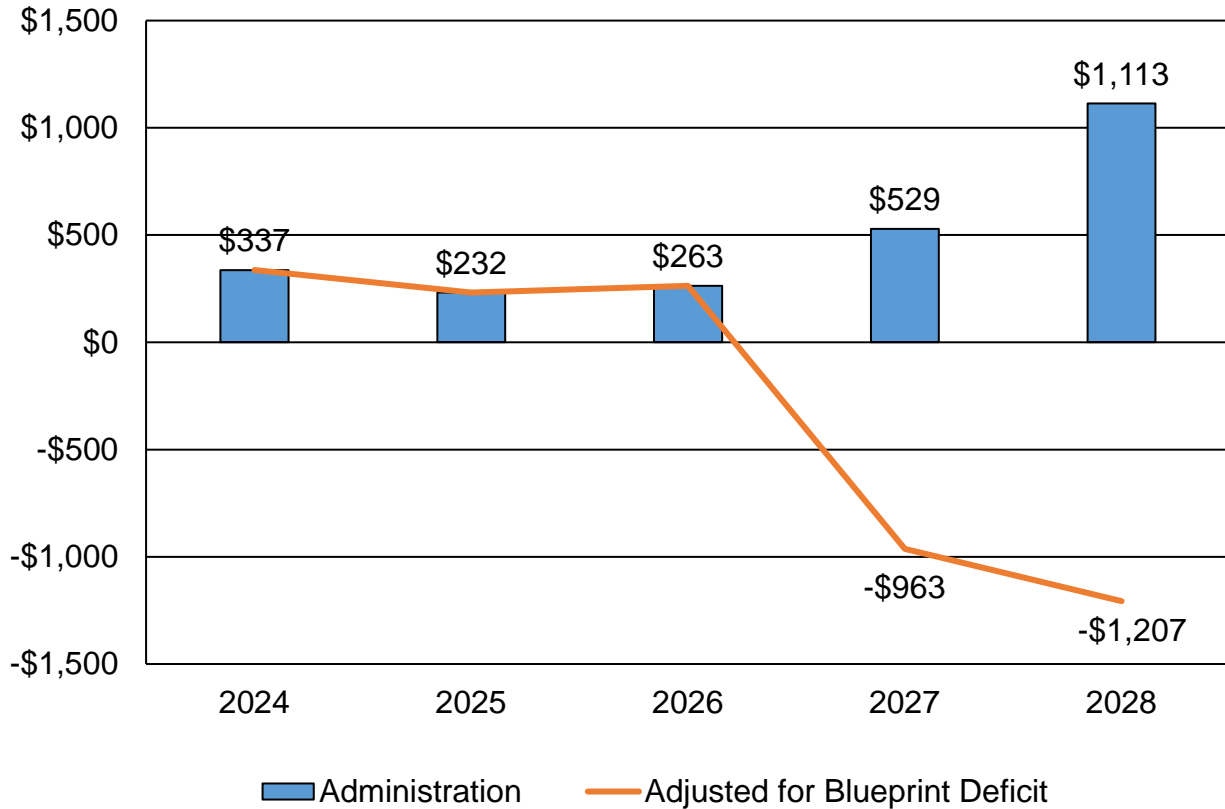
General Fund Impact of Governor’s Legislative Proposals
Fiscal 2024
(\$ in Millions)

Fiscal 2024 Closing Balance Before Legislative Action	\$1,267.4
Revenue Reductions Contingent on Enactment of Legislation	
Extend Earned Income Tax Credit Enhancements	-\$151.0
Exempt Military Retirement Income from Income Tax	-33.0
Expand Child Tax Credit	-20.0
Subtotal	-\$204.0
Spending Contingent on Enactment of Legislation	
Accelerate Planned Provider Rate Increase to Align with Accelerated Effective Date of \$15 Minimum Wage	-\$218.2
Reduce Hospital Assessment	-50.0
Maryland Educator Shortage Act	-15.0
Innovation Economy Infrastructure Act	-10.0
Homeowners’ Property Tax Credit Refund – Timing Change	-7.3
Health Benefits for National Guard	-5.0
Subtotal	-\$305.5
Spending Reductions Contingent on Enactment of Legislation	
Appropriation to Rainy Day Fund	\$61.4
Homeowners’ Property Tax Credit Refund – Timing Change	0.5
Subtotal	\$61.9
Fiscal 2024 Governor's Proposed Closing Balance	\$819.8

- The Administration’s budget plan does not appear sustainable over the long-term. While the Administration projects that the State will close each of the next five years with a cash and structural surplus, the Administration projects a Blueprint for Maryland’s Future Fund deficit of \$1.4 billion for fiscal 2027 and \$2.3 billion for fiscal 2028. Blueprint Fund revenues are dedicated to supporting implementation of

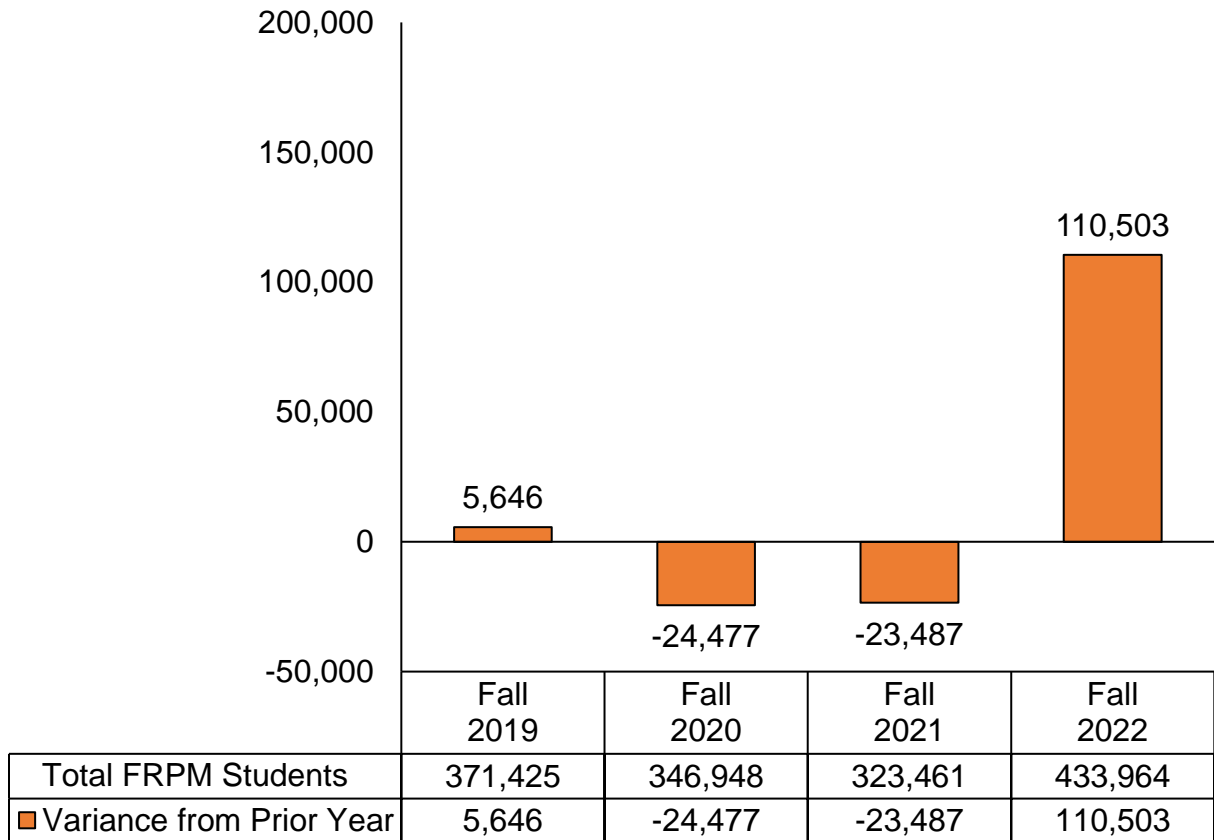
the Kirwan K-12 education enhancements with the general fund covering costs above Blueprint Fund resources. Shifting these excess costs to the general fund results in a general fund structural deficit of almost \$1 billion in fiscal 2027 and \$1.2 billion in fiscal 2028.

General Fund Structural Budget Outlook
Fiscal 2024-2028
(\$ in Millions)



- An unexpected surge in the number of students qualifying for free and reduced-price meals is the primary reason for the deterioration in the sustainability of the Blueprint Fund from prior forecasts.
 - Fall 2022 enrollment figures show 110,503 more students qualifying for free and reduced-price meals than in fall 2021. As a result, the compensatory education component of the State’s K-12 education formulas grows by \$390 million in fiscal 2024.
 - Over the five-year forecast period, this translates to more than \$1.6 billion in additional compensatory education costs and results in more schools qualifying for concentration of poverty grants.

Annual Change in Students Qualifying for Free and Reduced-price Meals Fall 2019 thru Fall 2022



FRPM: free and reduced-price meals

How Did the Governor Allocate the Projected Surplus?

- In December 2022, the Department of Legislative Services (DLS) estimated that the State would close fiscal 2024 with a cash surplus \$3.6 billion above the amount necessary to leave 10% of general fund revenues in the Rainy Day Fund.
- The Governor’s budget proposes spending about \$2.8 billion of the surplus with the remaining \$820 million saved for future years.

How Was the Surplus Allocated?
(\$ in Millions)

Projected Fiscal 2024 Closing Balance with Rainy Day Fund at 10% (12/22) \$3,634

Major Initiatives and Enhancements (\$2.1 Billion)

Reserved for Transportation Capital Needs	\$500
Transfer to Blueprint Fund	500
Provider Rate Increases to Mitigate Impact of Accelerating \$15 Minimum Wage	218
Tax Relief (EITC, Child Tax Credit, Military Retirement)	204
PAYGO (Above DLS Baseline)	149
Public Higher Education Including Community Colleges (Above DLS Baseline)	133
Agencies Retain Fiscal 2023 Vacancy Savings	114
Behavioral Health Infrastructure Investments	78
Reduce Reliance on Hospital Assessment to Fund Medicaid	50
Discretionary Police Aid Funding	46
K-12 Education Hold Harmless	37
Permanently Enhance Monthly Cash Assistance Benefits by \$45 per Person	32
New Department of Service and Civic Innovation	18
Teacher Recruitment Initiative – Maryland Educator Shortage Act	15
Grant to West North Avenue Development Authority	11
Grant to Food Banks	10
Innovation Economy Infrastructure Act	10
Health Insurance for National Guard	5

Higher Estimates of Costs of Mandates and Entitlements (\$684 Million)

Higher Estimates of Medicaid and Behavioral Health Costs	\$432
Cybersecurity – Implement Legislation	159
Education Aid Formulas Exceed Expectations	56
Net Other Differences (Includes Smaller Initiatives)	37

Reserve for Future (\$820 Million)

Retain as Fund Balance	\$820
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DLS: Department of Legislative Services
EITC: Earned Income Tax Credit
PAYGO: Pay-as-you-go

Other Key Features

- Both the \$500 million earmarked for investments in transportation capital and the \$500 million for transfer to the Blueprint Fund are contingent upon the enactment of legislation waiving a mandate to appropriate the funds to the Rainy Day Fund. If the legislation fails and the General Assembly does not reduce the Rainy Day Fund appropriation through the budget bill, the Rainy Day Fund balance will climb to \$3.6 billion (14.2% of general fund revenues).
- K-12 education funding increases by \$733.3 million (9.2%).
- Rates for most health care providers, including those serving Medicaid enrollees, the developmentally disabled, and people with behavioral health needs, increase by 3% to 4%, depending on the provider type. Additional rate increases of 8% costing \$413 million are provided contingent on enactment of legislation accelerating the implementation of a \$15 per hour minimum wage.
- \$166 million is provided to evaluate and address cybersecurity issues in State government, and \$7.2 million is allocated to a new local cyber grant program.
- Tuition for in-state students at the University System of Maryland (USM) grows 2%, while State operating support of USM increases by \$202 million (10.1%). Operating aid for Morgan State University rises \$36 million (23.3%), while funding for St. Mary's College of Maryland increases by \$6.6 million (19.3%).
- Community college formula aid increases by \$39.9 million (10.7%), and aid to non-public higher education institutions rises by \$18.5 million (15.6%). Funding for Educational Excellence scholarships rises by \$14.9 million (17%).
- The allowance includes \$390 million for fiscal 2024 salary increases including a 2% cost-of-living adjustment (COLA) (5% for members of the law enforcement officers bargaining unit), employee increments, and targeted salary adjustments for groups of positions that have proven especially difficult to fill. The allowance also provides \$623 million across fiscal 2023 and 2024 to fund the 4.5% general salary increase for State employees that began on November 1, 2022.
- The budget reserves \$150 million for the General Assembly to allocate for operating and capital priorities.
- Capital spending from general obligation (GO) bonds is funded at \$1,205 million, the level recommended by the Spending Affordability Committee. Another \$1.6 million of GO capacity is created through deauthorizations of previously approved projects. The GO authorizations are supplemented by \$1.1 billion of

pay-as-you-go funds, including \$795 million from the General Fund and \$310 million from the Fiscal Responsibility Fund.

- \$244 million of legislative preauthorizations from the 2022 session are funded.
- The budget dedicates \$644.6 million of GO bonds and cash to school facility needs, which when coupled with \$447.2 million of Built to Learn Act revenue bonds, brings the total funding for school facilities to \$1.1 billion.

Potential Legislative Issues

- The long-term sustainability of the budget. The Governor's proposal is affordable in the near term, but a significant structural deficit is likely by fiscal 2027.
- Consideration of the Governor's legislative package.
- State hiring and retention. Filling positions continues to pose a significant challenge for the State. The salary increases and bonuses included in the budget on top of the 4.5% COLA for State employees in November 2022 should improve State hiring, but it remains to be seen how much of a difference they will make.
- The sufficiency of funding for Medicaid and behavioral health services. The Administration is projecting higher enrollment and growth in demand for services in the current year than DLS estimated in the fall. DLS will re-evaluate using the most recent expenditure and enrollment data available.
- Monitoring the Administration's plans for pursuing and spending what could amount to billions of dollars in federal grants available through the IIJA and the IRA. The allowance contains only a portion of the funding the State is likely to receive.
- The use of the General Assembly's new authority to reallocate funds across the budget and how to allocate the \$150 million earmarked in the budget for General Assembly operating (\$50 million) and capital (\$100 million) priorities.

Maryland Economy – 2022

Month	Employment		Quarterly Wage per Worker		Housing Market		
	Percent Change over 2021	Difference over February 2020	Unemployment Rate	Nominal (over 2021)	Inflation Adjusted (over 2021)	Existing Home Sales over 2021	Median Home Price over 2021
January	3.0%	-97,100	5.4%			-11.1%	7.0%
February	3.4%	-82,700	5.0%			-13.4%	10.8%
March	3.2%	-78,200	4.6%	2.6%	-5.0%	-8.0%	8.7%
April	2.9%	-79,100	4.2%			-13.9%	8.3%
May	3.0%	-67,600	4.0%			-12.3%	9.5%
June	3.4%	-64,700	4.0%	3.5%	-4.7%	-23.2%	8.7%
July	3.0%	-50,700	3.9%			-27.0%	5.4%
August	2.8%	-43,100	4.3%			-24.1%	4.0%
September	3.3%	-37,900	4.0%	2.7%	-5.2%	-28.6%	4.3%
October	2.2%	-48,600	4.5%			-36.5%	2.7%
November	1.9%	-46,800	4.3%			-40.5%	4.2%
December	1.6%	-47,000	4.0%			-41.9%	0.3%
<i>Year-to-date</i>	2.8%	<i>n.a.</i>	4.4%	2.9%	-5.0%	-21.2%	6.5%

U.S. Consumer Price Index Forecast: Year-over-year Percent Change

	<u>CY 2020</u>	<u>CY 2021</u>	<u>CY 2022</u>	<u>CY 2023</u>	<u>CY 2024</u>	<u>CY 2025</u>	<u>CY 2026</u>
Moody's Analytics	1.2%	4.7%	8.0%	4.0%	2.4%	2.1%	2.1%
HIS Markit	1.2%	4.7%	8.0%	3.9%	2.2%	2.2%	2.2%

Note: Employment and the unemployment rate based on seasonally adjusted data. Wage per worker is calculated by dividing aggregate wages by employment. Data on home sales and the median home price from the Maryland Association of Realtors

Fiscal 2022 General Fund Revenues (\$ in Millions)

	FY 2021		Fiscal 2022			FY 2021-2022 Percent Change	
	<u>Actual</u>	<u>Estimate</u>	<u>Actual</u>	<u>\$ Diff.</u>	<u>% Diff.</u>	<u>Estimated</u>	<u>Actual</u>
Personal Income Tax	\$11,705	\$12,538	\$13,548	\$1,010	8.1%	7.1%	15.7%
Corporate Income Tax	1,462	1,606	1,700	94	5.8%	9.9%	16.3%
Sales and Use Tax ⁽¹⁾	4,988	5,699	5,967	268	4.7%	14.2%	19.6%
State Lottery	632	647	635	-12	-1.9%	2.5%	0.5%
Other	1,686	2,094	2,208	114	5.4%	24.2%	31.0%
Ongoing General Funds	\$20,472	\$22,584	\$24,058	\$1,474	6.5%	10.3%	17.5%
One-time Revenues ⁽²⁾	359	0	16	16			
Transfer to Rental Housing Fund ⁽³⁾	0	-30	-30	0			
Volatility Adjustment	0	-80	n/a	80			
Total General Fund Revenues	\$20,831	\$22,474	\$24,045	\$1,570	7.0%	7.9%	15.4%

⁽¹⁾ Total revenue from sources that are shared with the Blueprint Fund were over the estimate by \$42.9 million in fiscal 2022. Chapter 33 of 2022 altered the distribution of sales tax revenue to the Blueprint Fund. Because the legislation was effective June 1, it eliminated the distribution to the Blueprint Fund for the last two months of fiscal 2022 resulting in \$112.0 million in revenue going to the General Fund instead.

⁽²⁾ Fiscal 2021 includes \$341.4 million reflecting the reimbursement from Federal Emergency Management Agency funds and \$17.2 million from the Maryland Technology Development Corporation (TEDCO). Fiscal 2022 is \$16.3 million from TEDCO.

⁽³⁾ Chapters 336 and 337 of 2022 required a transfer of \$30 million to the Rental Housing Fund in fiscal 2022.

Note: The estimate from March 2022 has been adjusted for actions taken at the 2022 legislative session.

Source: Maryland Lottery and Gaming Control Agency; Office of the Comptroller; Board of Revenue Estimates

General Fund Revenue Forecast \$ in Millions

	Fiscal 2023 Estimate			Percent	Fiscal 2024 Estimate			Percent
	Sep 2022	Dec 2022	Difference	Change vs.	Sep 2022	Dec 2022	Difference	Change vs.
				Fiscal 2022				Fiscal 2023
Personal Income Tax	\$14,092	\$14,053	-\$39	3.7%	\$14,846	\$14,668	-\$179	4.4%
Corporate Income Tax	1,477	1,477	0	-13.1%	1,623	1,623	0	9.8%
Sales and Use Tax ⁽¹⁾	6,150	6,150	0	3.1%	6,195	6,195	0	0.7%
State Lottery	650	636	-14	0.2%	650	623	-27	-2.1%
Other	2,213	2,323	109	5.2%	2,063	2,102	39	-9.5%
Ongoing General Funds	\$24,583	\$24,639	\$56	2.4%	\$25,377	\$25,210	-\$167	2.3%
Transfer to Blueprint Fund ⁽¹⁾	-\$800	-\$800	\$0	n.a.	\$0	\$0	\$0	n.a.
Volatility Adjustment ⁽²⁾	-100	-100	0	n.a.	-120	-120	0	20.0%
Total General Funds	\$23,683	\$23,739	\$56	-1.3%	\$25,257	\$25,090	-\$167	5.7%

⁽¹⁾ Chapter 33 of 2022 changed the sales tax distribution to The Blueprint for Maryland's Future Fund (BMFF) beginning in fiscal 2023 to a percentage of total net receipts after the distribution of the short-term rental vehicle tax. In fiscal 2023, the percentage is 9.2% rising to 11.0% in fiscal 2024. Chapter 33 also requires a transfer of \$800 million from personal income tax revenue to the BMFF in fiscal 2023 only.

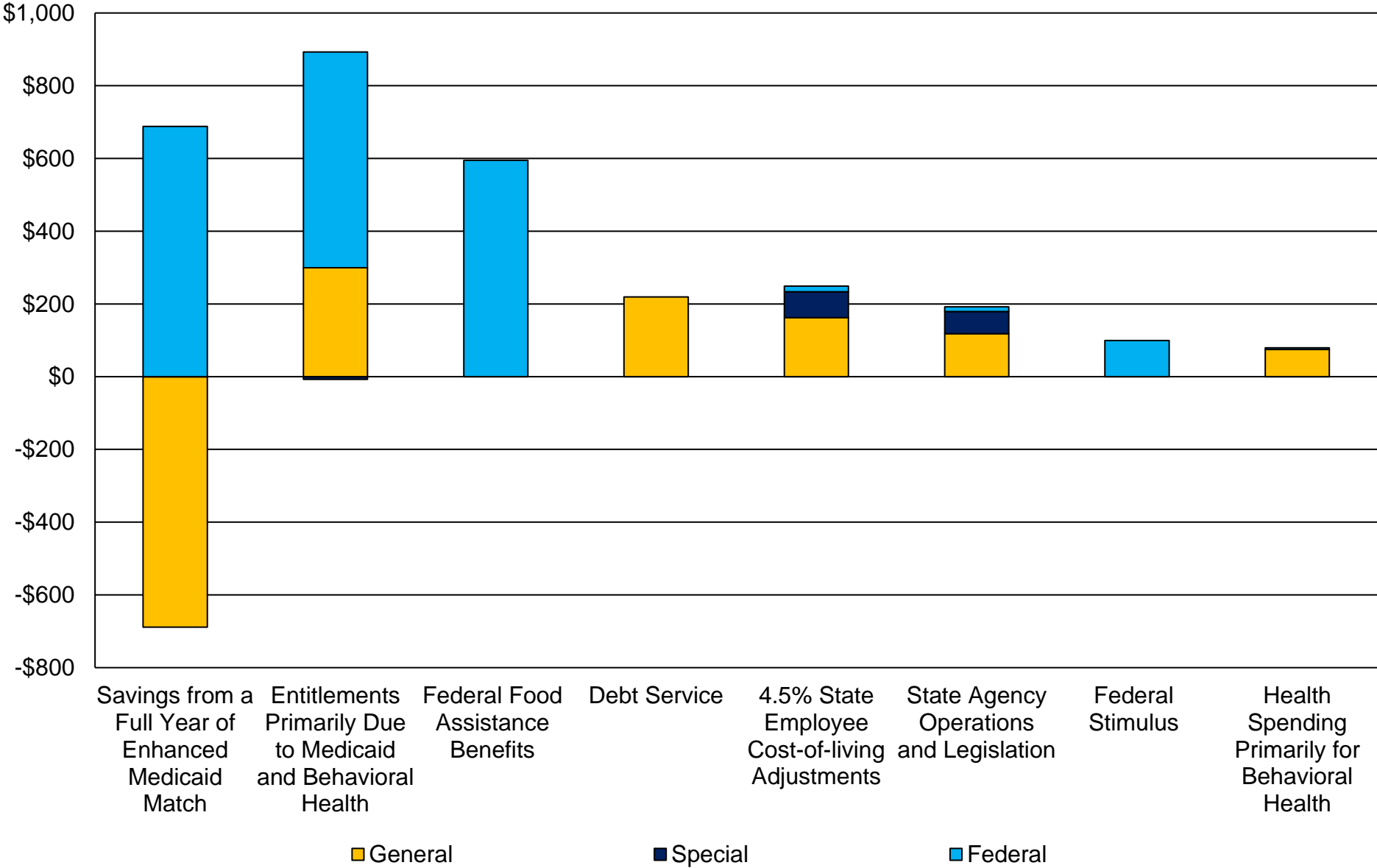
⁽²⁾ Chapters 4 and 550 of 2017 as amended by the Budget Reconciliation and Financing Act of 2018 require the Board of Revenue Estimates, beginning with fiscal 2020, to calculate an adjustment to the general fund revenue estimate based on the share of revenues from nonwithholding personal income tax payments relative to the historical average. The amount of the adjustment is capped at 2.0% of the total general fund revenue estimate with specific dollar caps in fiscal 2023 through 2025. If the 2.0% cap were in effect for fiscal 2023 and 2024, the adjustments would be \$476.7 million and \$504.2 million, respectively.

Source: Board of Revenue Estimates

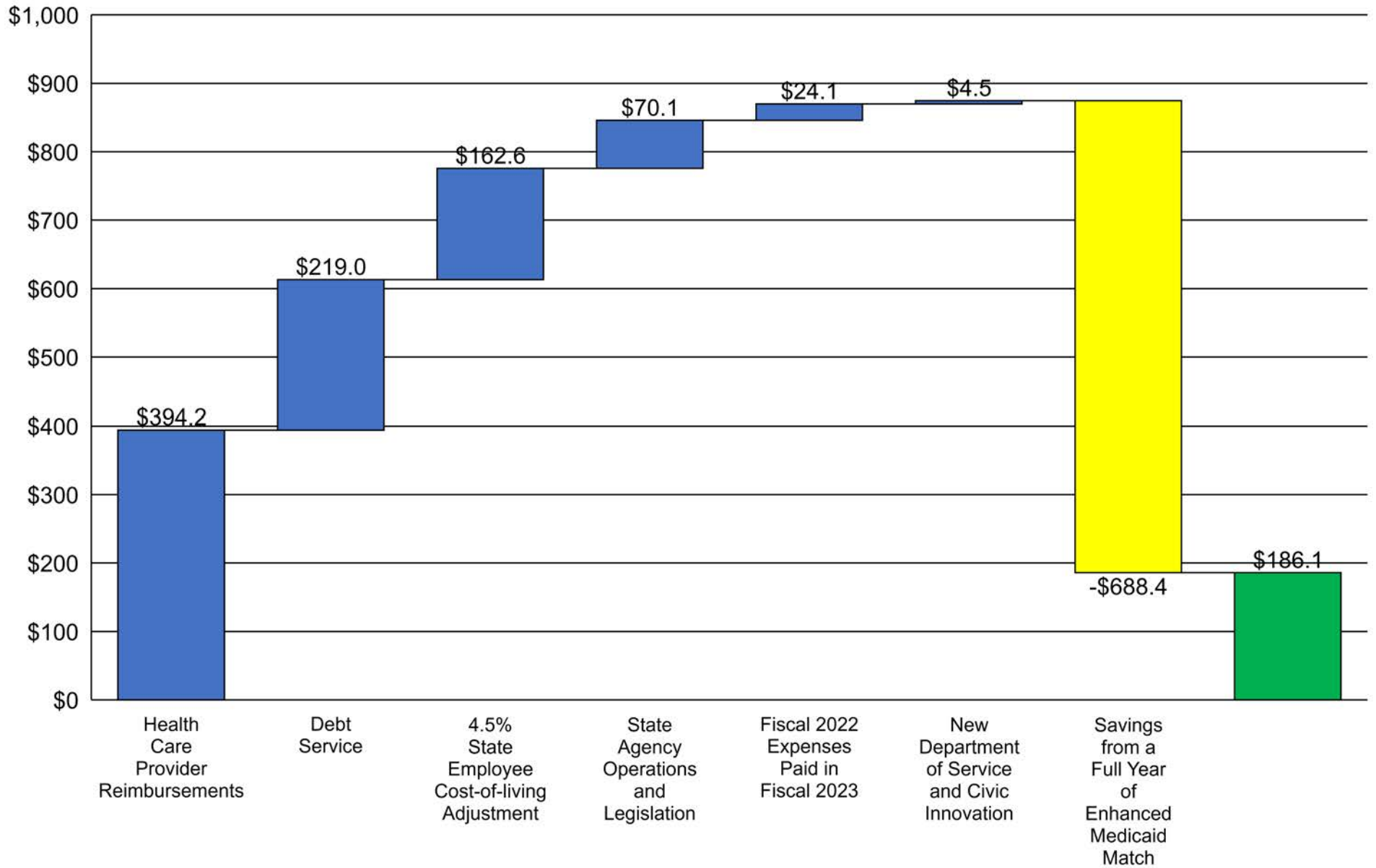
General Fund: End-of-year Balances
Fiscal 2022-2024
(\$ in Millions)

<u>Funds Available</u>	<u>2022 Actual</u>	<u>2023 Working</u>	<u>2024 Allowance</u>
Total Funds Available	\$26,429	\$30,496	\$27,769
Total Spending	20,931	28,180	26,949
Cash Balance/(Shortfall)	\$5,499	\$2,316	\$820
Structural Balance (Ongoing Revenues Less Ongoing Spending)	\$3,620	\$1,121	\$337
Ratio (Ongoing Revenues/Ongoing Operating Costs)	117.7%	104.8%	101.4%
Estimated Rainy Day Fund Balance – June 30	\$1,662	\$2,924	\$2,511
Available Cash Balance (General Funds + Rainy Day Fund Above 10%)	\$5,499	\$2,890	\$822

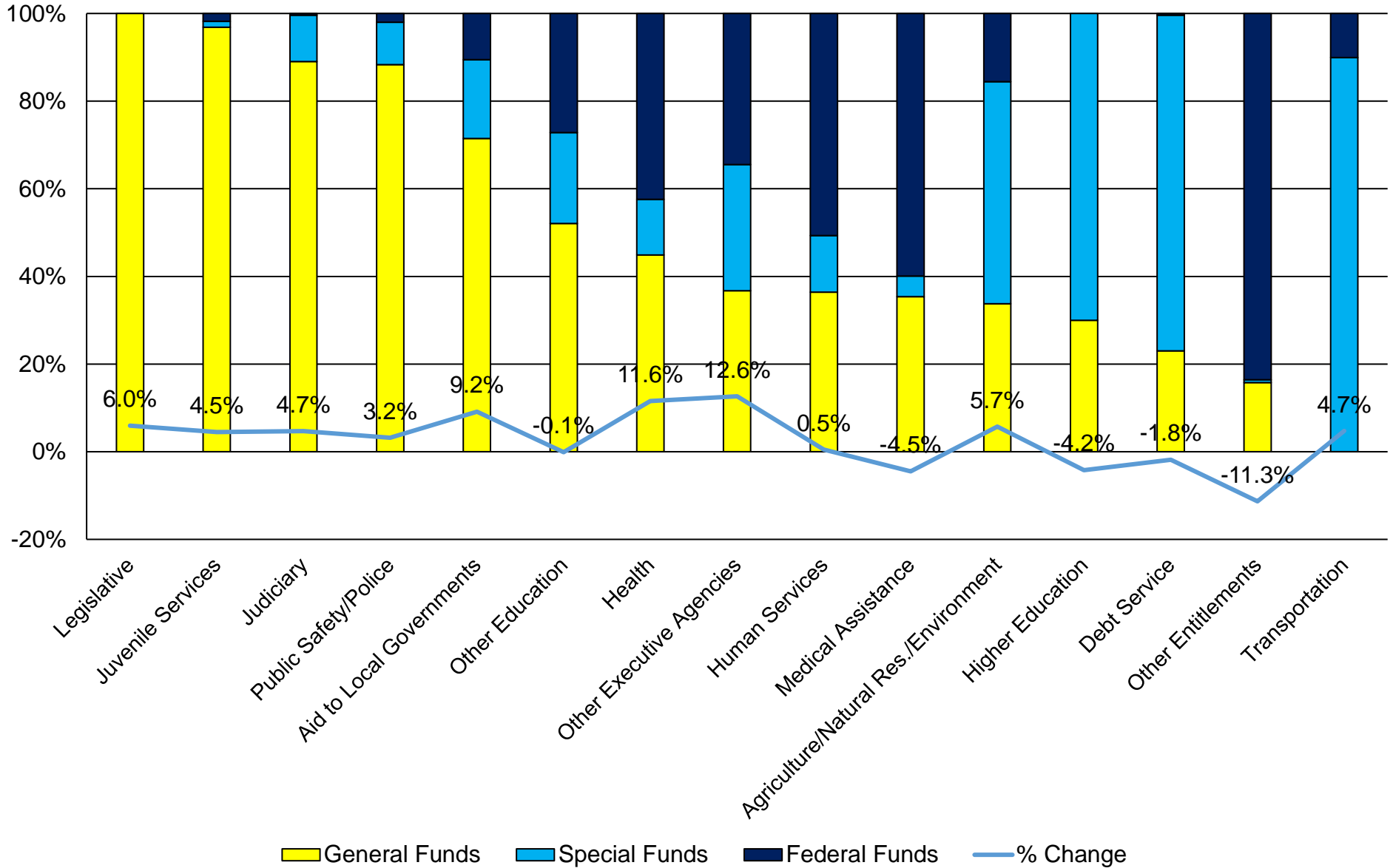
**Fiscal 2023 Deficiencies, Net of Planned Reversions, Total \$2.2 Billion
(\$ in Millions)**



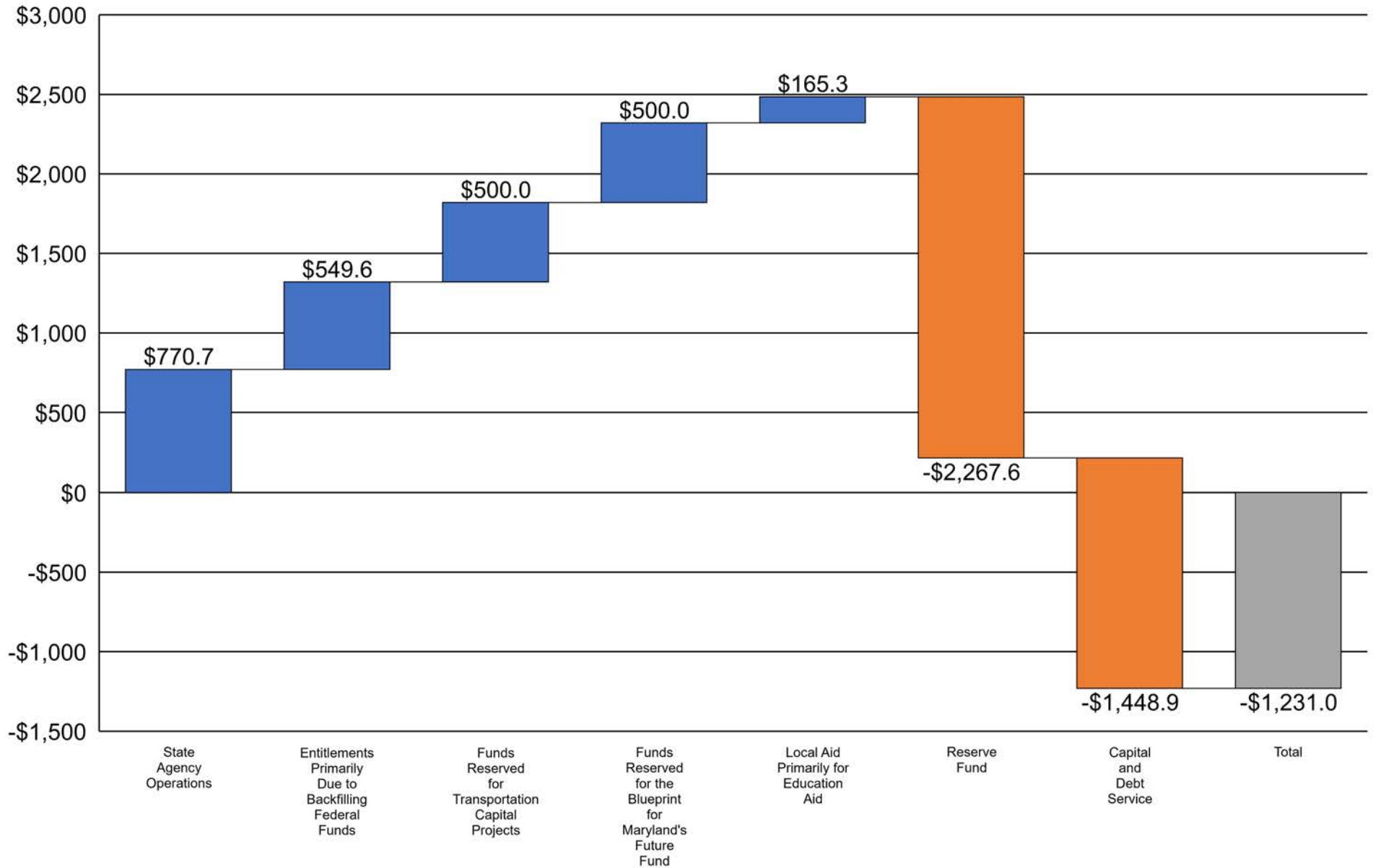
**Fiscal 2023 General Fund Deficiencies, Net of Planned Reversions, Total \$186.1 Million
(\$ in Millions)**



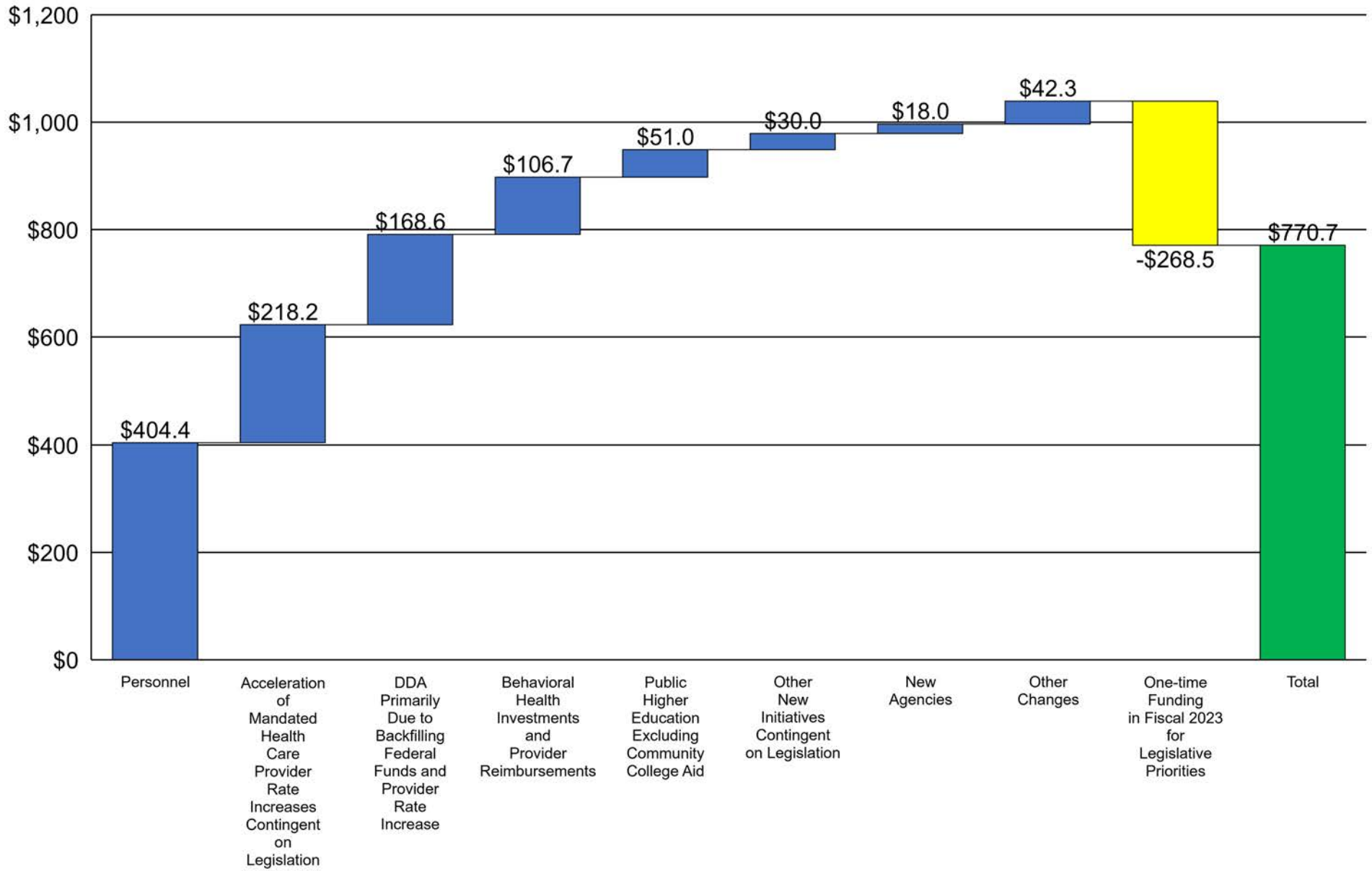
Fiscal 2024 Operating Budget by Fund Type and Fiscal 2023 to 2024 Growth Percentage



General Fund Spending Decreases by \$1.2 Billion in Fiscal 2024 (\$ in Millions)



General Fund Spending on State Agencies Increases by \$770.7 Million (\$ in Millions)



Analysis of Executive Branch Vacancies and Turnover Rate
Fiscal 2024 Allowance Compared to January 2023 Vacancies

<u>Department/Service Area*</u>	<u>Positions</u>	<u>Budgeted Turnover Rate</u>	<u>Vacancies To Meet Turnover</u>	<u>January Vacancies</u>	<u>Vacancies Above Turnover</u>	<u>Actual Vacancy Rate</u>
Public Safety, Health, and Human Services						
Public Safety and Correctional Services	9,217	12.7%	1,172	1,443	271	15.7%
Health	6,337	8.5%	540	860	320	13.6%
Human Services	5,971	7.1%	421	910	489	15.2%
Police and Fire Marshal	2,506	7.1%	178	283	105	11.3%
Juvenile Services	2,164	5.9%	128	352	224	16.3%
Subtotal	26,195	9.1%	2,439	3,848	1,409	14.7%
Transportation	9,058	5.5%	502	945	443	10.4%
Other Executive						
Legal (Excluding Judiciary)	1,500	5.1%	76	174	98	11.6%
Executive and Administrative Control	1,663	3.4%	57	200	143	12.0%
Financial and Revenue Administration	2,125	4.3%	91	234	143	11.0%
Budget and Management and DoIT	507	3.9%	20	46	26	9.1%
Retirement	187	3.9%	7	20	13	10.7%
General Services	689	4.2%	29	86	56	12.4%
Natural Resources	1,380	5.4%	74	146	72	10.6%
Agriculture	409	7.1%	29	65	35	15.8%
Labor	1,350	5.1%	69	166	97	12.3%
MSDE and Other Education	1,849	5.3%	98	270	172	14.6%
Housing and Community Development	333	4.8%	16	37	21	11.1%
Commerce	188	4.1%	8	18	10	9.6%
Environment	880	5.7%	50	95	45	10.7%
Subtotal	13,060	4.8%	624	1,555	931	11.9%
Executive Branch	48,313	7.2%	3,565	6,348	2,783	13.1%

*Excludes Higher Education

DoIT: Department of Information Technology
MSDE: Maryland State Department of Education

Source: Department of Budget and Management; Department of Legislative Services

Fiscal 2023 and 2024 Statewide Personnel Actions
(\$ in Millions)

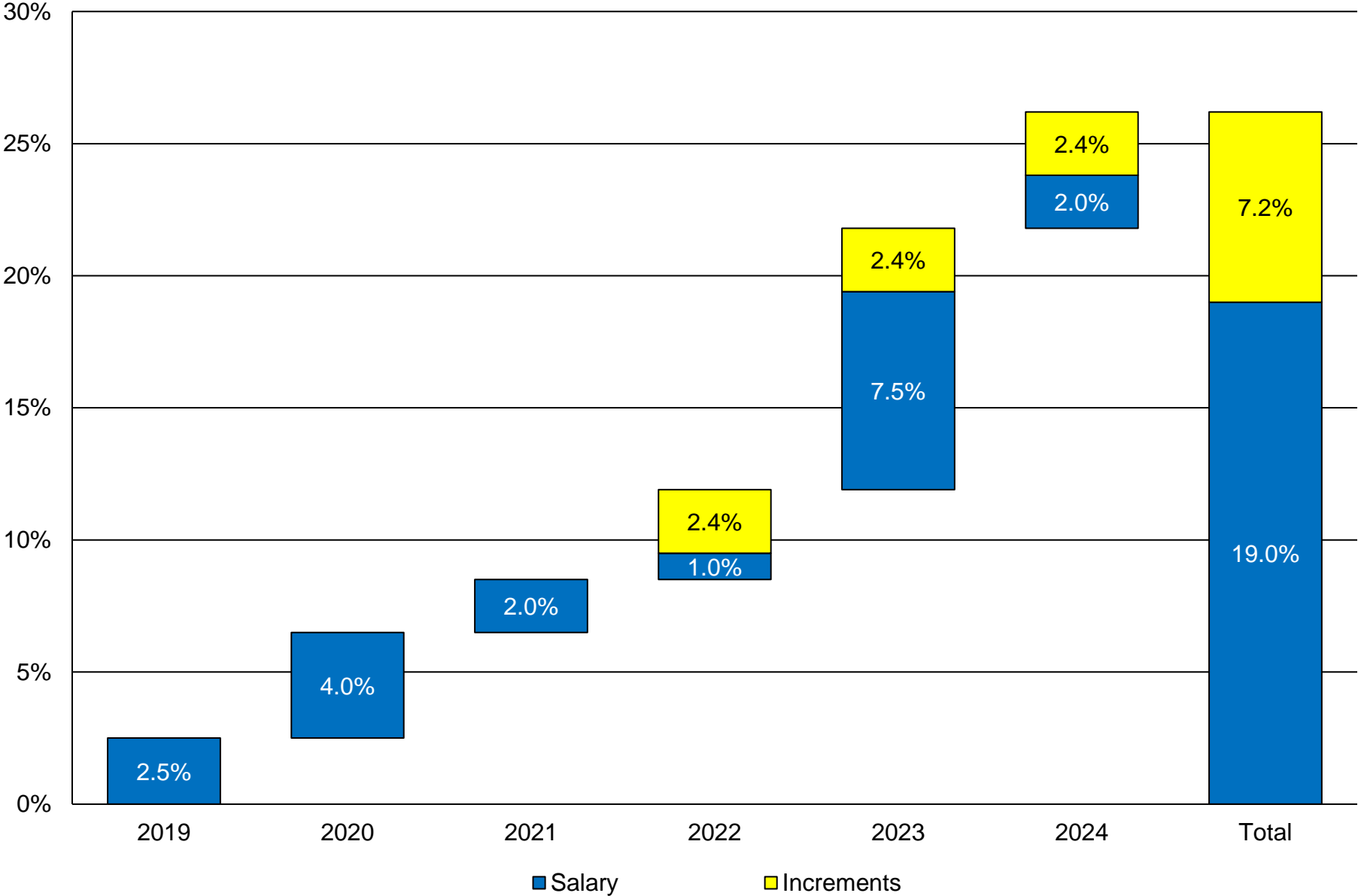
<u>Actions</u>	<u>2023</u>	<u>2024</u>
November 2022 4.5% COLA*	\$249.1	\$373.6
July 2023 2% COLA		148.7
Fiscal 2024 Increments		160.9
Annual Salary Review		32.9
SLEOLA July 2023 5% COLA		18.2
SLEOLA Fiscal 2024 Increments		11.0
Correctional Officer Bonuses		17.8
Workers Compensation Deficit	9.1	
Total All Funds	\$258.2	\$763.1

* Fiscal 2024 cost of November 2022 COLA is budgeted in agency budgets.

COLA: cost-of-living adjustment

SLEOLA: State Law Enforcement Officers Labor Alliance

Salary Increases Fiscal 2019-2024



**New Positions
Fiscal 2023-2024**

<u>Department/Service Area</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Legal (Excluding Judiciary)	2	103	105
Natural Resources		82	82
Environment	9	69	78
Executive and Administrative Control	22	48	70
Health		65	65
MSDE and Other Education		38	38
Police and Fire Marshal	33	5	38
Budget and Management and Information Technology		25	25
Financial and Revenue Administration		23	23
Housing and Community Development	20	2	22
Service and Civic Innovation	14	4	18
General Services		7	7
Retirement		5	5
<i>Executive Branch Subtotal</i>	100	476	576
Judiciary		15	15
Higher Education	844	3	847
Total	944	494	1439

State Aid by Governmental Entity
Amount and Percent of Total
(\$ in Millions)

	<u>FY 2024</u> <u>State Aid Amount</u>	<u>Percent</u> <u>of Total</u>
Public Schools	\$8,688.5	84.5%
Libraries	91.7	0.9%
Community Colleges	476.3	4.6%
Local Health	115.8	1.1%
County/Municipal	911.7	8.9%
Total	\$10,284.1	100.0%

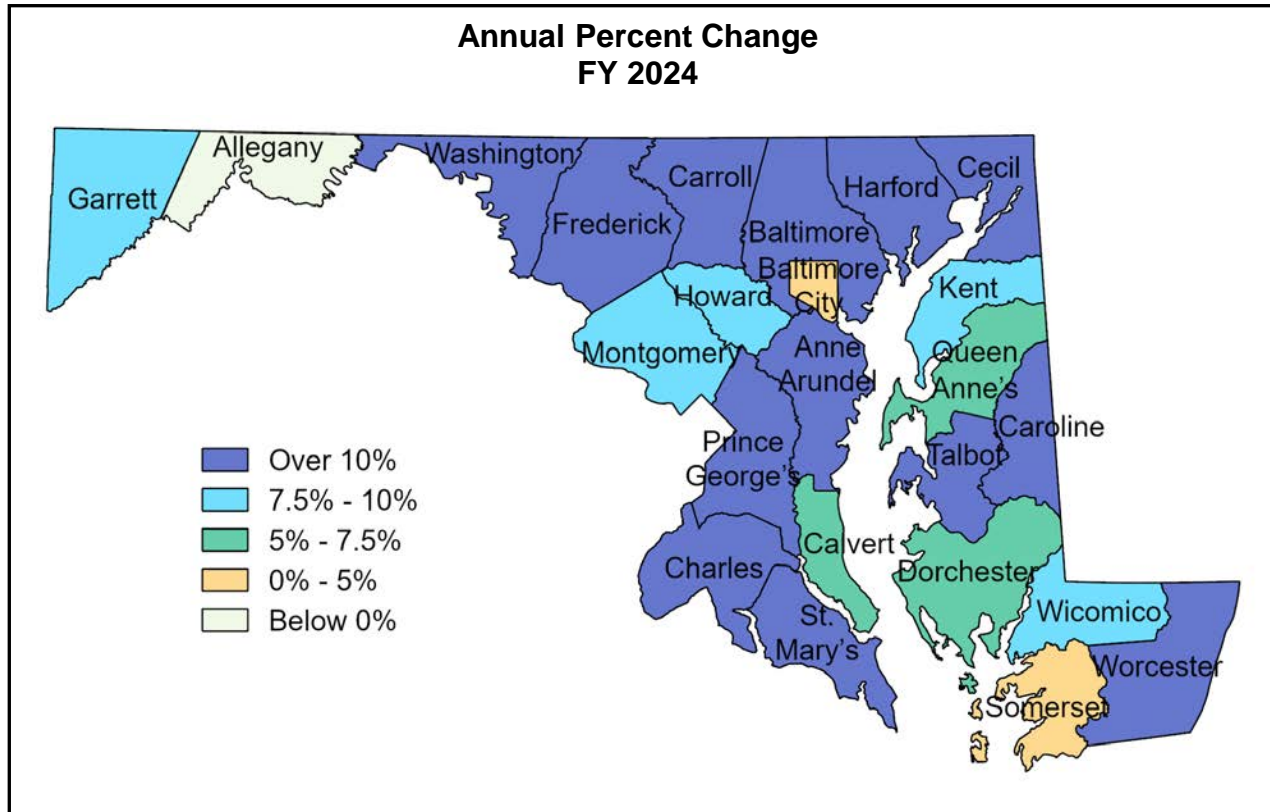
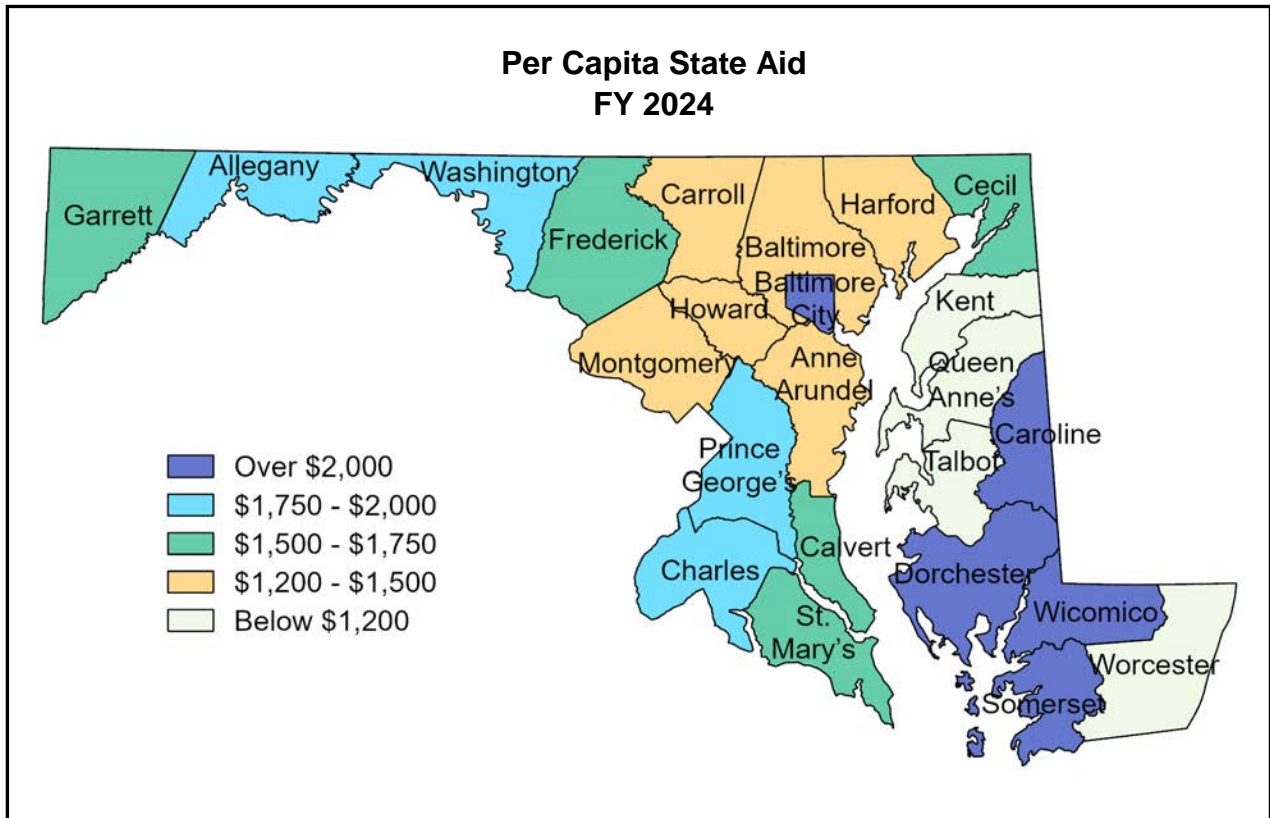
Change in State Aid
(\$ in Millions)

	<u>FY 2024</u> <u>Aid Change</u>	<u>Percent</u> <u>Change</u>
Public Schools	\$733.3	9.2%
Libraries	2.3	2.6%
Community Colleges	41.0	9.4%
Local Health	14.5	14.3%
County/Municipal	57.3	6.7%
Total	\$848.3	9.0%

State Aid by Major Programs
Fiscal 2022 - 2024
State Funds
(\$ in Millions)

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Difference</u>	<u>Percent Difference</u>
Public Schools					
Foundation Programs	\$3,413.3	\$3,817.4	\$3,961.0	\$143.6	3.8%
Compensatory Aid	1,286.6	1,295.2	1,686.1	390.9	30.2%
English Language Learners Grant	334.3	422.5	470.7	48.2	11.4%
Special Education - Formula Aid	311.1	401.3	464.1	62.8	15.7%
Special Education - Nonpublic	126.7	141.4	145.6	4.2	3.0%
Student Transportation	288.1	336.0	363.4	27.4	8.2%
Guaranteed Tax Base	49.9	45.8	46.8	1.0	2.1%
Head Start/Pre-Kindergarten	29.6	29.6	29.6	0.0	0.0%
Blueprint Programs	811.9	595.4	603.4	8.0	1.3%
Other Education Programs	91.7	146.1	149.4	3.3	2.3%
Subtotal Direct Aid	\$6,743.1	\$7,230.6	\$7,920.0	\$689.4	9.5%
Retirement Payments	779.0	724.6	768.6	43.9	6.1%
Total Public School Aid	\$7,522.1	\$7,955.2	\$8,688.5	\$733.3	9.2%
Libraries					
Library Aid Formula	\$44.7	\$47.7	\$48.7	\$1.0	2.1%
State Library Network	19.8	21.0	21.4	0.5	2.3%
Subtotal Direct Aid	\$64.4	\$68.7	\$70.1	\$1.5	2.1%
Retirement Payments	20.1	20.8	21.6	0.8	4.0%
Total Library Aid	\$84.6	\$89.4	\$91.7	\$2.3	2.6%
Community Colleges					
Community College Formula	\$290.1	\$355.1	\$393.3	\$38.2	10.8%
Other Programs	34.0	35.3	37.0	1.7	4.8%
Subtotal Direct Aid	\$324.1	\$390.4	\$430.3	\$39.9	10.2%
Retirement Payments	46.0	45.0	46.1	1.1	2.4%
Total Community College Aid	\$370.1	\$435.3	\$476.3	\$41.0	9.4%
Local Health Grants	\$80.6	\$101.3	\$115.8	\$14.5	14.3%
County/Municipal Aid					
Transportation	\$285.0	\$294.6	\$351.3	\$56.7	19.2%
Public Safety	168.8	221.2	215.7	-5.6	-2.5%
Disparity Grant	158.2	161.2	166.5	5.3	3.3%
Gaming Impact Aid	104.3	107.2	108.0	0.8	0.7%
Other Grants	70.4	70.2	70.3	0.1	0.1%
Total County/Municipal Aid	\$786.7	\$854.4	\$911.7	\$57.3	6.7%
Total State Aid	\$8,844.0	\$9,435.7	\$10,284.1	\$848.3	9.0%

State Aid to Local Governments



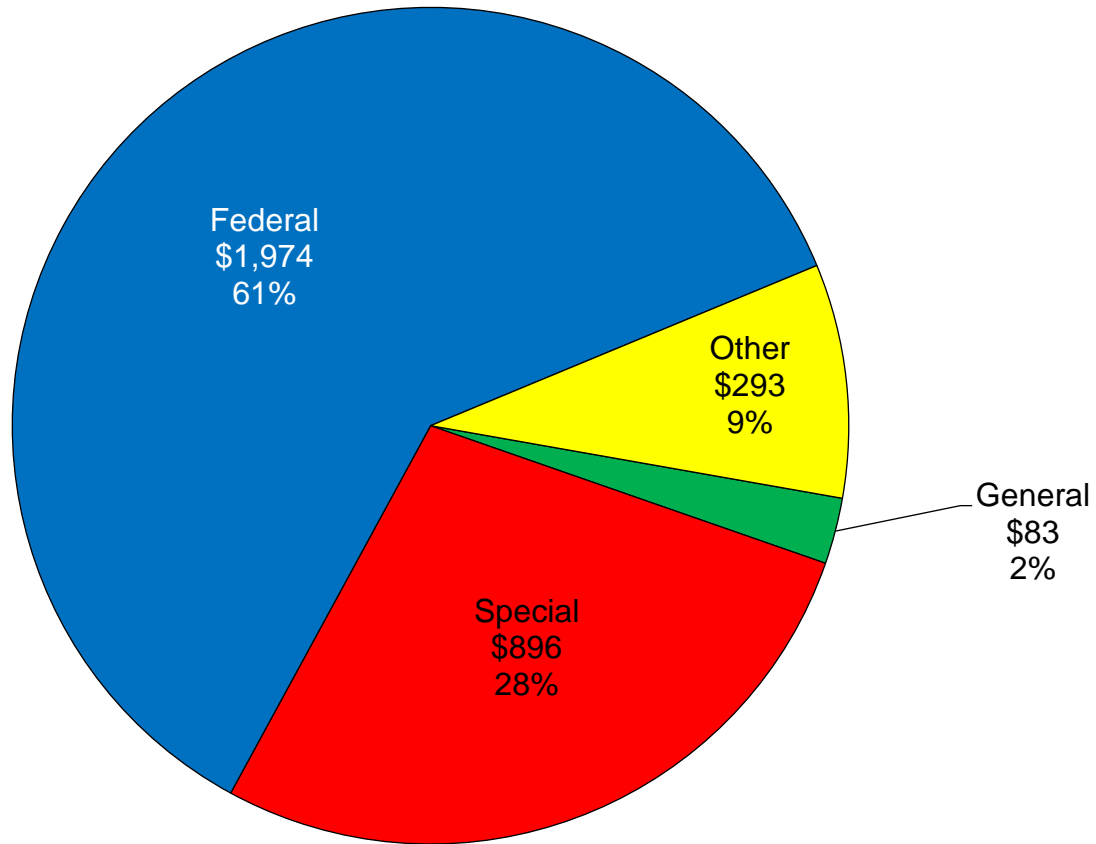
Transportation Trust Fund Forecast Comparison
Fiscal 2023-2027
(\$ in Millions)

	<u>January 2022</u> <u>Forecast</u>	<u>January 2023</u> <u>Forecast</u>	<u>Change</u>
<u>Revenues</u>			
Taxes and Fees			
Motor Vehicle Fuel Taxes	\$6,247	\$7,210	\$963
Titling Taxes	5,320	5,324	5
Sales Tax – Rental Vehicles	155	160	5
Corporate Income Tax	1,550	1,889	339
Registration Fees	2,114	2,071	-43
Miscellaneous Motor Vehicle Fees	1,490	1,409	-81
<i>Subtotal: Taxes and Fees</i>	<i>\$16,876</i>	<i>\$18,064</i>	<i>\$1,188</i>
Other Revenues			
Operating Revenues	\$2,180	\$2,295	\$115
Federal Operating Assistance	544	577	33
Bond Proceeds/Premiums	1,380	1,335	-45
Federal COVID-19/Stimulus	355	475	120
Other	225	345	120
Change in Fund Balance	250	239	-11
<i>Subtotal: Other Revenues</i>	<i>\$4,934</i>	<i>\$5,266</i>	<i>\$332</i>
Total Revenues	\$21,810	\$23,330	\$1,520
<u>Expenditures</u>			
Debt Service	\$2,290	\$2,249	-\$42
Operating Budget	12,189	12,849	660
Deductions to Other Agencies	431	439	8
Highway User Revenues Capital Grants	1,175	1,906	731
State Capital Program	5,725	5,888	163
Total Expenditures	\$21,810	\$23,330	\$1,520

Note: Comparison only includes the five years that the two forecasts overlap.

Consolidated Transportation Program

**Increase in Programmed Funding
Between January 2022 and January 2023 CTPs
Fiscal 2023-2027
(\$ in Millions)**

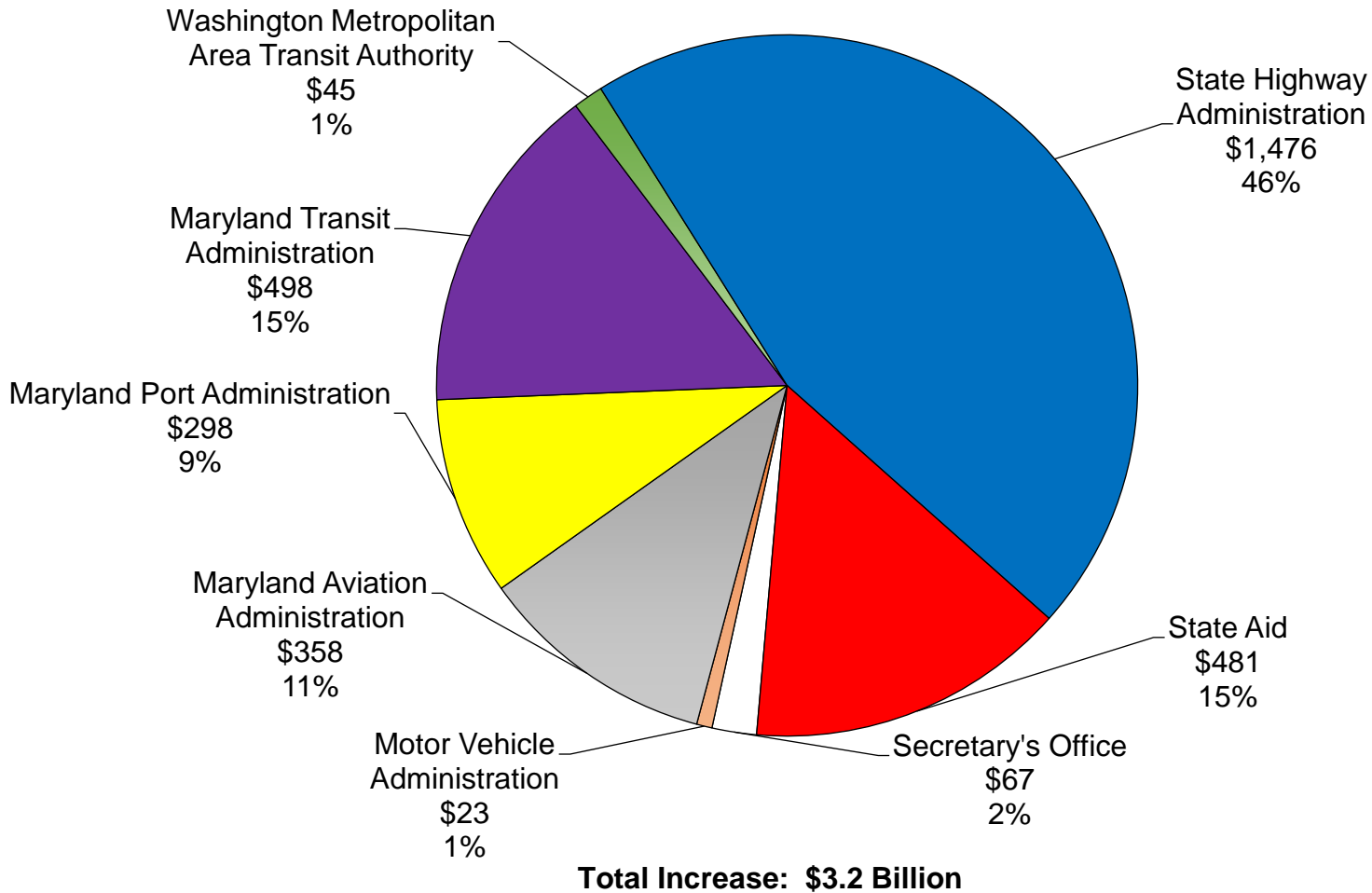


Total Increase: \$3.2 Billion

CTP: Consolidated Transportation Program

Consolidated Transportation Program

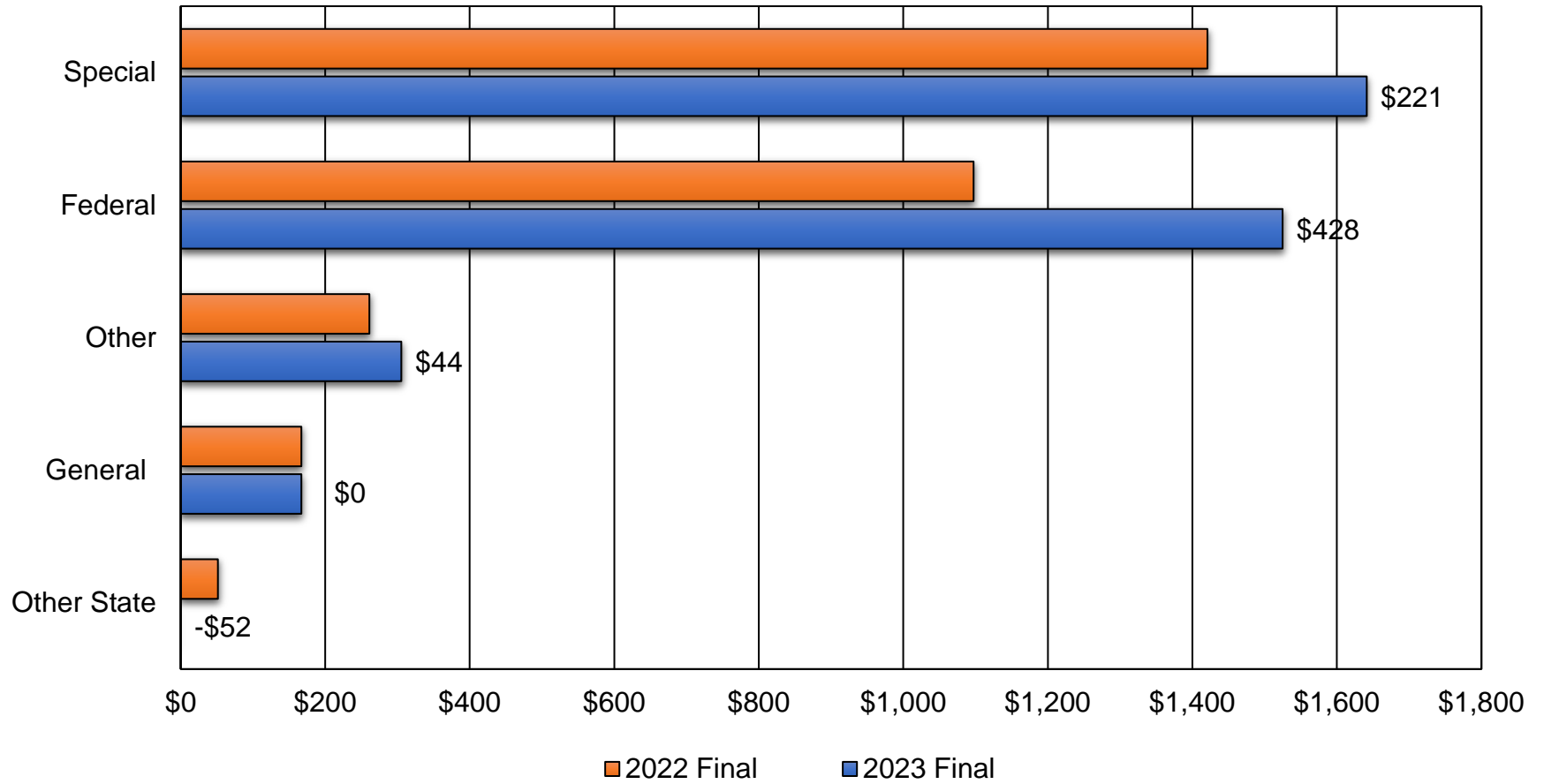
**Increase in Programmed Funding
Between January 2022 and January 2023 CTPs
Fiscal 2023-2027
(\$ in Millions)**



CTP: Consolidated Transportation Program

Consolidated Transportation Program

Fiscal 2024 Transportation Capital Programmed Funding 2022 CTP v. 2023 CTP and 2023 Change (\$ in Millions)

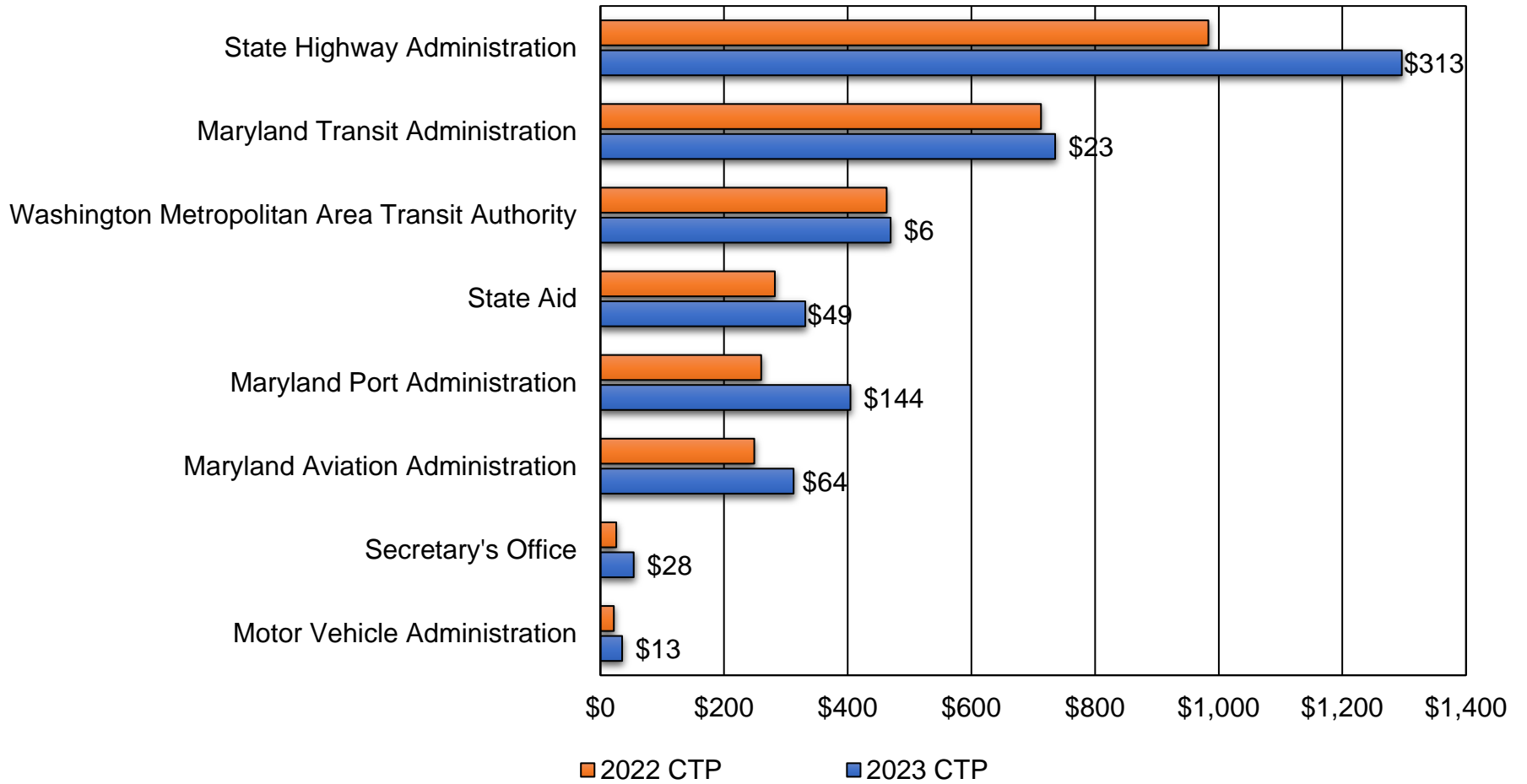


Total Fiscal 2024 Change: \$641 Million

CTP: Consolidated Transportation Program

Consolidated Transportation Program

Fiscal 2024 Transportation Capital Programmed Spending 2022 CTP v. 2023 CTP and 2023 Change (\$ in Millions)



Total Fiscal 2024 Change: \$641 Million

CTP: Consolidated Transportation Program

Quick Look at Fiscal 2024 Capital Program

Budget Change Fiscal 2023-2024 (\$ in Millions)

	<u>2023</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Funds*</u>				
General Obligation (GO) Bonds	\$1,209.4	\$1,206.6	-\$2.8	-0.2%
Bond Premiums Proceeds	40.8	0.0	-40.8	-100.0%
General Funds	2,291.0	817.3	-1,473.7	-64.2%
Special Funds	652.8	960.3	307.5	47.1%
Federal Funds	571.8	158.2	-413.6	-72.3%
Revenue Bonds (Built to Learn Act)	480.0	447.2	-32.8	-6.8%
Revenue Bonds (Academic Revenue)	30.0	30.0	0.0	0.0%
	<u>2023</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Uses</u>				
State Facilities	\$370.2	\$200.0	-\$170.2	-46.0%
Health/Social	175.2	82.6	-92.6	-52.9%
Environment	1,088.7	907.6	-181.1	-16.6%
Public Safety	52.4	71.9	19.5	37.2%
Education	1,257.3	1,105.2	-152.1	-12.1%
Higher Education	747.1	453.8	-293.3	-39.3%
Housing/Economic Development	637.9	253.0	-384.9	-60.3%
Local Projects and Legislative Initiatives	728.5	378.5	-350.0	-48.0%
Transportation (WMATA and Howard Street Tunnel)	218.5	167.0	-51.5	-23.6%
Total	\$5,275.8	\$3,619.6	-\$1,656.2	-31.4%

*Excludes Maryland Department of Transportation.

WMATA: Washington Metropolitan Area Transit Authority

Note: Bond Premium figures are adjusted to reflect \$219 million underattainment in fiscal 2023, which is replaced with a proposed \$219 million general fund pay-as-you-go fiscal 2023 deficiency.

General funds include \$273 million in the Dedicated Purpose Account including \$167 million for WMATA grants and \$100 million set aside for legislative initiatives.

Special funds include \$310 million from the Fiscal Responsibility Fund including \$268.5 million supporting the Public School Construction Program.

Federal funds include \$76 million authorized through the Infrastructure Investment and Jobs Act budgeted in the Water Quality and Drinking Water revolving loan programs administered by the Maryland Department of the Environment.

Funding Highlights and Other Considerations

- Fiscal 2024 New GO Bond Authorization Level of \$1.205 Billion Is Consistent with the Spending Affordability Committee (SAC) Recommendation:** The authorization level is \$80 million higher than what was planned in the 2022 *Capital Improvement Program* (CIP) and will be used to address construction inflation that has increased at an average annual rate of 14% annually since the beginning of calendar 2020.
- Annual Authorization Levels to Remain at Fiscal 2024 Level through Planning Period:** This adds \$260 million above what was programmed in the 2022 CIP but is \$290 million less than what the SAC recommended level would provide through the 2026 session.

Future Annual Authorization Levels Below SAC Recommendation 2023-2026 Session

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
2022 CIP 1%	\$1,125	\$1,135	\$1,145	\$1,155	\$4,560
SAC 4%	1,205	1,250	1,300	1,355	\$5,110
2023 CIP	1,205	1,205	1,205	1,205	\$4,820
Variance 2022	80	70	60	50	\$260
Variance SAC	0	-45	-95	-150	-\$290

- Increased Reliance on General Fund Pay-as-you-go (PAYGO):** The plan to hold annual GO bond authorization levels at \$1.205 billion through the planning period is offset by increased programmed levels of general fund PAYGO. An additional \$446 million of general fund PAYGO is planned through the 2026 session, including \$360 million more in fiscal 2024 than planned.

Increased Use of PAYGO General Funds 2023-2026 Session

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
2022 CIP	\$457.3	\$457.5	\$462.5	\$441.0	\$1,818.3
2023 CIP	817.3	572.0	556.4	319.1	\$2,264.8
Variance	360.0	114.5	93.9	-121.9	\$446.5

- Transfer Tax Revenues:** The budget includes \$408 million of transfer tax revenues comprised of \$286 million of estimated fiscal 2024 revenues and the budgeting of a \$122.3 million overattainment of fiscal 2022 revenues. This is \$53 million more than the amount budgeted for fiscal 2023. Capital programs supported by the transfer tax receive \$323 million in fiscal 2024 compared to

\$280 million in fiscal 2023, an increase of \$43 million. The December 2022 revised estimates suggest a fiscal 2023 underattainment of \$27 million that would be applied to fiscal 2025.

Changes in Transfer Tax Revenues and Impact on Capital Programs Fiscal 2023-2024

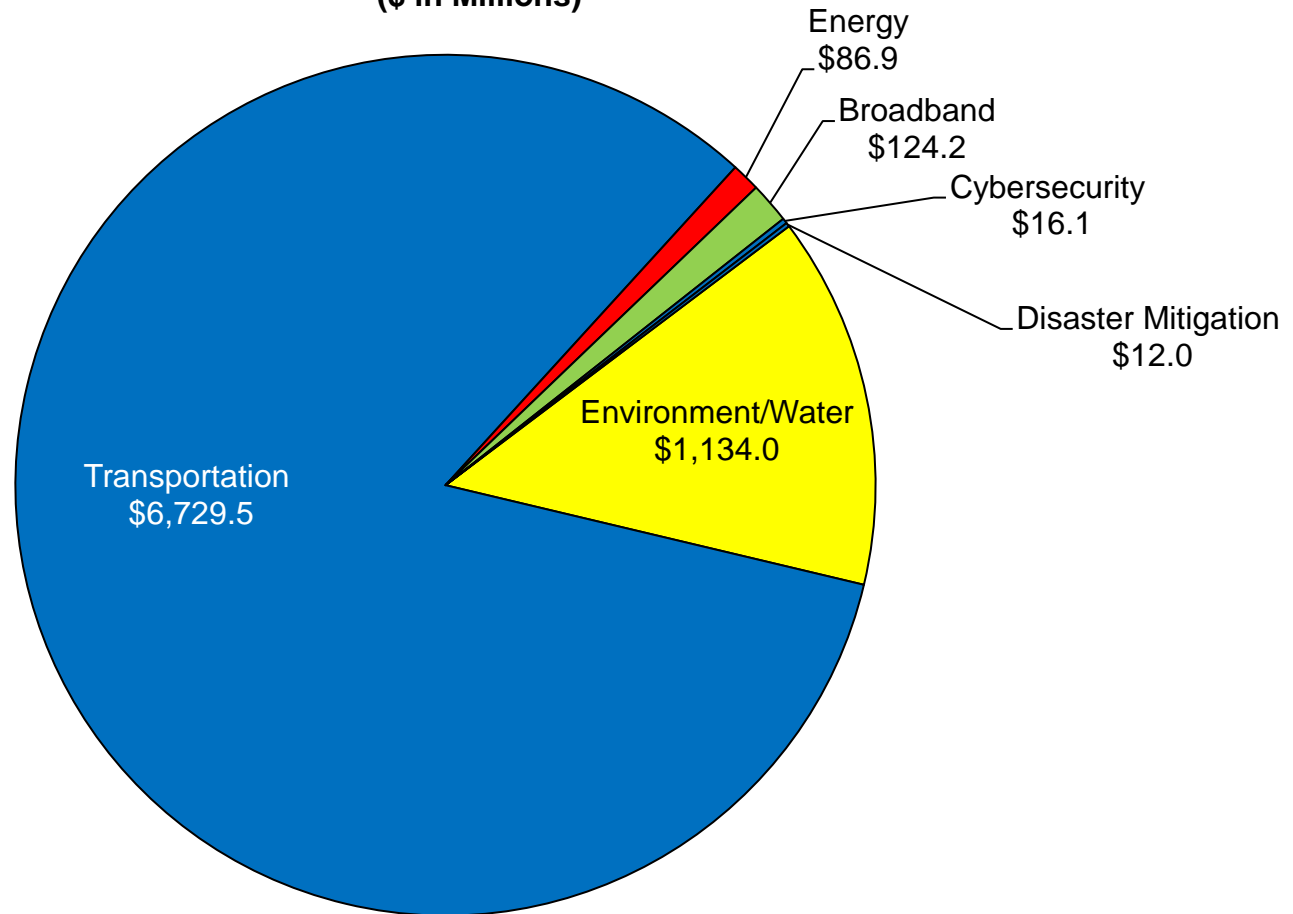
	<u>2023</u>	<u>2024</u>	<u>Difference</u>
Revenue Estimate	\$306.5	\$286.1	-\$20.4
Over/Underattainment Adjustment	48.5	122.3	73.8
Total Revenues	\$355.0	\$408.4	\$53.4
Total to Capital Program	\$280.2	\$323.7	\$43.5

- ***Treatment of Mandates:*** The capital budget provides \$353 million for capital mandates. This includes an additional \$200 million of recently enacted or amended mandates above what was programmed in the 2022 CIP for fiscal 2024 highlighted by \$129 million mandated through the Great Maryland Outdoors Act (Chapter 39 of 2022) and an additional \$50 million for the Healthy School Facility Fund for a total of \$90 million for the program (see Appendix 22).

- ***Facilities Renewal:*** The budget does not provide funding for facilities renewal projects managed by the Department of General Services. The \$110 million budgeted for this purpose in fiscal 2023 remains unspent in the Dedicated Purpose Account (DPA); the operational capacity to manage this level of funding is proving problematic. The budget does continue an enhancement begun in fiscal 2023 for facilities renewal at community colleges with \$19 million appropriated to the DPA for this purpose.

- ***School Construction:*** The budget provides \$1.091 billion for public school facilities highlighted by \$485 million for the traditional public school construction program and \$447 million of Built to Learn Act revenue bonds.

**Infrastructure Investment and Jobs Act Funding
Totals \$8.1 Billion
(\$ in Millions)**



Fiscal 2023 and 2024 budgets appropriate \$84.8 million for water and environmental infrastructure.

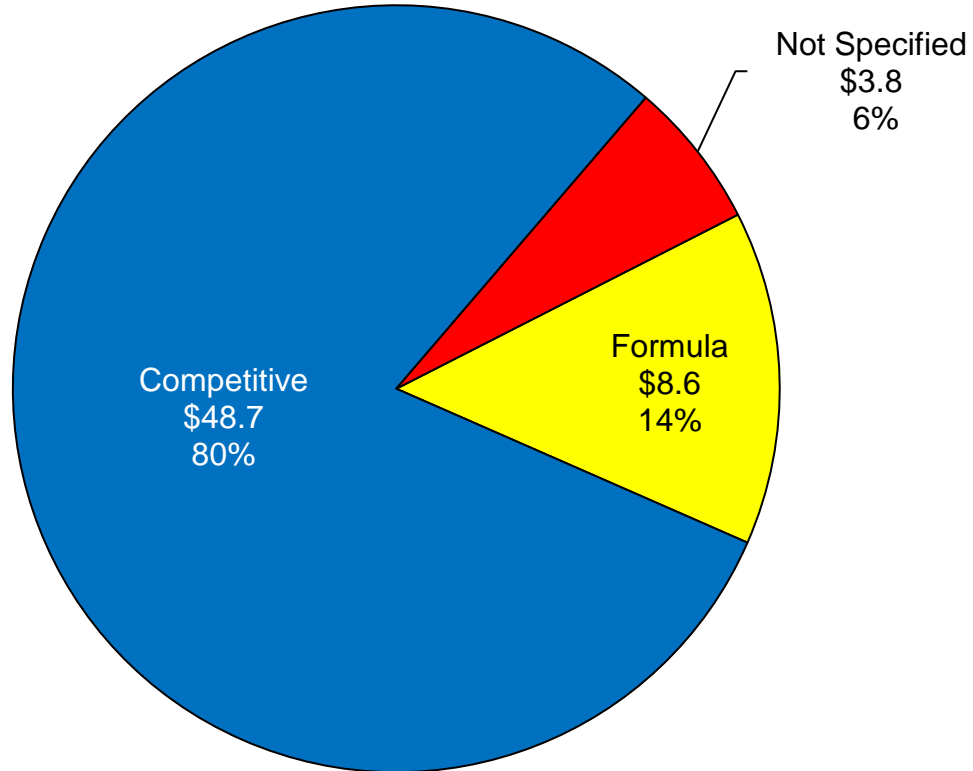
The Maryland Department of Transportation Fiscal 2023 to 2028 *Consolidated Transportation Program* recognizes all Infrastructure Investment and Jobs Act funding, including \$1.4 billion in enhancements.

The fiscal 2024 budget provides \$10 million in funding for energy infrastructure and assistance, including \$3.9 million in fiscal 2023 deficiencies.

Federal Inflation Reduction Act of 2022

- The Federal Inflation Reduction Act of 2022 includes over \$88.5 billion in grants of interest to states. Estimated State allocations total \$8.7 billion, as the majority of funding is competitive.

State Eligible Grant Funding Totals \$61 Billion



- As of January 18, 2023, \$137.6 million has been identified as allocated to Maryland. This includes:
 - \$68.2 million for the Home Energy Performance-based, Whole-House Rebate;
 - \$68.6 million for the High Efficiency Electric Home Rebate Program; and
 - \$0.75 million for Fenceline Air Monitoring and Screening Air Monitoring.

Major Competitive Grant Funding Available for State Governments (\$ in Billions)

<u>Grant Purpose</u>	<u>Funds</u>
Environmental Quality Incentives Program: assistance for working lands to maintain or improve production while conserving natural resources; competitive grants awarded for new tools, practices, and other innovations	\$8.5
Greenhouse Gas Reduction Fund: enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies and other greenhouse gas emission strategies	7.0
Climate Pollution Reduction Grants (Planning and Implementation): support reductions to greenhouse gas air pollution	5.0
Regional Conservation Partnership Program: supports public-private partnerships to fund new conservation structures and approaches to natural resource challenges on agricultural land	5.0
Neighborhood Access and Equity Grant Program: improve walkability, safety, and affordable transportation access, etc., to benefit disadvantaged communities	3.2
Grants to Reduce Air Pollution at Ports: rebates and grants for purchase and installation of zero-emission equipment and technology at ports	3.0
Low-carbon Transportation Materials Grant: reimbursement or incentives for the use of construction materials with substantially lower levels of greenhouse gas emissions	2.0
Rural Energy for America Program: assist agricultural producers and rural small businesses through energy audits and recommendations on improving energy efficiency and use of renewable energy technologies	1.7
Urban and Community Forestry Assistance Program: grants for tree planting	1.5
Clean Heavy-Duty Vehicles: funds to replace heavy-duty vehicles with clean, zero-emission vehicles, support zero-emission vehicle infrastructure, and to train and develop workers	1.0
Other: various grants to support the acquisition of land, methane emissions monitoring and reduction, vegetation management, facilitation of in-state electricity transmission lines, etc.	6.8

Appendix 1
Selected Special Funds for Education
(\$ in Millions)

	Fiscal 2021		Fiscal 2022		Percent Change
	<u>Actual</u>	<u>Estimate</u>	<u>Actual</u>	<u>\$ Diff.</u>	
Sales Tax ⁽¹⁾	\$423	\$560	\$423	-\$136	0.0%
Casinos	531	588	612	24	15.1%
Sports Wagering	n/a	13	15	2	n/a

	Fiscal 2022	Fiscal 2023 Estimate			Percent Change
	<u>Actual</u>	<u>Sep. 2022</u>	<u>Dec. 2022</u>	<u>\$ Diff.</u>	
Sales Tax ⁽²⁾	\$423	\$623	\$612	-\$11	44.5%
Casinos	612	616	619	3	1.2%
Sports Wagering	15	42	47	5	213.0%

	Fiscal 2023	Fiscal 2024 Estimate			Percent Change
	<u>Sept.</u>	<u>Sep. 2022</u>	<u>Dec. 2022</u>	<u>\$ Diff.</u>	
Sales Tax ⁽²⁾	\$612	\$766	\$766	\$0	25.2%
Casinos	619	619	616	-3	-0.4%
Sports Wagering	47	50	49	-2	3.3%

⁽¹⁾ Total revenue from sources that are shared with the Blueprint Fund were over the estimate by \$42.9 million in fiscal 2022. HB 1450 (Chapter 33 of 2022) altered the distribution of sales tax revenue to the Blueprint Fund. Because the legislation was effective June 1, it eliminated the distribution to the Blueprint Fund for the last two months of fiscal 2022, resulting in \$112.0 million in revenue going to the General Fund instead.

⁽²⁾ Chapter 33 of 2022 changed the sales tax distribution to The Blueprint for Maryland's Future Fund (BMFF) beginning in fiscal 2023 to a percentage of total net receipts after the distribution of the short-term rental vehicle tax. In fiscal 2023 the percentage is 9.2% rising to 11.0% in fiscal 2024.

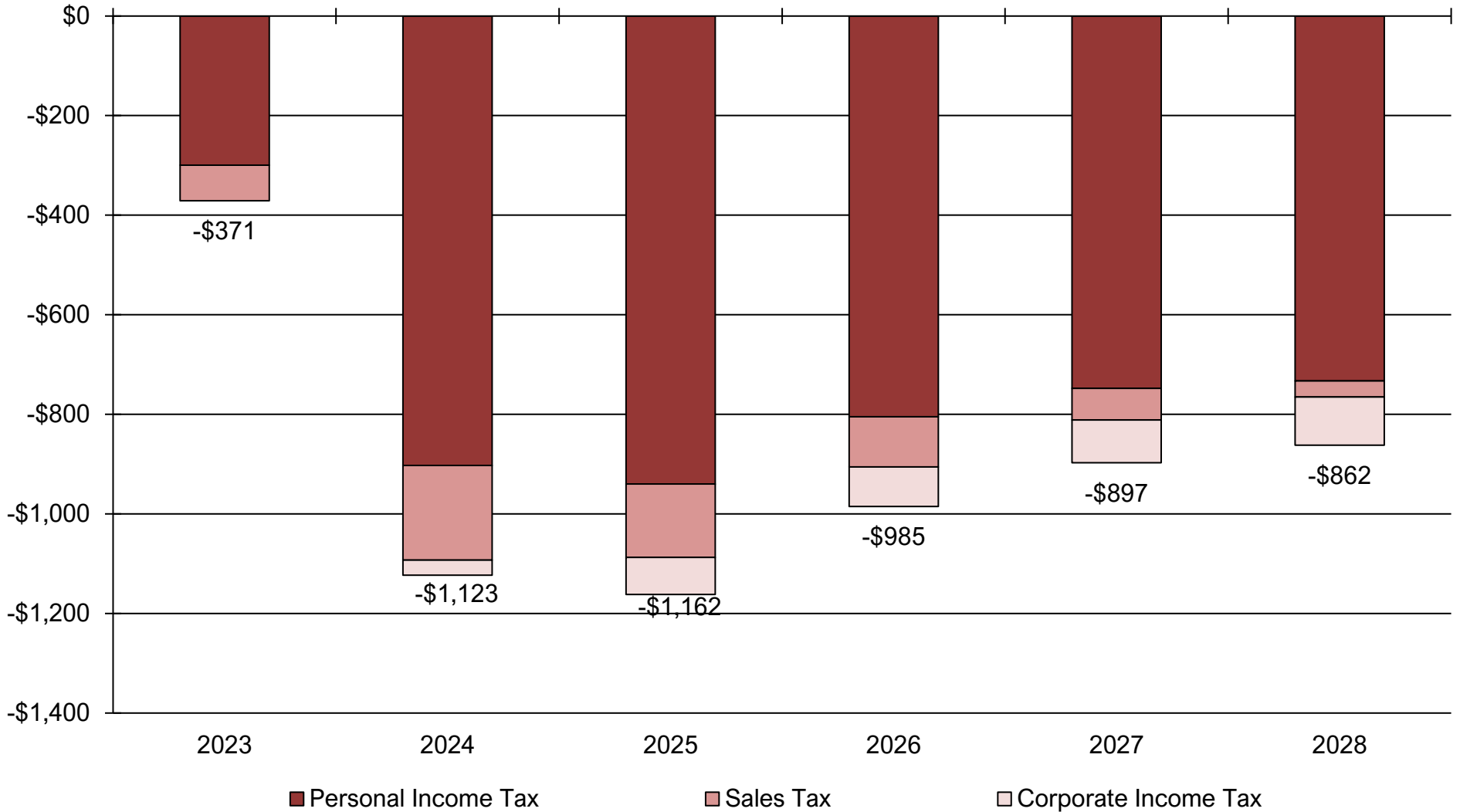
Note: The estimate from March 2022 has been adjusted for actions taken at the 2022 legislative session.

Source: Maryland Lottery & Gaming Control Agency; Office of the Comptroller; Board of Revenue Estimates

Appendix 2

Impact of Recession Scenario on General Fund Income, Sales and Corporate Taxes Compared to Bureau of Revenue Estimates December 2022 Forecast

Fiscal 2023-2028
(\$ in Millions)



Appendix 3
State Expenditures – All Funds
Fiscal 2022-2024
(\$ in Millions)

Category	FY 2022 Actual	FY 2023 Working Appropriation	FY 2024 Allowance	FY 2024 Contingent Reductions ⁽¹⁾	Adjusted FY 2024 Allowance	\$ Change 2023 to 2024	% Change
Debt Service	\$1,831.3	\$1,919.5	\$1,884.5	\$0.0	\$1,884.5	-\$35.0	-1.8%
County/Municipal	\$847.3	\$923.6	\$993.1	\$0.0	\$993.1	\$69.5	7.5%
Community Colleges	370.0	435.3	476.3	0.0	476.3	41.0	9.4%
Education/Libraries	10,994.8	9,071.2	9,910.2	0.0	9,910.2	839.0	9.2%
Health	80.6	101.3	115.8	0.0	115.8	14.5	14.3%
Aid to Local Governments	\$12,292.7	\$10,531.5	\$11,495.4	\$0.0	\$11,495.4	\$963.9	9.2%
Foster Care Payments	\$293.6	\$333.9	\$315.6	\$0.0	\$315.6	-\$18.4	-5.5%
Assistance Payments	3,042.7	2,815.4	2,467.3	0.0	2,467.3	-348.1	-12.4%
Medical Assistance	13,907.9	14,884.1	14,270.0	-50.0	14,220.0	-664.1	-4.5%
Property Tax Credits	84.2	87.3	87.9	-0.5	87.4	0.1	0.1%
Entitlements	\$17,328.3	\$18,120.8	\$17,140.8	-\$50.5	\$17,090.3	-\$1,030.5	-5.7%
Health	\$5,324.6	\$5,175.4	\$5,773.4	\$0.0	\$5,773.4	\$598.0	11.6%
Human Services	1,223.9	1,279.7	1,286.0	0.0	1,286.0	6.3	0.5%
Juvenile Services	254.4	308.6	322.4	0.0	322.4	13.8	4.5%
Public Safety/Police	1,856.1	2,024.9	2,089.7	0.0	2,089.7	64.8	3.2%
Higher Education	6,764.5	7,782.8	7,434.2	0.0	7,434.2	-348.6	-4.5%
Other Education	1,316.9	1,339.0	1,337.8	0.0	1,337.8	-1.3	-0.1%
Transportation	2,287.4	2,362.2	2,474.0	0.0	2,474.0	111.8	4.7%
Agriculture/Natural Res./Environment	523.0	646.7	689.8	0.0	689.8	43.1	6.7%
Other Executive Agencies	4,455.6	3,814.1	4,296.4	0.0	4,296.4	482.3	12.6%
Judiciary	649.7	719.4	753.1	0.0	753.1	33.8	4.7%
Legislative	108.5	143.7	152.2	0.0	152.2	8.6	6.0%
State Agencies	\$24,764.4	\$25,596.4	\$26,608.9	\$0.0	\$26,608.9	\$1,012.5	4.0%
Total Operating	\$56,216.8	\$56,168.1	\$57,129.5	-\$50.5	\$57,079.0	\$910.9	1.6%
Capital ⁽²⁾	\$3,775.5	\$5,274.3	\$4,593.7	\$0.0	\$4,593.7	-\$680.5	-12.9%
Transportation	2,539.3	2,483.9	2,824.9	0.0	2,824.9	341.0	13.7%
Environment	319.3	454.4	388.3	0.0	388.3	-66.0	-14.5%
Other	916.9	2,336.0	1,380.5	0.0	1,380.5	-955.5	-40.9%
Subtotal	\$59,992.2	\$61,442.4	\$61,723.3	-\$50.5	\$61,672.8	\$230.4	0.4%
Reserve Funds ⁽³⁾	\$879.6	\$2,698.5	\$1,321.1	-\$61.4	\$1,259.7	-\$1,438.8	-53.3%
Appropriations	\$60,871.9	\$64,140.9	\$63,044.4	-\$112.0	\$62,932.5	-\$1,208.4	-1.9%
Reversions	\$0.0	-\$75.0	-\$45.0	\$0.0	-\$45.0	\$30.0	-40.0%
Grand Total	\$60,871.9	\$64,065.9	\$62,999.4	-\$112.0	\$62,887.5	-\$1,178.4	-1.8%

⁽¹⁾ The contingent reduction for the Reserve Funds would eliminate the required appropriation to the Rainy Day Fund. If the contingency is met, budget language would transfer \$1.0 billion from the Rainy Day Fund – \$500 million to the Blueprint for Maryland's Future Fund and \$500 million to future transportation capital priorities.

⁽²⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

⁽³⁾ The fiscal 2023 legislative appropriation for the Reserve Funds excludes \$378.8 million budgeted in the Dedicated Purpose Account (DPA). That amount is included in various other categories to reflect the purpose of the spending. It also excludes \$1.1 billion budgeted in the DPA for pa-as-you-go capital spending, which is included in the Capital line on this chart.

Note: The fiscal 2023 working appropriation reflects \$281.6 million in deficiencies and \$170.5 million in reversions including \$95.5 million in targeted reversions. In fiscal 2023, the General Assembly reduced the appropriation to the Rainy Day Fund by \$69 million but provided authorization for those funds to be used for a variety of purposes. The working appropriation reflects this reallocation. Fiscal 2022 excludes \$15.9 million, 2023 excludes \$1.1 billion, and 2024 excludes \$198.4 million of special funds that double count general fund spending.

Appendix 4
State Expenditures – General Funds
Fiscal 2022-2024
(\$ in Millions)

Category	FY 2022 Actual	FY 2023 Working Appropriation	FY 2024 Allowance	FY 2024 Contingent Reductions ⁽¹⁾	Adjusted FY 2024 Allowance	\$ Change 2023 to 2024	% Change
Debt Service	\$260.0	\$430.0	\$433.8	\$0.0	\$433.8	\$3.8	0.9%
County/Municipal	\$316.8	\$388.5	\$386.9	\$0.0	\$386.9	-\$1.7	-0.4%
Community Colleges	370.0	435.3	476.3	0.0	476.3	41.0	9.4%
Education/Libraries	6,590.5	7,124.8	7,236.2	0.0	7,236.2	111.4	1.6%
Health	47.8	101.3	115.8	0.0	115.8	14.5	14.3%
Aid to Local Governments	\$7,325.1	\$8,049.9	\$8,215.2	\$0.0	\$8,215.2	\$165.3	2.1%
Foster Care Payments	\$215.2	\$240.5	\$247.0	\$0.0	\$247.0	\$6.5	2.7%
Assistance Payments	66.6	133.9	119.0	0.0	119.0	-14.9	-11.1%
Medical Assistance	3,973.2	4,471.2	5,029.0	0.0	5,029.0	557.9	12.5%
Property Tax Credits	76.2	87.3	87.9	-0.5	87.4	0.1	0.1%
Entitlements	\$4,331.2	\$4,932.9	\$5,483.0	-\$0.5	\$5,482.5	\$549.6	11.1%
Health	\$1,757.6	\$2,180.0	\$2,592.4	\$0.0	\$2,592.4	\$412.4	18.9%
Human Services	440.1	458.7	468.1	0.0	468.1	9.4	2.1%
Juvenile Services	246.5	299.2	312.4	0.0	312.4	13.1	4.4%
Public Safety/Police	1,294.9	1,804.8	1,846.2	0.0	1,846.2	41.4	2.3%
Higher Education	1,638.0	2,106.3	2,236.2	0.0	2,236.2	129.9	6.2%
Other Education	605.7	715.6	696.7	0.0	696.7	-18.9	-2.6%
Agriculture/Natural Res./Environment	174.3	203.4	232.7	0.0	232.7	29.3	14.4%
Other Executive Agencies	943.0	1,485.7	1,578.2	0.0	1,578.2	92.4	6.2%
Judiciary	592.1	647.7	670.6	0.0	670.6	23.0	3.5%
Legislative	108.5	143.7	152.2	0.0	152.2	8.6	6.0%
State Agencies	\$7,800.7	\$10,045.1	\$10,785.8	\$0.0	\$10,785.8	\$740.7	7.4%
Total Operating	\$19,716.9	\$23,457.9	\$24,917.8	-\$0.5	\$24,917.2	\$1,459.4	6.2%
Capital ⁽²⁾	\$437.2	\$2,270.0	\$817.3	\$0.0	\$817.3	-1,452.7	-64.0%
Subtotal	\$20,154.1	\$25,727.9	\$25,735.1	-\$0.5	\$25,734.6	\$6.6	0.0%
Reserve Funds ⁽³⁾	\$879.6	\$2,527.3	\$1,321.1	-\$61.4	\$1,259.7	-1,267.6	-50.2%
Appropriations	\$21,033.8	\$28,255.2	\$27,056.2	-\$62.0	\$26,994.2	-\$1,261.0	-4.5%
Reversions	\$0.0	-\$75.0	-\$45.0	\$0.0	-\$45.0	30.0	-40.0%
Grand Total	\$21,033.8	\$28,180.2	\$27,011.2	-\$62.0	\$26,949.2	-\$1,231.0	-4.4%

⁽¹⁾ The contingent reduction for the Reserve Funds would eliminate the required appropriation to the Rainy Day Fund. If the contingency is met, budget language would transfer \$1.0 billion from the Rainy Day Fund – \$500 million to the Blueprint for Maryland's Future Fund and \$500 million to future transportation capital priorities.

⁽²⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

⁽³⁾ The fiscal 2023 legislative appropriation for the Reserve Funds excludes \$378.8 million budgeted in the Dedicated Purpose Account (DPA). That amount is included in various other categories to reflect the purpose of the spending. It also excludes \$1.1 billion budgeted in the DPA for pay-as-you-go capital spending, which is included in the Capital line on this chart.

Note: The fiscal 2023 working appropriation reflects \$281.6 million in deficiencies and \$170.5 million in reversions including \$95.5 million in targeted reversions. In fiscal 2023, the General Assembly reduced the appropriation to the Rainy Day Fund by \$69 million but provided authorization for those funds to be used for a variety of purposes. The working appropriation reflects this reallocation.

Appendix 5
State Expenditures – Special and Higher Education Funds*
Fiscal 2022-2024
(\$ in Millions)

<u>Category</u>	<u>FY 2022</u> <u>Actual</u>	<u>FY 2023</u> <u>Working</u> <u>Appropriation</u>	<u>FY 2024</u> <u>Allowance</u>	<u>\$ Change</u> <u>2023 to 2024</u>	<u>% Change</u>
Debt Service	\$1,563.5	\$1,480.5	\$1,443.2	-\$37.3	-2.5%
County/Municipal	\$467.0	\$460.3	\$524.9	\$64.6	14.0%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	688.5	873.9	1,544.0	670.1	76.7%
Health	0.0	0.0	0.0	0.0	n/a
Aid to Local Governments	\$1,155.5	\$1,334.2	\$2,068.9	\$734.7	55.1%
Foster Care Payments	\$2.2	\$2.9	\$2.2	-\$0.7	-24.3%
Assistance Payments	12.4	13.7	15.6	1.9	14.0%
Medical Assistance	717.1	747.4	671.4	-76.0	-10.2%
Property Tax Credits	7.9	0.0	0.0	0.0	n/a
Entitlements	\$739.6	\$764.0	\$689.2	-\$74.8	-9.8%
Health	\$1,024.4	\$588.7	\$730.9	\$142.3	24.2%
Human Services	96.7	148.2	166.3	18.0	12.1%
Juvenile Services	1.7	2.5	4.2	1.7	71.2%
Public Safety/Police	135.4	176.2	201.9	25.7	14.6%
Higher Education	5,120.6	5,676.5	5,197.9	-478.5	-8.4%
Other Education	95.4	198.6	277.5	78.8	39.7%
Transportation	1,571.9	1,901.5	2,225.8	324.3	17.1%
Agriculture/Natural Res./Environment	271.4	351.0	349.5	-1.4	-0.4%
Other Executive Agencies	888.8	1,155.6	1,236.4	80.8	7.0%
Judiciary	52.3	68.5	79.7	11.2	16.4%
State Agencies	\$9,258.5	\$10,267.4	\$10,470.2	\$202.8	2.0%
Total Operating	\$12,717.1	\$13,846.0	\$14,671.4	\$825.4	6.0%
Capital	\$2,017.4	\$1,332.9	\$2,285.1	\$952.3	71.4%
Transportation	1,520.2	1,036.1	1,324.8	288.7	27.9%
Environment	259.8	220.7	254.7	34.0	15.4%
Other	237.4	76.1	705.6	629.5	827.7%
Subtotal	\$14,734.5	\$15,178.9	\$16,956.6	\$1,777.7	11.7%
Reserve Funds	\$0.0	\$0.0	\$0.0	\$0.0	n/a
Grand Total	\$14,734.5	\$15,178.9	\$16,956.6	\$1,777.7	11.7%

* Includes higher education fund (current unrestricted and current restricted) net of general and special funds.

Note: The fiscal 2023 working appropriation reflects deficiencies of \$124.4 million. Fiscal 2022 excludes \$15.9 million, fiscal 2023 excludes \$1.1 billion, and fiscal 2024 excludes \$198.4 million that double counts general fund spending.

Appendix 6
State Expenditures – Federal Funds
Fiscal 2022-2024
(\$ in Millions)

Category	FY 2022 Actual	FY 2023 Working Appropriation	FY 2024 Allowance	\$ Change 2023 to 2024	% Change
Debt Service	\$7.9	\$9.0	\$7.5	-\$1.5	-16.7%
County/Municipal	\$63.5	\$74.8	\$81.4	\$6.6	8.8%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	3,715.8	1,072.6	1,130.0	57.4	5.3%
Health	32.8	0.0	0.0	0.0	n/a
Aid to Local Governments	\$3,812.1	\$1,147.4	\$1,211.4	\$64.0	5.6%
Foster Care Payments	\$76.1	\$90.5	\$66.3	-\$24.2	-26.8%
Assistance Payments	2,963.8	2,667.8	2,332.7	-335.1	-12.6%
Medical Assistance	9,217.6	9,665.6	8,519.6	-1,146.0	-11.9%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
Entitlements	\$12,257.5	\$12,423.9	\$10,918.6	-\$1,505.3	-12.1%
Health	\$2,542.5	\$2,406.7	\$2,450.0	\$43.3	1.8%
Human Services	687.1	672.7	651.6	-21.1	-3.1%
Juvenile Services	6.2	7.0	5.8	-1.1	-16.0%
Public Safety/Police	425.8	43.9	41.6	-2.3	-5.3%
Higher Education	6.0	0.0	0.0	0.0	n/a
Other Education	615.8	424.8	363.6	-61.2	-14.4%
Transportation	715.4	460.6	248.2	-212.4	-46.1%
Agriculture/Natural Res./Environment	77.2	92.3	107.5	15.2	16.5%
Other Executive Agencies	2,623.8	1,172.7	1,481.8	309.0	26.4%
Judiciary	5.3	3.2	2.8	-0.4	-12.9%
Legislature	0.0	0.0	0.0	0.0	n/a
State Agencies	\$7,705.2	\$5,283.9	\$5,352.9	\$69.0	1.3%
Total Operating	\$23,782.7	\$18,864.2	\$17,490.3	-\$1,373.9	-7.3%
Capital	\$1,320.9	\$1,671.4	\$1,491.3	-\$180.1	-10.8%
Transportation	988.9	1,270.8	1,333.1	62.2	4.9%
Environment	58.8	213.5	116.8	-96.7	-45.3%
Other	273.2	187.1	41.4	-145.7	-77.9%
Subtotal	\$25,103.6	\$20,535.6	\$18,981.6	-\$1,554.0	-7.6%
Reserve Funds	\$0.0	\$171.2	\$0.0	-\$171.2	-100.0%
Grand Total	\$25,103.6	\$20,706.8	\$18,981.6	-\$1,725.2	-8.3%

Note: The fiscal 2023 working appropriation reflects estimated deficiencies of \$2.0 billion.

Appendix 7
State Expenditures – State Funds
Fiscal 2022-2024
(\$ in Millions)

Category	FY 2022 Actual	FY 2023 Working Appropriation	FY 2024 Allowance	FY 2024 Contingent Reductions ⁽¹⁾	Adjusted FY 2024 Allowance	\$ Change 2023 to 2024	% Change
Debt Service	\$1,823.5	\$1,910.5	\$1,877.0	\$0.0	\$1,877.0	-\$33.5	-1.8%
County/Municipal	\$783.8	\$848.8	\$911.7	\$0.0	\$911.7	\$62.9	7.4%
Community Colleges	370.0	435.3	476.3	0.0	476.3	41.0	9.4%
Education/Libraries	7,279.0	7,998.7	8,780.2	0.0	8,780.2	781.6	9.8%
Health	47.8	101.3	115.8	0.0	115.8	14.5	14.3%
Aid to Local Governments	\$8,480.6	\$9,384.1	\$10,284.1	\$0.0	\$10,284.1	\$900.0	9.6%
Foster Care Payments	\$217.4	\$243.4	\$249.3	\$0.0	\$249.3	\$5.8	2.4%
Assistance Payments	78.9	147.6	134.6	0.0	134.6	-13.0	-8.8%
Medical Assistance	4,690.2	5,218.5	5,750.4	-50.0	5,700.4	481.9	9.2%
Property Tax Credits	84.2	87.3	87.9	-0.5	87.4	0.1	0.1%
Entitlements	\$5,070.7	\$5,696.9	\$6,222.2	-\$50.5	\$6,171.7	\$474.8	8.3%
Health	\$2,782.0	\$2,768.7	\$3,323.4	\$0.0	\$3,323.4	\$554.6	20.0%
Human Services	536.8	607.0	634.4	0.0	634.4	27.4	4.5%
Juvenile Services	248.1	301.7	316.6	0.0	316.6	14.9	4.9%
Public Safety/Police	1,430.3	1,981.0	2,048.1	0.0	2,048.1	67.2	3.4%
Higher Education	6,758.5	7,782.8	7,434.2	0.0	7,434.2	-348.6	-4.5%
Other Education	701.1	914.2	974.2	0.0	974.2	59.9	6.6%
Transportation	1,571.9	1,901.5	2,225.8	0.0	2,225.8	324.3	17.1%
Agriculture/Natural Res./Environment	445.7	554.4	582.3	0.0	582.3	27.9	5.0%
Other Executive Agencies	1,831.8	2,641.3	2,814.6	0.0	2,814.6	173.3	6.6%
Judiciary	644.4	716.1	750.3	0.0	750.3	34.2	4.8%
Legislative	108.5	143.7	152.2	0.0	152.2	8.6	6.0%
State Agencies	\$17,059.3	\$20,312.5	\$21,256.0	\$0.0	\$21,256.0	\$943.5	4.6%
Total Operating	\$32,434.1	\$37,303.9	\$39,639.2	-\$50.5	\$39,588.7	\$2,284.8	6.1%
Capital ⁽²⁾	\$2,454.6	\$3,602.9	\$3,102.5	\$0.0	\$3,102.5	-\$500.4	-13.9%
Transportation	1,550.4	1,213.1	1,491.8	0.0	1,491.8	278.7	23.0%
Environment	260.5	240.9	254.7	0.0	254.7	13.8	5.7%
Other	643.7	2,148.9	1,355.9	0.0	1,355.9	-793.0	-36.9%
Subtotal	\$34,888.7	\$40,906.8	\$42,741.7	-\$50.5	\$42,691.1	\$1,784.4	4.4%
Reserve Funds ⁽³⁾	\$879.6	\$2,527.3	\$1,321.1	-\$61.4	\$1,259.7	-\$1,267.6	-50.2%
Appropriations	\$35,768.3	\$43,434.1	\$44,062.8	-\$112.0	\$43,950.8	\$516.8	1.2%
Reversions	\$0.0	-\$75.0	-\$45.0	\$0.0	-\$45.0	\$30.0	-40.0%
Grand Total	\$35,768.3	\$43,359.1	\$44,017.8	-\$112.0	\$43,905.8	\$546.8	1.3%

⁽¹⁾ The contingent reduction for the Reserve Funds would eliminate the required appropriation to the Rainy Day Fund. If the contingency is met, budget language would transfer \$1.0 billion from the Rainy Day Fund – \$500 million to the Blueprint for Maryland's Future Fund and \$500 million to future transportation capital priorities.

⁽²⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

⁽³⁾ The fiscal 2023 legislative appropriation for the Reserve Funds excludes \$378.8 million budgeted in the Dedicated Purpose Account (DPA). That amount is included in various other categories to reflect the purpose of the spending. It also excludes \$1.1 billion budgeted in the DPA for pay-as-you-go capital spending, which is included in the Capital line on this chart.

Note: The fiscal 2023 working appropriation reflects \$281.6 million in deficiencies and \$170.5 million in reversions including \$95.5 million in targeted reversions. In fiscal 2023, the General Assembly reduced the appropriation to the Rainy Day Fund by \$69 million but provided authorization for those funds to be used for a variety of purposes. The working appropriation reflects this reallocation. Fiscal 2022 excludes \$15.9 million, 2023 excludes \$1.1 billion, and 2024 excludes \$198.4 million of special funds that double count general fund spending.

Appendix 8

General Fund – Proposed Fiscal 2024 Changes Over Adjusted Fiscal 2023 Spending

(\$ in Millions)

<u>Aid to Local Governments</u>	\$165.3
Education and Library Aid	111.4
Community Colleges	41.0
Local Health Department Funding	14.5
Disparity Grant due to formula changes partially offset by a one-time distribution of additional funding provided in fiscal 2023	5.3
One-time funding for grants for license plate readers and grants to police departments for task forces that cross jurisdictional borders	-6.0
Other aid primarily due to one-time funding provided in fiscal 2023	-1.0
 <u>Entitlements</u>	 \$549.6
Medicaid primarily due to backfilling the enhanced federal Medicaid match that is being phased out through the first half of fiscal 2024, mandated provider rate increases, backfilling reduced special fund sources, partially offset by enrollment and utilization changes	557.9
Foster Care maintenance payments including provider rate increases, caseload and payment adjustments, and fund source changes	6.5
Property Tax Credit Payments primarily due to an increase in anticipated Homeowner's Tax Credit largely offset by one-time funding to fully repay the Local Reserve Account for recalculated refunds required under Chapter 717 of 2021	0.1
Assistance payments primarily due to anticipated declines in the Temporary Cash Assistance and Temporary Disability Assistance Program caseloads	-14.9
 <u>Major Personnel Costs</u>	 \$404.4
Fiscal 2024 cost-of-living adjustments and increments	\$266.4
Annualization of the 4.5% cost-of-living adjustment provided in November 2022	\$70.0
Annual salary review adjustments	25.9
Correctional officer bonuses	6.2
One-time funding to address a shortfall in the State's Injured Worker's Insurance Fund	-9.1
Fiscal 2023 funding to address health insurance shortfall partially offset by increases in employee and retiree health insurance	-9.7
Other personnel adjustments including new positions, overtime, retirement, and other salary adjustments	54.6
 <u>State Agency Operations</u>	 \$336.3
Accelerating Mandated Provider Rate Increases Contingent on Legislation (\$218.2 million)	218.2
Developmental Disabilities Administration: Backfilling enhanced federal match (\$82.2 million); mandated provider rate increase (\$34.1 million); new placements and services (\$28.2 million); and other rate increases and adjustments (\$23.9 million)	168.6
Behavioral Health Administration: Investments in behavioral health system (\$62 million); behavioral health provider reimbursements (\$36.8 million); backfilling federal stimulus funds (\$6.2 million); new mandate under Chapter 174 of 2022 for the Post-traumatic Stress Disorder and Traumatic Brain Injury Alternative Therapies Fund; and continuing the Sheppard Pratt Care Coordination contract (\$0.9 million)	106.7
Mandated Funding for Public Higher Education: HBCU Settlement Fund due to backfilling one-time Cigarette Restitution Funding and changes in the mandated funding level (\$41.1 million); and new or increased mandates within USM (\$5.0 million), St. Mary's College of Maryland, and Baltimore City Community College formula (\$4.9 million)	51.0
Higher Education Grants and Scholarships: New or increased mandates under Chapter 23 of 2022 for Educational Excellence Awards, Conroy Memorial Scholarship Program, James Proctor Scholarship (\$13.4 million), nontraditional pathways program (\$5 million), and one-time deficiency withdrawing funding for the Save4College match	22.0
Sellinger formula	18.5
TEDCO: New mandate under Chapter 391 of 2022 for the Maryland Equity Investment Fund (\$10 million); Maryland Innovation Institute (\$2.5 million); increased mandate for the Builder program (\$1.2 million); new mandate under Chapter 322 of 2022 for the Maryland Makerspace Initiative (\$1 million); and a new Maryland Equitech Growth Fund (\$1 million)	15.7
DPSCS: Inmate medical services (\$7.0 million); food (\$5.7 million); and inmate education provided by the Maryland Department of Labor (\$2.4 million)	15.1
MDA: Next Generation Farmland Acquisition Program mandated under Chapter 39 of 2022 (\$10 million); tree planting on agricultural land (\$2.4 million); and financing for seafood processing projects under Chapter 30 and 574 of 2022 (\$1 million)	13.4
DoIT: Altered fund source and expanded activity for cybersecurity due to Chapter 242 of 2022, partially offset by cash flow needs in the Major IT Development Project Fund	13.3
BPW: Grant to Chesapeake Bay Trust due to Chapter 645 of 2021 for the Urban Trees Grant Program (\$10 million); Contingent Fund (\$2.0 million); and new mandate for Historic Sotterly under Chapter 595 of 2022 (\$350,000)	12.4
West North Avenue Development Authority	10.1
Department of Service and Civic Innovation	7.8
DNR: Purchase of vehicles (\$5.0 million); and new mandate under Chapter 645 of 2021 (Tree Solutions Now Act) (\$2.5 million)	7.5
Military: Health benefits for National Guard members, contingent on legislation	5.0
MDem: New initiative to provide funding to local governments for cybersecurity and to assist in responding to attacks, partially offset by funding for the Maryland mesonet	4.4
MDE: Chapter 38 of 2022 (Climate Solutions Now Act) mandates for the Climate Catalytic Capital Fund, Chesapeake Conservation Corp, Healthy Soils Program, and program in DHCD for energy conservation projects and projects to install renewable energy generating systems in certain buildings that primarily house low- to moderate-income households, partially offset by funds restricted in the Rainy Day Fund for this purpose in fiscal 2023	4.3
One-time deposit into the Oil Contaminated Site Environmental Cleanup Fund	-7.0

MSDE: Teacher recruitment incentives contingent on legislation (\$15 million); Child Care Scholarship (\$10 million); funding to meet new mandate under Chapter 494 of 2022 for the Infant and Early Childhood Mental Health Support Services Program (\$1.4 million) and an increase in the School Safety Program for Hate Crime grants (\$1 million), more than offset by one-time funding for child care stabilization grants (-\$3.2 million), nonpublic school safety grants (-\$3.5 million), use of special funds in lieu of general funds (-\$11.7 million), and child care provider bonuses (-\$16 million)	-7.1
GOCPYVS: Performance Incentive Grants (\$2.8 million); new mandate for warrant apprehension activities under Chapter 174 of 2022 (\$2 million); local rape crisis centers (\$1.1 million), more than offset by one-time deficiency appropriations due to funds reverted in error in fiscal 2022 (\$16.4 million)	-8.8
DHCD: Community Safety Works Program funded with federal stimulus funds in fiscal 2023 (\$10 million), more than offset by one-time matching funds for a housing program in Prince George's County (-\$20 million)	-10.0
MDL: Funding restricted in the Rainy Day Fund for establishment of the FAML I Program and FAML I Fund for which funding is not provided in fiscal 2024 due to uncertainty about funding needs	-10.0
MIEMSS: One-time support for MEMSOF and a contract for Doctor First Mobile Communication System	-10.5
One-time funding for lawyer's fees related to the HBCU litigation	-22.0
Commerce: Grant to MEDCO contingent on legislation (\$10 million); More Jobs for Marylanders Program (\$3.9 million); Maryland State Arts Council (\$1.3 million) more than offset by decreases due to fiscal 2023 funding exceeding fiscal 2024 mandates for the new Child Care Capital Revolving Loan Program and Western Maryland Economic Future Investment Fund (-\$15 million); use of special funds in lieu of general funds (-\$8.5 million); one-time funding for the Rural Economic Development Program (-\$50 million); nonprofit shared services program (-\$5 million); and Biohub Maryland (-\$2.5 million)	-65.7
One-time funding for legislative priorities in fiscal 2023	-268.5
Other changes	51.8
<u>Reserve Fund</u>	-1,267.6
Funding reserved for transfer to the Blueprint for Maryland's Future Fund, contingent on legislation	\$500.0
Funding reserved for transportation capital projects, contingent on legislation	500.0
Dedicated Purpose Account: Cybersecurity (\$52 million); legislative priorities (\$50 million); required local income reserve account repayment (\$10 million); payments for erroneously confined individuals (\$7.7 million), partially offset by lower required payment for the pension sweeper (-\$10 million); and Program Open Space repayment (-\$30.5 million)	79.2
Rainy Day Fund appropriation	-2,346.8
<u>Capital</u>	-1,452.7
New Mandates Under Chapter 39 of 2022: Park System Critical Maintenance Fund and Park System Capital Improvements and Acquisition Fund (\$106.9 million) and accelerated repayments for the Maryland Agricultural Land Preservation Fund (\$16.6 million) and Rural Legacy Program(\$5.4 million)	\$128.9
Funding for legislative priorities reserved in the Dedicated Purpose Account	100.0
One-time funding for street sidewalk improvements in Baltimore City	-10.0
MDEM: One-time deposit into the Resilient Maryland Revolving Loan Fund	-25.0
MDVA: New Veterans Home for which the majority of funding was provided in fiscal 2023	-56.9
Public School Construction: Supplemental Capital Grant Program (\$40 million), more than offset by Public School Construction Revolving Loan Fund (-\$20 million) and Public School Construction (-\$92.3 million)	-72.3
DHCD: Community Legacy (-\$2.0 million); Neighborhood Business Development Program (-\$2.8 million); Strategic Demolition Program (-\$5 million); Partnership Rental Housing Program (-\$6 million); Homeownership Programs (-\$11 million); and Rental Housing Programs (-\$62 million)	-88.8
PAYGO funding for State agency projects and non-State entities budgeted within DGS in fiscal 2023, partially offset by miscellaneous grants budgeted in DGS in fiscal 2024	-184.9
Fiscal 2023 enhancement for Facilities Renewal funded with PAYGO	-200.0
One-time deficiency appropriation due to use general funds for capital projects that were expected to be funded with bond premiums due to lower than expected premiums	-219.0
Fiscal 2023 PAYGO in the Dedicated Purpose Account for various projects	-800.0
Other PAYGO changes	-24.7
Debt Service	3.8
Anticipated Reversions	30.0
Total	-1,231.0

BPW: Board of Public Works
Commerce: Department of Commerce
DGS: Department of General Services
DHCD: Department of Housing and Community Development
DNR: Department of Natural Resources
DoIT: Department of Information Technology
DPSCS: Department of Public Safety and Correctional Services
FAMLI: Family and Medical Leave Insurance
GOCPYVS: Governor's Office of Crime Prevention, Youth, and Victim Services
IT: Information Technology
HBCU: Historically Black Colleges and Universities
MDA: Maryland Department of Agriculture
MDEM: Maryland Department of Emergency Management
MDL: Maryland Department of Labor
MDVA: Department of Veteran's Affairs
MEDCO: Maryland Economic Development Corporation
MEMSOF: Maryland Emergency Medical System Operations Fund
MIEMSS: Maryland Institute of Emergency Medical Services Systems
MSDE: Maryland State Department of Education
PAYGO: pay-as-you-go
TEDCO: Maryland Technology Development Corporation
USM: University System of Maryland

Appendix 9

Mandated Health Care Provider Rate Increases Fiscal 2023-2026

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Medicaid and Developmental Disabilities Providers				
Current Law	4%	4%	4%	4%
Proposal		12%	0%	0%
Behavioral Health Community Providers				
Current Law	3.25%	3%	4%	4%
Proposal		11%	0%	0%

Note: For Medicaid includes nursing home, medical day care, private duty nursing, personal care, home- and community-based services, services provided through Community First Choice.

Source: Current law for the Maryland Developmental Disabilities Administration Section 7-307 Health-General Article; Behavioral Health Administration Section 16-201.3 Health-General Article; and Medicaid Section 16-201.4.

Appendix 10

Medicaid Budget Growth Fiscal 2022-2024 (\$ in Millions)

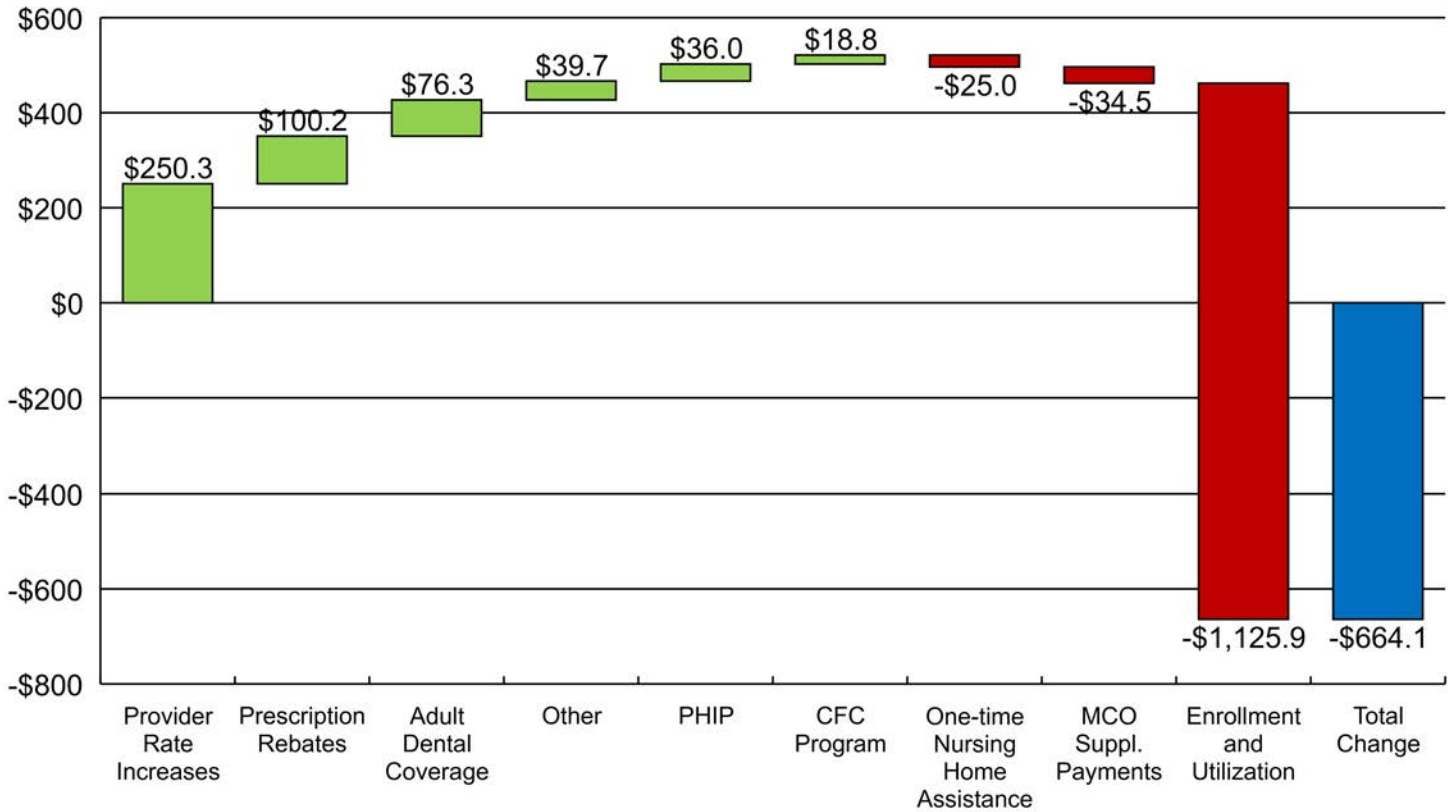
	<u>2022 Actual</u>	<u>2023 Working</u>	<u>2024 Allowance</u>	<u>\$ Change 2023-2024</u>	<u>% Change 2023-2024</u>
General Funds	\$3,973.2	\$4,471.2	\$5,029.0	\$557.9	12.5%
Special Funds	717.1	747.4	671.4	-76.0	-10.2%
Federal Funds	9,217.6	9,665.6	8,519.6	-1,146.0	-11.9%
Total	\$13,907.9	\$14,884.1	\$14,220.0	-\$664.1	-4.5%

Note: Includes the Maryland Children’s Health Program, Senior Prescription Drug Assistance Program, and behavioral health payments under Medicaid. The fiscal 2023 working appropriation includes deficiency appropriations and specified reversions. The fiscal 2024 allowance includes a contingent reduction.

The fiscal 2024 allowance for Medicaid and the Maryland Children’s Health Program (MCHP) decreases by \$664.1 million, or 4.5%, across all funds. Although the overall Medicaid budget decreases, fiscal 2024 general fund spending increases by \$557.9 million, or 12.5%, primarily to backfill enhanced federal matching funds that the State is expected to receive in fiscal 2023. The Families First Coronavirus Response Act of 2020 authorized a 6.2% enhanced federal match on qualifying Medicaid expenses (4.34% for MCHP) during the national COVID-19 public health emergency (PHE). The federal Consolidated Appropriations Act of 2023 disentangled the end of the enhanced federal match from the PHE declaration by establishing a phase-out schedule that reduces the enhanced Medicaid and MCHP match each quarter, beginning April 1, 2023, until the match fully expires on December 31, 2023.,

As a condition of receiving the enhanced federal match, Maryland has been required to freeze Medicaid disenrollment (with limited exceptions) during the COVID-19 PHE, leading to significant enrollment growth from fiscal 2020 to 2023. The Consolidated Appropriations Act creates a set end date for the continuous enrollment requirement on March 31, 2023, regardless of when the national PHE ends. As a result of fiscal 2024 accounting for the majority of the initial redetermination cycle, the budget anticipates an average monthly enrollment decrease of just under 10%. This projected decline in enrollment, combined with utilization assumptions, account for a \$1.13 billion reduction in fiscal 2024 Medicaid spending, driving the overall decrease in Medicaid spending.

Medicaid Expenditure Growth in Total Funds (\$ in Millions)

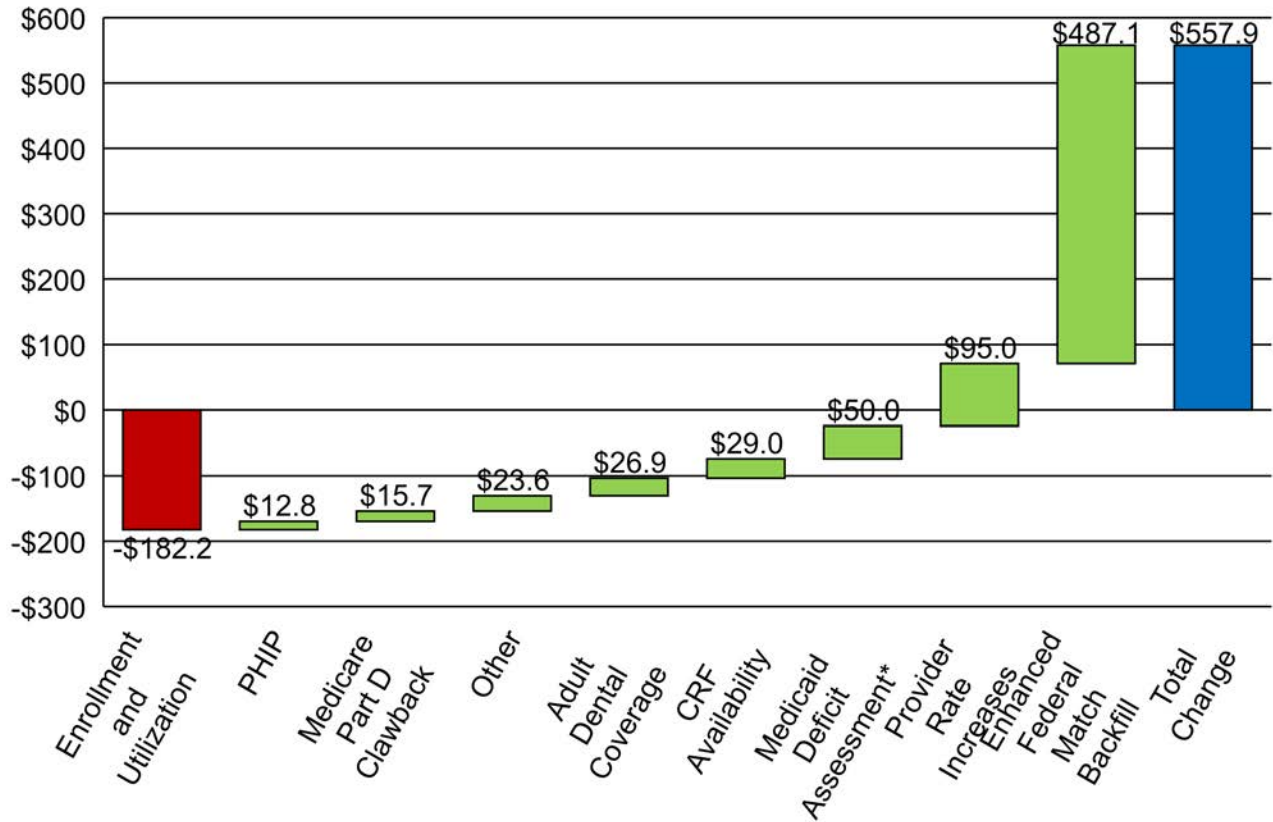


CFC: Community First Choice
MCO: managed care organization
PHIP: Population Health Improvement Program

As shown in the above chart, decreases related to enrollment and utilization in fiscal 2024 are partially offset by several factors. Provider rate increases totaling \$250.3 million account for the largest component of spending growth, mainly due to a 1.1% rate increase for managed care organizations in calendar 2023 and a mandated 4% increase for nursing home providers. The total cost of the mandated 4% rate increases for home- and community-based service providers is offset by a one-time additional 4% rate increase in fiscal 2023 supported with federal funds authorized in the American Rescue Plan Act of 2021. Expenditures also increase by \$100.2 million to account for lower estimated rebates that the State earns on prescription drug purchases, causing higher spending on pharmacy services.

The following chart shows major components of fiscal 2024 general fund growth, the largest of which is the increase in State funds backfilling \$487.1 million in federal funds that the State expects to receive from the COVID-19 enhanced federal match in fiscal 2023. This is partially offset by an estimated \$182.2 million decline due to enrollment and utilization projections.

Medicaid Expenditure Growth in General Funds (\$ in Millions)



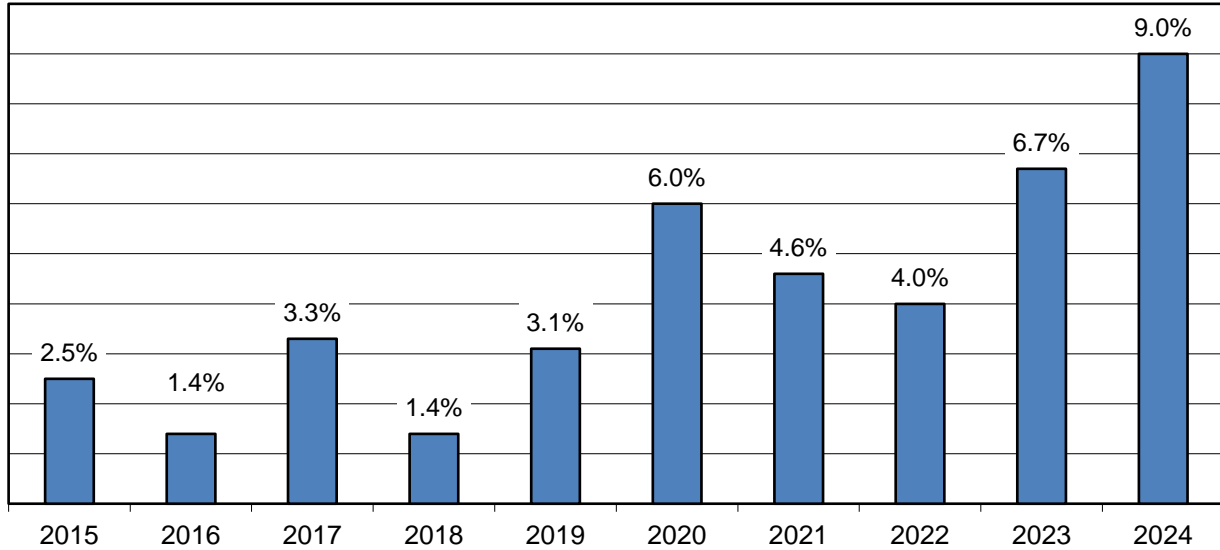
CRF: Cigarette Restitution Fund
 PHIP: Population Health Improvement Program

*Fiscal 2024 general fund spending increases by \$50 million to backfill an equivalent amount of special funds from the Medicaid deficit assessment, contingent on the passage of legislation reducing the deficit assessment.

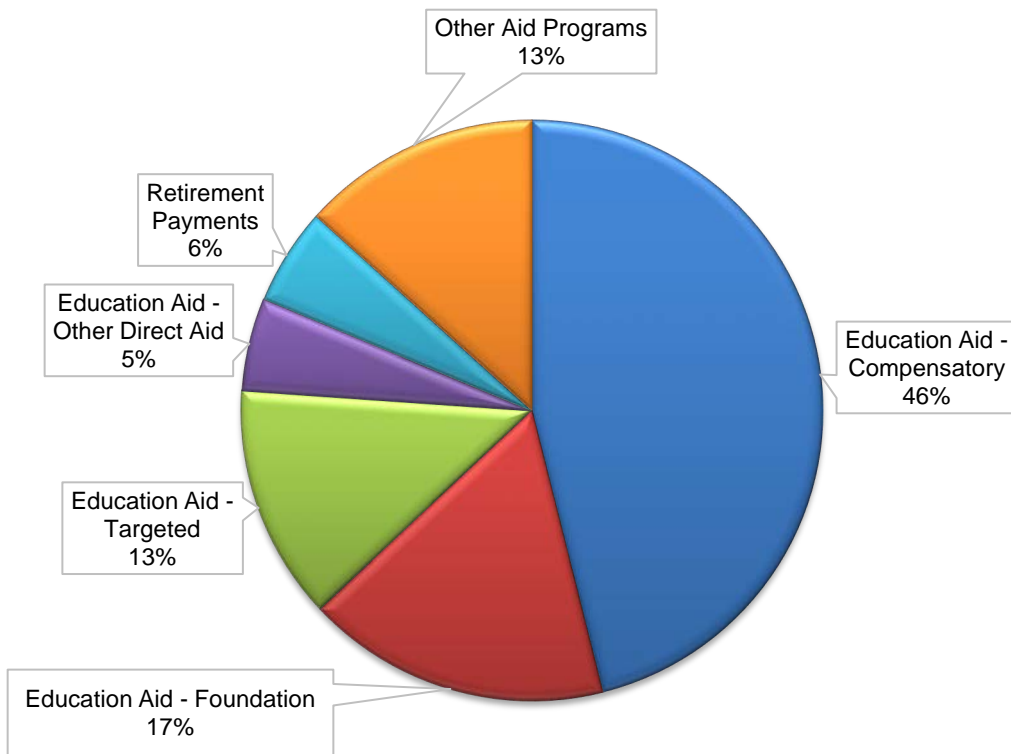
Appendix 11

State Aid to Local Government

**Annual Change in State Aid
Fiscal 2015-2024**



**Share of State Aid Increase by Program
Fiscal 2024**



Appendix 12

State Aid to Local Governments – Comparison by Per Capita Aid and Annual Change

Fiscal 2023-2024

County	Population July 2021	\$ in Millions			Percent Difference	Per Capita State Aid	Annual Change in State Aid		
		FY 2023	FY 2024	Difference					
Allegany	67,729	\$136.4	\$135.2	-\$1.2	-0.9%	1. Caroline	\$2,836	1. Prince George's	13.1%
Anne Arundel	590,336	646.7	719.2	72.5	11.2%	2. Baltimore City	2,704	2. St. Mary's	12.8%
Baltimore City	576,498	1,524.6	1,558.6	34.0	2.2%	3. Somerset	2,419	3. Talbot	12.6%
Baltimore	849,316	1,047.1	1,164.2	117.2	11.2%	4. Wicomico	2,379	4. Harford	12.6%
Calvert	93,928	131.8	141.1	9.3	7.1%	5. Dorchester	2,328	5. Carroll	11.6%
Caroline	33,386	85.2	94.7	9.5	11.1%	6. Allegany	1,996	6. Charles	11.6%
Carroll	173,873	203.9	227.6	23.7	11.6%	7. Prince George's	1,969	7. Anne Arundel	11.2%
Cecil	103,905	156.5	173.3	16.8	10.7%	8. Washington	1,890	8. Baltimore	11.2%
Charles	168,698	265.5	296.2	30.8	11.6%	9. Charles	1,756	9. Caroline	11.1%
Dorchester	32,489	71.2	75.6	4.4	6.2%	10. Cecil	1,668	10. Washington	10.7%
Frederick	279,835	400.3	443.2	42.9	10.7%	11. Garrett	1,604	11. Cecil	10.7%
Garrett	28,702	42.7	46.0	3.3	7.7%	12. Frederick	1,584	12. Frederick	10.7%
Harford	262,977	328.3	369.7	41.4	12.6%	13. St. Mary's	1,529	13. Worcester	10.4%
Howard	334,529	438.8	475.5	36.7	8.4%	14. Calvert	1,502	14. Montgomery	9.5%
Kent	19,270	17.4	18.7	1.4	7.9%	15. Howard	1,421	15. Howard	8.4%
Montgomery	1,054,827	1,165.4	1,276.5	111.1	9.5%	16. Harford	1,406	16. Kent	7.9%
Prince George's	955,306	1,663.6	1,881.0	217.4	13.1%	17. Baltimore	1,371	17. Garrett	7.7%
Queen Anne's	50,798	55.8	59.0	3.2	5.8%	18. Carroll	1,309	18. Wicomico	7.7%
St. Mary's	114,468	155.2	175.1	19.8	12.8%	19. Anne Arundel	1,218	19. Calvert	7.1%
Somerset	24,584	56.9	59.5	2.5	4.4%	20. Montgomery	1,210	20. Dorchester	6.2%
Talbot	37,626	30.1	34.0	3.8	12.6%	21. Queen Anne's	1,162	21. Queen Anne's	5.8%
Washington	154,937	264.4	292.8	28.4	10.7%	22. Worcester	1,020	22. Somerset	4.4%
Wicomico	103,980	229.8	247.4	17.6	7.7%	23. Kent	973	23. Baltimore City	2.2%
Worcester	53,132	49.1	54.2	5.1	10.4%	24. Talbot	902	24. Allegany	-0.9%
Unallocated		269.1	265.8	-3.2	-1.2%				
Total	6,165,129	\$9,435.7	\$10,284.1	\$848.3	9.0%	Statewide Average	\$1,668	Statewide Average	9.0%

Appendix 13
State Aid to Local Governments
Fiscal 2024 Allowance
(\$ in Thousands)

County	Direct State Aid						Retirement	Total	Change	
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal			Over FY 2023	Percent Change
Allegany	\$13,943	\$9,901	\$96,959	\$886	\$5,014	\$126,703	\$8,493	\$135,196	-\$1,221	-0.9%
Anne Arundel	54,634	45,858	532,563	2,907	9,402	645,363	73,847	719,210	72,509	11.2%
Baltimore City	350,369	0	1,121,312	9,715	11,515	1,492,911	65,682	1,558,593	34,030	2.2%
Baltimore	36,609	75,316	932,979	7,470	7,537	1,059,910	104,313	1,164,223	117,155	11.2%
Calvert	7,148	5,559	110,142	618	3,265	126,732	14,377	141,110	9,337	7.1%
Caroline	7,261	2,684	77,307	369	2,171	89,793	4,877	94,670	9,485	11.1%
Carroll	8,682	14,369	176,893	1,258	4,559	205,761	21,820	227,582	23,681	11.6%
Cecil	10,587	9,838	134,088	951	3,313	158,776	14,493	173,270	16,805	10.7%
Charles	6,661	9,932	250,653	1,385	5,111	273,742	22,501	296,243	30,763	11.6%
Dorchester	8,186	1,837	58,251	346	2,851	71,471	4,154	75,625	4,398	6.2%
Frederick	14,171	19,539	364,189	1,906	5,093	404,898	38,284	443,182	42,867	10.7%
Garrett	7,177	6,116	26,116	182	2,776	42,367	3,667	46,034	3,308	7.7%
Harford	10,757	19,317	298,162	2,121	5,951	336,309	33,347	369,656	41,372	12.6%
Howard	11,690	35,437	359,376	1,209	5,974	413,686	61,794	475,479	36,709	8.4%
Kent	1,721	847	11,665	124	2,551	16,909	1,833	18,742	1,377	7.9%
Montgomery	54,098	75,407	963,952	3,776	5,592	1,102,825	173,705	1,276,530	111,111	9.5%
Prince George's	155,839	47,815	1,538,502	8,753	9,139	1,760,047	120,936	1,880,984	217,384	13.1%
Queen Anne's	2,963	3,350	43,779	210	2,205	52,508	6,542	59,050	3,219	5.8%
St. Mary's	4,466	6,863	144,325	921	3,926	160,500	14,558	175,059	19,818	12.8%
Somerset	9,106	1,517	43,392	329	2,058	56,403	3,062	59,465	2,525	4.4%
Talbot	3,693	2,932	21,053	135	2,119	29,932	4,025	33,956	3,807	12.6%
Washington	11,147	16,849	240,103	1,641	4,437	274,176	18,612	292,789	28,399	10.7%
Wicomico	21,064	9,114	197,049	1,261	5,183	233,671	13,732	247,403	17,606	7.7%
Worcester	10,374	3,414	28,612	190	4,021	46,611	7,568	54,179	5,109	10.4%
Unallocated	89,359	6,481	148,544	21,447	0	265,830	0	265,830	-3,224	-1.2%
Total	\$911,704	\$430,291	\$7,919,967	\$70,108	\$115,766	\$9,447,835	\$836,225	\$10,284,060	\$848,328	9.0%

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Appendix 14

State Aid to Local Governments Fiscal 2023 Working Appropriation (\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$17,306	\$9,132	\$96,958	\$870	\$4,094	\$128,360	\$8,057	\$136,417
Anne Arundel	52,470	42,972	470,698	2,730	8,215	577,085	69,616	646,701
Baltimore City	320,884	0	1,121,796	9,652	10,699	1,463,031	61,532	1,524,563
Baltimore	34,809	64,966	836,623	7,357	6,981	950,735	96,333	1,047,069
Calvert	6,702	5,084	102,916	578	2,723	118,002	13,770	131,773
Caroline	7,170	2,143	68,913	361	1,886	80,472	4,712	85,185
Carroll	7,532	12,832	157,714	1,222	3,938	183,237	20,664	203,901
Cecil	11,216	8,827	119,154	925	2,877	142,999	13,465	156,464
Charles	5,994	9,361	222,640	1,328	4,476	243,800	21,680	265,480
Dorchester	7,988	1,626	55,006	344	2,388	67,352	3,875	71,227
Frederick	12,224	17,380	329,416	1,820	4,354	365,194	35,121	400,315
Garrett	6,856	5,398	24,670	182	2,293	39,399	3,328	42,726
Harford	9,587	17,677	263,293	2,030	5,228	297,815	30,470	328,285
Howard	10,890	31,306	331,491	1,163	4,942	379,792	58,978	438,770
Kent	1,506	645	11,263	119	2,159	15,693	1,672	17,365
Montgomery	51,435	70,709	868,172	3,717	5,180	999,213	166,207	1,165,419
Prince George's	135,975	45,390	1,348,134	8,729	8,385	1,546,613	116,986	1,663,599
Queen Anne's	2,614	2,809	42,327	201	1,906	49,857	5,974	55,831
St. Mary's	4,017	6,263	127,121	881	3,331	141,613	13,627	155,241
Somerset	9,431	1,431	41,162	324	1,795	54,143	2,797	56,940
Talbot	3,259	2,413	18,760	131	1,764	26,327	3,822	30,149
Washington	11,276	14,541	215,590	1,604	3,877	246,888	17,502	264,390
Wicomico	19,787	7,756	183,541	1,232	4,465	216,782	13,015	229,797
Worcester	9,637	3,250	25,455	184	3,354	41,880	7,190	49,070
Unallocated	93,860	6,460	147,761	20,973	0	269,055	0	269,055
Total	\$854,426	\$390,370	\$7,230,575	\$68,656	\$101,311	\$8,645,337	\$790,395	\$9,435,732

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Appendix 15

State Aid to Local Governments

Dollar Difference Between Fiscal 2024 Allowance and Fiscal 2023 Working Appropriation (\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-\$3,364	\$769	\$1	\$16	\$921	-\$1,657	\$436	-\$1,221
Anne Arundel	2,163	2,886	61,865	177	1,188	68,278	4,231	72,509
Baltimore City	29,485	0	-484	63	817	29,880	4,150	34,030
Baltimore	1,800	10,350	96,355	113	556	109,174	7,980	117,155
Calvert	446	476	7,226	40	542	8,730	607	9,337
Caroline	92	541	8,394	8	285	9,320	165	9,485
Carroll	1,150	1,537	19,179	36	621	22,524	1,157	23,681
Cecil	-629	1,011	14,933	26	436	15,777	1,028	16,805
Charles	667	571	28,013	56	634	29,942	821	30,763
Dorchester	198	211	3,245	2	463	4,119	279	4,398
Frederick	1,947	2,159	34,773	86	739	39,705	3,162	42,867
Garrett	321	719	1,446	0	483	2,969	339	3,308
Harford	1,170	1,640	34,869	92	723	38,494	2,877	41,372
Howard	799	4,131	27,886	46	1,032	33,894	2,815	36,709
Kent	215	202	402	5	392	1,216	161	1,377
Montgomery	2,663	4,698	95,780	59	412	103,612	7,499	111,111
Prince George's	19,864	2,425	190,368	24	754	213,434	3,950	217,384
Queen Anne's	349	541	1,452	9	299	2,651	568	3,219
St. Mary's	448	600	17,205	40	595	18,887	931	19,818
Somerset	-325	86	2,230	6	263	2,260	265	2,525
Talbot	434	519	2,293	3	355	3,604	202	3,807
Washington	-130	2,308	24,513	37	560	27,288	1,110	28,399
Wicomico	1,277	1,359	13,508	28	717	16,889	717	17,606
Worcester	737	163	3,157	7	666	4,731	378	5,109
Unallocated	-4,500	20	782	474	0	-3,224	0	-3,224
Total	\$57,278	\$39,921	\$689,392	\$1,452	\$14,455	\$802,498	\$45,830	\$848,328

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Appendix 16

State Aid to Local Governments

Percent Change: Fiscal 2024 Allowance over Fiscal 2023 Working Appropriation

County	County - Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	-19.4%	8.4%	0.0%	1.8%	22.5%	-1.3%	5.4%	-0.9%	
Anne Arundel	4.1%	6.7%	13.1%	6.5%	14.5%	11.8%	6.1%	11.2%	
Baltimore City	9.2%	n/a	0.0%	0.6%	7.6%	2.0%	6.7%	2.2%	
Baltimore	5.2%	15.9%	11.5%	1.5%	8.0%	11.5%	8.3%	11.2%	
Calvert	6.7%	9.4%	7.0%	7.0%	19.9%	7.4%	4.4%	7.1%	
Caroline	1.3%	25.3%	12.2%	2.2%	15.1%	11.6%	3.5%	11.1%	
Carroll	15.3%	12.0%	12.2%	3.0%	15.8%	12.3%	5.6%	11.6%	
Cecil	-5.6%	11.5%	12.5%	2.8%	15.1%	11.0%	7.6%	10.7%	
Charles	11.1%	6.1%	12.6%	4.3%	14.2%	12.3%	3.8%	11.6%	
Dorchester	2.5%	13.0%	5.9%	0.6%	19.4%	6.1%	7.2%	6.2%	
Frederick	15.9%	12.4%	10.6%	4.7%	17.0%	10.9%	9.0%	10.7%	
Garrett	4.7%	13.3%	5.9%	0.1%	21.1%	7.5%	10.2%	7.7%	
Harford	12.2%	9.3%	13.2%	4.5%	13.8%	12.9%	9.4%	12.6%	
Howard	7.3%	13.2%	8.4%	3.9%	20.9%	8.9%	4.8%	8.4%	
Kent	14.3%	31.3%	3.6%	4.2%	18.2%	7.8%	9.6%	7.9%	
Montgomery	5.2%	6.6%	11.0%	1.6%	8.0%	10.4%	4.5%	9.5%	
Prince George's	14.6%	5.3%	14.1%	0.3%	9.0%	13.8%	3.4%	13.1%	
Queen Anne's	13.4%	19.2%	3.4%	4.7%	15.7%	5.3%	9.5%	5.8%	
St. Mary's	11.2%	9.6%	13.5%	4.5%	17.9%	13.3%	6.8%	12.8%	
Somerset	-3.4%	6.0%	5.4%	1.8%	14.7%	4.2%	9.5%	4.4%	
Talbot	13.3%	21.5%	12.2%	2.6%	20.2%	13.7%	5.3%	12.6%	
Washington	-1.1%	15.9%	11.4%	2.3%	14.5%	11.1%	6.3%	10.7%	
Wicomico	6.5%	17.5%	7.4%	2.3%	16.1%	7.8%	5.5%	7.7%	
Worcester	7.7%	5.0%	12.4%	3.6%	19.9%	11.3%	5.3%	10.4%	
Unallocated	-4.8%	0.3%	0.5%	2.3%	n/a	-1.2%	-100.0%	-1.2%	
Total	6.7%	10.2%	9.5%	2.1%	14.3%	9.3%	5.8%	9.0%	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Appendix 17

Annual Change in Public School Student Enrollment Counts CY 2021 Count (Fiscal 2023) and CY 2022 Count (Fiscal 2024)

County	Full-time Equivalent (FTE) Student Enrollment				Free and Reduced-price Meals Count			
	Fiscal 2023	Fiscal 2024	Difference	Percent Difference	Fiscal 2023	Fiscal 2024	Difference	Percent Difference
Allegany	7,661.50	7,699.00	37.50	0.5%	3,818	4,729	911	23.9%
Anne Arundel	80,867.50	81,911.50	1,044.00	1.3%	22,193	34,325	12,132	54.7%
Baltimore City	71,358.00	69,639.75	-1,718.25	-2.4%	63,056	62,270	-786	-1.2%
Baltimore	107,114.75	106,795.25	-319.50	-0.3%	42,308	57,006	14,698	34.7%
Calvert	14,949.25	15,011.25	62.00	0.4%	2,776	3,852	1,076	38.8%
Caroline	5,259.00	5,357.00	98.00	1.9%	2,859	3,732	873	30.5%
Carroll	24,608.00	25,323.25	715.25	2.9%	3,449	6,427	2,978	86.3%
Cecil	14,159.75	14,344.00	184.25	1.3%	5,036	7,516	2,480	49.2%
Charles	25,986.75	26,637.75	651.00	2.5%	9,321	12,124	2,803	30.1%
Dorchester	4,314.75	4,212.75	-102.00	-2.4%	2,883	3,370	487	16.9%
Frederick	43,810.50	45,221.25	1,410.75	3.2%	10,665	14,912	4,247	39.8%
Garrett	3,348.25	3,294.25	-54.00	-1.6%	1,459	1,807	348	23.9%
Harford	36,880.00	36,915.75	35.75	0.1%	9,783	13,895	4,112	42.0%
Howard	55,838.25	56,130.75	292.50	0.5%	12,230	16,629	4,399	36.0%
Kent	1,706.50	1,650.00	-56.50	-3.3%	763	1,050	287	37.6%
Montgomery	154,409.50	155,523.00	1,113.50	0.7%	39,056	66,704	27,648	70.8%
Prince George's	124,362.00	124,660.75	298.75	0.2%	62,116	86,150	24,034	38.7%
Queen Anne's	7,124.00	7,091.00	-33.00	-0.5%	1,409	2,550	1,141	81.0%
St. Mary's	16,714.00	16,853.25	139.25	0.8%	3,856	6,459	2,603	67.5%
Somerset	2,557.75	2,561.00	3.25	0.1%	1,857	1,959	102	5.5%
Talbot	4,232.75	4,227.00	-5.75	-0.1%	1,930	2,457	527	27.3%
Washington	21,100.00	21,205.75	105.75	0.5%	9,651	12,310	2,659	27.6%
Wicomico	13,888.00	14,211.50	323.50	2.3%	8,287	8,410	123	1.5%
Worcester	6,402.25	6,330.00	-72.25	-1.1%	2,702	3,321	619	22.9%
Total	848,653.00	852,806.75	4,153.75	0.5%	323,463	433,964	110,501	34.2%

Note: The 2021 student enrollment counts are used to allocate State funding in fiscal 2023. The 2022 student enrollment counts are used to allocate State funding in fiscal 2024.

Appendix 18
Remaining Appropriations within the
Dedicated Purpose Account
(\$ in Millions)

<u>Description</u>	<u>Amount</u>
Cybersecurity	\$160.0
State Center Relocation	47.3
New Veterans Home PAYGO	63.3
Facilities Renewal for State Facilities and Higher Education	189.0
Legislative Priorities – PAYGO	123.0
Legislative Priorities – Operating Initiatives	48.0
<i>Apprenticeships (\$20)</i>	
<i>Autism Waiver (\$20)</i>	
<i>Unified Financial Aid System (\$8)</i>	
Local Government Infrastructure Fund – Broadband (FF)	171.2
Total DPA Fund Balance	\$801.8

New Appropriations in the Fiscal 2024 Allowance

<u>Description</u>	<u>Amount</u>
Pension Sweeper	\$15.0
OPEB Sweeper	25.0
Cybersecurity	152.0
WMATA Capital Grant	167.0
New Veterans Home	6.3
Food Banks	10.0
Legislative Priorities	150.0
Local Income Tax Reserve Account	10.0
Awards to Erroneously Confined Individuals	7.7
Total General Fund Appropriation	\$543.0

DPA: Dedicated Purpose Account

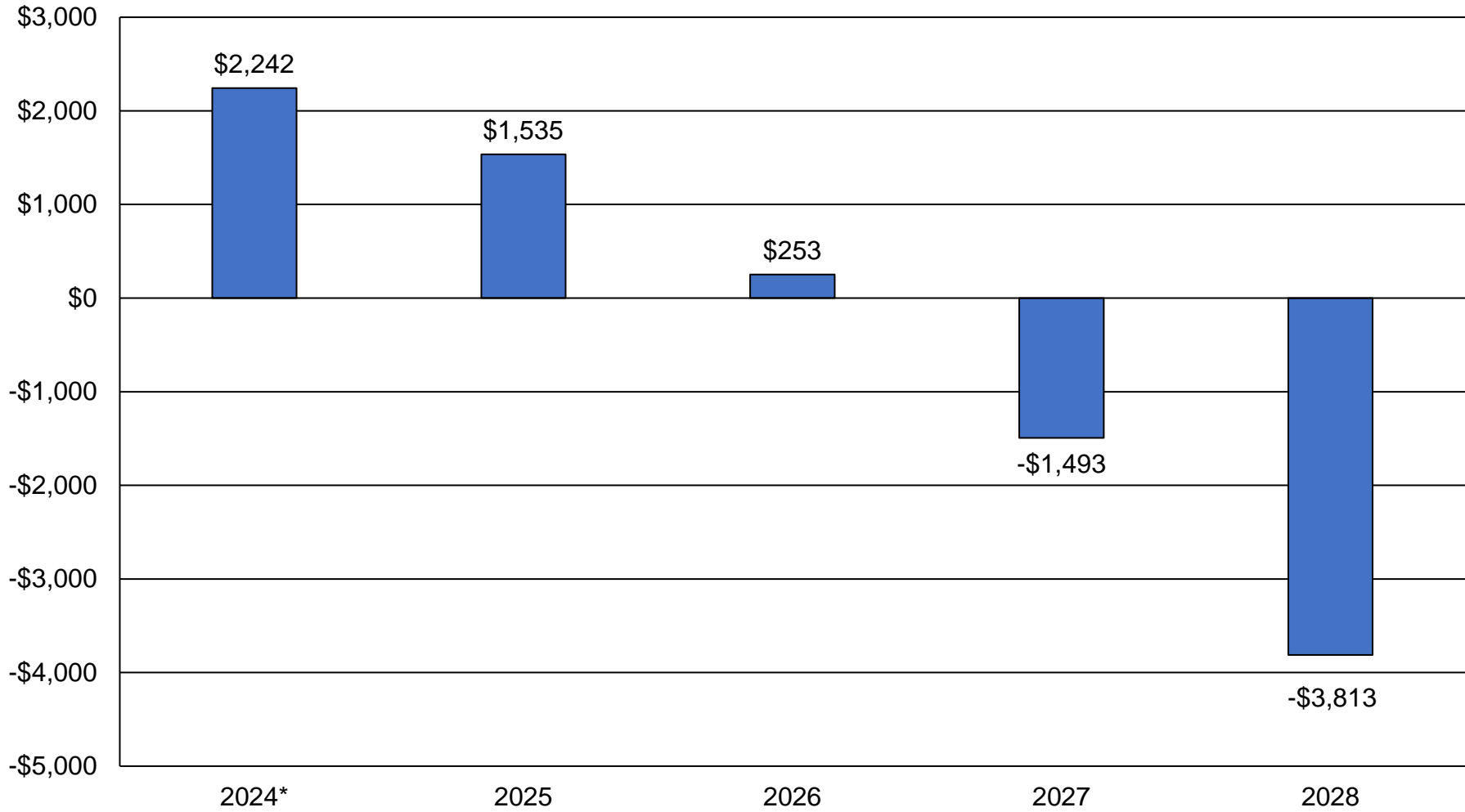
FF: federal fund

OPEB: other postemployment benefits

PAYGO: pay-as-you-go

WMATA: Washington Metropolitan Area Transit Authority

Appendix 19
Blueprint Fund
Projected Ending Fund Balance
Fiscal 2024-2028
(\$ in Millions)



*Fiscal 2024 fund balance reflects transfer of \$500 million to the Blueprint Fund from the Rainy Day Fund appropriation.

Appendix 20
Preauthorizations
Fiscal 2024

<u>Agency</u>	<u>Project Title</u>	<u>Preauthorization Amount</u>	<u>2024 Funded Amount</u>	<u>Difference</u>
MDOT	Point Lookout Road	\$10.00		-10.00
DHCD	Laurel Park – Backstretch Housing	10.00		-10.00
MISC	Bainbridge Naval Training Center Site Redevelopment	7.50		-7.50
MSA	Pimlico Demolition	5.00		-5.00
TU	Towson University Institute for Well-Being	5.00		-5.00
MISC	Sinai Hospital of Baltimore – LifeBridge Health	5.00		-5.00
MISC	Central Avenue Connector Trail Segment – Greenway and Spur	5.00		-5.00
MSU	Concrete Laboratory	3.00		-3.00
MISC	Intergenerational Center – Catholic Charities	3.00		-3.00
MISC	East Baltimore Transfer Station	3.00		-3.00
MISC	Town of Smithsburg – Water Street Improvements	3.00		-3.00
MISC	South Marlyn Avenue	3.00		-3.00
MISC	Perry Hall Sewer and Wastewater Infrastructure	2.50		-2.50
MISC	Holt Park	2.50		-2.50
MISC	University of Maryland Shore Medical Center at Chestertown	2.50		-2.50
DPSCS	Women’s Prerelease Center	2.00		-2.00
MISC	Oak Creek West Park	2.00		-2.00
MISC	MedStar Franklin Square Hospital	2.00		-2.00
DMIL	Freestate Challenge Academy	1.75		-\$1.75
MISC	Olney Boys and Girls Club Performance Sports Center	1.50		-1.50
MISC	Sandy Spring Museum	1.50		-1.50
MISC	Western Maryland Scenic Railroad	1.50		-1.50
MISC	Montgomery County Local Public School Playgrounds	1.35		-1.35
MISC	Mount Rainier Welcome Center	1.25		-1.25
MISC	South Valley Park Improvements	1.00		-1.00
MISC	Town of Sykesville Infrastructure Improvements	1.00		-1.00
MISC	MedStar Montgomery Medical Center – Intensive Care Unit	1.00		-1.00
MISC	Sang Run State Park - Youghiogheny River Trail Section 2	0.70		-0.70
MISC	Garrett College – Ballfield Reconstruction	0.55		-0.55
MISC	Town of Brookeville	0.50		-0.50
MISC	Sound Barrier	0.50		-0.50
MISC	Six Bridge Trail	0.50		-0.50
MISC	Allegany County Fairgrounds	0.50		-0.50

<u>Agency</u>	<u>Project Title</u>	<u>Preauthorization Amount</u>	<u>2024 Funded Amount</u>	<u>Difference</u>
MISC	Maryland Center for History and Culture	0.50		-0.50
MISC	BlackRock Center for the Arts	0.35		-0.35
MISC	Chesapeake Bay Foundation Oyster Facility	0.05		-0.05
UMMS	Capital Region Medical Center – Oncology Center	27.00	27.00	0.00
MISC	Baltimore City Markets	1.50	1.50	0.00
MISC	Baltimore Museum of Art	2.50	2.50	0.00
MISC	CASA Headquarters	0.25	0.25	0.00
MISC	Chrysalis Pavilion	1.00	1.00	0.00
MISC	Crownsville Hospital Infrastructure and Memorial Park	5.00	5.00	0.00
MISC	Humanim	0.50	0.50	0.00
MISC	Montgomery College East County Expansion	2.00	2.00	0.00
MISC	White Flint Metro Station North Entrance	2.00	2.00	0.00
MISC	Washington County Museum of Fine Arts	1.25	1.25	0.00
MISC	Restoration Center	5.00	5.00	0.00
MISC	Stony Run Walking Path and Wyman Park	0.75	0.75	0.00
MISC	Central Baltimore Partnership	2.00	2.00	0.00
MISC	Hagerstown Field House	2.00	2.00	0.00
MISC	Prince George's Family Crisis Center	5.00	5.00	0.00
MISC	Arts Every Day	5.00	5.00	0.00
MISC	Next Level Sports Innovation Center	20.00	20.00	0.00
MISC	Secure Compartmented Information Facilities	2.50	2.50	0.00
MISC	Inner Harbor Promenade	30.00	30.00	0.00
MISC	Benjamin Banneker Historical Park and Museum	2.00	2.00	0.00
MISC	Pikesville Armory	3.00	3.00	0.00
MISC	B & O Railroad Museum	1.00	1.00	0.00
MISC	East Baltimore Development Inc.	1.25	1.25	0.00
MISC	Montgomery County Bus Rapid Transit Project	7.00	7.00	0.00
MISC	Bethesda Market Lots 10-24	0.50	0.50	0.00
MISC	White Flint Redevelopment	6.00	6.00	0.00
MISC	Zero Emissions Buses	5.00	5.00	0.00
MISC	Federal Bureau of Investigation Headquarters	100.00	100.00	0.00
MSU	Patuxent Environmental and Aquatic Research Laboratory	2.00	2.50	0.50
Total		\$335.00	\$243.50	-\$91.50

DHCD: Department of Housing and Community Development
DPSCS: Department of Public Safety and Correctional Services
MDOT: Maryland Department of Transportation
MIL: Military Department
MISC: Miscellaneous
MSA: Maryland Stadium Authority
MSU: Morgan State University
TU: Towson University
UMMS: University of Maryland Medical System

Appendix 21
Top Funded Programs and Projects – All Funds
Fiscal Year 2024 as Introduced

<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
MSDE: Public School Construction Program	\$91.0	\$0.0	\$125.5	\$268.5	\$0.0	\$485.0
MSDE: Built to Learn Fund	0.0	447.2	0.0	0.0	0.0	447.2
MDE: Water Quality Revolving Loan Fund	0.0	0.0	9.9	148.4	71.0	229.4
MDOT: WMATA Grants	0.0	0.0	167.0	0.0	0.0	167.0
DNR: Program Open Space – State	0.0	0.0	0.0	102.2	3.0	105.2
CAP: Unallocated General Fund PAYGO	0.0	0.0	100.0	0.0	0.0	100.0
MISC: Federal Bureau of Investigation Headquarters Relocation	100.0	0.0	0.0	0.0	0.0	100.0
MDA: Maryland Agricultural Land Preservation Program	0.0	0.0	16.6	78.1	0.0	94.7
MSDE: Healthy School Facility Fund	90.0	0.0	0.0	0.0	0.0	90.0
DNR: Program Open Space – Local	0.0	0.0	0.0	89.2	0.0	89.2
MDE: Drinking Water Revolving Loan Fund	0.0	0.0	5.9	25.1	45.8	76.8
DNR: Park System Critical Maintenance Fund	0.0	0.0	70.0	0.0	0.0	70.0
BSU: Communication Arts and Humanities Building	67.1	0.0	0.0	0.0	0.0	67.1
MDE: Bay Restoration Fund Wastewater Program	0.0	0.0	0.0	66.2	0.0	66.2
MSU: New Health and Human Services Building Phase II	60.6	0.0	0.0	0.0	0.0	60.6
DHCD: Rental Housing Programs	0.0	0.0	30.0	18.0	9.0	57.0
BPW: New Courts of Appeal Building	53.9	0.0	0.0	0.0	0.0	53.9
MHEC: Community College Construction Grant Program	51.7	0.0	0.0	0.0	0.0	51.7
TU: New College of Health Professions Building	43.0	0.0	0.0	0.0	0.0	43.0
MSA: Department of Legislative Services Building	41.5	0.0	0.0	0.0	0.0	41.5
MSDE: Supplemental Capital Grant Program	0.0	0.0	40.0	0.0	0.0	40.0
DNR: Park System Capital Improvement and Acquisition Fund	0.0	0.0	36.9	0.0	0.0	36.9
DNR: Rural Legacy Program	0.0	0.0	5.4	28.0	0.0	33.4
UMCP: Interdisciplinary Engineering Building	31.2	0.0	0.0	0.0	0.0	31.2
MISC: Inner Harbor Promenade	30.0	0.0	0.0	0.0	0.0	30.0
UMMS: Capital Region Medical Center – Oncology Center	27.0	0.0	0.0	0.0	0.0	27.0
DHCD: Strategic Demolition Fund	0.0	0.0	25.0	0.0	0.0	25.0
USMO: Capital Facilities Renewal Projects	0.0	25.0	0.0	0.0	0.0	25.0
MES: Infrastructure Improvement Fund	11.5	0.0	0.0	13.2	0.0	24.7
UMBC: Sherman Hall Renovation	23.8	0.0	0.0	0.0	0.0	23.8
DHCD: Neighborhood Business Development	0.0	0.0	20.0	2.2	0.0	22.2
MDP: Historic Preservation Tax Credit	0.0	0.0	22.0	0.0	0.0	22.0
MDH: Clifton T. Perkins Hospital	21.7	0.0	0.0	0.0	0.0	21.7

<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
DHCD: Homeownership Programs	0.0	0.0	16.0	5.0	0.0	21.0
TU: Smith Hall Renovation	20.8	0.0	0.0	0.0	0.0	20.8
BPW: Shillman Building Conversion	20.5	0.0	0.0	0.0	0.0	20.5
BPW: State House Exterior and Grounds Restoration	20.3	0.0	0.0	0.0	0.0	20.3
MSDE: School Construction Revolving Loan Fund	0.0	0.0	20.0	0.0	0.0	20.0
MISC: Maryland Sports and Entertainment Innovation Center	20.0	0.0	0.0	0.0	0.0	20.0
Subtotal: Top Funded Projects / Programs	\$825.7	\$472.2	\$710.2	\$844.1	\$128.8	\$2,981.0
Subtotal: Other Funded Projects / Programs	\$380.9	\$5.0	\$107.2	\$116.3	\$29.4	\$638.7
Fiscal 2024 Capital Program	\$1,206.6	\$477.2	\$817.3	\$960.3	\$158.2	\$3,619.7
Fiscal 2023 Deficiencies	\$0.0	\$0.0	\$225.4	\$0.0	\$0.0	\$225.4
Total Fiscal 2024 Capital Program	\$1,206.6	\$477.2	\$1,042.7	\$960.3	\$158.2	\$3,845.1

The capital bill includes deauthorizations of \$1.6 million of prior authorized GO bonds.

BPW: Board of Public Works	MHEC: Maryland Higher Education Commission
BSU: Bowie State University	MISC: miscellaneous
CAP: capital	MSA: Maryland Stadium Authority
DHCD: Department of Housing and Community Development	MSDE: Maryland State Department of Education
DNR: Department of Natural Resources	MSU: Morgan State University
GO: general obligation	PAYGO: pay-as-you-go
MDA: Maryland Department of Agriculture	TU: Towson University
MDE: Maryland Department of the Environment	UMBC: University of Maryland Baltimore County
MDH: Maryland Department of Health	UMCP: University of Maryland, College Park Campus
MDOT: Maryland Department of Transportation	UMMS: University of Maryland Medical System
MDP: Maryland Department of Planning	USMO: University of Maryland Office
MES: Maryland Environmental Service	WMATA: Washington Metropolitan Area Transit Administration

Appendix 22

Capital Mandates

Fiscal 2024

<u>Agency</u>	<u>Program</u>	<u>Year Established/ Extended</u>	<u>2024 Mandated Amount</u>	<u>Amount Programmed in 2022 Session CIP</u>	<u>2024 Funding Amount</u>	<u>Mandated Amount Above CIP</u>
Commerce	Maryland Arts Capital Grant Program	2021	\$3,000	\$3,000	\$3,000	\$0
DHCD	Baltimore Regional Neighborhoods Initiative	Extended 2021	12,000	12,000	12,000	0
DHCD	Seed Anchor Institution Fund	Extended 2019	10,000	10,000	10,000	0
DHCD	National Capital Strategic Economic Development Fund	2019	7,000	7,000	7,000	0
DHCD	Shelter and Transitional Housing	2016	3,000	3,000	3,000	0
DNR	Rural Legacy – Transfer Tax Payback	2022	5,444	0	5,444	5,444
DNR	POS – Baltimore City Direct Grant	Increased 2022	10,000	6,000	10,000	4,000
DNR	Oyster Restoration Activities in the Eastern Bay	2022	1,000	0	1,000	1,000
DNR	Park System Critical Maintenance Fund	2022	70,000	0	70,000	70,000
DNR	Park System Capital Improvements and Acquisition Fund	2022	36,873	0	36,873	36,873
DNR	Maryland Agricultural Land Preservation Fund	2022	16,564	0	16,564	16,564
IAC	Supplemental Capital Grant Program	2015	40,000	40,000	40,000	0
IAC	Healthy School Facility Fund	Extended 2021	90,000	40,000	90,000	50,000
IAC	Aging Schools	Existing	6,109	6,109	6,109	0
IAC	School Construction Revolving Loan Fund	2022	20,000	10,000	20,000	10,000
MDP	African American Heritage	Increased 2022	5,000	1,000	5,000	4,000
MHEC	Community Colleges Facilities Renewal ¹	2019	2,587	2,587	2,587	0
MSLA	Local Libraries	Increased 2021	7,500	7,500	11,550	0
MSU	Patuxent Environmental and Aquatic Research Laboratory	2022	2,500	0	2,500	2,500
Total			\$348,577	\$148,196	\$352,627	\$200,381

CIP: *Capital Improvement Program*

IAC: *Interagency Commission on School Construction*

DHCD: *Department of Housing and Community Development*

MHEC: *Maryland Higher Education Commission*

DNR: *Department of Natural Resources*

MDP: *Maryland Department of Planning*

¹ Figure only includes the mandated amount. An additional \$15 million of general funds is budgeted in the Dedicated Purpose Account to fund facilities renewal at community colleges through the MHEC program.