

May 28, 2021

The Honorable Adrienne A. Jones  
Speaker of the House of Delegates  
H-101 State House  
Annapolis, MD 21401

The Honorable Bill Ferguson  
President of the Senate  
H-107 State House  
Annapolis, MD 21401

Dear Speaker Jones and President Ferguson:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 133 and Senate Bill 30 – *State Finance and Procurement – Appropriation Reductions (Board of Public Works Budget Reduction Clarification Act)*.

While the legislative branch dominated Maryland's budget process more than a century ago, it is important to remember that the resulting chaos, out of control spending, and massive revenue shortfall led to a Constitutional Amendment that created an executive centered budget model. Although that model remains among the most unique in the nation, our budgets of today are largely dictated by the many – and often unfunded – spending mandates passed by the General Assembly. By targeting the Governor's authority to make midyear budget reductions, House Bill 133 and Senate Bill 30 are yet another power grab by the legislative branch that serves only to inhibit the executive branch's ability – and Constitutional responsibility to best manage the State's fiscal health in times of unforeseen crisis and fiscal uncertainty.

The Constitution of Maryland requires the State budget to be balanced; throughout the entire process of submission, amendment, and enactment of the Budget Bill, estimated revenues must be equal to or greater than total appropriations. As a cost containment tool, midyear budget reductions allow the Governor, with approval of the Board of Public Works, to efficiently navigate and decisively avoid or mitigate the perils of a quickly deteriorating economy. My Administration understands the magnitude of this responsibility and the decision to bring budget reductions before the Board is never easy; during my six years in office, we have taken midyear budget reductions to the Board only five times. This flexibility to address budget shortfalls is recognized as a strength and Maryland has steadily maintained its AAA bond

rating; currently, we are one of only 13 states to receive this top rating from all three major credit rating agencies. Unfortunately, House Bill 133 and Senate Bill 30 subvert this process by restricting the reduction limit and creating unnecessary layers of red tape.

The current budget reduction process provides a balanced approach that allows the Governor to act swiftly with Board oversight and full transparency. House Bill 133 and Senate Bill 30 undermine this process and continue to chip away at Maryland's effective and successful budget model. By further tying the hands of its Chief Executive, this legislation places politics above the fiscal health of our State.

For these reasons, I have vetoed House Bill 133 and Senate Bill 30.

Sincerely,

Lawrence J. Hogan, Jr.  
Governor