
Analysis of Supplemental Budget No. 1

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland General Assembly**

February 22, 2022

**General Fund: End-of-year Balances
Impact of Supplemental Budget No. 1
Fiscal 2021-2023
(\$ in Millions)**

	2021 <u>Actual</u>	2022 <u>Working</u>	2023 <u>Allowance</u>
Funds Available			
Total Funds Available	\$21,904	\$24,850	\$26,473
Total Spending	18,665	20,982	25,959
Cash Balance/(Shortfall)	\$3,239	\$3,868	\$514
Structural Balance (Ongoing Revenues Less Ongoing Spending)	\$1,925	\$1,220	\$158
Ratio (Ongoing Revenues/Ongoing Operating Costs)	110.2%	106.0%	100.7%
Estimated Rainy Day Fund Balance – June 30	\$631	\$1,160	\$3,588
Available Cash Balance (General Funds + Rainy Day Fund Above 5%)	\$2,829	\$3,973	\$2,990

**Summary of Proposed Spending
Supplemental Budget No. 1**

	<u>General</u>	<u>Special</u>	<u>Federal</u>
Education Effort Adjustment	\$125,545,658		
Rural Maryland Economic Development Program	50,000,000		
Maryland Emergency Medical System Operations Fund (MEMSOF)	21,143,744	-\$11,143,744	
Fund Non-Mandated Kirwan Requirements	14,744,876		
Medicaid Fund Swap	6,362,675		-6,362,675
Other	2,383,655	700,000	273,505,972
Maryland E-Novation		1,800,000	
Chief Medical Examiner for Recruitment and Retention	1,175,000		
Additional Quarter of Enhanced Federal Medicaid Match	-152,087,019		152,087,019
	\$69,268,589	-\$8,643,744	\$419,230,316

Spending Detail Supplemental Budget No. 1

<u>Item #</u>	<u>Agency</u>	<u>Fiscal Year</u>	<u>Description</u>	<u>GF</u>	<u>SF</u>	<u>FF</u>	<u>CUF</u>	<u>Total</u>
General Funds								
1	BPW	2022	Restore funding to the Contingent Fund	86,738				86,738
2	BPW	2022	Compensation for erroneously confined individuals and related legal fees	249,339				249,339
3	BPW	2023	Compensation for erroneously confined individuals	239,998				239,998
4	Planning	2023	Restoration of bronze and copper military monuments	150,000				150,000
5	MIEMMS	2023	Add funding to support MEMSOF	10,000,000				10,000,000
6	Veterans	2022	Recruitment and retention bonuses for cemetery workers	76,000				76,000
7	Veterans	2023	Recruitment and retention bonuses for cemetery workers	227,000				227,000
12	DBM	2022	Reduce funds restricted for loans under the Nonprofit, Interest-Free, Micro Bridge Loan Account (Item 72 funds the program directly)	-150,000				-150,000
18	Agriculture	2022	Midge spraying in Baltimore County	400,000	400,000			800,000
20	Health	2022	Recruitment and retention bonuses at OCME	350,000				350,000
21	Health	2023	Recruitment and retention bonuses at OCME	825,000				825,000
39, 41, Amend 2	SMCM	2023	Provide funding for staff and operating expenses for new building	637,457			637,457	1,274,914
40	MHEC	2023	Technical correction to Cade formula	9,194				9,194
70	Commerce	2022	Rent at the World Trade Center	497,900				497,900
71	Commerce	2023	Rent at the World Trade Center	81,274				81,274
72	Commerce	2022	Loans under Nonprofit, Interest-Free, Micro Bridge Loan Account	150,000	300,000			450,000
74	Commerce	2023	Rural Economic Development Program - grants to rural regional councils	50,000,000				50,000,000
Subtotal				\$63,829,900	\$700,000	\$0	\$637,457	\$65,167,357

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Fund Swaps								
10	DBM	2022	Replace MEMSOF with General Funds for salary enhancements	911,212	-911,212			0
11	DBM	2023	Replace MEMSOF with General Funds for salary enhancements	3,497,416	-3,497,416			0
22, 24	Health	2022	Replace funds for HCBS mistakenly budgeted with FF in BHA	2,545,145		-2,545,145		0
23, 25	Health	2023	Replace funds for HCBS mistakenly budgeted with FF in BHA	3,817,530		-3,817,530		0
26, 28, 29, 30	Health	2022	Recognize savings due to extension of EFMAP into 4th Quarter due to extension of public health emergency in DDA, BHA, Medicaid, and MCHP	-152,087,019		152,087,019		0
77	MSP	2022	Replace MEMSOF with General Funds for helicopter maintenance	3,367,558	-3,367,558			0
78	MSP	2023	Replace MEMSOF with General Funds for helicopter maintenance	3,367,558	-3,367,558			0
	Subtotal			-\$134,580,600	-\$11,143,744	\$145,724,344	\$0	\$0
Blueprint Related Items								
38	MSDE	2023	Education Effort Adjustment	125,545,658				125,545,658
32	MSDE	2023	Leadership training, a state model curriculum and instructional materials, and a College and Career Readiness Equating Study	8,409,971				8,409,971
36	MSDE	2023	Training for teachers and National Board Certification	2,900,000				2,900,000
37	MSDE	2023	Behavioral health training for teachers and expert review teams	2,030,153				2,030,153
31	Labor	2023	Career and Technical Education Committee and Skills Standards Advisory Committee	762,262				762,262
35	MSDE	2023	National Board Coordinator	100,000				100,000
19	Health	2023	School based Health Center Coordinator	90,415				90,415
33	MSDE	2023	Early Childhood primary contact	90,415				90,415
34	MSDE	2023	School based Health Center Coordinator	90,415				90,415
	Subtotal			\$140,019,289	\$0	\$0	\$0	\$140,019,289

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Stimulus Funds								
46, 48, 49, 59, 61, 65, 66, 68 27	Housing	2023	Reflect ARPA funds for Homeowner Assistance Fund			100,000,000		100,000,000
43,45, 53, 54, 58, 64, 67	Health Housing	2023	Recognize 10% EFMAP for HCBS in DDA Reflect CRRSA and ARPA funds for ERAP 1.0 and 2.0			85,000,000		85,000,000
42, 44, 47, 56, 57, 69 76	Housing Commerce	2023	Reflect ARPA funds for Small Business Credit Initiative Grants to local hospitality businesses engaged in travel, tourism, and outdoor recreation industries			50,703,112		50,703,112
9	Lottery	2022	Grants to local hospitality businesses engaged in travel, tourism, and outdoor recreation industries Add State Fiscal Recovery Funds for VaxCash 2.0			21,882,000		21,882,000
62	Housing	2023	Reflect ARPA funds for the Housing Choice Voucher program			8,100,000		8,100,000
75	Commerce	2022	Grants to local hospitality businesses engaged in travel, tourism, and outdoor recreation industries			2,000,000		2,000,000
55	Housing	2023	Add State Fiscal Recovery Funds for Homewonership Works (HOW) pilot program			2,000,000		2,000,000
60	Housing	2023	Reflect ARPA funds for HOME Investments Partnership Program			1,500,000		1,500,000
50	Housing	2023	Reflect CARES funds for Emergency Solutions Grant			900,000		900,000
52	Housing	2023	Reflect CARES funds for Community Development Block Grant			500,000		500,000
51	Housing	2023	Reflect ARPA funds for NeighborWorks America – Housing Stability Counseling Fund			211,607		211,607
63	Housing	2023	Reflect CARES for Section 8 Mainstream Program			200,000		200,000
						28,531		28,531
						27,722		27,722
	Subtotal			\$0	\$0	\$273,052,972	\$0	\$273,052,972

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Other								
73	Commerce	2022	Additional awards through the Maryland E-Innovation Initiative Fund		1,800,000			1,800,000
14	DNR	2022	For Natural Resources Police to support DOJ Asset Forfeiture and Seizure Program			285,000		285,000
13	DNR	2022	Support the Basic Hunter Education program			168,000		168,000
15, 16, 17	DNR	2023	Redistributes funds in DNR based on where funds will be spend for biologists and geologists	0				0
8	OAH	2023	Add regular positions (already funded in the allowance)					
Amend 1 and 3			Add language to allow for reimbursable fund spending in the Maryland Longitudinal Data System Center					
	Subtotal			\$0	\$1,800,000	\$453,000	\$0	\$2,253,000
<i>Fiscal 2022</i>				<i>-\$143,603,127</i>	<i>-\$1,778,770</i>	<i>\$153,494,874</i>	<i>\$0</i>	<i>\$8,112,977</i>
<i>Fiscal 2023</i>				<i>\$212,871,716</i>	<i>-\$6,864,974</i>	<i>\$265,735,442</i>	<i>\$637,457</i>	<i>\$472,379,641</i>
Total				\$69,268,589	-\$8,643,744	\$419,230,316	\$637,457	\$480,492,618

ARPA: American Rescue Plan of 2021
 BHA: Behavioral Health Administration
 CARES: The Coronavirus Aid, Relief, and Economic Security Act
 CRRSA: Coronavirus Response and Relief Supplemental Appropriations Act
 CUF: current unrestricted funds
 DOJ: Department of Justice
 DNR: Department of Natural Resources
 ERAP: Emergency Rental Assistance Program
 FF: Federal Fund
 GF: General Fund
 HCBS: Home and Community-based Services
 SP: Special Fund
 MEMSOF: Maryland Emergency Medical System Operations Fund
 OCME: Office of the Chief Medical Examiner