

House Appropriations Committee

Report on

House Bill 200 – the Budget Bill

**House Bill 202 – the Budget Reconciliation and
Financing Act**

Maryland General Assembly
Annapolis, Maryland

March 15, 2023

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Fiscal 2024 Budget Budget Bill (HB 200) and the Budget Reconciliation and Financing Act (HB 202) As Amended by the House Appropriations Committee

Achieves Structural Balance: Ongoing general fund revenues exceed ongoing expenditures by more than \$227 million in fiscal 2024.

Preserves Reserves: About \$3.2 billion in cash resources are preserved including \$2.5 billion in the Revenue Stabilization Account (Rainy Day Fund) (10% of general fund revenues) and \$670 million in the General Fund. The level of reserves retained for the future exceeds the goals of the Spending Affordability Committee.

Reserves Funds for Tax Relief: The budget plan reserves \$205 million of general funds to provide tax relief at about the same level of tax relief as proposed by the Governor.

Saves Resources to Meet the State's Commitment to Fund the Blueprint: The budget plan appropriates \$900 million to the Blueprint for Maryland's Future Fund to cover out-year costs of Blueprint implementation.

Increases Funding for Public Schools: Under the committee's budget proposal, State support for public schools will total \$8.7 billion. Direct aid to local school systems will increase an estimated \$654.2 million, or 9.0%, including full funding of all fiscal 2024 Blueprint mandates.

Creates Capacity for House Capital Priorities: The budget shifts \$109.2 million of capital projects from general obligation (GO) bonds freeing up GO bond capacity for House priorities in the capital budget and adds \$136.9 million of new pay-as-you-go (PAYGO) capital projects to the operating budget.

Funds Legislative Priorities: The proposed budget includes more than \$912 million for legislative priorities. Legislative priorities funded include earmarking \$400 million more than the Governor for the Blueprint Fund; \$246 million of PAYGO capital, including \$136.9 million of new projects and \$109.2 million of projects shifted from GO bonds; \$100 million for transportation studies and matching funds for federal transportation funding opportunities; and \$40 million for the Cannabis Business Assistance Fund.

Boosts State Employee Salaries and Funds Other Initiatives to Facilitate Recruitment and Retention in a Highly Competitive Labor Market: The allowance includes \$386.5 million for fiscal 2024 salary increases including a 2% cost-of-living adjustment (COLA) (5% for members for law enforcement officers), employee salary increments, and targeted salary increases for hard to fill positions. Another \$583 million is provided to fund the fiscal 2023 and 2024 costs of a 4.5% COLA provided to State

employees in November 2002. Another \$13 million is provided to restore a deferred compensation match for State employees and launch pilot programs.

Invests in Higher Education: The budget provides a \$242.0 million (11.0%) increase in State support to Maryland's four-year public colleges and universities while limiting tuition increases for in-state students to 2.0%. Community college formula aid increases by \$39.9 million (12%), and aid to nonpublic higher education institutions rises by \$18.5 million (16%). Funding for Educational Excellence scholarships increases by \$14.9 million (17%).

Continues to Provide Vital Health Care Services: Medicaid funding totals \$14 billion, allowing the State to provide coverage to over 1.5 million of our residents; \$78 million is provided for one-time investments to strengthen the State's behavioral health system.

Funds Rate Increases for Providers Serving Vulnerable Populations: Most health care providers will receive rate increases of 3% to 4% effective July 1, 2023, and another 8% in January 2024 contingent upon the enactment of legislation.

Assists the Economically Vulnerable: The budget includes \$11.3 million to reimburse Supplemental Nutrition Assistance Program (SNAP) and cash assistance recipients who have been victims of electronic benefits transfer skimming. Funds are also included for a permanent \$45 increase in the monthly benefit per recipient of Temporary Cash Assistance and Temporary Disability Assistance. The minimum benefit for SNAP is increased permanently, and food banks receive \$10 million of funding beyond usual levels.

Continues Enhancements for Public Safety and Victim Services: The budget continues to fund police aid \$46 million above the statutorily required amount, with the enhanced funding targeted to jurisdictions experiencing higher levels of crime. Over \$40 million in State support for victim services ensures that awards to service providers are maintained at previous levels in addition to providing targeted enhancements to support domestic violence victims and rape crisis centers.

Invests in Our Natural Resources and Solutions to Address Climate Change: The fiscal 2024 budget provides significant funding to combat climate change, incentivize the use of renewable energy, and invest in other energy efficiency programs. This includes over \$160 million to support State parks and forests under the Great Maryland Outdoors Act, \$60 million for bay restoration activities, and \$15 million to implement the Tree Solutions Now Act. Funding through the Climate Solutions Now Act provides \$15 million to support housing projects targeting the reduction of greenhouse gas emissions, Climate Corp, and other green energy programs.

Cybersecurity: The budget includes \$166 million to improve State government cybersecurity.

Overview of Fiscal 2024 General Fund Budget Plan
(\$ in Millions)

| | <u>Governor</u> | <u>APP</u> |
|---|-----------------|----------------|
| Fiscal 2024 Ending Balance Before Tax Relief Legislation (includes Supplemental No. 1) | \$961.8 | \$961.8 |
| Revenue Adjustments | | |
| BRE March 2023 Revisions | -\$477.6 | -\$477.6 |
| Reserved for Targeted Tax Relief | -204.0 | -204.7 |
| Spending Adjustments | | |
| Spending Reductions | \$62.0 | \$1,292.9 |
| Spending Additions for Legislative Priorities | | -902.4 |
| Fiscal 2024 Estimated Closing Balance | \$342.2 | \$670.0 |

BRE: Board of Revenue Estimates

General Fund: End-of-year Balances
Actions of the House Appropriations Committee
Fiscal 2022-2024
(\$ in Millions)

| | 2022 <u>Actual</u> | 2023 <u>Working</u> | 2024 <u>Allowance</u> |
|--|-------------------------------------|--------------------------------------|--|
| Total Funds Available | \$26,429 | \$30,418 | \$27,490 |
| Total Spending | 20,931 | 27,982 | \$26,820 |
| Cash Balance/(Shortfall) | \$5,499 | \$2,437 | \$670 |
| Structural Balance (Ongoing Revenues Less Ongoing Spending) | \$3,660 | \$1,243 | \$227 |
| Ratio (Ongoing Revenues/Ongoing Operating Costs) | 118.0% | 105.3% | 100.9% |
| 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 | \$3,011 | \$672 |

**Legislative Actions on Spending
Proposed Budget Reductions
(\$ in Millions)**

APP

General Fund Reductions

Fiscal 2024 Actions

| | |
|---|---------|
| Delete Funds Reserved for Future Transportation Capital Needs | \$500.0 |
| Allowance Overstates Medicaid Enrollment and Costs | 155.0 |
| Delete Funds Reserved for Legislative Priorities (Added Back for Specific Purposes) | 150.0 |
| Delay Portion of Rate Increase for Health Care Providers until January 1, 2024 | 109.1 |
| Increase Estimate of Vacant Positions from 7.2% to 8.7% – 13.7% Vacant in January | 65.0 |
| Reduce Appropriation to Rainy Day Fund | 61.4 |
| No One-time Funds for Pension System and Retiree Health Liability | 40.0 |
| Maryland Teacher Shortage Act (Added Back for Specific Programs) | 15.0 |
| Reduce General Funds for Medicaid Due to Availability of Special Funds | 15.0 |
| Substitute Federal Funds for General Funds for Child Care Scholarships | 10.0 |
| Reduce Funds for Next Generation Farmland Acquisition (Added Back for Loan Programs) | 6.0 |
| No Funds for Maryland Corps as It Is Duplicative of New Service Program | 5.0 |
| Study National Guard Health Insurance and Defer Funding | 5.0 |
| Reduce funds for Police Officers Scholarship Program contingent on HB 982 (Repurpose for Related Program) | 3.5 |
| Fund Major Information Technology (IT) Project with Available Special Funds | 2.2 |
| Better Align Turnover for Office of Health Care Quality with Experience | 1.2 |
| Savings from Early Repayment of Loan from Local Income Tax Reserve Account* | 0.5 |
| Align Funds for IT Project with Slow Pace of Project | 0.2 |

Fiscal 2023 Actions

| | |
|---|-------|
| Behavioral Health Deficiency is Overstated Due to an Error | 100.0 |
| Salary Adjustments to Recognize Vacancy Savings | 25.0 |
| Reduce Medicaid Deficiency Due to Savings from Managed Care Organization Recoveries | 15.0 |
| Align Temporary Disability Assistance Program Funds with Current Caseload* | 7.5 |

Total **\$1,291.7**

Special Fund Reductions

| | |
|--|--------|
| Medicaid Hospital Assessment Reduced for One Year* | \$50.0 |
| Delete Funds for Natural Gas Expansion (Adds Repurpose) | 9.3 |
| Savings from Lottery Ending Televised Drawings | 1.2 |
| Accountability and Implementation Board Consultant Study | 0.3 |
| Increase Turnover for New Positions in Energy Administration | 0.2 |

Total **\$60.9**

* Contingent on enactment of the Budget Reconciliation and Financing Act (HB 202).

**Legislative Actions on Spending
Proposed Budget Additions
(\$ in Millions)**

APP

General Fund Additions

| | |
|---|-----------|
| Increase Balance in Blueprint Fund | \$400.000 |
| PAYGO Capital Projects (See Separate List) | 136.850 |
| PAYGO Capital for Healthy School Facilities and Public School Construction Fund | 109.224 |
| Funds for Environmental Studies (Red Line and Southern Maryland Rapid Transit) and for State Match on Federal Transportation Funding Opportunities | 100.000 |
| Cannabis Business Assistance Fund | 40.000 |
| Implementation of HB 982 including Deferred Compensation Match and Pilot Programs | 13.000 |
| Teacher Development and Retention Fund Contingent upon SB 893/HB 1219 | 10.000 |
| Grant to Baltimore City to Assist with K-12 Local Share Requirement | 10.000 |
| Treasurer to Administer Maryland 529 (SB 959/HB 1290) and to Complete an IT upgrade | 8.450 |
| Shift Portion of Board of Nursing Costs to General Fund (SB 960/HB 611) | 8.000 |
| MARBIDCO to Enhance Loan Programs | 6.000 |
| Comptroller for Information Technology Upgrades | 5.300 |
| Hoffman Loan Assistance – Grasmick Teacher Award contingent upon SB 893/HB 1219 | 5.000 |
| General Fund Support for MEMSOF | 5.000 |
| Immigration Resettlement Funding | 5.000 |
| Family Planning Grants and Medicaid Reimbursement Rates for Abortion Services | 5.000 |
| Maryland Loan Assistance Program for Police Officers Contingent upon HB 982 | 3.500 |
| Funds to Implement State’s Alzheimer’s Plan | 3.500 |
| Maryland Legal Services Corporation for Access to Counsel | 3.500 |
| Nonpublic Placements – Teacher Compensation Costs Contingent upon SB 311/HB 448 | 3.000 |
| Equitech Growth Fund Contingent upon SB 699/HB 781 | 2.000 |
| Social Equity Partnership Grant Program Contingent on SB 516/HB 556 | 2.000 |
| Grant to University of Baltimore’s Schaefer Center | 1.500 |
| UMES to Match Federal Grants | 1.200 |
| Maryland Coalition Against Sexual Assault to Support Community Rape Crisis Centers | 1.000 |
| Grant to Maryland Network Against Domestic Violence | 1.000 |
| University of Maryland Global Campus – Scholarship Program | 1.000 |
| Grant to Cal Ripken Senior Foundation for STEM Initiative | 1.000 |
| Grant to Roca for Expansion Around the State | 1.000 |
| Prescription Drug Affordability Board | 1.000 |
| Grant to Sister States of Maryland to Explore Cultural Linkage Program | 0.982 |
| Maryland Agricultural Fair Board for Full Funding of Fair and Show Grant | 0.825 |
| Towson University Hispanics in Health Care Initiative | 0.750 |
| UMB Pediatric Dentistry | 0.500 |
| Grant to Strengthening Humanities in Nonprofit Equity | 0.500 |
| Maryland Center for History and Culture | 0.500 |
| DPSCS Costs for SB 192/HB 223 contingent on the Legislation | 0.500 |
| Bowie State University Center for Law | 0.500 |
| Adoptions Together | 0.500 |
| Grant to Move America Inc. | 0.500 |
| Grant to Living Classrooms | 0.350 |

| | |
|--|------------------|
| UBalt Center for International and Comparative Law | 0.325 |
| Young Readers Program | 0.250 |
| Grant to Sports Commission | 0.250 |
| Bowie State University for Student Mental Health Services | 0.250 |
| University of Maryland Partnership for Action Learning in Sustainability | 0.250 |
| Grant to Kent County to Assist with K-12 Local Share Requirement | 0.250 |
| Attorney General for Special Education Ombudsman | 0.250 |
| Restore Historic Train Map at Penn Station | 0.200 |
| Department of Agriculture's Spay and Neuter Fund | 0.200 |
| Technical Assistance contingent upon SB 424/HB 261 | 0.200 |
| Grant to Historic Annapolis | 0.194 |
| Study of Economic Feasibility of Amphitheaters in Charles County | 0.125 |
| Grant to Your Public Radio Corporation for a Film Festival | 0.100 |
| Grant to Waterfront Partnership of Baltimore | 0.100 |
| | \$902.375 |

Special Fund Additions

| | |
|---|----------------|
| Repairs to Natural Gas Infrastructure Funded from Washington Gas Settlement | \$9.250 |
| Total | \$9.250 |

- DPSCS: Department of Public Safety and Correctional Services
- IT: information technology
- MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation
- MEMSOF: Maryland Emergency Medical System Operations Fund
- PAYGO: pay-as-you-go
- UBalt: University of Baltimore
- UMES: University of Maryland Environmental Sciences
- UMB: University of Maryland, Baltimore Campus

Detail of Proposed PAYGO Capital Additions

| <u>Project or Program</u> | <u>County</u> | <u>APP</u> |
|---|------------------|-----------------------|
| Healthy School Facility Fund | Statewide | \$ 90,000,000 |
| Baltimore City Convention Center | Baltimore City | 25,700,000 |
| New Carrollton Metro | Prince George's | 25,700,000 |
| Public School Construction | Statewide | 19,224,000 |
| Montgomery County Bus Rapid Transit Project | Montgomery | 18,500,000 |
| Lansdowne Library | Baltimore County | 12,000,000 |
| University of Maryland Shore Regional Hospital | Talbot | 10,000,000 |
| Northwest Hospital Center | Baltimore County | 6,000,000 |
| Extended North Tunnel | Howard | 5,000,000 |
| New Library Complex | Howard | 5,000,000 |
| Security Square Mall | Baltimore County | 4,000,000 |
| Randallstown Library | Baltimore County | 3,000,000 |
| Artist Flats | Howard | 3,000,000 |
| City of Salisbury – Infrastructure Improvements | Wicomico | 3,000,000 |
| Institute for Health Computing | Montgomery | 2,000,000 |
| New Cultural Center | Howard | 2,000,000 |
| Grain Elevator | Anne Arundel | 1,500,000 |
| Olney Boys and Girls Club Performance Sports Center | Montgomery | 1,500,000 |
| Deep Creek Volunteer Fire Company | Garrett | 1,200,000 |
| Parole Transportation Center | Anne Arundel | 1,150,000 |
| Public Safety Communications | Frederick | 1,100,000 |
| Animal Control Addition | Frederick | 1,000,000 |
| South Valley Park | Montgomery | 1,000,000 |
| Wheaton Arts and Cultural Center | Montgomery | 1,000,000 |
| Maritime Institute of Technology and Graduate Studies | Anne Arundel | 850,000 |
| Town of Brookeville - Market Street Improvements | Montgomery | 500,000 |
| Damascus Library and Senior Center Refurbishment | Montgomery | 500,000 |
| Montgomery County Local Public Schools Playgrounds | Montgomery | 500,000 |
| Mt. Savage Volunteer Fire Company | Allegany | 150,000 |
| Total | | \$ 246,074,000 |

PAYGO: pay-as-you-go

Fiscal Note – Summary of the Fiscal 2024 Budget Bill – HB 200

| | <u>General Funds</u> | <u>Special Funds</u> | <u>Federal Funds</u> | <u>Higher Education Funds</u> | <u>Total Funds</u> |
|--|-------------------------------|-------------------------------|-------------------------|-----------------------------------|---------------------------------|
| Governor's Allowance | | | | | |
| Fiscal 2023 Budget | \$28,172,922,839 | \$10,001,276,293 | \$20,706,807,041 | \$5,177,595,035 | \$64,058,601,208 ⁽¹⁾ |
| Fiscal 2024 Budget | 26,961,206,916 ⁽²⁾ | 11,945,706,367 ⁽³⁾ | 18,981,612,554 | 5,060,885,543 | 62,949,411,380 |
| Supplemental Budget No. 1 | | | | | |
| Fiscal 2023 Deficiencies | -\$50,943,639 | \$3,209,485 | \$5,128,526 | \$0 | -\$42,605,628 |
| Fiscal 2024 Budget | \$50,973,953 | -45,057,232 | 6,284,112 | 0 | 12,200,833 |
| Subtotal | \$30,314 | -\$41,847,747 | \$11,412,638 | \$0 | -\$30,404,795 |
| Budget Reconciliation and Financing Act of 2023 | | | | | |
| Fiscal 2023 Contingent Appropriations | \$7,287,513 | \$0 | \$0 | \$0 | \$7,287,513 |
| Fiscal 2023 Reductions | -\$7,500,000 | \$0 | \$0 | \$0 | -\$7,500,000 |
| Fiscal 2024 Contingent Reductions | -529,836 | -50,000,000 | 0 | 0 | -50,529,836 |
| Fiscal 2024 Contingent Appropriations | 50,000,000 | 9,250,000 | 0 | 0 | 59,250,000 |
| Subtotal | \$49,257,677 | -\$40,750,000 | \$0 | \$0 | \$8,507,677 |
| Legislative Reductions | | | | | |
| Fiscal 2023 Deficiencies | -\$140,000,000 | \$0 | \$0 | \$0 | -\$140,000,000 |
| Fiscal 2024 Budget | -1,143,700,391 ⁽⁴⁾ | -10,883,465 | -243,122,035 | 0 | -1,397,705,891 |
| Total Reductions | -\$1,283,700,391 | -\$10,883,465 | -\$243,122,035 | \$0 | -\$1,537,705,891 |
| Legislative Additions | | | | | |
| Fiscal 2024 Budget | \$902,375,000 ⁽⁵⁾ | \$0 | \$0 | \$0 | \$902,375,000 □ |
| Total Additions | \$902,375,000 | \$0 | \$0 | \$0 | \$902,375,000 |
| Appropriations | | | | | |
| Fiscal 2023 Budget | \$27,981,766,713 | \$10,004,485,778 | \$20,711,935,567 | \$5,177,595,035 | \$63,875,783,093 |
| Fiscal 2024 Budget | 26,820,325,642 | 11,849,015,670 | 18,744,774,631 | 5,060,885,543 | 62,475,001,486 |
| Change | -\$1,161,441,071 | \$1,844,529,892 | -\$1,967,160,936 | -\$116,709,492 | -\$1,400,781,607 |

⁽¹⁾ Reflects \$2.4 billion in proposed deficiencies, including \$281.6 million in general funds, \$124.4 million in special funds, \$2.0 billion in federal funds, \$2.6 million in current unrestricted funds, and \$2.1 million in current restricted funds. The proposed general fund deficiencies includes \$7.3 million that is contingent on the enactment of legislation. Assumes \$75.0 million in unspecified general fund reversions and includes \$95.5 million in targeted general fund reversions. Excludes \$1.1 billion in special funds that double counts general fund spending.

⁽²⁾ Includes \$248.2 million in contingent appropriations. Assumes \$45.0 million in unspecified general fund reversions.

⁽³⁾ Excludes \$198.4 million of special funds that double counts general fund spending.

⁽⁴⁾ Includes \$3.5 million of reductions that are contingent on legislation.

⁽⁵⁾ Includes \$53.9 million in additions contingent on legislation.

House Appropriations Committee Action on the Budget Reconciliation and Financing Act (HB 202)

The Budget Reconciliation and Financing Act (BRFA) of 2023, as amended by the House Appropriations Committee, accomplishes the following:

| | <u>Fiscal 2023</u> | <u>Fiscal 2024</u> |
|--|--------------------|--------------------|
| General Fund Appropriations and Reductions Contingent on the BRFA | | |
| Reduce the Medicaid Deficit Assessment | | \$50,000,000 |
| Repay the Local Reserve Account in Fiscal 2023 | \$7,287,513 | -\$529,836 |
| Other Reductions | | |
| Reduce Fiscal 2023 Spending on Public Benefits Due to Lower Caseloads | -\$7,500,000 | |
| Special Fund Reductions and Appropriations Contingent on the BRFA | | |
| Reduce the Medicaid Deficit Assessment | | -\$50,000,000 |
| Expand the use of the Maryland Gas Expansion Fund | | \$9,250,000 |
| Total Impact on Spending Plan | -\$212,487 | \$8,720,164 |

Technical Amendments: Purpose and function paragraphs and renumbering.

1

Amends the Education Article to provide flexibility with respect to the specializations for faculty that must be provided to the University of Maryland Capital Region Medical Center.

2

Repeals the requirement that fiscal 2022 general fund surplus be appropriated to the Revenue Stabilization Account in fiscal 2024.

Reduces the Medicaid Deficit Assessment in fiscal 2024 only by \$50 million.

Repeals the requirement for repayment of the Local Reserve Account over a 15-year period for refunds of recalculated Homeowner's Tax Credits paid out of the account under Chapters 717 and 718 of 2021. With a proposed deficiency appropriation, the fiscal 2023 budget includes funds to fully repay the account contingent on this provision.

3

Delays from June 1, 2023, to June 1, 2024, the date by which a portion of the Bainbridge Naval Training Center must be transferred to the Department of Natural Resources.

4

Reduces the fiscal 2023 general fund appropriation of the Department of Human Services Assistance Payments Program by \$7.5 million due to lower than anticipated caseloads.

5

Requires a transfer of \$9.25 million of funds from the Maryland Gas Expansion Fund to the Public Service Commission to be used for repair of existing natural gas infrastructure in the Washington Gas service territory. The special fund appropriation was added to the Public Service Commission contingent on legislation authorizing the use of funds for this purpose.

6

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

| <u>Category</u> | <u>2023 Working Appropriation</u> | <u>2024 Allowance</u> | <u>APP 2024 Reductions</u> ⁽¹⁾ | <u>APP 2024 Additions</u> | <u>APP 2024 Appropriation</u> | <u>\$ Change 2023 to 2024</u> | <u>% Change 2023 to 2024</u> |
|--------------------------------------|-----------------------------------|-----------------------|---|---------------------------|-------------------------------|-------------------------------|------------------------------|
| Debt Service | \$430.0 | \$433.8 | \$0.0 | \$0.0 | \$433.8 | \$3.8 | 0.9% |
| County/Municipal | \$388.5 | \$440.5 | \$0.0 | \$10.3 | \$450.7 | \$62.2 | 16.0% |
| Community Colleges | 435.3 | 476.3 | 0.0 | 0.0 | 476.3 | 41.0 | 9.4% |
| Education/Libraries | 7,124.8 | 7,243.4 | 0.0 | 3.0 | 7,246.4 | 121.6 | 1.7% |
| Health | 101.3 | 115.8 | 0.0 | 0.0 | 115.8 | 14.5 | 14.3% |
| Aid to Local Governments | \$8,049.9 | \$8,276.0 | \$0.0 | \$13.3 | \$8,289.2 | \$239.3 | 3.0% |
| Foster Care Payments | \$240.5 | \$247.0 | \$0.0 | \$0.0 | \$247.0 | \$6.5 | 2.7% |
| Assistance Payments | 127.1 | 120.8 | 0.0 | 0.0 | 120.8 | -6.4 | -5.0% |
| Medical Assistance | 4,370.2 | 5,029.0 | -170.0 | 3.5 | 4,862.5 | 492.4 | 11.3% |
| Property Tax Credits | 87.3 | 87.9 | -0.5 | 0.0 | 87.4 | 0.1 | 0.1% |
| Entitlements | \$4,825.1 | \$5,484.8 | -\$170.5 | \$3.5 | \$5,317.7 | \$492.6 | 10.2% |
| Health | \$2,166.0 | \$2,593.4 | -\$110.3 | \$14.0 | \$2,497.1 | \$331.1 | 15.3% |
| Human Services | 458.7 | 468.1 | 0.0 | 5.6 | 473.7 | 15.0 | 3.3% |
| Juvenile Services | 299.2 | 312.4 | 0.0 | 1.0 | 313.4 | 14.1 | 4.7% |
| Public Safety/Police | 1,804.8 | 1,846.2 | 0.0 | 0.5 | 1,846.7 | 41.9 | 2.3% |
| Higher Education | 2,106.3 | 2,236.2 | 0.0 | 6.8 | 2,243.0 | 136.7 | 6.5% |
| Other Education | 715.6 | 696.7 | -28.5 | 20.9 | 689.1 | -26.5 | -3.7% |
| Agriculture/Natural Res./Environment | 203.4 | 232.7 | -6.0 | 7.0 | 233.8 | 30.3 | 14.9% |
| Other Executive Agencies | 1,409.0 | 1,575.5 | -77.4 | 80.2 | 1,578.3 | 169.2 | 12.0% |
| Judiciary | 647.7 | 670.6 | 0.0 | 3.5 | 674.1 | 26.5 | 4.1% |
| Legislative | 143.7 | 152.2 | 0.0 | 0.0 | 152.2 | 8.6 | 6.0% |
| State Agencies | \$9,954.4 | \$10,784.2 | -\$222.3 | \$139.4 | \$10,701.3 | \$746.9 | 7.5% |
| Total Operating | \$23,259.4 | \$24,978.7 | -\$392.8 | \$156.1 | \$24,742.0 | \$1,482.6 | 6.4% |
| Capital ⁽²⁾ | \$2,270.0 | \$817.3 | -100.0 | \$246.1 | \$963.4 | -\$1,306.6 | -57.6% |
| Subtotal | \$25,529.5 | \$25,796.1 | -\$492.8 | \$402.2 | \$25,705.4 | \$176.0 | 0.7% |
| Reserve Funds ⁽³⁾ | \$2,527.3 | \$1,311.1 | -\$651.4 | \$500.2 | \$1,159.9 | -\$1,367.4 | -54.1% |
| Appropriations | \$28,056.8 | \$27,107.2 | -\$1,144.2 | \$902.4 | \$26,865.3 | -\$1,191.4 | -4.2% |
| Reversions | -\$75.0 | -\$45.0 | \$0.0 | \$0.0 | -\$45.0 | \$30.0 | -40.0% |
| Grand Total | \$27,981.8 | \$27,062.2 | -\$1,144.2 | \$902.4 | \$26,820.3 | -\$1,161.4 | -4.2% |

⁽¹⁾ House Appropriations Committee (APP) reductions include \$0.5 million contingent on the Budget Reconciliation and Financing Act of 2023 (HB 202) and \$3.5 million contingent on HB 982.

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

⁽³⁾ The fiscal 2023 working appropriation for the Reserve Fund 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 \$230.7 million in deficiencies and supplemental deficiencies and APP cuts to the deficiencies plus \$170.5 million in reversions including \$95.5 million in targeted reversions. In fiscal 2023, the General Assembly reduced the appropriation to the Revenue Stabilization Account by \$69 million but provided authorization for those funds to be used for a variety of purposes. The working appropriation reflects this reallocation. The fiscal 2024 allowance reflects \$51 million from Supplemental Budget No. 1.

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

| <u>Category</u> | <u>2023 Working Appropriation</u> | <u>2024 Allowance</u> | <u>APP 2024 Reductions</u> ⁽¹⁾ | <u>APP 2024 Additions</u> | <u>APP 2024 Appropriation</u> | <u>\$ Change 2023 to 2024</u> | <u>% Change</u> |
|--------------------------------------|-----------------------------------|-----------------------|---|---------------------------|-------------------------------|-------------------------------|-----------------|
| Debt Service | \$1,919.5 | \$1,884.5 | \$0.0 | \$0.0 | \$1,884.5 | -\$35.0 | -1.8% |
| County/Municipal | \$924.6 | \$1,046.7 | \$0.0 | \$10.3 | \$1,057.0 | \$132.4 | 14.3% |
| Community Colleges | 435.3 | 476.3 | 0.0 | 0.0 | 476.3 | 41.0 | 9.4% |
| Education/Libraries | 9,071.2 | 9,872.0 | 0.0 | 3.0 | 9,875.0 | 803.8 | 8.9% |
| Health | 101.3 | 115.8 | 0.0 | 0.0 | 115.8 | 14.5 | 14.3% |
| Aid to Local Governments | \$10,532.5 | \$11,510.8 | \$0.0 | \$13.3 | \$11,524.1 | \$991.6 | 9.4% |
| Foster Care Payments | \$333.9 | \$315.6 | \$0.0 | \$0.0 | \$315.6 | -\$18.4 | -5.5% |
| Assistance Payments | 2,811.2 | 2,475.3 | -100.0 | 0.0 | 2,375.3 | -435.8 | -15.5% |
| Medical Assistance | 14,783.1 | 14,270.0 | -265.0 | 3.5 | 14,008.5 | -774.6 | -5.2% |
| Property Tax Credits | 87.3 | 87.9 | -0.5 | 0.0 | 87.4 | 0.1 | 0.1% |
| Entitlements | \$18,015.6 | \$17,148.9 | -\$365.5 | \$3.5 | \$16,786.8 | -\$1,228.8 | -6.8% |
| Health | \$5,163.8 | \$5,774.4 | -\$208.5 | \$14.0 | \$5,579.9 | \$416.1 | 8.1% |
| Human Services | 1,279.7 | 1,286.0 | 0.0 | 5.6 | 1,291.5 | 11.9 | 0.9% |
| Juvenile Services | 308.6 | 322.4 | 0.0 | 1.0 | 323.4 | 14.8 | 4.8% |
| Public Safety/Police | 2,024.9 | 2,089.7 | 0.0 | 0.5 | 2,090.2 | 65.3 | 3.2% |
| Higher Education | 7,783.0 | 7,434.2 | 0.0 | 6.8 | 7,440.9 | -342.1 | -4.4% |
| Other Education | 1,339.0 | 1,337.8 | -28.8 | 20.9 | 1,329.9 | -9.2 | -0.7% |
| Transportation | 2,364.3 | 2,474.0 | 0.0 | 0.0 | 2,474.0 | 109.7 | 4.6% |
| Agriculture/Natural Res./Environment | 646.7 | 689.8 | -6.0 | 7.0 | 690.8 | 44.1 | 6.8% |
| Other Executive Agencies | 3,737.4 | 4,294.1 | -88.1 | 89.4 | 4,295.4 | 558.0 | 14.9% |
| Judiciary | 719.4 | 753.1 | 0.0 | 3.5 | 756.6 | 37.3 | 5.2% |
| Legislative | 143.7 | 152.2 | 0.0 | 0.0 | 152.2 | 8.6 | 6.0% |
| Across-the-board Cuts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | n/a |
| State Agencies | \$25,510.5 | \$26,607.6 | -\$331.3 | \$148.6 | \$26,424.9 | \$914.5 | 3.6% |
| Total Operating | \$55,978.0 | \$57,151.7 | -\$696.8 | \$165.4 | \$56,620.3 | \$642.3 | 1.1% |
| Capital ⁽²⁾ | \$5,274.3 | \$4,593.7 | -\$100.0 | \$246.1 | \$4,739.8 | -\$534.5 | -10.1% |
| Transportation | 2,483.9 | 2,824.9 | 0.0 | 0.0 | 2,824.9 | 341.0 | 13.7% |
| Environment | 454.4 | 388.3 | 0.0 | 0.0 | 388.3 | -66.0 | -14.5% |
| Other | 2,336.0 | 1,380.5 | -100.0 | 246.1 | 1,526.6 | -809.4 | -34.6% |
| Subtotal | \$61,252.3 | \$61,745.5 | -\$796.8 | \$411.4 | \$61,360.1 | \$107.8 | 0.2% |
| Reserve Funds ⁽³⁾ | \$2,698.5 | \$1,311.1 | -\$651.4 | \$500.2 | \$1,159.9 | -\$1,538.6 | -57.0% |
| Appropriations | \$63,950.8 | \$63,056.6 | -\$1,448.2 | \$911.6 | \$62,520.0 | -\$1,430.8 | -2.2% |
| Reversions | -\$75.0 | -\$45.0 | \$0.0 | \$0.0 | -\$45.0 | \$30.0 | -40.0% |
| Grand Total | \$63,875.8 | \$63,011.6 | -\$1,448.2 | \$911.6 | \$62,475.0 | -\$1,400.8 | -2.2% |

⁽¹⁾ APP reductions include \$50.5 million contingent on the Budget Reconciliation and Financing Act of 2023 (HB 202) and \$3.5 million contingent on HB 982.

⁽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 \$2.4 billion in deficiencies and supplemental deficiencies and APP cuts to the deficiencies plus \$170.5 million in reversions including \$95.5 million in targeted reversions. In fiscal 2023, the General Assembly reduced the appropriation to the Revenue Stabilization 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 2023 excludes \$1.1 billion, and 2024 excludes \$198.4 million of special funds that double count general fund spending. The fiscal 2024 allowance reflects \$12.2 million from Supplemental Budget 1.