

# **Decision Document**

**Senate Budget and Taxation – Full Committee  
2024 Session**



**A15000**  
**Payments to Civil Divisions of the State**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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1. Adopt the following narrative:

Concur.

**Adoption of Bracket-based Income Tax Beginning Tax Year 2023:** Chapter 23 of the 2021 special session requires all local governments to impose a minimum tax rate of 2.25% and a rate up to 3.2%. It also authorizes local governments to impose the county income tax on a bracket basis and alters the local income tax rates that a jurisdiction must impose to qualify for enhanced State funding under the Disparity Grant Program. Since the enactment of Chapter 23, Anne Arundel and Frederick counties have adopted bracket-based income tax rates. The adoption of bracket-based income tax rates beginning tax year 2023 impacts the disparity grant amount calculation beginning fiscal 2026 allowance. The committees request that the Department of Budget and Management (DBM), in consultation with the Office of the Comptroller, submit a report on how the adoption of bracket-based income tax rates beginning tax year 2023 by jurisdictions impacts the calculation of the disparity grant, how the tax revenue will be calculated, and how it will calculate the disparity grant amount.

| <b>Information Request</b>                                                                                                     | <b>Author</b>                    | <b>Due Date</b>  |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------|
| Report on the calculation of the Disparity Grant amount after the adoption of bracket-based income tax beginning tax year 2023 | DBM<br>Office of the Comptroller | October 15, 2024 |

**B75A01**  
**General Assembly of Maryland**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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1. Concur with the budget as approved by the Legislative Policy Committee.

Concur.

**D25E**  
**Interagency Commission on School Construction – Capital Appropriation**

|                                                                                                                                                                   | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| 1. Reduce general funds for the School Construction Revolving Loan Fund that are contingently reduced by the Budget and Reconciliation and Financing Act of 2024. | -\$ 10,000,000 GF        |                            | Concur.                              |                             |                            |

**D38I01**  
**State Board of Elections**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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1. Adopt the following narrative:

Concur.

**Quarterly Reports on all Major Information Technology Development Programs (MITDP):** The State Board of Elections (SBE) is currently implementing three MITDPs for a Pollbook system replacement, new voting system, and a new Campaign Reporting Information System. The committees remain interested in monitoring the progress of SBE’s implementation of the MITDPs. The committees request that SBE submit quarterly reports on all MITDP activities and expenditures separately for each of the three projects. Each report should include for each project the following:

- a description of activities undertaken in the quarter, complete with dates identifying whether project milestones were achieved or if delays were experienced, and an assessment of the resulting effect that any delays experienced in the quarter have on the project’s overall timeline;
- actual project spending in each month of the quarter;
- an assessment of future risks to the project’s timeline and how SBE plans to mitigate those risks.

| <b>Information Request</b>     | <b>Author</b> | <b>Due Date</b>                                                         |
|--------------------------------|---------------|-------------------------------------------------------------------------|
| Quarterly report on all MITDPs | SBE           | July 15, 2024<br>October 15, 2024<br>January 15, 2025<br>April 15, 2025 |

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**Department of Budget and Management – Secretary**

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| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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1. Add the following language to the general fund appropriation: Concur.

, provided that \$200,000 of this appropriation is contingent upon the Department of Budget and Management submitting one report on the expenditure of federal funds available through the American Rescue Plan Act award for the State Fiscal Relief Fund (SFRF) program. The report shall include a table listing the amount available to the State through each SFRF grant, the amount expended for each fiscal year, the remaining balance, and the date by which the funds must be encumbered and expended under federal law. The report shall identify a plan for encumbering and expending funds prior to expiration for any grant with unencumbered and/or unexpended funds. The report shall identify the reasons why any funds are expected to expire prior to use. The report is due September 15, 2024. The budget committees shall have 45 days from the date of receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

**Explanation:** Appendix R of the Governor’s Fiscal 2025 Budget Highlights showed unencumbered balances in federal SFRF monies totaling \$557 million. This language requires a full accounting of SFRF grants to increase transparency and oversight of federal fund spending and maximize utilization of available resources.

| <b>Information Request</b> | <b>Author</b>                       | <b>Due Date</b>    |
|----------------------------|-------------------------------------|--------------------|
| SFRF grant balances        | Department of Budget and Management | September 15, 2024 |

2. Adopt the following narrative: Concur.

**Audit and Financial Compliance Performance Measures:** A Department of Budget and Management (DBM) unit was expanded in fiscal 2022 to provide enhanced technical support to State agencies facing repeat audit findings, fiscal

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crises, and other financial management or audit compliance issues. No measures have been reported so far on activities, outputs, or outcomes of the unit, which could have a significant impact on the financial management and audit compliance needs of State agencies. The budget committees request that DBM include goals, objectives, and performance measures related to the activities of the Audit and Finance Compliance Unit in its fiscal 2026 Managing for Results submission.

| <b>Information Request</b>                                            | <b>Author</b> | <b>Due Date</b>                                  |
|-----------------------------------------------------------------------|---------------|--------------------------------------------------|
| Performance measures related to the Audit and Finance Compliance Unit | DBM           | With the submission of the fiscal 2026 allowance |

3. Amend the following language in the general fund appropriation: Concur.

~~General Fund Appropriation, provided that this appropriation shall be reduced by \$40,000 contingent upon the enactment of legislation eliminating the mandate to print budget volumes~~

**Explanation:** The fiscal 2025 operating budget includes a provision that decreases funding for the Office of Budget Analysis by \$40,000 contingent on a provision in the Budget Reconciliation and Financing Act of 2024 removing the mandate to provide physical copies of budget books. This action removes the contingent language from the budget bill.

4. Adopt the following narrative: Concur.

**Submission of Select Budget Detail:** The committees request that the Department of Budget and Management (DBM) submit complete fiscal 2026 subobject detail by program for Comptroller Objects 08 and 12 by the third Wednesday of January 2025 in an electronic format subject to the concurrence of the Department of Legislative Services.



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**Department of Budget and Management – Secretary**

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| <b>Information Request</b>                  | <b>Author</b> | <b>Due Date</b>                 |
|---------------------------------------------|---------------|---------------------------------|
| Comptroller Objects 08 and 12 budget detail | DBM           | Third Wednesday of January 2025 |

5. Add the following section: Disagree.

SECTION 2. AND BE IT FURTHER ENACTED, That in order to carry out the provisions of these appropriations the Secretary of Budget and Management is authorized:

- (a) To allot all or any portion of the funds herein appropriated to the various departments, boards, commissions, officers, schools and institutions by monthly, quarterly or seasonal periods and by objects of expense ~~and may place any funds appropriated but not allotted in contingency reserve available for subsequent allotment. Upon the Secretary's own initiative or upon the request of the head of any State agency, the Secretary may authorize a change in the amount of funds so allotted.~~

The Secretary shall, before the beginning of the fiscal year, file with the Comptroller of the Treasury ~~a schedule of allotments, if any~~ a list limited to the appropriations restricted in this Act to be placed in contingency reserve. The Comptroller shall not authorize any expenditure or obligation in excess of the allotment made and any expenditure so made shall be illegal.

- ~~(b) To allot all or any portion of funds coming into the hands of any department, board, commission, officer, school and institution of the State, from sources not estimated or calculated upon in the budget.~~
- ~~(c)~~ (b) To fix the number and classes of positions, including temporary and permanent positions, or person years of authorized employment for each agency, unit, or program thereof, not

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inconsistent with the Public General Laws in regard to classification of positions. The Secretary shall make such determinations before the beginning of the fiscal year and shall base them on the positions or person years of employment authorized in the budget as amended by approved budgetary position actions. No payment for salaries or wages nor any request for or certification of personnel shall be made except in accordance with the Secretary's determinations. At any time during the fiscal year the Secretary may amend the number and classes of positions or person years of employment previously fixed by the Secretary; the Secretary may delegate all or part of this authority. The governing boards of public institutions of higher education shall have the authority to transfer positions between programs and campuses under each institutional board's jurisdiction without the approval of the Secretary, as provided in Section 15-105 of the Education Article.

(d) (c) To prescribe procedures and forms for carrying out the above provisions.

**Explanation:** This language limits the amount of appropriations that can be placed into contingency reserve to only those items restricted by the Maryland General Assembly.

6. Amend the following section:

Disagree.

SECTION 17. AND BE IT FURTHER ENACTED, That funds appropriated to the various State agency programs and subprograms in Comptroller Objects 0152 (Health Insurance), 0154 (Retirees Health Insurance Premiums), 0175 (Workers' Compensation), 0217 (Health Insurance), 0305 (DBM Paid Telecommunications), 0839 (HR Shared Services), 0874 (Office of Attorney General Administrative Fee), 0876 (DoIT IT Services Allocation), 0894 (State Personnel System Allocation), 0897 (Enterprise Budget System Allocation), and 1303 (rent paid to DGS) are to be utilized for their intended purposes only. The expenditure or transfer of these funds for other

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purposes requires the prior approval of the Secretary of Budget and Management. Notwithstanding any other provision of law, the Secretary of Budget and Management may transfer amounts appropriated in Comptroller Objects 0152, 0154, 0217, 0305, and 0876 between State departments and agencies by approved budget amendment in fiscal 2024 and fiscal 2025. All funds budgeted in or transferred to Comptroller Objects 0152 and 0154 and any funds restricted in this budget for use in the employee and retiree health insurance program that are unspent shall be credited to the fund as established in accordance with Section 2-516 of the State Personnel and Pensions Article.

Further provided that each agency that receives funding in this budget in any of the restricted Comptroller Objects listed within this section shall establish within the State’s accounting system a structure of accounts to separately identify for each restricted Comptroller Object, by fund source, the legislative appropriation, monthly transactions, and final expenditures. It is the intent of the General Assembly that an accounting detail be established so that the Office of Legislative Audits may review the disposition of funds appropriated for each restricted Comptroller Object as part of each closeout audit to ensure that funds are used only for the purposes for which they are restricted and that unspent funds are reverted or canceled.

**Explanation:** This language pertaining to restricted objects of expenditures is amended to disallow transfers to other purposes and makes it possible for the Office of Legislative Audits to track the disposition of funds in restricted statewide subobjects.

7. Add the following section:

Concur.

**Section XX Revenue Stabilization Account – Entitlement Shortfalls**

SECTION XX. AND BE IT FURTHER ENACTED, That the Governor is authorized to process:

- (1) a fiscal 2024 budget amendment transferring up to \$65,000,000 and a fiscal 2025 budget amendment transferring up to \$100,000,000 from the

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Y01A01.01 Revenue Stabilization Account fund balance to the Maryland Department of Health (MDH) Medical Care Programs Administration, budget code M00Q01.03, to address underfunding that materializes in that program; and

- (2) a fiscal 2025 budget amendment transferring up to \$34,000,000 from the Y01A01.01 Revenue Stabilization Account fund balance to the Department of Human Services Foster Care Maintenance Program, budget code N00G00.01, to address underfunding that materializes in that program.

Each transfer enumerated above is contingent on the Department of Budget and Management submitting a report to the budget committees that provides updated estimates of projected shortfalls for the entitlement program. Each report shall be submitted 30 days prior to the submission of the budget amendment.

**Explanation:** Individual Department of Legislative Services analyses for Medicaid, foster care, and debt service projected shortfalls in these three programs of a collective \$290 million for fiscal 2024 and 2025. A projected funding surplus in the Behavioral Health Administration of about \$46 million reduces that potential shortfall to \$244 million. A future supplemental budget will likely address the debt service shortfall. This action authorizes the transfer of \$65 million in fiscal 2024 and \$100 million in fiscal 2025 from the Revenue Stabilization Account (Rainy Day Fund) to the MDH Medical Care Programs Administration to address underfunding that materializes and \$34 million in fiscal 2025 from the Rainy Day Fund to the Foster Care Maintenance Program to address underfunding that materializes. If the maximum transfers are made, this action would reduce the balance in the Rainy Day Fund to \$2.1 billion or about 8.6% of general fund revenues.

| <b>Information Request</b> | <b>Author</b>                       | <b>Due Date</b>                                 |
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| Entitlement shortfalls     | Department of Budget and Management | 30 days prior to submission of budget amendment |

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8. Add the following section:

Concur.

**Section XX Executive Long-term Forecast**

SECTION XX. AND BE IT FURTHER ENACTED, That the Governor’s budget books shall include a forecast of the impact of the executive budget proposal on the long-term fiscal condition of the General Fund, the Transportation Trust Fund, the Blueprint for Maryland’s Future Fund, and higher education Current Unrestricted Fund accounts. This forecast shall estimate aggregate revenues, expenditures, and fund balances in each account for the fiscal year last completed, the current year, the budget year, and four years thereafter. Expenditures shall be reported at such agency, program or unit levels, or categories as may be determined appropriate after consultation with the Department of Legislative Services. A statement of major assumptions underlying the forecast shall also be provided including, but not limited to, general salary increases, inflation, and growth of caseloads in significant program areas.

**Explanation:** This annual language provides for the delivery of the Executive’s General Fund, transportation, Blueprint for Maryland’s Future Fund, and higher education forecasts and defines the conditions under which it is to be provided.

| <b>Information Request</b> | <b>Author</b>                       | <b>Due Date</b>                                            |
|----------------------------|-------------------------------------|------------------------------------------------------------|
| Executive forecasts        | Department of Budget and Management | With submission of the Governor’s Fiscal 2026 Budget Books |

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9. Add the following section:

Concur.

**Section XX    Across-the-board Reductions and Higher Education**

SECTION XX. AND BE IT FURTHER ENACTED, That all across-the-board reductions applied to the Executive Branch, unless otherwise stated, shall apply to current unrestricted and general funds in the University System of Maryland, St. Mary's College of Maryland, Morgan State University, and Baltimore City Community College.

**Explanation:** This section explicitly applies reductions intended for the full Executive Branch to the University System of Maryland, St. Mary's College of Maryland, Morgan State University, and Baltimore City Community College unless their exclusion is specifically stated.

10. Add the following section:

Concur.

**Section XX    Reporting Federal Funds**

SECTION XX. AND BE IT FURTHER ENACTED, That the Governor's budget books shall include a summary statement of federal revenues by major federal program sources supporting the federal appropriations made therein along with the major assumptions underpinning the federal fund estimates. The Department of Budget and Management (DBM) shall exercise due diligence in reporting this data and ensure that they are updated as appropriate to reflect ongoing congressional action on the federal budget. In addition, DBM shall provide to the Department of Legislative Services (DLS) data for the actual, current, and budget years listing the components of each federal fund appropriation by Catalog of Federal Domestic Assistance number or equivalent detail for programs not in the catalog. Data shall be provided in an electronic format subject to the concurrence of DLS.

**Explanation:** This annual language provides for consistent reporting of federal monies received by the State.

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| <b>Information Request</b>                              | <b>Author</b> | <b>Due Date</b>                                            |
|---------------------------------------------------------|---------------|------------------------------------------------------------|
| Reporting components of each federal fund appropriation | DBM           | With submission of the Governor’s Fiscal 2026 Budget Books |

11. Add the following section: Concur.

**Section XX Federal Fund Spending**

SECTION XX. AND BE IT FURTHER ENACTED, That in the expenditure of federal funds appropriated in this budget or subsequent to the enactment of this budget by the budget amendment process:

- (1) State agencies shall administer these federal funds in a manner that recognizes that federal funds are taxpayer dollars that require prudent fiscal management, careful application to the purposes for which they are directed, and strict attention to budgetary and accounting procedures established for the administration of all public funds.
- (2) For fiscal 2025, except with respect to capital appropriations, to the extent consistent with federal requirements:
  - (a) when expenditures or encumbrances may be charged to either State or federal fund sources, federal funds shall be charged before State funds are charged except that this policy does not apply to the Department of Human Services with respect to federal Temporary Assistance for Needy Families funds to be carried forward into future years;
  - (b) when additional federal funds are sought or otherwise become available in the course of the fiscal year, agencies shall consider, in consultation with the Department of Budget and Management

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(DBM), whether opportunities exist to use these federal revenues to support existing operations rather than to expand programs or establish new ones; and

- (c) DBM shall take appropriate actions to effectively establish the provisions of this section as policies of the State with respect to the administration of federal funds by executive agencies.

**Explanation:** This annual language defines the policies under which federal funds shall be used in the State budget.

12. Add the following section:

Concur.

**Section XX Reporting on Budget Data and Organizational Charts**

SECTION XX. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that all State departments, agencies, bureaus, commissions, boards, and other organizational units included in the State budget, including the Judiciary, shall prepare and submit items for the fiscal 2026 budget detailed by Comptroller subobject classification in accordance with instructions promulgated by the Comptroller of Maryland. The presentation of budget data in the Governor's budget books shall include object, fund, and personnel data in the manner provided for in fiscal 2025 except as indicated elsewhere in this Act; however, this may not preclude the placement of additional information into the budget books. For actual fiscal 2024 spending, the fiscal 2025 working appropriation, and the fiscal 2026 allowance, the budget detail shall be available from the Department of Budget and Management (DBM) automated data system at the subobject level by subobject codes and classifications for all agencies. To the extent possible, except for public higher education institutions, subobject expenditures shall be designated by fund for actual fiscal 2024 spending, the fiscal 2025 working appropriation, and the fiscal 2026 allowance. The agencies shall exercise due diligence in reporting this data and ensuring correspondence between reported position and expenditure data for the actual, current, and budget fiscal years. This data shall be made available on request and in a format subject to the concurrence of the Department of Legislative Services



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(DLS). Further, the expenditure of appropriations shall be reported and accounted for by the subobject classification in accordance with the instructions promulgated by the Comptroller of Maryland.

Further provided that due diligence shall be taken to accurately report full-time equivalent (FTE) counts of contractual FTEs in the budget books. For the purpose of this count, contractual FTEs are defined as those individuals having an employee-employer relationship with the State. This count shall include those individuals in higher education institutions who meet this definition but are paid with additional assistance funds.

Further provided that DBM shall provide to DLS with the allowance for each department, unit, agency, office, and institution, a one-page organizational chart in Microsoft Word or Adobe PDF format that depicts the allocation of personnel across operational and administrative activities of the entity.

Further provided that for each across-the-board reduction to appropriations or positions in the fiscal 2026 Budget Bill affecting fiscal 2025 or 2026, DBM shall allocate the reduction for each agency in a level of detail not less than the three-digit R\*Stars financial agency code and by each fund type.

Further provided that DBM shall provide to DLS special and federal fund accounting detail for the fiscal year last completed, current year, and budget year for each fund. The account detail, to be submitted with the allowance, should at a minimum provide revenue and expenditure detail, along with starting and ending balances.

Further provided that DBM shall provide to DLS by September 1, 2024, a list of subprograms used by each department, unit, agency, office, and institution, along with a brief description of the subprograms' purpose and responsibilities.

**Explanation:** This annual language provides for consistent reporting of fiscal 2024, 2025, and 2026 budget data and provides for the submission of department, unit, agency, office, and institutions' organizational charts to DLS with the allowance. It

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also requires DBM to allocate across-the-board reductions to positions or funding to ensure transparency in budget allocations.

| <b>Information Request</b>                                                  | <b>Author</b> | <b>Due Date</b>                                            |
|-----------------------------------------------------------------------------|---------------|------------------------------------------------------------|
| Agency organizational charts and special and federal fund accounting detail | DBM           | With submission of the Governor’s Fiscal 2026 Budget Books |
| List of subprograms                                                         | DBM           | September 1, 2024                                          |

13. Add the following section: Concur.

**Section XX Interagency Agreements**

SECTION XX. AND BE IT FURTHER ENACTED, That on or before August 1, 2024, each State agency and each public institution of higher education shall report to the Department of Budget and Management (DBM) any agreements in place for any part of fiscal 2024 between State agencies and any public institution of higher education involving potential expenditures in excess of \$100,000 over the term of the agreement. Further provided that DBM shall provide direction and guidance to all State agencies and public institutions of higher education as to the procedures and specific elements of data to be reported with respect to these interagency agreements, to include at a minimum:

- (1) a common code for each interagency agreement that specifically identifies each agreement and the fiscal year in which the agreement began;
- (2) the starting date for each agreement;
- (3) the ending date for each agreement;

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|      | <u>Amount<br/>Change</u>                                                                                                                                                                                | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| (4)  | <u>a total potential expenditure, or not-to-exceed dollar amount, for the services to be rendered over the term of the agreement by any public institution of higher education to any State agency;</u> |                            |                        |                      |                             |                            |
| (5)  | <u>a description of the nature of the goods and services to be provided;</u>                                                                                                                            |                            |                        |                      |                             |                            |
| (6)  | <u>the total number of personnel, both full- and part-time, associated with the agreement;</u>                                                                                                          |                            |                        |                      |                             |                            |
| (7)  | <u>contact information for the agency and the public institution of higher education for the person(s) having direct oversight or knowledge of the agreement;</u>                                       |                            |                        |                      |                             |                            |
| (8)  | <u>total indirect cost recovery or facilities and administrative (F&amp;A) expenditures authorized for the agreement;</u>                                                                               |                            |                        |                      |                             |                            |
| (9)  | <u>the indirect cost recovery or F&amp;A rate for the agreement and brief description of how the rate was determined;</u>                                                                               |                            |                        |                      |                             |                            |
| (10) | <u>actual expenditures for the most recently closed fiscal year;</u>                                                                                                                                    |                            |                        |                      |                             |                            |
| (11) | <u>actual base expenditures that the indirect cost recovery or F&amp;A rate may be applied against during the most recently closed fiscal year;</u>                                                     |                            |                        |                      |                             |                            |
| (12) | <u>actual expenditures for indirect cost recovery or F&amp;A for the most recently closed fiscal year; and</u>                                                                                          |                            |                        |                      |                             |                            |
| (13) | <u>total authorized expenditures for any subaward(s) or subcontract(s) being used as part of the agreement and a brief description of the type of award or contract.</u>                                |                            |                        |                      |                             |                            |

Further provided that DBM shall submit a consolidated report to the budget committees and the Department of Legislative Services by December 1, 2024, that contains information on all agreements between State agencies and any public

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institution of higher education involving potential expenditures in excess of \$100,000 that were in effect at any time during fiscal 2024.

Further provided that no new higher education interagency agreement with State agencies with a projected value in excess of \$500,000 may be entered into during fiscal 2025 without prior approval of the Secretary of Budget and Management.

**Explanation:** This annual language requires DBM to report on all interagency agreements between State agencies and public institutions of higher education having a total potential expenditure over the term of the agreement in excess of \$100,000. This applies only to agreements for the purchase of goods and/or services and does not apply to grants or space agreements. Further, it requires that no new higher education interagency agreement with State agencies with a projected value in excess of \$500,000 be entered into during fiscal 2025 without prior approval of the Secretary of Budget and Management.

| <b>Information Request</b>                    | <b>Author</b> | <b>Due Date</b>  |
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| Consolidated report on interagency agreements | DBM           | December 1, 2024 |

14. Add the following section: Concur.

**Section XX    Budget Amendments**

SECTION XX. AND BE IT FURTHER ENACTED, That any budget amendment to increase the total amount of special, federal, or higher education (current restricted and current unrestricted) fund appropriations, or to make reimbursable fund transfers from the Governor’s Office of Crime Prevention and Policy or the Maryland Department of Emergency Management made in Section 1 of this Act shall be subject to the following restrictions:

- (1)     This section may not apply to budget amendments for the sole purpose of:

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**Department of Budget and Management – Secretary**

|                                                                                                                                                                                                                                                                                                                                                                           | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------|------------------------|----------------------|-----------------------------|----------------------------|
| (a)                                                                                                                                                                                                                                                                                                                                                                       |                          |                            |                        |                      |                             |                            |
| <u>appropriating funds available as a result of the award of federal disaster assistance; and</u>                                                                                                                                                                                                                                                                         |                          |                            |                        |                      |                             |                            |
| (b)                                                                                                                                                                                                                                                                                                                                                                       |                          |                            |                        |                      |                             |                            |
| <u>transferring funds from the State Reserve Fund – Economic Development Opportunities Account for projects approved by the Legislative Policy Committee (LPC).</u>                                                                                                                                                                                                       |                          |                            |                        |                      |                             |                            |
| (2)                                                                                                                                                                                                                                                                                                                                                                       |                          |                            |                        |                      |                             |                            |
| <u>Budget amendments increasing total appropriations in any fund account by \$100,000 or more may not be approved by the Governor until:</u>                                                                                                                                                                                                                              |                          |                            |                        |                      |                             |                            |
| (a)                                                                                                                                                                                                                                                                                                                                                                       |                          |                            |                        |                      |                             |                            |
| <u>that amendment has been submitted to the Department of Legislative Services (DLS); and</u>                                                                                                                                                                                                                                                                             |                          |                            |                        |                      |                             |                            |
| (b)                                                                                                                                                                                                                                                                                                                                                                       |                          |                            |                        |                      |                             |                            |
| <u>the budget committees or LPC has considered the amendment or 45 days have elapsed from the date of submission of the amendment. Each amendment submitted to DLS shall include a statement of the amount, sources of funds and purposes of the amendment, and a summary of the impact on regular position or contractual full-time equivalent payroll requirements.</u> |                          |                            |                        |                      |                             |                            |
| (3)                                                                                                                                                                                                                                                                                                                                                                       |                          |                            |                        |                      |                             |                            |
| <u>Unless permitted by the budget bill or the accompanying supporting documentation or by any other authorizing legislation, and notwithstanding the provisions of Section 3 216 of the Transportation Article, a budget amendment may not:</u>                                                                                                                           |                          |                            |                        |                      |                             |                            |
| (a)                                                                                                                                                                                                                                                                                                                                                                       |                          |                            |                        |                      |                             |                            |
| <u>restore funds for items or purposes specifically denied by the General Assembly;</u>                                                                                                                                                                                                                                                                                   |                          |                            |                        |                      |                             |                            |
| (b)                                                                                                                                                                                                                                                                                                                                                                       |                          |                            |                        |                      |                             |                            |
| <u>fund a capital project not authorized by the General Assembly provided, however, that subject to provisions of the Transportation Article, projects of the Maryland Department of Transportation (MDOT) shall be restricted as provided in Section 1 of this Act;</u>                                                                                                  |                          |                            |                        |                      |                             |                            |

**F10A**  
**Department of Budget and Management – Secretary**

|                                                                                                                                                                                                                                                                                                                                                                                                                               | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| (c)                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                            |                        |                      |                             |                            |
| <p><u>increase the scope of a capital project by an amount 7.5% or more over the approved estimate or 5.0% or more over the net square footage of the approved project until the amendment has been submitted to DLS, and the budget committees have considered and offered comment to the Governor, or 45 days have elapsed from the date of submission of the amendment. This provision does not apply to MDOT; and</u></p> |                          |                            |                        |                      |                             |                            |
| (d)                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                            |                        |                      |                             |                            |
| <p><u>provide for the additional appropriation of special, federal, or higher education funds of more than \$100,000 for the reclassification of a position or positions.</u></p>                                                                                                                                                                                                                                             |                          |                            |                        |                      |                             |                            |
| (4)                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                            |                        |                      |                             |                            |
| <p><u>A budget may not be amended to increase a federal fund appropriation by \$100,000 or more unless documentation evidencing the increase in funds is provided with the amendment and fund availability is certified by the Secretary of Budget and Management.</u></p>                                                                                                                                                    |                          |                            |                        |                      |                             |                            |
| (5)                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                            |                        |                      |                             |                            |
| <p><u>No expenditure or contractual obligation of funds authorized by a proposed budget amendment may be made prior to approval of that amendment by the Governor.</u></p>                                                                                                                                                                                                                                                    |                          |                            |                        |                      |                             |                            |
| (6)                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                            |                        |                      |                             |                            |
| <p><u>Notwithstanding the provisions of this section, any federal, special, or higher education fund appropriation may be increased by budget amendment upon a declaration by the Board of Public Works that the amendment is essential to maintaining public safety, health, or welfare, including protecting the environment or the economic welfare of the State.</u></p>                                                  |                          |                            |                        |                      |                             |                            |
| (7)                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                            |                        |                      |                             |                            |
| <p><u>Budget amendments for new major information technology projects, as defined by Sections 3A 301 and 3A 302 of the State Finance and Procurement Article, must include an Information Technology Project Request, as defined in Section 3A 308 of the State Finance and Procurement Article.</u></p>                                                                                                                      |                          |                            |                        |                      |                             |                            |

**F10A**  
**Department of Budget and Management – Secretary**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| (8)                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                          |                            |                        |                      |                             |                            |
| <u>Further provided that the fiscal 2025 appropriation detail as shown in the Governor’s budget books submitted to the General Assembly in January 2025 and the supporting electronic detail may not include appropriations for budget amendments that have not been signed by the Governor, exclusive of the MDOT pay-as-you-go capital program.</u>                                                                                                             |                          |                            |                        |                      |                             |                            |
| (9)                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                          |                            |                        |                      |                             |                            |
| <u>Further provided that it is the policy of the State to recognize and appropriate additional special, higher education, and federal revenues in the budget bill as approved by the General Assembly. Further provided that for the fiscal 2026 allowance, the Department of Budget and Management shall continue policies and procedures to minimize reliance on budget amendments for appropriations that could be included in a deficiency appropriation.</u> |                          |                            |                        |                      |                             |                            |

**Explanation:** This annual language defines the process under which budget amendments may be used.

15. Add the following section:

Concur.

**Section XX Maintenance of Accounting Systems**

SECTION XX. AND BE IT FURTHER ENACTED, That:

- (1) The Secretary of Health shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2024 in program M00Q01.03 Medical Care Provider Reimbursements and M00Q01.10 Medicaid Behavioral Health Provider Reimbursements have been disbursed for services provided in that fiscal year and shall prepare and submit the monthly reports by fund type required under this section for that program.
- (2) The State Superintendent of Schools shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2024 to program R00A02.07 Students With Disabilities for nonpublic

**F10A**  
**Department of Budget and Management – Secretary**

|                                                                                                                                                                 | <u>Amount<br/>Change</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| <u>placements have been disbursed for services provided in that fiscal year and to prepare monthly reports as required under this section for that program.</u> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                            |                        |                      |                             |                            |
| (3)                                                                                                                                                             | <u>The Secretary of Human Services shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2024 in program N00G00.01 Foster Care Maintenance Payments have been disbursed for services provided in that fiscal year, including detail by placement type for the average monthly caseload, average monthly cost per case, and the total expended for each foster care program, and to prepare the monthly reports required under this section for that program.</u> |                            |                        |                      |                             |                            |
| (4)                                                                                                                                                             | <u>For the programs specified, reports must indicate by fund type total appropriations for fiscal 2024 and total disbursements for services provided during that fiscal year up through the last day of the second month preceding the date on which the report is to be submitted and a comparison to data applicable to those periods in the preceding fiscal year.</u>                                                                                                                                                 |                            |                        |                      |                             |                            |
| (5)                                                                                                                                                             | <u>Reports shall be submitted to the budget committees, the Department of Legislative Services, the Department of Budget and Management, and the Comptroller beginning August 15, 2024, and submitted on a monthly basis thereafter.</u>                                                                                                                                                                                                                                                                                  |                            |                        |                      |                             |                            |
| (6)                                                                                                                                                             | <u>It is the intent of the General Assembly that general funds appropriated for fiscal 2024 to the programs specified that have not been disbursed within a reasonable period, not to exceed 12 months from the end of the fiscal year, shall revert.</u>                                                                                                                                                                                                                                                                 |                            |                        |                      |                             |                            |

**Explanation:** This annual language requires the maintenance of accounting systems for certain programs, states the intent of the General Assembly that general funds not disbursed be reverted, and requires reporting of disbursements by the Maryland Department of Health (MDH), the Maryland State Department of Education (MSDE), and the Department of Human Services (DHS).



**F10A**  
**Department of Budget and Management – Secretary**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| <b>Information Request</b>                                                                   | <b>Author</b>      | <b>Due Date</b>                               |
|----------------------------------------------------------------------------------------------|--------------------|-----------------------------------------------|
| Report on appropriations and disbursements in M00Q01.03, M00Q01.10, R00A02.07, and N00G00.01 | MDH<br>MSDE<br>DHS | August 15, 2024,<br>and monthly<br>thereafter |

16. Add the following section: Concur.

**Section XX Competitive Grant Applications**

SECTION XX. AND BE IT FURTHER ENACTED, That, as federal legislation makes billions of dollars of grant funding available to states and other entities on a competitive basis, it is the intent of the General Assembly that State agencies aggressively pursue funding opportunities that align with the goals of the State. The General Assembly notes that many of the grant opportunities require the commitment of State matching funds and asks that agencies notify the budget committees at least ten days prior to submitting the application if the receipt of the grant will require the allocation of additional State resources to the agency in fiscal 2025 or future years. The submission should include a brief description of the opportunity, the amount of federal funds the State is seeking, and the required State match.

Further provided that on a quarterly basis beginning July 1, 2024, the committees request a report from the Department of Budget and Management summarizing all of the competitive grants the State has applied for, **the date of application**, the status of the application, and any State match that is required by the grant.

**Explanation:** The Infrastructure Investment and Jobs Act and the Inflation Reduction Act each make billions of dollars of federal grant funds available to states and other entities on a competitive basis. There is limited legislative oversight on these funding opportunities and the impact they may have on future commitment of State resources. This language establishes a process for legislative review and tracking of competitive grant opportunities prior to the commitment of State funds.

**F10A**  
**Department of Budget and Management – Secretary**

|                                                               | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u>                                | <u>Agency Response Hearing Notes</u>                                | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| <b>Information Request</b>                                    |                          |                                                           |                                                                     |                             |                            |
|                                                               |                          | <b>Author</b>                                             | <b>Due Date</b>                                                     |                             |                            |
| Notice of competitive grant application requiring State match |                          | Department of Budget and Management<br>All State Agencies | 10 days prior to submission of grant application                    |                             |                            |
| Competitive grant application summary reports                 |                          | Department of Budget and Management                       | July 1, 2024<br>October 1, 2024<br>January 1, 2025<br>April 1, 2025 |                             |                            |

**F10A02**  
**Department of Budget and Management – Personnel**

|                                                                | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| 1. Increase the turnover expectancy for a new position to 25%. | -\$ 36,651               | GF                         |                        |                      | Concur.                     |                            |
| 2. Adopt the following narrative:                              |                          |                            |                        |                      | Concur.                     |                            |

**Health Insurance Account Closeout Report:** The committees request a report on the fiscal 2024 closeout of the Employee and Retiree Health Insurance Account. This report shall include:

- the closing fiscal 2024 fund balance;
- the actual provider payments due in the fiscal year broken out by medical payments for active employees, medical payments for non-Medicare-eligible retirees, medical payments for Medicare-eligible retirees, prescription drug payments for active employees, prescription drug payments for non-Medicare-eligible retirees, and prescription drug payments for Medicare-eligible retirees;
- State employee and retiree contributions, broken out by active employees, non-Medicare-eligible retirees, and Medicare-eligible retirees;
- an accounting of rebates, recoveries, and other costs, broken out into rebates, recoveries, and other costs associated with active employees, non-Medicare-eligible retirees, and Medicare-eligible retirees;
- any closeout transactions processed after the fiscal year ended; and
- actual incurred but not received costs.

**F10A02**  
**Department of Budget and Management – Personnel**

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| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| <b>Information Request</b>                                                                | <b>Author</b>                       | <b>Due Date</b> |
|-------------------------------------------------------------------------------------------|-------------------------------------|-----------------|
| Report on fiscal 2024 closeout data for the Employee and Retiree Health Insurance Account | Department of Budget and Management | October 1, 2024 |

3. Adopt the following narrative: Concur.

**Quarterly Medical, Dental, and Prescription Plan Performance:** In recent years, the State has implemented different strategies to contain medical and prescription costs. The budget committees request that the Department of Budget and Management (DBM) submit quarterly reports on plan performance of the State’s prescription, medical, and dental plans.

- Medical and dental reports should provide utilization and cost data broken out by plans as well as actives, non-Medicare-eligible retirees, and Medicare-eligible retirees. The reports should include utilization per 1,000 plan participants; unit cost and per member costs for hospital inpatient services; hospital outpatient services; professional inpatient services; professional outpatient services; and ancillary services, provided by the State’s health plans.
- Prescription reports should provide information on the highest cost prescription drugs by category of treatment; the prescription drugs accounting for the largest increases in drug spending; the top 25 most costly individual prescription drugs in generic, brand, biologics, and specialty drug categories; recent drug patent expirations; and upcoming new drug patent approvals. Additionally, the reports should include data on the cost drivers and drug trends by actives, non-Medicare retirees, and Medicare retirees.

**F10A02**  
**Department of Budget and Management – Personnel**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| <b>Information Request</b>                                                      | <b>Author</b> | <b>Due Date</b>                                                            |
|---------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------|
| Quarterly State medical, dental, and prescription drug plan performance reports | DBM           | September 15, 2024<br>December 15, 2024<br>March 15, 2025<br>June 15, 2025 |

4. Add the following language: Disagree.

Provided that \$35,373,075 in general funds, \$5,512,687 in special funds, and \$5,053,296 in federal funds in this appropriation for the purpose of providing an additional salary increment for State employees who have been employed continuously since June 30, 2019, may not be expended for that purpose but instead may be used only to provide general salary increases to employees in the Standard and Correctional Officer salary scales. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any purpose and shall be reverted or canceled.

**Explanation:** Based on a consultant’s examination of the State’s salary structure that determined that midpoints of the Standard and Correctional Officer salary scales were 8.8% and 6%, respectively, below peer jurisdictions, this action would direct funding intended for another purpose to instead by used to close the gap between State compensation and peer jurisdiction compensation.

5. Reduce funding for the supplemental pension contribution, which will still allow the State to accelerate progress toward full funding while recognizing structural budget challenges Concur.

|                   |  |
|-------------------|--|
| -\$ 21,611,737 GF |  |
| -\$ 1,683,650 SF  |  |
| -\$ 912,824 FF    |  |

**F10A02**  
**Department of Budget and Management – Personnel**

|                                                                                                                                                                                    | <u>Amount<br/>Change</u>                                   | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| 6. Reduce funding to reflect anticipated vacancy savings in Executive Branch agencies excluding higher education. This reduction would result in a budgeted turnover rate of 8.6%. | -\$ 24,941,254 GF<br>-\$ 10,268,366 SF<br>-\$ 4,790,380 FF | GF<br>SF<br>FF             | Disagree.                            |                             |                            |
| 7. Delete funding for the fiscal 2025 annual salary review based on an independent consultant’s recommendations.                                                                   | -\$ 10,830,524 GF<br>-\$ 9,996,082 SF<br>-\$ 3,764,190 FF  | GF<br>SF<br>FF             | Disagree.                            |                             |                            |
| 8. Add the following section:                                                                                                                                                      |                                                            |                            | Concur.                              |                             |                            |

**Section XX Positions Abolished in the Budget**

SECTION XX. AND BE IT FURTHER ENACTED, That no position identification number assigned to a position abolished in this budget may be reassigned to a job or function different from that to which it was assigned when the budget was submitted to the General Assembly. Incumbents in positions abolished may continue State employment in another position.

**Explanation:** This language prevents employees from being moved into positions abolished in the budget. It also allows that incumbents in abolished positions may continue State employment in another position.

|                               |  |  |         |  |  |
|-------------------------------|--|--|---------|--|--|
| 9. Add the following section: |  |  | Concur. |  |  |
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**Section XX Injured Workers’ Insurance Fund Accounts**

SECTION XX. AND BE IT FURTHER ENACTED, That the General Accounting Division of the Comptroller of Maryland shall establish a subsidiary ledger control account to debit all State agency funds budgeted under subobject 0175 (Workers’ Compensation) and to credit all payments disbursed to the Injured Workers’ Insurance Fund (IWIF) via transmittal. The control account shall also record all funds

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**Department of Budget and Management – Personnel**

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| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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withdrawn from IWIF and returned to the State and subsequently transferred to the General Fund. IWIF shall submit monthly reports to the Department of Legislative Services concerning the status of the account.

**Explanation:** This section provides continuation of a system to track workers’ compensation payments to IWIF for payments of claims, current expenses, and funded liability for incurred losses by the State.

| <b>Information Request</b>                     | <b>Author</b> | <b>Due Date</b>                |
|------------------------------------------------|---------------|--------------------------------|
| Report on the status of ledger control account | IWIF          | Monthly beginning July 1, 2024 |

10. Add the following section: Concur.

**Section XX    The “Rule of 100”**

SECTION XX. AND BE IT FURTHER ENACTED, That the Board of Public Works (BPW), in exercising its authority to create additional positions pursuant to Section 7-236 of the State Finance and Procurement Article, may authorize during the fiscal year no more than 100 positions in excess of the total number of authorized State positions on July 1, 2024, as determined by the Secretary of Budget and Management. Provided, however, that if the imposition of this ceiling causes undue hardship in any department, agency, board, or commission, additional positions may be created for that affected unit to the extent that an equal number of positions authorized by the General Assembly for the fiscal year are abolished in that unit or in other units of State government. It is further provided that the limit of 100 does not apply to any position that may be created in conformance with specific manpower statutes that may be enacted by the State or federal government nor to any positions created to implement block grant actions or to implement a program reflecting fundamental changes in federal/State relationships. Notwithstanding anything contained in this section, BPW may authorize additional positions to meet public emergencies resulting from an act of God and violent acts of man that are necessary to protect the health and safety of the people of Maryland. BPW may authorize the

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**Department of Budget and Management – Personnel**

Amount  
Change

Position  
Change

Agency Response Hearing Notes

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creation of additional positions within the Executive Branch provided that 1.25 contractual full-time equivalents (FTE) are abolished for each regular position authorized and that there be no increase in agency funds in the current budget and the next two subsequent budgets as the result of this action. It is the intent of the General Assembly that priority is given to converting individuals that have been in contractual FTEs for at least two years. Any position created by this method may not be counted within the limitation of 100 under this section. The numerical limitation on the creation of positions by BPW established in this section may not apply to positions entirely supported by funds from federal or other non-State sources so long as both the appointing authority for the position and the Secretary of Budget and Management certify for each position created under this exception that:

- (1) funds are available from non-State sources for each position established under this exception; and
- (2) any positions created will be abolished in the event that non-State funds are no longer available. The Secretary of Budget and Management shall certify and report to the General Assembly by June 30, 2025, the status of positions created with non-State funding sources during fiscal 2022 through 2025 under this provision as remaining, authorized, or abolished due to the discontinuation of funds.

**Explanation:** This annual language, the Rule of 100, limits the number of positions that may be added after the beginning of the fiscal year to 100 and provides exceptions to the limit.

| <b>Information Request</b>                                                                                      | <b>Author</b> | <b>Due Date</b> |
|-----------------------------------------------------------------------------------------------------------------|---------------|-----------------|
| Certification of the status of positions created with non-State funding sources during fiscal 2022 through 2025 | DBM           | June 30, 2025   |



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**Department of Budget and Management – Personnel**

Amount  
Change

Position  
Change

Agency Response Hearing Notes

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11. Add the following section:

Concur.

**Section XX Annual Report on Authorized Positions**

SECTION XX. AND BE IT FURTHER ENACTED, That immediately following the close of fiscal 2024, the Secretary of Budget and Management shall determine the total number of full-time equivalent (FTE) positions that are authorized as of the last day of fiscal 2024 and on the first day of fiscal 2025. Authorized positions shall include all positions authorized by the General Assembly in the personnel detail of the budgets for fiscal 2024 and 2025, including nonbudgetary programs, the Maryland Transportation Authority, the University System of Maryland self-supported activities, and Maryland Correctional Enterprises. The Department of Budget and Management shall also prepare a report during fiscal 2025 for the budget committees upon creation of regular FTE positions through Board of Public Works action and upon transfer or abolition of positions. It shall note, at the program level:

- (1) where regular FTE positions have been abolished;
- (2) where regular FTE positions have been created;
- (3) from where and to where regular FTE positions have been transferred; and
- (4) where any other adjustments have been made. Provision of contractual FTE information in the same fashion as reported in the appendices of the Governor’s Fiscal 2025 Budget Books shall also be provided.

Further provided that this report shall also be submitted as an appendix with the Governor’s Fiscal 2026 Budget Books, and that the report shall provide information that is consistent with information in the individual agency pages of the Budget Books and with data provided to the Department of Legislative Services.

**Explanation:** This annual language provides reporting requirements for regular positions and contractual FTEs.

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**Department of Budget and Management – Personnel**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| <b>Information Request</b>                                          | <b>Author</b>                             | <b>Due Date</b>                                                 |
|---------------------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------|
| Total number of FTEs on June 30, 2024, and July 1, 2024             | Department of Budget and Management (DBM) | July 14, 2024                                                   |
| Report on the creation, transfer, or abolition of regular positions | DBM                                       | With the Governor's fiscal 2026 budget submission and as needed |

12. Add the following section: Concur.

**Section XX Annual Report on Health Insurance Receipts and Spending**

SECTION XX. AND BE IT FURTHER ENACTED, That the Secretary of Budget and Management shall include as an appendix in the Governor's Fiscal 2026 Budget Books an accounting of the fiscal 2024 actual, fiscal 2025 working appropriation, and fiscal 2026 estimated revenues and expenditures associated with the employees' and retirees' health plan. The data in this report should be consistent with the budget data submitted to the Department of Legislative Services. This accounting shall include:

- (1) any health plan receipts received from State agencies, as well as prescription rebates or recoveries, or audit recoveries, and other miscellaneous recoveries;
- (2) any health plan receipts received from employees and retirees, broken out by active employees, non-Medicare-eligible retirees, and Medicare-eligible retirees;
- (3) any premium, capitated, or claims expenditures paid on behalf of State employees and retirees for any health, mental health, dental, or prescription plan, as well as any administrative costs not covered by these plans, with

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**Department of Budget and Management – Personnel**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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health, mental health, and prescription drug expenditures broken out by medical payments for active employees, non-Medicare-eligible retirees, and Medicare-eligible retirees, and prescription drug expenditures broken out by active employees, non-Medicare-eligible retirees, and Medicare-eligible retirees; and

(4) any balance remaining and held in reserve for future provider payments.

**Explanation:** This language provides an accounting of the health plan revenues received and expenditures made on behalf of State employees and retirees. The language proposes that the language in the report be consistent with the budget data submitted with the budget bill.

| <b>Information Request</b>                                                   | <b>Author</b>                       | <b>Due Date</b>                                                |
|------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------|
| Accounting of the employee and retiree health plan revenues and expenditures | Department of Budget and Management | With the submission of the Governor’s Fiscal 2026 Budget Books |

**G20J01**  
**State Retirement Agency**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
|--------------------------|----------------------------|--------------------------------------|-----------------------------|----------------------------|
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1. Add the following language to the special fund appropriation:

Concur.

, provided that \$8,973,908 in special funds made for the purpose of operating expenses is reduced.

Further provided that funds are appropriated in other agency budgets to pay for services provided by this program. Authorization is hereby granted to use these receipts as special funds for operating expenses in this program.

**Explanation:** The State Retirement Agency incorrectly budgeted its entire operations budget as special funds despite funding being available in the form of reimbursable funds from other State agencies.

**G50L00**  
**Maryland Supplemental Retirement Plans**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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1. Concur with Governor's allowance.

Concur.

**I00**  
**Department of Service and Civic Innovation**

|                                                                                                                                                          | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u>                                                                                                                                                                                                                                                                                                     | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------|
| 1. Increase turnover expectancy for 3 new positions to 25% to be consistent with budgeted turnover for new positions.                                    | -\$ 48,531 GF            |                            | Concur.                                                                                                                                                                                                                                                                                                                                  |                             |                            |
| 2. Reduce the general fund appropriation for the Maryland Corps program to a level consistent with expected Maryland Service Year pathway participation. | -\$ 2,200,000 GF         |                            | Disagree. The department plans to use the funds to provide wraparound services to the participants in the Maryland Corps programs. Because the department is only able to retain general funds related to the programs for fiscal 2024 through 2026, the funds will also provide the department with a reservoir in future fiscal years. |                             |                            |
| 3. Reduce the general fund appropriation for education and training contracts. The amount was overstated as the result of a technical error.             | -\$ 413,103 GF           |                            | Disagree. In its written testimony, the department clarified that these funds will be used for its Career Success Coaches and it will work with DBM to realign the appropriation to appear as an object 2 (contractual position) expense.                                                                                                |                             |                            |
| 4. Increase turnover expectancy for 4 new positions to 25% to be consistent with budgeted turnover for new positions.                                    | -\$ 62,187 GF            |                            | Concur.                                                                                                                                                                                                                                                                                                                                  |                             |                            |

**I00**  
**Department of Service and Civic Innovation**

|                                                                                                                                                        | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u>                                                                                                                                                                                                                                                                                                     | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------|
| 5. Reduce the general fund appropriation for the Maryland Corps program to a level consistent with expected Service Year Option pathway participation. | -\$ 3,300,000 GF         |                            | Disagree. The department plans to use the funds to provide wraparound services to the participants in the Maryland Corps programs. Because the department is only able to retain general funds related to the programs for fiscal 2024 through 2026, the funds will also provide the department with a reservoir in future fiscal years. |                             |                            |

**J00B0101**

**MDOT – State Highway Administration – PAYGO Capital**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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1. Add the following language to the special fund appropriation:

, provided that \$184,799,832 of this appropriation is reduced contingent on passage of SB 362 or HB 352 reducing the local share of Highway User Revenues. Further provided that the reduction is allocated as follows:

|                       |                       |
|-----------------------|-----------------------|
| <u>Baltimore City</u> | <u>-\$72,599,934</u>  |
| <u>Counties</u>       | <u>-\$61,599,944</u>  |
| <u>Municipalities</u> | <u>-\$50,999,954.</u> |

**Explanation:** There are many high priority State transportation capital projects that cannot move forward due to the lack of funding. Reducing the local share of Highway User Revenues to the 9.6% in effect before rates were enhanced beginning in fiscal 2020 will provide an additional \$930 million for State projects between fiscal 2025 and 2029.



**K00A**  
**Department of Natural Resources**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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1. Add the following language:

Provided that the appropriations made for the purpose of salaries in the Forest Service and the Maryland Park Service (MPS) shall be reduced by \$968,093 in general funds in the Forest Service and \$5,710,734 in general funds in MPS contingent on enactment of a provision in HB 352 or SB 362 authorizing the Governor to use special funds from the Program Open Space State fund balance for the same purposes in fiscal 2025 only.

**Explanation:** This action reduces Forest Service and Maryland Park Service salary funding if the Budget Reconciliation and Financing Act of 2024 authorizes the Governor to use special funds from the Program Open Space State fund balance instead for fiscal 2025 only.

Disagree. This action will decrease acres protected in future fiscal years. The current POS Stateside balance is needed to address the fluctuations in the transfer tax and help meet the State's goal to protect 30% of the land area by 2030 and 40% by 2040.

**M00L**  
**MDH – Behavioral Health Administration**

**Amount**  
**Change**

**Position**  
**Change**

**Agency Response Hearing Notes**

**Senate**  
**Decisions**

**House**  
**Decisions**

5. Add the following language to the special fund appropriation:

, provided that \$5,000,000 of this appropriation is contingent upon the enactment of SB 362 or HB 352 authorizing the use of balance from the Senior Prescription Drug Assistance Program to support behavioral health services for individuals without medical insurance.

**Explanation:** Funding is available through the Senior Prescription Drug Assistance Program (SPDAP), which provides assistance to subsidize prescription medication expenses for certain Medicare-eligible individuals, because the program has experienced declining enrollment. The fiscal 2025 allowance for the Behavioral Health Administration (BHA) includes \$5 million from the SPDAP special fund to provide behavioral health services to people without medical insurance. Because this is not an allowable expense in fiscal 2025 under statute, BHA will have a general fund deficit of \$5 million for this purpose unless legislation authorizes the use of these funds for behavioral health purposes. This language makes the funding contingent on the enactment of SB 362 or HB 352 authorizing the use of these funds for this purpose.

**M00Q01**  
**MDH – Medical Care Programs Administration**

|    | <u>Amount<br/>Change</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|-----------------------------|----------------------------|
| 1. | Amend the following language on the general fund appropriation:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                            | Concur.                              |                             |                            |
|    | <p>, provided that this appropriation shall be reduced by \$216,845 contingent upon the enactment of legislation <del>extending the spending authority of the Integrated Care Network Fund into fiscal 2025</del> <u>authorizing the transfer of excess special fund balance from the Health Information Exchange Fund in fiscal 2025.</u></p> <p><b>Explanation:</b> This action is a technical correction to amend contingent language reducing general funds to refer to the Health Information Exchange Fund and to make the reduction contingent on legislation authorizing the transfer of special fund balance in fiscal 2025.</p> |                            |                                      |                             |                            |
| 2. | Strike the following language on the federal fund appropriation:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            | Concur.                              |                             |                            |
|    | <p><del>, provided that \$216,845 of this appropriation is contingent upon the enactment of legislation extending the spending authority of the Integrated Care Network Fund into fiscal 2025.</del></p> <p><b>Explanation:</b> This action strikes contingent language on the federal fund appropriation for the Office of Enterprise Technology as a technical correction. The language specifies that \$216,845 in federal funds are contingent on legislation extending the spending authority of the Integrated Care Network Fund, which is a special fund.</p>                                                                      |                            |                                      |                             |                            |

**R00A03**  
**MSDE – Funding for Educational Organizations**

Amount  
Change

Position  
Change

Agency Response Hearing Notes

Senate  
Decisions

House  
Decisions

1. Amend the following language on the special fund appropriation:

Concur.

, provided that this appropriation shall be for the purchase of textbooks or computer hardware and software and other electronically delivered learning materials ~~as permitted under Title IID, Section 2416(b)(4), (6), and (7), of the No Child Left Behind Act~~ for loan to students in eligible nonpublic schools with a maximum distribution of \$65 per eligible nonpublic school student for participating schools, except that at schools where ~~at least 20%~~ from 20% to 40% of the students are eligible for the free or reduced-price lunch program there shall be a distribution of \$95 per student, ~~and at schools where more than 40% of the students are eligible for the free or reduced-price lunch program there shall be a distribution of \$155 per student.~~

**Explanation:** This action amends language modifying the distribution of funding for the Aid to Non-Public Schools Program so that schools where more than 40% of the students are eligible for the free or reduced-price lunch program receive \$155 per student. Similar language has been included in the budget since fiscal 2017. It also strikes language regarding the No Child Left Behind Act due to technical differences with the reauthorized Elementary and Secondary Education Act.

2. Amend the following language on the special fund appropriation:

Disagree. MSDE cites the ruling in Bethel Ministries, Inc. v. Salmon et al. SAG-19-1853 (Jan. 12, 2022). In the court’s Opinion, the State violated Bethel’s First Amendment speech rights by excluding Bethel from the BOOST program based only on the content of its

- (2) Not charge more tuition to a participating student than the statewide average per pupil expenditure by the local education agencies, as calculated by the department, with appropriate exceptions for special education students as determined by the department; ~~and~~
- (3) Comply with Title VI of the Civil Rights Act of 1964, as amended; ~~and~~

**R00A03**  
**MSDE – Funding for Educational Organizations**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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(4) Submit its student handbook or other written policy related to student admissions to the Maryland State Department of Education for review to ensure compliance with program eligibility requirements.

admissions policy. There was no evidence that the nonpublic school actually discriminated against students. For this reason, we request the handbook review requirement be deleted.

**Explanation:** This action requires schools that participate in the Aid to Non-Public Schools Program to submit a student handbook or policy on student admissions to the Maryland State Department of Education to ensure compliance with program eligibility requirements.

3. Add the following language to the special fund appropriation:

Further provided that a nonpublic school participating in the Aid to Non-Public Schools Program R00A03.04 shall certify compliance with Title 20, Subtitle 6 of the State Government Article. A nonpublic school participating in the program may not discriminate in student admissions, retention, or expulsion, or otherwise discriminate against any student on the basis of race, color, national origin, sexual orientation, or gender identity or expression. Nothing herein shall require any school or institution to adopt any rule, regulation, or policy that conflicts with its religious or moral teachings. However, all participating schools must agree that they will not discriminate in student admissions, retention, or expulsion or otherwise discriminate against any student on the basis of race, color, national origin, sexual orientation, or gender identity or expression. Any school found to be in violation of the requirements to not discriminate shall be required to return to the Maryland State Department of Education all textbooks or computer hardware and software and other electronically delivered learning materials acquired through the fiscal 2024 allocation. The only other legal remedy for violation of these provisions is ineligibility for participating in the Aid to Non-Public Schools Program. Any school that is found in violation of the nondiscrimination requirements in fiscal 2024 or 2025 may not participate in the program in fiscal 2025. It is the intent of the General Assembly that a school that violates the nondiscrimination requirements is ineligible to participate in the Aid to Non-Public Schools Program, the Broadening Options and Opportunities for Students Today Program, the James E. “Ed” DeGrange Nonpublic Aging Schools

**R00A03**  
**MSDE – Funding for Educational Organizations**

Amount  
Change

Position  
Change

Agency Response Hearing Notes

Senate  
Decisions

House  
Decisions

Program and the Nonpublic School Security Improvements Program in the year of the violation and the following two years.

**Explanation:** This action requires a nonpublic school participating in the Aid to Non-Public Schools Program to certify compliance with Title 20, Subtitle 6 of the State Government Article (Discrimination in Employment). It also specifies that a participating school may not discriminate in student admissions on the basis of race, color, national origin, sexual orientation, or gender identity or expression. Violation of these provisions means that a school will be ineligible for the program. Similar language has been included in the budget since fiscal 2017. This action also specifies that schools that violate the provisions must return all textbooks and technology received through the program to the Maryland State Department of Education. It also states that a school that violates the nondiscrimination requirements in fiscal 2024 or 2025 is not eligible to participate in the program in fiscal 2025 and states legislative intent that any school that violates the nondiscrimination requirements is ineligible to participate in any program that provides funding to nonpublic schools for a total of three years.

4. Add the following language to the special fund appropriation:

Concur.

Further provided that \$700,000 of this appropriation shall be used only to provide an additional award for each student with special needs that is at least equal in amount to the BOOST Program scholarship award that a student is awarded in accordance with paragraph (6) above.

Further provided that MSDE shall submit a report to the budget committees by January 15, 2025, that includes the following:

- (1) the number of students receiving BOOST Program scholarships;
- (2) the amount of the BOOST Program scholarships received;
- (3) the number of certified and noncertified teachers in core subject areas for each nonpublic school participating in the BOOST Program;

**R00A03**  
**MSDE – Funding for Educational Organizations**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| (4)                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                          |                            |                        |                      |                             |                            |
| <u>the assessments being administered by nonpublic schools participating in the BOOST Program and the results of these assessments. MSDE shall report the assessment results reported by nonpublic schools to the budget committees in an aggregate manner that does not violate student data privacy;</u>                                                                                                                                                     |                          |                            |                        |                      |                             |                            |
| (5)                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                          |                            |                        |                      |                             |                            |
| <u>in the aggregate, for each BOOST Program scholarship awarded (a) the nonpublic school and grade level attended by the student; (b) the school attended in the 2023-2024 school year by the student; and (c) if the student attended the same nonpublic school in the 2023-2024 school year, whether, what type, and how much nonpublic scholarship aid the student received in the 2023-2024 school year and will receive in the 2024-2025 school year;</u> |                          |                            |                        |                      |                             |                            |
| (6)                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                          |                            |                        |                      |                             |                            |
| <u>the average household income of students receiving BOOST Program scholarships;</u>                                                                                                                                                                                                                                                                                                                                                                          |                          |                            |                        |                      |                             |                            |
| (7)                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                          |                            |                        |                      |                             |                            |
| <u>the racial breakdown of students receiving BOOST Program scholarships;</u>                                                                                                                                                                                                                                                                                                                                                                                  |                          |                            |                        |                      |                             |                            |
| (8)                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                          |                            |                        |                      |                             |                            |
| <u>the number of students designated as English language learners receiving BOOST Program scholarships;</u>                                                                                                                                                                                                                                                                                                                                                    |                          |                            |                        |                      |                             |                            |
| (9)                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                          |                            |                        |                      |                             |                            |
| <u>the number of special education students receiving BOOST Program scholarships;</u>                                                                                                                                                                                                                                                                                                                                                                          |                          |                            |                        |                      |                             |                            |
| (10)                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                            |                        |                      |                             |                            |
| <u>the county in which students receiving BOOST Program scholarships reside;</u>                                                                                                                                                                                                                                                                                                                                                                               |                          |                            |                        |                      |                             |                            |
| (11)                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                            |                        |                      |                             |                            |
| <u>the number of students who were offered BOOST Program scholarships but declined them as well as their reasons for declining the scholarships and the breakdown of students attending public and nonpublic schools for students who declined scholarships;</u>                                                                                                                                                                                               |                          |                            |                        |                      |                             |                            |

**R00A03**  
**MSDE – Funding for Educational Organizations**

|                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| (12)                                                                                                                                                                                                                                                                                                                                                                                                                                       |                          |                            |                        |                      |                             |                            |
| <u>the number of students who received BOOST Program scholarships for the 2023-2024 school year who are attending public school for the 2024-2025 school year as well as their reasons for returning to public schools; and</u>                                                                                                                                                                                                            |                          |                            |                        |                      |                             |                            |
| (13)                                                                                                                                                                                                                                                                                                                                                                                                                                       |                          |                            |                        |                      |                             |                            |
| <u>the number of students who received BOOST Program scholarships for the 2023-2024 school year who withdrew or were expelled from the nonpublic schools they were attending and the reasons for which they withdrew or were expelled; the schools they withdrew or were expelled from; and the length of time students receiving BOOST Program scholarships were enrolled at a nonpublic school before withdrawing or being expelled.</u> |                          |                            |                        |                      |                             |                            |

**Explanation:** This language requires MSDE to report by January 15, 2025, on the distribution of the BOOST scholarships; information on the students receiving BOOST scholarships; teacher certifications for nonpublic schools participating in the BOOST Program; and assessments being administered in nonpublic schools participating in the BOOST Program, including student performance. The language also requires that MSDE report on students who choose to decline scholarships or attend public schools after participating in the BOOST Program in the past, along with their reasons for doing so, and information on students receiving scholarships for the 2023-2024 school year who withdrew or were expelled from the nonpublic schools that they were attending. Finally, the language requires that the BOOST Advisory Board shall take into account the special needs of students with disabilities as it is determining scholarship award amounts and that \$700,000 of the BOOST appropriation shall be used to provide higher awards for these students.

| <b>Information Request</b>  | <b>Author</b> | <b>Due Date</b>  |
|-----------------------------|---------------|------------------|
| BOOST Program participation | MSDE          | January 15, 2025 |



**S00**  
**Department of Housing and Community Development – PAYGO**

|                                                                                                                                                                                                                       | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------|--------------------------------------|-----------------------------|----------------------------|
| 1. Delete general funds for the Business Façade Improvement Program that are contingently reduced by the Budget Reconciliation and Financing Act of 2024. The program is fully funded using general obligation bonds. | -\$ 5,000,000            | GF                         | Concur.                              |                             |                            |

**X00A00**  
**Public Debt**

**Amount**  
**Change**

**Position**  
**Change**

**Agency Response Hearing Notes**

**Senate**  
**Decisions**

**House**  
**Decisions**

1. Concur with Governor's allowance.

Concur.

**Y01A**  
**State Reserve Fund**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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- |                                                                     |         |
|---------------------------------------------------------------------|---------|
| 1. Strike the following language to the general fund appropriation: | Concur. |
|---------------------------------------------------------------------|---------|

~~, provided that \$495,497,068 of this appropriation shall be reduced contingent on the enactment of legislation eliminating the required Revenue Stabilization Account appropriation for fiscal 2025.~~

**Explanation:** This action strikes contingent language that is not needed for the General Assembly to reduce the appropriation directly.

- |                                                                                                                                                                                                  |         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 2. Delete the appropriation to the Rainy Day Fund. -\$ 495,497,068 GF Adequate funding exists to meet Spending Affordability Committee goals without the statutory appropriation in fiscal 2025. | Concur. |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

- |                                  |         |
|----------------------------------|---------|
| 3. Amend the following language: | Concur. |
|----------------------------------|---------|

~~OPEB Sweeper 25,000,000  
Pension Sweeper 25,000,000~~

**Explanation:** This action strikes the line-item appropriations for funds that are being reduced by the General Assembly.

- |                                                                     |         |
|---------------------------------------------------------------------|---------|
| 4. Strike the following language to the general fund appropriation: | Concur. |
|---------------------------------------------------------------------|---------|

~~, provided that \$25,000,000 of this appropriation shall be reduced contingent upon the enactment of legislation eliminating the fiscal 2025 payment to the Postretirement Health Benefits Trust Fund.~~

**Explanation:** This action strikes contingent language that is not needed in order for the General Assembly to reduce the appropriation directly.

**Y01A**  
**State Reserve Fund**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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| 5.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                          |                            |                        |                      |                             |                            |
| Strike the following language to the general fund appropriation:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                          |                            |                        |                      |                             |                            |
| <del>Further provided that \$25,000,000 of this appropriation shall be reduced contingent upon the enactment of legislation reducing the amount of retirement reinvestment contributions.</del>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                          |                            |                        |                      |                             |                            |
| <b>Explanation:</b> This action strikes contingent language that is not necessary for the General Assembly to reduce the appropriation directly.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                          |                            |                        |                      |                             |                            |
| 6.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                          |                            |                        |                      |                             |                            |
| Delete the appropriation for the other postemployment benefits sweeper contribution. -\$ 25,000,000 GF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                            |                        |                      |                             |                            |
| Concur.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                          |                            |                        |                      |                             |                            |
| 7.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                          |                            |                        |                      |                             |                            |
| Delete the appropriation for the pension sweeper. The fiscal 2025 funding for the pension system meets actuarial requirements. -\$ 25,000,000 GF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                          |                            |                        |                      |                             |                            |
| Concur.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                          |                            |                        |                      |                             |                            |
| 8.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                          |                            |                        |                      |                             |                            |
| Add the following language to the general fund appropriation:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                          |                            |                        |                      |                             |                            |
| <u>, provided that \$5,000,000 of this appropriation for the purposes of creating conceptual plans for the reuse or demolition of the State Center Complex may not be expended or transferred for any other purpose until the Department of General Services submits a report to the budget committees detailing how the funds will be utilized and what deliverables are expected to be developed with the use of the funds, a status and timeframe for the transfer of the property to new ownership, collaboration with any other State agencies or Baltimore City, and an assessment of additional State funding that might be required for the transition of the property for alternative use and redevelopment. The budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to</u> |                          |                            |                        |                      |                             |                            |

**Y01A**  
**State Reserve Fund**

| <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response</u> | <u>Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
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any other purpose and shall revert to the Dedicated Purpose Account if the report is not submitted to the budget committees.

**Explanation:** The fiscal 2025 budget includes \$5.0 million in the Dedicated Purpose Account (DPA) specifically for spending on State Center demolition. Information on plans for the State Center property has been limited, and it is noted that the placement of funds in the DPA provides flexibility in spending and, therefore, uncertainty for the legislature in terms of the timing of activity and new information on demolition plans and transfer of property. This language restricts expenditure of the funds until a report has been submitted providing detail on demolition plans, collaboration with other agencies and Baltimore City, a description and schedule of demolition activity, schedule of expenditure, and plan for transfer of the property.

| <b>Information Request</b>                          | <b>Authors</b> | <b>Due Date</b>                     |
|-----------------------------------------------------|----------------|-------------------------------------|
| Plan for use of funding for State Center demolition | DGS            | 45 days before the release of funds |

9. Add the following language to the special fund appropriation: Concur.

provided that this appropriation for the purpose of implementation of Chapter 38 of 2023 (the Climate Solutions Now Act) and the State’s Climate Pollution Reduction Plan is contingent on the enactment of SB362 or HB352 authorizing the transfer of funds from the Strategic Energy Investment Fund.

**Explanation:** This action makes the special fund appropriation to the Dedicated Purpose Account contingent on legislation authorizing the transfer of funds. The Budget Reconciliation and Financing Act of 2024 includes a provision authorizing the transfer.

**Y01A**  
**State Reserve Fund**

|                                                                                                                                                                                   | <u>Amount<br/>Change</u> | <u>Position<br/>Change</u> | <u>Agency Response Hearing Notes</u> | <u>Senate<br/>Decisions</u> | <u>House<br/>Decisions</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------|--------------------------------------|-----------------------------|----------------------------|
| 10. Reduce the deficiency appropriation to the Catastrophic Event Account (CEA) to reflect recent federal budget actions while still maintaining the CEA balance at \$10 million. | -\$ 9,418,934            | GF                         | Disagree.                            |                             |                            |