



# Maryland

DEPARTMENT OF BUDGET  
AND MANAGEMENT

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*Governor*

BOYD K. RUTHERFORD  
*Lieutenant Governor*

DAVID R. BRINKLEY  
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*Deputy Secretary*

## **HOUSE BILL 608 Housing and Community Development - Shelter and Transitional Housing Facilities Grant Program - Mandated Funding (Jalisi and Patterson)**

### **STATEMENT OF INFORMATION**

**DATE: February 15, 2022**

**COMMITTEE: House Environment & Transportation**

**SUMMARY OF BILL:** HB 608 increases the current annual General Fund appropriation in the amount of \$3 to \$5 million, beginning FY 2024. The appropriation may be in either the Operating Budget or the Capital Budget for the Shelter and Transitional Housing Facilities in the Department of Housing and Community Development.

**EXPLANATION:** The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the \$2 million increase in the mandated appropriation provision that impacts the FY 2024 Budget and subsequent budgets. The FY 2023 Capital Budget has allocated \$3 million in General Obligation Bonds for this purpose.

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature's new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

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