



# Maryland

DEPARTMENT OF BUDGET  
AND MANAGEMENT

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*Governor*

BOYD K. RUTHERFORD  
*Lieutenant Governor*

DAVID R. BRINKLEY  
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## **SENATE BILL 540 Higher Education - Transfer Platform - Established (Elfreth)**

### **STATEMENT OF INFORMATION**

**DATE: March 2, 2022**

**COMMITTEE: Senate Education, Health & Environmental Affairs**

**SUMMARY OF BILL:** SB 540 mandates an annual appropriation in the amount of \$1 million for the operation of a transfer platform, which facilitates the transfer of students from community colleges to 4-year institutions of higher education; and allows the Maryland Higher Education Commission to delegate the responsibility to the University System of Maryland, if the System already has a transfer platform.

**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 \$1 million mandated appropriation provision that impacts the FY 2024 and subsequent budgets. The FY 2023 Budget allowance provides a substantial increase for the 2+2 Transfer Scholarship Program to assist and encourage students from Maryland's community colleges in transferring to a four-year institution within the State. Annual funding has been \$300,000 so this infusion brings the total to \$2.3 million in FY 2023.

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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