



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

HOUSE BILL 1068 Local Health Departments, Environmental Health Specialists, and On-Site Sewage Disposal Systems – Systems Standards, Regulations, Applications, and Funding (Stein)

STATEMENT OF INFORMATION

DATE: March 2, 2022

COMMITTEE: House Environment & Transportation

SUMMARY OF BILL: HB 1068 applies to systems, standards, regulations and applications for the installation of on-site sewage disposal systems; and mandates an appropriation to the Maryland Department of Environment (MDE) in the amount of \$5 million for addressing wage disparities and staffing shortages of environmental health specialists.

EXPLANATION: The Department of Budget and Management's focus is on the \$5 million mandated appropriation provision for staffing of environmental health specialists, which impacts the FY 2024 budget and subsequent budgets. The FY 2023 Budget allowance has reduced budgeted turnover across most agencies in an effort to address staffing vacancies. In particular, MDE's budgeted turnover was reduced to 5%, which provides \$1.4 million in General Funds for the Department to use for personnel – freeing up expenditures to fill vacancies.

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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