
Mandated Appropriations in the Maryland State Budget

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

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Mandated Appropriations in the Maryland State Budget

A constitutional amendment enacted in 1978 allowed the General Assembly to require the Governor to include a minimum level of funding for a program in a future budget. Since the constitutional amendment, the use of funding mandates has grown significantly, as mandated spending gives the legislature a stronger role in priority setting and fiscal policy formulation and increases the ability to protect agencies and interests. The definition of a mandated appropriation was further clarified by the Attorney General's opinion of Chapter 851 of 1980, which is that a statutory mandate must clearly prescribe a dollar amount or an objective basis from which a level of funding can easily be computed.

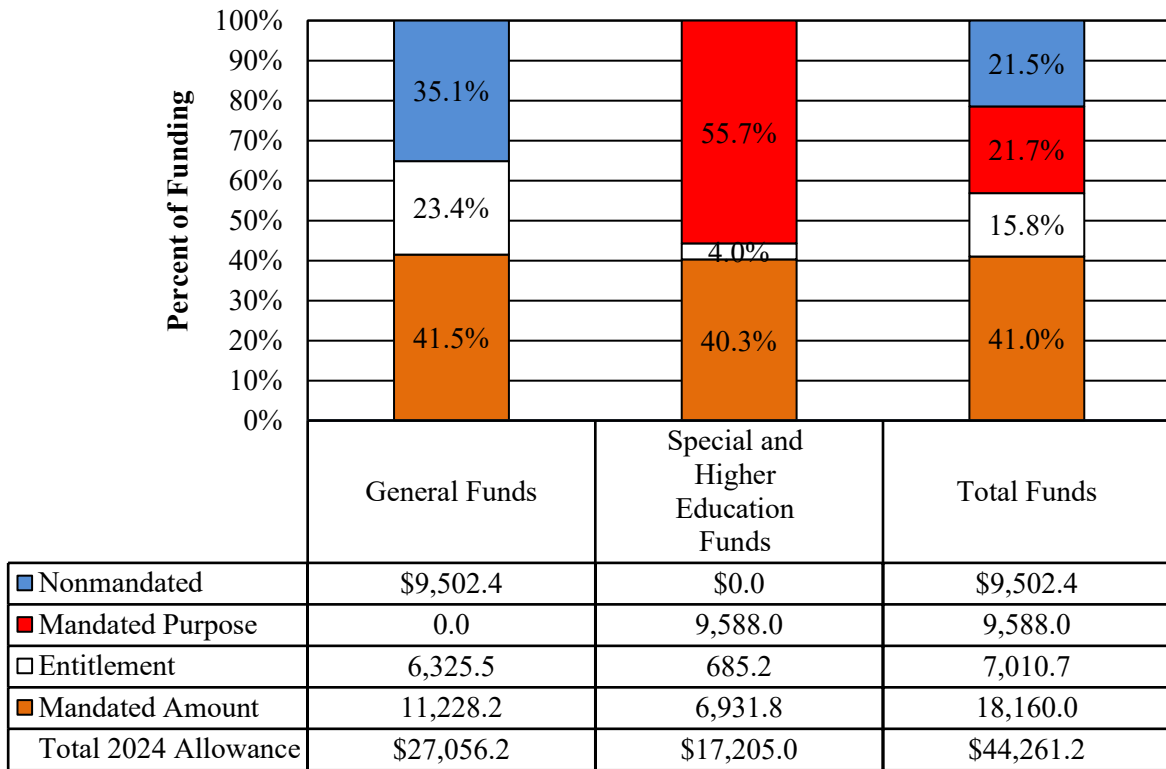
Although federal funds may be used to meet spending mandates and support entitlement programs, the focus of this report is on State-sourced funding (general and special funds). For purposes of the report, spending is categorized as:

- ***Mandated Amounts:*** General or special funds that have a statutory or constitutional requirement that designates a specific amount be appropriated or a specific formula be used to calculate an appropriation.
- ***Entitlements:*** General or special funds that have a statutory or constitutional requirement that designates certain benefits to all individuals or groups that meet eligibility criteria. In contrast to mandated amounts, the Governor has some flexibility to adjust funding for entitlements. For example, some Medical Care Program Administration (Medicaid) provider payment rates can be reduced without a law change.
- ***Funds with Mandated Purposes:*** Special and higher education funds that have statutory dedications identifying a broad purpose for the funds but that allow the Governor discretion on how much funding is appropriated and as to how the funds are allocated and used.
- ***Nonmandated Funds:*** General funds that allow the Governor substantial flexibility as to the administration and funding levels of the programs with which they are associated. In many cases, State law requires expenditures for these programs without specifically mandating the amount or purpose. For the purposes of this report, the Reserve Fund appropriation is considered nonmandated spending. Although appropriations to the Reserve Fund are based on a statutory formula, the amount of appropriation is reliant on the availability of excess revenues at year-end closeout, which can vary significantly from year to year and represent the appropriation of funds held in an account for future use, as opposed to actual expenditures. Expenditures out of the Reserve Fund supporting mandates or entitlement programs would be captured in those categories of spending.

The State's own-source budget totals \$44.3 billion for fiscal 2024. Altogether, proposed fiscal 2024 appropriations with a mandated amount total \$18.2 billion, and entitlements total an additional \$7.0 billion for a combined 56.9% of the State-sourced portion of the budget.

From fiscal 2014 through 2024, spending on mandates and entitlements has ranged from a low of 50% of the State-sourced portion of the budget in fiscal 2015 to a high of 56.9% in fiscal 2024. The main drivers of these expenditures are education- and health-related; these two categories have ranged from a low of 62.3% in fiscal 2023 to a high of 73.1% in fiscal 2015 of the State-sourced mandated and entitlement spending, as shown in **Appendix 1**. The current proportion is the second lowest share seen during this time period and is largely caused by an increase in mandated State transportation spending. As shown in **Exhibit 1**, 64.9% of the fiscal 2024 general fund allowance and 44.3% of the special fund and higher education allowance are mandates or entitlements. The remaining 55.7% of the special fund and higher education allowance is dedicated for specific purposes defined statutorily.

Exhibit 1
Maryland State Spending from Own-source Budget as
Included in the Fiscal 2024 Allowance
(\$ in Millions)

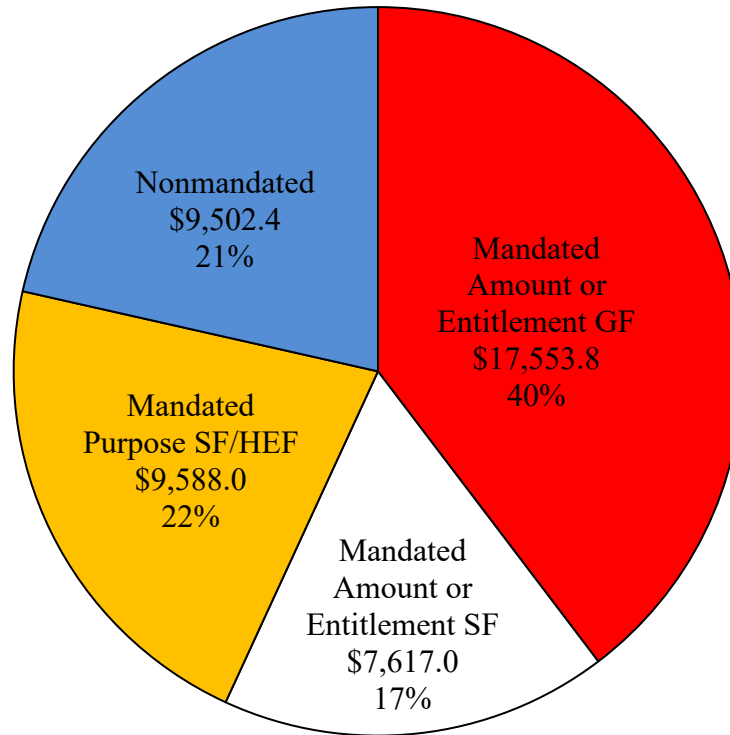


Note: Numbers may not sum to total due to rounding. Fiscal 2024 special and higher education funds exclude the general and special fund portions of current unrestricted funds.

Source: Governor’s Fiscal 2024 Budget Books; Department of Legislative Services

Exhibit 2 shows the distribution of mandates, entitlements, funds with mandated purposes, and nonmandated funds as a percent of State-sourced spending. Approximately one-fifth of State-sourced spending in fiscal 2024 is available for discretionary appropriations, a large portion of which includes funding for State employee personnel expenses, operation of the adult correctional system, and other core government functions.

Exhibit 2
Detailed Spending from Own-source Budget
Fiscal 2024 Allowance
(\$ in Millions)



GF: general fund

HEF: higher education funds (tuition and fee revenue, auxiliary enterprises, federal grants and contracts, etc.)

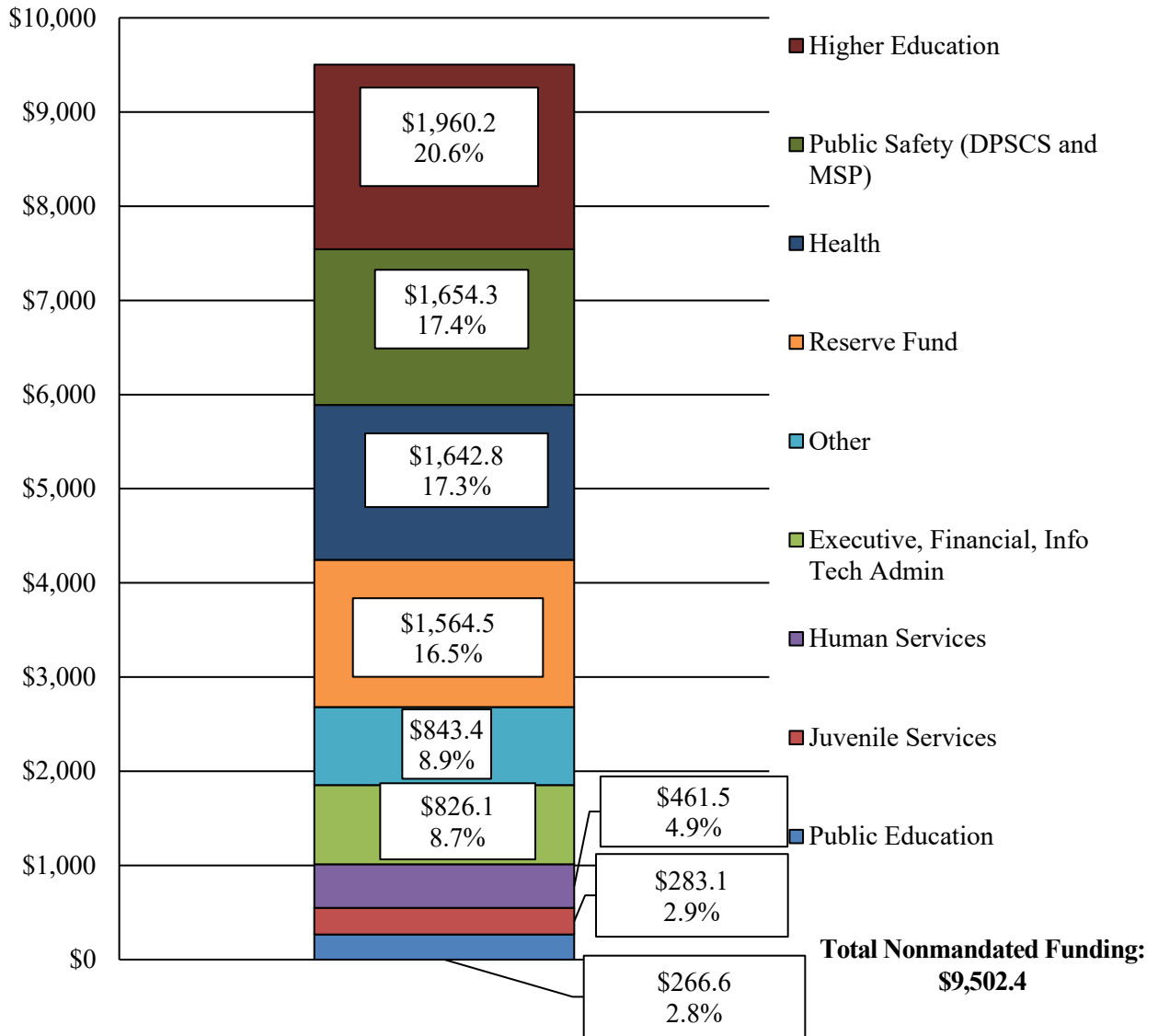
SF: special fund

Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Services

Exhibit 3 shows that allowances for higher education, public safety, and health account for 58.1% of the nonmandated general funds. The State Reserve Fund allowance accounts for an additional 16.5% of fiscal 2024 nonmandated general funds.

**Exhibit 3
Detailed General Fund Spending from
Own-source Budget on Nonmandated Items
Fiscal 2024 Allowance
(\$ in Millions)**



DPSCS: Department of Public Safety and Correctional Services
MSP: Maryland State Police

Source: Department of Legislative Services

Exhibit 4 illustrates that K-12 education and health programs receive a combined 77.0% of all mandated general fund spending in the allowance. Transportation, education, and debt service for the State's capital program account for 80.5% of all special fund mandates in the allowance.

Exhibit 4
Statutorily Mandated Appropriations and Entitlements by Policy Area
Fiscal 2024 Allowance
(\$ in Millions)

<u>Policy Area</u>	<u>GF</u>	<u>% of GF</u>	<u>SF</u>	<u>% of SF</u>	<u>Total</u>	<u>% of Total</u>
Education, K-12	\$7,477.2	42.6%	\$1,664.2	21.8%	\$9,141.4	36.3%
Health	6,030.9	34.4%	731.9	9.6%	6,762.8	26.9%
Transportation	0.0	0.0%	3,453.2	45.3%	3,453.2	13.7%
Capital Program	433.8	2.5%	1,016.7	13.3%	1,450.5	5.8%
Administrative and Legislature	859.0	4.9%	270.9	3.6%	1,129.9	4.5%
Education, Postsecondary and Continuing	1,002.2	5.7%	1.3	0.0%	1,003.5	4.0%
Judiciary	684.9	3.9%	93.7	1.2%	778.6	3.1%
Agriculture, Environment, and Natural Resources	172.3	1.0%	349.0	4.6%	521.3	2.1%
Human Services	397.3	2.3%	10.6	0.1%	407.8	1.6%
Nonspecific Aid	217.0	1.2%	1.8	0.0%	218.8	0.9%
Economic Development and Housing	133.9	0.8%	23.1	0.3%	157.0	0.6%
Public Safety	145.2	0.8%	0.6	0.0%	145.8	0.6%
Total	\$17,553.8	100.0%	\$7,617.0	100.0%	\$25,170.7	100.0%

GF: general funds

SF: special funds

Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Services

The 21 general fund programs that have mandates or entitlements exceeding \$100 million account for 89.8% of all general fund mandated spending, as shown in **Exhibit 5**. Funding for the 2 largest mandated or entitlement general fund programs, the Foundation Program and Medicaid, account for 44.6% of all general fund spending for mandates and entitlements. With respect to special and higher education funds, 16 programs exceeded \$100 million, totaling 85.1% of all mandated special fund and higher education spending.

Exhibit 5
Programs with Statutorily Mandated Appropriations or Entitlements
Exceeding \$100 Million
Fiscal 2024 Allowance
(\$ in Millions)

	<u>Allowance</u>	<u>% of Funds</u>
General Fund Programs		
Maryland Medical Assistance (Medicaid) Program	\$4,066.9	23.2%
State Share of Foundation Program	3,763.0	21.4%
Compensatory Education	1,295.2	7.4%
Developmental Disabilities Administration Medical Assistance	807.4	4.6%
Aid for Local School Employees Fringe Benefits	768.6	4.4%
Community Behavioral Health Services for Medicaid-eligible Recipients	748.8	4.3%
Judiciary	670.6	3.8%
State Retirement Contribution	649.2	3.7%
GO Bond Debt Service	433.8	2.5%
Senator John A. Cade Memorial Formula for the Distribution of Funds to the Community Colleges in the State	393.3	2.2%
Student Transportation – Formula	335.8	1.9%
Limited English Proficiency/English Learner Formula Grant	334.3	1.9%
Students with Disabilities – Formula	311.1	1.8%
Foster Care Payments	206.8	1.2%
Disparity Grants to Counties	166.5	0.9%
Legislative Branch	152.2	0.9%
Students with Disabilities – Nonpublic Placements	145.6	0.8%
Transfer Tax Repayment	138.9	0.8%
Joseph A. Sellinger Program for Aid to Nonpublic Institutions of Higher Education	137.1	0.8%
State Aid for Police Protection	121.7	0.7%
Core Public Health Services Funding Formula	115.8	0.7%
Subtotal	\$15,762.6	89.8%
Other	\$1,791.2	10.2%
Total General Funds	\$17,553.77	100.0%
Special Fund Programs		
Maryland Transit Administration Operating Subsidy	\$1,294.4	17.0%
GO Bond Debt Service	1,016.7	13.3%
Medicaid Program	599.2	7.9%
Maryland Transit Administration Capital Subsidy	526.9	6.9%

	<u>Allowance</u>	<u>% of Funds</u>
WMATA Operating Subsidy	\$466.9	6.1%
Transportation Debt Service	426.5	5.6%
Compensatory Education	390.8	5.1%
Local Highway User Capital Grants	331.4	4.4%
Concentration of Poverty Grants	274.3	3.6%
State Retirement Contribution	258.1	3.4%
Outdoor Recreation Land Loan Program which includes		
Program Open Space – State Share	236.8	3.1%
WMATA Capital Subsidy	183.2	2.4%
WMATA Maryland Metro/Transit Funding Act	167.0	2.2%
Consumer Wage Index (Foundation Program)	156.0	2.0%
Students with Disabilities – Formula	153.1	2.0%
Limited English Proficiency/English Learner Formula Grant	136.4	1.8%
Subtotal	\$6,481.1	85.1%
Other	\$1,135.8	14.9%
Total Special Funds	\$7,617.0	100.0%

GO: general obligation

WMATA: Washington Metropolitan Area Transit Authority

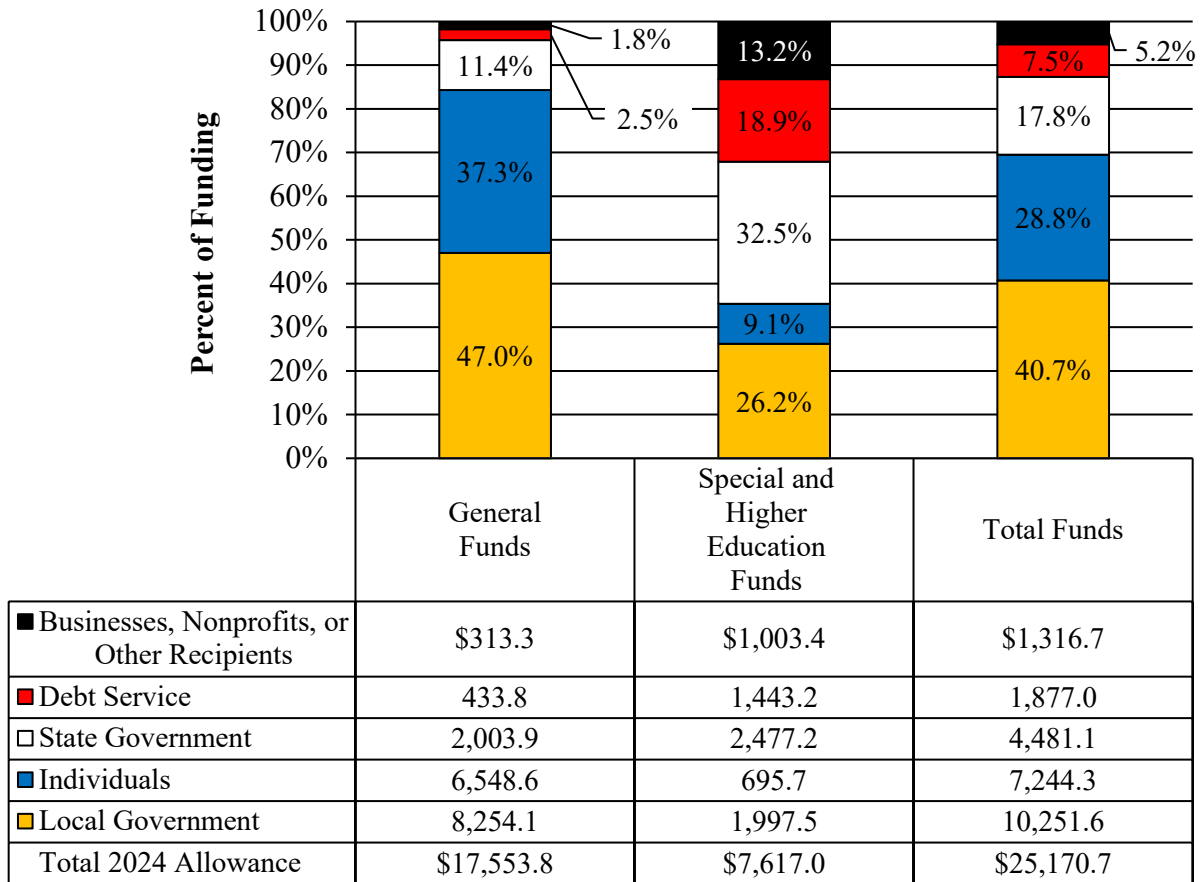
Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Services

When considering who benefits from mandated appropriations and entitlement programs, **Exhibit 6** demonstrates that 69.5% of all general and special fund mandates are received by units of local government or individuals. Local governments receive substantial general fund amounts for K-12 education, while individuals primarily receive general-funded health services. Individuals are the second largest recipient of general fund mandated spending, largely due to the Medicaid program.

Approximately \$4.5 billion, or 17.8%, of the allowance's general and special fund mandated spending is directed toward State government functions. The largest general fund appropriation for State government functions is the Judicial Branch, followed by the State employee retirement contribution. State and local government functions account for the largest portion of mandated special fund and higher education spending in the fiscal 2024 allowance, receiving approximately 32.5% and 26.2% of funding, respectively. Spending for mandates or entitlements in the fiscal 2024 allowance by recipient type is shown in **Appendix 2** for general funds and **Appendix 3** for special funds.

Exhibit 6
Mandated Appropriations and Entitlements by Type of Recipient
Fiscal 2024 Allowance
(\$ in Millions)



Note: Numbers may not sum to total due to rounding. Special and higher education funds exclude the general and special fund portions of current unrestricted funds.

Source: Department of Legislative Services

Although the legislature cannot mandate general obligation (GO) bond authorizations, it has become common practice to mandate general fund pay-as-you-go (PAYGO) capital spending with the stipulation that the Governor can fund the project or program with GO debt. As shown in **Exhibit 7**, \$25.7 million of these PAYGO general fund mandates were funded through GO authorizations in the capital budget bill. Had the Governor chosen not to use GO debt, then this

amount would have had to have been included in the fiscal 2024 allowance, which would have increased the sum of mandated appropriations.

Exhibit 7
Statutorily Mandated Appropriations Funded by General Obligation Debt
Fiscal 2024 Allowance
(\$ in Millions)

County Library Capital Grant Program	\$11.6
Interagency Committee on School Construction – Aging School Program	6.1
African American Heritage Preservation Program	5.0
Shelter and Transitional Housing Facilities Grant Program	3.0
Total	\$25.7

Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Services

While mandates require a certain level of spending, the Governor has the authority to spend more on a program than the designated mandate amount. Due to the availability of significant cash resources and reflective of negotiations between the legislature and the Administration to fund specific priorities, as **Exhibit 8** shows, 41 programs received more funding in fiscal 2024 than required by law, by a total of \$1.1 billion. The operating subsidies for transportation increased substantially in fiscal 2024, accounting for 73.0% of these additional monies.

Ten programs were underfunded relative to their mandated spending level. The total amount of funds below the mandate reached \$8.5 million for these programs. The majority were righted in the legislative appropriation by legislative action or supplemental budgets, but the delayed Baltimore Convention Facility Renovation project is a notable mandate that lacks fiscal 2024 funding.

Exhibit 8
Underfunded and Overfunded Mandates
Fiscal 2024 Appropriation
(\$ in Millions)

<u>Underfunded</u>	<u>Mandate</u>	<u>Allowance</u>	<u>Amount Below Mandate</u>
Baltimore Convention Facility Renovation	\$2.6	\$0.0	-\$2.6
Grants for Paratransit Services Provided by Local Governments	4.0	1.4	-2.6
Maryland Park Service Funding Great Maryland Outdoors Act	12.0	10.8	-1.2
Maryland Prenatal and Infant Care Coordination Services Grant Program Fund	2.1	1.1	-1.0
Virginia-Maryland Regional College of Veterinary Medicine	6.4	5.9	-0.4
Maryland Senior Rides Programs	0.5	0.2	-0.3
Construction Education and Innovation Fund	0.3	0.0	-0.3
Video Lottery Terminals Market Analysis	0.1	0.0	-0.1
Director of Dementia Services and Brain Health	0.1	0.1	0.0
Mel Noland Fellowship Program	1.0	1.0	0.0
Total Underfunded	\$28.0	\$19.4	-\$8.5

<u>Overfunded</u>	<u>Mandate</u>	<u>Allowance</u>	<u>Amount Above Mandate</u>
Maryland Transit Administration Operating Subsidy	\$944.8	\$1,763.3	\$818.5
State Aid for Police Protection	75.8	121.7	45.9
State Share of Foundation Program	3,767.6	3,805.0	37.3
Temporary Cash Assistance	137.3	164.3	27.0
Maryland Transit Administration Capital Subsidy	502.1	526.9	24.8
Community College Facilities Renewal Grant Program	2.6	17.6	15.0
Statewide Academic Health Centers	13.0	25.0	12.0
Financial Consumer Protection – Office of the Attorney General	0.7	11.7	11.0
Temporary Disability Assistance Program	33.0	43.6	10.6
College Affordability Act	3.0	11.0	8.0
Maryland Tourism Development Fund	6.0	13.4	7.4
Tobacco Use Reduction Activities	18.3	23.6	5.4
Summer SNAP for Children Act	0.2	5.0	4.8
County Library Capital Grant Program	7.5	11.6	4.1
Maryland Medical Assistance (Medicaid) Program – CRF	42.1	46.0	3.9

<u>Overfunded</u>	<u>Mandate</u>	<u>Allowance</u>	<u>Amount Above Mandate</u>
Soil Conservation Districts	10.0	13.3	3.3
Public Safety and Violence Prevention Act of 2018	0.0	3.0	3.0
School Resource Officer Grant	10.0	13.0	3.0
Infant and Early Childhood Mental Health Support Services Program	3.0	5.8	2.8
School-based Health Centers	6.5	9.3	2.8
Employment Standards Unit within the Division of Labor and Industry	0.3	2.6	2.3
Baltimore City Community College	43.5	45.5	2.0
Historic Revitalization Credit	20.0	22.0	2.0
Maryland Center for School Safety – Administrative Funding	2.0	3.2	1.2
Prevailing Wage Unit within the Division of Labor and Industry	0.4	1.0	0.6
Maryland State Fireman's Association Widows and Orphans	0.1	0.6	0.6
Adult External High School Education Program	0.3	0.8	0.5
Goodwill Excel Center	0.5	1.0	0.5
Michael Erin Busch Sports Fund	1.0	1.5	0.5
Baltimore City YouthWorks Summer Jobs Program	2.1	2.6	0.4
Higher Education Outreach and College Access	0.5	0.7	0.2
Maryland State Fireman's Association	0.2	0.4	0.2
Maryland State Arts Council	29.7	29.7	0.1
Citizens Committee for the Enhancement of Communities Surrounding BWI Marshall Airport	0.2	0.3	0.1
Baltimore City Young Readers Grant Program	0.2	0.2	0.0
Senior Citizens Activities Center Operating Fund	0.8	0.8	0.0
Financial Consumer Protection – Office of the Commissioner for Financial Regulation	0.3	0.3	0.0
Deaf or Hard of Hearing Individuals – Support for Parents	0.0	0.0	0.0
Total Overfunded	\$5,685.55	\$6,747.2	\$1,061.7

BWI Marshall Airport: Baltimore/Washington International Thurgood Marshall Airport

CRF: Cigarette Resolution Fund

SNAP: Supplemental Nutrition Assistance Program

Note: Numbers may not sum to total due to rounding. The overfunded or underfunded amount for several smaller programs may appear as zero due to rounding.

Source: Department of Legislative Services

Appendix 4 provides a listing of all new and amended mandates and entitlements in the 2023 session. This list provides the amount of the fiscal 2025 mandate for new mandates/entitlements and the increase/decrease for existing mandates.

Appendix 5 provides a comparison of funding for mandates and entitlements in the allowance compared to the legislative appropriation for recent fiscal years.

Appendix 1
Education and Health Spending on Mandates and Entitlements
Fiscal 2014-2024
(\$ in Millions)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Mandated Amount	\$9,459.6	\$9,606.1	\$10,488.9	\$10,981.5	\$11,242.1	\$11,681.2	\$12,505.9	\$13,244.2	\$12,883.0	\$16,274.6	\$18,160.0
Entitlements	4,550.9	4,844.4	4,674.5	4,724.8	5,063.4	5,243.5	5,392.7	5,725.3	6,322.5	6,641.3	7,010.7
Total	\$14,010.5	\$14,450.5	\$15,163.4	\$15,706.3	\$16,305.5	\$16,924.7	\$17,898.6	\$18,969.5	\$19,205.4	\$22,915.9	\$25,170.7
Total Allowance	\$27,635.7	\$28,895.7	\$29,062.3	\$30,198.5	\$30,602.5	\$31,793.9	\$33,465.4	\$34,704.5	\$34,689.0	\$40,683.9	\$44,261.2
% of State-sourced Portion of the Budget	50.7%	50.0%	52.2%	52.0%	53.3%	53.2%	53.5%	54.7%	55.4%	56.3%	56.9%
Education, K-12	\$5,945.3	\$6,061.4	\$6,065.7	\$6,398.2	\$6,411.4	\$6,556.0	\$7,053.7	\$7,392.2	\$6,995.1	\$8,207.2	\$9,141.4
Health	4,224.4	4,502.2	4,463.9	4,553.7	4,871.1	5,117.0	5,199.7	5,557.9	6,109.1	6,061.7	6,762.8
Education, K-12 %	42.4%	41.9%	40.0%	40.7%	39.3%	38.7%	39.4%	39.0%	36.4%	35.8%	36.3%
Health %	30.2%	31.2%	29.4%	29.0%	29.9%	30.2%	29.1%	29.3%	31.8%	26.5%	26.9%
Total % Education, K-12 and Health on Mandates and Entitlements	72.6%	73.1%	69.4%	69.7%	69.2%	69.0%	68.5%	68.3%	68.2%	62.3%	63.2%

Source: Department of Legislative Services

Appendix 2
General Fund
Mandated Appropriations and Entitlements by Type of Recipient
Fiscal 2024 Allowance
(\$ in Millions)

<u>General Fund Programs</u>	<u>Allowance</u>	<u>% of Total Mandated Approp. or Entitlement</u>
Local Government		
State Share of Foundation Program	\$3,763.0	21.4%
Aid for Local School Employees Fringe Benefits	768.6	4.4%
Senator John A. Cade Memorial Formula for the Distribution of Funds to the Community Colleges in the State	393.3	2.2%
Student Transportation – Formula	335.8	1.9%
Limited English Proficiency/English Learner Formula Grant	334.3	1.9%
Students with Disabilities – Formula	311.1	1.8%
Disparity Grants to Counties	166.5	0.9%
Students with Disabilities – Nonpublic Placements	145.6	0.8%
State Aid for Police Protection	121.7	0.7%
Core Public Health Services Funding Formula	115.8	0.7%
Healthy School Facility Fund	90.0	0.5%
Aid to Community Colleges – Retirement Contributions	62.8	0.4%
Public Libraries – Minimum Library Program	48.7	0.3%
Guaranteed Tax Base Program	46.8	0.3%
Teacher Retirement Supplemental Grants	27.6	0.2%
Student Transportation – Special Education	27.5	0.2%
Aid for Local Library Employees Fringe Benefits	21.6	0.1%
Community College Facilities Renewal Grant Program	17.6	0.1%
School Resource Officer Grant	13.0	0.1%
Public Libraries – State Library Resource Center (Baltimore City)	12.1	0.1%
Other	1,430.9	8.2%
Total	\$8,254.1	47.0%
Individuals		
Maryland Medical Assistance (Medicaid) Program	\$4,066.9	23.2%
DDA Medical Assistance	807.4	4.6%
Community Behavioral Health Services for Medicaid-eligible Recipients	748.8	4.3%
Foster Care Payments	\$206.8	1.2%

<u>General Fund Programs</u>	<u>Allowance</u>	<u>% of Total Mandated Approp. or Entitlement</u>
Maryland Children's Health Program	99.0	0.6%
Guaranteed Access Grant	70.5	0.4%
Child Care Subsidies	68.5	0.4%
Temporary Cash Assistance	60.0	0.3%
Medicaid Coverage for Noncitizen Pregnant Women	57.2	0.3%
Property Tax Credits – Homeowners	56.0	0.3%
Need-based Awards	49.1	0.3%
Temporary Disability Assistance Program	37.5	0.2%
DDA Community Services Providers Reimbursement Rate	31.9	0.2%
Autism Waiver Program	30.8	0.2%
Medicaid Adult Dental Coverage	26.9	0.2%
Community College Promise Scholarships	15.0	0.1%
Medicaid Behavioral Health Provider Rate Increase (HOPE Act)	12.8	0.1%
College Affordability Act	11.0	0.1%
Behavioral Health Administration Community Service Provider Rate Increase	10.8	0.1%
Other	92.5	0.5%
Total	\$6,548.6	37.3%
State Government		
Judiciary	\$670.6	3.8%
State Retirement Contribution	649.2	3.7%
Legislative Branch	152.2	0.9%
Transfer Tax Repayment (POS)	138.9	0.8%
HBCU Settlement Funds	62.6	0.4%
Baltimore City Community College	45.5	0.3%
Maryland School for the Deaf	45.2	0.3%
St. Mary's College of Maryland	36.6	0.2%
OPEB Sweeper – Dedicated Purpose Account	25.0	0.1%
University of Maryland Strategic Partnership	22.0	0.1%
Pension Sweeper – Dedicated Purpose Account	15.0	0.1%
Circuit Court Law Clerks	13.8	0.1%
Maryland Tourism Development Fund	13.4	0.1%
Maryland Public Broadcasting Commission – Funding and Video Streaming	11.8	0.1%
Maryland Park Service Funding Great Maryland Outdoors Act	10.8	0.1%
Other	91.3	0.5%

<u>General Fund Programs</u>	<u>Allowance</u>	<u>% of Total Mandated Approp. or Entitlement</u>
Total	\$2,003.9	11.4%
Debt Service		
General Obligation Bond Debt Service	\$433.8	2.5%
Total	\$433.8	2.5%
Funds for Other Entities		
Joseph A. Sellinger Program for Aid to Nonpublic Institutions of Higher Education	\$137.1	0.8%
Maryland State Arts Council	28.4	0.2%
Maryland School for the Blind	28.1	0.2%
Property Tax Credits – Enterprise Zones	27.0	0.2%
Children At Risk – Public Residential Boarding School (SEED School)	12.8	0.1%
Baltimore Regional Neighborhood Initiative	12.0	0.1%
Other	67.9	0.4%
Total	\$313.3	1.8%
Total Mandated and Entitlement General Funds	\$17,553.8	100%

DDA: Developmental Disabilities Administration
HBCU: Historically Black Colleges and Universities
OPEB: Other Post Employment Benefits
POS: Project Open Space
SEED: School for Education Evolution and Development

Source: Department of Legislative Services

Appendix 3
Special and Higher Education Fund
Mandated Appropriations and Entitlements by Type of Recipient
Fiscal 2024 Allowance
(\$ in Millions)

<u>Special Fund Programs</u>	<u>Allowance</u>	<u>% of Total Mandated Approp. or Entitlement</u>
Local Government		
Compensatory Education	\$390.8	5.1%
Local Highway User Capital Grants	331.4	4.4%
Concentration of Poverty Grants	274.3	3.6%
Consumer Wage Index (Foundation Program)	156.0	2.0%
Students with Disabilities – Formula	153.1	2.0%
Limited English Proficiency/English Learner Formula Grant	136.4	1.8%
State Grants for Early Education Aid (Publicly Funded Prekindergarten)	99.6	1.3%
Education Effort Adjustment	91.1	1.2%
Outdoor Recreation Land Loan Program which includes POS – Local Share	89.2	1.2%
Blueprint Transition Grants	57.7	0.8%
Montgomery and Prince George’s Counties Bus Service Operating Subsidies	53.3	0.7%
Transitional Supplemental Instruction	51.3	0.7%
State Share of Foundation Program	42.0	0.6%
Baltimore City Public School Construction	20.0	0.3%
Career and College Readiness	19.9	0.3%
Tobacco Use Reduction Activities	11.3	0.1%
Other	20.1	0.3%
Total	\$1,997.5	26.2%
Individuals		
Maryland Medical Assistance (Medicaid) Program	\$599.2	7.9%
Medicaid Program – CRF	46.0	0.6%
Community Behavioral Health Services for Medicaid-eligible Recipients	11.1	0.1%
Other	39.4	0.5%
Total	\$695.7	9.1%
State Government		
MTA Operating Subsidy	\$1,294.4	17.0%
MTA Capital Subsidy	526.9	6.9%
State Retirement Contribution	258.1	3.4%

<u>Special Fund Programs</u>	<u>Allowance</u>	<u>% of Total Mandated Approp. or Entitlement</u>
Outdoor Recreation Land Loan Program Which Includes POS – State Share	\$236.8	3.1%
Judiciary	79.7	1.0%
Maryland Health Benefit Exchange	32.0	0.4%
Maryland Park Service Funding	12.6	0.2%
Financial Consumer Protection – Office of the Attorney General	11.0	0.1%
Other	25.8	0.3%
Total	\$2,477.2	32.5%
Debt Service		
General Obligation Bond Debt Service	\$1,016.7	13.3%
Transportation Debt Service	426.5	5.6%
Total	\$1,443.2	18.9%
Funds for Other Entities		
WMATA Operating Subsidy	\$466.9	6.1%
WMATA Capital Subsidy	183.2	2.4%
WMATA Maryland Metro/Transit Funding Act	167.0	2.2%
Consortium of Coordinated Community Supports	85.0	1.1%
Prekindergarten Expansion	26.6	0.3%
Statewide Academic Health Centers	15.0	0.2%
Access to Counsel in Evictions Special Fund	14.0	0.2%
Other	45.7	0.6%
Total	\$1,003.4	13.2%
Total Mandated and Entitlement Special Funds	\$7,617.0	100.0%

CRF: Cigarette Resolution Fund
MTA: Maryland Transit Authority
POS: Program Open Space
WMATA: Washington Metropolitan Area Transit Authority

Source: Department of Legislative Services

Appendix 4
New and Amended Mandated Appropriations and Entitlements
2023 Legislative Session

<u>Mandate Name</u>	<u>Legislation</u>	<u>New Mandate Amount</u>	<u>Change in Mandated Amount</u>
9-8-8 Trust Fund	Chapters 260 and 261 of 2023		\$6,500,000
Access to Counsel in Evictions Special Fund	Chapter 641 of 2023		14,000,000
Affordable Life, Wills, and Estate Planning for Seniors Grant Program – MLSC	Chapter 776 of 2023	\$225,000	
Baltimore City Young Readers Grant Program	Chapters 649 and 650		100,000
Behavioral Health Care Coordination Value-Based Purchasing Pilot Program	Chapters 290, 291, and 369 of 2023	600,000	
Business Façade Improvement Program	Chapter 437 of 2023	5,000,000	
Commission on Hate Crime Response and Prevention	Chapter 773 of 2023	Est. 136,300	
Community Health Resources Commission operating grants	Chapters 644 and 801 of 2023	8,000,000	
FAMLI Coverage for Community Health Providers	Chapters 258 and 259 of 2023	Est.25,600,000	
Industry 4.0 Technology Grant Program	Chapter 498 of 2023	1,000,000	
Long-Term Care and Dementia Care Navigation Programs	Chapter 667 of 2023	2,400,000	
Maryland Cybersecurity Program	Chapter 578 of 2023	250,000	
Maryland Equitech Growth Fund and Commission	Chapter 462 of 2023	5,000,000	
Maryland Forestry Education Fund	Chapter 479 of 2023	250,000	
Maryland Loan Assistance Repayment Program for Police Officers and Probation Officers	Chapter 100 of 2023		3,500,000
Maryland Scholarship Program for Police Officers and Probation Officers	Chapter 100 of 2023		-3,500,000
Deferred Compensation Match for Certain State Employees	Chapter 100 of 2023	Est. 11,950,000	
Maryland Native Plants Program	Chapters 489 and 490 of 2022	100,000	
Medium Duty and Heavy Duty Zero Emission Vehicle Grant Program	Chapter 234 of 2022		8,250,000

<u>Mandate Name</u>	<u>Legislation</u>	<u>New Mandate Amount</u>	<u>Change in Mandated Amount</u>
Prince George's County Re-Entry Employment Incentive Program	Chapter 791 of 2023	500,000	
Statewide Rental Assistance Voucher Program	Chapter 446 of 2023	10,000,000	
Student Field Trips	Chapter 747		500,000
Students with Disabilities – Nonpublic Placements	Chapter 648		Est. \$7,200,000
Transit-Oriented Development Capital Grant and Revolving Loan Fund	Chapter 512 of 2023	5,000,000	
Urban Agriculture Grant Programs	Chapter 519 of 2023	100,000	
Victim Services Stabilization	Chapters 625 and 626 of 2023	60,000,000	
Customized Goods and Services for Youth Served under the Mental Health Case Management Program	Chapters 378 and 379 of 2023	150,000	
National Capital Strategic Economic Development Program	Chapter 494 of 2023		5,000,000
Social Equity Program	Chapters 254 and 255 of 2023	2,000,000	
Recovery Residence Program	Chapter 276 of 2023	500,000	
Maryland Meals for Achievement in-classroom Breakfast Program	Chapter 628 of 2023		4,500,000
Maryland Construction Education and Innovation – Funding – Alteration	Chapter 493 of 2023		375,000
Pride of Baltimore II – Appropriation – Extension	Chapter 131 of 2023		500,000
Maryland Nonprofit Development Center Program – Nonprofit, Inter-Free, Micro Bridge Loan Account – Funding	Chapter 475 of 2023	1,000,000	
State Board of Sign Language Interpreters	Chapters 269 and 270 of 2023	100,000	

FAMLI: Family and Medical Leave Insurance

MLSC: Maryland Legal Services Corporation

Source: Department of Legislative Services

Appendix 5
Mandate and Entitlement Spending
Allowance versus Appropriation
Fiscal 2011-2024
(\$ in Millions)

	<u>GF</u>	<u>SF</u>	<u>GO Funds</u>	<u>Total State Funds</u>
Fiscal 2024				
Allowance	\$16,088.9	\$7,617.0	\$25.7	\$23,731.5
Appropriation	15,970.0	7,586.2	25.7	23,581.8
Fiscal 2024 Reductions	-\$118.9	-\$30.8	\$0.0	-\$149.7
Reduction Percentage of State Mandate/Entitlement Expenditures				-0.6%
Fiscal 2023				
Allowance	\$16,760.9	\$6,155.0	\$114.9	\$23,030.8
Appropriation	16,633.0	6,397.8	114.9	23,185.6
Fiscal 2023 Reductions	-\$127.9	\$242.7	\$0.0	\$114.8
Reduction Percentage Change of State Mandate/Entitlement Expenditures				0.5%
Fiscal 2022				
Allowance	\$15,162.3	\$4,043.2	\$33.6	\$19,239.0
Appropriation	14,622.9	4,152.6	51.4	18,826.9
Fiscal 2022 Reductions	-\$539.4	\$109.5	\$17.8	-\$412.1
Reduction Percentage of State Mandate/Entitlement Expenditures				-2.2%
Fiscal 2021				
Allowance	\$14,311.1	\$4,658.4	\$27.4	\$18,996.9
Appropriation	14,052.5	4,643.7	27.4	18,723.7
Fiscal 2021 Reductions	-\$258.6	-\$14.6	\$0.0	-\$273.2
Reduction Percentage of State Mandate/Entitlement Expenditures				-1.5%
Fiscal 2020				
Allowance	\$13,741.1	\$4,157.5	\$30.1	\$17,928.7
Appropriation	13,463.6	4,433.0	29.1	17,925.7
Fiscal 2020 Reductions	-\$277.5	\$275.5	-\$1.0	-\$3.0
Reduction Percentage of State Mandate/Entitlement Expenditures				0.0%
Fiscal 2019				
Allowance	\$12,862.2	\$4,062.6	\$19.0	\$16,943.8
Appropriation	12,760.1	4,063.3	26.0	16,849.4
Fiscal 2019 Reductions	-\$102.1	\$0.7	\$7.0	-\$94.4

	<u>GF</u>	<u>SF</u>	<u>GO Funds</u>	<u>Total State Funds</u>
Reduction Percentage of State Mandate/Entitlement Expenditures				-0.6%
Fiscal 2018				
Allowance	\$12,270.8	\$4,034.7	\$47.7	\$16,353.2
Appropriation	12,321.6	4,037.0	51.7	16,410.3
Fiscal 2018 Reductions	\$50.8	\$2.3	\$4.0	\$57.1
Reduction Percentage of State Mandate/Entitlement Expenditures				0.3%
Fiscal 2017				
Allowance	\$12,003.3	\$3,703.0	\$16.1	\$15,722.4
Appropriation	11,999.0	3,673.7	10.0	15,682.7
Fiscal 2017 Reductions	-\$4.3	-\$29.3	-\$6.1	-\$39.7
Reduction Percentage of State Mandate/Entitlement Expenditures				-0.3%
Fiscal 2016				
Allowance	\$11,619.8	\$3,543.6	\$17.1	\$15,180.5
Appropriation	11,577.7	3,525.9	12.1	15,115.7
Fiscal 2016 Reductions	-\$42.1	-\$17.7	-\$5.0	-\$64.8
Reduction Percentage of State Mandate/Entitlement Expenditures				-0.4%
Fiscal 2015				
Allowance	\$11,102.0	\$3,348.6	\$17.1	\$14,467.7
Appropriation	10,925.8	3,322.1	17.1	14,265.0
Fiscal 2015 Reductions	-\$176.2	-\$26.5	\$0.0	-\$202.7
Reduction Percentage of State Mandate/Entitlement Expenditures				-1.4%
Fiscal 2014				
Allowance	\$10,761.9	\$3,248.5	\$35.9	\$14,046.3
Appropriation	10,625.9	3,176.4	33.6	13,835.9
Fiscal 2014 Reductions	-\$136.0	-\$72.1	-\$2.3	-\$210.4
Reduction Percentage of State Mandate/Entitlement Expenditures				-1.5%
Fiscal 2013				
Allowance	\$10,724.7	\$3,072.3	\$74.7	\$13,871.7
Appropriation	10,258.5	3,179.8	83.3	13,521.6
Fiscal 2013 Reductions	-\$466.2	\$107.5	\$8.6	-\$350.1
Reduction Percentage of State Mandate/Entitlement Expenditures				-2.6%
Fiscal 2012				
Allowance	\$10,728.9	\$2,870.8	\$74.7	\$13,674.4
Appropriation	10,601.8	2,802.7	59.8	13,464.3

	<u>GF</u>	<u>SF</u>	<u>GO Funds</u>	<u>Total State Funds</u>
Fiscal 2012 Reductions	-\$127.1	-\$68.1	-\$14.9	-\$210.1
Reduction Percentage of State Mandate/Entitlement Expenditures				-1.6%
Fiscal 2011				
Allowance	\$9,181.8	\$2,783.9	\$10.0	\$11,975.7
Appropriation	8,935.2	2,476.4	85.0	11,496.6
Fiscal 2011 Reductions	-\$246.6	-\$307.5	\$75.0	-\$479.1
Reduction Percentage of State Mandate/Entitlement Expenditures				-4.2%

GF: general funds
GO: general obligation
SF: special funds

Note: Excludes federal spending.

Source: Department of Legislative Services