
Analysis of Supplemental Budget No. 1

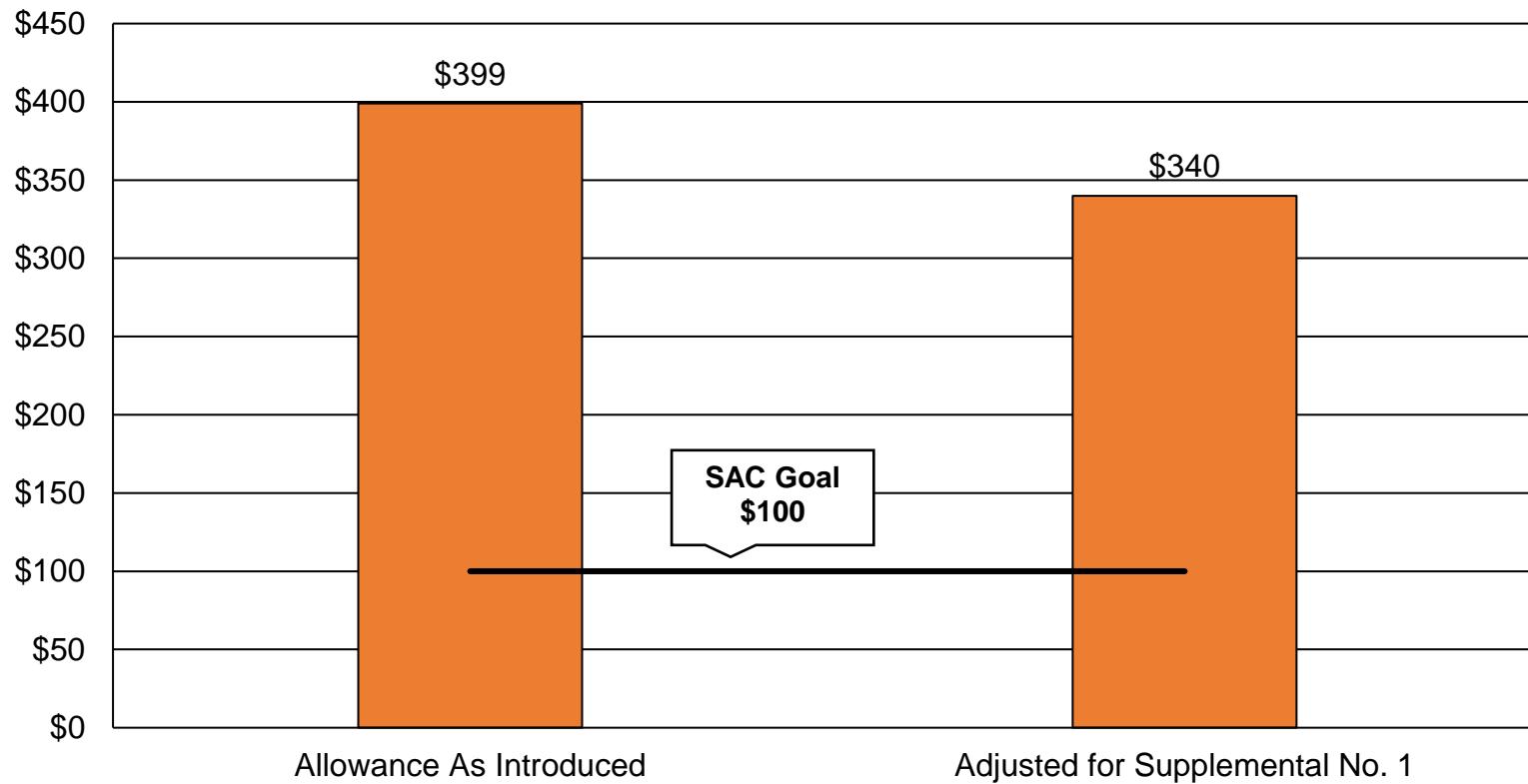
**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

March 07, 2023

Impact of Supplemental No. 1
 (\$ in Millions)

| | <u>General Funds</u> | <u>Special Funds</u> | <u>Federal Funds</u> | <u>Reimbursable Funds</u> | <u>Total Funds</u> |
|-------------------|----------------------|----------------------|----------------------|---------------------------|----------------------|
| Fiscal 2023 | -\$50,943,639 | \$3,209,485 | \$5,128,526 | \$1,142,000 | -\$41,463,628 |
| Fiscal 2024 | 50,973,953 | -45,057,232 | 6,284,112 | 0 | 12,200,833 |
| Net Impact | \$30,314 | -\$41,847,747 | \$11,412,638 | \$1,142,000 | -\$29,262,795 |

Structural Impact of Supplemental No. 1
Fiscal 2024
(\$ in Millions)



SAC: Spending Affordability Committee

Spending Detail
Supplemental Budget No. 1

| Item # | Agency | Fiscal Year | Description | GF | SF | FF | RF | Total |
|---|-----------------------------|--------------------|---|----------------------|----------------------|------------------|------------|----------------------|
| Full Funding of Mandates | | | | | | | | |
| 8 | SDAT | 2023 | Provide funds to meet the mandate for the Homeowner Protection Fund as required by Chapter 382 of 2021 | \$750,000 | | | | \$750,000 |
| 9 | SDAT | 2024 | Provide funds to meet the mandate for the Homeowner Protection Fund as required by Chapter 382 | 750,000 | | | | 750,000 |
| 13 | MDH | 2024 | Provide funds to meet the mandate for the Maryland Prenatal and Infant Care Grant Program Fund as required by Chapter 495 of 2021 | 1,000,000 | | | | 1,000,000 |
| Subtotal | | | | \$2,500,000 | \$0 | \$0 | \$0 | \$2,500,000 |
| Revised Formula Funding | | | | | | | | |
| 1 | Payments to Civil Divisions | 2024 | Revise the Disparity Grant formula funding using updated net taxable income data | \$53,624,064 | | | | \$53,624,064 |
| 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, Amendment 1 | MSDE | 2024 | Revise formulas across the Aid to Education programs using updated net taxable income tax data and revised enrollment counts | 7,185,379 | -\$45,397,332 | | | -38,211,953 |
| Subtotal | | | | \$60,809,443 | -\$45,397,332 | \$0 | \$0 | \$15,412,111 |
| Salary Actions | | | | | | | | |
| 3 | MCCR | 2023 | Support contractual full-time equivalents and implementing an Annual Salary Review adjustment | \$241,493 | | \$32,647 | | \$274,140 |
| 10 | DBM | 2023 | Excess funds available in the Statewide Account | -10,692,130 | | | | -10,692,130 |
| 11 | DBM | 2023 | Funding for cost-of-living adjustments for MFRI and MDOT | | \$2,208,485 | 109,062 | | 2,317,547 |
| 12 | DBM | 2024 | Reduce funding for COLA and increments for General Assembly that is not needed and increase funding for COLAs for MFRI and contractual employees in USM | -3,368,546 | 340,100 | | | -3,028,446 |
| Amendment 3 | DBM | 2023 | Updates the deficiency appropriation for the 4.5% COLA from November 2022 based on funding needs | -42,000,000 | | | | -42,000,000 |
| Subtotal | | | | -\$55,819,183 | \$2,548,585 | \$141,709 | \$0 | -\$53,128,889 |

| <u>Item #</u> | <u>Agency</u> | <u>Fiscal Year</u> | <u>Description</u> | <u>GF</u> | <u>SF</u> | <u>FF</u> | <u>RF</u> | <u>Total</u> |
|------------------------|-----------------------------|--------------------|---|----------------------------|-----------------------------|----------------------------|---------------------------|-----------------------------|
| Other | | | | | | | | |
| 2 | Payments to Civil Divisions | 2023 | Miscellaneous grants due to the timing of admissions and amusement tax distributions completed in fiscal 2023 rather than fiscal 2022 as expected | | \$1,001,000 | | | \$1,001,000 |
| 6 | MHBE | 2023 | IT contract for development and maintenance | | | \$2,412,882 | | 2,412,882 |
| 7 | MHBE | 2023 | Funds from MDH to implement a no wrong door project | | | | \$1,142,000 | 1,142,000 |
| 14 | DHS | 2023 | Replacement benefits for victims of EBT Fraud | \$756,998 | | 2,573,935 | | 3,330,933 |
| 15 | DHS | 2024 | Replacement benefits for victims of EBT Fraud | 1,783,056 | | 6,284,112 | | 8,067,168 |
| 28, Amendment 2 | Reserve Fund | 2024 | Technical correction to remove funding for Local Income Tax Reserve Account Repayment, which is provided through a revenue distribution | -10,000,000 | | | | -10,000,000 |
| 4, 5 | SBE | 2024 | Realign funds for a document management system between programs | 0 | | | | 0 |
| Amendment 4 | BCCC | 2023 | Correct a deficiency appropriation fund source from Unrestricted to Restricted Funds | | | | | |
| Amendment 5 | | | Technical amendment | | | | | |
| <i>Subtotal</i> | | | | <i>-\$7,459,946</i> | <i>\$1,001,000</i> | <i>\$11,270,929</i> | <i>\$1,142,000</i> | <i>\$5,953,983</i> |
| <i>Fiscal 2023</i> | | | | <i>-\$50,943,639</i> | <i>\$3,209,485</i> | <i>\$5,128,526</i> | <i>\$1,142,000</i> | <i>-\$41,463,628</i> |
| <i>Fiscal 2024</i> | | | | <i>\$50,973,953</i> | <i>-\$45,057,232</i> | <i>\$6,284,112</i> | <i>\$0</i> | <i>\$12,200,833</i> |
| Total | | | | <i>\$30,314</i> | <i>-\$41,847,747</i> | <i>\$11,412,638</i> | <i>\$1,142,000</i> | <i>-\$29,262,795</i> |

BCCC: Baltimore City Community College

COLA: cost-of-living adjustment

DBM: Department of Budget and Management

DHS: Department of Human Services

EBT: Electronic Benefit Transfer

FF: Federal Fund

GF: General Fund

IT: information technology

MCCR: Maryland Commission for Civil Rights

MDH: Maryland Department of Health

MDOT: Maryland Department of Transportation

MFRI: Maryland Fire and Rescue Institute

MHBE: Maryland Health Benefit Exchange

MSDE: Maryland State Department of Education

RF: Reserve Fund

SBE: State Board of Elections

SDAT: State Department of Assessments and Taxation

SF: Special Fund

USM: University System of Maryland

Public Schools Direct State Aid – Fiscal 2024

| <u>County</u> | <u>Allowance</u> | <u>Revised</u> | <u>Difference</u> | <u>% Diff.</u> | <u>Revised</u> | | | |
|-----------------|------------------------|------------------------|----------------------|----------------|------------------------|------------------------|----------------------|----------------|
| | | | | | <u>2023</u> | <u>2024</u> | <u>Difference</u> | <u>% Diff.</u> |
| Allegany | \$96,958,856 | \$96,958,856 | \$0 | 0% | \$96,957,931 | \$96,958,856 | \$925 | 0% |
| Anne Arundel | 532,562,827 | 531,726,264 | -836,563 | 0% | 470,698,255 | 531,726,264 | 61,028,009 | 13% |
| Baltimore City | 1,121,311,726 | 1,121,311,726 | 0 | 0% | 1,121,795,960 | 1,121,311,726 | -484,234 | 0% |
| Baltimore | 932,978,752 | 902,795,476 | -30,183,276 | -3% | 836,623,296 | 902,795,476 | 66,172,180 | 8% |
| Calvert | 110,142,043 | 111,210,605 | 1,068,562 | 1% | 102,916,479 | 111,210,605 | 8,294,126 | 8% |
| Caroline | 77,306,958 | 77,172,580 | -134,378 | 0% | 68,913,027 | 77,172,580 | 8,259,553 | 12% |
| Carroll | 176,893,255 | 178,978,998 | 2,085,743 | 1% | 157,713,836 | 178,978,998 | 21,265,162 | 13% |
| Cecil | 134,087,611 | 136,345,948 | 2,258,337 | 2% | 119,154,145 | 136,345,948 | 17,191,803 | 14% |
| Charles | 250,653,160 | 258,386,878 | 7,733,718 | 3% | 222,640,357 | 258,386,878 | 35,746,521 | 16% |
| Dorchester | 58,251,220 | 56,499,609 | -1,751,611 | -3% | 55,006,093 | 56,499,609 | 1,493,516 | 3% |
| Frederick | 364,189,406 | 367,561,628 | 3,372,222 | 1% | 329,415,927 | 367,561,628 | 38,145,701 | 12% |
| Garrett | 26,116,405 | 26,326,087 | 209,682 | 1% | 24,669,957 | 26,326,087 | 1,656,130 | 7% |
| Harford | 298,162,248 | 297,983,813 | -178,435 | 0% | 263,293,133 | 297,983,813 | 34,690,680 | 13% |
| Howard | 359,376,119 | 357,296,935 | -2,079,184 | -1% | 331,490,603 | 357,296,935 | 25,806,332 | 8% |
| Kent | 11,665,431 | 11,620,287 | -45,144 | 0% | 11,263,421 | 11,620,287 | 356,866 | 3% |
| Montgomery | 963,951,985 | 939,149,169 | -24,802,816 | -3% | 868,171,586 | 939,149,169 | 70,977,583 | 8% |
| Prince George's | 1,538,502,120 | 1,545,296,077 | 6,793,957 | 0% | 1,348,134,234 | 1,545,296,077 | 197,161,843 | 15% |
| Queen Anne's | 43,779,135 | 43,110,303 | -668,832 | -2% | 42,327,060 | 43,110,303 | 783,243 | 2% |
| St. Mary's | 144,325,473 | 145,623,142 | 1,297,669 | 1% | 127,120,904 | 145,623,142 | 18,502,238 | 15% |
| Somerset | 43,392,134 | 43,171,894 | -220,240 | -1% | 41,161,717 | 43,171,894 | 2,010,177 | 5% |
| Talbot | 21,052,783 | 21,027,723 | -25,060 | 0% | 18,759,587 | 21,027,723 | 2,268,136 | 12% |
| Washington | 240,102,808 | 240,147,930 | 45,122 | 0% | 215,590,168 | 240,147,930 | 24,557,762 | 11% |
| Wicomico | 197,049,060 | 195,062,629 | -1,986,431 | -1% | 183,540,876 | 195,062,629 | 11,521,753 | 6% |
| Worcester | 28,612,114 | 28,599,969 | -12,145 | 0% | 25,454,844 | 28,599,969 | 3,145,125 | 12% |
| Unallocated | 148,543,682 | 148,390,831 | -152,851 | 0% | 147,761,482 | 148,390,831 | 629,349 | 0% |
| Total | \$7,919,967,311 | \$7,881,755,358 | -\$38,211,953 | 0% | \$7,230,574,878 | \$7,881,755,358 | \$651,180,480 | 9% |

Disparity Grant
Fiscal 2024

| <u>County</u> | <u>2024 Allowance</u> | <u>2024 Using Updated Tax Data</u> | <u>Difference</u> |
|----------------------|------------------------------|---|--------------------------|
| Allegany | \$2,191,823 | \$5,504,536 | \$3,312,713 |
| Baltimore City | 72,447,237 | 79,051,790 | 6,604,553 |
| Caroline | 3,735,016 | 4,686,791 | 951,775 |
| Cecil | 306,236 | 1,080,718 | 774,482 |
| Dorchester | 3,576,617 | 3,934,595 | 357,979 |
| Garrett | 2,024,790 | 2,131,271 | 106,481 |
| Prince George's | 61,178,750 | 98,482,132 | 37,303,382 |
| Somerset | 6,186,178 | 7,229,163 | 1,042,984 |
| Washington | 2,652,060 | 2,990,075 | 338,014 |
| Wicomico | 12,231,747 | 15,063,448 | 2,831,701 |
| Total | \$166,530,455 | \$220,154,519 | \$53,624,064 |