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# **Mandated Appropriations in the Maryland State Budget**

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

**January 2023**



# Mandated Appropriations in the Maryland State Budget

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Prior to the fiscal 2024 budget, the Maryland legislature could not increase spending or transfer spending between programs, only having the authority to strike or reduce appropriations. A constitutional amendment was enacted in 1978, however, which allowed the General Assembly to require the Governor to include a minimum level of funding for a program in a future budget. Since then, 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.

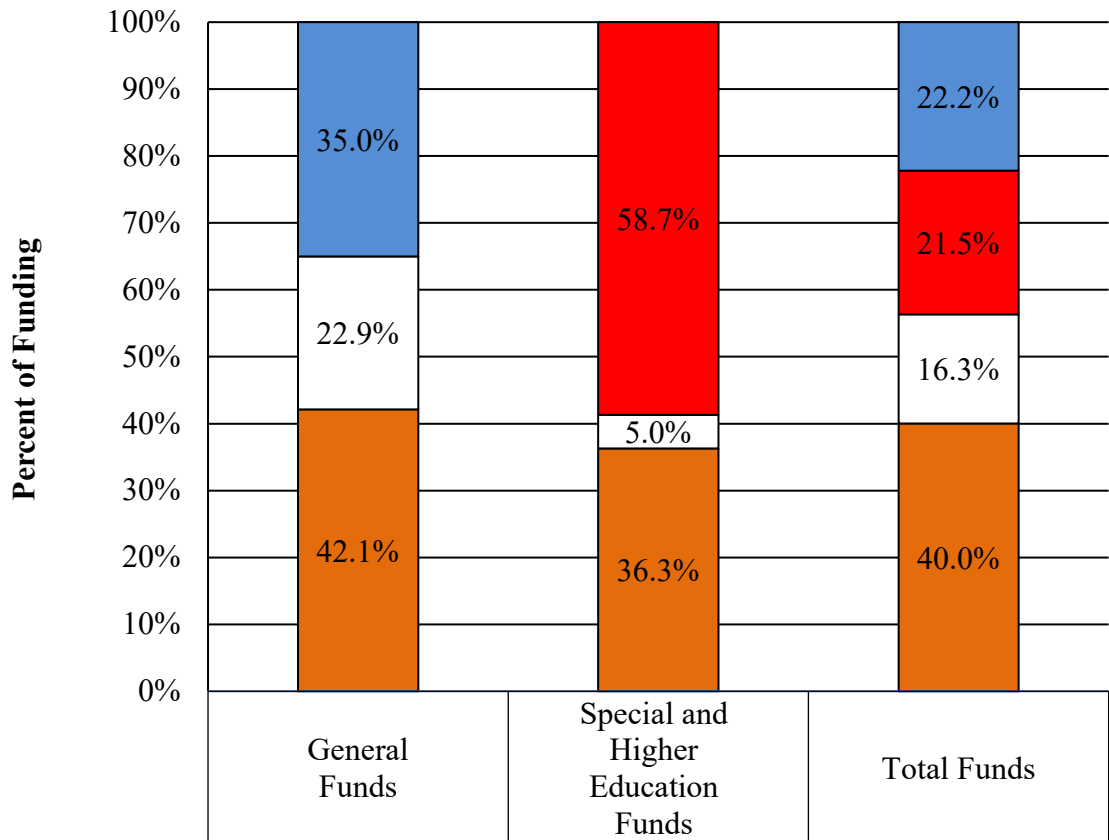
Although federal funds may be used to meet spending mandates and support entitlement programs, the focus of this report is on State-sourced funding (general and special funds). For purposes of the report, spending is categorized as:

- ***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 \$40.7 billion for fiscal 2023. Altogether, proposed fiscal 2023 appropriations with a mandated amount total \$16.3 billion, and entitlements total an additional \$6.6 billion, for a combined 56.3% of the State-sourced portion of the budget.

From fiscal 2014 through 2023, spending on mandates and entitlements has ranged from a low of 50% of the State-sourced portion of the budget to a high of 56.3% in the current year. The main drivers of these expenditures are education and health-related; these two categories have ranged from a low of 62.3% to a high of 73.1% of the State-sourced mandated and entitlement spending over that period, as shown in **Appendix 1**. The current proportion is the lowest share seen during this time period and is largely caused by an increase in mandated State transportation spending. As seen in **Exhibit 1**, 65.0% of the fiscal 2023 general fund allowance and 41.3% of the special fund and higher education allowance are mandates or entitlements. The remaining 58.7% 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 2023 Allowance**  
**(\$ in Millions)**



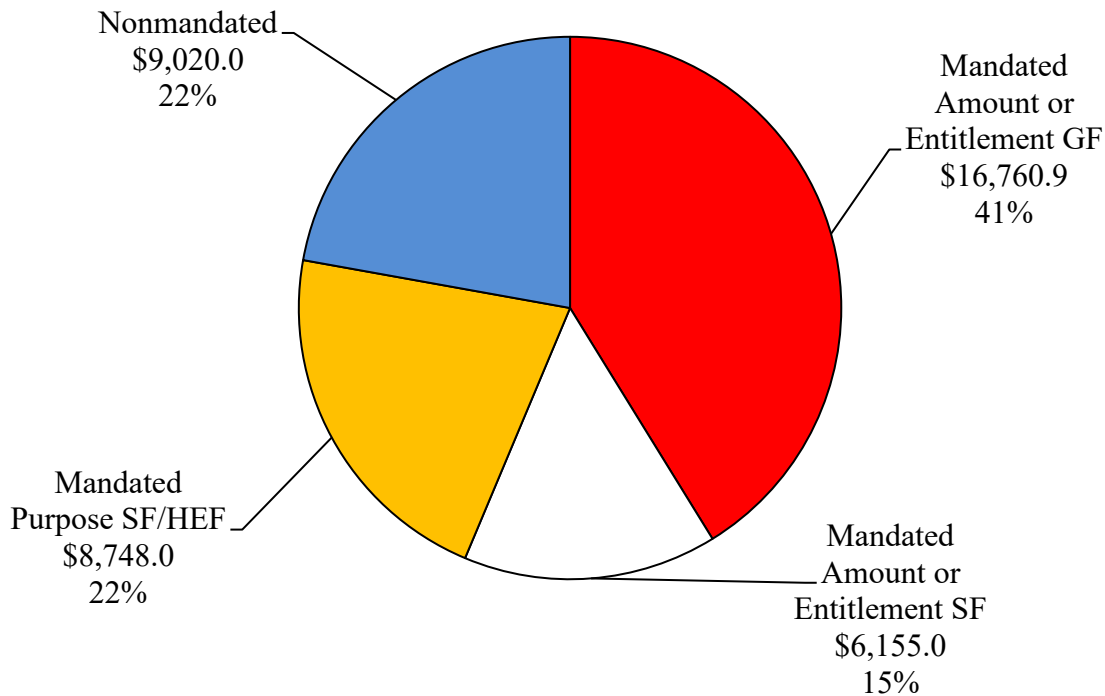
■ Nonmandated	\$9,020.0	\$0.0	\$9,020.0
■ Mandated Purpose	0.0	8,748.0	8,748.0
□ Entitlement	5,896.0	745.3	6,641.3
■ Mandated Amount	10,864.9	5,409.7	16,274.6
Total 2023 Allowance	\$25,780.9	\$14,903.1	\$40,683.9

Note: Numbers may not sum to total due to rounding. Fiscal 2023 special and higher education funds exclude the general and special fund portions of current unrestricted funds. General fund allowance total excludes \$35 million of unspecified reversions.

Source: Governor’s Budget Books, Fiscal 2023; 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. Less than one-quarter of State-sourced spending in fiscal 2023 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 government administration functions.

**Exhibit 2**  
**Detailed Spending from Own-source Budget**  
**Fiscal 2023 Allowance**  
**(\$ in Millions)**



GF: general fund

HEF: higher education funds (revenues derived from tuition and fees, auxiliary enterprises, federal grants and contracts, etc.)

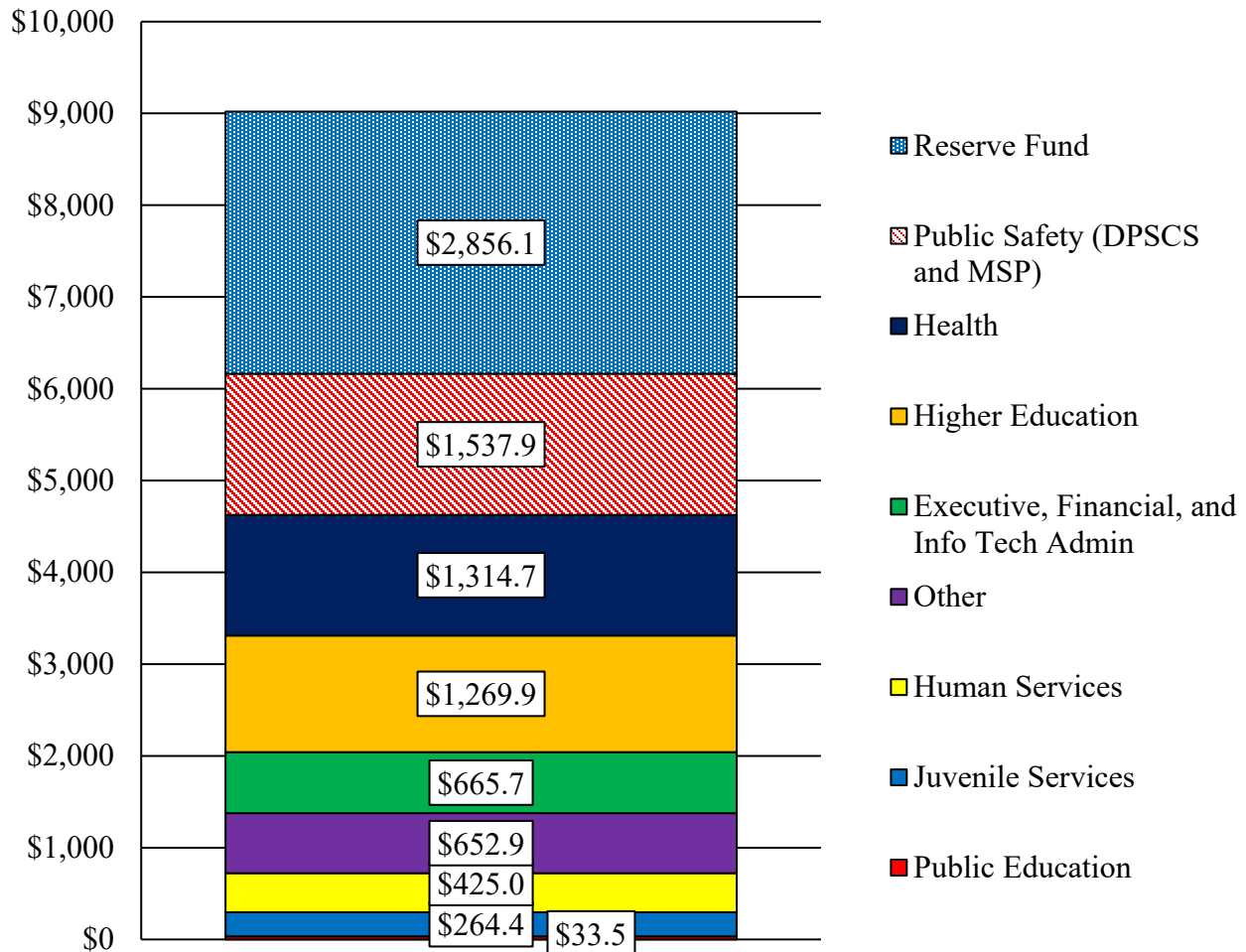
SF: special fund

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 46% of the nonmandated general funds. The State Reserve Fund allowance, extraordinarily high due to the availability of federal COVID-19 aid and stronger than anticipated economic performance resulting in larger closeout balances, accounts for an additional 32% of fiscal 2023 nonmandated general funds.

**Exhibit 3**  
**Detailed General Fund Spending from Own-source Budget on Nonmandated Items**  
**Fiscal 2023 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 76.0% of all mandated general fund spending in the allowance. Health, transportation, and debt service for the State's capital program account for 78.5% of all special fund mandates in the allowance.

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**Exhibit 4**  
**Statutorily Mandated Appropriations and Entitlements by Policy Area**  
**Fiscal 2023 Allowance**  
**(\$ in Millions)**

<b><u>Policy Area</u></b>	<b><u>GF</u></b>	<b><u>% of GF</u></b>	<b><u>SF</u></b>	<b><u>% of SF</u></b>	<b><u>Total</u></b>	<b><u>% of Total</u></b>
Education, K-12	\$7,485.1	44.7%	\$722.1	11.7%	\$8,207.2	35.8%
Health	5,248.1	31.3%	813.6	13.2%	6,061.7	26.5%
Transportation	0.0	0.0%	3,024.2	49.1%	3,024.2	13.2%
Capital Program	430.0	2.6%	1,000.0	16.2%	1,430.0	6.2%
Education, Postsecondary	1,304.3	7.8%	1.3	0.0%	1,305.5	5.7%
Administration and Legislative	766.6	4.6%	224.3	3.6%	991.0	4.3%
Judiciary	624.7	3.7%	64.5	1.0%	689.2	3.0%
Agriculture, Environment, and Natural Resources	97.9	0.6%	289.1	4.7%	387.0	1.7%
Human Services	364.9	2.2%	0.0	0.0%	364.9	1.6%
Nonspecific Aid	174.2	1.0%	1.7	0.0%	175.9	0.8%
Economic Development and Housing	120.2	0.7%	13.8	0.2%	134.0	0.6%
Public Safety	144.8	0.9%	0.6	0.0%	145.4	0.6%
<b>Total</b>	<b>\$16,760.9</b>	<b>100.0%</b>	<b>\$6,155.0</b>	<b>100.0%</b>	<b>\$22,915.9</b>	<b>100.0%</b>

GF: general funds

SF: special funds

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

Source: Department of Legislative Services

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The 21 general fund programs that have mandates or entitlements exceeding \$100 million account for 91.5% of all general fund mandated spending, as seen in **Exhibit 5**. Funding for the 2 largest mandated general fund programs, the Foundation Program and Medicaid, account for 47.2% of all general fund spending for mandates and entitlements. With respect to special and higher education funds, 15 programs exceeded \$100 million, totaling 92.8% of all mandated special fund and higher education spending.



**Exhibit 5**  
**Programs with Statutorily Mandated Appropriations or Entitlements**  
**Exceeding \$100 Million**  
**Fiscal 2023 Allowance**  
**(\$ in Millions)**

	<u>Allowance</u>	<u>% of Funds</u>
<b>General Fund Programs</b>		
Maryland Medical Assistance (Medicaid) Program	\$3,817.2	22.8%
Foundation Program – Education <sup>1</sup>	3,659.5	21.8%
Compensatory Education Grant	1,295.2	7.7%
Developmental Disabilities Administration Medical Assistance	839.2	5.0%
Aid for Local School Employees Fringe Benefits	724.6	4.3%
Judicial Branch	611.9	3.7%
State Retirement Contribution – Executive Branch	568.7	3.4%
General Obligation Bond Debt Service	430.0	2.6%
Limited English Proficiency Grant	422.5	2.5%
Guaranteed Access Grant	401.3	2.4%
Students with Disabilities – Formula	401.3	2.4%
Senator John A. Cade Memorial Formula for the Distribution of Funds to the Community Colleges in the State	349.4	2.1%
Student Transportation – Formula	308.8	1.8%
Foster Care Payments	191.5	1.1%
Disparity Grants	145.8	0.9%
Students with Disabilities – Nonpublic Placements	132.1	0.8%
Education Effort Adjustment	125.7	0.7%
State Aid for Police Protection	122.5	0.7%
Aid to Nonpublic Institutions of Higher Education	118.6	0.7%
Legislative Branch	109.7	0.7%
Need-based Education Grants	107.6	0.6%
<b>Subtotal</b>	<b>\$14,883.1</b>	<b>88.8%</b>
Other	\$1,877.8	11.2%
<b>Total General Funds</b>	<b>\$16,760.89</b>	<b>100.0%</b>

	<u>Allowance</u>	<u>% of Funds</u>
<b>Special Fund Programs</b>		
General Obligation Bond Debt Service	\$1,000.0	16.2%
Maryland Transit Administration Operating Subsidy	971.4	15.8%
Maryland Medical Assistance (Medicaid) Program	726.9	11.8%
Maryland Transit Administration Capital Subsidy	495.3	8.0%
Transportation Debt Service	480.5	7.8%
Washington Metropolitan Area Transit Authority (WMATA) Operating Subsidy	437.6	7.1%
Outdoor Recreation Land Loan Program which includes Program Open Space – State Share	203.2	3.3%
Outdoor Recreation Land Loan Program which includes Program Open Space – Local Share	77.1	1.3%
Local Highway User Capital Grants	276.5	4.5%
State Retirement Contribution	223.3	3.6%
Concentration of Poverty Grants	190.3	3.1%
WMATA Maryland Metro/Transit Funding Act	167.0	2.7%
Foundation Program – Education	157.9	2.6%
WMATA Capital Subsidy	147.5	2.4%
State Grants for Early Education Aid	144.1	2.3%
<b>Subtotal</b>	<b>\$5,698.4</b>	<b>92.6%</b>
Other	\$456.6	7.4%
<b>Total Special Funds</b>	<b>\$6,155.0</b>	<b>100.0%</b>

<sup>1</sup> Foundation Program – Education includes the Geographic Cost of Education Index and supplemental grants.

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

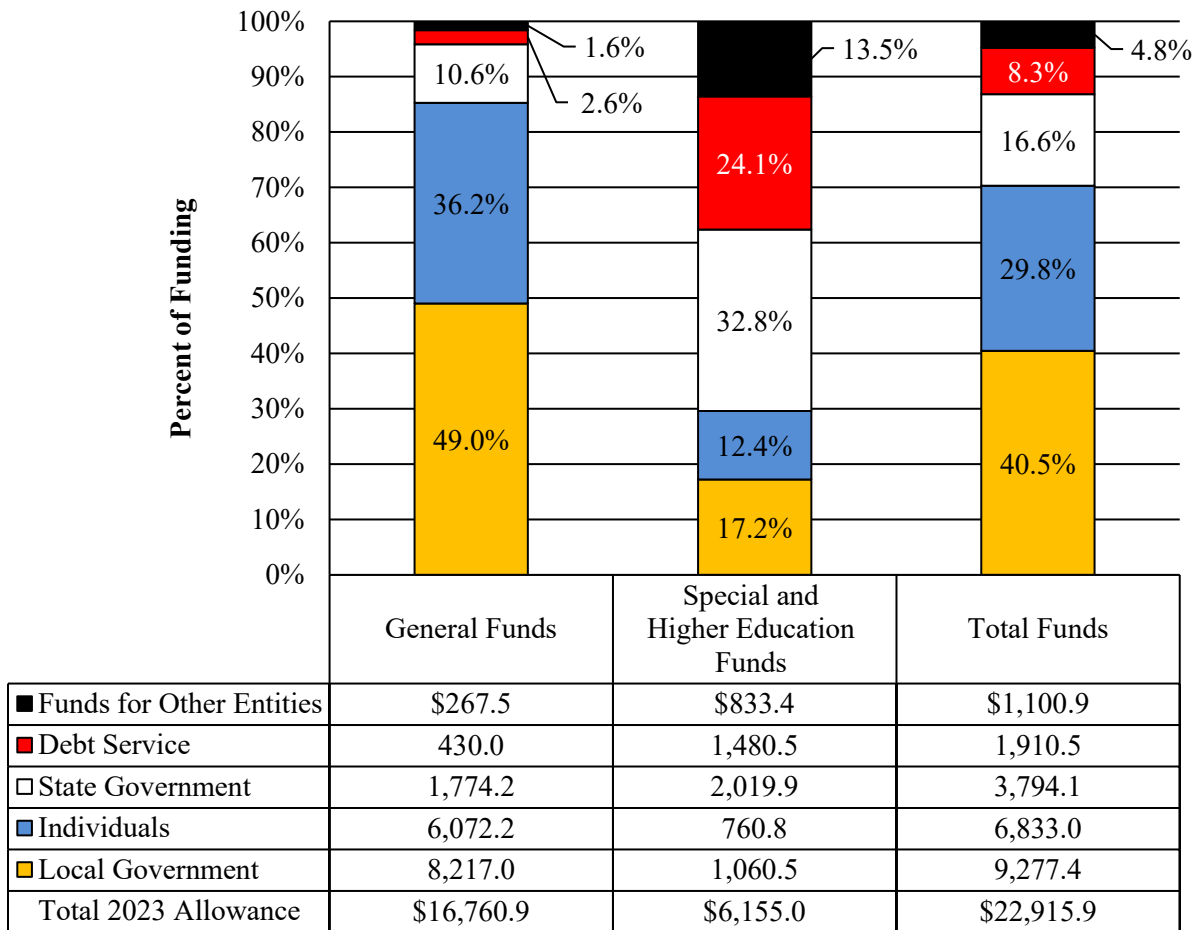
Source: Department of Legislative Services

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When considering who benefits from mandated appropriations and entitlement programs, **Exhibit 6** demonstrates that 70.3% 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 \$3.8 billion, or 16.6%, 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 government functions account for the largest portion of mandated special fund and higher education spending in the fiscal 2023 allowance, receiving approximately 32.8% of the spending, followed by debt service at 24.1% of spending. Additional proposed spending detail by recipient 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 2023 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 seen in **Exhibit 7**, \$24.9 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 2023 allowance, which would have increased the sum of mandated appropriations.

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**Exhibit 7**  
**Statutorily Mandated Appropriations Funded by General Obligation Debt**  
**Fiscal 2023 Allowance**  
**(\$ in Millions)**

County Library Capital Grant Program	\$7.5
Comprehensive Flood Mitigation Program	7.3
Interagency Committee on School Construction – Aging School Program	6.1
Shelter and Transitional Housing Facilities Grant Program	3.0
African American Heritage Preservation Program	1.0
<b>Total</b>	<b>\$24.9</b>

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

Source: Department of Legislative Services

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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, 37 programs were overfunded in fiscal 2023 relative to the mandated spending level, by a total of \$514.3 million.

Seven programs were underfunded relative to their mandated spending level. The total amount below the mandated spending level for these programs reached \$1.9 million below the funding level that these programs were supposed to receive and are largely related to the Horse Racing Special Fund balance within the Maryland Department of Labor.

**Exhibit 8**  
**Underfunded and Overfunded Mandates**  
**Fiscal 2023 Appropriation**  
**(\$ in Millions)**

<u>Underfunded</u>	<u>Mandate</u>	<u>Appropriation</u>	<u>Amount Below Mandate</u>
Maryland Agricultural Fair Grants	\$1.5	\$0.9	-\$0.6
Maryland Million Horse Racing Grant	0.5	0.0	-0.5
Maryland Racing Grants	0.4	0.0	-0.4
Construction Education and Innovation Fund	0.3	0.0	-0.3
Maryland Prenatal and Infant Care Coordination Services Grants	1.1	1.0	-0.1
Financial Consumer Protection	0.3	0.3	0.0
Mel Noland Fellowship Program	0.1	0.0	0.0
<b>Total Underfunded</b>	<b>\$4.0</b>	<b>\$2.1</b>	<b>-\$1.9</b>
<u>Overfunded</u>	<u>Mandate</u>	<u>Appropriation</u>	<u>Amount Above Mandate</u>
Maryland Transit Administration State of Good Repair Capital	\$402.0	\$495.3	\$93.3
State Grants for Early Education Aid	75.9	144.1	68.2
DDA Community Services Providers Reimbursement Rate	57.2	114.1	56.9
Healthy School Facility Fund	40.0	90.0	50.0
State Aid for Police Protection Fund	76.6	122.5	45.9
Autism Waiver Program	30.8	60.8	30.0
Maryland Transit Administration Operating Subsidy	944.8	971.4	26.6
Community College Facilities Renewal Grant Program	3.4	18.4	15.0
Medical Assistance (Medicaid) Program	54.0	68.0	14.0
Statewide Academic Health Centers	13.0	25.0	12.0
Disparity Grants to Counties	135.7	145.8	10.2
Tri-County Council for the Lower Eastern Shore of Maryland	0.2	10.2	10.0
Mid-Shore Regional Council	0.2	10.2	10.0
Students with Disabilities – Nonpublic Placements	132.1	141.4	9.3
Temporary Disability Assistance Program	30.2	38.2	8.0
College Affordability Act	3.0	11.0	8.0
Core Public Health Services Funding Formula	67.3	74.9	7.6

<b><u>Overfunded</u></b>	<b><u>Mandate</u></b>	<b><u>Appropriation</u></b>	<b><u>Amount Above Mandate</u></b>
Comprehensive Flood Management Grant Program	\$2.0	\$7.3	\$5.3
Maryland Tourism Development Fund	6.0	11.3	5.3
Summer SNAP for Children Act	0.2	5.0	4.8
Tobacco Use Reduction Activities	18.3	23.0	4.8
National Capital Strategic Economic Development Program	7.2	11.2	4.0
Food Stamp Minimum Benefit	3.3	6.6	3.3
School-based Health Centers	6.5	9.1	2.6
Department of Labor Prevailing Wage and Employment Standards	0.7	2.8	2.1
Baltimore Regional Development Initiative	12.0	13.0	1.0
State Lakes Protection and Restoration Fund	1.0	2.0	1.0
Public Libraries – Minimum Library Program	48.1	49.2	1.0
Roca Baltimore, LLC	2.0	3.0	1.0
Maryland Center for School Safety – Administrative Funding	2.0	2.8	0.8
Maryland State Fireman’s Association Widows and Orphans	0.1	0.6	0.6
Adult External High School Education Program	0.3	0.8	0.6
Baltimore City YouthWorks Summer Jobs program	2.1	2.6	0.4
Public Libraries – Regional Resource Centers	8.1	8.6	0.4
Pride of Baltimore II Grant	0.5	0.8	0.3
Maryland State Fireman’s Association	0.2	0.4	0.2
Senior Citizens Activities Center Operating Fund	0.8	0.8	0.0
<b>Total Overfunded</b>	<b>\$2,187.7</b>	<b>\$2,702.0</b>	<b>\$514.3</b>

DDA: Developmental Disabilities Administration  
 SNAP: Supplemental Nutrition Assistance Program

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

Source: Department of Legislative Services

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**Appendix 4** 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 2014-2023**  
**(\$ 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>
Mandates	\$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
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
<b>Total</b>	<b>\$14,010.5</b>	<b>\$14,450.5</b>	<b>\$15,163.4</b>	<b>\$15,706.3</b>	<b>\$16,305.5</b>	<b>\$16,924.7</b>	<b>\$17,898.6</b>	<b>\$18,969.5</b>	<b>\$19,205.4</b>	<b>\$22,915.9</b>
<b>Total Allowance</b>	<b>\$27,635.7</b>	<b>\$28,895.7</b>	<b>\$29,062.3</b>	<b>\$30,198.5</b>	<b>\$30,602.5</b>	<b>\$31,793.9</b>	<b>\$33,465.4</b>	<b>\$34,704.5</b>	<b>\$34,689.0</b>	<b>\$40,683.9</b>
% 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%
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
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
Education, K-12 %	42.4%	41.9%	40.0%	40.7%	39.3%	38.7%	39.4%	39.0%	36.4%	35.8%
Health %	30.2%	31.2%	29.4%	29.0%	29.9%	30.2%	29.1%	29.3%	31.8%	26.5%
<b>Total % Education, K-12, and Health on Mandates and Entitlements</b>	<b>72.6%</b>	<b>73.1%</b>	<b>69.4%</b>	<b>69.7%</b>	<b>69.2%</b>	<b>69.0%</b>	<b>68.5%</b>	<b>68.3%</b>	<b>68.2%</b>	<b>62.3%</b>

Source: Department of Legislative Services

**Appendix 2**  
**General Fund**  
**Mandated Appropriations and Entitlements by Type of Recipient**  
**Fiscal 2023 Allowance**  
**(\$ in Millions)**

<u>General Fund Programs</u>	<u>Allowance</u>	<u>% of Total Mandated Approp. or Entitlement</u>
<b>Local Government</b>		
State Share of Foundation Program <sup>1</sup>	\$3,659.5	21.8%
Compensatory Education	1,295.2	7.7%
Aid for Local Employees Fringe Benefits	724.6	4.3%
Limited English Proficiency Grant (English Learner Grant)	422.5	2.5%
Students with Disabilities – Formula	401.3	2.4%
Senator John A. Cade Memorial Formula for the Distribution of Funds to the Community Colleges in the State	349.4	2.1%
Student Transportation – Formula	308.8	1.8%
Disparity Grants to Counties	145.8	0.9%
Students with Disabilities – Nonpublic Placements	132.1	0.8%
Education Effort Adjustment	125.7	0.7%
State Aid for Police Protection Fund	122.5	0.7%
Core Public Health Services Funding Formula	74.9	0.4%
Aid to Community Colleges – Retirement Contributions	61.7	0.4%
Other	393.0	2.3%
<b>Total</b>	<b>\$8,217.0</b>	<b>49.0%</b>
<b>Individuals</b>		
Maryland Medical Assistance (Medicaid) Program	\$3,817.2	22.8%
Developmental Disabilities Administration Medical Assistance	839.2	5.0%
Guaranteed Access Grant	401.3	2.4%
Community Behavioral Health Services for Medicaid Eligible Recipients	308.8	1.8%
Foster Care Payments	191.5	1.1%
Need-based Awards	107.6	0.6%
Maryland Children’s Health Program	98.8	0.6%
Other	307.8	1.8%
<b>Total</b>	<b>\$6,072.2</b>	<b>36.2%</b>
<b>State Government</b>		
Judiciary	\$611.9	3.7%
State Retirement Contribution	568.7	3.4%
Legislative Branch	109.7	0.7%



<u>General Fund Programs</u>	<u>Allowance</u>	<u>% of Total Mandated Approp. or Entitlement</u>
Transfer Tax Repayment (Program Open Space)	\$61.0	0.4%
Baltimore City Community College	43.5	0.3%
University of Maryland Strategic Partnership	38.0	0.2%
Maryland School for the Deaf	37.8	0.2%
HBCU Settlement Funds	37.5	0.2%
Health Insurance – Individual Market Stabilization	32.0	0.2%
St Mary’s College of Maryland	28.2	0.2%
OPEB Sweeper – Dedicated Purpose Account	25.0	0.1%
Pension Sweeper – Dedicated Purpose Account	25.0	0.1%
Other	155.9	0.9%
<b>Total</b>	<b>\$1,774.2</b>	<b>10.6%</b>
<b>Debt Service</b>		
Public Debt Allowance	\$430.0	2.6%
<b>Total</b>	<b>\$430.0</b>	<b>2.6%</b>
<b>Funds for Other Entities</b>		
Joseph A. Sellinger Program for Aid to Nonpublic Institutions of Higher Education	\$118.6	0.7%
Property Tax Credits – Enterprise Zones	27.0	0.2%
Maryland State Arts Council	26.8	0.2%
Maryland School for the Blind	26.5	0.2%
Children At Risk – Public Residential Boarding School (SEED School)	12.3	0.1%
Baltimore Regional Development Initiative	12.0	0.1%
Seed Community Development Anchor Institution Fund	10.0	0.1%
Prince George’s Regional Medical Center	10.0	0.1%
Other	24.3	0.1%
<b>Total</b>	<b>\$267.5</b>	<b>1.6%</b>
<b>Total Mandated and Entitlement General Funds</b>	<b>\$16,760.9</b>	<b>100.0%</b>

HBCU: Historically Black Colleges and Universities  
OPEB: Other Post Employment Benefits  
SEED: School for Education Evolution and Development

<sup>1</sup> Foundation Program includes the Geographic Cost of Education Index and other supplemental grants.

Source: Department of Legislative Services

**Appendix 3**  
**Special and Higher Education Fund**  
**Mandated Appropriations and Entitlements by Type of Recipient**  
**Fiscal 2023 Allowance**  
**(\$ in Millions)**

<b><u>Special Fund Programs</u></b>	<b><u>Allowance</u></b>	<b><u>% of Total Mandated Approp. or Entitlement</u></b>
<b>Local Government</b>		
Local Highway User Capital Grants	\$276.5	4.5%
Concentration of Poverty	190.3	3.1%
Geographic Cost of Education Index (Regional Cost Difference)	157.9	2.6%
State Grants for Early Education Aid (Publicly Funded Prekindergarten)	144.1	2.3%
Outdoor Recreation Land Loan Program and Program Open Space – Local Share	77.1	1.3%
Blueprint Transition Grants	57.7	0.9%
Transitional Supplemental Instruction	50.0	0.8%
Montgomery and Prince George’s County Bus Service Operating Subsidies	46.1	0.7%
Baltimore City Public School Construction	20.0	0.3%
Other	40.9	0.7%
<b>Total</b>	<b>\$1,060.5</b>	<b>17.2%</b>
<b>Individuals</b>		
Medical Assistance (Medicaid) Program	\$726.9	11.8%
Other	33.9	0.6%
<b>Total</b>	<b>\$760.8</b>	<b>12.4%</b>
<b>State Government</b>		
Maryland Transit Administration Operating Subsidy	\$971.4	15.8%
Maryland Transit Administration State of Good Repair Capital	495.3	8.0%
State Retirement Contribution	223.3	3.6%
Outdoor Recreation Land Loan Program and Program Open Space – State Share	203.2	3.3%
Judiciary	64.5	1.0%
Other	62.3	1.0%
<b>Total</b>	<b>\$2,019.9</b>	<b>32.8%</b>
<b>Debt Service</b>		
Public Debt Allowance	\$1,000.0	16.2%
Transportation Debt Service Requirements	480.5	7.8%
<b>Total</b>	<b>\$1,480.5</b>	<b>24.1%</b>

<b><u>Special Fund Programs</u></b>	<b><u>Allowance</u></b>	<b><u>% of Total Mandated Approp. or Entitlement</u></b>
<b>Funds for Other Entities</b>		
Washington Metropolitan Area Transit Authority (WMATA) – Operating Subsidy	\$437.6	7.1%
Maryland Metro/Transit Funding Act	167.0	2.7%
WMATA – Capital/Debt Service Subsidy	147.5	2.4%
Prekindergarten Expansion	26.6	0.4%
Statewide Academic Health Centers	15.0	0.2%
Other	39.7	0.6%
<b>Total</b>	<b>\$833.4</b>	<b>13.5%</b>
<b>Total Mandated and Entitlement Special Funds</b>	<b>\$6,155.0</b>	<b>100.0%</b>

Source: Department of Legislative Services

**Appendix 4**  
**Mandate and Entitlement Spending**  
**Allowance versus Appropriation**  
**Fiscal 2011-2023**  
**(\$ in Millions)**

	<u>GF</u>	<u>SF</u>	<u>GO</u> <u>Funds</u>	<u>Total</u> <u>State Funds</u>
<b>Fiscal 2023</b>				
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	<b>-\$127.9</b>	<b>\$242.7</b>	<b>\$0.0</b>	<b>\$114.8</b>
Reduction Percentage Change of State Mandate/Entitlement Expenditures				<b>0.5%</b>
<b>Fiscal 2022</b>				
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	<b>-\$539.4</b>	<b>\$109.5</b>	<b>\$17.8</b>	<b>-\$412.1</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>-2.2%</b>
<b>Fiscal 2021</b>				
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	<b>-\$258.6</b>	<b>-\$14.6</b>	<b>\$0.0</b>	<b>-\$273.2</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>-1.5%</b>
<b>Fiscal 2020</b>				
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	<b>-\$277.5</b>	<b>\$275.5</b>	<b>-\$1.0</b>	<b>-\$3.0</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>0.0%</b>
<b>Fiscal 2019</b>				
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	<b>-\$102.1</b>	<b>\$0.7</b>	<b>\$7.0</b>	<b>-\$94.4</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>-0.6%</b>

	<u>GF</u>	<u>SF</u>	<u>GO Funds</u>	<u>Total State Funds</u>
<b>Fiscal 2018</b>				
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	<b>\$50.8</b>	<b>\$2.3</b>	<b>\$4.0</b>	<b>\$57.1</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>0.3%</b>
<b>Fiscal 2017</b>				
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	<b>-\$4.3</b>	<b>-\$29.3</b>	<b>-\$6.1</b>	<b>-\$39.7</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>-0.3%</b>
<b>Fiscal 2016</b>				
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	<b>-\$42.1</b>	<b>-\$17.7</b>	<b>-\$5.0</b>	<b>-\$64.8</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>-0.4%</b>
<b>Fiscal 2015</b>				
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	<b>-\$176.2</b>	<b>-\$26.5</b>	<b>\$0.0</b>	<b>-\$202.7</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>-1.4%</b>
<b>Fiscal 2014</b>				
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	<b>-\$136.0</b>	<b>-\$72.1</b>	<b>-\$2.3</b>	<b>-\$210.4</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>-1.5%</b>
<b>Fiscal 2013</b>				
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	<b>-\$466.2</b>	<b>\$107.5</b>	<b>\$8.6</b>	<b>-\$350.1</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>-2.6%</b>

	<u>GF</u>	<u>SF</u>	<u>GO Funds</u>	<u>Total State Funds</u>
<b>Fiscal 2012</b>				
Allowance	\$10,728.9	\$2,870.8	\$74.7	\$13,674.4
Appropriation	10,601.8	2,802.7	59.8	13,464.3
Fiscal 2012 Reductions	<b>-\$127.1</b>	<b>-\$68.1</b>	<b>-\$14.9</b>	<b>-\$210.1</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>-1.6%</b>
<b>Fiscal 2011</b>				
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	<b>-\$246.6</b>	<b>-\$307.5</b>	<b>\$75.0</b>	<b>-\$479.1</b>
Reduction Percentage of State Mandate/Entitlement Expenditures				<b>-4.2%</b>

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

Note: Excludes federal spending.

Source: Department of Legislative Services