
Fiscal Briefing

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Office of Policy Analysis
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Contents

Quick Look at Fiscal 2024 Budget.....	1
Ongoing Funding Gaps.....	9
Estimated Blueprint Costs and Funding Sources	10
Economic and Revenue Outlook	
Maryland Economy – Calendar 2023.....	11
Fiscal 2023 General Fund Revenues.....	12
General Fund Revenue Forecast	13
Operating Budget	
General Fund: End-of-year Balance.....	14
Fiscal 2024 Deficiencies, Net of Planned Reversions, Total \$1.2 Billion.....	15
Fiscal 2024 General Fund Deficiencies, Net of Planned Reversions, Totals \$308 Million.....	16
Fiscal 2025 Operating Budget by Fund Type and Fiscal 2024 to 2025 Growth Percentage.....	17
General Funds Decrease by \$1.6 Billion, Primarily Due to One-time Transfers and PAYGO	18
State Agency Spending Increases by \$759.6 Million, Excluding Prior Year Costs	19
Budget Reconciliation and Financing Act.....	20
Personnel	
Analysis of Executive Branch Vacancies and Turnover Rate	22
Salary Increases.....	23
Change in Authorized Positions Since Fiscal 2024	24
State Retirement and Pension System	25
State Aid	
State Aid by Government Entity.....	26
State Aid by Major Program.....	27
State Aid to Local Governments.....	28
Transportation	
Eliminating the CTP Shortfall	29
<i>Consolidated Transportation Program Comparison</i>	<i>30</i>

Capital

Capital Program 32

Appendices

Appendix 1 State Expenditures – All Funds 35

Appendix 2 State Expenditures – General Funds 36

Appendix 3 State Expenditures – Special and Higher Education Funds 37

Appendix 4 State Expenditures – Federal Funds 38

Appendix 5 State Expenditures – State Funds 39

Appendix 6 State Aid to Local Governments – Comparison by Per Capita Aid and Annual Change 40

Appendix 7 State Aid to Local Governments – Fiscal 2025 Allowance 41

Appendix 8 State Aid to Local Governments – Fiscal 2024 Working Appropriation..... 42

Appendix 9 State Aid to Local Governments – Dollar Difference Between Fiscal 2025 Allowance and Fiscal 2024 Working Appropriation 43

Appendix 10 State Aid to Local Governments – Percent Change: Fiscal 2025 Allowance over Fiscal 2024 Working Appropriation 44

Appendix 11 State Aid to Local Governments – Annual Change in State Aid..... 45

Appendix 12 Comparison of Transportation Trust Fund Forecasts..... 46

Appendix 13 Rainy Day Fund Balance as a Percent of General Fund Revenues ... 48

Appendix 14 General Fund – Proposed Fiscal 2025 Change over Adjusted Fiscal 2024 Spending..... 49

Appendix 15 Funds Remaining in Dedicated Purpose Account..... 52

Appendix 16 Capital Program Summary for the 2025 Session as Introduced..... 53

Appendix 17 Top Funded Programs and Projects – All Funds 55

Appendix 18 Status of Fiscal 2025 Capital Mandates 57

Appendix 19 Capital Budget – Status of 2023 Session Legislative Preauthorizations for Fiscal 2025..... 58

Appendix 20 Medicaid and Maryland Children’s Health Program Budget 60

Quick Look at Fiscal 2025 Budget

Budget Growth Fiscal 2024-2025 (\$ in Millions)

	<u>2024 Plan</u>	<u>2025 Plan</u>	<u>\$ Change</u>	<u>% Change</u>
All Funds	\$64,208	\$63,086	-\$1,122	-1.7%
General Funds	27,417	25,817	-1,601	-5.8%
Special Funds*	17,067	17,917	850	5.0%
Federal Funds	19,724	19,352	-371	-1.9%

*Includes higher education funds.

- The Governor's spending plan leaves a general fund balance of \$103 million at the end of fiscal 2025.
- The Revenue Stabilization Account (Rainy Day Fund) ends fiscal 2025 with a balance of \$2.3 billion (9.4% of general fund revenues). Combined cash balances at the close of fiscal 2025 of \$2.4 billion represent about 9.8% of general fund revenues.
- Ongoing spending in the fiscal 2025 allowance exceeds ongoing revenues by \$495 million, \$13 million better than the Spending Affordability Committee's (SAC) goal of limiting the structural deficit to \$508 million.
- The fiscal 2024 budget approved by the General Assembly last session allocated a significant share of the State's general fund budget surplus to one-time capital pay-as-you-go (PAYGO) investments (\$1.3 billion) and to the Blueprint for Maryland's Future Fund (\$900 million) to cover future K-12 education costs. Only \$74 million of general fund capital PAYGO is funded in fiscal 2025, and no additional funds are allocated to the Blueprint Fund, contributing to an overall \$1.6 billion decline in general fund spending.
- Federal spending declines in fiscal 2025 as enhanced Medicaid matching funds available to mitigate the impact of the pandemic sunset. Growth in special fund spending reflects a \$315 million increase in Blueprint Fund spending and more than \$400 million of additional higher education spending from own-source revenues (tuition and fees, federal grants and contracts, etc.).
- The Administration's budget plan includes revenue and spending adjustments with a combined general fund impact of \$994 million that are contingent on legislation.

General Fund Impact of Governor's Legislative Proposals
Fiscal 2025
(\$ in Millions)

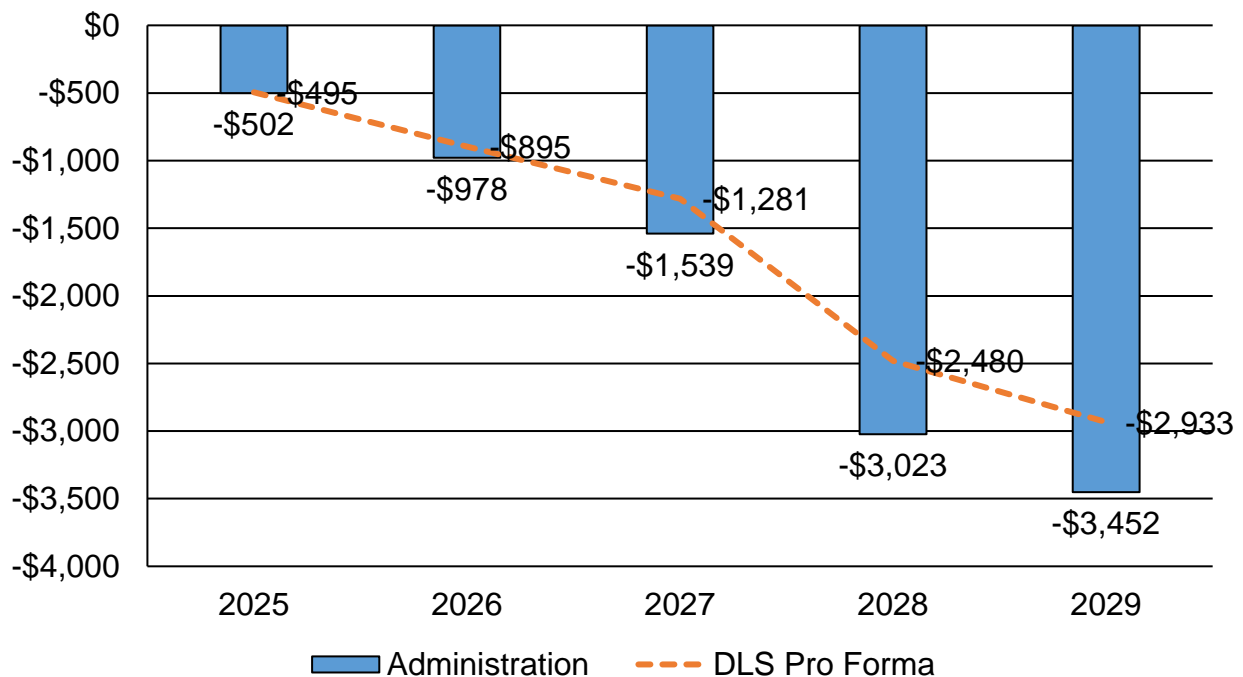
Fiscal 2025 Closing Balance Before Legislative Action		-\$891.4
Revenue Adjustments		
Adjust Revenue Volatility Cap	\$40.0	
Reduce Lottery Agent Commissions	35.0	
Redirect Special Fund Interest Earnings	29.3	
Repeal Small Business Relief Tax Credit	1.3	
		\$105.6
Transfers to General Fund		
Dedicated Purpose Account – Cybersecurity	149.5	
Dedicated Purpose Account – Various Capital Projects	44.0	
Unemployment Insurance Trust Fund (State Employees)	40.0	
Dedicated Purpose Account – Pediatric Cancer & Resilient Maryland	10.8	
Dedicated Purpose Account – Miscellaneous	0.4	
		244.6
Spending Reductions Contingent on Enactment of Legislation		
No Appropriation to Rainy Day Fund	495.5	
Modify Sellinger Formula	63.8	
No Allocation of Fiscal 2023 Surplus to Retirement Liabilities	50.0	
Modify Community College Formula	22.6	
Other Reductions	45.2	
		677.2
New Spending Contingent on Enactment of Legislation		
ENOUGH Act	-15.0	
Center for Firearm Violence Prevention and Intervention	-10.0	
TEDCO Initiatives	-3.8	
Assisted Outpatient Treatment Grants	-3.0	
Maryland Community Investment Corporation	-0.8	
Office of Tenancy Rights	-0.3	
		-32.9
Fiscal 2025 Governor's Proposed Closing Balance		\$103.0

TEDCO: Maryland Technology Development Corporation

Structural Outlook

- The Administration's budget plan anticipates that the structural deficit will grow from \$502 million in fiscal 2025 to \$3.4 billion by fiscal 2029, meaning ongoing spending is expected to far exceed projected revenues. While the Department of Legislative Services (DLS) anticipates somewhat lower spending in the out-years on Medicaid and K-12 education, the DLS structural gap estimate still reaches almost \$3 billion in fiscal 2029.

General Fund Structural Budget Outlook
Fiscal 2025-2029
(\$ in Millions)

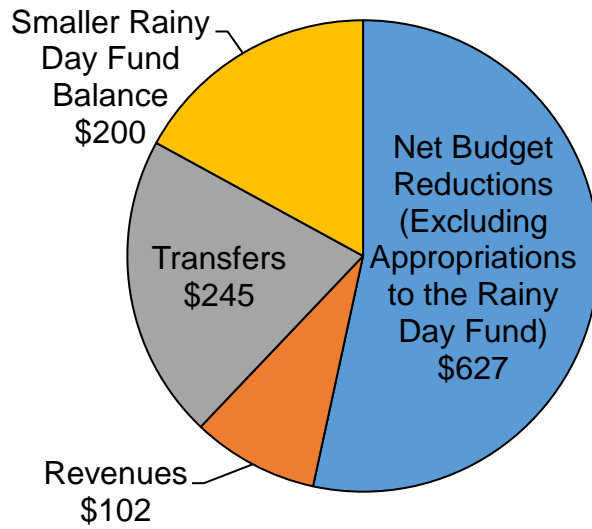


DLS: Department of Legislative Services

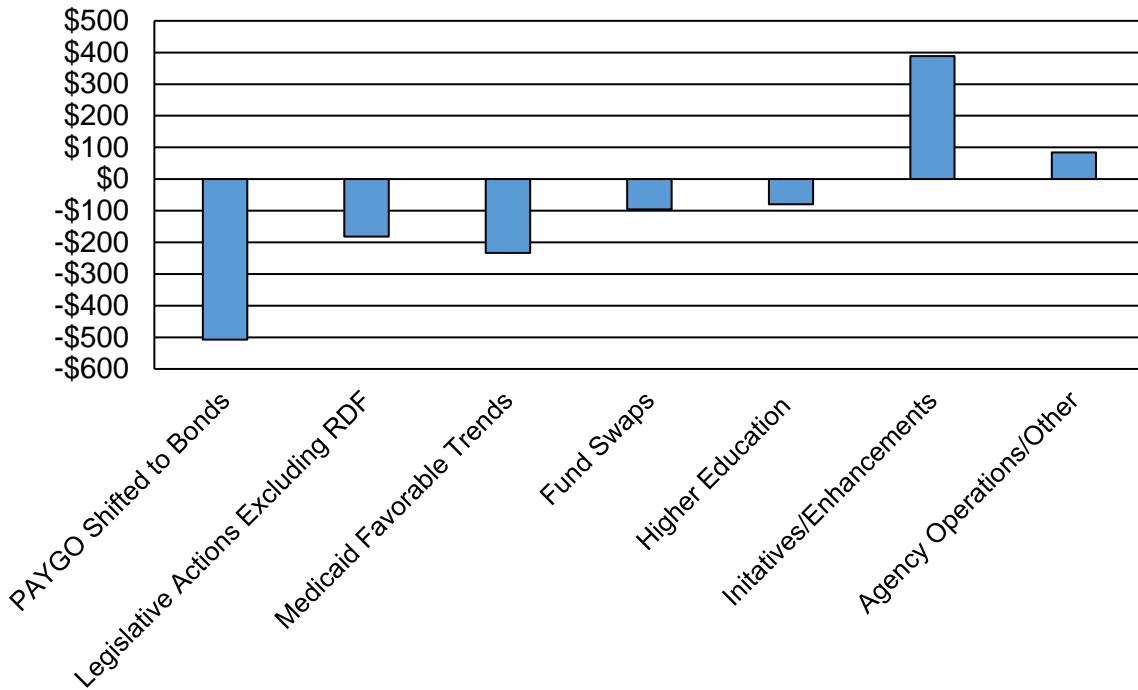
How Did the Governor Eliminate the Projected Cash Deficit for Fiscal 2025?

- In December 2023, DLS estimated that the State would close fiscal 2025 with a cash shortfall of \$1.1 billion assuming the Rainy Day Fund balance remained at 10% of general fund revenues.
- The Governor's budget plan erases the deficit by reducing spending, proposing revenue enhancements, transferring funds from various balances and accounts to the general fund, and by leaving less in the Rainy Day Fund.

**Governor's Balancing Strategy Erases Projected \$1.1 Billion Deficit
(\$ in Millions)**



**What Accounts for the \$627 Million of Budget Savings?
Allowance Compared to DLS December Forecast
(\$ in Millions)**



DLS: Department of Legislative Services
 PAYGO: pay-as-you-go
 RDF: Rainy Day Fund

Budget Includes Enhancements

- The budget plan includes at least \$389 million of funding for enhancements not anticipated in the DLS forecast including general fund support for the Washington Metropolitan Area Transit Authority (WMATA) (\$150 million), higher salary increases for State workers (\$125 million), and grants to higher education institutions for security (\$25 million).

Initial Summary of Discretionary Enhancements (\$ in Millions)

<u>Discretionary Enhancements</u>	<u>Amount</u>
WMATA Additional Operating Aid	\$150
Employee Compensation Above Forecast (3% COLA Rather Than 2%, Extra Increment for Workers with 4.5 Years of Service, etc.)	125
Higher Education Security Grants	25
ENOUGH Act*	15
DJS Enhanced Services Continuum	12
End the Wait List – Capacity Building	10
Center for Firearm Violence Prevention and Intervention*	10
Service and Civic Innovation – Increase Participants	8
West North Avenue Revitalization Grants	5
TEDCO Initiatives*	4
Police Aid	4
Thrive Academy – Gun Violence Prevention Program	4
Correctional Education	3
Rebuild State Government	3
Assisted Outpatient Treatment*	3
Other (\$1.1 Million of Which Is Contingent)*	7
Total	\$389

*Contingent upon enactment of legislation.

COLA: cost-of-living adjustment

DJS: Department of Juvenile Services

TEDCO: Maryland Technology Development Corporation

WMATA: Washington Metropolitan Area Transit Authority

Other Key Features

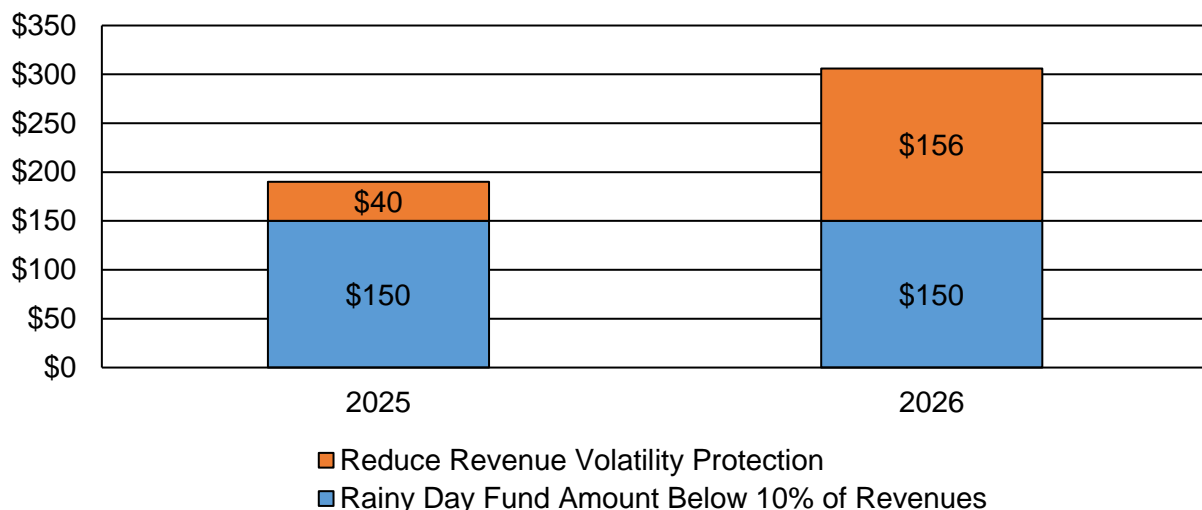
- K-12 education funding increases by \$449.7 million (5.2%).
- Rates for most health care providers, including those serving Medicaid enrollees, the developmentally disabled, and people with behavioral health needs, increase by 3%.

- Almost \$488 million is allocated to the child care scholarship program to address shortfalls in fiscal 2023 and 2024 and adequately fund the fiscal 2025 budget. Programmatic changes to expand eligibility, reduce cost sharing, and increase provider payment rates have contributed to a surge in participation and costs.
- The allowance includes \$350 million of general funds for salary increases including a 3% cost-of-living adjustment, employee increments, an extra increment in January 2025 for employees with 4.5 or more years with the State, and targeted salary adjustments for groups of positions that have proven especially difficult to fill.
- Relief for the Transportation Trust Fund (TTF) is provided through the allocation of \$187 million of general obligation (GO) bonds and \$150 million of general funds to transportation priorities. The funds support WMATA capital needs (\$167 million), the Howard Street tunnel (\$20 million), and budget challenges at WMATA resulting from having exhausted federal stimulus dollars (\$150 million). The Administration has also committed to transferring \$100 million from the Rainy Day Fund for transportation needs in fiscal 2024.
- \$90 million in Strategic Energy Investment Funds is reserved in the Dedicated Purpose Account to fund the State's Climate Pollution Reduction Plan.
- The budget reserves \$50 million for the General Assembly to allocate for capital priorities. This amount falls far short of the \$200 million recommended by SAC.
- Capital spending from GO bonds is funded at \$1,750 million, the level recommended by SAC. Another \$42.8 million of GO capacity is created through deauthorizations of previously approved projects. The GO authorizations are supplemented by \$74 million of general fund PAYGO.
- \$100.8 million of the \$148.2 million of legislative preauthorizations from the 2023 session are funded.
- The budget dedicates \$453.5 million of GO bonds and cash to school facility needs which, when coupled with \$452.4 million of Built to Learn revenue bonds and cash, brings the total funding for school facilities to \$906 million.

Potential Legislative Issues

- The long-term sustainability of the budget. The Governor’s proposal meets the SAC goal for fiscal 2025, but the State’s spending commitments are not sustainable in the long term without the identification of additional revenues.
- The health of the TTF.
- The affordability of legislation with a significant fiscal note.
- The adequacy of funding for Medicaid. The Administration’s proposed spending level is significantly lower than the DLS forecast despite projecting higher enrollment than DLS observed in the fall. DLS will reevaluate using the most recent expenditure and enrollment data available.
- The status of the Maryland Emergency Medical System Operations Fund. Ongoing revenues dedicated to the fund are not adequate to support the costs incurred to provide emergency services with the Administration projecting a \$16 million shortfall in fiscal 2026, growing to \$22 million by fiscal 2029.
- Considering whether temporary budget actions proposed by the Governor to balance the fiscal 2025 budget, such as reducing the revenue volatility set-aside and drawing down the Rainy Day Fund, should be replaced by actions that will produce ongoing savings. The volatility set aside and a robust Rainy Day Fund provide a safeguard against the need to make deep cuts at the outset of a recession.

Administration Plan Reduces Reserves and Protections Against Capital Gains Volatility (\$ in Millions)



- State hiring and retention. Filling positions continues to pose a significant challenge for the State. Despite salary increases of more than 13% over the last two years, Executive Branch vacancies exceed 10%.
- Retiree health benefits. After years of litigation, the State is poised to implement changes to the retiree prescription drug benefits originally enacted in 2011 and revised in 2019 that would shift retirees to Medicare Part D for their prescription drug coverage beginning in calendar 2025. General fund savings of \$50 million, representing half a year of implementation, are assumed in the fiscal 2025 budget.

Ongoing Funding Gaps

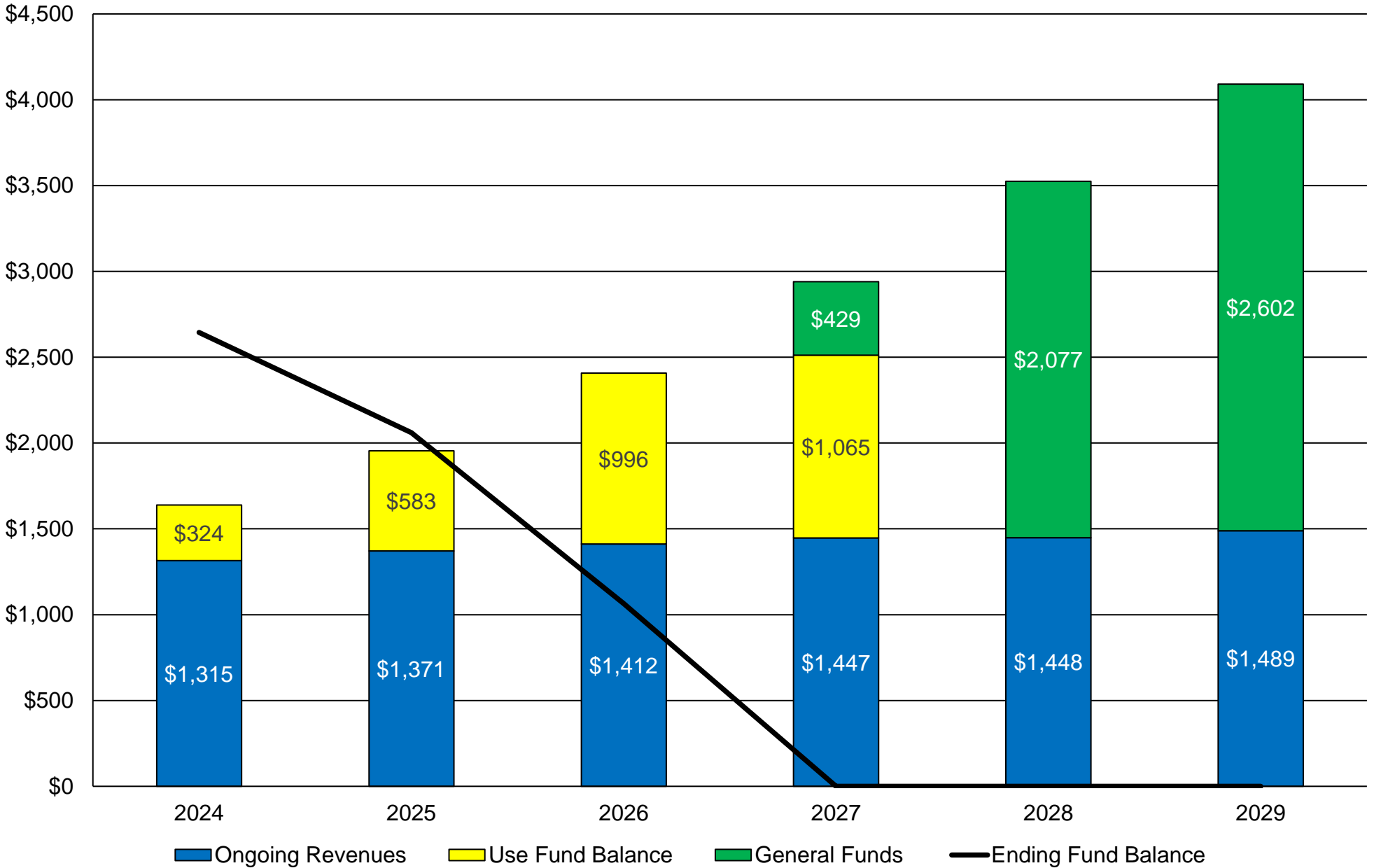
<u>Shortfalls and Unfunded Commitments</u>	<u>Annual Gap Between Commitments and Revenues</u>
General Fund – Structural Gap	\$2,933
Transportation Trust Fund – Fund Ongoing Commitments	420
MDOT – Capital Needs for Large Projects (e.g. Red Line)	TBD
MEMSOF – Structural Gap	35
Total	\$3,388

MDOT: Maryland Department of Transportation

MEMSOF: Maryland Emergency Medical System Operations Fund

TBD: to be determined

Estimated Blueprint Costs and Funding Sources
Fiscal 2024-2029
(\$ in Millions)



Maryland Economy – Calendar 2023

Month	Employment		Quarterly Wage Per Worker			Housing Market	
	Percent Change Over 2022	Difference over February 2020	Unemployment Rate	Nominal (Over 2022)	Inflation Adjusted (Over 2022)	Existing Home Sales Over 2022	Median Home Price Over 2022
January	1.5%	-46,600	3.0%			-37.7%	1.6%
February	0.8%	-47,300	2.9%			-27.9%	4.2%
March	1.3%	-44,600	2.7%	4.9%	-0.8%	-27.4%	1.2%
April	1.4%	-39,100	2.5%			-33.8%	1.7%
May	1.3%	-37,000	2.4%			-24.2%	1.5%
June	1.7%	-35,300	2.0%	4.3%	0.3%	-21.7%	1.3%
July	0.8%	-32,700	1.8%			-22.6%	4.0%
August	1.1%	-22,500	1.7%			-20.2%	6.4%
September	1.6%	-5,500	1.6%	3.0%	-0.5%	-22.6%	5.3%
October	1.7%	-13,700	1.7%			-14.5%	5.2%
November	1.4%	-18,500	1.8%			-9.0%	6.7%
December						-10.7%	7.5%
<i>Year-to-Date</i>	1.3%	<i>n.a.</i>	2.2%	4.1%	-0.4%	-20.5%	3.9%

U.S. CPI Forecast: Year-over-year Percent Change

	<u>Calendar 2021</u>	<u>Calendar 2022</u>	<u>Calendar 2023</u>	<u>Calendar 2024</u>	<u>Calendar 2025</u>	<u>Calendar 2026</u>	<u>Calendar 2027</u>
Moody's Analytics	4.7%	8.0%	4.1%	2.7%	2.4%	2.3%	2.2%
IHS Markit	4.7%	8.0%	4.1%	2.7%	2.0%	2.4%	2.4%

Note: Employment and the unemployment rate based on seasonally adjusted data. Wage per worker is calculated by dividing aggregate wages by employment. Data on home sales and the median home price from the Maryland Association of Realtors.

Fiscal 2023 General Fund Revenues (\$ in Millions)

	Fiscal 2022		Fiscal 2023			Fiscal 2022-2023 Percent Change	
	<u>Actual</u>	<u>Estimate</u>	<u>Actual</u>	<u>\$ Diff.</u>	<u>% Diff.</u>	<u>Estimated</u>	<u>Actual</u>
Personal Income Tax	\$13,548	\$13,803	\$13,469	-\$333	-2.4%	1.9%	-0.6%
Corporate Income Tax	1,700	1,732	1,816	84	4.9%	1.9%	6.8%
Sales and Use Tax	5,967	6,018	6,005	-13	-0.2%	0.9%	0.6%
State Lottery	635	636	655	19	3.0%	0.2%	3.2%
Other	2,208	2,423	2,527	104	4.3%	9.7%	14.4%
Ongoing General Funds	\$24,058	\$24,612	\$24,473	-\$139	-0.6%	2.3%	1.7%
One-time Revenues ⁽¹⁾	\$16	\$0	\$0	\$0			
Transfer to Rental Housing Fund ⁽²⁾	-\$30	0	0	0			
Transfer to Blueprint Fund ⁽³⁾	0	-800	-800	0			
Volatility Adjustment	0	-100	0	100			
Total General Fund Revenues	\$24,045	\$23,712	\$23,673	-\$39	-0.2%	-1.4%	-1.5%

⁽¹⁾ Fiscal 2022 includes \$16.3 million from the Maryland Technology Development Corporation.

⁽²⁾ Chapters 336 and 337 of 2022 required a transfer of \$30 million to the Rental Housing Fund in fiscal 2022.

⁽³⁾ Chapter 33 of 2022 required a transfer of \$800 million from personal income tax revenues to The Blueprint for Maryland's Future Fund in fiscal 2023 only.

Note: The estimate from March 2023 has been adjusted for actions taken at the 2023 legislative session.

Source: Maryland Lottery and Gaming Control Agency; Office of the Comptroller; Board of Revenue Estimates

General Fund Revenue Forecast \$ in Millions

	Fiscal 2024 Estimate			Percent	Fiscal 2025 Estimate			Percent
	<u>Sep 2023</u>	<u>Dec 2023</u>	<u>Difference</u>	<u>Change vs. Fiscal 2023</u>	<u>Sep 2023</u>	<u>Dec 2023</u>	<u>Difference</u>	<u>Change vs. Fiscal 2024</u>
Personal Income Tax	\$13,836	\$13,782	-\$54	2.3%	\$14,448	\$14,421	-\$27	4.6%
Corporate Income Tax	1,752	1,773	21	-2.3%	1,697	1,747	49	-1.5%
Sales and Use Tax ⁽¹⁾⁽²⁾	6,088	5,944	-144	-1.0%	6,273	6,096	-177	2.5%
State Lottery	661	650	-11	-0.9%	548	526	-23	-19.0%
Other	2,349	2,464	116	-2.5%	2,255	2,269	14	-7.9%
Ongoing General Funds	\$24,686	\$24,614	-\$72	0.6%	\$25,221	\$25,059	-\$163	1.8%
GAAP Transfer ⁽³⁾	\$0	\$150	\$150	n.a.	\$0	\$0	\$0	n.a.
Volatility Adjustment ⁽⁴⁾	-120	-120	0	n.a.	-140	-140	0	16.7%
Total General Funds	\$24,566	\$24,644	\$78	4.1%	\$25,081	\$24,919	-\$163	1.1%

GAAP: generally accepted accounting principles

⁽¹⁾ Chapter 33 of 2022 changed the sales tax distribution to The Blueprint for Maryland's Future Fund beginning in fiscal 2023 to a percentage of total net receipts after the distribution of the short-term rental vehicle tax. In fiscal 2023, the percentage is 9.2% rising to 11.0% in fiscal 2024 and 11.3% in fiscal 2025.

⁽²⁾ Fiscal 2024 and 2025 include revenues from the 9% sales tax imposed on cannabis authorized by Chapters 254 and 255 of 2023. Estimated general fund sales tax revenues equal \$18.0 million in fiscal 2024 and \$36.6 million in fiscal 2025. The estimate was the same in the September and December forecasts.

⁽³⁾ The Comptroller's annual analysis of the local income tax reserve account determined the account was overfunded at the end of fiscal 2023 by \$315.7 million. The Board of Revenue Estimates chose to transfer a little less than half that amount to reduce the overfunding in the account.

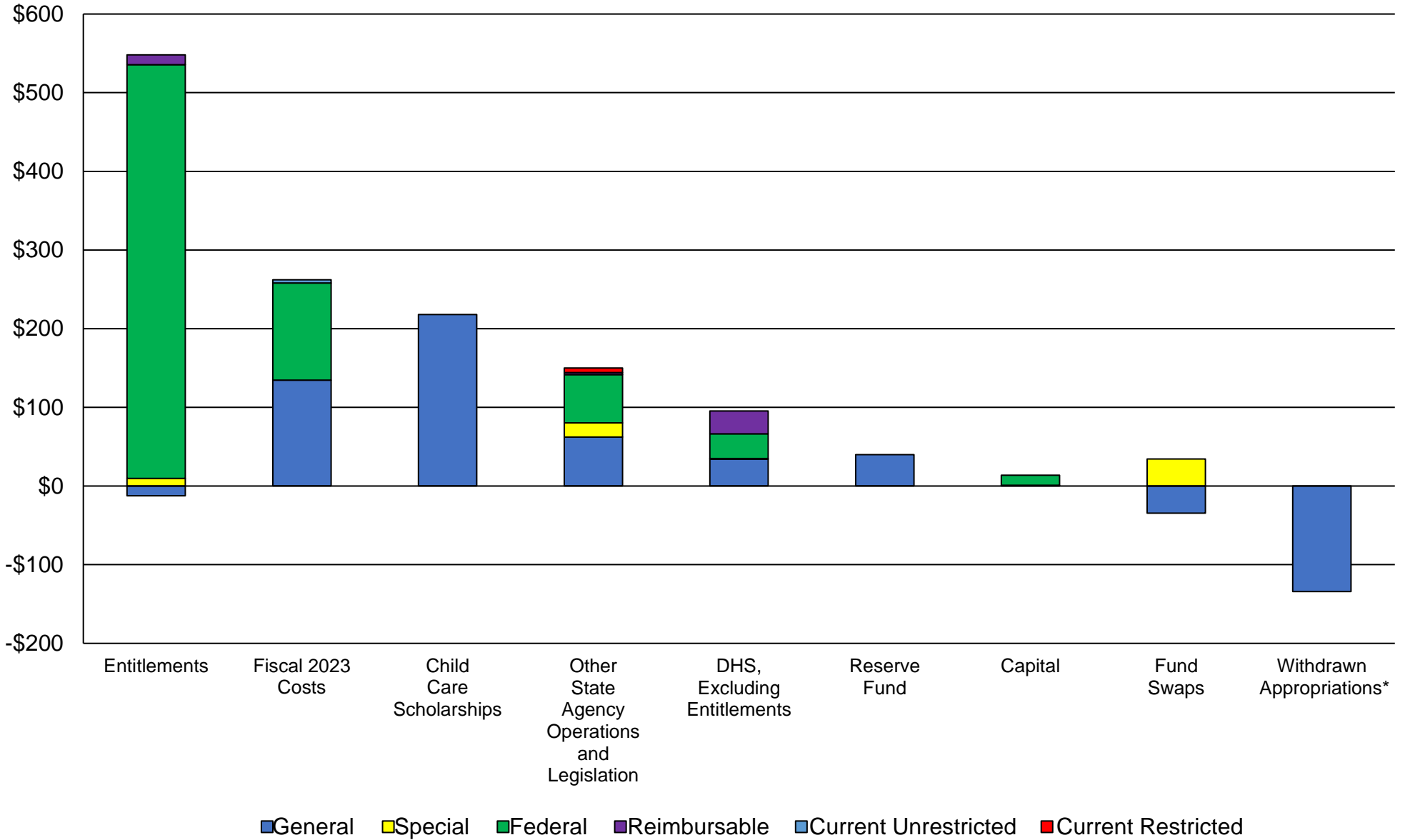
⁽⁴⁾ Chapters 4 and 550 of 2017 as amended by the Budget Reconciliation and Financing Act of 2018 require the Board of Revenue Estimates, beginning with fiscal 2020, to calculate an adjustment to the general fund revenue estimate based on the share of revenues from nonwithholding personal income tax payments relative to the historical average. The amount of the adjustment is capped at 2.0% of the total general fund revenue estimate with specific dollar caps in fiscal 2023 through 2025. If the 2.0% cap were in effect for fiscal 2024 and 2025, the adjustments would be \$442.0 million and \$403.6 million, respectively.

Source: Board of Revenue Estimates

General Fund: End-of-year Balances
Fiscal 2023-2025
(\$ in Millions)

	2023 <u>Actual</u>	2024 <u>Working</u>	2025 <u>Allowance</u>
Funds Available			
Total Funds Available	\$30,399	\$27,956	\$25,920
Total Spending	27,815	\$27,417	\$25,817
Cash Balance	\$2,584	\$538	\$103
Structural Balance (Ongoing Revenues Less Ongoing Spending)	\$1,386	-\$864	-\$495
Ratio (Ongoing Revenues/Ongoing Operating Costs)	106.0%	96.6%	98.1%
Reserve Fund Activity			
Appropriations to the Revenue Stabilization Account (Rainy Day Fund)	\$2,416	\$600	\$0
Transfers to General Fund	-1,166	-479	-246
Estimated Rainy Day Fund Balance – June 30	\$2,958	\$2,448	\$2,313
Available Cash Balance (General Funds + Rainy Day Fund Above 10%)	\$3,094	\$538	\$103
Rainy Day Fund Balance In Excess of 10%	\$510	\$0	\$0

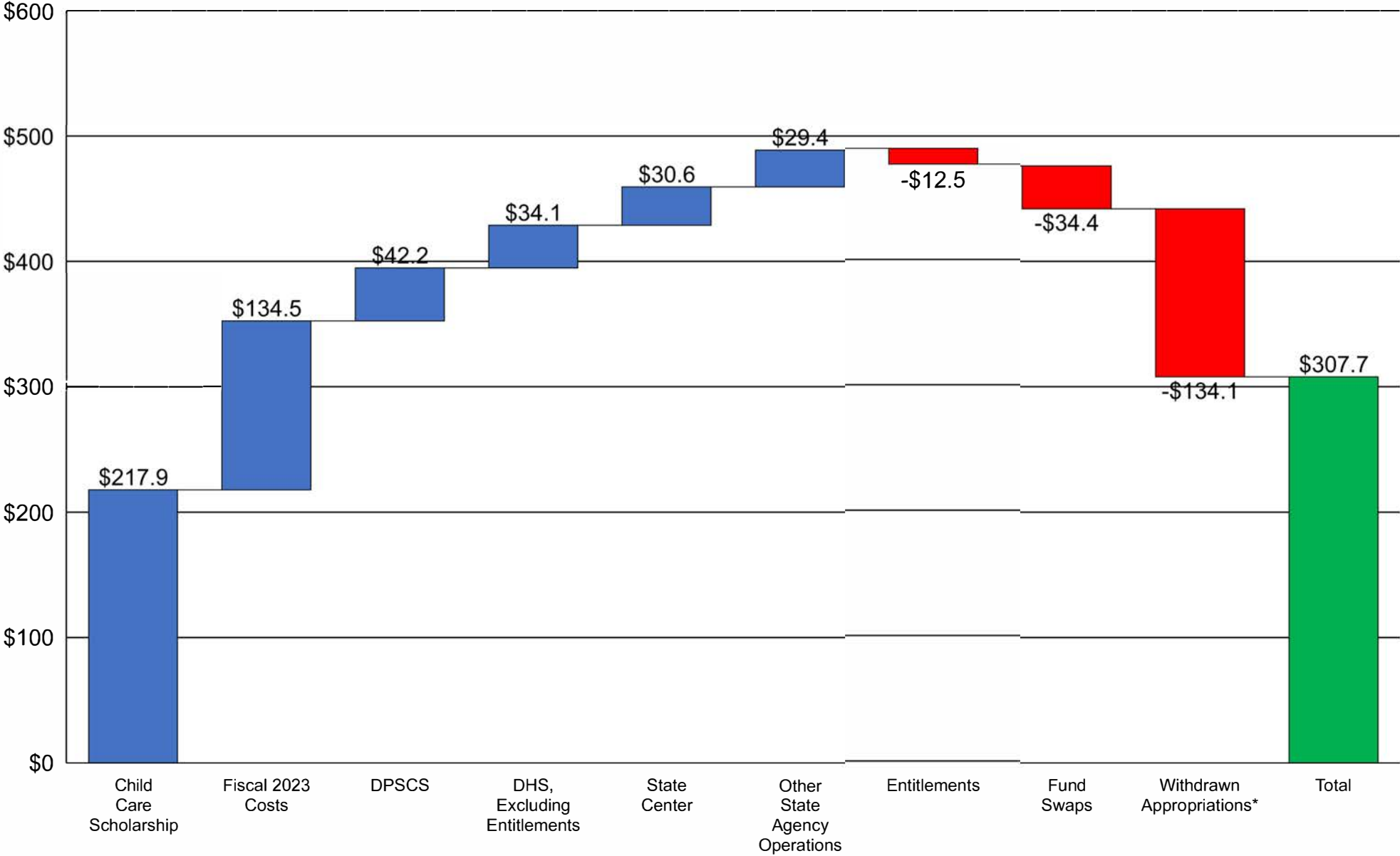
Fiscal 2024 Deficiencies, Net of Planned Reversions, Total \$1.2 Billion (\$ in Millions)



DHS: Department of Human Services

* Includes planned reversions

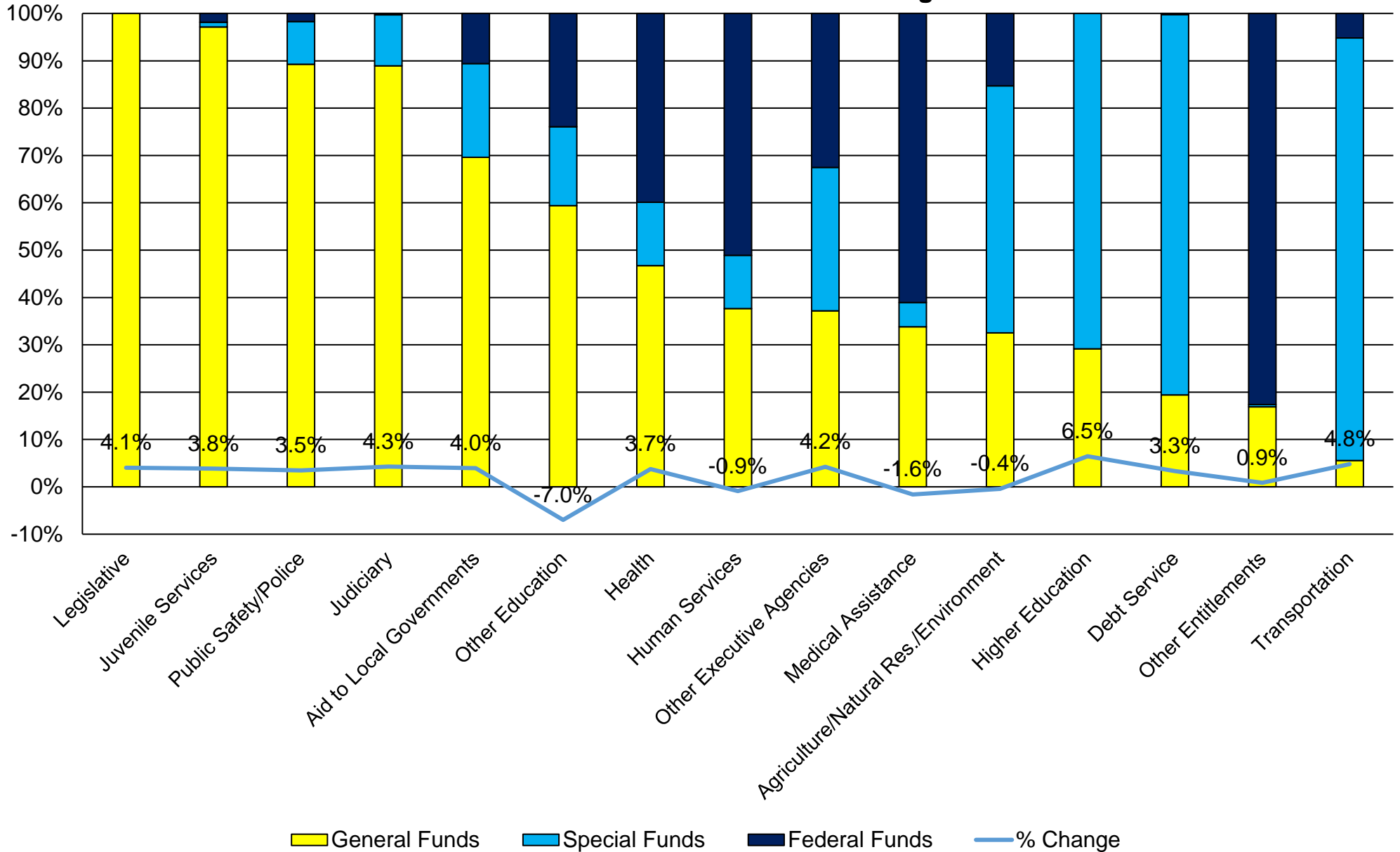
**Fiscal 2024 General Fund Deficiencies, Net of Planned Reversions, Totals \$308 Million
(\$ in Millions)**



DHS: Department of Human Services

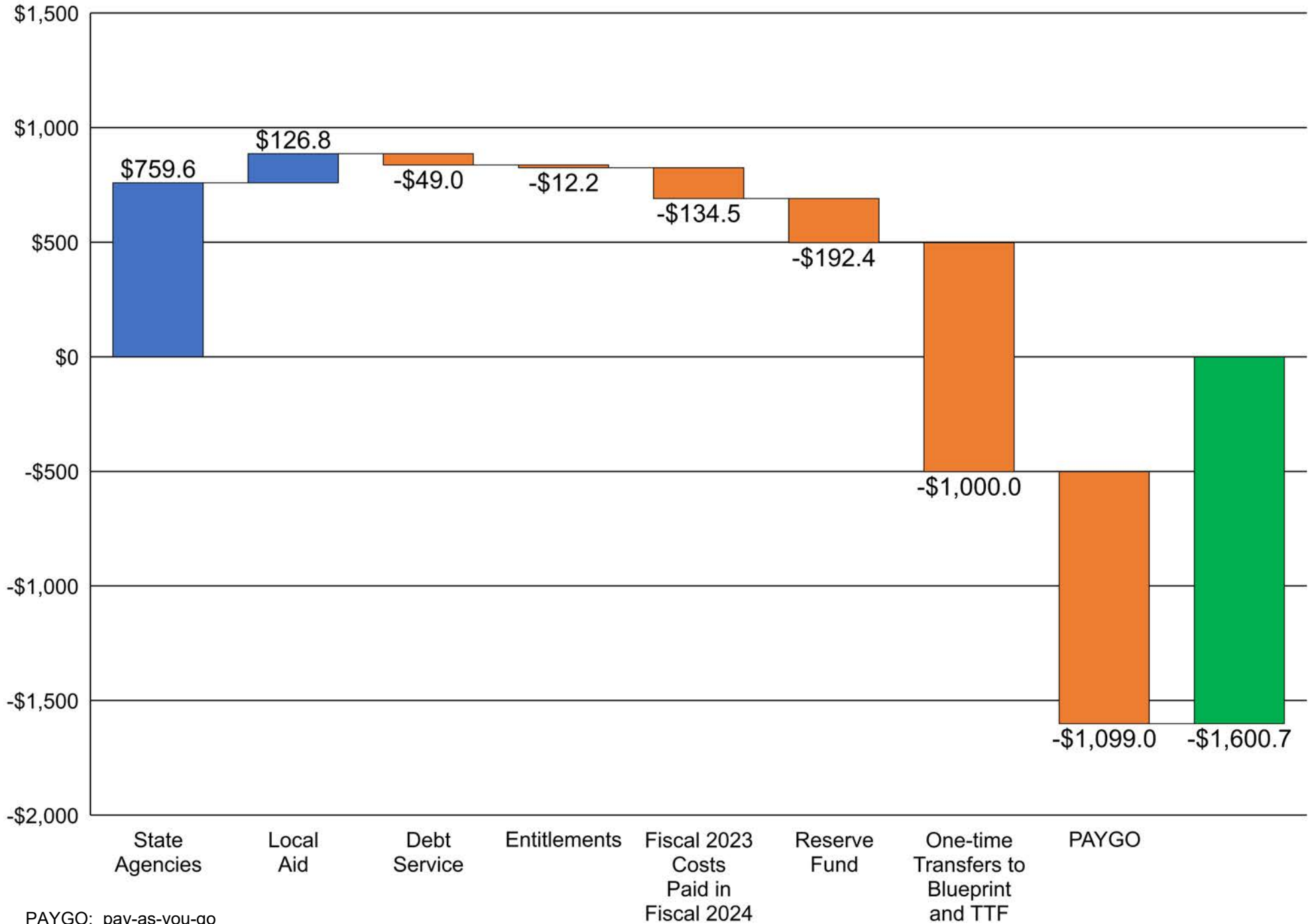
* Includes planned reversions.

Fiscal 2025 Operating Budget by Fund Type and Fiscal 2024 to 2025 Growth Percentage



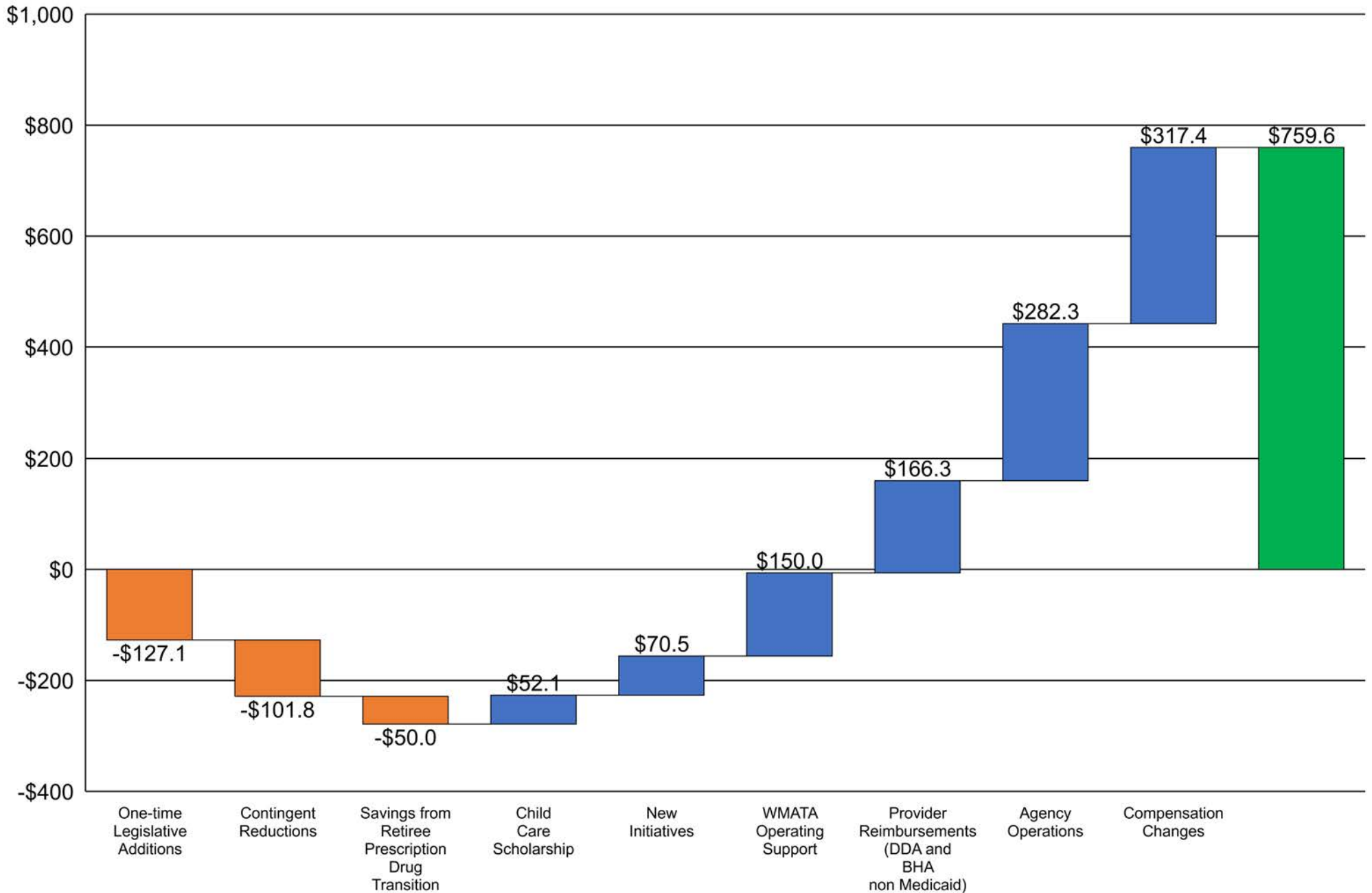
Note: In fiscal 2024, excludes proposed deficiency appropriations related to fiscal 2023 costs. Accounts for deficiency appropriations, targeted reversions, and contingent reductions.

General Funds Decrease by \$1.6 Billion, Primarily Due to One-time Transfers and PAYGO (\$ in Millions)



PAYGO: pay-as-you-go
TTF: Transportation Trust Fund

State Agency Spending Increases by \$759.6 Million, Excluding Prior Year Costs (\$ in Millions)



BHA: Behavioral Health Administration
 DDA: Developmental Disabilities Administration
 WMATA: Washington Metropolitan Area Transit Authority

Budget Reconciliation and Financing Act

	<u>2024</u>	<u>2025</u>	<u>GF Totals</u>	<u>SF Totals</u>
Revenue Actions				
Reduce the amount of funds reserved due to revenue volatility cap		\$40.0		
Reduce Lottery Agent commissions for sales from 6% to 5.5% and the commission for cashing of a ticket from 3% to 2%	\$3.0	32.0		
Redirect interest from a variety of special funds	2.3	27.0		
Repeal the Small Business Relief Tax Credit		1.3		
			\$65.6	
Fund Balance Transfers				
DPA – Cybersecurity	\$149.5			
DPA – PAYGO – Renovations to 2100 Guilford Ave.	28.9			
DPA – PAYGO – MDEM Headquarters Renovation and Expansion Project at Camp Fretterd Military Reservation		9.1		
DPA – PAYGO – Conowingo Dam Dredging		6.0		
DPA – Miscellaneous expenses		0.4		
Unemployment Insurance Trust Fund (State self-insured fund)		\$40.0		
Resilient Maryland Revolving Loan Fund		5.8		
Pediatric Cancer Fund (2023 Appropriation)		5.0		
			\$244.6	
Contingent General Fund Reductions				
Reserve Fund – Relieve the requirement to appropriate balance to the Rainy Day Fund in fiscal 2025 only		\$495.5		
MHEC – Sellinger Formula – Alter funding formula to count only undergraduate students in the FTE count for institutions		63.8		
Reserve Fund – Eliminate the OPEB Sweeper in fiscal 2025 only		25.0		
Reserve Fund – Eliminate the Retirement Sweeper in fiscal 2025 only		25.0		
MHEC – Cade Formula – Alter formula to change enrollment calculation, alter calculation, remove the hold harmless provisions, and reduce the percent of FTES from 29% to 26.5%		22.6		
*MDH – Delay implementation of the Family and Medical Leave Insurance Program, which delays reimbursement to providers for associated costs		12.4		
IAC – Eliminate mandate for the School Construction Revolving Loan Fund		10.0		
DNR – Allow funds from the Chesapeake and Coastal Bays 2010 Trust Fund to satisfy mandate for Tree Solutions Now Act of 2021	\$2.5	2.5		
DHCD – Alter the mandate for the Business Façade Program to allow the use of GO Bonds to satisfy the mandate		5.0		
MDH – Authorize the use of special fund balances from State Board of Examiners of Professional Counselors (\$1.6 million), State Board of Occupational Therapy Practice (\$0.8 million), and State Board of Examiners of Psychologists (\$0.6 million) to be used for programs in BHA		3.0		
*MDE – Increase Clean Air Emissions fees		2.3		
DNR – Eliminate mandated appropriation into the Fisheries Research and Development Fund in fiscal 2025 only		1.8		
GOCPP – Reduce mandate for Warrants and Absconding grants		1.0		
MPBC – Eliminate mandate		1.0		
*Commerce – Eliminate the mandate for the Business Telework Assistance Grant Program		1.0		
OAG – Eliminate mandate for the Consumer Protection Division		0.7		
*MDE – Increase the minerals, oils, and gas mining fee		0.6		
DNR – Reduce mandate for the Mel Noland Woodland Incentives and Fellowship Fund		0.5		
*MDE – Increase the wetlands and waterways fee		0.3		
*MDE – Increase the Voluntary Cleanup Program fee		0.3		
MDH – Transfer funds from the Integrated Care Network Fund to the Medical Care Programs Administration for IT		0.2		
MDA – Eliminate mandate for the Maryland Native Plants Program		0.1		
DBM – Remove requirement to print budget books		0.0		
			\$677.2	

	<u>2024</u>	<u>2025</u>	<u>GF Totals</u>	<u>SF Totals</u>
Contingent Special Fund Reductions				
MDOT – Modify the required State of Good Repair Funding for MTA in fiscal 2025 only		\$11.0		
MDOT – Eliminate requirement for registration stickers on license plates		1.1		
				\$12.0
Contingent General Fund Appropriations				
*GOC – ENOUGH Act		\$15.0		
*MDH – Establish the Center for Firearm Violence Prevention and Intervention		10.0		
*MDH – Establish county grants for Assisted Outpatient Treatment programs		3.0		
*TEDCO – Establishing the Baltimore Innovation Initiative Pilot Program		1.5		
*TEDCO – Establish a program for State Matching grant funds for the Baltimore Tech Hub Consortium		1.0		
*TEDCO – Establish the Upsurge-Uprise Program		0.8		
*TEDCO – Establish the Pava La Pere Innovation Acceleration Grant Program		0.5		
*DHCD – Establish the Maryland Community Investment Corporation		0.8		
*DHCD – Establish the Office of Tenant’s Rights		0.5		
			\$33.1	
Contingent Special Fund Appropriations				
DNR – Allow funds from the Chesapeake and Coastal Bays 2010 Trust Fund to satisfy mandate for Tree Solutions Now Act of 2021	\$2.5			
*MDE – Increase Clean Air Emissions fees		\$2.3		
*MDE – Increase the minerals, oils, and gas mining fee		0.6		
*MDE – Increase the wetlands and waterways fee		0.3		
*MDE – Increase the Voluntary Cleanup Program fee		0.3		
*MDE – Establishing a private dam repair fund		0.3		
				\$6.2
Contingent Federal Fund Appropriation				
MDH – Transfer funds from the Integrated Care Network Fund to the Medical Care Programs Administration for IT		\$0.2		

Other Provisions

- Alters the allowable uses of Blueprint Funds provided for Coordinated Community Supports through CHRC to include reimbursement for School Based Behavioral Health Services
- Removes the prohibition on implementing a freeze in Child Care Scholarship program enrollment
- Removes a prohibition on DDA setting a dollar cap for self-directed and family-directed goods and services
- Eliminates requirement that MTA purchase only zero emission buses, and instead requires that at least 25% of purchases be zero emission
- Advances the reduction in Highway User Revenue distribution from fiscal 2028 to 2026
- Authorizes a transfer of \$90 million of SEIF to the Dedicated Purpose Account to support implementation of the Climate Solutions Now Act of 2022 and Climate Pollution Reduction Plan

* Denotes items in the Budget Reconciliation and Financing Act of 2024

CHRC: Community Health Resources Commission
 DBM: Department of Budget and Management
 DDA: Developmental Disabilities Administration
 DPA: Dedicated Purpose Account
 DHCD: Department of Housing and Community Development
 DNR: Department of Natural Resources
 FTE: full-time equivalent
 FTES: full-time equivalent student
 GF: general fund
 GOCP: Governor’s Office of Crime Prevention and Policy
 GO: general obligation
 GOC: Governor’s Office for Children
 IAC: Interagency Commission on School Construction

IT: information technology
 MDE: Maryland Department of the Environment
 MDH: Maryland Department of Health
 MDOT: Maryland Department of Transportation
 MHEC: Maryland Higher Education Commission
 MPBC: Maryland Public Broadcasting Commission
 MTA: Maryland Transit Administration
 OAG: Office of the Attorney General
 OPEB: Other Postemployment Benefits
 PAYGO: pay-as-you-go
 SEIF: Strategic Energy Investment Fund
 SF: special fund
 TEDCO: Maryland Technology Development Corporation

Analysis of Executive Branch Vacancies and Turnover Rate
Fiscal 2025 Allowance Compared to January 2024 Vacancies

<u>Department/Service Area*</u>	<u>Positions**</u>	<u>Budgeted Turnover Rate</u>	<u>Vacancies To Meet Turnover</u>	<u>January Vacancies***</u>	<u>Vacancies Above Turnover</u>	<u>Actual Vacancy Rate</u>
Public Safety, Health, and Human Services						
Public Safety and Correctional Services	9,213	11.8%	1,092	1,162	71	12.6%
Health	7,586	9.1%	687	798	111	10.5%
Human Services	5,979	8.2%	493	592	99	9.9%
Police and Fire Marshal	2,578	8.5%	219	313	93	12.1%
Juvenile Services	2,143	7.7%	165	260	95	12.1%
Subtotal	27,498	9.5%	2,656	3,124	468	11.4%
Transportation	9,179	4.8%	438	607	168	6.6%
Other Executive						
Legal (Excluding Judiciary)	1,701	5.7%	97	232	135	13.6%
Executive and Administrative Control	2,043	5.2%	107	235	128	11.5%
Financial and Revenue Administration	2,315	6.9%	160	191	31	8.2%
Budget and Management and DoIT	558	2.8%	16	69	54	12.4%
Retirement	199	5.3%	11	26	15	12.8%
General Services	727	4.8%	35	53	18	7.3%
Service and Civic Innovation	39	7.9%	3	9	6	22.6%
Natural Resources	1,499	13.4%	200	200	0	13.3%
Agriculture	426	4.9%	21	34	13	7.9%
Labor	1,785	10.9%	195	261	66	14.6%
MSDE and Other Education	2,031	5.6%	115	140	25	6.9%
Housing and Community Development	446	5.0%	22	31	8	6.9%
Commerce	208	5.6%	12	21	9	10.0%
Environment	986	6.6%	65	147	82	14.9%
Subtotal	14,962	6.8%	1,058	1,647	589	11.0%
Executive Branch	51,639	7.8%	4,152	5,378	1,226	10.4%

DoIT: Department of Information Technology
MSDE: Maryland State Department of Education

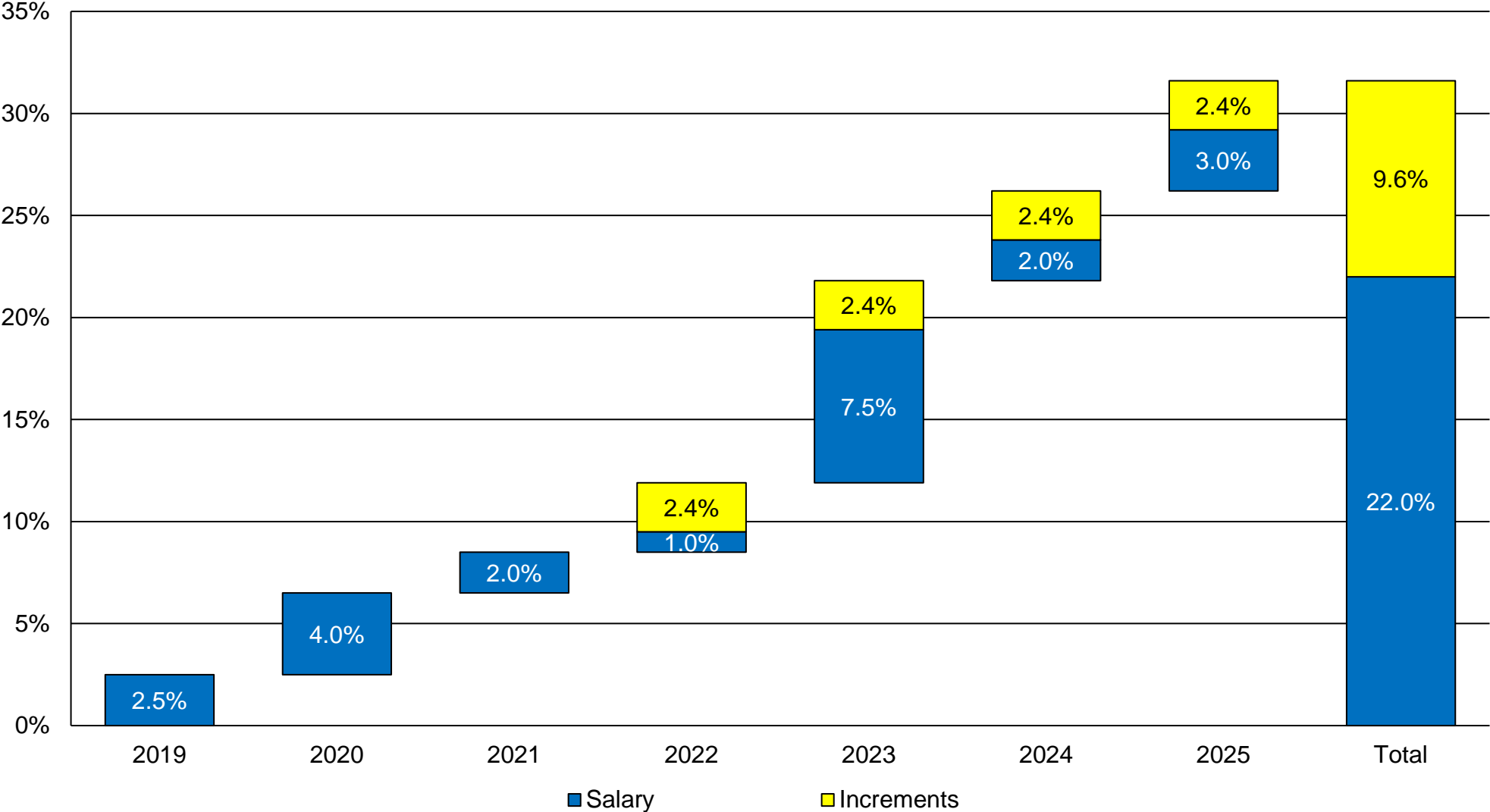
*Excludes Higher Education.

** Reflects contingent contractual conversions in the Maryland Department of Health and other planned transfers and adjustments.

*** Assumes 25% vacancy rate for newly created positions that are not contractual conversions.

Source: Department of Budget and Management; Department of Legislative Services

Salary Increases Fiscal 2019-2025



Note: Funding was provided in fiscal 2024 for an additional step increase for employees represented by the American Federation of State, County, and Municipal Employees. The fiscal 2025 allowance includes funding for an additional step increase in January 2025 for employees who have been in service since June 30, 2019.

Change in Authorized Positions Since Fiscal 2024

<u>Department</u>	<u>Start of Fiscal 2024</u>	<u>Fiscal 2025 Allowance</u>	<u>Change from Fiscal 2024 Legislative Appropriation</u>
Health	6,444.8	7,585.9	1,141.1
Labor	1,417.2	1,784.6	367.4
Executive and Administrative Control	1,763.3	2,042.5	279.2
MSDE and Other Education	1,887.9	2,031.4	143.5
Transportation	9,057.5	9,178.5	121.0
Housing and Community Development	355.0	446.0	91.0
Legal (Excluding Judiciary)	1,629.0	1,701.0	72.0
Financial and Revenue Administration	2,257.3	2,314.5	57.2
Other	24,375.4	24,554.5	179.1
Total	49,187.4	51,638.9	2,451.5

- Across all agencies, there are a total of 1,187 contractual conversions.
- At the Maryland Department of Health, there are 114 new positions and 111 contractual conversions (50 of which are security positions) at State-run facilities.
- A further 916 positions have been added across MDH units by contractual conversions or adding new positions.
- 328 new positions are being added in the Department of Labor for the administration of the Family and Medical Leave Insurance program.
- There were 143 contractual conversions in the Maryland State Department of Education.
- 108 new positions are added in the Maryland Transit Administration to enhance the quality of transit service.
- 91 new positions are added in the Department of Housing and Community Development.
- 110 positions in the Maryland Cannabis Administration were transferred from the Department of Health.

MDH: Maryland Department of Health

MSDE: Maryland State Department of Education

Note: Positions include contingent contractual conversions in MDH as well as other planned transfers and adjustments that have not yet occurred.

State Retirement and Pension System

Employer Pension Contributions Fiscal 2024-2025 (\$ in Millions)

<u>Plan</u>	<u>Fiscal 2024 Working</u>	<u>Fiscal 2025 Allowance</u>	<u>Change</u>	<u>% Change</u>
Employees' Combined	\$868.21	\$1,035.56	\$167.34	19.3%
Teachers' Combined – State Share	\$857.76	\$1,004.30	146.54	17.1%
State Police	\$133.00	\$152.79	\$19.80	14.9%
Law Enforcement Officers	\$68.41	\$74.31	\$5.90	8.6%
Judges	\$27.06	\$31.33	\$4.27	15.8%
	\$1,954.44	\$2,298.29	\$343.85	17.6%

Note: Totals for Teachers' Combined – State share include State contributions for employees of local school boards, community colleges, and libraries. They do not include State contributions to the Optional Retirement Program for higher education faculty and staff.

Source: Department of Budget and Management; Department of Legislative Services

- The State contribution includes the mandated supplemental contribution of \$75.0 million; the fiscal 2024 supplemental contribution was reduced to \$35.2 million. The fiscal 2025 supplemental contribution is budgeted in Department of Budget and Management's Statewide Program. The contribution does not include \$25.0 million from the pension sweeper provision; the Budget Reconciliation and Financing Act proposes eliminating this mandate in fiscal 2025.
- Multiple factors contribute to the large increase in State pension contributions:
 - **Investment returns** for the year ending June 30, 2023, were 3.1%, below the assumed rate of return of 6.8% for the second consecutive year. As a result, the five-year smoothed rate of return, which is used to calculate the contribution rate, was 5.51%, which is also below the assumed rate. This adds to State costs but not local school districts' costs since the State funds all investment losses.
 - **Payroll growth** across all plans was substantially higher than the assumed payroll growth of 2.75%;
 - **Cost-of-living adjustments (COLA) for retirees** increased more than assumed due to persistent high rates of inflation; uncapped COLAs for many retirees were 8.0%.

State Aid by Governmental Entity
Amount and Percent of Total
(\$ in Millions)

	<u>Fiscal 2025 State Aid Amount</u>	<u>Percent of Total</u>
Public Schools	\$9,086.2	84.2%
Libraries	95.7	0.9%
Community Colleges	467.4	4.3%
Local Health	123.2	1.1%
County/Municipal	1,016.3	9.4%
Total	\$10,788.8	100.0%

Change in State Aid
(\$ in Millions)

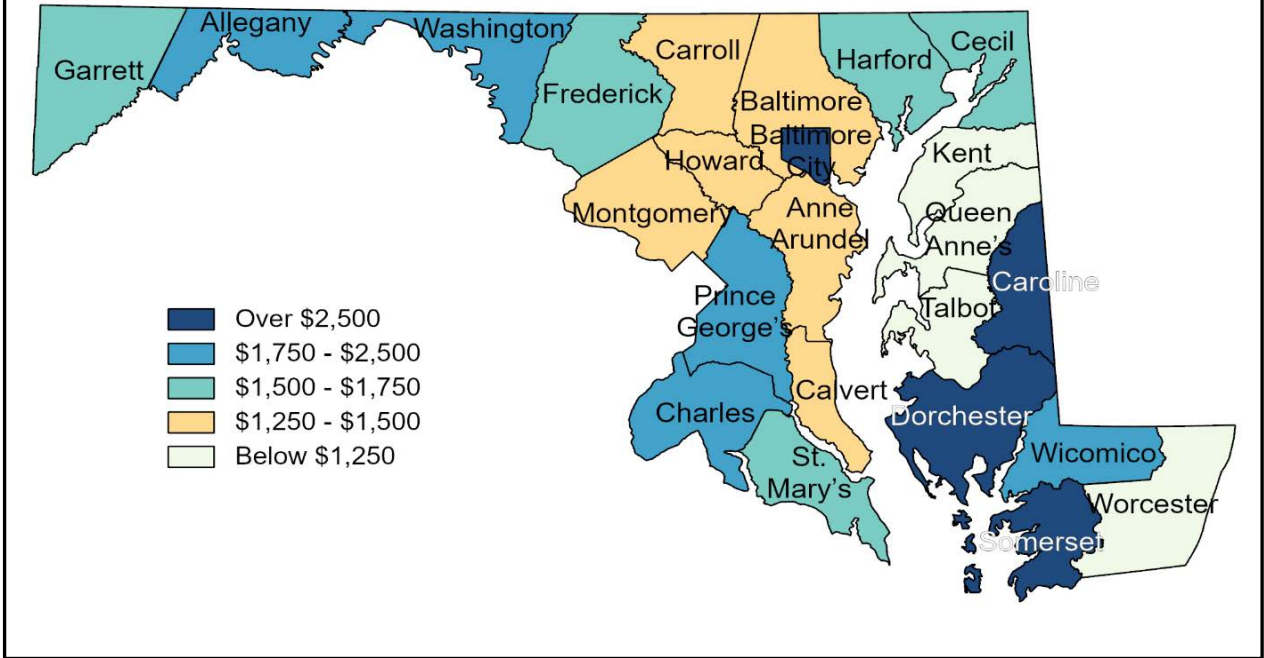
	<u>Fiscal 2025 Aid Change</u>	<u>Percent Change</u>
Public Schools	\$449.7	5.2%
Libraries	4.4	4.8%
Community Colleges	-8.0	-1.7%
Local Health	7.4	6.4%
County/Municipal	53.0	5.5%
Total	\$506.5	4.9%

**State Aid by Major Programs
Fiscal 2023-2025
State Funds
(\$ in Millions)**

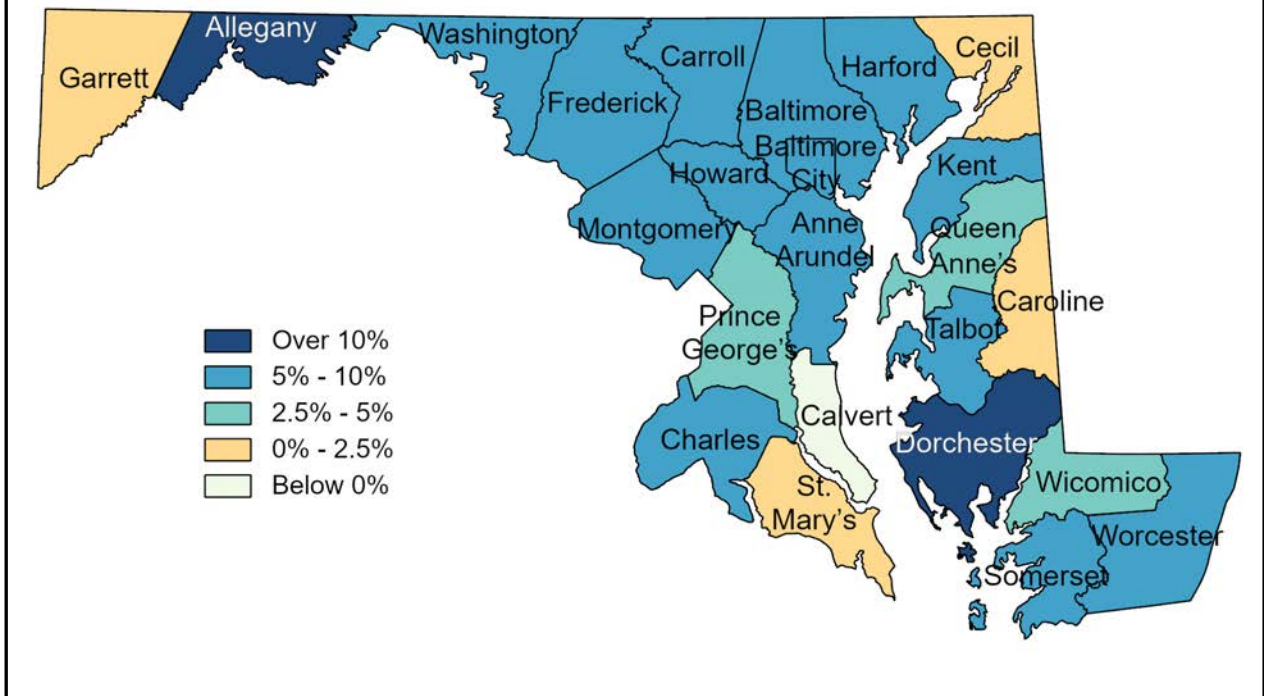
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Difference</u>	<u>Percent Difference</u>
Public Schools					
Foundation Programs	\$3,817.4	\$3,958.1	\$3,935.6	-\$22.6	-0.6%
Compensatory Aid	1,295.2	1,686.1	1,714.7	28.6	1.7%
English Language Learners Grant	422.5	473.5	519.5	46.0	9.7%
Special Education – Formula Aid	401.3	466.0	532.2	66.2	14.2%
Special Education – Nonpublic	141.4	148.6	151.6	3.0	2.0%
Student Transportation	336.0	363.4	369.6	6.2	1.7%
Guaranteed Tax Base	45.8	56.8	74.9	18.1	31.9%
Head Start/Pre-Kindergarten	28.0	29.6	29.6	0.0	0.0%
Blueprint Programs	593.8	555.2	691.8	136.5	24.6%
Other Education Programs	130.6	154.2	134.2	-20.0	-13.0%
Subtotal Direct Aid	\$7,211.9	\$7,891.6	\$8,153.6	\$262.0	3.3%
Retirement Payments	\$724.6	\$745.0	\$932.7	\$187.7	25.2%
Total Public School Aid	\$7,936.5	\$8,636.5	\$9,086.2	\$449.7	5.2%
Libraries					
Library Aid Formula	\$47.7	\$48.7	\$49.5	\$0.8	1.7%
State Library Network	21.0	21.4	21.7	0.2	1.2%
Subtotal Direct Aid	\$68.7	\$70.1	\$71.2	\$1.1	1.5%
Retirement Payments	\$20.0	\$21.2	\$24.5	\$3.3	15.5%
Total Library Aid	\$88.7	\$91.3	\$95.7	\$4.4	4.8%
Community Colleges					
Community College Formula	\$355.1	\$393.3	\$374.9	-\$18.5	-4.7%
Other Programs	34.8	37.0	37.6	0.6	1.7%
Subtotal Direct Aid	\$389.8	\$430.3	\$412.5	-\$17.8	-4.1%
Retirement Payments	\$45.0	\$45.1	\$54.9	\$9.8	21.8%
Total Community College Aid	\$434.8	\$475.5	\$467.4	-\$8.0	-1.7%
Local Health Grants	\$106.1	\$115.8	\$123.2	\$7.4	6.4%
County/Municipal Aid					
Transportation	\$299.2	\$340.0	\$428.8	\$88.9	26.1%
Public Safety	234.2	217.7	217.3	-0.3	-0.1%
Disparity Grant	161.2	220.2	188.5	-31.6	-14.4%
Gaming Impact Aid	107.1	102.3	103.3	1.0	1.0%
Other Grants	70.7	83.2	78.3	-4.9	-5.9%
Total County/Municipal Aid	\$872.4	\$963.3	\$1,016.3	\$53.0	5.5%
Total State Aid	\$9,438.5	\$10,282.4	\$10,788.8	\$506.5	4.9%

State Aid to Local Governments

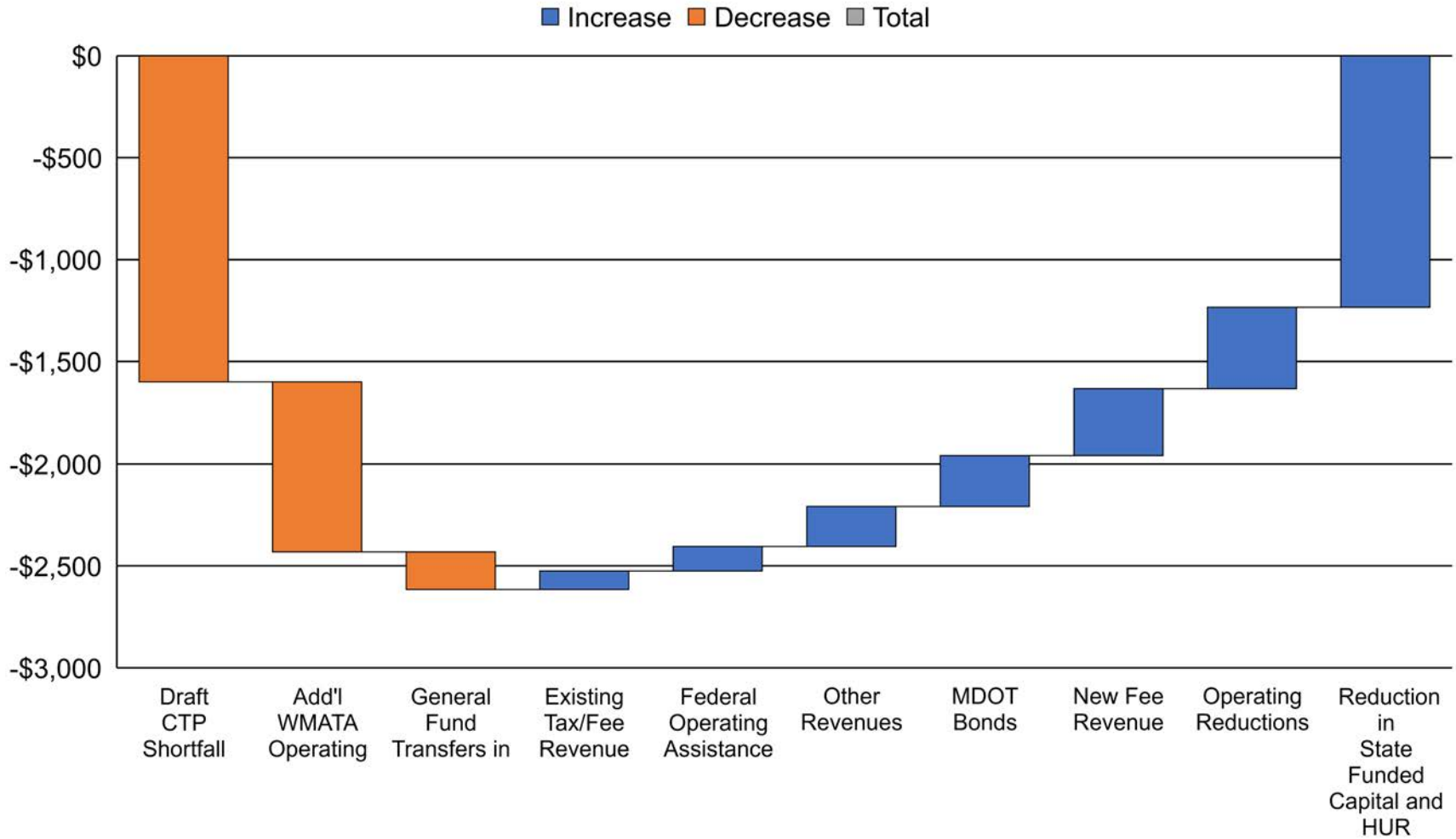
Per Capita State Aid
FY 2025



Annual Percent Change
FY 2025



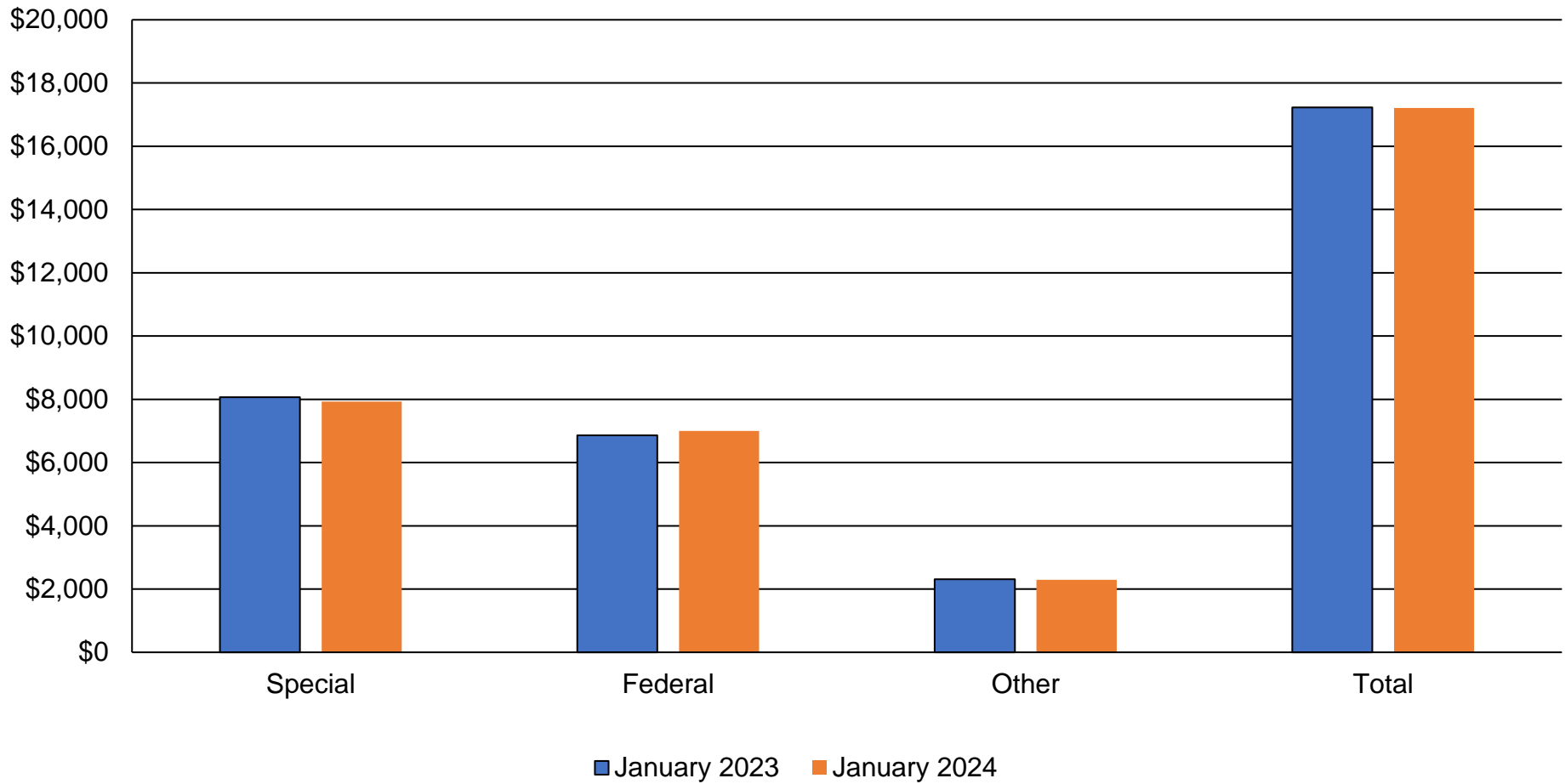
Eliminating the CTP Shortfall Fiscal 2024-2028



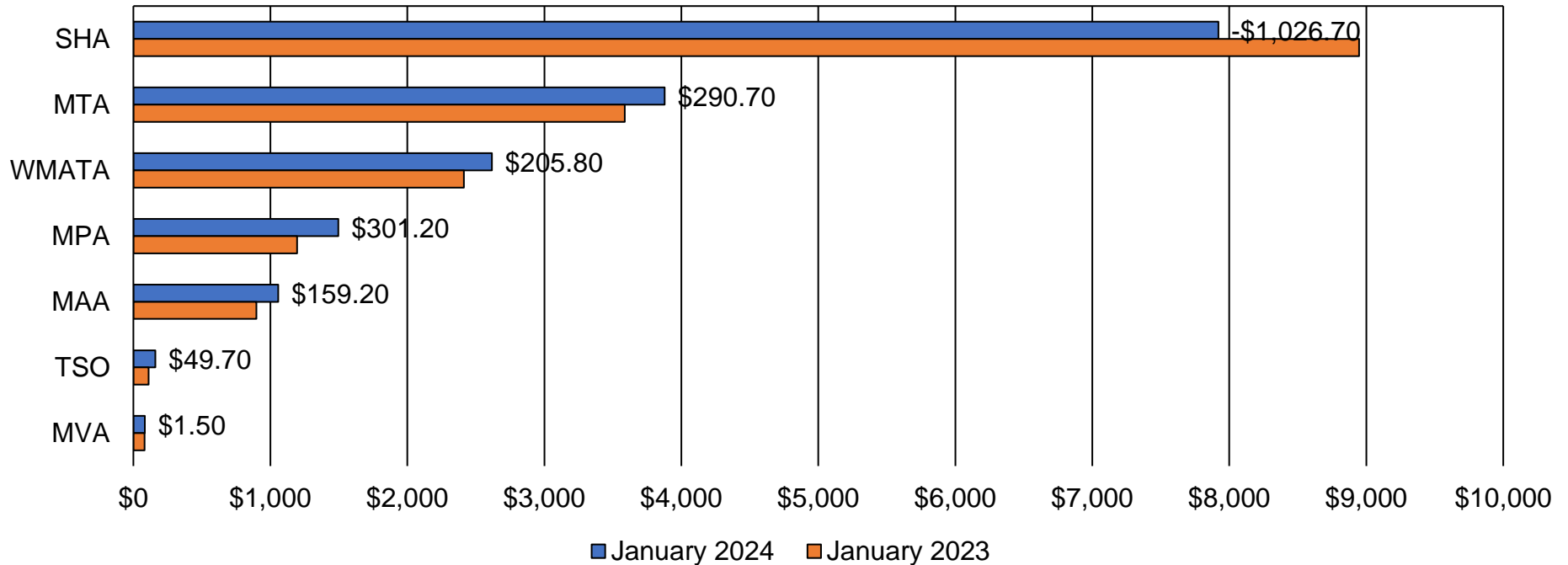
CTP: Consolidated Transportation Program
 HUR: Highway User Revenue

MDOT: Maryland Department of Transportation
 WMATA: Washington Metropolitan Area Transit Authority

Consolidated Transportation Program Comparison
January 2023 v. January 2024
Fiscal 2024-2028
(\$ in Millions)



**Consolidated Transportation Program Comparison
January 2023 v. January 2024
Fiscal 2024-2028
(\$ in Millions)**



MAA: Maryland Aviation Authority
MPA: Maryland Port Administration
MTA: Maryland Transportation Authority
MVA: Maryland Vehicle Administration

SHA: State Highway Administration
TSO: The Secretary's Office
WMATA: Washington Metropolitan Area Transit Authority

- Programmed spending in the 2024 *Consolidated Transportation Program* (CTP) for the five years it overlaps the 2023 CTP is just \$19 million lower than in the 2023 CTP.
- Spending by mode, however, shows larger changes with programmed spending for roads declining and spending for other modes seeing increases.
- Included in the reduction to the State Highway Administration is an approximately \$200 million reduction to the Highway User Revenue grants to local governments that will require changes to statute to implement.

Capital Program

Budget Change Fiscal 2024-2025 (\$ in Millions)

	<u>2024</u>	<u>2025</u>	<u>\$ Change</u>	<u>% Change</u>
Funds				
General Obligation Bonds	\$1,218.6	\$1,792.8	\$574.2	47.1%
Bond Premiums Proceeds	29.1	0.0	-29.1	-100.0%
General Funds	1,272.9	74.0	-1,198.9	-94.2%
Special Funds	1,074.2	451.9	-622.3	-57.9%
Federal Funds	281.6	449.2	167.6	59.5%
Revenue Bonds (Built to Learn Act)	447.2	425.4	-21.8	-4.9%
Revenue Bonds (Academic Revenue)	30.0	30.0	0.0	0.0%
Uses				
State Facilities	\$216.9	\$176.4	-\$40.5	-18.7%
Health	84.4	62.6	-21.8	-25.8%
Environment	910.8	597.3	-313.5	-34.4%
Public Safety	76.9	34.3	-42.6	-55.4%
Education	1,105.2	920.0	-185.2	-16.8%
Higher Education	483.5	355.0	-128.5	-26.6%
Housing/Economic Development	396.4	607.3	210.9	53.2%
Local Projects	700.5	283.4	-417.1	-59.5%
Transportation	379.0	187.0	-192.0	-50.7%
Total	\$4,353.6	\$3,223.3	-\$1,130.3	-26.0%

Note: Excludes the Maryland Department of Transportation. Fiscal 2024 includes deficiency appropriations totaling \$12.8 million in federal funds and \$1.0 million in special funds. Fiscal 2025 accounts for contingent reductions. General funds include \$42.0 million budgeted in the Dedicated Purpose Account (DPA) in fiscal 2025. Transportation includes \$167 million for the Washington Metropolitan Area Transit Authority in each of fiscal 2024 and 2025, \$12 million for Martin State Airport in fiscal 2024, \$100 million of unallocated funding for transportation priorities in the DPA in fiscal 2024, \$100 million authorized to be transferred from the Rainy Day Fund for transportation initiatives in fiscal 2024, and \$20 million for the Howard Street Tunnel in fiscal 2025.

Funding Highlights and Other Considerations

- **Fiscal 2025 New General Obligation (GO) Bond Authorization Level of \$1.750 Billion Is Consistent with the Spending Affordability Committee (SAC) Recommendation**
- **Annual Authorization Levels to Remain at Fiscal 2025 Level through Planning Period:** SAC recommended that authorizations increase by 2% annually. The 2024 CIP provides \$210 million less than the SAC recommendation through fiscal 2028 but represents a nearly \$2.2 billion increase compared to last year's CIP over the same period.

Future Annual Authorization Levels Below SAC Recommendation Fiscal 2025-2028 (\$ in Millions)

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Total</u>
2023 CIP	\$1,205	\$1,205	\$1,205	\$1,205	\$4,820
SAC 2%	1,750	1,785	1,820	1,855	7,210
2024 CIP	1,750	1,750	1,750	1,750	7,000
Difference 2023 CIP	545	545	545	545	2,180
Difference SAC	0	-35	-70	-105	-210

Note: The 2024 CIP does not fully allocate all \$1.75 billion in planned GO bond funding in each of the outyears, leaving capacity for unanticipated needs.

- **Decreased Reliance on General Fund PAYGO:** The plan to hold annual GO bond authorization levels at \$1.750 billion through the planning period is offset by decreased programmed levels of general fund PAYGO, totaling \$1.5 billion less through fiscal 2028.

Decreased Use of PAYGO General Funds Fiscal 2025-2028 (\$ in Millions)

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Total</u>
2023 CIP	\$572	\$556	\$421	\$439	\$1,989
2024 CIP	74	23	190	190	477
Difference	-\$498	-\$533	-231	-249	-1,512

- **Legislative Priorities:** The fiscal 2025 capital budget funds \$100.8 million of the \$148.2 million of legislative preauthorizations from the 2023 session. The budget also allocates \$50 million in GO bonds for legislative initiatives, which is significantly below the \$200 million recommended by SAC.

- Mandates – Contingent Reductions – Transfers:** The fiscal 2025 budget fully funds all capital mandates other than \$10 million for the School Construction Revolving Loan Fund, which is contingently reduced by the Budget Reconciliation and Financing Act of 2024. The fiscal 2025 allowance also includes a contingent reduction of \$5 million in PAYGO general funds for the Business Façade Improvement Program, for which \$5 million is provided in GO bonds to fully fund the mandate. The budget also transfers \$40 million from the Dedicated Purpose Account for three projects funded in fiscal 2023 which are to be cancelled.

**Changes in Transfer Tax Revenues and Impact on Capital Programs
Fiscal 2024-2025**

	<u>2024</u>	<u>2025</u>	<u>Difference</u>
Revenue Estimate	\$286.2	\$233.1	-\$53.1
Over/Underattainment Adjustment	122.0	-79.5	-\$201.5
Total Available Revenues	\$408.2	\$153.6	-\$254.6
Total to Capital Program	\$324.8	\$109.8	-\$215.0

- School Construction:** The budget provides \$906 million for school facilities comprised of \$453 million of GO bonds and general funds coupled with \$453 million of Built to Learn revenue bonds and special funds.
- Increased Funding for Housing Programs:** Funding for housing and community development increases by \$210.9 million, or 53.2%, from fiscal 2024 to the fiscal 2025 proposed budget after accounting for deficiencies. This increase includes an increase of \$77.7 million in federal funds from the Infrastructure Investment and Jobs Act for broadband, but State funds also increase significantly due to enhanced funding for Rental Housing Programs (\$28 million increase in State funds), the Strategic Demolition Fund (\$35 million increase), and the Baltimore Regional Neighborhoods Initiative (\$15 million increase).
- Federal Infrastructure Funding:** The budget provides \$146 million of federal funds authorized through the Infrastructure Investment and Jobs Act (IIJA) budgeted in the Water Quality and Drinking Water revolving loan programs administered by the Maryland Department of the Environment. This is in addition to the \$231 million received through fiscal 2024 and is part of a multi-year federal authorization that would provide \$1.1 billion of support for water quality and watershed implementation plan infrastructure. The budget includes \$172.8 million for broadband infrastructure, completing the \$267.7 million provided by the IIJA for this purpose.

Appendix 1
State Expenditures – All Funds
Fiscal 2023-2025
(\$ in Millions)

Category	2023 Actual	2024 Working Appropriation	2025 Allowance	Contingent Reductions + Fund Swaps	2025 Adjusted Allowance	\$ Change 2024 to 2025	% Change 2024 to 2025
Debt Service	\$1,692.4	\$1,875.8	\$1,937.9	\$0.0	\$1,937.9	\$62.1	3.3%
County/Municipal	\$928.5	\$1,052.0	\$1,098.4	-\$1.0	\$1,097.4	\$45.3	4.3%
Community Colleges	434.8	475.5	490.1	-22.6	467.4	-8.0	-1.7%
Education/Libraries	9,191.3	9,965.6	10,379.4	0.0	10,379.4	413.8	4.2%
Health	106.1	115.8	123.2	0.0	123.2	7.4	6.4%
Aid to Local Governments	\$10,660.8	\$11,608.9	\$12,091.1	-\$23.6	\$12,067.4	\$458.6	4.0%
Foster Care Payments	\$342.0	\$344.0	\$350.1	\$0.0	\$350.1	\$6.1	1.8%
Assistance Payments	2,240.7	2,377.3	2,392.4	0.0	2,392.4	15.1	0.6%
Medical Assistance	14,842.2	14,627.4	14,394.5	0.0	14,394.5	-232.9	-1.6%
Property Tax Credits	77.4	76.4	79.4	0.0	79.4	3.0	3.9%
Entitlements	\$17,502.3	\$17,425.1	\$17,216.4	\$0.0	\$17,216.4	-\$208.7	-1.2%
Health	\$5,505.9	\$5,400.0	\$5,614.7	-\$12.7	\$5,602.0	\$202.0	3.7%
Human Services	1,291.4	1,374.0	1,361.8	0.0	1,361.8	-12.2	-0.9%
Juvenile Services	300.1	326.1	338.6	0.0	338.6	12.5	3.8%
Public Safety/Police	2,032.1	2,142.1	2,216.7	0.0	2,216.7	74.6	3.5%
Higher Education	7,623.4	7,478.1	7,961.0	0.0	7,961.0	482.9	6.5%
Other Education	1,378.6	1,683.9	1,631.1	-64.8	1,566.3	-117.6	-7.0%
Transportation	2,434.2	2,581.9	2,706.5	-1.1	2,705.5	123.6	4.8%
Agriculture/Natural Res./Environment	590.5	698.7	701.7	-5.8	695.8	-2.9	-0.4%
Other Executive Agencies	3,682.1	4,520.7	4,712.5	-1.7	4,710.7	190.1	4.2%
Judiciary	710.2	750.8	782.9	0.0	782.9	32.0	4.3%
Legislative	143.3	152.3	158.4	0.0	158.4	6.2	4.1%
State Agencies	\$25,691.8	\$27,108.6	\$28,185.9	-\$86.1	\$28,099.8	\$991.1	3.7%
Deficiencies (for prior years)	0.0	258.1	0.0	0.0	0.0	-258.1	n/a
Total Operating	\$55,547.2	\$58,276.5	\$59,431.2	-\$109.8	\$59,321.4	\$1,044.9	1.8%
Capital ⁽¹⁾	\$4,689.2	\$4,786.2	\$3,748.0	-\$26.0	\$3,722.0	-\$1,064.2	-22.2%
Transportation	1,965.4	2,542.6	2,868.1	-11.0	2,857.1	314.5	12.4%
Environment	457.3	388.3	445.1	0.0	445.1	56.7	14.6%
Other	2,266.5	1,855.3	434.8	-15.0	419.8	-1,435.5	-77.4%
Subtotal	\$60,236.4	\$63,062.7	\$63,179.2	-\$135.7	\$63,043.4	-\$19.3	0.0%
Reserve Funds ⁽²⁾	\$2,843.1	\$1,219.9	\$663.0	-\$545.5	\$117.5	-\$1,102.4	-90.4%
Appropriations	\$63,079.5	\$64,282.6	\$63,842.2	-\$681.2	\$63,160.9	-\$1,121.7	-1.7%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	-\$75.0	\$0.0	0.0%
Grand Total	\$63,079.5	\$64,207.6	\$63,767.2	-\$681.2	\$63,085.9	-\$1,121.7	-1.7%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

⁽²⁾ The fiscal 2023 actual for the Reserve Funds excludes \$337.4 million budgeted in the Dedicated Purpose Account (DPA). That amount is included in various other categories to reflect the purpose of the spending. It also excludes \$1.0 billion budgeted in the DPA for pay-as-you-go capital spending, which is included in the Capital line on this chart.

Note: The fiscal 2024 working appropriation reflects \$1.2 billion in deficiencies and \$127.0 million in reversions including \$52.0 million in targeted reversions. Fiscal 2023 excludes \$1.1 billion, fiscal 2024 excludes \$200.1 million, and fiscal 2025 excludes \$31.0 million of special funds that double count general fund spending. The fiscal 2025 adjusted allowance reflects \$686.8 million in reductions contingent on legislation and \$5.5 million in additional special fund spending due to funding swaps tied to general fund contingent reductions.

Appendix 2
State Expenditures – General Funds
Fiscal 2023-2025
(\$ in Millions)

Category	2023	2024	2025	Contingent Reductions	2025	\$ Change 2024 to 2025	% Change
	Actual	Working Appropriation	Allowance		Adjusted Allowance		
Debt Service	\$430.0	\$425.1	\$376.1	\$0.0	\$376.1	-\$49.0	-11.5%
County/Municipal	\$393.8	\$455.4	\$419.6	-\$1.0	\$418.6	-\$36.8	-8.1%
Community Colleges	434.8	475.5	490.1	-22.6	467.4	-8.0	-1.7%
Education/Libraries	7,109.9	7,227.2	7,391.4	0.0	7,391.4	164.2	2.3%
Health	106.1	115.8	123.2	0.0	123.2	7.4	6.4%
Aid to Local Governments	\$8,044.7	\$8,273.8	\$8,424.2	-\$23.6	\$8,400.6	\$126.8	1.5%
Foster Care Payments	\$253.6	\$275.5	\$261.3	\$0.0	\$261.3	-\$14.2	-5.1%
Assistance Payments	123.5	122.7	136.9	0.0	136.9	14.1	11.5%
Medical Assistance	4,465.5	4,880.1	4,865.0	0.0	4,865.0	-15.1	-0.3%
Property Tax Credits	77.4	76.4	79.4	0.0	79.4	3.0	3.9%
Entitlements	\$4,920.0	\$5,354.7	\$5,342.6	\$0.0	\$5,342.6	-\$12.2	-0.2%
Health	\$2,018.8	\$2,362.6	\$2,633.4	-\$15.7	\$2,617.7	\$255.1	10.8%
Human Services	450.5	516.9	512.5	0.0	512.5	-4.4	-0.8%
Juvenile Services	292.3	312.9	328.9	0.0	328.9	15.9	5.1%
Public Safety/Police	1,807.7	1,895.8	1,979.2	0.0	1,979.2	83.4	4.4%
Higher Education	2,032.6	2,209.5	2,319.9	0.0	2,319.9	110.4	5.0%
Transportation	0.0	0.9	150.0	0.0	150.0	149.2	n/a
Other Education	703.9	914.3	994.8	-64.8	930.0	15.7	1.7%
Agriculture/Natural Res./Environment	200.0	234.5	234.8	-8.3	226.5	-8.1	-3.4%
Other Executive Agencies	1,395.6	1,643.2	1,753.0	-1.7	1,751.3	108.1	6.6%
Judiciary	646.2	668.4	696.4	0.0	696.4	28.0	4.2%
Legislative	143.3	152.3	158.4	0.0	158.4	6.2	4.1%
State Agencies	\$9,690.9	\$10,911.2	\$11,761.4	-\$90.6	\$11,670.8	\$759.6	7.0%
Deficiencies (for prior years)	\$0.0	\$134.5	\$0.0	\$0.0	\$0.0	-\$134.5	-100.0%
Total Operating	\$23,085.6	\$25,099.4	\$25,904.3	-\$114.2	\$25,790.1	\$690.7	2.8%
Capital ⁽¹⁾	\$2,043.5	\$1,173.0	\$89.0	-\$15.0	\$74.0	-\$1,099.0	-93.7%
Subtotal	\$25,129.1	\$26,272.4	\$25,993.3	-\$129.2	\$25,864.1	-\$408.3	-1.6%
Reserve Funds ⁽²⁾	\$2,843.1	\$1,219.9	\$573.0	-\$545.5	\$27.5	-\$1,192.4	-97.7%
Appropriations	\$27,972.1	\$27,492.3	\$26,566.3	-\$674.7	\$25,891.6	-\$1,600.7	-5.8%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	-\$75.0	\$0.0	0.0%
Grand Total	\$27,972.1	\$27,417.3	\$26,491.3	-\$674.7	\$25,816.6	-\$1,600.7	-5.8%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

⁽²⁾ The fiscal 2023 actual for the Reserve Funds excludes \$337.4 million budgeted in the Dedicated Purpose Account (DPA). That amount is included in various other categories to reflect the purpose of the spending. It also excludes \$1.0 billion budgeted in the DPA for pay-as-you-go capital spending, which is included in the Capital line on this chart.

Note: The fiscal 2024 working appropriation reflects \$359.7 million in deficiencies and \$127.0 million in reversions including \$52.0 million in targeted reversions.

Appendix 3

State Expenditures – Special and Higher Education Funds*

Fiscal 2023-2025

(\$ in Millions)

<u>Category</u>	<u>2023 Actual</u>	<u>2024 Working Appropriation</u>	<u>2025 Allowance</u>	<u>Contingent Reductions + Fund Swaps</u>	<u>2025 Adjusted Allowance</u>	<u>\$ Change 2024 to 2025</u>	<u>% Change</u>
Debt Service	\$1,256.0	\$1,443.2	\$1,556.9	\$0.0	\$1,556.9	\$113.7	7.9%
County/Municipal	\$478.0	\$513.5	\$596.7	\$0.0	\$596.7	\$83.2	16.2%
Community Colleges	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Education/Libraries	869.3	1,500.7	1,790.5	0.0	1,790.5	289.8	19.3%
Health	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Aid to Local Governments	\$1,347.3	\$2,014.2	\$2,387.2	\$0.0	\$2,387.2	\$373.0	18.5%
Foster Care Payments	\$2.3	\$2.2	\$2.3	\$0.0	\$2.3	\$0.1	3.6%
Assistance Payments	8.3	15.6	10.3	0.0	10.3	-5.3	-33.9%
Medical Assistance	792.8	681.1	737.0	0.0	737.0	55.8	8.2%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Entitlements	\$803.4	\$699.0	\$749.6	\$0.0	\$749.6	\$50.6	7.2%
Health	\$780.8	\$745.6	\$745.8	\$3.0	\$748.8	\$3.2	0.4%
Human Services	150.6	167.2	153.5	0.0	153.5	-13.7	-8.2%
Juvenile Services	1.8	4.2	3.4	0.0	3.4	-0.8	-19.0%
Public Safety/Police	174.1	204.8	199.9	0.0	199.9	-4.9	-2.4%
Higher Education	5,590.8	5,268.6	5,641.1	0.0	5,641.1	372.5	7.1%
Other Education	151.0	287.5	261.4	0.0	261.4	-26.1	-9.1%
Transportation	1,959.6	2,332.9	2,416.7	-1.1	2,415.6	82.7	3.5%
Agriculture/Natural Res./Environment	311.7	356.8	360.5	2.5	363.0	6.2	1.8%
Other Executive Agencies	937.0	1,296.6	1,427.4	0.0	1,427.4	130.8	10.1%
Judiciary	63.5	79.7	84.3	0.0	84.3	4.7	5.9%
Legislative	0.0	0.0	0.0	0.0	0.0	0.0	n/a
State Agencies	\$10,120.8	\$10,744.0	\$11,294.0	\$4.5	\$11,298.5	\$554.5	5.2%
Total Operating	\$13,527.5	\$14,900.3	\$15,987.6	\$4.5	\$15,992.1	\$1,091.8	7.3%
Capital	\$1,293.1	\$2,166.5	\$1,846.1	-\$11.0	\$1,835.1	-\$331.4	-15.3%
Transportation	904.6	1,204.3	1,305.2	-11.0	1,294.2	89.8	7.5%
Environment	225.7	254.7	205.0	0.0	205.0	-49.7	-19.5%
Other	162.8	707.4	335.9	0.0	335.9	-371.5	-52.5%
Grand Total	\$14,820.6	\$17,066.8	\$17,923.7	-\$6.5	\$17,917.2	\$850.4	5.0%

* Includes higher education fund (current unrestricted and current restricted) net of general and special funds.

Note: The fiscal 2024 working appropriation reflects deficiencies of \$69.8 million. Fiscal 2023 excludes \$1.1 billion, fiscal 2024 excludes \$200.1 million and fiscal 2025 excludes \$31.0 million that double counts general fund spending. The fiscal 2025 adjusted allowance reflects \$12.0 million in reductions contingent on legislation and \$5.5 million in additional special fund spending due to funding swaps tied to general fund contingent reductions.

Appendix 4
State Expenditures – Federal Funds
Fiscal 2023-2025
(\$ in Millions)

Category	2023 Actual	2024 Working Appropriation	2025 Allowance	\$ Change 2024 to 2025	% Change 2024 to 2025
Debt Service	\$6.4	\$7.5	\$4.9	-\$2.6	-34.7%
County/Municipal	\$56.7	\$83.1	\$82.1	-\$1.0	-1.2%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,212.1	1,237.8	1,197.5	-40.2	-3.2%
Health	0.0	0.0	0.0	0.0	n/a
Aid to Local Governments	\$1,268.8	\$1,320.8	\$1,279.6	-\$41.2	-3.1%
Foster Care Payments	\$86.1	\$66.3	\$86.5	\$20.2	30.5%
Assistance Payments	2,108.9	2,239.0	2,245.2	6.2	0.3%
Medical Assistance	9,583.9	9,066.1	8,792.5	-273.6	-3.0%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
Entitlements	\$11,778.9	\$11,371.4	\$11,124.2	-\$247.2	-2.2%
Health	\$2,706.4	\$2,291.8	\$2,235.5	-\$56.3	-2.5%
Human Services	690.3	689.8	695.7	5.9	0.9%
Juvenile Services	5.9	9.0	6.3	-2.7	-29.7%
Public Safety/Police	50.4	41.5	37.6	-3.9	-9.5%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	523.7	482.1	374.9	-107.2	-22.2%
Transportation	474.7	248.2	139.9	-108.3	-43.6%
Agriculture/Natural Res./Environment	78.8	107.4	106.4	-1.1	-1.0%
Other Executive Agencies	1,349.4	1,580.8	1,532.0	-48.8	-3.1%
Judiciary	0.5	2.8	2.1	-0.7	-23.3%
Legislature	0.0	0.0	0.0	0.0	n/a
State Agencies	\$5,880.0	\$5,453.5	\$5,130.5	-\$323.0	-5.9%
Deficiencies (for prior years)	0.0	123.6	0.0	-123.6	-100.0%
Total Operating	\$18,934.2	\$18,276.8	\$17,539.2	-\$737.6	-4.0%
Capital	\$1,352.5	\$1,446.7	\$1,813.0	\$366.2	25.3%
Transportation	883.8	1,171.2	1,391.0	219.8	18.8%
Environment	213.5	116.8	215.4	98.5	84.3%
Other	255.3	158.7	206.6	47.9	30.2%
Subtotal	\$20,286.7	\$19,723.6	\$19,352.2	-\$371.4	-1.9%
Reserve Funds	\$0.0	\$0.0	0.0	\$0.0	n/a
Grand Total	\$20,286.7	\$19,723.6	\$19,352.2	-\$371.4	-1.9%

Note: The fiscal 2024 working appropriation reflects deficiencies of \$754.8 million.

Appendix 5

State Expenditures – State Funds

Fiscal 2023-2025

(\$ in Millions)

Category	2023 Actual	2024 Working Appropriation	2025 Allowance	Contingent Reductions + Fund Swaps	2025 Adjusted Allowance	\$ Change 2024 to 2025	% Change 2024 to 2025
Debt Service	\$1,686.0	\$1,868.3	\$1,933.0	\$0.0	\$1,933.0	\$64.7	3.5%
County/Municipal	\$871.9	\$968.9	\$1,016.3	-\$1.0	\$1,015.3	\$46.3	4.8%
Community Colleges	434.8	475.5	490.1	-22.6	467.4	-8.0	-1.7%
Education/Libraries	7,979.2	8,727.9	9,181.9	0.0	9,181.9	454.0	5.2%
Health	106.1	115.8	123.2	0.0	123.2	7.4	6.4%
Aid to Local Governments	\$9,392.0	\$10,288.0	\$10,811.4	-\$23.6	\$10,787.8	\$499.8	4.9%
Foster Care Payments	\$255.9	\$277.7	\$263.6	\$0.0	\$263.6	-\$14.1	-5.1%
Assistance Payments	131.8	138.3	147.2	0.0	147.2	8.9	6.4%
Medical Assistance	5,258.3	5,561.3	5,602.0	0.0	5,602.0	40.7	0.7%
Property Tax Credits	77.4	76.4	79.4	0.0	79.4	3.0	3.9%
Entitlements	\$5,723.4	\$6,053.7	\$6,092.2	\$0.0	\$6,092.2	\$38.5	0.6%
Health	\$2,799.6	\$3,108.2	\$3,379.1	-\$12.7	\$3,366.5	\$258.3	8.3%
Human Services	601.1	684.2	666.1	0.0	666.1	-18.1	-2.6%
Juvenile Services	294.1	317.1	332.3	0.0	332.3	15.1	4.8%
Public Safety/Police	1,981.8	2,100.6	2,179.1	0.0	2,179.1	78.5	3.7%
Higher Education	7,623.4	7,478.1	7,961.0	0.0	7,961.0	482.9	6.5%
Other Education	854.9	1,201.8	1,256.2	-64.8	1,191.4	-10.4	-0.9%
Transportation	1,959.6	2,333.7	2,566.7	-1.1	2,565.6	231.9	9.9%
Agriculture/Natural Res./Environment	511.7	591.3	595.3	-5.8	589.5	-1.8	-0.3%
Other Executive Agencies	2,332.7	2,939.8	3,180.5	-1.7	3,178.7	238.9	8.1%
Judiciary	709.7	748.0	780.7	0.0	780.7	32.7	4.4%
Legislative	143.3	152.3	158.4	0.0	158.4	6.2	4.1%
State Agencies	\$19,811.8	\$21,655.2	\$23,055.4	-\$86.1	\$22,969.3	\$1,314.1	6.1%
Deficiencies (for prior years)	0.0	134.5	0.0	0.0	0.0	-134.5	-100.0%
Total Operating	\$36,613.1	\$39,999.6	\$41,892.0	-\$109.8	\$41,782.2	\$1,782.6	4.5%
Capital ⁽¹⁾	\$3,336.6	\$3,339.5	\$1,935.0	-\$26.0	\$1,909.1	-\$1,430.4	-42.8%
Transportation	1,081.6	1,371.4	1,477.2	-11.0	1,466.2	94.8	6.9%
Environment	243.8	271.5	229.7	0.0	229.7	-41.8	-15.4%
Other	2,011.3	1,696.6	228.2	-15.0	213.2	-1,483.4	-87.4%
Subtotal	\$39,949.7	\$43,339.1	\$43,827.0	-\$135.7	\$43,691.3	\$352.1	0.8%
Reserve Funds ⁽²⁾	\$2,843.1	\$1,219.9	\$663.0	-\$545.5	\$117.5	-\$1,102.4	-90.4%
Appropriations	\$42,792.8	\$44,559.0	\$44,490.0	-\$681.2	\$43,808.8	-\$750.3	-1.7%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	-\$75.0	\$0.0	0.0%
Grand Total	\$42,792.8	\$44,484.0	\$44,415.0	-\$681.2	\$43,733.8	-\$750.3	-1.7%

⁽¹⁾ Includes the Historic Revitalization Tax Credit Reserve Fund.

⁽²⁾ The fiscal 2023 actual for the Reserve Funds excludes \$337.4 million budgeted in the Dedicated Purpose Account (DPA). That amount is included in various other categories to reflect the purpose of the spending. It also excludes \$1.0 billion budgeted in the DPA for pay-as-you-go capital spending, which is included in the Capital line on this chart.

Note: The fiscal 2024 working appropriation reflects \$429.5 million in deficiencies and \$127.0 million in reversions including \$52.0 million in targeted reversions. Fiscal 2023 excludes \$1.1 billion, fiscal 2024 excludes \$200.1 million and 2025 excludes \$31.10 million of special funds that double count general fund spending. The fiscal 2025 adjusted allowance reflects \$686.8 million in reductions contingent on legislation and \$5.5 million in additional special fund spending due to funding swaps tied to general fund contingent reductions.

Appendix 6

State Aid to Local Governments – Comparison by Per Capita Aid and Annual Change
Fiscal 2024-2025

\$ in Millions								
County	Fiscal 2024	Fiscal 2025	Difference	Percent Difference	<u>Per Capita State Aid</u>		<u>Annual Change in State Aid</u>	
Allegany	\$138.4	\$158.6	\$20.2	14.6%	1. Baltimore City	\$2,936	1. Allegany	14.6%
Anne Arundel	717.1	755.5	38.4	5.4%	2. Caroline	2,904	2. Dorchester	13.4%
Baltimore City	1,583.3	1,673.5	90.2	5.7%	3. Dorchester	2,580	3. Montgomery	8.4%
Baltimore	1,132.5	1,194.1	61.6	5.4%	4. Somerset	2,567	4. Worcester	8.1%
Calvert	142.2	122.9	-19.3	-13.6%	5. Wicomico	2,464	5. Harford	7.3%
Caroline	95.8	97.1	1.3	1.4%	6. Allegany	2,358	6. Talbot	6.6%
Carroll	229.5	243.7	14.1	6.1%	7. Prince George's	2,089	7. Frederick	6.6%
Cecil	177.3	180.6	3.3	1.9%	8. Washington	1,968	8. Carroll	6.1%
Charles	303.9	321.6	17.7	5.8%	9. Charles	1,891	9. Kent	5.9%
Dorchester	74.5	84.4	9.9	13.4%	10. Cecil	1,721	10. Charles	5.8%
Frederick	446.7	476.0	29.3	6.6%	11. Frederick	1,658	11. Howard	5.7%
Garrett	46.7	47.3	0.6	1.2%	12. Garrett	1,654	12. Baltimore City	5.7%
Harford	369.8	396.7	26.9	7.3%	13. St. Mary's	1,567	13. Baltimore	5.4%
Howard	471.7	498.7	27.0	5.7%	14. Harford	1,504	14. Anne Arundel	5.4%
Kent	18.8	19.9	1.1	5.9%	15. Howard	1,487	15. Somerset	5.2%
Montgomery	1,234.1	1,338.0	103.9	8.4%	16. Baltimore	1,411	16. Washington	5.1%
Prince George's	1,921.1	1,978.0	56.9	3.0%	17. Carroll	1,390	17. Wicomico	4.8%
Queen Anne's	58.3	61.0	2.7	4.7%	18. Calvert	1,300	18. Queen Anne's	4.7%
St. Mary's	176.8	180.0	3.3	1.8%	19. Anne Arundel	1,273	19. Prince George's	3.0%
Somerset	59.9	63.0	3.1	5.2%	20. Montgomery	1,271	20. Cecil	1.9%
Talbot	34.2	36.4	2.2	6.6%	21. Queen Anne's	1,180	21. St. Mary's	1.8%
Washington	291.4	306.1	14.8	5.1%	22. Worcester	1,086	22. Caroline	1.4%
Wicomico	246.1	257.9	11.8	4.8%	23. Kent	1,029	23. Garrett	1.2%
Worcester	54.2	58.5	4.4	8.1%	24. Talbot	960	24. Calvert	-13.6%
Unallocated	258.0	239.0	-19.0	-7.4%				
Total	\$10,282.4	\$10,788.8	\$506.5	4.9%	Statewide Average	\$1,750	Statewide Average	4.9%

Appendix 7

State Aid to Local Governments Fiscal 2025 Allowance (\$ in Thousands)

County	County - Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total	Change Over FY 2024	Percent Change
			Public Schools	Libraries	Health						
Allegany	\$19,500	\$10,090	\$112,415	\$894	\$5,495	\$148,394	\$10,201	\$158,595	\$20,194	14.6%	
Anne Arundel	56,990	44,052	552,179	3,117	10,178	666,517	88,985	755,501	38,410	5.4%	
Baltimore City	397,209	0	1,175,585	9,741	11,528	1,594,063	79,482	1,673,545	90,249	5.7%	
Baltimore	38,827	70,612	941,807	7,633	7,678	1,066,557	127,550	1,194,107	61,582	5.4%	
Calvert	7,598	4,924	89,181	610	3,540	105,854	17,062	122,916	-19,312	-13.6%	
Caroline	7,989	2,582	78,037	374	2,316	91,299	5,800	97,099	1,323	1.4%	
Carroll	10,054	13,625	187,864	1,304	4,963	217,810	25,842	243,652	14,112	6.1%	
Cecil	10,873	8,786	139,317	973	3,600	163,548	17,068	180,616	3,346	1.9%	
Charles	7,491	9,608	270,361	1,412	5,569	294,441	27,140	321,581	17,669	5.8%	
Dorchester	9,414	1,629	64,866	356	3,123	79,389	5,044	84,433	9,946	13.4%	
Frederick	16,601	21,372	381,692	1,991	5,501	427,156	48,893	476,049	29,312	6.6%	
Garrett	7,639	5,205	26,874	165	3,050	42,934	4,346	47,280	567	1.2%	
Harford	12,398	18,420	314,872	2,179	6,387	354,256	42,471	396,727	26,916	7.3%	
Howard	12,870	34,114	367,117	1,259	6,574	421,935	76,759	498,694	26,952	5.7%	
Kent	1,957	885	11,791	132	2,720	17,484	2,405	19,889	1,103	5.9%	
Montgomery	70,675	72,514	979,029	3,852	5,693	1,131,765	206,280	1,338,044	103,905	8.4%	
Prince George's	165,566	46,750	1,603,445	8,692	9,319	1,833,772	144,257	1,978,029	56,908	3.0%	
Queen Anne's	3,287	3,040	44,251	222	2,403	53,203	7,837	61,041	2,714	4.7%	
St. Mary's	5,087	6,391	146,236	949	4,215	162,878	17,155	180,033	3,252	1.8%	
Somerset	10,032	1,406	45,342	334	2,205	59,320	3,692	63,011	3,103	5.2%	
Talbot	4,045	2,535	22,436	139	2,268	31,423	5,005	36,428	2,246	6.6%	
Washington	12,118	16,211	249,044	1,664	4,760	283,798	22,328	306,125	14,761	5.1%	
Wicomico	22,811	8,223	202,774	1,286	5,647	240,741	17,182	257,923	11,817	4.8%	
Worcester	10,916	3,060	30,566	197	4,466	49,204	9,312	58,517	4,365	8.1%	
Unallocated	94,354	6,467	116,479	21,695	0	238,995	0	238,995	-18,967	-7.4%	
Total	\$1,016,301	\$412,503	\$8,153,562	\$71,170	\$123,198	\$9,776,734	\$1,012,097	\$10,788,831	\$506,473	4.9%	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Appendix 8
State Aid to Local Governments
Fiscal 2024 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$17,100	\$9,901	\$97,287	\$886	\$4,976	\$130,149	\$8,252	\$138,401
Anne Arundel	53,959	45,914	533,221	2,907	9,437	645,438	71,653	717,091
Baltimore City	367,784	0	1,130,576	9,715	11,528	1,519,603	63,694	1,583,296
Baltimore	36,586	75,316	904,272	7,470	7,665	1,031,309	101,216	1,132,525
Calvert	7,097	5,559	111,773	618	3,234	128,281	13,947	142,228
Caroline	8,245	2,684	77,577	369	2,168	91,043	4,732	95,775
Carroll	8,796	14,369	179,385	1,258	4,558	208,366	21,173	229,540
Cecil	11,217	9,838	137,894	951	3,309	163,208	14,062	177,270
Charles	6,582	9,932	259,092	1,385	5,096	282,086	21,827	303,913
Dorchester	8,519	1,837	56,925	346	2,832	70,459	4,029	74,488
Frederick	14,483	19,539	368,578	1,906	5,092	409,597	37,140	446,737
Garrett	7,255	6,116	26,864	182	2,735	43,153	3,561	46,713
Harford	11,033	19,317	299,041	2,121	5,937	337,449	32,362	369,811
Howard	11,735	35,437	357,479	1,209	5,931	411,791	59,951	471,742
Kent	1,983	847	11,526	124	2,529	17,008	1,778	18,787
Montgomery	40,464	75,407	940,262	3,776	5,684	1,065,592	168,547	1,234,139
Prince George's	191,736	47,815	1,546,232	8,753	9,278	1,803,813	117,307	1,921,121
Queen Anne's	2,944	3,350	43,280	210	2,196	51,979	6,347	58,326
St. Mary's	4,717	6,863	146,260	921	3,899	162,659	14,122	176,782
Somerset	10,195	1,517	42,851	329	2,045	56,938	2,970	59,908
Talbot	3,706	2,932	21,407	135	2,096	30,276	3,906	34,182
Washington	11,620	16,849	238,756	1,641	4,437	273,304	18,061	291,364
Wicomico	23,881	9,114	193,383	1,261	5,144	232,784	13,323	246,106
Worcester	10,277	3,414	28,967	190	3,960	46,809	7,343	54,151
Unallocated	91,359	6,481	138,675	21,447	0	257,961	0	257,961
Total	\$963,271	\$430,347	\$7,891,565	\$70,108	\$115,766	\$9,471,056	\$811,302	\$10,282,358

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Appendix 9

State Aid to Local Governments

Dollar Difference Between Fiscal 2025 Allowance and Fiscal 2024 Working Appropriation (\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$2,401	\$188	\$15,128	\$8	\$519	\$18,244	\$1,949	\$20,194
Anne Arundel	3,031	-1,861	18,958	210	741	21,078	17,332	38,410
Baltimore City	29,425	0	45,009	26	0	74,460	15,789	90,249
Baltimore	2,241	-4,704	37,535	163	12	35,248	26,334	61,582
Calvert	502	-635	-22,592	-8	306	-22,427	3,115	-19,312
Caroline	-256	-102	460	5	148	255	1,068	1,323
Carroll	1,258	-744	8,478	46	405	9,444	4,669	14,112
Cecil	-344	-1,052	1,423	22	291	340	3,006	3,346
Charles	910	-325	11,269	28	473	12,355	5,313	17,669
Dorchester	895	-208	7,941	10	292	8,931	1,015	9,946
Frederick	2,118	1,834	13,114	85	409	17,559	11,752	29,312
Garrett	385	-911	10	-17	314	-219	786	567
Harford	1,365	-897	15,831	58	450	16,807	10,109	26,916
Howard	1,135	-1,322	9,639	50	643	10,144	16,808	26,952
Kent	-26	38	265	8	192	476	627	1,103
Montgomery	30,212	-2,892	38,768	76	9	66,172	37,733	103,905
Prince George's	-26,171	-1,064	57,213	-61	42	29,959	26,949	56,908
Queen Anne's	344	-310	971	12	207	1,224	1,490	2,714
St. Mary's	370	-472	-24	28	316	219	3,033	3,252
Somerset	-163	-111	2,491	5	160	2,382	721	3,103
Talbot	338	-397	1,029	4	172	1,146	1,100	2,246
Washington	498	-638	10,288	23	322	10,494	4,267	14,761
Wicomico	-1,070	-891	9,390	25	503	7,958	3,859	11,817
Worcester	639	-354	1,598	7	505	2,396	1,970	4,365
Unallocated	2,995	-13	-22,196	248	0	-18,967	0	-18,967
Total	\$53,030	-\$17,844	\$261,996	\$1,063	\$7,433	\$305,678	\$200,795	\$506,473

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Appendix 10

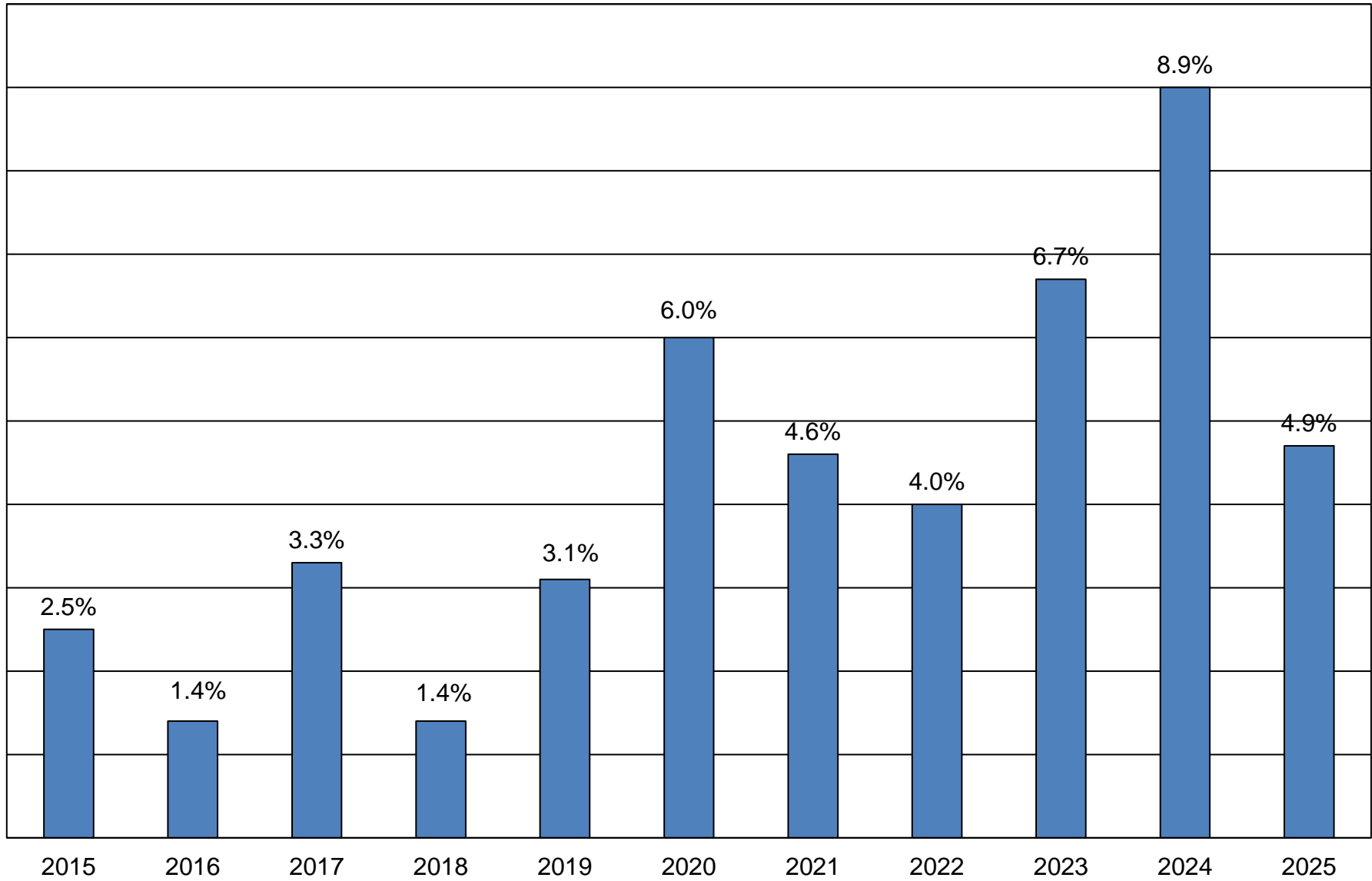
State Aid to Local Governments

Percent Change: Fiscal 2025 Allowance over Fiscal 2024 Working Appropriation

County	County - Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	14.0%	1.9%	15.6%	0.9%	10.4%	14.0%	23.6%	14.6%	
Anne Arundel	5.6%	-4.1%	3.6%	7.2%	7.8%	3.3%	24.2%	5.4%	
Baltimore City	8.0%	n/a	4.0%	0.3%	0.0%	4.9%	24.8%	5.7%	
Baltimore	6.1%	-6.2%	4.2%	2.2%	0.2%	3.4%	26.0%	5.4%	
Calvert	7.1%	-11.4%	-20.2%	-1.3%	9.5%	-17.5%	22.3%	-13.6%	
Caroline	-3.1%	-3.8%	0.6%	1.3%	6.8%	0.3%	22.6%	1.4%	
Carroll	14.3%	-5.2%	4.7%	3.7%	8.9%	4.5%	22.1%	6.1%	
Cecil	-3.1%	-10.7%	1.0%	2.3%	8.8%	0.2%	21.4%	1.9%	
Charles	13.8%	-3.3%	4.3%	2.0%	9.3%	4.4%	24.3%	5.8%	
Dorchester	10.5%	-11.3%	13.9%	3.0%	10.3%	12.7%	25.2%	13.4%	
Frederick	14.6%	9.4%	3.6%	4.5%	8.0%	4.3%	31.6%	6.6%	
Garrett	5.3%	-14.9%	0.0%	-9.3%	11.5%	-0.5%	22.1%	1.2%	
Harford	12.4%	-4.6%	5.3%	2.8%	7.6%	5.0%	31.2%	7.3%	
Howard	9.7%	-3.7%	2.7%	4.1%	10.8%	2.5%	28.0%	5.7%	
Kent	-1.3%	4.5%	2.3%	6.2%	7.6%	2.8%	35.3%	5.9%	
Montgomery	74.7%	-3.8%	4.1%	2.0%	0.2%	6.2%	22.4%	8.4%	
Prince George's	-13.6%	-2.2%	3.7%	-0.7%	0.4%	1.7%	23.0%	3.0%	
Queen Anne's	11.7%	-9.2%	2.2%	5.6%	9.4%	2.4%	23.5%	4.7%	
St. Mary's	7.8%	-6.9%	0.0%	3.0%	8.1%	0.1%	21.5%	1.8%	
Somerset	-1.6%	-7.3%	5.8%	1.6%	7.8%	4.2%	24.3%	5.2%	
Talbot	9.1%	-13.5%	4.8%	3.1%	8.2%	3.8%	28.2%	6.6%	
Washington	4.3%	-3.8%	4.3%	1.4%	7.3%	3.8%	23.6%	5.1%	
Wicomico	-4.5%	-9.8%	4.9%	2.0%	9.8%	3.4%	29.0%	4.8%	
Worcester	6.2%	-10.4%	5.5%	3.6%	12.8%	5.1%	26.8%	8.1%	
Unallocated	3.3%	-0.2%	-16.0%	1.2%	n/a	-7.4%	n/a	-7.4%	
Total	5.5%	-4.1%	3.3%	1.5%	6.4%	3.2%	24.7%	4.9%	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Appendix 11
Annual Change in State Aid to Local Governments
Fiscal 2015-2025



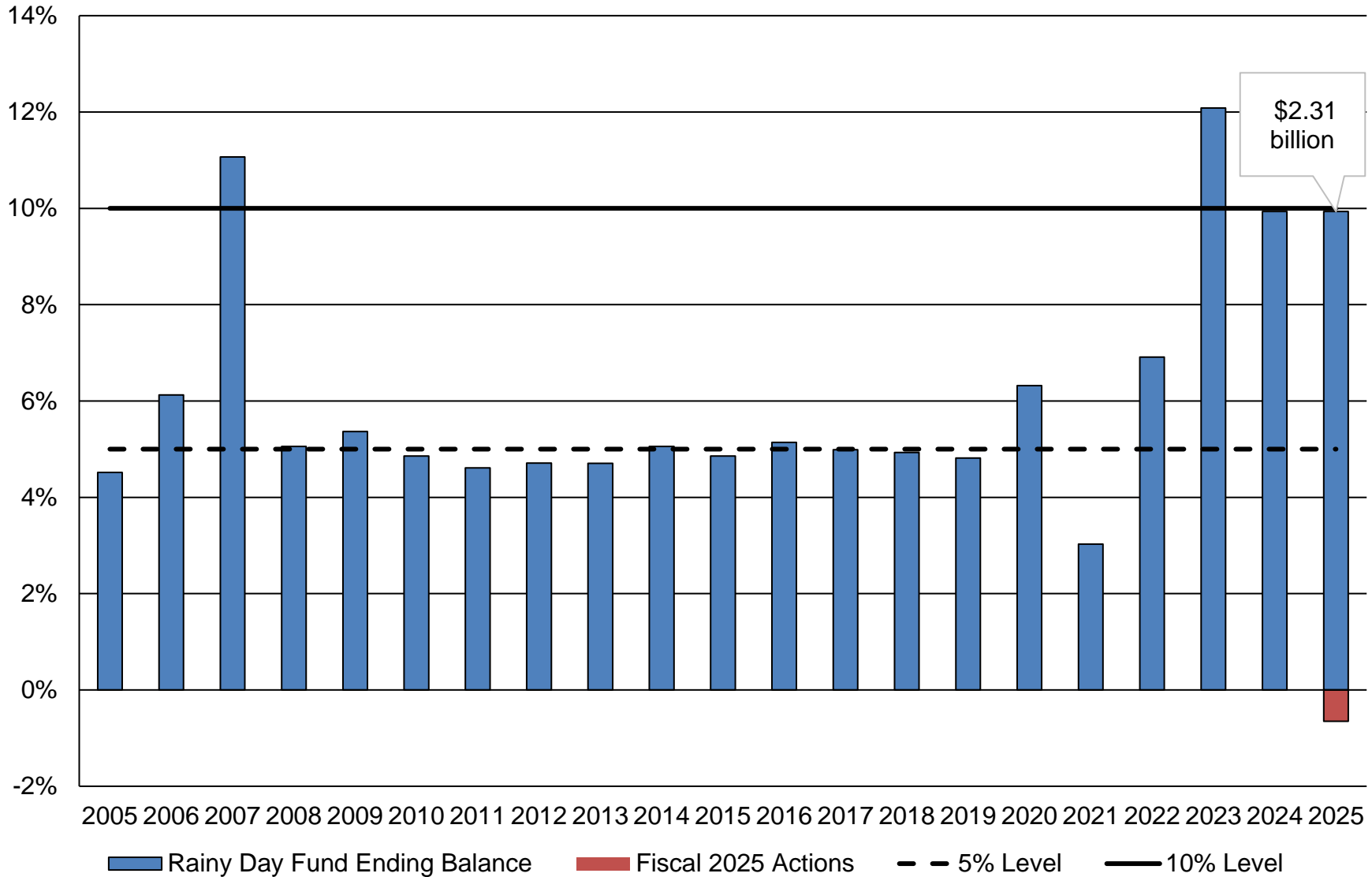
Appendix 12
Comparison of Transportation Trust Fund Forecasts
Fiscal 2024-2028
(\$ in Millions)

	<u>January 2023</u>	<u>September 2023</u>	<u>Change</u>	<u>January 2024</u>	<u>Change</u>
<u>Revenues</u>					
Taxes and Fees					
Motor Vehicle Fuel Taxes	\$7,366	\$7,183	-\$183	\$7,100	-\$83
Titling Taxes	5,491	5,475	-16	5,615	140
Sales Tax – Rental Vehicles	164	164	0	219	55
Corporate Income Tax	2,040	2,067	27	2,085	18
Registration Fees	2,104	2,094	-10	2,094	0
Miscellaneous Motor Vehicle Fees	1,428	1,462	34	1,439	-23
Subtotal: Taxes and Fees	\$18,594	\$18,445	-\$149	\$18,552	\$107
Other Revenues					
Operating Revenues	\$2,407	\$2,346	-\$61	\$2,366	\$20
Federal Operating Assistance	567	566	-1	687	121
Bond Proceeds/Premiums	1,800	1,390	-410	1,640	250
Federal COVID-19/Stimulus	135	121	-14	121	0
Other	393	430	37	952	522
General Fund Transfers in	835	1,087	252	753	-334
Change in Fund Balance	193	338	145	422	84
Subtotal: Other Revenues	\$6,330	\$6,278	-\$52	\$6,941	\$663
Total Revenues	\$24,924	\$24,723	-\$201	\$25,494	\$771
<u>Expenditures</u>					
Debt Service	\$2,256	\$2,246	-\$11	\$2,204	-\$42
Operating Budget	13,241	14,194	953	14,625	431
Deductions to Other Agencies	451	450	-2	467	17
Highway User Revenue (HUR)					
Capital Grants	1,994	1,976	-19	1,792	-184
State Capital Program					
Available Funds	6,981	5,858	-1,123	6,406	548
Total Expenditures	\$24,924	\$24,723	-\$201	\$25,494	\$771
Programmed State Capital/HUR Available Funds Over/(Under)	\$8,973	\$9,435	\$462	\$8,201	-\$1,234
Programmed Spending	2	-1,601		-3	

- The January 2024 Transportation Trust Fund Financial Forecast eliminates the shortfall shown in the draft through increases in revenue and decreases to operating and capital expenditures.
- Although many of the planned operating reductions, including level-funding transportation aid, have been restored for fiscal 2025, savings from these reductions are assumed in future years.
- The forecast includes \$81 million in increased fee revenue that the Maryland Department of Transportation can implement administratively or through regulation.

Appendix 13

Rainy Day Fund Balance as a Percent of General Fund Revenues
Fiscal 2005-2025



Appendix 14
General Fund – Proposed Fiscal 2025 Changes Over Adjusted Fiscal 2024 Spending
(\$ in Millions)

Aid to Local Governments	\$126.8
Education and Library Aid	164.2
Local Health Department Funding	7.4
Community College Aid, including contingent reduction for the Cade Formula	-8.0
One-time legislative additions including Prince George's County Emergency Rental Assistance, grant to Baltimore City Parks and Recreation, and supplemental funding for Baltimore City and Kent County	-11.5
Disparity Grant formula changes	-31.6
Other Local Aid	6.2
Entitlements	-\$12.2
Assistance payments primarily due to EBT replacement due in part to replacement of federal funds that are unavailable after September 30, 2024, Summer SNAP for Children, and TDAP, partially offset by TCA and other assistance based on caseloads	14.1
Homeowners Tax Credit, net of planned reversion in fiscal 2024	3.0
Foster Care Maintenance Payments due in part to increased use of federal funds and caseload changes, partially offset by anticipated costs of rate reform	-14.2
Medical assistance including behavioral health including 3% provider rate increases, partially offset enrollment and utilization changes and one time increase in Medicaid Deficit Assessment	-15.1
Major Personnel Costs	\$309.0
Fiscal 2025 cost-of-living adjustments and increments	309.6
Annual salary review adjustments	10.8
Health Insurance and Retirement Reinvestment	32.6
Shift Differential	6.1
Correctional officer bonuses based on anticipated costs	-9.1
Unemployment rate reduction	-6.0
Savings from transition of Retiree prescription drug costs to Medicare Part D	-50.0
Other personnel adjustments including new positions, contractual conversions, lower expected vacancy savings, overtime, and other fringe benefits	15.0
State Agency Operations	\$450.6
Provider reimbursements for DDA and non-Medicaid-eligible behavioral health services	166.3
WMATA Operating Support	150.0
Funding for USM, MSU, SMCM, and BCCC including formula changes, availability of Cigarette Restitution Funds to support Chapter 41 distributions, mandate increases, increased funding for the State's match for agricultural extension, and increased funding for new initiatives and centers, more than offset by adjustments related to turnover at various institutions	110.4
MDH: Cybersecurity related costs and improvements (\$30.1 million); additional behavioral health investments (\$16.7 million); Center for Firearm Violence Prevention and Intervention contingent on legislation (\$9.7 million); 9-8-8 Trust Fund mandate under Chapter 260 and 261 of 2023 (\$6.5 million); contracts for nurse surveyors to address backlogs (\$3.9 million); trauma informed care training and technical assistance in the public behavioral health system (\$3.0 million); county grants for the Assisted Outpatient Treatment Program contingent on legislation (\$3.0 million); Hospital Overstays Initiative (\$1.6 million); Prenatal and Infant Care Grant Program mandate (\$1.0 million); end of cancer moonshot initiatives (-\$10.0 million)	65.5
Child Care Scholarship Program	52.1
MHEC: Higher Education Security Enhancements (\$25.0 million); Education Excellence Awards (\$2.2 million)	27.2
MDVA: Contract for Charlotte Hall Veterans Home management after accounting for planned reversion in fiscal 2024	19.8
Judiciary: Grants (\$7.1 million); contracts (\$3.0 million); and equipment (\$2.8 million); and rent (\$1.7 million)	16.0
Governor's Office for Children: ENOUGH Act contingent on legislation	15.0
Cost allocations, primarily for DoIT operations	12.8
DSCI: Increase funds for Maryland Corps to mandated level (\$7.0 million); Service Year Option grants (\$3.1 million); and development costs for the online application (\$1.0 million)	11.1
Maryland Cannabis Administration: Social Equity Partnership grant program to the level mandated in Chapters 254 and 255 of 2023	5.0
WNADA: Revitalization grants	4.9
MDL: Employment Advancement Right Now grants (\$2.0 million); Talent Innovation Program to scale up cybersecurity training (\$2.0 million); correctional education for technology, subscriptions, and licensing for classrooms (\$1.6 million); partially offset by the end of a mandate under Chapter 25 of 2019 for the Youthworks program (-\$1.0 million)	4.6
MSDE: Grants in the Early Childhood Education Division (\$8.7 million); partially offset by a one-time grant for Engineering 4US All (-\$1.0 million); Career Ladder due to changes in required funding (-\$1.3 million); and Infant and Early Childhood Mental Health Support Services (-\$3.0 million)	3.5
MDOA: New mandate under Chapter 667 and 668 of 2023 for Long-Term Care and Dementia Navigation	2.4
DHCD: Mandated funding for the Statewide Voucher Assistance Program under Chapter 446 of 2023 (\$10.0 million); Implementing components of the Strategic Housing Plan (\$1.0 million); Funding for new programs contingent on legislation including the Office of Tenant's Rights and Maryland Community Investment Corporation (\$1.3 million), partially offset by the end of the Community Safety Works Program (-\$10.0 million)	2.3
DPSCS: Fuel and utilities (\$2.1 million); food related contracts and supplies (\$1.6 million); Insurance (\$1.2 million); partially offset by end of anti contraband upgrades (-\$3.5 million)	1.5

Military Department: Repairs and maintenance for Army National Guard facilities including one-time funds for fire suppression systems and heating, air conditioning and ventilation	1.4
MDEM: Rent (\$2.5 million) and a State Disaster Recovery Fund established in Chapter 549 of 2023 (\$2.0 million); more than offset by the Local Cybersecurity Support Fund (-\$3.6 million)	0.9
OPD: Eliminate mandate for the Consumer Protection Division contingent on legislation (-\$0.7 million)	-0.7
Eliminate mandate for the Maryland Public Broadcasting Commission contingent on legislation	-1.0
TEDCO: Funding for new initiatives (Baltimore Innovation Initiative Pilot Program, State matching grant funds for the Baltimore Tech Hub Consortium, Upsurge-Uprise Program, and Pava La Pere Innovation Acceleration Grant Program) contingent on legislation (\$3.8 million); funding for the Maryland Equitech Growth Fund mandated in Chapters 461 and 462 of 2023 (\$2.0 million); Minority Pre-Seed Investment Fund (\$1.3 million); more than offset by one-time mandated funding for the Maryland Equity Investment Fund (-\$10.0 million)	-2.9
Commerce: More Jobs for Marylanders (\$3.6 million); Maryland Biotechnology Investment Tax Credit Reserve Fund (\$1.5 million); and the mandate for the Industry 4.0 Grant program established by Chapter 498 of 2023) more than offset by eliminating the Business Telework Assistance program contingent on legislation (-\$1.0 million); and the end of mandated funding for the Child Care Capital Support Revolving Loan Program (-\$10.0 million)	-5.0
SDAT: One-time funding for a contract for an audit of the Homestead Tax Credit	-5.1
DNR: Reduce mandate for the Mel Noland Woodland Incentives and Fellowship Fund contingent on legislation (-\$0.5 million); project management for an outdoor recreation apprenticeship program (-\$1.0 million); eliminate mandate for the Fisheries Research and Development Fund in fiscal 2025 contingent on legislation (-\$1.8 million); one-time costs for vehicle replacement (- \$1.8 million); one-time costs to replace a research vessel (-\$2.5 million); use the Chesapeake and Coastal Bays 2010 Trust Fund to meet mandate for Tree Solutions Now Act contingent on legislation (-\$2.5 million)	-10.1
MDA: Seafood processing project loans mandated in Chapter 30 and 574 of 2022 for fiscal 2024 (-\$1.0 million); accelerated repayment of Transfer Tax transfer in fiscal 2024 (-\$10.0 million)	-11.0
Major Information Technology Development Fund	-16.0
DHS: Contracts in the Family Investment Administration for a call center, asset verification, and employment and income verification (\$4.8 million); rent (\$2.3 million); more than offset by communications costs (-\$4.5 million); costs related to the DHS headquarters move (-\$7.2 million); Montgomery County Block Grant (-\$8.2 million); and MD THINK (\$21.9 million)	-34.7
Sellinger Formula including reduction contingent on legislation	-67.0
One-time legislative additions, including deposits into Cannabis Business Assistance Fund and MEMSOF totaling \$65.6 million	-136.6
Other changes	68.2
Reserve Fund	-\$1,192.4
DPA: new funding to support DJS Community Investment Initiatives and Enhanced Services Continuum (\$12.0 million); End the Wait provider capacity building (\$10 million); and apprenticeships in State government (\$2.5 million); Rebuilding State Government (\$1.0 million)	25.5
Fiscal 2024 deposit into Catastrophic Event Account	-10.0
DPA One-time Legislative Additions: Technical assistance (-\$0.2 million); End the Wait (-\$6.0 million); Trauma Facilities (-\$9.5 million)	-15.7
DPA: Fiscal 2024 funding for Economic Development Strategic Plan (-\$2.5 million), Awards to Erroneously Confined Individuals (-\$7.7 million), State Center relocation (-\$30.0 million), Cybersecurity remediation (-\$152.0 million)	-192.2
One-time transfer to the MDOT for future transportation projects	-100.0
One-time transfers to the Blueprint for Maryland's Future Fund	-900.0
Capital	-\$1,099.0
DPA: Inner Harbor Promenade (\$30.0 million), Data Science and Computing Infrastructure (\$7.0 million); State Center planning and demolition (\$5.0 million)	42.0
New Veterans Home	-6.3
DHCD - shift to GO bonds	-161.0
WMATA Capital support shifted to GO bonds	-167.0
End of Transfer Tax Replacement for Rural Legacy and MALPF	-22.0
DNR: One-time funding for Park System Critical Maintenance Fund and Park System Capital Improvements and Acquisitions Fund	-106.9
DGS: Shift funds to GO bonds, eliminate one-time funding	-291.3
Public School Construction: Eliminate mandate in fiscal 2025 for the Revolving Loan Fund (-\$10.0 million), shift funds to GO bonds and conform to CIP (-\$356.5 million)	-366.5
Other PAYGO funding including shifting to GO bond funds and eliminating one-time funding	-19.9
Debt Service	-\$49.0
Fiscal 2023 costs paid in fiscal 2024: Medicaid (\$52.1 million); DPSCS medical contract including costs related to a settlement with the provider (\$32.8 million); Behavioral health related Medicaid services (\$28.7 million); Senatorial and Delegate Scholarships funds reverted in error (\$9.8 million); Child Care Capital Support Revolving Loan Fund reverted in error (\$4.5 million); BCCC funds reverted in error (\$4.1 million); and OPD costs for which there was insufficient appropriation (\$2.5 million)	-134.5
Total	-\$1,600.7

BCCC: Baltimore City Community College
BPW: Board of Public Works
CIP: *Capital Improvement Program*
Commerce: Department of Commerce
DDA: Developmental Disabilities Admiration
DGS: Department of General Services
DHCD: Department of Housing and Community Development
DHS: Department of Human Services
DJS: Department of Juvenile Services
DNR: Department of Natural Resources
DoIT: Department of Information Technology
DPA: Dedicated Purpose Account
DPSCS: Department of Public Safety and Correctional Services
DSCI: Department of Service and Civic Innovation
EBT: Electronic Benefits Transfer
GO: general obligation
MALPF: Maryland Agricultural Land Preservation Foundation
MDA: Maryland Department of Agriculture
MDEM: Maryland Department of Emergency Management
MDH: Maryland Department of Health
MDL: Maryland Department of Labor
MDOA: Maryland Department of Aging
MDOT: Maryland Department of Transportation
MDVA: Department of Veteran's Affairs
MEMSOF: Maryland Emergency Medical System Operations Fund
MHEC: Maryland Higher Education Commission
MSDE: Maryland State Department of Education
MSU: Morgan State University
OPD: Office of the Public Defender
PAYGO: pay-as-you-go
SDAT: State Department of Assessments and Taxation
SMCM: St. Mary's College of Maryland
SNAP: Supplemental Nutrition Assistance Program
TCA: Temporary Cash Assistance
TDAP: Temporary Disability Assistance Program
TEDCO: Maryland Technology Development Corporation
USM: University System of Maryland
WMATA: Washington Metropolitan Area Transit Authority
WNADA: West North Avenue Development Authority

Appendix 15
Funds Remaining in Dedicated Purpose Account

<u>Purpose</u>	Funds Available		<u>Total</u>
	<u>From Prior Years</u>	<u>From Fiscal 2025</u>	
PAYGO, including Facilities Renewal	\$158.77		\$158.77
WMATA Grant		\$150.00	\$150.00
Cybersecurity	98.46		\$98.46
State Center Relocation	73.40	5.00	\$78.40
Veterans Home	65.39		\$65.39
Other	22.73	31.96	\$54.69
Inner Harbor		30.00	\$30.00
Other Fiscal 2023 Legislative Priorities	28.69		\$28.69
Apprenticeships	25.00	2.50	\$27.50
Autism Waiver Expansions	27.40		\$27.40

PAYGO: pay-as-you-go

WMATA: Washington Metropolitan Area Transit Authority

Appendix 16

Capital Program Summary for the 2025 Session as Introduced

<u>Function</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total</u>
	<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
State Facilities						\$176.4
Facilities Renewal	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	
State Facilities Other	116.8	0.0	5.0	0.0	53.5	
Health/Social						\$62.6
Health Other	\$14.1	\$0.0	\$0.0	\$0.0	\$0.0	
Health State Facilities	16.5	0.0	0.0	0.0	0.0	
Private Hospitals	32.1	0.0	0.0	0.0	0.0	
Environment						\$597.3
Agriculture	\$8.0	\$0.0	\$0.0	\$36.5	\$0.0	
Environment	44.4	0.0	1.0	198.2	173.2	
MD Environmental Services	0.6	0.0	0.0	0.0	0.0	
Natural Resources	7.5	0.0	0.0	120.4	7.5	
Public Safety						\$34.3
Local Jails	\$1.9	\$0.0	\$0.0	\$0.0	\$0.0	
State Corrections	23.2	0.0	0.0	0.0	0.0	
State Police	9.1	0.0	0.0	0.0	0.0	
Education						\$920.0
Education Other	\$14.1	\$0.0	\$0.0	\$0.0	\$0.0	
School Construction	453.5	425.4	0.0	27.0	0.0	
Higher Education						\$355.0
Community Colleges	\$45.2	\$0.0	\$0.0	\$0.0	\$0.0	
Morgan State University	37.7	0.0	0.0	0.0	0.0	
Private Colleges/Universities	8.0	0.0	7.0	0.0	0.0	
St. Mary's College of MD	2.1	0.0	0.0	0.0	0.0	
University System	225.0	30.0	0.0	0.0	0.0	
Housing and Community Development						\$607.3
Housing	\$284.0	\$0.0	\$9.0	\$69.5	\$214.9	
Housing Other	7.6	0.0	22.0	0.3	0.0	
Local Projects						\$283.4
Local Project Administration	\$202.9	\$0.0	\$30.0	\$0.0	\$0.0	
Local Project Legislative	50.5	0.0	0.0	0.0	0.0	
Transportation						\$187.0
Port	\$20.0	\$0.0	\$0.0	\$0.0	\$0.0	
Transit	167.0	0.0	0.0	0.0	0.0	
Current Year Total (Excluding MDOT)	\$1,792.8	\$455.4	\$74.0	\$451.9	\$449.2	\$3,223.3
Transportation CTP	\$0.0	\$155.0		\$1,228.2	\$1,436.1	\$2,819.3
Total Current Year (Including MDOT)	\$1,792.8	\$610.4	\$74.0	\$1,680.1	\$1,885.3	\$6,042.6
Deauthorizations	\$42.8	\$0.0	\$0.0	\$0.0	\$0.0	\$42.8

<u>Function</u>	Bonds		Current Funds (PAYGO)			
	<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total</u>
Total Current Year Less Deauthorizations	\$1,750.0	\$610.4	\$74.0	\$1,680.1	\$1,885.3	\$5,999.8
Fiscal 2024 Deficiencies	\$0.0	\$0.0	\$0.0	\$1.0	\$12.8	\$13.8
Grand Total	\$1,792.8	\$610.4	\$74.0	\$1,681.1	\$1,898.1	\$6,056.4

CTP: *Consolidated Transportation Program*
GO: general obligation
MD: Maryland

MDOT: Maryland Department of Transportation
PAYGO: pay-as-you-go

Appendix 17

Top Funded Programs and Projects – All Funds

Fiscal Year 2025

<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
IAC: Built to Learn Fund	\$0.0	\$425.4	\$0.0	\$27.0	\$0.0	\$452.4
IAC: Public School Construction Program	313.9	0.0	0.0	0.0	0.0	313.9
MDE: Maryland Water Quality Revolving Loan Fund	14.9	0.0	0.0	109.1	79.8	203.9
DHCD: Statewide Broadband Infrastructure Program	0.0	0.0	0.0	0.0	172.7	172.7
MDOT: Washington Metropolitan Transit Authority Upgrades	167.0	0.0	0.0	0.0	0.0	167.0
DHCD: Rental Housing Programs	110.0	0.0	0.0	19.5	9.0	138.5
MDE: Maryland Drinking Water Revolving Loan Fund	10.8	0.0	0.0	25.5	93.4	129.7
MISC: Federal Bureau of Investigation Headquarters Relocation	100.0	0.0	0.0	0.0	0.0	100.0
IAC: Healthy School Facility Fund	90.0	0.0	0.0	0.0	0.0	90.0
UMCP: New Interdisciplinary Engineering Building – Zupnik Hall	64.9	0.0	0.0	0.0	0.0	64.9
MDE: Bay Restoration Fund Wastewater Program	0.0	0.0	0.0	60.0	0.0	60.0
DHCD: Strategic Demolition Fund	60.0	0.0	0.0	0.0	0.0	60.0
MDVA: New State Veterans Home	0.0	0.0	0.0	0.0	47.9	47.9
IAC: Supplemental Capital Grant Program for Local School Systems	40.0	0.0	0.0	0.0	0.0	40.0
DHCD: Housing and Building Energy Programs	0.0	0.0	0.0	38.4	0.0	38.4
MHEC: Community College Construction Grant Program	38.1	0.0	0.0	0.0	0.0	38.1
MDA: Agricultural Land Preservation Program	0.0	0.0	0.0	36.5	0.0	36.5
BPW: New Supreme Court of Maryland Building	35.4	0.0	0.0	0.0	0.0	35.4
TU: Smith Hall Renovation and Reconstruction	32.5	0.0	0.0	0.0	0.0	32.5
DNR: Program Open Space – Local	0.0	0.0	0.0	32.1	0.0	32.1
DGS: Inner Harbor Promenade	0.0	0.0	30.0	0.0	0.0	30.0
DHCD: Neighborhood Business Development Program	10.0	0.0	0.0	2.2	16.1	28.3
SU: Blackwell Hall Renovation	27.6	0.0	0.0	0.0	0.0	27.6
DHCD: Baltimore Regional Neighborhood Initiative	27.0	0.0	0.0	0.0	0.0	27.0
UMB: New School of Social Work Building	26.7	0.0	0.0	0.0	0.0	26.7
Local House Initiatives	25.0	0.0	0.0	0.0	0.0	25.0
Local Senate Initiatives	25.0	0.0	0.0	0.0	0.0	25.0
USMO: Facilities Renewal	0.0	25.0	0.0	0.0	0.0	25.0
DNR: Waterway Improvement Fund	0.0	0.0	0.0	21.5	2.5	24.0
MSU: New Science Center Phase II	23.0	0.0	0.0	0.0	0.0	23.0
MDP: Historic Revitalization Tax Credits	0.0	0.0	22.0	0.0	0.0	22.0
DHCD: Homeownership Programs	16.0	0.0	0.0	5.0	0.0	21.0
MDOT: Howard Street Tunnel	20.0	0.0	0.0	0.0	0.0	20.0
UMMS: University of Maryland Shore Regional Health – New Easton Regional Medical Center	20.0	0.0	0.0	0.0	0.0	20.0
DPSCS: Baltimore Therapeutic Treatment Center	19.2	0.0	0.0	0.0	0.0	19.2
MSA: New Legislative Services Building	18.5	0.0	0.0	0.0	0.0	18.5
UMBC: Sherman Hall Renovation	18.3	0.0	0.0	0.0	0.0	18.3
BPW: Shillman Building Conversion	18.2	0.0	0.0	0.0	0.0	18.2
DoIT: MD FiRST	17.9	0.0	0.0	0.0	0.0	17.9
DNR: Program Open Space – State	0.0	0.0	0.0	12.6	5.0	17.6
BPW: William Donald Schaefer Tower Renovation	16.5	0.0	0.0	0.0	0.0	16.5

<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
MDH: Renovation of Clifton T. Perkins Hospital North Wing	16.1	0.0	0.0	0.0	0.0	16.1
DNR: Rural Legacy Program	0.0	0.0	0.0	15.3	0.0	15.3
MDE: Septic System Upgrade Program	0.0	0.0	0.0	15.0	0.0	15.0
Subtotal: Top Funded Projects/Programs	\$1,422.5	\$450.4	\$52.0	\$419.8	\$426.5	\$2,771.2
Subtotal: Other Funded Projects/Programs	\$370.3	\$5.0	\$22.0	\$32.1	\$22.7	\$452.0
Fiscal 2025 Capital Program (Excluding MDOT)	\$1,792.8	\$455.4	\$74.0	\$451.9	\$449.2	\$3,223.3
Transportation CTP	\$0.0	\$155.0	\$0.0	\$1,228.2	\$1,436.1	\$2,819.3
Fiscal 2025 Capital Program (Including MDOT)	\$1,792.8	\$610.4	\$74.0	\$1,680.1	\$1,885.3	\$6,042.6

Note: Grand total figures include \$42.8 million of additional GO bond authorizations to account for deauthorizations included in the capital bill as introduced. When adjusted for the deauthorizations, the level of new GO bond authorizations is \$1.750 billion, the same level recommended by the Spending Affordability Committee for the 2024 session and \$545 million above the level programmed in the 2023 *Capital Improvement Program* for fiscal 2025.

BPW: Board of Public Works

CTP: Capital Transportation Program

DHCD: Department of Housing and Community Development

DPSCS: Department of Public Safety and Correctional Services

DGS: Department of General Services

DH: Department of Health

DNR: Department of Natural Resources

DoIT: Department of Information Technology

IAC: Interagency Commission on School Construction

MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment

MDP: Maryland Department of Planning

MDOT: Maryland Department of Transportation

MDVA: Maryland Department of Veterans Affairs

MISC: miscellaneous

MHEC: Maryland Higher Education Commission

MSA: Maryland Stadium Authority

MSU: Morgan State University

TU: Towson University

SU: Sailsbury University

UMB: University of Maryland, Baltimore

UMBC: University of Maryland, Baltimore Campus

UMCP: University of Maryland, College Park

USMO: University System of Maryland Office

Appendix 18
Status of Fiscal 2025 Capital Mandates
(\$ in Thousands)

<u>Agency</u>	<u>Program</u>	<u>Fiscal 2025 Mandate Amount</u>	<u>Fiscal 2025 Funding Amount</u>	<u>Fiscal 2025 Amount Over/Under Mandate</u>
Commerce	Maryland Arts Capital Grant Program	\$3,000	\$3,000	0
DHCD	Baltimore Regional Neighborhoods Initiative	12,000	12,000	0
DHCD	Seed Anchor Institution Fund	10,000	10,000	0
DHCD	National Capital Strategic Economic Development Fund	12,000	12,000	0
DHCD	Shelter and Transitional Housing	3,000	3,000	0
DHCD	Business Façade Improvement Program	5,000	5,000	0
DNR	Oyster Restoration Activities in the Eastern Bay	1,000	1,000	0
IAC	Supplemental Capital Grant Program	40,000	40,000	0
IAC	Healthy School Facility Fund	90,000	90,000	0
IAC	Aging Schools Program	6,109	6,109	0
IAC	School Construction Revolving Loan Fund	10,000	0	-\$10,000
MDP	African American Heritage Preservation Program	5,000	5,000	0
MHEC	Community Colleges Facilities Renewal Grant Program	1,903	1,903	0
MSLA	Public Library Capital Grant Program	7,500	11,961	4,461
	Total GO Bond / General Fund Mandates	\$206,512	\$200,973	-\$5,539
DNR	Baltimore City Direct Grant – Program Open Space	\$10,000	\$10,000	0
DNR	Rural Legacy Program	5,000	5,000	0
IAC	Prince George's County Public-Private Partnership Fund	27,000	27,000	0
MDOT	TOD Capital Grant and Revolving Loan Fund	5,000	5,000	0
	Total Special Fund Mandates	\$47,000	\$47,000	\$0
	Total Mandates	\$253,512	\$247,973	-\$5,539

Commerce: Department of Commerce
DHCD: Department of Housing and Community Development
DNR: Department of Natural Resources
IAC: Interagency Commission on School Construction
GO: general obligation
MHEC: Maryland Higher Education Commission
MDOT: Maryland Department of Transportation
MDP: Maryland Department of Planning
MSLA: Maryland State Library Agency
TOD: Transit Oriented Development

Appendix 19
Capital Budget – Status of 2023 Session Legislative Preauthorizations for Fiscal 2025
(\$ in Millions)

<u>Agency</u>	<u>Project Title</u>	<u>Preauthorization Amount</u>	<u>2025 Funded Amount</u>	<u>Difference</u>
DPSCS	New Life Skills and Re-Entry Center for Women	\$2.50	\$4.03	\$1.53
MISC	Inner Harbor Promenade*	30.00	30.00	0.00
UMMS	University of Maryland Shore Regional Health – New Easton Regional Medical Center	20.00	20.00	0.00
MISC	Extended North Tunnel	10.00	10.00	0.00
MISC	Luminis Health Doctors Community Medical Center New Obstetrical Care Tower	10.00	10.00	0.00
UMCP	Graduate Student Housing	5.00	5.00	0.00
MISC	Pikesville Armory Renovation	5.00	5.00	0.00
MISC	Southern Streams Health and Wellness Center	2.50	2.50	0.00
UMB	Institute for Health Computing	2.00	2.00	0.00
MISC	City of Salisbury Infrastructure Improvements	2.00	2.00	0.00
MISC	Hippodrome Foundation	0.60	0.60	0.00
MISC	Westminster Fiber Project	1.00	0.75	-0.25
MISC	Pascal Crisis Stabilization Center	0.25	0.00	-0.25
MISC	Sound Barrier	0.25	0.00	-0.25
MISC	American Cancer Society – Hope Lodge Baltimore	0.25	0.00	-0.25
MISC	Liberty Sports Park	0.50	0.00	-0.50
UMB	Dental Ambulatory Surgery Center	2.00	1.14	-0.86
MISC	Everyman Theatre	1.00	0.00	-1.00
MISC	Baltimore Electrical JATC Expansion	1.00	0.00	-1.00
MISC	Children's National Hospital – Tech Hill Pharmacy	1.00	0.00	-1.00
MISC	Charles P. Crane Plant	1.00	0.00	-1.00
MISC	Electrical Alliance	1.00	0.00	-1.00
MES	Elk Neck State Park – Wastewater Treatment Plant Upgrade**	4.50	3.47	-1.03
MISC	Bowie Mill Bike Trail	2.10	1.00	-1.10
MISC	City of Laurel Historical Dam Ruins at Riverfront Park Restoration	1.20	0.00	-1.20
MISC	Clay Hill Public Charter School	1.20	0.00	-1.20
MISC	University of Maryland Shore Medical Center at Chestertown	1.25	0.00	-1.25
MISC	Montgomery County Local Public School Playgrounds	1.35	0.00	-1.35
MISC	Riverdale Park Upgrades	1.50	0.00	-1.50
MISC	Washington County Museum of Fine Arts	1.50	0.00	-1.50
MISC	Shady Grove Medical Center	2.00	0.00	-2.00
MISC	MedStar Montgomery Medical Center	2.00	0.00	-2.00
MISC	Olney Boys and Girls Club – Performance Sports Center	2.00	0.00	-2.00
MISC	Catholic Charities – Intergenerational Center	2.00	0.00	-2.00
MISC	MedStar Southern Maryland Hospital	2.00	0.00	-2.00

<u>Agency</u>	<u>Project Title</u>	<u>Preauthorization Amount</u>	<u>2025 Funded Amount</u>	<u>Difference</u>
MHEC	Montgomery College – Germantown – Student Services Center	4.80	1.84	-2.96
UMCP	Health and Human Sciences Building	4.95	0.00	-4.95
MISC	Cheverly Hospital Demolition	5.00	0.00	-5.00
MISC	North Bethesda Metro Station	10.00	3.00	-7.00
Total		\$148.20	\$102.32	-\$45.88

DPSCS: Department of Public Safety and Correctional Services
 MES: Maryland Environmental Service
 MHEC: Maryland Higher Education Commission
 MISC: miscellaneous
 UMB: University of Maryland, Baltimore
 UMCP: University of Maryland, College Park Campus
 UMMS: University of Maryland Medical System

* Funding for the Inner Harbor Promenade project is provided in fiscal 2025 using pay-as-you-go general funds budgeted in the Dedicated Purpose Account.

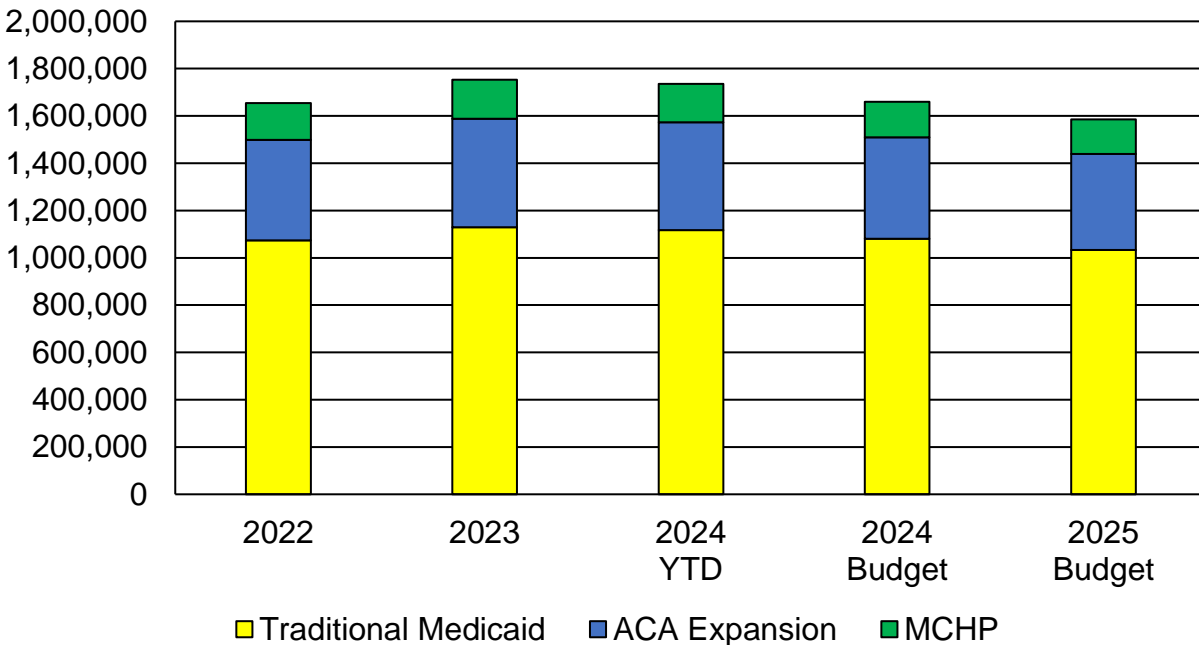
** Funding for the Elk Neck State Park - Wastewater Treatment Plant Upgrade is provided in fiscal 2025 using special funds available from transfer tax revenues.

Appendix 20 Medicaid and Maryland Children’s Health Program Budget

As a condition of receiving an enhanced federal match on qualifying Medicaid and Maryland Children’s Health Program (MCHP) spending during the COVID-19 public health emergency (PHE), Maryland was required to freeze disenrollment with limited exceptions. Maryland’s Medicaid and MCHP caseloads rose substantially during the PHE, increasing to an all-time program high of 1.75 million average monthly enrollees in fiscal 2023.

The Consolidated Appropriations Act of 2023 ended the continuous enrollment requirement on April 1, 2023. On that date, the Maryland Department of Health initiated a 12-month eligibility redetermination schedule (referred to as the unwinding period) in which Maryland is renewing Medicaid participants over 12 cohorts. As a result of the ongoing unwinding process and general economic improvement, the proposed fiscal 2025 budget anticipates that fiscal 2024 and 2025 average monthly enrollment will decrease compared to fiscal 2023 actual and fiscal 2024 year-to-date enrollment.

Medicaid and MCHP Average Monthly Enrollment Fiscal 2022-2025 Budget



ACA: Affordable Care Act
MCHP: Maryland Children’s Health Program
YTD: year to date

Note: Beginning in fiscal 2024, MCHP enrollment includes noncitizen pregnant and postpartum individuals participating in the Healthy Babies Initiative.

The fiscal 2025 allowance for Medicaid and MCHP decreases by \$232.9 million, or 1.6%, across all funds compared to the fiscal 2024 working appropriation, excluding a proposed deficiency of \$204.4 million in total funds for fiscal 2023 service costs paid in fiscal 2024.

Medicaid and MCHP Expenditures
Fiscal 2023-2025
\$ in Millions

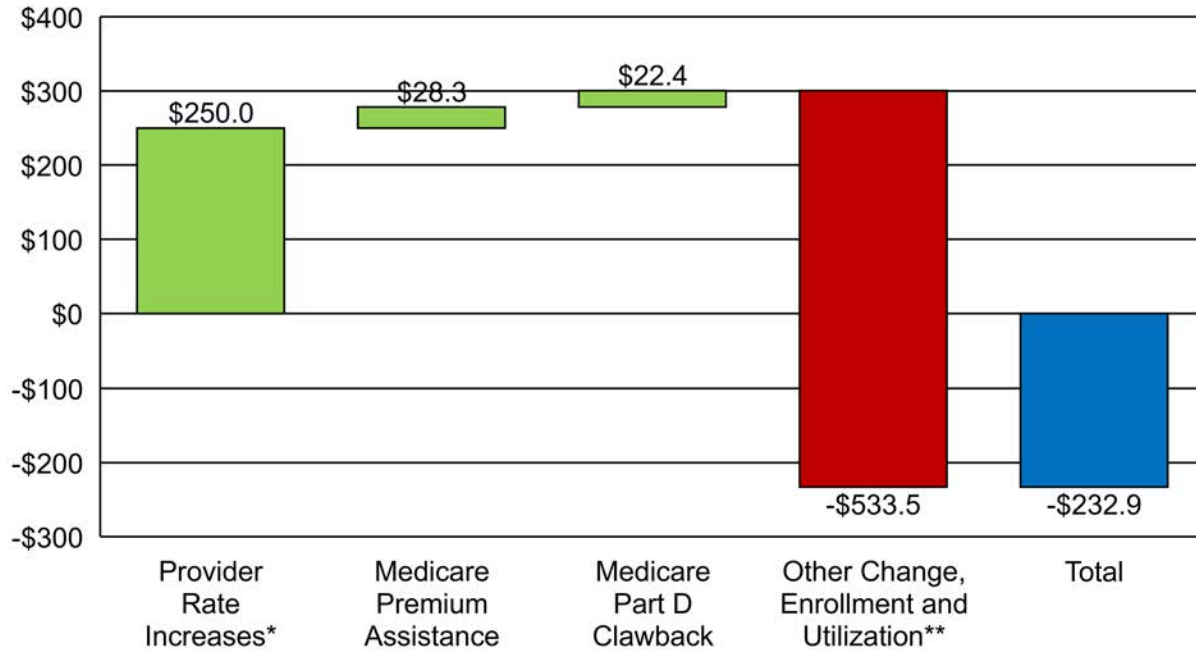
	<u>Actual</u> <u>2023</u>	<u>Working</u> <u>2024</u>	<u>Allowance</u> <u>2025</u>	<u>\$ Change</u> <u>2024-2025</u>	<u>% Change</u> <u>2024-2025</u>
General Funds	\$4,465.5	\$4,880.1	\$4,865.0	-\$15.1	-0.3%
Special Funds	792.8	681.1	737.0	55.8	8.2%
Federal Funds	9,583.9	9,066.1	8,792.5	-273.6	-3.0%
Total	\$14,842.2	\$14,627.4	\$14,394.5	-\$232.9	-1.6%
Prior Year Costs		\$204.4	\$0.0	-\$204.4	100.0%

MCHP: Maryland Children's Health Program

Note: Includes MCHP, Senior Prescription Drug Assistance Program, and behavioral health payments under Medicaid. The fiscal 2024 working appropriation includes deficiency appropriations.

As shown in the following chart, the anticipated decline in enrollment combined with utilization assumptions drives the overall Medicaid budget decrease. However, it should be noted that potentially significant components of the Medicaid budget, such as managed care organization rate increases in calendar 2024 and reasons for proposed deficiency appropriations, were not available at the time this report was published. As a result, the full budget impact of enrollment and utilization assumptions are unknown at this time.

**Fiscal 2024 to 2025 Medicaid Expenditure Growth in Total Funds
(\$ in Millions)**



*Rate increases include annualization of 8% accelerated rate increases that took effect January 1, 2024.

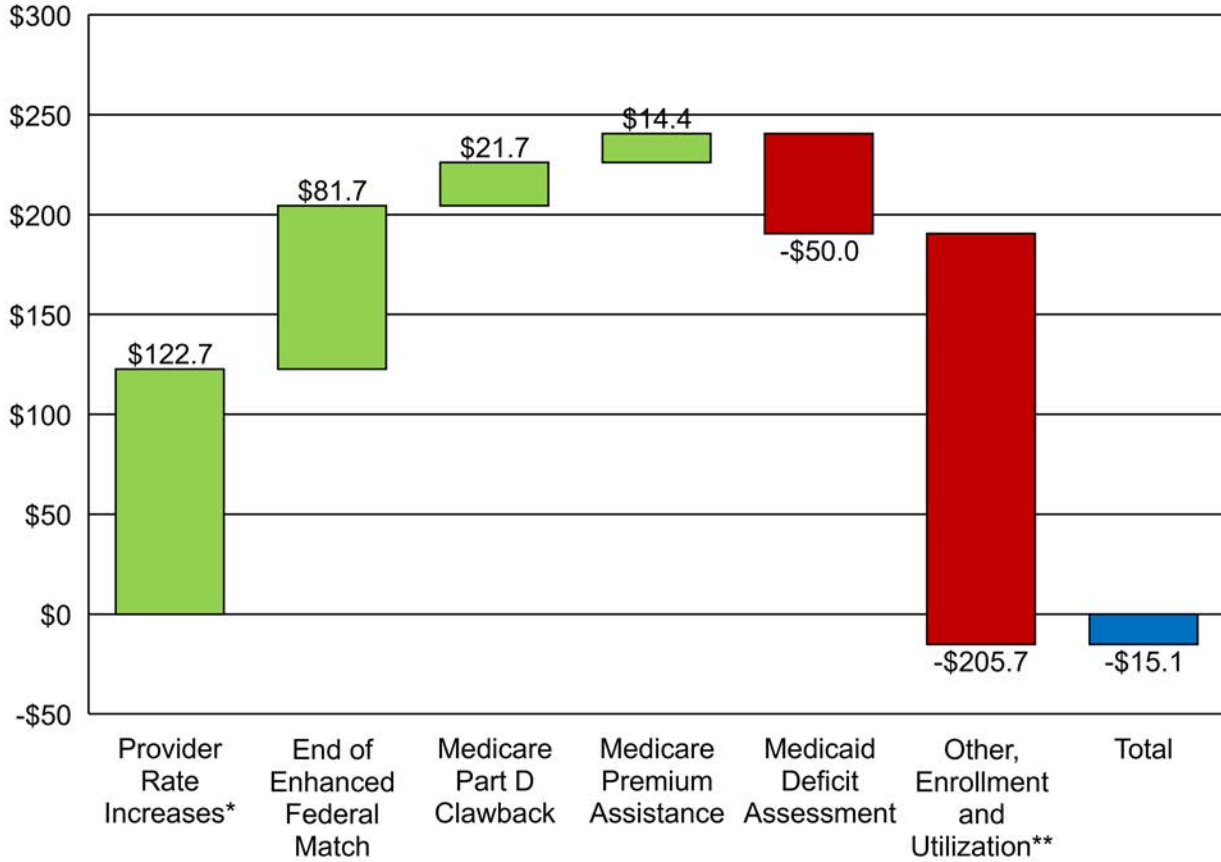
**Details regarding Medicaid cost components were unavailable at the time of report publication.

Note: Numbers may not sum to total due to rounding. Includes the Maryland Children’s Health Program, Senior Prescription Drug Assistance Program, and behavioral health payments under Medicaid. The fiscal 2024 working appropriation includes deficiency appropriations, with exception to a deficiency appropriation of \$204.4 million for service year 2023 costs.

Medicaid Long Term Services and Supports (LTSS) and behavioral health provider rate increases totaling \$250 million are the largest component of spending growth, mainly due to the annualization of 8% rate increases effective January 1, 2024, and a 3% rate increase effective July 1, 2024. The fiscal 2024 Budget Bill and Chapter 2 of 2023 (the Fair Wage Act) accelerated rate increases that were initially mandated to take effect in fiscal 2025 and 2026 to instead align with the State’s minimum wage increase and take effect on January 1, 2024.

The following chart shows components of the \$15.1 million decrease in fiscal 2025 Medicaid general fund spending, excluding the \$80.8 million general fund deficiency to cover fiscal 2023 reimbursements. Enrollment and utilization assumptions account for most of the decline. Due to the enrollment mix and varying federal matching rates for Medicaid participants disenrolled during the unwinding period, general fund spending decreases at a lower rate (-0.3%) than federal fund spending (-1.6%).

**Fiscal 2024 to 2025 Medicaid Expenditure Growth in General Funds
(\$ in Millions)**



*Rate increases include annualization of 8% accelerated rate increases that took effect January 1, 2024.

**Details regarding Medicaid cost components were unavailable at the time of report publication.

Note: Numbers may not sum to total due to rounding. Includes the Maryland Children’s Health Program, Senior Prescription Drug Assistance Program, and behavioral health payments under Medicaid. The fiscal 2024 working appropriation includes deficiency appropriations, with exception to a general fund deficiency appropriation of \$80.8 million for service year 2023 costs.

The \$122.7 million general fund share of LTSS and behavioral health provider rate increases and annualization partially offsets the decrease in fiscal 2025 spending. General fund spending also increases by approximately \$81.7 million to backfill COVID-19 enhanced federal matching funds, which expired at the end of calendar 2023.