
Senate Budget and Taxation Full Committee

Additional Pages

March 8, 2024

F10A
Department of Budget and Management – Secretary

F10A01.01 Executive Direction

Add the following language to the general fund appropriation:

, provided that, since eight State agencies have repeat audit findings in calendar 2023 compliance reports issued by the Office of Legislative Audits (OLA) for certain repeat findings, \$250,000 of the appropriation made for the purpose of Executive Direction may not be expended until:

- (1) representatives from agencies with certain repeat audit findings in calendar 2023 have met with the State Chief Information Security Officer (SCISO) to identify and document a path for resolution of any outstanding issues, and the agency has taken corrective action with respect to the findings, including articulating any ongoing associated costs and a timeline for resolution if the corrective action is not complete;
- (2) the SCISO submits a report to OLA by February 1, 2025, addressing corrective actions taken, a path and timeline for resolution of any outstanding issues, and any ongoing costs associated with corrective actions; and
- (3) a report is submitted to the budget committees and the Joint Audit and Evaluation Committee (JAEC) by OLA, no later than May 1, 2025, listing each repeat audit finding in accordance with item (1) that demonstrates the agencies’ commitment to correct each repeat audit finding.

The budget committees and JAEC shall have 45 days to review and comment from the date of the receipt of the report. General funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise and shall revert to the General Fund if the report is not submitted.

Explanation: Audit reports from calendar 2023 identified certain repeat audit findings in State agencies. This language requires that these agencies report their plans to remediate repeat audit findings to the SCISO. The SCISO should review these plans and report to OLA about these agencies’ plans. OLA should review the SCISO’s findings and report on the commitment to resolving these repeat findings to the budget committees and JAEC. The eight State agencies are the Maryland State Department of Education, the Maryland Environmental Service, the Department of Budget and Management – Office of the Secretary, the Department of Public Safety and Correctional Services, the State Treasurer’s Office, the State Board of Elections, the Maryland Department of Health – Medical Care Programs Administration and Office of the Secretary and the Department of Commerce.

Information Request	Author	Due Date
Report on repeat audit findings	SCISO OLA	February 1, 2025 May 1, 2025

F10A02
Department of Budget and Management
Office of Personnel Services and Benefits

Committee Narrative

F10A02.01 Executive Direction

Update on Recommendations for Modernizing State Recruitment: The budget committees are interested in the State’s progress toward adopting recommendations made in the January 2024 report of the Task Force on the Modernization of the State Personnel Management System (SPMS).

The committees request that Department of Budget and Management (DBM) submit a report by October 1, 2024, that includes:

- all actions taken toward implementing the recommendations of the task force;
- any other significant additional initiatives DBM recommends to modernize the SPMS;
- an update on the creation and expansion of apprenticeships by agency, including the number of apprentices hired, the classifications in which the apprenticeships were created, and the agencies that employ the apprentices; and
- recommendations for legislation that is needed in order to implement any task force or other recommendations.

Information Request	Author	Due Date
Update on progress toward implementation of SPMS personnel system recommendations	DBM	October 1, 2024

F10A02
Department of Budget and Management
Office of Personnel Services and Benefits

Budget Amendment

F10A02.02 Division of Employee Benefits

Add the following language:

, provided that \$100,000 of this appropriation made for the purpose of administering the State's health insurance plan may not be expended until the Department of Budget and Management (DBM) submits a report to the budget committees that includes:

- (1) Comparative analyses that State employee health plans have prepared under the Mental Health Parity and Addiction Equity Act, 42 U.S.C. §300gg-26(a)(8), for plans offered for plan years 2022 and 2023, or the most recent two years available;
- (2) DBM's assessment of each health plan's compliance with the Parity Act; and
- (3) the number and nature of complaints that have been filed with DBM from calendar years 2018 through 2023 categorizing complaints as filed by plan members, participant, or providers regarding coverage denials or limitations for mental health and/or substance use disorder benefits through state employee health plans.

The report shall be submitted by November 1, 2024, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose.

Explanation: The General Assembly is interested in receiving more information regarding the State's compliance with the Mental Health Parity and Addiction Equity Act, which prevents group health plans that provide mental health or substance use disorder benefits from imposing less favorable benefit limitations than on medical or surgical benefits.

Information Request	Author	Due Date
Mental Health Parity and Addiction Equity Act compliance report	DBM	November 1, 2024

G20
State Retirement Agency

Committee Narrative

G20J01.01 Administration

Law Enforcement Officers Catastrophic Injuries: The budget committees are concerned about members of the Law Enforcement Officers’ Pension System (LEOPS) and the State Police Retirement System (SPRS) who are awarded a special and accidental disability benefit for “catastrophic injuries” that result in their being unable to work in any capacity and not receiving a benefit equal to 100% of their annual compensation at the time their injury occurred.

The State Retirement Agency (SRA) should submit a report to the budget committees and the Joint Committee on Pensions by December 1, 2024, on the impact of providing this benefit to members of the LEOPS and SPRS. The report should include:

- how many members in the LEOPS or SPRS have been awarded and are receiving an accidental or special disability benefit from July 1, 2014, through June 30, 2024;
- how many accidental or special disability retirees in the LEOPS or SPRS have returned to work with the State or a participating employer;
- to the extent possible, determination of if “catastrophic injury” has been defined by any public pension plans for purposes of line-of-duty disability benefits or if any case law exists that has addressed what constitutes a “catastrophic injury”;
- to the extent possible, determination of if any other public pension plans provide increased line-of-duty disability benefits for “catastrophic injuries” and if so, what level of benefits are provided;
- if other public pension plans provide increased line of duty disability benefits for “catastrophic injuries,” to the extent possible, determination of any implementation issues these plans may have encountered when these benefits were established;
- the potential increased costs to the State for implementing an increased line-of-duty disability benefit for “catastrophic injuries” to members of the LEOPS or SPRS and any tax issues that may need to be addressed prior to the establishment of the benefit; and
- any other information SRA believe would be relevant for the Joint Committee on Pensions.

Information Request	Author	Due Date
Report on the Impact of Catastrophic Injuries on Law Enforcement Pension Benefits	SRA	December 1, 2024

I00
Department of Service and Civic Innovation

Committee Narrative

I00A01.02 Maryland Corps Program

Adopt the following narrative:

State or Local Government Agencies with Corps Participants: As required by Chapter 99 of 2023, the Department of Service and Civic Innovation (DSCI) is required to submit two reports at the end of each fiscal year beginning in fiscal 2024: one for the Young Adult Service Year Option Pathway Fund and one the Maryland Service Year Option Pathway Fund. Each report is required to contain the number of corps participants employed by State or local government agencies after completion of the program. In addition to this data, the budget committees are interested in learning where among State or local government agencies former corps participants may find employment. The committees request that DSCI submit a report listing the State or local government employers for corps participants from the first cohort, including the number of participants at each of these sites.

Information Request	Author	Due Date
State or local government agencies with corps participants	DSCI	October 1, 2024

I00
Department of Service and Civic Innovation

Committee Narrative

I00A01.02 Maryland Corps Program

Adopt the following narrative:

Report on Wage Subsidization: The Department of Service and Civic Innovation (DSCI) works with partner entities to place its participants in the Maryland Service Year and Service Year Option programs. Participants receive a wage during the program and a monetary award upon completion of the program. As program participation expands, DSCI will need to work with additional employer organizations. To recruit employers with in-demand jobs, minimize the cost to the State, maximize post-service year job opportunities for participants, encourage rapid participation expansion, and ensure that there are adequate funds available to support wraparound services costs for program participants, the budget committees are interested in ensuring DSCI has a plan to increase the partner organizations share of participants' wages over time. The committees request that DSCI submit a report on its plan for managing the total cost to the State for wages associated with the program. The report should provide a plan and a year-by-year timeline to increase total employer wage payments to at least 50% of all wage payments within three years.

Information Request	Author	Due Date
Report on wage subsidization	DSCI	December 1, 2024

Y01A
State Reserve Fund

Budget Amendment

Y01A02.01 Dedicated Purpose Account

Fiscal 2024 Deficiency Appropriation

Add the following language:

\$3,000,000 in general funds is reduced from the fiscal 2024 appropriation for program Y01A02.01 Dedicated Purpose Account within the State Reserve Fund for the purpose of cybersecurity.

\$1,000,000 in general funds is reduced from the fiscal 2024 appropriation for program Y01A02.01 Dedicated Purpose Account within the State Reserve Fund for the purpose of cybersecurity.

Y01A02.01 Dedicated Purpose Account

Fiscal 2024 Deficiency Appropriation

Add the following language:

\$3,000,000 in general funds in fiscal 2024 is added to the appropriation for program Y01A02.01 Dedicated Purpose Account (DPA) within the State Reserve Fund for the purpose of the Department of Information Technology completing a statewide asset inventory; executive metrics, cybersecurity program outcome-driven metrics, incident response performance metrics, and metric trend measurement; an inventory and assessment of the State's legacy systems; and a State data inventory. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the DPA.

\$1,000,000 in general funds in fiscal 2024 is added to the appropriation for program Y01A02.01 Dedicated Purpose Account (DPA) within the State Reserve Fund for the purpose of information security officers and other resources to assist the director of local cybersecurity. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the DPA.

BRFA

Amendment to SB 362

Description: Amend Section 9.5—111 of the Education Article to require the Maryland State Department of Education (MSDE) to provide written notification to the General Assembly at least 60 days prior to the implementation of a freeze in Child Care Scholarship (CCS) program enrollment.

Explanation: A proposed action in the Budget Reconciliation and Financing Act of 2024 would remove the prohibition on MSDE implementing an enrollment freeze in the CCS program. Under current law, MSDE cannot impose CCS enrollment freezes without notifying the General Assembly and waiting until after the next legislative session concludes before implementing the enrollment freeze or seeking approval from the Board of Public Works. This action instead requires MSDE to provide written notification to the General Assembly at least 60 days prior to implementing a CCS enrollment freeze.

R62I00
Maryland Higer Education Commission

Budget Amendments

R62I0003 Joseph A. Sellinger Program

1. Amend the appropriation for the purposes indicated:

- | | Funds |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1. Reduce the general fund appropriation for the Joseph A. Sellinger Program. This reduces funding for the Sellinger formula to \$75.1 million. | -58,810,898 GF |

2. Strike the following language to the general fund appropriation:

~~, provided that this appropriation shall be reduced by \$63,811,002 contingent upon the enactment of legislation to reduce the grant to private colleges and universities.~~

Explanation: This action is a technical amendment that strikes a contingent reduction.

3. Add the following language to the general fund appropriation:

, provided that the appropriation for the Sellinger formula shall be allocated to the institutions in the following amounts:

- (1) Capitol Technology University 775,787
- (2) Goucher College 3,192,663
- (3) Hood College 3,779,139
- (4) Johns Hopkins University 20,415,674
- (5) Loyola College 13,221,791
- (6) Maryland Institute College of Art 4,259,159
- (7) McDaniel College 6,196,037
- (8) Mount St. Mary's University 5,745,188
- (9) Notre Dame of Maryland University 1,933,643
- (10) St. John's College 1,762,278

(11) Stevenson University 9,152,632

(12) Washington Adventist University 1,548,338

(13) Washington College 3,111,784

Explanation: This language specifies the allocation of Sellinger funds among the Maryland Independent College and University Association institutions.

R62I00
Maryland Higher Education Commission

Budget Amendment

**R62I00.05 The Senator John A. Cade Funding Formula for the Distribution of Funds to
Community Colleges General Fund Appropriation**

Amend the following language on the general fund appropriation:

, provided that ~~\$22,644,092~~ \$12,739,610 of this appropriation shall be reduced contingent upon the enactment of legislation reducing the Cade formula grants to community colleges

Explanation: This action is a technical amendment to alter the contingent reduction to reflect the change to the Budget Reconciliation Financing Act of 2024, which would partially restore funding to the program by increasing the per full-time equivalent student amount distributed through the Senator John A. Cade Funding from 26.5% to 27.2%.

M00L
Behavioral Health Administration

Budget Amendment

Amend the following language to the general fund appropriation:

, provided that ~~\$3,014,086~~ \$2,556,174 of this appropriation shall be reduced contingent upon the enactment of legislation authorizing the transfer of excess special fund balance from the State Board of Examiners of Professional Counselors, the State Board of Occupational Therapy Practice, and the State Board of Examiners of Psychologists.

Explanation: This is a technical amendment which would modify the Budget Reconciliation and Financing Act (BRFA) provision authorizing the use of special fund balances from three State Boards in the Behavioral Health Administration. The transfers included in the BRFA as introduced would reduce the proportion of special funds in the State Boards of Occupational Therapy Practice and Examiners of Psychologists from 198% to 68% of the allowance, and 169% to 117% of the allowance, respectively. The amended language reflects an action taken in the BRFA to reduce the total amount of special funds transferred from two of the boards to leave more balance available to the boards.

BRFA
Amendment to SB 362

Amend the following language:

SECTION 6. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2025, the Governor may transfer to the Behavioral Health Administration the following:

- (1) \$1,648,669 of the funds in the Board of Professional Counselors and Therapists Fund established under § 17–206 of the Health Occupations Article;
- (2) ~~\$776,646~~ 426,551 of the funds in the State Board of Occupational Therapy Practice Fund established under § 10–206 of the Health Occupations Article; and
- (3) ~~\$588,771~~ 480,954 of the funds in the State Board of Examiners for Psychologists Fund established under § 18–207 of the Health Occupations Article.

Explanation: This amendment modifies the Budget Reconciliation and Financing Act (BRFA) provision authorizing the use of special fund balances from three Health Occupation Boards in the Behavioral Health Administration within the Maryland Department of Health. Specifically,

this action modifies the transfers authorized in the BRFA for two boards to alter the remaining special fund balance as a percentage of fiscal 2025 expenditures from 68% to 127% in the State Board of Occupational Therapy Practice (reducing the fund balance transfer by \$350,095) and from 117% to 127% in the State Board of Examiners for Psychologists (reducing the fund balance transfer by \$107,817). The language maintains the remaining special fund balance as a percentage of fiscal 2025 expenditures at 127% in the Board of Professional Counselors and Therapists.

BRFA
Amendment to SB 362

Description:

SECTION X. AND BE IT FURTHER ENACTED, That notwithstanding any other provision of law, on or before, June 30, 2025, the Governor may transfer to the General Fund, \$150,000,000 from the Local Income Tax Reserve Account established to comply with Section 2-606 of the Tax -General Article representing funds identified in the Office of the Comptroller's fiscal 2023 analysis as an overdistribution to the Account net of cancelled repayments.

Explanation: This amount represents a portion of the amount identified by the Office of the Comptroller in the fiscal 2023 Generally Accepted Accounting Principle analysis overdistribution to the Local Income Tax Reserve Fund as part of the distribution of income tax revenue between the State and Local share, when excluding cancelled repayments from prior year transfers from the Account. The underfunding amount prior to the cancelled repayments was \$422.9 million. In total, those cancelled repayments were \$738.6 million, though a separate proposed action, would establish a repayment for \$350 million of that amount. Excluding the cancelled repayments the Account was overfunded by \$315.7 million and transferring \$150 million of this amount was already recognized by the Board of Revenue Estimates in the December 2023 forecast.

D40W01
Department of Planning

Fiscal 2024 Deficiency Appropriation

Budget Amendment

D40W01.07 Management Planning and Educational Outreach

Add the following language:

To become available immediately upon passage of this budget to reduce the appropriation for fiscal 2024 for a grant to Amtrak to restore a historic train map at the Baltimore Penn Station facility.

General Fund Appropriation.... -\$400,000

D40W01.07 Management Planning and Educational Outreach

Add the following language:

to become available immediately upon the passage of this budget to supplement the appropriation for fiscal 2024 to fund a grant to Central Baltimore Partnership to restore a historic train map at the Baltimore Penn Station facility. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

General Fund Appropriation... \$400,000