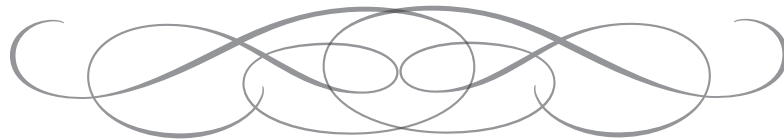


Report of the
House Appropriations Committee
to the Maryland House of Delegates



2011 SESSION



Recommendations, Reductions, and Summary of
Action Pertaining to:
House Bill 70

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Sara Jean Baker	College Savings Plans of Maryland Morgan State University University System of Maryland Frostburg State University Office Overview Towson University University of Maryland Baltimore County University of Maryland Center for Environmental Science University of Maryland, College Park
Mary E. Clapsaddle	Maryland General Assembly
Patrick S. Frank	Department of Information Technology Public Debt State Reserve Fund
Andrew D. Gray	Chesapeake Bay Overview Department of Agriculture Department of Natural Resources Department of Planning Maryland Department of the Environment Maryland Environmental Service

Chantelle M. Green	<ul style="list-style-type: none"> Board of Public Works Comptroller of the Treasury Department of General Services Department of State Police Executive Department – Governor Governor’s Office of Crime Control and Prevention Maryland Emergency Medical System Operations Fund Military Department State Department of Assessments and Taxation
Richard H. Harris	<ul style="list-style-type: none"> Aid to Community Colleges Baltimore City Community College Executive Department – Boards, Commissions, and Offices Higher Education Overview Maryland Commission on Human Relations Secretary of State St. Mary’s College of Maryland University System of Maryland <ul style="list-style-type: none"> University of Maryland, Baltimore University of Maryland University College
Jaelyn D. Hartman	<ul style="list-style-type: none"> Maryland Department of Transportation <ul style="list-style-type: none"> Maryland Aviation Administration Maryland Port Administration Maryland Transportation Authority Overview (shared)
David B. Juppe	<ul style="list-style-type: none"> Payments to Civil Divisions of the State
Monica L. Kearns	<ul style="list-style-type: none"> Interagency Committee on School Construction Maryland Public Broadcasting Commission Maryland School for the Deaf Maryland State Department of Education <ul style="list-style-type: none"> Aid to Education Early Childhood Development Funding for Educational Organizations Headquarters
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Department of Aging
Department of Human Resources
Family Investment
Overview
Social Services Administration
Governor's Office for Children & Children's Cabinet Interagency Fund
Maryland Insurance Administration
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Department of Health and Mental Hygiene
Alcohol and Drug Abuse Administration
Chronic Diseases Services
Health Occupation Boards
Infectious Disease and Environmental Health Administration
Laboratories Administration
Office of Preparedness and Response
Office of the Chief Medical Examiner

Simon G. Powell

Department of Health and Mental Hygiene
Administration
Medical Care Programs Administration
Mental Hygiene Administration
Overview
Maryland Health Insurance Plan

Rebecca J. Ruff

Department of Juvenile Services
Department of Public Safety and Correctional Services
Criminal Injuries Compensation Board
Division of Correction
Division of Parole and Probation
Division of Pretrial Detention and Services
Inmate Grievance Office
Maryland Commission on Correctional Standards
Maryland Parole Commission
Office of the Secretary
Overview
Patuxent Institution
Police and Correctional Training Commissions
Local Jails

Rachel N. Silberman

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MHEC Scholarship Programs
University System of Maryland
Bowie State University
Coppin State University
Salisbury University
University of Baltimore
University of Maryland Eastern Shore

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Canal Place Preservation and Development Authority
Department of Business and Economic Development
Department of Labor, Licensing, and Regulation
Business Regulation
Workforce Development
Maryland African American Museum Corporation
Maryland Economic Development Corporation
Maryland Stadium Authority
Maryland Technology Development Corporation
State Lottery Agency

Kathleen K. Wunderlich

Department of Health and Mental Hygiene
Developmental Disabilities Administration
Family Health Administration
Health Regulatory Commissions
Office of Health Care Quality
Department of Veterans Affairs
Maryland Institute for Emergency Medical Services Systems

Tonya D. Zimmerman

Department of Disabilities
Department of Human Resources
Administration
Child Support Enforcement
Office of Home Energy Programs
Maryland Energy Administration
Office of the Deaf and Hard of Hearing
Office of the People's Counsel
Public Service Commission
State Board of Elections

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House Appropriations Committee – Reductions

<u>Agency</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Current Unrestricted Funds</u>	<u>Current Restricted Funds</u>	<u>Total Funds</u>	<u>Positions</u>
2012 Budget Request:							
Judiciary	\$9,378,964	\$500,000	\$0	\$0	\$0	\$9,878,964	
Office of the Attorney General	2,733,932	225,115	125,438	0	0	3,084,485	
Maryland Energy Administration	0	13,179	537,252	0	0	550,431	
Maryland Energy Administration pay-as-you-go (PAYGO)	0	500,000	0	0	0	500,000	
Governor’s Office of Crime Control and Prevention	20,990	0	0	0	0	20,990	
Interagency Committee on School Construction	6,108,990	0	0	0	0	6,108,990	
Department of Planning	193,961	0	0	0	0	193,961	1.0
Maryland Health Insurance Plan	0	350,000	0	0	0	350,000	
Comptroller of the Treasury	74,693	524,776	0	0	0	599,469	
Department of Assessments and Taxation	18,815,578	0	0	0	0	18,815,578	
State Lottery Agency	204,542	400,000	0	0	0	604,542	
Department of Information Technology	1,523,861	0	0	0	0	1,523,861	1.0
Maryland Department of Transportation – The Secretary’s Office	0	288,459	0	0	0	288,459	
Department of Natural Resources (DNR)	1,740,000	23,409,444	0	0	0	25,149,444	
DNR – PAYGO	0	66,314,534	0	0	0	66,314,534	
Department of Agriculture	0	13,387,441	140,000	0	0	13,527,441	
Department of Agriculture – PAYGO	0	19,555,275	0	0	0	19,555,275	
Department of Health and Mental Hygiene (DHMH) – Administration	328,121	16,500	16,500	0	0	361,121	2.0
DHMH – Office of Health Care Quality	77,600	0	51,733	0	0	129,333	
DHMH – Family Health Administration	0	15,000,000	0	0	0	15,000,000	

AX

House Appropriations Committee – Reductions

<u>Agency</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Current Unrestricted Funds</u>	<u>Current Restricted Funds</u>	<u>Total Funds</u>	<u>Positions</u>
DHMH – Alcohol and Drug Abuse Administration	95,400	0	0	0	0	95,400	2.0
DHMH – Mental Hygiene Administration	3,484,128	0	3,000,000	0	0	6,484,128	3.0
DHMH – Developmental Disabilities Administration	44,370	518	28,993	0	0	73,881	1.0
DHMH – Medical Care Programs Administration	76,229,500	0	33,831,500	0	0	110,061,000	6.0
Department of Human Resources (DHR) – Administration	99,093	0	76,232	0	0	175,325	
DHR – Social Services	1,017,465	0	0	0	0	1,017,465	
DHR – Child Support Enforcement	0	296,251	380,958	0	0	677,209	
Department of Labor, Licensing, and Regulation – Business Regulation	0	1,205,600	0	0	0	1,205,600	
Department of Public Safety and Correctional Services (DPSCS) – Office of the Secretary	122,000	0	0	0	0	122,000	
DPSCS – Division of Parole and Probation	1,105,794	0	0	0	0	1,105,794	
DPSCS – Patuxent Institution	14,000	0	0	0	0	14,000	
DPSCS – Police and Correctional Training Commissions	50,000	0	0	0	0	50,000	
Maryland State Department of Education (MSDE) – Headquarters	327,532	0	23,742,207	0	0	24,069,739	
MSDE – Aid to Education	180,000,009	0	37,500,000	0	0	217,500,009	
MSDE – Funding for Educational Organizations	0	444,000	0	0	0	444,000	
Maryland Higher Education Commission (MHEC)	1,273,170	0	0	0	0	1,273,170	
Aid to Community Colleges	757,694	0	0	0	0	757,694	
MHEC – Scholarship Programs	1,593,485	0	0	0	0	1,593,485	
State Support for Higher Education Institutions	8,480,140	0	0	0	0	8,480,140	

House Appropriations Committee – Reductions

<u>Agency</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Current Unrestricted Funds</u>	<u>Current Restricted Funds</u>	<u>Total Funds</u>	<u>Positions</u>
Department of Business and Economic Development	0	1,125,000	0	0	0	1,125,000	
Department of the Environment	0	1,000,000	0	0	0	1,000,000	
Department of Juvenile Services	2,439,623	300,000	300,000	0	0	3,039,623	
Department of State Police	47,217	163,051	0	0	0	210,268	8.0
Across-the-board Reductions in Section 18	11,900,000	2,896,431	1,963,250	1,531,409	1,577,170	19,868,260	
Additional Across-the-board Reductions in Section 19	538,049	0	0	0	0	538,049	
XV: Additional Across-the-board Reductions in Section 20	605,583	0	0	0	0	605,583	
Across-the-board Reductions in Section 21	104,000,000	0	0	0	0	104,000,000	
Across-the-board Reductions in Section 48	15,000,000	0	0	0	0	15,000,000	650.0
Across-the-board Reductions in Section 50	2,023,449	2,976,551	0	0	0	5,000,000	
Subtotal Fiscal 2012 Regular Budget	\$452,448,933	\$150,892,125	\$101,694,063	\$1,531,409	\$1,577,170	\$708,143,700	674.0
Fiscal 2012 Total Budget	\$452,448,933	\$150,892,125	\$101,694,063	\$1,531,409	\$1,577,170	\$708,143,700	674.0
<u>Fiscal 2011 Deficiency Budget:</u>							
Department of Juvenile Services	\$223,269	\$0	\$0	\$0	\$0	\$223,269	
Subtotal Fiscal 2011 Deficiency Budget	\$223,269	\$0	\$0	\$0	\$0	\$223,269	
Grand Total Budget Bill	\$452,672,202	\$150,892,125	\$101,694,063	\$1,531,409	\$1,577,170	\$708,366,969	674.0

C00A Judiciary

Budget Amendments

Add the following language:

Provided that a \$8,894,860 General Fund reduction is made for operating expenditures. This reduction shall be allocated among the following divisions and fund types:

<u>Program</u>	<u>Comptroller Subobject</u>	<u>General Funds</u>
<u>C00A00.01</u>	<u>0401 – In-State Routine Operations</u>	<u>27,379</u>
<u>C00A00.01</u>	<u>0402 – In-State/ Conferences/Seminars/Training</u>	<u>30,773</u>
<u>C00A00.01</u>	<u>0802 – Agriculture</u>	<u>126,817</u>
<u>C00A00.01</u>	<u>0804 – Printing/Reproduction</u>	<u>66,336</u>
<u>C00A00.01</u>	<u>0817 – Legal Services</u>	<u>98,188</u>
<u>C00A00.01</u>	<u>0828 – Office Assistance</u>	<u>73,231</u>
<u>C00A00.01</u>	<u>0899 – Other Contractual Svs Non-DP</u>	<u>139,040</u>
<u>C00A00.04</u>	<u>0812 – Building/Road Repairs and Maintenance</u>	<u>525,218</u>
<u>C00A00.05</u>	<u>0402 – In-State/ Conferences/Seminars/Training</u>	<u>120,033</u>
<u>C00A00.06</u>	<u>0401 – In-State Routine Operations</u>	<u>57,637</u>
<u>C00A00.06</u>	<u>0804 – Printing/Reproduction</u>	<u>38,159</u>
<u>C00A00.06</u>	<u>0819 – Education/Training Contracts</u>	<u>266,390</u>
<u>C00A00.06</u>	<u>0828 – Office Assistance</u>	<u>82,468</u>
<u>C00A00.06</u>	<u>0899 – Other Contractual Svcs Non-DP</u>	<u>347,411</u>
<u>C00A00.07</u>	<u>0817 – Legal Services</u>	<u>213,674</u>
<u>C00A00.09</u>	<u>0809 – Equipment Repairs and Maintenance</u>	<u>376,718</u>
<u>C00A00.10</u>	<u>0804 – Printing/Reproduction</u>	<u>140,724</u>
<u>C00A00.10</u>	<u>0806 – Microfilming</u>	<u>408,647</u>
<u>C00A00.10</u>	<u>0808 – Equipment Rental</u>	<u>113,801</u>
<u>C00A00.10</u>	<u>0809 – Equipment Repairs and Maintenance</u>	<u>241,332</u>

C00A

<u>C00A00.10</u>	<u>0812 – Building/Road Repairs and Maintenance</u>	<u>400,884</u>
	<u>Unallocated</u>	<u>5,000,000</u>
	<u>Total General Funds</u>	<u>8,894,860</u>

Explanation: This action reduces the Judiciary’s fiscal 2012 allowance by \$3.9 million for various operating expenses in the Court of Appeals, District Court, Judicial Conference, Administrative Office of the Courts, Court-related Agencies, Judicial Information Systems, and Clerks of the Circuit Court to maintain fiscal 2010 actual spending levels. This action also reduces the fiscal 2012 allowance by an additional \$5.0 million. It is the intent of the budget committees that the Judiciary replace this amount by cancelling \$5.0 million in prior year general fund encumbrances.

Amendment No. **1**

JUDICIARY

C00A00.01 Court of Appeals

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete additional funds for retired judge use. This action funds the use of retired judges at the fiscal 2011 working appropriation level.	484,104	GF
 Total Reductions	 484,104	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	78.00	78.00		0.00
General Fund	13,844,398	13,360,294	484,104	
Total Funds	13,844,398	13,360,294	484,104	

Amendment No. **2**

C00A

C00A00.06 Administrative Office of the Courts

Add the following language to the special fund appropriation:

, provided that this appropriation shall be reduced by \$500,000 contingent upon enactment of HB 72 or SB 87 to remove the mandatory annual transfer of \$500,000 in general funds from abandoned property funds to the Maryland Legal Services Corporation.

Explanation: Section 11-401 of the Human Services Article requires that the Governor annually transfer \$500,000 in general funds from abandoned property funds to the Maryland Legal Services Corporation (MLSC). While the revenue is appropriated as special funds for MLSC, the source of the revenue is general funds. Additionally, MLSC's total other revenue has reached its highest level in at least five years. This reduction of special funds benefits the general fund and is contingent on enactment of budget reconciliation legislation to remove the mandatory annual transfer.

Amendment No. 3

Add the following language to the special fund appropriation:

, further provided that \$500,000 of this appropriation may not be expended until the Maryland Legal Services Corporation (MLSC) submits a report to the budget committees outlining its procedures for auditing all grant recipients to determine whether grant funds are expended in an appropriate manner. The report shall include a comprehensive summary of all policies and practices for tracking grant spending by MLSC grant recipients and accounting for all funds expended to ensure that MLSC funds target indigent residents in need of legal services. Furthermore, MLSC shall demonstrate that each grant recipient maintains all appropriate accounting controls and safeguards, including annual independent audits, to ensure that State funds are used as intended. The report shall be submitted by November 1, 2011, and the budget committees shall have 45 days 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 and shall be canceled if the report is not submitted to the budget committees.

Explanation: The General Assembly is concerned about the appropriate use of State funds by recipients of grant funding from MLSC. The action restricts \$500,000 of the special fund appropriation until MLSC submits a report that outlines how the organization tracks spending of State funds by grant recipients. The report must also demonstrate that grant recipients maintain proper accounting procedures and independent, annual audits.

C00A

Information Request	Author	Due Date
Report on MLSC's audit procedures	MLSC	November 1, 2011

Amendment No. 4

C81C
Office of the Attorney General

Budget Amendments

Add the following language:

Provided that a reduction of \$1,000,000 is made for operating expenditures. This reduction shall be allocated according to the following fund types:

<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>766,298</u>
<u>Special</u>	<u>150,077</u>
<u>Federal</u>	<u>83,625</u>

Further provided that a reduction of \$500,000 is made for turnover expectancy (comptroller subobject 0189). This reduction shall be allocated according to the following fund types:

<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>383,149</u>
<u>Special</u>	<u>75,038</u>
<u>Federal</u>	<u>41,813</u>

Explanation: This action reduces the Office of the Attorney General's (OAG) general, special, and federal fund allowance by \$1 million. This reduction will help address the State's budgetary shortfall by containing costs. This action further reduces the OAG's general, special, and federal fund allowances by \$500,000 to increase the employee turnover rate from 6.6 to 9.0%. The reductions should be split as indicated above.

Amendment No. **5**

C81C

OFFICE OF THE ATTORNEY GENERAL

C81C00.01 Legal Counsel and Advice

Add the following language to the general fund appropriation:

, provided that the General Fund appropriation is reduced by \$1,584,485. The Governor is authorized to process a reimbursable fund budget amendment for \$1,584,485 to recover the indirect costs incurred by the Division of Legal Counsel and Advice to support assistant attorneys general budgeted in other Executive Branch agencies.

Explanation: The Office of the Attorney General (OAG) estimates it incurs \$2.7 million in indirect costs to the Division of Legal Counsel and Advice for support provided to its staff. The fiscal 2012 allowance for OAG includes 241.5 PINs. However, there are 331.0 additional attorneys statewide that report to the Attorney General that are budgeted within other agencies. Those attorneys, therefore, account for 57.9% of all staff receiving services from the Division of Legal Counsel and Advice, which also provides services – and in some cases, supplies – to those employees. This action reduces the portion of funds the division spends on support staff in other agencies. The Governor is authorized to process a budget amendment that would allow OAG to recover those costs from the agencies with assistant attorneys general that receive central OAG support.

Amendment No. 6

C90G
Public Service Commission

Committee Narrative

Consultant Services Expenditures: In recent years, the Public Service Commission's (PSC) budget in the budget bill as introduced has included little, if any, funding for consultant services because no specific cases requiring these services could be identified during budget development. However, in each of these years, PSC has later had budget amendments or deficiency appropriations to increase its appropriation for this purpose as cases or investigations necessitating such services arise. The average of actual expenditures by PSC on these services from fiscal 2008 to 2010 was \$2.3 million. The committees are concerned that the failure to budget for these anticipated needs limits transparency and prevents the General Assembly from having the opportunity to fully review PSC's planned expenditures. It is the intent of the committees that PSC determine a method of estimating consultant services needs each year and work with the Department of Budget and Management to include funds for these services in the budget bill as introduced beginning with fiscal 2013.

D05E
Board of Public Works

Committee Narrative

Operational Reporting: In continuance of the practice that began in July 2008, the committees request that the Maryland Zoological Society submit:

- audited financial statements for fiscal 2011; and
- year-to-date monthly attendance figures for the zoo for fiscal 2012 (by visitor group).

Information Request	Author	Due Date
Audited financials	Maryland Zoological Society	November 1, 2011
Attendance reports	Maryland Zoological Society	Monthly

D13A
Executive Department
Maryland Energy Administration

Budget Amendments

D13A13.01 General Administration

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Increase turnover expectancy from 3 to 5% to more closely reflect recent experience. A turnover expectancy of 5% would require 1.4 positions to be vacant.	13,179 SF 37,252 FF	
2. Delete federal funds for special projects which have not been identified. The fiscal 2012 allowance for the Maryland Energy Administration (MEA) includes \$500,000 for special projects federal grants. MEA annually expects to receive special projects grants from the federal government and has included an appropriation in anticipation of awards. The associated grant funds should be brought in by budget amendment following grant award rather than be included in the budget prior to receipt. This action allows for increased transparency of the spending plan and activities of the agency.	500,000 FF	
Total Reductions	550,431	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	28.00	28.00		0.00
Special Fund	2,200,807	2,187,628	13,179	
Federal Fund	4,402,348	3,865,096	537,252	
Total Funds	6,603,155	6,052,724	550,431	

Amendment No. **7**

D13A

D13A13.02 The Jane E. Lawton Conservation Loan Program – Capital Appropriation

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce available funds in the Jane E. Lawton Conservation Loan Program. The Maryland Energy Administration’s recent encumbrance history does not indicate that the agency will be able to encumber \$3.0 million. If the agency is able to develop a project list to encumber more than \$2.5 million, a deficiency appropriation could allow for additional spending authority.	500,000	SF
 Total Reductions	 500,000	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Special Fund	3,000,000	2,500,000	500,000	
Total Funds	3,000,000	2,500,000	500,000	

Amendment No. 8

Committee Narrative

Provision of Subprogram Detail: In the fiscal 2012 budget, the Maryland Energy Administration (MEA) presented budget information at only the eight digit program level. MEA also indicates it has not yet determined program allocations. This limits the ability of the General Assembly to understand the budget and to identify changes in specific programmatic activity. The committees request that beginning with the fiscal 2013 budget, MEA include subprogram detail. The committees further request that MEA work with the Department of Legislative Services to reach a consensus on the level of subprogram detail to be provided.

Information Request	Author	Due Date
Provision of subprogram detail	MEA	With the submission of the fiscal 2013 budget

D15A0516
Executive Department
Governor's Office of Crime Control and Prevention

Budget Amendments

BOARDS, COMMISSIONS, AND OFFICES

D15A05.16 Governor's Office of Crime Control and Prevention

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for contractual employee salaries by \$17,990. This action appropriates an additional \$98,531 for contractual employee salaries in fiscal 2012.	17,990 GF	
2. Reduce funding for office assistance by \$3,000. This action appropriates an additional \$9,999 for office assistance in fiscal 2012.	3,000 GF	
Total Reductions	20,990	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	41.00	41.00		0.00
General Fund	68,707,052	68,686,062	20,990	
Special Fund	2,284,465	2,284,465	0	
Federal Fund	30,415,656	30,415,656	0	
Total Funds	101,407,173	101,386,183	20,990	

Amendment No. 9

D18A
Governor's Office for Children

Committee Narrative

D18A18.01 Governor's Office for Children

Out-of-home Placements: To facilitate evaluation of Maryland's family preservation programs in stemming the flow of children from their homes, the Governor's Office for Children (GOC), on behalf of the Children's Cabinet, is requested to prepare and submit to the budget committees a report on out-of-home placements containing data on the total number of out-of-home placements and entries by jurisdiction over the previous three years and similar data on out-of-state placements. The report should also provide information on the costs associated with out-of-home placements, the reasons for new placements, and an evaluation of data derived from the application of the Maryland Family Risk Assessment. Data should also be collected concerning indicated findings of child abuse and neglect occurring while families are receiving family preservation services or within one year of case closure. Each agency or administration that funds or places children and youth in out-of-home placements is requested to work closely with GOC and comply with any data requests necessary for the production of the report. The report should be submitted to the committees by December 15, 2011.

Information Request	Author	Due Date
Report on out-of-home placements	GOC	December 15, 2011

D25E
Board of Public Works
Interagency Committee for School Construction

Budget Amendments

D25E03.02 Aging Schools Program

Concur with the following language on the general fund appropriation:

, provided that this appropriation shall be reduced by \$6,108,990 contingent upon the enactment of legislation to reduce the required appropriation for the Aging Schools program.

Explanation: The fiscal 2012 budget bill as introduced includes a \$6,108,990 contingent reduction to eliminate general funds for the Aging Schools Program and instead provide funding with general obligation bonds from the capital budget contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011. This action concurs with that contingent reduction.

D28A
Maryland Stadium Authority

Committee Narrative

Hippodrome Performing Arts Center Funding Shortfall: The committees request that the Maryland Stadium Authority (MSA) submit a plan that will provide for a long-term solution to the current funding shortfall for the debt service on the Hippodrome Performing Arts Center. In developing the plan, MSA should consult with the City of Baltimore and the theater operator. The plan should consider any operating challenges of the theater, the level of the current surcharge, and the participation of other levels of government. The plan should strive to minimize additional State contributions. The report should include evidence of the participation of the City of Baltimore and the theater operator in developing the plan. The authority shall submit its plan to the committees, including any proposed legislation, by December 1, 2011.

Information Request	Author	Due Date
Long-term funding plan for the Hippodrome Performing Arts Center	MSA	December 1, 2011

D40W
Department of Planning

Budget Amendments

D40W01.04 Planning Services

Reduce appropriation for the purposes indicated:

	<u>Funds</u>		<u>Positions</u>
1. Delete a vacant position and funding. The associated position number is 005547 (Planner V). The position has been vacant for 12 months or longer and has been denied exemption from the hiring freeze.	53,961	GF	1.00 0.00
 Total Reductions	 53,961		 1.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	34.50	33.50		1.00
General Fund	2,232,590	2,178,629	53,961	
Federal Fund	53,146	53,146	0	
Total Funds	2,285,736	2,231,775	53,961	

Amendment No. **10**

D40W01.07 Management Planning and Educational Outreach

Modify the following language on the general fund appropriation:

, provided that ~~\$500,000~~ \$140,000 of this appropriation shall be reduced contingent upon the enactment of legislation authorizing the use of funds from the Maryland Heritage Areas Authority Financing Fund to cover operating expenses.

Explanation: The fiscal 2012 budget bill as introduced includes a \$500,000 contingent reduction to reduce funding for the Management Planning and Educational Outreach contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 authorizing the use of funds from the Maryland Heritage Areas Authority Financing Fund to cover operating expenses. This action modifies that contingent reduction.

Amendment No. **11**

D40W

D40W01.12 Sustainable Communities Tax Credit

Add the following language to the general fund appropriation:

. provided that \$3,000,000 of this appropriation made for the purpose of providing tax credits for qualified rehabilitation expenditures may not be expended for that purpose but instead may be transferred only by budget amendment to T00G00.06 Film Production Rebate Program in the Department of Business and Economic Development to be used to fund film production rebates. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise for any other purpose and shall revert to the General Fund.

Explanation: This action restricts Sustainable Communities Tax Credit Program funding to the Film Production Rebate Program in the Department of Business and Economic Development.

Amendment No. 12

D79Z
Maryland Health Insurance Plan

Budget Amendments

HEALTH INSURANCE SAFETY NET PROGRAMS

D79Z02.02 Senior Prescription Drug Assistance Program

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funds for Senior Prescription Drug Assistance Program (SPDAP) outreach activities. The fiscal 2011 legislative appropriation for SPDAP outreach activities was \$150,000 but was increased to \$500,000 by the Maryland Health Insurance Plan's board in order to increase program enrollment. Since the plan is now reporting that SPDAP premium subsidies and coverage gap payments are approaching budgeted levels, the need for enhanced outreach activities is diminished. The reduction still provides \$150,000 for these activities in fiscal 2012. The plan may process a budget amendment to increase funding for outreach activities if it appears such activities are warranted based on SPDAP enrollment trends.	350,000	SF
Total Reductions	350,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Special Fund	18,053,492	17,703,492	350,000	
Total Funds	18,053,492	17,703,492	350,000	

Amendment No. 13

D90U
Canal Place Preservation and Development Authority

Committee Narrative

Transition to Non-State Ownership: The committees request that the Canal Place Preservation and Development Authority, in consultation with the Department of Budget and Management (DBM), submit a report on the feasibility of transitioning the authority to non-State ownership. The report should consider the impact on the operations of the authority, including the impact on employees and finances. Further, the report should include a plan for the disposition of State property associated with the authority. Finally, a discussion of the potential benefits and drawbacks to non-State ownership should be included. The authority should submit this report to the committees, including any proposed legislation, by December 31, 2011.

Information Request	Authors	Due Date
Report on transitioning Canal Place to non-State ownership	Canal Place Preservation and Development Authority DBM	December 31, 2011

**E00A
Comptroller of Maryland**

Budget Amendments

COMPLIANCE DIVISION

E00A05.01 Compliance Administration

Modify the following language on the special fund appropriation:

, provided that this appropriation shall be reduced by \$500,000 contingent upon the enactment of legislation to repeal the provisions of law related to the current notification procedure for abandoned property including the requirement to advertise abandoned property in local newspapers on an annual basis in certain jurisdictions.

Explanation: The fiscal 2012 budget bill as introduced includes a \$500,000 contingent reduction to reduce funding for the advertisement of abandoned property accounts contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to repeal the current notification procedure for abandoned property accounts. This action modifies the language to exclude certain jurisdictions from the proposed change to the notification procedure.

Amendment No. **14**

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for contractual employee salaries in the Compliance Division. This action will level fund contractual employee salaries at \$544,159.	24,776	SF
Total Reductions	24,776	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	376.00	376.00		0.00
General Fund	21,645,291	21,645,291	0	
Special Fund	7,975,052	7,950,276	24,776	
Total Funds	29,620,343	29,595,567	24,776	

Amendment No. **15**

E00A

CENTRAL PAYROLL BUREAU

E00A09.01 Payroll Management

Concur with the following language on the general fund appropriation:

, provided that this appropriation shall be reduced by \$50,000 contingent upon the enactment of legislation to authorize a processing fee from judgment creditors and student loan collection agencies associated with certain payroll garnishments.

Explanation: The fiscal 2012 budget bill as introduced includes a \$50,000 contingent reduction to reduce general fund expenditures within the Central Payroll Bureau contingent upon the enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to authorize the Comptroller's Office to deduct and retain a processing fee for payroll garnishments made on behalf of judgment creditors and student loan collection agencies. This action concurs with the contingent reduction.

INFORMATION TECHNOLOGY DIVISION

E00A10.02 Comptroller IT Services

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for contractual employee salaries in the Information Technology Division. This action will level fund contractual employee salaries at \$69,727.	24,693 GF	
Total Reductions	24,693	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	75.75	75.75		0.00
General Fund	12,254,981	12,230,288	24,693	
Special Fund	2,031,085	2,031,085	0	
Total Funds	14,286,066	14,261,373	24,693	

Amendment No. 16

E50C
State Department of Assessments and Taxation

Budget Amendments

E50C00.02 Real Property Valuation

Modify the following language on the general fund appropriation:

, provided that ~~\$28,565,601~~ \$15,869,779 of this appropriation shall be reduced upon enactment of legislation that distributes ~~90%~~ 50% of the cost of the Real Property Valuations program to the counties and Baltimore City. Authorization is granted to process a special fund budget amendment of ~~\$28,565,601~~ \$15,869,779 to replace the aforementioned general fund amount.

Explanation: This action authorizes a reduction in funding within the State Department of Assessments and Taxation's Real Property Valuation Program contingent upon the enactment of legislation that distributes 50% of the costs associated with the program to the counties and Baltimore City.

Amendment No. **17**

E50C00.04 Office of Information Technology

Modify the following language on the general fund appropriation:

, provided that ~~\$2,339,317~~ \$1,299,621 of this appropriation shall be reduced upon enactment of legislation that distributes ~~90%~~ 50% of the cost of the Real Property Valuations program to the counties and Baltimore City. Authorization is granted to process a special fund budget amendment of ~~\$2,339,317~~ \$1,299,621 to replace the aforementioned general fund amount.

Explanation: This action authorizes a 50% reduction in funding within the State Department of Assessments and Taxation's Office of Information Technology Program contingent upon the enactment of legislation that distributes a portion of the costs associated with the program to the counties and Baltimore City.

Amendment No. **18**

E50C

E50C00.05 Business Property Valuation

Modify the following language on the general fund appropriation:

, provided that ~~\$2,963,120~~ \$1,646,178 of this appropriation shall be reduced upon enactment of legislation that distributes ~~90%~~ 50% of the cost of the Real Property Valuations program to the counties and Baltimore City. Authorization is granted to process a special fund budget amendment of ~~\$2,963,120~~ \$1,646,178 to replace the aforementioned general fund amount.

Explanation: This action authorizes a 50% reduction in funding within the State Department of Assessments and Taxation's Business Property Valuation Program contingent upon the enactment of legislation that distributes a portion of the costs associated with the program to the counties and Baltimore City.

Amendment No. 19

**E75D
State Lottery Agency**

Budget Amendments

E75D00.01 Administration and Operations

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce funds for advertising expenses. This action still allows for a 3.2% increase in advertising funds to market any new agency initiatives.	400,000 SF	
Total Reductions	400,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	168.50	168.50		0.00
Special Fund	54,292,303	53,892,303	400,000	
Total Funds	54,292,303	53,892,303	400,000	

Amendment No. **20**

E75D00.02 Video Lottery Terminal Operations

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce funds for the first bond payment for the purchase of video lottery terminals for two facilities. The allowance reflects an estimate of the payment that slightly exceeds the actual payment amount.	204,542 GF	
Total Reductions	204,542	0.00

E75D

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	48.00	48.00		0.00
General Fund	29,567,465	29,362,923	204,542	
Special Fund	139,758,900	139,758,900	0	
Total Funds	169,326,365	169,121,823	204,542	

Amendment No. **21**

F00
Department of Budget and Management

Budget Amendments

OFFICE OF PERSONNEL SERVICES AND BENEFITS

F10A02.08 Statewide Expenses

Add the following language:

Provided that no funding for employee bonuses may be provided to employees in any bargaining unit that has received salary adjustments through bargained agreements during fiscal 2011 or will receive such in fiscal 2012. Further provided that employee bonus payments shall be restricted to employees who began State service prior to July 1, 2011.

Explanation: Several of the State's bargaining units, such as the State Law Enforcement Officers Labor Alliance and Maryland Transit Administration, were provided salary adjustments during fiscal 2011, or will be in fiscal 2012, that are not shared by other State employees. Under this action, because members of these other bargaining units have already received their agreed-upon compensation enhancements they will consequently not participate in the one-time \$750 bonus payment, which was bargained on behalf of the remainder of State employees. Employee bonus payments are restricted to employees who began State service prior to July 1, 2011.

Amendment No. **22**

F50
Department of Information Technology

MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT FUND

Budget Amendments

F50A01.01 Major Information Technology Development Project Fund

Concur with the following language on the general fund appropriation:

Further provided that \$1,000,000 of this appropriation shall be reduced contingent upon the enactment of legislation allowing the use of the 9-1-1 Fund to support the costs of the Department of State Police Computer Aided Dispatch/Records Management System (CADS/RMS) Major Information Technology Development Project.

Explanation: The language provides \$1.0 million from the 9-1-1 Fund for the Computer Aided Dispatch/Records Management System major IT project. General fund expenditures are reduced by \$1.0 million.

Modify the following language on the general fund appropriation:

Further provided that ~~\$942,950~~ \$523,861 of this appropriation shall be reduced contingent upon enactment of legislation that distributes ~~90%~~ 50% of the cost of State Department of Assessment and Taxation's Major Information Technology Development Project Program to the counties and Baltimore City. Authorization is granted to process a special fund budget amendment of ~~\$942,950~~ \$523,861 to replace the aforementioned general fund amount.

Explanation: This modifies language authorizing a reduction in funding within the State Department of Assessments and Taxation's Major Information Technology Development Project Program contingent upon the enactment of legislation that distributes a portion of the costs associated with the program to the counties and Baltimore City.

Amendment No. **23**

Add the following language to the special fund appropriation:

Further provided that \$100,000 of this appropriation made for the purpose of the Department of Human Resources' (DHR) Health Care Reform project may not be expended until DHR submits a report to the budget committees on the Concept Proposal, Information Technology Project Request, and integration with the Department of Health and Mental Hygiene's Health Care Reform project that was approved by the department's Chief Information Officer. The budget committees shall have 45 days to review and comment from the date of the submission of the report. Funds restricted pending receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted to the budget committees.

F50

Explanation: This is the initial appropriation for a \$29 million major information technology project. Little documentation has been presented. The Information Technology Project Request, which is the budget request document, has not been prepared. The language restricts the funds until these documents are prepared by DHR.

Information Request	Author	Due Date
Systems Development Life Cycle Concept Proposal and Information Technology Project Request	DHR	45 days prior to expenditure of funds

Amendment No. **24**

Add the following language to the special fund appropriation:

Further provided that \$900,000 of this appropriation made for the purpose of the Department of Health and Mental Hygiene's (DHMH) Health Care Reform project may not be expended until DHMH submits a report to the budget committees on the Concept Proposal, Information Technology Project Request, and integration with the Department of Human Resources' Health Care Reform project that was approved by the department's Chief Information Officer. The budget committees shall have 45 days to review and comment from the date of the submission of the report. Funds restricted pending receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted to the budget committees.

Explanation: This is the initial appropriation for a \$31 million major information technology project. Little documentation has been presented. The Information Technology Project Request, which is the budget request document, has not been prepared. The language restricts the funds until these documents are prepared by DHMH.

Information Request	Author	Due Date
Systems Development Life Cycle Concept Proposal and Information Technology Project Request	DHMH	45 days prior to expenditure of funds

Amendment No. **25**

F50

Add the following language:

Provided that 1.0 authorized position in this budget is abolished.

Explanation: As of December 31, 2010, the department currently had 18.5 vacant full-time equivalent (FTE) positions, of which 9.5 have been vacant since December 2009. The turnover rate in the fiscal 2012 allowance assumes a vacancy rate of 7.7 FTEs. The department is receiving 1.0 new FTE in fiscal 2012. The position is deleted, and the department may reclassify a vacant position instead.

Amendment No. 26

Committee Narrative

Report on Standard Pricing for Tower Sharing Agreements: The State owns a number of Information Technology (IT) assets. The State has entered into IT resource sharing agreements, whereby the State allows organizations to use a portion of these assets. The Department of Legislative Services (DLS) has reviewed these agreements for the Legislative Policy Committee. While reviewing these requests, DLS has observed differences in the pricing of tower agreements entered into by the Maryland Department of Transportation (MDOT) and Maryland Public Television (MPT). The average base cost of MDOT tower sharing proposals reviewed in 2010 was almost 50% greater than the average cost of MPT proposals. The Department of Information Technology (DoIT) advises that the State does not have standard pricing for these agreements. By December 1, 2011, DoIT, in consultation with MDOT and MPT, should develop a standard pricing schedule for tower resource sharing agreements that takes into account location, relative traffic, market demand, and comparable treatment of similarly located assets.

Information Request	Authors	Due Date
Report on standard pricing for tower resource sharing agreements	DoIT MDOT MPT	December 1, 2011

Replacement of Antiquated Information Systems at the Department of General Services: The committees are concerned about the condition of information technology (IT) systems at the Department of General Services (DGS). The IT systems supporting such functions as facilities maintenance, capital project and construction management have not been upgraded in 20 years and are based on 1980s technology. DGS advises that they have experienced critical hardware failure in recent years that took days to recover. Recovery can be slow because the technology is dated and it is difficult to find technicians that are knowledgeable with the technology. DGS also advises that it is difficult to find replacement parts because of the age of the equipment. The committees request that DGS, under the oversight of the Department of Information Technology

F50

(DoIT), begin the Systems Development Life Cycle's Initiation Phase for this project. As such, DGS should submit an Information Technology Planning Request (ITPR) to DoIT by October 1, 2011.

Information Request	Authors	Due Date
ITPR	DGS DoIT	With submission of Governor's fiscal 2013 budget books

H00
Department of General Services

Committee Narrative

Annual Report on Energy Conservation Efforts: The State Building Energy Efficiency and Conservation Act of 2006 required the Department of General Services (DGS) and the Maryland Energy Administration to develop energy use index and savings goals for every State agency. Consistent with the State Building Energy Efficiency and Conservation Act, the EmPOWER Maryland Energy Efficiency Act of 2008 established a State goal of achieving a 15% reduction in per capita electricity consumption and peak demand by the end of 2015. Beginning November 1, 2011, and annually thereafter, DGS shall submit a status report to the committees outlining the State's energy conservation efforts. The report shall include:

- strategies employed by the department to reduce statewide energy consumption;
- an update on the implementation of the State's utility database, including the status of agency compliance in providing missing utility data;
- statewide utility costs and consumption data (by agency);
- energy use index and savings goals for every State agency; and
- the State's level of compliance with the State Building Energy Efficiency and Conservation Act and the EmPOWER Maryland Energy Efficiency Act.

Information Request	Author	Due Date
Report on energy conservation	DGS	November 1, 2011, and annually thereafter

Annual Report on Energy Performance Contract Savings Monitoring and Verification Compliance: The ability to verify energy savings is the cornerstone of the energy performance contract (EPC) process. A January 2011 audit of the Department of General Services (DGS) revealed that additional oversight in this area is warranted. To the extent that funding is available, DGS should solicit the services of an independent third-party to audit and verify EPC cost savings. Beginning December 1, 2011, and annually thereafter, DGS shall submit a report to the budget committees that outlines the status of the energy cost savings guaranteed by each energy service company, including whether the anticipated cost savings have materialized. Finally, the report shall indicate whether each project is supported by a surety instrument, including the dollar amount and expiration date of each instrument.

Information Request	Author	Due Date
Annual report on EPC savings monitoring and verification	DGS	December 1, 2011, and annually thereafter

H00
Department of General Services

Report on Police Consolidation: The fiscal 2012 budget bill contains language authorizing the reduction of \$318,000 in general funds contingent upon the enactment of legislation authorizing the consolidation of the law enforcement operations of the Department of Health and Mental Hygiene (DHMH) and the Department of Labor, Licensing, and Regulation (DLLR) into the Department of General Services (DGS) Office of Facilities Security. By December 1, 2011, DGS, in conjunction with the Department of Budget and Management (DBM), DHMH, and DLLR shall submit a joint report to the committees outlining the number of positions impacted by the law enforcement consolidation and the associated cost savings.

Information Request	Authors	Due Date
Report on police consolidation	DGS DBM DHMH DLLR	December 1, 2011

J00
Department of Transportation

Budget Amendments

Add the following language:

It is the intent of the General Assembly that projects and funding levels appropriated for capital projects, as well as total estimated project costs within the Consolidated Transportation Program (CTP), shall be expended in accordance with the plan approved during the legislative session. The department shall prepare a report to notify the budget committees of the proposed changes in the event the department modifies the program to:

- (1) add a new project to the construction program or development and evaluation program meeting the definition of a “major project” under Section 2-103.1 of the Transportation Article that was not previously contained within a plan reviewed in a prior year by the General Assembly and will result in the need to expend funds in the current budget year; or
- (2) change the scope of a project in the construction program or development and evaluation program meeting the definition of a “major project” under Section 2-103.1 of the Transportation Article that will result in an increase of more than 10%, or \$1,000,000, whichever is greater, in the total project costs as reviewed by the General Assembly during a prior session.

For each change, the report shall identify the project title, justification for adding the new project or modifying the scope of the existing project, current year funding levels, and the total project cost as approved by the General Assembly during the prior session, compared with the proposed current year funding and total project cost estimate resulting from the project addition or change in scope.

Notification of changes in scope shall be made to the General Assembly concurrent with the submission of the draft and final CTP. Notification of new construction project additions, as outlined in paragraph (1) above, shall be made to the General Assembly prior to the expenditure of funds or the submission of any contract for approval to the Board of Public Works.

Explanation: This annual budget bill language requires the department to notify the budget committees of proposed changes to the transportation capital program that will add a new project that was not in the fiscal 2011-2016 CTP or will increase a total project’s cost by more than 10%, or \$1 million, due to a change in scope. Reports are to be submitted with the draft and final versions of the CTP, with each using the 2011 session CTP as the basis for comparison.

J00

Information Request	Author	Due Date
Capital budget changes	Maryland Department of Transportation	With draft CTP With final CTP

Amendment No. 27

Add the following language:

It is the intent of the General Assembly that funds dedicated to the Transportation Trust Fund shall be applied to purposes bearing direct relation to the State transportation program, unless directed otherwise by legislation. To implement this intent for the Maryland Department of Transportation (MDOT) in fiscal 2012, no commitment of funds in excess of \$250,000 may be made nor may such an amount be transferred, by budget amendment or otherwise, for any project or purpose not normally arising in connection with the ordinary ongoing operation of MDOT and not contemplated in the approved budget or the last published Consolidated Transportation Program without 45 days of review and comment by the budget committees.

Explanation: This annual budget bill language prohibits MDOT from using transportation funds for uses other than for transportation-related purposes without review and comment by the budget committees.

Information Request	Author	Due Date
Information on nontransportation expenditures exceeding \$250,000	MDOT	As needed

Amendment No. 28

Add the following language:

The Maryland Department of Transportation (MDOT) shall not expend funds on any job or position of employment approved in this budget in excess of 8,806 positions and 140 contractual full-time equivalents paid through special payments payroll (defined as the quotient of the sum of the hours worked by all such employees in the fiscal year divided by 2,080 hours) of the total authorized amount established in the budget for MDOT at any one time during fiscal 2012. The level of contractual full-time equivalents may be exceeded only if MDOT notifies the budget committees of the need and justification for additional contractual personnel due to:

- (1) business growth at the Helen Delich Bentley Port of Baltimore or Baltimore/Washington International Thurgood Marshall Airport, which demands additional personnel; or

J00

- (2) emergency needs that must be met, such as transit security or highway maintenance.

The Secretary shall use the authority under Sections 2-101 and 2-102 of the Transportation Article to implement this provision. However, any authorized job or position to be filled above the regular position ceiling approved by the Board of Public Works shall count against the Rule of 100 imposed by the General Assembly. The establishment of new jobs or positions of employment not authorized in the fiscal 2012 budget shall be subject to Section 7-236 of the State Finance and Procurement Article and the Rule of 100.

Explanation: This annual budget bill language establishes a position ceiling for MDOT each year to limit growth in regular positions and contractual full-time equivalents.

Information Request	Author	Due Date
Additional regular positions and contractual full-time equivalents	MDOT	As needed

Amendment No. 29

Committee Narrative

Watershed Implementation Plan Report: The Maryland Department of Transportation (MDOT) is required to expand its stormwater restoration efforts as part of the State's Watershed Implementation Plan (WIP). It is estimated that the total cost to implement the WIP for MDOT is approximately \$1.5 billion. Currently, the 2011-2016 Consolidated Transportation Program only includes \$90 million in funding. MDOT shall submit a report to the committees that outlines how the department will fit this cost into its capital program including any changes in project priorities or new funding mechanisms. Furthermore, the department shall discuss how it will manage meeting the goals in the WIP.

Information Request	Author	Due Date
Update on WIP	MDOT	December 1, 2011

J00A01
Department of Transportation
The Secretary's Office

Budget Amendments

THE SECRETARY'S OFFICE

J00A01.01 Executive Direction

Reduce appropriation for the purposes indicated:

	<u>Funds</u>		<u>Positions</u>
1. Increase the assumed vacancy rate to reflect historical trends. The fiscal 2012 allowance assumes a vacancy rate of 4.0%; however, in fiscal 2009, the department averaged a vacancy rate of 5.81%, and in fiscal 2010, the average rate was 5.3%. The proposed reduction allows the agency to have a 5.0% vacancy rate.	264,459	SF	
2. Reduce funding for additional assistance. Additional assistance increases \$48,000, or 177.8%, in fiscal 2012. Almost all of the increase is associated with a law clerk to assist attorneys in ongoing litigation, with no funding provided in fiscal 2011 for this function. The reduction still provides an increase of \$24,000, or 88.9%.	24,000	SF	
 Total Reductions	 288,459		 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	203.50	203.50		0.00
Special Fund	26,361,549	26,073,090	288,459	
Total Funds	26,361,549	26,073,090	288,459	

Amendment No. **30**

J00A01

J00A01.02 Operating Grants-In-Aid

Add the following language to the special fund appropriation:

, provided that no more than \$4,052,178 of this appropriation may be expended for operating grants-in-aid, except for:

- (1) any additional special funds necessary to match unanticipated federal fund attainments; or
- (2) any proposed increase, either to provide funds for a new grantee or to expand funds for an existing grantee.

Further provided that no expenditures in excess of \$4,052,178 may occur unless the department provides notification to the budget committees to justify the need for additional expenditures due to either provision (1) or (2) above, and the budget committees have 45 days to review and comment following receipt of the notification.

Explanation: This annual language caps the level of special funds provided for operating grants-in-aid. The cap may be increased to match unanticipated federal dollars or to provide new or expanded grant funding upon notification to the budget committees.

Information Request	Author	Due Date
Explanation of need for additional special funds for operating grants-in-aid	Maryland Department of Transportation	As needed

Amendment No. 31

J00A01.03 Facilities and Capital Equipment

Add the following language to the special fund appropriation:

, provided that no funds may be expended by the Secretary's Office for any system preservation or minor project with a total project cost in excess of \$500,000 that is not currently included in the fiscal 2011-2016 Consolidated Transportation Program except as outlined below:

- (1) the Secretary shall notify the budget committees of any proposed system preservation or minor project with a total project cost in excess of \$500,000, including the need and justification for the project, and its total cost; and
- (2) the budget committees shall have 45 days to review and comment upon the proposed system preservation or minor project.

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Explanation: Each fiscal year, the capital grants in the Secretary's Office increase from the legislative appropriation, and there is no oversight of any capital grants that the department may provide to other entities. To provide a degree of oversight to future capital grants, this language caps system preservation funding to the level appropriated by the General Assembly and require notification of any future increases.

Information Request	Author	Due Date
Additional capital grants	Maryland Department of Transportation	As needed

Amendment No. 32

J00A04
Department of Transportation
Debt Service Requirements

Budget Amendments

Add the following language:

Consolidated Transportation Bonds may be issued in any amount provided that the aggregate outstanding and unpaid balance of these bonds and bonds of prior issues may not exceed \$1,888,995,000 as of June 30, 2012. Further provided that the amount paid for debt service shall be reduced by any proceeds generated from net bond sale premiums, provided that those revenues are recognized by the department and reflected in the Transportation Trust Fund forecast.

Explanation: Section 3-202 of the Transportation Article requires the General Assembly to establish the maximum debt outstanding each year in the budget bill. The level is based on outstanding debt as of June 30, 2011, plus projected debt issuances during fiscal 2012 in support of the transportation capital program.

Amendment No. **33**

Add the following language:

The Maryland Department of Transportation (MDOT) shall submit with its annual September and January financial forecasts information on (1) anticipated and actual nontraditional debt outstanding as of June 30 of each year; and (2) anticipated and actual debt service payments for each outstanding nontraditional debt issuance from fiscal 2011 through 2022. Nontraditional debt is defined as any debt instrument that is not a Consolidated Transportation Bond or a Grant Anticipation Revenue Vehicle bond; such debt includes, but is not limited to, Certificates of Participation; debt backed by customer facility charges, passenger facility charges, or other revenues; and debt issued by the Maryland Economic Development Corporation or any other third party on behalf of MDOT.

Explanation: The General Assembly is interested in monitoring the use of nontraditional debt by MDOT. The information requested provides the budget committees with additional information on the usage and annual costs of nontraditional debt.

J00A04

Information Request	Author	Due Date
Nontraditional debt outstanding and anticipated debt service payments	MDOT	With September forecast, and with January forecast

Amendment No. 34

Add the following language:

The total aggregate outstanding and unpaid principal balance of nontraditional debt, defined as any debt instrument that is not a Consolidated Transportation Bond or a Grant Anticipation Revenue Vehicle bond issued by the Maryland Department of Transportation (MDOT), may not exceed \$627,815,000 as of June 30, 2012. Provided, however, that in addition to the limit established under this provision, MDOT may increase the aggregate outstanding unpaid and principal balance of nontraditional debt so long as:

- (1) MDOT provides notice to the budget committees stating the specific reason for the additional issuance and providing specific information regarding the proposed issuance, including information specifying the total amount of nontraditional debt that would be outstanding on June 30, 2012, and the total amount by which the fiscal 2012 debt service payment for all nontraditional debt would increase following the additional issuance; and
- (2) the budget committees shall have 45 days to review and comment on the proposed additional issuance before the publication of a preliminary official statement. The budget committees may hold a public hearing to discuss the proposed increase and must signal their intent to hold a hearing within 45 days of receiving notice from MDOT.

Explanation: This language limits the amount of nontraditional debt outstanding at the end of fiscal 2012 to the total amount that is projected to be outstanding from all previous nontraditional debt issuances as of June 30, 2012, and all anticipated sales in fiscal 2012. The language allows MDOT to increase the amount of nontraditional debt outstanding in fiscal 2012 by providing notification to the budget committees regarding the reason that the additional issuances are required.

Information Request	Author	Due Date
Justification for increasing nontraditional debt outstanding	MDOT	45 days prior to the publication of a preliminary official statement

Amendment No. 35

J00B
Department of Transportation
State Highway Administration

Committee Narrative

STATE HIGHWAY ADMINISTRATION

J00B01.05 County and Municipality Funds

Repayment of Prince George's County Grant for FedEx Field Road Improvements: It is the intent of the committees that the fiscal 1997 grant to Prince George's County for local road projects for Jack Kent Cooke Stadium has been repaid in full after the fiscal 2012 payment.

J00H
Department of Transportation
Maryland Transit Administration

Committee Narrative

MARYLAND TRANSIT ADMINISTRATION

J00H01.01 Transit Administration

Union Pension Sustainability: Based upon the Maryland Department of Transportation's fiscal 2010 Comprehensive Annual Financial Report, the Maryland Transit Administration's (MTA) union pension system had a funded ratio of 38.2% at the end of fiscal 2010. In addition, it had an unfunded Other Post Employment Benefits (OPEB) liability that totaled \$431.5 million at the end of fiscal 2009. MTA should submit a report to the committees that provides information on the following:

- what actions it will take to improve the funded ratio of the union pension system;
- the viability of having employees contribute to the system;
- what steps MTA can take without having to go through contract negotiations and what actions have to be negotiated;
- how it will begin to address its OPEB liabilities; and
- the impact of its pension obligations on the operating budget and farebox recovery.

MTA should also discuss what actions can be taken so that union health insurance benefits are more comparable to benefits received by State employees.

Information Request	Author	Due Date
Benefits sustainability	MTA	December 1, 2011 June 30, 2012

Binding Arbitration: During calendar 2010, the Maryland Transit Administration (MTA) was in collective bargaining negotiations with its largest union. As the parties did not reach agreement on certain items, including salary increases, binding arbitration was requested. During binding arbitration, it was decided that the union would receive retroactive pay increases and a pension enhancement. The cost of the wage increase for fiscal 2010 through 2012 totals \$19.3 million. This salary increase was provided while other State employees have not had pay increases in recent fiscal years, and contrary to provisions in Chapter 487 of 2009 and Chapter 484 of 2010, the Budget Reconciliation and Financings Acts (BRFA) of 2009 and 2010, respectively. These Acts prohibited salary increases for any State employees during fiscal 2010 and 2011. The budget committees are concerned that the arbitrator did not take into

J00H

consideration the BRFA provisions relating to salary increases. In the future, it is the intent of the committees that the provisions relating to employee salaries will be taken into consideration during collective bargaining negotiations and be presented to the arbitrator if needed. The committees expect MTA to make every effort to ensure that the arbitrator is aware of any provisions that may impact employee salary decisions during arbitration. MTA must submit a report that outlines its collective bargaining process with respect to salary provisions and how it will inform the arbitrator of broader State actions taken regarding wages and salary to ensure equity amongst all State employees by October 1, 2011.

Information Request	Author	Due Date
Salary increase information	MTA	October 1, 2011

J00J
Maryland Transportation Authority

Committee Narrative

J00J00.41 Operating Program

Equity Among State Employees: Over the last several years, the economic recession and the State's declining revenues have forced employee layoffs, furloughs, and temporary salary reductions. In addition, statewide, most funding for employee recognition, employee awards, or employee events has been eliminated. As State employees, Maryland Transportation Authority (MDTA) employees have undergone the same employee furloughs and salary actions; however, as a nonbudgeted agency, MDTA has been able to maintain funding for employee events and recognition. MDTA's fiscal 2012 budget includes \$83,090 for employee recognition, \$55,750 for employee events, and \$6,000 for an offsite annual retreat. To provide parity among all State employees, it is the intent of the committees that these items should be deferred until fiscal 2014 as they are for other State employees. Although these items may provide a valuable morale boost to employees, these items should not be funded at one State agency but not others.

Evaluating Alternative Tolling Structures: Simultaneous construction of two major capital projects has transitioned the Maryland Transportation Authority (MDTA) from a cash-rich agency to a highly leveraged one. Historically, toll rates have been set at low levels that are no longer sustainable. MDTA's current financial forecast projects toll increases in fiscal 2012, 2014, and 2016. These increases provide MDTA an opportunity to perform a comprehensive review of its tolling structure and to utilize tolls as both a revenue tool and a traffic management tool. Using tolls as traffic management tools can help to maximize capacity at existing facilities and may delay the need for system expansion projects. Alternative tolling structures may include:

- providing discounts to E-ZPass users with Maryland accounts;
- charging higher toll rates at peak traffic periods or providing discounts for off peak travel;
- offering off peak or overnight discounts to commercial traffic;
- increasing the discount thresholds used in calculating post-usage discounts;
- re-evaluating whether current discounts provided to users are financially sound; and
- implementing all electronic tolling at all toll facilities.

In conjunction with its development of toll increases in fiscal 2012, MDTA should evaluate each of these tolling structures and submit a report to the committees on the advantages and disadvantages of each alternative tolling structure.

J00J

Information Request	Author	Due Date
Report evaluating alternative tolling structures	MDTA	August 1, 2011

K00A
Department of Natural Resources

Budget Amendments

Add the following language:

Provided that contingent upon the enactment of HB 72 or SB 87 to eliminate the Department of Natural Resources' payment in lieu of taxes to local jurisdictions, the following appropriations shall be reduced:

	<u>General</u> <u>Funds</u>	<u>Special</u> <u>Funds</u>
<u>K00A02.09</u> <u>Forest Service appropriation for administrative expenses</u>	<u>\$1,740,000</u>	<u>\$0</u>
<u>K00A04.01</u> <u>Statewide Operation appropriation for park earnings by \$1,600,000</u>	<u>0</u>	<u>1,600,000</u>
<u>K00A04.06</u> <u>Revenue Operations appropriation for park earnings</u>	<u>0</u>	<u>140,000</u>
<u>Total</u>	<u>\$1,740,000</u>	<u>\$1,740,000</u>

Further provided that authorization is hereby provided to process a Special Fund budget amendment of \$1,740,000 to use these special funds to replace the aforementioned General Fund amount.

Explanation: The Administration included in the fiscal 2012 budget bill a reduction of \$2,374,852 for Forest Service general fund appropriation contingent upon the enactment of legislation to eliminate the payment in lieu of taxes for park earnings to localities. However, the intent was to make the reduction contingent on the elimination of timber sales and Deep Creek Lake revenues payments to localities as well. In addition, the Administration inadvertently left out the reduction in special fund appropriation for Maryland Park Service – Statewide Operation (\$1,835,000), and Maryland Park Service – Revenue Operations (\$140,000) that is needed to allow for the special funds to be re-appropriated to the Forest Service in order to backfill the general fund reduction. This action modifies the Administration's intent to reduce only park earnings.

Amendment No. **36**

K00A

FOREST SERVICE

K00A02.09 Forest Service

Strike the following language from the general fund appropriation:

~~, provided that this appropriation shall be reduced by \$2,374,852 contingent upon the enactment of legislation to eliminate the payment in lieu of taxes for park earnings to localities. Authorization is hereby provided to process a special fund budget amendment of \$2,374,852 to use these special funds to replace the aforementioned General Fund amount.~~

Explanation: The fiscal 2012 budget bill as introduced includes a \$2,374,852 reduction for Forest Service operations contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to eliminate the payment in lieu of taxes for park earnings to localities. This action strikes the contingent action as a technical amendment.

Amendment No. 37

LAND ACQUISITION AND PLANNING

K00A05.10 Outdoor Recreation Land Loan

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete the Program Open Space local special fund appropriation of \$20,841,842 to reflect the Governor's contingent reduction.	20,841,842	SF
2. Reduce the Program Open Space State special fund appropriation by \$21,579,747 to reflect the Governor's contingent reduction. This reflects \$19,503,491 in State land acquisition funding and \$2,076,256 in Heritage Conservation Fund funding. The remainder of the State land acquisition amount, \$2,717,000, is kept as special funds for the Baltimore City direct grant of \$1,500,000 and for operating expenses of \$1,217,000.	21,579,747	SF
3. Delete the Rural Legacy Program special fund appropriation of \$13,767,378 to reflect the Governor's contingent reduction.	13,767,378	SF
4. Delete the Program Open Space – Capital Improvements special fund appropriation of	4,000,000	SF

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\$4,000,000 to reflect the Governor’s contingent reduction.

5. Delete the Natural Resources Development Fund special fund appropriation of \$5,625,567 to reflect the Governor’s contingent reduction. Included in this appropriation is \$4,625,567 in Natural Resources Development Fund funding and \$1,000,000 for the State share of the Ocean City Beach Replenishment Fund.	5,625,567	SF
6. Delete the Program Open Space – Dam Rehabilitation Program special fund appropriation of \$500,000 to reflect the Governor’s contingent reduction.	500,000	SF
Total Reductions	66,314,534	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Special Fund	69,031,534	2,717,000	66,314,534	
Federal Fund	3,000,000	3,000,000	0	
Total Funds	72,031,534	5,717,000	66,314,534	

Amendment No. **38**

Add the following language to the special fund appropriation:

Further provided that contingent upon the enactment of HB 72 or SB 87, \$1,217,000 of this appropriation for State land acquisition may be transferred to other programs within the department for administrative expenses.

Explanation: This action is a technical correction that reflects the intent of the Administration to provide \$1,217,000 for operating expenses out of the State land acquisition funding. The steep decline in transfer tax revenues has resulted in insufficient funding for Program Open Space administration. This provision of the bill would help resolve that problem for fiscal 2012. A corresponding budget reconciliation action is proposed in the Budget Reconciliation and Financing Act of 2011.

Amendment No. **39**

K00A

Strike the following language from the special fund appropriation:

~~Notwithstanding the appropriations above, the Special Fund appropriation for the Outdoor Recreation Land Loan shall be reduced by \$66,314,534 contingent on the enactment of legislation crediting \$66,314,534 of the transfer tax revenues to the General Fund. The reduction shall be distributed in the following manner:~~

Program Open Space – State Acquisition	\$21,579,747
Program Open Space – Local Share	\$20,841,842
Program Open Space – Capital Improvements	\$10,125,567
Rural Legacy	\$13,767,378
Total	\$66,314,534

Explanation: The fiscal 2012 budget bill as introduced includes a \$66,314,534 reduction for the Outdoor Recreation Land Loan Program contingent upon the enactment of a provision in the Budget Reconciliation and Financing Act of 2011 crediting transfer tax revenues to the general fund. This action strikes that contingent reduction so that the reduction may be taken directly. The Program Open Space – State Acquisition funding reduction includes \$2,076,256 for the Heritage Conservation Fund and the remainder of \$19,503,491 for State land acquisition. The Program Open Space – Capital Improvements funding reduction includes \$4,625,567 for the Natural Resources Development Fund, \$4,000,000 for the Critical Maintenance Program, \$1,000,000 for the State share of the Ocean City Beach Replenishment Fund, and \$500,000 for Dam Rehabilitation.

Amendment No. 40

Committee Narrative

BOATING SERVICES

K00A11.02 Waterway Improvement Capital Program

Waterway Improvement Program Funding Policies: The committees are concerned that vessel excise tax revenue has declined precipitously and that this has reduced the amount of capital funding available from the Waterway Improvement Program for dredging and other public boating purposes. Yet, an economic study by the Maryland Sea Grant found that the total impact of boating on Maryland in 2007 was estimated to be \$2 billion and 35,205 jobs. Therefore, the committees request that the Department of Natural Resources (DNR) submit a report by September 1, 2011, providing the following: the options for raising vessel excise tax revenues, the possibility of operating budget expenditure reductions, and a prioritization plan for the use of available funding for capital improvements.

K00A

Information Request	Author	Due Date
Waterway Improvement Program funding policies	DNR	September 1, 2011

Budget Amendments

WATERSHED SERVICES

K00A14.02 Watershed Services

Modify the following language on the special fund appropriation:

, provided that this appropriation shall be reduced by ~~\$18,669,444~~ \$21,669,444 contingent upon the enactment of legislation to allocate Chesapeake Bay 2010 Trust Fund revenue to the General Fund.

Explanation: The fiscal 2012 budget bill as introduced includes an \$18,669,444 contingent reduction to the allocation of the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to allocate the revenue to the general fund. This action reduces the Chesapeake and Atlantic Coastal Bays 2010 Trust allocation by an additional \$3 million.

Amendment No. **41**

L00A
Department of Agriculture

Budget Amendments

OFFICE OF THE SECRETARY

L00A11.11 Capital Appropriation

Strike the following language from the special fund appropriation:

~~, provided that this appropriation shall be reduced by \$19,555,275 contingent upon the enactment of legislation crediting transfer tax revenues to the General Fund.~~

Explanation: The fiscal 2012 budget bill as introduced includes a \$19,555,275 reduction for Maryland Agricultural Land Preservation Foundation agricultural easement purchases contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 crediting transfer tax revenues to the general fund. This action strikes that contingent reduction so that the reduction may be taken directly. The capital budget contains \$4.4 million in fiscal 2012 with the plan to replace up to \$17.4 million of the \$19.6 million transferred through fiscal 2014. The Administration does not intend to replace the remainder, \$2.2 million, because this amount was bonded in excess of current fiscal 2011 revenue estimates.

Amendment No. **42**

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce the Maryland Agricultural Land Preservation Foundation special fund appropriation by \$19,555,275 to reflect directly the Governor's contingent reduction of the property transfer tax allocated to the program. The Governor plans to transfer this funding to the general fund as part of the Budget Reconciliation and Financing Act of 2011. The Governor's capital budget includes a \$4,367,000 general obligation bond authorization as the first installment of a three-year plan to replace fiscal 2012 funds transferred to the general fund.	19,555,275	SF
Total Reductions	19,555,275	0.00

L00A

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Special Fund	23,755,275	4,200,000	19,555,275	
Total Funds	23,755,275	4,200,000	19,555,275	

Amendment No. 43

OFFICE OF MARKETING, ANIMAL INDUSTRIES, AND CONSUMER SERVICES

L00A12.03 Food Quality Assurance

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete funding for additional assistance in Food Quality Assurance. The funding for inspections and grading appears to be for existing State positions but was included in contractual services in the fiscal 2011 working appropriation and in the fiscal 2012 allowance as part of the additional assistance personnel subobject. If State employees are using the funding, then the fund source for the State employee should be changed to reflect the federal funding.	140,000	FF
Total Reductions	140,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	17.00	17.00		0.00
General Fund	34,470	34,470	0	
Special Fund	1,645,616	1,645,616	0	
Federal Fund	256,551	116,551	140,000	
Total Funds	1,936,637	1,796,637	140,000	

Amendment No. 44

L00A

L00A12.11 Maryland Agricultural Fair Board

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce the Maryland Agricultural Fair Board special fund appropriation to reflect \$900,000 in overall revenues expected by the Maryland Department of Agriculture instead of the \$1,460,000 in the fiscal 2012 allowance.	560,000	SF
 Total Reductions	 560,000	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	0.50	0.50		0.00
Special Fund	1,460,000	900,000	560,000	
Total Funds	1,460,000	900,000	560,000	

Amendment No. **45**

L00A12.20 Maryland Agricultural and Resource-Based Industry Development Corporation

Strike the following language from the general fund appropriation:

~~provided that this appropriation shall be reduced by \$1,750,000 contingent upon the enactment of legislation reducing the mandated amount of funds for the Maryland Agricultural and Resource-Based Industry Development Corporation.~~

Explanation: The fiscal 2012 budget bill as introduced includes a \$1,750,000 reduction to the Maryland Agricultural and Resource-Based Industry Development Corporation, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011. This action strikes that contingent reduction.

Amendment No. **46**

L00A

OFFICE OF RESOURCE CONSERVATION

L00A15.03 Resource Conservation Operations

Add the following language to the general fund appropriation:

, provided that \$500,000 of this appropriation for the Maryland Department of Agriculture (MDA) made for the purpose of general operating expenses may not be expended until MDA provides a report on soil conservation district field personnel position counts and funding for the fiscal 2011 actual, fiscal 2012 working appropriation, and fiscal 2013 allowance. The scope of the report is as follows:

- (1) the number of contractual and permanent soil conservation district field personnel positions (defined as soil conservation planner, soil conservation associate, and soil conservation engineering technician positions); and
- (2) the amount of funding budgeted by fund for regular position expenses directly attributable to field personnel and, separately, operating expenses indirectly associated with field personnel.

The report shall be submitted in conjunction with submission of the fiscal 2013 budget and annually thereafter and the budget committees shall have 45 days to review and comment following receipt of the report. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: Section 8-405 of the Agriculture Article mandates that the Governor shall include in the annual budget bill an amount sufficient to employ not less than 110 field personnel in the soil conservation districts and that the appropriation for fiscal 2012 shall be \$10 million. The General Assembly is concerned that it is difficult to independently verify funding for the 110 soil conservation field personnel and \$10 million funding level for soil conservation district field personnel in the fiscal 2012 allowance since the requested report was not submitted. Therefore, this action requires that MDA include with its fiscal 2013 budget submission information on the fiscal 2011 actual, fiscal 2012 working appropriation, and fiscal 2013 allowance data on soil conservation district field personnel position counts and funding.

Information Request	Authors	Due Date
Report on soil conservation district field personnel position counts and funding	MDA Department of Budget and Management	Fiscal 2013 State budget submission and annually thereafter

Amendment No. 47

L00A

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. This action deletes funding for programs funded by Chesapeake and Atlantic Coastal Bays 2010 Trust Fund revenues due to uncertainty about the final allocation and double counting of the funds in the State budget. Currently, the entire Chesapeake and Atlantic Coastal Bays 2010 Trust Fund appropriation is budgeted in the Department of Natural Resources, and so the funding in the Maryland Department of Agriculture's fiscal 2012 allowance double budgets the funding. When the final allocation for the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund has been determined, a special fund budget amendment may be processed to allocate the funding to the Maryland Department of Agriculture.	772,385	SF
Total Reductions	772,385	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	115.50	115.50		0.00
General Fund	8,416,230	8,416,230	0	
Special Fund	1,220,955	448,570	772,385	
Federal Fund	216,872	216,872	0	
Total Funds	9,854,057	9,081,672	772,385	

Amendment No. 48

L00A15.04 Resource Conservation Grants

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. This action deletes funding for programs funded by Chesapeake and Atlantic Coastal Bays 2010 Trust Fund revenues due to uncertainty about the final allocation and double counting of the funds in the State budget. Currently, the entire Chesapeake and Atlantic Coastal Bays 2010 Trust Fund appropriation is budgeted in the Department of Natural Resources, and so the funding in the Maryland Department of	12,055,056	SF

L00A

Agriculture's fiscal 2012 allowance double budgets the funding. When the final allocation for the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund has been determined, a special fund budget amendment may be processed to allocate the funding to the Maryland Department of Agriculture.

Total Reductions 12,055,056 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	10.00	10.00		0.00
General Fund	816,923	816,923	0	
Special Fund	18,328,891	6,273,835	12,055,056	
Total Funds	19,145,814	7,090,758	12,055,056	

Amendment No. 49

M00A
Department of Health and Mental Hygiene
Office of the Secretary

Budget Amendments

OFFICE OF THE SECRETARY

M00A01.01 Executive Direction

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete outside contract funds for health care reform activities. The fiscal 2011 budget included \$250,000 for outside contract support for the implementation of federal health care reform, specifically supporting the work of the Governor's Health Care Reform Coordinating Council. The fiscal 2012 budget retains \$167,000 for outside contract support. However, the budget also creates a distinct function in the Governor's Office to coordinate health care reform activities as well as other positions related to health care reform, for example, in the Department of Health and Mental Hygiene Office of the Secretary.	167,000	GF
2. Delete funding for long-term vacant positions in the Office of the Secretary (PIN numbers 053823 and 015924).	86,517	GF 1.00
Total Reductions	253,517	1.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	106.60	105.60		1.00
General Fund	9,181,777	8,928,260	253,517	
Federal Fund	3,206,872	3,206,872	0	
Total Funds	12,388,649	12,135,132	253,517	

Amendment No. **50**

M00A

M00A01.02 Operations

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Delete funding for long-term vacant positions in the Office of the Secretary (PIN numbers 053823 and 015924).	41,604 GF	1.00
Total Reductions	41,604	1.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	315.90	314.90		1.00
General Fund	15,873,199	15,831,595	41,604	
Special Fund	410,000	410,000	0	
Federal Fund	13,302,400	13,302,400	0	
Total Funds	29,585,599	29,543,995	41,604	

Amendment No. 51

REGULATORY SERVICES

M00B01.03 Office of Health Care Quality

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Increase the turnover rate from 3.28 to 4.26% to match the agency's historical turnover rate and to more accurately reflect the number of vacancies at the agency.	77,600 GF 51,733 FF	
Total Reductions	129,333	0.00

M00A

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	183.70	183.70		0.00
General Fund	10,013,249	9,935,649	77,600	
Special Fund	615,374	615,374	0	
Federal Fund	6,667,372	6,615,639	51,733	
Total Funds	17,295,995	17,166,662	129,333	

Amendment No. **52**

M00F02
Department of Health and Mental Hygiene
Infectious Disease and Environmental Health Administration

Budget Amendments

INFECTIOUS DISEASE AND ENVIRONMENTAL HEALTH ADMINISTRATION

M00F02.03 Infectious Disease and Environmental Health Services

Strike the following language from the general fund appropriation:

~~, provided that this appropriation shall be reduced by \$334,152 contingent upon the enactment of legislation requiring accreditation of youth camps.~~

Explanation: Currently, there is one camp accreditation entity operating in the State; however, the accrediting organization's standards are not in compliance with Code of Maryland Regulations.

Amendment No. **53**

Add the following language to the general fund appropriation:

, provided that \$100,000 of this appropriation, made for the purpose of administering Core Public Health funding, may not be expended until the Department of Health and Mental Hygiene provides a report to the budget committees on the department's progress in implementing a local health department review process. Specifically, the report shall advise the budget committees of the agency's review of local health department program manuals, procedures, and inspection files to ensure local jurisdictions are in compliance with the Code of Maryland Regulations. The budget committees shall have 45 days from the receipt of the report to review and comment. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The Department of Health and Mental Hygiene (DHMH) has delegated numerous responsibilities to local health departments. Reductions to Core funding indicate local health departments have not been able to keep up with inspection responsibilities at rates required by Code of Maryland Regulations. Furthermore, recent audit findings have indicated the department has not conducted program reviews of local health departments to ensure compliance with State regulations.

M00F02

Information Request

Author

Due Date

Report on local health
department oversight

DHMH

45 days prior to the
expenditure of funds

Amendment No. **54**

M00F03
Department of Health and Mental Hygiene
Family Health Administration

Budget Amendments

FAMILY HEALTH ADMINISTRATION

M00F03.02 Family Health Services and Primary Care

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete \$15 million for the grant to Prince George's County Hospital Center. The funds are double budgeted in the fiscal 2012 allowance as special funds in the Family Health Administration and general funds in the Dedicated Purpose Account (DPA). In previous years, funds from the DPA were transferred by budget amendment for this grant in order to provide the budget and policy committees with the oversight afforded in the State Finance and Procurement Article §7-310. This reduction is a technical amendment and the agency should submit a budget amendment in accordance with existing statutory process.	15,000,000	SF
Total Reductions	15,000,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	103.50	103.50		0.00
General Fund	20,306,205	20,306,205	0	
Special Fund	15,057,346	57,346	15,000,000	
Federal Fund	125,497,881	125,497,881	0	
Total Funds	160,861,432	145,861,432	15,000,000	

Amendment No. **55**

M00J
Department of Health and Mental Hygiene
Laboratories Administration

Committee Narrative

LABORATORIES ADMINISTRATION

M00J02.01 Laboratory Services

Controlled Dangerous Substance Permits and Inspections: The committees direct the Laboratories Administration, as part of its Managing for Results performance measures, to report the number of practitioners, researchers, manufacturers, distributors, methadone programs, pharmacies, hospitals, nursing homes, importers, exporters, laboratories, researchers, clinics, drug and alcohol programs, ambulances, animal control facilities, and assisted living facilities that hold a controlled dangerous substance (CDS) permit and how many of these permit holders have been inspected. The administration currently reports the total number of permit holders and total number of inspections for each year. Providing additional detail for each type of permit holder would provide a more accurate indication of the administration's activities.

Information Request	Author	Due Date
CDS permit holders and CDS inspections	Laboratories Administration	With the annual budget submission

M00K
Department of Health and Mental Hygiene
Alcohol and Drug Abuse Administration

Budget Amendments

ALCOHOL AND DRUG ABUSE ADMINISTRATION

M00K02.01 Alcohol and Drug Abuse Administration

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Delete 2 vacant positions. These positions have been vacant since June and August 2009.	95,400 GF	2.00
Total Reductions	95,400	2.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	64.50	62.50		2.00
General Fund	83,141,343	83,045,943	95,400	
Special Fund	23,191,185	23,191,185	0	
Federal Fund	38,442,201	38,442,201	0	
Total Funds	144,774,729	144,679,329	95,400	

Amendment No. **56**

Add the following language to the special fund appropriation:

, provided that \$1,250,000 of this appropriation made for the purpose of providing problem gambling services, may not be expended until the Department of Health and Mental Hygiene provides a report to the budget committees on how funds for problem gambling services and treatment will be allocated to the 24 local health departments under the Problem Gambling Fund. Specifically, the report shall outline how the department will account for the variation in the prevalence of gambling among local jurisdictions when distributing funds in fiscal 2012. Furthermore, the report shall describe how the department will establish a network of clinically appropriate services for problem gamblers as required by Chapter 4 of the 2007 Special Session. This includes the provision of inpatient and residential services; outpatient services; intensive outpatient services; continuing care services; educational services; services for victims of domestic violence; and other preventive or rehabilitative services or treatment. Lastly, the report shall update the committees on the establishment of a 24-hour hotline for compulsive and problem gamblers. The budget committees shall have 45 days from the receipt of the report to

M00K

review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted to the budget committees.

Explanation: Chapter 4 of the 2007 special session established the Problem Gambling Fund, which receives revenue from video lottery licensee fees. Funds may only be spent by the department to establish a 24-hour hotline for compulsive and problem gamblers and to develop and implement problem gambling treatment and prevention programs. The budget committees should be informed on how the funds are being allocated and used.

Information Request	Author	Due Date
Report on problem gambling	Department of Health and Mental Hygiene	45 days prior to the expenditure of funds

Amendment No. 57

Committee Narrative

Non-opioid Pharmacotherapies for the Treatment of Alcohol Dependence: The committees direct the Department of Health and Mental Hygiene (DHMH), in conjunction with the Department of Public Safety and Correctional Services (DPSCS), to submit a report on the usage of non-opioid pharmacotherapies for the treatment of alcohol dependence in those incarcerated in DPSCS facilities. Specifically, the committees request that DHMH and DPSCS report on the current utilization of non-opioid pharmacotherapies to treat alcohol dependence, including any State and local spending on non-opioid pharmacotherapies, and the cost-effectiveness of using non-opioid pharmacotherapies to reduce alcohol recidivism. DHMH should also report on where non-opioid pharmacotherapies are currently being used within the general population and any potential plans to expand the use of non-opioid pharmacotherapies to other populations, including the Medicaid and Primary Adult Care population.

Information Request	Authors	Due Date
Usage of non-opioid pharmacotherapies for the treatment of alcohol dependence in the prison population	DHMH DPSCS	December 1, 2011

M00L
Department of Health and Mental Hygiene
Mental Hygiene Administration

Budget Amendments

Add the following language:

Provided that \$78,000 in general funds made to support the operations of Spring Grove Hospital Center, \$49,000 in general funds made to support the operations of Springfield Hospital Center, \$43,000 in general funds made to support the operations of Clifton T. Perkins Hospital Center, \$16,000 in general funds made to support the operations of Thomas B. Finan Hospital Center, and \$14,000 in general funds made to support the operations of Eastern Shore Hospital Center may not be expended for that purpose but instead may be used only to fund an independent study that includes:

- (1) an analysis of short- and long-term population and placement trends to determine the potential demand for State-run psychiatric hospital capacity including the maximum appropriate use of community-based alternatives;
- (2) best practices for facility operations, including building size and configuration;
- (3) appropriate site locations based on future demand; and
- (4) any other information the Department of Health and Mental Hygiene (DHMH) considers important in determining the future need for State-run psychiatric hospital capacity.

DHMH shall submit a copy of the study to the budget committees by December 1, 2011. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the study is not undertaken.

Explanation: The language restricts \$200,000 in funding throughout the State-run psychiatric hospitals to be used for a report on the future demand for State-run psychiatric hospital capacity.

Information Request	Author	Due Date
Independent study on the future demand for State-run psychiatric hospital capacity	DHMH	December 1, 2011

Amendment No. **58**

M00L

Add the following language to the general fund appropriation:

provided that \$50,000 of this appropriation provided for Executive Direction may not be expended for that purpose but instead may be used only for a contract with the Maryland Economic Development Corporation (MEDCO) for the purpose of developing a Redevelopment Plan for Spring Grove Hospital Center. MEDCO shall undertake this report in conjunction with the Department of Planning and the Department of Business and Economic Development. The report shall include detail on:

- (1) construction and financing of a new hospital based on the bed need determined by an independent report to be commissioned by the Department of Health and Mental Hygiene;
- (2) a parcel with size and need dedicated for the University of Maryland Baltimore County;
- (3) a parcel with size and need dedicated for recreation space for Baltimore County; and
- (4) the remaining parcel dedicated to mixed use development.

The report shall also:

- (1) identify opportunities to maximize federal Medicaid dollars;
- (2) identify the utilization of Tax Increment Financing opportunities;
- (3) evaluate future tax revenue; and
- (4) evaluate how to utilize parcel sale proceeds to benefit the Community Mental Health Service Delivery System.

The report shall be submitted to the budget committees by September 1, 2011, and the budget committees shall have 45 days to review and comment. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: The language restricts funds in the administrative function of the Mental Hygiene Administration (MHA) to be used for a contract with MEDCO to develop a Redevelopment Plan for Spring Grove Hospital Center.

M00L

Information Request	Authors	Due Date
Redevelopment plan for Spring Grove Hospital Center	MEDCO MHA	September 1, 2011

Amendment No. **59**

MENTAL HYGIENE ADMINISTRATION

M00L01.02 Community Services

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for Veterans Behavioral Health Coordination to more closely align with actual spending. The fiscal 2012 budget includes \$563,000 for this activity. Fiscal 2010 expenditure levels were \$269,000, and projected spending levels in fiscal 2011 based on year-to-date expenditures are \$204,000. The reduction does not impact spending on services for veterans.	300,000	GF
 Total Reductions	 300,000	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	3.00	3.00		0.00
General Fund	76,845,498	76,545,498	300,000	
Special Fund	158,605	158,605	0	
Federal Fund	31,818,400	31,818,400	0	
Total Funds	108,822,503	108,522,503	300,000	

Amendment No. **60**

M00L

Committee Narrative

Maryland Veterans Behavioral Health. It is the intent of the committees that if additional funding for Maryland Veterans Behavioral Health coordination is required in fiscal 2012 beyond that provided in the fiscal 2012 appropriation, the Mental Hygiene Administration shall request a deficiency appropriation.

Budget Amendments

M00L01.03 Community Services for Medicaid Recipients

Add the following language to the general fund appropriation:

provided that \$1,000,000 in general funds appropriated for the provision of private institutional care to youth may not be used for that purpose and instead may be used only to support community-based residential treatment diversion programming. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: The language restricts funding budgeted for institutional care for youth with mental health issues for community-based Residential Treatment Center diversion programming.

Amendment No. 61

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for private residential treatment centers because of the availability of other residential capacity and nonresidential community alternatives.	3,000,000 GF	
	3,000,000 FF	
Total Reductions	6,000,000	0.00

M00L

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	338,000,650	335,000,650	3,000,000	
Special Fund	15,850,000	15,850,000	0	
Federal Fund	317,694,694	314,694,694	3,000,000	
Total Funds	671,545,344	665,545,344	6,000,000	

Amendment No. **62**

SPRINGFIELD HOSPITAL CENTER

M00L08.01 Services and Institutional Operations

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete 3 chaplain positions at Spring Grove and Springfield Hospital Centers while retaining a reduced amount of funding (\$20,000 at each facility) for contracts to support the spiritual needs of facility patients. The Eastern Shore Hospital, Finan Center, and Perkins Hospital utilize contractual religious support to meet the religious needs and rights of their patients. This action applies the same model to Spring Grove and Springfield.	49,811 GF	1.00
Total Reductions	49,811	1.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	836.50	835.50		1.00
General Fund	72,373,820	72,324,009	49,811	
Special Fund	255,164	255,164	0	
Total Funds	72,628,984	72,579,173	49,811	

Amendment No. **63**

M00L

SPRING GROVE HOSPITAL CENTER

M00L09.01 Services and Institutional Operations

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete 3 chaplain positions at Spring Grove and Springfield Hospital Centers while retaining a reduced amount of funding (\$20,000 at each facility) for contracts to support the spiritual needs of facility patients. The Eastern Shore Hospital, Finan Center, and Perkins Hospital utilize contractual religious support to meet the religious needs and rights of their patients. This action applies the same model to Spring Grove and Springfield.	134,317 GF	2.00
Total Reductions	134,317	2.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	809.60	807.60		2.00
General Fund	75,903,652	75,769,335	134,317	
Special Fund	2,618,518	2,618,518	0	
Federal Fund	22,092	22,092	0	
Total Funds	78,544,262	78,409,945	134,317	

Amendment No. **64**

M00M
Department of Health and Mental Hygiene
Developmental Disabilities Administration

Budget Amendments

DEVELOPMENTAL DISABILITIES ADMINISTRATION

M00M01.02 Community Services

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for Resource Coordination for expansion services in fiscal 2012 to match actual expenditure per person.	16,913 GF 518 SF 14,849 FF	
2. Delete 1 position at the Central Maryland Regional Office that has been vacant for over a year. (PIN 025630)	27,457 GF 14,144 FF	1.00
Total Reductions	73,881	1.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	113.50	112.50		1.00
General Fund	439,621,401	439,577,031	44,370	
Special Fund	3,623,938	3,623,420	518	
Federal Fund	340,189,227	340,160,234	28,993	
Total Funds	783,434,566	783,360,685	73,881	

Amendment No. **65**

M00Q
Department of Health and Mental Hygiene
Medical Care Programs Administration

Budget Amendments

Add the following language:

It is the intent of the General Assembly that determinations for long-term care eligibility be made in a timely manner in accordance with State law. Current regulation specifies that an eligibility determination be made within 30 days. However, eligibility determinations for long-term care services under the Medical Assistance Program are taking three months or longer from the date of application, including initial applications, transfers from other facilities, and redeterminations for continued benefits.

Further provided that \$100,000 in general funds appropriated for the purpose of executive oversight in the Office of the Secretary in both the Department of Health and Mental Hygiene (DHMH) and the Department of Human Resources (DHR) may not be expended until DHMH and DHR submit to the budget committees, the House Health and Government Operations Committee, and the Senate Finance Committee a report detailing how the departments have:

- (1) developed a process to streamline the review by performing desk reviews of certain redetermination applications, including the consideration for desk reviews where the applicant receives Supplemental Security Income or qualifies for other State programs;
- (2) created a separate application for redeterminations, which only requests information on changes or updates to the applicant's eligibility status, and the possibility of an electronic, pre-populated form; and
- (3) made any other changes to the redetermination process that are necessary to ensure the timely processing of applications.

As part of the streamlined process developed by the departments, they shall:

- (1) simplify the initial application by reducing the amount of documents that must be submitted by applicants based on the experience of processes used in other states;
- (2) acquire technology that allows DHR to quickly assess the risk of an application and speed the processing of cases, particularly cases identified as low risk cases;
- (3) consider the use of online applications and other technology-based tools, such as data management, image scanning and upgrade of the information technology systems; and
- (4) make other changes to the application process that are necessary to ensure the timely processing of applications.

M00Q

The report shall be submitted to the committees by September 15, 2011, and the budget committees shall have 45 days 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 and shall revert to the General Fund if the report is not submitted to the budget committees. Until the submission of the September 15, 2011, report, the departments, beginning on June 15, 2011, shall submit to the committees a monthly update on progress toward improving the timeliness of long-term care eligibility determinations.

Explanation: The language expresses intent concerning the timeliness of long-term care eligibility determinations and withholds funding pending the submission of a report detailing how DHMH and DHR are streamlining the eligibility determination process. Additionally, the language requests monthly progress reports beginning June 15, 2011.

Information Request	Authors	Due Date
Long-term care eligibility determinations	DHMH DHR	September 15, 2011
Monthly updates on progress to streamline long-term care eligibility determinations	DHMH DHR	Monthly beginning June 15, 2011

Amendment No. 66

MEDICAL CARE PROGRAMS ADMINISTRATION

M00Q01.02 Office of Systems, Operations and Pharmacy

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Delete 6 new positions and reduce the funds for those positions. These positions are associated with an initiative to reduce off-label use of antipsychotic medications. This function can be achieved through a contract with one position retained to oversee the contract.	73,000 GF 219,000 FF	6.00 0.00
Total Reductions	292,000	6.00

M00Q

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	228.00	222.00		6.00
General Fund	10,024,949	9,951,949	73,000	
Federal Fund	23,403,104	23,184,104	219,000	
Total Funds	33,428,053	33,136,053	292,000	

Amendment No. 67

M00Q01.03 Medical Care Provider Reimbursements

Add the following language:

All appropriations provided for program M00Q01.03 are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that the general funds required to pay costs associated with the imposition of a Medicaid assessment may be transferred by budget amendment to Western Maryland Center (program code M00I03.01), Deer's Head Center (program code M00I04.01), Thomas B. Finan Hospital Center (program code M00L04.01), Eastern Shore Hospital Center (program code M00L07.01), Springfield Hospital Center (program code M00L08.01), Spring Grove Hospital Center (program code M00L09.01), and Clifton T. Perkins Hospital Center (program code M00L10.01). Funds not expended for these purposes shall revert to the General Fund or be canceled.

Explanation: The language restricts funds for Medicaid provider reimbursement to that purpose with a limited exception.

Amendment No. 68

Concur with the following language on the general fund appropriation:

Further provided that \$13,000,000 of this appropriation shall be reduced contingent upon the enactment of legislation increasing the nursing facility quality assessment.

Explanation: The fiscal 2012 budget bill includes a \$13 million contingent reduction in provider reimbursements contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to increase the nursing facility quality assessment from 4.0 to 5.5%. A portion of the revenue raised will backfill for this reduction, with the remainder being used to offset the costs associated with the assessment for Medicaid bed days as well as providing a general rate increase estimated at of 1.4% plus increasing pay for performance incentives.

M00Q

Modify the following language on the general fund appropriation:

Further provided that \$17,500,000 of this appropriation shall be reduced contingent upon the enactment of legislation ~~allowing the Health Services Cost Review Commission to alter the financing methodology for hospital graduate medical education~~ authorizing an increase in Medicaid hospital assessments.

Explanation: The fiscal 2012 budget bill includes a \$17.5 million contingent reduction to provider reimbursements contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to change the methodology used to finance hospital graduate medical education. The proposed action modifies the contingency to make the reduction contingent on an increase in Medicaid hospital assessments.

Amendment No. 69

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for statewide incentive payments to Managed Care Organizations (MCOs). The fiscal 2012 budget proposes a \$7.0 million, 140%, increase in the funding for statewide incentive payments to MCOs from \$5.0 million to \$12.0 million. This funding is included for MCOs who are open for enrollment in all 24 jurisdictions. Currently three MCOs operate in every jurisdiction (a fourth serves enrollees in every jurisdiction but does not actually operate statewide), but only two (Maryland Physicians Care and Priority Partners) are open for enrollment in every jurisdiction. The reduction still provides a 50% increase, to \$7.5 million, in incentive payments.	2,250,000	GF
	2,250,000	FF
2. Reduce funding by cutting calendar 2011 Managed Care Organization (MCO) rate increase by 2% effective May 1, 2011. Savings reflect adjustments for the 1% rate cut and MCO physician rate cut built into the fiscal 2012 budget effective July 1, 2011. Apply all savings to fiscal 2012.	9,500,000	GF
	9,500,000	FF
3. Reduce funds based on inpatient savings derived from serving more Medicaid hospital patients at the State's chronic hospitals. The fiscal 2012 budget changes the patient mix at the two State chronic hospitals to serve more hospital level rather than nursing home level	500,000	GF
	500,000	FF

M00Q

patients. Costs associated with Medicaid patients served at the chronics are budgeted at those facilities. Thus, this changing patient mix reduces the amount of funding Medicaid will need for hospital level care but increases the amount for nursing home care. The Medicaid budget reflects this change as cost neutral. Since chronic hospital patients can be diverted from higher cost settings, Medicaid hospital expenditures may actually decrease more than nursing home expenditures increase.

- | | | |
|--|------------|----|
| 4. Reduce funds based on the availability of Cigarette Restitution Funds from other programs, specifically a reduction to the amount budgeted for nonpublic school textbooks. This action requires an addition to the Budget Reconciliation and Financing Act of 2011 authorizing the Governor to process a budget amendment transferring the funds from the Cigarette Restitution Fund. | 444,000 | GF |
| 5. Reduce funding for non-emergency transportation grants. The fiscal 2012 budget includes almost \$35.4 million for non-emergency transportation grants. The reduction provides 1% annual growth over the most recent actual. If necessary, the department should renegotiate memoranda of understanding/contracts with local health departments to achieve the required savings. | 1,087,500 | GF |
| | 1,087,500 | FF |
| 6. Reduce pharmacy dispensing fees by 5%. Generic dispensing fees would decline from \$3.69 to \$3.51, with brand-name drug dispensing fees falling from \$2.69 to \$2.56. | 275,000 | GF |
| | 275,000 | FF |
| 7. Reduce funding by limiting claims processing and eligibility determination errors. The most recent national assessment of the Medicaid program noted that Maryland has a below average error rate for claims processing, but a significantly higher than average error rate for eligibility determinations. These error rates have also been noted in recent legislative audits. An independent report released in January 2011 noted that there are a series of short-term as well as long-term changes that the Departments of Health and Mental Hygiene and Human Resources can take to reduce errors. The | 10,000,000 | GF |
| | 10,000,000 | FF |

M00Q

proposed reduction represents slightly less than 1% of total Medicaid fee-for-service expenditures.

<p>8. Reduce funding by imposing service limitations or other cost containment proposals determined by the department. Recent federal law changes have limited the ability of states to curtail recent growth in the Medicaid program. To date, what limitations are allowed have not been utilized by the State in favor of reductions in provider rates, operational efficiencies, and cost-shifts to other payers. A report released in January 2011 notes other cost containment options available to the department including service limitations. In addition, recent guidance by the Centers for Medicare and Medicaid Services has offered additional flexibility to states in terms of eligibility changes and cost-sharing. The proposed reduction seeks additional cost containment beyond that already included in the fiscal 2012 budget but gives the department flexibility in implementing the reduction.</p>	<p>10,000,000 GF 10,000,000 FF</p>	
Total Reductions	67,669,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	2,533,991,137	2,499,934,637	34,056,500	
Special Fund	827,697,060	827,697,060	0	
Federal Fund	3,380,998,038	3,347,385,538	33,612,500	
Total Funds	6,742,686,235	6,675,017,235	67,669,000	

Amendment No. **70**

M00Q

Strike the following language on the federal fund appropriation:

~~, provided that \$17,500,000 of this appropriation shall be reduced contingent upon the enactment of legislation allowing the Health Services Cost Review Commission to alter the financing methodology for hospital graduate medical education.~~

Explanation: The fiscal 2012 budget bill includes a \$17.5 million contingent reduction to provider reimbursements contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to change the methodology used to finance hospital graduate medical education. This action strikes the contingency.

Amendment No. 71

Committee Narrative

Addiction Treatment Spending: The committees are concerned that an increasing amount of funds are being transferred from the Alcohol and Drug Abuse Administration to Medicaid to provide substance abuse treatment services for individuals in the Primary Adult Care (PAC) program without data showing the extent of substance abuse treatment services being provided through PAC. The committees request DHMH to provide data on the number of PAC enrollees provided with substance abuse treatment services, the number of denials of service, and the amount of money spent on substance abuse treatment services in the PAC program. The committees are also interested in receiving the same data on substance abuse treatment services being provided through HealthChoice. The committees request separate information on those served through the Medicaid's fee-for-service system and those served by managed care organizations. The report shall be submitted to the committees no later than September 1, 2011.

Information Request	Author	Due Date
Addiction treatment spending	Department of Health and Mental Hygiene	September 1, 2011

Long-term Care Reform: The committees are interested in transforming the delivery of Medicaid long-term care services in Maryland, specifically, serving individuals in Home and Community Based Services rather than institutional care to the maximum extent appropriate. The federal Patient Protection and Affordable Care Act (PPACA) offers states numerous opportunities to move in this direction. At this point, the fiscal 2012 budget includes funding to take advantage of one of the options provided under the PPACA, namely the Community First Choice State Plan Option. The committees request the Department of Health and Mental Hygiene (DHMH) to continue its Medicaid long-term care reform stakeholder process to develop strategies to reform the delivery of long-term care services and investigate all of the possibilities available under PPACA. The department shall report on its progress and any recommendations by December 1, 2011.

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Information Request	Author	Due Date
Long-term care reform	DHMH	December 1, 2011

Budget Amendments

M00Q01.06 Kidney Disease Treatment Services

Concur with the following language on the general fund appropriation:

, provided that \$11,600,000 of this appropriation shall be reduced contingent upon the enactment of legislation authorizing the use of revenue from a nonprofit health service plan for this purpose.

Explanation: The fiscal 2012 budget bill includes an \$11.6 million contingent reduction to the Kidney Disease Program contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to use CareFirst premium tax revenue in the Kidney Disease Program and backfill for that reduction.

Committee Narrative

M00Q01.08 Major Information Technology Development Projects

Maryland Medicaid Information System (MMIS) Replacement: The committees are concerned that the current procurement strategy adopted by the Department of Health and Mental Hygiene (DHMH) to replace MMIS is a high-risk strategy because it combines MMIS replacement with the need to implement ICD-10 code sets by October 1, 2013. The department has indicated that it is not seeking to mitigate the risk involved in the strategy by splitting the two projects apart. However, it is still hoping to move forward with the existing procurement despite the deadlines built into that procurement and the potential that those deadlines have limited vendor choice and increased project cost. Given the size and importance of the MMIS replacement procurement, the committees request that DHMH:

- (1) Inform the committees immediately if the department receives legal advice that it cannot split the MMIS replacement project from ICD-10 remediation and what its procurement plans are at that point;
- (2) Inform the committees of the cost and implementation deadlines for ICD-10 remediation if the department is able to split MMIS replacement from ICD-10 remediation;
- (3) Under any scenario whereby the department proceeds to award with the current procurement, that the department concurrent with that award provide the committees with updated cost and implementation deadlines; and

M00Q

- (4) If the department determines that it will not proceed with its current MMIS replacement strategy, what the next steps for MMIS replacement are.

Information Request	Author	Due Date
MMIS replacement	DHMH	Various including concurrent with any contract award

Program Integrity Improvements: Language added to the fiscal 2011 budget restricted funding in the Medicaid program for an independent report on efforts to improve program integrity in Medicaid. The resulting report made a series of recommendations on ways the Department of Health and Mental Hygiene (DHMH) and the Department of Human Resources (DHR) could improve program integrity. Some of the recommendations were high cost (for example, improving major information technology systems), others were not. In the report submitted to the legislature, the agencies generally concurred with the recommendations and indicated a desire to implement them, resources permitting. The committees request the agencies report by December 1, 2011, on progress in implementing the recommendations. To the extent that some recommendations cannot be implemented because they require additional resources not funded in the fiscal 2012 budget, cost estimates for implementation should be included.

Information Request	Authors	Due Date
Medicaid program integrity improvements	DHMH DHR	December 1, 2011

MEMSOF
Maryland Emergency Medical System Operations Fund

Committee Narrative

Report Evaluating the Feasibility of Insurance Provider Billing for Medevac Services: In November 2008, the Maryland Institute for Emergency Medical Services Systems (MIEMSS) convened an expert helicopter panel to evaluate recent changes to the State’s Medevac protocols. One of the recommendations issued by the panel was that all Medevac operations be conducted under Part 135 of the Federal Aviation Administration (FAA) regulations. Consistent with the panel’s recommendations, the 2009 Joint Chairmen’s Report included committee narrative directing the Maryland State Police Aviation Command (MSPAC) to take immediate steps to seek Part 135 certification. Since that time, MSPAC has been actively pursuing Part 135 certification. MSPAC currently operates as a public aircraft carrier under the FAA general aviation requirements and, therefore, is prohibited from charging patients for Medevac services. However, once MSPAC becomes Part 135 certified, the State will have the option to insurance-only bill Maryland residents and to fully bill nonresidents for Medevac services, thereby creating a potential revenue source for the Maryland Emergency System Operations Fund. In light of the numerous implications that may result from implementing this new billing practice, the budget committees request that by January 1, 2012, the Emergency Medical Services (EMS) Board, in coordination with MIEMMS, MSPAC, the Maryland Insurance Administration (MIA), the Maryland Health Care Commission (MHCC), the Department of Health and Mental Hygiene (DHMH) Medical Care Programs Administration, and the Office of the Attorney General (OAG), submit a report to the budget committees evaluating the legality, feasibility, and ramifications (e.g., impact on provider insurance rates) of transitioning to the aforementioned billing practice. The report shall also discuss charges for Medevac services provided, including billing practices; reimbursement by insurance providers; and the State and federal laws applicable to the operations of Medevac services in Maryland. Lastly, in addition to the budget committees, the report shall be submitted to any policy committee that is likely to have oversight over this issue.

Information Request	Authors	Due Date
Report on insurance provider billing	EMS Board MIEMSS MSPAC MIA MHCC DHMH Medical Care Programs Administration OAG	January 1, 2012

N00F
Department of Human Resources
Office of Technology for Human Services

Budget Amendments

OFFICE OF TECHNOLOGY FOR HUMAN SERVICES

N00F00.04 General Administration

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for additional and replacement data processing mainframe equipment in the Office of Technology for Human Services by 10%. The fiscal 2012 allowance includes approximately \$1.8 million for this purpose.	99,093 GF 76,232 FF	
Total Reductions	175,325	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	116.50	116.50		0.00
General Fund	30,400,541	30,301,448	99,093	
Special Fund	1,006,269	1,006,269	0	
Federal Fund	36,388,058	36,311,826	76,232	
Total Funds	67,794,868	67,619,543	175,325	

Amendment No. **72**

N00G
Department of Human Resources
Local Department Operations

Budget Amendments

LOCAL DEPARTMENT OPERATIONS

N00G00.01 Foster Care Maintenance Payments

Add the following language:

Provided that all appropriations provided for program N00G00.01 Foster Care Maintenance Payments are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.03 Child Welfare Services. Funds not expended or transferred shall revert to the General Fund or be canceled.

Explanation: This language restricts funds appropriated for foster care payments to that use only or for transfer to N00G00.03 Child Welfare Services which is where child welfare caseworker positions are funded.

Amendment No. **73**

Concur with the following language on the general fund appropriation:

Further provided that \$1,017,465 of this appropriation shall be reduced contingent upon the enactment of legislation to establish a non-public placement program for children with behavioral issues who are in State care.

Explanation: The fiscal 2012 budget bill as introduced includes a \$1,017,465 contingent reduction to reduce general funds contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 establishing a nonpublic placement program for children with behavioral issues who are in State care. The legislation would allow the Department of Human Resources (DHR) to bill Local Education Agencies in an amount equal to the per pupil spending for the basic cost of education. DHR would receive and expend these funds as special funds in lieu of the general funds being reduced. This action concurs with that contingent reduction.

N00G

N00G00.03 Child Welfare Services

Add the following language:

Provided that all appropriations provided for program N00G00.03 Child Welfare Services are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.01 Foster Care Maintenance Payments. Funds not expended or transferred shall be reverted to the General Fund or be canceled.

Explanation: This language restricts funds appropriated for child welfare services to that use only or for transfer to N00G00.01 Foster Care Maintenance Payments.

Amendment No. 74

Committee Narrative

Child Welfare Caseload Data: The committees believe that maintaining an adequate child welfare workforce is essential to improving outcomes for children entering the State's care. Therefore, in order to maintain oversight of this important issue, the committees request that the Department of Human Resources, on December 1, 2011, and March 1, 2012, report to the committees on the actual number of cases and filled positions assigned, by jurisdiction, for the following caseload types using data current within 70 days:

1. Intake Screening;
2. Child Protective Investigation;
3. Continuing Child Protective Services;
4. Intensive Family Services;
5. Families NOW Levels II – III;
6. In-home Family Services;
7. Foster Care;
8. Kinship Care;
9. Adoption Services;
10. Interstate Compact for the Placement of Children;

N00G

11. Court-ordered Home Studies;
12. Resource Family Development and Support – New Applicants;
13. Resource Family Development and Support – Ongoing and License Renewals/Kinship Caregivers; and
14. Casework Supervisors.

Information Request	Author	Due Date
Report on caseload data and filled positions assigned by jurisdiction for specified caseload types	Department of Human Resources	December 1, 2011 March 1, 2012

N00G00.05 General Administration

Implementation of Consolidation of Local Department Administrative Functions: Section 24 of the fiscal 2011 budget bill reduced funds, in part, to implement a consolidation of some administrative functions in the local departments of social services. Although the Department of Human Resources (DHR) produced the plan outlining the areas to be examined for consolidation and a timeframe for recommendations, no additional activity has occurred. The committees request that DHR provide additional information on:

- the actions planned and completed to implement a consolidation of administrative functions in the local departments;
- the impact of this consolidation on the local departments; and
- operational savings resulting from the consolidation of administrative functions including any additional reduction in positions.

Information Request	Author	Due Date
Report on the implementation of consolidation of local department administrative functions	DHR	August 1, 2011

N00G

Budget Amendments

N00G00.06 Local Child Support Enforcement Administration

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for laboratory services. The allowance increases by \$208,854, or 71.7%, compared to the fiscal 2011 working appropriation. This action provides for an increase of slightly more than \$100,000 from the fiscal 2011 working appropriation.	100,000	SF
Total Reductions	100,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	628.00	628.00		0.00
General Fund	15,387,773	15,387,773	0	
Special Fund	913,819	813,819	100,000	
Federal Fund	30,058,876	30,058,876	0	
Total Funds	46,360,468	46,260,468	100,000	

Amendment No. 75

N00H
Department of Human Resources
Child Support Enforcement Administration

Budget Amendments

CHILD SUPPORT ENFORCEMENT ADMINISTRATION

N00H00.08 Support Enforcement – State

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for Baltimore City privatization contract to the estimated cost in fiscal 2012. This action provides approximately \$7.95 million for this contract.	196,251 SF 380,958 FF	
Total Reductions	577,209	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	88.00	88.00		0.00
General Fund	2,617,536	2,617,536	0	
Special Fund	11,831,903	11,635,652	196,251	
Federal Fund	26,019,614	25,638,656	380,958	
Total Funds	40,469,053	39,891,844	577,209	

Amendment No. **76**

N001
Department of Human Resources
Family Investment Administration

Committee Narrative

FAMILY INVESTMENT ADMINISTRATION

N00I00.04 Director's Office

Benefit Eligibility Determinations – Missing or Invalid Social Security Numbers – Timely Follow-up: The February 2011 legislative audit for the Department of Human Resources' Family Investment Administration (FIA) included a finding that FIA did not adequately ensure that the results of computer matches and system alerts triggered by missing or invalid Social Security numbers (SSN) were always investigated and resolved in a timely and adequate manner. The committees request that FIA develop a written policy requiring benefit eligibility determination personnel to verify that a valid SSN has been provided within six months of a case being entered into the Client Automated Resource and Eligibility system, or that a valid, documented justification exists for the absence of a valid SSN (e.g., that application for a SSN has been made but that the number has not yet been received, that the case involves an infant and federal regulations require a longer grace period, etc.). FIA should provide a copy of the written policy report to the committees by July 1, 2011, along with an assessment of budgetary and/or personnel impacts that would result from implementing the policy.

Information Request	Author	Due Date
Written policy requiring timely follow-up on missing SSN	FIA	July 1, 2011

N00I0006
Department of Human Resources
Office of Home Energy Programs

Budget Amendments

N00I00.06 Office of Home Energy Programs

Add the following language to the special fund appropriation:

, provided that \$100,000 of this appropriation made for the purpose of the Office of Home Energy Programs (OHEP) may not be expended until the Department of Human Resources (DHR) submits a report to the budget committees on actions taken by DHR and OHEP in response to the U.S. Government Accountability Office report on the Low Income Home Energy Assistance Program and the related finding regarding the use of data matching in eligibility and benefit determinations in the Office of Legislative Audits Family Investment Administration audit released in February 2011. This report shall include detail on the dates actions were implemented and actions planned but not yet implemented. The report shall be submitted by December 1, 2011, and the budget committees shall have 45 days 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 and shall be canceled if the report is not submitted to the budget committees.

Explanation: This language restricts \$100,000 of the special fund appropriation in OHEP until DHR submits a report on the actions taken by DHR and OHEP in response to the U.S. Government Accountability Office (GAO) report on the Low Income Home Energy Assistance Program (LIHEAP) and the related finding in the Office of Legislative Audits (OLA) Family Investment Administration audit released in February 2011. The June 2010 report of GAO focused on the risk of fraud and improper payments in LIHEAP and highlighted several fraud prevention control measures that were not in place in Maryland, primarily related to data matching. A subsequent audit report released by OLA also noted that available computer matching procedures were not used to independently verify required data and highlighted the fraud prevention control measures that GAO found were not in place in Maryland.

Information Request	Author	Due Date
Report on corrective actions	DHR	December 1, 2011

Amendment No. **77**

Committee Narrative

Plan for Long-term Funding Sustainability: In recent years, the Office of Home Energy Programs (OHEP) has experienced substantial growth in the number of individuals applying for and receiving energy assistance benefits. This increase coincided with the availability of additional federal Low Income Home Energy Assistance Program (LIHEAP) funding and the availability of funds from the Strategic Energy Investment Fund (SEIF). However, the SEIF revenue has fallen short of estimates in fiscal 2010 and 2011, and LIHEAP funding has been uncertain in fiscal 2011. Although the Department of Human Resources (DHR) has made adjustments to the program to accommodate changes in funding availability, the committees are concerned about the ability of OHEP to meet the demand for energy assistance over the long-term given the funding decreases and uncertainty. The committees request that DHR develop a plan for the long-term funding sustainability of the Electric Universal Service Program (EUSP) and Maryland Energy Assistance Program. This plan should consider options to adjust:

- eligibility;
- benefit levels; and
- the ratepayer surcharge for EUSP.

Information Request	Author	Due Date
Plan for long-term funding sustainability	DHR	November 1, 2011

P00
Department of Labor, Licensing, and Regulation

Budget Amendments

DIVISION OF RACING

P00E01.04 Share of Racing Revenue to Local Subdivisions

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete horse racing local impact aid. Fewer racing days over recent years have led to much less impact to the local jurisdictions. Additionally, racing revenues have been dramatically lower and are not likely to support the amount provided in the allowance. Further, revenues from video lottery terminals will provide significant local impact aid for several jurisdictions. Elimination of this aid may allow for sufficient revenues to fund agricultural boards and fairs.	1,205,600	SF
Total Reductions	1,205,600	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Special Fund	1,205,600	0	1,205,600	
Total Funds	1,205,600	0	1,205,600	

Amendment No. **78**

Q00

Department of Public Safety and Correctional Services

Budget Amendments

Add the following language:

Provided that \$100,000 of the appropriation for the Maryland Parole Commission (MPC) may not be expended until the Department of Public Safety and Correctional Services (DPSCS) has entered into a Memorandum of Understanding (MOU) with the local detention centers in the following counties to implement a pilot program using a video conferencing system to perform all local inmate parole hearings: Allegany, Baltimore, Frederick, Prince George's, and Washington counties. Provided that \$394,245 of the General Fund appropriation in the Division of Correction made for the purpose of providing per diem grants to the local correctional facilities in the selected counties may not be expended until each county enters into an MOU with MPC no later than September 30, 2011. The type of video conferencing system will be mutually agreed upon by the local detention center and the department.

Further provided that DPSCS shall submit a report to the budget committees certifying that an MOU has been executed with each county by September 30, 2011. The report shall identify the type of video teleconferencing equipment used in each county, the estimated one-time and ongoing costs associated with the equipment, and the potential cost savings to both the State and local jurisdictions. The report shall be submitted no later than October 15, 2011, and the budget committees shall have 45 days to review and comment from the date of receipt of the report. Funds restricted pending receipt of the report may not be transferred by budget amendment or otherwise to any other purpose, and shall revert to the General Fund if the report is not submitted to the budget committees by October 15, 2011.

Further provided that after budget committee review and comment on the MOUs and report, MPC shall reimburse the local detention centers for one-half of the costs of the video conferencing equipment and installation. The local detention center shall be responsible for all ongoing maintenance and operating costs.

Explanation: A variety of operational issues exist with providing parole-eligibility for local inmates, including inadequate caseloads and poor communication between State agencies and local correctional facilities. The result is a costly and inefficient system that limits the number of locally sentenced inmates who receive parole hearings in a timely manner. The use of video teleconferencing for conducting local parole hearings could increase the efficiency of the process and potentially result in cost savings. This action restricts funding for MPC until MPC implements a pilot program using video teleconferencing in the five counties in the state that had the lowest rate of conducting parole hearings in fiscal 2010. This action also restricts funding in the Division of Correction for per diem grants, paid to local jurisdictions for housing offenders sentenced between 12 and 18 months, until each of the five identified counties enters into an agreement to utilize video teleconferencing. After the budget committees provide review and comment on the MOUs and a report specifying the type of equipment to be used and the estimated costs, DPSCS will reimburse the counties for one half the cost of the equipment and all ongoing maintenance costs.

Q00

Information Request	Author	Due Date
Parole for locally sentenced inmates	MPC	October 15, 2011

Amendment No. **79**

Q00A
Department of Public Safety and Correctional Services
Office of the Secretary

Budget Amendments

OFFICE OF THE SECRETARY

Q00A01.01 General Administration

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce travel expenses to fiscal 2010 actual spending.	12,000 GF	
2. Reduce advertising and printing costs in line with fiscal 2010 actual expenditures.	110,000 GF	
 Total Reductions	 122,000	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	164.50	164.50		0.00
General Fund	22,188,026	22,066,026	122,000	
Special Fund	531,256	531,256	0	
Total Funds	22,719,282	22,597,282	122,000	

Amendment No. **80**

Q00B
Department of Public Safety and Correctional Services
Division of Correction – Headquarters

Budget Amendments

Add the following language:

Provided that the Department of Public Safety and Correctional Services (DPSCS) shall submit a plan for reducing the State inmate population to the point where at least one facility may be closed and the current staffing complement shall be at least minimally adequate enough to safely and securely staff the State’s prison facilities. DPSCS shall consider, at a minimum, three options for reducing the inmate population and provide examples of other states, if applicable, that have implemented those options. The department shall propose specific steps and a timeline for implementing each option, any legislative changes that may be required, which facilities may be the most ideal for closure, and an estimate of cost savings generated from the closure. The report shall be submitted to the budget committees by October 1, 2011, and the budget committees shall have 45 days to review and comment following receipt of the plan.

Explanation: Given the fiscal condition of the State, it may not be feasible to maintain the \$700 million in general funds needed annually to support Division of Correction operations. Furthermore, increasing the department’s staffing complement to the necessary level for what it has identified as its minimal staffing requirement is unrealistic. In order to identify significant savings, the agency’s operations must be reduced, which requires facility closure and a reduction in the inmate population. This action directs DPSCS to explore at least three options and provide an implementation plan and cost savings estimate for reducing the inmate population to the point where closing correctional facilities is a viable option.

Information Request	Author	Due Date
Plan for reducing the State’s inmate population	DPSCS	October 1, 2011

Amendment No. **81**

Q00C01
Department of Public Safety and Correctional Services
Maryland Parole Commission

Budget Amendments

MARYLAND PAROLE COMMISSION

Q00C01.01 General Administration and Hearings

Add the following language to the general fund appropriation:

. provided that \$100,000 of this appropriation may not be expended until the Maryland Parole Commission submits a report to the budget committees verifying that the new Public Safety Risk Assessment tool used for parole guidelines and the technical violation matrix are validated instruments. In addition, the report shall provide fiscal 2010 and 2011 data on the number of times a parole commissioner overrides a decision derived from a risk assessment tool, either at the point of initial parole or at a revocation hearing. The report shall be submitted by October 15, 2011, and the budget committees shall have 45 days 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 and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This language restricts \$100,000 until the Maryland Parole Commission (MPC) submits a report verifying the validity of its assessment tools and providing data on the consistency with which those tools are being implemented. MPC has been increasing its utilization of assessment tools in order to generate more consistent decisionmaking amongst its parole commissioners. With regard to the parole guidelines, however, the commission keeps altering the decisionmaking tool, which does not allow for any consistent comparison of outcomes. It is important to ensure that an assessment tool is accurately achieving its intended purpose, but once that is established, it is equally important to ensure that it is being implemented consistently and evaluated.

Information Request	Author	Due Date
Validation of decisionmaking tools and consistency of implementation	MPC	October 15, 2011

Amendment No. **82**

Q00C01

Committee Narrative

Impact of Parole Guidelines on Parole Rates and Rates of Return: The committees direct the Maryland Parole Commission (MPC) to conduct and report the findings of a comparative assessment of its parole guidelines from fiscal 2005 through 2010. The report should provide a comparison of the number of paroles and parolee return rates, in addition to comparing the one-, two-, and three-year return rates of parolees who had an education, substance abuse, or vocation program completion versus those who did not. The report shall be submitted to the committees no later than November 1, 2011.

Information Request	Author	Due Date
Impact of parole guidelines on parole rates and rates of return	MPC	November 1, 2011

Q00C02
Department of Public Safety and Correctional Services
Division of Parole and Probation

Budget Amendments

DIVISION OF PAROLE AND PROBATION

Q00C02.01 General Administration

Add the following language to the general fund appropriation:

provided that \$100,000 of this appropriation may not be expended until the Division of Parole and Probation submits a report to the budget committees of proposed changes to the pre-parole investigation process for local inmates. This report shall reflect the estimated annual cost savings to the agency that result from the proposed changes. The report shall be submitted no later than October 15, 2011, and the budget committees shall have 45 days to review and comment. Funds restricted pending receipt of report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: A variety of operational issues exist with providing parole-eligibility for local inmates, including inadequate caseloads and poor communication between State agencies and local correctional facilities. The result is a costly and inefficient system that limits the number of locally sentenced inmates who receive parole hearings in a timely manner. This action restricts funding for the Division of Parole and Probation (DPP) until a report is submitted that would identify changes made to streamline the pre-parole investigation process and generate cost savings within the agency.

Information Request	Author	Due Date
Changes to the pre-parole investigation process	DPP	October 15, 2011

Amendment No. **83**

Q00C02.02 Field Operations

Add the following language to the general fund appropriation:

provided that the General Fund appropriation made for personnel costs shall be reduced by \$75,000 contingent upon the enactment of HB 1248 establishing a program for awarding Earned Compliance Credits to supervised offenders under supervision by the Division of Parole and Probation.

Q00C02

Explanation: This action reduces the general fund appropriation for personnel costs in the Division of Parole and Probation if the General Assembly were to enact legislation to establish Earned Compliance Credits (ECCs) for offenders being supervised in the community. ECCs could likely result in cost savings by reducing the supervised offender population and lessening the caseloads of parole and probation agents. In addition, ECCs act as an incentive for offenders to maintain compliance with the terms of supervision in exchange for a reduced supervision period.

Amendment No. **84**

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Increase turnover expectancy to better reflect the current vacancy rate. This increases the turnover rate from 7.04 to 8.5%.	1,105,794	GF
 Total Reductions	 1,105,794	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	1,139.00	1,139.00		0.00
General Fund	84,121,907	83,016,113	1,105,794	
Special Fund	7,791,395	7,791,395	0	
Federal Fund	201,571	201,571	0	
Total Funds	92,114,873	91,009,079	1,105,794	

Amendment No. **85**

Q00D
Department of Public Safety and Correctional Services
Patuxent Institution

Budget Amendments

PATUXENT INSTITUTION

Q00D00.01 Services and Institutional Operations

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for employee and inmate uniforms in line with fiscal 2010 actual expenditures.	14,000	GF
 Total Reductions	 14,000	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	469.50	469.50		0.00
General Fund	46,050,456	46,036,456	14,000	
Special Fund	664,116	664,116	0	
Total Funds	46,714,572	46,700,572	14,000	

Amendment No. **86**

Q00G
Department of Public Safety and Correctional Services
Police and Correctional Training Commissions

Budget Amendments

POLICE AND CORRECTIONAL TRAINING COMMISSIONS

Q00G00.01 General Administration

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce contractual food services in line with prior year actual spending.	30,000 GF	
2. Reduce funding for building and instructional supplies in line with prior year actual expenditures.	20,000 GF	
Total Reductions	50,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	83.80	83.80		0.00
General Fund	8,555,041	8,505,041	50,000	
Special Fund	330,000	330,000	0	
Total Funds	8,885,041	8,835,041	50,000	

Amendment No. **87**

Q00K

Budget Amendments

CRIMINAL INJURIES COMPENSATION BOARD

Q00K00.01 Administration and Awards

Add the following language to the special fund appropriation:

, provided that \$1,980,000 of this appropriation made for the purpose of providing financial assistance to victims of crime is contingent upon enactment of HB 135, which proposes an increase to the circuit, District, and traffic court costs that are paid into the Criminal Injuries Compensation Fund.

Explanation: The fiscal 2012 allowance for the Criminal Injuries Compensation Board reflects a nearly \$2.0 million increase in special funds available for making awards to victims of crime. This is assumed revenue from a proposed fee increase, which would increase circuit and District Court costs by \$15 each and traffic court costs by \$2, with all additional revenue paid into the Criminal Injuries Compensation Fund. Since the agency has exhausted its fund balance, if the legislation were to fail, the available appropriation would be closer to \$2.7 million, as opposed to \$4.7 million. This language restricts the increased special fund appropriation contingent on enactment of the fee increases proposed in House Bill 135.

Amendment No. 88

R00A01
State Department of Education
Headquarters

Budget Amendments

HEADQUARTERS

R00A01.01 Office of the State Superintendent

Add the following language:

Provided that it is the intent of the General Assembly that no individual loaned educator be engaged by the Maryland State Department of Education (MSDE) for more than six years. For loaned educators engaged in fiscal 2010, the time already served at MSDE may not count toward the six-year limit.

Further provided that it is the intent of the General Assembly that all loaned educators submit annual financial disclosure statements, as is required by State employees in similar positions.

Further provided that MSDE shall provide an annual census report on the number of loaned educator contracts and any conversion of these personnel to regular positions to the General Assembly by December 15, 2011, and annually thereafter. The annual report shall include job function, title, salary, fund source(s) for the contract, the first year of the contract and the number of years that each loaned educator has been employed by the State, and whether the educator files a financial disclosure statement. MSDE shall also provide a report to the budget committees prior to entering into any new loaned educator contracts to provide temporary assistance to the State. The budget committees shall have 45 days to review and comment from the date of receipt of any report on new contracts.

Explanation: This language on loaned educators was added to the fiscal 2011 budget bill but needs to be added to the 2012 budget bill to specify that loaned educator reports should be submitted annually. The loaned educator program at MSDE allows local school system employees to work for MSDE on special projects. The language expresses intent that loaned educators should not be engaged for more than six years, educators should submit annual financial disclosure reports as appropriate, and reports on the loaned educator program should be submitted.

Information Request	Author	Due Date
Report on loaned educator contracts	MSDE	December 15, 2011, and annually thereafter

Amendment No. **89**

R00A01

R00A01.06 Major Information Technology Development Projects

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce federal fund appropriation to align with expected expenditures. Race to the Top funds for major information technology projects were budgeted at \$26,622,207 for fiscal 2012, but the agency confirms it should be \$2,880,000.	23,742,207	FF
Total Reductions	23,742,207	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Federal Fund	31,031,399	7,289,192	23,742,207	
Total Funds	31,031,399	7,289,192	23,742,207	

Amendment No. 90

R00A01.15 Juvenile Services Education Program

Concur with the following language on the general fund appropriation:

, provided that \$327,532 of this appropriation shall be reduced contingent upon the enactment of legislation to establish a non-public placement program for children with behavioral issues who are in State care.

Explanation: The fiscal 2012 budget bill as introduced includes a \$327,532 contingent reduction for nonpublic placements of children with behavioral issues who are in State care contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 that would authorize collection of funds from counties to help fund those placements. This action concurs with that contingent reduction.

R00A02
State Department of Education
Aid to Education

Budget Amendments

AID TO EDUCATION

R00A02.01 State Share of Foundation Program

Modify the following language on the general fund appropriation:

, provided that ~~\$62,146,481~~ \$22,792,403 of this appropriation shall be reduced contingent upon the enactment of legislation reducing the per pupil foundation amount.

Explanation: The fiscal 2012 budget bill as introduced includes a \$62.1 million reduction to the foundation program based on reducing the per pupil amount from \$6,749 to \$6,599 for 2012. The action is contingent on a provision in the Budget Reconciliation and Financing Act of 2011. This action implements a different reduction based on a per pupil amount of \$6,694.

Amendment No. **91**

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce the Geographic Cost of Education Index formula to reflect the same per pupil reduction as the other foundation formulas. The reduction results in the formula being funded at \$127.3 million instead of \$128.4 million in fiscal 2012, compared to \$126.6 million in fiscal 2011.	1,046,171	GF
 Total Reductions	 1,046,171	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	2,755,991,139	2,754,944,968	1,046,171	
Special Fund	214,780,190	214,780,190	0	
Total Funds	2,970,771,329	2,969,725,158	1,046,171	

Amendment No. **92**

R00A02

R00A02.02 Compensatory Education

Modify the following language on the general fund appropriation:

, provided that ~~\$24,033,764~~ \$8,678,858 of this appropriation shall be reduced contingent upon the enactment of legislation reducing the per pupil foundation amount.

Explanation: The fiscal 2012 budget bill as introduced includes a \$24.0 million reduction to the Compensatory Education formula based on reducing the per pupil amount from \$6,749 to \$6,599 for 2012. The action is contingent on a provision in the Budget Reconciliation and Financing Act of 2011. This action implements a different reduction based on a per pupil amount of \$6,694.

Amendment No. **93**

R00A02.03 Aid for Local Employee Fringe Benefits

Add the following language to the general fund appropriation:

, provided that \$16,233,378 of this appropriation shall be reduced contingent upon the enactment of HB 72 or SB 87 implementing an administrative charge for users of the State Retirement Agency. Authorization is hereby provided to process a Special Fund budget amendment up to \$16,233,378 to recognize payments from local employers.

Explanation: This action reduces general funds and authorizes the use of special funds for administrative charges to local employers for the use of the State Retirement Agency. The amount represents \$162.77 per employee for members of the Teachers' Retirement and Pension Systems who are employed by local boards of education and local library systems.

Amendment No. **94**

R00A02.07 Students With Disabilities

Modify the following language on the general fund appropriation:

, provided that ~~\$5,867,879~~ \$2,133,775 of this appropriation shall be reduced contingent upon the enactment of legislation reducing the per pupil foundation amount.

R00A02

Explanation: The fiscal 2012 budget bill as introduced includes a \$62.1 million reduction to the foundation program based on reducing the per pupil amount from \$6,749 to \$6,599 for 2012. The action is contingent on a provision in the Budget Reconciliation and Financing Act of 2011. This action implements a different reduction based on a per pupil amount of \$6,694.

Amendment No. 95

Committee Narrative

Report on Funding for Special Education Pre-kindergarten: The committees understand that the State provides funding for special education pre-kindergarten children in the Aid to Education budget. Part of the funding is through the Infants & Toddlers program (R00A02.07), which is reported as its own line in the budget. Another part of the funding is through the Bridge to Excellence formula for compensatory education (R00A02.02).

The Bridge to Excellence in Public Schools Act of 2002 requires school systems to make pre-kindergarten available to all economically disadvantaged four-year old children. A portion of the compensatory education formula provides State funds for this requirement. Some four-year-olds funded by the formula may be designated as special education children. However, the amount that supports special education (or other) pre-kindergarten children cannot be determined with data that is currently available.

The committees request that the Maryland State Department of Education (MSDE) gather data from local education agencies that specifies all local and State funds, including transportation funds, spent for special education pre-kindergarten children in fiscal 2009 and 2010.

Information Request	Author	Due Date
Report on funding for special education pre-kindergarten	MSDE	November 1, 2011

Budget Amendments

R00A02.13 Innovative Programs

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce the federal fund appropriation to align with expected Race to the Top expenditures. Funds for participating local education agencies are programmed to be \$37.5 million in fiscal 2012. These funds will be added through a proposed deficiency to	37,500,000	FF

R00A02

bring in the total local amount for Race to the Top in fiscal 2011, and so the amount is not needed in the 2012 appropriation.

Total Reductions 37,500,000 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	3,361,176	3,361,176	0	
Federal Fund	50,069,321	12,569,321	37,500,000	
Total Funds	53,430,497	15,930,497	37,500,000	

Amendment No. 96

R00A02.24 Limited English Proficient

Modify the following language on the general fund appropriation:

, provided that ~~\$3,632,993~~ \$1,325,546 of this appropriation shall be reduced contingent upon the enactment of legislation reducing the per pupil foundation amount.

Explanation: The fiscal 2012 budget bill as introduced includes a \$3.6 million reduction to the Limited English Proficient formula based on reducing the per pupil amount from \$6,749 to \$6,599 for 2012. The action is contingent on a provision in the Budget Reconciliation and Financing Act of 2011. This action implements a different reduction based on a per pupil amount of \$6,694.

Amendment No. 97

R00A02.25 Guaranteed Tax Base

Modify the following language on the general fund appropriation:

, provided that this appropriation shall be increased by ~~\$1,934,400~~ \$709,209 contingent upon the enactment of legislation reducing the per pupil foundation amount.

R00A02

Explanation: The fiscal 2012 budget bill as introduced includes a \$1.9 million increase in the Guaranteed Tax Base program based on reducing the per pupil amount from \$6,749 to \$6,599 for 2012. The action is contingent on a provision in the Budget Reconciliation and Financing Act of 2011. This action implements a different increase based on a per pupil amount of \$6,694.

Amendment No. 98

R00A02.31 Public Libraries

Concur with the following language on the general fund appropriation:

, provided that this appropriation shall be reduced by \$2,361,225 contingent upon the enactment of legislation to reduce the required appropriation for the support of county public libraries.

Explanation: The fiscal 2012 budget bill as introduced proposes a \$2.4 million reduction for funding of the county public library formula contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to hold the per resident funding at the fiscal 2011 level. This action concurs with the contingent reduction.

R00A02.32 State Library Network

Concur with the following language on the general fund appropriation:

, provided that this appropriation shall be reduced by \$1,717,116 contingent upon the enactment of legislation to reduce the required appropriation for the support of the State and regional resource centers.

Explanation: The fiscal 2012 budget bill as introduced proposes a \$1.7 million reduction for funding of the State Library Resource Center and the three regional resource centers contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 that will hold the funding per resident at the fiscal 2011 level. This action concurs with the contingent reduction.

R00A03
State Department of Education
Funding for Educational Organizations

Budget Amendments

FUNDING FOR EDUCATIONAL ORGANIZATIONS

R00A03.04 Aid to Non-Public Schools

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce special funds for nonpublic textbooks by 10%, or \$444,000, to be transferred to Medicaid. Special funds from the Cigarette Restitution Fund for Medicaid in fiscal 2012 are \$20 million below 2011 because of declining Master Settlement Agreement payments and other revenue adjustments. The reduction leaves \$4 million available in the program for fiscal 2012.	444,000 SF	
Total Reductions	444,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Special Fund	4,440,000	3,996,000	444,000	
Total Funds	4,440,000	3,996,000	444,000	

Amendment No. **99**

R00A04
State Department of Education
Children's Cabinet Interagency Fund

Budget Amendments

R00A04.01 Children's Cabinet Interagency Fund

Add the following language to the federal fund appropriation:

, provided that \$1,823,709 of this appropriation made for the purpose of early intervention and prevention activities may be used only to fund these activities through Youth Services Bureaus. Further provided that the allocation of funding among Youth Services Bureaus shall be distributed in the same proportions as provided in fiscal 2011. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: This language restricts funds to only be used for Youth Services Bureaus and requires the funding to be distributed among the bureaus in the same proportion as in fiscal 2011.

Amendment No. **100**

R13M00
Morgan State University

R13M00.00 Student Services

Committee Narrative

Faculty Instructional Workload Report: The committees request that Morgan State University (MSU) continue to provide annual instructional workload reports for tenured and tenure-track faculty. By focusing on these faculty, the committees gain a sense of the teaching activities for the regular core faculty at the institution. Additional information may be included in the report at MSU's discretion.

Information Request	Author	Due Date
Annual report on instructional workload for tenured and tenure-track faculty	MSU	December 1, 2011

Institutional Aid Report: The committees request that Morgan State University (MSU) submit all categories (need-based, merit, mission, and athletic) of institutional aid data. The report should be in the same format it is submitted to the Maryland Higher Education Commission (MHEC) and should include prior year actual, current year working, and allowance data.

Information Request	Author	Due Date
Report on all categories of institutional aid provided in the same format submitted to MHEC	MSU	January 10, 2012

Institutional Aid by Expected Family Contribution Category: The committees request that data be submitted on the number of institutional aid awards by expected family contribution (EFC) category and by institutional aid category, such as grants, scholarships, athletics, and tuition remission for each fiscal year from 2007 to 2011.

Information Request	Author	Due Date
Institutional aid by EFC category	Morgan State University	November 15, 2011

R14D00
St. Mary's College of Maryland

Committee Narrative

Institutional Aid Report: The committees request that data be submitted on all categories of institutional aid (need-based, merit, and mission) awarded by St. Mary's College of Maryland (SMCM). The report should be in the same format it is submitted to the Maryland Higher Education Commission (MHEC) and should include prior year actual, current year working, and allowance data. The report should be submitted by January 9, 2012.

Information Request	Author	Due Date
Report on all categories of institutional aid (scholarships) provided in the same format submitted to MHEC	SMCM	January 9, 2012

Institutional Aid by Expected Family Contribution Category: The committees request that data be submitted on the number of institutional aid awards by expected family contribution (EFC) category and by institutional aid category, such as grants, scholarships, and tuition remission for each fiscal year from 2007 to 2011.

Information Request	Author	Due Date
Institutional aid by EFC category	St. Mary's College of Maryland	November 15, 2011

R30B00
University System of Maryland

Committee Narrative

Faculty Workload Report: The committees request that the University System of Maryland (USM) continue to provide annual instructional workload reports for tenured and tenure-track faculty. By focusing on these faculty, the committees gain a sense of the teaching activities for the regular, core faculty at the institutions. Additional information may be included in the report at USM's discretion. Furthermore, the report should include the percent of faculty meeting or exceeding teaching standards for tenured and tenure-track faculty for the University of Maryland, Baltimore.

Information Request	Author	Due Date
Annual report on instructional workload for tenured and tenure-track faculty	USM	December 1, 2011

Institutional Aid Report: The committees request that data be submitted for each University System of Maryland (USM) institution on all categories of institutional aid (need-based, merit, mission, and athletic). Data on tuition remission should be submitted as a separate category. The report should be in the same format as submitted to the Maryland Higher Education Commission and include prior year actual, current year working, and allowance data.

Information Request	Author	Due Date
Report on all categories of institutional aid provided in the same format submitted to the Maryland Higher Education Commission	USM	January 6, 2012

Institutional Aid by Expected Family Contribution Category: The committees request that data be submitted for each University System of Maryland (USM) institution on the number of institutional aid awards by expected family contribution (EFC) category and by institutional aid category, such as grants, scholarships, athletics, and tuition remission for each fiscal year from 2007 to 2011.

Information Request	Author	Due Date
Institutional aid by EFC category	USM	November 15, 2011

R30B36
University System of Maryland
University System of Maryland Office

UNIVERSITY SYSTEM OF MARYLAND OFFICE

R30B36.00 University System of Maryland Office

Committee Narrative

Universities at Shady Grove and University System of Maryland at Hagerstown Detail Budgets: In order to assist the committees in exercising its legislative budgetary oversight duties, the committees request that the University System of Maryland Office (USMO) provide detailed budgets for the Universities at Shady Grove (USG) and the University System of Maryland at Hagerstown (USMH) as part of the Governor’s annual budget submission. This should include a budget summary detailing current unrestricted revenues and restricted revenues by source, number of authorized and contractual positions, and expenditures by program area and subobject. Additionally, USMO should provide full-time equivalent student enrollment at USG and USMH by institution.

Information Request	Author	Due Date
Detailed budgets for the Universities at Shady Grove and the University System of Maryland at Hagerstown	USMO	With the fiscal 2013 request and allowance

R62I00
Maryland Higher Education Commission

Budget Amendments

R62I00.01 General Administration

Concur with the following language on the general fund appropriation:

, provided that this appropriation shall be reduced by \$253,208 contingent upon the enactment of legislation authorizing the Maryland Higher Education Commission to charge fees for conducting the program review required under Education, Sections 11-206, 11-206.1, and 11-206.2. Authorization is hereby provided to process a Special Fund budget amendment up to \$253,208 from a fund to be established in the Budget Reconciliation and Financing Act of 2011.

Explanation: The fiscal 2012 budget bill as introduced includes a \$253,208 contingent reduction to reduce general funds contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to charge fees from institutions of higher education for conducting institution and academic program approval.

Committee Narrative

Report on Outcomes of Students Participating in Access and Success Programs by Cohort: The committees request that the Maryland Higher Education Commission (MHEC) collect progression, retention, and graduation data from each public historically black institution on all students participating in Access and Success programs in fiscal 2011. Data should be analyzed and presented by institution and program. The report should include a summary of fiscal 2011 programs supported by Access and Success funds and a statement from each institution on how findings from the 2010 report have been used to inform and improve programs and student services supported by Access and Success funds. The report shall be submitted by October 15, 2011, and every year thereafter.

Information Request	Author	Due Date
Report on fiscal 2011 outcomes by cohort of students participating in Access and Success programs	MHEC	October 15, 2011, and annually thereafter

Report on Improving the Student Outcome and Achievement Report: The Maryland Higher Education Commission (MHEC), in conjunction with the Maryland State Department of Education (MSDE), should work with local school systems and higher education segments to determine to what degree they are using the Student Outcome and Achievement Report (SOAR) data and to better tailor SOAR to their informational needs. MHEC should report the results of this survey and the changes it will make to SOAR to the committees by September 1, 2011.

R62I00

Information Request	Authors	Due Date
Report on how local school districts and higher education segments use SOAR and how the report can be improved	MHEC MDSE University System of Maryland Morgan State University St. Mary's College of Maryland Maryland Association of Community Colleges	September 1, 2011

Report on Improving Developmental Education Data: The committees request the Maryland Higher Education Commission (MHEC) begin to collect more detailed developmental education data from public institutions. The data, some of which may be used in the Student Outcome and Achievement Report, should track retention, graduation, and persistence of students who require developmental education compared to those who begin at college-level. The data should compare success rates of students in developmental education to those who begin on college-level and include non-traditional developmental students and courses. MHEC should work in conjunction with the University System of Maryland (USM), Morgan State University (MSU), and the Maryland Association of Community Colleges (MACC), and submit a report by October 15, 2011, outlining a format for collecting this data and a timeline for implementing the data collection and reporting.

Information Request	Authors	Due Date
Report on developmental education data that should be collected, and a format and timeline for implementing the collection	MHEC USM MSU MACC	October 15, 2011

Report on Developmental Education Cost Data: The committees request the continued study of the cost of developmental education at public higher education institutions in Maryland. The Maryland Higher Education Commission (MHEC), in conjunction with the University System of Maryland (USM), Morgan State University (MSU), Maryland Association of Community Colleges (MACC), Department of Legislative Services (DLS), and Department of Budget and Management (DBM), should examine how to best collect data on the costs of developmental education and calculate the marginal cost of a developmental course. MHEC should submit a report by November 25, 2011, outlining a format for collecting the data and a timeline for implementing the collection and reporting.

R62I00

Information Request	Authors	Due Date
Report on the continued study of the cost of developmental education, and a format and timeline for collecting the data	MHEC USM MSU MACC DLS DBM	November 25, 2011

Budget Amendments

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

Add the following language to the general fund appropriation:

, provided that no college shall receive more than the equivalent of 2% of estimated tuition revenue in fiscal 2012 for its share of the Keeping Maryland Community Colleges Affordable Grant. Further provided that if the equivalent 2% of estimated tuition revenue in fiscal 2012 for all participating colleges exceeds the appropriation for the Keeping Maryland Community Colleges Affordable Grant, the grant shall be distributed to each participating college on a pro rata share of overall estimated tuition revenue of participating colleges in fiscal 2012.

Explanation: The Keeping Maryland Community Colleges Affordable Grant is intended to encourage community colleges to limit in-county tuition increases to 3% or less. For most public four-year institutions, the budget includes funding equal to a 2% increase of in-state tuition in exchange for holding tuition increases to 3%. As a result, public four-year institutions realize the revenue equivalent to a 5% increase in tuition, while the rates paid by students increase only 3%. This action allows community colleges to increase their tuition rates 3% and receive revenue equal to an additional 2% increase through the Keeping Maryland Community Colleges Affordable Grant, for a total realized revenue of a 5% increase. If the equivalent of a 2% increase in tuition for participating colleges exceeds the \$5 million appropriated for the grant program, the funding will be distributed based on a pro rata share of the overall tuition revenue of participating colleges. Any funds remaining in the Keeping Maryland Community Colleges Affordable Grant at the end of the fiscal year shall revert to the general fund.

Amendment No. 101

R62I00

R62I00.06 Aid to Community Colleges – Fringe Benefits

Add the following language to the general fund appropriation:

, provided that \$757,694 of this appropriation shall be reduced contingent upon the enactment of HB 72 or SB 87 implementing an administrative charge for users of the State Retirement Agency. Authorization is hereby provided to process a Special Fund budget amendment up to \$757,694 to recognize payments from local employers.

Explanation: This action reduces general funds and authorizes the use of special funds for administrative charges to local employers for use of the State Retirement Agency. The amount represents \$162.77 per employee for members of the Teachers' Retirement and Pension Systems who are employed by local community colleges.

Amendment No. 102

R62I00.07 Educational Grants

Add the following language to the general fund appropriation:

, provided that \$4,900,000 of this appropriation designated to enhance the State's four historically black institutions may not be expended until the Maryland Higher Education Commission submits a report to the budget committees outlining how the funds will be spent. The report shall be submitted by July 1, 2011, and the budget committees shall have 45 days to review and comment on the report. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The language restricts the expenditure of funds until the Maryland Higher Education Commission reports to the budget committees on the plans for spending funds designated to enhance the State's four historically black institutions.

Information Request	Author	Due Date
Enhancement expenditure report	Maryland State Department of Education	July 1, 2011

Amendment No. 103

R62I00

Modify the following language on the general fund appropriation:

Complete College Maryland	1,019,962
.....	0
Improving Teacher Quality	1,100,000
OCR Enhancement Fund.....	4,900,000
Interstate Educational Compacts in Optometry	124,125
Regional Higher Education Centers.....	1,500,000
Harry Hughes Center for Agro-Ecology.....	200,000
College Access Challenge Grant Program.....	1,500,000

Explanation: This is a technical amendment to reduce educational grants.

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce general fund support for educational grants to delete funding for the Complete College Maryland Grant.	1,019,962	GF
 Total Reductions	1,019,962	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	7,744,087	6,724,125	1,019,962	
Federal Fund	2,600,000	2,600,000	0	
Total Funds	10,344,087	9,324,125	1,019,962	

Amendment No. 104

Committee Narrative

R62I00.10 Educational Excellence Awards

Report on the Current Fiscal Year Working Appropriation for Maryland Higher Education Commission Scholarships: The committees request that the Maryland Higher Education Commission (MHEC) submit reports by October 15, 2011, and January 15, 2012, on the current fiscal year working appropriation for MHEC scholarships by program. MHEC frequently moves money between scholarship programs to ensure that available funds are fully spent. A significant lag time often exists between when funds are moved and when the move is recognized through budget amendment. As a result, it is difficult to monitor the use of

R62I00

scholarship funds across fiscal years. The current year working appropriation reported by MHEC in the Governor's budget books is often not reflective of the actual working appropriation. These reports on the current working appropriation would ensure that the committees have access to the most updated data available.

Information Request	Author	Due Date
Report on current fiscal year working appropriation for MHEC scholarships by program	MHEC	October 15, 2011 January 15, 2012

Budget Amendments

R62I00.16 Charles W. Riley Fire and Emergency Medical Services Tuition Reimbursement Program

Modify the following language on the general fund appropriation:

, provided that this appropriation shall be reduced by \$340,979 contingent upon enactment of legislation authorizing the ~~transfer of funds from the Voluntary Company Assistance Fund~~ use of funds from the moving violation surcharge. Authorization is hereby provided to process a Special Fund budget amendment up to \$340,979 from the ~~Voluntary Company Assistance Fund~~ proceeds of the moving violation surcharge to support the Charles W. Riley Fire and Emergency Medical Services Tuition Reimbursement Program.

Explanation: The fiscal 2012 budget bill as introduced includes a \$340,979 contingent reduction to reduce funding for the Charles W. Riley Fire and Emergency Medical Services Tuition Reimbursement Program contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 authorizing the transfer of funds from the Voluntary Company Assistance Fund. The House adopted a technical amendment to reflect the intended use of special funds from the moving violation surcharge as established by the Budget Reconciliation and Financing Act of 2011.

Amendment No. **105**

R62I00

R62I00.20 Distinguished Scholar Program

Concur with the following language on the general fund appropriation:

, provided that \$1,050,000 of this appropriation shall be reduced contingent upon the enactment of legislation to reduce the required appropriation for the support of the Distinguished Scholar Program.

Explanation: The fiscal 2012 budget bill as introduced includes a \$1,050,000 contingent reduction to reduce funding for the Distinguished Scholar Program contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to reduce funds for this program in each of the next four fiscal years until the program is repealed. This action concurs with that contingent reduction.

R62I00.37 Veterans of the Afghanistan and Iraq Conflicts Scholarships

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce general fund support for the Veterans of the Afghanistan and Iraq Conflicts Scholarship. This is a one-time action to account for fiscal 2011 funds that will not be expended.	202,506 GF	
Total Reductions	202,506	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	750,000	547,494	202,506	
Total Funds	750,000	547,494	202,506	

Amendment No. 106

R75T00
Higher Education

Budget Amendments

R75T00.01 Support for State Operated Institutions of Higher Education

Add the following language to the general fund appropriation:

, provided that none of this appropriation made for the purpose of supporting University System of Maryland institutions, Morgan State University, or St. Mary's College of Maryland may be used to support intercollegiate athletic activities, including coaching salaries, but not including institutional scholarships to student athletes on the basis of athletic ability.

Explanation: This language restricts the general fund appropriation supporting the University System of Maryland institutions, Morgan State University, and St. Mary's College of Maryland so that it may not be used to support intercollegiate athletic activities, including coaching salaries, but not including institutional scholarships to student athletes on the basis of athletic ability.

Amendment No. **107**

Add the following language to the general fund appropriation:

Further provided that the appropriation herein for the University System of Maryland Office (USMO) shall be reduced by \$8,080,140. USMO may: (1) replace some or all of the reduction with a transfer from the fund balance; (2) reduce system operations, including the Universities at Shady Grove and University System of Maryland at Hagerstown; or (3) assess system administrative costs to the institutions. Authorization is hereby provided to process a current unrestricted fund budget amendment up to \$8,080,140 to replace general funds.

Explanation: A majority of USMO's functions serve to benefit University System of Maryland (USM) institutions such as providing central coordination of the operating and capital budgets, academic planning and accountability, and serving as a liaison with various stakeholders. Funding of these functions totals \$8.1 million after accounting for the \$4.0 million currently provided by the institutions and \$0.8 million in other revenues. USMO may (1) replace some or all of the reduction with a transfer from the fund balance; (2) reduce system operations including Universities at Shady Grove and USM at Hagerstown; or (3) assess system administrative costs to the institutions.

Amendment No. **108**

R75T00

Add the following language to the general fund appropriation:

Further provided that the appropriation herein for the Morgan State University (MSU) shall be reduced by \$400,000. MSU may replace some or all of the reduction with a transfer from the fund balance or by reducing operating expenses.

Explanation: The language reduces MSU's general fund appropriation by \$0.4 million and allows MSU to replace some or all of the funds with a transfer from the fund balance or through a reduction of operating costs.

Amendment No. 109

Add the following language to the general fund appropriation:

Further provided that \$10,000,000 of the appropriation for Baltimore City Community College (BCCC) may not be expended until BCCC submits a report to the budget committees and the Maryland Higher Education Commission (MHEC) that:

- (1) outlines each degree or certificate program that BCCC has created or eliminated since January 1, 2011, and how these actions fit into the college's overall academic strategic plan;
- (2) explains why each degree or certificate program was created or eliminated;
- (3) explains the process used to determine whether a program is created or eliminated;
- (4) outlines the expected impact on student enrollment, faculty levels, and funding in terms of tuition and fee revenue and State appropriations of each program created or eliminated;
- (5) explains how each action fits into BCCC's strategic plan;
- (6) explains how BCCC will manage and accommodate students who are currently enrolled in degree or certificate programs that were eliminated;
- (7) includes a detailed budget for each degree or certificate program that was created or eliminated; and
- (8) includes a discussion of BCCC's strategic plan regarding program offerings, new degree or certificate programs that the college expects to create, and those it expects to eliminate.

R75T00

MHEC shall review the report and provide comments to the budget committees on BCCC's plans within 30 days of receiving the report. The budget committees shall have 45 days for review and comment from receipt of MHEC's report. Funds restricted pending receipt of a report may not be transferred by budget amendment or otherwise to any other purpose.

Further provided that if additional programs are created or eliminated after submission of the report, BCCC shall report the information outlined above to MHEC and the budget committees 45 days prior to the Board of Trustees taking action.

Explanation: The General Assembly is concerned about major changes in academic program and certificate offerings at BCCC and how they relate to BCCC's overall strategic plan. Thus, BCCC may not spend \$10,000,000 of its general fund appropriation until it submits a report to MHEC and the budget committees that provides an academic strategic plan for the college. The report shall detail each degree and certificate program the college has created or eliminated since January 1, 2011, and those planned to be proposed or eliminated over the next year and the next five years. Information contained in the report should include:

- why each program was or will be created or eliminated;
- the expected impact on enrollment, faculty levels, and funding in terms of tuition and fee revenue and State appropriations for each program;
- how each action fits into the college's strategic plan;
- how the college will manage and accommodate students who are currently enrolled in degree or certificate programs that have been or will be eliminated; and
- a detailed budget for each degree or certificate program that was created or eliminated.

The report should also include a discussion of the college's strategic plan regarding program offerings, new degree and certificate programs that the college expects to create, and those that it expects to eliminate. MHEC shall review the report and provide comments to the budget committees within 30 days, and the budget committees shall then have 45 days for review and comment.

The college shall report the same information outlined above to MHEC and the budget committees at least 45 days before the Board of Trustees takes action to create or eliminate additional programs after submission of the strategic plan.

R75T00

Information Request	Authors	Due Date
Report on academic strategic plan	BCCC MHEC	75 days prior to the expenditure of funds
Report on future changes to degree and certificate programs	BCCC	45 days prior to an action by the Board of Trustees to create or eliminate programs

Amendment No. 110

Committee Narrative

Information on Voluntary Separation Programs: It is the intent of the committees that if a Voluntary Separation Program is implemented by the University System of Maryland (USM), St. Mary's College of Maryland (SMCM), or Morgan State University (MSU), the plan should include an agreement from participants that they will not seek or accept employment or work in any capacity, including as an employee, contractor, or employee of a contractor, with any Executive Branch agency, public institution of higher education, or any other State agency or unit for a period of 18 months following their separation. In addition, the following information shall be reported to the committees by June 30, 2011:

- the plan as approved by the institution's governing board;
- the number of applications received for voluntary separation;
- the number of positions approved to participate;
- a list of the position identification numbers (PIN) abolished;
- annual salary and fringe benefit expenditures for each PIN abolished in accordance with the program; and
- an estimate of the total cost of the program in terms of financial inducements offered and additional retirement costs incurred.

Institutions shall present the positions to be abolished to the Board of Public Works by June 1, 2011.

R75T00

Information Request	Authors	Due Date
Details of Voluntary Separation Program, if one is implemented	USM SMCM MSU	June 30, 2011

R95C00
Baltimore City Community College

Budget Amendments

R95C00.00 Academic Support

Add the following language to the unrestricted fund appropriation:

, provided that \$10,000,000 of the appropriation for Baltimore City Community College (BCCC) may not be expended until BCCC submits a report to the budget committees and the Maryland Higher Education Commission (MHEC) that:

- (1) outlines each degree or certificate program that BCCC has created or eliminated since January 1, 2011, and how these actions fit into the college's overall academic strategic plan;
- (2) explains why each degree or certificate program was created or eliminated;
- (3) explains the process used to determine whether a program is created or eliminated;
- (4) outlines the expected impact on student enrollment, faculty levels, and funding in terms of tuition and fee revenue and State appropriations of each program created or eliminated;
- (5) explains how each action fits into BCCC's strategic plan;
- (6) explains how BCCC will manage and accommodate students who are currently enrolled in degree or certificate programs that were eliminated;
- (7) includes a detailed budget for each degree or certificate program that was created or eliminated; and
- (8) includes a discussion of BCCC's strategic plan regarding program offerings, new degree or certificate programs that the college expects to create, and those it expects to eliminate.

MHEC shall review the report and provide comments to the budget committees on BCCC's plans within 30 days of receiving the report. The budget committees shall have 45 days for review and comment from receipt of MHEC's report. Funds restricted pending receipt of a report may not be transferred by budget amendment or otherwise to any other purpose.

Further provided that if additional programs are created or eliminated after submission of the report, BCCC shall report the information outlined above to MHEC and the budget committees 45 days prior to the Board of Trustees taking action.

Explanation: The General Assembly is concerned about major changes in academic program and certificate offerings at BCCC and how they relate to BCCC's overall strategic plan. Thus,

R95C00

BCCC may not spend \$10,000,000 of its general fund appropriation until it submits a report to MHEC and the budget committees that provides an academic strategic plan for the college. The report shall detail each degree and certificate program the college has created or eliminated since January 1, 2011, and those planned to be proposed or eliminated over the next year and the next five years. Information contained in the report should include:

- why each program was or will be created or eliminated;
- the expected impact on enrollment, faculty levels, and funding in terms of tuition and fee revenue and State appropriations for each program;
- how each action fits into the college's strategic plan;
- how the college will manage and accommodate students who are currently enrolled in degree or certificate programs that have been or will be eliminated; and
- a detailed budget for each degree or certificate program that was created or eliminated.

The report should also include a discussion of the college's strategic plan regarding program offerings, new degree and certificate programs that the college expects to create, and those that it expects to eliminate. MHEC shall review the report and provide comments to the budget committees within 30 days, and the budget committees shall then have 45 days for review and comment.

The college shall report the same information outlined above to MHEC and the budget committees at least 45 days before the Board of Trustees takes action to create or eliminate additional programs after submission of the strategic plan.

Information Request	Authors	Due Date
Report on academic strategic plan	BCCC MHEC	75 days prior to the expenditure of funds
Report on future changes to degree and certificate programs	BCCC	45 days prior to an action by the Board of Trustees to create or eliminate programs

Amendment No. **111**

R95C00

Committee Narrative

Institutional Aid (Scholarships) Report: The committees request that data be submitted on all categories of institutional aid (need-based, merit, and mission) awarded by Baltimore City Community College (BCCC). The report should be in the same format it is submitted to the Maryland Higher Education Commission (MHEC) and should include prior year actual, current year working, and allowance data. The report should be submitted by January 9, 2012.

Information Request	Author	Due Date
Report on all categories of institutional aid (scholarships) provided in the same format submitted to MHEC	BCCC	January 9, 2012

Institutional Aid (Scholarships) by Expected Family Contribution Category: The committees request that data be submitted on the number of institutional aid (scholarships) awards by expected family contribution (EFC) category and by institutional aid category, such as grants, scholarships, and tuition remission for each fiscal year from 2007 to 2011.

Information Request	Author	Due Date
Institutional aid by EFC category	Baltimore City Community College	November 15, 2011

Developmental Education Programs at Baltimore City Community College: The committees are concerned about the declining success rates of students in developmental education at Baltimore City Community College (BCCC). BCCC should submit a report on the developmental programs initiated in fall 2005 and why they fell short of expectations. The report should also describe BCCC's strategic plan for improving developmental education. The report should be submitted by September 1, 2011.

Information Request	Author	Due Date
The impact of BCCC's fall 2005 developmental programs and strategic plan for improving developmental education	BCCC	September 1, 2011

S00A
Department of Housing and Community Development

Committee Narrative

Agency Headquarters Move to Prince George’s County: The committees are concerned about the impact of moving the Department of Housing and Community Development (DHCD) headquarters from its current location in Crownsville to a new location in Prince George’s County. The Department of General Services (DGS) has issued Requests for Proposal for DHCD’s new location and is reviewing bids. A move of this nature may have implications for the agency’s staff. The budget committees request that DGS provide a report to the committees that includes:

- the potential long- and short-term capital and operating costs, program impacts, and implementation timelines associated with the move;
- the impact on DHCD’s employee turnover as well as new employment opportunities that may be created by the move;
- the ability and ease with which DHCD users who travel from in-State or out-of-state may access DHCD’s new headquarters, including access to airports, highways, and public transportation;
- an assessment of the increase in time spent commuting by DHCD employees;
- the details of the award and a proposed timeline for constructing a new building or rehabilitating an existing structure;
- the economic impact the move would have on Anne Arundel and Prince George’s counties; and
- a study of the placement of DHCD employees into other State regular positions – to be conducted by the Department of Budget and Management (DBM) – including what retraining and other placement assistance has been offered, what transportation assistance has been offered, and what hiring freeze exemptions have been granted for positions for which these employees are eligible.

Information Request	Authors	Due Date
Timeline, evaluation of costs, program impacts, and economic impact of moving DHCD headquarters	DGS DHCD	Upon award approval by the Board of Public Works (BPW)
Study of hiring freeze exemptions	DBM	60 days after award by BPW

S50B
Maryland African American Museum Corporation

Budget Amendments

S50B01.01 General Administration

Add the following language to the general fund appropriation:

, provided that \$200,000 of this appropriation may not be expended until the Maryland African American Museum Corporation submits a detailed report on financial efficiencies that may be achieved given the reduced attendance numbers. The report shall include a plan for potential self sufficiency that may include the eventual reduction of State funds. The plan shall assume at least a \$200,000 reduction in State funds in fiscal 2013. The report shall be submitted to the budget committees by December 31, 2011, and the budget committees shall have 45 days 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 and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This language restricts funds for the Maryland African American Museum Corporation (MAAMC) until a report is submitted on ways to achieve financial efficiencies and ultimately financial self sufficiency.

Information Request	Author	Due Date
Report on financial efficiencies	MAAMC	December 31, 2011

Amendment No. 112

Committee Narrative

Memorandum of Understanding on Use of the General Fund Grant: The Maryland African American Museum Corporation (MAAMC) and the Department of Budget and Management (DBM) executed a memorandum of understanding (MOU) governing the use of MAAMC's general fund grant for fiscal 2007 to 2010. The committees request that a similar MOU be executed for fiscal 2012 that includes provisions for attendance and fundraising benchmarks for the museum. The MOU should expressly state that the grant shall be distributed to the museum corporation on a semi-annual basis only if established goals are met for attendance and fundraising. Further, the MOU should specify that the State intends to support no more than 50% of MAAMC's operating costs in fiscal 2012, which is consistent with previously expressed intent of the General Assembly.

S50B

Information Request	Authors	Due Date
MOU specifying use of the fiscal 2012 general fund grant	MAAMC DBM	July 2, 2011

T00
Department of Business and Economic Development

Budget Amendments

DIVISION OF BUSINESS AND ENTERPRISE DEVELOPMENT

T00F00.11 Maryland Not-For-Profit Development Fund

Concur with the following language on the special fund appropriation:

, provided that \$125,000 of this appropriation shall be reduced contingent upon the enactment of legislation authorizing the transfer of these funds to the General Fund.

Explanation: The fiscal 2012 budget bill as introduced includes a \$125,000 contingent reduction to reduce funding for the Maryland Not-For-Profit Development Fund contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 to transfer the funds to the General Fund. The action concurs with that contingent reduction.

T00F00.14 Maryland Industrial Development Financing Authority

Add the following language to the general fund appropriation:

, provided that this appropriation made for the purpose of providing business credit enhancements may not be expended for that purpose but instead may be used only for the Coordinating Emerging Nanobiotechnology Research in Maryland Program that awards grants under a competitive process developed in consultation with the Maryland Technology Development Corporation. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: The General Assembly supports the prioritizing of State resources for the development and support of nanobiotechnology research and industry. This language would provide for the use of \$2.4 million from the Maryland Industrial Development Financing Authority within the Department of Business and Economic Development for grants awarded under a competitive process for this purpose.

Amendment No. **113**

T00
Department of Business and Economic Development

Budget Amendments

DIVISION OF TOURISM, FILM AND THE ARTS

T00G00.08 Preservation of Cultural Arts Program

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete funding under the Preservation of Cultural Arts program. An amendment to the Budget Reconciliation and Financing Act of 2011 is recommended to transfer these funds to the general fund.	1,000,000	SF
Total Reductions	1,000,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Special Fund	1,000,000	0	1,000,000	
Total Funds	1,000,000	0	1,000,000	

Amendment No. **114**

U00A
Department of the Environment

Budget Amendments

AIR AND RADIATION MANAGEMENT ADMINISTRATION

U00A07.01 Air and Radiation Management Administration

Add the following language to the general fund appropriation:

, provided that \$500,000 of this appropriation for the Maryland Department of the Environment's Air and Radiation Management Administration made for the purpose of general operating expenses may not be expended until MDE submits a report on how it is using the revenues from the Strategic Energy Investment Fund to further climate change work, in general, and to meet the requirements of Chapters 171 and 172 of 2009. The budget committees shall have 45 days to review and comment upon the receipt of the report. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The Maryland Department of the Environment (MDE) receives funding from the Strategic Energy Investment Fund (SEIF) that is deposited into the Maryland Clean Air Fund. The General Assembly is concerned that the revenues from the SEIF – the sale of carbon dioxide allowances – is subject to uncertainty and year-to-year variability despite the need for MDE to recoup the costs of managing Maryland's role in the quarterly carbon dioxide allowance auctions and the expenses associated with implementing Chapters 171 and 172 of 2009. In addition, the General Assembly is concerned that it is not clear how the revenues received from the SEIF are being used. Finally, the General Assembly is concerned that a similar report was requested in the 2010 Joint Chairmen's Report for submission with the fiscal 2012 budget, but was not submitted. Therefore, this language restricts funds until MDE submits a report to the budget committees on how it is using the revenues from the SEIF to further climate change work, in general, and to meet the requirements of Chapters 171 and 172. The report shall cover the fiscal 2010 actual, fiscal 2011 actual, fiscal 2012 working, and fiscal 2013 allowance funding period.

Information Request	Author	Due Date
Report on SEIF expenditures	MDE	Fiscal 2013 submission and annually thereafter

Amendment No. **115**

U00A

COORDINATING OFFICES

U00A10.01 Coordinating Offices

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete operation and maintenance funding for wastewater treatment plants upgraded to enhanced nutrient removal technology. The agency is required to use up to 10% of the annual fee revenue from wastewater treatment plant users for this purpose.	1,000,000 SF	
 Total Reductions	 1,000,000	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	122.50	122.50		0.00
General Fund	3,961,961	3,961,961	0	
Special Fund	7,653,912	6,653,912	1,000,000	
Federal Fund	4,433,467	4,433,467	0	
Total Funds	16,049,340	15,049,340	1,000,000	

Amendment No. **116**

V10A
Department of Juvenile Services

Budget Amendments

Add the following language:

Provided that the Department of Juvenile Services (DJS), in collaboration with the Department of Budget and Management, shall submit a plan on how to fully fund DJS operations in fiscal 2012 and 2013, so as to avoid the need for future deficiency appropriations. The plan shall specifically address habitual underfunding for employee salaries and overtime expenses, residential and nonresidential per diems, and community-based/after-care services. The report shall be submitted to the budget committees by October 1, 2011, and the budget committees shall have 45 days to review and comment following the receipt of the plan.

Explanation: The General Assembly is concerned that DJS is not fully funded in fiscal 2011 or 2012. The \$4.8 million in fiscal 2011 deficiency appropriations is relatively low in comparison to prior years. The Department of Legislative Services has estimated the underfunding in fiscal 2012 to be approximately \$7.2 million. In addition, the General Assembly is concerned with the habitual need for deficiency appropriations for specific purposes, such as residential and nonresidential per diem payments and employee overtime. The action requires DJS, in collaboration with the Department of Budget and Management (DBM), to submit a plan on how to fully fund DJS operations in fiscal 2012 and 2013.

Information Request	Authors	Due Date
Plan for fully funding DJS operations	DJS DBM	October 1, 2011

Amendment No. **117**

Add the following language:

Further provided that the Department of Juvenile Services, in consultation with the Department of Budget and Management, shall submit a report to the budget committees on how the process for identifying and receiving reimbursement for youth in non-public placement education programs is being implemented and the estimated impact to each jurisdiction for fiscal 2012. The report shall be submitted to the budget committees no later than December 1, 2011.

Explanation: The fiscal 2012 budget bill as introduced includes a \$2.2 million contingent reduction for nonpublic placements of children with behavioral issues who are in State care contingent upon enactment of provision in the Budget Reconciliation and Financing Act of 2011 that would authorize collection of funds from counties to help fund those placements. This action requires the Department of Juvenile Services, in consultation with the Department of

V10A

Budget and Management, to submit a report on how the process for collecting the funds is being implemented and the estimated impact to each jurisdiction.

Information Request	Author	Due Date
DJS nonpublic placements	DJS	December 1, 2011

Amendment No. 118

DEPARTMENTAL SUPPORT

V00D02.01 Departmental Support

Add the following language to the general fund appropriation:

. provided that \$150,000 of this appropriation may not be expended until the Department of Juvenile Services submits a report to the budget committees providing pending placement population data, in addition to the number of youth held in secure detention beyond 30 days, as a measure of assessing the need for out-of-home committed placements. The report shall be submitted by September 15, 2011, and quarterly thereafter. The budget committees shall have 45 days 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 and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The size and needs of the pending placement population was a key determinant in the formulation of the agency's Facilities Master Plan. Due to issues with the validity of the current pending placement data, the Department of Juvenile Services (DJS) prefers to assess the detention population based on length of stay versus adjudication status. Assessing the population solely on length of stay, however, does not provide an indication of the need for out-of-home committed placements. There is value in reporting both measures. This language restricts funds until quarterly reports are submitted which provide both measures in order to more wholly capture the needs of the secure detention population, while continuing to provide the General Assembly with the ability to monitor the needs of youth awaiting out-of-home committed placement.

Information Request	Author	Due Date
Secure detention and pending placement population data	DJS	September 15, 2011, and quarterly thereafter

Amendment No. 119

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Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce funds for cell phones expenses due to the fiscal conditions of the State.	200,000	GF
2. Reduce funds for travel expenses due to the fiscal conditions of the State.	50,000	GF
 Total Reductions	 250,000	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	145.75	145.75		0.00
General Fund	24,158,776	23,908,776	250,000	
Special Fund	295,000	295,000	0	
Federal Fund	231,828	231,828	0	
Total Funds	24,685,604	24,435,604	250,000	

Amendment No. 120

RESIDENTIAL AND COMMUNITY OPERATIONS

V00E01.01 Residential and Community Operations

Add the following language:

Authorization to expend reimbursable funds is reduced by \$300,000.

Explanation: The fiscal 2012 allowance for the Department of Juvenile Services includes \$300,000 in reimbursable funding for future grants. With no specific grants identified, the agency should instead submit budget amendments during the fiscal year, as grant awards are received.

Amendment No. 121

V10A

Reduce appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Delete placeholder funding for future grants. The source of these grants is yet to be determined. The agency should submit a budget amendment during the fiscal year to reflect additional grant revenue as it is awarded.	300,000 SF 300,000 FF	
Total Reductions	600,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	41.00	41.00		0.00
General Fund	3,441,357	3,441,357	0	
Special Fund	302,697	2,697	300,000	
Federal Fund	1,114,721	814,721	300,000	
Total Funds	4,858,775	4,258,775	600,000	

Amendment No. 122

BALTIMORE CITY REGION

V00G01.02 Baltimore City Region community Operations

Concur with the following language on the general fund appropriation:

, provided that \$330,510 of this appropriation shall be reduced contingent upon the enactment of legislation to establish a non-public placement program for children with behavioral issues who are in State care.

Explanation: The fiscal 2012 budget bill as introduced includes a \$330,510 contingent reduction for nonpublic placements of children with behavioral issues who are in State care contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 that would authorize collection of funds from counties to help fund those placements. This action concurs with that contingent reduction.

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CENTRAL REGION

V00H01.02 Central Region Community Operations

Concur with the following language on the general fund appropriation:

, provided that \$192,797 of this appropriation shall be reduced contingent upon the enactment of legislation to establish a non-public placement program for children with behavioral issues who are in State care.

Explanation: The fiscal 2012 budget bill as introduced includes a \$192,797 contingent reduction for nonpublic placements of children with behavioral issues who are in State care contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 that would authorize collection of funds from counties to help fund those placements. This action concurs with that contingent reduction.

WESTERN REGION

V00I01.02 Western Region Community Operations

Concur with the following language on the general fund appropriation:

, provided that \$96,398 of this appropriation shall be reduced contingent upon the enactment of legislation to establish a non-public placement program for children with behavioral issues who are in State care.

Explanation: The fiscal 2012 budget bill as introduced includes a \$96,398 contingent reduction for nonpublic placements of children with behavioral issues who are in State care contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 that would authorize collection of funds from counties to help fund those placements. This action concurs with that contingent reduction.

V00I01.03 Western Region State Operated Residential

Concur with the following language on the general fund appropriation:

, provided that \$943,328 of this appropriation shall be reduced contingent upon the enactment of legislation to establish a non-public placement program for children with behavioral issues who are in State care.

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Explanation: The fiscal 2012 budget bill as introduced includes a \$943,328 contingent reduction for nonpublic placements of children with behavioral issues who are in State care contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 that would authorize collection of funds from counties to help fund those placements. This action concurs with that contingent reduction.

EASTERN SHORE REGION

V00J01.02 Eastern Shore Region Community Operations

Concur with the following language on the general fund appropriation:

, provided that \$144,598 of this appropriation shall be reduced contingent upon the enactment of legislation to establish a non-public placement program for children with behavioral issues who are in State care.

Explanation: The fiscal 2012 budget bill as introduced includes a \$144,598 contingent reduction for nonpublic placements of children with behavioral issues who are in State care contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 that would authorize collection of funds from counties to help fund those placements. This action concurs with that contingent reduction.

SOUTHERN REGION

V00K01.02 Southern Region Community Operations

Concur with the following language on the general fund appropriation:

, provided that \$206,568 of this appropriation shall be reduced contingent upon the enactment of legislation to establish a non-public placement program for children with behavioral issues who are in State care.

Explanation: The fiscal 2012 budget bill as introduced includes a \$206,568 contingent reduction for nonpublic placements of children with behavioral issues who are in State care contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 that would authorize collection of funds from counties to help fund those placements. This action concurs with that contingent reduction.

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V00K01.03 Southern Region State Operated Residential

Concur with the following language on the general fund appropriation:

, provided that \$61,970 of this appropriation shall be reduced contingent upon the enactment of legislation to establish a non-public placement program for children with behavioral issues who are in State care.

Explanation: The fiscal 2012 budget bill as introduced includes a \$61,970 contingent reduction for nonpublic placements of children with behavioral issues who are in State care contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 that would authorize collection of funds from counties to help fund those placements. This action concurs with that contingent reduction.

METRO REGION

V00L01.02 Metro Region Community Operations

Concur with the following language on the general fund appropriation:

, provided that \$213,454 of this appropriation shall be reduced contingent upon the enactment of legislation to establish a non-public placement program for children with behavioral issues who are in State care.

Explanation: The fiscal 2012 budget bill as introduced includes a \$0.2 million contingent reduction for nonpublic placements of children with behavioral issues who are in State care contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2011 that would authorize collection of funds from counties to help fund those placements. This action concurs with that contingent reduction.

Budget Amendments

V00L01.03 Metro Region State Operated Residential

Add the following language:

Provided that \$1,937,039 in general funds, \$171,691 in federal funds, and 24 positions appropriated for the purpose of providing education services at Cheltenham Youth Facility (CYF), may not be expended for that purpose by the Department of Juvenile Services (DJS) but may only be transferred by budget amendment to the Maryland State Department of Education (MSDE) Juvenile Services Education Program R00A01.15 to be used for the purpose of providing education services for youth at CYF. It is the intent of the General Assembly that CYF education services be provided with the existing resources identified for transfer or

V10A

additional funds identified by MSDE from within the agency's internal resources and future deficiency appropriations for this purpose shall not be supported by the budget committees. General funds not expended for this purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund. Federal funds not expended for this purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Further provided that MSDE and DJS shall jointly submit a report to the budget committees certifying the transfer of education services and identifying any resulting changes in operations or programming. The report shall be submitted to the budget committees no later than October 1, 2011.

Explanation: At the direction of the General Assembly, MSDE is supposed to assume responsibility for providing education services in DJS facilities by the end of fiscal 2014. As of January 2011, MSDE operated 6 of 14 facilities, with the remainder of the facilities to be transferred within the next three fiscal years. There is no funding provided in either the fiscal 2012 operating or capital budgets to support transfer of additional DJS education programs in the upcoming fiscal year. As such, transfer of education services is likely to be delayed. DJS believes, however, that of all the facilities remaining to be transferred, CYF has adequate education space and positions to accommodate MSDE requirements. This action restricts funding and positions in the DJS allowance associated with providing educational services at CYF and transfers control of the program to MSDE in fiscal 2012. The language also expresses legislative intent that MSDE provide education services within the resources identified for transfer or the agency's own internal resources. Finally, the language requires a joint report from MSDE and DJS certifying the transfer of education services and identifying any changes occurring as a result of the transfer.

Information Request	Authors	Due Date
Report on the transfer of Cheltenham education services to MSDE	MSDE DJS	October 1, 2011

Amendment No. 123

Committee Narrative

Education Outcomes for Department of Juvenile Services Facilities: Both the Maryland State Department of Education (MSDE) and the Department of Juvenile Services (DJS) have reported improved education outcomes in recent years. Comparing the quality of the programming provided by each agency is difficult because easily comparable data is not readily available. The committees are concerned about quantifying the return on investment of the significant additional resources required by MSDE prior to accepting transfer of additional DJS

V10A

education programs. The committees request that MSDE and DJS submit educational outcome data for each facility where it administers education programming. The report should include attendance data, General Education Diploma (GED) students tested, and GED completions, as well as English and math skills improvement measures. The report shall be submitted to the budget committees no later than September 30, 2011.

Information Request	Authors	Due Date
Educational outcome data	DJS MSDE	September 30, 2011

W00A00
Department of State Police

Budget Amendments

MARYLAND STATE POLICE

W00A01.01 Office of the Superintendent

Add the following language to the general fund appropriation:

. provided that \$1,000,000 of this appropriation made for the purpose of providing police protection grants may not be expended until the Department of State Police (DSP) submits the Crime in Maryland, 2010 Uniform Crime Report (UCR) to the budget committees. The budget committees shall have 45 days to review and comment following receipt of the report. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Furthermore, if DSP encounters difficulty in obtaining the necessary crime data on a timely basis from local jurisdictions who provide this data for inclusion in the UCR, DSP shall request that the Governor's Office of Crime Control and Prevention withhold a portion, totaling no more than 50%, of that jurisdiction's State Aid for Police Protection grant for fiscal 2012 until such time that the jurisdiction submits its crime data to DSP.

Explanation: This annual language was originally added because DSP had not been submitting its annual crime report in a timely manner due to issues related to receiving crime data from the local jurisdictions. As such, this language withholds a portion of the general fund appropriation until the budget committees receive the 2010 Uniform Crime Report. The language also permits the Governor's Office of Crime Control and Prevention to withhold a portion of the State Aid for Police Protection grant until certain crime data is submitted.

Information Request	Author	Due Date
2010 Uniform Crime Report	DSP	45 days prior to the expenditure of funds

Amendment No. **124**

W00A01.02 Field Operations Bureau

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete 8 new civilian pilot positions. The State should reserve judgment on whether an additional pilot is warranted until the Maryland State Police	40,717 GF 163,051 SF	8.00

W00A00

Aviation Command has had an opportunity to gain experience with operating the new fleet of aircraft. This action provides the department with an opportunity to evaluate seven months of flight operations data prior to the start of the 2013 legislative session, at which time the department can request additional pilot positions, if needed.

Total Reductions 203,768 8.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	1,628.00	1,620.00		8.00
General Fund	91,966,268	91,925,551	40,717	
Special Fund	87,356,827	87,193,776	163,051	
Total Funds	179,323,095	179,119,327	203,768	

Amendment No. 125

Add the following language to the special fund appropriation:

, provided that \$2,200,000 of the Special Fund appropriation for salaries and wages may not be expended for that purpose but instead may only be used for the replacement of motor vehicles and related motor vehicle equipment used to outfit police vehicles. It is the intent of the General Assembly that this provision be implemented by increasing the agency's fiscal 2012 turnover expectancy rate to 7%. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: The General Assembly is concerned about the lack of funding available for motor vehicle replacement. Based on actual experience over the last several years, a more appropriate turnover rate for the Department of State Police is 7.0%. In lieu of a reduction for turnover expectancy, this action restricts \$2.2 million of the special fund appropriation derived from speed camera revenues for the purchase of replacement motor vehicles and related motor vehicle equipment used to outfit police vehicles.

Amendment No. 126

W00A00

W00A01.04 Support Services Bureau

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for office supplies based on fiscal 2010 actual expenses plus inflation. This action appropriates \$235,500 in fiscal 2012. This reduction shall be allocated among the divisions.	6,500	GF
 Total Reductions	 6,500	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
Position	291.00	291.00		0.00
General Fund	44,750,100	44,743,600	6,500	
Special Fund	200,000	200,000	0	
Federal Fund	1,436,000	1,436,000	0	
Total Funds	46,386,100	46,379,600	6,500	

Amendment No. 127

Committee Narrative

Police Consolidation: The committees are interested in the feasibility of consolidating Maryland's police forces. The unification of police forces would eliminate a number of jurisdictional law enforcement authority issues; provide citizens and government officials with one State law enforcement agency to address roadway safety and law enforcement issues; enhance accountability; improve intelligence sharing and the coordination of investigations; and provide a unified communications and dispatch center. The consolidation of statewide police forces administratively under the Department of State Police (DSP) would also offer the potential for personnel, motor vehicle and equipment, and training efficiencies. Under this proposal, similar to the Delaware Department of State Police, agencies would fall under the overarching umbrella of DSP, but would continue to maintain their current identities and missions. Despite these advantages, there are many practical considerations that would have to be evaluated prior to consolidating police forces. These include (1) differences in agency culture, mission, and philosophy; (2) variations in sworn officer training requirements; and (3) differences in employee benefits across police forces. Given the complexity of this issue and the need for additional information, the committees request that a report be submitted by December 1, 2011, evaluating the feasibility of consolidating police forces administratively under DSP. The report shall be prepared by the Department of Budget and Management in

W00A00

consultation with the Maryland Transit Administration, Department of General Services, Maryland Transportation Authority, and DSP.

Information Request	Author	Due Date
Report on the consolidation of police forces	DBM	December 1, 2011

V10A
Department of Juvenile Services

Fiscal 2011 Deficiency

V00L01.02 Metro Region Community Operations

Reduce appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete a portion of the fiscal 2011 deficiency appropriation for nonresidential per diems. Adequate funding should be available from the underutilization of evidence-based programming services to accommodate this reduction.	223,269	GF

Total Reductions	223,269	0.00
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<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Reduction</u>	<u>Position Reduction</u>
General Fund	223,269	0	223,269	
Total Funds	223,269	0	223,269	

Amendment No. **128**

W00A00
Department of State Police

Fiscal 2011 Deficiency

W00A01.02 Field Operations Bureau

Add the following language to the special fund deficiency appropriation:

, provided that \$451,653 of this appropriation made for the purpose of providing turnover relief may not be expended for that purpose, but instead may only be used for the replacement of motor vehicles and related motor vehicle equipment used to outfit police vehicles. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: The General Assembly is concerned about the lack of funding available for motor vehicle replacement. This language requires that \$451,653 of the fiscal 2011 special fund deficiency appropriation be used to purchase replacement motor vehicles and related motor vehicle equipment used to outfit police vehicles.

Amendment No. 129

Sections

Budget Amendments

Amend the following section:

Section 17 Using Funds for Their Intended Purpose

SECTION 17. AND BE IT FURTHER ENACTED, That funds appropriated to the various State agency programs and subprograms in Comptroller Objects 0152 (Health Insurance), 0154 (Retirees Health Insurance Premiums), 0175 (Workers' Compensation), 0305 (DBM Paid Telecommunications) and 0322 (Capital Lease Telecommunications) are to be utilized for their intended purposes only. The expenditure or transfer of these funds for other purposes requires the prior approval of the Secretary of Budget and Management. Notwithstanding any other provision of law, the Secretary of Budget and Management may transfer amounts appropriated in Comptroller Objects 0152, 0154, 0305, and 0322 between State departments and agencies by approved budget amendment in fiscal year 2011 and fiscal year 2012. All funds budgeted in or transferred to Comptroller Objects 0152 and 0154, and any funds restricted in this budget for use in the employee and retiree health insurance program that are unspent shall be credited to the fund as established in accordance with Section 2-516 of the State Personnel and Pensions Article of the Annotated Code of Maryland.

Further provided that each agency that receives funding in this budget in any of the restricted Comptroller Objects herein listed within this section shall establish within the State's accounting system a structure of accounts to separately identify for each restricted Comptroller Object by fund source, the legislative appropriation, monthly transactions, and final expenditures. It is the intent of the General Assembly that an accounting detail be established so that the Office of Legislative Audits may review the disposition of funds appropriated for each restricted Comptroller Object as part of each closeout audit to ensure that funds are used only for the purposes for which they are restricted and that unspent funds are reverted or canceled.

Explanation: This amendment makes it possible for the Office of Legislative Audits to track the disposition of funds in statewide subobjects 0152, 0154, 0175, 0305, and 0322.

Amendment No. 130

Amend the following section:

Section 18 Retiree Prescription Drug Plan Changes

SECTION 18. AND BE IT FURTHER ENACTED, That for fiscal year 2012 funding for health insurance shall be reduced ~~in Executive Branch agencies~~ in the amount of \$35,417,083 ~~\$20,070,137~~ as follows contingent upon the enactment of legislation establishing a separate retiree prescription drug plan. Funding for this purpose shall be reduced ~~within Executive Branch~~

Sections

agencies in fiscal year 2012 by the following amounts in accordance with a the following schedule determined by the Governor:

<u>Department</u>	<u>Fund</u>	<u>Amount</u>
<u>Executive</u>	<u>General</u>	10,881,762
<u>Executive</u>	<u>Special</u>	2,896,431
<u>Executive</u>	<u>Federal</u>	1,963,250
<u>Executive</u>	<u>Reimbursable</u>	201,877
<u>Executive</u>	<u>Current Unrestricted</u>	1,531,409
<u>Executive</u>	<u>Current Restricted</u>	1,577,170
<u>Judiciary</u>	<u>General</u>	821,887
<u>Legislative</u>	<u>General</u>	196,351
		General
	<u>Agency</u>	<u>Funds</u>
C80	Office of the Public Defender	425,068
C81	Office of the Attorney General	-88,738
C82	State Prosecutor	-3,949
C85	MD Tax Court	-3,662
D05	Board of Public Works (BPW)	-4,578
D10	Executive Department—Governor	-38,629
D11	Office of Deaf and Hard of Hearing	-1,903
D12	Department of Disabilities	-7,734
D15	Boards and Commissions	-33,768
D16	Secretary of State	-11,261
D17	Historic St. Mary's City Commission	-13,116
D18	Governor's Office for Children	-9,671
D25	BPW Interagency Committee for School Construction	10,007
D26	Department of Aging	-13,173
D27	Commission on Human Relations	-15,253
D38	State Board of Elections	-13,187
D39	Maryland State Board of Contract Appeals	-3,186
D40	Department of Planning	-64,062
D50	Military Department	-66,250
D55	Department of Veterans Affairs	-27,043
D60	Maryland State Archives	-14,697
E00	Comptroller of Maryland	-394,232
E20	State Treasurer's Office	-13,817
E50	Department of Assessments and Taxation	-254,160
E75	State Lottery Agency	-23,042
E80	Property Tax Assessment Appeals Board	-4,292
F10	Department of Budget and Management	-66,441
F50	Department of Information Technology	-38,199

House Committee on Appropriations – Operating Budget, March 2011

Sections

H00	Department of General Services	-197,785
K00	Department of Natural Resources	-235,645
L00	Department of Agriculture	-139,186
M00	Department of Health and Mental Hygiene	-2,553,805
N00	Department of Human Resources	-1,530,874
P00	Department of Labor, Licensing, and Regulation	124,489
Q00	Department of Public Safety and Correctional Services	5,544,858
R00	State Department of Education	-171,409
R15	Maryland Public Broadcasting Commission	-42,026
R62	Maryland Higher Education Commission	-19,455
R75	Support for State Operated Institutions of Higher Education	-5,540,970
R99	Maryland School for the Deaf	-135,380
T00	Department of Business and Economic Development	82,520
U00	Department of the Environment	-145,513
V00	Department of Juvenile Services	-1,062,592
W00	Department of State Police	-1,039,344

Total General Funds	-20,228,969
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	Agency	Special Funds
E80	Office of the Public Defender	-446
E81	Office of the Attorney General	-14,462
E90	Public Service Commission	-67,777
E91	Office of the People's Counsel	-12,125
E94	Subsequent Injury Fund	-8,740
E96	Uninsured Employers Fund	-6,832
E98	Workers' Compensation Commission	-64,214
D13	Maryland Energy Administration	-3,106
D15	Boards and Commissions	-1,117
D17	Historic St. Mary's City Commission	-1,944
D26	Department of Aging	-1,953
D40	Department of Planning	-5,258
D53	Maryland Institute for Emergency Medical Services Systems	49,686
D55	Department of Veterans Affairs	-1,132
D60	Maryland State Archives	-10,133
D79	Maryland Health Insurance Plan	-5,841
D80	Maryland Insurance Administration	-133,444
D90	Canal Place Preservation and Development Authority	570
D99	Office of Administrative Hearings	-1,622
E00	Comptroller of Maryland	-69,059

Sections

E20	State Treasurer's Office	-1,598
E50	Department of Assessments and Taxation	-38,223
E75	State Lottery Agency	-81,128
F10	Department of Budget and Management	-62,145
F50	Department of Information Technology	-3,472
G20	State Retirement Agency	-102,249
G50	Teachers and State Employees Supplemental Retirement Plans	7,703
H00	Department of General Services	-4,699
J00	Department of Transportation	3,089,949
K00	Department of Natural Resources	-348,619
L00	Department of Agriculture	-52,497
M00	Department of Health and Mental Hygiene	-177,141
N00	Department of Human Resources	-46,834
P00	Department of Labor, Licensing, and Regulation	116,836
Q00	Department of Public Safety and Correctional Services	178,860
R00	State Department of Education	-8,944
R15	Maryland Public Broadcasting Commission	-37,985
R62	Maryland Higher Education Commission	-748
S00	Department of Housing and Community Development	81,756
T00	Department of Business and Economic Development	27,245
U00	Department of the Environment	-189,709
W00	Department of State Police	266,604
	Total Special Funds	-5,384,405

	Agency	Federal Funds
C81	Office of the Attorney General	-9,145
C90	Public Service Commission	-1,156
D12	Department of Disabilities	-4,371
D13	Maryland Energy Administration	-8,755
D15	Boards and Commissions	-7,849
D26	Department of Aging	-10,401
D27	Commission on Human Relations	-4,208
D40	Department of Planning	-5,017
D50	Military Department	-77,600
D55	Department of Veterans Affairs	-1,537
H00	Department of General Services	-9,587
J00	Department of Transportation	-224,020
K00	Department of Natural Resources	-51,420
L00	Department of Agriculture	-7,997
M00	Department of Health and Mental Hygiene	-407,816

Sections

N00	Department of Human Resources	-1,506,592
P00	Department of Labor, Licensing, and Regulation	487,148
Q00	Department of Public Safety and Correctional Services	117,378
R00	State Department of Education	-484,182
R15	Maryland Public Broadcasting Commission	-2,963
R62	Maryland Higher Education Commission	-1,956
R99	Maryland School for the Deaf	-2,195
S00	Department of Housing and Community Development	-64,268
T00	Department of Business and Economic Development	-5,645
U00	Department of the Environment	-131,391
V00	Department of Juvenile Services	-15,043
Total Federal Funds		-3,649,640

	Agency	Reimbursable Funds
C80	Office of the Public Defender	-5,115
C81	Office of the Attorney General	-11,117
D10	Executive Department—Governor	-444
D12	Department of Disabilities	-269
D13	Maryland Energy Administration	-582
D15	Boards and Commissions	-1,279
D26	Department of Aging	-817
D40	Department of Planning	-6,568
D53	Maryland Institute for Emergency Medical Services Systems	529
D99	Office of Administrative Hearings	-63,786
E00	Comptroller of Maryland	-40,448
E20	State Treasurer's Office	-13,701
F10	Department of Budget and Management	-22,755
F50	Department of Information Technology	-20,756
H00	Department of General Services	-60,750
K00	Department of Natural Resources	-18,626
L00	Department of Agriculture	-6,382
M00	Department of Health and Mental Hygiene	-26,240
P00	Department of Labor, Licensing, and Regulation	46,438
R62	Maryland Higher Education Commission	-206
R99	Maryland School for the Deaf	-12,482
T00	Department of Business and Economic Development	530
U00	Department of the Environment	-15,465
Total Reimbursable Funds		-375,285

Sections

	<i>Agency</i>	Current Unrestricted Funds
R13	Morgan State University	-339,079
R14	St. Mary's College of Maryland	-161,825
R30	University System of Maryland	-7,731,795
R95	Baltimore City Community College	-155,129
	Total Current Unrestricted Funds	-8,387,828
	Less: General Funds in Higher Education	-5,540,970
	Net Current Unrestricted Funds	-2,846,858
	<i>Agency</i>	Current Restricted Funds
R13	Morgan State University	-100,142
R14	St. Mary's College of Maryland	-8,697
R30	University System of Maryland	-2,759,107
R95	Baltimore City Community College	-63,980
	Total Current Restricted Funds	-2,931,926

Explanation: Amends Section 18 related to changes in the retiree health insurance plan.

Amendment No. **131**

Amend the following section:

Section 19 Active Employee Prescription Drug Plan Changes

SECTION 19. AND BE IT FURTHER ENACTED, That for fiscal year 2012 funding for health insurance shall be reduced by \$10,067,182 \$10,605,231 in ~~Executive Branch~~ agencies to reflect health insurance savings from higher prescription co-pays for active employees and an increase in the prescription drug out-of-pocket maximum for active employees. Funding for this purpose shall be reduced ~~within Executive Branch agencies~~ in fiscal year 2012 by the following amounts in accordance with a schedule determined by the Governor:

Sections

Agency	General Funds
<u>B75</u> <u>General Assembly</u>	<u>103,752</u>
<u>C00</u> <u>Judiciary</u>	<u>434,297</u>
C80 Office of the Public Defender	120,823
C81 Office of the Attorney General	25,219
C82 State Prosecutor	1,123
C85 MD Tax Court	1,040
D05 Board of Public Works (BPW)	1,302
D10 Executive Department – Governor	10,980
D11 Office of Deaf and Hard of Hearing	541
D12 Department of Disabilities	2,198
D15 Boards and Commissions	9,601
D16 Secretary of State	3,201
D17 Historic St. Mary’s City Commission	3,729
D18 Governor’s Office for Children	2,749
D25 BPW Interagency Committee for School Construction	2,844
D26 Department of Aging	3,745
D27 Commission on Human Relations	4,335
D38 State Board of Elections	3,748
D39 Maryland State Board of Contract Appeals	906
D40 Department of Planning	18,207
D50 Military Department	18,831
D55 Department of Veterans Affairs	7,686
D60 Maryland State Archives	4,175
E00 Comptroller of Maryland	112,060
E20 State Treasurer’s Office	3,927
E50 Department of Assessments and Taxation	72,245
E75 State Lottery Agency	6,550
E80 Property Tax Assessment Appeals Board	1,220
F10 Department of Budget and Management	18,884
F50 Department of Information Technology	10,859
H00 Department of General Services	56,217
K00 Department of Natural Resources	66,973
L00 Department of Agriculture	39,565
M00 Department of Health and Mental Hygiene	725,898
N00 Department of Human Resources	435,151
P00 Department of Labor, Licensing, and Regulation	35,387
Q00 Department of Public Safety and Correctional Services	1,576,113
R00 State Department of Education	48,707
R15 Maryland Public Broadcasting Commission	11,945
R62 Maryland Higher Education Commission	5,530
R75 Support for State Operated Institutions of Higher Education	1,574,998
R99 Maryland School for the Deaf	38,479

Sections

T00	Department of Business and Economic Development	23,459
U00	Department of the Environment	41,358
V00	Department of Juvenile Services	302,039
W00	Department of State Police	295,432
Total General Funds		5,749,979 6,288,028

Explanation: Amends Section 19 to include the General Assembly and Judiciary in reductions related to changes in the employee prescription drug plan.

Amendment No. **132**

Amend the following section:

Section 20 Reduction for Favorable Cost Trends

SECTION 20. AND BE IT FURTHER ENACTED, That for fiscal year 2012 funding for health insurance shall be reduced by ~~\$11,330,793~~ \$11,936,376 ~~in Executive Branch agencies~~ to reflect health insurance savings from favorable cost trends. Funding for this purpose shall be reduced ~~within Executive Branch agencies~~ in fiscal year 2012 by the following amounts in accordance with a schedule determined by the Governor:

	Agency	General Funds
<u>B75</u>	<u>General Assembly</u>	<u>116,775</u>
<u>C00</u>	<u>Judiciary</u>	<u>488,808</u>
C80	Office of the Public Defender	135,990
C81	Office of the Attorney General	28,390
C82	State Prosecutor	1,263
C85	MD Tax Court	1,171
D05	Board of Public Works (BPW)	1,464
D10	Executive Department – Governor	12,358
D11	Office of Deaf and Hard of Hearing	609
D12	Department of Disabilities	2,474
D15	Boards and Commissions	10,805
D16	Secretary of State	3,602
D17	Historic St. Mary’s City Commission	4,195
D18	Governor’s Office for Children	3,094
D25	BPW Interagency Committee for School Construction	3,202
D26	Department of Aging	4,214
D27	Commission on Human Relations	4,880
D38	State Board of Elections	4,219

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Sections

D39	Maryland State Board of Contract Appeals	1,019
D40	Department of Planning	20,495
D50	Military Department	21,194
D55	Department of Veterans Affairs	8,652
D60	Maryland State Archives	4,701
E00	Comptroller of Maryland	126,122
E20	State Treasurer's Office	4,421
E50	Department of Assessments and Taxation	81,319
E75	State Lottery Agency	7,372
E80	Property Tax Assessment Appeals Board	1,373
F10	Department of Budget and Management	21,254
F50	Department of Information Technology	12,220
H00	Department of General Services	63,276
K00	Department of Natural Resources	75,376
L00	Department of Agriculture	44,534
M00	Department of Health and Mental Hygiene	816,991
N00	Department of Human Resources	489,774
P00	Department of Labor, Licensing, and Regulation	39,828
Q00	Department of Public Safety and Correctional Services	1,773,943
R00	State Department of Education	54,833
R15	Maryland Public Broadcasting Commission	13,445
R62	Maryland Higher Education Commission	6,224
R75	Support for State Operated Institutions of Higher Education	1,772,706
R99	Maryland School for the Deaf	43,310
T00	Department of Business and Economic Development	26,398
U00	Department of the Environment	46,552
V00	Department of Juvenile Services	339,950
W00	Department of State Police	332,509
	Total General Funds	-6,471,721
		7,077,304

Explanation: Amends Section 20 to include the General Assembly and Judiciary in reductions related to favorable cost trends that reduce required employee health insurance appropriations.

Amendment No. **133**

Sections

Amend the following section:

Section 21 Pension Reform Reduction

SECTION 21. AND BE IT FURTHER ENACTED, That for fiscal year 2012 funding for Employee's and Teacher's Retirement shall be reduced by general funds of ~~\$101,781,068~~ \$104,000,000 ~~in Executive Branch agencies~~ contingent upon the enactment of legislation changing the employee contribution rates and retirement benefits for new and existing employees in the Employee's and Teacher's Retirement Systems. Funding for this purpose shall be reduced ~~within Executive Branch agencies~~ in fiscal year 2012 by the following amounts in accordance with a schedule determined by the Governor:

Agency	General Funds
<u>B75</u> <u>General Assembly</u>	<u>561,265</u>
<u>C00</u> <u>Judiciary</u>	<u>1,657,667</u>
C80 Office of the Public Defender	701,107
C81 Office of the Attorney General	162,320
C82 State Prosecutor	9,728
C85 MD Tax Court	5,202
D05 Board of Public Works (BPW)	7,927
D10 Executive Department – Governor	82,902
D11 Office of Deaf and Hard of Hearing	2,386
D12 Department of Disabilities	11,816
D15 Boards and Commissions	61,604
D16 Secretary of State	17,532
D17 Historic St. Mary's City Commission	17,219
D18 Governor's Office for Children	13,457
D25 BPW Interagency Committee for School Construction	13,185
D26 Department of Aging	21,362
D27 Commission on Human Relations	22,997
D38 State Board of Elections	22,035
D39 Maryland State Board of Contract Appeals	4,301
D40 Department of Planning	99,892
D50 Military Department	78,815
D55 Department of Veterans Affairs	37,154
D60 Maryland State Archives	22,570
E00 Comptroller of Maryland	520,197
E20 State Treasurer's Office	22,980
E50 Department of Assessments and Taxation	331,780
E75 State Lottery Agency	29,642
E80 Property Tax Assessment Appeals Board	4,814
F10 Department of Budget and Management	126,404
F50 Department of Information Technology	65,487
H00 Department of General Services	242,002

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Sections

K00	Department of Natural Resources	212,719
L00	Department of Agriculture	178,587
M00	Department of Health and Mental Hygiene	3,230,636
N00	Department of Human Resources	1,571,243
P00	Department of Labor, Licensing, and Regulation	216,214
Q00	Department of Public Safety and Correctional Services	6,212,222
R00	State Department of Education – Operating	276,638
R00	State Department of Education – Aid for Local Employee Fringe Benefits	75,624,494
R15	Maryland Public Broadcasting Commission	53,745
R62	Maryland Higher Education Commission –Operating	28,862
R62	Maryland Higher Education Commission – Aid to Community Colleges – Fringe Benefits	4,284,708
R75	Support for State Operated Institutions of Higher Education	4,813,366
R99	Maryland School for the Deaf	309,150
T00	Department of Business and Economic Development	146,025
U00	Department of the Environment	237,842
V00	Department of Juvenile Services	1,293,831
W00	Department of State Police	331,969
	Total General Funds	101,781,068
		104,000,000

Explanation: Amends Section 21 to include the General Assembly and Judiciary in contingent reductions to employee and teacher pension contributions.

Amendment No. 134

Strike the following section:

Section 26 Savings from Consolidation of Functions

~~SECTION 26. AND BE IT FURTHER ENACTED, That for fiscal year 2012 funding for agencies affected below shall be reduced by general funds of \$1,130,000 contingent upon the enactment of legislation consolidating the functions and responsibilities of the Department of Natural Resources and other agencies with aquaculture and land preservation functions in accordance with a schedule determined by the Governor.~~

Explanation: The fiscal 2012 budget bill as introduced includes in Section 26 a reduction of \$1.13 million in general funds contingent upon enactment of separate legislation consolidating

Sections

aquaculture and land preservation functions in the Department of Natural Resources. Two bills have been introduced in the 2011 session: HB 1053/SB 847 (Natural Resources – Aquaculture) and HB 1025/SB 849 (Natural Resources – Land Acquisitions). The Administration has indicated that the savings associated with these two bills may only be on the order of \$100,000 in general funds. This action strikes the contingent reduction to reflect the limited amount of and uncertainty surrounding the funding reduction to be achieved by the consolidations.

Amendment No. 135

Add the following section:

Section 26 Across-the-board Reductions and Higher Education

SECTION 26. AND BE IT FURTHER ENACTED, That all across-the-board reductions applied to the Executive Branch, unless otherwise stated, shall apply to current unrestricted and general funds in the University System of Maryland, St. Mary's College of Maryland, Morgan State University, and Baltimore City Community College.

Explanation: This section explicitly applies reductions intended for the full Executive Branch to the University System of Maryland, St. Mary's College of Maryland, Morgan State University, and Baltimore City Community College, unless their exclusion is specifically stated.

Amendment No. 136

Add the following section:

Section 27 Injured Workers' Insurance Fund Accounts

SECTION 27. AND BE IT FURTHER ENACTED, That the Comptroller of the Treasury's General Accounting Division shall establish a subsidiary ledger control account to debit all State agency funds budgeted under subobject 0175 (workers' compensation coverage) and to credit all payments disbursed to the Injured Workers' Insurance Fund (IWIF) via transmittal. The control account shall also record all funds withdrawn from IWIF and returned to the State and subsequently transferred to the General Fund. IWIF shall submit monthly reports to the Department of Legislative Services concerning the status of the account.

Explanation: This section provides continuation of a system to track workers' compensation payments to IWIF for payment of claims, current expenses, and funded liability for incurred losses by the State.

Sections

Information Request	Author	Due Date
Report on status of ledger control account	IWIF	Monthly beginning on July 1, 2011

Amendment No. 137

Add the following section:

Section 28 Reporting Federal Funds

SECTION 28. AND BE IT FURTHER ENACTED, That the Governor's budget books shall include a summary statement of federal revenues by major federal program sources supporting the federal appropriations made therein along with the major assumptions underpinning the federal fund estimates. The Department of Budget and Management (DBM) shall exercise due diligence in reporting this data and ensure that they are updated as appropriate to reflect ongoing congressional action on the federal budget. In addition, DBM shall provide to the Department of Legislative Services (DLS) data for the actual, current, and budget years listing the components of each Federal Fund Appropriation by Catalog of Federal Domestic Assistance number or equivalent detail for programs not in the catalog. Data shall be provided in an electronic format subject to the concurrence of DLS.

Explanation: This annual language provides for consistent reporting of federal monies received by the State.

Information Request	Author	Due Date
Report of components of each federal fund appropriation	DBM	With submission of fiscal 2013 budget

Amendment No. 138

Sections

Add the following section:

Section 29 Federal Fund Spending

SECTION 29. AND BE IT FURTHER ENACTED, That in the expenditure of federal funds appropriated in this budget or subsequent to the enactment of this budget by the budget amendment process:

- (1) State agencies shall administer these federal funds in a manner that recognizes that federal funds are taxpayer dollars that require prudent fiscal management, careful application to the purposes for which they are directed, and strict attention to budgetary and accounting procedures established for the administration of all public funds.
- (2) For fiscal 2012, except with respect to capital appropriations, to the extent consistent with federal requirements:
 - (a) when expenditures or encumbrances may be charged to either State or federal fund sources, federal funds shall be charged before State funds are charged; this policy does not apply to the Department of Human Resources with respect to federal funds to be carried forward into future years for child welfare or welfare reform activities, or to the Department of Health and Mental Hygiene with respect to funds to be carried forward into future years for the purpose of reducing the waiting list for community services for individuals with developmental disabilities or with respect to funds to be carried forward into future years for HIV/AIDS related activities, or to the Maryland State Department of Education with respect to funds to be carried forward into future years for child care;
 - (b) when additional federal funds are sought or otherwise become available in the course of the fiscal year, agencies shall consider, in consultation with the Department of Budget and Management, whether opportunities exist to use these federal revenues to support existing operations rather than to expand programs or establish new ones; and
 - (c) the Department of Budget and Management shall take appropriate actions to effectively establish these as policies of the State with respect to the administration of federal funds by executive agencies.

Explanation: This annual language defines the policies under which federal funds shall be used in the State budget.

Amendment No. 139

Sections

Add the following section:

Section 30 Indirect Costs Report

SECTION 30. AND BE IT FURTHER ENACTED, That the Department of Budget and Management (DBM) shall provide an annual report on indirect costs to the General Assembly in January 2012 as an appendix in the Governor's fiscal 2013 budget books. The report shall detail by agency for the actual fiscal 2011 budget the amount of statewide indirect cost recovery received, the amount of statewide indirect cost recovery transferred to the General Fund, and the amount of indirect cost recovery retained for use by each agency. In addition, it shall list the most recently available federally approved statewide and internal agency cost recovery rates. As part of the normal fiscal/compliance audit performed for each agency once every three years, the Office of Legislative Audits shall assess available information on the timeliness, completeness, and deposit history of indirect cost recoveries by State agencies. Further provided that for fiscal 2012, excluding the Maryland Department of Transportation, the amount of revenue received by each agency from any federal source for statewide cost recovery may only be transferred to the General Fund and may not be retained in any clearing account or by any other means, nor may DBM or any other agency or entity approve exemptions to permit any agency to retain any portion of federal statewide cost recoveries.

Explanation: This annual language requires a report on indirect costs and disallows waivers of statewide cost recovery.

Information Request	Author	Due Date
Annual report on indirect costs	DBM	With submission of the Governor's fiscal 2013 budget books

Amendment No. 140

Add the following section:

Section 31 Executive Long-term Forecast

SECTION 31. AND BE IT FURTHER ENACTED, That the Governor's budget books shall include a forecast of the impact of the Executive budget proposal on the long-term fiscal condition of the General Fund, Transportation Trust Fund, and higher education Current Unrestricted Fund accounts. This forecast shall estimate aggregate revenues, expenditures, and fund balances in each account for the fiscal year last completed, the current year, the budget year, and four years thereafter. Expenditures shall be reported at such agency, program or unit levels, or categories as may be determined appropriate after consultation with the Department of Legislative Services. A statement of major assumptions underlying the forecast shall also be

Sections

provided, including but not limited to general salary increases, inflation, and growth of caseloads in significant program areas.

Explanation: This annual language provides for the delivery of the Executive's general fund forecast and defines the conditions under which it is to be provided.

Information Request	Author	Due Date
Executive's general fund forecast	Department of Budget and Management	With submission of the Governor's fiscal 2013 budget books

Amendment No. 141

Add the following section:

Section 32 Reporting on Budget Data and Organizational Charts

SECTION 32. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that all State departments, agencies, bureaus, commissions, boards, and other organizational units included in the State budget, including the Judiciary, shall prepare and submit items for the fiscal 2013 budget detailed by Comptroller subobject classification in accordance with instructions promulgated by the Comptroller of the Treasury. The presentation of budget data in the State budget books shall include object, fund, and personnel data in the manner provided for in fiscal 2012 except as indicated elsewhere in this Act; however, this shall not preclude the placement of additional information into the budget books. For actual fiscal 2011 spending, the fiscal 2012 working appropriation, and the fiscal 2013 allowance, the budget detail shall be available from the Department of Budget and Management's (DBM) automated data system at the subobject level by subobject codes and classifications for all agencies. To the extent possible, except for public higher education institutions, subobject expenditures shall be designated by fund for actual fiscal 2011 spending, the fiscal 2012 working appropriation, and the fiscal 2013 allowance. The agencies shall exercise due diligence in reporting this data and ensuring correspondence between reported position and expenditure data for the actual, current, and budget fiscal years. This data shall be made available upon request and in a format subject to the concurrence of the Department of Legislative Services (DLS). Further, the expenditure of appropriations shall be reported and accounted for by the subobject classification in accordance with the instructions promulgated by the Comptroller of the Treasury.

Further provided that due diligence shall be taken to accurately report full-time equivalent position counts of contractual positions in the budget books. For the purpose of this count, contractual positions are defined as those individuals having an employee-employer relationship with the State. This count shall include those individuals in higher education institutions who meet this definition but are paid with additional assistance funds.

Sections

Further provided that DBM shall provide to DLS with the allowance for each department, unit, agency, office, and institution, a one-page organizational chart in Microsoft Word or Adobe PDF format that depicts the allocation of personnel across operational and administrative activities of the entity.

Explanation: This annual language provides for consistent reporting of fiscal 2011, 2012, and 2013 budget data, and provides for the submission of department, unit, agency, office, and institutions' organizational charts to DLS with the allowance.

Amendment No. 142

Add the following section:

Section 33 Interagency Agreements

SECTION 33. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that on or before August 1, 2011, each State agency and each public institution of higher education shall report to the Department of Budget and Management (DBM) any agreements in place for any part of fiscal 2011 between State agencies and any public institution of higher education involving potential expenditures in excess of \$100,000 over the term of the agreement. Further provided that DBM shall provide direction and guidance to all State agencies and public institutions of higher education as to the procedures and specific elements of data to be reported with respect to these interagency agreements, to include at a minimum:

- (1) a common code for each interagency agreement that specifically identifies each agreement and the fiscal year in which the agreement began;
- (2) the starting date for each agreement;
- (3) the ending date for each agreement;
- (4) a total potential expenditure, or not-to-exceed dollar amount, for the services to be rendered over the term of the agreement by any public institution of higher education to any State agency;
- (5) a description of the nature of the goods and services to be provided;
- (6) the total number of personnel, both full-time and part-time, associated with the agreement; and
- (7) contact information for the agency and the public institution of higher education for the person(s) having direct oversight or knowledge of the agreement.

Sections

Further provided that DBM shall submit a consolidated report to the budget committees and the Department of Legislative Services by December 1, 2011, that contains information on all agreements between State agencies and any public institution of higher education involving potential expenditures in excess of \$100,000, that were in effect at any time during fiscal 2011.

Explanation: The language requires all State agencies and public institutions of higher education to report on all interagency agreements between State agencies and public institutions of higher education having a total potential expenditure over the term of the agreement in excess of \$100,000. This applies only to agreements for the purchase of goods and/or services and does not apply to grants or space agreements between State agencies and public institutions of higher education. Further, it requires that DBM submit a consolidated report on all agreements by December 1, 2011, to the budget committees and the Department of Legislative Services.

Information Request	Author	Due Date
Consolidated report on all interagency agreements	DBM	December 1, 2011

Amendment No. 143

Add the following section:

Section 34 Budget Amendments

SECTION 34. AND BE IT FURTHER ENACTED, That any budget amendment to increase the total amount of special, federal, or higher education (current restricted and current unrestricted) fund appropriations, or to make reimbursable fund transfers from the Governor's Office of Crime Control and Prevention or the Maryland Emergency Management Agency, made in Section 1 of this Act shall be subject to the following restrictions:

- (1) This section shall not apply to budget amendments for the sole purpose of:
 - (a) appropriating funds available as a result of the award of federal disaster assistance;
 - (b) transferring funds from the State Reserve Fund – Economic Development Opportunities Fund for projects approved by the Legislative Policy Committee;
and
 - (c) appropriating funds for Major Information Technology Development Project Fund projects approved by the budget committees.
- (2) Budget amendments increasing total appropriations in any fund account by \$100,000 or more may not be approved by the Governor until (i) that amendment has been submitted to the Department of Legislative Services (DLS); and (ii) the budget committees or the

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Legislative Policy Committee have considered the amendment or 45 days have elapsed from the date of submission of the amendment. Each amendment submitted to DLS shall include a statement of the amount, sources of funds and purposes of the amendment, and a summary of impact on budgeted or contractual position and payroll requirements.

- (3) Unless permitted by the budget bill or the accompanying supporting documentation or by other authorizing legislation, and notwithstanding the provisions of Section 3-216 of the Transportation Article, a budget amendment may not:
- (a) restore funds for items or purposes specifically denied by the General Assembly;
 - (b) fund a capital project not authorized by the General Assembly provided, however, that subject to provisions of the Transportation Article, projects of the Maryland Department of Transportation shall be restricted as provided in Section 1 of this Act;
 - (c) increase the scope of a capital project by an amount 7.5% or more over the approved estimate or 5.0% or more over the net square footage of the approved project until the amendment has been submitted to DLS and the budget committees have considered and offered comment to the Governor or 45 days have elapsed from the date of submission of the amendment. This provision does not apply to the Maryland Department of Transportation; and
 - (d) provide for the additional appropriation of special, federal, or higher education funds of more than \$100,000 for the reclassification of a position or positions.
- (4) A budget may not be amended to increase a Federal Fund appropriation by \$100,000 or more unless documentation evidencing the increase in funds is provided with the amendment and fund availability is certified by the Secretary of Budget and Management.
- (5) No expenditure or contractual obligation of funds authorized by a proposed budget amendment may be made prior to approval of that amendment by the Governor.
- (6) Notwithstanding the provisions of this section, any federal, special, or higher education fund appropriation may be increased by budget amendment upon a declaration by the Board of Public Works that the amendment is essential to maintaining public safety, health, or welfare, including protecting the environment or the economic welfare of the State.
- (7) Further provided that the fiscal 2012 appropriation detail as shown in the Governor's budget books submitted to the General Assembly in January 2012 and the supporting electronic detail shall not include appropriations for budget amendments that have not been signed by the Governor, exclusive of the Maryland Department of Transportation pay-as-you-go capital program.

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- (8) Further provided that it is the policy of the State to recognize and appropriate additional special, higher education, and federal revenues in the budget bill as approved by the General Assembly. Further provided that for the fiscal 2013 allowance the Department of Budget and Management shall continue policies and procedures to minimize reliance on budget amendments for appropriations that may be included in a deficiency appropriation.

Explanation: This annual language defines the process under which budget amendments may be used.

Amendment No. 144

Add the following section:

Section 35 Maintenance of Accounting Systems

SECTION 35. AND BE IT FURTHER ENACTED, That:

- (1) The Secretary of Health and Mental Hygiene shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2011 in program M00Q01.03 Medical Care Provider Reimbursements have been disbursed for services provided in that fiscal year and shall prepare and submit the periodic reports required under this section for that program.
- (2) The State Superintendent of Schools shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2011 to program R00A02.07 Students With Disabilities for Non-public Placements have been disbursed for services provided in that fiscal year and to prepare periodic reports as required under this section for that program.
- (3) The Secretary of Human Resources shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2011 in program N00G00.01 Foster Care Maintenance Payments have been disbursed for services provided in that fiscal year and to prepare the periodic reports required under this section for that program.
- (4) For the programs specified, reports shall indicate total appropriations for fiscal 2011 and total disbursements for services provided during that fiscal year up through the last day of the second month preceding the date on which the report is to be submitted and a comparison to data applicable to those periods in the preceding fiscal year.
- (5) Reports shall be submitted to the budget committees, the Department of Legislative Services, the Department of Budget and Management, and the Comptroller on November 1, 2011, March 1, 2012, and June 1, 2012.

Sections

- (6) It is the intent of the General Assembly that general funds appropriated for fiscal 2011 to the programs specified that have not been disbursed within a reasonable period, not to exceed 12 months from the end of the fiscal year, shall revert.

Explanation: This annual language requires the maintenance of accounting systems for certain programs, states the intent of the General Assembly that general funds not disbursed be reverted, and requires reporting of disbursements by the Department of Health and Mental Hygiene (DHMH), the Maryland State Department of Education (MSDE), and the Department of Human Resources (DHR).

Information Request	Authors	Due Date
Report on appropriations and disbursements in M00Q01.03, R00A02.07, and N00G00.01	DHMH MSDE DHR	November 1, 2011 March 1, 2012 June 1, 2012

Amendment No. 145

Add the following section:

Section 36 Secretary's or Acting Secretary's Nomination and Salary

SECTION 36. AND BE IT FURTHER ENACTED, That no funds in this budget may be expended to pay the salary of a secretary or an acting secretary of any department whose nomination as secretary has been rejected by the Senate or an acting secretary who was serving in that capacity prior to the 2011 session whose nomination for the secretary position was not put forward and approved by the Senate during the 2011 session.

Explanation: This language ensures that the intentions of the Senate are reflected in the payment of executive salaries.

Amendment No. 146

Add the following section:

Section 37 Annual Executive Pay Plan Report

SECTION 37. AND BE IT FURTHER ENACTED, That the Department of Budget and Management and the Maryland Department of Transportation are required to submit to the Department of Legislative Services (DLS):

House Committee on Appropriations – Operating Budget, March 2011

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- (1) a report in Excel format listing the grade, salary, title, and incumbent of each position in the Executive Pay Plan (EPP) as of July 1, 2011, October 1, 2011, January 1, 2012, and April 1, 2012; and
- (2) detail on any lump-sum increases given to employees paid on the EPP subsequent to the previous quarterly report.

Flat rate employees on the EPP shall be included in these reports. Each position in the report shall be assigned a unique identifier, which describes the program to which the position is assigned for budget purposes and corresponds to the manner of identification of positions within the budget data provided annually to DLS.

Explanation: Legislation adopted during the 2000 session altered the structure of the EPP to give the Governor flexibility to compensate executives at appropriate levels within broad salary bands established for their positions, without reference to a rigid schedule of steps, and through other compensation methods such as a flat rate salary. These reports fulfill a requirement for documentation of any specific recruitment, retention, or other issues that warrant a pay increase.

Information Request	Authors	Due Date
Report of all Executive Pay Plan positions	Department of Budget and Management Maryland Department of Transportation	July 15, 2011; October 15, 2011; January 15, 2012; and April 15, 2012 Amendment No. 147

Add the following section:

Section 38 The “Rule of 100”

SECTION 38. AND BE IT FURTHER ENACTED, That the Board of Public Works (BPW), in exercising its authority to create additional positions pursuant to Section 7-236 of the State Finance and Procurement Article, may authorize during the fiscal year no more than 100 positions in excess of the total number of authorized State positions on July 1, 2011, as determined by the Secretary of Budget and Management. Provided, however, that if the imposition of this ceiling causes undue hardship in any department, agency, board, or commission, additional positions may be created for that affected unit to the extent that positions authorized by the General Assembly for the fiscal year are abolished in that unit or in other units of State government. It is further provided that the limit of 100 does not apply to any position that may be created in conformance with specific manpower statutes that may be enacted by the State or federal government nor to any positions created to implement block grant actions or to implement a program reflecting fundamental changes in federal/State relationships. Notwithstanding anything contained in this section, BPW may

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authorize additional positions to meet public emergencies resulting from an act of God and violent acts of men, which are necessary to protect the health and safety of the people of Maryland.

BPW may authorize the creation of additional positions within the Executive Branch provided that 1.25 full-time equivalent contractual positions are abolished for each regular position authorized and that there be no increase in agency funds in the current budget and the next two subsequent budgets as the result of this action. It is the intent of the General Assembly that priority is given to converting individuals that have been in a contractual position for at least two years. Any position created by this method may not be counted within the limitation of 100 under this section.

The numerical limitation on the creation of positions by BPW established in this section shall not apply to positions entirely supported by funds from federal or other non-State sources so long as both the appointing authority for the position and the Secretary of Budget and Management certify for each position created under this exception that:

- (1) funds are available from non-State sources for each position established under this exception;
- (2) the position's classification is not one for which another position was abolished through the Voluntary Separation Program; and
- (3) any positions created will be abolished in the event that non-State funds are no longer available.

The Secretary of Budget and Management shall certify and report to the General Assembly by June 30, 2012, the status of positions created with non-State funding sources during fiscal 2008, 2009, 2010, 2011, and 2012 under this provision as remaining authorized or abolished due to the discontinuation of funds.

Explanation: This annual language, the "Rule of 100," limits the number of positions that may be added after the beginning of the fiscal year to 100 and provides for exceptions to the limit.

Information Request	Author	Due Date
Certification of the status of positions created with non-State funding sources during fiscal 2008, 2009, 2010, 2011, and 2012	Department of Budget and Management	June 30, 2012

Amendment No. 148

Sections

Add the following section:

Section 39 Positions Abolished in the Budget

SECTION 39. AND BE IT FURTHER ENACTED, That no position identification number assigned to a position abolished in this budget may be reassigned to a job or function different from that to which it was assigned when the budget was submitted to the General Assembly. Incumbents in positions abolished, except participants in the Voluntary Separation Program, may continue State employment in another position.

Explanation: This language prevents employees from being moved into positions abolished in the budget. It also allows that incumbents in abolished positions may continue State employment in another position.

Amendment No. 149

Add the following section:

Section 40 Annual Report on Health Insurance Receipts and Spending

SECTION 40. AND BE IT FURTHER ENACTED, That the Secretary of Budget and Management shall include as an appendix in the fiscal 2013 Governor's budget books an accounting of the fiscal 2011 actual, fiscal 2012 working appropriation, and fiscal 2013 and fiscal 2014 estimated revenues and expenditures associated with the employees' and retirees' health plan. This accounting shall include:

- (1) any health plan receipts received from State agencies, employees, and retirees, as well as prescription rebates or recoveries, or audit and other miscellaneous recoveries;
- (2) any premium, capitated, or claims expenditures paid on behalf of State employees and retirees for any health, mental health, dental, or prescription plan, as well as any administrative costs not covered by these plans; and
- (3) any balance remaining and held in reserve for future provider payments.

Explanation: This language provides an accounting of the health plan revenues received and expenditures made on behalf of State employees and retirees.

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Information Request	Author	Due Date
Accounting of the employee and retiree health plan revenues and expenditures	Department of Budget and Management	With submission of Governor's fiscal 2013 budget books

Amendment No. 150

Add the following section:

Section 41 Annual Report on Authorized Positions

SECTION 41. AND BE IT FURTHER ENACTED, That immediately following the close of fiscal 2011, the Secretary of Budget and Management shall determine the total number of full-time equivalent (FTE) positions that are authorized as of the last day of fiscal 2011 and on the first day of fiscal 2012. Authorized positions shall include all positions authorized by the General Assembly in the personnel detail of the budgets for fiscal 2011 and 2012 including nonbudgetary programs, the Maryland Transportation Authority, the University System of Maryland self supported activities, and the Maryland Correctional Enterprises.

The Department of Budget and Management shall also prepare during fiscal 2012 a report for the budget committees upon creation of regular FTE positions through Board of Public Works action and upon transfer or abolition of positions. This report shall also be provided as an appendix in the fiscal 2013 Governor's budget books. It shall note, at the program level:

- (1) where regular FTE positions have been abolished;
- (2) where regular FTE positions have been created;
- (3) from where and to where regular FTE positions have been transferred; and
- (4) where any other adjustments have been made.

Provision of contractual FTE position information in the same fashion as reported in the appendices of the fiscal 2013 Governor's budget books also shall be provided.

Explanation: This is annual language providing reporting requirements for regular and contractual State positions.

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Information Request	Author	Due Date
Total number of full-time equivalents on June 30 and July 1, 2011	Department of Budget and Management	July 14, 2011
Report on the creation, transfer, or abolition of regular positions	Department of Budget and Management	As needed

Amendment No. 151

Add the following section:

Section 42 Cost-sharing Agreement with Anne Arundel County

SECTION 42. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that by January 1, 2012, the Maryland Aviation Administration (hereinafter referred to as the "Administration") and Anne Arundel County (hereinafter referred to as the "county") shall enter into a joint memorandum of understanding (MOU) to have the county pay the full cost of fire and rescue services provided by the Administration to the county. This cost sharing may be achieved by:

- (1) exempting State-owned parking spaces from the county's parking tax;
- (2) direct payment by the county to the Administration for operating and personnel expenses associated with operating a second fire and medic unit on each shift and 24 associated regular positions; or
- (3) another approach mutually agreed upon by the Administration and the county.

Further provided that the Administration shall submit a report to the budget committees by January 1, 2012, outlining the terms of the MOU. The budget committees shall have 45 days to review and comment on the MOU.

Further provided that upon the failure of the Administration and the county to formally enter into a joint MOU for fire and rescue services provided by the Administration by January 1, 2012, then 24 vacant regular positions shall be abolished from the Maryland Department of Transportation and the county's share of highway user revenues shall be reduced by \$950,984.

Explanation: Approximately 40% of BWI Fire and Rescue Department's emergency response calls provide mutual aid to surrounding jurisdictions, primarily Anne Arundel County. Exclusive of mutual aid calls, current call volumes do not support the current level of staffing at BWI Fire and Rescue Department. If staffing levels were reduced to reflect airport only calls, a reduction

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of 6 staff per shift for four shifts, or 24 positions, would be appropriate. Realizing that the mutual aid support provides an important benefit to Anne Arundel County and other neighboring jurisdictions that may lack the resources to meet current demand, this language gives Anne Arundel County an opportunity to share the cost of these services rather than lose them completely. A parking tax authorized by the General Assembly in 1971 was originally done so in contemplation of Anne Arundel County providing fire and rescue services to Baltimore/Washington International Thurgood Marshall Airport; however, the BWI Fire and Rescue Department was later developed but the tax remained in effect. Exempting State-owned parking spaces from this tax could be one method of cost-sharing, but the actual method chosen is up to negotiation between the Maryland Aviation Administration and Anne Arundel County. If no agreement is in place by January 1, 2012, then the County's share of highway user funds will be reduced and 24 vacant positions will be abolished in the Maryland Department of Transportation. Rather than abolish filled positions in the BWI Fire and Rescue Department, it is the intent of the General Assembly that as vacancies occur in the BWI Fire and Rescue Department, those vacant positions shall be reclassified to backfill the positions that were abolished outside of the BWI Fire and Rescue Department. The end result shall be the abolishment of 24 positions from the BWI Fire and Rescue Department only.

Information Request	Author	Due Date
Report outlining the terms of an MOU to provide cost-sharing for fire and rescue services	Maryland Aviation Administration	January 1, 2012

Amendment No. 152

Add the following section:

Section 43 Reimbursable Fund Reduction for Software Upgrades

SECTION 43. AND BE IT FURTHER ENACTED, That \$66,000 in reimbursable funds appropriated for system software upgrades in the Department of Health and Mental Hygiene, Office of the Secretary Operations (Program M00A01.02) shall be deleted. The Governor shall develop a schedule for allocating this reimbursable fund reduction across the department as appropriate. The reduction under this section shall equal at least the amounts indicated for the budgetary types listed:

<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>33,000</u>
<u>Special</u>	<u>16,500</u>
<u>Federal</u>	<u>16,500</u>

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Explanation: Reduce funds for system software upgrades. The action provides the same funding in fiscal 2012 as in fiscal 2011 (\$226,000).

Amendment No. 153

Add the following section:

Section 44 Medicaid Eligibility Process

SECTION 44. AND BE IT FURTHER ENACTED, That \$250,000 in general funds appropriated for the purpose of executive oversight in the Office of the Secretary in both the Department of Health and Mental Hygiene (DHMH) and the Department of Human Resources (DHR) may not be expended until DHMH and DHR submit to the budget committees:

- (1) A signed updated memorandum of understanding between the two agencies that allows the Medical Care Programs Administration to appropriately monitor the Medicaid eligibility process and to correct long-term deficiencies in that process as well as fully address any other concerns raised in Finding One of the December 2010 Office of Legislative Audits audit of the Medical Care Programs Administration. This report shall be submitted to the Office of Legislative Audits simultaneous to the submission to the budget committees.
- (2) A report detailing how the two health care reform major information technology development projects included in the fiscal 2012 budget related to eligibility determination and enrollment requirement under the federal Patient Protection and Affordable Care Act are intended to be complementary as well as the impact of the Healthy Maryland application on existing eligibility determination systems in DHMH and DHR. The report shall include full detail on potential remediation required of existing information technology systems, including cost estimates.

The budget committees shall have 45 days to review and comment prior to the expenditure of funds. Funds restricted pending the receipt of these reports may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if these reports are not submitted to the budget committees.

Explanation: The language withholds funds in the Office of the Secretary in both DHMH and DHR until the agencies respond to a finding in a recent legislative audit of Medicaid noting that the memorandum of understanding (MOU) between the departments which allows Medicaid to monitor the eligibility process and correct long-term deficiencies is inadequate and has not in fact been updated since originally written in July 1985. Additionally, based on federal data, eligibility problems appear to be the principal source of Medicaid processing errors.

The language also requires the agencies to provide a report on how additional eligibility determination and enrollment systems being planned to respond to federal health care reform

Sections

will interact with current systems. Specifically, DHR has already expressed concern that the eligibility determination and enrollment system DHMH plans to expand in order to meet federal health care requirements is based on technology that is incompatible with its existing eligibility systems.

Information Request	Authors	Due Date
Updated MOU on eligibility monitoring	DHMH DHR	45 days prior to expenditure of funds
Report on new eligibility determination and enrollment systems required under federal health care reform	DHMH DHR	45 days prior to expenditure of funds

Amendment No. 154

Add the following section:

Section 45 Report on Medicaid-eligible Inmates

SECTION 45. AND BE IT FURTHER ENACTED, That \$100,000 of the General Fund appropriation for the Department of Human Resources (DHR) and \$100,000 of the General Fund appropriation for the Department of Public Safety and Correctional Services may not be expended until the Office of Treatment Services, within the Office of the Secretary, and DHR submit a report to the budget committees exploring the issue of Medicaid eligibility of reimbursement for inmates. The report shall examine the possibility for establishing a system to determine Medicaid eligibility of inmates at the point of intake into the correctional system in order to ease the application process if an inmate were to achieve inpatient status or were to apply at the point of release from incarceration. The report shall be submitted by December 1, 2011, and the budget committees shall have 45 days 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 and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: Generally, the federal government will not reimburse states for inmate medical care under the Medicaid program. However, the Centers for Medicare and Medicaid Services have indicated that inmates lose their “inmate status” and obtain “inpatient status” when treated in an inpatient hospital setting that is not under control of a state correctional system. The size of the Medicaid-eligible population is not known in Maryland and therefore the potential for additional federal revenue is indeterminable. This report requires the Office of Treatment Services (OTS), in conjunction with DHR, to examine the issue and begin the process of identifying the potential size of the population. With the potential to receive additional federal revenue, OTS and DHR should be working toward identifying the size of the potential

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population, the number of hospital days potentially eligible for reimbursement, and any additional costs associated with determining eligibility. The Department of Public Safety and Correctional Services should also consider the possibility of having a system in place where inmates are assessed at intake and notations of eligibility are kept in case files.

Information Request	Authors	Due Date
Determining the Medicaid-eligible inmate population	OTS DHR	December 1, 2011

Amendment No. 155

Add the following section:

Section 46 Chesapeake Bay Restoration Spending

SECTION 46. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the Department of Budget and Management (DBM) and Department of Natural Resources (DNR) provide two reports on Chesapeake Bay restoration spending. The reports shall be drafted subject to the concurrence of the Department of Legislative Services (DLS) in terms of both electronic format to be used and data to be included. The scope of the reports is as follows:

- (1) Chesapeake Bay restoration operating and capital expenditures by agency, fund type, and particular fund source based on programs that have over 50% of their activities directly related to Chesapeake Bay restoration for the fiscal 2011 actual, fiscal 2012 working appropriation, and fiscal 2013 allowance, which is to be included as an appendix in the fiscal 2013 budget volumes and submitted electronically in disaggregated form to DLS; and
- (2) a plan for tracking two-year milestone funding for the January 1, 2012, through December 31, 2013 time period, including a discussion of how funding responsibility will be allocated and tracked in the Phase II portion of the Watershed Implementation Plan development.

Explanation: This language expresses intent that DBM and DNR continue to provide information on (1) overall Chesapeake Bay restoration spending; and (2) a plan for tracking funding for the next two-year milestone at the time of the fiscal 2013 budget submission.

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Information Request	Authors	Due Date
Summary of Chesapeake Bay restoration expenditures and plan for tracking two-year milestone funding	DBM DNR	Fiscal 2013 State budget submission and annually thereafter

Amendment No. 156

Add the following section:

Section 47 Revenues in the Strategic Energy Investment Fund

SECTION 47. AND BE IT FURTHER ENACTED, That the Department of Budget and Management shall provide an annual report on the Strategic Energy Investment Fund (SEIF) to the General Assembly in conjunction with submission of the fiscal 2013 budget and annually thereafter as an appendix to the Governor's budget books. This report shall include information for the actual fiscal 2011 budget, fiscal 2012 working appropriation, and fiscal 2013 allowance. The report shall detail revenue assumptions used to calculate the available SEIF for each fiscal year including:

- (1) the number of auctions;
- (2) the number of allowances sold;
- (3) the allowance price for both the current and future control period allowances sold in each auction; and
- (4) alternative compliance payments.

The report shall also include detail on the amount of SEIF available to each agency that receives funding through each required allocation:

- (1) energy assistance;
- (2) energy efficiency and conservation programs, low- and moderate-income sector;
- (3) energy efficiency and conservation programs, all other sectors;
- (4) renewable and clean energy programs and initiatives, education, and climate change programs;
- (5) administrative expenditures; and
- (6) dues owed to the Regional Greenhouse Gas Initiative, Inc.

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Explanation: This language requires the Department of Budget and Management (DBM) to include as an appendix in the Governor's budget books for fiscal 2013 detail on the revenue assumptions used to determine the amount of the SEIF available for use in each year as well as how those revenues will be distributed to various agencies. This information will lead to increased transparency and a more comprehensive understanding of the use of the SEIF by the General Assembly.

Information Request	Author	Due Date
Report on revenue assumptions and use of the SEIF	DBM	With submission of the Governor's fiscal 2013 budget books

Amendment No. 157

Add the following section:

Section 48 Additional Position Abolitions

SECTION 48. AND BE IT FURTHER ENACTED, That the Governor shall abolish 650 regular full-time equivalent positions from the Executive Branch during fiscal 2012, and funding for salaries and fringe benefits shall be reduced by \$15,000,000 in general funds above any difference between actual general fund savings realized by the Voluntary Separation Program and the \$40,000,000 savings target associated with Section 22 of this bill. The abolitions shall occur on or before January 1, 2012, and an accounting of the abolished positions shall be noted in Appendix E of the fiscal 2013 budget submission. Priority shall be given to the abolition of positions that have been vacant for longer than one year as of July 1, 2011, or that are vacated by the current incumbent before January 1, 2012.

Explanation: This action abolishes 650 regular full-time equivalent positions in the Executive Branch and reduces general fund spending by \$15 million and ensures that the entire \$40 million in general fund savings assumed by Section 22 of the budget bill are realized. The action instructs the Administration to give priority to the abolition of long-term vacancies and positions made vacant through attrition.

Amendment No. 158

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Add the following section:

Section 49 Substance Abuse Treatment Options for Court-involved Youth

SECTION 49. AND BE IT FURTHER ENACTED, That \$100,000 of the General Fund appropriation for the Department of Juvenile Services, \$100,000 of the General Fund appropriation for the Office of Problem-Solving Courts, and \$100,000 of the General Fund appropriation for the Alcohol and Drug Abuse Administration made for the purpose of funding juvenile drug court activities may not be expended until these agencies jointly submit a report on substance abuse treatment options for court-involved youth. The report shall identify demand for substance abuse services from within the juvenile justice system both at the State and local level as well as evidence-based practice program options available for the different levels of substance abuse treatment considered appropriate. The report shall also include input from treatment providers and shall include a proposed plan for realigning substance abuse treatment and funding with the results of the report. The report shall be submitted by August 15, 2011, and the budget committees shall have 45 days 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 and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This language restricts funds for the Department of Juvenile Services (DJS), the Office of Problem-Solving Courts (OPSC), and the Alcohol and Drug Abuse Administration (ADAA) pending receipt of a previously requested report identifying the demand for substance abuse services for court-involved youth. Underutilization of juvenile drug court slots is an ongoing concern, and it is important to understand the demand for services, as well as the various types of substance abuse treatment options available to youth in need.

Information Request	Authors	Due Date
Substance abuse treatment options for court-involved youth	DJS OPSC ADAA	August 15, 2011

Amendment No. 159

Add the following language:

Section 50 Electricity Savings

SECTION 50. AND BE IT FURTHER ENACTED, That on or before July 1, 2011, the Governor shall develop a schedule to allocate a reduction of \$5,000,000 for electricity (comptroller subobject 0620) across all Executive Branch agencies. The reduction shall be allocated according to the following fund types:

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<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>2,023,449</u>
<u>Special</u>	<u>2,976,551</u>

Explanation: Provided that it is the intent of the General Assembly to encourage the implementation of energy conservation efforts such as facility upgrades, renewable energy, and the development of a statewide electricity purchasing strategy. This action reduces statewide funding allocated for electricity within Executive Branch agencies by \$5 million, or 6.8%, in general and special funds. The Governor shall develop a schedule that allocates these reductions across Executive Branch agencies by July 1, 2011.

Amendment No. 160

Add the following section:

Section 51 Reports on Permit Issuances

SECTION 51. AND BE IT FURTHER ENACTED, That the Maryland Department of Transportation – State Highway Administration, Maryland Department of the Environment, Department of Natural Resources, and Department of Business and Economic Development shall submit quarterly reports to the budget committees providing year-to-date information on the following:

- (1) the number of permits requested by the public and issued by each agency;
- (2) the turnaround time between initial receipt of permit request and permit issuance; and
- (3) the average turnaround time for each type of permit issued.

Explanation: The General Assembly is concerned that the State regulatory process is inhibiting the activities of the private sector. Therefore, the Maryland Department of Transportation – State Highway Administration (SHA), Maryland Department of the Environment (MDE), Department of Natural Resources (DNR), and Department of Business and Economic Development (DBED) shall submit quarterly reports to the budget committees providing year-to-date permit issuance statistics.

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Information Request	Authors	Due Date
Quarterly reports on permits	SHA MDE DBED DNR	Quarterly beginning July 1, 2011

Amendment No. **161**

Technical Amendment

Technical Amendment No. 1

Renumber SECTION 27. as SECTION 52. and SECTION 28. as SECTION 53.

Amendment No. 162