

BY: Senator Stoltzfus

AMENDMENT TO HOUSE BILL 50, AS AMENDED
(Third Reading File Bill – Committee Reprint)

On page 251, after line 5, insert:

“SECTION 47. AND BE IT FURTHER ENACTED, That notwithstanding any other provision of this Act, general funds shall be reduced by \$113,000,000. The reduction shall be allocated as follows:

<u>Executive Branch</u>	<u>\$110,000,000</u>
<u>Judicial Branch</u>	<u>\$ 3,000,000</u>

The Governor is hereby authorized to allocate the reduction among agencies and programs of the executive branch, excluding higher education. This reduction may not apply to the following items:

- (1) Debt service;
- (2) Funds for employee increments and general salary increase;
- (3) Enrollment growth for Medicaid and the Maryland Children’s Health Program; or
- (4) Funds for additional correctional officers unless they are not required due to the closure of the Maryland House of Correction.

In addition to the reduction required above, a total of \$310,129,165 in general fund appropriations shall be reduced from the following programs as follows, contingent on the enactment of Senate Bill 1021 to limit growth in education aid to 8% and community college aid to 10%, level fund certain other programs at either their

(Over)

fiscal 2006 or fiscal 2007 amounts, begin a phased elimination of electricity generating equipment property tax grants, and require the Department of Health and Mental Hygiene to establish a premium plan for certain Medicaid program recipients:

(1)	<u>A15O00.01 Disparity Grants</u>	<u>\$5,333,453</u>
(2)	<u>A20T00.01 Electricity Generating Equipment Property Tax Grant</u>	<u>\$7,653,798</u>
(3)	<u>L00A12.20 Maryland Agricultural and Resource-Based Industry Development Corporation</u>	<u>\$1,500,000</u>
(4)	<u>M00F02.07 Core Public Health Services</u>	<u>\$2,889,332</u>
(5)	<u>M00Q01.03 Medical Care Provider Reimbursements</u>	<u>\$18,700,000</u>
(6)	<u>R00A02.01 State Share of Foundation Program</u>	<u>\$165,898,388</u>
(7)	<u>R00A02.02 Compensatory Education</u>	<u>\$56,703,359</u>
(8)	<u>R00A02.07 Students with Disabilities</u>	<u>\$17,537,057</u>
(9)	<u>R00A02.24 Limited English Proficient</u>	<u>\$7,919,236</u>
(10)	<u>R62I00.03 Joseph A. Sellinger Formula for Aid to Non-Public Institutions of Higher Education</u>	<u>\$8,586,467</u>
(11)	<u>R62I00.05 The Senator John A. Cade Funding Formula for the Distribution of Funds to Community Colleges</u>	<u>\$15,408,075</u>
(12)	<u>T00G00.03 Maryland Tourism Board</u>	<u>\$2,000,000</u>

In addition to the reductions required above, contingent on the enactment of Senate Bill 1021 limiting the fiscal 2008 general fund increase to 10%, the general fund appropriation for Baltimore City Community College under R75T00.01 Support for State Operated Institutions of Higher Education is reduced by \$1,671,480.

In addition to the reductions required above, a total of \$44,600,000 in general fund appropriations shall be reduced from the following programs as follows, contingent on the enactment of legislation to cap State payments for teachers' retirement and pension costs at \$555,000,000 and require local Boards of Education, Boards of Community College Trustees, and Boards of Library Trustees to assume the responsibility for costs above \$555,000,000:

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| (1) | <u>R00A02.03 Aid for Local Employee Fringe Benefits</u> | <u>\$43,000,000</u> |
| (2) | <u>R62I00.06 Aid to Community Colleges – Fringe Benefits</u> | <u>\$1,600,000</u> |

In addition to the reductions required above, the general fund appropriation for the University System of Maryland under R75T00.01 Support for State Operated Institutions of Higher Education is reduced by \$43,300,000.

In addition to the reductions required above, the general fund appropriation for Morgan State University under R75T00.01 Support for State Operated Institutions of Higher Education is reduced by \$3,800,000.

In addition to the reductions required above, a total of \$13,980,000 in general fund appropriations shall be reduced from the following programs as follows, contingent on funding for the program being provided in the capital budget bill (House Bill 51):

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| (1) | <u>D06E02.01 Public Works Capital Appropriation – Public Safety Communication System</u> | <u>\$7,500,000</u> |
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(Over)

- (2) U00A01.03 Capital Appropriation – Water Quality Revolving Loan Fund
\$4,240,000
- (3) U00A01.05 Capital Appropriation – Drinking Water Revolving Loan Fund
\$2,240,000”;

in lines 6 and 13, strike “47.” and “48.”, respectively, and substitute “48.” and “49.”, respectively.

Explanation: These provisions provide for a \$530 million general fund reduction in the fiscal 2008 budget, \$312 million of which is contingent on legislation that would limit growth in fiscal 2008 funding for primary/secondary education to 8% and for community colleges to 10%, level fund certain programs, phase out the property tax grant program, and require the Department of Health and Mental Hygiene to establish a Medicaid premium plan for certain recipients. An additional \$44.6 million is reduced contingent on legislation capping State payments for teachers’ retirement and pensions at \$555 million. Higher education funding would be sufficient to fund current services. Certain PAYGO capital programs would be reduced, contingent on those projects being funded in the capital budget bill. Certain items in the budget would not be subject to the across-the-board reduction of \$113 million. Implementing these reductions would limit fiscal 2008 general fund budget growth to \$321 million or 2.4% above fiscal 2007, exclusive of appropriations to the reserve fund. It would also add \$530 million to the fiscal 2008 fund balance. This balance and the ongoing reductions implemented through these provisions and SB 1021 would address almost 75% of the projected \$1.6 billion budget gap in fiscal 2009.