

ITEM: 15-GM (Cont.)

General Fund Agency Reductions

	<u>Working Appropriation</u>	<u>2% Reduction</u>	<u>Additional Reductions</u>	<u>TOTAL</u>	<u>%</u>
Payments to Civil Divisions of the State	163,455,826		7,989,089	7,989,089	4.9%
General Assembly of Maryland	82,328,405		0	0	0.0%
Judiciary	429,945,610		0	0	0.0%
Office of the Public Defender	96,356,457	1,927,129	0	1,927,129	2.0%
Office of the Attorney General	17,407,215	348,144	0	348,144	2.0%
Office of the State Prosecutor	1,435,438	28,708	0	28,708	2.0%
Maryland Tax Court	609,330	12,186	0	12,186	2.0%
Board of Public Works	8,270,249	165,404	0	165,404	2.0%
Board of Public Works - PAYGO	1,100,000		0	0	0.0%
Executive Dept. - Governor	12,243,737	244,874	0	244,874	2.0%
Office of the Deaf & Hard of Hearing	363,066	7,261	0	7,261	2.0%
Dept. of Disabilities	3,090,073	61,801	0	61,801	2.0%
Executive Dept. - Boards & Commissions	103,526,989	183,620	558,051	741,671	0.7%
Secretary of State	1,945,051	38,901	0	38,901	2.0%
Historic St. Mary's City Commission	2,156,846	43,136	0	43,136	2.0%
Governor's Office for Children	1,898,176	37,963	84,000	121,963	6.4%
Interagency for School Construction	1,864,650	37,293	0	37,293	2.0%
Dept. of Aging	21,040,012	420,800	0	420,800	2.0%
Commission on Civil Rights	2,511,163	50,223	0	50,223	2.0%
Stadium Authority	14,746,000	294,920	0	294,920	2.0%
State Board of Elections	6,436,256	128,725	130,000	258,725	4.0%
State Board of Contract Appeals	668,775	13,375	0	13,375	2.0%
Dept. of Planning	22,935,361	258,707	331,694	590,401	2.6%
Military Dept.	12,174,533	243,490	0	243,490	2.0%
Veterans Affairs	8,364,198	167,283	0	167,283	2.0%

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State Archives	2,131,467	42,629	0	42,629	2.0%
MD Health Benefit Exchange	15,513,882	310,277	0	310,277	2.0%
Canal Place Authority	116,211	2,324	0	2,324	2.0%
Office of the Comptroller	83,874,736	1,677,494	0	1,677,494	2.0%
Treasurer	4,995,418	99,908	0	99,908	2.0%
Dept. of Assessments and Taxation	108,292,984	522,820	0	522,820	0.5%
Lottery & Gaming Control Agency	71,204,643	1,424,092	0	1,424,092	2.0%
Property Tax Assessment Appeals Board	1,067,450	21,349	0	21,349	2.0%
Dept. of Budget and Management	17,399,590	347,991	0	347,991	2.0%
Major Information Technology Fund	21,668,423	433,368	0	433,368	2.0%
Dept. of Information Technology	18,635,424	372,708	344,000	716,708	3.8%
Dept. of General Services	62,501,994	1,250,039	0	1,250,039	2.0%
Dept. of Natural Resources	51,014,045	1,020,280	0	1,020,280	2.0%
Dept. of Agriculture	27,567,964	490,660	0	490,660	1.8%
Dept. of Health and Mental Hygiene	4,091,470,033	25,448,100	38,386,864	63,834,964	1.6%
Dept. of Human Resources	627,536,992	6,578,440	0	6,578,440	1.0%
Dept. of Labor, Licensing and Regulation	45,507,540	910,150	0	910,150	2.0%
Dept. of Public Safety & Correctional Services	1,176,297,891	23,525,957	0	23,525,957	2.0%
MD State Dept. of Education	5,911,152,180	1,801,220	1,032,000	2,833,220	0.0%
MD Public Broadcasting Corporation	8,044,694	160,893	0	160,893	2.0%
MD Higher Education Commission	454,662,220	2,059,900	7,400,000	9,459,900	2.1%
State Support for Higher Education	-	-	-	-	-
University System of Maryland	1,189,949,592	23,798,992	16,529,898	40,328,890	3.4%
Morgan State University	82,153,363	1,643,067	620,770	2,263,837	2.8%
Baltimore City Community College	41,335,121	826,702	296,776	1,123,478	2.7%
St. Mary's College of Maryland	18,698,218	373,964	152,556	526,520	2.8%

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MD School for the Deaf	30,002,117		0	0	0.0%
Dept. of Housing & Community Development	9,706,075	194,121	1,411,000	1,605,121	16.5%
MD African-American Museum Corp.	2,000,000	40,000	0	40,000	2.0%
Dept. of Business & Economic Development	79,407,204	1,050,880	4,500,000	5,550,880	7.0%
Technology Development Corporation	19,073,192	381,463	0	381,463	2.0%
Dept. of the Environment	34,699,997	693,999	261,000	954,999	2.8%
Dept. of Juvenile Services	284,017,203	5,680,344	0	5,680,344	2.0%
Dept. of State Police	247,545,867	4,950,917	0	4,950,917	2.0%
Debt Service	140,000,000		0	0	0.0%
State Reserve Fund	19,713,999		4,928,499	4,928,499	25.0%
TOTAL	16,015,831,145	112,848,991	84,956,197	197,805,188	1.2%

VSP / Vacant Positions	37,500,000
Reversions	1,400,000
Revenues	3,642,304
Transfer - BRFA	108,075,000
Contingent Reductions - BRFA	53,000,000

TOTAL **401,422,492**

Special Fund Agency Reductions

	<u>Working Appropriation</u>	<u>2% Reduction</u>	<u>Additional Reductions</u>	<u>TOTAL</u>	<u>%</u>
Dept. of Health and Mental Hygiene	1,333,085,886		7,450,000	7,450,000	0.6%

Summary of Proposed January 7 BPW Additional Reductions - REVISED

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Fund Balances/ Other
A15	Aid to Civil Divisions Disparity Grant	Fund Disparity Grant at the Fiscal Year 2014 level.	(7,989,089)	
D13	Energy Administration Strategic Energy Investment Fund - Fund Balance Transfer	Transfer balance available in the Strategic Energy Investment Fund to the General Fund		6,000,000
	Jane E. Lawton Conservation Loan Program Fund - Fund Balance Transfer	Transfer balance available in the Jane Lawton Fund to the General Fund		3,000,000
D15	Governor's Office - Boards and Commissions Police Aid	Fund police aid to local jurisdictions at the Fiscal Year 2014 level.	(558,051)	
D18	Governor's Office for Children Grants and Operating Expenses	Eliminate \$75,000 in funding for anti-hunger grants and \$9,000 for various administrative expenses including travel and office supplies.	(84,000)	
D28	Maryland Stadium Authority	Authorize receipt of rent payment to the State approved by Stadium Authority.		3,000,000
D38	State Board of Elections Rent	Reduce overbudgeted rent costs.	(21,000)	
	Fund Swap	Reduce general funds and substitute special funds from fees related to campaign finance documents.	(109,000)	
D40	Planning Fund Swap	Reduce general funds and substitute excess special funds in the Parcel Mapping Fund to cover certain operating expenses.	(200,000)	
	Battle of Brooklyn Research	Eliminate funding for research on the Battle of Brooklyn as project cannot be pursued at this time.	(131,694)	
F50	Information Technology Equipment Lease Purchase	Reduce equipment funding based on lease repayment schedule for FY 2015.	(244,000)	
	Contract Savings	Use fiscal year 2014 encumbered funds for GIS contractual services, saving general funds.	(100,000)	

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Fund Balances/ Other
K00	Natural Resources			
	Program Open Space - Fund Balance Transfer	Transfer unencumbered special fund balance for both State-side and local Program Open Space projects to the General Fund.		11,800,000
	Waterway Improvement Fund - Transfer	Transfer balance available in the Waterway Improvement Fund to the General Fund. No impact on current year projects.		2,000,000
L00	Agriculture			
	Bay Restoration Fund - Fund Balance Transfer	Transfer surplus special funds from the Bay Restoration Fund to the General Fund.		1,375,000
M00	Health and Mental Hygiene			
	Laboratories Administration	Reduce funding to reflect a delay in the opening of the new facility until January 2015.	(1,069,696)	
	Community Services Reimbursement Rate Commission	Eliminate funding for the Community Services Reimbursement Rate Commission, as the Commission has not been operational since January 2014.	(106,680)	
	Behavioral Health - Psychiatrist Rates	Reduce psychiatrist Evaluation & Management (E&M) reimbursement rates from 100% to 87% of Medicare effective April 2015.	(685,000)	
	DDA and Mental Health Provider Rates	Reduce developmental disabilities and mental health provider rate increases from 4% to 2%, effective January 2015.	(8,400,000)	
	Medicaid - Provider Rates	Reduce all FY 2015 provider rate increases for Medical Day Care, Personal Care, and Private Duty Nursing, Home and Community Based Options, and Community First Choice by 50% effective January 1, 2015.	(650,000)	
	Medicaid - Physician Rates	Reduce physician Evaluation & Management (E&M) reimbursement rates from 100% to 87% of Medicare effective April, 2015.	(9,000,000)	
	Nursing Homes - Rates	Reduce nursing home rate increase which took effect January 1, 2015 to 1%, effective January 1, 2015.	(2,000,000)	

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Fund Balances/ Other
	Pharmacy Reimbursements	Reduce pharmacy dispensing fees as part of the transition to a new pharmacy reimbursement methodology.	(101,823)	
	Local Health Grants	Fund State-funded grants to local health departments at fiscal year 2014 level.	(5,923,665)	
	Academic Health Centers	Fund special funded cancer research grants at FY 2013 levels and substitute those special funds for general funds in Medicaid.	(7,450,000)	
	Behavioral Health - Fund Swap	Reduce general funds and substitute special funds from the Community Health Resources Commission to cover behavioral health services for the uninsured population.	(3,000,000)	
	Board of Nursing - Fund Balance Transfer	Transfer surplus fund balance from licensing fees to the General Fund.		2,500,000
	Board of Pharmacists - Fund Balance Transfer	Transfer surplus fund balance from licensing fees to the General Fund.		1,600,000
	Board of Physicians - Fund Balance Transfer	Transfer surplus fund balance from licensing fees to the General Fund.		1,800,000
	Uncompensated Care Savings	Assumed savings to Medicaid from a reduction in hospital rates as the result of a reduction in hospital uncompensated care costs (contingent reduction).		8,000,000
	Maryland Health Insurance Plan - Fund Balance Transfer	Use the non-federal portion of the remaining MHIP fund balance to support increased Medicaid enrollment, including former MHIP enrollees. This still allows funding to cover the reinsurance costs for Qualified Health Plans in calendar Year 2015 and the run out costs of MHIP (contingent reduction).		45,000,000

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Fund Balances/ Other
P00	Labor, Licensing, and Regulation Mortgage Lender-Originator Fund - Fund Balance Transfer	Transfer portion of the balance in the Mortgage Lender-Originator Fund to the General Fund.		3,000,000
R00	State Department of Education Salary Savings	Achieve salary savings from increasing turnover expectancy to reflect turnover experience in the Department.	(441,000)	
	Aid to Education	Align funding with projected spending based on lower actual experience within the Out of County Placement and Montgomery County Optional Library Retirement grant programs		1,400,000
R00	Children's Cabinet Fund Care Management Entity	Align funding with utilization of Care Management Entity slots.	(591,000)	
R13	Morgan State University Proportional Reduction	Reduce funding to reflect University's proportional share of a total reduction to higher education.	(620,770)	
R14	St. Mary's College of Maryland Proportional Reduction	Reduce funding to reflect College's proportional share of a total reduction to higher education.	(152,556)	
R30	University System of Maryland Proportional Reduction	Reduce funding to reflect USM's proportional share of a total reduction to higher education.	(8,929,898)	
	Targeted Reduction	Reduce positions, support for facilities renewal, student and academic services, and administrative support.	(7,600,000)	
R62	Maryland Higher Education Commission Community Colleges	Reduce growth in community college funding by 50% - \$6.6 million reduction in funding under the Cade formula and a \$200,000 reduction in other special community college small grants.	(6,800,000)	
	Regional Higher Education Centers	Reduce State funding for the Regional Higher Education Centers.	(600,000)	

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Fund Balances/ Other
	Health Personnel Shortage Incentive Grant Program	Transfer fund balance accumulated through the end of FY 2014 to the General Fund.		1,700,000
R95	Baltimore City Community College Reduction	Reduce funding to reflect proportional share of a total reduction to higher education.	(296,776)	
	Fund Balance Transfer	Transfer a portion of the fund balance to the general fund.		4,000,000
S00	Housing and Community Development Fund Swap	Reduce general funds and substitute special funds for expenses associated with the headquarters move to New Carrollton.	(1,411,000)	
T00	Business & Economic Development CyberMaryland Investment Incentive Tax Credit Program	Reduce the cybersecurity tax credit by \$3.5 million. Leaves \$1.5 million remaining for tax credits in fiscal year 2015 from revised appropriation and prior fund balances	(3,500,000)	
	Tourism Development Board	Fund the Maryland Tourism Development Board at the fiscal year 2014 level (\$9.5 million).	(1,000,000)	
U00	Environment Fund Swap and Lease Savings	Reduce general funds for operating expenses and substitute special funds available in the Oil Control Program, and reduce funding for lease purchase payments related to computer upgrades.	(261,000)	
U10	Maryland Environmental Service Unearned Revenues	Return unearned revenues from user agencies to the General Fund after MES project contingency funds are replenished.		642,304

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Fund Balances/ Other
W00	State Police Helicopter Replacement Fund - Fund Balance Transfer	Transfer remaining balance in the Helicopter Replacement Fund to the General Fund as funds are no longer needed for helicopter replacement.		300,000
Y01	State Reserve Fund Rainy Day Fund	Reduce allocation to the Rainy Day Fund as less funding is required to maintain reserve of 5% of revenues due to downward revision in revenue estimates. This action maintains a fund balance that is 5% of revenues.	(4,928,499)	
	Statewide Items			
	Unemployment Insurance Fund Balance Transfer	Transfer a portion of the balance available in the State Unemployment Insurance Fund to the General Fund.		4,000,000
	Local Income Tax Reserve Fund Balance Transfer	Transfer a portion of the balance in the fund, to be repaid in a subsequent fiscal year as specified in the BRFA. The balance in the fund at the end of November is almost \$250 million.		65,000,000
	Voluntary Separation Program / Vacant Position Abolition	Implement a voluntary separation program similar to the program in 2010 and abolish a portion of the positions vacated by employees. Additionally, abolish general fund positions to generate \$30 million in annual savings. These two actions should result in the abolition of more than 1,000 positions from State Government. As the exact reductions from these actions are not known at this time, the savings will be implemented at a subsequent Board of Public Works Meeting.		37,500,000
	TOTAL		(84,956,197)	203,617,304