



BUSINESS REGULATION GROUP

HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION AND ECONOMIC DEVELOPMENT
DELEGATE ADRIENNE A. JONES, CHAIR
DELEGATE BEN BARNES, VICE-CHAIR
FEBRUARY 15, 2017

SENATE COMMITTEE ON BUDGET AND TAXATION
SUBCOMMITTEE ON EDUCATION, BUSINESS & ADMINISTRATION
SENATOR NANCY J. KING, CHAIR
FEBRUARY 20, 2017

KELLY M. SCHULZ, SECRETARY



Agenda

INTRODUCTION
BUDGET OVERVIEW
EXECUTIVE SUMMARY
BUDGET ANALYSIS RESPONSES





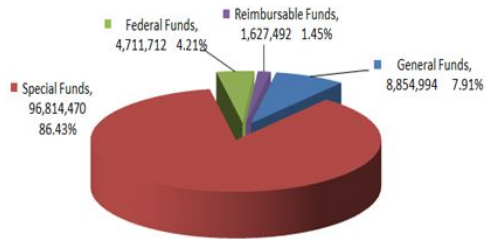
FY 2016 Actual and FY 2017 Appropriation

The Workforce Group is supported by a combination of general, special, federal and reimbursable funding as follows:

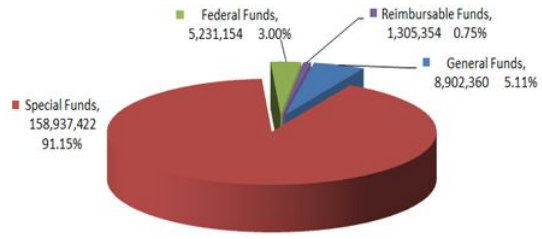
Note: *Special Funds Increase due to Video Lottery Terminal Revenue*

BUSINESS					
	FY 2016		FY 2017		FY 2018
	ACTUAL	%	APPROPRIATION	%	ALLOWANCE
General Funds	8,854,994	0.079	8,902,360	0.051	8,823,706
Special Funds	96,814,470	0.864	158,937,422	0.911	202,569,129
Federal Funds	4,711,712	0.042	5,231,154	0.030	5,315,669
Reimbursable Funds	1,627,492	0.015	1,305,354	0.007	1,259,290
Total	112,008,668	1.000	174,376,290	1.000	217,967,794

FY 2016 ACTUAL



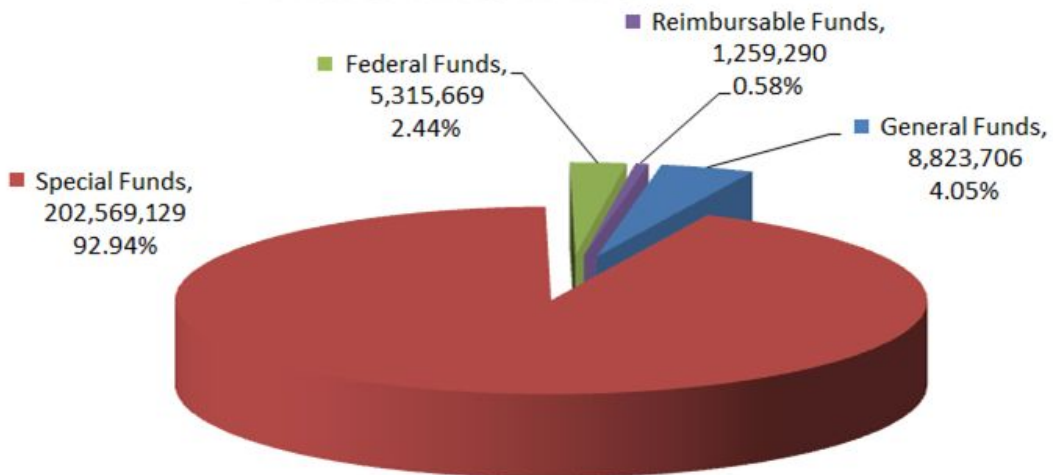
FY 2017 APPROPRIATION



3 ■ General Funds ■ Special Funds ■ Federal Funds ■ Reimbursable Funds

■ General Funds ■ Special Funds ■ Federal Funds ■ Reimbursable Funds

FY 2018 ALLOWANCE



■ General Funds ■ Special Funds ■ Federal Funds ■ Reimbursable Funds

Vacancy Rates

190 vacancies

- 96 (51%) held for budgetary or other reasons
- 72 (38%) under active recruitment
- 22 (11%) actionable positions
- The number of vacancies in the Business Regulation Group is high primarily due to extremely difficult to fill positions in the Division of Labor and Industry.
- With the exception of the MOSH positions slated for a spring recruitment, all positions are in an active recruitment status.

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Executive Summary

The **Division of Labor and Industry's** mission is to protect and promote the health, safety and employment rights of the citizens of Maryland through the administration of seven budgeted programs:

1. General Administration;
2. Employment Standards;
3. Worker Classification;
4. Safety Inspections;
5. Apprenticeship and Training;
6. Prevailing and Living Wage; and
7. Occupational Safety and Health Administration.

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Executive Summary

- The **Division of Occupational and Professional Licensing** administers regulatory programs governing the practice of 26 occupations and professions in Maryland.
- The activities of the division are primarily conducted through licensing boards and commissions, established by statute and empowered to regulate the occupations and professions.
- The boards and commissions oversee the licensing systems by qualifying and testing individuals for licensing; issuing and renewing licenses; establishing ethical and other standards of practice for the occupation or profession; and enforcing compliance of licensees with practice standards and Maryland law.

Budget Analysis Responses

1. Vacancy Rates
2. DLS recommends that DLLR discuss the proposed transfer of OFR to MIA.
3. DLS recommends that the Purse Dedication Account and the Racetrack Facility Renewal Fund be flat funded in accordance with fiscal 2017 levels and that the additional revenue for fiscal 2018 be transferred to the Education Trust Fund.
4. DLS recommends that the department comment on any observable improvements in the horseracing industry.

Executive Summary

- The **Division of Financial Regulation** is the primary regulator for state-chartered financial institutions and state-licensed financial providers.
 - The Division charters and supervises, both on-site and remotely, 55 banks, credit unions, and trust companies.
 - The Division licenses and supervises/monitors some 16,500 businesses and individuals engaged in the businesses of:
 - Mortgage lending, servicing, brokering, and originating; debt management, debt settlement, and debt collection; check cashing; money transmission; consumer lending (including installment and sales finance); credit services; and credit reporting.
 - The Division is responsible for certain forms and practices mandated in the foreclosure process, and maintains the Notice of Intent to Foreclose and the Foreclosed Property Registry databases.
-

House Bill 247

Commissioner of Financial Regulation and State Collection
Agency Licensing Board - Reorganization and Miscellaneous
Revisions

Objective: Combine two agencies with similar focus to create synergies and efficiencies.

Move will lead to:

- Increased Customer Service
- Fiscal Responsibility
- Efficiencies
- Economic Growth
- Streamlining Government Agencies with similar missions



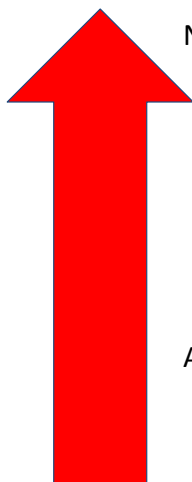
Executive Summary

The **Maryland Racing Commission** oversees and regulates pari-mutuel betting and both the harness and thoroughbred horse racing industry in Maryland, including the state's six off-track betting sites.

In addition, the Racing Commission receives and distributes racing and video slots revenues to local subdivisions - \$146,671,846 since 2011. Distribution is through impact aid grants to counties and municipalities containing or located near thoroughbred tracks, or those jurisdictions where video slot facilities are located.



Horse Industry Showing Observable Improvements Since 2009

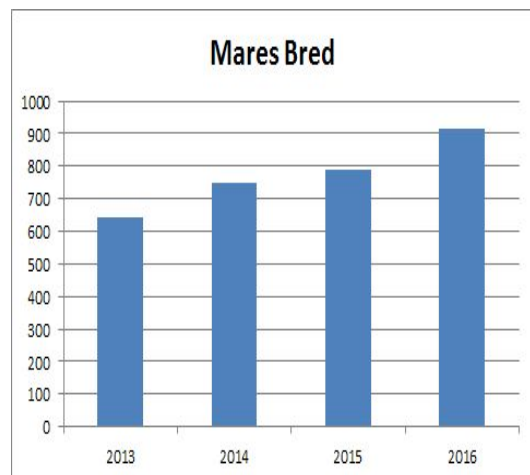


Number of:

- Races
- Live Days
- Starters
- Overnight Races
- Stakes
- Maryland bred horses

And

- Average Starters per Race
- Average Purses per Day





Maryland Racing Commission

Purse Dedication Account - All racetracks receive funds from the purse dedication account, which is distributed by statutory allocation.

Positive Impact of video gaming:

- Contrary to downward national trends, video slot revenue continues to provide the racing industry increases in purses, field sizes, and additional days of live thoroughbred racing for 2017.
- Total wagering in Maryland was reported to be a 19.7% increase over 2015 and the signature racing events, (Preakness, Black Eyed Susan and Maryland Million day) all showed increases over 2015 in both wagering and attendance.



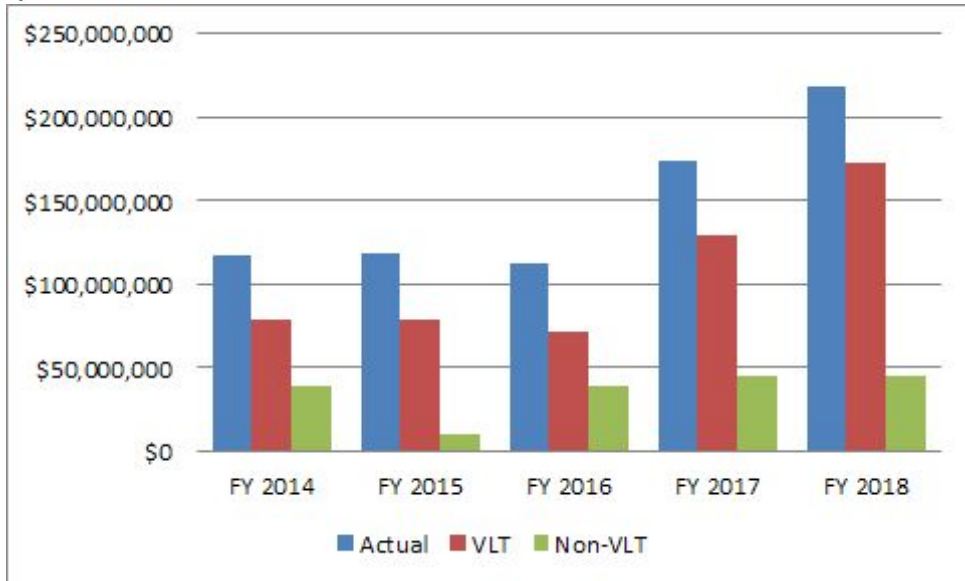
Maryland Racing Commission

Racetrack Facility Redevelopment Fund - All eligible racetracks have utilized the benefit of the Racetrack Facility Redevelopment Fund for capital improvements, such as:

- The Maryland Jockey Club continues to express its commitment to the Maryland Racing industry through ongoing construction of new barns and re-furbishing the public facilities. In 2016 the Maryland Jockey Club spent in excess of \$21 Million for capital construction and improvements, and over \$54 Million since the inception.



FY 2014 Actual - FY 2018 Allowance Actual Budget with VLT and Non-VLT Revenue





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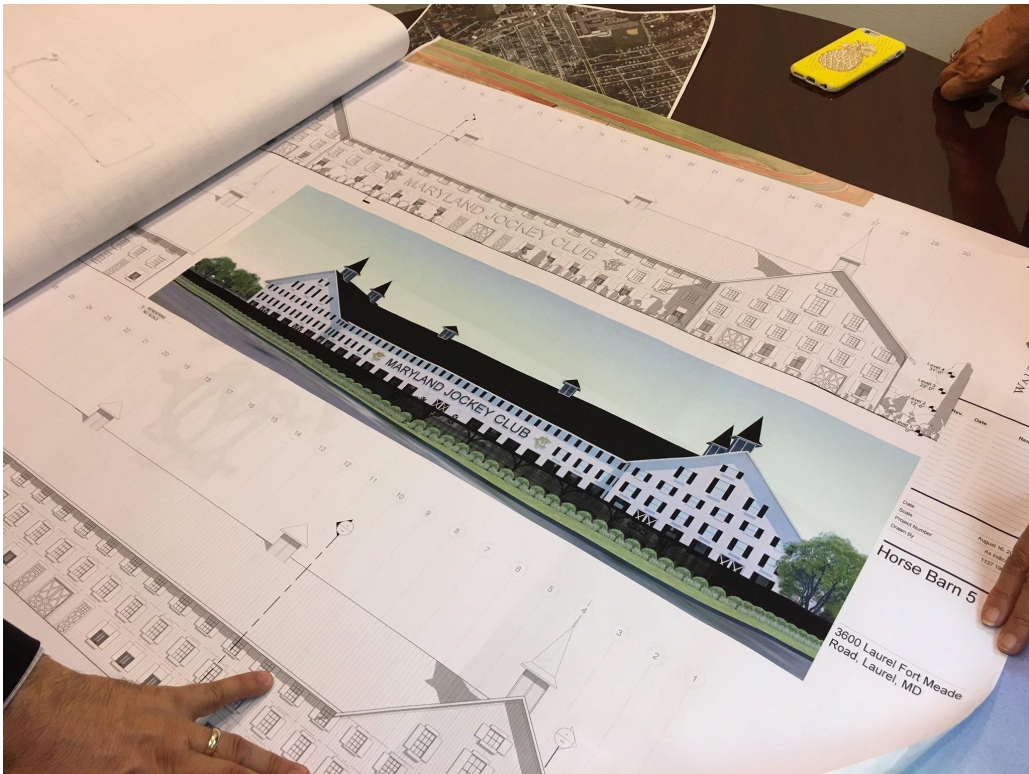
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Questions

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