March 10, 2016

The Honorable Thomas V. Mike Miller, Jr.
President
Senate of Maryland
State House
Annapolis, MD 21401

Dear Mr. President:

Pursuant to the authority conferred on me by Article III, Section 52, Subsection (5) of the Constitution of Maryland, and in accordance with the consent of the Senate, duly granted, I hereby submit Supplemental Budget No. 3 to Senate Bill 190/House Bill 150 in the form of an amendment to the budget for the Fiscal Year ending June 30, 2017.

Supplemental Budget No. 3 affects the previously estimated funds available for budget operations as shown in the following summary statement.

Sincerely,

[Signature]

Lawrence J. Hogan, Jr.
Governor

Enclosure:
Supplemental Budget No. 3
March 10, 2016

The Honorable Michael E. Busch
Speaker
Maryland House of Delegates
State House
Annapolis, MD 21401

Dear Mr. Speaker:

Pursuant to the authority conferred on me by Article III, Section 52, Subsection (5) of the Constitution of Maryland, and in accordance with the consent of the House of Delegates, duly granted, I hereby submit Supplemental Budget No. 3 to Senate Bill 190/House Bill 150 in the form of an amendment to the budget for the Fiscal Year ending June 30, 2017.

Supplemental Budget No. 3 affects the previously estimated funds available for budget operations as shown in the following summary statement.

Sincerely,

Lawrence J. Hogan, Jr.
Governor

Enclosure:
Supplemental Budget No. 3
SUPPLEMENTAL BUDGET NO. 3 · FISCAL YEAR 2017

Mr. President, Mr. Speaker,

Ladies and Gentlemen of the General Assembly:

Pursuant to the authority conferred on me by Article III, Section 52, Subsection (5) of the Constitution of Maryland, and in accordance with the consent of the (State Senate) - (House of Delegates), duly granted, I hereby submit a supplement to Senate Bill 190 and/or House Bill 150 in the form of an amendment to the original budget for the Fiscal Year ending June 30, 2017.

Supplemental Budget No. 3 will affect previously estimated funds available for budget operations as shown on the following summary statement.

SUPPLEMENTAL BUDGET SUMMARY

Sources:
Estimated general fund unappropriated balance July 1, 2017 (per Supplemental Budget #2) 407,903,424

Adjustment to revenue:
General Funds:
Fiscal Year 2016 Revenues Board of Revenue Estimates - March 9, 2016 9,228,177
Fiscal Year 2017 Revenues Board of Revenue Estimates - March 9, 2016 -60,636,507 -51,408,330

Special Funds:
D90302 Rental Income 18,000
D90305 Capital and Renovation Fund 407,760
F10301 Various State Agencies 2,419,037
M00347 Marijuana Citation Fund 275,000
D79307 Senior Prescription Drug Assistance Program -2,112,306
Q00303 Inmate Welfare Funds -4,000,000 -2,992,509

Federal Funds:
F10501 Various State Agencies 32,637
93.778 Medical Assistance Program -57,198,577
16.754 Harold Rogers Prescription Drug Monitoring Program 270,391
93.959 Block Grants for Prevention and Treatment of Substance Abuse 1,086,575
93.958 Block Grants for Community Mental Health Services 1,000,000
93.537 Affordable Care Act Medicaid Emergency Psychiatric Demonstration 1,000,000 -53,808,974

Adjustment to General Fund Appropriations:
Medical Care Provider Reimbursements - FY 2016 Reversion 15,000,000 15,000,000

Total Available 314,693,611

Uses:
General Funds 68,573,483
Special Funds -2,992,509
Federal Funds -53,808,974 11,772,000

Revised estimated general fund unappropriated balance July 1, 2017 302,921,611

March 10, 2016
1. **D06E02.01 Public Works Capital Appropriation**

   To add an appropriation on page 9 of the printed bill (first reading file bill), to provide funds for the following capital projects. Expenditure of these funds will be made in accordance with State Finance and Procurement Article Sections 3-601 through 3-607 and 7-305.

   (1) Morgan State University - New Student Services Support Building  
       4,700,000
   (2) Coppin State University - Percy Julian Science Renovation for the College of Business  
       1,300,000
   (3) University of Maryland Baltimore County - Interdisciplinary Life Sciences Building  
       5,000,000
   (4) University of Maryland Eastern Shore - School of Pharmacy and Allied Health Professions  
       3,500,000
   (5) University System of Maryland Office - Biomedical Sciences and Engineering Education Facility at the Universities at Shady Grove  
       31,700,000

   **Object .14 Land and Structures**  
   46,200,000

   **General Fund Appropriation**  
   46,200,000

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

   In addition to the appropriation shown on page 12 of the printed bill (first reading file bill), to transfer the funds associated with the day reporting center pilot program for Maryland’s Heroin and Opioid Emergency Task Force from the Department of Public Safety and Correctional Services to the Governor's Office of Crime Control and Prevention.

   **Object .08 Contractual Services**  
   540,000

   **General Fund Appropriation**  
   540,000

3. **D39S00.01 Contract Appeals Resolution**

   To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for staff leave payouts.

   **Object .01 Salaries, Wages and Fringe Benefits**  
   23,700

   **General Fund Appropriation**  
   23,700
DEPARTMENT OF VETERANS AFFAIRS

4. D55P00.05 Veterans Home Program

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to support an Energy Performance Contract payment.

Object .06 Fuel and Utilities 57,144
General Fund Appropriation 57,144

MARYLAND HEALTH BENEFIT EXCHANGE

5. D78Y01.01 Maryland Health Benefit Exchange

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for legal services.

Object .08 Contractual Services 2,800,000
General Fund Appropriation 2,800,000

CANAL PLACE PRESERVATION AND DEVELOPMENT AUTHORITY

6. D90U00.01 General Administration

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for renovation projects and vehicle replacement.

Object .07 Motor Vehicle Operations and Maintenance 18,000
Object .08 Contractual Services 407,760
Special Fund Appropriation 425,760

COMPTROLLER OF MARYLAND

7. E00A04.01 Revenue Administration

In addition to the appropriation shown on page 22 of the printed bill (first reading file bill), to provide funds to administer the Achieving a Better Life Experience (ABLE) subtraction modification.

Object .08 Contractual Services 745,000
General Fund Appropriation 745,000
DEPARTMENT OF BUDGET AND MANAGEMENT

8. F10A02.04 Division of Personnel Services
To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to implement the Human Resources Shared Services initiative for payroll functions.

Personnel Detail:
Regular Earnings 146,440
Fringe Benefits 77,274
Turnover Expectancy -5,468
Object.01 Salaries, Wages and Fringe Benefits 218,246

General Fund Appropriation 218,246

9. F10A02.04 Division of Personnel Services
In addition to the appropriation shown on page 28 of the printed bill (first reading file bill), to provide funds to implement the Human Resources Shared Services initiative for payroll functions.

Personnel Detail:
Regular Earnings 586,759
Fringe Benefits 350,312
Turnover Expectancy -22,375
Object.01 Salaries, Wages and Fringe Benefits 913,696

General Fund Appropriation 913,696

10. F10A02.08 Statewide Expenses
In addition to the appropriation shown on pages 28 and 29 of the printed bill (first reading file bill), to provide funds to implement certain collective bargaining agreements. Funds will be transferred to other State agencies by budget amendment.

Personnel Detail:
Shift Differential 1,119
Miscellaneous Adjustments 7,458,859
Reclassifications 4,073,364
Overtime 614,544
Other Fringe Benefit Costs 1,836
Object.01 Salaries, Wages and Fringe Benefits 12,149,822

General Fund Appropriation, provided that funds appropriated for collective bargaining agreements may be transferred to other State agencies by budget amendment 9,698,148
Special Fund Appropriation, provided that funds appropriated for collective bargaining agreements may be transferred to other State agencies by budget amendment 2,419,037
Federal Fund Appropriation, provided that funds appropriated for collective bargaining agreements may be transferred to other State agencies by budget amendment 32,637
11. F50A01.01  Major Information Technology Development Project Fund

In addition to the appropriation shown on page 30 of the printed bill (first reading file bill), to provide funds for the Department of Human Resources Shared Human Services Platform project.

Object .08 Contractual Services  13,784,449

General Fund Appropriation, provided that funds appropriated herein for Major Information Technology Development projects may be transferred to programs of the respective financial agencies.

DEPARTMENT OF GENERAL SERVICES

12. H00B01.01  Facilities Security

In addition to the appropriation shown on page 33 of the printed bill (first reading file bill), to provide five additional security personnel for the Crownsville complex and the surrounding grounds.

Personnel Detail:
Police Officer II  4.00  196,468
Building Security Officer  1.00  30,066
Fringe  189,433
Turnover  -21,724
Object .01 Salaries, Wages and Fringe Benefits  394,243

General Fund Appropriation  394,243

13. H00C01.01  Facilities Operation and Maintenance

In addition to the appropriation shown on page 33 of the printed bill (first reading file bill), to provide two additional maintenance personnel for the Crownsville complex and the surrounding grounds.

Personnel Detail:
Maintenance Mechanic Senior  2.00  67,850
Fringe  47,282
Turnover  -5,616
Object .01 Salaries, Wages and Fringe Benefits  109,516

General Fund Appropriation  109,516

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

14. M00F06.01  Office of Preparedness and Response

In addition to the appropriation shown on page 59 of the printed bill (first reading file bill), to fund a grant to 2-1-1 Maryland.

Object .12 Grants, Subsidies and Contributions  183,300

General Fund Appropriation  183,300
15. MOOL01.01 Program Direction

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to be used for salaries in the Behavioral Health Administration.

Object .01 Salaries, Wages and Fringe Benefits
  Federal Fund Appropriation 901,423

16. MOOL01.01 Program Direction

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for a contract with Chesapeake Regional Information System for our Patients (CRISP) for the Prescription Drug Monitoring Program and assistance from the Maryland Institute for Policy Analysis and Research for the Overdose Prevention Program.

Object .08 Contractual Services
  Federal Fund Appropriation 530,426

17. MOOL01.02 Community Services

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to be used for substance abuse treatment and community mental health services.

Object .08 Contractual Services
  Special Fund Appropriation 2,101,540 275,000
  Federal Fund Appropriation 1,826,540

18. MOOL01.02 Community Services

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to be used for behavioral health provider reimbursements.

Object .08 Contractual Services
  General Fund Appropriation 1,289,241

19. MOOL01.02 Community Services

In addition to the appropriation shown on page 60 of the printed bill (first reading file bill), to fund treatment services for Health - General Article Section 8-507 commitments.

Object .08 Contractual Services
  General Fund Appropriation 3,000,000
20. **MOOL01.02 Community Services**

In addition to the appropriation shown on page 60 of the printed bill (first reading file bill), to provide general funds to account for an anticipated under attainment of special funds.

- **Object .08 Contractual Services**
  - 0

- **General Fund Appropriation**
  - 2,112,306

- **Special Fund Appropriation**
  - -2,112,306

21. **MOOL01.03 Community Services for Medicaid State Fund Recipients**

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to be used for inpatient hospital services.

- **Object .08 Contractual Services**
  - 908,444

- **General Fund Appropriation**
  - 908,444

22. **MOOL01.03 Community Services for Medicaid State Fund Recipients**

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to be used for behavioral health provider reimbursements.

- **Object .08 Contractual Services**
  - 1,000,000

- **Federal Fund Appropriation**
  - 1,000,000

23. **MOOL01.03 Community Services for Medicaid State Fund Recipients**

In addition to the appropriation shown on page 60 of the printed bill (first reading file bill), to provide additional funding for placements at Institutions for Mental Disease (IMD).

- **Object .08 Contractual Services**
  - 3,000,000

- **General Fund Appropriation**
  - 3,000,000

24. **MOOQ01.03 Medical Care Provider Reimbursements**

To reduce the appropriation on page 65 of the printed bill (first reading file bill), to reflect a projected decrease in Medicaid enrollment and utilization.

- **Object .08 Contractual Services**
  - -116,200,000

- **General Fund Appropriation**
  - -58,100,000

- **Federal Fund Appropriation**
  - -58,100,000

25. **MOOQ01.06 Kidney Disease Treatment Services**

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide additional funds for Kidney Disease Program provider reimbursements.

- **Object .08 Contractual Services**
  - 2,000,000

- **General Fund Appropriation**
  - 2,000,000
26. M00Q01.07  **Maryland Children's Health Program**  
To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide additional funds for Maryland Children's Health Program provider reimbursements.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Object .08 Contractual Services</td>
<td>10,000,000</td>
</tr>
<tr>
<td>General Fund Appropriation</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

27. M00Q01.10  **Medicaid Behavioral Health Provider Reimbursements**  
To become available immediately upon passage of this budget to reduce the appropriation for fiscal year 2016 to realign funds for behavioral health provider reimbursements to M00L01.02 and M00L01.03.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Object .08 Contractual Services</td>
<td>-2,197,685</td>
</tr>
<tr>
<td>General Fund Appropriation</td>
<td>-2,197,685</td>
</tr>
</tbody>
</table>

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES

28. Q00A02.01  **Administrative Services**  
To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for staff leave payouts. Funds may be realigned to other units in the Department via budget amendment.

**Personnel Detail:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued Leave Payout</td>
<td>750,000</td>
</tr>
<tr>
<td>Object .01 Salaries, Wages and Fringe Benefits</td>
<td>750,000</td>
</tr>
</tbody>
</table>

| General Fund Appropriation | 750,000 |

29. Q00A02.01  **Administrative Services**  
In addition to the appropriation shown on page 81 of the printed bill (first reading file bill), to provide adequate funds for inmate chaplaincy, education, and legal services programs related to a projected shortfall in the Inmate Welfare Fund. Funds may be realigned to other units in the Department via budget amendment.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Object .08 Contractual Services</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

| General Fund Appropriation | 4,000,000 |
30. Q00S02.01 Jessup Correctional Institution

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for overtime for correctional officers. Funds may be realigned to other units in the Department via budget amendment.

Personnel Detail:
Over Time 8,000,000
Object .01 Salaries, Wages and Fringe Benefits 8,000,000

General Fund Appropriation 8,000,000

31. Q00T03.01 Division of Parole and Probation - Central Region

To reduce the appropriation on page 87 of the printed bill (first reading file bill), to transfer the funds associated with the day reporting center pilot program for Maryland’s Heroin and Opioid Emergency Task Force from the Department of Public Safety and Correctional Services to the Governor’s Office of Crime Control and Prevention.

Object .08 Contractual Services -540,000

General Fund Appropriation -540,000

32. Q00T04.04 Baltimore Central Booking and Intake Center

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for required maintenance projects.

Object .08 Contractual Services 2,770,000

General Fund Appropriation 2,770,000

MARYLAND STATE DEPARTMENT OF EDUCATION

33. R00A01.01 Office of the State Superintendent

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for the Charter School Study.

Object .08 Contractual Services 218,190

General Fund Appropriation 218,190

34. R00A02.01 State Share of Foundation Program

In addition to the appropriation shown on page 93 of the printed bill (first reading file bill), to provide funding for grants to counties with declining student enrollment.

Object .08 Contractual Services 13,764,885

General Fund Appropriation 13,764,885
35. R00A02.07  Students With Disabilities

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds for projected shortfalls within the Autism Waiver Program.

Object .08 Contractual Services  
General Fund Appropriation 413,501

36. R00A03.01  Maryland School for the Blind

In addition to the appropriation shown on page 96 of the printed bill (first reading file bill), to provide enhanced funding for the Maryland School for the Blind.

Object .12 Grants, Subsidies and Contributions 1,028,104

General Fund Appropriation 1,028,104

MARYLAND HIGHER EDUCATION COMMISSION

37. R62100.01  General Administration

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2016 to provide funds to pay for legal services.

Object .08 Contractual Services 900,000

General Fund Appropriation 900,000

38. R62100.07  Educational Grants

In addition to the appropriation shown on page 105 of the printed bill (first reading file bill), to provide a grant to the Frederick Center for Research and Education in Science and Technology.

Object .12 Grants, Subsidies and Contributions 244,012

General Fund Appropriation 244,012

39. R62100.41  Maryland Higher Education Outreach and College Access Pilot Program

To add an appropriation on page 107 of the printed bill (first reading file bill), to provide funding for the Maryland Higher Education Outreach and College Access Pilot Program.

Object .12 Grants, Subsidies and Contributions 250,000

General Fund Appropriation 250,000
AMENDMENTS TO SENATE BILL 190/ HOUSE BILL 150
(First Reading File Bill)

Amendment No. 1:
On page 80, after line 2, insert "Provided that $4,000,000 in Inmate Welfare Funds will be reduced throughout the Department related to a projected revenue shortfall."

Reduces special funds throughout the Department of Public Safety and Correctional Services due to a projected shortfall in Inmate Welfare Funds for which a general fund deficiency is being provided.

Amendment No. 2:
On page 105, after line 27, insert "Frederick Center for Research and Education in Science and Technology... 244.012".

Technical correction to add the new grant for Frederick CREST to the list of grants.

Amendment No. 3:
On page 131, strike lines 8 and 9 in their entirety and replace with "MARYLAND STATE BOARD OF CONTRACT APPEALS". In line 11, strike "D15A05.24" and replace with "D39S00.01".

Technical correction to provide the deficiency where the Board is located in the budget in fiscal year 2016.

Amendment No. 4:
On page 172, after line 11, insert "SECTION 22. AND BE IT FURTHER ENACTED. That general fund appropriation for fiscal 2017 shall be reduced by $904,957 for salaries and wages related to Human Resources Shared Services Initiative in Executive Branch agencies to reflect the transfer of positions to the Department of Budget and Management for this purpose. Funding shall be reduced in Object 01 Salaries and Wages within Executive Branch agencies in fiscal 2017 by the following amounts in accordance with a schedule determined by the Governor:

- D26 Department of Aging: 59,842
- D40 Department of Planning: 74,364
- D50 Military Department: 78,742
- H00 Department of General Services: 57,604
- M00 Department of Health and Mental Hygiene: 139,629
- N00 Department of Human Resources: 77,939
- Q00 Department of Public Safety and Correctional Services: 194,633
- T00 Department of Commerce: 74,899
- U00 Department of the Environment: 58,160
- V00 Department of Juvenile Services: 89,145
- Total General Funds: 904,957

Further provided that the Governor is hereby authorized to transfer by approved budget amendment from State agencies to the F10 Department of Budget and Management- Office of Personnel Services and Benefits (DBM-OPSB) positions and funding related to the Human Resources (HR) Shared Services Initiative to be provided by DBM-OPSB in fiscal year 2017."

In line 12, after the word Section, strike "22" and replace with "23", and in line 18, strike "23" and replace with "24".

Adds language that authorizes the Governor to transfer funding and positions from State agencies to DBM for the HR shared services initiative and renumbers the Sections of the budget bill accordingly.
## SUMMARY

### SUPPLEMENTAL APPROPRIATIONS

<table>
<thead>
<tr>
<th></th>
<th>General Funds</th>
<th>Special Funds</th>
<th>Federal Funds</th>
<th>Current Unrestricted Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appropriation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016 Fiscal Year</td>
<td>28,150,781</td>
<td>700,760</td>
<td>4,258,389</td>
<td>0</td>
<td>33,109,930</td>
</tr>
<tr>
<td>2017 Fiscal Year</td>
<td>99,967,659</td>
<td>2,419,037</td>
<td>32,637</td>
<td>0</td>
<td>102,419,333</td>
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<tr>
<td><strong>Subtotal</strong></td>
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<td>3,119,797</td>
<td>4,291,026</td>
<td>0</td>
<td>135,529,263</td>
</tr>
<tr>
<td><strong>Reduction in Appropriation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016 Fiscal Year</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2017 Fiscal Year</td>
<td>-59,544,957</td>
<td>-6,112,306</td>
<td>-58,100,000</td>
<td>0</td>
<td>-123,757,263</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>-59,544,957</td>
<td>-6,112,306</td>
<td>-58,100,000</td>
<td>0</td>
<td>-123,757,263</td>
</tr>
<tr>
<td><strong>Net Change in Appropriation</strong></td>
<td>68,573,483</td>
<td>-2,992,509</td>
<td>-53,808,974</td>
<td>0</td>
<td>11,772,000</td>
</tr>
</tbody>
</table>

Sincerely,

[Signature]

Lawrence J. Hogan, Jr.
Governor