



# FY 2021 Budget Highlights

LAWRENCE J. HOGAN JR., GOVERNOR  
BOYD K. RUTHERFORD, LT. GOVERNOR

# FY 2021 Budget Accomplishments

- Record K-12 funding for 6<sup>th</sup> straight year - \$7.3 BILLION
- Historic 5-year investment of \$3.9 BILLION in school construction – including Building Opportunity Fund
- Funded Howard Street Tunnel Project – increasing port business and creating THOUSANDS of jobs
- FULLY funded environmental programs, including repayments
- RECORD funding for mental health / substance use disorder programs
- Investments in Keeping Maryland Safe

# FISCAL RESPONSIBILITY

- Leaves \$1.3 BILLION in reserves – almost 7% of revenues – and maintains AAA bond rating
- Limits general fund budget growth to 1.0%
- Invests surplus in one-time capital projects
- Continues additional investment in State pension system
- With NO tax increases or service reductions



# Keeping Maryland Safe

- More than \$110 million for local police aid and law enforcement grants
- \$26 million to make sure kids are safe in schools, including \$11 million for school resource officers
- Funding of \$6.9 million to support crime prevention, prosecution, and witness protection in Baltimore City
- \$2.7 million for the Baltimore Regional Intelligence Center
- 25 new positions and \$2.6 million for the Attorney General to handle cases related to violent crime in Baltimore City



# K-12 Education

- Record K-12 investment of \$7.3 BILLION
- Record funding of \$733 MILLION for school construction in FY 2021
- FULL funding of ALL education formulas **AND** Kirwan Commission Recommendations
- More than \$350 MILLION dedicated to Blueprint for Maryland's Future Initiatives
- EVERY Jurisdiction receives an increase in direct aid
  - Four jurisdictions receive additional funding of \$9.4 million – Baltimore City, Dorchester, Garrett, and Queen Anne's Counties



# Higher Education

- State Support for Higher Education almost \$1.7 billion – a 4.3 percent increase
  - Morgan State receives an increase of 12.6 percent in state support, including \$5 million for enhancing campus security
- For the 5<sup>th</sup> consecutive year, tuition growth is limited to 2 percent at public colleges and universities
- Record funding of \$353 million to support local community colleges
- \$402 million for higher education capital projects



# Economic Development & Jobs

- More than 140,000 jobs have been added since Governor Hogan took office
- Maryland's unemployment rate of 3.6 percent is the lowest in more than a decade
- Taxes reduced during each year of the Administration; Additional relief proposed in FY 2021

# Transportation Infrastructure

- A \$466 million, multi-year commitment to expand the Howard Street Tunnel
- \$186 million to continue construction of the Purple Line, which has spurred adjacent development and will support more than 2,000 jobs by 2040
- \$167 million for the second consecutive year to support WMATA's capital program
- Record transit funding of \$1.4 BILLION in operating and \$941 MILLION in capital in FY 2021
  - Transit operating funds have increased by more than 32 percent since FY 2015 while capital transit has increased by almost 60%



# Services for Vulnerable Populations

- Funding for mental health treatment services has increased by \$283 million under Governor Hogan
- Under Governor Hogan, statewide substance use disorder spending has doubled
  - FY 2021 marks fourth installment of \$10 million for the Opioid Operational Command Center
- More than \$29 million to expand treatment access for all individuals with Hepatitis C



# Environmental Stewardship

- Fully funds Transfer Tax programs, including \$44 million for repayment of past transfers
- Record funding of \$57.2 million for the Chesapeake & Atlantic Coastal Bays 2010 Trust Fund to support bay restoration efforts, a 7 percent increase
- Additional funding and positions to support agricultural conservation practices to help meet Phase III Watershed Implementation Plan goals
- Expands zero emission vehicle tax credit to \$8 million



# Aid to Local Governments

- More than one-third of the State's General Fund budget is given to local governments
- Total Aid to Local Governments in FY 2021 is \$8.6 BILLION, an increase of \$311 million, or 3.7 percent

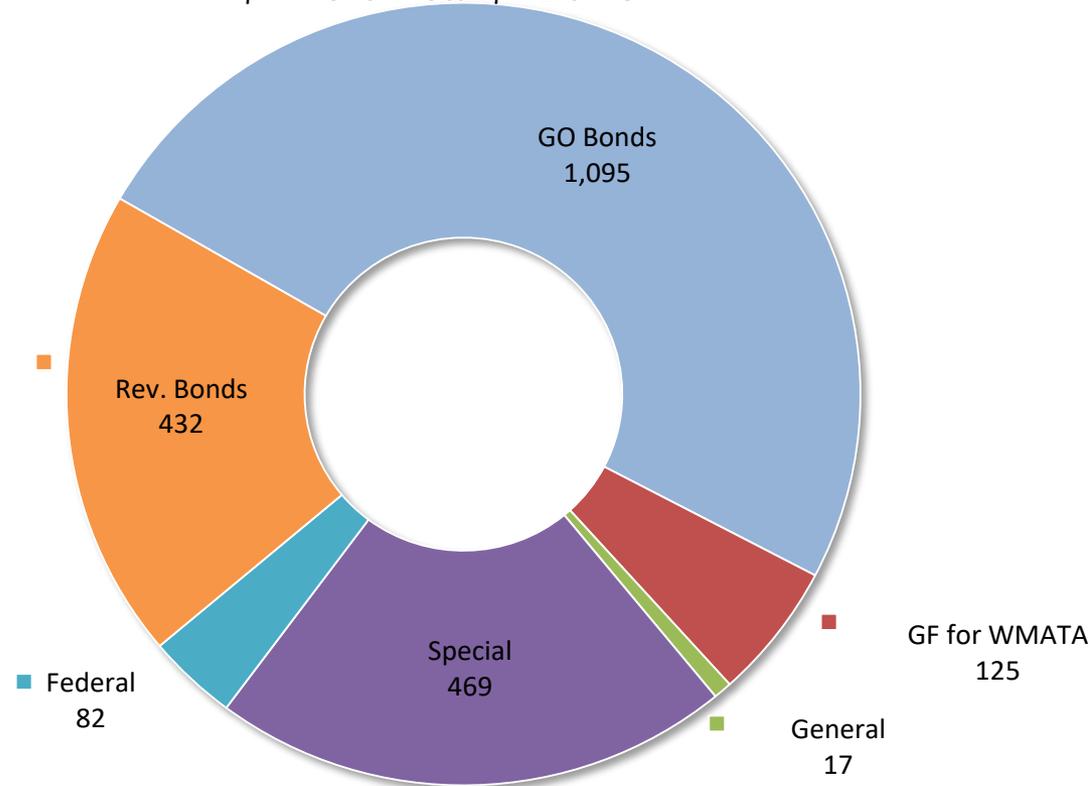
# State Employees

- State employees will receive at least a 2 percent cost-of-living adjustment in FY 2021, in addition to the 6.5 percent received between FY 2019 and 2020
  - Total cost of all raises FY 2019 – 2021 is over \$1 BILLION
- Health insurance & pharmacy premiums FROZEN for the 3<sup>rd</sup> consecutive year
- Budget includes \$15 MILLION in salary adjustments for 3,500 difficult to recruit and retain positions
- SmartWork – expanded to cover an additional 6,500 positions

# Capital Budget – Where it comes from

## FY 2021 CAPITAL BUDGET SOURCES - ALL FUNDS

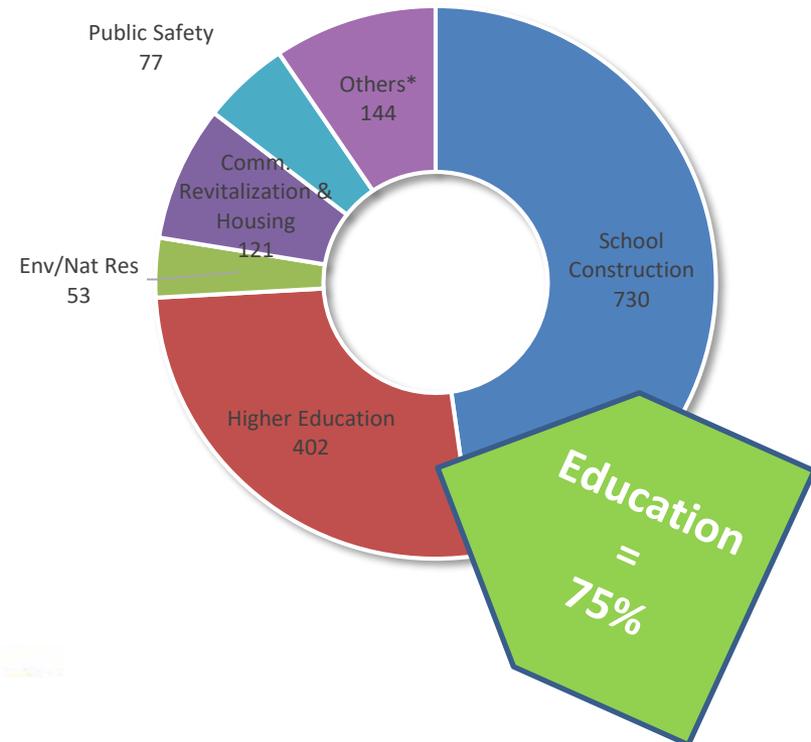
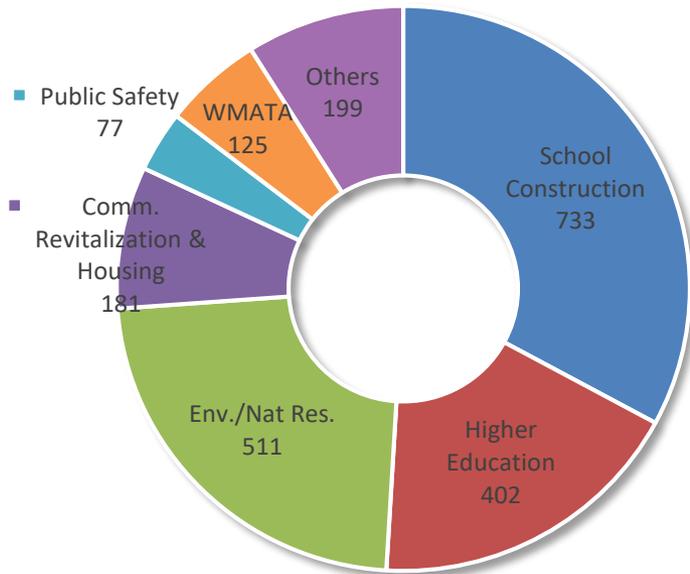
\$millions - Total \$2.2 billion



# Capital Budget – Where it goes

All Fund Sources \$2.2 billion

Debt Funding \$1.5 billion



# Capital Budget

## K – 12 Education

- Total school construction more than \$3.9 BILLION over 5 years
- “Building Opportunity Fund” School Construction Initiative will add \$2.2 BILLION in additional funding over 4 years
- FY 2021 school construction budget totals a new RECORD level of \$733 million



# Capital Budget Higher Education

- \$402 million for Higher Education in FY 2021
- State Universities & Colleges - \$274 million
  - \$62 M, University of Maryland at Southern Maryland
  - \$61 M, UMES School of Pharmacy
  - \$35 M, FSU Education & Health Sciences Center
  - \$35 M, SMCM Auditorium and Academic Building
- HBCU funding in FY 2021 - \$115 million or 42%
- RECORD high funding for Community Colleges of \$88.7 million



# Capital Budget Other Highlights

- Environmental Spending of \$511 million
  - \$280 million for protecting the Chesapeake Bay and water quality
  - \$178 million for land preservation programs, including Open Space
- \$181 million for Community Revitalization & Housing
  - \$61.5 million for Rental Housing
  - \$23 million for Project CORE, \$3.5 million statewide demolition
  - \$22 million to support projects in Opportunity Zones
- Facility Renewal and infrastructure funding of \$150 million
- \$77 million to support safer communities, including \$15 million to begin planning for the Baltimore Treatment Center