FY 2021 Budget Highlights

LAWRENCE J. HOGAN JR., GOVERNOR
BOYD K. RUTHERFORD, LT. GOVERNOR
FY 2021 Budget Accomplishments

• Record K-12 funding for 6th 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 5th 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 3rd 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

- GO Bonds: 1,095
- Rev. Bonds: 432
- Federal: 82
- Special: 469
- GF for WMATA: 125
- General: 17

Total: $2.2 billion
Capital Budget – Where it goes

All Fund Sources $2.2 billion

- School Construction: 733
- Higher Education: 402
- Env./Nat Res.: 511
- Comm. Revitalization & Housing: 181
- Public Safety: 77
- WMATA: 125
- Others: 199

Debt Funding $1.5 billion

- Public Safety: 77
- Comm. Revitalization & Housing: 121
- Env./Nat Res.: 121
- Others*: 144
- School Construction: 730
- Higher Education: 402

Education = 75%
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