



# Maryland

DEPARTMENT OF BUDGET  
AND MANAGEMENT

WES MOORE  
*Governor*

ARUNA MILLER  
*Lieutenant Governor*

HELENE GRADY  
*Acting Secretary*

MARC L. NICOLE  
*Deputy Secretary*

## STATE RESERVE FUND FY 2024 Budget Hearing

**Testimony of  
Helene Grady, Acting Secretary  
Department of Budget and Management**

**Senate Budget and Taxation Committee  
February 14, 2023**

**House Appropriations Committee  
February 17, 2023**

The Administration appreciates the thorough analysis put forward by the Department of Legislative Services (DLS).

As noted in the analysis, in light of current economic uncertainty, the Moore Administration has budgeted to maintain the Rainy Day Fund at the State's target of \$2.5 billion (10% of General Fund revenue) in Fiscal Year 2024. We have also preserved additional budgetary cushion with \$820 million in General Fund surplus balance outside of the Rainy Day Fund in part to serve as a strong hedge against revenue volatility over the next year.

The Administration and the Department of Budget and Management (DBM) look forward to working together with the General Assembly to ensure Maryland remains on a fiscally responsible, sustainable path forward that best serves Marylanders now and in the future. DBM's responses to the DLS recommendations in the analysis are below.

We are available to answer any questions.

### **DLS Recommendations and DBM Responses**

**(1) The Department of Legislative Services (DLS) recommends reducing the Rainy Day Fund appropriation by \$61.4 million.**

DBM concurs.

**(2) DLS recommends reducing the appropriations set aside for legislative priorities so they can be reallocated in accordance with the specific priorities identified by the General Assembly.**

DBM concurs.

**(3) DLS recommends deleting the \$10 million appropriation to repay the LITRA, as it is not needed to fulfill the obligation.**

DBM concurs.