



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.

45 Calvert Street · Annapolis, MD 21401-1907

Tel: 410-260-7041 · Fax: 410-974-2585 · Toll Free: 1-800-705-3493 · TTY Users: Call via Maryland Relay

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(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.