

Newsletter #6  
March 28, 2014

On Thursday, March 27, the House passed the State Budget. The Budget had significantly different amendments on it than the Budget passed by the Senate, this means there will be a Conference Committee to bring the budget into agreement. This year's Budget continues our record of making difficult but smart choices. The House version of the Budget reduces the Governor's budget by almost 3 Billion.

### **FY 2015 Budget**

Our Budget does not step back from the investments we have made in education, transportation, the environment, public safety and jobs. The Budget constrains spending growth to 3%, excluding federal funds. With sluggish revenue growth, the budget maintains current services and funds several needed initiatives.

We are one of only ten states to have a AAA bond rating, which was just reconfirmed, and this budget keeps us fiscally sound.

### **Keeping the Promise to the Middle Class**

- Fully Funds K-12 Education (\$6.1 Billion);
- Includes \$4.3 million initiative to expand prekindergarten programs
- Increases funding to Higher Education;
- Formula Aid to community colleges increases (\$12 million);
- Expands access to affordable healthcare (\$8.1 Billion Medicaid);
- Funds environmental priorities;
- Increases funding for economic development programs;
- Leaves a cash balance of nearly \$900 million, including Rainy Day fund;
- State Employee Merit increases in fiscal 2015 for the first time since 2009;
- State employee Cost-of-living adjustment on January 1, 2015;
- Avoids any cuts to retiree benefits.

### **Tackling the March Revenue Write-Down**

In March, the Board of Revenue Estimates downward revision in revenue (\$248 million) threw the budget out of balance and forced the committee to make some tough choices. One of these tough decisions is to reduce the \$300 million dollar overpayment to the pension system, building back to that figure over the next several years.

### **The Pension Write- Down**

The Budget does not “take money” from pension funding, but reduces the extra payments that the State was making to fund the pension to 80% as new Federal Guidelines and Corridor funding require.

- The pension reinvestment changes will not cause any reductions in the retirement payments of current retirees or future retirement benefits for active employees
- The State is contributing nearly \$1.7 billion to the pension fund in fiscal 2015
- Supplemental contributions are \$100 million in fiscal 2014 and fiscal 2015. Supplemental contributions increase by \$50 million annually until they reach \$300 million in fiscal 2019.
- Supplemental contributions remain at \$300 million each year until the corridor funding method is phased out and the system is 85% funded.
- AFSCME and MSEA recognize this solution as an improvement over the original budget proposal and one which protects investments in vital programs and the long-term sustainability of the pension system.

### **Fairness for All Marylanders ACT SB 212**

The Fairness for All Marylanders Act passed the House with 82 votes in favor. This bill adds “Sexual Orientation” to the list of protected classes for the purpose of prohibiting discrimination.

### **End of Session**

We will spend the next week considering bills that have crossed over, been sent to conference committees and completing the Capital Budget. Session will end at midnight on Monday, April 7th.

### **General Information**

You can review any bill being considered by the General Assembly by visiting <http://mgaleg.maryland.gov>. Just enter the bill number – HB## or SB## in the “Find Legislation by Number” space and enter. This will bring up a summary sheet with the up-to-date status of the bill and a link to the bill itself.

You can also listen to the General Assembly sessions and Committee Hearing on the website. Just click on the “headphones” *“In the General Assembly”* box on the home page. To listen to Committee Hearing go to “Committees” from the home page and on the left you will see “House Committees” you click and pick the hearing you want to listen to.

My office is open full time during the Session. Nancy Crawford is my Legislative Aide, Jenn Thompson is my Community Liaison and Lisa Johnson is my Intern for the session. My contact information remains the same: [pamela.beidle@house.state.md.us](mailto:pamela.beidle@house.state.md.us) or 410.841.3370. Please feel free to share your thoughts and concerns with me.

It is truly an honor to serve you in the Maryland General Assembly.