

## Newsletter #6

We are two and a half weeks away from Sine Die, the end of the legislative session. The budget has been passed by the House and moved on to the Senate; any differences will be resolved by a conference committee. Many legislative proposals are still waiting for votes in Committee or on the Chamber Floor.

Highlights of the FY 2014 Budget Proposal sent to the Senate:

For the last several years, we have had discussions on the Structural Deficit. The Department of Legislative Services believes the structural deficit is completely resolved and the structural budget gap to be will be closed this year.

The difficult decisions we have made for the last 5 years have made the difference. The abolishing of over 3,000 positions, the closing State facilities, reforming the State pension and healthcare systems, and furloughing State employees have allowed us to move forward as Maryland's economy continues to improve.

### Rainy Day Fund

In this budget, we are increasing the balance in the State's rainy day fund from 5% to 6% of general fund revenues resulting in an estimated balance of \$921 million at the end of fiscal 2014. This will result in a general fund balance of over \$200 million, consistent with the recommendation of the Spending Affordability Committee. These balances will help cushion any negative impacts on the Maryland economy resulting from federal budget actions.

### Education

Maryland remains committed to education. The States total support for public schools will be over \$6.0 billion. Distributions to local school systems will increase an estimated 2.1%. The budget includes initiatives to provide school breakfast to an additional 57,000 students, expand early college access programs, and support digital learning.

### School Safety

This year's budget includes \$25 million for grants to local school systems for school safety and security improvements. In addition, there are funds to support the Center for School Safety under the auspices of the Maryland State Police.

### Higher Education

Maryland's State colleges and universities are expected to receive about \$1.3 billion in State funds, an increase of \$78 million over fiscal 2013. This funding will enable the institutions to hold in-state undergraduate tuition increases to 3% for the fourth consecutive year. This funding is targeted for course redesign, closing achievement gaps, and increasing college completion. Community colleges will receive an increase of \$12.2 million in aid.

#### Investment in Maryland's Economy

Additional funds are included in the budget for the Biotechnology Tax Credit, and a new cyber security investment tax credit. The University of Maryland College Park and University of Maryland, Baltimore will receive funding creating a new strategic alliance to enhance research, technology transfer, and commercialization.

#### Affordable Health Care

Maryland is taking advantage of the opportunity to expand Medicaid coverage under the federal Affordable Care Act. The fiscal 2014 budget includes \$349 million in new federal funds to cover an additional 109,000 individuals. Total Medicaid spending is estimated to be over \$7 billion to provide services to almost 1.1 million Marylanders. The Maryland Health Benefits Exchange will receive additional funding in fiscal 2013 and 2014; they provide a marketplace for individuals and small businesses to purchase affordable health coverage.

#### State Workforce

For the first time since 2009, funding is included for employee merit raises and a 3% cost of living increase for State employees.

Please remember this is not the complete and final budget. It is some highlights of the budget that the House passed; the Senate has adopted a \$36.8 billion budget plan. Any difference between the two budgets will be resolved in a Conference Committee. Senate President "Mike" Miller has commented that he hopes to act quickly to negotiate a final budget to avoid another special session.

My Legislative Assistant is Nancy Crawford and my intern is Joanna McKee from UMCP. Please continue to stay in touch and be sure to include your full name and mailing address. We are experiencing very a high volume of phone calls and e-mails daily, please be assured that your correspondence is read and your opinion is very important to me. It is truly impossible for my office to provide each constituent a timely personal response.

My contact information is: Pamela.beidle@house.state.md.us or (410)841-3370.

I truly appreciate the honor of representing the constituents of District 32.