



FEBRUARY 16, 2016

# Providing 10 Days of Notification Prior to Making Budget Cuts Promotes Transparency and Inclusion

*Position Statement in support of House Bill 368*

*Given before the House Appropriations Committee*

Requiring the Board of Public Works (BPW) to provide more notification prior to cutting already approved funding for state services would strengthen the state's finances and the democratic process in several ways. It would help the governor and legislature work more collaboratively, promote greater citizen involvement, and increase accountability. For these reasons, the Maryland Center on Economic Policy supports House Bill 368.

Under the current BPW process, legislators and the public don't have enough time to scrutinize and evaluate the impact of cuts to state spending. The BPW is able to make significant budget cuts that affect state services, employment, and the economy with little review by legislators or the public. Normally, the board can cut individual budget items by up to 25 percent without any prior notice.

Thanks to language included in the legislation enacting this year's budget, for a limited time the Board has to provide at least 72 hours' notice before cutting the budget that the legislature and governor approved. However, that requirement will go away when the fiscal year ends June 30 unless the legislature acts again.

Returning to the no-notice approach would make it even harder for citizens to engage in the decision-making process. Even with advance notice, the three members of the Board of Public Works have an outsized influence on Maryland's public finances and policy decisions.

Requiring the Secretary of Budget and Management to post an online notice of a proposed reduction to an appropriation for at least 10 consecutive days before the board votes on it would give the public and legislators the time needed to respond to the proposal. This tested approach will help make sure the board fully understands how the proposal will affect services citizens rely on.

House Bill 368 is an opportunity to expand on important action that the legislature took in 2015. Passing this bill will increase the level of transparency, fairness and inclusion in the Maryland state budget development process, and, in doing so, impose a minimal burden on those providing public notification.

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the Appropriations Committee give a favorable report to House Bill 368.**