Maryland’s Budget Process Reform

2020 Ballot Measure Creates New Opportunities

Historical Budget System

- Most powerful governor in the country
- **Corollary**: Least powerful legislature
- Current system created 1916
- Legislature can only cut
- Can’t increase funding
- **Can’t move funding**
- Cf: Annual budget tug-of-war

Beginning in the 2023 Session:

- Comparable process to all other states
- Legislature can move funding
- Legislature can’t increase total budget
- Governor has line-item veto
- Supermajority can override
A Foundation for Inclusive Budgeting

How to make the most of the 2020 reform

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Improving Transparency

- Use digestible publications to enhance public understanding
- Break down investments by function, effectively
- Open up executive branch budget development
- Require annual appropriations for business subsidies
- Use baseline budget to highlight policy choices and their impacts
- Assess equity impacts in agency analyses

The Baseline Budget

...is “an estimate of the cost of government services in the next budget year” if “current laws, policies, and practices are continued.” We can use the baseline budget to improve transparency:

- Report program-level detail
- Include history and future projections
- Include in more budget publications
- Governor should justify variances (+/-)
Strengthening Inclusion

- Increase opportunities for public input:
  - Listening sessions before and during session
  - Second round of hearings after first chamber passage

- Meaningful, accessible opportunities:
  - Allow remote participation in all events
  - Increase awareness of budget events

- Improve inclusion within the General Assembly:
  - Expand voting members of budget conference committee
  - Shift culture to empower rank-and-file members
Budgeting with Prudence

- Don’t rush to slash mandates:
  - New process reduces need for spending mandates
  - Many mandates exist for good reason
  - Assess case by case

- Resist the temptation to fight for crumbs
  - Legislature still can’t increase total executive branch appropriation
  - Marylanders have many different unmet needs
  - Proactive solution: Strong, effective revenue system

- Shift money away from mass incarceration—smartly:
  - To reduce prison spending: Put fewer people in prison, release them sooner
  - Beware mass incarceration on the cheap

- Invest in effective processes
  - Transparency, inclusion cost money
  - Don’t skimp on process implementation

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