



***SAME BILL AND POSITION AS SENATE BILL 292**

March 15, 2007

To: Chairman and Members of the House Appropriations Committee

From: Henry Bogdan, Public Policy Director

Re: House Bill 530 – State Budget Modifications - Reporting

Position: **Support**

The Maryland Association of Nonprofit Organizations is a statewide organization comprised of over 1600 member nonprofit agencies, associations and institutions, and our purpose is to support and enhance the effectiveness of the State's more than 24,000 nonprofit groups in carrying out their missions of public and community service. To further their effectiveness and advance their causes, we encourage nonprofit organizations to become advocates on issues of public policy that impact the interests of their clients, communities.

Maryland's process for proposing and enacting the annual state budget, probably the most important policy action in every General Assembly session, is challenging for advocates and the public to understand and to influence.

For the public, advocates and the legislature, the proposal becomes 'available' a week after the session begins, with the introduction of the Budget Bill and the release of budget books, which in a few days are now available online. But as a practical matter there is very little opportunity for public scrutiny or input in the budget process, particularly when funding or services are being limited or cut back.

Budget hearings begin almost immediately after the budget is introduced, allowing little chance for the public or advocates to raise issues about services or programs that were under-funded (or even eliminated) in the budget proposal, in large part because it may not even be possible to identify where this is happening within that time frame. The focus of the legislative budget process centers on what was included in the budget, and the justifications for and possible reductions from those amounts.

House Bill 530 would require that when the budget department prepares the "Budget Books" for the upcoming fiscal year (submitted to the legislature and the source of most information on the governor's budget proposal) they include a specific listing of changes that reduce funding or the level of services from the current year, and a listing of any changes being made in the current year that reduce services or funding below

levels authorized in the budget as enacted for the current year. It also requires that these changes be quantified.

The requirement would apply to ten listed state departments, which provide the bulk of health, social and community services.

It is true that in some cases this information might be derived from a thorough review of the entire multi-volume set of budget books. But even where a program is a distinct budget line item, the budget may not reflect changes being made in the current year (such as appropriated funds being held back), or the fact that proposed 'level funding' for a program will actually require a reduction in service because of increasing costs.

The Fiscal Note on House Bill 530 points out that the information desired under the bill is not even readily available to the legislature's own staff. For advocates or the public to understand what is being done or proposed in the budget, and the impact of budget proposals and decisions on services and their communities, access to this information would be essential.

We urge you to **approve House Bill 530** and provide the public a greater degree of 'openness' about decisions being made or proposed by their state government.