



LAWRENCE J. HOGAN, JR.
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

**PAYMENTS TO CIVIL DIVISIONS OF THE STATE
FY 2016 BUDGET HEARING**

**Testimony of
David R. Brinkley, Secretary
Department of Budget and Management**

**House Appropriations Committee
February 13, 2015**

Chairman McIntosh and members of the Committee, thank you for this opportunity to respond to the Department of Legislative Services (DLS) analysis of Payments to Civil Divisions of the State. While the Administration does not concur with the DLS recommendation to strike the contingent reduction to Disparity Grant funding, we understand the concern about the complexity of the grant formula and look forward to working with the Committee as you review and consider any potential revisions.

The Administration's budget plan reduces funding for the Disparity Grant to the revised FY 2015 level of \$127.7 million. This \$2.1 million reduction was proposed as part of the Administration's FY 2016 budget balancing plan and is consistent with action taken by the Board of Public Works in January to fund the grant at the FY 2014 level. We respectfully request that you support the Governor's allowance and maintain this relatively modest reduction.

With regard to the provisions in the Budget Reconciliation and Financing Act (BRFA) of 2015 that modify the distribution of the Disparity Grant among jurisdictions, the Administration will be offering an amendment to the BRFA clarifying our intent to cap the grant at \$127.7 million, allocated among the jurisdictions as shown on page 33 of the *FY 2016 Budget Highlights* book.

The Administration recognizes that the Disparity Grant's formula is complex and would benefit from further review. To that end, the Administration is prepared to work with the Committee and legislative staff as you study the formula and consider possible revisions.

Thank you for your consideration of the Administration's position.

~Effective Resource Management~

45 Calvert Street • Annapolis, MD 21401-1907

Tel: (410) 260-7041 • Fax: (410) 974-2585 • Toll Free: 1 (800) 705-3493 • TTY Users: call via Maryland Relay

<http://www.dbm.maryland.gov>