

whether opportunities exist to use these federal revenues to support existing operations rather than to expand programs or establish new ones; and

- (c) the Department of Budget and Management shall take appropriate actions to effectively establish these as policies of the State with respect to administration of federal funds by executive agencies.

SECTION 25. AND BE IT FURTHER ENACTED. That the Department of Budget and Management shall provide an annual report on indirect costs to the General Assembly in January 2007 as an appendix in the Governor's fiscal 2008 budget books. The report shall detail by agency for the actual fiscal 2006 budget the amount of statewide indirect cost recovery received, the amount of statewide indirect cost recovery transferred to the general fund, and the amount of indirect cost recovery retained for use by each agency. In addition, it shall list the most recently available federally approved statewide and internal agency cost recovery rates. As part of the normal fiscal/compliance audit performed for each agency once every three years, the Office of Legislative Audits shall assess available information on the timeliness, completeness, and deposit history of indirect cost recoveries by State agencies. Further provided that for fiscal 2007, excluding the Maryland Department of Transportation, the amount of revenue received by each agency from any federal source for statewide cost recovery may only be transferred to the general fund and may not be retained in any clearing account or by any other means, nor may the Department of Budget and Management or any other agency or entity approve exemptions to permit any agency to retain any portion of federal statewide cost recoveries.

SECTION 26. AND BE IT FURTHER ENACTED. That the executive budget books shall include a forecast of the impact of the executive budget proposal on the long-term fiscal condition of General Fund, Transportation Trust Fund, and higher education current unrestricted fund accounts. This forecast shall estimate aggregate revenues, expenditures, and fund balances in each account for the fiscal year last completed, the current year, the budget year, and four years thereafter. Expenditures shall be reported at such agency, program, or unit levels or categories as may be determined appropriate after consultation with the Department of Legislative Services. A statement of major assumptions underlying the forecast shall also be provided, including but not limited to general salary increases, inflation, and growth of caseloads in significant program areas.

SECTION 27. AND BE IT FURTHER ENACTED. That it is the intent of the General Assembly that all State departments, agencies, bureaus, commissions, boards, and other organizational units included in the State budget, including the Judiciary, shall prepare and submit items for the fiscal 2008 budget detailed by "Statewide Subobject" classification in accordance with instructions promulgated by the Comptroller of the Treasury. The presentation of budget data in the Governor's budget book shall include object, fund, and personnel data in the manner provided for fiscal 2007 except as indicated elsewhere in this Act; however, this shall not preclude the placement of additional information into the budget book. For actual fiscal 2006 spending, the fiscal 2007 working appropriation, and the fiscal 2008 allowance, the