

provided for education and state employe retirement and social security benefits.

The counties and Baltimore will share an \$18 million increase for school operating

complaints from school bus contractors that they weren't receiving enough money to offset the high cost of fuel.

Anne Arundel County narrowly avoided a strike by

File: Mandel

The Evening Capital,

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# '77 capital budget has smallest total of last 6 years

By TOM STUCKEY

Gov. Marvin Mandel, striving to hold down Maryland's rapidly rising long-term debt, submitted the smallest capital budget in six years to the General Assembly today.

The capital spending program for fiscal 1977 includes \$60,597,500 for acquiring property, constructing and equipping new buildings and renovating old ones.

The last time the proposed capital budget was that low was for fiscal 1971, when Mandel proposed a \$60,335,000 capital program to the legislature. But with the rapid inflation in construction costs and property values over the last seven years, this year's program will buy much less than a similar amount did in 1971.

The result of this year's lean program will be a sharp cutback in the rate of construction of new buildings. Only one major new building is included, a \$14.8 million reception and diagnostic center for the Department of Corrections on the grounds of the Maryland Penitentiary in Baltimore.

The second largest item is a \$6.8 million appropriation to purchase an existing office building in Annapolis belonging to Anne Arundel County.

Despite the slim capital program proposed by the governor, Mandel said he is not certain that the state property tax rate can be held at its current level of 21 cents.

The capital budget bill does not include the state's two biggest construction programs, transportation projects and the building of new public schools.

Mandel's request for fiscal 1977 compares with capital budgets the last three years of \$83 million, \$84 million and \$96 million.

One of the largest items in the new capital budget is \$11.3 million for planning or constructing six buildings to house District Courts and local offices of state agencies in six counties. Included are buildings to cost \$3.1 million in Elkton, \$3.6 million in Frederick and \$2 million in Centreville.

In addition to the reception and diagnostic center, which will take care of 400 inmates, the Department of Corrections will get \$1.2 million for a prefabricated dormitory to house 128 inmates at the Maryland House of Correction in Anne Arundel County.

One of the areas in which the hold-down on capital expenditures is most evident is in the field of higher education, where the University of Maryland will get \$7.8 million, the state colleges \$5 million and Morgan State University \$308,000. That \$13 million compares with more than \$38 million for higher education last year.

For the most part the \$13 million in this year's budget is scattered over numerous small projects. The only money for new buildings is \$2.4 million for a laboratory-classroom building at the University of Maryland's Center for Environmental and Estuarine Studies, \$752,500 for a stock and utilities building at the same center and \$1.9 million for an addition to the Energy Research Facility at the College Park campus.

Most of the money for the state colleges will go for equipment for existing buildings and improvements to campus grounds.

The budget for the Department of Natural Resources also is down sharply, from \$5.6 million last year to \$1.5 million this year.

The only major natural resources item is \$950,000 for design and construction of a dayuse area at Deep Creek State Park in Garrett County.

The Department of Health and Mental Hygiene will get \$6.7 million, most of it for improvements to existing hospitals.

for their expenses and running up a \$1.2 million deficit in the program for this year.

Although the 48,000 state employes will not receive cost-of-living raises this year, the cost of providing them with retirement and Social Security benefits has increased by \$38 million.

The state also picks up the tab for retirement and Social Security benefits for local school board employes which this year increased by \$18 million.

If President Ford's proposal to raise the Social Security payments is adopted by Congress this year, Mandel said the state budget could wind up about \$3 million in the red.

By failing to fill vacancies over the past few years, Mandel said he has reduced the number of people on the state payroll to 8,000 fewer than the number of available positions and plans to drop another 2,000 state employes through attrition.

Large chunks of the coming year's budget will be spent on making up for shortages this year.

The Medicaid program ran \$6.8 million short before the

## Welcome hits police spy report

State Sen. Verda F. Welcome says she is astonished, disturbed and frightened by the findings of a Senate committee which spent almost a year probing the surveillance activities of the Baltimore City Police Department.

The Baltimore Democrat, whose bill led to the investigation, praised the work of the Constitutional and Public Laws Committee and added she hopes the report will provide the groundwork for establishing protection against future abuses of police power.

"I am astonished by some of the things I read in that report," Sen. Welcome said.

She said she was taken aback by the finding that city police spied on meetings of public bodies such as the school board and the liquor board and was disturbed that spying efforts were directed at individuals active in community and political affairs as well.

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## Refinery-review

