

EFFECT OF THE 2010 LEGISLATIVE PROGRAM ON THE FINANCIAL CONDITION OF THE STATE



DEPARTMENT OF LEGISLATIVE SERVICES 2010

Effect of the 2010 Legislative Program on the Financial Condition of the State

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

August 2010

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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

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August 2010

The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Michael E. Busch, Speaker of the House of Delegates
Members of the Maryland General Assembly

State law requires the Department of Legislative Services to annually prepare a report that summarizes the effect of the preceding legislative program on State and local governments (State Government Article, Section 2-1237). In accordance with this requirement, I am pleased to submit the following report, *Effect of the 2010 Legislative Program on the Financial Condition of the State*.

This document is divided into four chapters.

Chapter One highlights the major components of the fiscal 2011 operating budget (**Senate Bill 140/Chapter 482**).

Chapter Two summarizes the fiscal 2011 capital budget and the State's capital program (**Senate Bill 142/Chapter 483**).

Chapter Three identifies enacted legislation from the 2010 session that affects State revenues or expenditures. The revenue and expenditure effects of the legislation are summarized, as are the number of regular and contractual positions required to implement the legislation.

Chapter Four identifies enacted legislation from the 2010 session that affects local governments. This chapter also identifies State mandates on units of local government and provides an overview of State aid to local governments.

No bills passed in 2010 were vetoed by the Governor for policy reasons.

Further information on issues considered during the 2010 session may be found in *The 90 Day Report – A Review of the 2010 Legislative Session*, issued annually by the Department of Legislative Services following the adjournment of the General Assembly.

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
Members of the Maryland General Assembly
August 2010
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The enclosed report is prepared by the staff of the Office of Policy Analysis. The work was coordinated by Mark W. Collins and Robert J. Rehrmann with additional assistance provided by Jennifer K. Botts and Michael T. Vorgetts. I trust this report will be a useful source of information for you. If you have any questions concerning its contents, please do not hesitate to contact me.

Sincerely,

Warren G. Deschenaux
Director

WGD/ncs

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Abbreviations

BOND	–	Bond
Ch.	–	Chapter
CY	–	Calendar Year
FF	–	Federal Fund
FY	–	Fiscal Year
GF	–	General Fund
GO	–	General Obligation
HB	–	House Bill
HE	–	Higher Education
NB	–	Nonbudgeted
REIM	–	Reimbursable Funds
SAEF	–	Special Administrative Expense Fund
SB	–	Senate Bill
SF	–	Special Fund
SPHRF	–	State Police Helicopter Replacement Fund
SSN	–	Social Security Number
TTF	–	Transportation Trust Fund
UEF	–	Uninsured Employers' Fund
VCAF	–	Volunteer Company Assistance Fund
()	–	Indicates Decrease

Fiscal Effects of the 2010 Legislative Program

Enacted legislation with a quantifiable effect is expected to increase general fund revenues by \$369.0 million and reduce general fund expenditures by \$570.9 million in fiscal 2011, an overall positive impact on the general fund of \$940.0 million. The table below summarizes the quantifiable fiscal 2011 to 2015 general fund impact of all enacted legislation from the 2010 regular session. General fund revenues increase and expenditures decrease throughout the five-year period, resulting in a positive general fund impact in each year through fiscal 2015.

The increase in fiscal 2011 general fund revenues of \$369.0 million is partially offset by a projected decrease of \$183.0 million in special fund revenues. The impact of legislation affecting State revenues will be considered by the Board of Revenue Estimates when fiscal 2011 revenue estimates are revised in September and December 2010.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
General Fund Revenues	\$369,006,592	\$287,830,691	\$286,019,239	\$297,474,994	\$305,939,340
General Fund Expenditures	(\$570,946,081)	(\$276,391,493)	(\$263,737,727)	(\$273,665,487)	(\$339,958,172)
Net General Fund Impact	\$939,952,673	\$564,222,184	\$549,756,966	\$571,140,481	\$645,897,512

Enacted legislation from the 2010 session is expected to increase fiscal 2011 special fund expenditures by \$45.2 million and federal fund expenditures by \$13.5 million. Significant special and federal fund expenditure reductions have already been incorporated into the fiscal 2011 State budget, but increases totaling an estimated \$466.4 million in special fund expenditures and \$39.4 million in federal fund expenditures were not included in the budget adopted by the General Assembly. State agencies may add special and federal funds to their budgets through the budget amendment process, and the fiscal 2011 State budget specifically authorizes the processing of budget amendments for many of the new expenditures.

Unbudgeted fiscal 2011 general fund expenditures of \$14.0 million may result in deficiency appropriations for the affected agencies, or agencies may absorb the added costs into their existing budgets. The table below details changes to budgeted and nonbudgeted expenditures resulting from enacted 2010 legislation.

	General Funds	Special Funds	Federal Funds
Total Expenditures	(\$570,946,081)	\$45,163,089	\$13,540,194
Budgeted Expenditures	(\$584,914,027)	(\$421,223,239)	(\$25,859,699)
Nonbudgeted Expenditures	\$13,967,946	\$466,386,328	\$39,399,893

An estimated 39.9 regular and 4.7 contractual positions will be required in fiscal 2011 to implement enacted legislation from the 2010 legislative program. As many as 7.0 additional regular positions and 2.0 contractual positions could be necessary in fiscal 2012 as a result of legislation, bringing the two-year total to 53.6 new regular and new contractual positions.

The analysis of fiscal effects excludes the impact of bills for which estimates cannot be quantified. Although the bills do not contribute to the totals shown in the report, each bill with an unquantified impact is listed in Chapter 3 with an indication of whether it is expected to have a positive or negative impact on the budget. All estimates of the impact of 2010 enacted legislation are based on the assumptions stated in the fiscal and policy notes for the bills. Final notes on all bills may be viewed along with other bill information on the General Assembly website.

Chapter One – Operating Budget

- Overview
- Budget in Brief
- Framing the Session: 2009 Interim Activity
- Governor's Spending Plan as Introduced
- Legislative Consideration of the Budget
- Outlook for Future Budgets
- Budget-related Legislation
- Federal Stimulus Funding
- By the Numbers

Overview

The projected general fund deficit was one of the major issues at the 2010 legislative session. General fund revenues have declined substantially due in large part to a downturn in the economy that began in late 2007 and continued to lag in fiscal 2010. Shortfalls ranging from \$2.0 billion to \$2.6 billion for the period encompassing fiscal 2011 to 2015 were estimated by the Department of Legislative Services in December 2009. The Governor and General Assembly closed the fiscal 2011 gap through a combination of constraining the growth in the budget and one-time fund transfers. In subsequent years, legislative action reduced the projected shortfalls to about \$1.6 billion. In the long term, some combination of revenue increases and spending reductions will be necessary to place the State back on the path of fiscal sustainability. Nominal downward revenue revisions since December 2009 suggest that finances are stabilizing; however, economic forecasts suggest that a slow recovery is in the offing.

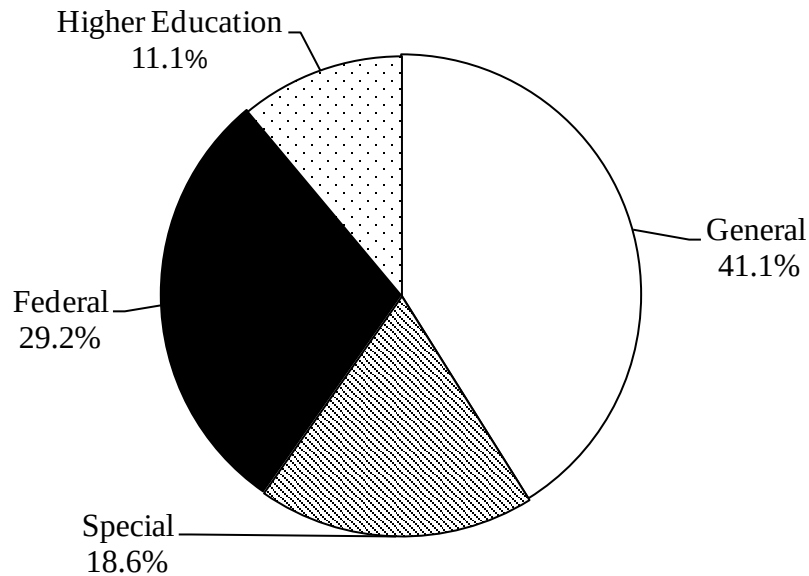
The General Assembly passed a \$32.0 billion budget for fiscal 2011 – a decrease of \$0.3 billion, or -1.0%, below fiscal 2010 spending levels. Federal stimulus funding from the American Recovery and Reinvestment Act of 2009 (ARRA) continues to play a central role in the fiscal 2010 and 2011 budgets, providing \$1.1 billion and \$1.3 billion to support State operations, respectively. The enacted budget is \$626.9 million, or -3.0%, below the 0.0% level recommended by the Spending Affordability Committee (SAC). The general fund cash balance is estimated at \$203.6 million at the end of fiscal 2011, in addition to 5.0% reserves of \$633.5 million in the Rainy Day Fund.

Budget in Brief

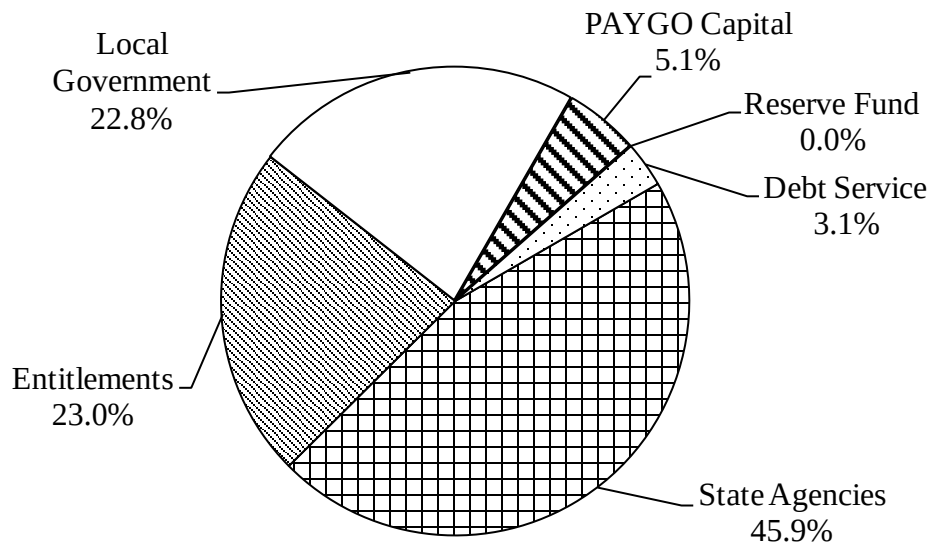
The Fiscal Year 2011 Budget Bill, **Senate Bill 140 (Chapter 482)**, provides \$32.0 billion in appropriations for fiscal 2011 – a decrease of \$0.3 billion (-1.0%) below fiscal 2010.

Exhibit 1.1 illustrates funding by type of revenue. Due to the continued provision of federal stimulus dollars, the proportion of the budget supported by federal funds remains close to 30% of total spending. Prior to fiscal 2010, federal dollars typically supported about 22% of total spending.

Exhibit 1.1
Maryland's \$32.0 Billion Budget
Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go

General funds constitute about 41% of the total budget, while federal dollars remain at about 29% of spending. Special funds provide approximately 19% of the budget, and higher

education revenue provides the remaining 11%. State agency operations constitute the largest area of spending, representing 46% of the total budget. Aid to local governments accounts for 23% of the budget, and 23% supports entitlement programs. Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State general obligation bonds, and transfers to the State Reserve Fund.

General fund appropriations decrease by \$286.4 million, or -2.1%, below fiscal 2010. Medicaid spending increases by \$155.3 million to reflect trends in inflation, utilization, and enrollment. Both the 2010 and 2011 budgets contain lower levels of general funds based on an enhanced level of federal stimulus matching funds. Increases for personnel costs also are included for retirement contributions (\$44.0 million) and health insurance (\$25.0 million). These increases are entirely offset by a decrease of nearly \$400.0 million in local education aid, although nearly all of that amount represents the use of special funds in lieu of general funds. Appropriations to the State Reserve Fund also decrease by \$99.9 million because there was no required appropriation from the closeout of fiscal 2009. Across-the-board reductions adopted by the legislature include \$12.0 million from the abolition of 500 regular positions and \$2.8 million due to electricity conservation efforts. This was in addition to across-the-board actions included in the allowance for hiring freeze savings, cutbacks in overtime, streamlining State operations, and savings in injured worker's expenses.

Special funds grow by \$317.8 million, or 5.6%, compared to the fiscal 2010 working appropriation. Decreases occur in highway and transit capital spending, Medicaid based on reduced special fund availability, Program Open Space, reduced spending at the Maryland Port Administration reflecting a new public-private partnership, and special fund cashflow for the Comptroller's new Modernized Integrated Tax System. Approximately \$436.6 million in general fund reductions will be restored from special fund sources, including \$350.0 million from the Local Income Tax Reserve Account and \$42.1 million from the Higher Education Investment Fund (HEIF), **Senate Bill 283/House Bill 470 (Chapters 192 and 193)**. With the expected opening of the first two video lottery facilities in fiscal 2011, additional spending in the budget provides funding for the operator's share of revenue, funds for K-12 education, higher horse racing purses, racetrack redevelopment spending, and local impact aid. Additional transportation funds are also provided to the Washington Metropolitan Area Transit Authority to match federal dollars to be used toward the system's capital program needs.

Federal fund spending decreases by \$457.4 million, or 4.7%, mostly due to the expiration of one-time federal stimulus funds received in fiscal 2010. Local education and library aid decreases by \$237.2 million, or 16.9%, due to one-time stimulus monies that were distributed based on the Title 1 and special education aid formulas. PAYGO capital similarly decreases \$383.5 million, or 32.8%, due to a decline in federal stimulus funds for low-income weatherization, rental housing programs, and transportation capital funding. Increases in federal aid are also received for Medicaid (\$143.6 million, or 3.9%) and assistance payments (\$244.5 million, or 42.8%), mostly for food stamps.

The budgets for public higher education institutions increase by \$117.5 million in total funds, or 3.4%, in fiscal 2011. This growth is in non-State funds derived from tuition and fees,

grants and contracts, and auxiliary sources which support operations of higher education institutions, including the University System of Maryland (USM), Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC). Aid to community colleges is essentially level funded in fiscal 2011, though BCCC receives a nominal 1.7% increase. Aid to nonpublic colleges and universities is also funded at the fiscal 2010 level of \$38.4 million.

With respect to personnel, the budget assumes a combination of furloughs and temporary salary reductions of up to 10 days per employee in fiscal 2011, based on salary, and does not provide for a general salary increase, merit pay, or a deferred compensation match. Legislative action abolished 568 regular positions, made the deferred compensation match discretionary instead of mandatory, and called for study of pension and post retirement benefits.

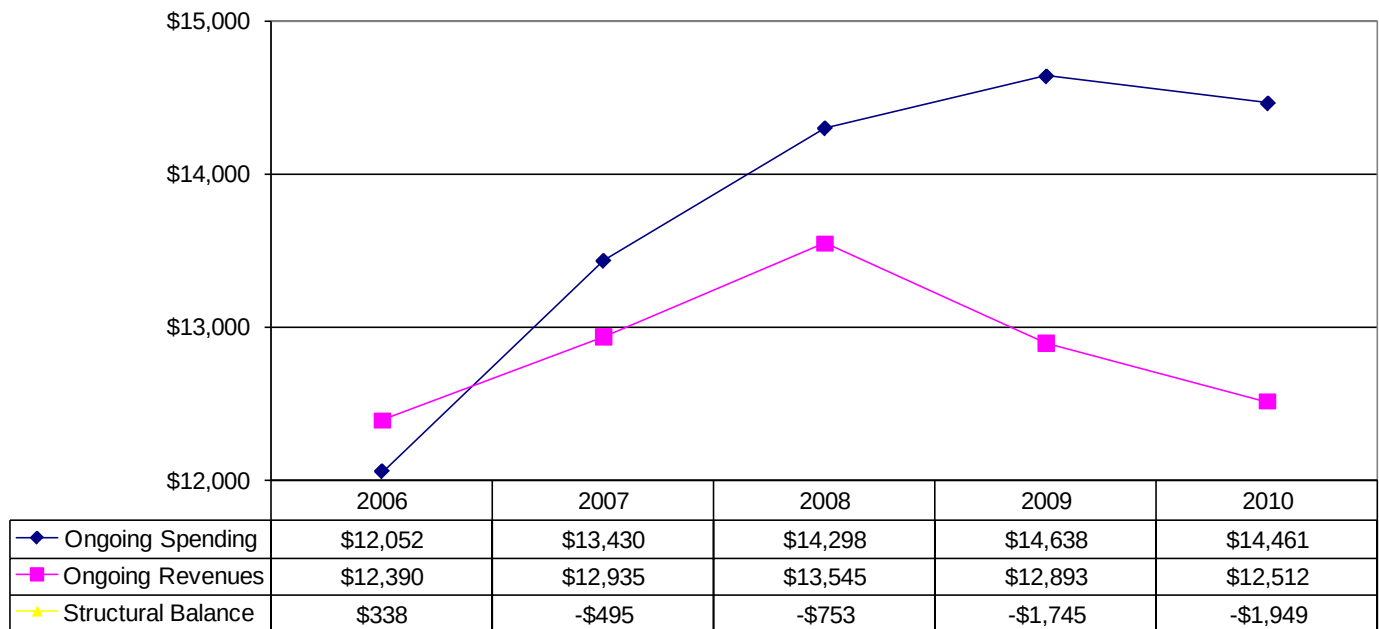
Framing the Session: 2009 Interim Activity

A continued economic downturn since 2007 has affected both revenues and spending needs. High unemployment, home foreclosures, and restrictive credit, are among the factors which have dampened income and sales tax revenue collections in Maryland. Between December 2008 and March 2010, the Board of Revenue Estimates (BRE) revised the fiscal 2010 general fund revenue estimates downward five times for a combined loss of more than \$2.4 billion below the December 2008 estimate. Nearly \$1.0 billion in fiscal 2010 spending was cut from agency budgets through the Board of Public Works (BPW), with more than one-half coming from general fund expenditures. SAC recommended a zero rate of budgetary growth for the 2010 session, which was the lowest level ever recommended. SAC also offered recommendations pertaining to use of the Rainy Day Fund and position growth.

BRE Revenue Revisions

As shown in **Exhibit 1.2**, ongoing revenue fell by nearly 5% in fiscal 2009 followed by a 3% loss in fiscal 2010 to date. In September 2008, general fund revenue for fiscal 2010 was projected at \$14.7 billion. After a number of revisions, the fiscal 2010 estimate was projected in March 2010 to be \$12.2 billion, a decline of 17%. The fiscal 2010 structural revenue estimate in Exhibit 1.2 is increased by approximately \$300 million with the adoption of a permanent revenue distribution of highway user revenues to the general fund in **Senate Bill 141 (Chapter 484)**.

Exhibit 1.2
Ongoing General Fund Revenue and Spending Trends
Fiscal 2006-2010
(\$ in Millions)



Source: Board of Public Works

BPW Withdrawn Appropriations

As shown in **Exhibit 1.3**, the Governor withdrew nearly \$1 billion in spending from the fiscal 2010 budget through BPW at meetings held in July, August, and November 2009. There were budgetary savings from abolishing 533 positions and employee furloughs. Cutbacks were made to agency spending, local aid, PAYGO, and entitlement programs. In some cases, reductions were offset by the availability of special fund balances or federal funds.

Exhibit 1.3
Fiscal 2010 Spending Withdrawn through the Board of Public Works
(\$ in Millions)

<u>Date of Board of Public Works Action</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>	<u>Filled Positions</u>	<u>Vacant Positions</u>
July 2009	\$205.3	\$8.0	\$54.3	\$267.6	39.0	18.5
August 2009	223.3	197.1	68.0	488.4	202.0	161.5
November 2009	102.8	40.4	57.3	200.5	68.5	43.5
Total	\$531.4	\$245.5	\$179.6	\$956.5	309.5	223.5

Source: Board of Public Works

SAC Recommendations

SAC prepared its final report to the Governor in December 2009 which included the following recommendations pertaining to the operating budget:

Spending Limit: The committee recommended limiting growth on a spending affordability basis to 0% relative to the spending approved at the 2009 session. This was the lowest level recommended in the history of SAC.

Personnel: The committee opined that the current complement of 79,700 regular positions was appropriate for the delivery of State services. It was recommended that any new position needs be accommodated within the current overall level.

State Reserve Fund: SAC continued to recommend prudent use of the Rainy Day Fund. Use of the balance below 5% was recommended only as a last resort and in combination with a multiyear plan to achieve structural balance.

Governor's Spending Plan as Introduced

For the current fiscal year, the Governor proposed \$763.0 million of fiscal 2010 deficiencies. These included additional funding mostly for Medicaid, federal aid for students with disabilities, low-income energy assistance, public safety, juvenile services, and tax credits. The fiscal plan submitted by the Administration provided for \$32.5 billion in total spending for fiscal 2011, balanced in part by across-the-board reductions, additional revenue assumptions, transfers and contingent reductions proposed in budget reconciliation legislation, and the expectation that additional federal aid would be provided to all states through the extension of the enhanced Medicaid match begun in fiscal 2009 in federal stimulus legislation. The budget was nearly \$600.0 million below the 0% limit recommended by SAC, and did not use any funds

from the State Reserve Fund. The Governor's proposed spending plan proposed an estimated fiscal 2011 general fund balance of \$273.7 million.

Across-the-board reductions of \$117.1 million assumed savings of \$76.7 million from another 10 days of combined furloughs and temporary salary reductions; \$3.0 million in overtime savings based on accident leave management; \$2.0 million from streamlining of State operations; \$10.0 million in hiring freeze and attrition savings; a change in the injured workers' settlement policy (\$5.0 million) and administrative costs (\$0.5 million); and a \$20.0 million savings in health insurance to reflect a balance in that account.

Nearly \$52 million in additional revenue was assumed, including telecommunications recoveries, proposed interest income transfers from special funds to the general fund, and offsetting revenues from a proposed job creation tax credit. The Administration also assumed \$389 million from an additional six months of enhanced federal stimulus funds through a reduction of general funds in the Medicaid budget.

As shown in **Exhibit 1.4**, the Governor's plan for balancing the fiscal 2010 and 2011 budgets relied heavily on a combination of fund transfers and reductions contingent upon budget reconciliation legislation. Over \$1.7 billion was proposed to be transferred from a variety of accounts, with the largest amounts coming from Highway User Revenues (\$321.4 million in fiscal 2010 and \$340.3 million in fiscal 2011), and various PAYGO programs (\$330.1 million in fiscal 2010 and \$111.7 million in fiscal 2011). Other significant transfers from fund balances were proposed to come from higher education, the Heritage Structure Rehabilitation Tax Credit Reserve Fund, the Injured Workers' Insurance Fund, and the Land Records Fund. The Governor also proposed nearly \$700.0 million in general fund contingent reductions, with most tied to **Senate Bill 141 (Chapter 484)**, the Budget Reconciliation and Financing Act (BRFA) of 2010. Of this, \$350.0 million involved a proposed transfer from the Local Income Tax Reserve Account to the Education Trust Fund which would replace general fund local education aid, and over \$50.0 million would reduce or level fund certain local aid programs.

Other contingent reductions that were part of the Governor's spending plan relied on separate legislation. They included:

Senate Bill 279 (Chapter 4) prohibits a person from making a false or fraudulent claim for payment or approval by the State or the Department of Health and Mental Hygiene (DHMH) under a State health plan or program. Enactment of this legislation effects a \$9.0 million general fund reduction.

Senate Bill 283/House Bill 470 (Chapters 192 and 193) permanently dedicate 6% of the corporate income tax to the HEIF. A contingent general fund reduction of \$42.1 million is offset by a loss of \$41.8 million in general fund revenue, thus, there is a small positive impact on the fund balance.

Exhibit 1.4
Governor's Original Budget Plan
Fiscal 2010-2011
(\$ in Millions)

	<u>2010</u>	<u>2011</u>
Opening Balance	\$87.2	\$258.4
Revenues	\$12,299.5	\$12,671.7
Additional Revenues	168.0	0.8
Transfers	1,144.7	519.2
Subtotal	\$13,612.2	\$13,191.8
Appropriations and Deficiencies	\$14,036.1	\$13,978.1
BPW Withdrawn Appropriations	-531.4	0.0
Across-the-board Reductions	0.0	-87.8
Contingent Reductions	0.0	-676.9
Reversions	-63.7	-37.1
Subtotal	\$13,441.0	\$13,176.5
Closing Balance	\$258.4	\$273.7

BPW: Board of Public Works

Source: Maryland Budget Highlights, Fiscal 2011

Legislative Consideration of the Budget

As the legislature considered the budget, BRE revised general fund revenues downward by \$66.0 million for fiscal 2010, and the Governor submitted one supplemental budget which added \$12.8 million in spending. The General Assembly reduced the budget and positions as detailed below.

Revenue and Spending Changes

BRE Revenue Revisions: In March 2010, BRE revised the estimate of general fund revenue for fiscal 2010 downward by \$66 million. The estimate for fiscal 2011 was unchanged. Income and sales tax revenues continue to be negatively affected by the recession, as well as severe snow storms.

Supplemental Budget No. 1: The Governor introduced one supplemental budget that increased spending by a total of \$12.8 million. Additional funding of \$24.4 million was provided for Disparity Grants, another \$22.4 million corrected student enrollment undercounts for a variety of formula-based education programs, and \$10.3 million was needed primarily to ensure sufficient funding in the State Board of Elections for 2010 election costs. Higher spending in the supplemental budget was offset by an expected \$65.9 million in general fund Medicaid savings based on the application of a higher federal matching rate for determining the Medicare clawback – State payments required to offset federal Medicare prescription drug costs for State residents eligible for both Medicare and Medicaid.

Reductions: The legislature reduced the fiscal 2010 budget by \$13.8 million based mostly on a \$12.3 million reduction in general funds for Medicaid, which will be replaced with special funds from the Senior Prescription Drug Assistance Program. Another \$1.5 million in general funds was reduced based on lower caseloads in the Temporary Disability Assistance Program. Changes adopted in the fiscal 2011 budget eliminated 568 regular positions and reduced \$968.0 million in all funds. Just under one-half of the total cuts are intended to be replaced from special fund sources.

Notable reductions included:

- \$350.0 million in education aid that will be replaced with special funds;
- \$244.5 million from local highway user revenues;
- \$54.0 million in Program Open Space related spending in the Departments of Agriculture and Natural Resources. Nearly all of this amount will be bond funded in fiscal 2011 and 2012;
- \$40.1 million from the Maryland Port Administration budget in cost savings related to the transfer of the Seagirt Marine Terminal to the private sector as part of a public-private partnership agreement;
- \$23.1 million to fund community college aid at the fiscal 2010 level;
- \$22.1 million from activities funded by the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund. A corresponding amount of revenue is also transferred to the general fund through budget reconciliation legislation;
- \$19.0 million to fund police aid at the fiscal 2010 level; and
- \$12.0 million in conjunction with the abolition of 500 regular positions by June 30, 2011.

The budget does not reflect special funds that are intended to replace general funded items, which were reduced at the 2010 session but which have yet to be appropriated. **Exhibit 1.5** summarizes the items that will be restored with special funds. The largest item is a \$350 million general fund reduction in the Maryland State Department of Education (MSDE) Foundation Program that will be replaced by funds from the Local Income Tax Reserve Account that are being transferred to the Education Trust Fund.

Exhibit 1.5
General Fund Reductions to Be Replaced with Special Funds
Fiscal 2010-2011
(\$ in Millions)

	FY 2010		FY 2011	
	<u>General Funds</u>	<u>Special Funds</u>	<u>General Funds</u>	<u>Special Funds</u>
Education			-\$350.0	\$350.0
Higher Education			-42.1	42.1
Medicaid	-\$2.0	\$2.0	-25.2	25.2
Judiciary			-11.9	11.9
Department of Information Technology			-5.0	5.0
Maryland School for the Deaf			-2.0	2.0
Department of Health and Mental Hygiene			-0.3	0.3
Attorney General			-0.2	0.2
Total	-\$2.0	\$2.0	-\$436.6	\$436.6

Final Actions Related to SAC

Limiting Spending Growth: As shown in **Exhibit 1.6**, final action by the legislature reduced the budget to a -3% rate of growth as measured on a spending affordability basis. The SAC calculation typically does not include federal funds, but an adjustment has been included since the 2009 session to account for the significant influx of federal stimulus aid which was used in part to offset general fund appropriations. With this adjustment, final action on the budget is \$626.9 million below the 0% growth rate recommended by the committee. The budget assumes \$389.0 million in general fund Medicaid savings from a six-month extension of the enhanced Medicaid match associated with the federal stimulus aid. These additional federal funds are not included in the SAC calculation; however, if they were included, spending would remain below the limit.

Exhibit 1.6
Operating Budget Affordability Limit
(\$ in Millions)

<u>Funds</u>	<u>2009 Session</u>	<u>2010 Session</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$13,150.2	\$13,313.0	\$162.9	1.24%
Special	4,150.7	3,768.7	-381.9	-9.20%
Higher Education	2,100.0	2,160.4	60.4	2.88%
ARRA Funds	1,464.0	995.7	-468.3	-31.98%
Estimated Budget Growth	\$20,864.8	\$20,237.9	-\$626.9	-3.00%
SAC Limit	\$20,864.8	\$20,864.8	\$0.0	0.00%
Over (Under) Limit			-\$626.9	-3.00%

If Medicaid Extension Funding Is Included

ARRA Funds		389.0	389.0	
Estimated Budget Growth	\$20,864.8	\$20,626.9	-\$237.9	-1.14%

ARRA: American Recovery and Reinvestment Act of 2009

SAC: Spending Affordability Committee

Personnel: Although the budget as introduced was 155 positions below the fiscal 2010 level, the legislature abolished another 568 positions. Of this, 500 positions are to be abolished by the Governor by June 30, 2011. At 79,016 positions, the fiscal 2011 complement is below the 79,700 cap recommended by SAC for this session. Thus, the final action for State employment is consistent with SAC recommendation.

State Reserve Fund Balance: No funds are transferred to support fiscal 2011 spending, maintaining a \$633.5 million balance in the Rainy Day Fund. This constitutes a 5% balance. Final action on the budget complied with the SAC recommendation to maintain at least a 5% balance and to use the fund only as a last resort.

Summary of Fiscal 2010 Legislative Activity

Exhibit 1.7 summarizes final legislative action on the general fund budget. In addressing the write-down of revenues and additional spending in the one supplemental budget, the General Assembly adopted \$931.4 billion in transfers. Of this, \$76.2 million was implemented through Chapter 487 of 2009. Approximately \$449.3 million of the \$968.0 million in reductions are contingent upon the BRFA of 2010. Based upon these actions, the closing fiscal 2010 balance is estimated at \$153.8 million, and fiscal 2011 would end with a projected \$203.6 million balance.

Exhibit 1.7 Final Legislative Budget Action Fiscal 2010-2011 (\$ in Millions)

	<u>FY 2010</u>	<u>FY 2011</u>
Opening Balance	\$87.2	\$153.8
Revenues	\$12,719.0	\$13,096.7
Legislation	0.0	-61.1
Transfers	775.6	155.8
Subtotal	\$13,581.8	\$13,345.3
Appropriations/Supplementals/Deficiencies/BPW	\$13,505.5	\$13,734.8
Reductions	-1.5	-155.8
Contingent Reductions	-12.3	-406.3
Reversions	-63.7	-31.1
Subtotal	\$13,428.0	\$13,141.6
Closing Balance	\$153.8	\$203.6

BPW: Board of Public Works

Exhibit 1.8 illustrates the actions of the Governor and the legislature relative to current services spending forecasted in the Department of Legislative Services fiscal 2011 baseline budget estimate. As shown, the Governor constrained the growth in fiscal 2011 spending by \$1.1 billion mostly by assuming additional federal Medicaid aid at the higher match level, constraining employee compensation, Medicaid cost containment, and higher assumptions of video lottery terminal revenue.

Exhibit 1.8
Reductions from General Fund Baseline Spending Estimate
Fiscal 2011
(\$ in Millions)

	Governor's Proposal	Final
General Fund Baseline Spending Estimate (December 2009)	\$14,805	\$14,805
Changes Incorporated in Governor's Allowance Not Requiring Legislative Approval		
Net Changes to Statutory Formula Calculations	\$63	\$63
Additional VLT Revenues for Education	-101	-101
Enhanced Medicaid Match Assumed for Six Months/Medicare Clawback	-416	-416
Medicaid – Cost Containment	-152	-152
Public Assistance – Higher Costs and More Federal Monies	-39	-39
Property Tax Credits	7	7
Higher Education	-34	-34
Corrections	-51	-51
Health and Human Resources	-67	-67
State Personnel – Salaries and Benefits	-269	-269
Other Agency Reductions	-43	-43
Subtotal	-\$1,101	-\$1,101
Reductions Proposed by the Governor Requiring Legislative Approval		
Police Aid Formula/Local Health Grants	-\$23	-\$23
Bond Fund Aging Schools/Transportation Inflation	-10	-10
Local Income Tax Reserve for Education Fund Swap	-350	-350
Community College Formula	-23	-23
Sellinger Formula for Private Higher Education	-22	-14
Medicaid – Nursing Home Assessment/CRF Swap	-25	-25
Higher Education Investment Fund (Chapters 192 and 193)	-42	-42

Exhibit 1.8 (Continued)
Reductions from General Fund Baseline Spending Estimate
Fiscal 2011
(\$ in Millions)

	<u>Governor's</u> <u>Proposal</u>	<u>Final</u>
False Claims Act (Chapter 4)	-9	-9
Judicial/Legislative Personnel – Furlough and Salary Reduction	-6	-4
Other	-16	-8
Subtotal	-\$527	-\$508
Reductions Initiated by Legislature		
Baltimore City Grant		-\$3
Use Special Funds for Judiciary Information Technology Projects		-12
Judiciary Operating Expenditures		-8
Temporary Disability Assistance Payments		-6
Reduce State Positions by 500		-12
Electricity Savings		-3
Other Reductions		-11
Subtotal		-\$54
Total General Fund Expenditures	\$13,177	\$13,142
ARRA Used to Replace General Funds	\$1,279	\$1,279
Income Tax Reserve Fund Swap	350	350
Adjusted Expenditures	\$14,806	\$14,771

ARRA: American Recovery and Reinvestment Act of 2009

CRF: Cigarette Restitution Fund

VLT: video lottery terminal

The Governor also proposed over \$500 million in reductions contingent upon legislation. The largest item was the \$350 million fund swap of general funds from the Local Income Tax Reserve Account, through the Education Trust Fund. Final legislative action adopted nearly all of the Administration's proposals. The legislature also adopted over \$50 million in additional general fund reductions.

Outlook for Future Budgets

As shown in **Exhibit 1.9**, there is a cash balance of \$204 million projected at the end of fiscal 2011, while ongoing spending exceeds ongoing revenues by \$1,893 million. The fiscal 2011 structural deficit is closed by federal stimulus grants totaling \$1,279 million, a local income tax reserve account transfer to support local education totaling \$350 million, other transfers totaling \$175 million, and one-time revenues totaling \$25 million.

Actions taken by the General Assembly reduce the cash deficit in the out-years. **Exhibit 1.10** shows that actions taken by the General Assembly are projected to reduce the out-year cash deficits to \$1.6 billion in fiscal 2012, compared to \$2.6 billion projected in December 2009 and \$1.8 billion projected in the spending plan introduced by the Governor. The out-year deficit remains at \$1.6 billion through fiscal 2015. This is also less than the deficits assumed by the Administration, which were projected to increase to \$2.2 billion in fiscal 2015. The deficit is reduced by limiting spending and by increasing revenues. Most of the changes are attributable to ongoing actions taken in **Senate Bill 141 (Chapter 484)**, such as:

- increasing revenues by permanently transferring 19.3% of Gasoline and Motor Vehicle Revenue Account revenues into the general fund beginning in fiscal 2013, which is projected to provide \$339 million in fiscal 2013 and increase to \$361 million in fiscal 2015;
- constraining spending by limiting K-12 education formula increases to 1.0%, which is expected to reduce spending by \$4 million in fiscal 2012 and increase to \$117 million in fiscal 2015; and
- constraining community college spending by freezing fiscal 2012 spending and slowing out-year growth, reducing spending by \$48 million in fiscal 2012, and \$67 million in fiscal 2015.

Exhibit 1.9
General Fund Budget Outlook
Fiscal 2009-2015
(\$ in Millions)

	FY 2009	FY 2010	FY 2011 Leg. Approp.	FY 2012 Est.	FY 2013 Est.	FY 2014 Est.	FY 2015 Est.	Avg. Annual Change 2011- 2015
Revenues	Actual	Working						
Opening Fund Balance	\$487	\$87	\$154	\$204	\$0	\$0	\$0	
Transfers	189	791	175	43	60	57	60	
One-time Revenues/Legislation	871	192	25	0	0	0	0	
Subtotal One-time Revenue	\$1,548	\$1,070	\$353	\$247	\$60	\$57	\$60	-35.9%
Ongoing Revenues	\$12,893	\$12,512	\$13,033	\$13,601	\$14,363	\$15,063	\$15,762	
Revenue Adjustments – Legislation	0	0	-41	-50	-53	-52	-55	
Subtotal Ongoing Revenue	\$12,893	\$12,512	\$12,992	\$13,551	\$14,310	\$15,011	\$15,707	4.9%
Total Revenues & Fund Balance	\$14,440	\$13,582	\$13,345	\$13,798	\$14,370	\$15,068	\$15,767	4.3%
Ongoing Spending								
Operating Spending*	\$14,638	\$14,465	\$15,025	\$15,555	\$16,386	\$17,066	\$17,852	
VLT Revenues Supporting Education	0	-11	-114	-145	-372	-479	-523	
Multi-year Commitments	0	7	25	15	15	65	65	
Ongoing Reductions	0	0	0	0	0	0	0	
Ongoing Spending – Legislation	0	0	-51	-32	-35	-37	-55	
Subtotal Ongoing Spending	\$14,638	\$14,461	\$14,885	\$15,393	\$15,993	\$16,615	\$17,339	3.9%
One-time Spending								
PAYGO Capital	\$14	\$0	\$1	\$1	\$1	\$1	\$1	
One-time Reductions	0	-4	-464	0	0	0	0	
One-time Spending – Legislation	0	0	0	0	0	0	0	
Federal Stimulus Funds	-445	-1,144	-1,279	0	0	0	0	
Appropriation to Rainy Day Fund	147	115	0	50	50	50	50	
Subtotal One-time Spending	-\$285	-\$1,033	-\$1,743	\$51	\$51	\$51	\$51	n/a
Total Spending	\$14,353	\$13,428	\$13,142	\$15,444	\$16,044	\$16,666	\$17,390	7.3%
Ending Balance	\$87	\$154	\$204	-\$1,646	-\$1,674	-\$1,597	-\$1,623	
Rainy Day Fund Balance	\$692	\$614	\$632	\$680	\$718	\$753	\$789	
Balance over 5% of GF Revenues	47	-12	-1	0	0	0	0	
As % of GF Revenues	5.37%	4.91%	4.99%	5.00%	5.00%	5.00%	5.00%	
Structural Balance	-\$1,745	-\$1,949	-\$1,893	-\$1,842	-\$1,683	-\$1,604	-\$1,632	

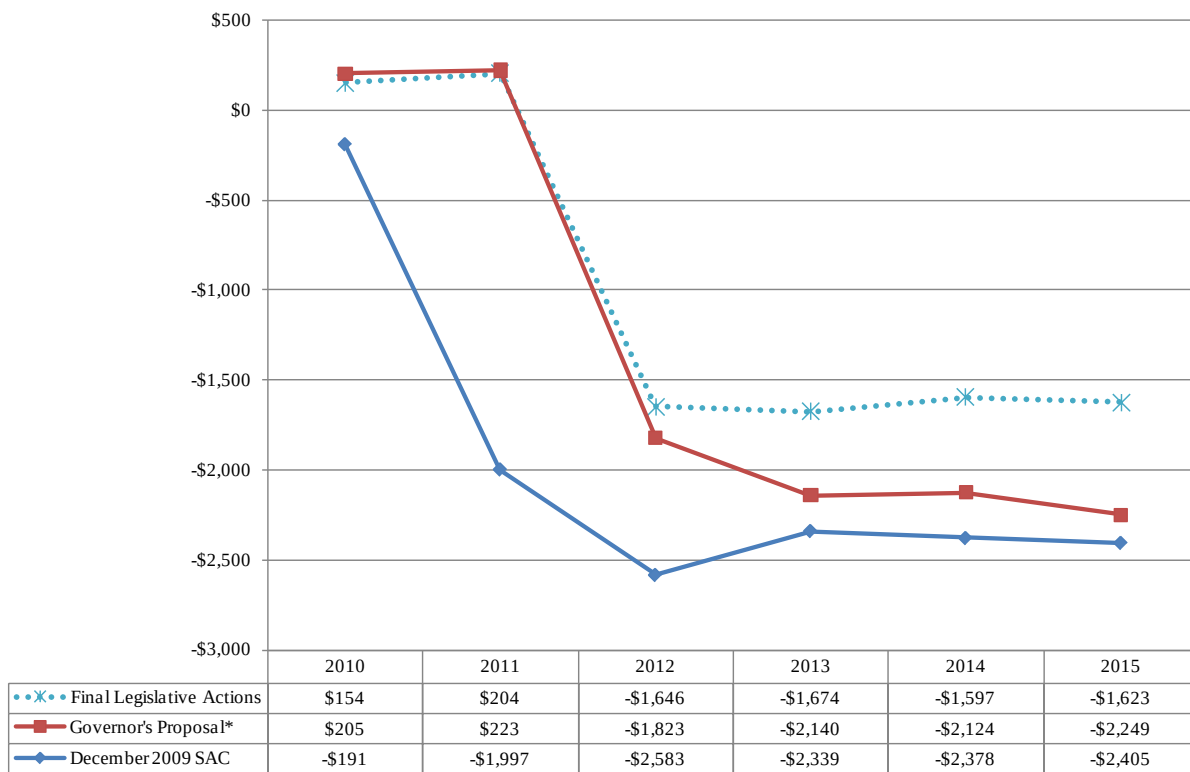
GF: general fund

PAYGO: pay-as-you-go

VLT: video lottery terminal

* Includes \$199 million in fiscal 2010 deficiency appropriations.

Exhibit 1.10
Projected General Fund Balances
Fiscal 2010-2015
(\$ in Millions)



* Governor's proposal adjusted to reflect Supplemental Budget No. 1.

The budget bill and budget committee intent language would also reduce the out-year deficit through the following:

- limit fiscal 2012 personnel costs to fiscal 2011 levels, which is projected to constrain fiscal 2012 spending by \$139 million and fiscal 2015 spending by \$91 million;
- delete 500 positions, which is expected to reduce spending by \$12 million in fiscal 2012 and \$21 million in fiscal 2015; and
- freeze the State per-student grant to the University System of Maryland and Morgan State University in fiscal 2012, constraining spending by \$55 million in fiscal 2012, and \$60 million by fiscal 2015.

Other legislation also reduced the out-year deficit, including:

- **Senate Bill 279 (Chapter 4)** (Maryland False Claims Act of 2010) reduces general fund expenditures by \$9.0 million in fiscal 2011;
- **House Bill 1505 (Chapter 477)** (Central Collection Unit – Collection of Debts Owed by the State) is projected to provide \$2.0 million in revenues annually beginning in fiscal 2011; and
- **House Bill 1389 (Chapter 735)** (Traffic Cases – State Police Helicopters and Ambulance, Fire, and Rescue Companies) is projected to provide \$3.5 million in general fund revenues beginning in fiscal 2013 and \$8.5 million by fiscal 2015.

Legislation also resulted in additional costs, including:

- **House Bill 475 (Chapter 487)** (Smart, Green, and Growing – The Sustainable Communities Act of 2010) is expected to increase State expenditures by \$15.0 million in fiscal 2012 to 2014;
- **Senate Bill 887 (Chapter 194)** (State Correctional Officers Bill of Rights) is projected to increase costs by about \$3.0 million annually beginning in fiscal 2011; and
- **Senate Bill 280/House Bill 473 (Chapters 176 and 177)** (Sexual Offenders Lifetime Supervision) is projected to increase costs by approximately \$0.5 million in fiscal 2011 increasing to \$1.4 million by fiscal 2015.

Budget-related Legislation

Budget Reconciliation and Financing Legislation

The BRFA of 2010, implements \$1.8 billion in actions that were of immediate benefit (fiscal 2010 and 2011) to the general fund. These actions are summarized in **Exhibit 1.11**.

Actions within the BRFA of 2010 can be categorized into five major types: fund balance transfers; expanded use of special funds; changes in grants and formulas; revenue actions; and miscellaneous other provisions. Many of these actions provide ongoing structural relief by constraining growth in mandated formulas and allowing the use of special funds in lieu of general funds.

Exhibit 1.11
Summary of Actions in the Budget Reconciliation and Financing Act of 2010
(\$ in Millions)

Fund Transfers	\$644.7
Contingent Reductions	418.6
Revenues	755.8
Total Budgetary Action	\$1,819.1

Fund Balance Transfers

As shown in **Exhibit 1.12**, the BRFA of 2010 transfers \$202.9 million from various operating program fund balances to the general fund. The largest component is from the fund balances of the University System of Maryland (\$145.0 million over fiscal 2010 and 2011, of which \$35.2 million represents a portion of furlough savings transferred from fund balance) and other segments of higher education (\$5.5 million); a variety of environmental and health funds totaling \$17.9 million and \$6.0 million, respectively; and savings from furloughs and salary reductions in special-funded agencies which provide another \$7.6 million. Of the transfers proposed by the Governor in the BRFA as introduced, the General Assembly declined to make those from the Heritage Structure Rehabilitation Tax Credit Reserve account, from certain accounts of the Injured Workers' Insurance Fund, and from the Land Records Improvement Fund.

Exhibit 1.12
Transfers to the General Fund
Budget Reconciliation and Financing Act of 2010
Fiscal 2010-2011
(\$ in Millions)

	<u>FY 2010</u>	<u>FY 2011</u>
Vehicle Theft Prevention Fund – BPW Cut Special Funds	\$1.8	
Horse Racing Local Impact Grants	0.6	\$0.5
University System of Maryland Fund Balance	133.3	11.7
Morgan State University Fund Balance	2.1	0.8
St. Mary's College of Maryland Fund Balance	0.2	0.2
Baltimore City Community College	1.4	0.8
Oil Disaster Containment Clean-up and Contingency Fund	1.0	
Oil Reserve Fund	1.2	
Tidal Wetlands Compensation Fund	1.0	
Oil Contaminated Site Environmental Cleanup Fund	3.0	
Used Tire Clean-up and Recycling Fund	1.1	
Clean Air Fund	0.3	
Radiation Control Fund	0.5	
Program Open Space – Replace with Bonds Per 2009 BRFA	4.5	
Land Trust Grant Fund – Maryland Environmental Trust	1.5	
Waterway Improvement Fund – BPW Cut Special Fund Expenditures	1.0	
Shore Erosion Control Construction Loan Fund	0.3	
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund	2.5	
State Chemist Reserve Account – Agriculture	0.2	
Health Boards and Commissions	1.2	1.3
Spinal Cord Injury Research Trust Fund	1.6	0.5
Community Health Resources Commission Fund	1.8	
Maryland Health Care Commission Fund	0.5	
Various Special Funds – Housing and Community Development	0.4	
Occupational and Professional Licensing Design Board Fund	0.3	
Insurance Regulation Fund – Maryland Insurance Administration	2.0	
State Insurance Trust Fund	5.2	
Cash Management Improvement Fund – Treasurer's Office	0.7	
Injured Workers' Insurance Fund – Reserve for Future State Liabilities	6.0	
Charter Unit – State Department of Assessments and Taxation	3.0	
Central Collection Unit – Department of Budget and Management	0.5	-0.6
Correctional Enterprises Fund	0.5	
Central Business Licensing System – Various Special Fund Transfers		0.5
Furlough and Temporary Salary Reduction – Special Fund Savings		6.0
Total	\$181.2	\$21.7

BPW: Board of Public Works

BRFA: Budget Reconciliation and Financing Act

Exhibit 1.13 shows that over fiscal 2010 and 2011, an additional \$441.8 million is transferred from capital programs under Program Open Space (\$207.1 million), environmental improvement funds (\$219.8 million), and housing development funds (\$14.8 million). The capital budget bill of 2010 provides \$176.9 million to replace the transfer of unexpended balances; an additional \$102.3 million replaces fiscal 2011 revenues being diverted to the general fund. Pre-authorizations for fiscal 2012 and 2013, alternative fund sources, and legislative intent language address the remaining amounts in subsequent fiscal years.

Exhibit 1.13
Capital Program Transfers to the General Fund
Budget Reconciliation and Financing Act of 2010
(\$ in Millions)

	<u>Amount</u>
<u>Fiscal 2010 (Unexpended Capital Balances)</u>	
Local Share Program Open Space	\$103.1
Capital Development – Program Open Space	22.7
Rural Legacy Program	10.6
Agricultural Land Preservation	10.0
State Land Acquisition – Program Open Space	4.6
Ocean City Beach Replenishment – Program Open Space	2.1
Ocean City Beach Replenishment – Other	3.4
Waterway Improvement Fund	12.5
Bay Restoration Fund	155.0
Neighborhood Business Development Fund	3.6
Community Legacy Financial Assistance Fund	0.4
Special Loan Programs Fund	2.1
Total	\$330.1
<u>Fiscal 2011 (Special Fund Transfers)</u>	
Program Open Space/Agricultural Land Preservation	\$54.0
Bay Restoration Fund	45.0
Waterway Improvement Fund	3.9
Neighborhood Business Development Fund	3.2
Homeownership Programs Fund	3.0
Special Loan Programs Fund	2.5
Total	\$111.7

Expanded Use of Special Funds

The BRFA of 2010 modifies the authorized uses of a number of special funds, in the short or long term, to provide general fund relief. The largest of these is the one-time use of \$350 million from balances within Local Income Tax Reserve Account, to support education aid formulas. These funds will be transferred to the Education Trust Fund. An additional

\$200 million may be borrowed from the Local Income Tax Reserve Account if the enhanced federal Medicaid match is not extended beyond December 31, 2010.

In the health area, reductions to programs supported by the Cigarette Restitution Fund, namely tobacco cessation and prevention programs and academic health center grants, provide an additional \$8.2 million in lieu of general funds for the Medicaid program in fiscal 2011 and \$13.4 million on an ongoing basis. A permanent increase in the assessment on nursing homes to 4% similarly provides \$17.0 million for Medicaid. Finally, the use of fund balances in the Senior Prescription Drug Assistance Program and the Community Health Resources Commission provide \$17.5 million for the Kidney Disease and Medicaid programs on a one-time basis.

Permanent authorization is provided for the Judiciary to use the Land Records Improvement Fund for information technology projects; for the Maryland Department of the Environment to use the Oil Disaster Containment, Clean-up, and Contingency Fund for oil-related activities in water pollution control programs; and for the Department of Natural Resources to use certain hunting license revenues. On a one-time basis, \$2.0 million from the Universal Service Trust Fund will support the budget of the Maryland School for the Deaf; \$5.0 million from the 9-1-1 Fund will be used for the development of the computer aided dispatch/records management system for the Department of State Police; and \$650,000 from the Fair Campaign Financing Fund will support consultants to evaluate a variety of voting system issues and to develop a web-based campaign finance reporting system. The use of up to 50% of the Strategic Energy Investment Fund for low-income energy assistance programs is extended through fiscal 2012.

For fiscal 2011 only, \$500,000 of the revenues generated by the admissions and amusement tax on electronic bingo and electronic tip jars is distributed as local impact aid to the jurisdictions which have these machines. An additional \$500,000 is directed, consistent with current law, to the special fund for the Preservation of Cultural Arts in Maryland. The uses of this fund were expanded slightly, and the fiscal 2011 funds are expressly allocated to the Baltimore Symphony Orchestra and the National Philharmonic.

Formulas and Mandated Spending

In the area of public education, long-term savings are realized by implementation of a 1% cap through fiscal 2015 on the inflationary adjustment that is applied to the per-pupil foundation amount (which affects the foundation aid program and the special needs formulas) and to student transportation grants. The Aging Schools program is held at the fiscal 2011 level of \$6.1 million, and library grants are frozen at the fiscal 2012 per-capita amounts. Savings in fiscal 2012 and 2013 will result from the legislative directive that the Maryland State Department of Education renegotiate its contract with the SEED School to reduce enrollment. The Share the State Fair! program is repealed.

The growth in mandated formulas in higher education is constrained by holding appropriations level through fiscal 2012 and then slowly increasing the applicable percentage of selected public university per-student funding. The Cade formula for community college aid, the

Sellinger formula for private colleges and universities, and the formula for Baltimore City Community College all reach their prior mandated percentages of 29.0%, 15.5%, and 68.5%, respectively, in fiscal 2021.

State aid for police protection is frozen at the fiscal 2010 level through fiscal 2012, and local health department grants are re-based at the fiscal 2010 amount. State support for Community Adult Rehabilitation Centers will end after fiscal 2011, and an omission in Chapter 487 of 2009 regarding the repeal of State payments for the retirement costs of certain local officials is corrected, resulting in ongoing savings. The formula for disparity grants is modified to use November 1 taxable income amount in the calculation, rather than August 15.

The inflationary adjustment in the formula for the Maryland State Arts Council is suspended for fiscal 2011 and 2012; the budget for the Maryland Tourism Board is reduced to \$5 million for each of those years; and reimbursement rates for group homes and nonpublic special education placements are frozen at the fiscal 2010 level for fiscal 2011. The general fund mandate requiring a specified level of support to the Women, Infants, and Children program is repealed, as is the required employer match for employee deferred compensation contributions. With limited exceptions, no funds are provided in the fiscal 2011 budget for employee raises, bonuses, and incentive payments.

The BRFA of 2010 continues a provision that relieves the Governor of the need to comply with the Rainy Day Fund “automatic sweeper” if doing so would jeopardize federal funding. Similarly, with certain exceptions, notably education aid and statutory provisions elsewhere in the BRFA, the Governor is given discretion to not provide increases in the fiscal 2012 budget over the level appropriated in fiscal 2011.

Revenue Actions

The BRFA of 2010 implements several revenue adjustments, as shown in **Exhibit 1.14**. The general fund receives 19.5% of revenues from the Gasoline and Motor Vehicle Revenue Account in fiscal 2010, increasing to 23.0% in fiscal 2011. Beginning in fiscal 2013, the general fund share will be 19.3%. The remaining actions listed do not benefit the general fund beyond fiscal 2011. The BRFA contains a provision that directs revenue from settlements of litigation over telecommunications agreements to the general fund (instead of the Major Information Technology Development Fund) through fiscal 2012, but the timing and magnitude of the revenue attainment from these sources is uncertain. The “automatic sweeper” of the balance from the Central Collection Fund to the general fund was modified to allow the fund to retain 15.0% of expenditures.

Exhibit 1.14
General Fund Revenues
Budget Reconciliation and Financing Act of 2010
Fiscal 2010-2011
(\$ in Millions)

	<u>FY 2010</u>	<u>FY 2011</u>
Highway User Revenue Distribution to General Fund	\$298.1	\$363.4
Special Fund Interest – Accrue to General Fund	11.9	11.0
Moving Violations Revenue from Fire and Helicopter Funds	1.5	0.0
Cultural Arts Share of Admissions and Amusement Tax	3.4	2.4
HEIF Share of Constellation Corporate Income Tax	7.7	0.0
TTF Share of Constellation Corporate Income Tax	26.3	0.0
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Revenue	8.0	22.1
Total	\$356.9	\$398.9

HEIF: Higher Education Investment Fund

TTF: Transportation Trust Fund

Miscellaneous Provisions

As a first step to addressing the monumental and growing expenses associated with employee and teacher retirement payments and post retirement benefits, the BRFA of 2010 creates the Public Employees' and Retirees' Benefit Sustainability Commission. The commission is charged with reviewing and evaluating the recruitment practices, retention incentives, actuarial liabilities, actuarial funding method, cost drivers, employee contribution rates, and the comparability and affordability of the benefit systems. The commission is to report specific and actionable recommendations in advance of the 2011 legislative session, and its recommendations are to be implemented no later than fiscal 2013.

The BRFA of 2010 contains a provision requiring the budget bill to include information on the allocation of across-the-board reductions, except those involving the abolition of positions or items covered under collective bargaining agreements.

The statute governing the periodic meetings of the Judicial Compensation Commission was modified, and a three-year limit has been imposed on application for public safety death benefits. Carry-forward funds from other scholarship programs are to be applied to those on the waiting list for funds under the Charles W. Riley Fire and Emergency Medical Services Tuition Reimbursement Program. The BRFA of 2010 repeals authorization provided in Chapter 487 of 2009 to use funds derived from the Fair Campaign Financing Fund for any election modernization purpose if not used to purchase a new optical scan voting system; rather, the funds revert to the

Fair Campaign Financing Fund. The BRFA of 2010 also repeals the income tax add-on that allowed contributions to that fund. The required payment for the InterCounty Connector, which is being satisfied with general obligation bond funding, is reduced in fiscal 2011 with the remaining balance to be paid in fiscal 2012.

Federal Stimulus Funding

In February 2009, President Barack H. Obama signed the ARRA into law. ARRA's provisions support State programs by funding infrastructure, education programs, and human services programs, as well as providing discretionary funds. **Exhibit 1.15** shows that ARRA appropriations total \$4.5 billion over the fiscal 2009 to 2011 period including \$1.6 billion in fiscal 2011.

Funds Supporting State General Fund Commitments

With respect to the State budget, ARRA's most significant impact relates to the funds that can support State general fund commitments. The fiscal 2011 budget includes \$1.3 billion to support Medicaid, education, and discretionary State spending. The funds are used in the place of general funds to sustain State funding from fiscal 2009 to 2011. When the funds are no longer available, the State will need to replace the funds or reduce spending.

Medicaid funds total \$778 million in fiscal 2011. Of this, \$389 million has been authorized by the ARRA through December 31, 2010. These funds are available because the legislation increased the federal share of Medicaid funding by increasing the Federal Medical Assistance Percentage. The budget assumes an additional \$389 million will be authorized to support the last half of the fiscal year.

The ARRA provides \$879.8 million in fiscal stabilization funds. The legislation requires that 81.8%, which totals \$719.7 million, support education programs. The education funds must first be used to restore elementary and secondary school reductions to fiscal 2008 spending levels. Since Maryland has increased spending, this does not apply. Remaining funds must be used to support State formula increases in fiscal 2010 and 2011 for elementary and secondary education or to restore reductions made to State higher education funding below fiscal 2008 or 2009 levels. The Administration has applied these funds to support elementary and secondary education increases, the largest of which support the Geographic Cost of Education Index and supplemental grants (\$108.6 million), compensatory education (\$66.3 million), and local employee fringe benefits (\$228.1 million).

The ARRA allows that 18.2% of the fiscal stabilization funds can support general government services. These discretionary funds total \$82.4 million in fiscal 2011. The funds support State agency operations, including employee salaries at the Departments of Public Safety and Correctional Services, Juvenile Services, and State Police.

Exhibit 1.15
Federal Stimulus
Fiscal 2009-2011
(\$ in Millions)

Federal Stimulus Funds Appropriated in the State Budget

<u>Code</u>	<u>Agency Title</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Total</u>
ARRA Funds Supplanting General Funds					
M00	Department of Health and Mental Hygiene	\$443.5	\$767.6	\$778.0*	\$1,989.1
N00	Department of Human Resources	1.5	1.5	1.5	4.5
Q00	Department of Public Safety and Correctional Services	0.0	53.7	53.2	106.9
R00	Maryland State Department of Education	0.0	297.3	422.3	719.7
R62	Maryland Higher Education Commission	0.0	0.0	0.0	0.0
V10	Department of Juvenile Services	0.0	4.5	4.5	9.0
W10	Department of State Police	0.0	19.9	19.9	39.7
Subtotal		\$445.0	\$1,144.5	\$1,279.4	\$2,868.9
ARRA Funds Not Supplanting General Funds					
C90	Public Service Commission	\$0.0	\$0.0	\$0.4	\$0.4
D13	Maryland Energy Administration	0.0	44.8	23.6	68.3
D15	Executive Boards, Commissions, and Offices	0.1	13.2	11.4	24.7
D26	Department of Aging	0.0	2.0	0.0	2.0
J00	Maryland Department of Transportation	15.0	304.0	211.7	530.7
M00	Department of Health and Mental Hygiene	2.7	0.0	2.8	5.5
N00	Department of Human Resources	66.9	88.1	48.1	203.2
P00	Department of Labor, Licensing, and Regulation	1.8	34.9	0.0	36.8
R00	Maryland State Department of Education	6.8	403.3	9.4	419.5
S00	Department of Housing and Community Development	6.5	183.0	2.8	192.2
T00	Department of Business and Economic Development	0.3	0.0	0.0	0.3
U00	Maryland Department of the Environment	0.0	132.4	2.5	134.9
W00	Department of State Police	0.0	2.4	0.4	2.8
X00	Public Debt	0.0	0.9	7.6	8.5
Subtotal		\$100.1	\$1,208.8	\$320.7	\$1,629.6
Total		\$545.1	\$2,353.3	\$1,600.1	\$4,498.5

*Includes \$389 million pending authorization.

Other Federal Fiscal Stimulus Funds

The remaining ARRA appropriations total \$320.7 million. These funds provide additional support for State agencies but do not supplant any general funds. The largest share provides \$211.7 million for transportation capital programs, including the State Highway Administration (\$144.4 million) and the Maryland Transit Administration (\$66.7 million). Other uses of these funds include the Supplemental Nutrition Assistance Program at the Department of Human Resources (\$21.7 million) and energy efficiency programs at the Maryland Energy Administration (\$19.7 million).

The legislation also provides federal grants for which State and local governments must compete. For example, this includes grants to support law enforcement officers, habitat conservation, and the arts. At this point, it is unclear how much of these funds the State will receive and they are not included in the ARRA estimates for Maryland. Additional funds may be appropriated by budget amendment if the State is awarded these grants.

To promote accountability, State and federal governments have websites that track the ARRA spending. Maryland's website is <http://statestat.maryland.gov/recovery.asp>, and the federal government's website is <http://www.recovery.gov/>.

By the Numbers

A number of exhibits summarize the legislative budget action. These exhibits are described below.

Exhibit 1.16 shows the impact of the legislative budget on the general fund balance for fiscal 2010 and 2011. The fiscal 2010 balance is estimated to be \$153.8 million. At the end of fiscal 2011, the closing balance is estimated to be \$203.6 million.

Exhibit 1.16
Final Budget Status
Status as of July 23, 2010

	<u>FY 2010</u>	<u>FY 2011</u>
Starting General Fund Balance	\$87,172,364	\$153,787,202
Revenues		
BRE Estimated Revenues – December 2009	\$12,299,470,284	\$12,671,714,715
BRE Revenue Revision – March 2010	-65,973,967	0
Chapter 487 of 2009 Budget Reconciliation Legislation	54,369,248	21,874,675
Budget Reconciliation Legislation – Revenues	356,945,645	398,890,618
Budget Reconciliation Legislation – Transfers	511,272,724	133,955,369
Other Legislation	0	-61,051,679
Additional Revenues	128,484,971	26,094,993
Subtotal Revenues	\$13,284,568,905	\$13,191,478,691
Net Transfer to the GF from the Rainy Day Fund	95,052,421	0
Subtotal Available Revenues	\$13,466,793,690	\$13,345,265,893
Appropriations		
General Fund Appropriations Net of Rainy Day Fund	\$13,712,407,444	\$13,733,452,157
Deficiencies	219,017,987	0
Supplemental Budget No. 1	-9,482,946	1,345,453
Board of Public Works Withdrawn Appropriations	-531,426,769	0
Legislative Reductions/Contingent Legislation	-13,783,053	-562,108,122
Estimated Agency Reversions	-63,679,735	-31,058,000
Subtotal Appropriations	\$13,313,052,928	\$13,141,631,488
Closing General Fund Balance	\$153,787,202	\$203,634,405

BRE: Board of Revenue Estimates

GF: general fund

Exhibit 1.17, the fiscal note on the budget bill, depicts the Governor's allowance, funding changes made through Supplemental Budget No. 1, legislative reductions, and final appropriations for fiscal 2010 and 2011 by fund source. The Governor's original request provided for \$32.5 billion (net of projected general fund reversions) in fiscal 2011 expenditures and \$763.0 million in fiscal 2010 deficiencies.

The Governor added a net \$12.7 million in fiscal 2010 and 2011 spending in one supplemental budget. The legislature made \$11.9 million in reductions to current year appropriations, resulting in a net appropriation of \$32.3 billion for fiscal 2010. Net reductions of \$531.4 million were adopted to the fiscal 2011 budget, consisting of \$968.0 million in total fund reductions offset by \$436.6 million in special funds that replaces general fund cuts. This resulted in a final appropriation of \$32.0 billion.

Exhibit 1.18 illustrates budget changes by major expenditure category by fund. Total spending decreases by \$308.5 million, or -1.0%, after accounting for the special fund appropriations that replace general funds cut during the session. Debt service grows by 6.4%; aid to local government decreases by 2.1% largely due to the end of one-time pass-through federal stimulus funding for K-12 education. Entitlement spending grows by 5.8% due to additional federal assistance payments for food stamps and Medicaid expenditures, with each growing by about \$200.0 million. State agency spending (net of reversions and contingent reductions) declines -0.2%. PAYGO capital expenditures decrease by 22.7% driven largely by one-time federal stimulus funding for low-income weatherization, transportation capital, and rental housing program.

Exhibit 1.17
Fiscal Note
Summary of the Fiscal 2011 Budget Bill – Senate Bill 140

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
Governors Allowance					
Fiscal 2010 Budget ⁽¹⁾	\$13,451,266,506	\$5,663,150,630	\$9,793,827,062	\$3,423,240,410	\$32,331,484,608
Fiscal 2011 Budget ⁽²⁾	13,702,394,157	5,871,053,267	9,342,490,453	3,540,741,546	32,456,679,423
Supplemental Budget No. 1					
Fiscal 2010 Deficiencies	-\$9,482,946	-\$28,500,000	\$1,434,690	\$0	-\$36,548,256
Fiscal 2011 Budget	1,345,453	29,008,053	18,938,121	0	49,291,627
Subtotal	-\$8,137,493	\$508,053	\$20,372,811	\$0	\$12,743,371
Budget Reconciliation and Financing Act of 2010					
Fiscal 2010 Deficiencies	-\$12,258,053	\$2,000,000 ⁽³⁾	\$0	\$0	-\$10,258,053
Fiscal 2011 Contingent Reductions	-406,264,854	363,744,812 ⁽⁴⁾	0	0	-42,520,042
Subtotal	-\$418,522,907	\$365,744,812	\$0	\$0	-\$52,778,095
Legislative Reductions					
Fiscal 2010 Deficiencies	-\$1,525,000	-\$76,008	\$0	\$0	-\$1,601,008
Fiscal 2011 Budget	-155,843,268	-309,436,272 ⁽⁵⁾	-23,602,376	0	-488,881,916
Total Reductions	-\$157,368,268	-\$309,512,280	-\$23,602,376	\$0	-\$490,482,924
Appropriations					
FY 2010 Budget	\$13,428,000,507	\$5,636,574,622	\$9,795,261,752	\$3,423,240,410	\$32,283,077,291
FY 2011 Budget	13,141,631,488	5,954,369,860	9,337,826,198	3,540,741,546	31,974,569,092
Change	-\$286,369,019	\$317,795,238	-\$457,435,554	\$117,501,136	-\$308,508,199

⁽¹⁾ Reflects \$763.0 million in proposed deficiencies, including \$219.0 million in general funds, \$114.0 million in special funds, \$427.5 million in federal funds, and \$2.5 million in current unrestricted funds. Reversion assumptions total \$63.7 million, including \$30.0 million in unspecified reversions and \$33.7 million in targeted reversions.

⁽²⁾ Reflects estimated general fund reversions of \$30.0 million and \$1.1 million in targeted reversions. In addition, there are \$117.1 million in across-the-board reductions in the budget bill, consisting of \$87.8 million in general funds, \$24.6 million in special funds, \$3.0 million in federal funds, and \$1.7 million in higher education funds.

⁽³⁾ Includes \$2.0 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

⁽⁴⁾ Includes \$394.5 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

⁽⁵⁾ Includes \$42.1 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

Exhibit 1.18
State Expenditures – General Funds
Fiscal 2009-2011
(\$ in Millions)

Category	Actual FY 2009	Adjusted Work. Appr. FY 2010	Legislative Approp. FY 2011	FY 2010 to FY 2011	
				\$ Change	% Change
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n/a
County/Municipal	213.5	189.6	178.5	-11.2	-5.9%
Community Colleges	254.7	256.2	256.1	-0.1	0.0%
Education/Libraries	5,442.7	5,258.5	4,890.5	-368.0	-7.0%
Health	57.4	37.3	37.3	0.0	0.0%
Aid to Local Governments	\$5,968.3	\$5,741.6	\$5,362.4	-379.3	-6.6%
Foster Care Payments	\$243.0	\$240.4	\$244.9	\$4.5	1.9%
Assistance Payments	38.2	95.5	53.3	-42.2	-44.2%
Medical Assistance	1,903.1	1,588.3	1,743.6	155.3	9.8%
Property Tax Credits	57.3	73.2	73.5	0.3	0.5%
Entitlements	\$2,241.6	\$1,997.4	\$2,115.2	\$117.9	5.9%
Health	\$1,402.2	\$1,355.3	\$1,376.0	\$20.7	1.5%
Human Resources	308.0	271.3	262.2	-9.1	-3.4%
Systems Reform Initiative	33.8	24.4	20.7	-3.8	-15.4%
Juvenile Services	266.9	260.6	257.0	-3.6	-1.4%
Public Safety/Police	1,255.5	1,171.8	1,192.1	20.4	1.7%
Higher Education	1,131.9	1,147.6	1,145.5	-2.1	-0.2%
Other Education	398.4	313.9	350.6	36.7	11.7%
Agric./Nat'l Res./Environment	122.4	105.7	104.0	-1.6	-1.5%
Other Executive Agencies	547.7	521.8	549.9	28.1	5.4%
Legislative	73.6	75.4	75.6	0.2	0.3%
Judiciary	367.4	366.6	370.3	3.8	1.0%
Across-the-board Reductions	0.0	0.0	-35.3	-35.3	n/a
State Agencies	\$5,907.9	\$5,614.5	\$5,668.8	54.3	1.0%
Total Operating	\$14,117.7	\$13,353.5	\$13,146.4	-\$207.1	-1.6%
Capital/Heritage Reserve Fund	\$23.7	\$5.1	\$10.8	\$5.7	113.4%
Transfer to MDTA	65.0	0.0	0.0	0.0	n/a
Reserve Funds ⁽¹⁾	146.5	114.9	15.0	-99.9	-87.0%
Appropriations	\$14,352.9	\$13,473.5	\$13,172.2	-\$301.3	-2.2%
Reversions	0.0	-45.5	-30.6	14.9	-32.7%
Grand Total	\$14,352.9	\$13,428.0	\$13,141.6	-\$286.4	-2.1%

Note: The fiscal 2010 working appropriation includes deficiencies, targeted reversions, and legislative reductions to the deficiencies.

Exhibit 1.18 (Continued)
State Expenditures – Special and Higher Education Funds*
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2009</u>	<u>Adjusted Work. Appr. FY 2010</u>	<u>Legislative Approp. FY 2011</u>	<u>FY 2010 to FY 2011 \$ Change</u>	<u>% Change</u>
Debt Service	\$881.5	\$944.7	\$998.3	\$53.6	5.7%
County/Municipal	523.0	195.4	178.4	-17.1	-8.7%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1.4	13.0	467.0	454.0	3492.4%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	\$524.4	\$208.4	\$645.4	\$436.9	209.6%
Foster Care Payments	\$0.1	\$0.1	\$0.1	\$0.0	-10.9%
Assistance Payments	17.1	13.4	16.4	3.0	22.4%
Medical Assistance	386.0	542.0	453.9	-88.1	-16.3%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	\$403.1	\$555.5	\$470.3	-\$85.2	-15.3%
Health	\$260.2	\$297.0	\$297.2	\$0.2	0.1%
Human Resources	67.2	98.2	100.9	2.7	2.7%
Systems Reform Initiative	0.5	0.0	0.0	0.0	n/a
Juvenile Services	0.2	0.2	0.2	0.0	0.0%
Public Safety/Police	194.9	224.3	222.0	-2.4	-1.1%
Higher Education	3,312.0	3,471.8	3,590.0	118.3	3.4%
Other Education	34.4	52.9	45.1	-7.7	-14.6%
Transportation	1,422.1	1,434.8	1,413.4	-21.4	-1.5%
Agric./Nat'l Res./Environment	165.9	204.7	217.4	12.7	6.2%
Other Executive Agencies	464.9	559.2	598.7	39.6	7.1%
Legislative	0.3	0.1	0.1	0.0	0.0%
Judiciary	41.9	53.0	48.6	-4.4	-8.2%
Across-the-board Reductions	0.0	0.0	-2.3	-2.3	n/a
<i>State Agencies</i>	\$5,964.6	\$6,396.1	\$6,531.4	\$135.2	2.1%
Total Operating	\$7,773.7	\$8,104.8	\$8,645.4	\$540.6	6.7%
Capital	985.0	955.0	849.7	-105.4	-11.0%
Grand Total	\$8,758.7	\$9,059.8	\$9,495.1	\$435.3	4.8%

* Includes higher education fund (current unrestricted and current restricted) net of general and special funds.

Note: Fiscal 2010 working appropriation includes deficiencies, targeted reversions, and legislative reductions to the deficiencies. The fiscal 2011 legislative appropriation includes \$436.6 million in special fund spending that will be added by budget amendment to replace general fund reductions.

Exhibit 1.18 (Continued)
State Expenditures – Federal Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2009</u>	<u>Work. Appr.</u> <u>FY 2010</u>	<u>Legislative</u> <u>Approp.</u> <u>FY 2011</u>	<u>FY 2010 to FY 2011</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.9	\$7.6	\$6.8	791.4%
County/Municipal	41.3	82.0	108.6	26.6	32.4%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	701.1	1,406.1	1,168.9	-237.2	-16.9%
Health	4.5	4.5	4.5	0.0	0.0%
<i>Aid to Local Governments</i>	<i>\$746.9</i>	<i>\$1,492.6</i>	<i>\$1,282.0</i>	<i>-\$210.6</i>	<i>-14.1%</i>
Foster Care Payments	\$108.2	\$125.4	\$107.0	-\$18.5	-14.7%
Assistance Payments	703.4	571.8	816.2	244.5	42.8%
Medical Assistance	3,161.5	3,686.8	3,830.4	143.6	3.9%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$3,973.1</i>	<i>\$4,384.0</i>	<i>\$4,753.6</i>	<i>\$369.6</i>	<i>8.4%</i>
Health	\$883.6	\$913.3	\$960.1	\$46.7	5.1%
Human Resources	570.8	565.6	525.0	-40.6	-7.2%
Systems Reform Initiative	7.3	7.3	7.7	0.4	5.1%
Juvenile Services	7.4	16.2	16.0	-0.2	-1.3%
Public Safety/Police	21.6	107.4	96.8	-10.6	-9.9%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	212.5	301.0	227.2	-73.8	-24.5%
Transportation	93.7	88.4	90.2	1.8	2.0%
Agric./Natl Res./Environment	58.5	81.0	69.1	-11.9	-14.7%
Other Executive Agencies	459.5	665.1	524.4	-140.6	-21.1%
Judiciary	3.8	4.2	4.0	-0.2	-4.8%
Across-the-board Reductions	0.0	0.0	-10.6	-10.6	n/a
<i>State Agencies</i>	<i>\$2,318.8</i>	<i>\$2,749.5</i>	<i>\$2,509.8</i>	<i>-\$239.8</i>	<i>-8.7%</i>
Total Operating	\$7,038.7	\$8,627.0	\$8,553.0	-\$74.0	-0.9%
Capital	720.2	1,168.3	784.8	-383.5	-32.8%
Grand Total	\$7,758.9	\$9,795.3	\$9,337.8	-\$457.4	-4.7%

Note: Fiscal 2010 includes \$428.9 million in deficiencies.

Exhibit 1.18 (Continued)
State Expenditures – State Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2009</u>	<u>Adjusted Work. Appr. FY 2010</u>	<u>Legislative Approp. FY 2011</u>	<u>FY 2010 to FY 2011 \$ Change</u>	<u>% Change</u>
Debt Service	\$881.5	\$944.7	\$998.3	\$53.6	5.7%
County/Municipal	736.5	385.1	356.8	-28.3	-7.3%
Community Colleges	254.7	256.2	256.1	-0.1	0.0%
Education/Libraries	5,444.1	5,271.5	5,357.5	86.0	1.6%
Health	57.4	37.3	37.3	0.0	0.0%
<i>Aid to Local Governments</i>	\$6,492.7	\$5,950.1	\$6,007.8	\$57.7	1.0%
Foster Care Payments	\$243.0	\$240.5	\$245.0	\$4.5	1.9%
Assistance Payments	55.3	108.9	69.7	-39.3	-36.0%
Medical Assistance	2,289.2	2,130.3	2,197.4	67.1	3.2%
Property Tax Credits	57.3	73.2	73.5	0.3	0.5%
<i>Entitlements</i>	\$2,644.7	\$2,552.9	\$2,585.6	\$32.7	1.3%
Health	\$1,662.5	\$1,652.4	\$1,673.2	\$20.9	1.3%
Human Resources	375.2	369.6	363.1	-6.4	-1.7%
Systems Reform Initiative	34.3	24.4	20.7	-3.8	-15.4%
Juvenile Services	267.1	260.8	257.2	-3.6	-1.4%
Public Safety/Police	1,450.5	1,396.1	1,414.1	18.0	1.3%
Higher Education	4,443.9	4,619.4	4,735.5	116.2	2.5%
Other Education	432.8	366.8	395.8	29.0	7.9%
Transportation	1,422.1	1,434.8	1,413.4	-21.4	-1.5%
Agric./Natl Res./Environment	288.3	310.4	321.5	11.1	3.6%
Other Executive Agencies	1,012.6	1,080.9	1,148.6	67.7	6.3%
Legislative	74.0	75.5	75.7	0.2	0.3%
Judiciary	409.2	419.5	419.0	-0.6	-0.1%
Across-the-board Reductions	0.0	0.0	-37.7	-37.7	n/a
<i>State Agencies</i>	\$11,872.4	\$12,010.6	\$12,200.2	\$189.5	1.6%
Total Operating	\$21,891.4	\$21,458.3	\$21,791.9	\$333.6	1.6%
Capital/Heritage Reserve Fund	\$1,008.7	\$960.1	\$860.5	-\$99.6	-10.4%
Transfer to MDTA	65.0	0.0	0.0	0.0	n/a
Reserve Funds ⁽¹⁾	146.5	114.9	15.0	-99.9	-87.0%
Appropriations	\$23,111.6	\$22,533.3	\$22,667.4	\$134.0	0.6%
Reversions	0.0	-45.5	-30.6	14.9	-32.7%
Grand Total	\$23,111.6	\$22,487.8	\$22,636.7	\$148.9	0.7%

Note: The fiscal 2010 working appropriation includes deficiencies, targeted reversions, and legislative reductions to the deficiencies. The fiscal 2011 legislative appropriation includes \$436.6 million in special fund spending that will be added by budget amendment to replace general fund reductions.

Exhibit 1.18 Continued)
State Expenditures – All Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2009</u>	<u>Adjusted Work. Appr. FY 2010</u>	<u>Legislative Approp. FY 2011</u>	<u>FY 2010 to FY 2011 \$ Change</u>	<u>% Change</u>
Debt Service	\$881.5	\$945.5	\$1,006.0	\$60.4	6.4%
County/Municipal	777.8	467.1	465.4	-1.6	-0.4%
Community Colleges	254.7	256.2	256.1	-0.1	0.0%
Education/Libraries	6,145.2	6,677.6	6,526.4	-151.2	-2.3%
Health	61.9	41.8	41.8	0.0	0.0%
<i>Aid to Local Governments</i>	\$7,239.5	\$7,442.7	\$7,289.8	-\$152.9	-2.1%
Foster Care Payments	\$351.3	\$365.9	\$351.9	-\$14.0	-3.8%
Assistance Payments	758.7	680.7	885.9	205.2	30.1%
Medical Assistance	5,450.6	5,817.1	6,027.8	210.8	3.6%
Property Tax Credits	57.3	73.2	73.5	0.3	0.5%
<i>Entitlements</i>	\$6,617.8	\$6,936.8	\$7,339.2	\$402.3	5.8%
Health	\$2,546.1	\$2,565.7	\$2,633.3	\$67.6	2.6%
Human Resources	946.0	935.2	888.1	-47.1	-5.0%
Systems Reform Initiative	41.5	31.8	28.4	-3.4	-10.7%
Juvenile Services	274.5	277.0	273.2	-3.8	-1.4%
Public Safety/Police	1,472.0	1,503.5	1,510.9	7.4	0.5%
Higher Education	4,443.9	4,619.4	4,735.5	116.2	2.5%
Other Education	645.4	667.8	622.9	-44.9	-6.7%
Transportation	1,515.9	1,523.2	1,503.6	-19.6	-1.3%
Agric./Natl Res./Environment	346.8	391.4	390.6	-0.8	-0.2%
Other Executive Agencies	1,472.1	1,746.0	1,673.1	-72.9	-4.2%
Legislative	74.0	75.5	75.7	0.2	0.3%
Judiciary	413.0	423.7	423.0	-0.8	-0.2%
Across-the-board Reductions	0.0	0.0	-48.2	-48.2	n/a
<i>State Agencies</i>	\$14,191.2	\$14,760.2	\$14,709.9	-\$50.2	-0.3%
Total Operating	\$28,930.1	\$30,085.2	\$30,344.8	\$259.6	0.9%
Capital/Heritage Reserve Fund	\$1,728.9	\$2,128.4	\$1,645.3	-\$483.1	-22.7%
Transfer to MDTA	65.0	0.0	0.0	0.0	n/a
Reserve Funds ⁽¹⁾	146.5	114.9	15.0	-99.9	-87.0%
Appropriations	\$30,870.5	\$32,328.6	\$32,005.2	-\$323.4	-1.0%
Reversions	0.0	-45.5	-30.6	14.9	-32.7%
Grand Total	\$30,870.5	\$32,283.1	\$31,974.6	-\$308.5	-1.0%

MDTA: Maryland Transportation Authority

Note: The fiscal 2010 working appropriation includes deficiencies, targeted reversions, and legislative reductions to the deficiencies. The fiscal 2011 legislative appropriation includes \$436.6 million in special fund spending that will be added by budget amendment to replace general fund reductions.

Chapter Two – State Capital Program

- Summary
- Operating Budget Relief and Fund Transfers
- Debt Affordability
- Higher Education
- School Construction
- Transfer Tax

Summary

The 2010 General Assembly passed a capital budget program totaling \$3.062 billion, including \$1.516 billion for the transportation program. Apart from transportation, the program totals \$1.546 billion: \$1.140 billion is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan of 2010 (MCCBL), the 2010 capital budget bill **Senate Bill 142 (Chapter 483)**; \$4.543 million is funded with Qualified Zone Academy Bonds (QZAB) authorized in **Senate Bill 202 (Chapter 523)**; \$224.6 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$150.0 million is funded with revenue bonds to be issued by the Maryland Department of the Environment to support State and local efforts to upgrade wastewater treatment plants; and \$27.0 million is funded with academic revenue bonds for University System of Maryland facilities authorized in **Senate Bill 897 (Chapter 631)**.

Exhibit 2.1 presents an overview of the State's capital program for fiscal 2011, **Exhibit 2.2** lists capital projects and programs by function and fund source, and **Exhibit 2.3** provides the individual legislative initiative projects funded in the 2010 MCCBL. The 2010 MCCBL includes funding for:

- State facilities, including colleges and universities, hospitals, Department of Disabilities accessibility modifications, correctional facilities, and the public safety communication system;
- grants to local governments for public school construction, community college facilities, and local detention centers;
- health and social services facilities, such as senior citizen centers, juvenile services facilities, community health and addiction facilities, and low-income housing;
- environmental programs, such as the Chesapeake Bay Water Quality programs, Community Parks and Playgrounds, Agricultural Cost-Share and Tobacco Transition programs, and Drinking and Stormwater programs; and
- local projects and legislative initiatives.

Exhibit 2.1
Capital Program Summary for the 2010 Session
(\$ in Millions)

Function	Bonds		Current Funds (PAYGO)			Total
	General Obligation	Revenue	General	Special	Federal	
State Facilities						\$26.2
Facilities Renewal	\$10.4	\$0.0	\$0.0	\$0.0	\$0.0	
State Facilities Other	15.8	0.0	0.0	0.0	0.0	
Health/Social						43.7
Health Other	20.9	0.0	0.0	0.0	0.0	
Health State Facilities	5.8	0.0	0.0	0.0	0.0	
Private Hospitals	17.0	0.0	0.0	0.0	0.0	
Environment						643.5
Agriculture	29.8	0.0	0.0	14.3	2.0	
Energy	0.0	0.0	0.0	3.3	4.0	
Environment	172.3	150.0	0.8	105.3	24.7	
Natural Resources	118.2	0.0	0.0	3.6	15.3	
Public Safety						25.9
Local Jails	5.5	0.0	0.0	0.0	0.0	
State Corrections	17.8	0.0	0.0	0.0	0.0	
State Police	2.5	0.0	0.0	0.0	0.0	
Education						268.8
Education Other	9.1	0.0	0.0	0.0	0.0	
School Construction	259.7	0.0	0.0	0.0	0.0	
Higher Education						352.0
Community Colleges	78.7	0.0	0.0	0.0	0.0	
Morgan State University	30.5	0.0	0.0	0.0	0.0	
Private Colleges/Universities	8.0	0.0	0.0	0.0	0.0	
University System	207.8	27.0	0.0	0.0	0.0	
Housing/Community Development						79.0
Housing	37.4	0.0	0.0	23.4	17.9	
Housing Other	0.2	0.0	0.0	0.1	0.0	
Economic Development						14.3
Economic Development	4.3	0.0	0.0	0.0	0.0	
Historic Tax Credit	0.0	0.0	10.0	0.0	0.0	
Local Projects						43.3
Local Project Administration	25.8	0.0	0.0	0.0	0.0	
Local Project Legislative	17.6	0.0	0.0	0.0	0.0	

Function	Bonds		Current Funds (PAYGO)			Total
	General Obligation	Revenue	General	Special	Federal	
Transportation						89.3
Highways	89.3	0.0	0.0	0.0	0.0	
De-authorizations						-39.7
De-authorizations	-39.7	0.0	0.0	0.0	0.0	
Total Fiscal 2011	\$1,144.5	\$177.0	\$10.8	\$150.0	\$63.8	\$1,546.1
Transportation	\$0.0	\$205.0	\$0.0	\$484.4	\$826.2	\$1,515.6
Grand Total Fiscal 2011	\$1,144.5	\$382.0	\$10.8	\$634.4	\$890.0	\$3,061.7

Exhibit 2.2
Capital Program for the 2010 Session

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
	State Facilities						
DA0201A	MDOD: Accessibility Modifications	\$1,600,000	\$0	\$0	\$0	\$0	\$1,600,000
DE0201A	BPW: Saratoga State Center Garage	350,000	0	0	0	0	350,000
DE0201B	BPW: Facilities Renewal Fund	10,000,000	0	0	0	0	10,000,000
FB01A	DoIT: Public Safety Communications System	14,200,000	0	0	0	0	14,200,000
	Subject Category Subtotal:	\$26,150,000	\$0	\$0	\$0	\$0	\$26,150,000
	Health/Social						
DA07A	MDOA: Senior Citizens Activities Centers	\$250,000	\$0	\$0	\$0	\$0	\$250,000
MA01A	DHMH: Community Health Facilities	7,423,000	0	0	0	0	7,423,000
MA01B	DHMH: Federally Qualified Health Centers	3,218,000	0	0	0	0	3,218,000
MM06	DHMH: New Secure Evaluation and Therapeutic Treatment Center	1,150,000	0	0	0	0	1,150,000
RQ00A	UMMS: Trauma, Critical Care, and Emergency Medicine Services Expansion Project	10,000,000	0	0	0	0	10,000,000
VE01A	DJS: Southern Maryland Regional Detention Center	4,650,000	0	0	0	0	4,650,000
ZA00E	MISC: Johns Hopkins Medicine – Cardiovascular and Critical Care Tower	2,500,000	0	0	0	0	2,500,000
ZA00F	MISC: Johns Hopkins Medicine – Pediatric Trauma Center	5,000,000	0	0	0	0	5,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA00G	MISC: Kennedy Krieger Institute – Inpatient Clinical Research Center	2,000,000	0	0	0	0	2,000,000
ZA01A	MHA: Sinai Hospital of Baltimore, Inc.	425,000	0	0	0	0	425,000
ZA01B	MHA: University Specialty Hospital	455,000	0	0	0	0	455,000
ZA01C	MHA: Carroll Hospital Center	700,000	0	0	0	0	700,000
ZA01D	MHA: Union Hospital of Cecil County	2,000,000	0	0	0	0	2,000,000
ZA01E	MHA: Civista Medical Center	165,000	0	0	0	0	165,000
ZA01F	MHA: Harford Memorial Hospital	1,015,000	0	0	0	0	1,015,000
ZA01G	MHA: Peninsula Regional Medical Center	240,000	0	0	0	0	240,000
Section 17	MISC: Sinai Hospital – Samuelson Children’s Hospital at Sinai	2,500,000	0	0	0	0	2,500,000 ¹
Subject Category Subtotal:		\$43,691,000	\$0	\$0	\$0	\$0	\$43,691,000
Environment							
DA1302	MEA: Jane E. Lawton Loan Program	\$0	\$0	\$0	\$2,187,925	\$2,562,075	\$4,750,000 ²
DA1303	MEA: State Agency Loan Program	0	0	0	1,100,000	1,400,000	2,500,000 ²
KA05A	DNR: Community Parks and Playgrounds	2,500,000	0	0	0	0	2,500,000
KA05B	DNR: Rural Legacy Program	16,953,500	0	0	0	0	16,953,500 ³
KA05C	DNR: Natural Resources Development Fund	10,126,000	0	0	0	0	10,126,000 ⁴
KA05D	DNR: Program Open Space	65,183,500	0	0	1,500,000	14,262,274	80,945,774 ⁵
KA05E	DNR: Critical Maintenance Program	6,586,000	0	0	0	0	6,586,000 ⁶
KA05F	DNR: Dam Rehabilitation Program	150,000	0	0	0	0	150,000 ⁷
KA05G	DNR: Ocean City Beach Replenishment Fund	6,459,000	0	0	1,000,000	0	7,459,000 ⁸
KA05H	DNR: Waterway Improvement Fund	10,192,000	0	0	1,066,000	1,000,000	12,258,000 ⁹

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds	
		General Obligation	Revenue	General	Special	Federal		
LA11A	MDA: Maryland Agricultural Land Preservation	17,814,000	0	0	12,060,000	2,000,000	31,874,000	¹⁰
LA12A	MDA: Tobacco Transition Program	2,000,000	0	0	2,256,000	0	4,256,000	
LA15A	MDA: Maryland Agricultural Cost Share	10,000,000	0	0	0	0	10,000,000	
UA010304	MDE: Hazardous Substance Cleanup Program	0	0	800,000	0	0	800,000	
UA010312	MDE: Bay Restoration Fund – Septic Systems	0	0	0	9,000,000	0	9,000,000	
UA01A	MDE: Enhanced Nutrient Removal	125,000,000	150,000,000	0	0	0	275,000,000	¹¹
UA01B	MDE: Maryland Water Quality Revolving Loan Fund	3,292,000	0	0	90,208,000	16,500,000	110,000,000	
UA01C	MDE: Maryland Drinking Water Revolving Loan Fund	2,242,000	0	0	6,075,000	8,183,000	16,500,000	
UA04A1	MDE: Biological Nutrient Removal Program	33,300,000	0	0	0	0	33,300,000	
UA04A2	MDE: Supplemental Assistance Program	5,000,000	0	0	0	0	5,000,000	
UA04B	MDE: Water Supply Financial Assistance Program	3,500,000	0	0	0	0	3,500,000	
Subject Category Subtotal:		\$320,298,000	\$150,000,000	\$800,000	\$126,452,925	\$45,907,349	\$643,458,274	
Public Safety								
QB0801A	DPSCS: Vocational Education Building	\$321,000	\$0	\$0	\$0	\$0	\$321,000	
QP00A	DPSCS: New Youth Detention Facility	17,520,000	0	0	0	0	17,520,000	¹²
Section 2	DSP: New Hagerstown Barrack and Garage	2,525,000	0	0	0	0	2,525,000	
Section 2	DPSCS: St. Mary's County Detention Center	5,513,000	0	0	0	0	5,513,000	
Subject Category Subtotal:		\$25,879,000	\$0	\$0	\$0	\$0	\$25,879,000	

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds	
		General Obligation	Revenue	General	Special	Federal		
	Education							
DE0202A	BPW: Public School Construction Program	\$250,000,000	\$0	\$0	\$0	\$0	\$250,000,000	¹³
DE0202B	BPW: Aging Schools Program	5,109,000	0	0	0	0	5,109,000	¹⁴
DE0202BQ	BPW: Aging Schools Program – Qualified Zone Academy Bonds	4,543,000	0	0	0	0	4,543,000	¹⁴
RA01A	MSDE: Public Library Grant Program	5,000,000	0	0	0	0	5,000,000	
RE01A	MSD: Bus Loop and Parking Lot – Frederick Campus	1,606,000	0	0	0	0	1,606,000	
Section 2	MSDE: Western Regional Library	2,500,000	0	0	0	0	2,500,000	¹⁵
	Subject Category Subtotal:	\$268,758,000	\$0	\$0	\$0	\$0	\$268,758,000	
	Higher Education							
RB21A	UMB: School of Pharmacy Addition and Renovation	\$2,606,000	\$0	\$0	\$0	\$0	\$2,606,000	
RB22A	UMCP: Physical Sciences Complex	41,100,000	0	0	0	0	41,100,000	¹⁶
RB22B	UMCP: Maryland Fire and Rescue Institute – North East Regional Training Center	331,000	0	0	0	0	331,000	
RB22C	UMCP: Shipley Field Improvements	100,000	0	0	0	0	100,000	
RB22D	UMCP: East Campus Redevelopment	5,000,000	0	0	0	0	5,000,000	
RB23A	BSU: Campuswide Site Improvements	200,000	0	0	0	0	200,000	
RB23B	BSU: Turf Field	1,000,000	0	0	0	0	1,000,000	
RB25A	UMES: New Engineering and Aviation Science Building	3,000,000	0	0	0	0	3,000,000	
RB26A	FSU: New Center for Communications and Information Technology	2,681,000	0	0	0	0	2,681,000	

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
RB27A	CSU: New Science and Technology Center	6,497,000	0	0	0	0	6,497,000
RB28A	UB: New Law School Building	37,300,000	0	0	0	0	37,300,000 ¹⁷
RB31A	UMBC: New Performing Arts and Humanities Facility	37,400,000	0	0	0	0	37,400,000 ¹⁸
RB36RB	USMO: Facility Renewal	0	17,000,000	0	0	0	17,000,000
RI00A	MHEC: Community College Facilities Grant Program	43,359,000	0	0	0	0	43,359,000 ¹⁹
RM00A	MSU: Banneker Hall Renovation	3,265,000	0	0	0	0	3,265,000
RM00B	MSU: New School of Business Complex	250,000	0	0	0	0	250,000
ZA00I	MICUA: Goucher College	3,000,000	0	0	0	0	3,000,000
ZA00J	MICUA: Hood College	2,000,000	0	0	0	0	2,000,000
ZA00K	MICUA: Stevenson University	3,000,000	0	0	0	0	3,000,000
Section 2	MSU: Morgan State University: New Center for the Built Environment	26,935,000	0	0	0	0	26,935,000 ²⁰
Section 2	BSU: Bowie State University: New Fine and Performing Arts Building	32,053,000	0	0	0	0	32,053,000 ²¹
Section 2	TU: Towson University: New College of Liberal Arts Complex Phase II	28,650,000	10,000,000	0	0	0	38,650,000 ²²
Section 2	SU: Salisbury University: New Perdue School of Business	9,869,000	0	0	0	0	9,869,000 ²³
Section 2	MHEC: Community College Facilities Grant Program	35,386,000	0	0	0	0	35,386,000 ²⁴
Subject Category Subtotal:		\$324,982,000	\$27,000,000	\$0	\$0	\$0	\$351,982,000

		Bonds	Current Funds (PAYGO)				
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
Housing/Community Development							
DW0110A	MDOP: Maryland Historical Preservation Loan Program	\$200,000	\$0	\$0	\$100,000	\$0	\$300,000
S00A2402	DHCD: Community Development Block Grant Program	0	0	0	0	10,000,000	10,000,000
S00A2507	DHCD: Rental Housing Programs	0	0	0	21,500,000	5,200,000	26,700,000 ²⁵
SA24A	DHCD: Community Legacy Program	4,646,000	0	0	0	0	4,646,000 ²⁶
SA24B	DHCD: Neighborhood Business Development Program	6,666,000	0	0	0	0	6,666,000 ²⁷
SA25A	DHCD: Partnership Rental Housing Program	4,100,000	0	0	1,900,000	0	6,000,000
SA25B	DHCD: Homeownership Programs	8,500,000	0	0	0	0	8,500,000 ²⁸
SA25C	DHCD: Shelter and Transitional Housing Facilities Grant Program	2,000,000	0	0	0	0	2,000,000
SA25D	DHCD: Special Loan Programs	9,520,000	0	0	0	2,700,000	12,220,000 ²⁹
SA25E	DHCD: Maryland Affordable Housing Trust	2,000,000	0	0	0	0	2,000,000
Subject Category Subtotal:		\$37,632,000	\$0	\$0	\$23,500,000	\$17,900,000	\$79,032,000
Economic Development							
DA03A	MSA: Ocean City Convention Center Expansion	\$4,300,000	\$0	\$0	\$0	\$0	\$4,300,000
D40W1112	MDOP: Maryland Heritage Structure Rehabilitation Tax Credit Program	0	0	10,000,000	0	0	10,000,000
Subject Category Subtotal:		\$4,300,000	\$0	\$10,000,000	\$0	\$0	\$14,300,000

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
Local Projects							
ZA00A	MISC: Baltimore Museum of Art	2,500,000	0	0	0	0	2,500,000
ZA00B	MISC: East Baltimore Biotechnology Park	5,000,000	0	0	0	0	5,000,000
ZA00C	MISC: Forbush School	2,500,000	0	0	0	0	2,500,000
ZA00H	MISC: Lyric Opera House – Stage House Expansion	1,500,000	0	0	0	0	1,500,000
ZA00L	MISC: Maryland Zoo in Baltimore – Infrastructure Improvements	5,000,000	0	0	0	0	5,000,000
ZA00M	MISC: National Aquarium in Baltimore – Capital Infrastructure Projects	3,500,000	0	0	0	0	3,500,000
ZA00N	MISC: National Children’s Museum	5,000,000	0	0	0	0	5,000,000
ZA00O	MISC: St. Ann’s Infant and Maternity Home	750,000	0	0	0	0	750,000
ZA00P	MISC: Devil’s Backbone Dam	550,000	0	0	0	0	550,000
ZA00Q	MISC: Wicomico Youth and Civic Center	1,500,000	0	0	0	0	1,500,000
ZA00R	MISC: South River High School Athletic Field Lights	200,000	0	0	0	0	200,000
ZA00S	MISC: Bates Middle School Track	100,000	0	0	0	0	100,000
ZA00T	MISC: Old Mill High School Athletic Field Lights	200,000	0	0	0	0	200,000
ZA02	Local Senate Initiatives	7,500,000	0	0	0	0	7,500,000
ZA02	Local House Initiatives	7,500,000	0	0	0	0	7,500,000
Subject Category Subtotal:		\$43,300,000	\$0	\$0	\$0	\$0	\$43,300,000
Transportation							
ZA00D	MDTA: InterCounty Connector	\$89,278,441	\$0	\$0	\$0	\$0	\$89,278,441
Subject Category Subtotal:		\$89,278,441	\$0	\$0	\$0	\$0	\$89,278,441

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
	De-authorizations						
Section 2	Additional De-authorizations	-\$10,239,441	\$0	\$0	\$0	\$0	-\$10,239,441
Section 2	De-authorizations as Introduced and Amended	-29,486,000	0	0	0	0	-29,486,000
	Subject Category Subtotal:	-\$39,725,441	\$0	\$0	\$0	\$0	-\$39,725,441
	Non-Transportation Total	\$1,144,543,000	\$177,000,000	\$10,800,000	\$149,952,925	\$63,807,349	\$1,546,103,274
	Transportation Total	\$0	\$205,000,000	\$0	\$484,442,000	\$826,247,000	\$1,515,689,000
	Grand Total	\$1,144,543,000	\$382,000,000	\$10,800,000	\$634,394,925	\$890,054,349	\$3,061,792,274

BPW: Board of Public Works
BSU: Bowie State University
CSU: Coppin State University
DHCD: Department of Housing and Community Development
DHMH: Department of Health and Mental Hygiene
DoIT: Department of Information Technology
DJS: Department of Juvenile Services
DNR: Department of Natural Resources
DPSCS: Department of Public Safety and Correctional Services
DSP: Department of State Police
FSU: Frostburg State University
MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment
MDOA: Maryland Department of Aging
MDOD: Maryland Department of Disabilities
MDOP: Maryland Department of Planning
MDTA: Maryland Transportation Authority
MEA: Maryland Energy Administration
MHA: Maryland Hospital Administration
MHEC: Maryland Higher Education Commission
MICUA: Maryland Independent College and University Association
MSA: Maryland Stadium Authority
MSD: Maryland School for the Deaf

MSDE: Maryland State Department of Education
MSU: Morgan State University
SU: Salisbury University
TU: Towson University
UB: University of Baltimore
UMB: University of Maryland, Baltimore
UMBC: University of Maryland Baltimore County
UMCP: University of Maryland, College Park
UMES: University of Maryland Eastern Shore
UMMS: University of Maryland Medical System
USMO: University System of Maryland Office

¹ This reflects funds pre-authorized in the 2009 Maryland Consolidated Capital Bond Loan (MCCBL) for fiscal 2011.

² Language restricts the \$2.0 million special fund appropriation for the Jane E. Lawton Program to be used only to fund loans through the State Agency Loan Program.

³ The \$10.6 million general obligation (GO) bond authorization fully replaces unexpended available fund balance transferred to the general fund in the Budget Reconciliation and Financing Act of 2010 (BRFA). The authorization also provides \$6.3 million to partially replace the \$12.6 million of special funds allocated through the transfer tax formula also transferred to the general fund in the BRFA of 2010. A separate provision provides a pre-authorization in the amount of \$6.3 million for the 2011 session to provide the remainder of the replacement funding.

⁴ This reflects the full replacement of available unexpended fund balance transferred to the general fund in the BRFA of 2010.

⁵ The GO bond authorization includes \$5.0 million to partially replace the fiscal 2011 allocation of \$10.0 million of transfer tax for Program Open Space Stateside transferred to the general fund in the BRFA of 2010. A separate provision provides a pre-authorization in the amount of \$5.0 million for the 2011 session to provide the remainder of the replacement funding.

⁶ This reflects GO bond replacement for \$3.3 million of unexpended fund balance and \$3.2 million of fiscal 2011 transfer tax allocation transferred to the general fund in the BRFA of 2010.

⁷ This reflects the partial replacement of \$0.7 million of fund balance transferred to the general fund in the BRFA of 2010 – \$0.2 million is replaced in fiscal 2011 with the remaining \$0.5 million programmed in the 2010 *Capital Improvement Program* (CIP) for fiscal 2012.

⁸ This reflects the full replacement of local and stateside transfer tax allocations and local participation funds available in the Ocean City Beach Replenishment Fund transferred to the general fund in the BRFA of 2010.

⁹ The GO bond funds reflect the partial replacement of available unexpended fund balance transferred to the general fund in the BRFA of 2010. A total of \$16.4 million is transferred to the general fund with \$10.2 million of GO bond fund replacement in fiscal 2011 and another \$6.3 million of GO bond replacement programmed for fiscal 2012 in the 2010 CIP.

¹⁰ The authorization reflects the full replacement of \$10.0 million of unexpended fund balance transferred to the general fund in the BRFA of 2010. The authorization also provides \$7.8 million to replace the fiscal 2011 allocation of transfer tax revenues for this program transferred to the general fund in the BRFA of 2010; the remaining \$4.0 million to fully fund the program is derived from an appropriation to the Maryland Agricultural and Resource-Based Industry Development Corporation which cannot be used for the installment purchase program and instead will be used to support Maryland Agricultural Land Preservation Foundation easements.

¹¹ The BRFA of 2010 transfers \$155.0 million of unexpended fund balance and another \$45.0 million of fiscal 2011 revenues from the Bay Restoration Fund of which \$125.0 million is replaced with GO bond funds in fiscal 2011, and another \$75.0 million of GO bond replacement is programmed for fiscal 2012 in the 2010 CIP.

¹² An additional \$38.0 million is included as a pre-authorization for fiscal 2012 and \$26.5 million included as a pre-authorization for fiscal 2013 to complete the construction funding for this project and allow the project to be bid for construction during fiscal 2011.

¹³ An additional \$12.2 million is available from Interagency Committee on School Construction contingency funds bringing the total amount available in fiscal 2011 to \$262.2 million.

¹⁴ Language authorizes the use of \$1.0 million of Qualified Zone Academy Bonds for the Aging Schools Program to be distributed in accordance with Section 5-206 of the Education Article.

¹⁵ An additional \$2.5 million is included as a pre-authorization for fiscal 2012.

¹⁶ An additional \$44.1 million is included as a pre-authorization for fiscal 2012 and \$10.6 million included as a pre-authorization for fiscal 2013 to complete the construction funding for this project and allow the project to be bid for construction during fiscal 2011.

¹⁷ An additional \$38.5 million is included as a pre-authorization for fiscal 2012 to complete the construction funding for this project and allow the project to be bid for construction during fiscal 2011.

¹⁸ An additional \$38.4 million is included as a pre-authorization for fiscal 2012 to complete the construction funding for this project and allow the project to be bid for construction during fiscal 2011.

¹⁹ There is an additional \$35.4 million pre-authorized for fiscal 2011 in the 2009 MCCBL bringing the total amount of new funds authorized in fiscal 2011 to \$78.8 million.

²⁰ This reflects the GO bond funds pre-authorized in the 2009 MCCBL for fiscal 2011.

²¹ This reflects the GO bond funds pre-authorized in the 2009 MCCBL for fiscal 2011. The amount authorized is \$2.0 million lower than the pre-authorized amount and also allows the funds to be used for equipment as amended which reflects savings based on the construction contract bid and award.

²² This reflects the GO bond funds pre-authorized in the 2009 MCCBL for fiscal 2011. The amount authorized is \$7.1 million lower than the pre-authorized amount and also allows the funds to be used for equipment as amended which reflects savings based on the construction contract bid and award.

²³ This reflects the GO bond funds pre-authorized in the 2009 MCCBL for fiscal 2011. The amount authorized is \$4.5 million lower than the pre-authorized amount and also allows the funds to be used for equipment as amended which reflects savings based on the construction contract bid and award.

²⁴ This reflects the GO bond funds pre-authorized in the 2009 MCCBL for fiscal 2011. The amount authorized is \$4.2 million lower than the pre-authorized amount which reflects savings based on the construction contract bid and award for the Hagerstown Community College Arts and Science Complex and Prince George's Community College Center for Health Studies.

²⁵ The special fund appropriation consists of special fund revenues available and to accrue in the Rental Housing Program as well as special funds to be transferred from the Homeownership and Special Loan programs. All transferred funds are replaced with GO bond funds in the fiscal 2011 capital budget.

²⁶ This includes \$0.4 million of GO bond funds to replace fund balance transferred to the general fund in the BRFA of 2010.

²⁷ This includes GO bond funds to replace \$3.6 million of available fund balance and \$3.2 million of fiscal 2011 special fund revenues transferred to the general fund in the BRFA of 2010.

²⁸ This includes GO bond funds to replace \$3.0 million of fiscal 2011 special fund revenues transferred to the general fund in the BRFA of 2010.

²⁹ This includes GO bond funds to replace \$2.1 million of available fund balance and \$2.5 million of fiscal 2011 special fund revenues transferred to the general fund in the BRFA of 2010.

Exhibit 2.3
Legislative Projects/Initiatives – 2010 Session

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Statewide				
Capital Area Food Bank	\$0	\$125,000	\$125,000	Soft (1)
Linwood Center	0	500,000	500,000	Soft (1)
Little Sisters of the Poor	500,000	0	500,000	Soft (all)
Maryland Food Bank	0	125,000	125,000	Grant
Museum of Industry	250,000	0	250,000	Soft (all)
Museum of the Maryland Historical Society	150,000	0	150,000	Grant
National Center for Children and Families Youth Activities Center	0	250,000	250,000	Soft (all)
Subtotal:	\$900,000	\$1,000,000	\$1,900,000	
Allegany				
Allegany Museum	\$75,000	\$75,000	\$150,000	Soft (all)
Subtotal:	\$75,000	\$75,000	\$150,000	
Anne Arundel				
Annapolis High School Booster Club Concession Stand	\$0	\$75,000	\$75,000	Soft (2, 3)
Coordinating Center for Home and Community Care Building Facilities	200,000	0	200,000	Hard
Reece Road Community Health Center	250,000	0	250,000	Soft (1)
Southern and Broadneck High School Field Lights	0	375,000	375,000	Soft (all)
William Paca House	0	200,000	200,000	Soft (3)
Subtotal:	\$450,000	\$650,000	\$1,100,000	
Baltimore City				
2101-2111 Pennsylvania Avenue Development Project	\$35,000	\$0	\$35,000	Hard
Academy of Success Community Empowerment Center	0	100,000	100,000	Soft (2, 3)
Baltimore Leadership School for Young Women	135,000	0	135,000	Soft (3)
Collington Square Community Kitchen	100,000	0	100,000	Hard
Creative Alliance	0	50,000	50,000	Soft (1, 2)
Dayspring Square	0	200,000	200,000	Soft (1, 3)

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Baltimore City (Cont.)				
Druid Hill Family Center Y Revitalization	65,000	0	65,000	Hard
Fine Arts Center for Archbishop Curley High School	100,000	0	100,000	Hard
Franklin Entrepreneurial and Apprenticeship Center	45,000	75,000	120,000	Hard
Glen Avenue Firehouse	0	75,000	75,000	Soft (all)
Greenmount West Community Resource Center	0	100,000	100,000	Soft (1, 2)
Maryland SPCA Adoption Center Expansion	50,000	50,000	100,000	Hard
Port Discovery	75,000	25,000	100,000	Hard
Sandi's Learning Center	100,000	0	100,000	Hard
Southeast Neighborhood Development Center	150,000	150,000	300,000	Hard
Stadium Place	200,000	100,000	300,000	Soft (2, 3)
Swann Avenue Firehouse	0	75,000	75,000	Soft (all)
The Women's Veteran's Center	20,000	30,000	50,000	Soft (2)
Subtotal:	\$1,075,000	\$1,030,000	\$2,105,000	
Baltimore				
Arbutus Volunteer Fire Department Hall	\$0	\$100,000	\$100,000	Grant
Augsburg Lutheran Home of Maryland	150,000	150,000	300,000	Hard
Automotive Vocational Training Center	0	100,000	100,000	Soft (2, 3)
Baltimore County Humane Society	75,000	75,000	150,000	Soft (all)
HopeWell Cancer Support Facility	75,000	100,000	175,000	Hard
Milford Mill Academy Sign	0	40,000	40,000	Grant
North County Park	0	100,000	100,000	Grant
Owings Mills High School Stadium	50,000	50,000	100,000	Soft (2)
Randallstown High School	0	40,000	40,000	Grant
Woodlawn High School	0	40,000	40,000	Grant
Subtotal:	\$350,000	\$795,000	\$1,145,000	
Calvert				
Kellam's Field	\$125,000	\$125,000	\$250,000	Soft (all)
Subtotal:	\$125,000	\$125,000	\$250,000	
Carroll				
Carroll County Agriculture Center	\$150,000	\$0	\$150,000	Soft (2, 3)
Subtotal:	\$150,000	\$0	\$150,000	

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Cecil				
Lower Susquehanna Heritage Greenway	\$0	\$150,000	\$150,000	Soft (1, 2)
Subtotal:	\$0	\$150,000	\$150,000	
Charles				
Hospice House	\$45,000	\$150,000	\$195,000	Soft (all)
Kamp A-Kom-Plish Facility	80,000	0	80,000	Hard
Potomac Heights Housing Complex	75,000	0	75,000	Soft (all)
Subtotal:	\$200,000	\$150,000	\$350,000	
Dorchester				
Dorchester Center for the Arts Performance Hall	\$10,000	\$0	\$10,000	Soft (2)
Dorchester County Family YMCA	70,000	0	70,000	Soft (all)
Richardson Maritime Heritage Center	50,000	0	50,000	Soft (1)
Subtotal:	\$130,000	\$0	\$130,000	
Frederick				
Way Station	\$200,000	\$100,000	\$300,000	Soft (1, 3)
Subtotal:	\$200,000	\$100,000	\$300,000	
Garrett				
Oakland B&O Museum	\$100,000	\$100,000	\$200,000	Soft (all)
Subtotal:	\$100,000	\$100,000	\$200,000	
Harford				
Nuttal Avenue Park	\$0	\$100,000	\$100,000	Hard
The Citizens Care and Rehabilitation Center	0	100,000	100,000	Hard
Subtotal:	\$0	\$200,000	\$200,000	
Howard				
Alpha Ridge Park	\$0	\$75,000	\$75,000	Hard
Carroll Baldwin Hall	50,000	0	50,000	Soft (all)
Living Farm Heritage Museum	0	35,000	35,000	Soft (2, 3)
Symphony Woods Park	190,000	60,000	250,000	Hard
Troy Regional Park	225,000	230,000	455,000	Hard
Watson Telescope Observatory	25,000	0	25,000	Soft (all)
Subtotal:	\$490,000	\$400,000	\$890,000	

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Montgomery				
Cabin John Park Tai Chi Court	\$0	\$40,000	\$40,000	Soft (2, 3)
Camp Brighton Woods	40,000	100,000	140,000	Soft (3)
Cinnamon Woods Environmental and Safety Lighting Upgrade	100,000	0	100,000	Hard
Garrett Park Community Center	100,000	0	100,000	Soft (1, 2)
Identity House	30,000	100,000	130,000	Soft (1, 2)
Ivymount School Annex Building	125,000	50,000	175,000	Soft (3)
JFGH Activity Center	150,000	0	150,000	Soft (all)
Lake Whetstone Hillside Stabilization	20,000	0	20,000	Hard
Maydale Nature Center	20,000	35,000	55,000	Grant
Miracle League Baseball Field	125,000	125,000	250,000	Hard
Montgomery Village Martin Roy Park Pavilion	30,000	0	30,000	Hard
National Labor College Academic Services Building	150,000	0	150,000	Soft (3)
RCI Group Home Renovations	75,000	25,000	100,000	Hard
Rockville Fitness Center and Exercise Room Expansion	20,000	100,000	120,000	Soft (all)
Sandy Spring Museum	65,000	35,000	100,000	Soft (2, 3)
Threshold Services Group Home Renovations	0	50,000	50,000	Soft (all)
Warner Manor	275,000	0	275,000	Hard
Subtotal:	\$1,325,000	\$660,000	\$1,985,000	
Prince George's				
Allen Pond Park	\$80,000	\$0	\$80,000	Hard
Bladensburg Market Square II	100,000	0	100,000	Soft (all)
CASA Multi-Cultural Service Center	0	200,000	200,000	Soft (2)
Community Forklift Facility	100,000	100,000	200,000	Hard
Daughter for the Day	65,000	0	65,000	Soft (2)
Evangel Assembly Family Life Center	65,000	0	65,000	Soft (2)
Forestville Military Academy Track	180,000	0	180,000	Soft (all)
Glenarden Senior Center	0	50,000	50,000	Grant
Henson Valley Montessori School	0	100,000	100,000	Hard
John E. Feggans Center Renovation	150,000	55,000	205,000	Hard
La Vida Sana (Healthy Living Farm)	50,000	25,000	75,000	Soft (all)
Largo High School PTSA Track Renovation	180,000	0	180,000	Soft (all)
LARS Facility Renovation	0	100,000	100,000	Hard

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Prince George's (Cont.)				
Laurel Police Department Facility – Community Space	150,000	0	150,000	Soft (3)
Marlboro Meadows Senior Center	50,000	0	50,000	Soft (1, 2)
Marleigh Community Safety and Surveillance System	20,000	0	20,000	Hard (U)
Prince George's Volunteer Fire Department	0	250,000	250,000	Soft (all)
SEED Recreation Center	0	50,000	50,000	Hard
Sheriff Road Village Center	0	100,000	100,000	Soft (all)
South County Community Center	125,000	175,000	300,000	Soft (1, 3)
St. Mary's School Gymnasium and Multi-Purpose Room	25,000	0	25,000	Hard
Thomas Johnson Middle School Sign Board	25,000	0	25,000	Soft (2)
Walker Mill Daycare and Training Center	0	100,000	100,000	Soft (2)
Youth Fitness Facility	20,000	0	20,000	Hard
Subtotal:	\$1,385,000	\$1,305,000	\$2,690,000	
Queen Anne's				
Hospice of Queen Anne's	\$25,000	\$0	\$25,000	Hard
Kennard High School Restoration	75,000	0	75,000	Soft (2)
Queen Anne's County YMCA	50,000	0	50,000	Soft (1)
Subtotal:	\$150,000	\$0	\$150,000	
St. Mary's				
St. Mary's County Fairgrounds	\$0	\$60,000	\$60,000	Soft (all)
United States Colored Troops Memorial Monument	0	150,000	150,000	Soft (all)
Subtotal:	\$0	\$210,000	\$210,000	
Talbot				
Family Support Center	\$10,000	\$0	\$10,000	Soft (1, 2)
Subtotal:	\$10,000	\$0	\$10,000	
Washington				
Deafnet Building	\$50,000	\$50,000	\$100,000	Soft (3)
Museum of Fine Arts	50,000	50,000	100,000	Hard
Rural Heritage Transportation Museum	75,000	0	75,000	Hard
Subtotal:	\$175,000	\$100,000	\$275,000	

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Wicomico				
Parsonsborg Volunteer Fire Company Community Center	\$100,000	\$150,000	\$250,000	Soft (all)
Salisbury Zoological Park Animal Health Clinic	10,000	150,000	160,000	Soft (3)
Subtotal:	\$110,000	\$300,000	\$410,000	
Worcester				
Pocomoke City Volunteer Fire Company Community Center	\$100,000	\$150,000	\$250,000	Soft (all)
Subtotal:	\$100,000	\$150,000	\$250,000	
Total Senate and House Initiatives	\$7,500,000	\$7,500,000	\$15,000,000	

Match Key: 1 = Real Property; 2 = In Kind Contributions; 3 = Prior Expended Funds; U = Unequal Match

In addition to GO debt, the State's capital program is funded with general, special, and federal funds appropriated in the operating budget referred to as PAYGO funds which are used primarily to support housing and environmental programs. The use of PAYGO funds is generally restricted to capital grant and loan programs for which the use of tax-exempt debt is limited under federal tax guidelines, programs that are administered through the use of special nonlapsing funds for which revenue from principal and interest payments are used to support additional appropriations, and in instances where federal funds assist in the capitalization of State revolving grant and loan fund programs.

Operating Budget Relief and Fund Transfers

As shown in **Exhibit 2.4**, the GO bond program was used to reduce operating budget appropriations and to replace funds transferred from various capital accounts to the general fund. The fiscal situation has limited the use of PAYGO funds to support the capital program and resulted in the shift of funding for certain grant and loan programs to the bond program. In addition, GO bond funds have been used to fund the State's commitment to the InterCounty Connector (ICC) in lieu of using general funds. Moreover, the use of fund transfers, including fund balance and estimated fiscal 2011 fund revenues, from various capital program special fund accounts is a major component of the fiscal 2011 budget plan, impacting both the operating and capital budgets. In total, the budget includes transfers amounting to \$443.8 million, comprised of \$330.1 million of fund balance and another \$113.7 million of fiscal 2011 revenues that would otherwise be appropriated as special funds in the fiscal 2011 budget. The budget plan replaces most of the fiscal 2011 transferred revenues with GO bonds in fiscal 2011; \$11.3 million of Stateside Program Open Space (POS) and Rural Legacy Program fiscal 2011 transfers are pre-authorized for the 2011 session. The planned replacement of fund balance transfers is to be spread out over three fiscal years with \$176.9 million replaced in fiscal 2011, \$127.9 million in fiscal 2012, and \$33.7 million in fiscal 2013. **Exhibit 2.5** illustrates the proposed fund transfers and multi-year general obligation bond replacement plan.

Exhibit 2.4 Operating Budget Relief

	<u>\$ in Millions</u>
InterCounty Connector Funding: Budgeted at \$126.9 million in the capital budget as introduced, the amount was reduced to \$89.3 million in the capital budget as passed to reflect a more fiscally prudent Transportation Trust Fund cash flow projection and the anticipated fiscal 2011 expenditures for the project. The required statutory changes are included in the Budget Reconciliation and Financing Act of 2010 (BRFA) that would require budgeting the remaining \$67.6 million in fiscal 2012 to complete the State's \$264.9 million support of the project from either general funds or general obligation (GO) bonds.	\$89.3
Fund Balance Replacement: The budget and the BRFA of 2010 provide for the transfer of \$330.1 million of unexpended fund balance from multiple capital program accounts. A multi-year GO bond replacement plan includes \$176.9 million in the fiscal 2011 capital budget. Another \$116.6 million is programmed in the 2010 <i>Capital Improvement Program</i> for fiscal 2012 and \$33.8 million in fiscal 2013.	176.9
Special Fund Revenue Replacement: The budget and the BRFA of 2010 provide for the transfer of \$113.7 million of estimated fiscal 2011 revenues from multiple capital program accounts. The 2010 MCCBL provides \$102.4 million to partially replace the transferred funds and pre-authorizes \$11.3 million to provide the remaining funds necessary to fully replace with transfers.	113.7
Use of GO Bond Funds to Fund Capital Programs Traditionally Funded with General Funds: This includes \$14.2 million for the Public Safety Communication System; \$15.9 million for the Department of Housing and Community Development revolving loan program; \$5.5 million for the Department of the Environment water quality and drinking water loan programs; \$6.1 million to bond fund the Aging Schools Program; and \$2.0 million to replace cigarette restitution special funds for Tri-County Council of Southern Maryland programs.	43.7
Total	\$423.6

Source: Fiscal 2011 Operating and Capital Budgets; Budget Reconciliation and Financing Act of 2010

Exhibit 2.5
Fund Transfers and Multi-year General Obligation Bond Replacement Plan
(\$ in Millions)

<u>Program</u>	<u>Transfers</u>			<u>Fund Replacement</u>				<u>Total Amount of Fund Transfers to Be Replaced in the CIP</u>
	<u>Prior Special Fund Balance</u>	<u>FY 2011 Special Funds</u>	<u>Total Transfers</u>	<u>FY 2011 Special Funds – Replaced in FY 2011</u>	<u>Prior Funds – Replaced in FY 2011</u>	<u>Funds – Replaced in FY 2012</u>	<u>Funds – Replaced in FY 2013</u>	
Waterway Improvement Program	\$12.5	\$3.9	\$16.4	\$3.9	\$6.3	\$6.3	\$0.0	\$16.4
Program Open Space (POS) – Stateside	4.6	13.1	17.6	8.1	3.0	6.6	0.0	17.6
POS – Local	103.1	12.4	115.5	12.4	41.8	29.0	32.3	115.5
Rural Legacy	10.6	12.6	23.3	6.3	10.6	6.3	0.0	23.3
Ocean City Beach Replenishment – POS	2.1	1.0	3.1	1.0	2.1	0.0	0.0	3.1
Ocean City Beach Replenishment – Local	3.4	0.0	3.4	0.0	3.4	0.0	0.0	3.4
Natural Resources Development Fund	17.7	0.0	17.7	0.0	10.1	3.8	1.4	15.3
Critical Maintenance Program	3.2	3.2	6.3	3.2	3.2	0.0	0.0	6.3
Dam Rehabilitation Program	0.7	0.0	0.7	0.0	0.2	0.5	0.0	0.7
House Assessment Program	0.9	0.0	0.9	0.0	0.3	0.4	0.1	0.7
Hurricane Isabel Funds	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Neighborhood Business Development	3.6	3.2	6.8	3.2	3.6	0.0	0.0	6.8
Community Legacy Program	0.4	0.0	0.4	0.0	0.4	0.0	0.0	0.4
Homeownership Programs	0.0	3.0	3.0	3.0	0.0	0.0	0.0	3.0
Special Loan Programs	2.1	2.5	4.6	2.5	2.1	0.0	0.0	4.6
Tobacco Transition Program	0.0	2.0	2.0	2.0	0.0	0.0	0.0	2.0
Agricultural Land Preservation Program	10.0	11.8	21.8	11.8	10.0	0.0	0.0	21.8
Bay Restoration Fund	155.0	45.0	200.0	45.0	80.0	75.0	0.0	200.0
Total	\$330.1	\$113.7	\$443.7	\$102.3	\$176.9	\$127.9	\$33.7	\$440.9

CIP: *Capital Improvement Program*

Effect of the 2010 Legislative Program on the Financial Condition of the State

Debt Affordability

As shown in **Exhibit 2.6**, the long range plan adopted by the Capital Debt Affordability Committee (CDAC) in December 2009 provides for a total of over \$4.85 billion in debt authorizations from 2010 to 2014. While the committee increased its recommended GO bond authorization for the 2010 session by \$150 million, total proposed authorizations decline by \$400 million from fiscal 2011 to 2015. The reduction to out-year authorizations is intended to keep State debt within the limits set by CDAC. The Board of Revenue Estimates' December 2009 and subsequent March 2010 reductions in projected revenues have made the level of debt proposed by CDAC in the committee's 2008 report unaffordable, resulting in the out-year authorization reductions.

Exhibit 2.6
Capital Debt Affordability Committee Recommended Levels of
General Obligation Bond Authorizations
2010-2014 Legislative Sessions
(\$ in Millions)

<u>Session</u>	<u>2008 Report Recommended Authorizations</u>	<u>2009 Report Recommended Authorizations</u>	<u>Authorization Change</u>
2010	\$990	\$1,140	\$150
2011	1,020	925	-95
2012	1,050	925	-125
2013	1,080	925	-155
2014	1,110	935	-175
Total	\$5,250	\$4,850	-\$400

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations*, October 2007 and November 2008

The 2010 MCCBL passed by the General Assembly is consistent with the \$1.14 billion level of new GO debt authorizations recommended by CDAC. An additional \$39.7 million in GO bonds from prior years is de-authorized in the capital budget of 2010, thereby increasing the amount of new GO debt included in the capital program to \$1.184 billion. Included in the \$1.18 billion of new debt is \$143.3 million authorized in the 2009 MCCBL to complete the funding for various projects that were split-funded over fiscal 2010 and 2011 as a mechanism to allow the projects to be bid and construction to commence during fiscal 2010.

The State's capital program for fiscal 2011 also includes other actions that affect debt affordability, debt issuance, and future capital budgets.

- The Maryland Department of the Environment plans to issue \$150.0 million in revenue bonds to fund the upgrade of wastewater treatment plants. Chapter 428 of 2004 established the Bay Restoration Fund and authorized the Administration to issue bonds to provide grants to upgrade the 67 largest wastewater treatment plants in the State. Security for the bonds is the revenues from a fee imposed on users of wastewater facilities, septic systems, and sewage holding tanks. The bonds are considered State tax supported debt and are, therefore, incorporated in the CDAC's annual debt affordability analysis.
- **Senate Bill 319 (Chapter 278 of 2010)** establishes an African American Heritage Preservation Program to identify and preserve buildings, communities, and sites of historical and cultural importance to the African American experience in Maryland. The program must be developed and administered by the Maryland Historical Trust in partnership with the Commission on African American History and Culture. Beginning in fiscal 2012, the Governor must include \$1.0 million in the annual capital budget submission for program grant projects.
- **Senate Bill 1018 (Chapter 372 of 2010)** amends prior authorization bond bills by extending matching fund deadlines, extending deadlines for expending or encumbering funds, altering the purposes for which funds may be used, modifying certification requirements, renaming grant recipients, or altering project locations which are consolidated into an omnibus bill. Prior to the 2008 session, individual prior authorization bills were passed by the General Assembly.
- The 2010 MCCBL includes \$260.4 million of general obligation bond authorizations that will not take effect until fiscal 2012 and another \$72.5 million that will not take effect until fiscal 2013. **Exhibit 2.7** shows the pre-authorizations for the 2011 and 2012 sessions and the amounts funded in the fiscal 2011 budget for the respective projects.

Exhibit 2.7
Pre-authorizations Included in the 2010 MCCBL for the
2011 and 2012 Sessions

<u>Project Title</u>	<u>2010 Session Authorization Amounts</u>	<u>2011 Session Pre-authorization Amounts</u>	<u>2012 Session Pre-authorization Amounts</u>
BPW: State Government Center – Annapolis Legislative Facilities Lowe House Office Building	\$0	\$4,250,000	\$4,000,000
MSDE: Western Maryland Regional Library	2,500,000	2,500,000	0
MHEC: Community College Facilities Grant Program	78,745,000	33,633,000	0
DNR: Natural Resources Development Fund – Harriet Tubman Underground Railroad State Park – Visitor Center	0	1,650,000	0
DPSCS: New Youth Detention Facility (BCDC)	17,520,000	38,000,000	25,600,000
UMCP: Physical Sciences Complex	41,100,000	44,100,000	10,600,000
UB: New Law School Building	37,300,000	38,500,000	0
UMBC: New Performing Arts and Humanities Facility	37,400,000	37,400,000	0
DNR: Local Program Open Space	54,141,000	40,366,000	32,283,000
DSP: State Police Helicopters	0	20,000,000	0
Totals	\$268,706,000	\$260,399,000	\$72,483,000

BCDC: Baltimore City Detention Center
 BPW: Board of Public Works
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 MCCBL: Maryland Consolidated Capital Bond Loan

MHEC: Maryland Higher Education Commission
 MSDE: Maryland State Department of Education
 UB: University of Baltimore
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park

Note: The proposed pre-authorization for the Maryland Higher Education Commission Community College Grant Program would allow for the split funding of community college projects started last session by the legislature. This year's list includes \$9,466,000 for Howard Community College – Allied Health Building; \$6,064,000 for Hagerstown Community College – Arts and Sciences Complex; \$868,000 for Prince George's Community College – Center for Health Studies; \$2,586,000 for Prince George's Community College – Circulation/Roadway Modifications; \$3,500,000 for Anne Arundel Community College – Library Renovation and Addition; \$3,245,000 for College of Southern Maryland – Phase II Campus Development; and \$7,904,000 for Harford Community College – Susquehanna Center.

Higher Education

The fiscal 2011 capital program for all segments of higher education is \$352 million, including GO bonds and academic revenue bonds. Of the total funding, four-year public institutions receive \$266.2 million, and independent colleges receive \$8.0 million. Community colleges, including Baltimore City Community College, receive \$78.7 million in fiscal 2011. The *Capital Improvement Program* (CIP), after legislative changes to the fiscal 2011 capital budget, shows \$1.674 billion in State capital spending for higher education projects from fiscal 2011 through 2015. **Exhibit 2.8** shows the fiscal 2010 and 2011 legislative appropriation for higher education capital projects and the funds anticipated in the CIP for fiscal 2012 through 2015. **Exhibit 2.9** shows the fiscal 2011 capital funding by institution.

Exhibit 2.8
Higher Education Authorized and Planned Out-year Capital Funding
Fiscal 2010-2015
(\$ in Thousands)

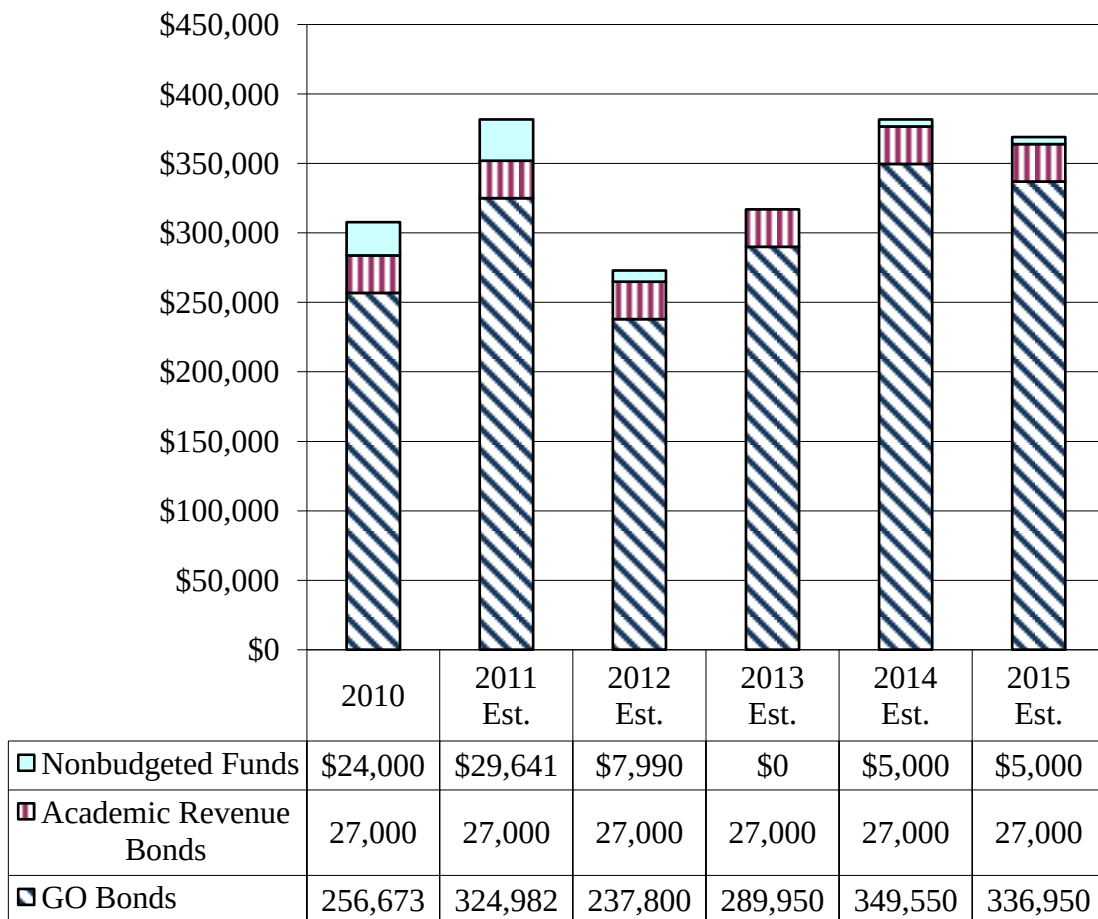


Exhibit 2.9
Higher Education Capital Funding by Institution
Fiscal 2011
(\$ in Thousands)

<u>Institution</u>	<u>Capital Funding</u>
University of Maryland, Baltimore	\$2,606
University of Maryland, College Park	46,531
Towson University	38,650
Coppin State University	6,497
University of Baltimore	37,300
Bowie State University	33,253
Salisbury University	9,869
University System of Maryland – Facility Renewal	17,000
University of Maryland Eastern Shore	3,000
Frostburg State University	2,681
University of Maryland Baltimore County	37,400
Morgan State University	30,450
Independent Colleges	8,000
Community Colleges	78,745
Total	\$351,982¹

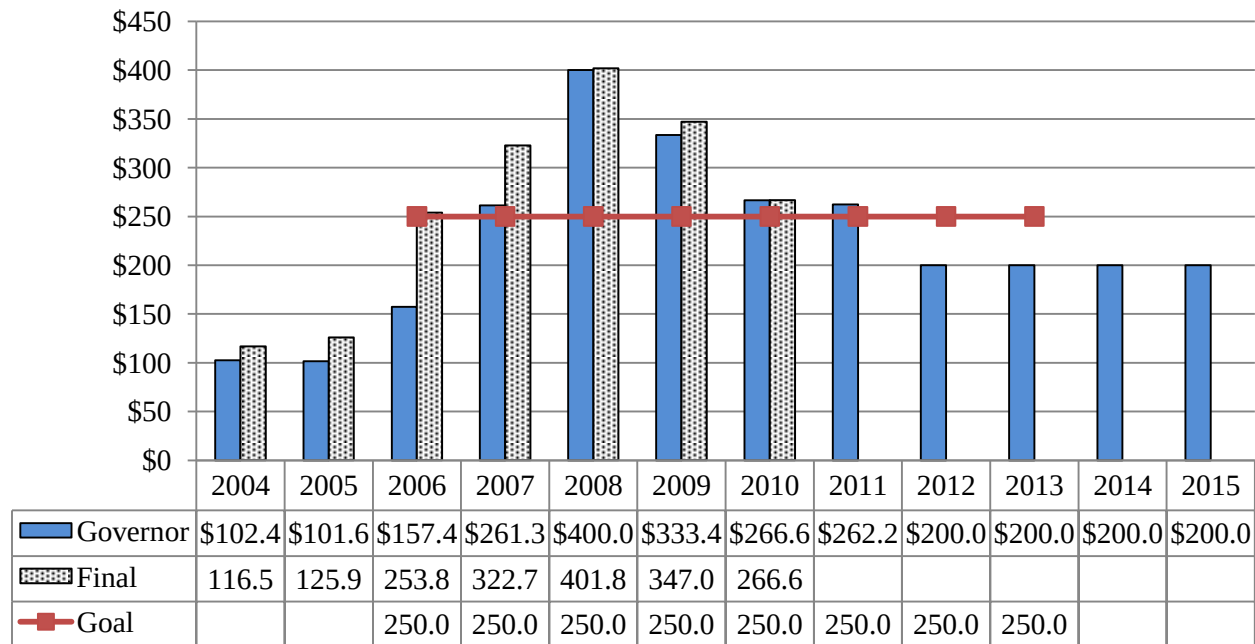
¹ This does not include \$10.0 million authorized for the University of Maryland Medical System. This also does not include \$29.6 million of nonbudgeted funds representing private donor contributions.

School Construction

Capital Funding

The fiscal 2011 capital budget includes \$250.0 million in general obligation bonds for public school construction. An additional \$12.2 million in unexpended funds from prior years is available from the Statewide Contingency Fund, of which \$4.9 million is reserved for specific local school systems. The local school systems requested approximately \$722.1 million for fiscal 2011, of which \$529.0 million is eligible for State funding. The Public School Facilities Act of 2004 (Chapters 306 and 307) established a State goal to provide \$2.0 billion in State funding over eight years to address school construction needs, or \$250.0 million per year from fiscal 2006 to 2013. Fiscal 2011 will be the sixth consecutive year that the goal has been met or exceeded, with the State providing a total of \$1.85 billion for school construction since fiscal 2006, as illustrated in **Exhibit 2.10**.

Exhibit 2.10
Public School Construction Funding
(\$ in Millions)



Aging Schools Program

The Aging Schools Program is funded through the capital budget rather than the operating budget in fiscal 2011. The capital budget as passed by the General Assembly includes \$5.1 million in general obligation bonds and \$1.0 million in Qualified Zone Academy Bonds to meet the statutory requirement of \$6.1 million for the program. Since 2001, the State has issued \$47.6 million in QZABs allocated by the federal government to Maryland; all but \$21.3 million has been expended. QZABs are an alternative bond program that the federal government authorizes with bond holders receiving federal tax credits in lieu of interest.

Transfer Tax

The property transfer tax is the primary funding source for State land conservation programs. In light of the fiscal condition of the State, a number of actions reduce the fiscal 2011 budget appropriations from the transfer tax and direct transfer tax revenue to the general fund. The transfer actions taken affect prior year transfer tax appropriations available as unexpended fund balance and fiscal 2011 revenues. In each instance, the amount of diverted transfer tax to the general fund is replaced with GO bond funds authorized in the 2010 MCCBL or through pre-authorization provisions included in the 2010 MCCBL for fiscal 2012 and 2013. **Exhibit 2.11** shows how transfer tax revenue will be replaced with general obligation bonds in fiscal 2011, and **Exhibit 2.12** shows how the fiscal 2011 transfer tax and GO bond replacement is distributed across all operating and capital programs.

Exhibit 2.11
Programs Traditionally Funded with Transfer Tax Revenue
Fiscal 2011
(\$ in Millions)

	<u>Transfer Tax Special Funds</u>	<u>Other Special Funds</u>	<u>Federal</u>	<u>GO Bonds</u>	<u>Total</u>
Department of Natural Resources					
Program Open Space					
State ¹	\$2.7	\$0.0	\$11.1	\$9.4	\$23.2
Local ²	0.0	0.0	0.0	54.1	54.1
Capital Development ³	0.0	0.0	3.2	19.9	23.1
Rural Legacy Program ⁴	0.0	0.0	0.0	17.0	17.0
Heritage Conservation Fund	0.0	0.0	0.0	1.7	1.7
Department of Agriculture					
Agricultural Land Preservation ⁵	0.0	12.1	2.0	17.8	31.9
Total	\$2.7	\$12.1	\$16.3	\$119.9	\$151.0

¹ The Program Open Space – State funding reflects \$2.7 million in special funds for the Baltimore City Direct Grant (\$1.5 million) and operating expenses per the Budget Reconciliation and Financing Act of 2009 (\$1.2 million). The \$9.4 million in general obligation bond authorization reflects \$5.0 million for State land acquisition, \$3.0 million in prior year State funds replacement, and \$1.4 million in additional funding for the Baltimore City Direct Grant. In addition, \$5.0 million in general obligation debt is pre-authorized for the 2011 session in order to complete the replacement of fiscal 2011 transfer tax funding directed to the general fund.

² The Program Open Space – Local funding reflects \$41.8 million in general obligation bond authorization to replace prior year funds transferred to the general fund and \$12.4 million in general obligation bond authorization to replace fiscal 2011 transfer tax funds transferred to the general fund. In addition, there are general obligation bond pre-authorizations of \$29.0 million for fiscal 2012 and \$32.3 million for fiscal 2013 to replace fully the \$103.1 million in prior year funds transferred to the general fund.

³ The Capital Development funding reflects \$3.2 million in federal funds for the Harriet Tubman Underground Railroad State Park – Visitor Center. The general obligation bond authorization of \$19.9 million reflects the following:

- \$15.8 million to replace available fund balance transferred to the general fund in the BRFA of 2010 – Natural Resources Development Fund (\$10.1 million), Critical Maintenance Program (\$3.2 million), Ocean City Beach Replenishment (\$2.1 million), House Assessment Program (\$0.2 million), Dam Rehabilitation Program (\$0.2 million); and
- \$4.2 million to replace new fiscal 2011 funding transferred to the general fund – Critical Maintenance Program (\$3.2 million) and Ocean City Beach Replenishment (\$1.0 million).

⁴ The Rural Legacy Program funding reflects \$10.6 million in general obligation bond authorization to replace prior year fund balance transferred to the general fund and \$6.3 million to replace a portion of the fiscal 2011 transfer tax allocation transferred to the general fund. There is an additional \$6.3 million in general obligation debt pre-authorized for the 2011 session.

⁵ The Agricultural Land Preservation funding reflects \$10.0 million in general obligation bond authorization to replace prior year funds directed to the general fund and \$7.8 million in general obligation bond authorization to replace a portion of the fiscal 2011 transfer tax funding directed to the general fund. The overall funding does not reflect an additional \$4.0 million available due to the infeasibility of Maryland Agricultural and Resource-Based Industry Development Corporation's Installment Purchase Agreements Program.

Chapter Three – Impact of Legislation on State Revenues and Expenditures

- Legislation Affecting State Revenues
- Totals by Fund Type/Summary of Quantifiable Revenue Effects
- Legislation Affecting State Expenditures
- Expenditures by Agency
- Totals by Fund Type/Summary of Quantifiable Expenditure Effects
- Regular Positions Needed by Agency
- Contractual Positions Needed by Agency

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 17/HB 1145	Criminal Law – Salvia Divinorum and Salvinorin A – Distribution to and Possession by Individual Under 21 Years of Age (Ch. 200/Ch. 201)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 51	Vehicle Laws – Bicycles, EPAMDs, and Motor Scooters – Rules of the Road (Ch. 517)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 57	Health Insurance – Conformity with Federal Law – Mental Health Benefits, Medical and Surgical Benefits for Mastectomies, and the Federal Patient Protection and Affordable Care Act (Ch. 17)						
	SF	\$0	\$0	\$0	\$0	\$0	Minimal fee revenue increase in FY 2010.
SB 62	Maryland Horse Industry Fund – Fees (Ch. 19)						
	GF	(\$43,725)	(\$43,725)	(\$43,725)	(\$43,725)	(\$43,725)	GF expenditures decrease by greater amount.
	SF	\$72,875	\$72,875	\$72,875	\$72,875	\$72,875	SF expenditures increase by the same amount.
SB 64	Maryland Research and Development Tax Credit – Sunset Extension (Ch. 20)						
	GF	\$0	\$0	(\$1,863,200)	(\$3,123,600)	(\$4,767,600)	
	SF	\$0	\$0	(\$476,400)	(\$798,700)	(\$1,219,100)	
SB 81	State Board of Veterinary Medical Examiners – License Suspensions and Revocations – Maximum Penalties (Ch. 30)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 85	Vehicle Laws – Electronic Transmission of Title Information by Dealers (Ch. 32)						
	SF	(\$48,750)	(\$65,000)	(\$65,000)	(\$65,000)	(\$65,000)	
SB 91	Maryland Higher Education Commission – Exempt Institutions (Ch. 221)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 93	Agriculture – Pest Control – Fees and Registration (Ch. 222)						
	SF	\$112,701	\$137,380	\$131,485	\$128,538	\$128,538	
SB 95	Maryland Agricultural Land Preservation Foundation – Farmland Preservation Partnership Program (Ch. 36)						
	SF/FF	increase	increase	increase	increase	increase	Potential significant partnership contribution revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 99/HB 1174	Junk Dealers and Scrap Metal Processors – Required Records (Ch. 199/Ch. 198)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 106	Labor and Employment – Job Creation and Recovery Tax Credit (Ch. 1)						
	GF	(\$18,981,800)	\$0	\$0	\$0	\$0	Assumed in FY 2011 budget.
	SF	(\$1,018,200)	\$0	\$0	\$0	\$0	Assumed in FY 2011 budget.
SB 107	Unemployment Insurance – Tax Deferment, Trust Fund Solvency, and Cost-Neutral Modernization Act (Ch. 2)						
	SF	(\$1,500,000)	(\$750,000)	\$0	\$0	\$0	
SB 129/HB 65	International Marriage Brokers – Regulation (Ch. 519/Ch. 520)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 139	Property Tax – Exemption for Disabled Public Health Service and NOAA Officers and Surviving Spouses (Ch. 235)						
	SF	(\$4,875)	(\$4,875)	(\$4,875)	(\$4,875)	(\$4,875)	
SB 141	Budget Reconciliation and Financing Act of 2010 (Ch. 484)						
	FF	\$27,000,000	\$28,215,000	\$29,484,675	\$30,811,485	\$32,198,002	Offset by federal Medicaid costs.
	GF	\$430,362,013	\$337,773,507	\$338,850,080	\$349,640,130	\$360,545,442	\$430,925,987 assumed in FY 2011 budget.
	SF	(\$252,970,618)	(\$292,374,400)	(\$291,399,300)	(\$300,045,090)	(\$308,709,381)	(\$296,970,618) assumed in FY 2011 budget.
SB 165/HB 600	Health Occupations – Therapy Management Contracts – Repeal of Sunset (Ch. 44/Ch. 45)						
	SF	increase	increase	increase	increase	increase	Potential minimal fee revenues.
SB 171/HB 359	Procurement – Veteran-Owned Small Business Enterprise Participation (Ch. 507/Ch. 508)						
	GF	\$0	\$0	increase	increase	increase	Minimal fine revenues.
SB 189	Victims’ Rights – Fatal Vehicular Accident – Suspension of License (Ch. 522)						
	GF	increase	increase	increase	increase	increase	Minimal filing fee revenues.
	SF	increase	increase	increase	increase	increase	Minimal driver license fee revenues.
SB 198	Farmer’s Markets – Agricultural Product Sales – Producer Mobile Farmer’s Market License (Ch. 246)						
	GF	increase	increase	increase	increase	increase	Minimal license fee revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 202	Creation of a State Debt – Aging School Program – Qualified Zone Academy Bonds (Ch. 523)						
	BOND	\$4,543,000	\$0	\$0	\$0	\$0	Bond expenditures increase by same amount.
SB 213/HB 33	Child Care Articles Containing Bisphenol-A – Prohibition (Ch. 46/Ch. 47)						
	GF	\$0	increase	increase	increase	increase	Potential minimal fine revenues.
SB 221	Tax Credits for Qualifying Employees with Disabilities – Sunset Extension (Ch. 252)						
	GF	(\$55,100)	(\$76,300)	(\$22,900)	\$0	\$0	
	SF	(\$12,700)	(\$17,600)	(\$5,300)	\$0	\$0	
SB 237/HB 203	Sales and Use Tax – Exemptions – Veterans’ Organizations (Ch. 509/Ch. 510)						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Sales tax revenues.
SB 248	Civil Cases – Maryland Legal Services Corporation Fund (Ch. 486)						
	SF	\$6,728,653	\$6,728,653	\$6,728,653	\$0	\$0	
SB 252/HB 500	Child Support Guidelines – Revision (Ch. 262/Ch. 263)						
	SF	increase	increase	increase	increase	increase	Potential minimal child support collections.
SB 261/HB 283	Criminal Law – Human Trafficking – Prohibitions (Ch. 529/Ch. 530)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 275	Education – Maryland Longitudinal Data System (Ch. 190)						
	FF	\$1,105,278	\$4,545,205	\$959,700	\$0	\$0	Assumes receipt of FF grant.
SB 277	Renewable Energy Portfolio Standard – Solar Energy (Ch. 494)						
	SF	\$0	\$1,944,240	\$6,247,200	\$16,601,500	\$25,117,875	
SB 279	Maryland False Health Claims Act of 2010 (Ch. 4)						
	GF	increase	increase	increase	increase	increase	Potential significant civil penalties and damages.
	SF	decrease	decrease	decrease	decrease	decrease	Potential significant SF Medicaid recoveries.

Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 283/HB 470	Higher Education Investment Fund – Tuition Stabilization and Funding (Ch. 192/Ch. 193)						
	GF	(\$42,130,020)	(\$43,393,918)	(\$47,733,362)	(\$50,597,368)	(\$53,633,156)	Partially offset by GF expenditure decrease. SF revenues increase by same amount. Included in FY 2011 budget.
	SF	\$42,130,020	\$43,393,918	\$47,733,362	\$50,597,368	\$53,633,156	SF expenditures increase by same amount. GF revenues decrease by same amount. Included in FY 2011 budget.
SB 288/HB 320	Maryland Dormant Mineral Interests Act (Ch. 268/Ch. 269)						
	GF/SF	\$0	increase	increase	increase	increase	Potential significant tax revenues.
SB 308/HB 323	Health Occupations – Licensure of Physician Assistants (Ch. 273/Ch. 274)						
	GF/SF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 314	Health Insurance – Assignment of Benefits and Reimbursement of Nonpreferred Providers (Ch. 537)						
	SF	\$0	increase	\$0	\$0	\$0	
SB 318/HB 830	Income Tax Checkoff for Developmental Disabilities (Ch. 499/Ch. 500)						
	SF	increase	increase	increase	increase	increase	Minimal net checkoff revenues.
SB 321	The Delegate John Arnick Electronic Communications Traffic Safety Act of 2010 (Ch. 538)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 322	Motor Vehicles – Use of Video and Electronic Display Equipment (Ch. 539)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 324/HB 499	Motor Vehicles – Approaching Emergency Vehicles and Personnel (Ch. 540/Ch. 541)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 328/HB 933	Hospitals – Financial Assistance and Debt Collection (Ch. 60/Ch. 61)						
	SF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 339/HB 328	Estates and Trusts – Guardianship – Payment of Expenses After Death of Ward (Ch. 544/Ch. 545)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential minimal probate fee revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 344	Motor Vehicles – Limited Speed Vehicles – Requirements and Prohibitions (Ch. 546)						
	GF/SF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 382	Marine Contractors – Licensure and Regulation – Tidal Wetlands Licenses (Ch. 286)						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Potential significant licensing revenues.
	SF	\$60,000	\$204,000	\$136,000	\$68,000	\$75,000	
SB 396	Maryland Estate Tax – Pilot Program for Payment Deferral for Qualified Agricultural Property (Ch. 554)						
	GF	decrease	decrease	decrease	decrease	\$0	Potential estate tax revenues.
SB 431/HB 494	Food and Cosmetics – Auction Sales – Prohibition – Exception (Ch. 556/Ch. 557)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 451/HB 1100	Prevailing Wage Rates – Public Works Contracts – Suits by Employees (Ch. 562/Ch. 563)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 466	Vehicle Laws – Off-Highway Recreational Vehicles – Titling (Ch. 304)						
	SF	\$1,182,456	\$1,296,807	\$1,363,712	\$1,396,595	\$1,682,814	
SB 477/HB 611	State Highways – Mobile Produce Vendors – Required State Lease (Ch. 565/Ch. 566)						
	SF	increase	increase	increase	increase	increase	Potential minimal application fee revenues.
SB 501/HB 412	Real Estate Investment Trusts – Miscellaneous Provisions (Ch. 79/Ch. 80)						
	SF	increase	increase	increase	increase	increase	Minimal form filing fee revenues.
SB 520/HB 199	Homestead Property Tax Credit – Eligibility of Employees of the Federal Government Stationed Outside the State (Ch. 571/Ch. 572)						
	SF	(\$9,151)	(\$9,151)	(\$9,151)	(\$9,151)	(\$9,151)	
SB 523	Credit Card Blacklisting Prevention Act (Ch. 309)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 542/HB 1322	Business Regulation – Lodging Establishments – National Human Trafficking Resource Center Hotline Information (Ch. 576/Ch. 577)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 547/HB 305	Insurance – Domestic Reinsurers (Ch. 83/Ch. 84) SF	\$31,400	\$31,400	\$31,400	\$31,400	\$31,400	
SB 560/HB 829	Vehicle Laws – Traffic Citations – Option to Request Trial (Ch. 195/Ch. 196) GF	increase	increase	increase	increase	increase	Potential minimal filing fee revenues.
SB 576	Residential Child and Youth Care Practitioners – Certification Requirement – Extension (Ch. 583) GF	decrease	decrease	decrease	decrease	indeterminate	Certification fees.
SB 593/HB 699	Health Facilities – Freestanding Medical Facilities – Rates (Ch. 505/Ch. 506) FF	\$0	increase	increase	increase	increase	Potential significant Medicaid matching funds, offset by Medicaid expenditures.
	SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenues.
SB 602/HB 674	High Occupancy Vehicle (HOV) Lanes – Use by Plug-In Vehicles (Ch. 492/Ch. 491) SF	increase	increase	increase	increase	\$0	Potential minimal fee revenues.
SB 624	Vehicle Laws – Bicycles and Motor Scooters – Rules of the Road (Ch. 518) GF	decrease	decrease	decrease	decrease	decrease	Potential minimal fine revenues.
SB 632/HB 624	Registered Nurses, Licensed Practical Nurses, Nursing Assistants, and Medication Technicians – Changes to Licensure Requirements (Ch. 585/Ch. 586) SF	\$0	\$0	increase	increase	\$0	License fee revenues.
SB 633/HB 1034	Community Services Reimbursement Rate Commission – Developmental Disabilities and Community Mental Health Services – Rate Adjustments (Ch. 497/Ch. 498) FF	\$0	increase	increase	increase	increase	Potential significant Medicaid matching funds, offset by Medicaid expenditures.
SB 643/HB 880	Telephone Bills – Third-Party Vendor Billing (Ch. 89/Ch. 90) GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 647/HB 854	Homeowner's, Farmowner's, and Dwelling Insurance Policies – Claims for Additional Payments (Ch. 91/Ch. 92) SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 664	Environment – Dental Radiation Machines – Inspections (Ch. 592)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential fine revenues.
SB 670/HB 818	Criminal Law – Trespass on Posted Property and Wanton Trespass on Private Property – Penalties (Ch. 334/Ch. 335)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 690/HB 1009	Corporations – Benefit Corporation (Ch. 97/Ch. 98)						
	SF	increase	increase	increase	increase	increase	Potential minimal form filing fee revenues.
SB 700/HB 1017	Health Insurance – Child Wellness Benefits (Ch. 595/Ch. 596)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenues.
SB 704/HB 1073	Insurance – Coordination of Benefits – Health Insurance and Personal Injury Protection (Ch. 340/Ch. 341)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenues.
SB 774/HB 882	Insurance Producers – Use of Senior or Retiree Credential or Designation (Ch. 604/Ch. 605)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 784	Maryland Statutory Trust Act (Ch. 611)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
	SF	increase	increase	increase	increase	increase	Potential minimal filing fee and fine revenues.
SB 789/HB 1299	Labor and Employment – The Healthy Retail Employee Act (Ch. 612/Ch. 613)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 858	Maryland Winery Modernization Act (Ch. 355)						
	GF	increase	increase	increase	increase	increase	Potential minimal sales and excise tax revenues.
SB 897	Academic Facilities Bonding Authority (Ch. 631)						
	BOND	\$150,000,000	\$0	\$0	\$0	\$0	Bond expenditures increase by same amount.

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Effect of the 2010 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 45	Dorchester County – Bay Restoration Fee – Lien Against Property (Ch. 381)						
	SF	\$173	\$45	\$47	\$48	\$49	Bay Restoration Fund administrative revenues for Comptroller.
	SF	\$34,454	\$9,019	\$9,271	\$9,531	\$9,798	Bay Restoration Fund.
HB 65/SB 129	See entry for SB 129.						
HB 72	Department of the Environment – Oil and Gas Production Permits – Fees (Ch. 383)						
	SF	\$116,320	\$240,704	\$217,231	\$226,654	\$236,561	SF expenditures increase by same amount.
HB 73	Environment – Water Quality Revolving Loan Fund – Use of Funds (Ch. 384)						
	FF	\$0	\$49,000,000	\$47,000,000	increase	increase	Significant water quality grant revenues.
HB 79	Commercial Law – Credit Services Businesses – Limitation on Fees (Ch. 385)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 80	State Board for Professional Engineers (Ch. 124)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential minimal license fee revenues.
HB 83	Department of Labor, Licensing, and Regulation – State Real Estate Commission – Continuing Education (Ch. 386)						
	SF	\$15,000	\$20,000	\$20,000	\$20,000	\$20,000	
HB 85	Commissioner of Labor and Industry – Boiler and Pressure Vessel Safety Act (Ch. 387)						
	GF	(\$52,200)	(\$69,600)	(\$69,600)	(\$69,600)	(\$69,600)	
HB 87	State Fire Marshal – Nongovernmental Electrical Inspectors (Ch. 127)						
	GF	\$500	\$500	\$5,550	\$500	\$500	
HB 88	Other Tobacco Products Licenses (Ch. 388)						
	GF	\$17,779	\$17,779	\$17,779	\$17,779	\$17,779	
	GF	increase	increase	increase	increase	increase	Potential tax compliance revenues.
HB 199/SB 520	See entry for SB 520.						

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 202	Uniform Commercial Code – Financing Statements – False Filings – Prohibited (Ch. 397)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 203/SB 237	See entry for SB 237.						
HB 283/SB 261	See entry for SB 261.						
HB 305/SB 547	See entry for SB 547.						
HB 318	Business Regulation – Secondhand Precious Metal Object Dealers (Ch. 404)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential minimal license fee and fine revenues.
HB 320/SB 288	See entry for SB 288.						
HB 323/SB 308	See entry for SB 308.						
HB 328/SB 339	See entry for SB 339.						
HB 359/SB 171	See entry for SB 171.						
HB 402	Collection Agencies – Application and Renewal Fees (Ch. 149)						
	GF	\$0	\$225,000	\$225,000	\$225,000	\$225,000	
HB 407	State Board of Public Accountancy – Disciplinary Authority (Ch. 152)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 408	State Commission of Real Estate Appraisers and Home Inspectors – Administrative Sanctions – Civil Penalty (Ch. 153)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 412/SB 501	See entry for SB 501.						
HB 420	Secretary of Agriculture – Mosquito Control – Enforcement Authority (Ch. 412)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 435	Health Insurance – Reimbursement of Primary Care Providers – Bonus Payments (Ch. 673)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenues.
HB 443	Inheritance Tax – Exemption – Surviving Spouses of Predeceasing Descendants (Ch. 674)						
	GF	decrease	decrease	decrease	decrease	decrease	Inheritance tax revenues.
HB 464	Maryland Clean Energy Incentive Act of 2010 (Ch. 493)						
	GF	\$0	(\$3,714,679)	(\$3,714,679)	(\$3,714,679)	(\$3,714,679)	
HB 469	Motor Vehicle Excise Tax – Tax Credit For Electric Vehicles (Ch. 490)						
	SF	(\$279,000)	(\$939,600)	(\$1,287,000)	\$0	\$0	Strategic Energy Investment Fund. Included in FY 2011 budget.
	SF	\$0	(\$655,067)	(\$626,600)	\$0	\$0	Transportation Trust Fund.
HB 470/SB 283	See entry for SB 283.						
HB 472	Real Property – Residential Property Foreclosure Procedures – Foreclosure Mediation (Ch. 485)						
	SF	\$11,121,250	\$7,853,800	\$5,575,900	\$3,958,700	\$2,810,600	
HB 475	Smart, Green, and Growing – The Sustainable Communities Act of 2010 (Ch. 487)						
	GF	(\$1,360,000)	(\$4,700,000)	(\$5,000,000)	(\$5,350,000)	(\$3,180,000)	
	SF	\$261,400	\$266,000	\$279,100	\$292,800	\$307,147	SF expenditures increase by same amount.
HB 484	Property Tax – Semiannual Payment Schedule – Small Business Property (Ch. 680)						
	GF	\$0	decrease	decrease	decrease	decrease	Potential interest income.
HB 494/SB 431	See entry for SB 431.						
HB 499/SB 324	See entry for SB 324.						
HB 500/SB 252	See entry for SB 252.						
HB 559	Prince George’s County – Winery Special Event Permits – Farmers’ Markets PG 304-10 (Ch. 420)						
	GF	increase	increase	increase	increase	increase	Potential minimal fee revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 566	Prince George's County – Community Association Property Management Services – Registration PG 419-10 (Ch. 421)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 600/SB 165	See entry for SB 165.						
HB 611/SB 477	See entry for SB 477.						
HB 624/SB 632	See entry for SB 632.						
HB 667	Vehicle Laws – Exceptional Hauling Permits – Validity in Select Eastern Shore Counties (Ch. 691)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential minimal fine revenues.
	SF	increase	increase	increase	increase	increase	Potential minimal fee revenues.
HB 674/SB 602	See entry for SB 602.						
HB 689	Natural Resources – POWs and Disabled Veterans – Exception to Trout Stamp Requirement (Ch. 693)						
	SF	(\$1,729)	(\$2,305)	(\$2,305)	(\$2,305)	(\$2,305)	
HB 699/SB 593	See entry for SB 593.						
HB 778	Crimes – Unauthorized Computer Access for Sabotage of State Government, Public Utilities, or Other Energy Infrastructure (Ch. 436)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 804	Health Insurance – Dental Provider Panels – Provider Contracts (Ch. 702)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenues.
HB 818/SB 670	See entry for SB 670.						
HB 822	Queen Anne's County – Arts and Entertainment District (Ch. 164)						
	GF	\$0	decrease	decrease	decrease	decrease	Potential minimal income tax revenues.
HB 823	Montgomery County – Winery Special Event Permits – Farmers' Markets MC 9-10 (Ch. 440)						
	GF	increase	increase	increase	increase	increase	Potential minimal permit fee revenues beginning in FY 2010.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 825	Vehicle Laws – Required Security – Minimum Amounts (Ch. 441)						
	GF	increase	increase	increase	increase	increase	Potential significant premium tax revenues; potential minimal fine revenues.
	NB	\$4,050,000	\$8,100,000	\$8,100,000	\$8,100,000	\$8,100,000	
	SF	\$25,000	\$0	\$0	\$0	\$0	
	SF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 829/SB 560	See entry for SB 560.						
HB 830/SB 318	See entry for SB 318.						
HB 854/SB 647	See entry for SB 647.						
HB 855	Sales and Use Tax – Exemption – Lodging at a Corporate Training Center (Ch. 706)						
	GF	(\$351,251)	(\$351,251)	(\$351,251)	(\$346,800)	(\$346,800)	
	SF	(\$19,658)	(\$19,658)	(\$19,658)	(\$24,109)	(\$24,109)	
HB 880/SB 643	See entry for SB 643.						
HB 882/SB 774	See entry for SB 774.						
HB 933/SB 328	See entry for SB 328.						
HB 934	Vehicle Laws – Commercial Vehicles – Handheld Telephones Utilizing Push-to-Talk Technology (Ch. 716)						
	GF	\$0	\$0	decrease	decrease	decrease	Potential minimal fine revenues.
HB 963	Child Support Enforcement – Interception of Abandoned Property (Ch. 717)						
	GF	increase	increase	increase	increase	increase	Potential minimal filing fee revenues.
	GF	(\$500,000)	decrease	decrease	decrease	decrease	Minimal abandoned property revenues.
	SF	increase	increase	increase	increase	increase	Potential minimal child support collections.

Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 995	Regulation of Crematories (Ch. 450)						
	GF	\$0	increase	increase	increase	increase	Potential minimal fine revenues.
	SF	\$0	increase	\$0	increase	\$0	Minimal registration/permit/license fees.
HB 1009/SB 690	See entry for SB 690.						
HB 1017/SB 700	See entry for SB 700.						
HB 1025/SB 1006	See entry for SB 1006.						
HB 1032	Motor Fuel Suppliers – Games of Chance (Ch. 720)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential significant lottery revenues.
HB 1034/SB 633	See entry for SB 633.						
HB 1050	Maryland Health Insurance Plan – Plan Options – Governmental Third Party Payers (Ch. 166)						
	SF	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Health premium revenues.
HB 1053	Child Pornography – Matter Reflecting Belief That a Minor Is Depicted in a Certain Manner (Ch. 454)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenue.
HB 1073/SB 704	See entry for SB 704.						
HB 1076/SB 898	See entry for SB 898.						
HB 1100/SB 451	See entry for SB 451.						
HB 1136	Financial Institutions – Supervision and Reorganization (Ch. 457)						
	SF	increase	increase	increase	increase	increase	Potential minimal filing fee revenues.
HB 1145/SB 17	See entry for SB 17.						

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 1151	Vehicle Laws – Commercial Motor Vehicles – Minimum Security Requirements (Ch. 458)						
	FF	\$3,047,570	increase	increase	increase	increase	Significant transportation grants. \$3,000,000 assumed in FY 2011 budget.
HB 1163	Economic Development – Enterprise Zones – Designation (Ch. 459)						
	GF	\$0	decrease	decrease	decrease	decrease	Potential income tax revenues.
HB 1174/SB 99	See entry for SB 99.						
HB 1199	Motor Vehicles – Salvage – Standards and Requirements (Ch. 728)						
	NB	decrease	decrease	decrease	decrease	decrease	Potential significant reduction in MAIF revenues.
	SF	decrease	decrease	decrease	decrease	decrease	Potential significant fee revenues.
HB 1206	Commercial Law – Consumer Protection – Refund Anticipation Loans and Checks (Ch. 730)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 1295	Workers’ Compensation – Uninsured Employers’ Fund – Uninsured Employer Assessments (Ch. 731)						
	SF	increase	increase	increase	increase	increase	Potential significant uninsured employer assessment revenues.
HB 1299/SB 789	See entry for SB 789.						
HB 1322/SB 542	See entry for SB 542.						
HB 1345	Recreational Fishing Licenses – Licensing and Registration (Ch. 465)						
	SF	\$2,964,528	\$3,109,160	\$3,109,160	\$3,109,160	\$3,109,160	\$2,385,997 assumed in FY 2011 budget.
HB 1352	Forest Conservation Fund – Contribution Rates – Priority Funding Areas (Ch. 466)						
	SF	increase	increase	increase	increase	increase	Potential minimal fee-in-lieu of reforestation revenues.
HB 1375	Kids First Express Lane Eligibility Act (Ch. 734)						
	FF	\$0	\$37,354	\$38,101	increase	increase	Minimal Medicaid matching funds, offset by Medicaid expenditures.

Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 1389	Traffic Cases – State Police Helicopters and Ambulance, Fire, and Rescue Companies (Ch. 735)						
	GF	\$0	\$0	\$3,491,298	\$8,542,290	\$8,542,290	
	SF	\$5,549,468	\$7,399,290	\$3,907,992	(\$1,143,000)	(\$1,143,000)	Volunteer Company Assistance Fund.
	SF	(\$857,250)	(\$1,143,000)	(\$1,143,000)	(\$1,143,000)	(\$1,143,000)	State Police Helicopter Replacement Fund.
HB 1431	Worcester County – Alcoholic Beverages – Pub-Breweries and Micro-Breweries (Ch. 470)						
	GF	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	
HB 1464	Land Bank Authorities – Establishment by Municipal Corporations (Ch. 739)						
	SF	increase	increase	increase	increase	increase	Potential minimal property tax revenues.
HB 1471/SB 1019	See entry for SB 1019.						
HB 1477	Prince George’s County – Municipal Corporations – School Zones and Speed Monitoring Systems PG 319-10 (Ch. 474)						
	GF/SF	increase	increase	increase	increase	increase	Potential fine revenues.
HB 1505	Central Collection Unit – Collection of Debts Owed to the State (Ch. 477)						
	GF	\$2,099,396	\$2,162,378	\$2,227,249	\$2,294,067	\$2,362,889	
	SF	\$341,762	\$352,015	\$362,575	\$373,453	\$384,656	
HB 1564	Maryland Health Insurance Plan – Administration of National High Risk Pool Program (Ch. 173)						
	FF	decrease	decrease	decrease	decrease	\$0	Medicaid matching funds, offset by reduced Medicaid expenditures.
	FF	increase	increase	increase	increase	\$0	National High Risk Pool Program grant revenues.
	SF	increase	increase	increase	increase	\$0	Increased premium revenues.

Totals by Fund Type/Summary of Quantifiable Revenue Effects

<u>Fund Type</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
GF	\$369,006,592	\$287,830,691	\$286,019,239	\$297,474,994	\$305,939,340
SF	(\$182,990,012)	(\$219,850,061)	(\$215,991,505)	(\$226,208,608)	(\$224,560,292)
FF	\$31,152,848	\$81,797,559	\$77,482,476	\$30,811,485	\$32,198,002
BOND	\$154,543,000	\$0	\$0	\$0	\$0

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 28/HB 816	Honorable Lorraine M. Sheehan Act to Protect Voting Rights for Individuals Under Guardianship for Mental Disability (Ch. 203/Ch. 204)							
	SF	Transportation	\$0	\$0	\$0	\$0	\$0	Potential minimal administrative costs in FY 2010.
SB 31	Maryland Communities for a Lifetime Commission (Ch. 10)							
	FF	Aging	\$10,417	\$0	\$0	\$0	\$0	
SB 52	Department of Disabilities – Maryland Commission on Disabilities – Duties and Responsibilities (Ch. 207)							
	GF	Disabilities	decrease	decrease	decrease	decrease	decrease	Minimal travel reimbursement costs.
SB 53	Workers’ Compensation – Average Weekly Wage – Militia (Ch. 208)							
	GF	Military Dept.	increase	increase	increase	increase	increase	Minimal workers’ compensation payments.
SB 58	Workers’ Compensation – Division of Rehabilitation Services – Unpaid Work-Based Learning Experiences (Ch. 209)							
	FF	Education	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	
SB 62	Maryland Horse Industry Fund – Fees (Ch. 19)							
	GF	Agriculture	(\$63,068)	(\$63,068)	(\$63,068)	(\$63,068)	(\$63,068)	Included in FY 2011 budget. Partially offset by GF revenue decrease.
	SF	Agriculture	\$72,875	\$72,875	\$72,875	\$72,875	\$72,875	SF revenues increase by same amount.
SB 67	Vehicle Laws – Issuance of Temporary Registration Plates by Dealers – Transmission of Information and Record Keeping (Ch. 21)							
	SF	Transportation	\$65,000	\$0	\$0	\$0	\$0	
SB 79	Office of the Deaf and Hard of Hearing – Responsibilities (Ch. 216)							
	GF	Executive Dept.	\$1,025	\$1,046	\$1,067	\$1,089	\$1,111	Assumed in FY 2011 budget.
SB 88	Environment – Controlled Hazardous Substance Advisory Council (Ch. 220)							
	SF	Environment	decrease	decrease	decrease	decrease	decrease	Minimal administration costs.

Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 93	Agriculture – Pest Control – Fees and Registration (Ch. 222)							
	SF	Agriculture	\$5,500	\$808	\$816	\$824	\$832	
SB 95	Maryland Agricultural Land Preservation Foundation – Farmland Preservation Partnership Program (Ch. 36)							
	FF	Agriculture	\$3,130	\$3,558	\$9,594	\$10,019	\$10,465	
	SF	Agriculture	\$28,167	\$32,025	\$86,346	\$90,171	\$94,188	
SB 99/HB 1174	Junk Dealers and Scrap Metal Processors – Required Records (Ch. 199/Ch. 198)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
	GF	State Police	\$190,000	\$40,000	\$40,000	\$40,000	\$40,000	
SB 106	Labor and Employment – Job Creation and Recovery Tax Credit (Ch. 1)							
	GF	Comptroller	\$37,400	\$0	\$0	\$0	\$0	
SB 107	Unemployment Insurance – Tax Deferment, Trust Fund Solvency, and Cost-Neutral Modernization Act (Ch. 2)							
	FF	All or Multiple Agencies	(\$182)	(\$477)	(\$1,145)	(\$596)	\$427	
	GF	All or Multiple Agencies	(\$547)	(\$1,431)	(\$3,434)	(\$1,789)	\$1,280	
	SF	All or Multiple Agencies	(\$182)	(\$477)	(\$1,145)	(\$596)	\$427	
SB 129/HB 65	International Marriage Brokers – Regulation (Ch. 519/Ch. 520)							
	GF	Labor Lic. & Reg.	\$12,000	\$0	\$0	\$0	\$0	
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 130/HB 250	Procurement – Minority Business Enterprises – Certification Process (Ch. 229/Ch. 230)							
	SF	Transportation	\$0	\$50,640	\$0	\$0	\$0	
SB 131/HB 251	State Procurement – Minority Business Enterprises – Electronic Certification Process (Ch. 231/Ch. 232)							
	SF	Transportation	increase	increase	increase	increase	increase	Minimal computer programming costs.

Effect of the 2010 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 141	Budget Reconciliation and Financing Act of 2010 (Ch. 484)							
	BOND	School Construction	\$6,109,000	\$0	\$0	\$0	\$0	Included in FY 2011 capital budget.
	BOND	Transportation	(\$67,634,559)	\$67,634,559	\$0	\$0	\$0	Included in FY 2011 capital budget.
	FF	All or Multiple Agencies	(\$11,962,767)	(\$11,666,008)	(\$11,968,112)	(\$12,283,509)	(\$12,612,783)	Assumed in FY 2011 budget.
	FF	Hlth. & Mental Hyg.	\$27,000,000	\$28,215,000	\$29,484,675	\$30,811,485	\$32,198,002	Assumed in FY 2011 budget.
	FF	Human Resources	(\$2,857,542)	(\$3,000,419)	(\$3,150,440)	(\$3,307,962)	(\$3,473,360)	
	FF	Juvenile Services	(\$46,000)	(\$48,300)	(\$50,715)	(\$53,251)	(\$55,913)	Assumed in FY 2011 budget.
	GF	All or Multiple Agencies	(\$76,400,789)	(\$77,297,460)	(\$80,069,348)	(\$82,963,199)	(\$85,984,380)	Assumed in FY 2011 budget.
	GF	Baltimore City	\$0	(\$1,927,905)	(\$2,330,327)	(\$3,159,131)	(\$2,943,238)	Potential Rainy Day Fund contribution.
	GF	Community College	\$0	decrease	\$0	\$0	\$0	
	GF	Budget & Mgt.	\$0	decrease	\$0	\$0	\$0	Included in FY 2011 budget.
	GF	Bus. & Econ. Dvlpmt.	(\$1,247,566)	(\$1,844,438)	(\$894,281)	(\$938,908)	(\$983,059)	Included in FY 2011 budget.
	GF	Comptroller	\$0	\$0	\$0	\$50,000,000	\$50,000,000	Included in FY 2011 budget.
	GF	Department of	(\$5,000,000)	\$0	\$0	\$0	\$0	
	GF	Information Technology						Included in FY 2011 budget.
	GF	Education	(\$359,650,404)	(\$10,305,805)	(\$45,271,001)	(\$82,274,694)	(\$130,513,246)	
	GF	Environment	(\$1,416,158)	(\$1,416,158)	(\$1,416,158)	(\$1,416,158)	(\$1,416,158)	Assumed in FY 2011 budget. Also included in SB 1117.
	GF	Executive Dept.	(\$18,975,472)	(\$19,619,437)	\$0	\$0	\$0	Included in FY 2011 budget.
	GF	Higher Ed. Comm.	(\$36,622,562)	(\$66,178,580)	(\$78,210,939)	(\$92,773,625)	(\$88,358,569)	Included in FY 2011 budget.
	GF	Hlth. & Mental Hyg.	(\$40,912,235)	(\$50,039,156)	(\$36,005,271)	(\$36,855,536)	(\$37,724,812)	Included in FY 2011 budget.
	GF	Human Resources	(\$5,546,994)	(\$27,603,441)	(\$6,115,561)	(\$6,421,339)	(\$6,742,406)	Assumed in FY 2011 budget.

Legislation Affecting State Expenditures

<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
GF	Judiciary	(\$11,899,400)	(\$10,222,000)	\$0	\$0	\$0	Included in FY 2011 budget.
GF	Juvenile Services	(\$886,000)	(\$930,300)	(\$976,815)	(\$1,025,656)	(\$1,076,939)	Assumed in FY 2011 budget.
GF	Natural Resources	(\$230,000)	(\$230,000)	(\$230,000)	(\$230,000)	(\$230,000)	Assumed in FY 2011 budget.
GF	Payments to Civil Divisions	\$23,884,680	\$19,478,261	\$17,988,850	\$17,389,559	\$16,789,687	Included in FY 2011 budget.
GF	Public Sfty. & Corr. Svcs.	(\$710,064)	(\$1,481,526)	(\$1,540,787)	(\$1,602,418)	(\$1,666,515)	Included in FY 2011 budget.
GF	School Construction	(\$6,109,000)	(\$4,261,010)	(\$4,435,224)	(\$4,669,303)	(\$4,879,477)	Included in FY 2011 budget.
GF	School for Deaf	(\$2,000,000)	\$0	\$0	\$0	\$0	Included in FY 2011 budget.
HE	All or Multiple Agencies	(\$12,215,246)	(\$12,752,717)	(\$13,313,837)	(\$13,899,646)	(\$14,511,230)	Assumed in FY 2011 budget.
REIM	All or Multiple Agencies	(\$736,569)	(\$768,978)	(\$802,813)	(\$838,137)	(\$875,015)	Assumed in FY 2011 budget.
SF	Agriculture	(\$11,814,797)	\$0	\$0	\$0	\$0	Included in FY 2011 budget.
SF	All or Multiple Agencies	(\$17,275,993)	(\$17,213,016)	(\$17,759,189)	(\$18,329,393)	(\$18,924,686)	Assumed in FY 2011 budget.
SF	Bus. & Econ. Dvlpmt.	\$0	\$0	\$0	\$0	\$0	(\$500,000) included in FY 2011 budget.
SF	Department of Information Technology	\$5,000,000	\$0	\$0	\$0	\$0	
SF	Education	\$350,000,000	\$0	\$0	\$0	\$0	
SF	Election Board, State	\$500,000	\$0	\$0	\$0	\$0	
SF	Energy Administration	\$0	(\$21,779,097)	\$0	\$0	\$0	
SF	Environment	(\$45,000,000)	\$0	\$0	\$0	\$0	Included in FY 2011 budget.
SF	Hlth. & Mental Hyg.	\$56,000,000	\$45,980,000	\$48,049,100	\$50,211,310	\$52,470,819	\$3,846,840 included in FY 2011 budget.
SF	Housing & Commty Dvlpt.	(\$8,700,000)	\$0	\$0	\$0	\$0	Assumed in FY 2011 budget.
SF	Human Resources	\$0	\$21,779,097	\$0	\$0	\$0	

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
	SF	Judiciary	\$11,899,400	\$10,222,000	\$0	\$0	\$0	
	SF	Leg. Services	\$150,000	\$0	\$0	\$0	\$0	
	SF	Natural Resources	(\$68,259,036)	\$0	\$0	\$0	\$0	Included in FY 2011 budget.
	SF	School for Deaf	\$2,000,000	\$0	\$0	\$0	\$0	
	SF	Transportation	(\$261,469,190)	(\$338,354,400)	(\$339,448,400)	(\$350,256,400)	(\$361,180,200)	Included in FY 2011 budget.
SB 163/HB 868	State Board of Pharmacy – Wholesale Distributor Permitting and Prescription Drug Integrity Act – Revisions (Ch. 239/Ch. 240)							
	SF	Hlth. & Mental Hyg.	(\$337,500)	(\$15,000)	(\$420,000)	(\$15,000)	(\$420,000)	Assumed in FY 2011 budget.
SB 165/HB 600	Health Occupations – Therapy Management Contracts – Repeal of Sunset (Ch. 44/Ch. 45)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential minimal reimbursement costs.
SB 171/HB 359	Procurement – Veteran-Owned Small Business Enterprise Participation (Ch. 507/Ch. 508)							
	FF	All or Multiple Agencies	\$0	\$0	increase	increase	increase	Potential procurement costs.
	GF	All or Multiple Agencies	\$0	\$0	increase	increase	increase	Potential procurement costs.
	GF	Department of Information Technology	\$0	\$100,000	\$0	\$0	\$0	
	GF	Public Sfty. & Corr. Svcs.	\$0	\$0	increase	increase	increase	Minimal incarceration costs.
	SF	All or Multiple Agencies	\$0	\$0	increase	increase	increase	Potential procurement costs.
	SF	Transportation	\$0	\$100,000	\$0	\$0	\$0	
SB 189	Victims' Rights – Fatal Vehicular Accident – Suspension of License (Ch. 522)							
	SF	Transportation	increase	increase	increase	increase	increase	Potential minimal court costs.
SB 198	Farmer's Markets – Agricultural Product Sales – Producer Mobile Farmer's Market License (Ch. 246)							
	GF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal inspection and licensing costs.

Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 202	Creation of a State Debt – Aging Schools Program – Qualified Zone Academy Bonds (Ch. 523)							
	BOND	Education	\$4,543,000	\$0	\$0	\$0	\$0	Bond revenues increase by same amount.
	SF	Debt Service	\$302,867	\$302,867	\$302,867	\$302,867	\$302,867	
SB 229/HB 710	Blue Ribbon Commission on Maryland Transportation Funding (Ch. 525/Ch. 526)							
	SF	Transportation	\$83,335	\$41,665	\$0	\$0	\$0	
SB 230/HB 413	Education – Instruction of Blind and Visually Impaired Students – Use of Braille (Ch. 254/Ch. 255)							
	GF	Education	\$1,927	\$2,570	\$1,903	\$294	\$0	
SB 241/HB 215	State Board of Nursing – Changes to the Electrology Practice Committee and Licensing Requirements (Ch. 48/Ch. 49)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal compensation and reimbursement costs.
SB 255/HB 365	Criminal Law – Assault – Law Enforcement Officers and Parole and Probation Agents (Ch. 264/Ch. 265)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
SB 261/HB 283	Criminal Law – Human Trafficking – Prohibitions (Ch. 529/Ch. 530)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 275	Education – Maryland Longitudinal Data System (Ch. 190)							
	FF	Data System Center	\$1,105,278	\$4,545,205	\$959,700	\$0	\$0	Contingent on receipt of FF grant. Otherwise GFs will be used.
	GF	Education	\$0	\$87,827	\$310,614	\$445,977	\$454,830	
	GF	Higher Ed. Comm.	\$0	\$87,827	\$310,614	\$445,977	\$454,830	
	GF	Data System Center	\$0	\$183,604	\$705,544	\$1,051,136	\$1,069,246	
SB 277	Renewable Energy Portfolio Standard – Solar Energy (Ch. 494)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential significant electricity expenditures.
	SF	Public Srv. Comm.	\$36,511	\$111,537	\$117,090	\$122,939	\$129,099	

Effect of the 2010 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 278/HB 474	Smart, Green, and Growing – Maryland Sustainable Growth Commission (Ch. 489/Ch. 488)							
	GF	Planning, Office of	increase	increase	increase	increase	increase	Minimal administrative costs.
SB 279	Maryland False Health Claims Act of 2010 (Ch. 4)							
	FF	Hlth. & Mental Hyg.	\$0	\$0	\$0	\$0	\$0	(\$11,000,000) included in FY 2011 budget.
	GF	Attorney General's Office	\$70,864	increase	increase	increase	increase	Additional staffing costs.
	GF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential significant Medicaid expenditures offset by GF revenue increase and SF expenditure decrease. (\$9,000,000) included in FY 2011 budget.
	SF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Potential significant Medicaid expenditures.
SB 280/HB 473	Criminal Procedure – Sexual Offenders – Lifetime Supervision (Ch. 176/Ch. 177)							
	GF	Public Defender	\$318,368	\$431,473	\$452,142	\$473,848	\$496,644	
	GF	Public Sfty. & Corr. Svcs.	\$0	\$99,476	\$372,789	\$713,606	\$884,219	
SB 283/HB 470	Higher Education Investment Fund – Tuition Stabilization and Funding (Ch. 192/Ch. 193)							
	GF	Higher Ed. Comm.	(\$42,130,020)	(\$42,761,999)	(\$45,563,640)	(\$49,165,365)	(\$52,115,262)	Partially offset by decrease in GF revenues and increase in SF expenditures. Included in FY 2011 budget
	SF	Higher Ed. Comm.	\$42,130,020	\$43,393,918	\$47,733,362	\$50,597,368	\$53,633,156	Offset by increase in SF revenues and partially offset by decrease in GF expenditures.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 291/HB 114	Health Occupations Boards – Revisions (Ch. 533/Ch. 534)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal reimbursement costs.
SB 292/HB 217	Election Law – Voter Registration and Nomination by Petition – Requirements (Ch. 270/Ch. 271)							
	SF	Transportation	\$0	\$0	\$0	\$0	\$0	Potential minimal administrative costs in FY 2010.
SB 311/HB 943	Chesapeake Conservation Corps Program (Ch. 275/Ch. 276)							
	GF	Natural Resources	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	Potential program implementation costs.
	HE	Univ. Sys. of MD	increase	increase	increase	increase	increase	
SB 314	Health Insurance – Assignment of Benefits and Reimbursement of Nonpreferred Providers (Ch. 537)							
	GF/SF/FF	Budget & Mgt.	\$0	increase	increase	increase	increase	Potential State Employee and Retiree Health and Welfare Benefits Plan expenditures.
	SF	Hlth. & Mental Hyg.	\$37,500	\$50,000	\$50,000	\$50,000	\$50,000	
SB 315	Public Ethics Laws – Elected Local Officials and Board of Education Members – Requirements (Ch. 277)							
	GF	Ethics Commission	\$15,000	\$25,000	\$0	\$0	\$0	
SB 317/HB 775	State Retirement and Pension System – Retirees and Beneficiaries of Retirees – Annual Retirement Allowance Adjustments (Ch. 56/Ch. 57)							
	FF	All or Multiple Agencies	\$0	\$40,560	\$42,000	\$43,440	\$44,960	
	GF	All or Multiple Agencies	\$0	\$425,880	\$441,000	\$456,120	\$472,080	
	SF	All or Multiple Agencies	\$0	\$40,560	\$42,000	\$43,440	\$44,960	
SB 318/HB 830	Income Tax Checkoff for Developmental Disabilities (Ch. 499/Ch. 500)							
	GF	Comptroller	\$36,100	\$0	\$0	\$0	\$0	

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 319/HB 915	African American Heritage Preservation Program (Ch. 278/Ch. 279)							
	BOND	Planning, Office of	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
	GF	Planning, Office of	\$162,904	\$157,361	\$164,767	\$172,546	\$180,721	
SB 382	Marine Contractors – Licensure and Regulation – Tidal Wetlands Licenses (Ch. 286)							
	SF	Environment	\$60,000	\$136,696	\$152,788	\$86,471	\$90,344	
SB 400/HB 496	No Representation Without Population Act (Ch. 66/Ch. 67)							
	GF	Leg. Services	\$50,000	\$0	\$0	\$0	\$0	
SB 444/HB 771	Blue Ribbon Commission to Study Retiree Health Care Funding Options – Extension of Reporting and Termination Dates (Ch. 560/Ch. 561)							
	GF	Budget & Mgt.	\$150,000	\$150,000	\$0	\$0	\$0	
SB 466	Vehicle Laws – Off-Highway Recreational Vehicles – Titling (Ch. 304)							
	SF	Transportation	\$54,890	\$56,945	\$60,199	\$63,049	\$66,076	
SB 467/HB 59	Task Force to Explore the Incorporation of the Principles of Universal Design for Learning into the Education Systems in Maryland (Ch. 305/Ch. 306)							
	GF	Education	\$6,530	\$0	\$0	\$0	\$0	
SB 476/HB 223	Maintenance of Effort – Penalty (Ch. 73/Ch. 74)							
	GF	Education	\$0	\$0	\$0	\$0	\$0	Eliminates FY 2010 \$23.4 million expenditure reduction.
SB 477/HB 611	State Highways – Mobile Produce Vendors – Required State Lease (Ch. 565/Ch. 566)							
	SF	Transportation	\$56,110	\$46,945	\$48,806	\$50,748	\$52,772	
SB 484/HB 319	State Board of Nursing – Nurse Practitioners – Certification Requirements and Authority to Practice (Ch. 77/Ch. 78)							
	SF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal reimbursement costs.
SB 517	Maryland Gang Prosecution Act of 2010 (Ch. 197)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 523	Credit Card Blacklisting Prevention Act (Ch. 309)							
	GF	Judiciary	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 556	Environment – Decabrominated Diphenyl Ether – Prohibitions (Ch. 320)							
	GF	Environment	\$20,464	\$22,464	\$11,712	\$0	\$0	
SB 560/HB 829	Vehicle Laws – Traffic Citations – Option to Request Trial (Ch. 195/Ch. 196)							
	FF	Executive Dept.	\$250,000	\$0	\$0	\$0	\$0	
	GF	State Police	decrease	decrease	decrease	decrease	decrease	Significant overtime reduction.
	NB	Transportation	decrease	decrease	decrease	decrease	decrease	Minimal overtime reduction.
	SF	Transportation	increase	increase	increase	increase	increase	Potential minimal court costs.
SB 576	Residential Child and Youth Care Practitioners – Certification Requirement – Extension (Ch. 583)							
	GF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	indeterminate	Certification/ administrative costs.
	GF/SF/FF	All or Multiple Agencies	\$0	decrease	decrease	decrease	indeterminate	Residential child care provider rates.
SB 590/HB 243	Fairness in Negotiations Act (Ch. 324/Ch. 325)							
	GF	Higher Ed. Lbr. Rel. Bd.	\$105,119	\$137,444	\$142,785	\$148,385	\$154,258	
SB 593/HB 699	Health Facilities – Freestanding Medical Facilities – Rates (Ch. 505/Ch. 506)							
	GF/FF	Hlth. & Mental Hyg.	\$0	increase	increase	increase	increase	Potential significant Medicaid expenditures.
SB 602/HB 674	High Occupancy Vehicle (HOV) Lanes – Use by Plug-In Vehicles (Ch. 492/Ch. 491)							
	SF	Transportation	increase	increase	increase	increase	\$0	Potential minimal administration costs.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 632/HB 624	Registered Nurses, Licensed Practical Nurses, Nursing Assistants, and Medication Technicians – Changes to Licensure Requirements (Ch. 585/Ch. 586)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	decrease	Potential minimal administrative costs through FY 2014.
SB 633/HB 1034	Community Services Reimbursement Rate Commission – Developmental Disabilities and Community Mental Health Services – Rate Adjustments (Ch. 497/Ch. 498)							
	GF/FF	Hlth. & Mental Hyg.	\$0	increase	increase	increase	increase	Potential significant Medicaid expenditures, partially offset by federal matching funds.
SB 670/HB 818	Criminal Law – Trespass on Posted Property and Wanton Trespass on Private Property – Penalties (Ch. 334/Ch. 335)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 693/HB 1164	Green Maryland Act of 2010 (Ch. 593/Ch. 594)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential minimal procurement costs.
SB 723/HB 1093	Health Insurance – Clinically Integrated Organizations (Ch. 598/Ch. 599)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Administrative costs.
SB 780/HB 869	Real Property – Affordable Housing Land Trusts (Ch. 609/Ch. 610)							
	GF	Assessments & Tax.	increase	increase	increase	increase	increase	Potential minimal administrative expenditures.
SB 789/HB 1299	Labor and Employment – The Healthy Retail Employee Act (Ch. 612/Ch. 613)							
	GF	Labor Lic. & Reg.	\$21,975	\$55,266	\$57,830	\$60,530	\$63,374	
SB 854/HB 936	Crimes – Sex Offenders – Notification, Registration, and Penalties (Ch. 174/Ch. 175)							
	GF	Juvenile Services	\$237,261	\$322,279	\$338,491	\$355,548	\$373,528	

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 855/HB 929	Patient Centered Medical Home Program (Ch. 5/Ch. 6)							
	GF/SF/FF	Budget & Mgt.	\$0	increase	increase	increase	increase	Minimal State Employee and Retiree Health and Welfare Benefits Plan expenditures; potential long-term savings.
	SF	Hlth. & Mental Hyg.	\$221,571	\$218,799	\$221,296	\$160,000	\$0	
SB 887	Correctional Services – State Correctional Officers’ Bill of Rights (Ch. 194)							
	GF	Public Sfty. & Corr. Svcs.	\$3,000,497	\$2,619,769	\$2,738,163	\$2,862,181	\$3,092,090	
SB 897	Academic Facilities Bonding Authority (Ch. 631)							
	BOND	Univ. Sys. of MD	\$150,000,000	\$0	\$0	\$0	\$0	Bond revenues increase by same amount.
	HE	Univ. Sys. of MD	\$0	\$12,360,000	\$12,360,000	\$12,360,000	\$12,360,000	
SB 898/HB 1076	Credit Regulation – Installment Loans Secured by Motor Vehicle Lien – Balloon Payments (Ch. 632/Ch. 633)							
	GF	Attorney General’s Office	increase	increase	increase	increase	increase	Potential minimal administrative expenditures.
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 911	Underground Facilities – Damage Prevention (Ch. 635)							
	GF	Damage Prevention Authority	increase	increase	increase	increase	increase	Potential administrative costs.
	NB	Damage Prevention Authority	increase	increase	increase	increase	increase	Staff and administrative costs of at least \$75,000 per year.
	SF	Damage Prevention Authority	increase	increase	increase	increase	increase	Underground facilities safety awareness program costs.
	SF	Transportation	\$7,140	\$8,760	\$8,760	\$8,760	\$8,760	

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 935/HB 1149	Denial or Dismissal of Peace Order or Protective Order Petition – Shielding of Records (Ch. 361/Ch. 362)							
	GF	Judiciary	increase	increase	increase	increase	increase	Potential significant administrative and court costs.
SB 966	Education – High School Diploma by Examination (Ch. 113)							
	GF	Labor Lic. & Reg.	\$32,084	\$35,979	\$37,720	\$39,551	\$41,475	
SB 979/HB 1370	Public-Private Partnerships – Oversight (Ch. 640/Ch. 641)							
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential minimal reporting costs.
	HE	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential minimal reporting costs.
	NB	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential minimal reporting costs.
SB 987	Natural Resources – Conservation Law Enforcement Act of 2010 (Ch. 367)							
	GF	Public Bdcst. Comm.	\$40,000	\$0	\$0	\$0	\$0	
SB 1006/HB 1025	Baltimore City – Sale of Motor Fuel for Dirt Bikes – Prohibition (Ch. 114/Ch. 115)							
	GF	Comptroller	increase	\$0	\$0	\$0	\$0	Potential minimal administration costs.
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Potential incarceration costs.
SB 1007/HB 983	Public Schools – Law Enforcement Officers – Cultural Competency Model Training Curriculum (Ch. 370/Ch. 371)							
	GF	Public Sfty. & Corr. Svcs.	\$53,700	\$64,463	\$0	\$0	\$0	
SB 1019/HB 1471	Residential Real Property – Real Estate Settlements – Disclosures (Ch. 373/Ch. 374)							
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
SB 1067	Task Force on Solar Hot Water Systems in Prince George's County (Ch. 649)							
	GF	Energy Administration	increase	\$0	\$0	\$0	\$0	Potential contractual services expenditures.
SB 1117	Environment – Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and Oil Contaminated Site Environmental Cleanup Fund (Ch. 377)							
	GF	Environment	(\$1,416,158)	(\$1,416,158)	(\$1,416,158)	(\$1,416,158)	(\$1,416,158)	Assumed in FY 2011 budget. Also included in SB 141.
HB 59/SB 467	See entry for SB 467.							
HB 60	Criminal Procedure – Violation by Child Sexual Offender of Pretrial or Posttrial Release No Contact Order (“Alexis’s Law”) (Ch. 187)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 65/SB 129	See entry for SB 129.							
HB 72	Department of the Environment – Oil and Gas Production Permits – Fees (Ch. 383)							
	SF	Environment	\$116,320	\$240,704	\$217,231	\$226,654	\$236,561	SF revenues increase by same amount.
HB 73	Environment – Water Quality Revolving Loan Fund – Use of Funds (Ch. 384)							
	FF	Environment	\$0	increase	increase	increase	increase	Significant water quality expenditures.
	BOND	Environment	\$0	\$9,800,000	\$9,400,000	increase	increase	Significant water quality expenditures.
HB 79	Commercial Law – Credit Services Businesses – Limitation on Fees (Ch. 385)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 88	Other Tobacco Products Licenses (Ch. 388)							
	GF	Judiciary	\$72,000	\$0	\$0	\$0	\$0	
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 114/SB 291	See entry for SB 291.							
HB 161	Family Law – Guardianship Review Hearings – Consultation with Child (Ch. 655)							
	GF	Judiciary	increase	increase	increase	increase	increase	Potential minimal court costs.
HB 215/SB 241	See entry for SB 241.							
HB 217/SB 292	See entry for SB 292.							
HB 223/SB 476	See entry for SB 476.							
HB 243/SB 590	See entry for SB 590.							
HB 250/SB 130	See entry for SB 130.							
HB 251/SB 131	See entry for SB 131.							
HB 254/SB 622	See entry for SB 622.							
HB 283/SB 261	See entry for SB 261.							
HB 289	Correctional Services – Child Sexual Offenders – Diminution Credits (Ch. 182)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
HB 318	Business Regulation – Secondhand Precious Metal Object Dealers (Ch. 404)							
	GF	Labor Lic. & Reg.	decrease	decrease	decrease	decrease	decrease	Potential minimal enforcement costs.
HB 319/SB 484	See entry for SB 484.							
HB 359/SB 171	See entry for SB 171.							
HB 365/SB 255	See entry for SB 255.							

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 378	Election Law – Campaign Finance Reports (Ch. 409)							
	GF	Election Board, State	\$54,000	\$0	\$0	\$0	\$0	
HB 409	Home Improvement Commission – Guaranty Fund Jurisdiction (Ch. 671)							
	GF	Labor Lic. & Reg.	\$0	\$0	decrease	decrease	decrease	Potential significant court costs.
	SF	Labor Lic. & Reg.	decrease	decrease	decrease	decrease	decrease	Potential minimal reduction in Home Improvement Guaranty Fund awards.
HB 413/SB 230	See entry for SB 230.							
HB 435	Health Insurance – Reimbursement of Primary Care Providers – Bonus Payments (Ch. 673)							
	GF/SF/FF	Budget & Mgt.	increase	increase	increase	increase	increase	State Employee and Retiree Health and Welfare Benefits Plan expenditures.
HB 465	Collective Negotiations by Family Child Care Providers (Ch. 496)							
	GF	Education	increase	\$0	\$0	\$0	\$0	Minimal computer programming costs.
HB 469	Motor Vehicle Excise Tax – Tax Credit For Electric Vehicles (Ch. 490)							
	SF	Transportation	increase	\$0	\$0	\$0	\$0	Potential minimal computer reprogramming costs.
HB 470/SB 283	See entry for SB 283.							

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 472	Real Property – Residential Property Foreclosure Procedures – Foreclosure Mediation (Ch. 485)							
	SF	Admin. Hearings, Ofc.	\$1,282,996	\$1,267,117	\$1,318,253	\$1,371,924	\$1,428,264	\$784,387 included in the FY 2011 budget.
	SF	Housing & Commty Dvlpt.	increase	increase	increase	increase	increase	Significant housing counseling costs; \$3,980,785 included in the FY 2011 budget.
	SF	Judiciary	\$300,000	\$0	\$0	\$0	\$0	\$228,865 included in the FY 2011 budget.
	SF	Labor Lic. & Reg.	\$250,000	\$150,000	\$150,000	\$150,000	\$150,000	\$225,000 included in the FY 2011 budget.
HB 473/SB 280	See entry for SB 280.							
HB 474/SB 278	See entry for SB 278.							
HB 475	Smart, Green, and Growing – The Sustainable Communities Act of 2010 (Ch. 487)							
	GF	Planning, Office of	\$10,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$0	Included in FY 2011 budget.
	SF	Planning, Office of	\$261,400	\$266,000	\$279,100	\$292,800	\$307,147	SF revenues increase by same amount.
HB 496/SB 400	See entry for SB 400.							
HB 517	Criminal Law – Narcotic Drugs – Enhanced Penalties (Ch. 417)							
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
HB 531	Task Force to Study the Procurement of Health, Education, and Social Services by State Agencies – Extension (Ch. 683)							
	GF	Public Works, Board of	increase	increase	\$0	\$0	\$0	Potential minimal staffing costs.
HB 536	Department of Aging – Long-Term Care Ombudsman Program (Ch. 155)							
	FF	Aging	\$6,610	\$6,991	\$3,650	\$0	\$0	Included in FY 2011 budget.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 600/SB 165	See entry for SB 165.							
HB 611/SB 477	See entry for SB 477.							
HB 624/SB 632	See entry for SB 632.							
HB 667	Vehicle Laws – Exceptional Hauling Permits – Validity in Select Eastern Shore Counties (Ch. 691)							
	SF/FF	Transportation	increase	increase	increase	increase	increase	Minimal enforcement and administration costs.
HB 674/SB 602	See entry for SB 602.							
HB 698	District Court – Mailings – Notice of Dismissal, Nolle Prosequi, or Stet (Ch. 160)							
	GF	Judiciary	(\$23,850)	(\$106,926)	(\$106,926)	(\$106,926)	(\$106,926)	
HB 699/SB 593	See entry for SB 593.							
HB 710/SB 229	See entry for SB 229.							
HB 768	Employees' Retirement and Pension Systems – Maryland School for the Deaf Retirees – Overpayment of Benefits (Ch. 435)							
	FF	All or Multiple Agencies	\$0	\$2,660	\$2,760	\$2,860	\$2,960	
	GF	All or Multiple Agencies	\$0	\$7,980	\$8,280	\$8,580	\$8,880	
	SF	All or Multiple Agencies	\$0	\$2,660	\$2,760	\$2,860	\$2,960	
HB 771/SB 444	See entry for SB 444.							
HB 775/SB 317	See entry for SB 317.							
HB 778	Crimes – Unauthorized Computer Access for Sabotage of State Government, Public Utilities, or Other Energy Infrastructure (Ch. 436)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 815	Maryland Transportation Authority Police Officers – Collective Bargaining (Ch. 704)							
	NB	Transportation	\$75,063	\$95,812	\$100,282	\$104,974	\$109,898	Potential significant collective bargaining costs.
	SF/NB	Transportation	increase	increase	increase	increase	increase	
HB 816/SB 28	See entry for SB 28.							
HB 818/SB 670	See entry for SB 670.							
HB 825	Vehicle Laws – Required Security – Minimum Amounts (Ch. 441)							
	NB	MAIF	\$174,000	\$162,000	\$162,000	\$162,000	\$162,000	
HB 829/SB 560	See entry for SB 560.							
HB 830/SB 318	See entry for SB 318.							
HB 856	Election Law – Montgomery County Republican and Democratic Party Central Committees – Membership MC 15-10 (Ch. 443)							
	GF	Election Board, State	\$5,000	\$0	\$0	\$0	\$0	
HB 868/SB 163	See entry for SB 163.							
HB 869/SB 780	See entry for SB 780.							
HB 915/SB 319	See entry for SB 319.							
HB 929/SB 855	See entry for SB 855.							
HB 936/SB 854	See entry for SB 854.							
HB 943/SB 311	See entry for SB 311.							
HB 983/SB 1007	See entry for SB 1007.							

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 1011	Juvenile Law – Lead Testing – Authorized (Ch. 451)							
	GF	Judiciary	increase	increase	increase	increase	increase	Potential minimal court costs.
HB 1025/SB 1006	See entry for SB 1006.							
HB 1034/SB 633	See entry for SB 633.							
HB 1050	Maryland Health Insurance Plan – Plan Options – Governmental Third Party Payers (Ch. 166)							
	GF/SF/FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Premium, cost-sharing, or program service costs.
	GF/SF/FF	Maryland Health Insurance Program	decrease	decrease	decrease	decrease	decrease	Potential plan member reduction.
HB 1053	Child Pornography – Matter Reflecting Belief That a Minor Is Depicted in a Certain Manner (Ch. 454)							
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 1076/SB 898	See entry for SB 898.							
HB 1093/SB 723	See entry for SB 723.							
HB 1149/SB 935	See entry for SB 935.							
HB 1155	Transportation – Consolidated Transportation Program – Evaluation and Selection of Proposed Capital Projects (Ch. 725)							
	SF	Transportation	\$50,000	\$35,350	\$25,503	\$20,606	\$20,812	
HB 1163	Economic Development – Enterprise Zones – Designation (Ch. 459)							
	GF	All or Multiple Agencies	\$0	\$0	increase	increase	increase	Local property tax reimbursements.
HB 1164/SB 693	See entry for SB 693.							
HB 1174/SB 99	See entry for SB 99.							

Effect of the 2010 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 1199	Motor Vehicles – Salvage – Standards and Requirements (Ch. 728)							
	SF	Transportation	increase	\$0	\$0	\$0	\$0	Potential minimal administrative costs.
HB 1206	Commercial Law – Consumer Protection – Refund Anticipation Loans and Checks (Ch. 730)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 1263	Education Reform Act of 2010 (Ch. 189)							
	GF/FF	Education	increase	increase	increase	increase	increase	Potential significant teacher incentive program costs.
HB 1299/SB 789	See entry for SB 789.							
HB 1345	Recreational Fishing Licenses – Licensing and Registration (Ch. 465)							
	GF	Natural Resources	increase	increase	increase	increase	increase	Assumed in the FY 2011 budget. Significant administration and enforcement expenses.
HB 1362	Education – Public Schools – Virtual Schools (Ch. 743)							
	GF	Education	\$0	\$61,432	\$67,282	\$70,224	\$0	
	GF	Education	\$0	\$0	increase	increase	increase	Potential significant education aid costs.
HB 1370/SB 979	See entry for SB 979.							
HB 1375	Kids First Express Lane Eligibility Act (Ch. 734)							
	FF	Hlth. & Mental Hyg.	\$0	\$37,354	\$38,101	increase	increase	Minimal Medicaid expenditures offset by federal matching funds.
	GF	Comptroller	\$35,700	\$0	\$0	\$0	\$0	
	GF	Hlth. & Mental Hyg.	\$0	\$37,354	\$38,101	increase	increase	Minimal Medicaid expenditures.

Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Comments</u>
HB 1443	State Retirement and Health Benefits – Early Service Retirement Allowance and Health Insurance Benefits – Eligibility (Ch. 737)							
	GF	Budget & Mgt.	\$13,450	\$14,392	\$15,399	\$16,477	\$17,630	
HB 1471/SB 1019	See entry for SB 1019.							
HB 1564	Maryland Health Insurance Plan – Administration of National High Risk Pool Program (Ch. 173)							
	GF/SF/FF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	\$0	Premium costs.
	SF/FF	Maryland Health Insurance Program	increase	increase	increase	increase	\$0	Implementation costs.

Effect of the 2010 Legislative Program on the Financial Condition of the State

Expenditures by Agency

<u>Agency</u>	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Administrative Hearings	SF	\$1,282,996	\$1,267,117	\$1,318,253	\$1,371,924	\$1,428,264
Aging	FF	\$17,027	\$6,991	\$3,650	\$0	\$0
Agriculture	GF	(\$63,068)	(\$63,068)	(\$63,068)	(\$63,068)	(\$63,068)
	SF	(\$11,708,255)	\$105,708	\$160,037	\$163,870	\$167,895
	FF	\$3,130	\$3,558	\$9,594	\$10,019	\$10,465
All or Multiple Agencies	GF	(\$76,401,336)	(\$76,865,031)	(\$79,623,502)	(\$82,500,288)	(\$85,502,140)
	SF	(\$17,276,175)	(\$17,170,273)	(\$17,715,574)	(\$18,283,689)	(\$18,876,339)
	FF	(\$11,962,949)	(\$11,623,265)	(\$11,924,497)	(\$12,237,802)	(\$12,564,436)
	HE	(\$12,215,246)	(\$12,752,717)	(\$13,313,837)	(\$13,899,646)	(\$14,511,230)
	REIM	(\$736,569)	(\$768,978)	(\$802,813)	(\$838,137)	(\$875,015)
Attorney General's Office	GF	\$70,864	\$0	\$0	\$0	\$0
Baltimore City Community College	GF	\$0	(\$1,927,905)	(\$2,330,327)	(\$3,159,131)	(\$2,943,238)
Budget & Management	GF	\$163,450	\$164,392	\$15,399	\$16,477	\$17,630
Business & Economic Development	GF	(\$1,247,566)	(\$1,844,438)	(\$894,281)	(\$938,908)	(\$983,059)
Comptroller	GF	\$109,200	\$0	\$0	\$50,000,000	\$50,000,000

Expenditures by Agency (cont'd)

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<u>Agency</u>	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Data System Center						
	GF	\$0	\$183,064	\$705,544	\$1,051,136	\$1,069,246
	FF	\$1,105,278	\$4,545,205	\$959,700	\$0	\$0
Debt Service						
	SF	\$302,867	\$302,867	\$302,867	\$302,867	\$302,867
Department of Information Technology						
	GF	(\$5,000,000)	\$100,000	\$0	\$0	\$0
	SF	\$5,000,000	\$0	\$0	\$0	\$0
Education						
	GF	(\$359,641,947)	(\$10,153,976)	(\$44,891,202)	(\$81,758,199)	(\$130,058,416)
	SF	\$350,000,000	\$0	\$0	\$0	\$0
	FF	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250
	BOND	\$4,543,000	\$0	\$0	\$0	\$0
Election Board						
	GF	\$59,000	\$0	\$0	\$0	\$0
	SF	\$500,000	\$0	\$0	\$0	\$0
Energy Administration						
	SF	\$0	(\$21,779,097)	\$0	\$0	\$0
Environment						
	GF	(\$1,395,694)	(\$1,393,694)	(\$1,404,446)	(\$1,416,158)	(\$1,416,158)
	SF	(\$44,823,680)	\$377,400	\$370,019	\$313,125	\$326,905
	BOND	\$0	\$9,800,000	\$9,400,000	\$0	\$0
Ethics Commission						
	GF	\$15,000	\$25,000	\$0	\$0	\$0
Executive Department						
	GF	(\$18,974,447)	(\$19,618,391)	\$1,067	\$1,089	\$1,111
	FF	\$250,000	\$0	\$0	\$0	\$0

Effect of the 2010 Legislative Program on the Financial Condition of the State

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Health & Mental Hygiene						
	GF	(\$40,912,235)	(\$50,001,802)	(\$35,967,170)	(\$36,855,536)	(\$37,724,812)
	SF	\$55,921,571	\$46,233,799	\$47,900,396	\$50,406,310	\$52,100,819
	FF	\$27,000,000	\$28,252,354	\$29,522,776	\$30,811,485	\$32,198,002
Higher Education Labor Relations Board						
	GF	\$105,119	\$137,444	\$142,785	\$148,385	\$154,258
Higher Education Commission						
	GF	(\$78,752,582)	(\$108,852,752)	(\$123,463,965)	(\$141,493,013)	(\$140,019,001)
	SF	\$42,130,020	\$43,393,918	\$47,733,362	\$50,597,368	\$53,633,156
Housing & Community Development						
	SF	(\$8,700,000)	\$0	\$0	\$0	\$0
Human Resources						
	GF	(\$5,546,994)	(\$27,603,441)	(\$6,115,561)	(\$6,421,339)	(\$6,742,406)
	SF	\$0	\$21,779,097	\$0	\$0	\$0
	FF	(\$2,857,542)	(\$3,000,419)	(\$3,150,440)	(\$3,307,962)	(\$3,473,360)
Judiciary						
	GF	(\$11,851,250)	(\$10,328,926)	(\$106,926)	(\$106,926)	(\$106,926)
	SF	\$12,199,400	\$10,222,000	\$0	\$0	\$0
Juvenile Services						
	GF	(\$648,739)	(\$608,021)	(\$638,324)	(\$670,108)	(\$703,411)
	FF	(\$46,000)	(\$48,300)	(\$50,715)	(\$53,251)	(\$55,913)
Labor, Licensing, & Regulation						
	GF	\$66,059	\$91,245	\$95,550	\$100,081	\$104,849
	SF	\$250,000	\$150,000	\$150,000	\$150,000	\$150,000
Legislative Services						
	GF	\$50,000	\$0	\$0	\$0	\$0
	SF	\$150,000	\$0	\$0	\$0	\$0

Expenditures by Agency (cont'd)

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<u>Agency</u>	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
MAIF						
	NB	\$174,000	\$162,000	\$162,000	\$162,000	\$162,000
Natural Resources						
	GF	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
	SF	(\$68,259,036)	\$0	\$0	\$0	\$0
Payments to Civil Divisions						
	GF	\$23,884,680	\$19,478,261	\$17,988,850	\$17,389,559	\$16,789,687
Planning						
	GF	\$10,162,904	\$15,157,361	\$15,164,767	\$15,172,546	\$180,721
	SF	\$261,400	\$266,000	\$279,100	\$292,800	\$307,147
	BOND	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Public Broadcasting Commission						
	GF	\$40,000	\$0	\$0	\$0	\$0
Public Defender						
	GF	\$318,368	\$431,473	\$452,142	\$473,848	\$496,644
Public Safety & Correctional Services						
	GF	\$2,344,133	\$1,302,182	\$1,570,165	\$1,973,369	\$2,309,794
Public Service Commission						
	SF	\$36,511	\$111,537	\$117,090	\$122,939	\$129,099
School Construction						
	GF	(\$6,109,000)	(\$4,261,010)	(\$4,435,224)	(\$4,669,303)	(\$4,879,477)
	BOND	\$6,109,000	\$0	\$0	\$0	\$0
School for the Deaf						
	GF	(\$2,000,000)	\$0	\$0	\$0	\$0
	SF	\$2,000,000	\$0	\$0	\$0	\$0

Effect of the 2010 Legislative Program on the Financial Condition of the State

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
State Police						
	GF	\$190,000	\$40,000	\$40,000	\$40,000	\$40,000
Transportation						
	SF	(\$261,152,715)	(\$338,014,095)	(\$339,305,132)	(\$350,113,237)	(\$361,031,780)
	NB	\$75,063	\$95,812	\$100,282	\$104,974	\$109,898
	BOND	(\$67,634,559)	\$67,634,559	\$0	\$0	\$0
University System of Maryland						
	HE	\$0	\$12,360,000	\$12,360,000	\$12,360,000	\$12,360,000
	BOND	\$150,000,000	\$0	\$0	\$0	\$0

Totals by Fund Type/Summary of Quantifiable Expenditure Effects

<u>Fund Type</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
GF	(\$570,946,081) ¹	(\$276,391,493)	(\$263,737,727)	(\$273,665,487)	(\$339,958,172)
SF	\$45,163,089 ²	(\$253,915,717)	(\$260,446,232)	(\$267,053,506)	(\$274,388,212)
FF	\$13,540,194 ³	\$18,167,374	\$15,401,318	\$15,253,736	\$16,146,008
BOND	\$93,017,441 ⁴	\$78,434,559	\$10,400,000	\$1,000,000	\$1,000,000

¹\$13,967,946 is not included in the FY 2011 budget.

²\$466,386,328 is not included in the FY 2011 budget.

³\$39,399,893 is not included in the FY 2011 budget.

⁴\$154,543,000 is not included in the FY 2011 budget.

Regular Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2011</u>	<u>Beginning in FY 2012</u>
Administrative Hearings	SF	12.0	0.0
Attorney General's Office	GF	1.0	0.0
Damage Prevention Authority	NB	1.0	0.0
Education	GF	0.0	1.0
Environment	GF	0.0	1.0
	SF	1.0	2.0
Higher Education Labor Relations Board	GF	1.4	0.0
Higher Education Commission	GF	0.0	1.0
Juvenile Services	GF	6.0	0.0
Labor, Licensing, & Regulation	GF	1.5	0.0
	SF	1.0	0.0
Data System Center	GF	0.0	2.0
Planning	GF	2.0	0.0
Public Defender	GF	5.0	0.0
Public Safety & Correctional Services	GF	5.0	0.0
Public Service Commission	SF	2.0	0.0
Transportation	NB	1.0	0.0
Total		39.9	7.0

Contractual Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2011</u>	<u>Beginning in FY 2012</u>
Aging	FF	0.2	0.0
Agriculture	SF	0.5	0.0
Education	GF	0.0	1.0
Environment	GF	0.5	0.0
Health & Mental Hygiene	SF	1.0	0.0
Ethics Commission	GF	0.5	0.0
Public Safety & Correctional Services	GF	1.0	0.0
Transportation	SF	1.0	1.0
Total		4.7	2.0

Chapter Four – Local Government

- State Aid to Local Government
- State Mandates on Local Governments
- Legislation Affecting Local Government Revenues
- Legislation Affecting Local Government Expenditures

State Aid to Local Government

Overview

State aid to local governments will total \$6.4 billion in fiscal 2011, representing a \$185.5 million increase from the prior year. Local school systems, as in prior years, will receive most of the increases, whereas funding to county and municipal governments will continue to decrease. Over the last four years, State aid to local school systems has increased by \$1.2 billion, while funding to county and municipal governments has decreased by \$582.9 million. The increase in education aid has been partially funded from monies received under the federal American Recovery and Reinvestment Act (ARRA) that was passed in 2009. State aid for public schools in fiscal 2010 includes \$297.3 million in federal ARRA funding. For fiscal 2011, the amount totals \$422.3 million. Under ARRA, these funds do not continue after fiscal 2011. **Exhibit 4.1** compares State aid by governmental entity in fiscal 2010 and 2011. **Exhibit 4.2** shows the annual change in State aid over the last four years.

Exhibit 4.1
State Aid to Local Governments
Fiscal 2010 and 2011
(\$ in Millions)

	<u>FY 2010</u>	<u>FY 2011</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$5,507.0	\$5,717.5	\$210.5	3.8%
Libraries	64.1	65.5	1.5	2.3%
Community Colleges	256.2	256.1	-0.1	0.0%
Health	37.3	37.3	0.0	0.0%
County/Municipal	396.9	370.6	-26.3	-6.6%
Total	\$6,261.5	\$6,447.0	\$185.5	3.0%

Exhibit 4.2
Annual Change in State Aid
Fiscal 2008-2011
(\$ in Millions)

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
Public Schools	\$690.9	\$212.9	\$127.8	\$210.5	\$1,242.0
Libraries	8.6	-0.7	0.6	1.5	10.0
Community Colleges	35.8	13.0	1.5	-0.1	50.2
Health	3.3	-9.6	-20.1	0.0	-26.4
County/Municipal	-46.8	-168.5	-341.3	-26.3	-582.9
Total	\$691.9	\$47.1	-\$231.5	\$185.5	\$693.0

Support for Local Programs Impacted by Cost Containment

Due to declining general fund revenues, the Board of Public Works (BPW) reduced fiscal 2010 appropriations for several local aid programs in August 2009. Aid for community colleges was reduced by \$10.5 million and local health department grants were reduced by \$20.1 million. Police aid grants for counties and municipalities were lowered by \$20.6 million. Finally, highway user revenues for county and municipal transportation purposes were reduced by an additional \$159.5 million beyond the \$161.9 million reduction that was enacted following the 2009 session.

For most of the aid programs reduced by BPW, the underlying statutes for the aid programs would have required higher funding levels in fiscal 2011. Through the Budget Reconciliation and Financing Act of 2010, the General Assembly approved \$390.8 million in reductions to these and other statutorily mandated local programs in fiscal 2011 (**Exhibit 4.3**). A portion of the reductions was offset by an additional \$24.4 million in funding under the disparity grant program. As a result, local governments will realize a net reduction in statutorily mandated funding of \$366.4 million in fiscal 2011 (**Exhibit 4.4**). State funding for local highways and transportation projects received the largest share of reductions, with funding being reduced by \$339.7 million. Local governments were scheduled to receive \$474.0 million¹ in funding under the local highway user revenues in fiscal 2011; however, this amount was reduced by 71.7%. As a result, local governments will only receive \$134.3 million in highway user revenues in fiscal 2011, with Baltimore City receiving \$124.8 million and the State's other jurisdictions receiving \$9.5 million (**Exhibit 4.5**).

¹The Budget Reconciliation and Financing Act of 2009 reduced the formula allocation for local highway user revenues by \$101.9 million in fiscal 2011. As a result, State funding was reduced from \$474.0 million in fiscal 2011 to \$372.1 million. Provisions in the Budget Reconciliation and Financing Act of 2010 reduced the funding to \$134.3 million.

Exhibit 4.3
Reductions in State Aid to Local Governments in Fiscal 2011
From Statutorily Mandated Amounts

County	Student Transportation	Community College Aid	Police Aid	Highway User Revenues	Local Health	Miscellaneous Grants	Total Effect
Allegany	-\$82,213	-\$558,350	-\$306,897	-\$6,081,719	\$156,258	\$0	-\$6,872,921
Anne Arundel	-371,049	-3,164,440	-2,126,688	-26,628,471	-37,864	-177,599	-32,506,111
Baltimore City	-301,203	0	-45,980	-66,028,713	-1,450,303	-625,625	-68,451,824
Baltimore	-466,615	-3,998,211	-3,304,917	-35,824,844	-1,205,542	-20,737	-44,820,866
Calvert	-101,385	-239,854	-261,934	-5,952,861	109,399	0	-6,446,635
Caroline	-47,013	-150,216	-121,630	-4,229,719	84,849	0	-4,463,729
Carroll	-173,532	-795,275	-571,085	-11,981,833	-28,829	-39,282	-13,589,836
Cecil	-91,009	-540,769	-349,805	-6,686,415	54,517	0	-7,613,481
Charles	-184,639	-765,563	-429,703	-8,647,391	35,839	0	-9,991,457
Dorchester	-42,867	-135,487	-137,047	-4,695,385	31,909	0	-4,978,877
Frederick	-208,637	-937,165	-761,412	-15,867,821	19,663	0	-17,755,372
Garrett	-54,597	-263,289	-82,805	-5,305,709	80,123	0	-5,626,277
Harford	-217,321	-1,154,111	-982,059	-13,933,097	-251,040	0	-16,537,628
Howard	-267,727	-1,459,396	-747,623	-13,247,130	-163,871	-35,770	-15,921,517
Kent	-28,513	-61,741	-72,569	-2,400,273	34,544	0	-2,528,552
Montgomery	-574,922	-4,154,023	-5,074,771	-37,632,104	-168,744	0	-47,604,564
Prince George's	-625,622	-2,551,167	-1,749,925	-32,406,074	-1,438,324	-70,484	-38,841,596
Queen Anne's	-60,335	-176,256	-152,327	-4,917,720	47,138	0	-5,259,500
St. Mary's	-114,970	-251,128	-318,260	-6,659,880	-70,358	0	-7,414,596
Somerset	-33,271	-87,314	-86,863	-2,823,011	-9,899	0	-3,040,358
Talbot	-28,901	-137,084	-146,101	-3,903,363	94,262	0	-4,121,187
Washington	-121,401	-808,898	-528,429	-10,182,255	71,308	0	-11,569,675
Wicomico	-91,561	-495,554	-368,770	-7,897,254	126,430	0	-8,726,709
Worcester	-54,369	-199,770	-228,372	-5,756,952	162,019	0	-6,077,444
Unallocated	0	0	-19,500	0	0	0	-19,500
Total	-\$4,343,672	-\$23,085,061	-\$18,975,472	-\$339,689,995	-\$3,716,516	-\$969,497	-\$390,780,213

Exhibit 4.4
Net Reductions in State Aid in Fiscal 2011
From Statutorily Mandated Amounts

County	State Aid Reductions	Disparity Grants	Total Effect
Allegany	-\$6,872,921	\$1,266,756	-\$5,606,165
Anne Arundel	-32,506,111	0	-32,506,111
Baltimore City	-68,451,824	4,648,700	-63,803,124
Baltimore	-44,820,866	0	-44,820,866
Calvert	-6,446,635	0	-6,446,635
Caroline	-4,463,729	0	-4,463,729
Carroll	-13,589,836	0	-13,589,836
Cecil	-7,613,481	0	-7,613,481
Charles	-9,991,457	0	-9,991,457
Dorchester	-4,978,877	0	-4,978,877
Frederick	-17,755,372	0	-17,755,372
Garrett	-5,626,277	75,308	-5,550,969
Harford	-16,537,628	0	-16,537,628
Howard	-15,921,517	0	-15,921,517
Kent	-2,528,552	0	-2,528,552
Montgomery	-47,604,564	0	-47,604,564
Prince George's	-38,841,596	18,277,664	-20,563,932
Queen Anne's	-5,259,500	0	-5,259,500
St. Mary's	-7,414,596	0	-7,414,596
Somerset	-3,040,358	85,749	-2,954,609
Talbot	-4,121,187	0	-4,121,187
Washington	-11,569,675	0	-11,569,675
Wicomico	-8,726,709	0	-8,726,709
Worcester	-6,077,444	0	-6,077,444
Unallocated	-19,500	0	-19,500
Total	-\$390,780,213	\$24,354,177	-\$366,426,036

Exhibit 4.5
Reductions to Highway User Revenues in Fiscal 2011
From Mandatory Funding Levels

County	Statutory Funding Level	Funding Reductions	Legislative Appropriation	Percent Reduction
Allegany	\$6,305,115	-\$6,081,719	\$223,396	-96.5%
Anne Arundel	27,535,520	-26,628,471	907,049	-96.7%
Baltimore City	190,845,000	-66,028,713	124,816,287	-34.6%
Baltimore	37,027,923	-35,824,844	1,203,079	-96.8%
Calvert	6,154,733	-5,952,861	201,872	-96.7%
Caroline	4,376,630	-4,229,719	146,911	-96.6%
Carroll	12,401,410	-11,981,833	419,577	-96.6%
Cecil	6,917,849	-6,686,415	231,434	-96.7%
Charles	8,941,446	-8,647,391	294,055	-96.7%
Dorchester	4,858,544	-4,695,385	163,159	-96.6%
Frederick	16,431,390	-15,867,821	563,569	-96.6%
Garrett	5,487,485	-5,305,709	181,776	-96.7%
Harford	14,415,302	-13,933,097	482,205	-96.7%
Howard	13,691,891	-13,247,130	444,761	-96.8%
Kent	2,483,340	-2,400,273	83,067	-96.7%
Montgomery	38,943,523	-37,632,104	1,311,419	-96.6%
Prince George's	33,557,199	-32,406,074	1,151,125	-96.6%
Queen Anne's	5,082,966	-4,917,720	165,246	-96.7%
St. Mary's	6,883,198	-6,659,880	223,318	-96.8%
Somerset	2,919,329	-2,823,011	96,318	-96.7%
Talbot	4,042,135	-3,903,363	138,772	-96.6%
Washington	10,545,203	-10,182,255	362,948	-96.6%
Wicomico	8,177,990	-7,897,254	280,736	-96.6%
Worcester	5,960,878	-5,756,952	203,926	-96.6%
Total	\$473,986,000	-\$339,689,995	\$134,296,005	-71.7%

Changes by Program

Twenty counties will receive an increase in State aid in fiscal 2011, while four counties will receive a decrease. **Exhibit 4.6** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit 4.7** shows total State aid in fiscal 2010 and 2011 by program.

Primary and Secondary Education

Foundation Program: The foundation program is the basic State education funding mechanism for public schools which ensures a minimum per pupil funding level and requires county governments to provide a local match. The formula is calculated based on a per pupil foundation amount and student enrollment. The per pupil foundation amount for fiscal 2011 is set at \$6,694, and the student enrollment count used for the program totals 817,610 students. Enrollment for the formula is based on the September 30, 2009, full-time equivalent student enrollment count. Less affluent local school systems, as measured by assessable base and net taxable income, receive relatively more aid per pupil than wealthier school systems. The State provides funding for roughly 50% of the program's cost.

State aid under the foundation program will total \$2.8 billion in fiscal 2011, a \$36.8 million, or 1.3%, increase from the prior year. In addition, \$46.5 million in supplemental grants will be provided to nine local school systems. The supplemental grants were established during the 2007 special session to guarantee increases of at least 1% in State education aid for all local school systems during the two years, fiscal 2009 and 2010, that inflationary increases for the per pupil foundation amount were eliminated. Supplemental grants will not be recalculated in future years but will continue at fiscal 2010 levels, less a \$4.7 million reduction in fiscal 2011 that will recapture overpayments to eight local school systems that are due to a miscalculation in school system wealth bases in fiscal 2009. Under the Budget Reconciliation and Financing Act of 2010, the inflationary increase in the foundation amount is capped at 1% through fiscal 2015.

Compensatory Education: The compensatory education program provides additional funding based on the number of economically disadvantaged students. The formula recognizes disparities in local wealth by adjusting the grants per eligible student by local wealth. The formula is calculated based on 97.0% of the annual per pupil amount used in the foundation program and the number of students eligible for free and reduced-price meals. The State provides funding for 50.0% of the program's cost. State aid under the compensatory education program will total \$1 billion in fiscal 2011, representing a \$100.9 million, or 10.7%, increase over the prior year due to an 11.6% increase in the student count. The per pupil State funding amount for fiscal 2011 is set at \$3,247, and the student enrollment count used for the program totals 306,606.

Exhibit 4.6
State Assistance to Local Governments – Fiscal 2011 Legislative Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total	Change Over FY 2010	% Change
			Public Schools	Libraries	Health	Subtotal				
Allegany	\$8,676	\$5,898	\$83,670	\$758	\$909	\$99,910	\$10,604	\$110,514	-\$1,610	-1.4%
Anne Arundel	8,635	28,695	294,144	1,913	3,142	336,528	76,536	413,064	25,943	6.7%
Baltimore City	220,240	0	872,075	6,461	6,675	1,105,452	83,503	1,188,955	30,333	2.6%
Baltimore	10,786	36,335	525,841	5,249	4,302	582,514	99,745	682,258	20,468	3.1%
Calvert	1,267	2,206	86,901	402	370	91,147	17,683	108,829	2,162	2.0%
Caroline	2,936	1,434	42,617	273	538	47,799	5,249	53,048	372	0.7%
Carroll	2,212	7,409	140,799	982	1,232	152,635	27,149	179,783	801	0.4%
Cecil	1,379	5,252	100,188	717	806	108,342	15,666	124,009	4,210	3.5%
Charles	1,954	7,042	150,492	791	995	161,274	25,698	186,972	3,482	1.9%
Dorchester	2,881	1,293	31,843	244	429	36,690	4,560	41,250	1,712	4.3%
Frederick	3,389	8,667	209,002	1,140	1,512	223,710	39,128	262,838	7,846	3.1%
Garrett	2,857	3,343	24,376	155	437	31,168	4,658	35,826	-938	-2.6%
Harford	3,350	10,240	209,609	1,548	1,737	226,485	37,165	263,650	3,988	1.5%
Howard	4,617	13,901	210,196	770	1,215	230,699	63,068	293,766	20,533	7.5%
Kent	580	589	10,012	96	336	11,613	2,448	14,061	-91	-0.6%
Montgomery	15,058	40,821	526,108	2,662	3,015	587,663	181,460	769,123	70,685	10.1%
Prince George's	42,216	22,412	884,253	5,648	5,007	959,537	133,491	1,093,028	-14,076	-1.3%
Queen Anne's	844	1,682	31,133	132	418	34,209	6,945	41,154	1,025	2.6%
St. Mary's	1,417	2,310	95,031	624	809	100,191	15,271	115,462	2,984	2.7%
Somerset	5,636	808	23,726	263	429	30,863	3,216	34,079	214	0.6%
Talbot	857	1,308	11,194	101	329	13,790	4,040	17,831	528	3.0%
Washington	2,150	7,857	144,452	1,128	1,381	156,968	19,965	176,933	5,099	3.0%
Wicomico	3,780	4,587	115,327	838	947	125,480	14,654	140,134	1,615	1.2%
Worcester	1,434	1,849	17,967	138	313	21,701	8,502	30,203	1,208	4.2%
Unallocated	21,439	6,463	26,656	15,658	0	70,216	0	70,216	-2,961	-4.0%
Total	\$370,591	\$222,403	\$4,867,616	\$48,690	\$37,283	\$5,546,583	\$900,402	\$6,446,985	\$185,529	3.0%

4.6 (Cont.)
State Assistance to Local Governments
Dollar Difference Between Fiscal 2011 Legislative Appropriation and Fiscal 2010 Working Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	-\$440	-\$25	-\$2,350	-\$12	\$0	-\$2,826	\$1,216	-\$1,610	
Anne Arundel	-1,018	-734	18,007	78	0	16,333	9,609	25,943	
Baltimore City	-8,880	0	31,327	-86	0	22,361	7,971	30,333	
Baltimore	-1,442	-673	15,165	3	0	13,053	7,415	20,468	
Calvert	-329	12	519	4	0	206	1,956	2,162	
Caroline	-276	40	116	0	0	-120	492	372	
Carroll	-722	-177	-764	0	0	-1,663	2,464	801	
Cecil	-396	41	2,863	12	0	2,520	1,690	4,210	
Charles	-432	39	875	-4	0	478	3,004	3,482	
Dorchester	-316	36	1,591	2	0	1,313	399	1,712	
Frederick	-1,064	84	4,358	40	0	3,418	4,428	7,846	
Garrett	-337	-83	-988	-1	0	-1,409	471	-938	
Harford	-743	-286	1,939	-1	0	910	3,078	3,988	
Howard	-397	-28	12,389	4	0	11,968	8,565	20,533	
Kent	-153	16	-150	1	0	-285	195	-91	
Montgomery	-1,609	-1,534	52,540	56	0	49,452	21,233	70,685	
Prince George’s	-1,581	-1,248	-25,292	-315	0	-28,436	14,360	-14,076	
Queen Anne’s	-280	47	389	5	0	161	864	1,025	
St. Mary’s	-345	13	1,604	-5	0	1,266	1,718	2,984	
Somerset	-176	1	47	2	0	-125	339	214	
Talbot	-258	37	260	0	0	39	489	528	
Washington	-663	-26	3,598	11	0	2,920	2,179	5,099	
Wicomico	-518	8	406	16	0	-87	1,702	1,615	
Worcester	-357	3	565	0	0	210	997	1,208	
Unallocated	-3,607	-96	692	49	0	-2,961	0	-2,961	
Total	-\$26,337	-\$4,531	\$119,704	-\$138	\$0	\$88,698	\$96,832	\$185,529	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

4.6 (Cont.)
State Assistance to Local Governments
Percent Change: Fiscal 2011 Legislative Appropriation over Fiscal 2010 Working Appropriation

County	County – Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	-4.8%	-0.4%	-2.7%	-1.5%	0.0%	-2.8%	12.9%	-1.4%	
Anne Arundel	-10.5%	-2.5%	6.5%	4.3%	0.0%	5.1%	14.4%	6.7%	
Baltimore City	-3.9%	n/a	3.7%	-1.3%	0.0%	2.1%	10.6%	2.6%	
Baltimore	-11.8%	-1.8%	3.0%	0.1%	0.0%	2.3%	8.0%	3.1%	
Calvert	-20.6%	0.5%	0.6%	1.0%	0.0%	0.2%	12.4%	2.0%	
Caroline	-8.6%	2.9%	0.3%	0.1%	0.0%	-0.2%	10.3%	0.7%	
Carroll	-24.6%	-2.3%	-0.5%	0.0%	0.0%	-1.1%	10.0%	0.4%	
Cecil	-22.3%	0.8%	2.9%	1.8%	0.0%	2.4%	12.1%	3.5%	
Charles	-18.1%	0.5%	0.6%	-0.5%	0.0%	0.3%	13.2%	1.9%	
Dorchester	-9.9%	2.9%	5.3%	0.9%	0.0%	3.7%	9.6%	4.3%	
Frederick	-23.9%	1.0%	2.1%	3.7%	0.0%	1.6%	12.8%	3.1%	
Garrett	-10.6%	-2.4%	-3.9%	-0.4%	0.0%	-4.3%	11.3%	-2.6%	
Harford	-18.2%	-2.7%	0.9%	0.0%	0.0%	0.4%	9.0%	1.5%	
Howard	-7.9%	-0.2%	6.3%	0.5%	0.0%	5.5%	15.7%	7.5%	
Kent	-20.9%	2.9%	-1.5%	1.5%	0.0%	-2.4%	8.6%	-0.6%	
Montgomery	-9.7%	-3.6%	11.1%	2.1%	0.0%	9.2%	13.3%	10.1%	
Prince George’s	-3.6%	-5.3%	-2.8%	-5.3%	0.0%	-2.9%	12.1%	-1.3%	
Queen Anne’s	-24.9%	2.9%	1.3%	3.9%	0.0%	0.5%	14.2%	2.6%	
St. Mary’s	-19.6%	0.5%	1.7%	-0.8%	0.0%	1.3%	12.7%	2.7%	
Somerset	-3.0%	0.2%	0.2%	0.8%	0.0%	-0.4%	11.8%	0.6%	
Talbot	-23.1%	2.9%	2.4%	0.1%	0.0%	0.3%	13.8%	3.0%	
Washington	-23.6%	-0.3%	2.6%	1.0%	0.0%	1.9%	12.2%	3.0%	
Wicomico	-12.0%	0.2%	0.4%	2.0%	0.0%	-0.1%	13.1%	1.2%	
Worcester	-19.9%	0.2%	3.2%	-0.2%	0.0%	1.0%	13.3%	4.2%	
Unallocated	-14.4%	-1.5%	2.7%	0.3%	n/a	-4.0%	n/a	-4.0%	
Total	-6.6%	-2.0%	2.5%	-0.3%	0.0%	1.6%	12.1%	3.0%	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit 4.7
Total State Assistance to Local Governments

<u>Program</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Difference</u>
Foundation Aid	\$2,726,705,897	\$2,763,479,579	\$36,773,682
Supplemental Program	51,200,359	46,496,417	-4,703,942
Geographic Cost of Education Index	126,343,414	126,612,027	268,613
Compensatory Education	940,182,917	1,041,059,587	100,876,670
Student Transportation – Regular	217,183,583	220,692,402	3,508,819
Student Transportation – Special Education	24,363,000	23,726,000	-637,000
Special Education – Formula	267,403,814	264,001,563	-3,402,251
Special Education – Nonpublic Placements	112,770,182	112,770,182	0
Special Education – Infants and Toddlers	10,389,104	10,389,104	0
Limited English Proficiency Grants	148,627,048	151,196,206	2,569,158
Aging Schools	6,108,986	6,108,990	4
Teacher Quality Incentives	5,552,000	5,552,000	0
Adult Education	6,933,622	6,933,622	0
Food Service	7,156,664	7,156,664	0
Out-of-county Placements	6,000,001	6,120,000	119,999
Headstart	1,800,001	1,800,001	0
Judy Hoyer Centers	10,575,000	10,575,000	0
Guaranteed Tax Base	63,753,733	47,391,600	-16,362,133
Other Programs	14,862,927	15,554,854	691,927
Total Primary and Secondary Education	\$4,747,912,252	\$4,867,615,798	\$119,703,546
Library Formula	\$33,219,400	\$33,032,330	-\$187,070
Library Network	15,608,631	15,657,837	49,206
Total Libraries	\$48,828,031	\$48,690,167	-\$137,864
Community College Formula	\$199,802,448	\$194,407,433	-\$5,395,015
Grants for ESOL Programs	3,741,592	3,812,145	70,553
Optional Retirement	12,920,000	13,824,000	904,000
Small College Grant/Allegany and Garrett Grant	3,911,064	3,896,346	-14,718
Statewide Programs	6,558,772	6,462,776	-95,996
Total Community Colleges	\$226,933,876	\$222,402,700	-\$4,531,176

<u>Program</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Difference</u>
Highway User Revenue	\$160,534,815	\$134,296,005	-\$26,238,810
Elderly and Handicapped Transportation Aid	4,305,938	4,305,938	0
Paratransit	2,926,702	2,926,702	0
Total Transportation	\$167,767,455	\$141,528,645	-\$26,238,810
Police Aid	\$45,420,982	\$45,420,982	\$0
Fire and Rescue Aid	10,000,001	10,000,001	0
Vehicle Theft Prevention	1,461,834	1,860,000	398,166
9-1-1 Grants	16,390,000	9,400,000	-6,990,000
Community Policing	1,974,000	1,974,000	0
Foot Patrol/Drug Enforcement Grants	4,275,980	4,228,210	-47,770
Law Enforcement Training Grants	50,000	100,000	50,000
Stop Gun Violence Grants	928,478	928,478	0
Violent Crime Grants	4,750,714	4,750,714	0
Baltimore City State's Attorney Grant	1,959,195	1,959,195	0
Domestic Violence Grants	196,354	196,354	0
War Room/Sex Offender Grant	1,495,313	1,445,313	-50,000
Annapolis Crime Grant	174,000	174,000	0
School Vehicle Safety Grant	550,000	550,000	0
Body Armor	49,088	49,088	0
Total Public Safety	\$89,675,939	\$83,036,335	-\$6,639,604
Program Open Space	\$9,224,477	\$15,252,842	\$6,028,365
Critical Area Grants	370,000	316,930	-53,070
Total Recreation/Environment	\$9,594,477	\$15,569,772	\$5,975,295
Local Health Formula	\$37,283,483	\$37,283,484	\$1
Disparity Grant	\$121,436,013	\$121,436,013	\$0
Horse Racing Impact Aid	\$602,800	\$705,600	\$102,800
Payments in Lieu of Taxes	1,005,837	1,005,837	0
Security Interest Filing Fees	2,575,000	0	-2,575,000
Video Lottery Terminal Impact Aid	0	6,809,000	6,809,000
Senior Citizens Activities Center	450,000	500,000	50,000
Statewide Voting Systems	3,820,659	0	-3,820,659
Total Other Direct Aid	\$8,454,296	\$9,020,437	\$566,141
Total Direct Aid	\$5,457,885,822	\$5,546,583,351	\$88,697,529

<u>Program</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Difference</u>
Retirement – Teachers	\$759,076,574	\$849,836,103	\$90,759,529
Retirement – Libraries	15,253,934	16,853,392	1,599,458
Retirement – Community Colleges	29,239,820	33,712,536	4,472,716
Total Payments-in-behalf	\$803,570,328	\$900,402,031	\$96,831,703
Total State Assistance	\$6,261,456,150	\$6,446,985,382	\$185,529,232

ESOL: English for Speakers of Other Languages

Special Education: State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements.

The special education formula is calculated based on 74.0% of the annual per pupil foundation amount and the number of special education students from the prior fiscal year. The per pupil State funding amount for fiscal 2011 is set at \$2,477, and the student enrollment count used for the program totals 102,159. State funding for public special education programs will total \$264.0 million in fiscal 2011, representing a \$3.4 million, or 1.3% decrease over the prior year. Funding for nonpublic placements is estimated to remain unchanged in fiscal 2011 at \$112.8 million. Under current law, a local school system pays its respective local share of the basic cost of education for each nonpublic placement plus two times the total basic cost of education in the system, as well as 30.0% of any expense above that sum. The State pays 70.0% of the costs above the base local funding.

Student Transportation: The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants consist of three components: regular student ridership funds; special education student ridership funds; and additional enrollment funds. The regular student ridership funds are based on the local school system's grant in the previous year increased by inflation; increases cannot exceed 8% or be less than 3%. Local school systems with enrollment increases receive additional funds. The special education student ridership funds are based on a \$1,000 per student grant for transporting disabled students.

The Budget Reconciliation and Financing Act of 2010 sets the inflation rate for student transportation grants at 1.0% for fiscal 2011 through 2015 and reduces the minimum annual inflation adjustment from 3.0% to 1.0%. This causes a \$4.3 million reduction in student transportation funding in fiscal 2011. As a result, the fiscal 2011 State budget includes \$220.7 million for regular transportation services and \$23.7 million for special transportation services. This represents a \$2.9 million, or 1.2%, increase from the prior year.

Limited English Proficiency: The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99.0% of the annual per pupil foundation amount, with the State providing funding for 50.0% of the program's cost. The fiscal 2011 grant per LEP student is \$3,314. State funding for the program will total \$151.2 million in fiscal 2011, representing a \$2.6 million, or 1.7%, increase over the prior year. The number of LEP students in Maryland totals 44,062 for the 2009-2010 school year.

Geographic Cost of Education Index: This is a discretionary formula that provides additional State funds to local school systems where costs for educational resources are higher than the State average. Funding for the formula was provided in fiscal 2009 for the first time, and fiscal 2011 funding totals \$126.6 million reflecting a 100% phase-in for the formula. Thirteen local school systems receive funding from the geographic cost of education index formula.

Guaranteed Tax Base Program: The Bridge to Excellence in Public Schools Act included an add-on grant for jurisdictions with less than 80% of statewide per pupil wealth that contributed more than the minimum required local share under the foundation program in the prior year. The grant is based on local support for education relative to local wealth. The grant cannot exceed 20% of the per pupil foundation amount. Nine local school systems will qualify for grants totaling \$47.4 million in fiscal 2011.

Aging Schools Program: The Aging Schools Program provides State funding to local school systems for improvements, repairs, and deferred maintenance of public school buildings. These repairs are generally not covered by the capital school construction program and are necessary to maintain older public schools. State funding for the Aging Schools Program will total \$6.1 million in fiscal 2011 with an additional \$4.6 million for school wiring. The Budget Reconciliation and Financing Act of 2010 authorizes general obligation (GO) bond funds to be used instead of general funds for the Aging Schools Program in fiscal 2011.

Judy Hoyer and Head Start Programs: These programs provide financial support for the establishment of centers that provide full-day, comprehensive, early education programs, and family support services that will assist in preparing children to enter school ready to learn. This program also provides funding to support childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2011 State budget includes \$7.6 million for Judy Center grants, \$3.0 million for school readiness and program accreditation, and \$1.8 million for head start programs.

Teacher Quality Incentives: The State provides salary enhancements for teachers obtaining national certification and a stipend for teachers and other nonadministrative certificated school employees working in low-performing schools. The fiscal 2011 State budget includes \$4.2 million for teacher quality incentives; \$96,000 for the Governor's Teacher Excellence Award Program which distributes awards to teachers for outstanding performance; and \$1.4 million for teacher quality and national certification grants.

Food and Nutrition Services: In addition to federal funds provided under the School Lunch Act of 1946, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. The fiscal 2011 State budget includes \$7.2 million for food and nutrition services.

Infants and Toddlers Program: This program involves a statewide community-based interagency system of comprehensive early intervention services for eligible children who are less than three years old. Eligible children include those who have developmental delays or disabilities. State funding for infants and toddlers programs will total \$10.4 million in fiscal 2011, the same amount that was provided in the prior year.

Adult Education: The State provides funding for adult education services through four programs: adult general education; external diploma program; literacy works grant; and adult education and literacy works. The State budget includes \$6.9 million for adult education programs in fiscal 2011, the same amount that was provided in the prior year.

School-based Health Centers: The fiscal 2011 State budget includes \$2.7 million for school-based health centers, which provide primary medical care as well as social, mental health, and health education services for students and their families. The funding for these centers was transferred from the Subcabinet Fund to the Maryland State Department of Education in fiscal 2007.

Science and Math Education Initiative: This program includes summer sessions for teachers and an equipment incentive fund to strengthen science and math education. The State budget includes \$1.3 million for this initiative in fiscal 2011.

Teachers' Retirement Payments: The State pays 100.0% of the employers' share of retirement costs for local school system employees in the Teachers' Retirement and Pension Systems maintained by the State. Rather than distributing the aid to the local boards of education and billing them for the retirement contributions, the State appropriates a lump-sum payment to the retirement system "on behalf of" the local boards. The appropriation is calculated by increasing the second prior year's salary base by 3.5% and applying the contribution rate certified by the retirement system. Teachers' retirement payments will total \$849.8 million in fiscal 2011, representing a \$90.8 million, or 12.0%, increase over the prior year.

Local Libraries

Minimum Per Capita Library Program: The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. The minimum library program is specified in statute. Overall, the State provides 40.0% of the minimum program, and the counties provide 60.0%. The State/local share of the minimum program varies by county depending on local wealth. Chapter 481 of 2005 started a phase-in of enhancements for the library aid formula, increasing the per resident allocation by

\$1 per year from \$12 per resident in fiscal 2006 to \$16 per resident by fiscal 2010. However, Chapter 2 of the 2007 special session deferred the \$1 formula increase for fiscal 2009, and the Budget Reconciliation and Financing Act of 2009 froze the per resident amount used in the local library aid formula at \$14 for fiscal 2010 and 2011. The phase-in of formula enhancements restarts in fiscal 2012 at \$15 per resident; however, the Budget Reconciliation and Financing Act of 2010 freezes the per resident amount at that level for subsequent years. Due to these changes, State funding in fiscal 2011 will total \$33.0 million, which represents a \$0.2 million, or 0.6%, decrease from the prior year.

State Library Network: The network consists of the Central Library of the Enoch Pratt Free Library System in Baltimore City, three regional resource centers, and metropolitan cooperative service programs. The Enoch Pratt Free Library operates as the designated State Library Resource Center. In addition to the State center, regional resource centers serve Western Maryland (Hagerstown), Southern Maryland (Charlotte Hall), and the Eastern Shore (Salisbury). Funding for the State Library Resource Center has equaled \$1.85 per State resident since fiscal 2004. Chapter 481 of 2005 started a phase-in of enhancements for the regional resource centers, increasing the per resident allocation by \$1.00 per year to move from \$4.50 per resident in fiscal 2006 to \$8.50 per resident by fiscal 2010. However, Chapter 2 of the 2007 special session deferred the \$1.00 formula increase for fiscal 2009, and the Budget Reconciliation and Financing Act of 2009 decreased the per resident allocations to the State Library Resource Center and the State's three regional resource centers. Funding for the State Library Resource Center is reduced from \$1.85 per State resident to \$1.67 per resident for fiscal 2010 and 2011. Funding for regional resource centers decreases to \$6.75 per resident of the region in fiscal 2010 and 2011 and increases to \$7.50 per resident in fiscal 2012. The Budget Reconciliation and Financing Act of 2010 continues funding at this level in subsequent years. Due to these changes, State funding in fiscal 2011 will total \$9.4 million for the State Library Resource Center and \$6.2 million for the regional centers.

Retirement Payments: The State pays 100.0% of the employers' share of retirement costs for local library employees in the Teachers' Retirement and Pension Systems maintained by the State. State funding for library retirement payments will total \$16.9 million in fiscal 2011, a \$1.6 million, or 10.5%, increase from the prior year.

Community Colleges

Senator John A. Cade Funding Formula: The Budget Reconciliation and Financing Act of 2010 reduces funding under the Cade formula to \$194.4 million in fiscal 2011 and 2012 and resets the phase-in of scheduled formula enhancements. The formula enhancements will be fully phased in by fiscal 2021 at 29% of the per student funding provided to selected public four-year institutions. This provision results in a \$23.1 million reduction in statutorily mandated funding and a \$5.4 million reduction in the amount of funding provided in the prior year.

Special Programs: State funding in fiscal 2011 will total \$3.3 million for the small college grants and \$0.6 million for the Allegany/Garrett counties unrestricted grants. Funding

for statewide and regional programs will total \$6.5 million. The English as a Second Language program will receive \$3.8 million.

Retirement Payments: The State pays 100.0% of the employers' share of retirement costs for community college faculty in the Teachers' Retirement and Pension Systems maintained by the State. State funding for community college retirement payments will total \$33.7 million in fiscal 2011 – a \$4.5 million, or 15.3%, increase. In addition, State funding for the optional retirement program will total \$13.8 million in fiscal 2011, representing a \$0.9 million, or 7.0%, increase.

Local Health Departments

The State provides funds to support the delivery of public health services in each of Maryland's 24 jurisdictions. These services include child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of the departments. Due to declining revenues, the fiscal 2010 appropriation for grants to local health departments was reduced from \$57.4 million to \$37.3 million by BPW in August 2009. Under the statute, funding would have increased to \$41.0 million in fiscal 2011; however, the Budget Reconciliation and Financing Act of 2010 reduces the base appropriation for the targeted local health formula for fiscal 2011 and 2012 to \$37.3 million and provides for inflationary increases to the program in fiscal 2013. As a result, State aid for local health departments will total \$37.3 million in fiscal 2011, the same amount as in the prior year.

County and Municipal Governments

Highway User Revenues: The State shares various transportation revenues, commonly referred to as highway user revenues, with the counties and municipalities. Due to declining revenues, BPW reduced fiscal 2010 highway user revenues by \$159.5 million in August 2009. This amount was in addition to the \$161.9 million reduction from the statutory funding level that resulted from the 2009 legislative session actions. These reductions coupled with downward revisions in transportation revenues would have resulted in highway user grants of \$140.5 million in fiscal 2010. The Budget Reconciliation and Financing Act of 2010, however, partially restores the fiscal 2010 funding to reflect payments received by the counties and municipalities before BPW reduced the appropriation. This results in an estimated \$160.5 million in highway user grants.

Prior to the fiscal 2010 reductions, Maryland local governments received 30.0% of highway user revenues. For fiscal 2011 and 2012, the Budget Reconciliation and Financing Act of 2010 lowers the local shares to 8.5 and 8.1%, respectively. Based on current revenue estimates this will result in grants totaling \$134.3 million each year. Of this amount, Baltimore City will receive about \$124.5 million, the counties will receive about \$8.0 million, and municipalities will receive \$1.6 million. Beginning in fiscal 2013, the overall local share is 9.2% of highway user revenues: 7.5% for Baltimore City; 1.4% for counties; and 0.3% for municipalities.

Other Transportation Aid: State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2011, while State funding for paratransit grants will total \$2.9 million.

Police Aid Formula: Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The Maryland State Police recovers 30% of the State crime laboratories costs relating to evidence-testing services from each county's formula allocation. Due to declining revenues, the fiscal 2010 appropriation for police aid was reduced from \$66.0 million to \$45.4 million by BPW in August 2009. Under the statute, the fiscal 2011 funding level would have totaled \$64.4 million; however, the Budget Reconciliation and Financing Act of 2010 limits the amount a local government may receive through the police aid formula in both fiscal 2011 and 2012 to the amount the jurisdiction receives in fiscal 2010. This limitation reduces police aid by \$19.0 million in fiscal 2011. Therefore, after the crime laboratory adjustment, police aid will total \$45.4 million in fiscal 2011.

Public Safety Grants: State funding for targeted public safety grants will total \$14.2 million in fiscal 2011. These grants include violent crime grants for Baltimore City and Prince George's County, police foot patrol and community policing grants for Baltimore City, a drug enforcement grant for Prince George's County, S.T.O.P. gun violence grants, school bus traffic enforcement grants, domestic violence grants, law enforcement and correctional officers training grants, Baltimore City war room, sex offender and compliance enforcement, and the body armor grants. In addition, \$2.0 million will be provided to the Baltimore City State's Attorney Office to assist in the prosecution of gun offenses and repeat violent offenders, and \$174,000 will be provided to the Capital City Safe Streets Program, an ongoing initiative to fight crime in the City of Annapolis.

Vehicle Theft Prevention Program: This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for vehicle theft prevention, deterrence, and educational programs. Funds are used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund, a nonlapsing dedicated fund that receives up to \$2.0 million a year from penalties collected for lapsed or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$1.9 million in fiscal 2011.

Fire, Rescue, and Ambulance Services: The State provides formula grants to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The grants are for equipment and renovation projects, not operating costs. The program is funded through the Maryland Emergency Medical System Operations Fund. The grant level is set at \$10 million in fiscal 2011.

9-1-1 Emergency Systems Grant: The State imposes a 25-cent fee per month on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties

for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. State funding to local 9-1-1 emergency systems will total \$9.4 million in fiscal 2011.

Program Open Space Grants: Under Program Open Space (POS), the State provides grants to local governments for land acquisition and the development of parks and recreation facilities. Local POS grants will total \$12.4 million in fiscal 2011, which represents a \$6.2 million increase from the prior year. In addition, Baltimore City will receive a \$2.9 million special POS grant.

Disparity Grants: Disparity grants address the differences in the abilities of counties to raise revenues from the local income tax, which is the third largest revenue source for counties after State aid and property taxes. Counties with per capita local income tax revenues less than 75.0% of the State's average receive grants, assuming all counties impose a 2.54% local income tax rate. Aid received by a county equals the dollar amount necessary to raise the county's per capita income tax revenues to 75.0% of the State average. The Budget Reconciliation and Financing Act of 2009 included a provision, beginning in fiscal 2011, that caps each county's funding under the program at the fiscal 2010 level. As a result, State funding for disparity grants was scheduled to total \$97.1 million in fiscal 2011, a \$24.4 million decrease from the prior year. The Budget Reconciliation and Financing Act of 2010, however, changes the statute to use more recent income tax data to determine the grants and maintains the cap on each county's funding. This change results in an additional \$24.4 million in funding and ensures that the counties will receive the same funding as in fiscal 2010. Baltimore City and seven counties (Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, and Wicomico) qualify for disparity grants. The fiscal 2011 grant under the statute is based on population estimates for July 2008 and calendar 2008 local income tax revenues raised from a 2.54% local income tax rate.

Summary of State Mandates	
Community Colleges	1
Finance and Taxes	3
Housing and Community Development	1
Maryland-National Capital Park and Planning Commission	1
Public Safety	4
Public Schools	3
Salaries and Benefits	1
Workers' Compensation	1
Total	15

***Mandate** is defined as a directive in a bill requiring a local government unit to perform a task or assume a responsibility that has a discernible fiscal impact on the local government unit (*Maryland Annotated Code*, State Government Article, § 2-1501(c)). In the following sections, legislation that imposes a State mandate is marked accordingly.

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 17/HB 1145	Criminal Law – Salvia Divinorum and Salvinorin A – Distribution to and Possession by Individual Under 21 Years of Age (Ch. 200/Ch. 201)	Potential minimal fine revenues.	No
SB 64	Maryland Research and Development Tax Credit – Sunset Extension (Ch. 20)	Local highway user revenues decrease by \$142,900 in FY 2013, \$239,600 in FY 2014, and by \$365,700 in FY 2015.	No
SB 99/HB 1174	Junk Dealers and Scrap Metal Processors – Required Records (Ch. 199/Ch. 198)	Potential minimal fine revenues.	No
SB 106	Labor and Employment – Job Creation and Recovery Tax Credit (Ch. 1)	Local highway user revenues decrease by \$305,500 in FY 2011.	No
SB 129/HB 65	International Marriage Brokers – Regulation (Ch. 519/Ch. 520)	Potential minimal fine revenues.	No
SB 139	Property Tax – Exemption for Disabled Public Health Service and NOAA Officers and Surviving Spouses (Ch. 235)	Local property tax revenues decrease by \$43,500 annually.	No
SB 141	Budget Reconciliation and Financing Act of 2010 (Ch. 484)	Revenues from direct State aid decrease by \$263.5 million in FY 2011, including \$287.9 million in reductions to transportation, police, health, community college, and education funding and an increase of \$24.4 million in disparity grants. Permanent reductions of \$340 million to \$360 million annually are made to highway user aid, and annual inflation in the education aid formulas is capped at 1% through FY 2015.	No
SB 171/HB 359	Procurement – Veteran-Owned Small Business Enterprise Participation (Ch. 507/Ch. 508)	Potential minimal fine revenues.	No

Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 198	Farmer's Markets – Agricultural Product Sales – Producer Mobile Farmer's Market License (Ch. 246)	Minimal license fee revenue decrease for certain counties. Potential minimal fine revenues.	No
SB 199	Seasonal Farmer's Market Producer Sampling License (Ch. 247)	Potential minimal license fee revenues.	No
SB 202	Creation of a State Debt – Aging School Program – Qualified Zone Academy Bonds (Ch. 523)	Revenues for public school renovation and repair increase by a maximum of \$4.5 million in FY 2011 only.	No
SB 213/HB 33	Child Care Articles Containing Bisphenol-A – Prohibition (Ch. 46/Ch. 47)	Potential minimal fine revenues beginning in FY 2012.	No
SB 221	Tax Credits for Qualifying Employees with Disabilities – Sunset Extension (Ch. 252)	Local highway user revenues decrease by \$3,800 in FY 2011, \$5,300 in FY 2012, and \$1,600 in FY 2013.	No
SB 255/HB 365	Criminal Law – Assault – Law Enforcement Officers and Parole and Probation Agents (Ch. 264/Ch. 265)	Minimal fine revenues.	No
SB 261/HB 283	Criminal Law – Human Trafficking – Prohibitions (Ch. 529/Ch. 530)	Potential minimal fine revenues.	No
SB 319/HB 915	African American Heritage Preservation Program (Ch. 278/Ch. 279)	Potential significant grant revenues.	No
SB 361/HB 606	Natural Resources – Local Forest Conservation Funds – Use of Money (Ch. 283/Ch. 284)	Potential minimal forest conservation fund revenues.	No
SB 413	Property Tax Credit – Replacement Home Purchased After Acquisition of Dwelling for Public Use (Ch. 291)	Potential minimal property tax revenue decrease.	No
SB 466	Vehicle Laws – Off-Highway Recreational Vehicles – Titling (Ch. 304)	Local highway user revenues increase by approximately \$50,000 annually.	No

Effect of the 2010 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 517	Maryland Gang Prosecution Act of 2010 (Ch. 197)	Potential minimal fine revenues.	No
SB 520/HB 199	Homestead Property Tax Credit – Eligibility of Employees of the Federal Government Stationed Outside the State (Ch. 571/Ch. 572)	Minimal property tax revenue decrease for certain counties.	No
SB 523	Credit Card Blacklisting Prevention Act (Ch. 309)	Potential minimal fine revenues.	No
SB 652/HB 850	Property Tax Credit – Habitat for Humanity (Ch. 328/Ch. 329)	Minimal property tax revenue decrease for certain municipalities and counties.	No
SB 670/HB 818	Criminal Law – Trespass on Posted Property and Wanton Trespass on Private Property – Penalties (Ch. 334/Ch. 335)	Potential minimal fine revenues.	No
SB 685	Heavy Equipment Tax Reform Act of 2010 (Ch. 337)	Potential net increase or decrease in personal property and gross receipt taxes assessed on heavy equipment property.	No
SB 774/HB 882	Insurance Producers – Use of Senior or Retiree Credential or Designation (Ch. 604/Ch. 605)	Potential minimal fine revenues.	No
SB 777/HB 844	Local Government Funds – Redeposit into Insured Accounts (Ch. 102/Ch. 103)	Potential minimal investment revenues.	No
SB 828	Special Taxing Districts – Transportation Improvements – Exemption from County Tax Limitations (Ch. 617)	Potential revenue increase in Anne Arundel, Montgomery, Prince George’s, Talbot, and Wicomico counties.	No
SB 858	Maryland Winery Modernization Act (Ch. 355)	Potential minimal license fee revenue decrease.	No
SB 898/HB 1076	Credit Regulation – Installment Loans Secured by Motor Vehicle Lien – Balloon Payments (Ch. 632/Ch. 633)	Potential minimal fine revenues.	No

Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 1006/HB 1025	Baltimore City – Sale of Motor Fuel for Dirt Bikes – Prohibition (Ch. 114/Ch. 115)	Potential decrease in local highway user revenues. Potential minimal decrease in fine revenues for Baltimore City only.	No
HB 6	Property Tax – Notice – 60-Day Appeal (Ch. 380)	Potential minimal property tax revenue decrease.	No
HB 33/SB 213	See entry for SB 213.		
HB 65/SB 129	See entry for SB 129.		
HB 73	Environment – Water Quality Revolving Loan Fund – Use of Funds (Ch. 384)	Revenues increase by approximately \$58.8 million in FY 2012, \$56.4 million in FY 2013, and potentially significant amounts annually thereafter.	No
HB 79	Commercial Law – Credit Services Businesses – Limitation on Fees (Ch. 385)	Potential minimal fine revenues.	No
HB 88	Other Tobacco Products Licenses (Ch. 388)	Minimal license fee revenues. Potential minimal fine revenues.	No
HB 199/SB 520	See entry for SB 520.		
HB 283/SB 261	See entry for SB 261.		
HB 318	Business Regulation – Secondhand Precious Metal Object Dealers (Ch. 404)	Potential minimal decrease in license fee revenues.	No
HB 359/SB 171	See entry for SB 171.		
HB 365/SB 255	See entry for SB 255.		
HB 420	Secretary of Agriculture – Mosquito Control – Enforcement Authority (Ch. 412)	Potential minimal fine revenues.	No
HB 464	Maryland Clean Energy Incentive Act of 2010 (Ch. 493)	Potential decrease in local highway user revenues beginning in FY 2012.	No

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Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 475	Smart, Green, and Growing – The Sustainable Communities Act of 2010 (Ch. 487)	Potential decrease in local highway user revenues.	No
HB 484	Property Tax – Semiannual Payment Schedule – Small Business Property (Ch. 680)	Potential decrease in interest income beginning in FY 2012.	No
HB 517	Criminal Law – Narcotic Drugs – Enhanced Penalties (Ch. 417)	Potential minimal fine revenues.	No
HB 606/SB 361	See entry for SB 361.		
HB 778	Crimes – Unauthorized Computer Access for Sabotage of State Government, Public Utilities, or Other Energy Infrastructure (Ch. 436)	Potential minimal fine revenues.	No
HB 818/SB 670	See entry for SB 670.		
HB 844/SB 777	See entry for SB 777.		
HB 850/SB 652	See entry for SB 652.		
HB 882/SB 774	See entry for SB 774.		
HB 915/SB 319	See entry for SB 319.		
HB 1025/SB 1006	See entry for SB 1006.		
HB 1043	Criminal Procedure – Child Advocacy Centers (Ch. 453)	Potential grant revenues to support or establish child advocacy centers.	No
HB 1053	Child Pornography – Matter Reflecting Belief That a Minor Is Depicted in a Certain Manner (Ch. 454)	Potential minimal fine revenues.	No
HB 1062	Property Tax Credit – Urban Agricultural Property (Ch. 721)	Potential significant local property tax revenue decrease.	No

Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1076/SB 898	See entry for SB 898.		
HB 1135	Property Tax Credit – Grocery Stores – Low-Income Areas (Ch. 724)	Potential significant property tax revenue decrease.	No
HB 1145/SB 17	See entry for SB 17.		
HB 1151	Vehicle Laws – Commercial Motor Vehicles – Minimum Security Requirements (Ch. 458)	Federal fund revenues for local law enforcement are maintained beyond 2010 at more than \$120,000 annually.	No
HB 1161	Tax Increment Financing and Special Taxing Districts – State Hospital Redevelopment (Ch. 726)	Potential increase in local government bond proceeds to TIF for counties and municipalities that exercise this authority.	No
HB 1163	Economic Development – Enterprise Zones – Designation (Ch. 459)	Potential decrease in local income and property tax revenues beginning in FY 2012 in counties with additional enterprise zones.	No
HB 1174/SB 99	See entry for SB 99.		
HB 1206	Commercial Law – Consumer Protection – Refund Anticipation Loans and Checks (Ch. 730)	Potential minimal fine revenues.	No
HB 1263	Education Reform Act of 2010 (Ch. 189)	Potential significant increase in State education aid.	No
HB 1352	Forest Conservation Fund – Contribution Rates – Priority Funding Areas (Ch. 466)	Potential significant forest conservation fund revenues.	No
HB 1505	Central Collection Unit – Collection of Debts Owed to the State (Ch. 477)	Potential minimal community college revenues.	No

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Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting Local Governments by Subdivision			
<i>Allegany County</i>			
SB 552	Allegany County – Property Tax Credit – Memorial Hilltop Centre (Ch. 582)	Potential significant decrease in county and municipal property tax revenues.	No
SB 947	Allegany County – Property Tax Credit – WMHS Braddock Hospital Facility (Ch. 365)	Potential decrease in county and municipal property tax revenues.	No
<i>Anne Arundel County</i>			
SB 658	Anne Arundel County – Property Tax Credit – Arundel Habitat for Humanity, Inc. (Ch. 591)	Property tax revenues may decrease by \$5,100 annually.	No
HB 947	Anne Arundel County – Alcoholic Beverages – Tasting Licenses (Ch. 444)	License fee revenues increase by a minimum of \$2,200 annually through FY 2013.	No
<i>Baltimore City</i>			
SB 120	Baltimore City – Alcoholic Beverages – Beer, Wine, and Liquor Tasting License (Ch. 226)	Potential minimal license fee revenues.	No
SB 377	Baltimore City – Alcoholic Beverages – Class C Licensees to Reimburse Board for Costs (Ch. 285)	Potential minimal liquor license commissioner revenues.	No
SB 390	Baltimore City – Marriage License Fee – Increase – The Carole Alexander Act (Ch. 288)	Marriage fee revenues increase by \$216,350 annually and are allocated to domestic violence programs.	No

Legislation Affecting Local Government Revenues

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Effect of the 2010 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Baltimore County</i>			
SB 112/HB 595	Baltimore County – Property Tax Credit – Rosewald Beach Civic League (Ch. 38/Ch. 39)	Property tax revenues may decrease by \$1,100 annually.	No
HB 1496	Baltimore County – Alcoholic Beverages – Tasting Licenses – Fees (Ch. 171)	Potential minimal license fee revenues.	No
HB 595/SB 112	See entry for SB 112.		
<i>Calvert County</i>			
SB 958	Calvert County – Noise Control Ordinance (Ch. 639)	Potential minimal fine revenues.	No
HB 149	Calvert County – Public Facilities Bonds (Ch. 135)	Revenues from bond proceeds increase by a maximum of \$11.3 million.	No
<i>Carroll County</i>			
SB 923/HB 1167	Carroll County – Homemade Food Sales – County Parks and Facilities (Ch. 109/Ch. 110)	Minimal park and facility revenues.	No
SB 924	Carroll County – Public Facilities Bonds (Ch. 636)	Revenues from bond proceeds increase by a maximum of \$35 million.	No
HB 1112	Carroll County – Green Building Tax Credit (Ch. 722)	Potential property tax revenue decrease.	No
HB 1167/SB 923	See entry for SB 923.		

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Cecil County</i>			
SB 732	Cecil County – Public Facilities Bond Bill (Ch. 101)	Revenues from bond proceeds increase by a maximum of \$11.3 million.	No
HB 340	Cecil County – Board of Electrical Examiners and Licensing of Electricians (Ch. 668)	Permit fee revenues increase by \$24,000 in FY 2011 and by a similar amount thereafter.	No
HB 535	Cecil County – Alcoholic Beverages – Entertainment Facility License (Ch. 154)	License fee revenues increase by a minimum of \$7,500 annually.	No
<i>Charles County</i>			
HB 796	Charles County – Property Tax Credit for Homes Formerly Owned by Habitat for Humanity of Charles County (Ch. 701)	Potential minimal property tax revenue decrease.	No
<i>Dorchester County</i>			
SB 47	Dorchester County – Alcoholic Beverages – Restaurant Seating Capacity (Ch. 206)	Potential license fee revenues.	No
SB 223	Dorchester County – County Transfer Tax – Repeal of Sunset Provision (Ch. 524)	Transfer tax revenues of \$650,000 annually will continue beyond FY 2014.	No
<i>Frederick County</i>			
HB 476	Frederick County – Property Tax Setoff (Ch. 415)	Municipal revenues increase by a maximum of \$791,700 in FY 2011 and 2012.	Yes
HB 678	Frederick County – Pay-As-You-Throw Pilot Program (Ch. 692)	Landfill tipping fee revenues decrease by \$150,000 in FY 2011 only.	No

Legislation Affecting Local Government Revenues

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Effect of the 2010 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Garrett County</i>			
SB 288/HB 320	Maryland Dormant Mineral Interests Act (Ch. 268/Ch. 269)	Potential tax revenue increase.	No
HB 320/SB 288	See entry for SB 288		
<i>Harford County</i>			
HB 1117	Harford County Property Tax Credit – Homes near a Refuse Disposal System – Extension to Additional Properties (Ch. 723)	Property tax revenues decrease by \$37,600 in FY 2011. Future year revenues depend on assessments and tax rates.	No
<i>Howard County</i>			
HB 730	Howard County – Alcoholic Beverages Act of 2010 Ho. Co. 3-10 (Ch. 162)	License fee revenues increase by a maximum of \$75,000 annually.	No
<i>Montgomery County</i>			
SB 476/HB 223	Maintenance of Effort – Penalty (Ch. 73/Ch. 74)	State education aid revenues are not reduced by \$23.4 million in FY 2010 due to the penalty waiver.	No
HB 223/SB 476	See entry for SB 476.		
HB 861	Montgomery County – Enterprise Zones – Tax Credits MC 2-10 (Ch. 707)	Potential property tax revenue decrease.	No
HB 891	Montgomery County – Investment Authority MC 18-10 (Ch. 710)	Potential economic development fund revenue increase or decrease, depending on investment performance.	No
HB 1205	Montgomery County – Alcoholic Beverages License Fees – Repeal of Sunset MC 24-10 (Ch. 169)	License fee revenues of \$226,000 annually continue beyond FY 2010.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1481	Montgomery County – Maryland-National Capital Park and Planning Commission – Lease, Contract, or Agreement – Terms PG/MC 118-10 (Ch. 476)	Potential decrease in M-NCPPC revenues.	Yes
<i>Prince George’s County</i>			
SB 151	Prince George’s County – Alcoholic Beverages – Class B-AE (Arts and Entertainment) License (Ch. 42)	Potential license fee revenue increase of \$13,750 annually.	No
SB 683	Property Taxes – Bicity County Commissions (Ch. 336)	Property tax revenues for M-NCPPC and WSTC decrease by \$21.4 million in FY 2011. Future year revenues depend on annual assessments.	No
HB 558	Prince George’s County – Alcoholic Beverages – Entertainment Permit PG 315-10 (Ch. 684)	Potential significant license fee and fine revenues.	No
HB 566	Prince George’s County – Community Association Property Management Services – Registration PG 419-10 (Ch. 421)	Minimal registration fee revenues.	Yes
HB 567	Prince George’s County – Alcoholic Beverages – License Fees and Salaries of Inspectors PG 305-10 (Ch. 156)	License fee revenues increase by \$103,600 annually.	No
HB 570	Prince George’s County – Alcoholic Beverages – Extinguishment of Licenses PG 306-10 (Ch. 422)	Potential minimal license fee revenue decrease.	No
HB 571	Prince George’s County – Alcoholic Beverages Licenses – Waterfront Entertainment Retail Complex PG 316-10 (Ch. 423)	Potential minimal license fee revenues.	No
HB 665	Prince George’s County – Domestic Violence – GPS Tracking System Pilot Program for Offenders (Ch. 429)	Potential minimal electronic monitoring fee revenues.	Yes

Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1477	Prince George's County – Municipal Corporations – School Zones and Speed Monitoring Systems PG 319-10 (Ch. 474)	Potential significant fine revenues in Prince George's County and participating municipalities within the county.	No
HB 1478	Prince George's County – Beer, Wine, and Liquor Tastings PG 320-10 (Ch. 475)	License fee revenues increase by \$6,600 annually.	No
<i>Queen Anne's County</i>			
HB 592	Queen Anne's County – Property Tax Credit – Foster Parent (Ch. 426)	Property tax revenues may decrease by \$69,200 annually.	No
HB 822	Queen Anne's County – Arts and Entertainment District (Ch. 164)	Potential decrease in local income and property tax revenues.	No
<i>St. Mary's County</i>			
SB 904	St. Mary's County – Alcoholic Beverages – Class A Off-Sale License Quota (Ch. 360)	Potential minimal license fee revenue decrease.	No
HB 1466	St. Mary's County – Property Tax Credit – Property Leased to Nonprofit Schools (Ch. 472)	Property tax revenues may decrease by \$24,900 annually.	No
<i>Somerset County</i>			
HB 451	Somerset County – Alcoholic Beverages – Sales to Underage Drinkers – Local Caterer's License Created (Ch. 675)	License fee revenues increase by \$550 annually for each license issued. Potential minimal fine revenues.	No

Effect of the 2010 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Washington County</i>			
HB 399	Washington County – Alcoholic Beverages – Beer Tasting License (Ch. 411)	License fee revenues increase by \$2,500 annually.	No
HB 1336	Washington County – Domestic Violence – GPS Tracking System Pilot Program for Offenders (Ch. 464)	Potential minimal electronic monitoring fee revenues.	Yes
<i>Wicomico County</i>			
HB 551	Wicomico County – Alcoholic Beverages Act of 2010 (Ch. 419)	License fee revenues increase by \$300 annually.	No
<i>Worcester County</i>			
HB 1431	Worcester County – Alcoholic Beverages – Pub-Breweries and Micro-Breweries (Ch. 470)	License fee revenues may increase by a maximum of \$20,000 annually.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 95	Maryland Agricultural Land Preservation Foundation – Farmland Preservation Partnership Program (Ch. 36)	Potential negligible easement processing and monitoring expenditures.	No
SB 99/HB 1174	Junk Dealers and Scrap Metal Processors – Required Records (Ch. 199/Ch. 198)	Potential minimal incarceration costs.	No
SB 107	Unemployment Insurance – Tax Deferment, Trust Fund Solvency, and Cost-Neutral Modernization Act (Ch. 2)	Minimal Unemployment Insurance Trust Fund reimbursement expenditures.	No
SB 118	Courts – Jury Trials in Civil Actions – Amount in Controversy (Ch. 225)	Potential decrease in jury trial expenditures.	No
SB 129/HB 65	International Marriage Brokers – Regulation (Ch. 519/Ch. 520)	Potential minimal incarceration costs.	No
SB 141	Budget Reconciliation and Financing Act of 2010 (Ch. 484)	Expenditures for the retirement costs of certain local employees increase by \$469,500 in FY 2011 and by an estimated \$751,600 in FY 2016.	Yes
SB 171/HB 359	Procurement – Veteran-Owned Small Business Enterprise Participation (Ch. 507/Ch. 508)	Potential minimal incarceration costs.	No
SB 198	Farmer’s Markets – Agricultural Product Sales – Producer Mobile Farmer’s Market License (Ch. 246)	Potential minimal local health department enforcement costs.	No
SB 199	Seasonal Farmer’s Market Producer Sampling License (Ch. 247)	Potential minimal local health department expenditures.	No
SB 234/HB 1044	High Performance Buildings Act – Applicable to Community College Capital Projects (Ch. 527/Ch. 528)	Potential decrease in community college capital projects beginning in FY 2012.	Yes

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 247/HB 516	Hazardous Material Response Team Employees – Death Benefits and Funeral Expenses – Local Government Agencies (Ch. 50/Ch. 51)	Participating local governments must reserve a minimum of \$138,500 for public safety death benefit payments.	No
SB 255/HB 365	Criminal Law – Assault – Law Enforcement Officers and Parole and Probation Agents (Ch. 264/Ch. 265)	Minimal incarceration costs.	No
SB 256/HB 334	Public Schools – Physical Education Facilities (Ch. 266/Ch. 267)	Potential decrease in school construction projects beginning in FY 2013.	Yes
SB 261/HB 283	Criminal Law – Human Trafficking – Prohibitions (Ch. 529/Ch. 530)	Potential minimal incarceration costs.	No
SB 275	Education – Maryland Longitudinal Data System (Ch. 190)	Community college expenditures increase by approximately \$50,000 per institution in FY 2011 only to modify data reporting. Potential local school system administrative costs.	No
SB 277	Renewable Energy Portfolio Standard – Solar Energy (Ch. 494)	Potential significant electricity expenditures.	No
SB 288/HB 320	Maryland Dormant Mineral Interests Act (Ch. 268/Ch. 269)	Potential circuit court expenditures.	No
SB 292/HB 217	Election Law – Voter Registration and Nomination by Petition – Requirements (Ch. 270/Ch. 271)	Potential minimal impact on local boards of elections.	No
SB 317/HB 775	State Retirement and Pension System – Retirees and Beneficiaries of Retirees – Annual Retirement Allowance Adjustments (Ch. 56/Ch. 57)	Minimal increase in pension costs for participating governmental units.	No

Effect of the 2010 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 355/HB 801	Electricity – Net Energy Metering – Credits (Ch. 438/Ch. 437)	Potential increase or decrease in electricity for participating local governments, depending on pricing mechanisms adopted by the Public Service Commission.	No
SB 382	Marine Contractors – Licensure and Regulation – Tidal Wetlands Licenses (Ch. 286)	Potential minimal incarceration costs.	No
SB 394	Municipalities – Authority to Enter into Agreements with Other Municipalities (Ch. 553)	Potential decrease in municipal expenditures.	No
SB 523	Credit Card Blacklisting Prevention Act (Ch. 309)	Potential minimal incarceration costs.	No
SB 540/HB 269	Child with a Disability – Individualized Education Program (Ch. 665/Ch. 664)	Potential minimal special education expenditures.	No
SB 550	State Retirement and Pension System – Eligible Governmental Units (Ch. 580)	Potential minimal increase in pension costs for certain local governments.	No
SB 551	Education – Public School Construction – Procurement – Preference for State and Local Business Entities (Ch. 581)	Potential increase in school construction costs for certain counties.	No
SB 560/HB 829	Vehicle Laws – Traffic Citations – Option to Request Trial (Ch. 195/Ch. 196)	Significant decrease in law enforcement expenditures.	No
SB 590/HB 243	Fairness in Negotiations Act (Ch. 324/Ch. 325)	Potential school system labor mediation and arbitration expenditures.	No
SB 670/HB 818	Criminal Law – Trespass on Posted Property and Wanton Trespass on Private Property – Penalties (Ch. 334/Ch. 335)	Potential minimal incarceration costs.	No

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 700/HB 1017	Health Insurance – Child Wellness Benefits (Ch. 595/Ch. 596)	Potential child wellness services expenditures.	No
SB 748	Wicomico County, Worcester County, and Somerset County – Boards of Elections – Membership (Ch. 344)	Minimal increase in board member compensation expenditures.	No
SB 761/HB 1335	Mental Health – Local Correctional Facilities – Incarcerated Individuals with Mental Illness (Ch. 347/Ch. 348)	Significant increase in local correctional facility medication costs.	Yes
SB 854/HB 936	Crimes – Sex Offenders – Notification, Registration, and Penalties (Ch. 174/Ch. 175)	Potential enforcement expenditures in certain jurisdictions, which may be partially offset by State and federal grants.	Yes
SB 855/HB 929	Patient Centered Medical Home Program (Ch. 5/Ch. 6)	Potential increase in payments to patient centered medical homes beginning in FY 2012. Potential long-term health care cost savings.	No
SB 858	Maryland Winery Modernization Act (Ch. 355)	Potential minimal decrease in enforcement expenditures.	No
SB 898/HB 1076	Credit Regulation – Installment Loans Secured by Motor Vehicle Lien – Balloon Payments (Ch. 632/Ch. 633)	Potential minimal incarceration costs.	No
SB 935/HB 1149	Denial or Dismissal of Peace Order or Protective Order Petition – Shielding of Records (Ch. 361/Ch. 362)	Potential minimal circuit court expenditures.	No
SB 940/HB 1416	Vehicle Laws – Parking for Individuals with Disabilities – Zoning (Ch. 363/Ch. 364)	Potential negligible expenditures to alter current zoning practices.	No
SB 1007/HB 983	Public Schools – Law Enforcement Officers – Cultural Competency Model Training Curriculum (Ch. 370/Ch. 371)	Potential minimal law enforcement training expenditures.	No

Effect of the 2010 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 1019/HB 1471	Residential Real Property – Real Estate Settlements – Disclosures (Ch. 373/Ch. 374)	Potential minimal incarceration costs.	No
SB 1123	Political Subdivisions – Collective Bargaining Agreements – Binding Arbitration (Ch. 651)	Potential local government collective bargaining expenditures.	No
HB 60	Criminal Procedure – Violation by Child Sexual Offender of Pretrial or Posttrial Release No Contact Order (“Alexis’s Law”) (Ch. 187)	Potential minimal incarceration costs.	No
HB 65/SB 129	See entry for SB 129.		
HB 68	Department of the Environment – Grants – Small Businesses and Certified Minority Business Enterprises (Ch. 653)	Potential minimal expenditures to implement relevant procurement compliance programs.	No
HB 73	Environment – Water Quality Revolving Loan Fund – Use of Funds (Ch. 384)	Expenditures increase by approximately \$58.8 million in FY 2012, \$56.4 million in FY 2013, and potentially significant amounts annually thereafter.	No
HB 79	Commercial Law – Credit Services Businesses – Limitation on Fees (Ch. 385)	Potential minimal incarceration costs.	No
HB 88	Other Tobacco Products Licenses (Ch. 388)	Potential minimal incarceration costs.	No
HB 111	Counties – Local Laws – Copies for Legislative Delegations (Ch. 654)	Potential minimal postage and printing expenditure decrease for the State’s nine charter and six code home rule counties.	No
HB 161	Family Law – Guardianship Review Hearings – Consultation with Child (Ch. 655)	Potential minimal circuit court expenditures.	No
HB 217/SB 292	See entry for SB 292.		
HB 243/SB 590	See entry for SB 590.		

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 269/SB 540	See entry for SB 540.		
HB 283/SB 261	See entry for SB 261.		
HB 320/SB 288	See entry for SB 288.		
HB 334/SB 256	See entry for SB 256.		
HB 359/SB 171	See entry for SB 171.		
HB 365/SB 255	See entry for SB 255.		
HB 435	Health Insurance – Reimbursement of Primary Care Providers – Bonus Payments (Ch. 673)	Primary care provider bonus payment expenditure increase.	No
HB 516/SB 247	See entry for SB 247.		
HB 619	State Contributory Law Enforcement Officers' Pension System – Transfer of Service Credit (Ch. 686)	Minimal increase in pension costs for participating local governments.	No
HB 667	Vehicle Laws – Exceptional Hauling Permits – Validity in Select Eastern Shore Counties (Ch. 691)	Potential decrease in road maintenance expenditures.	No
HB 685	Environment – Fluorescent and Compact Fluorescent Light Recycling – County Plans (Ch. 430)	Potential recycling program expenditures of more than \$100,000 in some counties.	No
HB 775/SB 317	See entry for SB 317.		
HB 778	Crimes – Unauthorized Computer Access for Sabotage of State Government, Public Utilities, or Other Energy Infrastructure (Ch. 436)	Potential minimal incarceration costs.	No

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Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 786	State Highway Administration – Sidewalk or Bicycle Pathway Construction in Priority Funding Areas (Ch. 700)	Potential construction project expenditures in priority funding areas.	No
HB 801/SB 355	See entry for SB 355.		
HB 818/SB 670	See entry for SB 670.		
HB 829/SB 560	See entry for SB 560.		
HB 929/SB 855	See entry for SB 855.		
HB 936/SB 854	See entry for SB 854.		
HB 983/SB 1007	See entry for SB 1007.		
HB 995	Regulation of Crematories (Ch. 450)	Potential minimal incarceration costs.	No
HB 1017/SB 700	See entry for SB 700.		
HB 1044/SB 234	See entry for SB 234.		
HB 1050	Maryland Health Insurance Plan – Plan Options – Governmental Third Party Payers (Ch. 166)	Potential increase in MHIP premium and cost-sharing expenditures for participating local governments.	No
HB 1076/SB 898	See entry for SB 898.		
HB 1149/SB 935	See entry for SB 935.		
HB 1155	Transportation – Consolidated Transportation Program – Evaluation and Selection of Proposed Capital Projects (Ch. 725)	Expenditures increase to the extent additional capital project information is required.	No

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1160	Safe Schools Act of 2010 (Ch. 188)	School system expenditures increase by \$480,000 in FY 2011 and 2012 to develop and implement local policies and programs. Minimal circuit court expenditures.	Yes
HB 1161	Tax Increment Financing and Special Taxing Districts – State Hospital Redevelopment (Ch. 726)	Potential significant increase in debt service expenditures related to TIF.	No
HB 1174/SB 99	See entry for SB 99.		
HB 1182	Business Improvement Districts (Ch. 461)	Potential expenditures for district improvement purposes are to be financed from revenues generated from the districts.	Yes
HB 1206	Commercial Law – Consumer Protection – Refund Anticipation Loans and Checks (Ch. 730)	Potential minimal incarceration costs.	No
HB 1244	Municipal Corporations – Planning Commissions – Meetings (Ch. 462)	Potential minimal decrease in planning commission expenditures for municipalities.	No
HB 1263	Education Reform Act of 2010 (Ch. 189)	Local school system expenditures increase for teacher mentors for professional development and incentive payments.	No
HB 1335/SB 761	See entry for SB 761.		
HB 1362	Education – Public Schools – Virtual Schools (Ch. 743)	Potential increase in local school system expenditures to develop and implement virtual schools. Potential long-term school construction cost savings.	No
HB 1389	Traffic Cases – State Police Helicopters and Ambulance, Fire, and Rescue Companies (Ch. 735)	Potential significant decrease in volunteer fire company expenditures.	No
HB 1416/SB 940	See entry for SB 940.		

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Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1464	Land Bank Authorities – Establishment by Municipal Corporations (Ch. 739)	Expenditures increase for certain municipalities due to land bank authority start-up costs.	No
HB 1471/SB 1019	See entry for SB 1109.		
HB 1564	Maryland Health Insurance Plan – Administration of National High Risk Pool Program (Ch. 173)	Reduced MHIP premium costs for participating local governments.	No

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
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Legislation Affecting Local Governments by Subdivision

Allegany County

SB 482/HB 618	Workers' Compensation – Allegany County Deputy Sheriffs (Ch. 75/Ch. 76)	Potential minimal workers' compensation costs.	Yes
HB 618/SB 482	See entry for SB 482.		

Anne Arundel County

HB 947	Anne Arundel County – Alcoholic Beverages – Tasting Licenses (Ch. 444)	Minimal enforcement costs.	No
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Baltimore City

SB 179	Baltimore City Public School System – Exclusion from Amount of Bonds Outstanding (Ch. 243)	Debt service expenditures increase by \$7.7 million annually for 15 years.	No
SB 373	Property Tax – Tax Sales – Complaint to Foreclose Right of Redemption (Ch. 65)	Potential minimal decrease in maintenance and administrative costs.	No
HB 162	Expedited Partner Therapy Pilot Program – Extension (Ch. 136)	Health department program expenditures of \$13,000 annually continue beyond FY 2010.	No

Calvert County

SB 958	Calvert County – Noise Control Ordinance (Ch. 639)	Minimal enforcement costs.	No
HB 149	Calvert County – Public Facilities Bonds (Ch. 135)	Debt service expenditures increase by \$974,600 annually over a 15-year period.	No

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Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Caroline County</i>			
SB 42	Caroline County – Orphans’ Court Judges – Pensions (Ch. 12)	Personnel costs increase by \$2,400 in FY 2011 and by a maximum of \$7,200 annually thereafter.	Yes
<i>Carroll County</i>			
SB 923/HB 1167	Carroll County – Homemade Food Sales – County Parks and Facilities (Ch. 109/Ch. 110)	Minimal park and facility expenditure increase.	No
SB 924	Carroll County – Public Facilities Bonds (Ch. 636)	Debt service expenditures increase by \$2.5 million annually over a 20-year period.	No
HB 1167/SB 923	See entry for SB 923.		
<i>Cecil County</i>			
SB 726	Cecil County – Collective Bargaining – Representation of Deputy Sheriffs (Ch. 600)	Administrative costs of \$100,000 in FY 2011. Future expenditures depend on collective bargaining agreements.	No
SB 731	Cecil County – Emergency Medical Services – Collective Bargaining (Ch. 602)	Potential emergency medical service provider expenditures.	No
SB 732	Cecil County – Public Facilities Bond Bill (Ch. 101)	Debt service expenditures increase by \$818,100 annually over a 20-year period.	No
SB 733	Cecil County – Budget and Taxes (Ch. 603)	Expenditures decrease by \$3,500 annually.	No
HB 340	Cecil County – Board of Electrical Examiners and Licensing of Electricians (Ch. 668)	Administrative costs increase by \$30,400 in FY 2011 and by a similar amount thereafter.	No

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Dorchester County</i>			
HB 113	Dorchester County – Membership of Sanitary Commission (Ch. 129)	Salary expenditures increase by \$1,200 annually.	No
<i>Frederick County</i>			
SB 383	Public Health – Frederick County – Dogs in Outdoor Dining Areas (Ch. 552)	Potential minimal health department enforcement costs.	No
SB 449	Frederick County – Alcoholic Beverages – Sales Hours (Ch. 297)	Potential enforcement costs.	No
HB 476	Frederick County – Property Tax Setoff (Ch. 415)	County expenditures increase by a maximum of \$791,700 in FY 2011 and 2012.	Yes
HB 678	Frederick County – Pay-As-You-Throw Pilot Program (Ch. 692)	Solid waste enterprise expenditures increase by \$401,500 in FY 2011 only.	No
<i>Howard County</i>			
HB 233	Howard County Public Schools – Funding Accountability and Transparency Act Ho. Co. 12-10 (Ch. 399)	School system expenditures increase by approximately \$2,000 by FY 2012.	Yes
HB 277	Howard County and Prince George’s County – Tax Sales – Auctioneers’ Fees Ho. Co. 4-10 (Ch. 402)	Expenditures decrease by \$2,800 annually.	No

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Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Montgomery County</i>			
HB 1481	Montgomery County – Maryland-National Capital Park and Planning Commission – Lease, Contract, or Agreement – Terms PG/MC 118-10 (Ch. 476)	Potential M-NCPPC expenditures.	Yes
<i>Prince George’s County</i>			
SB 1067	Task Force on Solar Hot Water Systems in Prince George’s County (Ch. 649)	Potential consulting services expenditures.	No
HB 567	Prince George’s County – Alcoholic Beverages – License Fees and Salaries of Inspectors PG 305-10 (Ch. 156)	Personnel expenditures increase by \$39,700 annually.	No
HB 576	Prince George’s County – Development Permits – Expedited Review for Qualifying Redevelopment Projects PG/MC 115-10 (Ch. 424)	Potential permit processing expenditures.	No
HB 665	Prince George’s County – Domestic Violence – GPS Tracking System Pilot Program for Offenders (Ch. 429)	Potential minimal electronic monitoring expenditures.	Yes
HB 1477	Prince George’s County – Municipal Corporations – School Zones and Speed Monitoring Systems PG 319-10 (Ch. 474)	Potential significant enforcement costs in Prince George’s County and participating municipalities within the county.	No
<i>Washington County</i>			
HB 734	Washington County – Advisory School Design Review Committee (Ch. 434)	Advisory School Design Review Committee expenditures continue beyond FY 2011.	No