

## Part A

# Budget and State Aid

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### Operating Budget

#### Overview

The General Assembly enacted a \$32.3 billion budget for fiscal 2010; an increase of \$1.1 billion, or 3.4%, above fiscal 2009. Federal stimulus funding from the American Recovery and Reinvestment Act of 2009 (ARRA) was instrumental in balancing the fiscal 2009 and 2010 budgets, following nearly \$1.2 billion of downward general fund revenue revisions in March 2009. In the aggregate, Maryland is expected to receive over \$4.1 billion, of which \$2.3 billion will directly support existing budgetary commitments. Additional aid will support new infrastructure spending, enhance local education funding, and fund a variety of programs.

Budget growth (including the use of stimulus funding) is \$106.4 million below the 0.70% level recommended by the Spending Affordability Committee (SAC). Spending increases for local education and library aid, higher education, Medicaid, pay-as-you-go (PAYGO) capital, and debt service payments are largely supported by federal dollars. The fiscal 2010 cash balance is estimated at \$96.2 million, in addition to reserves of \$651.1 million, or 5.0%, of general fund revenues in the Rainy Day Fund.

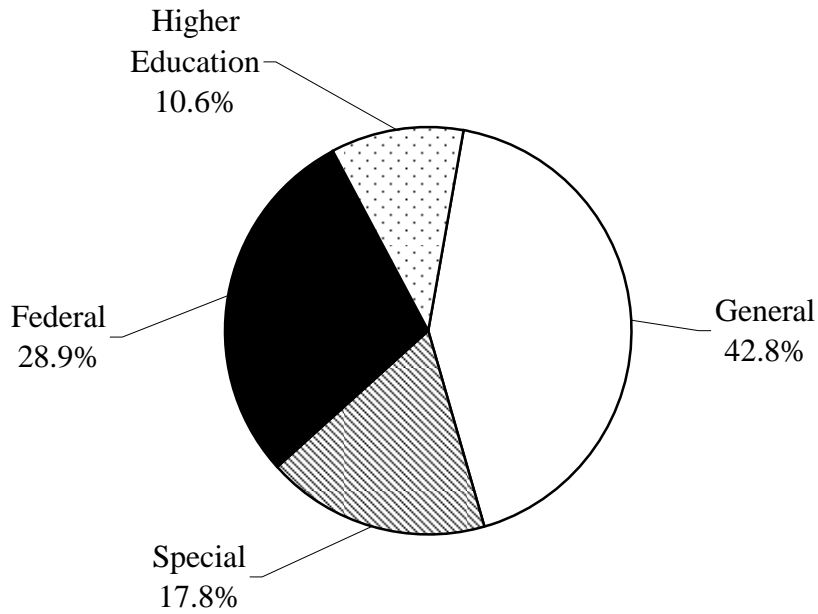
While the budget is balanced on a cash basis, a structural imbalance of \$1.7 billion exists between ongoing revenues and spending. General fund revenues are projected to decrease by 2.3% in fiscal 2009 and 1.6% in fiscal 2010 before rebounding in fiscal 2011. Remaining federal stimulus dollars will be applied to the fiscal 2011 budget, and \$747 million in balance and cash reserves are available. The direction of the economy and its effect on revenues remains uncertain. The long-term forecast shows that under current assumptions, the State faces significant cash and structural deficits which will require significant additional actions to ensure balanced budgets.

#### Budget in Brief

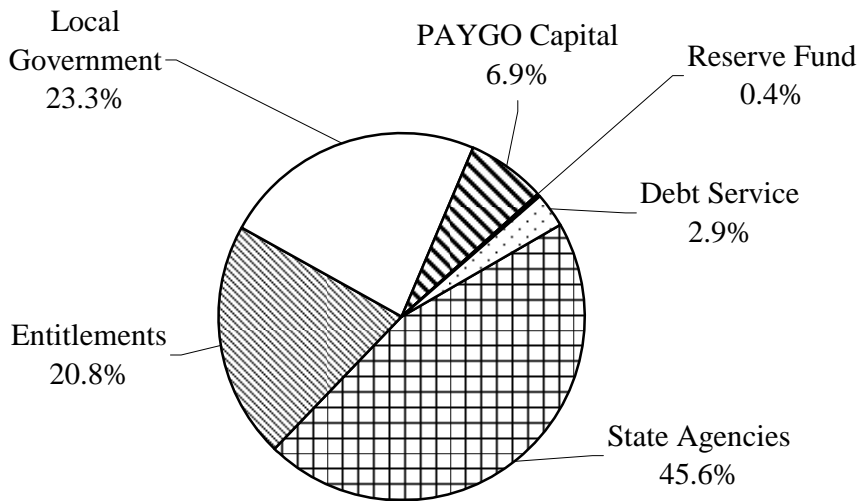
The Fiscal Year 2010 Budget Bill, *House Bill 100 (enacted)*, provides \$32.3 billion in appropriations for fiscal 2010. **Exhibit A-1.1** illustrates funding by fund.

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**Exhibit A-1.1**  
**Maryland's \$32.3 Billion Budget**  
**Where It Comes From: Budget by Fund Source**



**Where It Goes: Budget by Purpose**



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PAYGO: pay-as-you-go capital

Between fiscal 2009 and 2010, due to a large short-term infusion of federal stimulus dollars, the proportions of the budget supported by general and federal funds is substantially changed in fiscal 2010. General funds decrease from 48%, to just under 43% of the budget. Federal funds increase from 22% to about 29% of spending. Special fund dollars make up 18% of the budget, and higher education revenue provides 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 21% supports entitlement programs. Remaining appropriations fund PAYGO capital spending, debt service on State general obligation bonds, and transfers to the State Reserve Fund.

General fund appropriations decrease by \$516.8 million, or 3.6%, below fiscal 2009. However the year-over-year change is misleading due to withdrawn general fund spending which is replaced by federal stimulus dollars. There are additional general funds for employee health and retirement cost increases, higher education, and health programs. Appropriations to the State Reserve Fund total \$139.9 million, a decrease of \$6.6 million compared to 2009. PAYGO capital spending also declines by \$14.9 million. For a more detailed discussion of the interplay between general and federal fund appropriations, see the subpart “Federal Stimulus Funding” within this part.

Special funds decrease by \$150.1 million, or 2.6%, compared to the fiscal 2009 working appropriation. The appropriation provides increases for Medicaid funded from the Rate Stabilization Fund and the Maryland Health Care Coverage Fund to expand coverage to parents of children already eligible for services. Energy assistance programs are funded by the auction of Regional Greenhouse Gas Initiative (RGGI) carbon dioxide allowances, and roughly \$39 million in education aid is supported by video lottery terminal licensing fees. Debt service expenses paid from the Annuity Bond Fund increase \$57 million. These increases are more than offset by \$160 million in reductions to highway user revenues for local jurisdictions, a shift of \$31 million in Program Open Space (POS) spending to bond funding, reduced spending from the Chesapeake Bay 2010 Trust Fund, and contingent reductions in other energy conservation related programs.

Federal funds grow by \$1.6 billion, or 21.1%, largely related to funds received and appropriated from the ARRA of 2009. Education and library aid to local jurisdictions increases by \$572.1 million, or 81.8%. Federal stimulus dollars provide \$156.5 million passed through the Title I formula, \$137.3 million for increased teacher retirement costs, \$110.3 million to fully fund the Geographic Cost of Education Index, \$107.3 million for special education funding formulas (IDEA), and lesser amounts for Compensatory Education, Student Transportation, and other expenses. PAYGO capital receives an increase of \$371.6 million, or 47.1%. Federal stimulus dollars are applied to transportation capital programs, environmental infrastructure, and housing, veterans, and military projects. Significant increases of federal aid are also received for Medicaid (\$342.1 million, or 10.7%), temporary cash assistance payments (\$99.7 million, or 19.3%), and a variety of programs and purposes ranging from workforce development programs to public safety grants.

The budgets for public higher education institutions increase by \$33.5 million in total funds, or 2.2%, in fiscal 2010. These funds support operations of higher education institutions, including the University System of Maryland (USM), Morgan State University (MSU), St. Mary's College of Maryland (SMCM), community colleges and Baltimore City Community College (BCCC), and aid to nonpublic institutions. State funding permits undergraduate resident tuition to be frozen for a fourth consecutive year, exclusive of SMCM. Aid to community colleges and BCCC, as well as to the nonpublic institutions, increases by more than 3.0% in fiscal 2010.

Due to fiscal conditions, State personnel funding has been reduced. The Governor abolished 893.65 positions during the session and submitted a budget which did not include funding for a general salary increase, merit pay, or a deferred compensation match. For a more detailed discussion of personnel issues, see the subpart "Personnel" within this part.

### **Framing the Session: 2008 Interim Activity**

A downturn in the economy since December 2007 impacted revenue collections, as actual fiscal 2008 attainment fell some \$73 million below expectations. Fiscal 2009 revenue estimates were revised downward by approximately \$432 million in September 2008 as problems in the housing market and the subprime mortgage crisis affected the financial sector as well. The Governor implemented several rounds of cost containment through the Board of Public Works (BPW). Revenues were again written down by \$415 million in December 2008.

Against this backdrop, SAC recommended a 0.70% rate of budgetary growth for the 2009 session, which was the lowest level ever recommended. SAC also offered recommendations pertaining to the level of the Rainy Day Fund and position growth.

### **BPW Withdrawn Appropriations**

As shown in **Exhibit A-1.2**, the Governor withdrew over \$500 million in spending from the fiscal 2009 budget through BPW at meetings held in June, October, and November 2008 and in March 2009. There were budgetary savings from abolishing 1,735.4 positions, employee furloughs, and a hiring freeze. Nearly \$50 million was reduced from funds set aside toward the State's Other Post Employment Benefits (OPEB) liability. 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.

### **SAC Recommendations**

SAC prepared its final report to the Governor in December 2008 which included the following recommendations pertaining to the operating budget:

**Spending Limit:** The committee recommended limiting growth on a spending affordability basis to 0.70% over spending approved at the 2008 session.

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**Exhibit A-1.2**  
**Fiscal 2009 Spending Withdrawn through the Board of Public Works**

<u>Date of BPW 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>
June 2008	\$50.1	\$7.4	\$17.6	\$75.1	0.0	11.5
October/November 2008	297.2	21.1	31.1	349.4	40.0	790.2
March 2009	67.1	9.6	5.0	81.6	2.0	891.7
<b>Total</b>	<b>\$414.4</b>	<b>\$38.1</b>	<b>\$53.7</b>	<b>\$506.1</b>	<b>42.0</b>	<b>1,693.4</b>

Source: Board of Public Works

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**Personnel:** The committee found that fiscal conditions rendered the State's position complement to be unsustainable, and recommended that 1,000 positions should be abolished from the budget.

**State Reserve Fund:** SAC continued to recommend prudent use of the Rainy Day Fund. Use of the balance below 5.0% was recommended only as a last resort and in combination with a multi-year deficit reduction plan. Instead, it was suggested that federal stimulus dollars be used to address short-term budget balancing needs.

### **Governor's Spending Plan as Introduced**

The fiscal plan submitted by the Administration provided for \$32.0 billion in total spending for fiscal 2010 and \$286.2 million of fiscal 2009 deficiencies. In balancing the budget, the Governor relied upon \$1.1 billion in proposed transfers and nearly \$450.0 million in contingent reductions, which largely relied upon budget reconciliation legislation. The Administration also recognized \$350.0 million in federal stimulus funds through a reduction of general funds in the Medicaid budget. Fiscal 2009 deficiency appropriations totaling \$286.2 million were proposed with the budget, consisting of \$92.8 million in general funds, \$77.7 million in special fund items, and \$115.7 million in federal fund appropriations.

The budget was below the limit recommended by SAC, reflected the planned abolition of over 1,000 Executive Branch positions, and utilized \$210.0 million in the Rainy Day Fund, which was the balance above the recommended 5% level. The Governor's proposed spending plan resulted in an estimated fiscal 2010 general fund balance of \$45.9 million.

As shown in **Exhibit A-1.3**, the Governor's plan for balancing the fiscal 2009 and 2010 budgets relied heavily on a combination of fund transfers and reductions contingent upon budget reconciliation legislation. Chief among these was use of Rainy Day Fund balances above 5%, as well as a one-time transfer from a local income tax refund reserve account. In addition to spending already withdrawn by BPW, the Governor proposed to reduce another \$154 million in spending. Finally, balance in fiscal 2010 relied upon \$449 million in spending reductions contingent upon budget reconciliation and other legislation, a variety of across-the-board budget cuts totaling \$86 million and additional revenue and reversion assumptions.

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**Exhibit A-1.3**  
**Governor's Original Budget Plan**  
**Fiscal 2009-2010**  
**(\$ in Millions)**

	<u>2009</u>	<u>2010</u>
Opening Balance	\$487.1	\$424.1
Revenues	\$13,673.9	\$13,738.3
Additional Revenues	7.8	27.4
Transfers	841.9	250.1
<b>Subtotal</b>	<b>\$14,523.6</b>	<b>\$14,015.8</b>
Appropriations and Deficiencies	\$15,172.4	\$14,969.1
BPW Withdrawn Appropriations	-501.3	0.0
Across-the-board Reductions	0.0	-85.6
Contingent Reductions	0.0	-449.3
Reversions	-84.5	-40.2
<b>Subtotal</b>	<b>\$14,586.6</b>	<b>\$14,394.0</b>
<b>Closing Balance</b>	<b>\$424.1</b>	<b>\$45.9</b>

BPW: Board of Public Works

Source: Maryland Budget Highlights Fiscal 2010

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### Legislative Consideration of the Budget

As the legislature considered the budget, the Board of Revenue Estimates (BRE) revised general fund revenues downward by a combined \$1.2 billion for fiscal 2009 and 2010, and the Governor submitted two supplemental budgets which added \$1.4 billion in mostly federal fund supported spending. The General Assembly reduced the budget and positions as detailed below.

## Revenue and Spending Changes

**BRE Revenue Revisions:** In March 2009, BRE revised its estimate of general fund revenue for fiscal 2009 downward by \$445.5 million and \$716.5 million for fiscal 2010. Income and sales tax revenues continue to be negatively affected by the recession.

**Supplemental Budgets No. 1 and 2:** The Governor introduced two supplemental budgets that increased spending by a total of \$1.4 billion. Nearly \$2.3 billion in additional federal funds were appropriated, with the bulk of that derived from federal stimulus legislation. This was offset by nearly \$900 million in withdrawn general fund appropriations. The bulk of federal funds were applied to Medicaid and education programs.

**Reductions:** The legislature reduced the fiscal 2009 budget by \$16.1 million based on overbudgeted funds for small business health insurance and a cut in school assessments. Changes adopted in the fiscal 2010 budget eliminated 101.5 regular positions and reduced \$911.6 million in all funds.

Notable reductions included:

- \$161.9 million from special fund local highway user revenues;
- \$98.8 million from the Reserve Fund, including \$63.0 million for the InterCounty Connector (ICC) (largely funded in the capital budget) and \$35.8 million above 5.0%;
- \$71.1 million from general and special fund programs supported by RGGI, of which \$35.6 million was a contingent reduction for low income energy assistance that will be restored by special fund budget amendment;
- \$53.5 million in Medicaid funding that will be restored using available special fund balances;
- \$46.5 million from higher education general funding based on enactment of a provision in the Budget Reconciliation and Financing Act (BRFA) of 2009 to extend the Higher Education Investment Fund (HEIF). This amount will be restored by special fund budget amendment;
- \$34.0 million from community college aid, leaving sufficient funds to increase the appropriation over fiscal 2009 levels;
- \$31.0 million from POS which is funded in the capital budget;
- \$30.8 million in overbudgeted education formula aid; and

- \$24.0 million for all general fund reimbursements of local jail costs, in conjunction with budget reconciliation legislation converting the funding to a grant program.

The budget does not reflect \$192.0 million of special funds that are intended to replace general funded items, which were reduced at the 2009 session but which have yet to be appropriated. **Exhibit A-1.4** summarizes the most significant items that will be restored with special funds.

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**Exhibit A-1.4**  
**General Fund Reductions to Be Replaced with Special Funds**  
(\$ in Millions)

	<b><u>General</u></b> <b><u>Funds</u></b>	<b><u>Special</u></b> <b><u>Funds</u></b>
Medicaid	-\$80.5	\$80.5
Higher Education	-46.5	46.5
Department of Human Resources	-35.6	35.6
Department of Health and Mental Hygiene	-15.7	15.7
Maryland School for the Deaf	-5.0	5.0
Department of Natural Resources	-2.6	2.6
Department of Information Technology	-2.0	2.0
Maryland Department of the Environment	-1.8	1.8
Department of Public Safety and Correctional Services	-1.4	1.4
Attorney General	-0.8	0.8
<b>Total</b>	<b>-\$192.0</b>	<b>\$192.0</b>

Source: Department of Legislative Services

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**Final Actions Related to SAC**

**Limiting Spending Growth:** As shown in **Exhibit A-1.5**, final action by the legislature reduced the budget to a 0.19% rate of growth as measured on a spending affordability basis. The SAC calculation typically does not include federal funds, but an adjustment is included this year 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 \$106.4 million below the 0.70% rate recommended by the committee. On the customary basis, the budget is \$1.6 billion below the limit.

**Exhibit A-1.5**  
**Operating Budget Affordability Limit**  
(\$ in Millions)

<u>Funds</u>	<u>2008</u> <u>Session</u>	<u>2009</u> <u>Session</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
General	\$14,812.6	\$13,195.5	-\$1,617.0	-10.92%
Special	4,001.9	4,087.3	85.4	2.13%
Higher Education	1,993.2	2,100.0	106.9	5.36%
<b>Estimated Budget Growth</b>	<b>\$20,807.6</b>	<b>\$19,382.8</b>	<b>-\$1,424.8</b>	<b>-6.85%</b>
<b>SAC Limit</b>	<b>\$20,807.6</b>	<b>\$20,953.2</b>	<b>\$145.7</b>	<b>0.70%</b>
<b>Over (Under) Limit</b>			<b>-1,570.4</b>	<b>-7.55%</b>
<b><u>Adjusted for Federal Stimulus</u></b>				
<b>Estimated Budget Growth</b>	<b>\$20,807.6</b>	<b>\$19,382.8</b>	<b>-1,424.8</b>	<b>-6.85%</b>
<b>Estimated SAC Eligible Federal Stimulus</b>		<b>\$1,464.0</b>		
<b>Adjusted Estimate for Budget Growth</b>	<b>\$20,807.6</b>	<b>\$20,846.8</b>	<b>39.2</b>	<b>0.19%</b>
<b>SAC Limit</b>	<b>\$20,807.6</b>	<b>\$20,953.2</b>	<b>145.7</b>	<b>0.70%</b>
<b>Over (Under) Limit</b>			<b>-106.4</b>	<b>0.70%</b>

SAC: Spending Affordability Committee

**Personnel:** In March 2009, the Governor abolished 893.65 positions. Action at the 2009 session reduced another 101.5 regular positions. In conjunction with positions abolished by the Governor in preparing the allowance, the State's position complement for fiscal 2010 is over 1,000 positions lower than the fiscal 2009 working appropriation. This is consistent with the SAC recommendation.

**State Reserve Fund Balance:** Although \$210.0 million was transferred to support fiscal 2010 spending, budget action at the 2009 session leaves a \$651.1 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 first use federal stimulus funds.

### Summary of Fiscal 2009 Legislative Activity

**Exhibit A-1.6** summarizes final legislative action on the budget. In addressing the write down of revenues and additional spending in the two supplemental budgets, the General Assembly adopted \$1.4 billion in transfers including many of the proposed transfers recommended in the Governor's original budget plan. Approximately \$331.0 million of the \$575.0 million in reductions are contingent upon the BRFA of 2009. Based upon these actions, the closing fiscal 2009 balance is estimated at \$441.3 million, and fiscal 2010 is projected to end with a \$96.2 million balance.

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#### Exhibit A-1.6 Final Legislative Budget Action Fiscal 2009-2010 (\$ in Millions)

	<u>2009</u>	<u>2010</u>
<b>Opening Balance</b>	<b>\$487.1</b>	<b>\$441.3</b>
Revenues	\$13,287.8	\$13,011.7
Legislation	0.0	14.2
Transfers	980.4	426.3
<b>Subtotal</b>	<b>\$14,268.2</b>	<b>\$13,452.2</b>
Approp./Supp./Deficiencies/BPW	\$14,393.1	\$14,400.5
Reductions	-1.0	-243.0
Contingent Reductions	-1.6	-329.9
Reversions	-76.4	-30.4
<b>Subtotal</b>	<b>\$14,314.1</b>	<b>\$13,797.3</b>
<b>Closing Balance</b>	<b>\$441.3</b>	<b>\$96.2</b>

BPW: Board of Public Works

Source: Maryland Budget Highlights Fiscal 2010

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In addition to actions within budget reconciliation legislation, two bills increasing general fund revenues contribute to the closing general fund balance for fiscal 2010.

An estimated \$7.0 million in revenue is attributable to *House Bill 193 (passed)*, which extends for two years, the termination date under which existing qualified organizations and licensed commercial entities may operate electronic instant bingo machines that would otherwise be illegal under the law.

*Senate Bill 552 (passed)* requires the Comptroller to declare an amnesty period for delinquent taxpayers for the month of September 2009, for penalties and interest due attributed to the nonpayment, nonreporting, or underreporting of income taxes, withholding taxes, sales and use taxes, or admissions and amusement taxes that are paid during the amnesty period. An estimated \$7.2 million would be credited to the general fund.

### **Outlook for Future Budgets**

As shown in **Exhibit A-1.7**, there is a cash balance of \$96 million projected at the end of fiscal 2010, while ongoing spending exceeds ongoing revenues by \$1,695 million. Fiscal 2010 spending is supported by federal stimulus totaling \$1,027 million, reducing the general fund balance by \$345 million, fund transfers totaling \$234 million, and one-time revenues totaling \$229 million.

The shortfall is projected to increase in fiscal 2011 and decline in fiscal 2012. The fiscal 2011 increase is due to projected increases in entitlements (led by Medicaid growth) and agency growth attributable to increases in personnel costs (such as the annual salary increase, health insurance, and retirement costs) and the one-time nature of many of the reductions taken in agency budgets (such as Department of Information Technology project deferrals).

Video lottery terminal bids received for machines in February 2009 were for less than the number of projected machines. The revenue bids were revised to reflect a slower implementation, thus delaying support for education programs. Instead of supporting programs in fiscal 2011, the estimates now assume substantial funding in fiscal 2012. The narrowing of the budget gap in fiscal 2012 is attributable to \$366 million in video lottery terminal revenues.

**Exhibit A-1.7**  
**General Fund Budget Outlook**  
**Fiscal 2009-2014**  
**(\$ in Millions)**

<u>Revenues</u>	<u>2009</u> <u>Working</u>	<u>2010</u> <u>Allowance</u>	<u>2011</u> <u>Est.</u>	<u>2012</u> <u>Est.</u>	<u>2013</u> <u>Est.</u>	<u>2014</u> <u>Est.</u>	<u>2010-2014</u> <u>Avg Annual</u> <u>Change</u>
Opening Fund Balance	\$487	\$441	\$96	\$0	\$0	\$0	
Transfers	197	234	64	52	66	55	
One-time Revenues/Legislation	852	229	113	14	7	8	
<b>Subtotal One-time Revenue</b>	<b>\$1,536</b>	<b>\$905</b>	<b>\$274</b>	<b>\$66</b>	<b>\$73</b>	<b>\$63</b>	<b>-48.7%</b>
Ongoing Revenues	\$13,221	\$12,975	\$13,642	\$14,433	\$15,021	\$15,674	
Revenue Adjustments – Legislation	0	13	13	10	2	0	
<b>Subtotal Ongoing Revenue</b>	<b>\$13,221</b>	<b>\$12,988</b>	<b>\$13,655</b>	<b>\$14,444</b>	<b>\$15,022</b>	<b>\$15,674</b>	<b>4.8%</b>
<b>Total Revenues and Fund Balance</b>	<b>\$14,757</b>	<b>\$13,894</b>	<b>\$13,929</b>	<b>\$14,510</b>	<b>\$15,095</b>	<b>\$15,736</b>	<b>3.2%</b>
<b>Ongoing Spending</b>							
Operating Spending <sup>(1)</sup>	\$14,592	\$14,723	\$15,973	\$16,697	\$17,523	\$18,355	
VLT Spending Supporting Education	0	-39	-13	-366	-614	-664	
<b>Subtotal Ongoing Spending</b>	<b>\$14,592</b>	<b>\$14,684</b>	<b>\$15,961</b>	<b>\$16,331</b>	<b>\$16,909</b>	<b>\$17,691</b>	<b>4.8%</b>
<b>One-time Spending</b>							
PAYGO Capital	\$14	\$1	\$1	\$1	\$1	\$1	
Federal Stimulus Funds	-437	-1,027	-854	0	0	0	
Appropriation to Reserve Fund	147	140	50	50	50	50	
<b>Subtotal One-time Spending</b>	<b>-\$276</b>	<b>-\$886</b>	<b>-\$803</b>	<b>\$51</b>	<b>\$51</b>	<b>\$51</b>	<b>n/a</b>
<b>Total Spending</b>	<b>\$14,315</b>	<b>\$13,797</b>	<b>\$15,158</b>	<b>\$16,382</b>	<b>\$16,960</b>	<b>\$17,742</b>	<b>6.5%</b>
<b>Ending Balance</b>	<b>\$441</b>	<b>\$96</b>	<b>-\$1,229</b>	<b>-\$1,872</b>	<b>-\$1,864</b>	<b>-\$2,006</b>	
Rainy Day Fund Balance	693	651	683	723	754	786	
Balance over 5% of GF Revenues	32	0	0	2	3	3	
As % of GF Revenues	0	0	0	0	0	0	
<b>Structural Balance</b>	<b>-\$1,371</b>	<b>-\$1,695</b>	<b>-\$2,306</b>	<b>-\$1,887</b>	<b>-\$1,886</b>	<b>-\$2,018</b>	

VLT: video lottery terminal

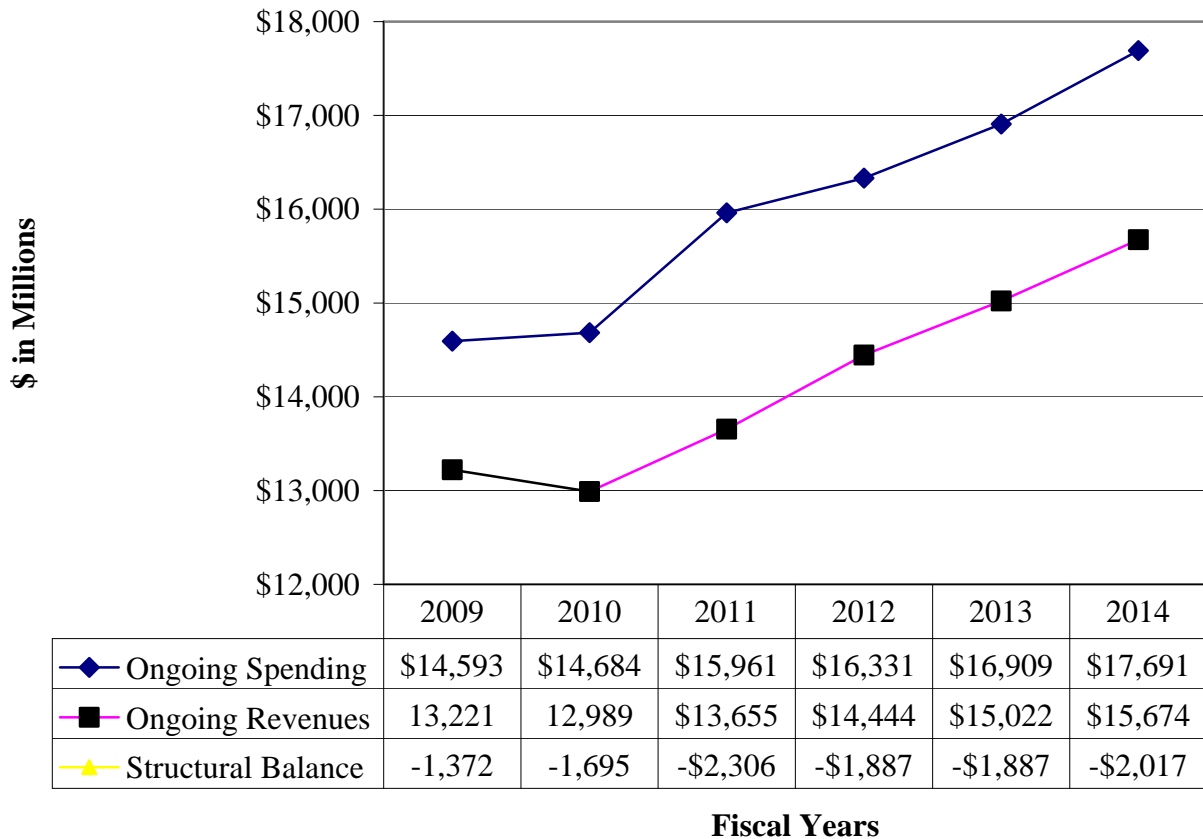
GF: general fund

PAYGO: pay-as-you-go

<sup>(1)</sup> Assumes General Obligation Bond debt service costs supported by State property tax of \$0.112 per \$100 of assessable base. Consistent with administration policy, debt service cost increases in excess of revenues generated by State property taxes are supported by general funds.

As shown in **Exhibit A-1.8**, the structural deficit increases to \$2.3 billion in fiscal 2011 based on a number of factors including personnel and Medicaid growth, as well as the short-term nature of reductions adopted in fiscal 2010. Revenue from video lottery terminals is expected to be received in fiscal 2011, which reduces the deficit to about \$1.9 billion. By fiscal 2014, the shortfall is expected to climb to just over \$2.0 billion. When economic recovery occurs, it can be expected to improve the overall fiscal picture in the out-years. However, even a robust increase in revenue is unlikely to fully resolve the current imbalance between ongoing revenues and spending. Future balance will depend upon a multi-year approach involving spending reductions in combination with possible revenue considerations.

**Exhibit A-1.8**  
**Projected General Fund Structural Deficit**  
**Fiscal 2009-2014**  
**(\$ in Millions)**



## Budget-related Legislation

### Budget Reconciliation and Financing Legislation

*House Bill 101 (passed)*, the BRFA of 2009 implements \$1.3 billion in actions that benefit the general fund. These actions are summarized in **Exhibit A-1.9**

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#### Exhibit A-1.9 Summary of Actions in the Budget Reconciliation and Financing Act of 2009 (\$ in Millions)

Fund Transfers	\$1,001.7 million
Contingent Reductions	284.9 million
Fiscal 2010 Revenues	-1.3 million
<b>Total Budgetary Action</b>	<b>\$1,285.3 million</b>

Source: Department of Legislative Services

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Actions within the BRFA of 2009 can be categorized into five major types: fund balance transfers; use of special fund revenues in lieu of general funds; changes in formula calculations; revenue actions; and miscellaneous other provisions.

#### Fund Balance Transfers

As shown in **Exhibit A-1.10**, the BRFA of 2009 implements 32 separate fund balance transfers from 29 different funds. The largest single transfer is from the local income tax refund reserve (\$366.8 million), to be replenished over 10 years by the counties. The next largest is a series of actions related to POS and related programs (totaling \$172.3 million). The capital budget includes bond authorization for \$71.3 million to cover prior land purchases and \$31.0 million in lieu of PAYGO funds for Rural Legacy, State capital development projects, and agricultural land preservation. This \$102.3 million, plus an additional \$70.0 million in unencumbered State land acquisition funds, is transferred to the general fund.

A transfer of \$161.9 million is made from highway user revenues to the general fund, with a concomitant reduction in payments to local jurisdictions. Of this total, \$101.9 million is reduced in accordance with the highway user formula, except that municipalities are reduced a total of only \$3.7 million. The remaining \$60.0 million reduction, allocated to Baltimore City and the counties only, is allocated based on wealth and tax effort.

**Exhibit A-1.10**  
**Transfers to the General Fund**  
**Budget Reconciliation and Financing Act of 2009**  
**(\$ in Millions)**

<u>Fiscal 2009</u>	<u>Amount</u>
Local Income Tax Reserve for Refunds	\$366.8
Dedicated Purpose Account – ICC/Prince George’s Hospital	73.0
Helicopter Replacement Fund	52.7
University System of Maryland Fund Balance	29.0
Injured Workers’ Insurance Fund for Future Liability	28.0
State Insurance Trust Fund	10.0
Maryland Trauma Physician Services Fund	17.0
Community Health Resources Fund	12.1
Maryland Automobile Insurance Fund – Uninsured Account	7.0
Central Collection Unit – Department of Budget and Management	5.0
Economic Development Opportunities (Sunny Day) Fund	5.0
Maryland Economic Development Assistance Fund	6.0
Senior Drug Prescription Program	2.6
Bond Fund Recent Program Open Space Land Purchases	71.3
Program Open Space Balances – State	70.0
Oil Disaster Containment, Cleanup, and Contingency Fund	2.0
Used Tire Cleanup and Recycling Fund	3.0
Small Business Pollution Compliance Loan Fund	0.3
Board of Physicians	3.2
Board of Nursing	0.5
Maryland Health Care Commission	2.0
Insurance Regulation Fund – Maryland Insurance Administration	1.6
Vehicle Theft Prevention Fund	1.0
School Bus Safety Enforcement Fund	0.9
Expedited Service Fund – Assessments and Taxation	0.4
State Self-Insured Unemployment Insurance Reserve	10.0
Universal Service Trust Fund	5.0
<b>Subtotal</b>	<b>\$785.4</b>
<b><u>Fiscal 2010</u></b>	
Central Collection Unit – Department of Budget and Management	\$10.0
Catastrophic Event Account	7.4
Program Open Space and Agricultural Land Preservation Allocations	31.0
Maryland Economic Development Assistance Fund	6.0
Local Highway User Revenues	161.9
<b>Subtotal</b>	<b>\$216.3</b>
<b>Total Transfers</b>	<b>\$1,001.7</b>

ICC: InterCounty Connector

Source: Department of Legislative Services

Other significant transfers include \$65.0 million from the Dedicated Purpose Account (DPA) to support the construction costs of the ICC – \$55.0 million in general obligation bonds are provided instead. Similarly, \$52.7 million is transferred from the State Police Helicopter Replacement Fund, and \$52.5 million in bond authorization is provided.

A number of other special fund balances were subject to transfer, including \$29.0 million from USM; \$28.0 million from the State employees' workers' compensation fund held by the Injured Workers' Insurance Fund; \$17.0 million from the Maryland Trauma Physician Services Fund; \$15.0 million from the Central Collection Unit (CCU); \$12.1 million from the Community Health Resources Commission Fund; and \$12.0 million from the Maryland Economic Development Assistance and Authority Fund. A provision effective in fiscal 2011 will automatically transfer excess balances from the CCU to the general fund.

### **Use of Special Funds in Lieu of General Funds**

In a number of instances, the BRFA of 2009 expanded authorized uses of special funds to allow for a contingent reduction of general funds. In the health arena, the Health Care Coverage Fund is tapped to cover the 2010 support of the Prince George's Hospital Center (\$12.0 million), for general Medicaid purposes (\$53.5 million), and for Medicaid hospital payments (\$9.0 million). The statutory requirements for allocating Cigarette Restitution Funds were amended for two years, reducing the Statewide Academic Health Center and Tobacco Prevention and Cessation grants; these changes provide \$19.5 million to offset the need for general funds in several health programs. Special funds in the Maryland Health Insurance Program (\$4.5 million), the Community Health Resources Commission (\$9.1 million) and the AIDS drug rebate program (\$0.9 million) are used in a number of health programs in lieu of general funds.

In the environmental area, the BRFA of 2009 reduces the motor fuel and short-term vehicle rental taxes directed to the Chesapeake Bay 2010 Trust Fund by \$21.5 million, instead directing those revenues to the general fund. The uses of the Strategic Energy Investment Fund, supported by the auction of carbon dioxide allowances, are altered for two years, most significantly to increase the proportion of funds available for low-income energy bill payment assistance, saving an estimated \$35.6 million in general funds each year. An additional \$5.0 million is available for cover crop programs through the Bay Restoration Fund, and several funds are accessed to support operating expenses in the Departments of Natural Resources and the Environment, totaling \$3.7 million. In related provisions, the BRFA of 2009 raises the contingency fund limit for POS and make the Maryland Historical Trust and Historic St. Mary's City eligible for POS capital development funding.

Finally, Medicare Part D reimbursements are applied to the State Employees and Retirees Health and Welfare Benefits Fund in lieu of general funds; the Universal Service Trust Fund supports a portion of the budget for the Maryland School for the Deaf; and the Fair Campaign Financing Fund is authorized to partially fund the new Optical Scan Voting System.

### **Mandate Relief and Formula Changes**

With both specific actions and by a global provision, the BRFA of 2009 alters the fiscal 2010 and future formula calculations in a number of instances. Many are in effect only for one, two, or three years, but these changes moderate the growth that would otherwise occur in the budget. The global provision allows the Governor to not fund any increases in 2011 or 2012 over the amount funded in 2010, with exceptions for certain education formulas, retirement payments, contributions to the Rainy Day Fund, and any statute expressly addressed in this BRFA.

The most significant specific changes are made in preK-12 and higher education. For fiscal 2012, a 1% inflation cap is applied to the foundation aid per pupil amount and student transportation grant to moderate the general fund impact when federal funds from the ARRA are no longer available to support the growth in education formulas. The cost-sharing arrangement for special education nonpublic placements is also changed, so that the State share is reduced from 80 to 70% of costs above the local base share, beginning in fiscal 2010. Overpayments of education and library aid, caused by an error in the wealth calculations for fiscal 2009, will be recouped in 2010 and 2011.

County public library and regional library formulas are also altered to moderate the growth in per capita funding. The prior enhancement goals of \$16.00 and \$8.50, respectively, are attained in 2013. Similarly, the Aging Schools Program is funded at \$6.1 million for fiscal 2010 (through the capital budget) and fiscal 2011 and at \$10.4 million in 2012; inflationary increases from this reduced base resume in fiscal 2013. Finally, the eligibility and bonus payments under the Quality Teacher Incentive program are altered.

In higher education, the formulas for community colleges, BCCC, and private colleges and universities are moderated to be more affordable in the next few years. In all three cases, the formulas are “trued up,” meaning that they rely on the funding provided to public four-year institutions in the same year, rather than lagging behind for a year. As with the library formulas, enhancements are provided over the next several years, with the Cade and BCCC formulas reaching their maximum in 2014, and the Sellinger formula in 2015. The percentage of public four-year per student funding is reduced under the true up plan (compared to the percentages in the prior statute), but the same dollar amount of funding is achieved.

In the environmental and economic development areas, the general fund mandate for the Waterway Improvement Fund is eliminated; for two years, the grant to the Maryland Agricultural and Resource-Based Industry Development Corporation is reduced, as is the payment-in-lieu-of-taxes generated from forest and park revenues from non-timber sales. General fund support for the Maryland Tourism Board is maintained at \$6.0 million annually; the Maryland State Arts Council will be funded at \$13.5 million in 2010 and 2011, after which funding will grow at the rate of general fund revenue growth.

Several areas of mandate relief apply to local government aid. The local jail reimbursement program is converted to a grant program based on a flat per diem amount for the number of inmates serving 12-18 months. The BRFA of 2009 also establishes a cap at the 2010 level for each county's disparity grant payment, and eliminates the State responsibility for payment of prior jail reimbursement expenses and for the retirement costs of certain local employees.

Finally, the rates to be paid to group home operators are frozen for 2010 at the 2009 level, and payments to nonpublic placement providers can only increase 1%. Merit increases (with certain exceptions) and the match to deferred compensation contributions are eliminated for 2010.

### **Revenue Actions**

The BRFA of 2009 raises the monthly fee under the Drinking Driver Monitoring Program to \$55 and removes the sunset on the fee, and for three years, reduces the commissions paid to lottery agents from 5.5 to 5.0%. The Maryland-mined coal tax credit is reduced to \$4.5 million for three years and then set at \$6.0 million in 2013 and 2014 before decreasing to \$3.0 million for 2015 to 2020. The BRFA of 2009 reduces the local jurisdictions' share of highway user revenues from 30.0 to 28.5% beginning in 2012, and reauthorizes, for 2010 only, the allocation of a share of corporate income tax receipts to the Higher Education Investment Fund.

Finally, the BRFA of 2009 addresses several federal tax changes enacted as part of the ARRA of 2009. Specifically, the State will remain coupled to favorable tax treatment of the earned income tax credit, enhanced unemployment insurance benefits, and new vehicle excise or sales taxes. Conversely, the State will be decoupled for tax years 2009 and 2010 for provisions related to cancellation of corporate debt.

### **Other Provisions**

The BRFA of 2009 establishes a framework and authority to use bonds in place of transfer tax revenues for capital-eligible POS programs for three years. Contingent on the failure of *House Bill 960 (passed)* and on the Prince George's County Board of Education proceeding with the purchase or lease of a new administration building, Foundation Aid for Prince George's County Schools is reduced by \$36 million in fiscal 2010. A mechanism is established to provide funds in agency budgets for the development and implementation of a new human resource management technology system. Interagency barriers between the Departments of Human Resources and Juvenile Services (DJS) are removed to facilitate the ability of DJS to claim full reimbursement under the federal IV-E program.

Counties are given additional time, and with an expedited review, to submit requests for a waiver of maintenance of effort for education spending. The BRFA of 2009 also clarifies future maintenance of effort requirements in the event a waiver is granted for 2010. An extension of two years, to 2014, is provided for the Maryland State Department of Education to be delivering

educational programming in all facilities operated by DJS. The Maryland Higher Education Commission is required to incorporate the recommendations of the Commission to Develop the Maryland Model for Funding Higher Education into the updated State Plan and to implement those recommendations that do not require legislation.

### **Federal Stimulus Funding**

On February 17, 2009, President Barack Obama signed the ARRA into law. ARRA's provisions support programs by funding infrastructure, education programs, human services programs, and providing discretionary funds. The legislation also affects taxes, by excluding portions of unemployment compensation from gross income and a temporarily increasing the earned income credit. **Exhibit A-1.11** shows that the ARRA provides \$4.1 billion in formula funding provided to Maryland governments. Of this amount, almost \$2.5 billion was appropriated at the 2009 session.

The federal grants provide \$396.0 million for educational programs, \$765.2 million for infrastructure programs, and \$546.2 million for other programs. These funds provide additional federal support and do not supplant general funds. ARRA also includes \$101.8 million in grants to local governments and aid organizations that are not appropriated in the State budget. These funds will be distributed directly to the local governments and aid organizations.

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.

### **Funds Supporting State General Fund Commitments**

With respect to the State budget, ARRA's most significant impact relates to the \$2.3 billion that can support State general fund commitments. These funds 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 \$1,435.9 million and are available from October 2008 through the end of December 2010. The largest share is \$891.8 million attributable to a 6.2% increase in the State's Federal Medical Assistance Percentage. The State receives another \$544.1 million based on projected unemployment rates. The federal legislation provides additional funding a state whose unemployment rate rises by 1.5% since the recession began in December 2007. Maryland qualifies for this throughout the period. Additional funds are received for States whose unemployment rate rises by 2.5%. The budget assumes that Maryland meets this threshold as of February 2009.

**Exhibit A-1.11**  
**Impact of the ARRA on Maryland and Local Budgets**  
**Fiscal 2009 and 2010 – Appropriations Compared to Total Available Funds**  
**(\$ in Millions)**

<u>Program</u>	<u>2009</u>	<u>2010</u>	<u>Unapprop.</u>	<u>Total</u>
<b>Supporting State General Fund Commitments</b>				
Fiscal Stabilization – Education	\$0.0	\$295.9	\$425.3	\$721.2
Fiscal Stabilization – Discretionary	1.5	79.6	79.4	160.5
Medicaid Assumed in Fiscal 2010 Budget	0.0	350.0	0.0	350.0
Additional Medicaid	435.0	302.0	348.9	1,085.9
<b>Subtotal</b>	<b>\$436.5</b>	<b>\$1,027.5</b>	<b>\$853.5</b>	<b>\$2,317.5</b>
<b>Education Grants Appropriated in the State Budget</b>				
Special Education	\$0.0	\$107.3	\$100.7	\$208.0
Title I	0.0	156.8	22.9	179.7
Education Technology	0.0	4.3	4.1	8.3
<b>Subtotal</b>	<b>\$0.00</b>	<b>\$268.40</b>	<b>\$127.70</b>	<b>\$396.00</b>
<b>Infrastructure Appropriated in the State Budget</b>				
Highways	\$0.0	\$249.0	\$182.0	\$431.0
Transit Capital	0.0	93.1	86.2	179.3
HOME Investment Partnerships Program	0.0	31.7	0.0	31.7
Clean Water	0.0	96.0	0.3	96.3
Drinking Water	0.0	27.0	0.0	27.0
<b>Subtotal</b>	<b>\$0.0</b>	<b>\$496.8</b>	<b>\$268.4</b>	<b>\$765.2</b>
<b>Other Grants Appropriated in the State Budget</b>				
State Energy Programs	\$1.5	\$0.0	\$56.0	\$57.5
Weatherization	6.6	28.1	31.0	65.6
Community Services Block Grant	0.0	12.6	1.1	13.7
Homelessness Prevention	0.0	5.7	0.0	5.7
Community Development Block Grant	0.0	2.2	0.0	2.2
Foster Care	8.6	11.5	5.8	25.9
Food Assistance	36.8	47.0	145.6	229.4
Temporary Assistance for Need Families	20.0	0.6	8.6	29.2
Ind. Living, Homeless Educ. & Work Study	0.4	0.9	2.9	4.2
Child Care & Development Block Grant	0.0	19.0	5.0	24.0
Vocational Rehabilitation	3.4	3.4	0.0	6.9
UI/Workforce Inv./Dislocated Workers	1.8	34.9	7.8	44.5
Preventive Health BG/Immunization	0.0	0.0	4.0	4.0
Byrne Grants/Public Safety Grants	0.0	13.1	20.3	33.4
<b>Subtotal</b>	<b>\$79.2</b>	<b>\$178.9</b>	<b>\$288.1</b>	<b>\$546.2</b>
<b>Total State Grants</b>	<b>\$515.7</b>	<b>\$1,971.5</b>	<b>\$1,537.8</b>	<b>\$4,025.0</b>
<b>Federal Grants Not Appropriated in the State Budget</b>				
Local Homelessness Prevention	n/a	n/a	n/a	\$16.8
Local Community Development Block Grant	n/a	n/a	n/a	12.8
Head Start	n/a	n/a	n/a	7.9
Local Byrne Grants	n/a	n/a	n/a	15.8
Public Housing	n/a	n/a	n/a	48.4
<b>Subtotal</b>				<b>\$101.8</b>
<b>Total Grants for Maryland Governments</b>	<b>\$515.7</b>	<b>\$1,971.5</b>	<b>\$1,537.8</b>	<b>\$4,126.8</b>

Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Services

The budget introduced by the Administration assumed \$350 million in federal funds for Medicaid in fiscal 2010. Supplemental Budget No. 1 provided another \$435 million in fiscal 2009 and \$302 million in fiscal 2010. Another \$348.9 million is projected in fiscal 2011. The funds are used to replace general funds and match federal funds.

**Exhibit A-1.12** shows that the ARRA provides \$881.6 million in Fiscal Stabilization funds. The legislation requires that 81.8%, which totals \$721.2 million, support education programs. The education funds must first be used to restore elementary and secondary school reductions to the 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 these elementary and secondary education increases. Supplemental Budget No. 1 provides \$295.9 million in fiscal 2010, leaving another \$425.3 million in unappropriated funds that can be used in fiscal 2011.

Finally, the ARRA allows that 18.2% of the Fiscal Stabilization funds can support general government services. These discretionary funds total \$160.5 million, of which \$1.5 million was appropriated in fiscal 2009 and \$79.6 million was appropriated in fiscal 2010. To promote accountability, State and federal governments have web sites that track the ARRA spending. Maryland's web site can be found at <http://statestat.maryland.gov/recovery.asp>, and the federal government's web site can be found at <http://www.recovery.gov/>.

## Higher Education

Every segment of higher education will receive an increase in State funds in fiscal 2010. Overall, new general, HEIF, and federal funds total \$33.5 million, or a 2.2% increase over fiscal 2009.

**Higher Education Investment Fund:** Language in the fiscal 2010 budget bill reduced the general fund appropriation for higher education by \$46.5 million contingent on the reauthorization of HEIF, replacing those general funds with HEIF. The BRFA of 2009, reauthorizes the allocation of corporate tax revenues to HEIF for an additional year, fiscal 2010, and allows HEIF to be allocated to USM research institutes.

**Tuition Freeze:** In an effort to continue to make college affordable for Maryland residents, the tuition freeze is extended for a fourth year for resident undergraduate students at USM institutions and MSU. A total of \$17 million of discretionary federal funds made available through the ARRA of 2009 is used to freeze tuition rates, an amount equivalent to approximately a 4.0% tuition increase at USM institutions and 5.0% at MSU. St. Mary's College of Maryland is not affected by the tuition freeze and will increase tuition 5.0% in fall 2009.

**Exhibit A-1.12**  
**ARRA – Federal Stabilization Spending by Program**  
**Fiscal 2009-2010**  
**(\$ in Millions)**

<u>Program</u>	<u>2009</u>	<u>2010</u>	<u>Unapprop.</u>	<u>Total</u>
<b>Fiscal Stabilization – Education</b>				
Foundation Program	\$0.0	\$110.3	\$0.0	\$110.3
Compensatory Education	0.0	26.3	0.0	26.3
Teacher Retirement	0.0	137.3	0.0	137.3
Limited English Proficient Grant	0.0	4.7	0.0	4.7
Student Transportation	0.0	17.3	0.0	17.3
Unappropriated	0.0	0.0	425.3	425.3
<b>Subtotal</b>	<b>\$0.0</b>	<b>\$295.9</b>	<b>\$425.3</b>	<b>\$721.2</b>
<b>Fiscal Stabilization – Discretionary</b>				
Community College Formula Fund Swap	\$0.0	\$14.5	\$0.0	\$14.5
Higher Education Funding Fund Swap	0.0	17.6	0.0	17.6
MSP Salary Expenses Fund Swap	0.0	18.0	0.0	18.0
DJS Per Diem Placement Costs Fund Swap	0.0	0.7	0.0	0.7
DHR Temporary Disability Assistance Program	1.5	1.5	0.0	3.0
DPSCS Overtime, Food, and Utility Costs	0.0	21.6	0.0	21.6
DJS Salary Expenses	0.0	3.8	0.0	3.8
MSP Salary, Fuel, and Utility Costs	0.0	1.9	0.0	1.9
Unappropriated	0.0	0.0	79.4	79.4
<b>Subtotal</b>	<b>\$1.5</b>	<b>\$79.6</b>	<b>\$79.4</b>	<b>\$160.5</b>
<b>Total Fiscal Stabilization</b>	<b>\$1.5</b>	<b>\$375.5</b>	<b>\$504.6</b>	<b>\$881.6</b>

ARRA: American Recovery and Reinvestment Act of 2009

DHR: Department of Human Resources

DJS: Department of Juvenile Services

DPSCS: Department of Public Safety and Correctional Services

MSP: Maryland State Police

Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Services

**State Aid for Independent Institutions:** Fiscal 2010 funding through the Joseph A. Sellinger Program, increases \$1.7 million over fiscal 2009, or 3.4%. The fiscal 2010 funding equates to 12.9% of fiscal 2010 general fund support per student at selected four-year public institutions.

**Community College Funding:** Fiscal 2010 funding through the Senator John A. Cade funding formula grows by 3.8% over fiscal 2009. This appropriation represents 23.6% of the per-student funding that selected public four-year institutions receive in fiscal 2010. When additional funds for fringe benefits and other programs are included, the overall community college budget increases 5.0%, or \$12.8 million. BCCC, as the State’s only State-operated community college, has its own formula, which for fiscal 2010, sets State support at 65.1% of the current year State appropriations per student at selected four-year public institutions. BCCC receives an increase of 3.4%, or \$1.4 million. The availability of discretionary federal stimulus funds allowed for a reduction of general funds for community colleges (\$14.5 million) and BCCC (\$0.6 million) with federal funds appropriated in equal amounts.

## **State Reserve Fund**

The Rainy Day Fund, DPA, and Catastrophic Event Account have a combined \$652.1 million fund balance projected at the end of fiscal 2010. Activity in fiscal 2010 is listed in **Exhibit A-1.13** and detailed below.

### **Fiscal 2009 Actions**

#### ***Dedicated Purpose Account***

- Through the BRFA, two fiscal 2009 appropriations totaling \$73.0 million were withdrawn and transferred to the general fund. This included \$65.0 million for the ICC, and \$8 million toward the State’s commitment to the Prince George’s County Hospital.

### **Fiscal 2010 Actions**

#### ***Rainy Day Fund***

- \$139.9 million is appropriated to the Rainy Day Fund. Section 7-311 of the State Finance and Procurement Article requires that in the budget for the second subsequent fiscal year, the Governor appropriate an amount equal to the unappropriated general fund balance at closeout exceeding \$10.0 million into the Rainy Day Fund. At the end of fiscal 2008, the unappropriated general fund balance totaled \$185.7 million so the Governor included \$175.7 million in the allowance. This amount was reduced by \$35.8 million to \$139.9 million based on revised revenue estimates which lowered the amount necessary to equal 5.0%; and

**Exhibit A-1.13**  
**State Reserve Fund Activity**  
**Fiscal 2009 and 2010**  
**(\$ in Millions)**

	<u>Rainy Day</u> <u>Fund</u>	<u>Dedicated</u> <u>Purpose Acct.</u>	<u>Catastrophic</u> <u>Event Acct.</u>
<b>Estimated Balances 6/30/08</b>	<b>\$684.8</b>	<b>\$22.0</b>	<b>\$8.4</b>
<b>Fiscal 2009 Appropriations</b>	146.5	85.0	0.0
<b>Expenditures</b>			
Substance Abuse Case Mgmt. Compact		-2.0	
Prince George's County Hospital		-12.0	
<b>Transfers to General Fund</b>			
Fiscal 2009 Budget Bill	-125.0		
BPW on October 15, 2008		-20.0 <sup>1</sup>	
Fiscal 2010 Budget Bill	-45.0		
BRFA of 2009		-73.0 <sup>2</sup>	
<b>Estimated Interest</b>	31.3		
<b>Estimated Balances 6/30/09</b>	692.6	0.0	8.4
<b>Fiscal 2010 Appropriations</b>	139.9		0.0
<b>Transfers to General Fund</b>	-210.0		-7.4 <sup>3</sup>
<b>Estimated Interest</b>	28.6		
<b>Estimated Balances 6/30/10</b>	<b>\$651.1</b>	<b>\$0.0</b>	<b>\$1.0</b>
<b>Balance in Excess of 5% GF Revenues</b>	<b>\$0.0</b>		

BPW: Board of Public Works

GF: general fund

<sup>1</sup> The Administration's cost containment plan included reducing the \$85 million appropriation for the ICC by \$20 million. The plan was approved by the BPW on October 15, 2008.

<sup>2</sup> The BRFA of 2009 transfers the remaining \$8.0 million dedicated to the Prince George's County Hospital and the remaining \$65.0 million dedicated to the ICC, to the general fund.

<sup>3</sup> The BRFA of 2009 transfers \$7.4 million from the Catastrophic Event Account to the general fund..

Source: Department of Budget and Management

- \$210.0 million is transferred to the general fund from the Rainy Day Fund to support fiscal 2010 operations.

#### ***Dedicated Purpose Account***

- Although the allowance had contained \$63.0 million to support continued construction of the ICC, it was reduced as part of the plan to balance the budget. Ultimately, \$55.0 million was included in the capital budget based on cash flow needs for the project.

#### **Rainy Day Fund Outlook**

The end-of-year fiscal 2010 Rainy Day Fund balance is projected to be \$651.1 million, which is 5.0% of general fund revenues. State law provides that if the fund balance is less than 7.5% of general fund revenues, a \$50.0 million appropriation is required. The forecast assumes these appropriations in the out-years.

#### **Personnel**

State expenditures for employee compensation, estimated to be \$7.0 billion in fiscal 2010, constitute a major component of the budget. Regular employee expenditures increase \$145.0 million, or 2.19%, to \$6.8 billion while contractual employee expenditures for fiscal 2010 total \$204.8 million.

#### **Health Insurance**

To meet rising health insurance costs, the State budget includes health insurance payments of \$869.6 million in fiscal 2010, a \$128.6 million, or 17.4%, increase over the \$741.0 million budgeted in fiscal 2009. The increase is substantial in part because fiscal 2009 appropriations were reduced artificially due to availability of unexpended balances from prior years in the health insurance account.

#### **Employee Compensation**

The regular employee compensation package for fiscal 2010 was lessened from that provided to the workforce in fiscal 2009 due to fiscal constraints. Benefits *not* available to State employees are:

- salary increments, also known as merit increases, for employees who are performing at or above established standards for their classification;
- cost-of-living increases;

- the State match of \$600 for those employees participating in individual deferred compensation plans; and
- the pre-funding of OPEB liability, which chiefly represents the estimated value of health insurance subsidies for future retirees.

### **Workforce Changes**

Relative to fiscal 2008 the overall fiscal 2009 personnel complement decreases by almost 800 positions. In response to direction from SAC, the Governor had proposed to abolish 1,000 positions in the fiscal 2010 budget; instead however, 893.65 regular positions were abolished in March 2009 through the BPW. All but 2 were vacant. In total 1,048.7 positions were abolished in fiscal 2009 from Executive Branch agencies. The abolitions were offset by the creation of 179 positions in higher education and 71 positions added by the Judiciary. In fiscal 2010, the General Assembly deleted 101.5 positions, as shown in **Exhibit A-1.14**.

**Exhibit A-1.14**  
**Regular Full-time Equivalent Positions**  
**Fiscal 2009 and 2010**

<u>Department/Service Area</u>	<u>2008 Actual</u>	<u>2009 Wkg. Approp.</u>	<u>08-09 Change</u>	<u>2010 Allowance</u>	<u>2010 Legis. Approp.</u>	<u>Legis. Reductions</u>
<b>Health and Human Services</b>						
Health and Mental Hygiene	7,493.9	7,111.6	-382.3	6,827.2	6,827.2	0.0
Human Resources	6,961.4	6,701.4	-260.0	6,642.9	6,642.9	0.0
Juvenile Services	2,221.7	2,255.1	33.4	2,254.1	2,254.1	0.0
<b>Subtotal</b>	<b>16,676.9</b>	<b>16,068.0</b>	<b>-608.9</b>	<b>15,724.1</b>	<b>15,724.1</b>	<b>0.0</b>
<b>Public Safety</b>						
Public Safety and Correctional Services	11,641.5	11,372.6	-268.9	11,395.6	11,395.6	0.0
Police and Fire Marshal	2,457.5	2,422.5	-35.0	2,420.5	2,420.5	0.0
<b>Subtotal</b>	<b>14,099.0</b>	<b>13,795.1</b>	<b>-303.9</b>	<b>13,816.1</b>	<b>13,816.1</b>	<b>0.0</b>
<b>Transportation</b>	8,994.0	9,134.5	140.5	9,134.5	9,079.5	-55.0
<b>Other Executive</b>						
Legal (Excluding Judiciary)	1,582.1	1,535.6	-46.5	1,520.6	1,520.6	0.0
Executive and Admin. Control	1,660.6	1,639.2	-21.4	1,640.9	1,639.9	-1.0
Financial and Revenue Admin.	2,024.5	1,991.5	-33.0	1,994.0	1,994.0	0.0
Budget and Management	434.8	440.8	6.0	451.3	451.3	0.0
Retirement	203.0	204.0	1.0	204.0	204.0	0.0
General Services	638.0	592.0	-46.0	598.0	598.0	0.0
Natural Resources	1,343.5	1,345.5	2.0	1,340.5	1,340.5	0.0
Agriculture	436.5	418.5	-18.0	422.5	422.5	0.0
Labor, Licensing, and Regulation	1,492.7	1,443.2	-49.5	1,693.2	1,693.2	0.0
MSDE and Other Education	2,182.2	2,136.2	-46.0	1,940.7	1,940.7	0.0
Housing and Community Development	311.0	311.0	0.0	311.0	311.0	0.0
Business and Economic Development	276.0	258.0	-18.0	258.0	256.0	-2.0
Environment	957.0	950.0	-7.0	949.0	949.0	0.0
<b>Subtotal</b>	<b>13,541.9</b>	<b>13,265.5</b>	<b>-276.4</b>	<b>13,323.7</b>	<b>13,320.7</b>	<b>-3.0</b>
<b>Executive Branch Subtotal</b>	<b>53,311.8</b>	<b>52,263.1</b>	<b>-1,048.7</b>	<b>51,998.4</b>	<b>51,940.4</b>	<b>-58.0</b>
<b>Higher Education</b>	23,612.8	23,791.8	179.0	23,927.6	23,927.6	0.0
<b>Judiciary</b>	3,498.3	3,569.3	71.0	3,624.8	3,581.3	-43.5
<b>Legislature</b>	747.0	747.0	0.0	747.0	747.0	0.0
<b>Grand Total</b>	<b>81,169.8</b>	<b>80,371.1</b>	<b>-798.7</b>	<b>80,297.7</b>	<b>80,196.2</b>	<b>-101.5</b>

MSDE: Maryland State Department of Education

Source: Department of Budget and Management, Department of Legislative Services

## **By the Numbers**

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

**Exhibit A-1.15** shows the impact of the legislative budget on the general fund balance for fiscal 2009 and 2010. The fiscal 2009 balance is estimated to be \$441.3 million. At the end of fiscal 2010, the closing balance is estimated to be \$96.2 million.

**Exhibit A-1.15**  
**Final Budget Status**  
**Status as of April 13, 2009**

	<u>FY 2009</u>	<u>FY 2010</u>
<b>Starting General Fund Balance</b>	<b>\$487,111,012</b>	<b>\$441,298,701</b>
<b>Revenues</b>		
BRE Estimated Revenues – December 2008	\$13,665,969,759	\$13,738,264,311
BRE Revenue Revision – March 2009	-445,516,000	-716,484,000
Supplemental Budget No. 1	5,000,000	8,000,000
Supplemental Budget No. 2	6,000,000	2,000,000
Transfer of Special Fund Balances (Ch. 147 of 2008)	25,000,000	0
Budget Reconciliation Legislation – Revenues	0	-1,378,944
Budget Reconciliation Legislation – Transfers	785,403,172	216,289,248
Other Legislation	0	14,200,000
Additional Revenues	56,382,018	-18,684,426
<b>Subtotal Revenues</b>	<b>\$14,098,238,949</b>	<b>\$13,242,206,189</b>
Net Transfer to the GF from the Rainy Day Fund	23,456,658	34,252,421
<b>Subtotal Available Revenues</b>	<b>\$14,608,806,619</b>	<b>\$13,717,757,311</b>
<b>Appropriations</b>		
General Fund Appropriations Net of Rainy Day Fund	\$14,933,014,942	\$14,707,721,171
Deficiencies	92,831,069	0
Supplemental Budget No. 1	-384,111,692	-478,066,180
Supplemental Budget No. 2	19,252,056	-4,877,602
Board of Public Works Withdrawn Appropriations	-414,452,460	0
Legislative Reductions/Contingent Legislation	-2,598,760	-572,831,945
Estimated Agency Reversions	-76,427,237	-30,400,000
<b>Subtotal Appropriations</b>	<b>\$14,167,507,918</b>	<b>\$13,621,545,444</b>
<b>Closing General Fund Balance</b>	<b>\$441,298,701</b>	<b>\$96,211,867</b>

BRE: Board of Revenue Estimates

GF: general fund

**Exhibit A-1.16**, the fiscal note on the budget bill, depicts the Governor’s allowance, funding changes made through Supplemental Budgets No. 1 and 2, legislative reductions, and final appropriations for fiscal 2009 and 2010 by fund source. The Governor’s original request provided for \$32.0 billion (net of projected general fund reversions) in fiscal 2010 expenditures and \$286.2 million in fiscal 2009 deficiencies.

**Exhibit A-1.16**  
**Fiscal Note**  
**Summary of the Budget Bill – House Bill 100**

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
<b>Governors Request</b>					
Fiscal 2009 Deficiency Budget <sup>(1)</sup>	\$14,673,410,635	\$5,852,313,348	\$7,097,216,279	\$3,302,036,527	\$30,924,976,789
Fiscal 2010 Budget	14,853,468,750 <sup>(2)</sup>	6,096,140,884 <sup>(3)</sup>	7,662,764,966	3,407,891,319	32,020,265,919
<b>Original Budget Request</b>	<b>\$29,526,879,385</b>	<b>\$11,948,454,232</b>	<b>\$14,759,981,245</b>	<b>\$6,709,927,846</b>	<b>\$62,945,242,708</b>
<b>Supplemental Budget No. 1</b>					
Fiscal 2009 Deficiency Budget	-\$374,819,631 <sup>(4)</sup>	\$5,400,000	\$505,386,850	\$0	\$135,967,219
Fiscal 2010 Budget	-478,466,180 <sup>(4)</sup>	-55,100,000	943,172,667	0	409,606,487
<b>Subtotal</b>	<b>-\$853,285,811</b>	<b>-\$49,700,000</b>	<b>\$1,448,559,517</b>	<b>\$0</b>	<b>\$545,573,706</b>
<b>Supplemental Budget No. 2</b>					
Fiscal 2009 Deficiency Budget	\$18,059,016 <sup>(4)</sup>	\$36,749,065	\$95,920,140	\$11,928,370	\$162,656,591
Fiscal 2010 Budget	-4,877,602	2,409,631	727,154,173	0	724,686,202
<b>Subtotal</b>	<b>\$13,181,414</b>	<b>\$39,158,696</b>	<b>\$823,074,313</b>	<b>\$11,928,370</b>	<b>\$887,342,793</b>
<b>Budget Reconciliation and Financing Act of 2009</b>					
Fiscal 2009 Withdrawn Appropriations	-\$1,598,760	-\$13,500,000	\$0	\$0	-\$15,098,760
Fiscal 2010 Contingent Reductions	-329,864,637	-254,838,745	-7,171,633	-599,021	-592,474,036
<b>Subtotal</b>	<b>-\$331,463,397</b>	<b>-\$268,338,745</b>	<b>-\$7,171,633</b>	<b>-\$599,021</b>	<b>-\$607,572,796</b>
<b>Conference Committee Reductions</b>					
Fiscal 2009 Deficiency Budget	-\$1,000,000	\$0	\$0	\$0	-\$1,000,000
Fiscal 2010 Budget	-242,967,308	-57,762,034	-3,368,829	-382,834	-304,481,005
<b>Total Reductions</b>	<b>-\$243,967,308</b>	<b>-\$57,762,034</b>	<b>-\$3,368,829</b>	<b>-\$382,834</b>	<b>-\$305,481,005</b>
<b>Appropriations</b>					
Fiscal 2009 Deficiency Budget	\$14,314,051,260	\$5,880,962,413	\$7,698,523,269	\$3,313,964,897	\$31,207,501,839
Fiscal 2010 Budget	13,797,293,023	5,730,849,736	9,322,551,344	3,406,909,464	32,257,603,567
<b>Change</b>	<b>-\$516,758,237</b>	<b>-\$150,112,677</b>	<b>\$1,624,028,075</b>	<b>\$92,944,567</b>	<b>\$1,050,101,728</b>

<sup>(1)</sup> Reflects \$284.2 million in total deficiencies, minus \$81.6 million in total appropriations withdrawn by the Board of Public Works on March 4, 2009, minus \$84.5 million in estimated agency general fund reversions.

<sup>(2)</sup> Reflects estimated general fund reversion of \$30.0 million, minus \$85.6 million in across-the-board general fund reductions reflected in the budget as introduced.

<sup>(3)</sup> Reflects a special reduction of \$1.0 million in the Prince George's County share of highway user revenues in the budget as introduced toward repayment of prior year FedEx Field infrastructure improvements.

<sup>(4)</sup> Net of additional reversions estimated in each of Supplemental Budgets No. 1 and No. 2.

The Governor added a net \$1.4 billion in fiscal 2009 and 2010 spending via two supplemental budgets. Nearly \$2.3 billion in federal funds were added, much of which reflects spending of federal stimulus funds received under the ARRA of 2009.

The legislature made \$16.1 million in reductions to current year appropriations, resulting in a net appropriation of \$31.2 billion for fiscal 2009. Reductions of \$897.0 million were adopted to the fiscal 2010 budget, which resulted in a final appropriation of \$32.3 billion.

**Exhibit A-1.17** illustrates budget changes by major expenditure category by fund. Total spending grows by \$1.1 billion, or 3.4%. Debt service grows by 6.5%; aid to local governments and entitlement spending each grow by 3.7%; and State agency spending (net of reversions and contingent reductions) rises 2.0%. PAYGO capital expenditures increase by 13.5% driven largely by additional federal stimulus funding.

As noted, approximately \$192.0 million in special fund appropriations will be added to the fiscal 2010 budget due to general fund reductions that were adopted where special fund balances were available. If those funds are included, special fund appropriations would increase by \$41.8 million or 0.7% and total spending would increase by \$1.2 billion or 4.0%.

**Exhibit A-1.17**  
**State Expenditures – General Funds**  
(\$ in Millions)

<u>Category</u>	<u>Actual</u>	<u>Adjusted</u>	<u>Legislative</u>	<u>FY 2009-2010</u>	
	<u>FY 2008</u>	<u>Work. Appr.</u> <u>FY 2009</u>	<u>Appropriation</u> <u>FY 2010</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$29.3	\$0.0	\$0.0	\$0.0	n/a
<b>Aid to Local Governments</b>					
County/Municipal	241.7	214.7	211.1	-3.6	-1.7%
Community Colleges	241.7	254.7	252.8	-1.9	-0.7%
Education/Libraries	5,223.0	5,436.8	5,230.0	-206.8	-3.8%
Health	67.0	57.4	57.4	0.0	0.0%
<b>Subtotal</b>	<b>\$5,773.4</b>	<b>\$5,963.5</b>	<b>\$5,751.3</b>	<b>-\$212.3</b>	<b>-3.6%</b>
<b>Entitlements</b>					
Foster Care Payments	246.3	243.0	244.1	1.1	0.5%
Assistance Payments	33.7	38.2	35.5	-2.7	-7.1%
Medical Assistance	2,214.5	1,904.3	1,676.3	-228.0	-12.0%
Property Tax Credits	56.3	57.3	61.0	3.8	6.6%
<b>Subtotal</b>	<b>\$2,550.9</b>	<b>\$2,242.7</b>	<b>\$2,016.9</b>	<b>-\$225.8</b>	<b>-10.1%</b>
<b>State Agencies</b>					
Health	1,369.5	1,401.3	1,435.4	34.0	2.4%
Human Resources	295.7	308.5	288.7	-19.8	-6.4%
Systems Reform Initiative	38.7	30.7	29.1	-1.6	-5.3%
Juvenile Services	266.7	267.0	263.8	-3.2	-1.2%
Public Safety/Police	1,215.6	1,256.7	1,230.0	-26.6	-2.1%
Higher Education	1,129.5	1,131.9	1,168.7	36.8	3.3%
Other Education	386.6	398.5	381.0	-17.5	-4.4%
Agric./Nat'l. Res./Environment	146.6	122.8	120.5	-2.3	-1.9%
Other Executive Agencies	566.3	549.9	567.9	18.0	3.3%
Legislative	70.8	76.4	76.7	0.3	0.4%
Judiciary	343.8	369.1	374.8	5.7	1.5%
Across-the-board Reductions	0.0	0.0	-25.5	-25.5	n/a
<b>Subtotal</b>	<b>\$5,929.9</b>	<b>\$5,912.8</b>	<b>\$5,911.0</b>	<b>-\$1.8</b>	<b>0.0%</b>
<b>Subtotal</b>	<b>\$14,283.5</b>	<b>\$14,119.1</b>	<b>\$13,679.2</b>	<b>-\$439.9</b>	<b>-3.1%</b>
Capital/Heritage Reserve Fund	41.9	23.0	8.2	-14.9	-64.5%
Transfer to MDTA	0.0	65.0	0.0	-65.0	-100.0%
Reserve Funds <sup>(1)</sup>	162.8	146.5	139.9	-6.6	-4.5%
<b>Appropriations</b>	<b>\$14,488.2</b>	<b>\$14,353.6</b>	<b>\$13,827.3</b>	<b>-\$526.3</b>	<b>-3.7%</b>
Reversions	0.0	-39.6	-30.0	9.6	-24.2%
<b>Grand Total</b>	<b>\$14,488.2</b>	<b>\$14,314.1</b>	<b>\$13,797.3</b>	<b>-\$516.8</b>	<b>-3.6%</b>

MDTA: Maryland Transportation Authority

Note: The fiscal 2009 working appropriation includes the March 4, 2009 Board of Public Works actions, targeted reversions, deficiencies, and legislative cuts to the deficiencies.

<sup>(1)</sup> Excludes \$65 million in fiscal 2009 appropriated to the Dedicated Purpose Account that is to be transferred to MDTA. These monies are included in the transfer to the MDTA line.

**Exhibit A-1.17 (Continued)**  
**State Expenditures – Special and Higher Education Funds\***  
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2008</u>	<u>Work. Appr.</u> <u>FY 2009</u>	<u>Legislative</u> <u>Appropriation</u> <u>FY 2010</u>	<u>FY 2009 to FY 2010</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$782.2	\$887.4	\$944.7	\$57.2	6.5%
<b>Aid to Local Governments</b>					
County/Municipal	664.8	536.1	355.3	-180.8	-33.7%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	0.2	1.4	41.2	39.8	2856.5%
Health	0.0	0.0	0.0	0.0	n/a
<b>Subtotal</b>	<b>\$665.0</b>	<b>\$537.5</b>	<b>\$396.5</b>	<b>-\$141.0</b>	<b>-26.2%</b>
<b>Entitlements</b>					
Foster Care Payments	0.1	0.1	0.1	0.0	0.0%
Assistance Payments	13.4	13.4	13.4	0.0	0.0%
Medical Assistance	231.4	395.8	425.8	30.0	7.6%
Property Tax Credits	0.5	0.0	0.0	0.0	n/a
<b>Subtotal</b>	<b>\$245.4</b>	<b>\$409.3</b>	<b>\$439.3</b>	<b>\$30.0</b>	<b>7.3%</b>
<b>State Agencies</b>					
Health	232.8	266.8	279.1	12.2	4.6%
Human Resources	86.1	58.5	74.5	16.0	27.4%
Systems Reform Initiative	0.6	0.7	0.0	-0.7	-100.0%
Juvenile Services	0.4	0.2	0.2	0.0	0.0%
Public Safety/Police	203.1	213.7	221.2	7.5	3.5%
Higher Education	3,098.4	3,387.4	3,414.5	27.1	0.8%
Other Education	37.6	42.8	45.0	2.1	5.0%
Transportation	1,399.2	1,460.1	1,472.3	12.2	0.8%
Agric./Nat'l. Res./Environment	119.1	179.6	194.0	14.4	8.0%
Other Executive Agencies	438.3	541.5	540.1	-1.4	-0.3%
Legislative	0.2	0.3	0.1	-0.2	-66.7%
Judiciary	39.1	53.8	53.0	-0.8	-1.5%
Across-the-board Reductions	0.0	0.0	-0.6	-0.6	n/a
<b>Subtotal</b>	<b>\$5,655.0</b>	<b>\$6,205.4</b>	<b>\$6,293.3</b>	<b>\$87.9</b>	<b>1.4%</b>
<b>Subtotal</b>	<b>\$7,347.5</b>	<b>\$8,039.6</b>	<b>\$8,073.8</b>	<b>\$34.2</b>	<b>0.4%</b>
Capital	1,172.4	1,155.3	1,063.9	-91.4	-7.9%
<b>Grand Total</b>	<b>\$8,519.8</b>	<b>\$9,194.9</b>	<b>\$9,137.8</b>	<b>-\$57.2</b>	<b>-0.6%</b>

<sup>(1)</sup> Includes higher education fund (current unrestricted and current restricted) net of general and special funds.

Note: The fiscal 2009 working appropriations reflects the March 4, 2009 Board of Public Works actions and \$131.8 million in deficiencies.

**Exhibit A-1.17 (Continued)**  
**State Expenditures – Federal Funds**  
**(\$ in Millions)**

<u>Category</u>	<u>Actual</u>	<u>Work. Appr.</u>	<u>Legislative</u>	<u>FY 2009 to FY 2010</u>	
	<u>FY 2008</u>	<u>FY 2009</u>	<u>Appropriation</u>	<u>\$ Change</u>	<u>% Change</u>
			<u>FY 2010</u>		
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n/a
<b>Aid to Local Governments</b>					
County/Municipal	42.0	45.5	82.0	36.5	80.2%
Community Colleges	0.0	0.0	14.5	14.5	n/a
Education/Libraries	707.7	699.4	1,271.5	572.1	81.8%
Health	4.5	4.5	4.5	0.0	0.0%
<b>Subtotal</b>	<b>\$754.2</b>	<b>\$749.4</b>	<b>\$1,372.5</b>	<b>\$623.1</b>	<b>83.2%</b>
<b>Entitlements</b>					
Foster Care Payments	106.2	133.6	126.0	-7.5	-5.6%
Assistance Payments	511.3	515.7	615.5	99.7	19.3%
Medical Assistance	2,418.6	3,183.3	3,525.4	342.1	10.7%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<b>Subtotal</b>	<b>\$3,036.1</b>	<b>\$3,832.6</b>	<b>\$4,266.9</b>	<b>\$434.3</b>	<b>11.3%</b>
<b>State Agencies</b>					
Health	808.5	883.2	902.8	19.7	2.2%
Human Resources	475.6	528.8	516.4	-12.4	-2.3%
Systems Reform Initiative	14.9	7.3	7.3	0.0	0.0%
Juvenile Services	9.4	11.7	15.1	3.4	28.8%
Public Safety/Police	17.1	29.1	73.6	44.5	152.9%
Higher Education	0.0	0.0	17.6	17.6	n/a
Other Education	203.8	244.3	237.3	-7.0	-2.9%
Transportation	79.2	80.1	80.6	0.4	0.5%
Agric./Nat'l. Res./Environment	54.7	66.1	70.9	4.8	7.2%
Other Executive Agencies	414.0	473.0	597.4	124.4	26.3%
Judiciary	3.3	4.4	4.2	-0.2	-3.7%
Across-the-board Reductions	0.0	0.0	-0.2	-0.2	n/a
<b>Subtotal</b>	<b>\$2,080.4</b>	<b>\$2,328.0</b>	<b>\$2,523.1</b>	<b>\$195.1</b>	<b>8.4%</b>
<b>Subtotal</b>	<b>\$5,870.8</b>	<b>\$6,910.0</b>	<b>\$8,162.4</b>	<b>\$1,252.5</b>	<b>18.1%</b>
Capital	690.6	788.6	1,160.1	371.6	47.1%
<b>Grand Total</b>	<b>\$6,561.3</b>	<b>\$7,698.5</b>	<b>\$9,322.6</b>	<b>\$1,624.0</b>	<b>21.1%</b>

Note: The fiscal 2009 working appropriations reflects the March 4, 2009 Board of Public Works actions and \$717.0 million in deficiencies.

**Exhibit A-1.17 (Continued)**  
**State Expenditures – State Funds**  
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2008</u>	<u>Adjusted</u> <u>Work. Appr.</u> <u>FY 2009</u>	<u>Legislative</u> <u>Appropriation</u> <u>FY 2010</u>	<u>FY 2009 to FY 2010</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$811.5	\$887.4	\$944.7	\$57.2	6.5%
<b>Aid to Local Governments</b>					
County/Municipal	906.5	750.8	566.4	-184.4	-24.6%
Community Colleges	241.7	254.7	252.8	-1.9	-0.7%
Education/Libraries	5,223.2	5,438.2	5,271.3	-166.9	-3.1%
Health	67.0	57.4	57.4	0.0	0.0%
<b>Subtotal</b>	<b>\$6,438.3</b>	<b>\$6,501.1</b>	<b>\$6,147.8</b>	<b>-\$353.3</b>	<b>-5.4%</b>
<b>Entitlements</b>					
Foster Care Payments	246.4	243.1	244.2	1.1	0.5%
Assistance Payments	47.1	51.6	48.9	-2.7	-5.2%
Medical Assistance	2,445.9	2,300.1	2,102.1	-198.0	-8.6%
Property Tax Credits	56.8	57.3	61.0	3.8	6.6%
<b>Subtotal</b>	<b>\$2,796.3</b>	<b>\$2,652.0</b>	<b>\$2,456.2</b>	<b>-\$195.8</b>	<b>-7.4%</b>
<b>State Agencies</b>					
Health	1,602.3	1,668.1	1,714.4	46.3	2.8%
Human Resources	381.8	366.9	363.2	-3.8	-1.0%
Systems Reform Initiative	39.3	31.4	29.1	-2.3	-7.4%
Juvenile Services	267.2	267.2	264.0	-3.2	-1.2%
Public Safety/Police	1,418.7	1,470.4	1,451.3	-19.1	-1.3%
Higher Education	4,227.8	4,519.3	4,583.1	63.9	1.4%
Other Education	424.3	441.4	426.0	-15.4	-3.5%
Transportation	1,399.2	1,460.1	1,472.3	12.2	0.8%
Agric./Nat'l. Res./Environment	265.7	302.4	314.4	12.1	4.0%
Other Executive Agencies	1,004.6	1,091.4	1,108.0	16.6	1.5%
Legislative	71.1	76.7	76.8	0.1	0.1%
Judiciary	382.9	422.9	427.8	4.9	1.2%
Across-the-board Reductions	0.0	0.0	-26.0	-26.0	n/a
<b>Subtotal</b>	<b>\$11,584.9</b>	<b>\$12,118.2</b>	<b>\$12,204.3</b>	<b>\$86.2</b>	<b>0.7%</b>
<b>Subtotal</b>	<b>\$21,631.0</b>	<b>\$22,158.7</b>	<b>\$21,753.0</b>	<b>-\$405.7</b>	<b>-1.8%</b>
Capital/Heritage Reserve Fund	1,214.3	1,178.3	1,072.1	-106.2	-9.0%
Transfer to MDTA	0.0	65.0	0.0	-65.0	-100.0%
Reserve Funds <sup>(1)</sup>	162.8	146.5	139.9	-6.6	-4.5%
<b>Appropriations</b>	<b>\$23,008.1</b>	<b>\$23,548.5</b>	<b>\$22,965.1</b>	<b>-\$583.5</b>	<b>-2.5%</b>
Reversions	0.0	-39.6	-30.0	9.6	-24.2%
<b>Grand Total</b>	<b>\$23,008.1</b>	<b>\$23,509.0</b>	<b>\$22,935.1</b>	<b>-\$573.9</b>	<b>-2.4%</b>

MDTA: Maryland Transportation Authority

Note: The fiscal 2009 working appropriation includes the March 4, 2009 Board of Public Works actions, targeted reversions, deficiencies, and legislative cuts to the deficiencies.

<sup>(1)</sup> Excludes \$65 million in fiscal 2009 appropriated to the Dedicated Purpose Account that is to be transferred to MdTA. These monies are included in the transfer to MDTA.

**Exhibit A-1.17 (Continued)**  
**State Expenditures – All Funds**  
**(\$ in Millions)**

<b>Category</b>	<b>Actual</b>	<b>Adjusted</b>	<b>Legislative</b>	<b>FY 2009-2010</b>	
	<b>FY 2008</b>	<b>Work. Appr. FY 2009</b>	<b>Appropriation FY 2010</b>	<b>\$ Change</b>	<b>% Change</b>
Debt Service	\$811.5	\$887.4	\$944.7	\$57.2	6.5%
<b>Aid to Local Governments</b>					
County/Municipal	948.5	796.3	648.4	-147.9	-18.6%
Community Colleges	241.7	254.7	267.3	12.6	4.9%
Education/Libraries	5,930.9	6,137.6	6,542.8	405.2	6.6%
Health	71.5	61.9	61.9	0.0	0.0%
<b>Subtotal</b>	<b>\$7,192.5</b>	<b>\$7,250.5</b>	<b>\$7,520.3</b>	<b>269.8</b>	<b>3.7%</b>
<b>Entitlements</b>					
Foster Care Payments	352.6	376.6	370.2	-6.4	-1.7%
Assistance Payments	558.4	567.3	664.4	97.0	17.1%
Medical Assistance	4,864.5	5,483.4	5,627.5	144.1	2.6%
Property Tax Credits	56.8	57.3	61.0	3.8	6.6%
<b>Subtotal</b>	<b>\$5,832.4</b>	<b>\$6,484.6</b>	<b>\$6,723.1</b>	<b>238.5</b>	<b>3.7%</b>
<b>State Agencies</b>					
Health	2,410.8	2,551.3	2,617.2	65.9	2.6%
Human Resources	857.4	895.7	879.6	-16.2	-1.8%
Systems Reform Initiative	54.2	38.7	36.4	-2.3	-6.0%
Juvenile Services	276.6	278.9	279.1	0.2	0.1%
Public Safety/Police	1,435.7	1,499.5	1,524.9	25.4	1.7%
Higher Education	4,227.8	4,519.3	4,600.8	81.5	1.8%
Other Education	628.0	685.7	663.3	-22.4	-3.3%
Transportation	1,478.5	1,540.2	1,552.9	12.6	0.8%
Agric./Nat'l. Res./Environment	320.4	368.5	385.4	16.8	4.6%
Other Executive Agencies	1,418.6	1,564.4	1,705.4	141.0	9.0%
Legislative	71.1	76.7	76.8	0.1	0.1%
Judiciary	386.2	427.3	432.0	4.7	1.1%
Across-the-board Reductions	0.0	0.0	-26.2	-26.2	n/a
<b>Subtotal</b>	<b>\$13,665.3</b>	<b>\$14,446.2</b>	<b>\$14,727.4</b>	<b>\$281.2</b>	<b>1.9%</b>
<b>Subtotal</b>	<b>\$27,501.7</b>	<b>\$29,068.7</b>	<b>\$29,915.5</b>	<b>\$846.8</b>	<b>2.9%</b>
Capital/Heritage Reserve Fund	1,904.9	1,966.9	2,232.2	265.3	13.5%
Transfer to MDTA	0.0	65.0	0.0	-65.0	-100.0%
Reserve Funds <sup>(1)</sup>	162.8	146.5	139.9	-6.6	-4.5%
<b>Appropriations</b>	<b>\$29,569.4</b>	<b>\$31,247.1</b>	<b>\$32,287.6</b>	<b>\$1,040.5</b>	<b>3.3%</b>
Reversions	0.0	-39.6	-30.0	9.6	-24.2%
<b>Grand Total</b>	<b>\$29,569.4</b>	<b>\$31,207.5</b>	<b>\$32,257.6</b>	<b>\$1,050.1</b>	<b>3.4%</b>

MDTA: Maryland Transportation Authority

Note: The fiscal 2009 working appropriation includes the March 4, 2009 Board of Public Works actions, targeted reversions, and \$575.6 million in deficiencies.

<sup>(1)</sup> Excludes \$65 million in fiscal 2009 appropriated to the Dedicated Purpose Account that is to be transferred to tMDTA. These monies are included in the transfer to the MDTA line.

## Capital Budget

The 2009 General Assembly passed a capital budget program totaling \$3.505 billion, including \$1.720 billion for the transportation program. Apart from transportation, the program totals \$1.785 billion: \$1.110 billion is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan of 2009 (MCCBL), the 2009 capital budget bill *House Bill 102 (passed)*; \$498.0 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$80.0 million is funded with revenue bonds to be issued by the Maryland Department of the Environment (MDE) to support State and local efforts to upgrade wastewater treatment plants; up to an additional \$70.0 million of revenue bonds can be issued to support Department of Natural Resources (DNR) Program Open Space (POS) as authorized by *House Bill 783 (passed)*; and \$27.0 million is funded with academic revenue bonds for University System of Maryland facilities authorized in *House Bill 598 (passed)*.

**Exhibit A-2.1** presents an overview of the State’s capital program for fiscal 2010, **Exhibit A-2.2** lists capital projects and programs by function and fund source, and **Exhibit A-2.3** provides the individual legislative initiative projects funded in the 2009 MCCBL. The 2009 MCCBL includes funding for:

- State facilities, including colleges and universities, hospitals, District Court facilities, Department of Disabilities accessibility modifications, and correctional facilities;
- grants to local governments for 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, underground heating and oil storage tank replacement, Community Parks and Playgrounds, Agricultural Cost-Share and Tobacco Transition programs, and Drinking and Stormwater programs; and
- local projects and legislative initiatives.

**Exhibit A-2.1**  
**Summary of the Capital Program**  
(\$ in Millions)

Function	Bonds		Current Funds (PAYGO)			Total
	General Obligation	Revenue	General	Special	Federal	
<b>State Facilities</b>						<b>\$75.2</b>
Facilities Renewal	\$22.4	\$0.0	\$0.0	\$0.0	\$0.0	
Other	34.4	0.0	0.0	0.1	18.3	
<b>Health/Social</b>						<b>35.5</b>
State Facilities	19.8	0.0	0.0	0.0	0.0	
Private Hospitals	5.0	0.0	0.0	0.0	0.0	
Other	10.7	0.0	0.0	0.0	0.0	
<b>Environment</b>						<b>667.2</b>
Energy	0.0	0.0	0.0	10.0	0.0	
Natural Resources	101.9	70.0	0.0	23.9	13.4	
Agriculture	25.0	0.0	0.0	15.9	2.0	
Environment	30.5	80.0	0.0	141.6	145.8	
Maryland Environmental Service	7.2	0.0	0.0	0.0	0.0	
<b>Public Safety</b>						<b>156.1</b>
State Corrections	63.9	0.0	0.0	0.0	10.0	
State Police	64.2	0.0	0.0	0.0	0.5	
Local Jails	17.5	0.0	0.0	0.0	0.0	
<b>Education</b>						<b>284.9</b>
School Construction	266.4	0.0	0.0	0.0	0.0	
Other	18.5	0.0	0.0	0.0	0.0	
<b>Higher Education</b>						<b>333.2</b>
University System	134.7	27.0	0.0	0.0	0.0	
Morgan State University	44.8	0.0	0.0	0.0	0.0	
St. Mary's College	1.7	0.0	0.0	0.0	0.0	
Community Colleges	87.5	0.0	0.0	0.0	0.0	
Private Colleges/Universities	9.0	0.0	0.0	0.0	0.0	
Medical System	28.5	0.0	0.0	0.0	0.0	
<b>Housing/Community Development</b>						<b>106.2</b>
Housing	19.2	0.0	0.0	23.6	52.1	
Other	1.0	0.0	7.0	3.3	0.0	

Function	Bonds		Current Funds (PAYGO)			Total
	General Obligation	Revenue	General	Special	Federal	
<b>Local Projects/Miscellaneous</b>						<b>127.0</b>
Administration	57.0	0.0	0.0	0.0	0.0	
Legislative	15.0	0.0	0.0	0.0	0.0	
Highways – InterCounty Connector	55.0	0.0	0.0	0.0	0.0	
<b>Deauthorizations</b>						<b>-30.8</b>
Deauthorization	-30.8	0.0	0.0	0.0	0.0	
<b>Total Fiscal 2010</b>	<b>\$1,110.0</b>	<b>\$177.0</b>	<b>\$7.0</b>	<b>\$218.4</b>	<b>\$242.1</b>	<b>\$1,754.5</b>
<b>Fiscal 2009 Deficiencies</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$30.5</b>	<b>\$30.5</b>
<b>Transportation</b>	<b>\$0.0</b>	<b>\$325.0</b>	<b>\$0.0</b>	<b>\$394.3</b>	<b>\$1,000.8</b>	<b>\$1,720.1</b>
<b>Grand Total Fiscal 2010</b>	<b>\$1,110.0</b>	<b>\$502.0</b>	<b>\$7.0</b>	<b>\$612.7</b>	<b>\$1,273.4</b>	<b>\$3,505.1</b>

**Exhibit A-2.2**  
**Capital Program – 2009 Session**

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
<b>State Facilities</b>							
DA02.01A	DOD: Accessibility Modifications	\$1,600,000	\$0	\$0	\$0	\$0	\$1,600,000
DE02.01A	BPW: Lowe House Building Alterations	4,000,000	0	0	0	0	4,000,000 <sup>1</sup>
DE02.01B	BPW: State House Old House Chamber	3,136,000	0	0	0	0	3,136,000
DE02.01C	BPW: DGS Facility Renewal Fund	10,403,000	0	0	0	0	10,403,000
DE02.01D	BPW: DGS Asbestos Abatement Program	2,000,000	0	0	0	0	2,000,000
DE02.01E	BPW: DGS Underground Storage Tank	1,368,000	0	0	0	0	1,368,000
DE02.01F	BPW: Catonsville District Court	350,000	0	0	0	0	350,000
DE02.01G	BPW: Rockville District Court	17,990,000	0	0	0	0	17,990,000 <sup>2</sup>
D50H01.04	Military Department: Salisbury Armory	5,701,000	0	0	0	9,800,000	15,501,000
D50H01.04s2	Military Department: Edgewood Readiness Ctr.	0	0	0	0	4,100,000	4,100,000
D55P00.04A	Veterans Affairs: Eastern Shore Cemetery	0	0	35,000	0	431,000	466,000
D55P00.04B	Veterans Affairs: Rocky Gap Cemetery	0	0	25,000	0	245,000	270,000
D55P00.06s2	Veterans Home Program	0	0	0	0	3,700,000	3,700,000
DW01.08A	Planning: Jefferson Patterson – Renovations	1,876,000	0	0	0	0	1,876,000
FB04A	DoIT: High Speed Data Network	950,000	0	0	0	0	950,000
FB04B	DoIT: Public Safety Communications System	7,500,000	0	0	0	0	7,500,000
	<b>Subtotal</b>	<b>\$56,874,000</b>	<b>\$0</b>	<b>\$60,000</b>	<b>\$0</b>	<b>\$18,276,000</b>	<b>\$75,210,000</b>
<b>Health/Social</b>							
DA07A	Aging: Senior Centers Grant Program	\$1,683,000	\$0	\$0	\$0	\$0	\$1,683,000
MA01A	DHMH: Community Health Facilities	8,414,000	0	0	0	0	8,414,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
MF03A	DHMH: Deer’s Head Center – Kidney Dialysis	608,000	0	0	0	0	608,000
MF05A	DHMH: New Forensic Medical Center	2,846,000	0	0	0	0	2,846,000
MJ02A	DHMH: New Public Health Laboratory	6,450,000	0	0	0	0	6,450,000
ML01A	DHMH: Patient Safety Improvements	4,000,000	0	0	0	0	4,000,000
VD01B	DJS: Baltimore City Juvenile Treatment Ctr.	4,000,000	0	0	0	0	4,000,000
VE01A	DJS: Cheltenham – New Detention Center	2,547,000	0	0	0	0	2,547,000
ZA03A	MHA: Kennedy Krieger – Pediatric Inpatient	600,000	0	0	0	0	600,000
ZA03B	MHA: Sinai Hospital – Post Anesthesia	260,000	0	0	0	0	260,000
ZA03C	MHA: Calvert Memorial – Emergency Dept.	800,000	0	0	0	0	800,000
ZA03D	MHA: Civista Medical – Dialysis Center	90,000	0	0	0	0	90,000
ZA03E	MHA: Upper Chesapeake – Residential Hospice	600,000	0	0	0	0	600,000
ZA03F	MHA: Howard County General – Progressive Care	250,000	0	0	0	0	250,000
ZA03G	MHA: Chester River Hospital – Pharmacy	330,000	0	0	0	0	330,000
ZA03H	MHA: St. Mary’s Hospital – Medical Surgical Unit	1,800,000	0	0	0	0	1,800,000
ZA03I	MHA: Atlantic General – Pharmacy	270,000	0	0	0	0	270,000
	<b>Subtotal</b>	<b>\$35,548,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,548,000</b>
	<b>Environment</b>						
D13A13.02	MEA: Jane E. Lawton Conservation Program	\$0	\$0	\$0	\$6,750,000	\$0	\$6,750,000
D13A13.03	MEA: State Agency Loan Program	0	0	0	3,250,000	0	3,250,000
K00A05.10A	DNR: Rural Legacy Program	11,812,252	0	0	0	0	11,812,252
K00A05.10B	DNR: Program Open Space	71,300,000	70,000,000	0	18,856,906	2,000,000	162,156,906
K00A05.10C	DNR: Natural Resources Development	8,978,984	0	0	0	8,984,000	17,962,984
K00A05.10D	DNR: Critical Maintenance Projects	1,250,000	0	0	0	0	1,250,000
K00A05.10E	DNR: Dam Rehabilitation Program	500,000	0	0	0	1,400,000	1,900,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
K00A11.02	DNR: Waterway Improvement Fund	0	0	0	5,000,000	1,000,000	6,000,000
KA05A	DNR: Community Parks and Playgrounds	5,000,000	0	0	0	0	5,000,000
KA17A	DNR: Aquatic Life Restoration Program	3,000,000	0	0	0	0	3,000,000
L00A11.11	MDA: Agricultural Land Preservation	12,999,780	0	0	10,585,220	2,000,000	25,585,000
L00A12.13	MDA: Tobacco Transition Program	5,000,000	0	0	5,335,000	0	10,335,000
LA15A	MDA: Agricultural Cost-Share Program	7,000,000	0	0	0	0	7,000,000
U00A01.03	MDE: Water Quality Loan Program	3,292,000	0	0	86,208,000	16,500,000	106,000,000
U00A01.03S1	MDE: Water Quality Loan Program	0	0	0	0	96,000,000	96,000,000
U00A01.05	MDE: Drinking Water Loan Program	2,242,000	0	0	4,383,000	6,375,000	13,000,000
U00A01.05S1	MDE: Drinking Water Loan Program	0	0	0	0	27,000,000	27,000,000
U00A01.11A	MDE: Chesapeake Bay Restoration – ENR	0	80,000,000	0	50,000,000	0	130,000,000
U00A01.12	MDE: Chesapeake Bay Restoration – Septic	0	0	0	1,000,000	0	1,000,000
UA04A(1)S1	MDE: CBWQ Nutrient Removal – BNR	16,000,000	0	0	0	0	16,000,000
UA04A(2)S1	MDE: Supplemental Assistance Program	5,000,000	0	0	0	0	5,000,000
UA04A(3)	MDE: Small Creek and Estuary Restoration	969,000	0	0	0	0	969,000
UA04A(4)	MDE: CBWQ Stormwater Pollution	531,000	0	0	0	0	531,000
UA04B	MDE: Water Supply Assistance Program	2,500,000	0	0	0	0	2,500,000
UB00A1	MES: Water/Sewer Infrastructure – Charlotte Hall	210,000	0	0	0	0	210,000
UB00A2	MES: Water/Sewer Infrastructure – Cheltenham	337,000	0	0	0	0	337,000
UB00A3	MES: Water/Sewer Infrastructure – East Pre-release	440,000	0	0	0	0	440,000
UB00A4	MES: Water/Sewer Infrastructure – Elk Neck	1,151,000	0	0	0	0	1,151,000
UB00A5	MES: Water/Sewer Infrastructure – JCC	4,459,000	0	0	0	0	4,459,000
UB00A6	MES: Water/Sewer Infrastructure – MCI-H	438,000	0	0	0	0	438,000
UB00A3	MES: Water/Sewer Infrastructure – South Pre-release	198,000	0	0	0	0	198,000
	<b>Subtotal</b>	<b>\$164,608,016</b>	<b>\$150,000,000</b>	<b>\$0</b>	<b>\$191,368,126</b>	<b>\$161,259,000</b>	<b>\$667,235,142</b>

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
<b>Public Safety</b>							
Q00A01.05	DPSCS: Jessup Community Corrections Facility	\$13,224,000	\$0	\$0	\$0	\$10,000,000	\$23,224,000
QB08.01A	DPSCS: WCI – Vocational Education Building	11,166,000	0	0	0	0	11,166,000
QB08.01B	DPSCS: WCI – Rubble Landfill Closure Cap	1,815,000	0	0	0	0	1,815,000
QB08.02A	DPSCS: NBCI – MCE Upholstery Plant	6,845,000	0	0	0	0	6,845,000
QD00A	DPSCS: Patuxent Inst. Fire Safety Improvements	11,881,000	0	0	0	0	11,881,000
QG00A	DPSCS: Public Safety Training Ctr. Rifle Range	1,172,000	0	0	0	0	1,172,000
QP00A	DPSCS: Baltimore Correctional – Women’s Ctr.	5,959,000	0	0	0	0	5,959,000
QP00B	DPSCS: Baltimore Correctional – Youth Ctr.	11,800,000	0	0	0	0	11,800,000
W00A01.13s2	DSP: Data Center	0	0	0	0	496,857	496,857
WA00A	DSP: Headquarters Building K	1,665,000	0	0	0	0	1,665,000
WA00B	DSP: State Police Helicopter Replacement	52,500,000	0	0	0	0	52,500,000
WA01C	DSP: New Hagerstown Barrack and Garage	10,050,000	0	0	0	0	10,050,000 <sup>2</sup>
ZB02A	Local Jails: Cecil County – Additions/Alterations	9,857,000	0	0	0	0	9,857,000
ZB02B	Local Jails: Prince George’s – 96-Bed Housing	7,635,000	0	0	0	0	7,635,000
ZB02C	Local Jails: St. Mary’s – Minimum Security	0	0	0	0	0	0 <sup>5</sup>
<b>Subtotal</b>		<b>\$145,569,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,496,857</b>	<b>\$156,065,857</b>
<b>Education</b>							
D25E03.02	Aging Schools Program	\$6,108,986	\$0	\$0	\$0	\$0	\$6,108,988 <sup>3</sup>
DE02.02A	Public School Construction	260,000,000	0	0	0	0	260,000,000 <sup>3</sup>
DE02.02B	Relocatable Classrooms	250,000	0	0	0	0	250,000
RA01A	MSDE: County Library Capital Grants	5,000,000	0	0	0	0	5,000,000
RA01B	MSDE: Western Maryland Regional Library	5,000,000	0	0	0	0	5,000,000
RA01C	MSDE: State Library Resource Center	1,550,000	0	0	0	0	1,550,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RE01A	MD School for Deaf – Bus Loop and Parking	205,000	0	0	0	0	205,000
RE01B	MD School for Deaf – Cafeteria/Student Ctr.	5,284,000	0	0	0	0	5,284,000
RE01C	MD School for Deaf – Parking/Athletic Field	1,487,000	0	0	0	0	1,487,000
	<b>Subtotal</b>	<b>\$284,884,986</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$284,884,988</b>
<b>Higher Education</b>							
RB21A	UMB: Pharmacy Hall Addition and Renovation	\$13,756,305	\$0	\$0	\$0	\$0	\$13,756,305
RB22A	UMCP: Physical Sciences Complex – Phase I	4,618,000	0	0	0	0	4,618,000
RB22B	UMCP: Maryland Fire & Rescue Institute	7,700,000	0	0	0	0	7,700,000
RB23A	BSU: Campuswide Site Improvements	3,237,000	0	0	0	0	3,237,000
RB23B	BSU: New Fine & Performing Arts Complex	25,028,000	9,000,000	0	0	0	34,028,000 <sup>6</sup>
RB24A	TU: New College of Liberal Arts Complex	34,725,000	1,000,000	0	0	0	35,725,000 <sup>7</sup>
RB27B	CSU: Science and Technology Center	9,745,000	0	0	0	0	9,745,000
RB27C	CSU: Data Centers Expansion	2,371,000	0	0	0	0	2,371,000
RB28A	UB: New Law School	5,416,000	0	0	0	0	5,416,000
RB29A	SU: New Perdue School of Business	28,000,000	0	0	0	0	28,000,000 <sup>8</sup>
RB36rb	USM: Facility Renewal	0	17,000,000	0	0	0	17,000,000
RC00A	BCCC: Main Building Renovation – Liberty	3,214,000	0	0	0	0	3,214,000
RD00A	SMC: Anne Arundel Hall Reconstruction	1,685,000	0	0	0	0	1,685,000
RI00A	MHEC: Community College Const. Grant	84,332,000	0	0	0	0	84,332,000 <sup>9</sup>
RM00A	MSU: Campuswide Utilities Upgrade	5,264,000	0	0	0	0	5,264,000
RM00B	MSU: Campuswide Site Improvements	6,321,000	0	0	0	0	6,321,000
RM00C	MSU: Montebello & Northwood Demolition	2,185,000	0	0	0	0	2,185,000
RM00D	MSU: Lillie Carroll Jackson Museum	2,763,000	0	0	0	0	2,763,000
RM00E	MSU: New Center for Built Environment	27,370,000	0	0	0	0	27,370,000 <sup>10</sup>

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RM00F	MSU: New School of Business Complex	942,794	0	0	0	0	942,794
RQ00A	UMMS: R Adams Cowley Shock Trauma Ctr. I	13,500,000	0	0	0	0	13,500,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Ctr. II	15,000,000	0	0	0	0	15,000,000
ZA01N	MICUA: Baltimore International College	3,000,000	0	0	0	0	3,000,000
ZA01O	MICUA: College of Notre Dame of MD	3,500,000	0	0	0	0	3,500,000
ZA01P	MICUA: Capitol College	2,500,000	0	0	0	0	2,500,000
	<b>Subtotal</b>	<b>\$306,173,099</b>	<b>\$27,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$333,173,099</b>
	<b>Housing/Community Development</b>						
DB01A	Historic St. Mary's: Interpretive Center	\$816,000	\$0	\$0	\$0	\$0	\$816,000
D40W01.10A	Planning: Maryland Historical Trust Loan	150,000	0	0	150,000	0	300,000
D40W01.12	Planning: Historic Tax Credit Fund	0	0	7,000,000	0	0	7,000,000
S00A24.02A	DHCD: Community Development Block Grants	0	0	0	0	11,000,000	11,000,000
S00A24.02B	DHCD: Neighborhood Business Development	0	0	0	3,100,000	0	3,100,000
S00A24.02S1	DHCD: Neighborhood Revitalization	0	0	0	0	2,152,108	2,152,108
S00A25.07	DHCD: Rental Housing Programs	2,900,000	0	0	12,600,000	4,750,000	20,250,000
S00A25.07S1	DHCD: Rental Housing Programs	0	0	0	0	31,702,000	31,702,000
S00A25.08	DHCD: Homeownership Programs	2,800,000	0	0	5,700,000	0	8,500,000
S00A25.09	DHCD: Special Loan Programs	1,850,000	0	0	5,300,000	2,500,000	9,650,000
SA24A	DHCD: Community Legacy Program	4,200,000	0	0	0	0	4,200,000
SA25A	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25B	DHCD: Shelter and Transitional Housing Facility	1,500,000	0	0	0	0	1,500,000
	<b>Subtotal</b>	<b>\$20,216,000</b>	<b>\$0</b>	<b>\$7,000,000</b>	<b>\$26,850,000</b>	<b>\$52,104,108</b>	<b>\$106,170,108</b>

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
<b>Local Projects</b>							
ZA00A	Misc: Charles E. Smith Life Communities	\$650,000	\$0	\$0	\$0	\$0	\$650,000
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
ZA00D	Misc: GREEN HOUSE at Stadium Place	4,500,000	0	0	0	0	4,500,000
ZA00E	Misc: Housing and Resource Center	2,000,000	0	0	0	0	2,000,000
ZA00F	Misc: MDTA – InterCounty Connector	55,000,000	0	0	0	0	55,000,000
ZA00G	Misc: Jewish Council for the Aging	275,000	0	0	0	0	275,000
ZA00H	Misc: Jewish Foundation for Group Homes	75,000	0	0	0	0	75,000
ZA00I	Misc: Johns Hopkins Medicine/Critical Care	7,000,000	0	0	0	0	7,000,000
ZA00J	Misc: Johns Hopkins Medicine/Pediatric Center	10,000,000	0	0	0	0	10,000,000
ZA00K	Misc: Kennedy Krieger/Inpatient Clinical Bldg.	2,000,000	0	0	0	0	2,000,000
ZA00L	Misc: Lyric Opera House – State House	1,500,000	0	0	0	0	1,500,000
ZA00M	Misc: Maryland Hall for the Creative Arts	500,000	0	0	0	0	500,000
ZA00Q	Misc: National Children’s Museum	1,500,000	0	0	0	0	1,500,000
ZA00R	Misc: Park Heights Redevelopment	1,500,000	0	0	0	0	1,500,000
Z00S	Misc: Robert E. Lee Park	3,000,000	0	0	0	0	3,000,000
Z00T	Misc: Sinai Hospital – Pediatric Wing	2,500,000	0	0	0	0	2,500,000
ZA00U	Misc: St. Ann’s Infant and Maternity Home	750,000	0	0	0	0	750,000
ZA00V	Misc: WestSide Revitalization	2,000,000	0	0	0	0	2,000,000
ZA00W	Misc: Linthicum Veterans Memorial	185,000	0	0	0	0	185,000
ZA00X	Misc: Knights of St. John Woodville School	225,000	0	0	0	0	225,000
ZA00Y	Misc: East Campus Redevelopment	5,000,000	0	0	0	0	5,000,000
ZA00Z	Misc: Garrett College Athletic and Recreation Ctr.	3,000,000	0	0	0	0	3,000,000
ZA00AA	Misc: Maryland Science Center	300,000	0	0	0	0	300,000
ZA00AB	Misc: Anne Arundel Community College Turf Field	1,000,000	0	0	0	0	1,000,000
ZA01	Legislative Initiative Grants	15,000,000	0	0	0	0	15,000,000
<b>Subtotal</b>		<b>\$126,960,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$126,960,000</b>

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Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
<b>Deauthorizations</b>							
ZF00	Deauthorizations as Introduced	-\$11,164,000	\$0	\$0	\$0	\$0	-\$11,164,000
	Additional Deauthorizations	-19,669,101	0	0	0	0	-19,669,101
	<b>Subtotal</b>	<b>\$1,110,000,000</b>	<b>\$177,000,000</b>	<b>\$7,060,000</b>	<b>\$218,218,126</b>	<b>\$242,135,965</b>	<b>\$1,754,414,093</b>
<b>Fiscal 2009 Deficiencies</b>							
K00A05.10	DNR: Program Open Space	\$0	\$0	\$0	\$0	\$6,490,078	\$6,490,078
S00A24.02	DHCD: Neighborhood Revitalization	0	0	0	0	17,357,928	17,357,928
S00A24.07	DHCD: Rental Housing Programs	0	0	0	0	6,676,126	6,676,126
	<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,524,132</b>	<b>\$30,524,132</b>
	<b>Non-transportation Total</b>	<b>\$1,110,000,000</b>	<b>\$177,000,000</b>	<b>\$7,060,000</b>	<b>\$218,218,126</b>	<b>\$272,660,097</b>	<b>\$1,784,938,225</b>
	<b>Transportation</b>	<b>\$0</b>	<b>\$325,000,000</b>	<b>\$0</b>	<b>\$394,340,835</b>	<b>\$1,000,827,000</b>	<b>\$1,720,167,835</b> <sup>12</sup>
	<b>Grand Total</b>	<b>\$1,110,000,000</b>	<b>\$502,000,000</b>	<b>\$7,060,000</b>	<b>\$612,558,961</b>	<b>\$1,273,487,097</b>	<b>\$3,505,106,060</b>

Notes:

<sup>1</sup> This amount does not include \$3.5 million preauthorized in the 2009 Maryland Consolidated Bond Loan (MCCBL) for fiscal 2011. The \$4.0 million authorization in addition to the pre-authorization will allow the project to be bid for construction in fiscal 2010.

<sup>2</sup> The 2008 MCCBL included a \$23.8 million pre-authorization for the Rockville District Court – the 2009 MCCBL as introduced reduced this pre-authorization to \$18.0 million. The 2008 MCCBL also included a \$14.8 million pre-authorization for the New Hagerstown Barrack and Garage, but the 2009 MCCBL increased this pre-authorization to \$15.1 million. Amendments to the capital budget bill reduce the 2008 session preauthorization for the New Hagerstown Barrack and Garage project by \$5.0 million and provide a pre-authorization for the remaining amount for fiscal 2011 with language that allows the project to be bid for construction in fiscal 2010.

<sup>3</sup> The 2009 MCCBL as introduced included language authorizing the use of bond premiums from the sale of State general obligation bonds in March 2009 and in fiscal 2010 available in the State and Local Facilities Loan Fund for the Aging Schools Program. The final capital budget bill struck this language and instead provides general obligation bond funds for this purpose. The \$260.0 million for Public School Construction (IAC) is also supplemented with \$5.2 million from the IAC Contingency Fund bringing the total to \$265.2 million.

<sup>4</sup> The Budget Reconciliation and Financing Act of 2009 provides for the transfer of \$172.0 million of transfer tax revenue to the general fund – the 2009 MCCBL replaces \$102.0 million of the transferred funds with general obligation bond funds – House Bill 783 allows for the sale of revenue bonds backed by future transfer tax revenues which can be used to replace up to an additional \$70.0 million of diverted transfer tax revenues and would provide the full replacement of all transfer tax diversions.

<sup>5</sup> This amount does not include \$5.5 million preauthorized in the 2009 MCCBL for fiscal 2011.

<sup>6</sup> This amount does not include \$27.0 million preauthorized in the 2009 MCCBL for fiscal 2011. The \$34.0 million general obligation bond and Academic Revenue Bond authorizations in addition to the pre-authorization will allow the project to be bid for construction in fiscal 2010.

<sup>7</sup> This amount does not include \$35.8 million preauthorized in the 2009 MCCBL for fiscal 2011. The \$35.7 million general obligation bond and Academic Revenue Bond authorizations in addition to the pre-authorization will allow the project to be bid for construction in fiscal 2010.

<sup>8</sup> This amount does not include \$14.3 million preauthorized in the 2009 MCCBL for fiscal 2011. The \$28.0 million authorization in addition to the pre-authorization will allow the project to be bid for construction in fiscal 2010.

<sup>9</sup> This amount does not include \$39.6 million preauthorized in the 2009 MCCBL for fiscal 2011. The \$84.3 million authorization in addition to the pre-authorization will allow Prince George's Community College's Center for Health Studies, Montgomery College's Germantown Bioscience Center, Hagerstown Community College's Arts and Sciences Complex, and Wor-Wic Community College's Allied Health Building projects to be bid for construction in fiscal 2010 and allow the Community Colleges Facilities Grant Program to fund all 22 projects on the Maryland Association of Community Colleges' priority list during fiscal 2010.

<sup>10</sup> This amount does not include \$26.9 million preauthorized in the 2009 MCCBL for fiscal 2011. The \$27.4 million authorization in addition to the pre-authorization will allow the project to be bid for construction in fiscal 2010.

<sup>11</sup> This amount does not include \$2.5 million preauthorized in the 2009 MCCBL for fiscal 2011.

<sup>12</sup> This does not reflect a \$114.0 million reduction in the amount of bonds to be issued due to revised forecasts for the special fund capital program. The revised estimates made between the January and March 2009 forecast indicate that the debt coverage ratio would be exceeded; therefore, the amount of anticipated bonds to be issued is expected to be \$114.0 million less than what is currently reflected in the fiscal 2010 appropriation.

BCCC: Baltimore City Community College

BNR: Biological Nutrient Removal

BPW: Board of Public Works

BSU: Bowie State University

CBWQ: Chesapeake Bay Water Quality

CSU: Coppin State University

DGS: Department of General Services

DHCD: Department of Housing and Community Development

DHMH: Department of Health and Mental Hygiene

DJS: Department of Juvenile Services

DNR: Department of Natural Resources

DOD: Department of Disabilities

DoIT: Department of Information Technology

DPSCS: Department of Public Safety and Correctional Services

DSP: Department of State Police

ENR: Enhanced Nutrient Removal

HSMCC: Historic St. Mary's City Commission

JCC: Jessup Community Corrections

MCE: Maryland Correctional Enterprises

MCI-H: Maryland Correctional Institution – Hagerstown

MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment

MDP: Maryland Department of Planning

MDTA: Maryland Transportation Authority

MEA: Maryland Energy Administration

MES: Maryland Environmental Service

MHA: Maryland Hospital Association

MHEC: Maryland Higher Education Commission

MICUA: Maryland Independent College and University Association

MSDE: Maryland State Department of Education

MSU: Morgan State University

NBCI: North Branch Correctional Institution

SMC: St. Mary's College

SU: Salisbury University

TU: Towson University

UB: University of Baltimore

UMB: University of Maryland, Baltimore

UMCP: University of Maryland, College Park

UMMS: University of Maryland Medical System

USM: University System of Maryland

WCI: Western Correctional Institution

**Exhibit A-2.3  
Legislative Projects/Local Initiatives**

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
<b>Statewide</b>					
Baltimore Museum of Industry – Life Safety System Upgrades	\$40,000	\$40,000		\$80,000	Soft (1, 2)
Capital Area Food Bank	125,000	175,000		300,000	Soft (1)
Easter Seals Inter-Generational Center	35,000	35,000		70,000	Hard
Maryland Food Bank Distribution Center Roof	125,000	125,000		250,000	Hard
Maryland Science Center Green Roof	100,000		\$300,000	400,000	Soft (all)
National Center for Children and Families Youth Activities Ctr.	100,000	150,000		250,000	Soft (3)
National Children’s Museum	1,750,000	1,750,000	1,500,000	5,000,000	Soft (3)
Port Discovery	100,000	225,000		325,000	Hard
Therapeutic Pool for People with Disabilities	125,000	225,000		350,000	Hard
<b>Subtotal</b>	<b>\$2,500,000</b>	<b>\$2,725,000</b>		<b>\$7,025,000</b>	
<b>Allegany</b>					
Allegany Museum	\$100,000	\$125,000		\$225,000	Soft (all)
<b>Subtotal</b>	<b>\$100,000</b>	<b>\$125,000</b>		<b>\$225,000</b>	
<b>Anne Arundel</b>					
Aleph Bet Jewish Day School		\$45,000		\$45,000	Soft (2, 3)
Annapolis Summer Garden Theatre Renovation	\$50,000			50,000	Hard
Benson-Hammond House Renovation	60,000			60,000	Soft (1, 2)
Coordinating Center for Home and Community Care Bldg. Facilities		30,000		30,000	Hard
Historical Freetown Renovation	150,000			150,000	Hard
Homeport Farm Park Building Rehabilitation Project	100,000			100,000	Hard
Light House Shelter		50,000		50,000	Soft (1, 3)
Linthicum Veterans Memorial			\$185,000	185,000	Grant
MTR Education and Rehabilitation Center		25,000		25,000	Soft (1, 3)
Southern High School Field House	50,000			50,000	Hard
<b>Subtotal</b>	<b>\$410,000</b>	<b>\$150,000</b>		<b>\$745,000</b>	

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
<b>Baltimore City</b>					
Academy of Success Community Empowerment Center		\$50,000		\$50,000	Soft (2, 3)
American Visionary Art Museum	\$150,000			150,000	Soft (2, 3)
Center for Urban Families		75,000		75,000	Hard
Eastside Youth Center Expansion	75,000			75,000	Hard
Fine Arts Center for Archbishop Curley High School		200,000		200,000	Hard
Garrett-Jacobs Mansion	150,000	50,000		200,000	Soft (2, 3)
Girl Scout Urban Program and Training Center	100,000	50,000		150,000	Soft (all)
Healthy Start Client Service Center	150,000			150,000	Hard
Iota Phi Theta Love/Action Center		15,000		15,000	Hard
Parks and People Headquarters at Auchentoroly Terrace		50,000		50,000	Hard
Roland Park Fire Station Rehabilitation		110,000		110,000	Soft (U, 2, 3)
Southwest Senior and Community Multipurpose Center		125,000		125,000	Soft (all)
Women's Industrial Exchange		125,000		125,000	Soft (all)
<b>Subtotal</b>	<b>\$625,000</b>	<b>\$850,000</b>		<b>\$1,475,000</b>	
<b>Baltimore</b>					
Automotive Vocational Training Center	\$100,000	\$125,000		\$225,000	Soft (1, 2)
Good Shepherd Center		75,000		75,000	Hard
HopeWell Cancer Support Facility	200,000	50,000		250,000	Hard
Leadership Through Athletics Facility	35,000			35,000	Hard
Owings Mills Jewish Community Center	200,000	75,000		275,000	Soft (all)
Storyville Children's Learning Center – Woodlawn Library	250,000			250,000	Hard
Todd's Inheritance		50,000		50,000	Hard
<b>Subtotal</b>	<b>\$785,000</b>	<b>\$375,000</b>		<b>\$1,160,000</b>	
<b>Calvert</b>					
Exploration of Captain John Smith Exhibit	\$50,000			\$50,000	Soft (2)
North Beach Boardwalk		\$250,000		250,000	Soft (all)
<b>Subtotal</b>	<b>\$50,000</b>	<b>\$250,000</b>		<b>\$300,000</b>	

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
<b>Caroline</b>					
Adkins Arboretum Native Garden Gateway	\$100,000	\$25,000		\$125,000	Hard
<b>Subtotal</b>	<b>\$100,000</b>	<b>\$25,000</b>		<b>\$125,000</b>	
<b>Charles</b>					
Hospice House	\$105,000	\$145,000		\$250,000	Soft (2)
Jaycees Field of Dreams		30,000		30,000	Soft (1, 2)
<b>Subtotal</b>	<b>\$105,000</b>	<b>\$175,000</b>		<b>\$280,000</b>	
<b>Frederick</b>					
Mental Health Association Building	\$200,000	\$50,000		\$250,000	Soft (3)
The John Hanson Memorial		50,000		50,000	Hard
<b>Subtotal</b>	<b>\$200,000</b>	<b>\$100,000</b>		<b>\$300,000</b>	
<b>Harford</b>					
The Citizens Care and Rehabilitation Center	\$200,000			\$200,000	Soft (3)
<b>Subtotal</b>	<b>\$200,000</b>			<b>\$200,000</b>	
<b>Howard</b>					
Former Ellicott City Post Office		\$150,000		\$150,000	Soft (1)
Linwood Center	\$150,000			150,000	Soft (1)
Robinson Nature Center	150,000			150,000	Hard
Troy Regional Park		150,000		150,000	Hard
<b>Subtotal</b>	<b>\$300,000</b>	<b>\$300,000</b>		<b>\$600,000</b>	
<b>Montgomery</b>					
Black Rock Center for the Arts		\$50,000		\$50,000	Soft (2)
Dance Exchange		50,000		50,000	Soft (2)
Gaithersburg Community Museum	\$250,000			250,000	Hard
Imagination Stage	150,000	125,000		275,000	Soft (3)
Lake Whetstone Facilities		80,000		80,000	Hard
Latino Economic Development Corporation Facility		175,000		175,000	Soft (2, 3)

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
MacDonald Knolls Center	100,000			100,000	Hard
Northgate Homes Lighting Upgrade		40,000		40,000	Hard
Olney Theatre Center Campus		150,000		150,000	Soft (all)
Poolesville Skate Park	100,000	75,000		175,000	Soft (U, 1)
RCI Group Home Renovations		30,000		30,000	Hard
Renovation of "Falling Green" at OBGC Park	100,000	50,000		150,000	Soft (all)
Rockville Historic Post Office Renovation		100,000		100,000	Soft (3)
<b>Subtotal</b>	<b>\$700,000</b>	<b>\$925,000</b>		<b>\$1,625,000</b>	
<b>Prince George's</b>					
African-American History Museum		\$50,000		\$50,000	Hard
Bowie Police Dispatch Center		25,000		25,000	Soft (1)
Capitol Heights Municipal Building	\$100,000			100,000	Soft (all)
Chosen Youth Group Basketball Court		25,000		25,000	Grant
Concord Historic Site		100,000		100,000	Hard
Cosca Regional Skate Park	250,000			250,000	Hard
District Heights Field Renovation	100,000	100,000		200,000	Soft (1)
Elizabeth Seton High School Sports Facilities		50,000		50,000	Hard (U)
Greenbelt Consumer Cooperative Renovation		100,000		100,000	Hard
Harmony Hall Manor		100,000		100,000	Hard
Kappa Alpha Psi Playground Equipment		10,000		10,000	Soft (3)
Knights of St. John Woodville School			\$225,000	225,000	Soft (1, 2)
LARS Facility Renovation	100,000			100,000	Hard
Laurel Boys and Girls Club		100,000		100,000	Soft (all)
Lincoln Vista Neighborhood Park Recreation Building		15,000		15,000	Soft (1)
Olde Mill Community and Teaching Center		25,000		25,000	Soft (1)
Palmer Park Boys and Girls Club		100,000		100,000	Grant
Shabach Adult Day Care and Senior Center		25,000		25,000	Soft (1)
South Bowie Boys and Girls Club Concession Stand	50,000			50,000	Hard (U)
Whitemarsh Turf Field		25,000		25,000	Soft (2)
YMCA Potomac Overlook	100,000			100,000	Soft (all)
<b>Subtotal</b>	<b>\$700,000</b>	<b>\$850,000</b>		<b>\$1,775,000</b>	

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
<b>Queen Anne’s</b>					
Kennard High School Restoration	\$100,000	\$100,000		\$200,000	Soft (2, 3)
<b>Subtotal</b>	<b>\$100,000</b>	<b>\$100,000</b>		<b>\$200,000</b>	
<b>St. Mary’s</b>					
Cedar Lane Apartment Renovations		\$125,000		\$125,000	Hard
Pathway’s Facility Renovation	\$175,000			175,000	Soft (1)
<b>Subtotal</b>	<b>\$175,000</b>	<b>\$125,000</b>		<b>\$300,000</b>	
<b>Talbot</b>					
Oxford Community Center		\$75,000		\$75,000	Soft (2)
YMCA Fire Safety System Upgrade	\$100,000	25,000		125,000	Hard
<b>Subtotal</b>	<b>\$100,000</b>	<b>\$100,000</b>		<b>\$200,000</b>	
<b>Washington</b>					
Barbara Ingram School for the Arts		\$150,000		\$150,000	Soft (all)
Doleman Black Heritage Museum		25,000		25,000	Hard
Museum of Fine Arts	\$100,000			100,000	Hard
<b>Subtotal</b>	<b>\$100,000</b>	<b>\$175,000</b>		<b>\$275,000</b>	
<b>Wicomico</b>					
Parsonsborg Volunteer Fire Company Community Center	\$250,000			\$250,000	Soft (all)
Senior Training Center for the Blind		\$150,000		150,000	Hard
<b>Subtotal</b>	<b>\$250,000</b>	<b>\$150,000</b>		<b>\$400,000</b>	
<b>Total Senate and House Initiatives</b>	<b>\$7,500,000</b>	<b>\$7,500,000</b>		<b>\$17,210,000</b>	

Match Key: 1 = real property; 2 = in kind contribution, 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 economic development, 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 non-lapsing 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. The PAYGO portion of the fiscal 2010 capital program was increased by the availability of additional federal funds provided through the American Recovery and Reinvestment Act of 2009 (ARRA), most notably an additional \$123.0 million for MDE Water Quality Loan and Drinking Water Loan programs and \$33.9 million for Department of Housing and Community Development foreclosure assistance. Despite the increased availability of federal funds to support the capital program, the GO bond program was used to reduce operating budget appropriations and to replace POS funds transferred to the general fund as shown in **Exhibit A-2.4**.

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**Exhibit A-2.4**  
**Use of General Obligation Bond Program to Relieve Pressure on the**  
**Operating Budget**  
(\$ in Millions)

<ul style="list-style-type: none"> <li>● <b>Transfer Tax Diversion to the General Fund:</b> Transfers to the general fund include \$31.0 million of fiscal 2010 transfer tax revenues that would have otherwise supported various Program Open Space (POS) programs and \$71.3 million of stateside POS fund balance all of which was replaced with GO bond authorizations in the 2009 Maryland Consolidated Capital Bond Loan. An additional \$70.0 million of stateside POS fund balance was also transferred to the general fund; however, replacement of these transferred funds is authorized with revenue bonds through <i>House Bill 783 (passed)</i>. Total POS transfers authorized in the 2009 Budget Reconciliation and Financing Act (BRFA) amount to \$172.3 million.</li> </ul>	\$102.3
<ul style="list-style-type: none"> <li>● <b>InterCounty Connector Funding:</b> Budgeted at \$146.9 million in the capital budget bill as introduced, the amount was reduced to \$55.0 million in the capital budget as passed to reflect a more fiscally prudent Transportation Trust Fund cash flow projection and the anticipated fiscal 2010 expenditures for the project. The required statutory changes are included in the 2009 BRFA.</li> </ul>	55.0
<ul style="list-style-type: none"> <li>● <b>Medevac Helicopter Replacement:</b> The BRFA of 2009 includes the transfer of the \$51.5 million fund balance from the State Police Helicopter Replacement Fund to the general fund which effectively eliminated the use of the fund for the purposes of procuring Medevac helicopters. The \$52.5 million of general obligation (GO) bond funds are intended to fund the purchase of three helicopters during fiscal 2010.</li> </ul>	52.5
<ul style="list-style-type: none"> <li>● <b>Use of GO Bond Funds to Fund Capital Programs Traditionally Funded with General Funds:</b> This principally includes \$7.5 million for the Public Safety Communication System; \$15.0 million for the Department of Housing and Community Development revolving loan program; and \$5.5 million for Maryland Department of the Environment water quality and drinking water loan programs.</li> </ul>	28.1
<p><b>Total</b></p>	<b>\$238.1</b>

Source: Department of Budget and Management

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## Debt Affordability

As shown in **Exhibit A-2.5**, the long range plan adopted by the Capital Debt Affordability Committee (CDAC) in November 2008 provides for a total of over \$5.25 billion in debt authorizations from 2009 to 2013. This is an increase of \$150.0 million over the amount recommended by CDAC in its October 2007 report for the five-year planning period considered by the committee. The revised GO bond debt limit is not programmed to remain in the base permanently as the committee recommended the additional GO bond authorizations beginning with the 2010 session return to the level recommended in the committee's 2007 report.

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**Exhibit A-2.5**  
**Capital Debt Affordability Committee Recommended Levels of**  
**General Obligation Bond Authorizations**  
**2009-2013 Legislative Sessions**  
**(\$ in Millions)**

<u>Session</u>	<u>2007 Report Recommended Authorizations</u>	<u>2008 Report Recommended Authorizations</u>	<u>Increased Authorization</u>
2009	\$960	\$1,110	\$150
2010	990	990	0
2011	1,020	1,020	0
2012	1,050	1,050	0
2013	1,080	1,080	0
<b>Total</b>	<b>\$5,100</b>	<b>\$5,250</b>	<b>\$150</b>

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

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For the 2009 session, CDAC recommended \$1.11 billion of new GO bond authorizations to support the capital program. The 2009 MCCBL passed by the General Assembly is consistent with the level of new GO debt authorizations recommended by CDAC. An additional \$30.8 million in GO bonds from prior years is deauthorized in the capital budget of 2009, thereby increasing the amount of new GO debt included in the capital program to \$1.14 billion. Included in the \$1.14 billion of new debt is \$18.0 million authorized in the 2008 MCCBL to complete the Rockville District Court; \$10.1 million authorized in the 2008 MCCBL for the Department of State Police New Hagerstown Barrack and Garage (\$14.8 million was preauthorized in the 2008 MCCBL for this project, but this amount was reduced to \$10.1 million with an additional \$5.0 million preauthorized for the 2010 session capital budget bill which allows the project to be bid for construction during fiscal 2010); and \$5.0 million authorized in the Southern Maryland Regional Strategy-Action Plan for Agriculture Loan of 2001 for the Tobacco Transition Program as amended by Chapter 46 of 2006, which completes the State's bond funded Tobacco Transition Program.

The State's capital program for fiscal 2010 also includes other actions that affect debt affordability, debt issuance, and future capital budgets.

- The Maryland Department of the Environment plans to issue \$80.0 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 66 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.
- **House Bill 783 (passed)** authorizes \$70.0 million in bond funds for DNR's State Program Open Space land acquisition program and authorizes the transfer of up to \$5.0 million of this amount to the Maryland Department of Agriculture's Maryland Agricultural Land Preservation Fund (MALPF). Property transfer tax revenue must be used to pay principal and interest on the POS bonds prior to any other distribution. POS bond funds are intended to supplement other POS funds and may not affect the POS funding allocation formula specified in current law. Also, POS bond funds may not be used to reimburse the State for the acquisition of land prior to the bill's effective date.
- The 2009 MCCBL includes \$172.1 million of general obligation bond authorizations that will not take effect until fiscal 2011. The pre-authorizations include \$3.5 million to fund renovations and alterations of the Lowe House Office Building; \$5.0 million to complete the design, construction, and capital equipping of the Western Maryland Regional Library in Hagerstown; \$26.9 million for the construction of the New Center for the Built Environment at Morgan State University; \$34.1 million for the construction of a new Fine and Performing Arts Building at Bowie State University; \$35.8 million to fund the construction of the Towson University New College of Liberal Arts Complex Phase II; \$14.3 million for the construction of the Salisbury University New Perdue School of Business; \$39.6 million for four community college projects; \$5.0 million to complete the construction funding for the Department of State Police New Hagerstown Barrack and Garage; \$2.5 million to complete the State grant to Sinai Hospital for the Samuelson Children's Hospital; and \$5.5 million for construction of the Phase I addition to the St. Mary's County Detention Center. The fiscal 2010 authorizations for all but Sinai Hospital and St. Mary's County Detention Center projects include language added by the General Assembly that allows for the contracts to be bid without the full authorization needed to fully fund the contract. The pre-authorization for the St. Mary's County Detention Center does not include this language since the project will not commence during fiscal 2010, and Sinai Hospital funding is provided as a grant.

## Debt Management

The 2009 session included legislation that affects the State's capital program for fiscal 2010 and also includes other actions that affect debt management.

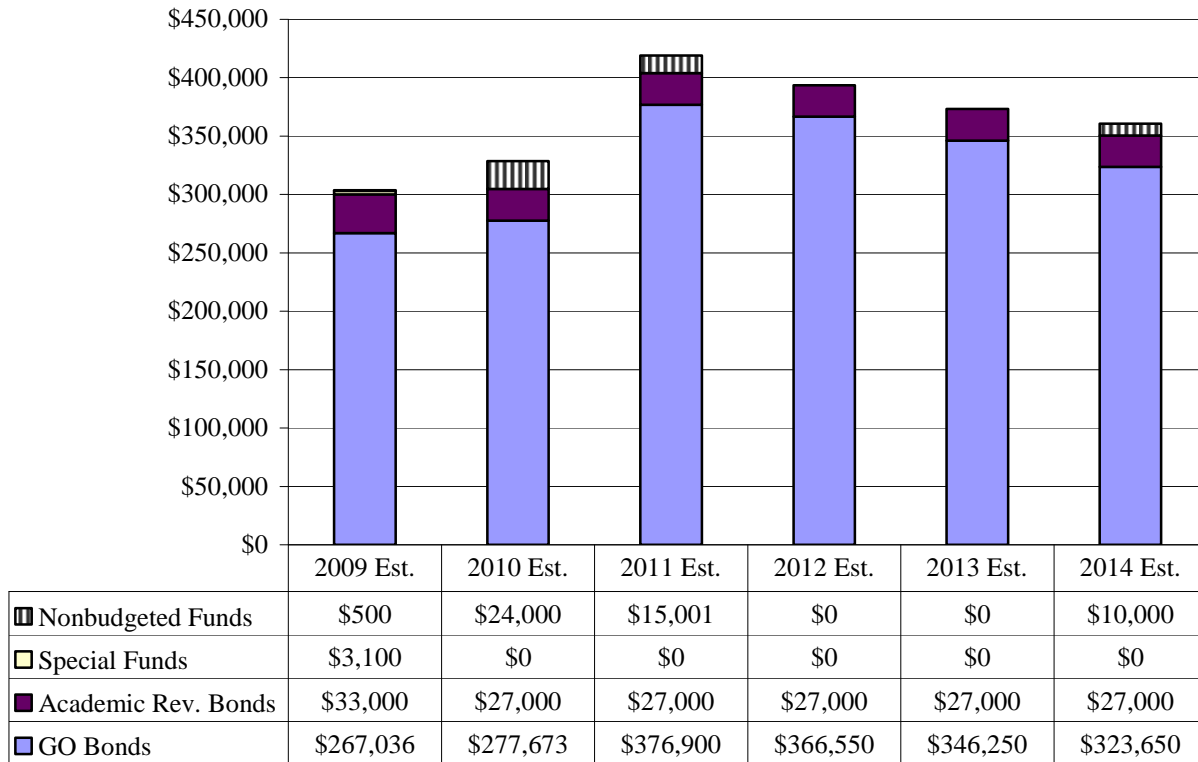
- **House Bill 1081 (passed)** amends prior authorization bond bills by extending matching fund deadlines, extending deadlines for expending or encumbering funds, altering the purposes for which funds may be used, modifying certification requirements, renaming grant recipients, or altering project locations which are consolidated into an omnibus bill. Prior to the 2008 session, individual prior authorization bills were passed by the General Assembly. **House Bill 1081** also amended prior Qualified Zone Academy Bond (QZAB) authorizations to expand the eligible uses of these bond funds to include equipment. In addition, the bill authorizes the Comptroller to advance funds for authorized QZAB expenditures, provided that the next sale of QZABs includes at least the amount of funds advanced.
- **Senate Bill 1060 (passed)** allows the Board of Public Works (BPW) to sell GO bonds at a private, negotiated sale if the board determines that (1) extraordinary credit market conditions exist; and (2) the terms and conditions of a negotiated sale are more advantageous to the State than the terms that can be obtained through a public, competitive sale. However, it declares State policy to be that the preferred method of sale of GO bonds is by public, competitive sale. The bill authorizes BPW to issue bonds in a form that qualifies for tax credits, interest subsidies, or other federal tax benefits, and also ratifies the validity of any tax credit bonds sold prior to the bill's effective date.
- **House Bill 1330 (passed)** authorizes BPW to issue up to \$2 million in general obligation bonds to replenish specified capital reserve funds to be established and administered by the Community Development Administration. The bonds may only be issued if (1) the balance of a capital reserve fund falls below the minimum capital reserve requirement; and (2) operating revenues generated by the local government infrastructure projects for which the capital reserve funds support are insufficient. The bill further stipulates that it is the intent of the General Assembly that the general obligation bonds not be included as part of the annual general obligation debt limit unless and until the bonds are issued.
- **House Bill 809 (passed)** – Under current law, if the State Treasurer issues variable-rate bonds, the ongoing cost of fiscal agents for those bonds is most likely paid with a series of special fund appropriations from bond proceeds. The Treasurer's Office estimates annual costs of \$250,000 for each \$100 million of variable debt issued. Authorizing payment from the Annuity Bond Fund for the cost of fiscal agents associated with variable interest rate bonds and interest rate exchange agreements has no overall effect on State expenditures for debt service but may provide an operational benefit by not requiring separate appropriations for these expenses. The bill specifies that the ongoing servicing costs of variable-rate bonds be paid in the same manner as principal and interest.

- Uncodified Section 11 of the Public School Facilities Act of 2004 directs CDAC to review school construction funding needs and make specific recommendations regarding additional funding for school construction when recommending the State’s annual debt limit and GO bond authorization level. The 2009 MCCBL struck this provision after issues were raised concerning the need for such a requirement since CDAC’s role does not include funding level recommendations for other capital programs or projects.
- **House Bill 1192 (passed)** requires a for-profit or nonprofit entity or association that receives State aid during a fiscal year and is not a unit of State or local government to submit a report to the Department of Information Technology (DoIT) by September 1 after each fiscal year the grantee receives State aid. DoIT must develop and operate a searchable web site, accessible to the public at no cost, which provides grantee report information in a specified format. The Office of Legislative Audits is authorized to conduct audits or reviews of grantees. State aid is defined as a contribution, grant, or subsidy of \$50,000 or more provided through the State operating or capital budget or by the action of a unit of State government from State funds appropriated to that unit. State aid does not include reimbursements to providers participating in a State program. Grantee reports must contain the following information: a summary of the purpose for which the State aid was provided; the number of jobs created or retained as a result of the State aid; the amount and source of any funds, other than State aid, the grantee secured for the same purpose for which the State aid was provided, or as a result of the State aid; a description of how the State aid served the citizens of the State; and the number of citizens served as a result of the State aid.

## Higher Education

The fiscal 2010 capital program for all segments of higher education is \$304.7 million, including GO bonds and academic revenue bonds. Of the total funding, four-year public institutions receive \$208.2 million and independent colleges receive \$9.0 million. Community colleges, including Baltimore City Community College, receive \$87.5 million in fiscal 2010, the highest funding level in a single year for community colleges. The *Capital Improvement Program* (CIP), after legislative changes to the fiscal 2010 capital budget, shows \$1.691 billion in capital spending for higher education projects from fiscal 2010 through 2014. **Exhibit A-2.6** shows the fiscal 2009 and 2010 legislative appropriation for higher education capital projects and the funds anticipated in the CIP for fiscal 2011 through 2014. **Exhibit A-2.7** shows the fiscal 2010 capital funding by institution.

**Exhibit A-2.6**  
**Higher Education Authorized and Planned Out-year Capital Funding**  
**Fiscal 2009-2014**  
**(\$ in Thousands)**



**Exhibit A-2.7**  
**Higher Education Capital Funding by Institution**  
**Fiscal 2010**  
**(\$ in Thousands)**

<u><b>Institution</b></u>	<u><b>Capital Funding</b></u>
University of Maryland, Baltimore	\$13,756
University of Maryland, College Park	12,318
Towson University	35,725
Coppin State University	12,116
University of Baltimore	5,416
Bowie State University	37,265
Salisbury University	28,000
University System of Maryland – Facility Renewal	17,000
St. Mary’s College of Maryland	1,685
Morgan State University	44,846
Independent Colleges	9,000
Baltimore City Community College	3,214
Community Colleges	84,332
<b>Total</b>	<b>\$304,673<sup>1</sup></b>

<sup>1</sup>This does not include \$28.5 million authorized for the University of Maryland Medical System. This also does not include \$24.0 million of nonbudgeted funds representing private donor contributions.

### **School Construction**

The fiscal 2010 budget for public school construction contains \$265.2 million. The budget includes \$260.0 million in general obligation bonds, and \$5.2 million from the Public School Construction Program’s Statewide Contingency Fund, of which \$1.9 million is reserved for specific local school systems. The Public School Facilities Act of 2004 established a State goal to provide \$2.0 billion in State funding over the following eight years to address deficiencies, or \$250.0 million per year through fiscal 2013. Fiscal 2010 will be the fifth consecutive year that the goal has been met or exceeded. The local school systems have requested a total of approximately \$766.0 million for fiscal 2009, of which \$493.6 million is eligible for funding.

Seventy-five percent of the preliminary \$260.0 million school construction allocation announced by the Governor in October, or \$195.0 million, was recommended for specific projects by the Interagency Committee on School Construction (IAC) and approved by BPW in January 2009. The IAC, in accordance with a new requirement codified in the fiscal 2008 capital budget bill language, made recommendations equal to 90% of the total allowance, an additional \$39.3 million, in March 2009. This was presented to the General Assembly and will be reviewed by BPW for approval after May 1, 2009.

Capital-eligible public school funding is also supported through the Aging Schools Program. As introduced, the capital budget bill authorized the use of \$6.1 million of bond premium revenues from the Annuity Bond Fund. However, as passed, the capital budget bill strikes the use of bond premiums and instead includes \$6.1 million in general obligation bond funds for the program. The capital budget also includes \$250,000 for the Relocatable Classroom Repair Fund. For additional information on school construction, see Part L – Education – Primary and Secondary Education.

## **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 2010 budget appropriations from the transfer tax and direct transfer tax revenue to the general fund. This is the first time in four years that the transfer tax is directed to the State's general fund and the actions taken affect fiscal 2009 and 2010. In each instance, the amount of diverted transfer tax to the general fund is replaced with either GO bond funds authorized in the 2009 MCCBL or through the authorization of revenue bonds backed by future transfer tax revenues authorized in separate legislation.

In fiscal 2009, \$70 million of the unencumbered balance for POS stateside is directed to the general fund through the BRFA of 2009. This action is accompanied by [\*House Bill 783 \(passed\)\*](#) which authorizes the Department of Natural Resources to issue up to \$70 million in revenue bonds for which the debt service is pledged with future transfer tax revenues. A more detailed discussion of this bill may be found under Part K – Natural Resources, Environment, and Agriculture of this *90 Day Report*.

Also in fiscal 2009, \$71.3 million in transfer tax revenue that would have been used for two property purchases is directed to the general fund through the BRFA of 2009. The State Treasurer issued a Declaration of Official Intent for each of the two property purchases at the time the purchases were taken before the Board of Public Works. The Declaration of Official Intent is a form filed with the Internal Revenue Service that allows for the reimbursement of State expenditures with tax-exempt general obligation bond proceeds within 18 months of the original expenditure. The capital budget includes \$71.3 million in general obligation bonds to replace the funds for the Foster Property (\$14.4 million) and Maryland Province of the Society of Jesus Properties (\$56.9 million) purchases.

In fiscal 2010, \$18 million of the fiscal 2010 transfer tax funding for POS capital development projects and Rural Legacy Program allocations and \$13 million of the transfer tax funding for the Maryland Agricultural Land Preservation Program (MALPP) are directed to the general fund. The combined amount of \$31 million is reimbursed on a one-for-one basis in the fiscal 2010 capital budget with general obligation bonds. **Exhibit A-2.8** shows how transfer tax revenue will be replaced with general obligation bonds in fiscal 2010.

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**Exhibit A-2.8**  
**Programs Traditionally Funded with Transfer Tax Revenue**  
**Fiscal 2010**  
**(\$ in Millions)**

	<u>Transfer Tax</u> <u>Special Funds</u>	<u>Other</u> <u>Special Funds</u>	<u>Federal</u>	<u>GO</u> <u>Bonds</u>	<u>Total</u>
<b>Department of Natural Resources</b>					
Program Open Space					
State	\$12.6	\$0	\$1.0	\$0	\$13.6
Local	6.1	0	1.0	0	7.1
Capital Development	0	0	0	6.2	6.2
Rural Legacy Program	0	0	0	11.8	11.8
Heritage Conservation Fund	1.4	0	0	0	1.4
<b>Department of Agriculture</b>					
Agricultural Land Preservation	0	10.6	2.0	13.0	25.6
<b>Total</b>	<b>\$20.1</b>	<b>\$10.6</b>	<b>\$4.0</b>	<b>\$31.0</b>	<b>\$65.6</b>

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A total of \$44.1 million will be available for local and State land conservation projects in fiscal 2010, as shown in **Exhibit A-2.9**; however, there is an additional \$11.8 million for the Rural Legacy Program and \$13.0 million for MALPP in the fiscal 2010 capital budget. The decrease in transfer tax funds available for fiscal 2010 is due to the directing of funds to the general fund and to lower transfer tax estimates that reflect a sluggish real estate market. The decrease in funding partially is mitigated by a lower amount of underattainment. Both fiscal 2009 and 2010 are impacted by underattainment of revenues from fiscal 2007 and 2008, respectively. The fiscal 2007 underattainment impacting fiscal 2009 is \$52.0 million while the fiscal 2008 underattainment impacting fiscal 2010 is \$35.0 million.

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**Exhibit A-2.9**  
**Land Conservation Funded by the Property Transfer Tax**  
**Fiscal 2009 and 2010**  
**(\$ in Millions)**

	<u>Fiscal 2009</u> <u>Appropriation</u>	<u>Fiscal 2010</u> <u>Allowance</u>	<u>Fiscal 2010</u> <u>Appropriation</u>
Program Open Space (POS)			
POS State	\$20.9	\$11.8	\$11.8
POS Local	18.6	6.1	6.1
Additional State Land Acquisition	1.1	0.8	0.8
Maryland Agricultural Land Preservation Program (MALPP)	18.6	13.0	0 *
Rural Legacy	13.5	11.8	0 *
Heritage Conservation Fund	2.0	1.4	1.4
Maryland Heritage Areas Authority	3.0	3.0	3.0
Forest and Park Service	21.0	21.0	21.0
<b>Total</b>	<b>\$98.7</b>	<b>\$68.9</b>	<b>\$44.1</b>

Note: POS and MALPP receive funding from other sources (federal funds, agricultural transfer tax, and matching funds from local jurisdictions). For fiscal 2010, MALPP receives \$13.0 million in general obligation bonds, and Rural Legacy Program receives \$11.8 million in replacement of the transfer tax allocation. For fiscal 2010, there is \$9.8 million for State land acquisition. Of the total \$12.6 million in POS State land acquisition funds, \$1.6 million is directed to three capital projects in Baltimore City, and \$1.2 million is directed to operating expenses through the fiscal 2010 budget.

\* General obligation bond funds are authorized in the 2009 Maryland Consolidated Capital Bond Loan to fully replace the transfer tax special funds originally intended to be used to support the MALPP and Rural Legacy programs.

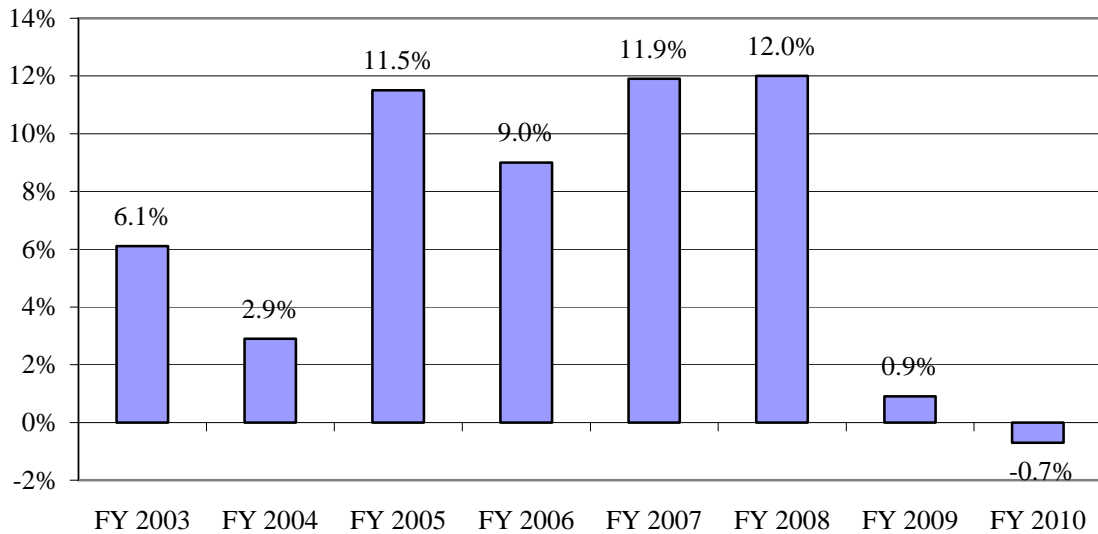
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## State Aid to Local Government

### Overview

The slow-down in the State’s economy coupled by declining revenues affected the ability of the General Assembly to fully fund local programs in fiscal 2010. Even with the influx of federal stimulus funds, most of which were targeted to education programs, State aid to local governments will decrease by \$42.6 million, or 0.7 %, from the prior year. However, local school systems and community colleges will realize a modest increase in State funding in the upcoming year. State aid to local school systems will increase by \$127.9 million, or 2.4%; whereas, community colleges will receive a \$12.6 million, or 4.9%, increase in State aid. Increased funding for local school systems is due primarily to increased federal funding under the American Recovery and Reinvestment Act of 2009. Public libraries will receive a slight increase in State funding (0.5%) in fiscal 2010 while local health departments will be level funded in the upcoming year. County and municipal governments, however, will experience a significant decrease in State funding. The State aid decrease is estimated at \$183.4 million in fiscal 2010. Over the last three years, State aid to county and municipal governments has decreased by \$386.2 million. **Exhibit A-3.1** shows the annual increase in State aid over the last eight years. **Exhibit A-3.2** shows the change in State aid in fiscal 2010 by governmental entity.

**Exhibit A-3.1**  
**Annual Growth in State Aid to Local Governments**



Source: Department of Legislative Services

**Exhibit A-3.2**  
**State Aid to Local Governments**  
**Fiscal 2009 and 2010**  
**(\$ in Millions)**

	<u>2009</u>	<u>2010</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$5,379.3	\$5,507.3	\$127.9	2.4%
Libraries	63.8	64.1	0.3	0.5%
Community Colleges	254.7	267.3	12.6	4.9%
Health	57.4	57.4	0.0	0.0%
County/Municipal	750.8	567.4	-183.4	-24.4%
<b>Total</b>	<b>\$6,506.0</b>	<b>\$6,463.3</b>	<b>-\$42.6</b>	<b>-0.7%</b>

Source: Department of Legislative Services

**State Support for Local Governments Impacted by Cost Containment**

The General Assembly approved \$301.8 million in reductions to local government programs in fiscal 2010. State aid accounts for \$268.7 million of the reductions, while local park and jail programs account for the remaining \$33.1 million. Nearly two-thirds of the total reductions will affect county and municipal governments, while local school systems will have to absorb 22% of the reductions (**Exhibit A-3.3**). State funding for local highways and transportation projects received the largest share of the reductions.

**Exhibit A-3.3**  
**Legislative Actions Impacting State Aid to Local Governments**  
**(\$ in Millions)**

	<u>FY 2010</u>	<u>Percent of Total</u>
Public Schools	-\$65.1	21.6%
Libraries	-4.7	1.5%
Community Colleges	-34.0	11.3%
Health	0.0	0.0%
County/Municipal	-198.0	65.6%
<b>Total</b>	<b>-\$301.8</b>	<b>100.0%</b>

Source: Department of Legislative Services

Funding for local highway user grants will be reduced by \$101.9 million in fiscal 2010, with an additional \$60.0 million reduction based on local wealth and tax effort. State retirement payments for certain local officials will be eliminated resulting in a \$2.5 million reduction. Local school systems will realize a \$65.1 million reduction over current law, most of which involves nonpublic placements for special education students, the aging schools program, and recapture of formula overpayments in the prior year. Funding for local libraries will be reduced by \$4.7 million; whereas, community college funding increases required under current law will be reduced by \$34.0 million.

The General Assembly also approved a measure that prohibits the Department of Natural Resources from making revenue sharing payments to counties in fiscal 2010 and 2011, with the exception of payments for revenues generated from the sale of lumber. The allocation to counties represent either 15 or 25% of the revenue derived from forests and parks, depending on the percent of county land dedicated to State forest and parks. Local revenues are projected to decrease by \$1.9 million in fiscal 2010 and \$2.0 million in fiscal 2011.

In addition, State funding for local jail reimbursements will decrease by \$31.3 million in fiscal 2010. Since the implementation of a statutory change in 1986, the State has partially reimbursed local jails for the confinement of inmates who have been sentenced under the Division of Correction jurisdiction and are serving sentences in local correctional facilities for more than 3 months but not more than 18 months. Reimbursement costs are estimated to be \$29.6 million for fiscal 2010. The Budget Reconciliation and Financing Act of 2009 converts the reimbursement to a grant program that will provide each county at least \$45 for each inmate day between 12 and 18 months, based on actual data from the most recent fiscal year. It is estimated that the grants would total \$13.3 million in fiscal 2010; however, the General Assembly eliminated all funding for the reimbursements in fiscal 2010, thereby, deferring implementation of the grant until 2011. The Budget Reconciliation and Financing Act of 2009 also converts to a grant program the State reimbursements for each day an inmate who is sentenced to a State correctional facility is held in a local correctional facility. This action is estimated to reduce the reimbursements about \$1.7 million.

**Exhibits A-3.4** through **A-3.6** show the funding reductions by program for each county. Even with these reductions, State aid for most local school systems, community colleges, and local libraries will increase in fiscal 2010.

**Exhibit A-3.4**  
**Legislative Reductions to State Education Aid Programs in Fiscal 2010**  
(\$ in Thousands)

County	Fiscal 2009 Overpayments	Nonpublic Placements	Aging Schools <sup>1</sup>	Unallocated Education Aid <sup>2</sup>	Total Reductions
Allegany	-\$879	-\$114	-\$89	\$0	-\$1,082
Anne Arundel	-5,154	-1,307	-460	0	-6,922
Baltimore City	0	-3,246	-1,263	0	-4,509
Baltimore	-5,992	-1,941	-795	0	-8,728
Calvert	-896	-117	-35	0	-1,047
Caroline	-357	-28	-46	0	-430
Carroll	-1,430	-447	-125	0	-2,001
Cecil	-976	-235	-87	0	-1,299
Charles	-2,545	-167	-46	0	-2,758
Dorchester	-338	-8	-35	0	-381
Frederick	-2,148	-290	-166	0	-2,604
Garrett	0	-25	-35	0	-60
Harford	-1,963	-635	-198	0	-2,796
Howard	-3,167	-429	-80	0	-3,676
Kent	0	-16	-35	0	-50
Montgomery	0	-1,704	-548	0	-2,252
Prince George's	-68	-3,593	-1,100	0	-4,761
Queen Anne's	-497	-45	-46	0	-588
St. Mary's	-1,418	-90	-46	0	-1,553
Somerset	0	0	-35	0	-35
Talbot	0	-3	-35	0	-38
Washington	-1,770	-208	-123	0	-2,101
Wicomico	-1,241	-27	-97	0	-1,366
Worcester	0	0	-35	0	-35
Unallocated	0	-1,435	0	-12,587	-14,022
<b>Total</b>	<b>-\$30,838</b>	<b>-\$16,110</b>	<b>-\$5,558</b>	<b>-\$12,587</b>	<b>-\$65,094</b>

<sup>1</sup>The capital budget includes \$6.1 million to be used for the aging schools program.

<sup>2</sup>Includes quality teacher incentives (\$5.3 million), school improvement grants (\$4.8 million), environmental education (\$150,000), math and science initiatives (\$1.0 million), headstart (\$1.2 million), and the principal fellowship program (\$159,793).

Source: Department of Legislative Services

**Exhibit A-3.5**  
**Legislative Reductions to State Aid to Local Governments in Fiscal 2010**  
(\$ in Thousands)

<b>County</b>	<b>Education Aid</b>	<b>Library Aid<sup>1</sup></b>	<b>Community Colleges</b>	<b>Highway User Revenues</b>	<b>Additional Highway User</b>	<b>Local Employee Retirement<sup>2</sup></b>	<b>Total Reductions</b>
Allegany	-\$1,082	-\$60	-\$815	-\$1,832	-\$319	-\$17	-\$4,125
Anne Arundel	-6,922	-235	-4,734	-7,997	-9,059	-39	-28,986
Baltimore City	-4,509	-513	0	-19,871	-2,963	-2,672	-30,528
Baltimore	-8,728	-488	-5,600	-10,757	-8,901	-29	-34,502
Calvert	-1,047	-44	-349	-1,778	-1,193	0	-4,412
Caroline	-430	-23	-212	-1,272	-304	-11	-2,252
Carroll	-2,001	-97	-1,187	-3,592	-1,639	-46	-8,562
Cecil	-1,299	-64	-780	-1,991	-1,004	-20	-5,158
Charles	-2,758	-79	-1,114	-2,578	-1,551	0	-8,082
Dorchester	-381	-21	-187	-1,407	-320	-10	-2,326
Frederick	-2,604	-119	-1,360	-4,738	-2,573	0	-11,395
Garrett	-60	-16	-398	-1,593	-350	-11	-2,429
Harford	-2,796	-146	-1,728	-4,172	-2,150	0	-10,992
Howard	-3,676	-55	-2,136	-3,961	-3,202	-23	-13,053
Kent	-50	-10	-80	-715	-239	0	-1,095
Montgomery	-2,252	-186	-6,311	-11,236	-12,088	-14	-32,086
Prince George's	-4,761	-532	-3,924	-9,788	-5,600	-13	-24,619
Queen Anne's	-588	-13	-262	-1,472	-682	-13	-3,030
St. Mary's	-1,553	-60	-358	-1,979	-947	-11	-4,908
Somerset	-35	-21	-121	-850	-108	0	-1,134
Talbot	-38	-7	-197	-1,172	-968	-19	-2,401
Washington	-2,101	-97	-1,179	-3,048	-1,349	0	-7,775
Wicomico	-1,366	-68	-721	-2,376	-569	-12	-5,111
Worcester	-35	-10	-294	-1,746	-1,921	-15	-4,020
Unallocated	-14,022	-1,696	0	0	0	0	-15,718
<b>Total</b>	<b>-\$65,094</b>	<b>-\$4,659</b>	<b>-\$34,049</b>	<b>-\$101,920</b>	<b>-\$60,000</b>	<b>-\$2,974</b>	<b>-\$268,696</b>

<sup>1</sup>Includes a reduction of \$553,243 to recapture fiscal 2009 overpayments that occurred because of an error in the wealth base calculation for Montgomery County.

<sup>2</sup>Includes a reduction of \$500,000 for a miscellaneous grant to Baltimore City.

**Exhibit A-3.6**  
**Total Legislative Reductions to Local Governments in Fiscal 2010**  
(\$ in Thousands)

<b>County</b>	<b>State Aid Programs</b>	<b>Park Revenues</b>	<b>Local Jail Reimbursement<sup>1</sup></b>	<b>Jail Backup</b>	<b>Total Reductions</b>
Allegany	-\$4,125	-\$155	-\$330	-\$39	-\$4,649
Anne Arundel	-28,986	-255	-3,880	-151	-33,273
Baltimore City	-30,528	0	0	0	-30,528
Baltimore	-34,502	-166	-3,410	-67	-38,144
Calvert	-4,412	-5	-800	-10	-5,226
Caroline	-2,252	-47	-170	-27	-2,495
Carroll	-8,562	-13	-890	-30	-9,495
Cecil	-5,158	-92	-100	-76	-5,426
Charles	-8,082	-29	-1,280	-95	-9,485
Dorchester	-2,326	0	-390	-5	-2,721
Frederick	-11,395	-108	-2,230	-74	-13,807
Garrett	-2,429	-297	-150	-6	-2,881
Harford	-10,992	-37	-2,850	-85	-13,964
Howard	-13,053	-48	-1,040	-78	-14,218
Kent	-1,095	0	-210	-4	-1,309
Montgomery	-32,086	-69	-5,070	-255	-37,479
Prince George's	-24,619	-9	-2,940	-553	-28,121
Queen Anne's	-3,030	-2	-410	-20	-3,463
St. Mary's	-4,908	-106	-940	-29	-5,983
Somerset	-1,134	-38	-240	-7	-1,419
Talbot	-2,401	-4	-190	-8	-2,603
Washington	-7,775	-107	-900	-54	-8,836
Wicomico	-5,111	0	-710	-9	-5,830
Worcester	-4,020	-294	-440	-15	-4,769
Unallocated	-15,718	0	0	0	-15,718
<b>Total</b>	<b>-\$268,696</b>	<b>-\$1,882</b>	<b>-\$29,570</b>	<b>-\$1,694</b>	<b>-\$301,843</b>

<sup>1</sup>Excludes an additional \$11.9 million owed by the State for past reimbursements that is being eliminated as a liability.

## Reliance on State Aid

State aid is the largest revenue source for most county governments in Maryland, accounting for 25.8% of total county revenues. In five counties (Anne Arundel, Baltimore, Queen Anne’s, Talbot, and Worcester), State aid is the second largest revenue source after property taxes. In Howard County, State aid is the third largest revenue source after both property and income taxes. Whereas in Montgomery County, State aid is the fourth largest revenue source after property and income taxes and service charges. For municipal governments, State aid is the third largest revenue source representing 8.2% of total municipal revenues. As with counties, the reliance on State aid varies for municipalities, ranging from 2.2% of total revenues for municipalities in Talbot County to 28.4% for municipalities in Kent County. State aid to municipalities is targeted primarily to highway maintenance, police and fire services, and parks and recreation.

Dependence on State aid varies across Maryland with less affluent jurisdictions relying on State aid as their primary revenue source and more affluent jurisdictions relying more heavily on local property and income taxes. For example, State aid accounts for 14% of total revenues in Montgomery County but 49% in Somerset County. This difference reflects the State’s policy of targeting resources to less affluent jurisdictions that have a lower capacity to raise revenues from local sources. Utilizing local wealth measures to distribute State aid improves the fiscal equity among counties by making certain counties less dependent on their own tax base to fund public services thereby offsetting the inequalities in the revenue capacity among local governments. Currently, nearly 70% of State aid is distributed inversely to local wealth. The disparity in local tax capacities among counties in Maryland is illustrated in **Exhibit A-3.7** which shows the per-capita local wealth and State aid amounts for each county for fiscal 2010.

## Changes by Program

Four counties will receive an increase in State aid in fiscal 2010, while 20 counties will receive a decrease. **Exhibit A-3.8** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A 3.9** compares total State aid in fiscal 2009 and 2010 by program.

**Exhibit A-3.7**  
**Comparison of Local Wealth Measures and State Aid Allocation**  
**Fiscal 2010**

<b>County</b>	<b>Per Capita Property Base</b>	<b>Per Capita Income Base</b>	<b>Per Capita Total Wealth</b>	<b>Percent of State Avg.</b>	<b>Per Capita Ranking</b>	<b>Per Capita State Aid</b>	<b>Per Capita Ranking</b>
Allegany	\$18,705	\$12,039	\$30,744	42.0%	24	\$1,611	3
Anne Arundel	64,678	24,633	89,311	122.0%	6	782	20
Baltimore City	21,922	11,321	33,243	45.4%	23	1,875	1
Baltimore	42,175	22,370	64,546	88.1%	15	868	19
Calvert	58,970	21,909	80,879	110.4%	7	1,235	11
Caroline	35,130	13,391	48,521	66.3%	20	1,676	2
Carroll	48,397	21,803	70,201	95.9%	12	1,096	16
Cecil	42,510	16,953	59,463	81.2%	16	1,243	10
Charles	53,594	18,785	72,378	98.8%	11	1,340	8
Dorchester	41,044	13,607	54,651	74.6%	18	1,329	9
Frederick	53,630	22,722	76,352	104.3%	9	1,168	13
Garrett	59,596	13,139	72,736	99.3%	10	1,354	7
Harford	44,158	21,033	65,191	89.0%	13	1,117	15
Howard	69,934	30,153	100,087	136.7%	4	1,019	17
Kent	58,312	18,248	76,560	104.5%	8	778	21
Montgomery	79,176	30,100	109,276	149.2%	3	756	22
Prince George's	43,570	15,067	58,637	80.1%	17	1,374	5
Queen Anne's	71,809	22,018	93,828	128.1%	5	913	18
St. Mary's	46,006	19,017	65,023	88.8%	14	1,145	14
Somerset	25,371	8,527	33,898	46.3%	22	1,372	6
Talbot	101,413	26,933	128,345	175.3%	2	527	24
Washington	38,355	16,011	54,366	74.2%	19	1,227	12
Wicomico	30,915	15,073	45,988	62.8%	21	1,530	4
Worcester	166,510	19,307	185,817	253.7%	1	633	23
<b>Total</b>	<b>\$52,244</b>	<b>\$20,985</b>	<b>\$73,228</b>	<b>100.0%</b>		<b>\$1,147</b>	

**Exhibit A-3.8**  
**State Aid to Local Governments**  
**Fiscal 2010 Legislative Appropriation**  
**(\$ in Thousands)**

County	<i>Direct State Aid</i>						Retirement	Total	Change Over FY 2009	Percent Change
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal				
Allegany	\$12,776	\$6,172	\$85,796	\$770	\$1,398	\$106,912	\$9,437	\$116,349	-\$1,111	-0.9%
Anne Arundel	19,782	30,876	276,775	1,835	4,834	334,102	66,893	400,994	-9,675	-2.4%
Baltimore City	264,460	0	837,682	6,548	10,269	1,118,959	75,532	1,194,491	-15,979	-1.3%
Baltimore	29,379	38,826	509,674	5,246	6,619	589,744	92,446	682,190	-16,713	-2.4%
Calvert	4,385	2,309	86,163	398	569	93,824	15,729	109,553	-162	-0.1%
Caroline	5,655	1,447	42,572	273	828	50,775	4,758	55,533	-1,491	-2.6%
Carroll	9,266	7,949	140,868	982	1,895	160,960	24,672	185,633	-3,632	-1.9%
Cecil	5,231	5,449	97,582	704	1,241	110,208	13,983	124,191	-2,138	-1.7%
Charles	6,636	7,374	149,531	795	1,530	165,865	22,700	188,566	-2,474	-1.3%
Dorchester	5,923	1,283	30,269	242	660	38,376	4,159	42,535	-1,711	-3.9%
Frederick	12,352	8,999	204,266	1,099	2,326	229,042	34,672	263,715	-2,331	-0.9%
Garrett	6,240	3,548	25,354	155	673	35,970	4,227	40,197	-1,358	-3.3%
Harford	11,582	11,054	207,607	1,549	2,673	234,464	34,126	268,591	-4,315	-1.6%
Howard	11,365	14,581	197,243	766	1,869	225,825	54,449	280,274	3,225	1.2%
Kent	2,053	549	10,225	94	517	13,438	2,248	15,686	-977	-5.9%
Montgomery	33,127	44,285	474,400	2,606	4,638	559,056	160,047	719,103	44,049	6.5%
Prince George's	60,890	24,861	909,487	5,962	7,703	1,008,904	119,184	1,128,088	-2,238	-0.2%
Queen Anne's	3,669	1,794	30,684	127	643	36,916	6,094	43,010	-1,400	-3.2%
St. Mary's	5,259	2,369	93,210	629	1,244	102,711	13,549	116,260	-2,684	-2.3%
Somerset	7,555	804	23,681	261	661	32,962	2,872	35,834	96	0.3%
Talbot	2,667	1,346	10,922	101	506	15,542	3,555	19,097	-1,425	-6.9%
Washington	8,213	8,243	140,965	1,117	2,125	160,663	17,786	178,449	-926	-0.5%
Wicomico	8,951	4,811	114,889	822	1,457	130,930	12,947	143,877	5,186	3.7%
Worcester	3,696	1,963	17,387	138	481	23,665	7,505	31,170	-2,223	-6.7%
Unallocated	26,249	7,159	30,951	15,609	0	79,967	0	79,967	-20,229	-20.2%
<b>Total</b>	<b>\$567,361</b>	<b>\$238,050</b>	<b>\$4,748,182</b>	<b>\$48,828</b>	<b>\$57,359</b>	<b>\$5,659,780</b>	<b>\$803,570</b>	<b>\$6,463,350</b>	<b>-\$42,633</b>	<b>-0.7%</b>

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

**State Aid to Local Governments**  
**Fiscal 2009 Working Appropriation**  
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$14,721	\$5,920	\$86,711	\$770	\$1,398	\$109,520	\$7,940	\$117,460
Anne Arundel	38,650	29,873	281,097	1,991	4,834	356,445	54,224	410,669
Baltimore City	287,943	0	841,498	6,586	10,269	1,146,296	64,174	1,210,469
Baltimore	51,579	38,748	518,214	5,422	6,619	620,582	78,321	698,902
Calvert	7,139	2,229	86,486	446	569	96,869	12,845	109,715
Caroline	7,555	1,413	42,989	280	828	53,064	3,959	57,024
Carroll	15,155	7,414	143,861	1,038	1,895	169,363	19,901	189,264
Cecil	8,561	5,143	98,984	732	1,241	114,660	11,669	126,329
Charles	11,211	7,210	152,207	853	1,530	173,011	18,029	191,040
Dorchester	7,971	1,252	30,782	248	660	40,913	3,333	44,246
Frederick	20,341	8,621	205,960	1,135	2,326	238,383	27,663	266,046
Garrett	8,292	3,374	25,480	164	673	37,982	3,573	41,555
Harford	18,718	10,580	210,795	1,627	2,673	244,393	28,512	272,906
Howard	19,785	13,822	197,049	763	1,869	233,289	43,760	277,049
Kent	3,149	536	10,468	104	517	14,773	1,890	16,663
Montgomery	59,454	43,263	431,517	2,610	4,638	541,482	133,572	675,054
Prince George's	78,971	23,679	918,884	6,522	7,703	1,035,759	94,567	1,130,326
Queen Anne's	6,048	1,751	30,847	133	643	39,422	4,989	44,410
St. Mary's	8,454	2,287	95,018	659	1,244	107,662	11,282	118,944
Somerset	8,116	766	23,647	263	661	33,453	2,284	35,737
Talbot	4,996	1,314	10,504	101	506	17,420	3,103	20,523
Washington	13,103	7,785	140,787	1,135	2,125	164,936	14,439	179,375
Wicomico	10,627	4,580	110,294	811	1,457	127,769	10,922	138,691
Worcester	7,695	1,869	17,129	137	481	27,310	6,082	33,392
Unallocated	30,381	7,108	46,353	16,353	0	100,195	0	100,195
<b>Total</b>	<b>\$748,615</b>	<b>\$230,534</b>	<b>\$4,757,561</b>	<b>\$50,883</b>	<b>\$57,359</b>	<b>\$5,844,952</b>	<b>\$661,031</b>	<b>\$6,505,983</b>

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

## State Aid to Local Governments

**Dollar Difference Between Fiscal 2010 Legislative Appropriation and Fiscal 2009 Working Appropriation**  
**(\$ in Thousands)**

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-\$1,945	\$252	-\$915	\$0	\$0	-\$2,608	\$1,497	-\$1,111
Anne Arundel	-18,868	1,003	-4,322	-156	0	-22,343	12,668	-9,675
Baltimore City	-23,483	0	-3,816	-38	0	-27,337	11,358	-15,979
Baltimore	-22,199	78	-8,540	-176	0	-30,838	14,125	-16,713
Calvert	-2,754	80	-323	-48	0	-3,045	2,883	-162
Caroline	-1,900	35	-417	-7	0	-2,289	798	-1,491
Carroll	-5,889	536	-2,993	-57	0	-8,403	4,771	-3,632
Cecil	-3,330	307	-1,402	-27	0	-4,452	2,314	-2,138
Charles	-4,575	164	-2,677	-58	0	-7,146	4,672	-2,474
Dorchester	-2,047	31	-513	-7	0	-2,536	826	-1,711
Frederick	-7,990	378	-1,693	-36	0	-9,341	7,010	-2,331
Garrett	-2,051	174	-126	-9	0	-2,012	654	-1,358
Harford	-7,137	474	-3,189	-78	0	-9,929	5,614	-4,315
Howard	-8,420	759	194	3	0	-7,463	10,688	3,225
Kent	-1,096	13	-243	-9	0	-1,335	358	-977
Montgomery	-26,327	1,022	42,883	-4	0	17,574	26,476	44,049
Prince George's	-18,081	1,182	-9,396	-560	0	-26,856	24,618	-2,238
Queen Anne's	-2,379	43	-163	-6	0	-2,505	1,105	-1,400
St. Mary's	-3,196	82	-1,808	-30	0	-4,951	2,268	-2,684
Somerset	-561	39	33	-2	0	-492	588	96
Talbot	-2,329	32	418	0	0	-1,878	453	-1,425
Washington	-4,891	458	178	-18	0	-4,273	3,347	-926
Wicomico	-1,675	231	4,595	10	0	3,161	2,025	5,186
Worcester	-3,999	94	258	1	0	-3,645	1,422	-2,223
Unallocated	-4,132	50	-15,402	-744	0	-20,229	0	-20,229
<b>Total</b>	<b>-\$181,254</b>	<b>\$7,516</b>	<b>-\$9,379</b>	<b>-\$2,055</b>	<b>\$0</b>	<b>-\$185,172</b>	<b>\$142,539</b>	<b>-\$42,633</b>

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

## State Aid to Local Governments

### Percent Change: Fiscal 2010 Legislative Appropriation over Fiscal 2009 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-13.2%	4.3%	-1.1%	0.0%	0.0%	-2.4%	18.9%	-0.9%
Anne Arundel	-48.8%	3.4%	-1.5%	-7.8%	0.0%	-6.3%	23.4%	-2.4%
Baltimore City	-8.2%	n/a	-0.5%	-0.6%	0.0%	-2.4%	17.7%	-1.3%
Baltimore	-43.0%	0.2%	-1.6%	-3.2%	0.0%	-5.0%	18.0%	-2.4%
Calvert	-38.6%	3.6%	-0.4%	-10.8%	0.0%	-3.1%	22.4%	-0.1%
Caroline	-25.1%	2.4%	-1.0%	-2.3%	0.0%	-4.3%	20.2%	-2.6%
Carroll	-38.9%	7.2%	-2.1%	-5.5%	0.0%	-5.0%	24.0%	-1.9%
Cecil	-38.9%	6.0%	-1.4%	-3.7%	0.0%	-3.9%	19.8%	-1.7%
Charles	-40.8%	2.3%	-1.8%	-6.8%	0.0%	-4.1%	25.9%	-1.3%
Dorchester	-25.7%	2.4%	-1.7%	-2.7%	0.0%	-6.2%	24.8%	-3.9%
Frederick	-39.3%	4.4%	-0.8%	-3.2%	0.0%	-3.9%	25.3%	-0.9%
Garrett	-24.7%	5.2%	-0.5%	-5.4%	0.0%	-5.3%	18.3%	-3.3%
Harford	-38.1%	4.5%	-1.5%	-4.8%	0.0%	-4.1%	19.7%	-1.6%
Howard	-42.6%	5.5%	0.1%	0.4%	0.0%	-3.2%	24.4%	1.2%
Kent	-34.8%	2.4%	-2.3%	-8.8%	0.0%	-9.0%	18.9%	-5.9%
Montgomery	-44.3%	2.4%	9.9%	-0.1%	0.0%	3.2%	19.8%	6.5%
Prince George's	-22.9%	5.0%	-1.0%	-8.6%	0.0%	-2.6%	26.0%	-0.2%
Queen Anne's	-39.3%	2.4%	-0.5%	-4.6%	0.0%	-6.4%	22.1%	-3.2%
St. Mary's	-37.8%	3.6%	-1.9%	-4.5%	0.0%	-4.6%	20.1%	-2.3%
Somerset	-6.9%	5.0%	0.1%	-0.9%	0.0%	-1.5%	25.7%	0.3%
Talbot	-46.6%	2.4%	4.0%	0.4%	0.0%	-10.8%	14.6%	-6.9%
Washington	-37.3%	5.9%	0.1%	-1.6%	0.0%	-2.6%	23.2%	-0.5%
Wicomico	-15.8%	5.0%	4.2%	1.3%	0.0%	2.5%	18.5%	3.7%
Worcester	-52.0%	5.0%	1.5%	1.0%	0.0%	-13.3%	23.4%	-6.7%
Unallocated	-13.6%	0.7%	-33.2%	-4.6%	n/a	-20.2%	n/a	-20.2%
<b>TOTAL</b>	<b>-24.2%</b>	<b>3.3%</b>	<b>-0.2%</b>	<b>-4.0%</b>	<b>0.0%</b>	<b>-3.2%</b>	<b>21.6%</b>	<b>-0.7%</b>

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

**Exhibit A-3.9**  
**Total State Aid to Local Governments by Program**

<u>Program</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Difference</u>
Foundation Aid	\$2,781,004,660	\$2,727,298,112	-\$53,706,548
Supplemental Program	36,638,221	48,437,254	11,799,033
Geographic Cost of Education Index	37,879,747	126,375,388	88,495,641
School Improvement Incentive Grants	23,200,000	0	-23,200,000
Revenue Stabilization Grants	14,829,747	0	-14,829,747
Compensatory Education	914,367,170	940,680,532	26,313,362
Student Transportation – Regular	200,438,351	217,198,939	16,760,588
Student Transportation – Special Education	24,640,000	25,138,000	498,000
Special Education – Formula	272,742,094	268,441,042	-4,301,052
Special Education – Nonpublic Placements	127,604,166	112,770,182	-14,833,984
Special Education – Infants and Toddlers	10,389,104	10,389,104	0
Limited English Proficiency Grants	143,945,941	148,635,531	4,689,590
Aging Schools	11,108,986	6,108,986	-5,000,000
Teacher Quality Incentives	10,069,000	5,552,000	-4,517,000
Adult Education	6,933,622	6,933,622	0
Food Service	7,156,663	7,156,663	0
Gifted and Talented Grants	413,829	0	-413,829
Out-of-county Placements	5,200,001	6,000,001	800,000
Headstart	3,000,000	1,800,000	-1,200,000
School Reconstitution	8,629,600	0	-8,629,600
Judy Hoyer Centers	10,575,000	10,575,000	0
Guaranteed Tax Base	89,883,270	63,828,679	-26,054,591
Other Programs	16,911,984	14,862,927	-2,049,057
<b>Total Primary and Secondary Education</b>	<b>\$4,757,561,156</b>	<b>\$4,748,181,962</b>	<b>-\$9,379,194</b>
Library Formula	\$34,529,807	\$33,219,400	-\$1,310,407
Library Network	16,353,054	15,608,631	-744,423
<b>Total Libraries</b>	<b>\$50,882,861</b>	<b>\$48,828,031</b>	<b>-\$2,054,830</b>
Community College Formula	\$202,637,824	\$210,318,368	\$7,680,544
Grants for ESOL Programs	3,695,686	3,741,592	45,906
Optional Retirement	11,984,000	12,920,000	936,000
Small College Grant/Allegany and Garrett Grant	3,743,007	3,911,065	168,058
Statewide Programs	8,473,596	7,158,772	-1,314,824
<b>Total Community Colleges</b>	<b>\$230,534,113</b>	<b>\$238,049,797</b>	<b>\$7,515,684</b>
Highway User Revenue	\$478,269,299	\$308,481,001	-\$169,788,298
Elderly and Handicapped Transportation Aid	6,315,789	4,315,790	-1,999,999
Paratransit	2,806,000	2,806,000	0
<b>Total Transportation</b>	<b>\$487,391,088</b>	<b>\$315,602,791</b>	<b>-\$171,788,297</b>

<u>Program</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Difference</u>
Police Aid	\$65,931,446	\$66,032,280	\$100,834
Fire and Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	2,336,450	2,325,000	-11,450
9-1-1 Grants	13,550,000	16,390,000	2,840,000
Community Policing	2,000,000	2,000,000	0
Foot Patrol/Drug Enforcement Grants	4,332,300	4,332,300	0
Law Enforcement Training Grants	100,000	50,000	-50,000
Stop Gun Violence Grants	940,707	940,707	0
Violent Crime Grants	4,826,537	4,813,287	-13,250
Baltimore City State's Attorney Grant	1,985,000	1,985,000	0
Domestic Violence Grants	183,613	198,940	15,327
War Room/Sex Offender Grant	1,467,216	1,464,350	-2,866
Annapolis Crime Grant	174,000	174,000	0
School Vehicle Safety Grant	550,000	550,000	0
Body Armor	49,535	49,735	200
<b>Total Public Safety</b>	<b>\$108,426,804</b>	<b>\$111,305,599</b>	<b>\$2,878,795</b>
Program Open Space	\$20,089,207	\$9,224,477	-\$10,864,730
Critical Area Grants	645,000	645,000	0
<b>Total Recreation/Environment</b>	<b>\$20,734,207</b>	<b>\$9,869,477</b>	<b>-\$10,864,730</b>
<b>Local Health Formula</b>	<b>\$57,359,207</b>	<b>\$57,359,207</b>	<b>\$0</b>
<b>Disparity Grant</b>	<b>\$115,489,636</b>	<b>\$121,436,013</b>	<b>\$5,946,377</b>
Horse Racing Impact Aid	\$1,205,600	\$1,205,600	\$0
Payments in Lieu of Taxes	1,005,222	1,005,837	615
Security Interest Filing Fees	3,075,000	2,575,000	-500,000
Senior Citizens Activities Center	500,000	500,000	0
Statewide Voting Systems	10,787,218	3,860,658	-6,926,560
<b>Total Other Direct Aid</b>	<b>\$16,573,040</b>	<b>\$9,147,095</b>	<b>-\$7,425,945</b>
<b>Total Direct Aid</b>	<b>\$5,844,952,112</b>	<b>\$5,659,779,972</b>	<b>-\$185,172,140</b>
Retirement – Teachers	\$621,769,420	\$759,076,574	\$137,307,154
Retirement – Libraries	12,887,508	15,253,934	2,366,426
Retirement – Community Colleges	24,179,168	29,239,819	5,060,651
Retirement – Local Employees	2,194,900	0	-2,194,900
<b>Total Payments-in-behalf</b>	<b>\$661,030,996</b>	<b>\$803,570,327</b>	<b>\$142,539,331</b>
<b>Total State Assistance</b>	<b>\$6,505,983,108</b>	<b>\$6,463,350,299</b>	<b>-\$42,632,809</b>

ESOL: English as a second language

Source: Department of Legislative Services

### **Primary and Secondary Education**

State funding for public schools remains a high priority. Over the last eight years, State funding for public schools has increased by over \$2.6 billion, even though the State government was confronted with major fiscal challenges during most of this period. On a per pupil basis, State funding has increased from \$3,432 in fiscal 2002 to \$6,758 in fiscal 2010, a 96.9% increase. In fiscal 2010, local school systems will receive \$5.5 billion in State funding – a \$127.9 million, or 2.4%, increase. State funding for public school construction projects will total around \$260 million in fiscal 2010. Over the last eight years, the State has provided nearly \$2.0 billion in funding for public school construction.

**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 2010 is set at \$6,694, and the student enrollment count used for the program totals 814,779 students. Enrollment for the formula is based on the September 30, 2008, 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 2010. This amount includes \$48.4 million in supplemental grants for 11 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 8 local school systems that are due to a miscalculation in school system wealth bases in fiscal 2009.

The foundation program decreases \$41.9 million, or 1.5%, from the prior year. This reflects the elimination of the inflationary increase in the per pupil foundation, a small decrease in enrollment, and the recapture of \$30.8 million in overpayments that occurred in fiscal 2009 because of an error in the wealth base calculation for Montgomery County.

**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% 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% of the program's cost. State aid under the compensatory education program will total \$940.7 million in fiscal 2010, representing a \$26.3 million, or 2.9%, increase

over the prior year. The per pupil State funding amount for fiscal 2010 is set at \$3,247, and the student enrollment count used for the program totals 274,924.

***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% 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 2010 is set at \$2,477, and the student enrollment count used for the program totals 102,951. State funding for public special education programs will total \$268.4 million in fiscal 2010, representing a \$4.3 million, or 1.6% decrease over the prior year. Funding for nonpublic placements is \$112.8 million in fiscal 2010, representing a \$14.8 million, or 11.6%, decrease over the prior year. The decrease reflects a change in the cost share formula for nonpublic placements. 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 20% of any expense above that sum. The State pays 80% of the costs above the base local funding. Due to the Budget Reconciliation and Financing Act, the State share decreases from 80 to 70% of the costs above the base local share; while the local share of these costs increases from 20 to 30%.

***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 fiscal 2010 budget includes \$217.2 million for regular transportation services and \$25.1 million for special transportation services. This represents a \$17.3 million, or 7.7%, 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% of the annual per pupil foundation amount, with the State providing funding for 50% of the program's cost. The fiscal 2010 grant per LEP student is \$3,314. State funding for the program will total \$148.6 million in fiscal 2010, representing a \$4.7 million, or 3.3% increase over the prior year. The number of LEP students in Maryland totals 42,532 for the 2008-2009 school year, a 5.3% increase from the prior 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 2010 funding totals \$126.4 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 equals the difference between actual and required spending per pupil, up to 20% of the per pupil foundation amount. Ten local school systems will qualify for grants totaling \$63.8 million in fiscal 2010.

***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 2010 with an additional \$6.1 million for school wiring.

***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 2010 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.

***School Improvement Grants:*** Grants are provided to schools and local school systems that are low-performing in meeting adequate yearly progress targets. Schools and local school systems receiving grants may be categorized in three stages – in improvement, corrective action, or restructuring. The grants support technical assistance and professional development for school personnel to improve school performance. State funding for school improvement grants totaled \$8.6 million in fiscal 2009; however, funding was discontinued in fiscal 2010.

***Teacher Quality Incentives:*** The State provides salary enhancements for teachers obtaining national certification, a signing bonus for teachers graduating in the top of their class, and a stipend for teachers and other non-administrative certificated school employees working in low-performing schools. The Budget Reconciliation and Financing Act of 2009 alters eligibility and bonus amounts for the Quality Teacher Incentives, including the elimination of the \$1,000 salary signing bonuses for qualifying teachers. Together, the changes result in a \$5.3 million funding reduction for teacher quality incentives. The fiscal 2010 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 2010 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 2010, 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 2010, the same amount that was provided in the prior year.

**School-based Health Centers:** The fiscal 2010 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 2010.

**Environmental Education:** The fiscal 2010 State budget includes \$0.6 million for student participation in an outdoor education program that opened in August 2005 at North Bay in Cecil County. The program, which can serve 11,000 students per year, is structured as a four-night stay for sixth graders that provides an outdoor education experience aligned with the State curriculum.

**Principal Development Program:** Chapter 408 of 2005 established a statewide Principal Fellowship and Leadership Development Program, which provides incentive payments for distinguished principals to work in low-performing schools. Funding for this program totaled \$160,000 in fiscal 2009; however, funding is discontinued in fiscal 2010.

**Teachers' Retirement Payments:** The State pays 100% of the employer's 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 5% and applying the contribution

rate certified by the retirement system. Teachers' retirement payments will total \$759.1 million in fiscal 2010, representing a \$137.3 million, or 22.1%, increase over the prior year. The large increase reflects 8.1% growth in the teachers' salary base and a 12.4% increase in the contribution rate applied to the salary base.

### **Local Libraries**

Local libraries receive over 20% of their funding from the State government. In fiscal 2010, State aid to local libraries will total \$64.1 million, representing a \$312,000, or 0.5%, increase over the prior year.

**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% of the minimum program, and the counties provide 60%. However, 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 restarted the phase-up in fiscal 2010.

The Budget Reconciliation and Financing Act of 2009 freezes 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 and reaches the \$16 per resident formula target by fiscal 2013. This change results in a \$3.0 million reduction in fiscal 2010 relative to the previously established funding level. The fiscal 2010 amount also reflects a reduction of \$553,243 to recapture fiscal 2009 overpayments that occurred because of a wealth base calculation error for Montgomery County. Due to these changes, State funding in fiscal 2010 will total \$33.2 million, which represents a \$1.3 million, or 3.8%, decrease over 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 restarted the phase-up in fiscal 2010.

The Budget Reconciliation and Financing Act of 2009 decreases 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 and \$8.50 per resident in fiscal 2013. Due to these changes, State funding in fiscal 2010 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% of the employer's 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 \$15.3 million in fiscal 2010, a \$2.4 million, or 18.4%, increase from the prior year.

### Community Colleges

Local community colleges receive about 25% of their funding from the State government. In fiscal 2010, State aid to local community colleges will total \$267.3 million – a \$12.6 million, or 4.9%, increase from the prior year. Baltimore City Community College, which is operated by the State, will receive a State appropriation of \$41.7 million in fiscal 2010.

**Senator John A. Cade Funding Formula:** The fiscal 2010 State budget includes \$210.3 million for the Senator John A. Cade formula, an increase of \$7.7 million over the fiscal 2009 amount. The increase reflects 3.1% growth in full-time equivalent enrollment at community colleges, a 0.5% increase in the per pupil funding amount, and a \$295,000 hold harmless grant for the Community College of Baltimore County that will bring funding for the school back to its fiscal 2008 level. In future years, funding for the Cade formula will be determined by taking a percentage of the funding provided to the public four-year institutions of higher education in the same fiscal year rather than the prior fiscal year. This change was made in the Budget Financing and Reconciliation Act of 2009 which also reestablished a phase-in of future enhancements for the Cade formula.

**Special Programs:** State funding in fiscal 2010 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 \$7.2 million. The English as a Second Language program will receive \$3.7 million.

**Retirement Payments:** The State pays 100% of the employer's 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 \$29.2 million in fiscal 2010 – a \$5.1 million, or 20.9% increase. In addition, State funding for the optional retirement program will total \$12.9 million in fiscal 2010, representing a \$0.9 million, or 7.8%, increase.

### **Local Health Departments**

The State provides funds to support the delivery of public health services in each of Maryland's 24 jurisdictions. Support for this program is formula-driven, with increases based on inflation and population growth. Due to cost containment, State aid for local health departments will total \$57.4 million in fiscal 2010, the same amount as in the prior year.

### **County and Municipal Governments**

Less than 10% of State aid goes to county and municipal governments. State funding for counties and municipalities will total \$567.4 million in fiscal 2010, representing a \$183.4 million, or 24.4%, decrease over the prior year. Over the last four years, State aid to counties and municipalities has decreased by approximately \$386.2 million, with State aid in fiscal 2007 totaling \$953.5 million. State aid to county and municipal governments is targeted primarily to highway maintenance, police and fire services, and parks and recreation. The State also provides disparity grants to less affluent counties to address the differences in the abilities of counties to raise revenues from the local income tax.

**Highway User Revenues:** Due to fiscal constraints, the General Assembly approved measures that reduced State funding for local transportation purposes. The Budget Reconciliation and Financing Act of 2009 reduces the formula allocation by \$101.9 million in fiscal 2010 and 2011, while establishing Baltimore City's share at 10.8%. The municipality share of the formula reduction is set at approximately \$3.7 million under the legislation. Funding for the counties and Baltimore City is also reduced by an additional \$60 million in fiscal 2010 based on wealth and local tax effort. Beginning in fiscal 2012, local governments will receive 28.5% of the share of highway user funds instead of 30%. Due to these changes and lower revenue attainment, local governments will receive \$308.5 million in local highway user revenues in fiscal 2010, representing a \$169.8 million decrease from the prior year.

**Other Transportation Aid:** State funding for elderly/disabled transportation grants will decrease by \$2.0 million, with funding set at \$4.3 million in fiscal 2010. State funding for paratransit grants will remain at \$2.8 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. After the crime laboratory adjustment, police aid will total \$66.0 million in fiscal 2010, representing a \$0.1 million, or 0.2%, increase from the prior year.

**Public Safety Grants:** State funding for targeted public safety grants will total \$14.4 million in fiscal 2010. 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 Annapolis Crime Project, 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 non-lapsing 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 \$2.3 million in fiscal 2010.

**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 \$10.0 million in fiscal 2010.

**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 increase to \$16.4 million in fiscal 2010.

**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. The State property transfer tax funds POS and related programs. Local POS grants will total \$6.1 million in fiscal 2010, which represents a \$12.4 million decrease from the prior year. In addition, Baltimore City will receive a \$3.1 million special POS grant. The decrease in local POS grants is due primarily to the downturn in the real estate market. In the last four years, State funding for POS has decreased by \$128.0 million. In addition, legislation passed at the 2007 special session redirected \$21.0 million of local POS funds to the Maryland Park Service.

**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% 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% of the State average. In fiscal 2010, Baltimore City and seven counties (Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, and Wicomico) qualify for disparity grants. The fiscal 2010 State budget includes \$121.4 million for disparity grants, a \$5.9 million increase from the prior year. The fiscal 2010 grant under the statute is based on population estimates for July 2007 and calendar 2007 local income tax revenues raised from a 2.54% local income tax rate. State funding for disparity grants will be affected in future years due to a provision in the Budget Reconciliation and Financing Act of 2009 that caps each county's funding under the program at the fiscal 2010 level.

***Retirement Payments for Certain Local Officials:*** Under State law, appointed or elected officials of the State are eligible to be members of the State employees' retirement systems. The statute specifies that this provision applies to State's Attorneys and sheriffs. Over the years, judicial decisions and Attorney General opinions have interpreted these provisions to include the following officials: county treasurers; county commissioners; orphans' court judges; bingo board members; and liquor and license board members. The fiscal 2010 budget included \$2.5 million for employer retirement costs associated with these locally paid officials and employees. The Budget Reconciliation and Financing Act of 2009 eliminates funding for this program beginning in fiscal 2010.

***Local Voting Grants:*** The State budget includes \$10.8 million in fiscal 2009 and \$3.9 million in fiscal 2010 to purchase voting machines and support the statewide voting system.

### **State Assumed Functions in Baltimore City**

The State assumption of functions or responsibilities performed by local governments is another aspect of State/local fiscal relationships. There was considerable activity in this area in the 1970s when the State assumed the responsibility for several programs including the District Court, Medical Assistance, public assistance, and property assessments. During the 1990s, the State assumed several local government functions in Baltimore City to help reduce the city's fiscal pressures. These services included the local community college, city detention center, and the central booking facility. The cost for these assumed functions will total \$184.3 million in fiscal 2010 – a \$9.3 million, or 5.3%, increase from the prior year.

## County Level Detail

This section includes information for each county on State aid, State funding of selected services, and capital projects in the county. The three parts included under each county are described below.

### Direct Aid and Retirement Payments

**Direct Aid:** The State distributes aid or shares revenue with the counties, municipalities, and Baltimore City through over 40 different programs. The fiscal 2010 State budget includes \$5.7 billion to fund these programs. Part A, section 1 of each county's statistical tables compares aid distributed to the county in fiscal 2009 and 2010.

**Retirement Payments:** County teachers, librarians, and community college faculty are members of either the teachers' retirement or pension systems maintained and operated by the State. The State pays the employer share of the retirement costs on behalf of the counties for these local employees. These payments total \$803.6 million in fiscal 2010. Although these funds are not paid to the local governments, each county's allocation is estimated from salary information collected by the State retirement systems. These estimates are presented in Part A, section 2 of each county.

### Estimated State Spending on Health and Social Services

The State funds the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. Part B of each county shows fiscal 2010 allocation estimates of general and special fund appropriations for health services, social services, and senior citizen services.

**Health Services:** The Department of Health and Mental Hygiene, through its various administrations, funds in whole or part community health programs that are provided in the local subdivisions. These programs are described below. General fund spending totals \$957.1 million statewide for these programs in fiscal 2010. In addition, \$43.5 million from the Cigarette Restitution Fund will also be spent on these programs in fiscal 2010. This does not include spending at the State mental health hospitals, developmental disability facilities, or chronic disease centers.

- **Alcohol and Drug Abuse:** The Alcohol and Drug Abuse Administration funds community-based programs that include primary and emergency care, intermediate care facilities, halfway houses and long-term care programs, outpatient care, and prevention programs. The fiscal 2010 budget includes \$85.9 million in general funds and \$17.1 million in special funds for these programs. In addition, the budget includes \$30.0 million in federal funds for addiction treatment services.
- **Family Health and Primary Care Services:** The Family Health Administration funds community-based programs through the local health departments in each of the subdivisions. These programs include maternal health (family planning, pregnancy

testing, prenatal and perinatal care, etc.) and infant and child health (disease prevention, child health clinics, specialty services, etc.). Primary care services are funded for those people who previously received State-only Medical Assistance. Fiscal 2010 funding for these family health programs totals \$15.1 million in general funds and \$29.8 million in federal funds.

- **Medical Care Services:** The Medical Care Programs Administration provides support for the local health departments and funding for community-based programs that serve senior citizens. The geriatric services include operating grants to adult day care centers and an evaluation program administered by the local health departments to assess the physical and mental health needs of elderly individuals. This category also includes grants to local health departments related to eligibility determination for the Medicaid and Children’s Health programs, transportation services for Medicaid recipients in non-emergency situations, and coordination and outreach services for Medicaid and special needs populations in the HealthChoice program. The fiscal 2010 funding for these programs totals \$28.4 million in general funds and \$30.1 million in federal funds.
- **Mental Health:** The Mental Hygiene Administration oversees a wide range of community mental health services that are developed and monitored at the local level by Core Service Agencies. The Core Service Agencies have the clinical, fiscal, and administrative responsibility to develop a coordinated network of services for all public mental health clients of any age within a given jurisdiction. These services include inpatient hospital and residential treatment facility stays, outpatient treatment, psychiatric rehabilitation services, counseling and targeted case management services. The fiscal 2010 budget includes \$382.0 million in general funds and \$294.1 million in federal funds for mental health services.
- **Prevention and Disease Control:** The Community Health Administration and the Family Health Administration are responsible for chronic and hereditary disease prevention (cancer, heart disease, diabetes, etc.). They also provide for the promotion of safe and effective immunization practices, the investigation of disease outbreaks, and continuous disease surveillance and monitoring with the support of local health departments and the medical community. General fund appropriations in fiscal 2010 total \$10.0 million along with \$16.0 million in federal funds. In addition, the budget includes \$26.5 million from the Cigarette Restitution Fund for tobacco use prevention and cessation and for cancer prevention and screening at the local level.
- **Developmental Disabilities:** The Developmental Disabilities Administration’s community-based programs include residential services, day programs, transportation services, summer recreation for children, individual and family support services, including respite care, individual family care, behavioral support services, and community supported living arrangements. The fiscal 2010 budget includes \$433.9 million in general funds and \$313.3 million in federal funds for these programs.

- **AIDS:** The AIDS Administration funds counseling, testing, education and risk reduction services through the local health departments. Fiscal 2010 funds for these services total \$1.8 million in general funds. The budget for the AIDS Administration also includes \$21.5 million in federal funds for these services.

**Social Services:** The Department of Human Resources provides funding for various social and community services in the subdivisions. Part B of each county's statistical tables shows fiscal 2010 estimates of funding for those programs that are available by subdivision. Note that fiscal 2010 funding for both homeless and women's services is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2009 funding and may change.

- **Homeless Services:** The State funds programs which provide emergency and transitional housing, food, and transportation for homeless families and individuals. Funding is available by county for the housing counselor, service-linked housing and emergency and transitional housing programs. The fiscal 2010 budget includes \$5.1 million in general funds for these programs.
- **Women's Services:** The State provides funding for a variety of community-based programs for women. These include the battered spouse program, rape crisis centers, and crime victim's services. Total fiscal 2010 funding for these programs equals \$4.0 million in general funds. In addition, the fiscal 2010 budget includes \$9.1 million in federal funds for women's services.
- **Adult Services:** The State social services departments in each of the subdivisions provide a variety of services to disabled, elderly, neglected, and exploited adults. Services include information and referral, crisis intervention, case management, protective services, in-home aid, and respite care for families. The fiscal 2010 budget includes \$10.5 million in general funds and \$31.6 million in federal funds for adult services.
- **Child Welfare Services:** The State social services departments in each of the subdivisions offer programs to support the healthy development of families, assist families and children in need, and protect abused and neglected children. Services include adoptive services, foster care programs, family preservation programs, and child protective services. The fiscal 2010 budget includes \$91.0 million in general funds and \$123.7 million in federal funds.

**Senior Citizen Services:** The Department of Aging funds a variety of services for senior citizens mostly through local area agencies on aging. In Part B of each county, these programs have been combined into two broad categories: long-term care and community services. The total fiscal 2010 funding is \$13.6 million in general funds and \$24.8 million in federal funds. In this report the fiscal 2010 general funds are allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2009 funding and may change.

- **Long-term Care:** This category includes the following programs: frail and vulnerable elderly, senior care, senior guardianship, the ombudsman program, and the innovations in aging program. The total fiscal 2010 funding is \$10.0 million in general funds.
- **Community Services:** Included in this category are the senior information and assistance program, the senior nutrition program, and the insurance counseling program. Also included is a hold harmless grant for certain counties that received less federal funding under the Older Americans Act when 2000 census population figures were factored into the funding formula. Fiscal 2010 funding for these programs totals \$3.6 million in general funds.

### **Capital Grants and Capital Projects for State Facilities**

**Selected State Grants for Capital Projects:** The State provides capital grants for public schools, community colleges, local jails, community health facilities, water quality projects, waterway improvements, homeless shelters, and other cultural, historical, and economic development projects. Projects are funded from either bond sales or current revenues. Part C lists projects in the counties authorized by the fiscal 2010 State operating and capital budgets. Projects at regional community colleges are shown for each county that the college serves. The projects listed for the various loan programs are those currently anticipated for fiscal 2010. The actual projects funded and/or the amount of funding for specific projects could change depending on which projects are ready to move forward and final costs.

The fiscal 2010 budget includes \$262.2 million in funding for local school construction: \$2.2 million from the program's contingency fund and \$260.0 million in general obligation bonds. As of the publication of this report, \$195.0 million of the total fiscal 2010 funding has been allocated to specific projects. These projects are listed in part C for each county.

**Capital Projects for State Facilities Located in the County:** Part D for each county shows capital projects, authorized by the fiscal 2010 operating and capital budgets, at State facilities and public colleges and universities by the county in which the facility is located. If a facility is located in more than one county, such as a State park, the total amount of the capital project is shown for all relevant counties. For each capital project, the total authorized amount is given, regardless of funding source, although federally funded projects are generally shown separately. For the universities, projects funded from both academic and auxiliary revenue bonds are included. The projects funded with auxiliary revenue bonds are those anticipated for fiscal 2010 but the actual projects funded could be different. This report does not include transportation projects.

## Allegany County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$44,991	\$43,498	-\$1,492	-3.3
Compensatory Education	21,637	21,956	319	1.5
Student Transportation	4,009	4,310	300	7.5
Special Education	7,085	6,696	-389	-5.5
Limited English Proficiency Grants	165	147	-18	-10.9
Guaranteed Tax Base	7,683	8,224	541	7.0
Adult Education	188	188	0	0.0
Aging Schools	178	98	-80	-44.9
Other Education Aid	775	678	-97	-12.5
Primary & Secondary Education	86,711	85,795	-916	-1.1
Libraries	770	770	0	0.0
Community Colleges	5,920	6,172	252	4.3
Health Formula Grant	1,398	1,398	0	0.0
* Transportation	6,700	4,333	-2,367	-35.3
* Police and Public Safety	868	870	3	0.3
* Fire and Rescue Aid	205	205	0	0.0
Recreation and Natural Resources	205	69	-137	-66.8
Disparity Grant	6,743	7,299	556	8.2
<b>Total Direct Aid</b>	<b>\$109,520</b>	<b>\$106,911</b>	<b>-\$2,609</b>	<b>-2.4</b>
Aid Per Capita (\$)	1,509	1,480	-29	-1.9
Property Tax Equivalent (\$)	3.21	2.82	-0.40	-12.5

\* Municipal governments within the county receive a share of these funds.

**2. Retirement Payments**

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Allegany County for teachers, librarians, and community college faculty are estimated to be \$9,437,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$4,302,000
Family Health and Primary Care	230,000
Medical Care Services	751,000
Mental Health	5,848,000
Prevention and Disease Control	415,000
Developmental Disabilities	5,597,000
AIDS	27,000

**Social Services**

Homeless Services	101,000
Women’s Services	96,000
Adult Services	241,000
Child Welfare Services	2,031,000

**Senior Citizen Services**

Long-term Care	321,000
Community Services	160,000

**C. Selected State Grants for Capital Projects****Senior Centers Grant Program**

Cumberland Senior Center	\$280,000
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**Partnership Rental Housing Program**

Frederick Street	820,000
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**Community Parks and Playgrounds**

Barton Little League Complex	15,000
Barton Meadow Park	25,000
Frostburg Recreation Complex	45,000
Hot Stove Park	74,000
Lonaconing Recreation Area	143,000

**Chesapeake Bay Water Quality Projects**

Cumberland Combined Sewer – overflow improvements	400,000
Frostburg Combined Sewer – overflow improvements	400,000
George’s Creek WWTP – nutrient removal	159,000
Westernport Combined Sewer – overflow improvements	400,000

**Water Supply Financial Assistance Program**

Lonaconing – water improvements	300,000
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**Other Projects**

Allegheny Museum	225,000
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**D. Capital Projects for State Facilities in the County**

**Department of Public Safety and Correctional Services**

North Branch Correctional Institution – upholstery plant	\$6,845,000
Western Correctional Institution – rubble landfill closure cap	1,815,000
Western Correctional Institution – vocational education building	11,166,000

**Maryland Veterans Administration**

Rocky Gap Veterans Cemetery – install columbaria	25,000
Rocky Gap Veterans Cemetery – install columbaria (federal funds)	245,000

**University System of Maryland**

Frostburg State – Lane Center renovation/addition	15,020,000
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## Anne Arundel County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$182,020	\$172,986	-\$9,034	-5.0
Compensatory Education	39,904	41,572	1,668	4.2
Student Transportation	18,719	20,214	1,495	8.0
Special Education	28,235	25,955	-2,280	-8.1
Limited English Proficiency Grants	4,460	5,362	902	20.2
Geographic Cost of Education Index	2,588	8,656	6,068	234.5
Adult Education	403	403	0	0.0
Aging Schools	920	506	-414	-45.0
Other Education Aid	3,847	1,120	-2,727	-70.9
Primary & Secondary Education	281,096	276,774	-4,322	-1.5
Libraries	1,991	1,835	-156	-7.8
Community Colleges	29,873	30,876	1,003	3.4
Health Formula Grant	4,834	4,834	0	0.0
* Transportation	28,411	10,987	-17,424	-61.3
* Police and Public Safety	6,825	6,825	0	0.0
* Fire and Rescue Aid	809	809	0	0.0
Recreation and Natural Resources	2,185	741	-1,444	-66.1
* Other Direct Aid	420	420	0	0.0
<b>Total Direct Aid</b>	<b>\$356,444</b>	<b>\$334,101</b>	<b>-\$22,343</b>	<b>-6.3</b>
Aid Per Capita (\$)	696	652	-44	-6.3
Property Tax Equivalent (\$)	0.44	0.39	-0.05	-11.4

\* Municipal governments within the county receive a share of these funds.

**2. Retirement Payments**

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Anne Arundel County for teachers, librarians, and community college faculty are estimated to be \$66,893,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$3,411,000
Family Health and Primary Care	624,000
Medical Care Services	1,436,000
Mental Health	22,544,000
Prevention and Disease Control	1,123,000
Developmental Disabilities	39,529,000

**Social Services**

Homeless Services	206,000
Women’s Services	201,000
Adult Services	190,000
Child Welfare Services	4,498,000

**Senior Citizen Services**

Long-term Care	649,000
Community Services	155,000

**C. Selected State Grants for Capital Projects****Public Schools**

Bodkin Elementary School – construction	\$727,000
Broadneck Elementary School – construction	1,579,000
Central Elementary School – construction	2,411,000
Chesapeake High School – renovations (roof)	1,665,000
Crofton Woods Elementary School – construction	2,129,000
Hilltop Elementary School – construction	2,129,000
Marley Glen Special Education School – renovations (electrical)	65,000
Oak Hill Elementary School – construction	727,000
Pershing Hill Elementary School – construction	3,164,000
Ruth Eason Special Education School – renovations (electrical)	65,000
Severna Park Elementary School – renovations (HVAC)	603,000
Severna Park Middle School – construction	200,929
Southgate Elementary School – construction	2,933,346
Windsor Farm Elementary School – construction	615,725

**Anne Arundel Community College**

Library – renovation and addition	781,000
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**Shelter and Transitional Facilities**

Light House Shelter	885,852
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**Community Parks and Playgrounds**

Davis Park	26,000
Highland Beach Park	41,000
Turner Playground	56,000

**Chesapeake Bay Restoration Fund**

Cox Creek WWTP – enhanced nutrient removal	5,000,000
Maryland City WWTP – enhanced nutrient removal	1,888,000
Patuxent WWTP – enhanced nutrient removal	664,000

**Waterway Improvement**

Annapolis – public boating facilities improvements	50,000
Anne Arundel County Fire Department – acquire fire/rescue boat	50,000
Fort Smallwood Park – design boat launch ramp	99,000
Rockhold Creek – federal channel dredging	500,000
Submerged aquatic vegetation monitoring – countywide	10,000

**Other Projects**

Aleph Bet Jewish Day School	45,000
Annapolis Summer Garden Theatre	50,000
Anne Arundel Community College – turf field	1,000,000
Benson-Hammond House	60,000
Coordinating Center for Home and Community Care	30,000
Historical Freetown Elementary – renovation	150,000
Homeport Farm Park	100,000
Light House Shelter	50,000
Linthicum Veterans Memorial	185,000
Maryland Hall for the Creative Arts	500,000
Maryland Therapeutic Riding Education and Rehabilitation Center	25,000
Southern High School Field House	50,000

**D. Capital Projects for State Facilities in the County****General Government**

Lowe House Office Building – renovations	\$4,000,000
State House – Old House of Delegates Chamber restoration	3,136,000

**Department of Public Safety and Correctional Services**

Jessup Community Corr. Facility – minimum security complex (federal funds)	10,000,000
Jessup Community Corr. Facility – minimum security complex	13,224,000

**Maryland Environmental Service**

Jessup Correctional Complex – Dorsey wastewater treatment plant improvements	4,459,000
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## Baltimore City

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$406,512	\$398,667	-\$7,844	-1.9
Compensatory Education	268,143	269,615	1,473	0.5
Student Transportation	17,241	19,198	1,957	11.4
Special Education	82,686	79,319	-3,368	-4.1
Limited English Proficiency Grants	9,355	10,601	1,246	13.3
Guaranteed Tax Base	37,894	33,352	-4,542	-12.0
Geographic Cost of Education Index	6,516	21,907	15,391	236.2
Adult Education	1,136	1,136	0	0.0
Aging Schools	2,524	1,388	-1,136	-45.0
Other Education Aid	9,492	2,498	-6,994	-73.7
Primary & Secondary Education	841,499	837,681	-3,817	-0.5
Libraries	6,586	6,548	-38	-0.6
Health Formula Grant	10,269	10,269	0	0.0
Transportation	193,365	166,761	-26,604	-13.8
Police and Public Safety	10,097	10,080	-16	-0.2
Fire and Rescue Aid	939	939	0	0.0
Recreation and Natural Resources	3,459	3,568	109	3.2
Disparity Grant	75,524	79,052	3,528	4.7
Other Direct Aid	4,559	4,060	-499	-10.9
<b>Total Direct Aid</b>	<b>\$1,146,297</b>	<b>\$1,118,958</b>	<b>-\$27,337</b>	<b>-2.4</b>
Aid Per Capita (\$)	1,798	1,757	-41	-2.3
Property Tax Equivalent (\$)	3.42	3.19	-0.22	-6.4

**2. Retirement Payments**

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Baltimore City for teachers, librarians, and community college faculty are estimated to be \$75,532,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$40,389,000
Family Health and Primary Care	4,201,000
Medical Care Services	7,572,000
Mental Health	129,959,000
Prevention and Disease Control	1,395,000
Developmental Disabilities	49,249,000
AIDS	497,000

**Social Services**

Homeless Services	2,159,000
Women’s Services	683,000
Adult Services	2,668,000
Child Welfare Services	33,119,000

**Senior Citizen Services**

Long-term Care	1,907,000
Community Services	929,000

**C. Selected State Grants for Capital Projects****Public Schools**

Hilton Elementary School #21 – renovations (boilers)	\$1,785,000
Leith Walk Elementary/Middle School #245 – construction	8,401,000
Patapsco Elementary/Middle School #163 – renovations (fire safety)	214,000
Rognel Heights Elementary/Middle School #89 – renovations (boilers)	476,000
Violetville Elementary/Middle School #226 – construction	7,156,000

**Public Libraries**

Canton Library – renovation	400,000
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**Community Health Facilities Grant Program**

Community Housing Associates, Inc.	3,500,000
The Baltimore Station	1,000,000

**Shelter and Transitional Facilities**

House of Freedom II	614,148
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**Partnership Rental Housing Program**

Thompson 22	1,650,000
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**Community Parks and Playgrounds**

Burdick Park	140,000
Druid Hill Park	230,000
Easterwood Park	130,000
Windsor Hills Park	110,000

**Chesapeake Bay Water Quality Projects**

Patapsco WWTP – nutrient removal	12,685,000
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**Chesapeake Bay Restoration Fund**

Patapsco WWTP – enhanced nutrient removal	29,492,000
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**Waterway Improvement**

City Fire Department – acquire dive team and fire boat equipment	20,000
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**Other Projects**

Academy of Success Community Empowerment Center	50,000
American Visionary Art Museum	150,000
Archbishop Curley High School – Fine Arts Center	200,000
Baltimore International College – Culinary Arts Center	3,000,000
Baltimore Museum of Industry	80,000
Center for Urban Families	75,000
College of Notre Dame – Knott Science Center	3,500,000
East Baltimore Biotechnology Park	5,000,000
Eastside Youth Center	75,000
Garrett-Jacobs Mansion	200,000
Girl Scout Urban Program and Training Center	150,000
GREEN HOUSE at Stadium Place	4,500,000
Healthy Start Client Service Center	150,000
Housing and Resource Center	2,000,000
Iota Phi Theta Love/Action Center	15,000
Johns Hopkins Health System – Cardiovascular and Critical Care Tower	7,000,000
Johns Hopkins Health System – Pediatric Trauma Center	10,000,000
Kennedy Krieger Institute	2,600,000
Lyric Opera House	1,500,000
Maryland Science Center – green roof	400,000
Park Heights Revitalization	1,500,000
Parks and People Headquarters at Auchentoroly Terrace	50,000
Port Discovery	325,000
Roland Park Fire Station – rehabilitation	110,000
Sinai Hospital	2,760,000
Southwest Senior and Community Multipurpose Center	125,000
Therapeutic Pool for People with Disabilities	350,000
WestSide Revitalization Project	2,000,000
Women’s Industrial Exchange	125,000

**D. Capital Projects for State Facilities in the City****Baltimore City Community College**

Liberty Campus – renovate main building	\$3,214,000
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**Department of Health and Mental Hygiene**

Forensic Medical Center – construction	2,846,000
Public Health Laboratory – construction	6,450,000

**Department of Juvenile Services**

Baltimore City Juvenile Treatment Center – construction	4,000,000
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**Department of Public Safety and Correctional Services**

Baltimore City Detention Center – Women’s Center	5,959,000
Baltimore City Detention Center – Youth Facility	11,800,000

**Department of Education**

State Library Resource Center	1,550,000
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**Morgan State University**

Campuswide – site improvements	6,321,000
Campuswide – utility upgrades	5,264,000
Center for the Built Environment and Infrastructure Studies	27,370,000
Lillie Carroll Jackson Museum – renovation	2,763,000
Montebello Complex and Northwood Shopping Center – demolition	2,185,000
School of Business and Management – new complex	942,794

**University System of Maryland**

Baltimore – Pharmacy Hall addition and renovation	13,756,305
Coppin State – data center expansion	2,371,000
Coppin State – Science and Technology Center	9,745,000
University of Baltimore – Law School	5,416,000

**Other**

UMD Medical System – Shock Trauma Center

28,500,000

## Baltimore County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$338,819	\$323,562	-\$15,257	-4.5
Compensatory Education	88,843	93,820	4,977	5.6
Student Transportation	24,519	26,278	1,759	7.2
Special Education	45,456	43,447	-2,008	-4.4
Limited English Proficiency Grants	10,344	11,024	680	6.6
Geographic Cost of Education Index	1,607	5,318	3,711	230.9
Adult Education	795	795	0	0.0
Aging Schools	1,590	874	-716	-45.0
Other Education Aid	6,242	4,555	-1,687	-27.0
<b>Primary &amp; Secondary Education</b>	<b>518,215</b>	<b>509,673</b>	<b>-8,541</b>	<b>-1.6</b>
Libraries	5,422	5,246	-176	-3.2
Community Colleges	38,748	38,826	78	0.2
Health Formula Grant	6,619	6,619	0	0.0
Transportation	38,168	17,604	-20,564	-53.9
Police and Public Safety	9,719	9,719	0	0.0
Fire and Rescue Aid	1,170	1,170	0	0.0
Recreation and Natural Resources	2,471	836	-1,635	-66.2
Other Direct Aid	50	50	0	0.0
<b>Total Direct Aid</b>	<b>\$620,582</b>	<b>\$589,743</b>	<b>-\$30,838</b>	<b>-5.0</b>
Aid Per Capita (\$)	787	751	-36	-4.6
Property Tax Equivalent (\$)	0.76	0.66	-0.10	-13.2

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Baltimore County for teachers, librarians, and community college faculty are estimated to be \$92,446,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$5,650,000
Family Health and Primary Care	335,000
Medical Care Services	2,518,000
Mental Health	54,263,000
Prevention and Disease Control	1,777,000
Developmental Disabilities	60,921,000

#### **Social Services**

Homeless Services	229,000
Women's Services	379,000
Adult Services	727,000
Child Welfare Services	5,982,000

#### **Senior Citizen Services**

Long-term Care	1,463,000
Community Services	244,000

**C. Selected State Grants for Capital Projects****Public Schools**

Battle Grove Elementary School – renovations (roof)	\$961,000
Carney Elementary School – renovations (roof)	809,000
Catonsville High School – construction	2,798,000
Catonsville High School – renovations (roof)	898,000
Chesapeake Terrace Elementary School – renovations (windows/doors)	256,000
Colgate Elementary School – renovations (roof)	400,000
Dundalk Elementary School – renovations (boilers)	256,000
G.W. Carver Center for Arts and Technology – construction	7,700,000
Glyndon Elementary School – renovations (boilers)	256,000
Halstead Academy – renovations (roof)	828,000
Hebbsville Elementary School – renovations (windows/doors)	529,000
Oliver Beach Elementary School – renovations (boilers)	256,000
Perry Hall Middle School – renovations (roof)	1,340,000
Pine Grove Middle School – renovations (wall repair)	502,000
Pot Spring Elementary School – renovations (roof)	773,000
Seventh District Elementary School – renovations (roof/windows/doors)	821,000
Shady Spring Elementary School – renovations (windows/doors)	230,000
Stemmers Run Middle School – renovations (boilers)	308,000
Towson West Elementary School – construction	1,600,000

**Public Libraries**

Randallstown Library – renovation	255,000
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**Community College of Baltimore County**

Catonsville – new library	800,000
Essex – F Building renovation	7,377,000
Owings Mills Education Center	850,000
Systemwide – roof replacements	1,689,000

**Senior Centers Grant Program**

Arbutus Senior Center	250,000
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**Waterway Improvement**

Bear Creek – maintenance dredging	100,000
Bowley’s Quarter Volunteer Fire Department – fire/rescue boat improvements	17,500
Channel marker improvements – countywide	25,000
County Fire Department – acquire cold water suits	4,800
North Point/Edgemere Volunteer Fire Department – replace fire/rescue boat	50,000
Shallow Creek – maintenance dredging	400,000
Submerged aquatic vegetation monitoring – countywide	10,000

**Other Projects**

Automotive Vocational Training Center	225,000
Forbush School	2,500,000
Good Shepherd Center	75,000
HopeWell Cancer Support Facility	250,000
Leadership Through Athletics Facility	35,000
Maryland Food Bank	250,000
Owings Mills Jewish Community Center	275,000
Robert E. Lee Park	3,000,000
Storyville Children’s Learning Center	250,000
Todd’s Inheritance	50,000

**D. Capital Projects for State Facilities in the County**

**General Government**

Catonsville District Court – property acquisition	\$350,000
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**Maryland State Police**

Headquarters Building K – renovation	1,665,000
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**Department of Natural Resources**

Mill Pond – dam replacement	115,000
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**University System of Maryland**

Baltimore County – residence hall renovations	2,000,000
Baltimore County – student recreation fields and courts	500,000
Towson University – College of Liberal Arts Complex	35,725,000
Towson University – residence halls renovations	1,400,000
Towson University – University Union addition and renovation	6,000,000
Towson University – West Village dining commons	34,000,000

## Calvert County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$65,070	\$63,230	-\$1,841	-2.8
Compensatory Education	7,326	7,922	596	8.1
Student Transportation	4,994	5,384	390	7.8
Special Education	6,001	5,577	-424	-7.1
Limited English Proficiency Grants	618	761	143	23.1
Geographic Cost of Education Index	715	2,342	1,628	227.7
Adult Education	200	200	0	0.0
Aging Schools	70	38	-31	-44.3
Other Education Aid	1,492	709	-784	-52.5
Primary & Secondary Education	86,486	86,163	-323	-0.4
Libraries	446	398	-48	-10.8
Community Colleges	2,229	2,309	80	3.6
Health Formula Grant	569	569	0	0.0
* Transportation	5,932	3,320	-2,612	-44.0
* Police and Public Safety	791	791	0	0.0
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	216	74	-142	-65.7
<b>Total Direct Aid</b>	<b>\$96,869</b>	<b>\$93,824</b>	<b>-\$3,045</b>	<b>-3.1</b>
Aid Per Capita (\$)	1,098	1,058	-40	-3.6
Property Tax Equivalent (\$)	0.75	0.67	-0.08	-10.7

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Calvert County for teachers, librarians, and community college faculty are estimated to be \$15,729,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$686,000
Family Health and Primary Care	150,000
Medical Care Services	360,000
Mental Health	2,817,000
Prevention and Disease Control	467,000
Developmental Disabilities	6,812,000

#### **Social Services**

Homeless Services	33,000
Women's Services	200,000
Adult Services	77,000
Child Welfare Services	811,000

#### **Senior Citizen Services**

Long-term Care	126,000
Community Services	19,000

**C. Selected State Grants for Capital Projects**

**Public Schools**

Calvert County Special School – renovations (roof)	\$290,000
Calvert Middle School – construction	5,130,000
Mutual Elementary School – renovations (HVAC)	787,000

**College of Southern Maryland**

La Plata – Business Classroom Building renovation/expansion	5,293,000
Prince Frederick – campus development	1,040,000

**Community Parks and Playgrounds**

North Beach Bay Overlook	21,000
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**Chesapeake Bay Restoration Fund**

Chesapeake Beach WWTP – enhanced nutrient removal	8,200,000
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**Water Supply Financial Assistance Program**

Dares Beach/Chesapeake Heights – new well	100,000
East Prince Frederick – new tower, well, and arsenic treatment	400,000

**Waterway Improvement**

Chesapeake Beach – shore stabilization and boat ramp repair	95,000
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**Other Projects**

Bayside History Museum – Captain John Smith Exhibit	50,000
Calvert Memorial Hospital	800,000
North Beach – boardwalk	250,000

**D. Capital Projects for State Facilities in the County**

**Maryland Office of Planning**

Jefferson Patterson Park and Museum – riverside trails and exhibit stations	\$1,876,000
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## Caroline County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$25,612	\$25,514	-\$98	-0.4
Compensatory Education	10,215	10,449	234	2.3
Student Transportation	2,264	2,421	157	6.9
Special Education	2,546	2,210	-336	-13.2
Limited English Proficiency Grants	861	854	-7	-0.8
Guaranteed Tax Base	832	562	-270	-32.5
Aging Schools	91	50	-41	-45.1
Other Education Aid	569	513	-56	-9.8
Primary & Secondary Education	42,990	42,573	-417	-1.0
Libraries	280	273	-7	-2.5
Community Colleges	1,413	1,447	35	2.5
Health Formula Grant	828	828	0	0.0
* Transportation	4,657	2,942	-1,715	-36.8
* Police and Public Safety	344	344	0	0.0
* Fire and Rescue Aid	205	205	0	0.0
Recreation and Natural Resources	96	33	-64	-66.7
Disparity Grant	2,253	2,132	-122	-5.4
<b>Total Direct Aid</b>	<b>\$53,066</b>	<b>\$50,777</b>	<b>-\$2,290</b>	<b>-4.3</b>
Aid Per Capita (\$)	1,612	1,532	-80	-5.0
Property Tax Equivalent (\$)	1.85	1.69	-0.16	-8.6

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Caroline County for teachers, librarians, and community college faculty are estimated to be \$4,758,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$448,000
Family Health and Primary Care	237,000
Medical Care Services	505,000
Mental Health	3,148,000
Prevention and Disease Control	304,000
Developmental Disabilities	2,560,000
AIDS	30,000

#### **Social Services**

Homeless Services	59,000
Women's Services	62,000
Adult Services	102,000
Child Welfare Services	663,000

#### **Senior Citizen Services**

Long-term Care	542,000
Community Services	136,000

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

**C. Selected State Grants for Capital Projects**

**Public Schools**

Colonel Richardson High School – construction \$4,900,000

**Public Libraries**

Denton Library – renovation 50,000

**Chesapeake College**

Kent Humanities Building – renovation 6,030,000

**Community Parks and Playgrounds**

Chambers Park 81,000

Goldsboro Children’s Playground and Picnic Area 158,000

Ridgely Railroad Building 75,000

**Chesapeake Bay Water Quality Projects**

Federalsburg – Maple Avenue/South Main Street inflow and infiltration correction 300,000

Federalsburg WWTP – nutrient removal 685,000

**Water Supply Financial Assistance Program**

Federalsburg – water main improvements 160,000

**Waterway Improvement**

Boat ramp facility maintenance – countywide 50,000

**Other Projects**

Adkins Arboretum – Native Garden Gateway 125,000

**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Martinak State Park – pier replacement

\$50,000

## Carroll County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$109,705	\$105,546	-\$4,158	-3.8
Compensatory Education	9,559	10,354	795	8.3
Student Transportation	8,634	9,289	655	7.6
Special Education	12,615	11,592	-1,023	-8.1
Limited English Proficiency Grants	772	682	-90	-11.7
Geographic Cost of Education Index	787	2,589	1,802	229.0
Adult Education	50	50	0	0.0
Aging Schools	250	137	-112	-44.8
Other Education Aid	1,490	629	-861	-57.8
Primary & Secondary Education	143,862	140,868	-2,992	-2.1
Libraries	1,038	982	-57	-5.5
Community Colleges	7,414	7,949	536	7.2
Health Formula Grant	1,895	1,895	0	0.0
* Transportation	12,796	7,231	-5,565	-43.5
* Police and Public Safety	1,606	1,606	0	0.0
* Fire and Rescue Aid	262	262	0	0.0
Recreation and Natural Resources	491	166	-324	-66.0
<b>Total Direct Aid</b>	<b>\$169,364</b>	<b>\$160,959</b>	<b>-\$8,402</b>	<b>-5.0</b>
Aid Per Capita (\$)	1,001	950	-50	-5.0
Property Tax Equivalent (\$)	0.83	0.75	-0.09	-10.8

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Carroll County for teachers, librarians, and community college faculty are estimated to be \$24,672,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$2,433,000
Family Health and Primary Care	180,000
Medical Care Services	760,000
Mental Health	7,674,000
Prevention and Disease Control	563,000
Developmental Disabilities	13,104,000
AIDS	20,000

#### **Social Services**

Homeless Services	91,000
Women's Services	353,000
Adult Services	105,000
Child Welfare Services	1,486,000

#### **Senior Citizen Services**

Long-term Care	321,000
Community Services	56,000

**C. Selected State Grants for Capital Projects**

**Public Schools**

Mt. Airy Elementary School – renovations (roof)	\$502,000
South Carroll High School – construction	1,881,000
Westminster High School – renovations (HVAC)	3,000,000
William Winchester Elementary School – construction	1,889,000
Winfield Elementary School – construction	248,000

**Public Libraries**

Eldersburg Library – renovation	124,000
Westminster Library – renovation	183,000

**Community Health Facilities Grant Program**

Main Street Housing, Inc.	345,000
Prologue	118,000

**Community Parks and Playgrounds**

Jones Park	100,000
Memorial Park	120,000
Mount Airy Rails-to-Trails – pathway lighting	82,000
Westminster – citywide park upgrades	50,000

**Chesapeake Bay Restoration Fund**

Freedom District WWTP – enhanced nutrient removal	6,400,000
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**Waterway Improvement**

Piney Run Park – acquire patrol boat motor	4,000
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**D. Capital Projects for State Facilities in the County**

**Department of Public Safety and Correctional Services**

Public Safety Training Center – rifle range

\$1,172,000

## Cecil County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$67,197	\$64,864	-\$2,333	-3.5
Compensatory Education	14,746	16,507	1,761	11.9
Student Transportation	4,432	4,772	340	7.7
Special Education	8,396	7,977	-419	-5.0
Limited English Proficiency Grants	546	545	-1	-0.2
Guaranteed Tax Base	2,626	2,013	-613	-23.3
Adult Education	104	104	0	0.0
Aging Schools	175	96	-79	-45.1
Other Education Aid	762	705	-58	-7.6
Primary & Secondary Education	98,984	97,583	-1,402	-1.4
Libraries	732	704	-27	-3.7
Community Colleges	5,143	5,449	307	6.0
Health Formula Grant	1,241	1,241	0	0.0
* Transportation	7,149	3,962	-3,187	-44.6
* Police and Public Safety	953	977	24	2.5
* Fire and Rescue Aid	206	206	0	0.0
Recreation and Natural Resources	253	86	-167	-66.0
<b>Total Direct Aid</b>	<b>\$114,661</b>	<b>\$110,208</b>	<b>-\$4,452</b>	<b>-3.9</b>
Aid Per Capita (\$)	1,150	1,103	-47	-4.1
Property Tax Equivalent (\$)	1.10	0.99	-0.10	-9.1

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Cecil County for teachers, librarians, and community college faculty are estimated to be \$13,983,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,163,000
Family Health and Primary Care	178,000
Medical Care Services	559,000
Mental Health	6,908,000
Prevention and Disease Control	419,000
Developmental Disabilities	7,680,000
AIDS	20,000

#### **Social Services**

Homeless Services	40,000
Women's Services	175,000
Adult Services	136,000
Child Welfare Services	1,622,000

#### **Senior Citizen Services**

Long-term Care	126,000
Community Services	40,000

**C. Selected State Grants for Capital Projects**

**Public Schools**

Leeds Elementary School – renovations (HVAC) \$1,538,000

**Public Libraries**

North East Library – site acquisition 800,000

**Cecil Community College**

Bainbridge Center 1,084,000

Physical Education Building – renovation and addition 500,000

**Local Jail Loan**

County Correctional Facility – renovations and additions 9,857,000

**Community Health Facilities Grant Program**

Community Coalition for Affordable Housing 300,000

**Community Parks and Playgrounds**

Chesapeake City Park 33,000

Daydream Park 142,000

Meadow Park – playground and rock walls 60,000

Perryville Youth Park 2,000

Trinity Woods Park 118,000

**Chesapeake Bay Water Quality Projects**

Perryville WWTP – nutrient removal 998,000

**Water Supply Financial Assistance Program**

North East – water distribution system 140,000

Whitaker Woods – water system 300,000

**Waterway Improvement**

Chesapeake City Volunteer Fire Company – acquire fire/rescue equipment	25,000
Elk River Park – construct marina services building	50,000

**D. Capital Projects for State Facilities in the County****Maryland Environmental Service**

Elk Neck State Park – wastewater treatment plant upgrade	\$1,151,000
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## Charles County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$107,562	\$103,217	-\$4,345	-4.0
Compensatory Education	19,544	21,107	1,563	8.0
Student Transportation	8,990	9,706	716	8.0
Special Education	7,781	7,645	-136	-1.7
Limited English Proficiency Grants	776	818	42	5.4
Guaranteed Tax Base	4,052	2,194	-1,858	-45.9
Geographic Cost of Education Index	1,038	3,462	2,424	233.5
Adult Education	335	335	0	0.0
Aging Schools	91	50	-41	-45.1
Other Education Aid	2,038	996	-1,042	-51.1
Primary & Secondary Education	152,207	149,530	-2,677	-1.8
Libraries	853	795	-58	-6.8
Community Colleges	7,210	7,374	164	2.3
Health Formula Grant	1,530	1,530	0	0.0
* Transportation	9,292	5,010	-4,282	-46.1
* Police and Public Safety	1,232	1,232	0	0.0
* Fire and Rescue Aid	242	242	0	0.0
Recreation and Natural Resources	445	152	-293	-65.8
<b>Total Direct Aid</b>	<b>\$173,011</b>	<b>\$165,865</b>	<b>-\$7,146</b>	<b>-4.1</b>
Aid Per Capita (\$)	1,232	1,178	-54	-4.4
Property Tax Equivalent (\$)	0.93	0.84	-0.09	-9.7

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Charles County for teachers, librarians, and community college faculty are estimated to be \$22,700,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,974,000
Family Health and Primary Care	344,000
Medical Care Services	508,000
Mental Health	5,168,000
Prevention and Disease Control	489,000
Developmental Disabilities	10,848,000
AIDS	88,000

#### **Social Services**

Homeless Services	80,000
Women's Services	79,000
Adult Services	138,000
Child Welfare Services	2,068,000

#### **Senior Citizen Services**

Long-term Care	209,000
Community Services	17,000

**C. Selected State Grants for Capital Projects****Public Schools**

Dr. Gustavus Brown Elementary School – construction	\$2,344,000
Mary Burgess Neal Elementary School – construction	4,398,000

**College of Southern Maryland**

La Plata – Business Classroom Building renovation/expansion	5,293,000
Prince Frederick – campus development	1,040,000

**Community Parks and Playgrounds**

La Plata – parks, playgrounds and tennis courts	114,000
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**Chesapeake Bay Water Quality Projects**

Benedict Central Sewer – collection and treatment system	400,000
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**Chesapeake Bay Restoration Fund**

La Plata WWTP – enhanced nutrient removal	3,390,000
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**Waterway Improvement**

Tenth District Volunteer Fire Department – acquire new fire/rescue boat	50,000
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**Other Projects**

Civista Medical Center	90,000
Hospice House	250,000
Jaycees Field of Dreams	30,000

**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Cedarville State Park – dam repair	\$75,000
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**Maryland Environmental Service**

Southern Maryland Pre-Release Unit – wastewater treatment plant upgrade	198,000
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## Dorchester County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$18,437	\$18,715	\$278	1.5
Compensatory Education	7,376	6,960	-415	-5.6
Student Transportation	2,066	2,229	164	7.9
Special Education	1,488	1,425	-63	-4.2
Limited English Proficiency Grants	370	273	-97	-26.2
Guaranteed Tax Base	300	7	-293	-97.7
Adult Education	148	148	0	0.0
Aging Schools	70	38	-31	-44.3
Other Education Aid	529	475	-54	-10.2
Primary & Secondary Education	30,784	30,270	-511	-1.7
Libraries	248	242	-7	-2.8
Community Colleges	1,252	1,283	31	2.5
Health Formula Grant	660	660	0	0.0
* Transportation	5,152	3,264	-1,887	-36.6
* Police and Public Safety	381	383	2	0.5
* Fire and Rescue Aid	225	225	0	0.0
Recreation and Natural Resources	82	28	-54	-65.9
Disparity Grant	2,131	2,023	-108	-5.1
<b>Total Direct Aid</b>	<b>\$40,915</b>	<b>\$38,378</b>	<b>-\$2,534</b>	<b>-6.2</b>
Aid Per Capita (\$)	1,285	1,199	-85	-6.6
Property Tax Equivalent (\$)	1.27	1.08	-0.18	-14.2

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Dorchester County for teachers, librarians, and community college faculty are estimated to be \$4,159,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,731,000
Family Health and Primary Care	177,000
Medical Care Services	485,000
Mental Health	4,883,000
Prevention and Disease Control	387,000
Developmental Disabilities	2,473,000
AIDS	104,000

#### **Social Services**

Homeless Services	39,000
Women's Services	24,000
Adult Services	148,000
Child Welfare Services	797,000

#### **Senior Citizen Services**

Long-term Care	636,000
Community Services	441,000

Note: Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

**C. Selected State Grants for Capital Projects**

**Public Schools**

North Dorchester Middle School – construction	\$1,469,000
School of Technology – construction	3,500,000

**Chesapeake College**

Kent Humanities Building – renovation	6,030,000
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**Community Parks and Playgrounds**

East New Market – tennis courts	40,000
Riverfront Park	162,000

**Chesapeake Bay Water Quality Projects**

Cambridge Combined Sewer – overflow improvements	600,000
Susquehanna Point/Madison/Woolford – sewer collection system installation	300,000

**Chesapeake Bay Restoration Fund**

Cambridge WWTP – enhanced nutrient removal	550,000
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**Waterway Improvement**

Elliott Island and Chapel Cove – navigation improvements	100,000
Neck District Volunteer Fire Company – acquire fire rescue boat and equipment	21,000
Public boating facilities – countywide maintenance	50,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Cambridge Marine Terminal – construct marine railway	\$275,000
Harriet Tubman Underground Railroad State Park – improvements	4,409,107
Harriet Tubman Underground Railroad State Park – improvements (federal funds)	8,984,000
Langralls Creek – construct boat ramp and channel dredging	100,000

**Maryland Veterans Administration**

Eastern Shore Veterans Cemetery – install columbaria (federal funds)	431,000
Eastern Shore Veterans Cemetery – install columbaria	35,000

## Frederick County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$151,165	\$145,687	-\$5,478	-3.6
Compensatory Education	19,681	20,775	1,094	5.6
Student Transportation	10,582	11,316	734	6.9
Special Education	14,693	13,821	-872	-5.9
Limited English Proficiency Grants	4,658	5,181	524	11.2
Geographic Cost of Education Index	1,899	6,282	4,384	230.9
Adult Education	310	310	0	0.0
Aging Schools	332	183	-149	-44.9
Other Education Aid	2,640	711	-1,929	-73.1
Primary & Secondary Education	205,960	204,266	-1,692	-0.8
Libraries	1,135	1,099	-36	-3.2
Community Colleges	8,621	8,999	378	4.4
Health Formula Grant	2,326	2,326	0	0.0
* Transportation	17,176	9,519	-7,657	-44.6
* Police and Public Safety	2,294	2,294	0	0.0
* Fire and Rescue Aid	364	364	0	0.0
Recreation and Natural Resources	507	175	-333	-65.7
<b>Total Direct Aid</b>	<b>\$238,383</b>	<b>\$229,042</b>	<b>-\$9,340</b>	<b>-3.9</b>
Aid Per Capita (\$)	1,061	1,015	-46	-4.3
Property Tax Equivalent (\$)	0.79	0.72	-0.07	-8.9

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Frederick County for teachers, librarians, and community college faculty are estimated to be \$34,672,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,975,000
Family Health and Primary Care	266,000
Medical Care Services	615,000
Mental Health	13,937,000
Prevention and Disease Control	561,000
Developmental Disabilities	17,356,000
AIDS	43,000

#### **Social Services**

Homeless Services	210,000
Women's Services	142,000
Adult Services	166,000
Child Welfare Services	2,376,000

#### **Senior Citizen Services**

Long-term Care	238,000
Community Services	72,000

**C. Selected State Grants for Capital Projects****Public Schools**

Oakdale High School – construction	\$4,800,224
West Frederick Middle School – construction	8,201,776

**Frederick Community College**

Building F – vacated space conversion	1,629,000
Classroom and Student Center Building	421,000
Fine Arts and Library Buildings – interior space conversion	90,000

**Community Parks and Playgrounds**

Amber Meadows Park	27,000
Brunswick Park	54,000
Canada Hill Playground	20,000
Carrollton Park	28,000
Emmitsburg Community Park	41,000
Eyler Park	142,000
Harry Pfeifer Park	37,000
Lions Merryland Park	45,000
Woodsboro Regional Park	129,000

**Chesapeake Bay Restoration Fund**

Thurmont WWTP – enhanced nutrient removal	4,310,000
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**Waterway Improvement**

Brunswick – construct jetty	50,000
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**Other Projects**

John Hanson Memorial	50,000
Mental Health Association Building	250,000

**D. Capital Projects for State Facilities in the County**

**Other**

School for the Deaf – bus loop and parking lot	\$205,000
School for the Deaf – cafeteria and student center	5,284,000

## Garrett County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$15,796	\$15,653	-\$143	-0.9
Compensatory Education	4,806	4,848	42	0.9
Student Transportation	2,573	2,776	203	7.9
Special Education	1,614	1,445	-169	-10.5
Limited English Proficiency Grants	3	10	7	233.3
Adult Education	39	39	0	0.0
Aging Schools	70	38	-31	-44.3
Other Education Aid	579	545	-34	-5.9
Primary & Secondary Education	25,480	25,354	-125	-0.5
Libraries	164	155	-9	-5.5
Community Colleges	3,374	3,548	174	5.2
Health Formula Grant	673	673	0	0.0
* Transportation	5,741	3,636	-2,104	-36.6
* Police and Public Safety	238	238	0	0.0
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	101	35	-66	-65.3
Disparity Grant	2,012	2,131	119	5.9
<b>Total Direct Aid</b>	<b>\$37,983</b>	<b>\$35,970</b>	<b>-\$2,011</b>	<b>-5.3</b>
Aid Per Capita (\$)	1,282	1,211	-71	-5.5
Property Tax Equivalent (\$)	0.87	0.77	-0.10	-11.5

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Garrett County for teachers, librarians, and community college faculty are estimated to be \$4,227,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$599,000
Family Health and Primary Care	169,000
Medical Care Services	659,000
Mental Health	2,535,000
Prevention and Disease Control	328,000
Developmental Disabilities	2,300,000

#### **Social Services**

Homeless Services	79,000
Women's Services	113,000
Adult Services	39,000
Child Welfare Services	827,000

#### **Senior Citizen Services**

Long-term Care	183,000
Community Services	67,000

**C. Selected State Grants for Capital Projects**

**Public Schools**

Northern High School – renovations (roof) \$666,000

**Community Parks and Playgrounds**

Broadford Lake Park 88,000

Grantsville Community Park 8,000

**Water Supply Financial Assistance Program**

Grantsville – water line extension 500,000

**Waterway Improvement**

Friendsville Community Park – upgrade comfort station 26,000

**Other Projects**

Garrett College – Athletic and Community Recreation Center 3,000,000

## Harford County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$152,882	\$147,599	-\$5,283	-3.5
Compensatory Education	24,815	26,654	1,839	7.4
Student Transportation	10,815	11,607	792	7.3
Special Education	19,067	18,864	-204	-1.1
Limited English Proficiency Grants	2,040	1,942	-98	-4.8
Adult Education	172	172	0	0.0
Aging Schools	395	217	-178	-45.1
Other Education Aid	609	552	-57	-9.4
Primary & Secondary Education	210,795	207,607	-3,189	-1.5
Libraries	1,627	1,549	-78	-4.8
Community Colleges	10,580	11,054	474	4.5
Health Formula Grant	2,673	2,673	0	0.0
* Transportation	14,877	8,210	-6,667	-44.8
* Police and Public Safety	2,738	2,747	9	0.3
* Fire and Rescue Aid	377	377	0	0.0
Recreation and Natural Resources	727	247	-479	-65.9
<b>Total Direct Aid</b>	<b>\$244,394</b>	<b>\$234,464</b>	<b>-\$9,930</b>	<b>-4.1</b>
Aid Per Capita (\$)	1,018	976	-43	-4.2
Property Tax Equivalent (\$)	0.93	0.83	-0.11	-11.8

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Harford County for teachers, librarians, and community college faculty are estimated to be \$34,126,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,755,000
Family Health and Primary Care	217,000
Medical Care Services	871,000
Mental Health	11,499,000
Prevention and Disease Control	630,000
Developmental Disabilities	18,528,000

#### **Social Services**

Homeless Services	103,000
Women's Services	213,000
Adult Services	156,000
Child Welfare Services	2,187,000

#### **Senior Citizen Services**

Long-term Care	346,000
Community Services	72,000

**C. Selected State Grants for Capital Projects****Public Schools**

Bel Air High School – construction	\$13,000,000
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**Public Libraries**

Churchville Library – construction	500,000
Whiteford Library – expansion	373,000

**Community Health Facilities Grant Program**

Key Point Health Services	128,000
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**Senior Centers Grant Program**

Fallston Senior Center	400,000
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**Community Parks and Playgrounds**

Bel Air Reckord Armory Park	129,000
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**Chesapeake Bay Water Quality Projects**

Havre de Grace WWTP – nutrient removal	1,158,000
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**Chesapeake Bay Restoration Fund**

Aberdeen WWTP – enhanced nutrient removal	6,300,000
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**Waterway Improvement**

Darlington Volunteer Fire Company – acquire fire/rescue boat	50,000
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**Other Projects**

Citizens Care and Rehabilitation Center	200,000
Upper Chesapeake Health System	600,000

**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Friends Pond – dam repair \$310,000

**Military**

Edgewood Readiness Center – HVAC replacement (federal funds) 4,100,000

**University System of Maryland**

College Park – MD Fire and Rescue Institute North East Regional Training Center 7,700,000

## Howard County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$145,325	\$141,799	-\$3,526	-2.4
Compensatory Education	14,869	16,186	1,317	8.9
Student Transportation	13,506	14,566	1,060	7.8
Special Education	13,021	12,497	-523	-4.0
Limited English Proficiency Grants	5,666	5,720	53	0.9
Geographic Cost of Education Index	1,462	4,904	3,442	235.4
Adult Education	438	438	0	0.0
Aging Schools	160	88	-72	-45.0
Other Education Aid	2,604	1,047	-1,557	-59.8
Primary & Secondary Education	197,051	197,245	194	0.1
Libraries	763	766	3	0.4
Community Colleges	13,822	14,581	759	5.5
Health Formula Grant	1,869	1,869	0	0.0
Transportation	14,547	6,978	-7,569	-52.0
Police and Public Safety	3,471	3,471	0	0.0
Fire and Rescue Aid	391	391	0	0.0
Recreation and Natural Resources	1,289	438	-851	-66.0
Other Direct Aid	86	86	0	0.0
<b>Total Direct Aid</b>	<b>\$233,289</b>	<b>\$225,825</b>	<b>-\$7,464</b>	<b>-3.2</b>
Aid Per Capita (\$)	852	821	-31	-3.6
Property Tax Equivalent (\$)	0.49	0.48	-0.01	-2.0

**2. Retirement Payments**

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Howard County for teachers, librarians, and community college faculty are estimated to be \$54,449,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$1,567,000
Family Health and Primary Care	146,000
Medical Care Services	553,000
Mental Health	8,347,000
Prevention and Disease Control	628,000
Developmental Disabilities	21,131,000

**Social Services**

Homeless Services	116,000
Women’s Services	127,000
Adult Services	59,000
Child Welfare Services	1,901,000

**Senior Citizen Services**

Long-term Care	274,000
Community Services	21,000

**C. Selected State Grants for Capital Projects****Public Schools**

Atholton High School – renovations (roof)	\$300,000
Clemens Crossing Elementary School – construction	674,000
Elkridge Elementary School – construction	877,000
Mt. Hebron High School – construction	8,500,000
Northfield Elementary School – construction	2,444,957
Waterloo Elementary School – construction	1,204,043

**Public Libraries**

Miller Branch Library – new branch/historical center	800,000
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**Howard Community College**

Allied Health Building	2,004,000
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**Community Health Facilities Grant Program**

Humanim	295,000
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**Senior Centers Grant Program**

North Laurel Park Community Center	400,000
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**Partnership Rental Housing Program**

Guilford Gardens	3,500,000
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**Chesapeake Bay Water Quality Projects**

Brampton Hills – stream stabilization	500,000
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**Chesapeake Bay Restoration Fund**

Little Patuxent WWTP – enhanced nutrient removal	22,470,000
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**Other Projects**

Ellicott City Post Office	150,000
Howard County General Hospital	250,000
Linwood Center	150,000
Robinson Nature Center	150,000
Troy Regional Park	150,000

**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Union Dam – restoration (federal funds)	\$1,400,000
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**Department of Public Safety and Correctional Services**

Patuxent Institution – fire safety improvements and window replacement	11,881,000
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**Other**

School for the Deaf – parking lot and athletic field	1,487,000
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## Kent County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,939	\$4,752	-\$187	-3.8
Compensatory Education	2,192	2,179	-13	-0.6
Student Transportation	1,367	1,463	96	7.0
Special Education	825	787	-38	-4.6
Limited English Proficiency Grants	170	172	3	1.8
Geographic Cost of Education Index	43	139	96	223.3
Adult Education	79	79	0	0.0
Aging Schools	70	38	-31	-44.3
Other Education Aid	783	615	-168	-21.5
Primary & Secondary Education	10,468	10,224	-242	-2.3
Libraries	104	94	-9	-8.7
Community Colleges	536	549	13	2.4
Health Formula Grant	517	517	0	0.0
* Transportation	2,672	1,617	-1,056	-39.5
* Police and Public Safety	201	201	0	0.0
* Fire and Rescue Aid	214	214	0	0.0
Recreation and Natural Resources	61	21	-40	-65.6
<b>Total Direct Aid</b>	<b>\$14,773</b>	<b>\$13,437</b>	<b>-\$1,334</b>	<b>-9.0</b>
Aid Per Capita (\$)	739	667	-72	-9.7
Property Tax Equivalent (\$)	0.51	0.45	-0.06	-11.8

\* Municipal governments within the county receive a share of these funds.

**2. Retirement Payments**

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Kent County for teachers, librarians, and community college faculty are estimated to be \$2,248,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$1,771,000
Family Health and Primary Care	115,000
Medical Care Services	392,000
Mental Health	1,347,000
Prevention and Disease Control	517,000
Developmental Disabilities	1,519,000
AIDS	25,000

**Social Services**

Homeless Services	2,000
Women’s Services	15,000
Adult Services	53,000
Child Welfare Services	412,000

**Senior Citizen Services**

Long-term Care	542,000
Community Services	136,000

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

**C. Selected State Grants for Capital Projects****Public Schools**

Chestertown Middle School – renovations (elevator)	\$197,000
Garnett Elementary School – renovations (elevator)	191,000

**Chesapeake College**

Kent Humanities Building – renovation	6,030,000
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**Community Parks and Playgrounds**

Betterton Ark Park	126,000
Chestertown Community Park	144,000

**Chesapeake Bay Water Quality Projects**

Chesterville – wastewater collection and treatment system	500,000
Edesville/Lover’s Lane – wastewater collection system	450,000

**Water Supply Financial Assistance Program**

Edesville/Lover’s Lane – water line extension	300,000
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**Waterway Improvement**

Galena Volunteer Fire Company – acquire fire/rescue boat and equipment	21,500
Green Lane Boat Ramp – replace bulkhead	50,000

**Other Projects**

Chester River Hospital Center	330,000
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## Montgomery County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$200,273	\$223,469	\$23,196	11.6
Compensatory Education	85,773	90,997	5,224	6.1
Student Transportation	31,482	33,555	2,073	6.6
Special Education	48,811	47,682	-1,129	-2.3
Limited English Proficiency Grants	42,610	44,132	1,522	3.6
Geographic Cost of Education Index	9,187	30,947	21,760	236.9
Adult Education	465	465	0	0.0
Aging Schools	1,096	603	-493	-45.0
Other Education Aid	11,821	2,550	-9,271	-78.4
Primary & Secondary Education	431,518	474,400	42,882	9.9
Libraries	2,610	2,606	-4	-0.2
Community Colleges	43,263	44,285	1,022	2.4
Health Formula Grant	4,638	4,638	0	0.0
* Transportation	39,752	15,561	-24,191	-60.9
* Police and Public Safety	15,149	15,149	0	0.0
* Fire and Rescue Aid	1,308	1,308	0	0.0
Recreation and Natural Resources	3,246	1,109	-2,137	-65.8
<b>Total Direct Aid</b>	<b>\$541,484</b>	<b>\$559,056</b>	<b>\$17,572</b>	<b>3.2</b>
Aid Per Capita (\$)	582	588	6	1.0
Property Tax Equivalent (\$)	0.29	0.30	0.01	3.4

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Montgomery County for teachers, librarians, and community college faculty are estimated to be \$160,047,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$3,666,000
Family Health and Primary Care	651,000
Medical Care Services	3,007,000
Mental Health	33,675,000
Prevention and Disease Control	1,420,000
Developmental Disabilities	71,899,000
AIDS	148,000

#### **Social Services**

Homeless Services	373,000
Women's Services	291,000
Adult Services	800,000
Child Welfare Services	4,538,000

#### **Senior Citizen Services**

Long-term Care	981,000
Community Services	208,000

**C. Selected State Grants for Capital Projects****Public Schools**

Bannockburn Elementary School – renovations (roof)	\$558,000
Galway Elementary School – construction	4,795,204
Robert Frost Middle School – renovations (HVAC)	503,000
Sherwood High School – renovations (roof)	562,796
Strathmore Elementary School – renovations (HVAC)	520,000
Thomas W. Pyle Middle School – construction	121,000
Walter Johnson High School – construction	13,595,000
Watkins Mill High School – renovations (roof)	710,000

**Montgomery College**

Germantown – Bioscience Education Center	16,081,500
Rockville – Science Center	1,015,000

**Community Health Facilities Grant Program**

Housing Opportunities Commission of Montgomery County	1,000,000
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**Senior Centers Grant Program**

Rockville Senior Center	350,000
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**Community Parks and Playgrounds**

Rockville Civic Center Park	153,000
Rockville Senior Center Park	112,000
Woottons Mill Park	76,000

**Chesapeake Bay Water Quality Projects**

Booze Creek – stream restoration	440,000
Germantown Estates – stormwater retrofit	306,000

**Chesapeake Bay Restoration Fund**

Damascus WWTP – enhanced nutrient removal	625,000
Seneca WWTP – enhanced nutrient removal	7,089,000

**Other Projects**

BlackRock Center for the Arts	50,000
Charles E. Smith Life Communities	650,000
Dance Exchange	50,000
Easter Seals Inter-Generational Center	70,000
Gaithersburg Community Museum	250,000
Imagination Stage	275,000
Jewish Council for the Aging	275,000
Jewish Foundation for Group Homes, Inc.	75,000
Lake Whetstone – boat house, dock, and related facilities	80,000
Latino Economic Development Corporation	175,000
MacDonald Knolls Center	100,000
National Center for Children and Families – Youth Activities Center	250,000
Northgate Homes – lighting upgrade	40,000
Olney Boys and Girls Club Community Park – renovation of “Falling Green”	150,000
Olney Theatre	150,000
Poolesville Skate Park	175,000
Residential Continuum, Inc. – group home renovations	30,000
Rockville Historic Post Office – renovation	100,000

**D. Capital Projects for State Facilities in the County****General Government**

Rockville District Court – construction	\$17,990,000
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## Prince George’s County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$516,275	\$514,724	-\$1,551	-0.3
Compensatory Education	189,185	186,673	-2,511	-1.3
Student Transportation	34,237	36,659	2,422	7.1
Special Education	70,069	67,087	-2,982	-4.3
Limited English Proficiency Grants	55,117	54,103	-1,014	-1.8
Guaranteed Tax Base	24,868	6,830	-18,038	-72.5
Geographic Cost of Education Index	11,809	39,061	27,251	230.8
Adult Education	771	771	0	0.0
Aging Schools	2,199	1,209	-990	-45.0
Other Education Aid	14,354	2,370	-11,984	-83.5
Primary & Secondary Education	918,884	909,487	-9,397	-1.0
Libraries	6,522	5,962	-560	-8.6
Community Colleges	23,679	24,861	1,182	5.0
Health Formula Grant	7,703	7,703	0	0.0
* Transportation	35,155	18,940	-16,215	-46.1
* Police and Public Safety	18,005	18,005	0	0.0
* Fire and Rescue Aid	1,135	1,135	0	0.0
Recreation and Natural Resources	2,793	946	-1,847	-66.1
Disparity Grant	21,714	21,695	-20	-0.1
* Other Direct Aid	170	170	0	0.0
<b>Total Direct Aid</b>	<b>\$1,035,760</b>	<b>\$1,008,904</b>	<b>-\$26,857</b>	<b>-2.6</b>
Aid Per Capita (\$)	1,250	1,229	-21	-1.7
Property Tax Equivalent (\$)	1.17	1.02	-0.15	-12.8

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Prince George's County for teachers, librarians, and community college faculty are estimated to be \$119,184,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$9,605,000
Family Health and Primary Care	1,065,000
Medical Care Services	3,931,000
Mental Health	36,546,000
Prevention and Disease Control	2,050,000
Developmental Disabilities	64,002,000
AIDS	334,000

#### **Social Services**

Homeless Services	752,000
Women's Services	363,000
Adult Services	611,000
Child Welfare Services	6,782,000

#### **Senior Citizen Services**

Long-term Care	822,000
Community Services	202,000

**C. Selected State Grants for Capital Projects****Public Schools**

Bond Mill Elementary School – renovations (chiller)	\$426,000
Bowie High School – science facilities	2,724,000
Charles Carroll Middle School – renovations (ventilators)	562,000
Francis T. Evans Elementary School – renovations (roof)	850,000
Greenbelt Middle School – construction	6,350,000
H. Winship Wheatley Special Center – renovations (roof)	1,205,000
Hyattsville Middle School – renovations (roof)	1,135,000
John E. Howard Elementary School – construction	867,000
Laurel High School – science facilities	1,838,000
Oxon Hill Elementary School – construction	2,167,000
Suitland High School – renovations (roof)	2,128,000
Suitland High School Annex – renovations (roof)	1,062,000

**Public Libraries**

Greenbelt Library – renovation	320,000
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**Prince George’s Community College**

Campuswide – circulation and roadway modifications	358,000
Campuswide – upgrade electrical and communication systems	4,892,000
Center for Health Studies	18,066,000

**Local Jail Loan**

County Detention Center – expansion	7,635,000
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**Community Health Facilities Grant Program**

Family Service Foundation, Inc.	566,000
Vesta, Inc.	115,000

**Community Parks and Playgrounds**

Bartlett Park	65,000
Goodwin Park	80,000
Greenwood Village Playground	22,000
Heurich Park	110,000
Roland B. Sweitzer Community Park	100,000

**Chesapeake Bay Water Quality Projects**

Beaverdam Creek – stormwater retrofit	225,000
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**Chesapeake Bay Restoration Fund**

Parkway WWTP – enhanced nutrient removal	7,750,000
Piscataway WWTP – enhanced nutrient removal	2,180,000
Western Branch WWTP – enhanced nutrient removal	23,192,000

**Waterway Improvement**

Laurel Volunteer Rescue Squad – acquire water rescue equipment	3,480
Prince George’s County Fire/EMS Department – replace fire/rescue boat	50,000

**Other Projects**

African-American History Museum	50,000
Bowie – Police Dispatch Center	25,000
Bowie Boys and Girls Club – Whitmarsh Turf Field	25,000
Capitol College – Innovation and Leadership Institute	2,500,000
Capitol Heights Municipal Building	100,000
Chosen Youth Group – basketball court	25,000
Concord Historic Site – Capitol Heights	100,000
Cosca Regional Skate Park	250,000
District Heights – recreational field renovations	200,000
Elizabeth Seton High School – sports facilities	50,000
Greenbelt Consumer Cooperative	100,000
Harmony Hall Manor	100,000
Kappa Alpha Psi – playground equipment	10,000
Knights of St. John Hall	225,000
Laurel Advocacy Referral Services – facility renovation	100,000

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Laurel Boys and Girls Club	100,000
Lincoln Vista Neighborhood Park Recreation Building	15,000
National Children’s Museum	5,000,000
Olde Mill Community and Teaching Center	25,000
Palmer Park Boys and Girls Club	100,000
Shabach Adult Day Care and Senior Center	25,000
South Bowie Boys and Girls Club – concession stand	50,000
St. Ann’s Infant and Maternity Home	750,000
YMCA Potomac Overlook	100,000

**D. Capital Projects for State Facilities in the County**

**Department of Juvenile Services**

Cheltenham Youth Facility – new detention center	\$2,547,000
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**Maryland Environmental Service**

Cheltenham Youth Facility – water tower improvements	337,000
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**University System of Maryland**

Bowie State – campuswide site improvements	3,237,000
Bowie State – Fine and Performing Arts Building	34,028,000
Bowie State – new student center	1,445,000
College Park – Denton Dining Hall renovation	14,300,000
College Park – East Campus redevelopment	5,000,000
College Park – fraternity/sorority houses renovation	2,060,000
College Park – golf course improvements	1,800,000
College Park – Journalism Building renovation	6,400,000
College Park – Physical Sciences Complex	4,618,000
College Park – Residence Hall air conditioning	8,930,000
College Park – Residence Hall central utility expansion	7,500,000
College Park – Satellite Central Utility Building expansion	1,300,000
College Park – telecommunication infrastructure	5,500,000

## Queen Anne's County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$21,176	\$20,615	-\$561	-2.6
Compensatory Education	2,956	3,231	275	9.3
Student Transportation	2,859	3,094	235	8.2
Special Education	2,378	2,115	-263	-11.1
Limited English Proficiency Grants	371	398	27	7.3
Geographic Cost of Education Index	165	554	389	235.8
Adult Education	88	88	0	0.0
Aging Schools	91	50	-41	-45.1
Other Education Aid	764	539	-225	-29.5
Primary & Secondary Education	30,848	30,684	-164	-0.5
Libraries	133	127	-6	-4.5
Community Colleges	1,751	1,794	43	2.5
Health Formula Grant	643	643	0	0.0
* Transportation	5,309	3,014	-2,295	-43.2
* Police and Public Safety	408	410	2	0.5
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	131	45	-86	-65.6
<b>Total Direct Aid</b>	<b>\$39,423</b>	<b>\$36,917</b>	<b>-\$2,506</b>	<b>-6.4</b>
Aid Per Capita (\$)	846	784	-63	-7.4
Property Tax Equivalent (\$)	0.47	0.44	-0.03	-6.4

\* Municipal governments within the county receive a share of these funds.

**2. Retirement Payments**

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Queen Anne’s County for teachers, librarians, and community college faculty are estimated to be \$6,094,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$621,000
Family Health and Primary Care	156,000
Medical Care Services	511,000
Mental Health	1,634,000
Prevention and Disease Control	313,000
Developmental Disabilities	3,601,000
AIDS	4,000

**Social Services**

Homeless Services	14,000
Women’s Services	22,000
Adult Services	45,000
Child Welfare Services	552,000

**Senior Citizen Services**

Long-term Care	115,000
Community Services	45,000

**C. Selected State Grants for Capital Projects****Public Schools**

Bayside Elementary School – renovations (HVAC)	\$433,000
Centreville Middle School – renovations (boiler)	133,000
Kent Island Elementary School – construction	481,000

**Chesapeake College**

Kent Humanities Building – renovation	6,030,000
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**Community Parks and Playgrounds**

Mill Stream Park	221,000
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**Chesapeake Bay Water Quality Projects**

Northwest Creek – restoration	29,000
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**Waterway Improvement**

Queen Anne’s Waterman’s Boat Basin – rehabilitation	420,000
United Communities Volunteer Fire Department – acquire fire/rescue boat	18,000

**Other Projects**

Kennard High School – restoration	200,000
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**D. Capital Projects for State Facilities in the County****Maryland Environmental Service**

Eastern Pre-Release Facility – wastewater treatment plant improvements	\$440,000
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## St. Mary’s County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$65,654	\$66,557	\$ 903	1.4
Compensatory Education	13,701	12,335	-1,366	-10.0
Student Transportation	5,701	6,129	429	7.5
Special Education	6,930	6,422	-507	-7.3
Limited English Proficiency Grants	598	502	-96	-16.1
Guaranteed Tax Base	1,075	0	-1,075	-100.0
Geographic Cost of Education Index	64	214	150	234.4
Adult Education	181	181	0	0.0
Aging Schools	91	50	-41	-45.1
Other Education Aid	1,023	818	-205	-20.0
Primary & Secondary Education	95,018	93,208	-1,808	-1.9
Libraries	659	629	-30	-4.6
Community Colleges	2,287	2,369	82	3.6
Health Formula Grant	1,244	1,244	0	0.0
* Transportation	7,164	4,115	-3,049	-42.6
* Police and Public Safety	845	860	15	1.8
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	246	84	-162	-65.9
<b>Total Direct Aid</b>	<b>\$107,663</b>	<b>\$102,709</b>	<b>-\$4,952</b>	<b>-4.6</b>
Aid Per Capita (\$)	1,073	1,011	-61	-5.7
Property Tax Equivalent (\$)	0.93	0.83	-0.09	-9.7

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for St. Mary's County for teachers, librarians, and community college faculty are estimated to be \$13,549,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$2,750,000
Family Health and Primary Care	128,000
Medical Care Services	527,000
Mental Health	4,363,000
Prevention and Disease Control	356,000
Developmental Disabilities	7,767,000

#### **Social Services**

Homeless Services	69,000
Women's Services	170,000
Adult Services	106,000
Child Welfare Services	1,302,000

#### **Senior Citizen Services**

Long-term Care	133,000
Community Services	59,000

**C. Selected State Grants for Capital Projects**

**Public Schools**

Benjamin Banneker Elementary School – renovations (roof/HVAC)	\$743,000
Greenview Knolls Elementary School – renovations (HVAC)	1,000,000
Oakville Elementary School – renovations (HVAC)	520,000

**College of Southern Maryland**

La Plata – Business Classroom Building renovation/expansion	5,293,000
Prince Frederick – campus development	1,040,000

**Partnership Rental Housing Program**

Indian Bridge	30,000
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**Waterway Improvement**

Public boating facilities – countywide maintenance	50,000
St. George’s Island – replace pier	56,720

**Other Projects**

Cedar Lane Apartments – renovations	125,000
Pathway’s Inc. – facility renovation	175,000
St. Mary’s Hospital	1,800,000

**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Point Lookout State Park – renovate administration building	\$1,366,000
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**Historic St. Mary’s City Commission**

Maryland Heritage Interpretive Center	816,000
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**Maryland Environmental Service**

Charlotte Hall Veterans Home – wastewater treatment plant improvements 210,000

**Maryland Veterans Administration**

Charlotte Hall Veterans Home (federal funds) 3,700,000

**St. Mary's College**

Anne Arundel Hall – reconstruction 1,685,000

## Somerset County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$13,074	\$12,315	-\$759	-5.8
Compensatory Education	5,899	6,601	702	11.9
Student Transportation	1,617	1,741	123	7.6
Special Education	1,331	1,326	-4	-0.3
Limited English Proficiency Grants	454	640	186	41.0
Guaranteed Tax Base	892	759	-133	-14.9
Adult Education	132	132	0	0.0
Aging Schools	70	38	-31	-44.3
Other Education Aid	179	129	-50	-27.9
Primary & Secondary Education	23,648	23,681	34	0.1
Libraries	263	261	-2	-0.8
Community Colleges	766	804	39	5.1
Health Formula Grant	661	661	0	0.0
* Transportation	3,223	2,163	-1,060	-32.9
* Police and Public Safety	249	249	0	0.0
* Fire and Rescue Aid	215	215	0	0.0
Recreation and Natural Resources	59	20	-39	-66.1
Disparity Grant	4,371	4,908	538	12.3
<b>Total Direct Aid</b>	<b>\$33,455</b>	<b>\$32,962</b>	<b>-\$490</b>	<b>-1.5</b>
Aid Per Capita (\$)	1,286	1,262	-24	-1.9
Property Tax Equivalent (\$)	2.05	1.86	-0.19	-9.3

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Somerset County for teachers, librarians, and community college faculty are estimated to be \$2,872,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$949,000
Family Health and Primary Care	261,000
Medical Care Services	474,000
Mental Health	3,199,000
Prevention and Disease Control	360,000
Developmental Disabilities	1,996,000
AIDS	53,000

#### **Social Services**

Homeless Services	8,000
Women's Services	31,000
Adult Services	75,000
Child Welfare Services	857,000

#### **Senior Citizen Services**

Long-term Care	636,000
Community Services	441,000

Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

**C. Selected State Grants for Capital Projects**

**Public Schools**

Washington High School – construction \$4,121,000

**Community Health Facilities Grant Program**

Somerset County Health Department 1,600,000

**Community Parks and Playgrounds**

Crisfield Municipal Park 196,000

**Waterway Improvement**

Jenkins Creek – replace dock 50,000

Public boating facilities – countywide maintenance 40,000

**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Janes Island State Park – nature center improvements \$1,550,000

Somers Cove Marina – fuel dock renovations 250,000

## Talbot County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,249	\$4,278	\$29	0.7
Compensatory Education	3,112	3,372	260	8.4
Student Transportation	1,345	1,458	114	8.5
Special Education	832	798	-35	-4.2
Limited English Proficiency Grants	429	512	82	19.1
Aging Schools	70	38	-31	-44.3
Other Education Aid	467	467	0	0.0
Primary & Secondary Education	10,504	10,923	419	4.0
Libraries	101	101	0	0.0
Community Colleges	1,314	1,346	32	2.4
Health Formula Grant	506	506	0	0.0
* Transportation	4,236	1,996	-2,240	-52.9
* Police and Public Safety	406	406	0	0.0
* Fire and Rescue Aid	217	217	0	0.0
Recreation and Natural Resources	137	48	-89	-65.0
<b>Total Direct Aid</b>	<b>\$17,421</b>	<b>\$15,543</b>	<b>-\$1,878</b>	<b>-10.8</b>
Aid Per Capita (\$)	481	429	-52	-10.8
Property Tax Equivalent (\$)	0.19	0.15	-0.04	-21.1

\* Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Talbot County for teachers, librarians, and community college faculty are estimated to be \$3,555,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county’s share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$678,000
Family Health and Primary Care	155,000
Medical Care Services	383,000
Mental Health	2,746,000
Prevention and Disease Control	299,000
Developmental Disabilities	2,777,000
AIDS	32,000

**Social Services**

Homeless Services	36,000
Women’s Services	43,000
Adult Services	46,000
Child Welfare Services	798,000

**Senior Citizen Services**

Long-term Care	542,000
Community Services	136,000

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

**C. Selected State Grants for Capital Projects****Public Schools**

Easton Elementary School – renovations (roof)	\$436,000
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**Chesapeake College**

Kent Humanities Building – renovation	6,030,000
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**Community Parks and Playgrounds**

Waylands Park	69,000
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**Chesapeake Bay Water Quality Projects**

Talbot County/Martingham Utilities Cooperative WWTP – improvements	100,000
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**Waterway Improvement**

Oak Creek Landing – replace boat ramp	25,000
Oxford – repair Tilghman Street boat ramp	25,000
Oxford Ferry Dock – rebuild transient boating dock	25,000
Public boating facilities – countywide maintenance	50,000
St. Michaels – replace Mulberry Street bulkhead	8,000

**Other Projects**

Oxford Community Center	75,000
YMCA – fire safety system upgrade	125,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Black Walnut Point NRMA – shore erosion control	\$1,653,877
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## Washington County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$90,407	\$88,171	-\$2,237	-2.5
Compensatory Education	27,793	30,620	2,827	10.2
Student Transportation	5,979	6,479	500	8.4
Special Education	9,903	9,256	-647	-6.5
Limited English Proficiency Grants	1,555	1,901	347	22.3
Guaranteed Tax Base	3,527	3,136	-390	-11.1
Adult Education	152	152	0	0.0
Aging Schools	245	135	-110	-44.9
Other Education Aid	1,226	1,115	-112	-9.1
Primary & Secondary Education	140,787	140,965	178	0.1
Libraries	1,135	1,117	-18	-1.6
Community Colleges	7,785	8,243	458	5.9
Health Formula Grant	2,125	2,125	0	0.0
* Transportation	11,033	6,373	-4,661	-42.2
* Police and Public Safety	1,450	1,476	26	1.8
* Fire and Rescue Aid	233	233	0	0.0
Recreation and Natural Resources	387	131	-256	-66.1
<b>Total Direct Aid</b>	<b>\$164,935</b>	<b>\$160,663</b>	<b>-\$4,273</b>	<b>-2.6</b>
Aid Per Capita (\$)	1,137	1,105	-32	-2.8
Property Tax Equivalent (\$)	1.20	1.10	-0.10	-8.3

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Washington County for teachers, librarians, and community college faculty are estimated to be \$17,786,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$2,756,000
Family Health and Primary Care	179,000
Medical Care Services	667,000
Mental Health	8,174,000
Prevention and Disease Control	465,000
Developmental Disabilities	11,195,000

#### **Social Services**

Homeless Services	228,000
Women's Services	106,000
Adult Services	303,000
Child Welfare Services	2,789,000

#### **Senior Citizen Services**

Long-term Care	357,000
Community Services	118,000

**C. Selected State Grants for Capital Projects**

**Public Schools**

Antietam Academy – construction	\$4,036,000
Hancock Middle/High School – renovations (roof)	880,000
Pangborn Elementary School – construction	162,000
Rockland Woods Elementary School – construction	1,274,000

**Public Libraries**

Washington County Free Library – expansion	800,000
Western Maryland Regional Library	5,000,000

**Hagerstown College**

Arts and Science Complex	6,892,000
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**Community Health Facilities Grant Program**

Way Station, Inc.	800,000
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**Community Parks and Playgrounds**

Funkhouser Park	35,000
Hager Park	35,000
Taylor Park	82,000
Widmeyer Park	43,000

**Waterway Improvement**

Williamsport – River Bottom Park replace boat launching facilities	50,000
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**Other Projects**

Barbara Ingram School for the Arts	150,000
Doleman Black Heritage Museum	25,000
Museum of Fine Arts	100,000

**D. Capital Projects for State Facilities in the County**

**Maryland State Police**

Hagerstown Barrack/Garage/Communications Building – construction	\$10,050,000
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**Maryland Environmental Service**

Maryland Correctional Institution – wastewater treatment plant improvements	438,000
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## Wicomico County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$64,102	\$63,972	-\$130	-0.2
Compensatory Education	26,676	30,127	3,452	12.9
Student Transportation	4,568	4,908	340	7.4
Special Education	6,189	6,257	68	1.1
Limited English Proficiency Grants	1,512	1,852	341	22.6
Guaranteed Tax Base	6,135	6,752	617	10.1
Adult Education	277	277	0	0.0
Aging Schools	194	107	-87	-44.8
Other Education Aid	640	636	-4	-0.6
Primary & Secondary Education	110,293	114,888	4,597	4.2
Libraries	811	822	10	1.2
Community Colleges	4,580	4,811	231	5.0
Health Formula Grant	1,457	1,457	0	0.0
* Transportation	8,403	5,422	-2,980	-35.5
* Police and Public Safety	1,004	1,024	20	2.0
* Fire and Rescue Aid	221	221	0	0.0
Recreation and Natural Resources	258	87	-171	-66.3
Disparity Grant	742	2,197	1,455	196.1
<b>Total Direct Aid</b>	<b>\$127,769</b>	<b>\$130,929</b>	<b>\$3,162</b>	<b>2.5</b>
Aid Per Capita (\$)	1,365	1,392	27	2.0
Property Tax Equivalent (\$)	1.77	1.70	-0.08	-4.5

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Wicomico County for teachers, librarians, and community college faculty are estimated to be \$12,947,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,751,000
Family Health and Primary Care	471,000
Medical Care Services	899,000
Mental Health	7,923,000
Prevention and Disease Control	425,000
Developmental Disabilities	7,246,000

#### **Social Services**

Homeless Services	33,000
Women's Services	110,000
Adult Services	45,000
Child Welfare Services	1,549,000

#### **Senior Citizen Services**

Long-term Care	636,000
Community Services	441,000

Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

**C. Selected State Grants for Capital Projects**

**Public Schools**

J.M. Bennett High School – construction \$6,200,000

**Public Libraries**

Pittsville Library – replacement 20,000  
Salisbury Main Library – site acquisition 375,000

**Wor-Wic Community College**

Allied Health Building 7,850,500

**Senior Centers Grant Program**

Salisbury-Wicomico Senior Center 200,000

**Community Parks and Playgrounds**

Fruitland Playground 35,000

**Chesapeake Bay Water Quality Projects**

Delmar WWTP – nutrient removal 1,300,000

**Water Supply Financial Assistance Program**

Salisbury – elevated water tower 300,000

**Waterway Improvement**

Nanticoke Harbor – replace jetty and dredge harbor 50,000  
Public boating facilities – countywide maintenance 50,000

**Other Projects**

Parsonsborg Volunteer Fire Company Community Center	250,000
Senior Training Center for the Blind	150,000

**D. Capital Projects for State Facilities in the County****Department of Health and Mental Hygiene**

Deer's Head Center – new kidney dialysis unit	\$608,000
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**Military**

Salisbury Armory – addition and renovation	5,701,000
Salisbury Armory – addition and renovation (federal funds)	9,800,000

**University System of Maryland**

Salisbury University – campuswide dormitory renovations	6,991,000
Salisbury University – Perdue School of Business	28,000,000

## Worcester County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$6,402	\$6,344	-\$58	-0.9
Compensatory Education	5,616	5,819	203	3.6
Student Transportation	2,581	2,785	204	7.9
Special Education	1,420	1,357	-63	-4.4
Limited English Proficiency Grants	496	504	8	1.6
Adult Education	90	90	0	0.0
Aging Schools	70	38	-31	-44.3
Other Education Aid	454	450	-4	-0.9
Primary & Secondary Education	17,129	17,387	259	1.5
Libraries	137	138	1	0.7
Community Colleges	1,869	1,963	94	5.0
Health Formula Grant	481	481	0	0.0
* Transportation	6,485	2,645	-3,840	-59.2
* Police and Public Safety	704	704	0	0.0
* Fire and Rescue Aid	262	262	0	0.0
Recreation and Natural Resources	244	85	-159	-65.2
<b>Total Direct Aid</b>	<b>\$27,311</b>	<b>\$23,665</b>	<b>-\$3,645</b>	<b>-13.3</b>
Aid Per Capita (\$)	553	480	-73	-13.2
Property Tax Equivalent (\$)	0.13	0.12	-0.01	-7.7

\* Municipal governments within the county receive a share of these funds.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2010 State payments for Worcester County for teachers, librarians, and community college faculty are estimated to be \$7,505,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2010 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2009) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$2,353,000
Family Health and Primary Care	249,000
Medical Care Services	566,000
Mental Health	2,838,000
Prevention and Disease Control	519,000
Developmental Disabilities	3,818,000
AIDS	56,000

#### **Social Services**

Homeless Services	33,000
Women's Services	62,000
Adult Services	55,000
Child Welfare Services	850,000

#### **Senior Citizen Services**

Long-term Care	636,000
Community Services	441,000

Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

**C. Selected State Grants for Capital Projects**

**Public Schools**

Pocomoke High School – construction \$403,000

**Wor-Wic Community College**

Allied Health Building 7,850,500

**Community Parks and Playgrounds**

Cypress Park 75,000

North Surf Park 80,000

**Chesapeake Bay Water Quality Projects**

Pocomoke City – sewer system installation 65,000

Snow Hill WWTP – nutrient removal 100,000

**Chesapeake Bay Restoration Fund**

Pocomoke City WWTP – enhanced nutrient removal 500,000

**Waterway Improvement**

Ocean City – acquire fire/rescue boat 50,000

Public boating facilities – countywide maintenance 50,000

West Ocean City – replace boat ramp and add floating docks 50,000

**Other Projects**

Atlantic General Hospital 270,000

**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Natural Resources Police – renovate Ocean City boathouse	\$25,000
Pocomoke River State Park – Shad Landing parking lots	150,000