

Maryland Higher Education Loan Corporation
Maryland Deposit Insurance Fund Corporation
Maryland Stadium Authority
Unemployment Insurance Program
Maryland Retirement and Pension Systems
University of Maryland System
St. Mary's College of Maryland
Morgan State University

The Maryland School for the Blind, Blind Industries and Services of Maryland, Maryland Health and Higher Education Facilities Authority, Maryland Automobile Insurance Fund, Maryland State Accident Fund, Maryland National Capital Park and Planning Commission, State Employees Credit Union, and the Maryland Credit Union Insurance Corporation have not met the criteria for inclusion in the reporting entity, and accordingly, are excluded from this report.

ECONOMIC CONDITION AND OUTLOOK

Economic growth is slowing, thus indicating a less favorable economic condition for the 1990 fiscal year. The unemployment rate for fiscal year 1989 increased when compared to fiscal year 1988 but remains below the national average. However, due to the large diversity of manufacturing and retail businesses located in Maryland, the State's economy remains relatively stable. Because of the diversity, a down turn in any particular segment of the industries in the State should not severely impact the State's economy.

To assist economic development and growth for the future, the State initiated an Economic Development Opportunities Fund in 1989 and provided an additional contribution in 1990 to help assure commercial and industrial expansion.

MAJOR INITIATIVES

During the year, the State was able to finance many needed services and initiatives as a result of a substantial budgetary fund balance at the end of fiscal year 1988 and continued revenue growth for income taxes, sales taxes, and investment income.

The State continued its commitment to the Action Plan for Educational Excellence which provides for the State to increase its participation in elementary and secondary education. Transportation related capital projects continued at an expanded level. The State began its long term initiative for new prison construction and has progressed towards the construction of a new baseball stadium to house Baltimore Orioles baseball.

The State also began the modernization of the State's MED-EVAC helicopter fleet, a new governance structure for higher education, a light rail express system, funds to provide help to victims of AIDS, and the clean-up of the Chesapeake Bay.

The State provided additional funds to the State Reserve Fund for the purposes of retaining revenues for future needs, accumulating resources for a future payment to insured account holders of certain failed savings and loan institutions, and supplementing existing programs for extraordinary economic development opportunities that may arise.

For 1990, depositors who have insured accounts in failed savings and loan institutions will be repaid. Other initiatives include the continuance of many of those initiatives provided for in 1989 with additional funding in order to provide the essential services the citizens of our State deserve.