

Changes in levels of expenditures for major functions from the previous year (excluding capital projects) are shown in the following tabulation (amounts expressed in thousands):

<u>Function</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) Over 1994 Actual</u>	
			<u>Amount</u>	<u>Percent</u>
Current:				
General government	\$ 616,518	5.1%	\$ 79,976	14.9%
Education	2,637,338	21.7	139,469	5.6
Economic and employment development	163,735	1.3	14,088	9.4
Human resources	1,382,650	11.4	427,828	44.8
Health and mental hygiene	3,240,900	26.7	275,843	9.3
Environment	64,943	0.5	4,376	7.2
Transportation	783,786	6.4	31,107	4.1
Public safety and judicial	938,507	7.7	41,569	4.6
Housing and community development	69,611	0.6	(6,135)	(8.1)
Natural resources and recreation	116,530	1.0	1,852	1.6
Agriculture	34,872	0.3	6,098	21.2
Intergovernmental	666,848	5.5	85,176	14.6
Debt service	506,031	4.2	38,752	8.3
Capital outlays for transportation	927,323	7.6	254,624	37.9
Total	<u>\$12,149,592</u>	<u>100.0%</u>	<u>\$1,394,623</u>	13.0%

General government expenditures increased \$79,976,000 or 14.9% over the previous year due to settlement of a claim with an employee health benefits provider and an increase in state and federal funding for child related programs.

Expenditures for economic and employment development increased \$14,088,000 due to an increase of federal funding in the Dislocated Workers' Program.

Human resources expenditures increased \$427,828,000 or 44.8% over the previous year due to the implementation of GASB Statement Number 24 which requires the State to recognize revenues and expenditures when food stamp benefits are provided to recipients.

Health and mental hygiene expenditures increased \$275,843,000 or 9.3% over the previous year due to increases in medical care provider reimbursements and community service programs for mental health and the developmentally disabled.

Expenditures related to housing and community development decreased \$6,135,000 or 8.1% from the previous year due to general fund support for the community development administration being classified as an operating transfer in 1995 versus an expenditure in 1994.

Expenditures for agriculture increased \$6,098,000 or 21.2% over the previous year primarily because of increases in expenditures for agricultural land preservation.

Intergovernmental expenditures increased \$85,176,000 or 14.6% over the previous year primarily for local highway construction and increased funding for the Washington Metropolitan Area Transit Authority.

Capital outlays for transportation increased \$254,624,000 or 37.9% over the previous year due primarily to increases to expenditures to state highway construction and Maryland Transportation Authority facilities.

Operating transfers in from capital projects and enterprise funds (State Lottery Agency, Maryland Deposit Insurance Fund Corporation, Economic Development-Insurance Programs, and Economic Development-Loan Programs) and the Higher Education component unit totaled \$394,571,000. This represents an increase of \$25,936,000 over the previous year due primarily to increased lottery revenues. Operating transfers out to capital projects and enterprise funds (Economic Development-Loan Programs and Maryland Stadium Authority) and Higher Education component unit totaled \$710,387,000. This represents an increase of \$121,892,000 over the previous year due primarily to property transfer taxes being classified as revenue in the capital projects fund in 1994 but in 1995 these taxes are classified as revenue in the general fund with a corresponding transfer to the capital projects fund.