

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 1995 Actual</u>	
			<u>Amount</u>	<u>Percent</u>
Current:				
General government	\$ 520,419	4.2%	\$(71,953)	(12.1)%
Education	2,818,909	22.7	181,571	6.9
Business and economic development.....	42,259	0.3	(121,476)	(74.2)
Labor, Licensing and Regulation.....	155,495	1.3	131,349	100+
Human resources	1,344,361	10.8	(38,289)	(2.8)
Health and mental hygiene.....	3,132,078	25.2	(108,822)	(3.4)
Environment.....	71,911	0.6	6,968	10.7
Transportation.....	859,208	6.9	75,422	9.6
Public safety and judicial	1,061,974	8.5	123,467	13.2
Housing and community development.....	67,093	.5	(2,518)	(3.6)
Natural resources and recreation.....	123,681	1.0	7,151	6.1
Agriculture.....	43,010	0.4	8,138	23.3
Intergovernmental.....	655,743	5.3	(11,105)	(1.7)
Debt service	601,999	4.9	95,968	19.0
Capital outlays for transportation.....	924,139	7.4	3,184	(0.3)
Total.....	\$12,422,279	100.0%	\$279,055	2.3%

General government operating expenditures decreased \$71,953,000 or 12.1% from the prior year due to budgetary containment measures for administrative agencies and a reduction in the year end accrual for health insurance costs.

Education expenditures increased by \$181,571,000 or 6.9% primarily due to an increase in aid to education for Maryland Public School students in grades kindergarten through twelve. In addition, the contributions by the State on behalf of local government teachers and librarians increased.

Business and economic development expenditures decreased \$121,476,000 or 74.2% due primarily to an interdepartmental reorganization which transferred the Division of Employment and Training to the Department of Labor, Licensing and Regulation.

Labor, licensing and regulation expenditures increased \$131,349,000 or 100+%, due primarily to the interdepartmental reorganization moving the Division of Employment and Training to the Department.

Health and mental hygiene expenditures decreased by \$108,822,000 or 3.4% primarily because certain local health departments' expenditures were reclassified during fiscal year 1996.

Environment expenditures increased \$6,968,000 or 10.7% due to an interdepartmental reorganization moving the Water Resources Administration and Bureau of Mines from the Department of Natural Resources.

Transportation expenditures increased \$75,422,000 or 9.6% due primarily to increases in expenditures for capital equipment and rail facilities and the increased costs for road maintenance and snow removal as a result of the blizzards of 1996. The installation of a "High Tech", State of the Art electronic road monitoring system contributed to increased Transportation expenditures.

Public safety and judicial expenditures increased \$123,467,000 or 13.2% due to the opening of the Western Correctional Institution and the Central Booking and Intake Facility. The Western Correctional Institution located in Allegany County is a medium security prison for adult male offenders with the capacity to hold 1,008 inmates. The Central Booking and Intake Facility, located in Baltimore City, accepts for processing all persons arrested in Baltimore City, and has a capacity to hold 811 persons.

Expenditures for agriculture increased by \$8,138,000 or 23.3% over the previous year primarily because of increases in expenditures for agricultural land preservation.

Debt service expenditures increased \$95,968,000 or 19.0% over the previous year due to increased principal payments of \$88,490,000 which included the early redemption of certain Maryland Transportation Authority Revenue Bonds totaling \$49,840,000.