

Other taxes increased by \$162,900,000 or 13.5% primarily due to an increase in the cigarette tax. Taxes on cigarettes increased from .36 cents to .66 cents per pack of cigarettes effective July 1, 1999. There were also increases in real estate recordation taxes and transfer taxes.

The State of Maryland received the first installment of funds, \$138,821,000, related to the Tobacco settlement. This installment resulted in a net increase to other licenses and fees revenues of \$130,621,000 or 39.8%. Without this settlement, there would have been a decrease in other licenses and fees revenue of \$8,200,000 or 2.5%.

Due to the strong economy, the State had more funds to invest. As such, interest income grew 13.3% for an increase of \$20,895,000. In addition, Federal revenue to the State grew 7.9% for an additional \$291,970,000 of federal assistance. The increases of federal revenue were primarily due to increases to medicaid and children's health programs as well as increased funding and new grants provided to the State Department of Education. Other revenues decreased \$67,868,000 or 41.2% from the prior year primarily due to a reclassification of revenues to an expenditure reimbursement.

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):

Function	Amount	Increase(Decrease) Over 1999 Actual	
		Amount	Percent
<b>Current:</b>			
General government .....	\$ 546,049	\$ 51,021	10.3%
Education.....	3,626,739	186,685	5.4
Business and economic development .....	54,593	4,249	8.4
Labor, licensing and regulation .....	183,363	25,171	15.9
Human resources .....	1,341,603	55,953	4.4
Health and mental hygiene .....	3,956,048	356,371	9.9
Environment.....	73,910	5,791	8.5
Transportation.....	1,007,331	27,771	2.8
Public safety and judicial.....	1,435,979	86,215	6.4
Housing and community development .....	103,804	(2,800)	(2.6)
Natural resources and recreation .....	147,179	15,638	11.9
Agriculture .....	59,552	6,474	12.2
Intergovernmental.....	889,522	29,452	3.4
Debt service .....	640,887	37,257	6.2
Capital outlays for transportation .....	945,924	(4,236)	(0.4)
<b>Total .....</b>	<b>\$15,012,483</b>	<b>\$881,012</b>	<b>6.2%</b>

### Expenditures by Function

Health and mental  
hygiene 36.4%