

Expenditures for general government increased \$51,021,000 or 10.3% over the previous year. This increase was primarily due to Year 2000 conversion projects and an increase in the amount of state support per homeowner for the Homeowner's Tax credit program.

Education expenditures increased \$186,685,000 or 5.4% due to an increase in educational grants and additional funds provided to the State's community colleges. Additionally, more money was made available for scholarships to Maryland's college students.

Business and economic development expenditures increased \$4,249,000 or 8.4% over the previous year due to a planned increase for financial assistance programs for Maryland citizens and businesses.

Health and mental hygiene expenditures increased \$356,371,000 or 9.9% over the prior year. This increase is due primarily to increased expenditures in the medicaid and developmental disabilities programs and personnel costs.

Expenditures for environment increased \$5,791,000 or 8.5% over the previous year primarily for drinking water initiatives.

Expenditures for public safety and judicial services increased \$86,215,000 or 6.4% over the previous year primarily due to growth in the inmate population. Planned increases in personnel costs within the Division of Corrections, Parole and Probation, Juvenile Justice and the State Police has increased staffing and program effectiveness.

Natural resources and recreation expenditures increased \$15,638,000 or 11.9% over the previous year. This increase is primarily due to increased funding for wildlife, land and water conservation programs. Personnel costs also increased due to cost of living adjustments for State law enforcement personnel.

Expenditures for agriculture increased \$6,474,000 or 12.2% over the previous year primarily for agricultural land preservation. Additional financial support was utilized in implementing the Water Quality Improvement program.

Expenditures for labor, licensing and regulation increased \$25,171,000 or 15.9% over the previous year primarily due to expenditures for regional call centers for Division of Employment and Training.

Operating transfers in to the general fund from capital projects, enterprise funds (State Lottery Agency, Economic Development - Insurance programs, and Economic Development - Loan Programs) and component units (Maryland Industrial Development Financing Authority and higher education) totaled \$426,443,000.