

SECTION 28. AND BE IT FURTHER ENACTED. That for fiscal 2007, capital funds shall be budgeted in separate eight-digit programs. When multiple projects and/or programs are budgeted within the same non-transportation eight-digit program, each distinct program and project shall be budgeted in a distinct subprogram. To the extent possible, subprograms for projects spanning multiple years shall be retained to preserve funding history. Furthermore, the budget detail for fiscal 2005 and 2006 submitted with the fiscal 2007 budget shall be organized in the same fashion to allow comparison between years.

SECTION 29. AND BE IT FURTHER ENACTED. That in the expenditure of federal funds appropriated in this budget or subsequent to the enactment of this budget by the budget amendment process:

(1) State agencies shall administer these federal funds in a manner that recognizes that federal funds are taxpayer dollars that require prudent fiscal management, careful application to the purposes for which they are directed, and strict attention to budgetary and accounting procedures established for the administration of all public funds.

(2) For fiscal 2006, except with respect to capital appropriations, to the extent consistent with federal requirements:

(a) when expenditures or encumbrances may be charged to either State or federal fund sources, federal funds shall be charged before State funds are charged; this policy does not apply to the Department of Human Resources with respect to federal funds to be carried forward into future years for child care, child welfare, or welfare reform activities or to the Department of Health and Mental Hygiene with respect to funds to be carried forward into future years for the purpose of reducing the waiting list for community services for individuals with developmental disabilities, or with respect to funds to be carried forward into future years for HIV/AIDS-related activities;

(b) when additional federal funds are sought or otherwise become available in the course of the fiscal year, agencies shall consider, in consultation with the Department of Budget and Management, whether opportunities exist to use these federal revenues to support existing operations rather than to expand programs or establish new ones; and

(c) the Department of Budget and Management shall take appropriate actions to effectively establish these as policies of the State with respect to administration of federal funds by executive agencies.

SECTION 30. AND BE IT FURTHER ENACTED. That any budget amendment to increase the total amount of special, federal, or higher education (current restricted and current unrestricted) fund appropriations, or to make reimbursable fund transfers from the Governor's Office of Crime Control and Prevention or the Maryland Emergency Management Agency, made in Section 1 shall be subject to the following restrictions:

(1) Budget amendments increasing total appropriations in any fund account by \$100,000 or more may not be approved by the Governor until (a) that amendment