

EFFECT OF THE 2009 LEGISLATIVE PROGRAM ON THE FINANCIAL CONDITION OF THE STATE



DEPARTMENT OF LEGISLATIVE SERVICES 2009

Effect of the 2009 Legislative Program on the Financial Condition of the State

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

August 2009

For further information concerning this document contact:

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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Karl S. Aro
Executive Director

Warren G. Deschenaux
Director

August 2009

The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Michael E. Busch, Speaker of the House of Delegates
Members of the Maryland General Assembly

State law requires the Department of Legislative Services to annually prepare a report that summarizes the effect of the preceding legislative program on State and local governments (State Government Article, Section 2-1237). In accordance with this requirement, I am pleased to submit the following report, *Effect of the 2009 Legislative Program on the Financial Condition of the State*.

This document is divided into five chapters.

Chapter One highlights the major components of the fiscal 2010 operating budget (House Bill 100/Chapter 484).

Chapter Two summarizes the fiscal 2010 capital budget and the State's capital program (House Bill 102/Chapter 485).

Chapter Three identifies enacted legislation from the 2009 session that affects State revenues or expenditures. The revenue and expenditure effects of the legislation are summarized, as are the number of regular and contractual positions required to implement the legislation.

Chapter Four identifies enacted legislation from the 2009 session that affects local governments. This chapter also identifies State mandates on units of local government and provides an overview of State aid to local governments.

Chapter Five provides a listing of the 2009 bills vetoed by the Governor for policy reasons. The fiscal implications of those bills are also noted.

Further information on issues considered during the 2009 session may be found in *The 90 Day Report – A Review of the 2009 Legislative Session*, issued annually by the Department of Legislative Services following the adjournment of the General Assembly.

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
Members of the Maryland General Assembly
August 2009
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The enclosed report is prepared by the staff of the Office of Policy Analysis. The work was coordinated by Mark W. Collins, Karen D. Morgan, and Hiram L. Burch, Jr., with additional assistance provided by Jennifer K. Botts and Amy A. Devadas. I trust this report will be a useful source of information for you. If you have any questions concerning its contents, please do not hesitate to contact me.

Sincerely,

Warren G. Deschenaux
Director

WGD/ncs

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Abbreviations

BOND	–	Bond
Ch.	–	Chapter
CY	–	Calendar Year
FF	–	Federal Fund
FY	–	Fiscal Year
GF	–	General Fund
GO	–	General Obligation
HB	–	House Bill
HE	–	Higher Education
NB	–	Nonbudgeted
REIM	–	Reimbursable Funds
SAEF	–	Special Administrative Expense Fund
SB	–	Senate Bill
SF	–	Special Fund
SPHRF	–	State Police Helicopter Replacement Fund
SSN	–	Social Security Number
TTF	–	Transportation Trust Fund
UEF	–	Uninsured Employers' Fund
VCAF	–	Volunteer Company Assistance Fund
()	–	Indicates Decrease

Fiscal Effects of the 2009 Legislative Program

Enacted legislation with a quantifiable effect is expected to increase general fund revenues by \$184.4 million and reduce general fund expenditures by \$512.8 million in fiscal 2010, an overall positive impact on the general fund of \$697.2 million. The table below summarizes the quantifiable fiscal 2010 to 2014 general fund impact of all enacted legislation from the 2009 regular session. General fund revenues increase and expenditures decrease throughout the five-year period, resulting in a positive general fund impact in each year through fiscal 2014. The chart does not include the current-year impact of the Budget Reconciliation and Financing Act of 2009, which increases general fund revenues by \$780.9 million and decreases general fund expenditures by an estimated \$2.5 million in fiscal 2009.

The increase in fiscal 2010 general fund revenues of \$184.4 million is amplified by a projected increase of \$50.7 million in special fund revenues. The impact of legislation affecting State revenues will be considered by the Board of Revenue Estimates when fiscal 2010 revenue estimates are revised in September 2009.

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
General Fund Revenues	\$184,430,172	\$137,641,646	\$23,663,157	\$7,989,544	\$6,706,049
General Fund Expenditures	(\$512,797,956)	(\$332,054,334)	(\$184,697,342)	(\$204,152,963)	(\$192,615,251)
Net General Fund Impact	\$697,228,128	\$469,695,980	\$208,360,499	\$212,142,507	\$199,321,300

Enacted legislation from the 2009 session is expected to reduce fiscal 2010 special fund expenditures by \$41.3 million and increase federal fund expenditures by \$114.5 million. Significant special and federal fund expenditure reductions have already been incorporated into the fiscal 2010 State budget, but increases totaling an estimated \$250.0 million in special fund expenditures and \$128.3 million in federal fund expenditures were not included in the budget adopted by the General Assembly. State agencies may add special and federal funds to their budgets through the budget amendment process, and the fiscal 2010 State budget specifically authorizes the processing of budget amendments for many of the new expenditures. In addition, some of these expenditure increases will be offset by increases in special and federal fund revenues.

A nonbudgeted fiscal 2010 general fund expenditure increase of \$2.6 million may result in deficiency appropriations for the affected agencies, or agencies may absorb the added costs into their existing budgets. The table below details changes to budgeted and nonbudgeted expenditures resulting from enacted 2009 legislation.

	General Funds	Special Funds	Federal Funds
Total Expenditures	(\$512,797,956)	(\$41,339,214)	\$114,548,356
Budgeted Expenditures	(\$515,368,435)	(\$291,356,163)	(\$13,738,819)
Nonbudgeted Expenditures	\$2,570,479	\$250,016,949	\$128,287,175

An estimated 45 regular and 3.2 contractual positions will be required in fiscal 2010 to implement enacted legislation from the 2009 legislative program. As many as 7 additional regular positions and 0.5 contractual position could be necessary in fiscal 2011 as a result of legislation, bringing the two-year total to 52 new regular and 3.7 new contractual positions.

The analysis of fiscal effects excludes the impact of bills for which estimates cannot be quantified. Although the bills do not contribute to the totals shown in the report, each bill with an indeterminate impact is listed in Chapter 3 with an indication of whether it is expected to have a positive or negative impact on the budget. All estimates of the impact of 2009 enacted legislation are based on the assumptions stated in the fiscal and policy notes for the bills.

Chapter One – Operating Budget

- Overview
- Budget in Brief
- Framing the Session: 2008 Interim Activity
- Governor's Spending Plan as Introduced
- Legislative Consideration of the Budget
- Outlook for Future Budgets
- Budget-related Legislation
- Federal Stimulus Funding
- By the Numbers

Overview

The General Assembly enacted a \$32.2 billion budget for fiscal 2010; an increase of \$1.0 billion, or 3.3%, above fiscal 2009. Federal stimulus funding from the American Recovery and Reinvestment Act of 2009 (ARRA) was instrumental in balancing the fiscal 2009 and 2010 budgets, following nearly \$1.2 billion of downward general fund revenue revisions in March 2009. In the aggregate, Maryland is expected to receive over \$4.1 billion in federal assistance, of which \$2.3 billion will directly support existing budgetary commitments. Additional aid will support new infrastructure spending, enhance local education funding, and fund a variety of programs.

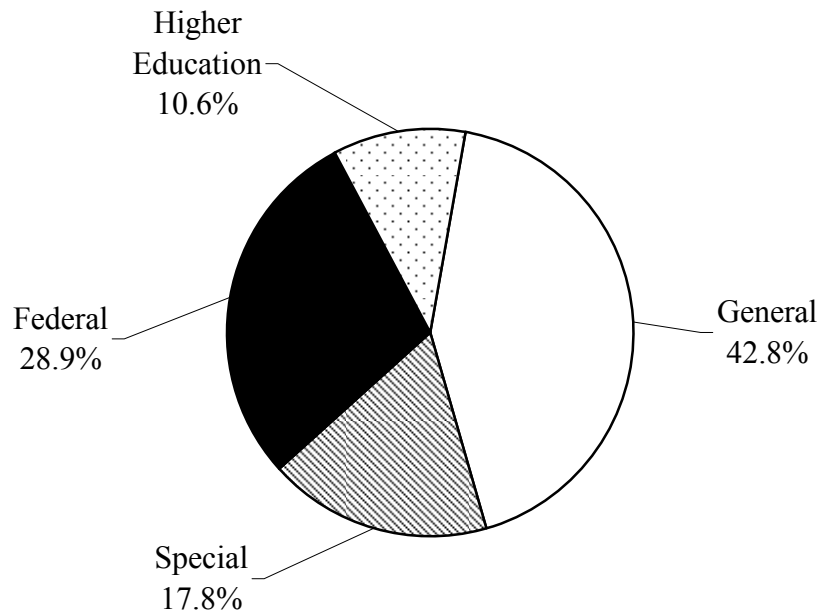
Budget growth (including the use of stimulus funding) is \$106.8 million below the 0.70% level recommended by the Spending Affordability Committee (SAC). Spending increases for local education and library aid, higher education, Medicaid, pay-as-you-go (PAYGO) capital, and debt service payments are largely supported by federal dollars. The fiscal 2010 cash balance is estimated at \$89.6 million, in addition to reserves of \$651.1 million, or 5.0%, of general fund revenues in the Rainy Day Fund.

While the budget is balanced on a cash basis, a structural imbalance of \$1.7 billion exists between ongoing revenues and spending. General fund revenues are projected to decrease by 2.4% in fiscal 2009 and 1.7% in fiscal 2010 before rebounding in fiscal 2011. Remaining federal stimulus dollars will be applied to the fiscal 2011 budget, and \$741 million in balance and cash reserves are available. The direction of the economy and its effect on revenues remains uncertain. The long-term forecast shows that under current assumptions, the State faces significant cash and structural deficits which will require significant additional actions to ensure balanced budgets.

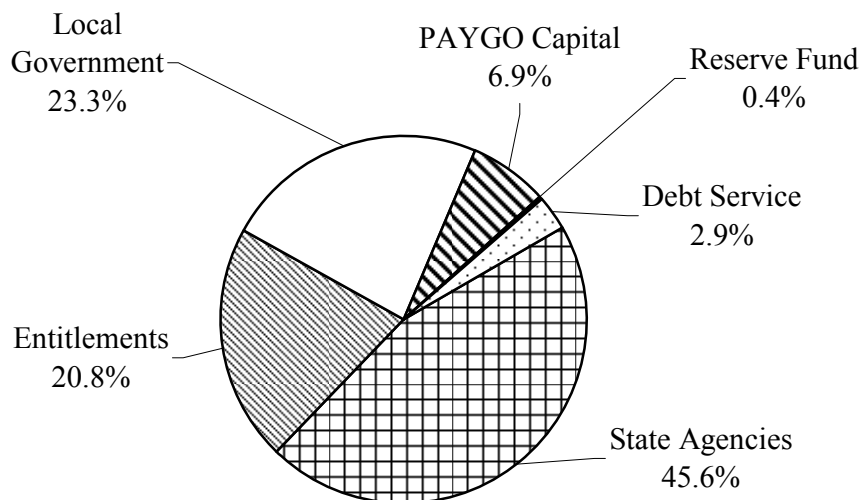
Budget in Brief

The Fiscal Year 2010 Budget Bill, **House Bill 100 (Chapter 484)**, provides \$32.2 billion in appropriations for fiscal 2010. **Exhibit 1.1** illustrates funding by fund source.

Exhibit 1.1
Maryland's \$32.2 Billion Budget
Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go capital

Between fiscal 2009 and 2010, due to a large short-term infusion of federal stimulus dollars, the proportions of the budget supported by general and federal funds is substantially changed in fiscal 2010. General funds decrease from 48%, to just under 43% of the budget. Federal funds increase from 22% to about 29% of spending. Special fund dollars make up 18% of the budget, and higher education revenue provides 11%.

State agency operations constitute the largest area of spending, representing 46% of the total budget. Aid to local governments accounts for 23% of the budget, and 21% supports entitlement programs. Remaining appropriations fund PAYGO capital spending, debt service on State general obligation bonds, and transfers to the State Reserve Fund.

General fund appropriations decrease by \$518.3 million, or 3.6%, below fiscal 2009. However the year-over-year change is misleading due to withdrawn general fund spending which is replaced by federal stimulus dollars. There are additional general funds for employee health and retirement cost increases, higher education, and health programs. Appropriations to the State Reserve Fund total \$139.9 million, a decrease of \$6.6 million compared to 2009. PAYGO capital spending also declines by \$14.9 million.

Special funds decrease by \$149.1 million, or 2.5%, compared to the fiscal 2009 working appropriation. The appropriation provides increases for Medicaid funded from the Rate Stabilization Fund and the Maryland Health Care Coverage Fund to expand coverage to parents of children already eligible for services. Energy assistance programs are funded by the auction of Regional Greenhouse Gas Initiative (RGGI) carbon dioxide allowances, and roughly \$39 million in education aid is supported by video lottery terminal licensing fees. Debt service expenses paid from the Annuity Bond Fund increase \$57 million. These increases are more than offset by \$160 million in reductions to highway user revenues for local jurisdictions, a shift of \$31 million in Program Open Space (POS) spending to bond funding, reduced spending from the Chesapeake Bay 2010 Trust Fund, and contingent reductions in other energy conservation related programs.

Federal funds grow by \$1.6 billion, or 20.9%, largely related to funds received and appropriated from the ARRA of 2009. Education and library aid to local jurisdictions increases by \$572.1 million, or 81.8%. Federal stimulus dollars provide \$156.5 million passed through the Title I formula, \$137.3 million for increased teacher retirement costs, \$110.3 million to fully fund the Geographic Cost of Education Index and supplemental grants, \$107.3 million for special education funding for formulas (IDEA), and lesser amounts for compensatory education, student transportation, and other expenses. PAYGO capital receives an increase of \$371.6 million, or 47.1%. Federal stimulus dollars are applied to transportation capital programs; environmental infrastructure; and housing, veterans, and military projects. Significant increases of federal aid are also received for Medicaid (\$327.6 million, or 10.3%), temporary cash assistance payments (\$99.7 million, or 19.3%), and a variety of programs and purposes ranging from workforce development programs to public safety grants.

The budgets for public higher education institutions increase by \$33.5 million in total funds, or 2.2%, in fiscal 2010. These funds support operations of higher education institutions, including the University System of Maryland (USM), Morgan State University (MSU), St. Mary's

College of Maryland (SMCM), community colleges and Baltimore City Community College (BCCC), and aid to nonpublic institutions. State funding permits undergraduate resident tuition to be frozen for a fourth consecutive year, exclusive of SMCM. Aid to community colleges and BCCC, as well as to the nonpublic institutions, increases by more than 3.0% in fiscal 2010. Due to fiscal conditions, State personnel funding has been reduced. The Governor abolished 893.65 positions during the session and submitted a budget which did not include funding for a general salary increase, merit pay, or a deferred compensation match.

Framing the Session: 2008 Interim Activity

A downturn in the economy since December 2007 impacted revenue collections, as actual fiscal 2008 attainment fell some \$73 million below expectations. Fiscal 2009 revenue estimates were revised downward by approximately \$432 million in September 2008 as problems in the housing market and the subprime mortgage crisis affected the financial sector as well. The Governor implemented several rounds of cost containment through the Board of Public Works (BPW). Revenues were again written down by \$415 million in December 2008.

Against this backdrop, SAC recommended a 0.70% rate of budgetary growth for the 2009 session, which was the lowest level ever recommended. SAC also offered recommendations pertaining to the level of the Rainy Day Fund and position growth.

BPW Withdrawn Appropriations

As shown in **Exhibit 1.2**, the Governor withdrew over \$500 million in spending from the fiscal 2009 budget through BPW at meetings held in June, October, and November 2008 and in March 2009. There were budgetary savings from abolishing 1,700 positions, employee furloughs, and a hiring freeze. Nearly \$50 million was reduced from funds set aside toward the State's Other Post Employment Benefits (OPEB) liability. Cutbacks were made to agency spending, local aid, PAYGO, and entitlement programs. In some cases, reductions were offset by the availability of special fund balances or federal funds.

SAC Recommendations

SAC prepared its final report to the Governor in December 2008 which included the following recommendations pertaining to the operating budget:

Spending Limit: The committee recommended limiting growth on a spending affordability basis to 0.70% over spending approved at the 2008 session.

Exhibit 1.2
Fiscal 2009 Spending Withdrawn through the Board of Public Works

<u>Date of BPW Action</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>	<u>Filled Positions</u>	<u>Vacant Positions</u>
June 2008	\$50.1	\$7.4	\$17.6	\$75.1	0.0	11.5
October/November 2008	297.2	21.1	31.1	349.4	40.0	790.2
March 2009	67.1	9.6	5.0	81.6	2.0	891.7
Total \$414	.4	\$38.1	\$53.7	\$506.1	42.0	1,693.4

Source: Board of Public Works

Personnel: The committee found that fiscal conditions rendered the State's position complement to be unsustainable, and recommended that 1,000 positions should be abolished from the budget.

State Reserve Fund: SAC continued to recommend prudent use of the Rainy Day Fund. Use of the balance below 5.0% was recommended only as a last resort and in combination with a multiyear deficit reduction plan. Instead, it was suggested that federal stimulus dollars be used to address short-term budget balancing needs.

Governor's Spending Plan as Introduced

The fiscal plan submitted by the Administration provided for \$32.0 billion in total spending for fiscal 2010 and \$286.2 million of fiscal 2009 deficiencies. In balancing the budget, the Governor relied upon \$1.1 billion in proposed transfers and nearly \$450.0 million in contingent reductions, which largely required budget reconciliation legislation. The Administration also recognized \$350.0 million in federal stimulus funds through a reduction of general funds in the Medicaid budget. Fiscal 2009 deficiency appropriations totaling \$286.2 million were proposed with the budget, consisting of \$92.8 million in general funds, \$77.7 million in special fund items, and \$115.7 million in federal fund appropriations.

The budget was below the limit recommended by SAC, reflected the planned abolition of over 1,000 Executive Branch positions, and utilized \$210.0 million in the Rainy Day Fund, which was the balance above the recommended 5% level. The Governor's proposed spending plan resulted in an estimated fiscal 2010 general fund balance of \$45.9 million.

As shown in **Exhibit 1.3**, the Governor's plan for balancing the fiscal 2009 and 2010 budgets relied heavily on a combination of fund transfers and reductions contingent upon budget reconciliation legislation. Chief among these was use of Rainy Day Fund balances above 5%, as well as a one-time transfer from a local income tax refund reserve account. In addition to spending already withdrawn by BPW, the Governor proposed to reduce another \$154 million in spending. Finally, balance in fiscal 2010 relied upon \$449 million in spending reductions contingent upon budget reconciliation and other legislation, a variety of across-the-board budget cuts totaling \$86 million and additional revenue and reversion assumptions.

Exhibit 1.3
Governor's Original Budget Plan
Fiscal 2009-2010
(\$ in Millions)

	<u>FY 2009</u>	<u>FY 2010</u>
Opening Balance	\$487.1	\$424.1
Revenues \$13,673.9		\$13,738.3
Additional Revenues	7.8	27.4
Transfers 841.9		250.1
Subtotal \$14,523.6		\$14,015.8
Appropriations and Deficiencies	\$15,172.4	\$14,969.1
BPW Withdrawn Appropriations	-501.3	0.0
Across-the-board Reductions	0.0	-85.6
Contingent Reductions	0.0	-449.3
Reversions -84.5		-40.2
Subtotal \$14,586.6		\$14,394.0
Closing Balance	\$424.1	\$45.9

BPW: Board of Public Works

Source: Maryland Budget Highlights Fiscal 2010

Legislative Consideration of the Budget

As the legislature considered the budget, the Board of Revenue Estimates (BRE) revised general fund revenues downward by a combined \$1.2 billion for fiscal 2009 and 2010, and the Governor submitted two supplemental budgets which added \$1.4 billion in mostly federal fund supported spending. The General Assembly reduced the budget and positions as detailed below.

Revenue and Spending Changes

BRE Revenue Revisions: In March 2009, BRE revised its estimate of general fund revenue for fiscal 2009 downward by \$445.5 million and \$716.5 million for fiscal 2010. Income and sales tax revenues continue to be negatively affected by the recession.

Supplemental Budgets No. 1 and 2: The Governor introduced two supplemental budgets that increased spending by a total of \$1.4 billion. Nearly \$2.3 billion in additional federal funds were appropriated, with the bulk of that derived from federal stimulus legislation. This was offset by nearly \$900 million in withdrawn general fund appropriations. The bulk of federal funds were applied to Medicaid and education programs.

Reductions: The legislature reduced the fiscal 2009 budget by \$16.1 million based on overbudgeted funds for small business health insurance and a cut in school assessments. Changes adopted in the fiscal 2010 budget eliminated 101.5 regular positions and reduced \$911.6 million in all funds.

Notable reductions included:

- \$161.9 million from special fund local highway user revenues;
- \$98.8 million from the Reserve Fund, including \$63.0 million for the InterCounty Connector (ICC) (largely funded in the capital budget) and \$35.8 million above 5.0%;
- \$71.1 million from general and special fund programs supported by RGGI, of which \$35.6 million was a contingent reduction for low-income energy assistance that will be restored by special fund budget amendment;
- \$53.5 million in Medicaid funding that will be restored using available special fund balances;
- \$46.5 million from higher education general funding based on enactment of a provision in the Budget Reconciliation and Financing Act (BRFA) of 2009 to extend the Higher Education Investment Fund (HEIF). This amount will be restored by special fund budget amendment;
- \$34.0 million from community college aid, leaving sufficient funds to increase the appropriation over fiscal 2009 levels;
- \$31.0 million from POS which is funded in the capital budget;
- \$30.8 million in overbudgeted education formula aid; and

- \$24.0 million for all general fund reimbursements of local jail costs, in conjunction with budget reconciliation legislation converting the funding to a grant program.

The budget does not reflect \$192.0 million of special funds that are intended to replace general funded items, which were reduced at the 2009 session but which have yet to be appropriated. **Exhibit 1.4** summarizes the most significant items that will be restored with special funds.

Exhibit 1.4
General Fund Reductions to Be Replaced with Special Funds
(\$ in Millions)

	<u>General Funds</u>	<u>Special Funds</u>
Medicaid -\$80.5		\$80.5
Higher Education	-46.5	46.5
Department of Human Resources	-35.6	35.6
Department of Health and Mental Hygiene	-15.7	15.7
Maryland School for the Deaf	-5.0	5.0
Department of Natural Resources	-2.6	2.6
Department of Information Technology	-2.0	2.0
Maryland Department of the Environment	-1.8	1.8
Department of Public Safety and Correctional Services	-1.4	1.4
Attorney General	-0.8	0.8
Total -\$192.0		\$192.0

Source: Department of Legislative Services

Final Actions Related to SAC

Limiting Spending Growth: As shown in **Exhibit 1.5**, final action by the legislature reduced the budget to a 0.19% rate of growth as measured on a spending affordability basis. The SAC calculation typically does not include federal funds, but an adjustment is included this year to account for the significant influx of federal stimulus aid which was used in part to offset general fund appropriations. With this adjustment, final action on the budget is \$106.8 million below the 0.70% rate recommended by the committee. On the customary basis, the budget is \$1.6 billion below the limit.

Exhibit 1.5
Operating Budget Affordability Limit
(\$ in Millions)

<u>Funds</u>	<u>2008 Session</u>	<u>2009 Session</u>	<u>Dollar Change</u>	<u>Percent Change</u>
General	\$14,812.6	\$13,195.2	-\$1,617.4	-10.92%
Special	4,001.9	4,087.3	85.4	2.13%
Higher Education	1,993.2	2,100.0	106.9	5.36%
Estimated Budget Growth	\$20,807.6	\$19,382.5	-\$1,425.1	-6.85%
SAC Limit	\$20,807.6	\$20,953.2	\$145.7	0.70%
Over (Under) Limit			-1,570.8	-7.55%
Adjusted for Federal Stimulus				
Estimated Budget Growth	\$20,807.6	\$19,382.5	-1,425.1	-6.85%
Estimated SAC Eligible Federal Stimulus		\$1,464.0		
Adjusted Estimate for Budget Growth	\$20,807.6	\$20,846.5	38.9	0.19%
SAC Limit	\$20,807.6	\$20,953.2	145.7	0.70%
Over (Under) Limit			-106.8	-0.51%

SAC: Spending Affordability Committee

Personnel: In March 2009, the Governor abolished 893.65 positions. Action at the 2009 session reduced another 101.5 regular positions. In conjunction with positions abolished by the Governor in preparing the allowance, the State's position complement for fiscal 2010 is over 1,000 positions lower than the fiscal 2009 working appropriation. This is consistent with the SAC recommendation.

State Reserve Fund Balance: Although \$210.0 million was transferred to support fiscal 2010 spending, budget action at the 2009 session leaves a \$651.1 million balance in the Rainy Day Fund. This constitutes a 5% balance. Final action on the budget complied with the SAC recommendation to maintain at least a 5% balance and to first use federal stimulus funds.

Summary of Fiscal 2009 Legislative Activity

Exhibit 1.6 summarizes final legislative action on the budget. In addressing the write down of revenues and additional spending in the two supplemental budgets, the General Assembly adopted \$1.4 billion in transfers including many of the proposed transfers recommended in the Governor's original budget plan. Approximately \$331.5 million of the \$575.8 million in general fund reductions are contingent upon the BRFA of 2009. Based upon these actions, the closing fiscal 2009 balance is estimated at \$432.5 million, and fiscal 2010 is projected to end with a \$89.6 million balance.

Exhibit 1.6 Final Legislative Budget Action Fiscal 2009-2010 (\$ in Millions)

	<u>FY 2009</u>	<u>FY 2010</u>
Opening Balance	\$487.1	\$432.5
Revenues \$13,284.4		\$13,019.4
Legislation \$0.0		\$8.3
Transfers \$976.2		\$426.3
Subtotal \$14,260.6		\$13,454.1
Approp/Supp/Deficiencies/BPW	\$14,393.1	\$14,400.5
Reductions -\$1.0		-\$243.3
Contingent Reductions	-\$1.6	-\$329.9
Reversions -\$75.2		-\$30.4
Subtotal \$14,315.2		\$13,797.0
Closing Balance	\$432.5	\$89.6

BPW: Board of Public Works

Source: Maryland Budget Highlights Fiscal 2010

In addition to actions within budget reconciliation legislation, two bills increasing general fund revenues contribute to the closing general fund balance for fiscal 2010.

An estimated \$7.0 million in revenue is attributable to **House Bill 193 (Chapter 661)**, which extends for two years, the termination date under which existing qualified organizations and licensed commercial entities may operate electronic instant bingo machines that would otherwise be illegal under the law.

Senate Bill 552 (Chapter 277), requires the Comptroller to declare an amnesty period for delinquent taxpayers for the month of September 2009, for penalties and interest due attributed to the nonpayment, nonreporting, or underreporting of income taxes, withholding taxes, sales and use taxes, or admissions and amusement taxes that are paid during the amnesty period. An estimated \$1.8 million would be credited to the general fund.

Outlook for Future Budgets

As shown in **Exhibit 1.7**, there is a cash balance of \$90 million projected at the end of fiscal 2010, while ongoing spending exceeds ongoing revenues by \$1,693 million. Fiscal 2010 spending is supported by federal stimulus totaling \$1,027 million, use of \$342 million of general fund balance, fund transfers totaling \$234 million, and one-time revenues totaling \$230 million.

The shortfall is projected to increase in fiscal 2011 and decline in fiscal 2012. The fiscal 2011 increase is due to projected increases in entitlements (led by Medicaid growth) and agency growth attributable to increases in personnel costs (such as the annual salary increase, health insurance, and retirement costs) and the one-time nature of many of the reductions taken in agency budgets (such as Department of Information Technology project deferrals).

Video lottery terminal bids received for machines in February 2009 were for less than the number of projected machines. The revenue bids were revised to reflect a slower implementation, thus delaying support for education programs. Instead of supporting programs in fiscal 2011, the estimates now assume substantial funding in fiscal 2012. The narrowing of the budget gap in fiscal 2012 is attributable to \$366 million in video lottery terminal revenues.

Exhibit 1.7
General Fund Budget Outlook
Fiscal 2009-2014
(\$ in Millions)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Avg. Annual
	<u>Working</u>	<u>Leg. App.</u>	<u>Est.</u>	<u>Est.</u>	<u>Est.</u>	<u>Est.</u>	<u>Change</u>
							<u>2010-2014</u>
Revenues							
Opening Fund Balance	\$487	\$432	\$90	\$0	\$0	\$0	
Transfers	197	234	64	52	66	55	
One-time Revenues/Legislation	<u>843</u> 230	<u> </u> 115	<u> </u> 14	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </u>	
Subtotal One-time Revenue	\$1,527	\$897	\$269	\$66	\$73	\$63	-48.6%
Ongoing Revenues	\$13,221	\$12,977	\$13,642	\$14,434	\$15,022	\$15,674	
Revenue Adjustments – Legislation	<u>0</u> 13	<u> </u> 12	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u> </u>	
Subtotal Ongoing Revenue	\$13,221	\$12,990	\$13,655	\$14,444	\$15,022	\$15,674	4.8%
Total Revenues & Fund Balance	\$14,748	\$13,887	\$13,924	\$14,510	\$15,095	\$15,736	3.2%
Ongoing Spending							
Operating Spending ⁽¹⁾	\$14,592	\$14,723	\$15,859	\$16,571	\$17,377	\$18,204	
VLT Spending Supporting Education	0	-39	-13	-366	-614	-664	
Ongoing Spending – Legislation	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u> -1	<u> </u> -1	<u> </u> <u> </u>	
Subtotal Ongoing Spending	\$14,592	\$14,683	\$15,848	\$16,205	\$16,763	\$17,540	4.5%
One-time Spending							
PAYGO Capital	\$14	\$1	\$1	\$1	\$1	\$1	
Federal Stimulus Funds ⁽²⁾	-437	-1,027	-854	0	0	0	
Appropriation to Reserve Fund	<u>147</u> 140	<u> </u> 50	<u> </u> 50	<u> </u> 50	<u> </u> 50	<u> </u> <u> </u>	
Subtotal One-time Spending	-\$276	-\$886	-\$803	\$51	\$51	\$51	n/a
Total Spending	\$14,315	\$13,797	\$15,045	\$16,256	\$16,814	\$17,591	6.3%
Ending Balance	432	90	-1,121	-1,746	-1,719	-1,855	
Rainy Day Fund Balance	693	651	683	723	754	786	
Balance over 5% of GF Revenues	32	0	0	2	3	3	
As % of GF Revenues	0	0	0	0	0	0	
Structural Balance	-1,371	-1,693	-2,193	-1,761	-1,741	-1,866	

VLT: video lottery terminal

GF: general fund

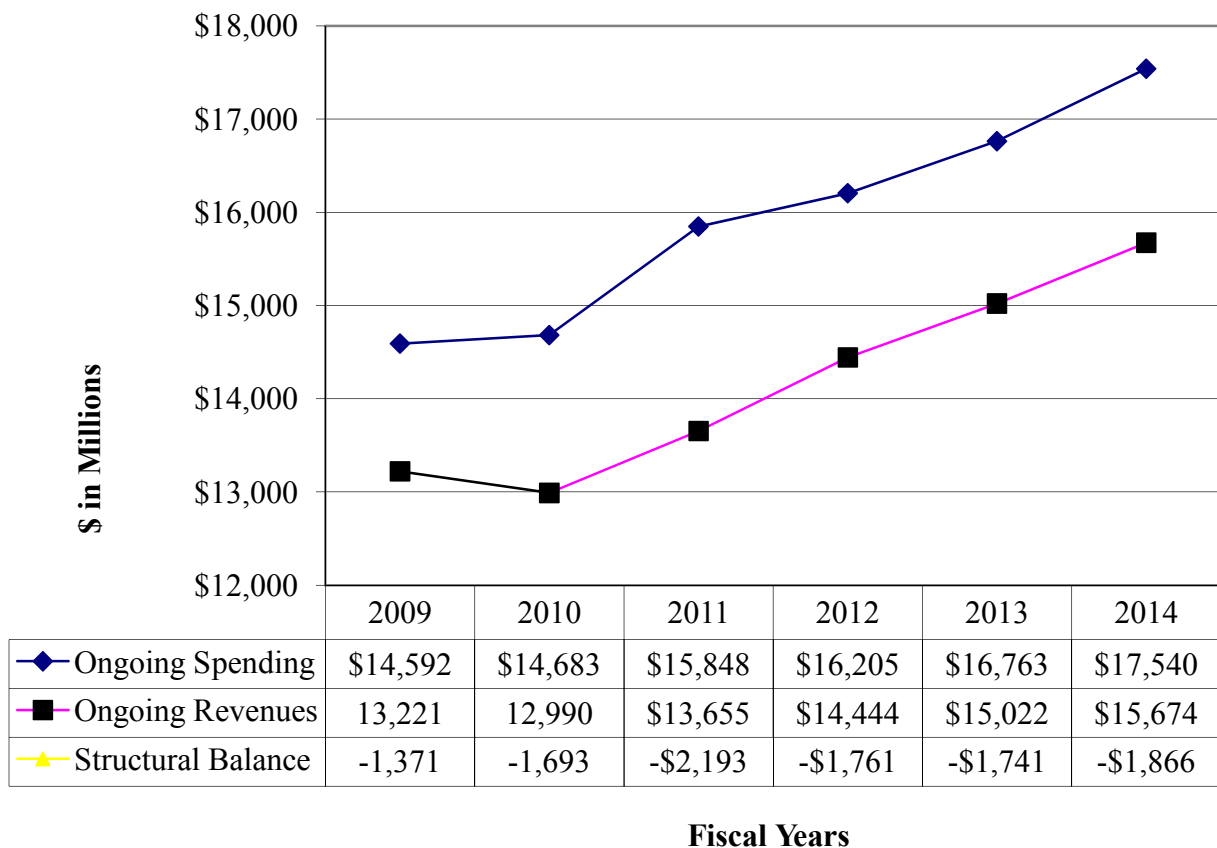
PAYGO: pay-as-you-go

⁽¹⁾ Assumes general obligation bond debt service costs supported by State property tax of \$0.112 per \$100 of assessable base. Consistent with Administration policy, debt service cost increases in excess of revenues generated by State property taxes are supported by general funds.

⁽²⁾ Includes \$350 million in Medicaid assumed by the Governor in fiscal 2010 and 2011.

As shown in **Exhibit 1.8**, the structural deficit increases to \$2.2 billion in fiscal 2011 based on a number of factors including personnel and Medicaid growth, as well as the short-term nature of reductions adopted in fiscal 2010. Significant revenue from video lottery terminals is expected to be received beginning in fiscal 2012, which reduces the deficit to about \$1.8 billion. Through fiscal 2014, the shortfall is expected to remain in the range of \$1.8 billion to \$1.9 billion. When economic recovery occurs, it can be expected to improve the overall fiscal picture in the out-years. However, even a robust increase in revenue is unlikely to fully resolve the current imbalance between ongoing revenues and spending. Future balance will depend upon a multiyear approach involving spending reductions in combination with possible revenue considerations.

Exhibit 1.8
Projected General Fund Structural Deficit
Fiscal 2009-2014
(\$ in Millions)



Budget-related Legislation

Budget Reconciliation and Financing Legislation

House Bill 101 (Chapter 487), the BRFA of 2009 implements \$1.3 billion in actions that benefit the general fund. These actions are summarized in **Exhibit 1.9**

Exhibit 1.9
Summary of Actions in the Budget Reconciliation and Financing Act of 2009
 (\$ in Millions)

Fund Transfers	\$997.5
Contingent Reductions	331.5
Fiscal 2010 Revenues	-6.0
Total Budgetary Action	\$1,323.0

Source: Department of Legislative Services

Actions within the BRFA of 2009 can be categorized into five major types: fund balance transfers; use of special fund revenues in lieu of general funds; changes in formula calculations; revenue actions; and miscellaneous other provisions.

Fund Balance Transfers

As shown in **Exhibit 1.10**, the BRFA of 2009 implements 32 separate fund balance transfers from 29 different funds. The largest single transfer is from the local income tax refund reserve (\$366.8 million), to be replenished over 10 years by the counties. The next largest is a series of actions related to POS and related programs (totaling \$168.0 million). The capital budget includes bond authorization for \$71.3 million to cover prior land purchases and \$31.0 million in lieu of PAYGO funds for Rural Legacy, State capital development projects, and agricultural land preservation. This \$102.3 million, plus an additional \$65.8 million in unencumbered State land acquisition funds, is transferred to the general fund.

A transfer of \$161.9 million is made from highway user revenues to the general fund, with a concomitant reduction in payments to local jurisdictions. Of this total, \$101.9 million is reduced in accordance with the highway user formula, except that municipalities are reduced a total of only \$3.7 million. The remaining \$60.0 million reduction, allocated to Baltimore City and the counties only, is allocated based on wealth and tax effort.

Exhibit 1.10
Transfers to the General Fund
Budget Reconciliation and Financing Act of 2009
(\$ in Millions)

<u>Fiscal 2009</u>	<u>Amount</u>
Local Income Tax Reserve for Refunds	\$366.8
Dedicated Purpose Account – ICC/Prince George’s Hospital	73.0
Helicopter Replacement Fund	52.7
University System of Maryland Fund Balance	29.0
Injured Workers’ Insurance Fund for Future Liability	28.0
State Insurance Trust Fund	10.0
Maryland Trauma Physician Services Fund	17.0
Community Health Resources Fund	12.1
Maryland Automobile Insurance Fund – Uninsured Account	7.0
Central Collection Unit – Department of Budget and Management	5.0
Economic Development Opportunities (Sunny Day) Fund	5.0
Maryland Economic Development Assistance Fund	6.0
Senior Drug Prescription Program	2.6
Bond Fund Recent Program Open Space Land Purchases	71.3
Program Open Space Balances – State	65.8
Oil Disaster Containment, Cleanup, and Contingency Fund	2.0
Used Tire Cleanup and Recycling Fund	3.0
Small Business Pollution Compliance Loan Fund	0.3
Board of Physicians	3.2
Board of Nursing	0.5
Maryland Health Care Commission	2.0
Insurance Regulation Fund – Maryland Insurance Administration	1.6
Vehicle Theft Prevention Fund	1.0
School Bus Safety Enforcement Fund	0.9
Expedited Service Fund – Assessments and Taxation	0.4
State Self-Insured Unemployment Insurance Reserve	10.0
Universal Service Trust Fund	5.0
Subtotal	\$781.2
<u>Fiscal 2010</u>	
Central Collection Unit – Department of Budget and Management	\$10.0
Catastrophic Event Account	7.4
Program Open Space and Agricultural Land Preservation Allocations	31.0
Maryland Economic Development Assistance Fund	6.0
Local Highway User Revenues	161.9
Subtotal	\$216.3
Total Transfers	\$997.5

ICC: InterCounty Connector

Source: Department of Legislative Services

Other significant transfers include \$ 65.0 million from the Dedicated Purpose Account (DPA) to support the construction costs of the ICC – \$55.0 million in general obligation bonds are provided instead. Similarly, \$52.7 million is transferred from the State Police Helicopter Replacement Fund, and \$52.5 million in bond authorization is provided.

A number of other special fund balances were subject to transfer, including \$29.0 million from the University System of Maryland ; \$28.0 million from the State employees' workers' compensation fund held by the Injured Workers' Insurance Fund; \$17.0 million from the Maryland Trauma Physician Services Fund; \$15.0 million from the Central Collection Unit (CCU); \$12.1 million from the Community Health Resources Commission Fund; and \$12.0 million from the Maryland Economic Development Assistance and Authority Fund. A provision effective in fiscal 2011 will automatically transfer excess balances from the CCU to the general fund.

Use of Special Funds in Lieu of General or Other Funds

In a number of instances, the BRFA of 2009 expanded authorized uses of special funds to allow for a contingent reduction of general or other funds. In the health arena, the Health Care Coverage Fund is tapped to cover the 2010 support of the Prince George's Hospital Center (\$12.0 million), for general Medicaid purposes (\$53.5 million), and for Medicaid hospital payments (\$9.0 million). The statutory requirements for allocating Cigarette Restitution Funds were amended for two years, reducing the Statewide Academic Health Center and Tobacco Prevention and Cessation grants; these changes provide \$19.5 million to offset the need for general funds in several health programs. Special funds in the Maryland Health Insurance Program (\$4.5 million), the Community Health Resources Commission (\$9.1 million) and the AIDS drug rebate program (\$0.9 million) are used in a number of health programs in lieu of general funds.

In the environmental area, the BRFA of 2009 reduces the motor fuel and short-term vehicle rental taxes directed to the Chesapeake Bay 2010 Trust Fund by \$21.5 million, instead directing those revenues to the general fund. The uses of the Strategic Energy Investment Fund, supported by the auction of carbon dioxide allowances, are altered for two years, most significantly to increase the proportion of funds available for low-income energy bill payment assistance, saving an estimated \$35.6 million in general funds each year. An additional \$5.0 million is available for cover crop programs through the Bay Restoration Fund, and several funds are accessed to support operating expenses in the Departments of Natural Resources and the Environment, totaling \$3.7 million. In related provisions, the BRFA of 2009 raises the contingency fund limit for POS and make the Maryland Historical Trust and Historic St. Mary's City eligible for POS capital development funding.

Finally, Medicare Part D reimbursements are applied to the State Employees and Retirees Health and Welfare Benefits Fund in lieu of general funds; the Universal Service Trust Fund supports a portion of the budget for the Maryland School for the Deaf; and the Fair Campaign Financing Fund is authorized to partially fund the new Optical Scan Voting System.

Mandate Relief and Formula Changes

With both specific actions and by a global provision, the BRFA of 2009 alters the fiscal 2010 and future formula calculations in a number of instances. Many are in effect only for one, two, or three years, but these changes moderate the growth that would otherwise occur in the budget. The global provision allows the Governor to not fund any increases in 2011 or 2012 over the amount funded in 2010, with exceptions for certain education formulas, retirement payments, contributions to the Rainy Day Fund, and any statute expressly addressed in this BRFA.

The most significant specific changes are made in preK-12 and higher education. For fiscal 2012, a 1% inflation cap is applied to the foundation aid per pupil amount and student transportation grant to moderate the general fund impact when federal funds from ARRA are no longer available to support the growth in education formulas. The cost-sharing arrangement for special education nonpublic placements is also changed, so that the State share is reduced from 80% to 70% of costs above the local base share, beginning in fiscal 2010. Overpayments of education and library aid, caused by an error in the wealth calculations for fiscal 2009, will be recouped in 2010 and 2011.

County public library and regional library formulas are also altered to moderate the growth in per capita funding. The prior enhancement goals of \$16.00 and \$8.50, respectively, are attained in 2013. Similarly, the Aging Schools Program is funded at \$6.1 million for fiscal 2010 (through the capital budget) and fiscal 2011 and at \$10.4 million in 2012; inflationary increases from this reduced base resume in fiscal 2013. Finally, the eligibility and bonus payments under the Quality Teacher Incentive program are altered.

In higher education, the formulas for community colleges, BCCC, and private colleges and universities are moderated to be more affordable in the next few years. In all three cases, the formulas are “trued up,” meaning that they rely on the funding provided to public four-year institutions in the same year, rather than lagging behind for a year. As with the library formulas, enhancements are provided over the next several years, with the Cade and BCCC formulas reaching their maximum in 2014, and the Sellinger formula in 2015. The percentage of public four-year per student funding is reduced under the true up plan (compared to the percentages in the prior statute), but the same dollar amount of funding is achieved.

In the environmental and economic development areas, the general fund mandate for the Waterway Improvement Fund is eliminated; for two years, the grant to the Maryland Agricultural and Resource-Based Industry Development Corporation is reduced, as is the payment-in-lieu-of-taxes generated from forest and park revenues from non-timber sales. General fund support for the Maryland Tourism Board is maintained at \$6.0 million annually; the Maryland State Arts Council will be funded at \$13.5 million in 2010 and 2011, after which funding will grow at the rate of general fund revenue growth.

Several areas of mandated relief apply to local government aid. The local jail reimbursement program is converted to a grant program based on a flat per diem amount for the number of inmates serving 12-18 months. The BRFA of 2009 also establishes a cap at the 2010 level for each county's disparity grant payment, and eliminates the State responsibility for payment of prior jail reimbursement expenses and for the retirement costs of certain local employees.

Finally, the rates to be paid to group home operators are frozen for 2010 at the 2009 level, and payments to nonpublic placement providers can only increase 1%. Merit increases (with certain exceptions) and the match to deferred compensation contributions are eliminated for 2010.

Revenue Actions

The BRFA of 2009 raises the monthly fee under the Drinking Driver Monitoring Program to \$55 and removes the sunset on the fee, and for three years, reduces the commissions paid to lottery agents from 5.5 to 5.0%. The Maryland-mined coal tax credit is reduced to \$4.5 million for three years and then set at \$6.0 million in 2013 and 2014 before decreasing to \$3.0 million for 2015 to 2020. The BRFA of 2009 reduces the local jurisdictions' share of highway user revenues from 30.0 to 28.5% beginning in 2012, and reauthorizes, for 2010 only, the allocation of a share of corporate income tax receipts to the Higher Education Investment Fund.

Finally, the BRFA of 2009 addresses several federal tax changes enacted as part of ARRA of 2009. Specifically, the State will remain coupled to favorable tax treatment of the earned income tax credit, enhanced unemployment insurance benefits, and new vehicle excise or sales taxes. Conversely, the State will be decoupled for tax years 2009 and 2010 for provisions related to cancellation of corporate debt.

Other Provisions

The BRFA of 2009 establishes a framework and authority to use bonds in place of transfer tax revenues for capital-eligible POS programs for three years. Contingent on the failure of **House Bill 960 (Chapter 751)** and on the Prince George's County Board of Education proceeding with the purchase or lease of a new administration building, Foundation Aid for Prince George's County Schools is reduced by \$36 million in fiscal 2010. A mechanism is established to provide funds in agency budgets for the development and implementation of a new human resource management technology system. Interagency barriers between the Departments of Human Resources and Juvenile Services (DJS) are removed to facilitate the ability of DJS to claim full reimbursement under the federal IV-E program.

Counties are given additional time, and with an expedited review, to submit requests for a waiver of maintenance of effort for education spending. The BRFA of 2009 also clarifies future maintenance of effort requirements in the event a waiver is granted for 2010. An extension of two years, to 2014, is provided for the Maryland State Department of Education to be delivering educational programming in all facilities operated by DJS. The Maryland Higher Education

Commission is required to incorporate the recommendations of the Commission to Develop the Maryland Model for Funding Higher Education into the updated State Plan and to implement those recommendations that do not require legislation.

Federal Stimulus Funding

On February 17, 2009, President Barack Obama signed ARRA into law. ARRA's provisions support programs by funding infrastructure, education programs, human services programs, and providing discretionary funds. The legislation also affects taxes, by excluding portions of unemployment compensation from gross income and a temporarily increasing the earned income credit. **Exhibit 1.11** shows that ARRA provides \$4.1 billion in formula funding provided to Maryland governments. Of this amount, almost \$2.5 billion was appropriated at the 2009 session.

The federal grants provide \$396.0 million for educational programs, \$765.2 million for infrastructure programs, and \$546.2 million for other programs. These funds provide additional federal support and do not supplant general funds. ARRA also includes \$101.8 million in grants to local governments and aid organizations that are not appropriated in the State budget. These funds will be distributed directly to the local governments and aid organizations.

The legislation also provides federal grants for which State and local governments must compete. For example, this includes grants to support law enforcement officers, habitat conservation, and the arts. At this point, it is unclear how much of these funds the State will receive, and they are not included in the ARRA estimates for Maryland.

Funds Supporting State General Fund Commitments

With respect to the State budget, ARRA's most significant impact relates to the \$2.3 billion that can support State general fund commitments. These funds support Medicaid, education, and discretionary State spending. The funds are used in the place of general funds to sustain State funding from fiscal 2009 to 2011. When the funds are no longer available, the State will need to replace the funds or reduce spending.

Medicaid funds total \$1,435.9 million and are available from October 2008 through the end of December 2010. The largest share is \$891.8 million attributable to a 6.2% increase in the State's Federal Medical Assistance Percentage. The State receives another \$544.1 million based on projected unemployment rates. The federal legislation provides additional funding to a state whose unemployment rate rises by 1.5% since the recession began in December 2007. Maryland qualifies for this throughout the period. Additional funds are received for States whose unemployment rate rises by 2.5%. The budget assumes that Maryland meets this threshold as of February 2009.

Exhibit 1.11
Impact of ARRA on Maryland and Local Budgets
Fiscal 2009 and 2010 – Appropriations Compared to Total Available Funds
(\$ in Millions)

Program	FY	2009	FY 2010	Unapprop. To	total
Supporting State General Fund Commitments					
Fiscal Stabilization – Education		\$0.0	\$295.9	\$425.3	\$721.2
Fiscal Stabilization – Discretionary		1.5	79.6	79.4	160.5
Medicaid Assumed in Fiscal 2010 Budget		0.0	350.0	0.0	350.0
Additional Medicaid		435.0	302.0	348.9	1,085.9
Subtotal		\$436.5	\$1,027.5	\$853.5	\$2,317.5
Education Grants Appropriated in the State Budget					
Special Education		\$0.0	\$107.3	\$100.7	\$208.0
Title I		0.0	156.8	22.9	179.7
Education Technology		0.0	4.3	4.1	8.3
Subtotal		\$0.00	\$268.40	\$127.70	\$396.00
Infrastructure Appropriated in the State Budget					
Highways		\$0.0	\$249.0	\$182.0	\$431.0
Transit Capital		0.0	93.1	86.2	179.3
HOME Investment Partnerships Program		0.0	31.7	0.0	31.7
Clean Water		0.0	96.0	0.3	96.3
Drinking Water		0.0	27.0	0.0	27.0
Subtotal		\$0.0	\$496.8	\$268.4	\$765.2
Other Grants Appropriated in the State Budget					
State Energy Programs		\$1.5	\$0.0	\$56.0	\$57.5
Weatherization		6.6	28.1	31.0	65.6
Community Services Block Grant		0.0	12.6	1.1	13.7
Homelessness Prevention		0.0	5.7	0.0	5.7
Community Development Block Grant		0.0	2.2	0.0	2.2
Foster Care		8.6	11.5	5.8	25.9
Food Assistance		36.8	47.0	145.6	229.4
Temporary Assistance for Need Families		20.0	0.6	8.6	29.2
Ind. Living, Homeless Educ. & Work Study		0.4	0.9	2.9	4.2
Child Care & Development Block Grant		0.0	19.0	5.0	24.0
Vocational Rehabilitation		3.4	3.4	0.0	6.9
UI/ Workforce Inv./Dislocated Workers		1.8	34.9	7.8	44.5
Preventive Health BG/Immunization		0.0	0.0	4.0	4.0
Byrne Grants/Public Safety Grants		0.0	13.1	20.3	33.4
Subtotal		\$79.2	\$178.9	\$288.1	\$546.2
Total State Grants		\$515.7	\$1,971.5	\$1,537.8	4,025.0
Federal Grants Not Appropriated in the State Budget					
Local Homelessness Prevention		n/a	n/a	n/a	\$16.8
Local Community Development Block Grant		n/a	n/a	n/a	12.8
Head Start		n/a	n/a	n/a	7.9
Local Byrne Grants		n/a	n/a	n/a	15.8
Public Housing		n/a	n/a	n/a	48.4
Subtotal					\$101.8
Total Grants for Maryland Governments		\$515.7	\$1,971.5	\$1,537.8	\$4,126.8

Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Services

The budget introduced by the Administration assumed \$350 million in federal funds for Medicaid in fiscal 2010. Supplemental Budget No. 1 provided another \$43.5 million in fiscal 2009 and \$302 million in fiscal 2010. Another \$348.9 million is projected in fiscal 2011. The funds are used to replace general funds and match federal funds.

Exhibit 1.12 shows that ARRA provides \$881.6 million in fiscal stabilization funds. The legislation requires that 81.8%, which totals \$721.2 million, support education programs. The education funds must first be used to restore elementary and secondary school reductions to the fiscal 2008 spending levels. Since Maryland has increased spending, this does not apply. Remaining funds must be used to support State formula increases in fiscal 2010 and 2011 for elementary and secondary education or to restore reductions made to State higher education funding below fiscal 2008 or 2009 levels. The Administration has applied these funds to support these elementary and secondary education increases. Supplemental Budget No. 1 provides \$295.9 million in fiscal 2010, leaving another \$425.3 million in unappropriated funds that can be used in fiscal 2011.

Finally, ARRA allows that 18.2% of the fiscal stabilization funds can support general government services. These discretionary funds total \$160.5 million, of which \$1.5 million was appropriated in fiscal 2009 and \$79.6 million was appropriated in fiscal 2010. To promote accountability, State and federal governments have web sites that track ARRA spending. Maryland's web site can be found at <http://statestat.maryland.gov/recovery.asp>, and the federal government's web site can be found at <http://www.recovery.gov/>.

Exhibit 1.12
ARRA – Federal Stabilization Spending by Program
Fiscal 2009-2010
(\$ in Millions)

<u>Program FY</u>	<u>2009 FY</u>	<u>2010</u>	<u>Unapprop.</u>	<u>Total</u>
Fiscal Stabilization – Education				
Foundation Program	\$0.0 \$110	.3	\$0.0 \$110	.3
Compensatory Education	0.0 26.3		0.0 26.3	
Teacher Retirement	0.0 137.3		0.0 137.3	
Limited English Proficient Grant	0.0	4.7	0.0	4.7
Student Transportation	0.0 17.3		0.0 17.3	
Unappropriated 0.0		0.0	425.3	425.3
Subtotal	\$0.0 \$295.9		\$425.3 \$721.2	
Fiscal Stabilization – Discretionary				
Community College Formula Fund Swap	\$0.0	\$14.5	\$0.0	\$14.5
Higher Education Funding Fund Swap	0.0	17.6	0.0	17.6
MSP Salary Expenses Fund Swap	0.0	18.0	0.0	18.0
DJS Per Diem Placement Costs Fund Swap	0.0	0.7	0.0	0.7
DHR Temporary Disability Assistance Program	1.5	1.5	0.0	3.0
DPSCS Overtime, Food, and Utility Costs	0.0	21.6	0.0	21.6
DJS Salary Expenses	0.0	3.8	0.0	3.8
MSP Salary, Fuel, and Utility Costs	0.0	1.9	0.0	1.9
Unappropriated 0.0		0.0	79.4	79.4
Subtotal \$1.5		\$79.6	\$79.4	\$160.5
Total Fiscal Stabilization	\$1.5 \$375.5		\$504.6 \$881.6	

ARRA: American Recovery and Reinvestment Act of 2009

DHR: Department of Human Resources

DJS: Department of Juvenile Services

DPSCS: Department of Public Safety and Correctional Services

MSP: Maryland State Police

Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Services

By the Numbers

A number of exhibits summarize the legislative budget action. These exhibits are described below.

Exhibit 1.13 shows the impact of the legislative budget on the general fund balance for fiscal 2009 and 2010. The fiscal 2009 balance is estimated to be \$432.5 million. At the end of fiscal 2010, the closing balance is estimated to be \$89.6 million.

Exhibit 1.13 Final Budget Status Status as of July 1, 2009

	<u>FY 2009</u>	<u>FY 2010</u>
Starting General Fund Balance	\$487,111,012	\$432,474,040
Revenues		
BRE Estimated Revenues – December 2008	\$13,665,969,759	\$13,738,264,311
BRE Revenue Revision – March 2009	-445,516,000	-716,484,000
Supplemental Budget No. 1	5,000,000	8,000,000
Supplemental Budget No. 2	7,193,040	2,000,000
Transfer of Special Fund Balances (Ch. 147 of 2008)	25,000,000	0
Budget Reconciliation Legislation – Revenues	-4,600,000	5,055,056
Budget Reconciliation Legislation – Transfers	781,178,511	216,288,248
Other Legislation	0	8,322,868
Additional Revenues	56,382,018	-17,388,426
Subtotal Revenues	\$14,090,607,328	\$13,244,058,057
Net Transfer to the GF from the Rainy Day Fund	23,456,658	34,252,421
Subtotal Available Revenues	\$14,601,174,998	\$13,710,784,518
Appropriations		
General Fund Appropriations Net of Rainy Day Fund	\$14,933,014,942	\$14,707,721,171
Deficiencies	92,831,069	0
Supplemental Budget No. 1	-384,111,692	-478,066,180
Supplemental Budget No. 2	19,252,056	-4,877,602
Board of Public Works Withdrawn Appropriations	-414,452,460	0
Legislative Reductions/Contingent Legislation -2,598	,760	-573,169,945
Estimated Agency Reversions	-75,234,197	-30,400,000
Subtotal Appropriations	\$14,168,700,958	\$13,621,207,444
Closing General Fund Balance	\$432,474,040	\$89,577,074

BRE: Board of Revenue Estimates
GF: general fund

Exhibit 1.14, the fiscal note on the budget bill, depicts the Governor's allowance, funding changes made through Supplemental Budgets No. 1 and 2, legislative reductions, and final appropriations for fiscal 2009 and 2010 by fund source. The Governor's original request provided for \$32.0 billion (net of projected general fund reversions) in fiscal 2010 expenditures and \$286.2 million in fiscal 2009 deficiencies.

Exhibit 1.14
Fiscal Note
Summary of the Budget Bill – House Bill 100

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
Governors Request					
Fiscal 2009 Deficiency Budget ⁽¹⁾ \$	14,673,410,635	\$5,852,313,348	\$7,097,216,279	\$3,302,036,527	\$30,924,976,789
Fiscal 2010 Budget	14,853,468,750	6,097,140,884 ⁽²⁾	7,662,764,966	3,407,901,849	32,021,276,449
Original Budget Request	\$29,526,879,385	\$11,949,454,232	\$14,759,981,245	\$6,709,938,376	\$62,946,253,238
Supplemental Budget No. 1					
Fiscal 2009 Deficiency Budget	-\$374,819,631 ⁽³⁾	\$5,400,000	\$505,386,850	\$0	\$135,967,219
Fiscal 2010 Budget	-478,466,180 ⁽³⁾	-55,100,000	943,172,667	0	409,606,487
Subtotal -\$853,285,	811	-\$49,700,000	\$1,448,559,517	\$0	\$545,573,706
Supplemental Budget No. 2					
Fiscal 2009 Deficiency Budget	\$19,252,056 ⁽³⁾	\$36,749,065	\$95,920,140	\$11,928,370	\$163,849,631
Fiscal 2010 Budget	-4,877,602	2,409,631	712,654,173	0	710,186,202
Subtotal	\$14,374,454	\$39,158,696	\$808,574,313	\$11,928,370	\$874,035,833
Budget Reconciliation and Financing Act of 2009					
Fiscal 2009 Withdrawn Appropriations	-\$1,598,760	-\$13,500,000	\$0	\$0	-\$15,098,760
Fiscal 2010 Contingent Reductions	-329,864,637	-254,838,745	-7,171,633	-599,021	-592,474,036
Subtotal -\$331,463,	397	-\$268,338,745	-\$7,171,633	-\$599,021	-\$607,572,796
Legislative Reductions					
Fiscal 2009 Deficiency Budget	-\$1,000,000	\$0	\$0	\$0	-\$1,000,000
Fiscal 2010 Contingent Reductions	-338,000	0	0	0	-338,000
Fiscal 2010 Budget	-242,967,308	-57,762,034	-3,368,829	-382,834	-304,481,005
Total Reductions	-\$244,305,308	-\$57,762,034	-\$3,368,829	-\$382,834	-\$305,819,005
Appropriations					
Fiscal 2009 Deficiency Budget	\$14,315,244,300	\$5,880,962,413	\$7,698,523,269	\$3,313,964,897	\$31,208,694,879
Fiscal 2010 Budget	13,796,955,023	5,731,849,736	9,308,051,344	3,406,919,994	32,243,776,097
Change	-\$518,289,277	-\$149,112,677	\$1,609,528,075	\$92,955,097	\$1,035,081,218

⁽¹⁾ Reflects \$286.2 million in total deficiencies, minus \$81.6 million in total appropriations withdrawn by the Board of Public Works on March 4, 2009, minus \$84.5 million in estimated agency general fund reversions.

⁽²⁾ Reflects estimated general fund reversion of \$30.0 million, minus \$85.6 million in across-the-board general fund reductions reflected in the budget as introduced.

⁽³⁾ Net of additional reversions estimated in each of Supplemental Budgets No. 1 and No. 2.

The Governor added a net \$1.4 billion in fiscal 2009 and 2010 spending via two supplemental budgets. Nearly \$2.3 billion in federal funds were added, much of which reflects spending of federal stimulus funds received under ARRA of 2009.

The legislature made \$16.1 million in reductions to current year appropriations, resulting in a net appropriation of \$31.2 billion for fiscal 2009. Reductions of \$897.3 million were adopted to the fiscal 2010 budget, which resulted in a final appropriation of \$32.2 billion.

Exhibit 1.15 illustrates budget changes by major expenditure category by fund. Total spending grows by \$1.0 billion, or 3.3%. Debt service grows by 6.5%; aid to local governments grows by 3.7%, entitlement spending increases by 3.5%; and State agency spending (net of reversions and contingent reductions) rises 2.1%. PAYGO capital expenditures increase by 13.1% driven largely by additional federal stimulus funding.

As noted, approximately \$192.0 million in special fund appropriations will be added to the fiscal 2010 budget due to general fund reductions that were adopted where special fund balances were available. If those funds are included, special fund appropriations would increase by \$42.8 million or 0.7% and total spending would increase by \$1.2 billion or 3.9%.

Exhibit 1.15
State Expenditures – General Funds
(\$ in Millions)

Category	Actual FY 2008	Adjusted Work. Appr. FY 2009	Legislative Appropriation FY FY 2010	2009-2010 \$ Change	% Change
Debt Service	\$29.3	\$0.0	\$0.0	\$0.0	n/a
Aid to Local Governments					
County/Municipal 24	1.7	214.7	211.1	-3.6	-1.7%
Community Colleges 24	1.7	254.7	252.8	-1.9	-0.7%
Education/Libraries 5,2	23.0	5,436.8	5,230.0	-206.8	-3.8%
Health 67.	0	57.4	57.4	0.0	0.0%
Subtotal	\$5,773.4	\$5,963.5	\$5,751.3	-\$212.3	-3.6%
Entitlements					
Foster Care Payments 24	6.3	243.0	244.1	1.1	0.5%
Assistance Payments 33.	7	38.2	35.5	-2.7	-7.1%
Medical Assistance	2,214.5	1,904.3	1,676.3	-228.0	-12.0%
Property Tax Credits	56.3	57.3	61.0	3.8	6.6%
Subtotal	\$2,550.9	\$2,242.7	\$2,016.9	-\$225.8	-10.1%
State Agencies					
Health 1,3	69.5	1,401.3	1,431.4	30.0	2.1%
Human Resources	295.7	308.5	286.9	-21.6	-7.0%
Systems Reform Initiative	38.7	30.7	29.1	-1.6	-5.3%
Juvenile Services	266.7	267.0	262.1	-4.9	-1.8%
Public Safety/Police 1,2	15.6	1,256.7	1,219.9	-36.8	-2.9%
Higher Education	1,129.5	1,131.9	1,165.2	33.3	2.9%
Other Education	386.6	398.5	380.4	-18.1	-4.6%
Agric./Nat'l. Res./Environment	146.6	122.8	119.5	-3.3	-2.7%
Other Executive Agencies 56	6.3	549.9	564.9	15.0	2.7%
Legislative 70.	8	76.4	76.7	0.3	0.4%
Judiciary 34	3.8	369.1	374.8	5.7	1.5%
Other Post Employment Benefits	100.0	0.0	0.0	0.0	n/a
Subtotal	\$5,929.9	\$5,912.8	\$5,910.7	-\$2.1	0.0%
Subtotal \$14	,283.5	\$14,119.1	\$13,678.8	-\$440.2	-3.1%
Capital/Heritage Reserve Fund	41.9	23.0	8.2	-14.9	-64.5%
Transfer to MDTA	0.0	65.0	0.0	-65.0	-100.0%
Reserve Funds ⁽¹⁾ 16	2.8	146.5	139.9	-6.6	-4.5%
Appropriations \$1	4,488.2	\$14,353.6	\$13,827.0	-\$526.7	-3.7%
Reversions 0.0		-38.4	-30.0	8.4	-21.8%
Grand Total	\$14,488.2	\$14,315.2	\$13,797.0	-\$518.3	-3.6%

MDTA: Maryland Transportation Authority

Note: The fiscal 2009 working appropriation includes the March 4, 2009 Board of Public Works actions, targeted reversions, deficiencies and legislative cuts to the deficiencies.

⁽¹⁾ Excludes \$65 million in fiscal 2009 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MDTA line. Also excludes \$100 million in fiscal 2008 for the Other Post Employment Benefits liability which is included under the State agencies.

Exhibit 1.15 (Continued)
State Expenditures – Special and Higher Education Funds*
(\$ in Millions)

Category FY	Actual 2008 FY	Legi Work. Appr. 2009 FY	slative Appropriation 2010 \$	FY 2009-2010 Change	% Change
Debt Service	\$782.2	\$887.4	\$944.7	\$57.2	6.5%
Aid to Local Governments					
County/Municipal 664.8		536.1 356.3		-179.8	-33.5%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries 0.	2 1.4		41.2	39.8	2856.5%
Health 0.0		0.0	0.0	0.0	n/a
Subtotal	\$665.0	\$537.5	\$397.5	-\$140.0	-26.0%
Entitlements					
Foster Care Payments	0.1	0.1	0.1	0.0	0.0%
Assistance Payments	13.4 13.4		13.4	0.0	0.0%
Medical Assistance	231.4 395.8		425.8	30.0	7.6%
Property Tax Credits	0.5	0.0	0.0	0.0	n/a
Subtotal	\$245.4	\$409.3	\$439.3	\$30.0	7.3%
State Agencies					
Health 232.8		266.8	279.0	12.2	4.6%
Human Resources	86.1	58.5	74.5	16.0	27.4%
Systems Reform Initiative	0.6	0.7	0.0	-0.7	-100.0%
Juvenile Services	0.4	0.2	0.2	0.0	0.0%
Public Safety/Police	203.1	213.7	221.2	7.5	3.5%
Higher Education	3,098.4	3,387.4 3,414.5		27.0	0.8%
Other Education	37.6	42.8	45.0	2.1	5.0%
Transportation 1,399.2		1,460.1 1,470.1		10.0	0.7%
Agric./Nat'l Res./Environment 119.1		179.6	193.9	14.3	8.0%
Other Executive Agencies	438.3	541.5	550.0	8.6	1.6%
Legislative 0.2		0.3	0.1	-0.2	-66.7%
Judiciary 39.1		53.8	53.0	-0.8	-1.5%
Subtotal	\$5,655.0	\$6,205.4	\$6,301.5	\$96.1	1.5%
Subtotal \$7,347.5		\$8,039.6 \$8,083.0		\$43.4	0.5%
Capital 1,172.4		1,155.3	1,055.7	-99.6	-8.6%
Grand Total	\$8,519.8	\$9,194.9	\$9,138.8	-\$56.2	-0.6%

* Includes higher education fund (current unrestricted and current restricted) net of general and special funds.

Note: The fiscal 2009 working appropriations reflects the March 4, 2009 Board of Public Works actions and deficiencies.

Exhibit 1.15 (Continued)
State Expenditures – Federal Funds
(\$ in Millions)

Category FY	Actual 2008 FY	Work. Appr. 2009 FY	Legislative Appropriation 2010 \$	FY 2009-2010 Change %	Change
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n/a
Aid to Local Governments					
County/Municipal 42.0		45.5	82.0	36.5	80.2%
Community Colleges	0.0	0.0	14.5	14.5	n/a
Education/Libraries 707.	7 699.4		1,271.5	572.1	81.8%
Health 4.5		4.5	4.5	0.0	0.0%
Subtotal	\$754.2	\$749.4	\$1,372.5	\$623.1	83.2%
Entitlements					
Foster Care Payments	106.2	133.6	126.0	-7.5	-5.6%
Assistance Payments	511.3 515.7		615.5	99.7	19.3%
Medical Assistance	2,418.6	3,183.3 3,510.9		327.6	10.3%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
Subtotal	\$3,036.1	\$3,832.6	\$4,252.4	\$419.8	11.0%
State Agencies					
Health 808.5		883.2	902.8	19.7	2.2%
Human Resources	475.6	528.8	516.3	-12.5	-2.4%
Systems Reform Initiative	14.9	7.3	7.3	0.0	0.0%
Juvenile Services	9.4	11.7	15.1	3.4	28.8%
Public Safety/Police	17.1	29.1	73.6	44.5	152.9%
Higher Education	0.0	0.0	17.6	17.6	n/a
Other Education	203.8	244.3	237.3	-7.0	-2.9%
Transportation 79.2		80.1	80.6	0.4	0.5%
Agric./Nat'l Res./Environment	54.7	66.1	70.9	4.8	7.2%
Other Executive Agencies	414.0	473.0	597.4	124.4	26.3%
Judiciary 3.3		4.4	4.2	-0.2	-3.7%
Subtotal	\$2,080.4	\$2,328.0	\$2,523.1	\$195.1	8.4%
Subtotal \$5,870.8		\$6,910.0	\$8,147.9 \$1,238.0		17.9%
Capital 690.6		788.6	1,160.1	371.6	47.1%
Grand Total	\$6,561.3	\$7,698.5 \$9,308.1		\$1,609.5	20.9%

Note: The fiscal 2009 working appropriations reflects the March 4, 2009 Board of Public Works actions and deficiencies.

Exhibit 1.15 (Continued)
State Expenditures – State Funds
(\$ in Millions)

Category FY	Actual 2008 FY	Adjusted Work. Appr. 2009 FY	Legislative Appropriation 2010 \$	FY 2009-2010 Change %	Change
Debt Service	\$811.5	\$887.4	\$944.7	\$57.2	6.5%
Aid to Local Governments					
County/Municipal 906.5		750.8 567.4		-183.4	-24.4%
Community Colleges	241.7	254.7	252.8	-1.9	-0.7%
Education/Libraries 5,223.2		5,438.2 5,271.3		-166.9	-3.1%
Health 67.0		57.4	57.4	0.0	0.0%
Subtotal	\$6,438.3	\$6,501.1	\$6,148.8	-\$352.3	-5.4%
Entitlements					
Foster Care Payments	246.4	243.1	244.2	1.1	0.5%
Assistance Payments	47.1	51.6	48.9	-2.7	-5.2%
Medical Assistance	2,445.9	2,300.1 2,102.1		-198.0	-8.6%
Property Tax Credits	56.8	57.3	61.0	3.8	6.6%
Subtotal	\$2,796.3	\$2,652.0	\$2,456.2	-\$195.8	-7.4%
State Agencies					
Health 1,602.3		1,668.1 1,710.4		42.3	2.5%
Human Resources	381.8	366.9	361.3	-5.6	-1.5%
Systems Reform Initiative	39.3	31.4	29.1	-2.3	-7.4%
Juvenile Services	267.2	267.2	262.3	-4.9	-1.8%
Public Safety/Police	1,418.7	1,470.4	1,441.0	-29.3	-2.0%
Higher Education	4,227.8	4,519.3 4,579.6		60.3	1.3%
Other Education	424.3	441.4	425.4	-16.0	-3.6%
Transportation 1,399.2		1,460.1 1,470.1		10.0	0.7%
Agric./Nat'l Res./Environment	265.7	302.4	313.4	11.1	3.7%
Other Executive Agencies	1,004.6 1,091.4		1,114.9	23.5	2.2%
Legislative 71.1		76.7	76.8	0.1	0.1%
Judiciary 382.9		422.9	427.8	4.9	1.2%
Other Post Employment Benefits	100.0	0.0	0.0	0.0	n/a
Subtotal	\$11,584.9	\$12,118.2	\$12,212.2	\$94.0	0.8%
Subtotal \$21,631.0		\$22,158.7	\$21,761.9	-\$396.8	-1.8%
Capital/Heritage Reserve Fund	1,214.3 1,178.3		1,063.9	-114.4	-9.7%
Transfer to MDTA	0.0	65.0 0.0		-65.0	-100.0%
Reserve Funds ⁽¹⁾ 162.8		146.5	139.9	-6.6	-4.5%
Appropriations \$23,008.1		\$23,548.5	\$22,965.7	-\$582.8	-2.5%
Reversions 0.0		-38.4	-30.0	8.4	-21.8%
Grand Total	\$23,008.1	\$23,510.2	\$22,935.7	-\$574.4	-2.4%

MDTA: Maryland Transportation Authority

Note: The fiscal 2009 working appropriation includes the March 4, 2009 Board of Public Works actions, targeted reversions, deficiencies and legislative cuts to the deficiencies.

⁽¹⁾ Excludes \$65 million in fiscal 2009 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MDTA line. Also excludes \$100 million in fiscal 2008 for the Other Post Employment Benefits liability which is included under the State agencies.

Exhibit 1.15 (Continued)
State Expenditures – All Funds
(\$ in Millions)

Category FY	Actual 2008 FY	Adjusted Work. Appr. 2009 FY	Legislative Appropriation 2010 \$	FY 2009-2010 Change %	Change
Debt Service	\$811.5	\$887.4	\$944.7	\$57.2	6.5%
Aid to Local Governments					
County/Municipal 948.5		796.3 649.4		-146.9	-18.5%
Community Colleges	241.7	254.7	267.3	12.6	4.9%
Education/Libraries 5,930.	9 6,137.6		6,542.8	405.2	6.6%
Health 71.5		61.9	61.9	0.0	0.0%
Subtotal	\$7,192.5	\$7,250.5	\$7,521.3	270.8	3.7%
Entitlements					
Foster Care Payments	352.6	376.6	370.2	-6.4	-1.7%
Assistance Payments	558.4 567.3		664.4	97.0	17.1%
Medical Assistance	4,864.5	5,483.4 5,613.0		129.6	2.4%
Property Tax Credits	56.8	57.3	61.0	3.8	6.6%
Subtotal	\$5,832.4	\$6,484.6	\$6,708.6	224.0	3.5%
State Agencies					
Health 2,410.8		2,551.3 2,613.3		61.9	2.4%
Human Resources	857.4	895.7	877.6	-18.1	-2.0%
Systems Reform Initiative	54.2	38.7	36.4	-2.3	-6.0%
Juvenile Services	276.6	278.9	277.4	-1.5	-0.5%
Public Safety/Police	1,435.7 1,499.5		1,514.7	15.2	1.0%
Higher Education	4,227.8	4,519.3 4,597.3		78.0	1.7%
Other Education	628.0	685.7	662.7	-23.0	-3.4%
Transportation 1,478.5		1,540.2 1,550.7		10.4	0.7%
Agric./Nat'l. Res./Environment 320.4		368.5	384.3	15.8	4.3%
Other Executive Agencies	1,418.6 1,564.4		1,712.3	147.9	9.5%
Legislative 71.1		76.7	76.8	0.1	0.1%
Judiciary 386.2		427.3	432.0	4.7	1.1%
Other Post Employment Benefits	100.0	0.0	0.0	0.0	n/a
Subtotal	\$13,665.3	\$14,446.2	\$14,735.3	\$289.1	2.0%
Subtotal \$27,501.7		\$29,068.7 \$29,909.8		\$841.2	2.9%
Capital/Heritage Reserve Fund 1,904.9		1,966.9	2,224.0 257.1		13.1%
Transfer to MDTA	0.0	65.0 0.0		-65.0	-100.0%
Reserve Funds ⁽¹⁾ 162.8		146.5	139.9	-6.6	-4.5%
Appropriations \$29,569.4		\$31,247.1 \$32,273.8		\$1,026.7	3.3%
Reversions 0.0		-38.4	-30.0	8.4	-21.8%
Grand Total	\$29,569.4	\$31,208.7 \$32,243.8		\$1,035.1	3.3%

MDTA: Maryland Transportation Authority

Note: The fiscal 2009 working appropriation includes the March 4, 2009 Board of Public Works actions, targeted reversions, deficiencies and legislative cuts to the deficiencies.

⁽¹⁾ Excludes \$65 million in fiscal 2009 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MDTA line. Also excludes \$100 million in fiscal 2008 for the Other Post Employment Benefits liability which is included under the State agencies.

Chapter Two – State Capital Program

- Summary
- Debt Affordability
- Debt Management
- Higher Education
- School Construction
- Transfer Tax

Summary

The 2009 General Assembly passed a capital budget program totaling \$3.505 billion, including \$1.720 billion for the transportation program. Apart from transportation, the program totals \$1.785 billion: \$1.110 billion is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan of 2009 (MCCBL), the 2009 capital budget bill **House Bill 102 (Chapter 485)**; \$498.0 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$80.0 million is funded with revenue bonds to be issued by the Maryland Department of the Environment (MDE) to support State and local efforts to upgrade wastewater treatment plants; up to an additional \$70.0 million of revenue bonds can be issued to support Department of Natural Resources (DNR) Program Open Space (POS) as authorized by **House Bill 783 (Chapter 419)**; and \$27.0 million is funded with academic revenue bonds for University System of Maryland facilities authorized in **House Bill 598 (Chapter 409)**.

Exhibit 2.1 presents an overview of the State's capital program for fiscal 2010, **Exhibit 2.2** lists capital projects and programs by function and fund source, and **Exhibit 2.3** provides the individual legislative initiative projects funded in the 2009 MCCBL. The 2009 MCCBL includes funding for:

- State facilities, including colleges and universities, hospitals, District Court facilities, Department of Disabilities accessibility modifications, and correctional facilities;
- grants to local governments for school construction, community college facilities, and local detention centers;
- health and social services facilities, such as senior citizen centers, juvenile services facilities, community health and addiction facilities, and low-income housing;
- environmental programs, such as the Chesapeake Bay Water Quality programs, underground heating and oil storage tank replacement, Community Parks and Playgrounds, Agricultural Cost-Share and Tobacco Transition programs, and Drinking and Stormwater programs; and
- local projects and legislative initiatives.

Exhibit 2.1
Summary of the Capital Program
(\$ in Millions)

Function	Bonds		Current Funds (PAYGO)			Total
	General Obligation	Revenue	General	Special	Federal	
State Facilities						\$75.2
Facilities Renewal	\$22.4	\$0.0	\$0.0	\$0.0	\$0.0	
Other	34.4	0.0	0.0	0.1	18.3	
Health/Social						35.5
State Facilities	19.8	0.0	0.0	0.0	0.0	
Private Hospitals	5.0	0.0	0.0	0.0	0.0	
Other	10.7	0.0	0.0	0.0	0.0	
Environment						667.2
Energy	0.0	0.0	0.0	10.0	0.0	
Natural Resources	101.9	70.0	0.0	23.9	13.4	
Agriculture	25.0	0.0	0.0	15.9	2.0	
Environment	30.5	80.0	0.0	141.6	145.8	
Maryland Environmental Service	7.2	0.0	0.0	0.0	0.0	
Public Safety						156.1
State Corrections	63.9	0.0	0.0	0.0	10.0	
State Police	64.2	0.0	0.0	0.0	0.5	
Local Jails	17.5	0.0	0.0	0.0	0.0	
Education						284.9
School Construction	266.4	0.0	0.0	0.0	0.0	
Other	18.5	0.0	0.0	0.0	0.0	
Higher Education						333.2
University System	134.7	27.0	0.0	0.0	0.0	
Morgan State University	44.8	0.0	0.0	0.0	0.0	
St. Mary's College	1.7	0.0	0.0	0.0	0.0	
Community Colleges	87.5	0.0	0.0	0.0	0.0	
Private Colleges/Universities	9.0	0.0	0.0	0.0	0.0	
Medical System	28.5	0.0	0.0	0.0	0.0	
Housing/Community Development						106.2
Housing	19.2	0.0	0.0	23.6	52.1	
Other	1.0	0.0	7.0	3.3	0.0	

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Function	Bonds		Current Funds (PAYGO)			Total
	General Obligation	Revenue	General	Special	Federal	
Local Projects/Miscellaneous						127.0
Administration	57.0	0.0	0.0	0.0	0.0	
Legislative	15.0	0.0	0.0	0.0	0.0	
Highways – InterCounty Connector	55.0	0.0	0.0	0.0	0.0	
Deauthorizations						-30.8
Deauthorization	-30.8	0.0	0.0	0.0	0.0	
Total Fiscal 2010	\$1,110.0	\$177.0	\$7.0	\$218.4	\$242.1	\$1,754.5
Fiscal 2009 Deficiencies	\$0.0	\$0.0	\$0.0	\$0.0	\$30.5	\$30.5
Transportation	\$0.0	\$325.0	\$0.0	\$394.3	\$1,000.8	\$1,720.1
Grand Total Fiscal 2010	\$1,110.0	\$502.0	\$7.0	\$612.7	\$1,273.4	\$3,505.1

Exhibit 2.2
Capital Program – 2009 Session

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
State Facilities							
DA02.01A	DOD: Accessibility Modifications	\$1,600,000	\$0	\$0	\$0	\$0	\$1,600,000
DE02.01A	BPW: Lowe House Building Alterations	4,000,000	0	0	0	0	4,000,000
DE02.01B	BPW: State House Old House Chamber	3,136,000	0	0	0	0	3,136,000
DE02.01C	BPW: DGS Facility Renewal Fund	10,403,000	0	0	0	0	10,403,000
DE02.01D	BPW: DGS Asbestos Abatement Program	2,000,000	0	0	0	0	2,000,000
DE02.01E	BPW: DGS Underground Storage Tank	1,368,000	0	0	0	0	1,368,000
DE02.01F	BPW: Catonsville District Court	350,000	0	0	0	0	350,000
DE02.01G	BPW: Rockville District Court	17,990,000	0	0	0	0	17,990,000
D50H01.04	Military Department: Salisbury Armory	5,701,000	0	0	0	9,800,000	15,501,000
D50H01.04s2	Military Department: Edgewood Readiness Ctr.	0	0	0	0	4,100,000	4,100,000
D55P00.04A	Veterans Affairs: Eastern Shore Cemetery	0	0	35,000	0	431,000	466,000
D55P00.04B	Veterans Affairs: Rocky Gap Cemetery	0	0	25,000	0	245,000	270,000
D55P00.06s2	Veterans Home Program	0	0	0	0	3,700,000	3,700,000
DW01.08A	Planning: Jefferson Patterson – Renovations	1,876,000	0	0	0	0	1,876,000
FB04A	DoIT: High Speed Data Network	950,000	0	0	0	0	950,000
FB04B	DoIT: Public Safety Communications System	7,500,000	0	0	0	0	7,500,000
Subtotal		\$56,874,000	\$0	\$60,000	\$0	\$18,276,000	\$75,210,000
Health/Social							
DA07A	Aging: Senior Centers Grant Program	\$1,683,000	\$0	\$0	\$0	\$0	\$1,683,000
MA01A	DHMH: Community Health Facilities	8,414,000	0	0	0	0	8,414,000

Effect of the 2009 Legislative Program on the Financial Condition of the State

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
MF03A	DHMH: Deer's Head Center – Kidney Dialysis	608,000	0	0	0	0	608,000
MF05A	DHMH: New Forensic Medical Center	2,846,000	0	0	0	0	2,846,000
MJ02A	DHMH: New Public Health Laboratory	6,450,000	0	0	0	0	6,450,000
ML01A	DHMH: Patient Safety Improvements	4,000,000	0	0	0	0	4,000,000
VD01B	DJS: Baltimore City Juvenile Treatment Ctr.	4,000,000	0	0	0	0	4,000,000
VE01A	DJS: Cheltenham – New Detention Center	2,547,000	0	0	0	0	2,547,000
ZA03A	MHA: Kennedy Krieger – Pediatric Inpatient	600,000	0	0	0	0	600,000
ZA03B	MHA: Sinai Hospital – Post Anesthesia	260,000	0	0	0	0	260,000
ZA03C	MHA: Calvert Memorial – Emergency Dept.	800,000	0	0	0	0	800,000
ZA03D	MHA: Civista Medical – Dialysis Center	90,000	0	0	0	0	90,000
ZA03E	MHA: Upper Chesapeake – Residential Hospice	600,000	0	0	0	0	600,000
ZA03F	MHA: Howard County General – Progressive Care	250,000	0	0	0	0	250,000
ZA03G	MHA: Chester River Hospital – Pharmacy	330,000	0	0	0	0	330,000
ZA03H	MHA: St. Mary's Hospital – Medical Surgical Unit	1,800,000	0	0	0	0	1,800,000
ZA03I	MHA: Atlantic General – Pharmacy	270,000	0	0	0	0	270,000
Subtotal		\$35,548,000	\$0	\$0	\$0	\$0	\$35,548,000
Environment							
D13A13.02	MEA: Jane E. Lawton Conservation Program	\$0	\$0	\$0	\$6,750,000	\$0	\$6,750,000
D13A13.03	MEA: State Agency Loan Program	0	0	0	3,250,000	0	3,250,000
K00A05.10A	DNR: Rural Legacy Program	11,812,252	0	0	0	0	11,812,252 ⁴
K00A05.10B	DNR: Program Open Space	71,300,000	70,000,000	0	18,856,906	2,000,000	162,156,906 ⁴
K00A05.10C	DNR: Natural Resources Development	8,978,984	0	0	0	8,984,000	17,962,984 ⁴
K00A05.10D	DNR: Critical Maintenance Projects	1,250,000	0	0	0	0	1,250,000 ⁴
K00A05.10E	DNR: Dam Rehabilitation Program	500,000	0	0	0	1,400,000	1,900,000 ⁴

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
K00A11.02	DNR: Waterway Improvement Fund	0	0	0	5,000,000	1,000,000	6,000,000
KA05A	DNR: Community Parks and Playgrounds	5,000,000	0	0	0	0	5,000,000
KA17A	DNR: Aquatic Life Restoration Program	3,000,000	0	0	0	0	3,000,000
L00A11.11	MDA: Agricultural Land Preservation	12,999,780	0	0	10,585,220	2,000,000	25,585,000 ⁴
L00A12.13	MDA: Tobacco Transition Program	5,000,000	0	0	5,335,000	0	10,335,000
LA15A	MDA: Agricultural Cost-Share Program	7,000,000	0	0	0	0	7,000,000
U00A01.03	MDE: Water Quality Loan Program	3,292,000	0	0	86,208,000	16,500,000	106,000,000
U00A01.03S1	MDE: Water Quality Loan Program	0	0	0	0	96,000,000	96,000,000
U00A01.05	MDE: Drinking Water Loan Program	2,242,000	0	0	4,383,000	6,375,000	13,000,000
U00A01.05S1	MDE: Drinking Water Loan Program	0	0	0	0	27,000,000	27,000,000
U00A01.11A	MDE: Chesapeake Bay Restoration – ENR	0	80,000,000	0	50,000,000	0	130,000,000
U00A01.12	MDE: Chesapeake Bay Restoration – Septic	0	0	0	1,000,000	0	1,000,000
UA04A(1)S1	MDE: CBWQ Nutrient Removal – BNR	16,000,000	0	0	0	0	16,000,000
UA04A(2)S1	MDE: Supplemental Assistance Program	5,000,000	0	0	0	0	5,000,000
UA04A(3)	MDE: Small Creek and Estuary Restoration	969,000	0	0	0	0	969,000
UA04A(4)	MDE: CBWQ Stormwater Pollution	531,000	0	0	0	0	531,000
UA04B	MDE: Water Supply Assistance Program	2,500,000	0	0	0	0	2,500,000
UB00A1	MES: Water/Sewer Infrastructure – Charlotte Hall	210,000	0	0	0	0	210,000
UB00A2	MES: Water/Sewer Infrastructure – Cheltenham	337,000	0	0	0	0	337,000
UB00A3	MES: Water/Sewer Infrastructure – East Pre-release	440,000	0	0	0	0	440,000
UB00A4	MES: Water/Sewer Infrastructure – Elk Neck	1,151,000	0	0	0	0	1,151,000
UB00A5	MES: Water/Sewer Infrastructure – JCC	4,459,000	0	0	0	0	4,459,000
UB00A6	MES: Water/Sewer Infrastructure – MCI-H	438,000	0	0	0	0	438,000
UB00A3	MES: Water/Sewer Infrastructure – South Pre-release	198,000	0	0	0	0	198,000
Subtotal \$164,608,016			\$150,000,000	\$0	\$191,368,126	\$161,259,000	\$667,235,142

		Bonds	Current Funds (PAYGO)				
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
Public Safety							
Q00A01.05	DPSCS: Jessup Community Corrections Facility	\$13,224,000	\$0	\$0	\$0	\$10,000,000	\$23,224,000
QB08.01A	DPSCS: WCI – Vocational Education Building	11,166,000	0	0	0	0	11,166,000
QB08.01B	DPSCS: WCI – Rubble Landfill Closure Cap	1,815,000	0	0	0	0	1,815,000
QB08.02A	DPSCS: NBCI – MCE Upholstery Plant	6,845,000	0	0	0	0	6,845,000
QD00A	DPSCS: Patuxent Inst. Fire Safety Improvements	11,881,000	0	0	0	0	11,881,000
QG00A	DPSCS: Public Safety Training Ctr. Rifle Range	1,172,000	0	0	0	0	1,172,000
QP00A	DPSCS: Baltimore Correctional – Women’s Ctr.	5,959,000	0	0	0	0	5,959,000
QP00B	DPSCS: Baltimore Correctional – Youth Ctr.	11,800,000	0	0	0	0	11,800,000
W00A01.13s2	DSP: Data Center	0	0	0	0	496,857	496,857
WA00A	DSP: Headquarters Building K	1,665,000	0	0	0	0	1,665,000
WA00B	DSP: State Police Helicopter Replacement	52,500,000	0	0	0	0	52,500,000
WA01C	DSP: New Hagerstown Barrack and Garage	10,050,000	0	0	0	0	10,050,000
ZB02A	Local Jails: Cecil County – Additions/Alterations	9,857,000	0	0	0	0	9,857,000
ZB02B	Local Jails: Prince George’s – 96-Bed Housing	7,635,000	0	0	0	0	7,635,000
ZB02C	Local Jails: St. Mary’s – Minimum Security	0	0	0	0	0	0
Subtotal		\$145,569,000	\$0	\$0	\$0	\$10,496,857	\$156,065,857
Education							
D25E03.02	Aging Schools Program	\$6,108,986	\$0	\$0	\$0	\$0	\$6,108,988
DE02.02A	Public School Construction	260,000,000	0	0	0	0	260,000,000
DE02.02B	Relocatable Classrooms	250,000	0	0	0	0	250,000
RA01A	MSDE: County Library Capital Grants	5,000,000	0	0	0	0	5,000,000
RA01B	MSDE: Western Maryland Regional Library	5,000,000	0	0	0	0	5,000,000
RA01C	MSDE: State Library Resource Center	1,550,000	0	0	0	0	1,550,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RE01A	MD School for Deaf – Bus Loop and Parking	205,000	0	0	0	0	205,000
RE01B	MD School for Deaf – Cafeteria/Student Ctr.	5,284,000	0	0	0	0	5,284,000
RE01C	MD School for Deaf – Parking/Athletic Field	1,487,000	0	0	0	0	1,487,000
	Subtotal	\$284,884,986	\$0	\$0	\$0	\$0	\$284,884,988
	Higher Education						
RB21A	UMB: Pharmacy Hall Addition and Renovation	\$13,756,305	\$0	\$0	\$0	\$0	\$13,756,305
RB22A	UMCP: Physical Sciences Complex – Phase I	4,618,000	0	0	0	0	4,618,000
RB22B	UMCP: Maryland Fire & Rescue Institute	7,700,000	0	0	0	0	7,700,000
RB23A	BSU: Campuswide Site Improvements	3,237,000	0	0	0	0	3,237,000
RB23B	BSU: New Fine & Performing Arts Complex	25,028,000	9,000,000	0	0	0	34,028,000 ⁶
RB24A	TU: New College of Liberal Arts Complex	34,725,000	1,000,000	0	0	0	35,725,000 ⁷
RB27B	CSU: Science and Technology Center	9,745,000	0	0	0	0	9,745,000
RB27C	CSU: Data Centers Expansion	2,371,000	0	0	0	0	2,371,000
RB28A	UB: New Law School	5,416,000	0	0	0	0	5,416,000
RB29A	SU: New Perdue School of Business	28,000,000	0	0	0	0	28,000,000 ⁸
RB36rb	USM: Facility Renewal	0	17,000,000	0	0	0	17,000,000
RC00A	BCCC: Main Building Renovation – Liberty	3,214,000	0	0	0	0	3,214,000
RD00A	SMC: Anne Arundel Hall Reconstruction	1,685,000	0	0	0	0	1,685,000
RI00A	MHEC: Community College Const. Grant	84,332,000	0	0	0	0	84,332,000 ⁹
RM00A	MSU: Campuswide Utilities Upgrade	5,264,000	0	0	0	0	5,264,000
RM00B	MSU: Campuswide Site Improvements	6,321,000	0	0	0	0	6,321,000
RM00C	MSU: Montebello & Northwood Demolition	2,185,000	0	0	0	0	2,185,000
RM00D	MSU: Lillie Carroll Jackson Museum	2,763,000	0	0	0	0	2,763,000
RM00E	MSU: New Center for Built Environment	27,370,000	0	0	0	0	27,370,000 ¹⁰

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RM00F	MSU: New School of Business Complex	942,794	0	0	0	0	942,794
RQ00A	UMMS: R Adams Cowley Shock Trauma Ctr. I	13,500,000	0	0	0	0	13,500,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Ctr. II	15,000,000	0	0	0	0	15,000,000
ZA01N	MICUA: Baltimore International College	3,000,000	0	0	0	0	3,000,000
ZA01O	MICUA: College of Notre Dame of MD	3,500,000	0	0	0	0	3,500,000
ZA01P	MICUA: Capitol College	2,500,000	0	0	0	0	2,500,000
Subtotal		\$306,173,099	\$27,000,000	\$0	\$0	\$0	\$333,173,099
Housing/Community Development							
DB01A	Historic St. Mary's: Interpretive Center	\$816,000	\$0	\$0	\$0	\$0	\$816,000
D40W01.10A	Planning: Maryland Historical Trust Loan	150,000	0	0	150,000	0	300,000
D40W01.12	Planning: Historic Tax Credit Fund	0	0	7,000,000	0	0	7,000,000
S00A24.02A	DHCD: Community Development Block Grants	0	0	0	0	11,000,000	11,000,000
S00A24.02B	DHCD: Neighborhood Business Development	0	0	0	3,100,000	0	3,100,000
S00A24.02S1	DHCD: Neighborhood Revitalization	0	0	0	0	2,152,108	2,152,108
S00A25.07	DHCD: Rental Housing Programs	2,900,000	0	0	12,600,000	4,750,000	20,250,000
S00A25.07S1	DHCD: Rental Housing Programs	0	0	0	0	31,702,000	31,702,000
S00A25.08	DHCD: Homeownership Programs	2,800,000	0	0	5,700,000	0	8,500,000
S00A25.09	DHCD: Special Loan Programs	1,850,000	0	0	5,300,000	2,500,000	9,650,000
SA24A	DHCD: Community Legacy Program	4,200,000	0	0	0	0	4,200,000
SA25A	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25B	DHCD: Shelter and Transitional Housing Facility	1,500,000	0	0	0	0	1,500,000
Subtotal		\$20,216,000	\$0	\$7,000,000	\$26,850,000	\$52,104,108	\$106,170,108

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
Local Projects							
ZA00A	Misc: Charles E. Smith Life Communities	\$650,000	\$0	\$0	\$0	\$0	\$650,000
ZA00B	Misc: East Baltimore Biotechnology Park	5,000,000	0	0	0	0	5,000,000
ZA00C	Misc: Forbush School	2,500,000	0	0	0	0	2,500,000
ZA00D	Misc: GREEN HOUSE at Stadium Place	4,500,000	0	0	0	0	4,500,000
ZA00E	Misc: Housing and Resource Center	2,000,000	0	0	0	0	2,000,000
ZA00F	Misc: MDTA – InterCounty Connector	55,000,000	0	0	0	0	55,000,000
ZA00G	Misc: Jewish Council for the Aging	275,000	0	0	0	0	275,000
ZA00H	Misc: Jewish Foundation for Group Homes	75,000	0	0	0	0	75,000
ZA00I	Misc: Johns Hopkins Medicine/Critical Care	7,000,000	0	0	0	0	7,000,000
ZA00J	Misc: Johns Hopkins Medicine/Pediatric Center	10,000,000	0	0	0	0	10,000,000
ZA00K	Misc: Kennedy Krieger/Inpatient Clinical Bldg.	2,000,000	0	0	0	0	2,000,000
ZA00L	Misc: Lyric Opera House – State House	1,500,000	0	0	0	0	1,500,000
ZA00M	Misc: Maryland Hall for the Creative Arts	500,000	0	0	0	0	500,000
ZA00Q	Misc: National Children’s Museum	1,500,000	0	0	0	0	1,500,000
ZA00R	Misc: Park Heights Redevelopment	1,500,000	0	0	0	0	1,500,000
Z00S	Misc: Robert E. Lee Park	3,000,000	0	0	0	0	3,000,000
Z00T	Misc: Sinai Hospital – Pediatric Wing	2,500,000	0	0	0	0	2,500,000
ZA00U	Misc: St. Ann’s Infant and Maternity Home	750,000	0	0	0	0	750,000
ZA00V	Misc: WestSide Revitalization	2,000,000	0	0	0	0	2,000,000
ZA00W	Misc: Linthicum Veterans Memorial	185,000	0	0	0	0	185,000
ZA00X	Misc: Knights of St. John Woodville School	225,000	0	0	0	0	225,000
ZA00Y	Misc: East Campus Redevelopment	5,000,000	0	0	0	0	5,000,000
ZA00Z	Misc: Garrett College Athletic and Recreation Ctr.	3,000,000	0	0	0	0	3,000,000
ZA00AA	Misc: Maryland Science Center	300,000	0	0	0	0	300,000
ZA00AB	Misc: Anne Arundel Community College Turf Field	1,000,000	0	0	0	0	1,000,000
ZA01	Legislative Initiative Grants	15,000,000	0	0	0	0	15,000,000
Subtotal		\$126,960,000	\$0	\$0	\$0	\$0	\$126,960,000

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
Deauthorizations							
ZF00	Deauthorization s as Introduced	-\$11,164,000	\$0	\$0	\$0	\$0	-\$11,164,000
Additional	Deauthorizations	-19,669,101	0	0	0	0	-19,669,101
Subtotal \$1,110,000		,000	\$177,000,000	\$7,060,000	\$218,218,126	\$242,135,965	\$1,754,414,093
Fiscal 2009 Deficiencies							
K00A05.10	DNR: Program Open Space	\$0	\$0	\$0	\$0	\$6,490,078	\$6,490,078
S00A24.02	DHCD: Neighborhood Revitalization	0	0	0	0	17,357,928	17,357,928
S00A24.07	DHCD: Rental Housing Programs	0	0	0	0	6,676,126	6,676,126
Subtotal		\$0	\$0	\$0	\$0	\$30,524,132	\$30,524,132
Non-transportation Total		\$1,110,000,000	\$177,000,000	\$7,060,000	\$218,218,126	\$272,660,097	\$1,784,938,225
Transportation		\$0	\$325,000,000	\$0	\$394,340,835	\$1,000,827,000	\$1,720,167,835
Grand Total		\$1,110,000,000	\$502,000,000	\$7,060,000	\$612,558,961	\$1,273,487,097	\$3,505,106,060

Notes:

¹ This amount does not include \$3.5 million preauthorized in the 2009 Maryland Consolidated Bond Loan (MCCBL) for fiscal 2011. The \$4.0 million authorization in addition to the pre-authorization will allow the project to be bid for construction in fiscal 2010.

² The 2008 MCCBL included a \$23.8 million pre-authorization for the Rockville District Court – the 2009 MCCBL as introduced reduced this pre-authorization to \$18.0 million. The 2008 MCCBL also included a \$14.8 million pre-authorization for the New Hagerstown Barrack and Garage, but the 2009 MCCBL increased this pre-authorization to \$15.1 million. Amendments to the capital budget bill reduce the 2008 session preauthorization for the New Hagerstown Barrack and Garage project by \$5.0 million and provide a pre-authorization for the remaining amount for fiscal 2011 with language that allows the project to be bid for construction in fiscal 2010.

³ The 2009 MCCBL as introduced included language authorizing the use of bond premiums from the sale of State general obligation bonds in March 2009 and in fiscal 2010 available in the State and Local Facilities Loan Fund for the Aging Schools Program. The final capital budget bill struck this language and instead provides general obligation bond funds for this purpose. The \$260.0 million for Public School Construction (IAC) is also supplemented with \$5.2 million from the IAC Contingency Fund bringing the total to \$265.2 million.

⁴ The Budget Reconciliation and Financing Act of 2009 provides for the transfer of \$172.0 million of transfer tax revenue to the general fund – the 2009 MCCBL replaces \$102.0 million of the transferred funds with general obligation bond funds – House Bill 783 allows for the sale of revenue bonds backed by future transfer tax revenues which can be used to replace up to an additional \$70.0 million of diverted transfer tax revenues and would provide the full replacement of all transfer tax diversions.

⁵ This amount does not include \$5.5 million preauthorized in the 2009 MCCBL for fiscal 2011.

⁶ This amount does not include \$27.0 million preauthorized in the 2009 MCCBL for fiscal 2011. The \$34.0 million general obligation bond and Academic Revenue Bond authorizations in addition to the pre-authorization will allow the project to be bid for construction in fiscal 2010.

⁷ This amount does not include \$35.8 million preauthorized in the 2009 MCCBL for fiscal 2011. The \$35.7 million general obligation bond and Academic Revenue Bond authorizations in addition to the pre-authorization will allow the project to be bid for construction in fiscal 2010.

⁸ This amount does not include \$14.3 million preauthorized in the 2009 MCCBL for fiscal 2011. The \$28.0 million authorization in addition to the pre-authorization will allow the project to be bid for construction in fiscal 2010.

⁹ This amount does not include \$39.6 million preauthorized in the 2009 MCCBL for fiscal 2011. The \$84.3 million authorization in addition to the pre-authorization will allow Prince George's Community College's Center for Health Studies, Montgomery College's Germantown Bioscience Center, Hagerstown Community College's Arts and Sciences Complex, and Wor-Wic Community College's Allied Health Building projects to be bid for construction in fiscal 2010 and allow the Community Colleges Facilities Grant Program to fund all 22 projects on the Maryland Association of Community Colleges' priority list during fiscal 2010.

¹⁰ This amount does not include \$26.9 million preauthorized in the 2009 MCCBL for fiscal 2011. The \$27.4 million authorization in addition to the pre-authorization will allow the project to be bid for construction in fiscal 2010.

¹¹ This amount does not include \$2.5 million preauthorized in the 2009 MCCBL for fiscal 2011.

¹² This does not reflect a \$114.0 million reduction in the amount of bonds to be issued due to revised forecasts for the special fund capital program. The revised estimates made between the January and March 2009 forecast indicate that the debt coverage ratio would be exceeded; therefore, the amount of anticipated bonds to be issued is expected to be \$114.0 million less than what is currently reflected in the fiscal 2010 appropriation.

BCCC: Baltimore City Community College

BNR: Biological Nutrient Removal

BPW: Board of Public Works

BSU: Bowie State University

CBWQ: Chesapeake Bay Water Quality

CSU: Coppin State University

DGS: Department of General Services

DHCD: Department of Housing and Community Development

DHMH: Department of Health and Mental Hygiene

DJS: Department of Juvenile Services

DNR: Department of Natural Resources

DOD: Department of Disabilities

DoIT: Department of Information Technology

DPSCS: Department of Public Safety and Correctional Services

DSP: Department of State Police

ENR: Enhanced Nutrient Removal

HSMCC: Historic St. Mary's City Commission

JCC: Jessup Community Corrections

MCE: Maryland Correctional Enterprises

MCI-H: Maryland Correctional Institution – Hagerstown

MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment

MDP: Maryland Department of Planning

MDTA: Maryland Transportation Authority

MEA: Maryland Energy Administration

MES: Maryland Environmental Service

MHA: Maryland Hospital Association

MHEC: Maryland Higher Education Commission

MICUA: Maryland Independent College and University Association

MSDE: Maryland State Department of Education

MSU: Morgan State University

NBCI: North Branch Correctional Institution

SMC: St. Mary's College

SU: Salisbury University

TU: Towson University

UB: University of Baltimore

UMB: University of Maryland, Baltimore

UMCP: University of Maryland, College Park

UMMS: University of Maryland Medical System

USM: University System of Maryland

WCI: Western Correctional Institution

Exhibit 2.3
Legislative Projects/Local Initiatives

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total</u>	<u>Funding</u>	<u>Match/Requirements</u>
Statewide						
Baltimore Museum of Industry – Life Safety System Upgrades	\$40,000		\$40,000		\$80,000	Soft (1, 2)
Capital Area Food Bank	125,000		175,000		300,000	Soft (1)
Easter Seals Inter-Generational Center	35,000		35,000		70,000	Hard
Maryland Food Bank Distribution Center Roof	125,000		125,000		250,000	Hard
Maryland Science Center Green Roof	100,000			\$300,000	400,000	Soft (all)
National Center for Children and Families Youth Activities Ctr.	100,000		150,000		250,000	Soft (3)
National Children’s Museum	1,750,000		1,750,000	1,500,000	5,000,000	Soft (3)
Port Discovery	100,000		225,000		325,000	Hard
Therapeutic Pool for People with Disabilities	125,000		225,000		350,000	Hard
Subtotal	\$2,500,000	\$2,725,000	\$000		\$7,025,000	
Allegany						
Allegany Museum	\$100,000		\$125,000		\$225,000	Soft (all)
Subtotal	\$100,000	\$125,000	\$000		\$225,000	
Anne Arundel						
Aleph Bet Jewish Day School			\$45,000		\$45,000	Soft (2, 3)
Annapolis Summer Garden Theatre Renovation	\$50,000				50,000	Hard
Benson-Hammond House Renovation	60,000				60,000	Soft (1, 2)
Coordinating Center for Home and Community Care Bldg. Facilities			30,000		30,000	Hard
Historical Freetown Renovation	150,000				150,000	Hard
Homeport Farm Park Building Rehabilitation Project	100,000				100,000	Hard
Light House Shelter			50,000		50,000	Soft (1, 3)
Linthicum Veterans Memorial				\$185,000	185,000	Grant
MTR Education and Rehabilitation Center			25,000		25,000	Soft (1, 3)
Southern High School Field House	50,000				50,000	Hard
Subtotal	\$410,000	\$150,000	\$000		\$745,000	

<u>Project Title</u>	<u>Hous</u>	<u>e Initiative</u>	<u>Senate</u>	<u>Initiative</u>	<u>Other</u>	<u>Total</u>	<u>Funding</u>	<u>Match/ Requirements</u>
Baltimore City								
Academy of Success Community Empowerment Center				\$50,000		\$50,000		Soft (2, 3)
American Visionary Art Museum		\$150,000				150,000		Soft (2, 3)
Center for Urban Families				75,000		75,000		Hard
Eastside Youth Center Expansion		75,000				75,000		Hard
Fine Arts Center for Archbishop Curley High School				200,000		200,000		Hard
Garrett-Jacobs Mansion		150,000		50,000		200,000		Soft (2, 3)
Girl Scout Urban Program and Training Center		100,000		50,000		150,000		Soft (all)
Healthy Start Client Service Center		150,000				150,000		Hard
Iota Phi Theta Love/Action Center				15,000		15,000		Hard
Parks and People Headquarters at Auchentoroly Terrace				50,000		50,000		Hard
Roland Park Fire Station Rehabilitation				110,000		110,000		Soft (U, 2, 3)
Southwest Senior and Community Multipurpose Center				125,000		125,000		Soft (all)
Women's Industrial Exchange				125,000		125,000		Soft (all)
Subtotal	\$625,	000	\$850,	000		\$1,475,000		
Baltimore								
Automotive Vocational Training Center		\$100,000		\$125,000		\$225,000		Soft (1, 2)
Good Shepherd Center				75,000		75,000		Hard
HopeWell Cancer Support Facility		200,000		50,000		250,000		Hard
Leadership Through Athletics Facility		35,000				35,000		Hard
Owings Mills Jewish Community Center		200,000		75,000		275,000		Soft (all)
Storyville Children's Learning Center – Woodlawn Library		250,000				250,000		Hard
Todd's Inheritance				50,000		50,000		Hard
Subtotal	\$785,	000	\$375,	000		\$1,160,000		
Calvert								
Exploration of Captain John Smith Exhibit		\$50,000				\$50,000		Soft (2)
North Beach Boardwalk				\$250,000		250,000		Soft (all)
Subtotal	\$50,	000	\$250,000			\$300,000		

<u>Project Title</u>	<u>Hous</u>	<u>e Initiative</u>	<u>Senate</u>	<u>Initiative</u>	<u>Other</u>	<u>Total</u>	<u>Funding</u>	<u>Match/ Requirements</u>
Caroline								
Adkins Arboretum Native Garden Gateway		\$100,000		\$25,000			\$125,000	Hard
Subtotal	\$100,	000		\$25,000			\$125,000	
Charles								
Hospice House		\$105,000		\$145,000			\$250,000	Soft (2)
Jaycees Field of Dreams				30,000			30,000	Soft (1, 2)
Subtotal	\$105,	000	\$175,	000			\$280,000	
Frederick								
Mental Health Association Building		\$200,000		\$50,000			\$250,000	Soft (3)
The John Hanson Memorial				50,000			50,000	Hard
Subtotal	\$200,	000	\$100,	000			\$300,000	
Harford								
The Citizens Care and Rehabilitation Center		\$200,000					\$200,000	Soft (3)
Subtotal	\$200,	000					\$200,000	
Howard								
Former Ellicott City Post Office				\$150,000			\$150,000	Soft (1)
Linwood Center		\$150,000					150,000	Soft (1)
Robinson Nature Center		150,000					150,000	Hard
Troy Regional Park				150,000			150,000	Hard
Subtotal	\$300,	000	\$300,	000			\$600,000	
Montgomery								
Black Rock Center for the Arts				\$50,000			\$50,000	Soft (2)
Dance Exchange				50,000			50,000	Soft (2)
Gaithersburg Community Museum		\$250,000					250,000	Hard
Imagination Stage		150,000		125,000			275,000	Soft (3)
Lake Whetstone Facilities				80,000			80,000	Hard
Latino Economic Development Corporation Facility				175,000			175,000	Soft (2, 3)

Project Title	House Initiative	Senate Initiative	Other Initiative	Total	Funding	Match/Requirements
MacDonald Knolls Center	100,000				100,000	Hard
Northgate Homes Lighting Upgrade			40,000		40,000	Hard
Olney Theatre Center Campus			150,000		150,000	Soft (all)
Poolesville Skate Park	100,000		75,000		175,000	Soft (U, 1)
RCI Group Home Renovations			30,000		30,000	Hard
Renovation of "Falling Green" at OBGC Park	100,000		50,000		150,000	Soft (all)
Rockville Historic Post Office Renovation			100,000		100,000	Soft (3)
Subtotal	\$700,000	\$925,000	\$000		\$1,625,000	
Prince George's						
African-American History Museum			\$50,000		\$50,000	Hard
Bowie Police Dispatch Center			25,000		25,000	Soft (1)
Capitol Heights Municipal Building	\$100,000				100,000	Soft (all)
Chosen Youth Group Basketball Court			25,000		25,000	Grant
Concord Historic Site			100,000		100,000	Hard
Cosca Regional Skate Park	250,000				250,000	Hard
District Heights Field Renovation	100,000		100,000		200,000	Soft (1)
Elizabeth Seton High School Sports Facilities			50,000		50,000	Hard (U)
Greenbelt Consumer Cooperative Renovation			100,000		100,000	Hard
Harmony Hall Manor			100,000		100,000	Hard
Kappa Alpha Psi Playground Equipment			10,000		10,000	Soft (3)
Knights of St. John Woodville School				\$225,000	225,000	Soft (1, 2)
LARS Facility Renovation	100,000				100,000	Hard
Laurel Boys and Girls Club			100,000		100,000	Soft (all)
Lincoln Vista Neighborhood Park Recreation Building			15,000		15,000	Soft (1)
Olde Mill Community and Teaching Center			25,000		25,000	Soft (1)
Palmer Park Boys and Girls Club			100,000		100,000	Grant
Shabach Adult Day Care and Senior Center			25,000		25,000	Soft (1)
South Bowie Boys and Girls Club Concession Stand	50,000				50,000	Hard (U)
Whitemarsh Turf Field			25,000		25,000	Soft (2)
YMCA Potomac Overlook	100,000				100,000	Soft (all)
Subtotal	\$700,000	\$850,000	\$000		\$1,775,000	

<u>Project Title</u>	<u>House</u>	<u>Senate Initiative</u>	<u>Other Initiative</u>	<u>Total</u>	<u>Funding</u>	<u>Match/ Requirements</u>
Queen Anne's						
Kennard High School Restoration		\$100,000	\$100,000		\$200,000	Soft (2, 3)
Subtotal	\$100,000	\$100,000	\$0		\$200,000	
St. Mary's						
Cedar Lane Apartment Renovations			\$125,000		\$125,000	Hard
Pathway's Facility Renovation		\$175,000			\$175,000	Soft (1)
Subtotal	\$175,000	\$125,000	\$0		\$300,000	
Talbot						
Oxford Community Center			\$75,000		\$75,000	Soft (2)
YMCA Fire Safety System Upgrade		\$100,000	\$25,000		\$125,000	Hard
Subtotal	\$100,000	\$100,000	\$25,000		\$225,000	
Washington						
Barbara Ingram School for the Arts			\$150,000		\$150,000	Soft (all)
Doleman Black Heritage Museum			\$25,000		\$25,000	Hard
Museum of Fine Arts		\$100,000			\$100,000	Hard
Subtotal	\$100,000	\$175,000	\$0		\$275,000	
Wicomico						
Parsonsborg Volunteer Fire Company Community Center		\$250,000			\$250,000	Soft (all)
Senior Training Center for the Blind			\$150,000		\$150,000	Hard
Subtotal	\$250,000	\$150,000	\$0		\$400,000	
Total Senate and House Initiatives		\$7,500,000	\$7,500,000		\$17,210,000	

Match Key: 1 = real property; 2 = in kind contribution, 3 = prior expended funds; U = unequal match

In addition to GO debt, the State's capital program is funded with general, special, and federal funds appropriated in the operating budget referred to as PAYGO funds which are used primarily to support economic development, housing, and environmental programs. The use of PAYGO funds is generally restricted to capital grant and loan programs for which the use of tax-exempt debt is limited under federal tax guidelines, programs that are administered through the use of special non-lapsing funds for which revenue from principal and interest payments are used to support additional appropriations, and in instances where federal funds assist in the capitalization of State revolving grant and loan fund programs. The PAYGO portion of the fiscal 2010 capital program was increased by the availability of additional federal funds provided through the American Recovery and Reinvestment Act of 2009 (ARRA), most notably an additional \$123.0 million for MDE Water Quality Loan and Drinking Water Loan programs and \$33.9 million for Department of Housing and Community Development foreclosure assistance. Despite the increased availability of federal funds to support the capital program, the GO bond program was used to reduce operating budget appropriations and to replace POS funds transferred to the general fund as shown in **Exhibit 2.4**.

Exhibit 2.4
Use of General Obligation Bond Program to Relieve Pressure on the
Operating Budget
(\$ in Millions)

- **Transfer Tax Diversion to the General Fund:** Transfers to the general fund include \$31.0 million of fiscal 2010 transfer tax revenues that would have otherwise supported various Program Open Space (POS) programs and \$71.3 million of stateside POS fund balance all of which was replaced with GO bond authorizations in the 2009 Maryland Consolidated Capital Bond Loan. An additional \$70.0 million of stateside POS fund balance was also transferred to the general fund; however, replacement of these transferred funds is authorized with revenue bonds through **House Bill 783 (Chapter 419)**. Total POS transfers authorized in the 2009 Budget Reconciliation and Financing Act (BRFA) amount to \$172.3 million. \$102.3
- **InterCounty Connector Funding:** Budgeted at \$146.9 million in the capital budget bill as introduced, the amount was reduced to \$55.0 million in the capital budget as passed to reflect a more fiscally prudent Transportation Trust Fund cash flow projection and the anticipated fiscal 2010 expenditures for the project. The required statutory changes are included in the 2009 BRFA. 55.0
- **Medevac Helicopter Replacement:** The BRFA of 2009 includes the transfer of the \$51.5 million fund balance from the State Police Helicopter Replacement Fund to the general fund which effectively eliminated the use of the fund for the purposes of procuring Medevac helicopters. The \$52.5 million of general obligation (GO) bond funds are intended to fund the purchase of three helicopters during fiscal 2010. 52.5
- **Use of GO Bond Funds to Fund Capital Programs Traditionally Funded with General Funds:** This principally includes \$7.5 million for the Public Safety Communication System; \$15.0 million for the Department of Housing and Community Development revolving loan program; and \$5.5 million for Maryland Department of the Environment water quality and drinking water loan programs. 28.1

Total \$238.1

Source: Department of Budget and Management

Debt Affordability

As shown in **Exhibit 2.5**, the long range plan adopted by the Capital Debt Affordability Committee (CDAC) in November 2008 provides for a total of over \$5.25 billion in debt authorizations from 2009 to 2013. This is an increase of \$150.0 million over the amount recommended by CDAC in its October 2007 report for the five-year planning period considered by the committee. The revised GO bond debt limit is not programmed to remain in the base permanently as the committee recommended the additional GO bond authorizations beginning with the 2010 session return to the level recommended in the committee's 2007 report.

Exhibit 2.5
Capital Debt Affordability Committee Recommended Levels of
General Obligation Bond Authorizations
2009-2013 Legislative Sessions
(\$ in Millions)

<u>Session</u>	<u>2007 Report Recommended Authorizations</u>	<u>2008 Report Recommended Authorizations</u>	<u>Increased Authorization</u>
2009 \$960		\$1,110	\$150
2010 990		990	0
2011 1,02	0	1,020	0
2012 1,05	0	1,050	0
2013 1,08	0	1,080	0
Total \$5,100	00	\$5,250	\$150

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations*, October 2007 and November 2008

For the 2009 session, CDAC recommended \$1.11 billion of new GO bond authorizations to support the capital program. The 2009 MCCBL passed by the General Assembly is consistent with the level of new GO debt authorizations recommended by CDAC. An additional \$30.8 million in GO bonds from prior years is deauthorized in the capital budget of 2009, thereby increasing the amount of new GO debt included in the capital program to \$1.14 billion. Included in the \$1.14 billion of new debt is \$18.0 million authorized in the 2008 MCCBL to complete the Rockville District Court; \$10.1 million authorized in the 2008 MCCBL for the Department of State Police New Hagerstown Barrack and Garage (\$14.8 million was preauthorized in the 2008 MCCBL for this project, but this amount was reduced to \$10.1 million with an additional \$5.0 million preauthorized for the 2010 session capital budget bill which allows the project to be bid for construction during fiscal 2010); and \$5.0 million authorized in the Southern Maryland Regional Strategy-Action Plan for Agriculture Loan of 2001 for the Tobacco Transition Program as amended by Chapter 46 of 2006, which completes the State's bond funded Tobacco Transition Program.

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The State's capital program for fiscal 2010 also includes other actions that affect debt affordability, debt issuance, and future capital budgets.

- The Maryland Department of the Environment plans to issue \$80.0 million in revenue bonds to fund the upgrade of wastewater treatment plants. Chapter 428 of 2004 established the Bay Restoration Fund and authorized the Administration to issue bonds to provide grants to upgrade the 66 largest wastewater treatment plants in the State. Security for the bonds is the revenues from a fee imposed on users of wastewater facilities, septic systems, and sewage holding tanks. The bonds are considered State tax supported debt and are, therefore, incorporated in the CDAC's annual debt affordability analysis.
- **House Bill 783 (Chapter 419)** authorizes \$70.0 million in bond funds for DNR's State Program Open Space land acquisition program and authorizes the transfer of up to \$5.0 million of this amount to the Maryland Department of Agriculture's Maryland Agricultural Land Preservation Fund (MALPF). Property transfer tax revenue must be used to pay principal and interest on the POS bonds prior to any other distribution. POS bond funds are intended to supplement other POS funds and may not affect the POS funding allocation formula specified in current law. Also, POS bond funds may not be used to reimburse the State for the acquisition of land prior to the bill's effective date.
- The 2009 MCCBL includes \$172.1 million of general obligation bond authorizations that will not take effect until fiscal 2011. The pre-authorizations include \$3.5 million to fund renovations and alterations of the Lowe House Office Building; \$5.0 million to complete the design, construction, and capital equipping of the Western Maryland Regional Library in Hagerstown; \$26.9 million for the construction of the New Center for the Built Environment at Morgan State University; \$34.1 million for the construction of a new Fine and Performing Arts Building at Bowie State University; \$35.8 million to fund the construction of the Towson University New College of Liberal Arts Complex Phase II; \$14.3 million for the construction of the Salisbury University New Perdue School of Business; \$39.6 million for four community college projects; \$5.0 million to complete the construction funding for the Department of State Police New Hagerstown Barrack and Garage; \$2.5 million to complete the State grant to Sinai Hospital for the Samuelson Children's Hospital; and \$5.5 million for construction of the Phase I addition to the St. Mary's County Detention Center. The fiscal 2010 authorizations for all but Sinai Hospital and St. Mary's County Detention Center projects include language added by the General Assembly that allows for the contracts to be bid without the full authorization needed to fully fund the contract. The pre-authorization for the St. Mary's County Detention Center does not include this language since the project will not commence during fiscal 2010, and Sinai Hospital funding is provided as a grant.

Debt Management

The 2009 session included legislation that affects the State's capital program for fiscal 2010 and also includes other actions that affect debt management.

- **House Bill 1081 (Chapter 707)** amends prior authorization bond bills by extending matching fund deadlines, extending deadlines for expending or encumbering funds, altering the purposes for which funds may be used, modifying certification requirements, renaming grant recipients, or altering project locations which are consolidated into an omnibus bill. Prior to the 2008 session, individual prior authorization bills were passed by the General Assembly. **House Bill 1081** also amended prior Qualified Zone Academy Bond (QZAB) authorizations to expand the eligible uses of these bond funds to include equipment. In addition, the bill authorizes the Comptroller to advance funds for authorized QZAB expenditures, provided that the next sale of QZABs includes at least the amount of funds advanced.
- **Senate Bill 1060 (Chapter 649)** allows the Board of Public Works (BPW) to sell GO bonds at a private, negotiated sale if the board determines that (1) extraordinary credit market conditions exist; and (2) the terms and conditions of a negotiated sale are more advantageous to the State than the terms that can be obtained through a public, competitive sale. However, it declares State policy to be that the preferred method of sale of GO bonds is by public, competitive sale. The bill authorizes BPW to issue bonds in a form that qualifies for tax credits, interest subsidies, or other federal tax benefits, and also ratifies the validity of any tax credit bonds sold prior to the bill's effective date.
- **House Bill 1330 (Chapter 719)** authorizes BPW to issue up to \$2 million in general obligation bonds to replenish specified capital reserve funds to be established and administered by the Community Development Administration. The bonds may only be issued if (1) the balance of a capital reserve fund falls below the minimum capital reserve requirement; and (2) operating revenues generated by the local government infrastructure projects for which the capital reserve funds support are insufficient. The bill further stipulates that it is the intent of the General Assembly that the general obligation bonds not be included as part of the annual general obligation debt limit unless and until the bonds are issued.
- **House Bill 809 (failed)** – Under current law, if the State Treasurer issues variable-rate bonds, the ongoing cost of fiscal agents for those bonds is most likely paid with a series of special fund appropriations from bond proceeds. The Treasurer's Office estimates annual costs of \$250,000 for each \$100 million of variable debt issued. Authorizing payment from the Annuity Bond Fund for the cost of fiscal agents associated with variable interest rate bonds and interest rate exchange agreements has no overall effect on State expenditures for debt service but may provide an operational benefit by not requiring separate appropriations for these expenses. The bill specifies that the ongoing

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servicing costs of variable-rate bonds be paid in the same manner as principal and interest.

- Uncodified Section 11 of the Public School Facilities Act of 2004 directs CDAC to review school construction funding needs and make specific recommendations regarding additional funding for school construction when recommending the State's annual debt limit and GO bond authorization level. The 2009 MCCBL struck this provision after issues were raised concerning the need for such a requirement since CDAC's role does not include funding level recommendations for other capital programs or projects.
- **House Bill 1192 (Chapter 559)** requires a for-profit or nonprofit entity or association that receives State aid during a fiscal year and is not a unit of State or local government to submit a report to the Department of Information Technology (DoIT) by September 1 after each fiscal year the grantee receives State aid. DoIT must develop and operate a searchable web site, accessible to the public at no cost, which provides grantee report information in a specified format. The Office of Legislative Audits is authorized to conduct audits or reviews of grantees. State aid is defined as a contribution, grant, or subsidy of \$50,000 or more provided through the State operating or capital budget or by the action of a unit of State government from State funds appropriated to that unit. State aid does not include reimbursements to providers participating in a State program. Grantee reports must contain the following information: a summary of the purpose for which the State aid was provided; the number of jobs created or retained as a result of the State aid; the amount and source of any funds, other than State aid, the grantee secured for the same purpose for which the State aid was provided, or as a result of the State aid; a description of how the State aid served the citizens of the State; and the number of citizens served as a result of the State aid.

Higher Education

The fiscal 2010 capital program for all segments of higher education is \$304.7 million, including GO bonds and academic revenue bonds. Of the total funding, four-year public institutions receive \$208.2 million and independent colleges receive \$9.0 million. Community colleges, including Baltimore City Community College, receive \$87.5 million in fiscal 2010, the highest funding level in a single year for community colleges. The *Capital Improvement Program* (CIP), after legislative changes to the fiscal 2010 capital budget, shows \$1.691 billion in capital spending for higher education projects from fiscal 2010 through 2014. **Exhibit 2.6** shows the fiscal 2009 and 2010 legislative appropriation for higher education capital projects and the funds anticipated in the CIP for fiscal 2011 through 2014. **Exhibit 2.7** shows the fiscal 2010 capital funding by institution.

Exhibit 2.6
Higher Education Authorized and Planned Out-year Capital Funding
Fiscal 2009-2014
(\$ in Thousands)

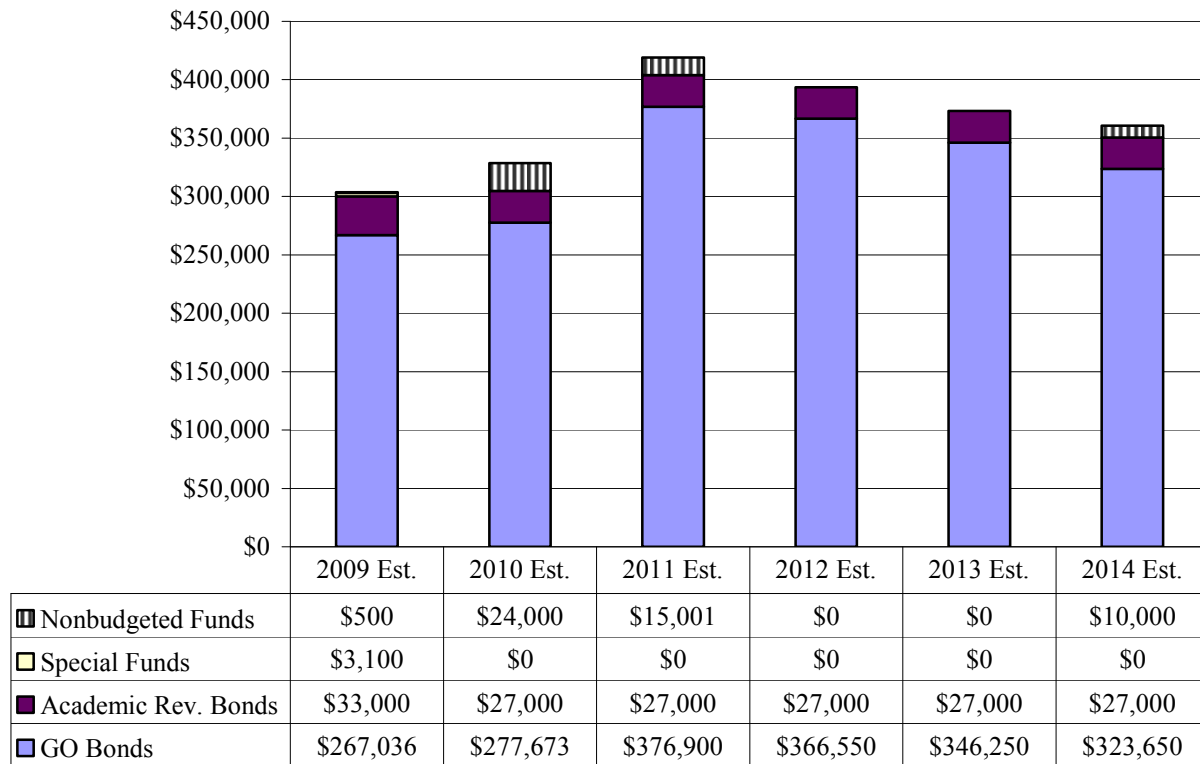


Exhibit 2.7
Higher Education Capital Funding by Institution
Fiscal 2010
(\$ in Thousands)

<u>Institution Capital</u>	<u>Funding</u>
University of Maryland, Baltimore	\$13,756
University of Maryland, College Park	12,318
Towson University	35,725
Coppin State University	12,116
University of Baltimore	5,416
Bowie State University	37,265
Salisbury University	28,000
University System of Maryland – Facility Renewal	17,000
St. Mary’s College of Maryland	1,685
Morgan State University	44,846
Independent Colleges	9,000
Baltimore City Community College	3,214
Community Colleges	84,332
Total \$304	,673¹

¹This does not include \$28.5 million authorized for the University of Maryland Medical System. This also does not include \$24.0 million of nonbudgeted funds representing private donor contributions.

School Construction

The fiscal 2010 budget for public school construction contains \$265.2 million. The budget includes \$260.0 million in general obligation bonds, and \$5.2 million from the Public School Construction Program’s Statewide Contingency Fund, of which \$1.9 million is reserved for specific local school systems. The Public School Facilities Act of 2004 established a State goal to provide \$2.0 billion in State funding over the following eight years to address deficiencies, or \$250.0 million per year through fiscal 2013. Fiscal 2010 will be the fifth consecutive year that the goal has been met or exceeded. The local school systems have requested a total of approximately \$766.0 million for fiscal 2009, of which \$493.6 million is eligible for funding.

Seventy-five per cent of the preliminary \$260.0 million school construction allocation announced by the Governor in October, or \$195.0 million, was recommended for specific projects by the Interagency Committee on School Construction (IAC) and approved by BPW in January 2009. The IAC, in accordance with a new requirement codified in the fiscal 2008 capital budget bill language, made recommendations equal to 90% of the total allowance, an additional \$39.3 million, in March 2009. This was presented to the General Assembly and will be reviewed by BPW for approval after May 1, 2009.

Capital-eligible public school funding is also supported through the Aging Schools Program. As introduced, the capital budget bill authorized the use of \$6.1 million of bond premium revenues from the Annuity Bond Fund. However, as passed, the capital budget bill strikes the use of bond premiums and instead includes \$6.1 million in general obligation bond funds for the program. The capital budget also includes \$250,000 for the Relocatable Classroom Repair Fund.

Transfer Tax

The property transfer tax is the primary funding source for State land conservation programs. In light of the fiscal condition of the State, a number of actions reduce the fiscal 2010 budget appropriations from the transfer tax and direct transfer tax revenue to the general fund. This is the first time in four years that the transfer tax is directed to the State's general fund and the actions taken affect fiscal 2009 and 2010. In each instance, the amount of diverted transfer tax to the general fund is replaced with either GO bond funds authorized in the 2009 MCCBL or through the authorization of revenue bonds backed by future transfer tax revenues authorized in separate legislation.

In fiscal 2009, \$70 million of the unencumbered balance for POS state debt is directed to the general fund through the BRFA of 2009. This action is accompanied by **House Bill 783 (Chapter 419)** which authorizes the Department of Natural Resources to issue up to \$70 million in revenue bonds for which the debt service is pledged with future transfer tax revenues.

Also in fiscal 2009, \$71.3 million in transfer tax revenue that would have been used for two property purchases is directed to the general fund through the BRFA of 2009. The State Treasurer issued a Declaration of Official Intent for each of the two property purchases at the time the purchases were taken before the Board of Public Works. The Declaration of Official Intent is a form filed with the Internal Revenue Service that allows for the reimbursement of State expenditures with tax-exempt general obligation bond proceeds within 18 months of the original expenditure. The capital budget includes \$71.3 million in general obligation bonds to replace the funds for the Foster Property (\$14.4 million) and Maryland Province of the Society of Jesus Properties (\$56.9 million) purchases.

In fiscal 2010, \$18 million of the fiscal 2010 transfer tax funding for POS capital development projects and Rural Legacy Program allocations and \$13 million of the transfer tax funding for the Maryland Agricultural Land Preservation Program (MALPP) are directed to the

general fund. The combined amount of \$31 million is reimbursed on a one-for-one basis in the fiscal 2010 capital budget with general obligation bonds. **Exhibit 2.8** shows how transfer tax revenue will be replaced with general obligation bonds in fiscal 2010.

Exhibit 2.8
Programs Traditionally Funded with Transfer Tax Revenue
Fiscal 2010
(\$ in Millions)

	<u>Transfer Tax</u> <u>Special Funds</u>	<u>Other</u> <u>Special Funds</u>	<u>Federal</u>	<u>GO</u> <u>Bonds</u>	<u>Total</u>
Department of Natural Resources					
Program Open Space					
State	\$12.6	\$0	\$1.0	\$0	\$13.6
Local	6.1	0	1.0	0	7.1
Capital Development	0	0	0	6.2	6.2
Rural Legacy Program	0	0	0	11.8	11.8
Heritage Conservation Fund	1.4	0	0	0	1.4
Department of Agriculture					
Agricultural Land Preservation	0	10.6	2.0	13.0	25.6
Total	\$20.1	\$10.6	\$4.0	\$31.0	\$65.6

A total of \$44.1 million will be available for local and State land conservation projects in fiscal 2010, as shown in **Exhibit 2.9**; however, there is an additional \$11.8 million for the Rural Legacy Program and \$13.0 million for MALPP in the fiscal 2010 capital budget. The decrease in transfer tax funds available for fiscal 2010 is due to the directing of funds to the general fund and to lower transfer tax estimates that reflect a sluggish real estate market. The decrease in funding partially is mitigated by a lower amount of underattainment. Both fiscal 2009 and 2010 are impacted by underattainment of revenues from fiscal 2007 and 2008, respectively. The fiscal 2007 underattainment impacting fiscal 2009 is \$52.0 million while the fiscal 2008 underattainment impacting fiscal 2010 is \$35.0 million.

Exhibit 2.9
Land Conservation Funded by the Property Transfer Tax
Fiscal 2009 and 2010
(\$ in Millions)

	<u>Fiscal 2009</u> <u>Appropriation</u>	<u>Fiscal 2010</u> <u>Allowance</u>	<u>Fiscal 2010</u> <u>Appropriation</u>
Program Open Space (POS)			
POS State	\$20.9	\$11.8	\$11.8
POS Local	18.6	6.1	6.1
Additional State Land Acquisition	1.1	0.8	0.8
Maryland Agricultural Land Preservation Program (MALPP)	18.6	13.0	0 *
Rural Legacy	13.5	11.8	0 *
Heritage Conservation Fund	2.0	1.4	1.4
Maryland Heritage Areas Authority	3.0	3.0	3.0
Forest and Park Service	21.0	21.0	21.0
Total \$98.	7	\$68.9	\$44.1

Note: POS and MALPP receive funding from other sources (federal funds, agricultural transfer tax, and matching funds from local jurisdictions). For fiscal 2010, MALPP receives \$13.0 million in general obligation bonds, and Rural Legacy Program receives \$11.8 million in replacement of the transfer tax allocation. For fiscal 2010, there is \$9.8 million for State land acquisition. Of the total \$12.6 million in POS State land acquisition funds, \$1.6 million is directed to three capital projects in Baltimore City, and \$1.2 million is directed to operating expenses through the fiscal 2010 budget.

* General obligation bond funds are authorized in the 2009 Maryland Consolidated Capital Bond Loan to fully replace the transfer tax special funds originally intended to be used to support the MALPP and Rural Legacy programs.

Chapter Three – Impact of Legislation on State Revenues and Expenditures

- Legislation Affecting State Revenues
- Totals by Fund Type/Summary of Quantifiable Revenue Effects
- Legislation Affecting State Expenditures
- Expenditures by Agency
- Totals by Fund Type/Summary of Quantifiable Expenditure Effects
- Regular Positions Needed by Agency
- Contractual Positions Needed by Agency

Legislation Affecting State Revenues

Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 10/HB 175	Consumer Protection – False Advertising – Misrepresentations in Advertisements and Telephone Directory Listings (Ch. 10/Ch. 11)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 44	Sales and Use Tax – Exemption – Veterans’ Organizations (Ch. 506)						
	GF	(\$76,922)	(\$82,509)	(\$88,286)	\$0	\$0	
	SF	(\$4,305)	(\$4,618)	(\$,941)	\$0	\$0	
SB 61	Maryland Port Administration – Jurisdiction, Powers, and Duties (Ch. 351)						
	SF	increase	increase	increase	increase	increase	Potential significant fee revenues.
SB 64	Alcoholic Beverage Tax – Assessment and Appeals – Tax Procedures and Penalties (Ch. 353)						
	GF	\$30,000	\$25,000	\$20,000	\$15,000	\$15,000	
SB 68	Corporations and Associations – Recording, Filing, or Other Fees – Returned Check Fee (Ch. 16)						
	GF	\$31,500	\$42,000	\$42,000	\$42,000	\$42,000	
SB 74	State Tobacco Authority – Repeal (Ch. 18)						
	GF	\$1,625	\$0	\$0	\$0	\$0	
SB 77	Department of Agriculture – Organic Certification Program – Fees (Ch. 19)						
	FF	\$9,828	\$13,514	\$17,838	\$22,892	\$28,778	FF expenditures increase by same amount.
	SF	\$12,600	\$17,325	\$22,869	\$29,349	\$36,895	
SB 79	Health Insurance – Reform (Ch. 509)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal rate and form filing fee revenues.

Legislation Affecting State Revenues

Fund	<u> FY</u>	<u> 2010</u>	<u> FY 2011 </u>	<u> FY 2012 </u>	<u> FY 2013 </u>	<u> FY 2014 </u>	<u>Comments</u>
SB 87	Property Tax – Homestead Tax Credit – Eligibility (Ch. 362)						
	SF	\$0	decrease	decrease	decrease	decrease	Minimal property tax revenues.
SB 89	Maryland Agricultural Land Preservation Foundation – Imposition of Civil Penalties by Board of Trustees – Authorization (Ch. 24)						
	SF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 92	Motor Carriers – Identification Markers – Forged Documents – Criminal Penalties (Ch. 364)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 98/HB 72	The Delegate John Arnick Electronic Communications Traffic Safety Act (Ch. 194/Ch. 195)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 151	Hate Crimes – Prohibitions and Protected Classes – Expansion to Homeless Persons and Groups and Gender (Ch. 201)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 162	Alcoholic Beverages – Resident Dealer’s Permit (Ch. 205)						
	GF	\$142,200	\$142,200	\$142,200	\$142,200	\$142,200	
SB 173/HB 41	Health Insurance – Mandated Benefits – Hospitalization and Home Visits Following a Mastectomy (Ch. 516/Ch. 517)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal rate and form filing fee revenues.
SB 174/HB 171	Business Regulation – Vending Machine Sales – Bulk Vending Machine Exemption (Ch. 209/Ch. 210)						
	GF	(\$94)	(\$120)	(\$115)	(\$110)	(\$105)	

Legislation Affecting State Revenues

Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 176	Education – Baltimore City Community College – Academic Facility Bonds (Ch. 213)						
	BOND	\$50,000,000	\$0	\$0	\$0	\$0	Bond expenditures increase by same amount.
SB 183/HB 85	College Textbook Competition and Affordability Act of 2009 (Ch. 520/Ch. 521)						
	GF/SF	decrease	\$0	\$0	\$0	\$0	Potential minimal sales tax revenues.
	HE	decrease	\$0	\$0	\$0	\$0	Potential campus bookstore sales revenues.
SB 219	Vehicle Laws – Violations by Drivers Under the Age of 18 Years – Driver’s License Suspensions (Ch. 525)						
	GF	\$21,105	\$28,140	\$28,140	\$28,140	\$28,140	Minimal driver license fee revenues.
	SF	increase	increase	increase	increase	increase	
SB 247/HB 173	Health Occupations – Maryland Athletic Trainers Act (Ch. 529/Ch. 530)						
	GF	\$0	\$0	increase	increase	increase	Minimal fine revenues.
	SF	\$0	\$0	\$98,600	\$6,000	\$92,275	
SB 262	Vehicle Laws – Repeated Drunk and Drugged Driving Offenses – Suspension of License (Ch. 496)						
	GF	\$21,094	\$28,125	\$28,125	\$28,125	\$28,125	
	SF	\$0	\$6,549	\$8,730	\$8,730	\$8,730	
SB 263/HB 305	Vehicle Laws – Alcohol Restriction on Driver’s License – Penalties for Violations (Ch. 497/Ch. 498)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 265/HB 303	Vehicle Laws – Teen Driver Safety (Ch. 184/Ch. 185)						
	SF	increase	increase	increase	increase	increase	Potential fee revenues.

Legislation Affecting State Revenues

Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 269	Financial Institutions – Mortgage Lenders and Mortgage Loan Originators (Ch. 4)						
	SF	\$1,375,000	\$631,250	\$631,250	\$631,250	\$631,250	
SB 271/HB 312	Aquaculture – Shellfish – Leasing (Ch. 173/Ch. 174)						
	SF	increase	increase	increase	increase	increase	Minimal license fee revenue for Wetland and Waterways Program Fund.
	SF	increase	increase	increase	increase	increase	Minimal aquaculture development surcharge revenues for Department of Agriculture.
	SF	increase	increase	increase	increase	increase	Potential significant leasing revenues for Fisheries Research and Development Fund.
	SF	increase	increase	increase	increase	increase	Potential minimal oyster spat sales revenues for Horn Point Laboratory Spat Services Fund.
SB 277	Vehicle Laws – Speed Monitoring Systems – Statewide Authorization and Use in Highway Work Zones (Ch. 500)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
	SF	\$10,897,030	\$15,314,000	\$13,768,960	\$1,684,565	\$1,516,104	New SF for State Police.
	SF	\$701,397	\$311,764	\$294,188	\$10,972,304	\$9,875,073	Transportation Trust Fund.
SB 304/HB 583	Crimes – Financial Exploitation of Elderly – Penalty (Ch. 236/Ch. 237)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 309/HB 252	State Board of Pharmacy – Pharmacy Permit – Term and Renewal (Ch. 532/Ch. 533)						
	SF	increase	decrease	increase	decrease	increase	Permit fee revenues.

Legislation Affecting State Revenues

Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 341/HB 579	Prosthetic Parity Act (Ch. 243/Ch. 244)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal rate and form filing fee revenues.
SB 364/HB 544	Real Property – Mechanic’s Lien – Certified Interior Design Services (Ch. 54/Ch. 55)						
	GF/SF	increase	increase	increase	increase	increase	Minimal recordation fee revenues.
SB 372/HB 538	Foster Care – Tuition Exemption – Expanded Eligibility (Ch. 251/Ch. 252)						
	HE	decrease	decrease	decrease	decrease	decrease	Potential tuition revenues.
SB 377/HB 662	Business Regulation – Home Builder Guaranty Fund – Fee (Ch. 58/Ch. 59)						
	SF	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	
SB 408	Environment – Water Pollution Control – Penalties (Ch. 258)						
	SF	increase	increase	increase	increase	increase	Minimal administrative penalty revenues.
SB 433/HB 597	State Board of Physicians – Polysomnographic Technologists – Education and Licensing Requirements (Ch. 261/Ch. 262)						
	SF	decrease	decrease	\$0	\$0	\$0	Minimal application fee revenues.
SB 449	Allegany County and Garrett County – Exceptional Hauling Permits for Forestry Products – Sunset Repeal (Ch. 263)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential minimal fine revenues.
	SF	increase	increase	increase	increase	increase	Potential minimal additional permit fees.
SB 481/HB 145	Health Insurance – Dental Provider Panels – Provider Contracts (Ch. 549/Ch. 550)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal rate and form filing fee revenues.

Legislation Affecting State Revenues

Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 492/HB 411	Community Mental Health Services Programs – Financial Statements and Salary Information (Ch. 72/Ch. 73)						
	GF	\$250,000	\$100,000	\$25,000	\$25,000	\$25,000	
SB 507/HB 370	Maryland Locksmiths Act (Ch. 551/Ch. 552)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
	GF	\$84,375	\$84,375	\$88,650	\$88,650	\$93,150	GF expenditures increase by a similar amount.
SB 516/HB 449	Maryland Organic Transition Investment Pilot Program (MO-TIPP) (Ch. 553/Ch. 554)						
	SF	increase	increase	increase	\$0	\$0	Potential grant revenues. SF expenditures increase by same amount.
SB 518	Calvert County – Alcoholic Beverages (Ch. 555)						
	GF	increase	increase	increase	increase	increase	Minimal fine and special event permit fee revenues.
SB 538	Property Tax Assessment – Home Improvements (Ch. 274)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential property tax revenues.
SB 550	Online Child Safety Act of 2009 (Ch. 557)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 552	Tax Amnesty Program (Ch. 277)						
	GF	\$1,750,000	\$1,750,000	\$0	\$0	\$0	
	SF	\$122,500	\$122,500	\$0	\$0	\$0	

Legislation Affecting State Revenues

Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 554	Chesapeake Bay Nitrogen Reduction Act of 2009 (Ch. 280)						
	GF	\$0	(\$131,963)	(\$265,389)	(\$274,461)	(\$262,461)	
SB 581	Natural Resources – Roadside Trees – Protection and Enforcement (Ch. 289)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 602/HB 576	Dental Hygienists – Expanded Functions (Ch. 565/Ch. 566)						
	SF	\$0	increase	increase	increase	increase	Permit fee revenues of up to \$200,000 per year.
SB 604	Tax Credits for Qualifying Employees with Disabilities – Sunset Extension (Ch. 290)						
	GF	(\$38,700)	(\$68,000)	(\$28,100)	\$0	\$0	
	SF	(\$8,700)	(\$15,200)	(\$6,300)	\$0	\$0	
SB 621	Sales and Use and Property Tax – Exemptions – Solar Energy Equipment and Property (Ch. 574)						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Potential minimal sales tax revenues.
	SF	decrease	decrease	decrease	decrease	decrease	Potential minimal property tax revenues.
SB 627/HB 714	Loan Assistance Repayment and Practice Assistance for Physicians (Ch. 575/Ch. 576)						
	SF	increase	increase	increase	increase	increase	Potential hospital rate increase revenues of up to \$13 million.
SB 637/HB 674	Health Insurance – Small Group Market Regulation – Modifications (Ch. 577/Ch. 578)						
	SF	increase	increase	\$0	\$0	\$0	Minimal rate and form filing fee revenues.

Legislation Affecting State Revenues

Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 638/HB 610	Health Insurance – Bona Fide Wellness Programs – Incentives (Ch. 683/Ch. 682)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal rate and form filing fee revenues.
SB 666	Natural Resources – No Net Loss of Forest Policy – Forest Conservation Act (Ch. 298)						
	SF	increase	increase	increase	increase	increase	Potential minimal fee revenues.
SB 684/HB 571	Senior Investment Protection Act (Ch. 301/Ch. 302)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 688/HB 1088	Public Service Companies – Passenger-For-Hire Services – Limousines (Ch. 589/Ch. 590)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
	SF	increase	increase	increase	increase	increase	Minimal additional registration fees.
	SF	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	
SB 716/HB 590	Long-Term Care Insurance – Annuity Contracts and Qualified State Long-Term Care Insurance Partnership (Ch. 597/Ch. 598)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal rate and form filing fee revenues.
SB 776/HB 1069	Health Services Cost Review Commission – Financial Assistance and Debt Collection Policies (Ch. 310/Ch. 311)						
	SF	increase	increase	increase	increase	increase	Potential minimal administrative penalty revenues.
SB 785	Inheritance Tax – Exemption – Domestic Partners (Ch. 602)						
	GF	(\$975,000)	(\$975,000)	(\$975,000)	(\$975,000)	(\$975,000)	

Legislation Affecting State Revenues

Fund	<u> FY</u>	<u> 2010</u>	<u> FY 2011</u>	<u> FY 2012</u>	<u> FY 2013</u>	<u> FY</u>	<u> 2014</u>	<u>Comments</u>
SB 791/HB 725	Group Model Health Maintenance Organizations – Drug Therapy Management (Ch. 314/Ch. 315)							
	SF	increase	increase	increase	increase		increase	Minimal fee revenues.
SB 792/HB 868	Property and Casualty Insurance – Portable Electronics Insurance – Regulation (Ch. 316/Ch. 317)							
	SF	increase	increase	increase	increase		increase	Minimal licensing, rate, and form filing revenues; potential minimal fine revenues.
SB 850/HB 539	Public Safety – Electronic Control Devices – Requirements (Ch. 320/Ch. 321)							
	GF	increase	increase	increase	increase		increase	Potential minimal fine revenues.
SB 859/HB 547	Vehicle Laws – Advertising Practices – Prohibited Acts (Ch. 322/Ch. 323)							
	GF/SF	increase	increase	increase	increase		increase	Potential minimal fine revenues.
SB 909	Workplace Fraud Act of 2009 (Ch. 188)							
	GF	increase	increase	increase	increase		increase	Potential significant income tax withholding compliance and fine revenues.
	SF	\$258,952	\$440,557	\$362,055	\$377,416		\$393,573	SF expenditures increase by same amount.
SB 931/HB 1331	Community Development Administration – Local Government Infrastructure Financing Program – Capital Reserve Funds (Ch. 627/Ch. 628)							
	NB	increase	increase	increase	increase		increase	Potential significant bond proceeds.
SB 951/HB 654	Health Occupations – License to Practice Psychology – Doctoral Degree in Psychology (Ch. 329/Ch. 330)							
	SF	increase	increase	increase	increase		increase	Minimal fee revenues.

Legislation Affecting State Revenues

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Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 959	Injured Workers' Insurance Fund – Regulation and Status (Ch. 336)						
	SF	increase	increase	increase	increase	increase	Injured Workers' Insurance Fund assessment revenues.
SB 985/HB 456	Health Insurance – Coverage for Off-Label Use of Drugs – Standard Reference Compendia (Ch. 112/Ch. 113)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal rate and form filing fee revenues.
SB 991	Business Occupations – Crane Operators – Certificate of Competence (Ch. 640)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 1011/HB 1425	Department of Transportation – Consolidated Transportation Bonds – Issuance Procedures (Ch. 641/Ch. 642)						
	SF	increase	increase	increase	increase	increase	Potential significant bond revenues.
SB 1059	Cigarette Business Licenses – Cigarette Manufacturers – Definitions and Scope of License (Ch. 347)						
	GF	increase	increase	increase	increase	increase	Licensing fee revenues.
HB 32	Health Insurance – Limitations on Preexisting Condition Provisions – Individual Health Benefit Plans (Ch. 653)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal rate and form filing fee revenues.
HB 39	Health Insurance – Out-of-State Association Contracts – Regulation (Ch. 654)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal rate and form filing fee revenues.
HB 41/SB 173	See entry for SB 173.						

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

Fund	<u> FY</u>	<u> 2010</u>	<u> FY 2011</u>	<u> FY 2012</u>	<u> FY 2013</u>	<u> FY</u>	<u> 2014</u>	<u>Comments</u>
HB 66	Criminal Law – Theft – Penalties (Ch. 655)							
	GF	increase	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 72/SB 98	See entry for SB 98.							
HB 85/SB 183	See entry for SB 183.							
HB 101	Budget Reconciliation and Financing Act of 2009 (Ch. 487)							
	GF	\$176,107,304	\$129,699,398	\$17,645,932	\$8,870,000	\$7,570,000		Potential family support aid.
	FF	increase	increase	increase	increase	increase		
	SF	\$34,117,444	\$7,524,000	\$7,524,000	\$7,524,000	\$7,524,000		
HB 145/SB 481	See entry for SB 481.							
HB 163	Motor Fuel – Dyed Diesel Fuel Violations (Ch. 377)							
	GF	increase	increase	increase	increase	increase	increase	Potential minimal criminal fine revenues.
	SF	increase	increase	increase	increase	increase	increase	Potential minimal administrative fine revenues.
HB 171/SB 174	See entry for SB 174.							
HB 173/SB 247	See entry for SB 247.							
HB 175/SB 10	See entry for SB 10.							
HB 193	Gaming – Bingo (Ch. 661)							
	GF	\$7,000,000	\$7,000,000	\$7,000,000	\$0	\$0		Lottery revenues.
	GF	decrease	decrease	decrease	\$0	\$0		
	SF	\$2,904,979	\$2,904,979	\$2,904,979	\$0	\$0		

Legislation Affecting State Revenues

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Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 252/SB 309	See entry for SB 309.						
HB 259	Environmental Health Monitoring and Testing – Reimbursement of Costs (Ch. 665)						
	GF/SF	increase	increase	increase	increase	increase	Fine and reimbursement revenues.
HB 267	Family Law – Child Abduction by Relative (Ch. 666)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 299	Criminal Law – Alcoholic Beverages – Underage Individuals – Prohibitions and Penalties (Ch. 499)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
HB 303/SB 265	See entry for SB 265.						
HB 305/SB 263	See entry for SB 263.						
HB 312/SB 271	See entry for SB 271.						
HB 370/SB 507	See entry for SB 507.						
HB 387	Vehicle Laws – Lawful Status in the United States – Material Compliance with Federal Requirements (Ch. 390)						
	GF	increase	increase	increase	increase	increase	Fine revenues.
	SF	decrease	decrease	decrease	decrease	decrease	Application fee revenues.
HB 405	Health Insurance – Mandated Benefits – Breast Cancer Screening (Ch. 670)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal rate and form filing fee revenues.
HB 411/SB 492	See entry for SB 492.						
HB 449/SB 516	See entry for SB 516.						

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

Fund	<u> FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 456/SB 985	See entry for SB 985.						
HB 538/SB 372	See entry for SB 372.						
HB 539/SB 850	See entry for SB 850.						
HB 542	Criminal Law – Human Trafficking – Inducing or Enticing (Ch. 143)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 544/SB 364	See entry for SB 364.						
HB 547/SB 859	See entry for SB 859.						
HB 560	Hate Crimes – Prohibitions and Protected Classes – Disability (Ch. 402)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 571/SB 684	See entry for SB 684.						
HB 576/SB 602	See entry for SB 602.						
HB 579/SB 341	See entry for SB 341.						
HB 582	Estates and Trusts – Real and Leasehold Property – Valuation (Ch. 405)						
	GF	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential reduction in probate fees and inheritance taxes. State income tax revenues may fluctuate.
HB 583/SB 304	See entry for SB 304.						
HB 590/SB 716	See entry for SB 716.						

Legislation Affecting State Revenues

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Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 595	State Government – Recycling Program – Aluminum, Glass, Paper, and Plastic (Ch. 408)						
	GF	increase	increase	increase	increase	increase	Potential significant additional sales revenues.
HB 597/SB 433	See entry for SB 433.						
HB 598	Academic Facilities Bonding Authority (Ch. 409)						
	BOND	\$27,000,000	\$0	\$0	\$0	\$0	Bond expenditures increase by same amount.
HB 610/SB 638	See entry for SB 638.						
HB 613	Public Safety – Elevators – Inspections (Ch. 145)						
	GF	\$54,470	increase	increase	increase	increase	Minimal fine revenues.
	SF	\$142,000	\$5,000	\$5,000	\$5,000	\$5,000	
HB 631	Transportation – Interfering with Transit Operators and School Bus Drivers – Penalties (Ch. 685)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 644	Procurement – Apprenticeship Training Programs (Ch. 687)						
	SF	\$175,416	\$210,499	\$187,110	\$163,721	\$140,330	SF expenditures increase by same amount.
HB 654/SB 951	See entry for SB 951.						
HB 662/SB 377	See entry for SB 377.						
HB 674/SB 637	See entry for SB 637.						

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY</u>	<u>2014</u>	<u>Comments</u>
HB 706	Electronic Health Records – Regulation and Reimbursement (Ch. 689)							
	GF	\$0	\$0	increase	increase		increase	Potential incentive revenues for State health care facilities.
HB 714/SB 627	See entry for SB 627.							
HB 725/SB 791	See entry for SB 791.							
HB 788	Transfer Tax – Program Open Space Bonds – Land and Easement Acquisition (Ch. 420)							
	BOND	\$70,000,000	\$0	\$0	\$0		\$0	
HB 796	Agriculture – Emerald Ash Borer Grant Fund (Ch. 421)							
	SF	\$100,000	\$100,000	\$100,000	\$100,000		\$100,000	
HB 810	Income Tax – Mandatory Income Tax Return Preparer Requirements (Ch. 422)							
	GF	increase	increase	increase	increase		increase	Potential minimal fine revenues.
HB 822	Montgomery County – Railroad Grade Crossings – Automated Enforcement Systems MC 907-09 (Ch. 423)							
	GF	increase	increase	increase	increase		increase	Negligible fine revenues.
	SF	increase	increase	increase	increase		increase	Negligible flag removal fees.
HB 833	Montgomery County – Winery Special Event Permits – Montgomery County Agricultural Fair MC 928-09 (Ch. 156)							
	GF	increase	increase	increase	increase		increase	Minimal special event permit fee revenues.
HB 864	Howard County – Roadside Solicitation of Money or Donations – Prohibition Ho. Co. 9-09 (Ch. 695)							
	GF	increase	increase	increase	increase		increase	Potential minimal fine revenues.

Legislation Affecting State Revenues

Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 868/SB 792	See entry for SB 792.						
HB 923	Higher Education – Community Colleges – BRAC – Exemption from Out-of-State and Out-of-County Fees (Ch. 697)						
	HE	\$0	\$0	increase	increase	increase	Potential minimal tuition revenues.
HB 941	Cecil County – Tobacco Products – Distribution to Minors (Ch. 430)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.
HB 973	Maryland Horse Industry Fund – Assessments on Commercial Equine Feed (Ch. 702)						
	SF	\$120,507	\$160,676	\$160,676	\$160,676	\$160,676	
HB 1069/SB 776	See entry for SB 776.						
HB 1088/SB 688	See entry for SB 688.						
HB 1124	Coordinating Emerging Nanobiotechnology Research in Maryland Program – Public-Private Partnerships (Ch. 160)						
	SF	increase	increase	increase	increase	increase	Minimal leveraged private funds.
HB 1171	Alternative Energy Tax Incentive Act of 2009 (Ch. 444)						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Potential minimal sales tax revenues.
	SF	decrease	decrease	decrease	decrease	decrease	Potential minimal property tax revenues.
HB 1263	Mercury Switch Removal from Vehicles (Ch. 713)						
	SF	\$25,500	\$48,000	\$44,000	\$41,000	\$38,000	
HB 1330	Creation of a State Debt – Community Development Administration – Local Government Infrastructure Financing Program (Ch. 719)						
	SF	increase	increase	increase	increase	increase	Potential significant bond proceeds.

Legislation Affecting State Revenues

Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 1331/SB 931	See entry for SB 931.						
HB 1355	Natural Resources – Tidal Fish Licenses and Authorizations – Enforcement (Ch. 453)						
	GF/SF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 1399	Department of Housing and Community Development – Neighborhood and Community Assistance Program – Individual Donor Eligibility – Tax Credit (Ch. 166)						
	GF	\$0	decrease	decrease	decrease	decrease	Minimal personal income tax revenues.
	SF	\$0	increase	increase	increase	increase	Minimal corporate income tax revenues.
HB 1406	Business and Economic Development – Maryland Public Art Initiative – Sunset Repeal (Ch. 724)						
	SF	\$0	increase	increase	increase	increase	Potential significant GF appropriation.
HB 1407	Environmental Trust Fund – Environmental Surcharge – Sunset Extension (Ch. 167)						
	SF	\$0	\$9,600,000	\$9,600,000	\$9,600,000	\$9,600,000	SF expenditures increase by similar amount.
HB 1416	Small Business Pollution Compliance Loan Fund – Repeal (Ch. 463)						
	GF	\$305,000	\$0	\$0	\$0	\$0	\$277,785 included in HB 101.
HB 1417	Water Quality and Drinking Water Quality Revolving Loan Funds – Use of Funds (Ch. 168)						
	FF	\$121,600,000	\$0	\$0	\$0	\$0	Aggregate FF expenditures increase by same amount.
HB 1419	Department of Natural Resources – Fish and Fisheries Laws Violations – Penalties (Ch. 464)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
	SF	increase	increase	increase	increase	increase	Potential minimal restitution

Legislation Affecting State Revenues

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Fund	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
							collections.
HB 1425/SB 1011	See entry for SB 1011.						
HB 1435	Higher Education – Enforcement Powers of Maryland Higher Education Commission and Secretary of Higher Education (Ch. 465)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 1440	State Board of Public Accountancy – Reinstatement Fee for Expired Firm Permits (Ch. 466)						
	SF	increase	increase	increase	increase	increase	Minimal reinstatement fee revenues.
HB 1466	Family Investment Program – Temporary Cash Assistance – Assignment of Support (Ch. 469)						
	SF	(\$31,000)	(\$31,000)	(\$31,000)	(\$31,000)	(\$31,000)	
HB 1472	Health Insurance – Senior Prescription Drug Assistance Program – Funding (Ch. 734)						
	SF	(\$1,000,000)	\$1,000,000	\$0	\$0	\$0	
HB 1555	Financial Institutions – Enhanced Supervision – Branch Banking (Ch. 741)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
	SF	decrease	decrease	decrease	decrease	decrease	Potential minimal licensing revenues.
HB 1556	Environment – Coal Combustion By-Products – Fees (Ch. 480)						
	SF	\$778,400	\$679,449	\$712,259	\$746,783	\$783,118	SF expenditures increase by same amount.
HB 1573	Business Regulation – Soda Fountain License – Repeal (Ch. 483)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal license fee revenues.

Effect of the 2009 Legislative Program on the Financial Condition of the State

Totals by Fund Type/Summary of Quantifiable Revenue Effects

<u>Fund Type</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
GF	\$184,430,172	\$137,641,646	\$23,663,157	\$7,989,544	\$6,706,049
SF	\$50,699,720	\$39,037,730	\$36,394,435	\$32,031,794	\$30,886,024
FF	\$121,609,828	\$13,514	\$17,838	\$22,892	\$28,778
BOND	\$147,000,000	\$0	\$0	\$0	\$0

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 16	Baltimore City and Prince George’s County – Organization of Parents and Teachers – Matching Fund (Ch. 189)							
	GF	Education	\$0	\$233,224	\$233,744	\$0	\$0	
SB 61	Maryland Port Administration – Jurisdiction, Powers, and Duties (Ch. 351)							
	SF	Transportation	increase	increase	increase	increase	increase	Potential significant program and infrastructure development costs.
SB 63	Oral Health Safety Net Program – Sunset Repeal (Ch. 352)							
	GF	Hlth. & Mental Hyg.	\$0	\$0	\$1,345,000	\$1,345,000	\$1,345,000	
SB 65	State Retirement and Pension System – Line of Duty Death Benefits – Maryland Transportation Authority Employees (Ch. 15)							
	NB	Transportation	\$9,324	\$9,977	\$10,675	\$11,422	\$12,222	
SB 77	Department of Agriculture —Organic Certification Program – Fees (Ch. 19)							
	FF	Agriculture	\$9,450	\$12,994	\$17,152	\$22,011	\$27,671	Included in FY 2010 budget. FF revenues increase by same amount.
SB 82	Inflatable Amusement Attractions – Inspections (Ch. 21)							
	SF	Labor Lic. & Reg.	(\$5,775)	(\$8,038)	(\$8,392)	(\$8,762)	(\$9,147)	
SB 83	Human Services – Child Welfare Workforce (Ch. 360)							
	GF/FF	Human Resources	decrease	decrease	decrease	decrease	decrease	Minimal training expenditures.

Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 92	Motor Carriers – Identification Markers – Forged Documents – Criminal Penalties (Ch. 364)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 99/HB 9	Criminal Law – Possession of Child Pornography – Penalties (Ch. 510/Ch. 511)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 151	Hate Crimes – Prohibitions and Protected Classes – Expansion to Homeless Persons and Groups and Gender (Ch. 201)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 163	Program Open Space – Use of Funds – Indoor or Outdoor Recreational Facilities (Ch. 206)							
	GF	Natural Resources	increase	increase	\$0	\$0	\$0	Potential minimal reporting costs.
	GF	Planning	increase	increase	\$0	\$0	\$0	Potential minimal reporting costs.
SB 173/HB 41	Health Insurance – Mandated Benefits – Hospitalization and Home Visits Following a Mastectomy (Ch. 516/Ch. 517)							
	SF	Insurance Admin.	increase	\$0	\$0	\$0	\$0	Minimal administrative expenditures.
SB 176	Education – Baltimore City Community College – Academic Facility Bonds (Ch. 213)							
	BOND	Baltimore City Community College	\$50,000,000	\$0	\$0	\$0	\$0	Bond revenues increase by same amount.
	HE	Baltimore City Community College	\$0	\$2,500,000	\$2,500,000	\$5,325,000	\$5,325,000	

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 183/HB 85	College Textbook Competition and Affordability Act of 2009 (Ch. 520/Ch. 521)							
	HE	Univ. Sys. of MD	increase	\$0	\$0	\$0	\$0	Potential administrative costs.
	HE	Baltimore City Community College	increase	\$0	\$0	\$0	\$0	Potential administrative costs.
	HE	St. Mary's College	increase	\$0	\$0	\$0	\$0	Potential administrative costs.
	GF	Higher Ed. Comm.	\$0	\$50,000	\$50,000	\$0	\$0	
	HE	Morgan St. Univ.	increase	\$0	\$0	\$0	\$0	Potential administrative costs.
SB 218	Criminal Procedure – Offender Registry – Minors (Ch. 524)							
	GF	Public Sfty. & Corr. Srvcs.	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	
SB 219	Vehicle Laws – Violations by Drivers Under the Age of 18 Years – Drivers' License Suspensions (Ch. 525)							
	SF	Transportation	\$126,139	\$55,063	\$55,614	\$56,170	\$56,732	
SB 235	Education – MDK12 Digital Library (Ch. 528)							
	GF	Education	\$32,988	\$43,077	\$45,079	\$47,182	\$49,390	
SB 247/HB 173	Health Occupations – Maryland Athletic Trainers Act (Ch. 529/Ch. 530)							
	SF	Hlth. & Mental Hyg.	\$0	\$62,322	\$60,835	\$63,792	\$66,905	
	GF	Public Sfty. & Corr. Srvcs.	\$0	\$0	increase	increase	increase	Minimal incarceration costs.
SB 257/HB 306	Interstate Compact on Educational Opportunity for Military Children (Ch. 501/Ch. 502)							
	GF	Education	\$23,000	\$25,264	\$25,517	\$25,772	\$26,030	

Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 262	Vehicle Laws – Repeated Drunk and Drugged Driving Offenses – Suspension of License (Ch. 496)							
	SF	Transportation	\$84,700	\$39,996	\$40,396	\$40,800	\$41,208	
SB 263/HB 305	Vehicle Laws – Alcohol Restriction on Driver’s License – Penalties for Violations (Ch. 497/Ch. 498)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 265/HB 303	Vehicle Laws – Teen Driver Safety (Ch. 184/Ch. 185)							
	SF	Transportation	increase	increase	increase	increase	increase	Moderate computer reprogramming costs.
	REIM	Admin. Hearings, Ofc.	increase	increase	increase	increase	increase	Minimal reimbursements for suspension and revocation hearings.
SB 269	Financial Institutions – Mortgage Lenders and Mortgage Loan Originators (Ch. 4)							
	SF	Labor Lic. & Reg.	\$470,000	\$25,250	\$25,503	\$25,758	\$26,015	
SB 270/HB 310	Unemployment Insurance – Eligibility – Part-Time Work (Ch. 5/Ch. 6)							
	FF	All or Multiple Agencies	\$58,327	\$54,088	\$52,725	\$53,120	\$57,068	
	GF	All or Multiple Agencies	\$174,987	\$162,263	\$158,175	\$159,361	\$171,202	
	SF	All or Multiple Agencies	\$58,327	\$54,088	\$52,725	\$53,120	\$57,068	
SB 271/HB 312	Aquaculture – Shellfish – Leasing (Ch. 173/Ch. 174)							
	SF	Natural Resources	\$130,629	\$130,285	\$136,411	\$142,854	\$149,632	
	SF	Natural Resources	increase	increase	increase	increase	increase	Potential significant leasing program costs.

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 277	Vehicle Laws – Speed Monitoring Systems – Statewide Authorization and Use in Highway Work Zones (Ch. 500)							
	SF	State Police	\$1,541,296	\$2,079,710	\$1,871,739	\$1,684,565	\$1,516,109	
	SF	Transportation	\$566,690	\$130,000	\$130,600	\$131,206	\$131,818	
	GF	Judiciary	increase	increase	increase	increase	increase	Potential significant administrative and data system costs.
SB 278/HB 315	Greenhouse Gas Emissions Reduction Act of 2009 (Ch. 172/Ch. 171)							
	SF	Environment	\$537,451	\$734,080	\$1,342,289	\$777,546	\$809,615	
	SF	Natural Resources	\$20,000	\$30,000	\$20,000	\$10,000	\$35,000	
SB 279	Criminal Law – Death Penalty – Evidence (Ch. 186)							
	GF	Public Defender	decrease	decrease	decrease	decrease	decrease	Potential minimal operating costs.
SB 303/HB 317	Silver Alert Program – Establishment (Ch. 503/Ch. 504)							
	GF	State Police	\$230,305	\$220,532	\$228,559	\$284,559	\$245,351	
SB 304/HB 583	Crimes – Financial Exploitation of Elderly – Penalty (Ch. 236/Ch. 237)							
	GF	Public Sfty. & Corr. Srvs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 309/HB 252	State Board of Pharmacy – Pharmacy Permit – Term and Renewal (Ch. 532/Ch. 533)							
	SF	Hlth. & Mental Hyg.	\$0	decrease	\$0	decrease	\$0	Overtime and contractual costs.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 362	Agricultural Land Preservation Easements – Residential Uses (Ch. 536)							
	SF	Agriculture	increase	increase	increase	increase	increase	Potential minimal administrative costs.
SB 370/HB 367	Maryland Quiet Vehicles and Pedestrian Safety Task Force – Reconstitution (Ch. 249/Ch. 250)							
	SF	Transportation	increase	increase	\$0	\$0	\$0	Minimal staffing costs.
SB 373	Higher Education – Public Institutions of Higher Education – Nonresident Tuition Exemption (Ch. 253)							
	GF	Baltimore City Community College	\$0	\$0	increase	increase	increase	Potential BCCC funding formula expenditures.
	GF	Higher Ed. Comm.	\$0	\$0	increase	increase	increase	Potential community college funding formula expenditures.
SB 421/HB 144	Social Services Administration and Department of Health and Mental Hygiene – Parents Responsible for Child Abuse or Neglect – Birth of Subsequent Child (Ch. 259/Ch. 260)							
	GF	Hlth. & Mental Hyg.	\$5,000	\$0	\$0	\$0	\$0	
SB 433/HB 597	State Board of Physicians – Polysomnographic Technologists – Education and Licensing Requirements (Ch. 261/Ch. 262)							
	SF	Hlth. & Mental Hyg.	decrease	decrease	\$0	\$0	\$0	Minimal fee collection costs.
SB 449	Allegany County and Garrett County – Exceptional Hauling Permits for Forestry Products – Sunset Repeal (Ch. 263)							
	SF/FF	Transportation	increase	increase	increase	increase	increase	Minimal inspection and enforcement costs.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 464/HB 521	Maryland Trauma Physician Services Fund – Rural Trauma Centers – Reimbursement (Ch. 546/Ch. 547)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential significant trauma center reimbursements.
SB 492/HB 411	Community Mental Health Services Programs – Financial Statements and Salary Information (Ch. 72/Ch. 73)							
	GF	Hlth. & Mental Hyg.	\$8,473	\$6,833	\$7,116	\$7,412	\$7,720	
SB 497	Circuit Court Judgeships – Workforce Planning – Counties of Greatest Identified Need (Ch. 269)							
	GF	Judiciary	\$621,274	\$844,998	\$911,314	\$980,863	\$1,053,808	Included in FY 2010 budget.
SB 500	Prince George’s County – Board of Education – Financial Literacy Pilot Program Course (Ch. 270)							
	GF	Education	\$0	\$0	\$33,000	\$37,300	\$0	
SB 506/HB 199	Maryland Transit Administration – Public Hearings (Ch. 271/Ch. 272)							
	SF	Transportation	\$67,566	\$90,989	\$91,899	\$92,818	\$93,746	
	SF	People’s Counsel	increase	increase	increase	increase	increase	Potential minimal travel costs.
SB 507/HB 370	Maryland Locksmiths Act (Ch. 551/Ch. 552)							
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
	GF	Labor Lic. & Reg.	\$83,933	\$82,615	\$70,437	\$73,403	\$76,522	GF revenues increase by a similar amount.

Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 516/HB 449	Maryland Organic Transition Investment Pilot Program (MO-TIPP) (Ch. 553/Ch. 554)							
	SF	Agriculture	increase	increase	increase	\$0	\$0	Potential organic farming grants. SF revenues increase by same amount.
SB 549	Sustainable Forestry Act of 2009 (Ch. 175)							
	GF	Higher Ed. Comm.	\$10,000	\$0	\$0	\$0	\$0	Potential significant program implementation and grants costs. Potential significant forest service operations costs. Minimal reporting costs.
	SF	Natural Resources	increase	increase	increase	increase	increase	
	GF	Natural Resources	increase	increase	increase	increase	increase	
	HE	Univ. Sys. of MD	increase	increase	increase	increase	increase	
SB 550	Online Child Safety Act of 2009 (Ch. 557)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 553/HB 609	Chesapeake Bay Phosphorous Reduction Act of 2009 (Ch. 278/Ch. 279)							
	GF	Agriculture	\$0	\$135,275	\$114,000	\$119,356	\$124,998	
SB 554	Chesapeake Bay Nitrogen Reduction Act of 2009 (Ch. 280)							
	SF	Environment	\$93,284	\$74,575	\$78,183	\$81,975	\$85,963	

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 556/HB 1192	State Funding Accountability Act (Ch. 558/Ch. 559)							
	GF	Budget & Mgt.	\$91,106	\$88,459	\$92,606	\$96,961	\$101,533	Potential significant audit and review costs.
	GF	Leg. Services	increase	increase	increase	increase	increase	
	GF	Information Technology	\$140,000	\$15,150	\$15,302	\$15,455	\$15,609	
SB 576/HB 740	Unemployment Insurance – Maximum Benefit – Increase (Ch. 287/Ch. 288)							
	FF	All or Multiple Agencies	\$19,430	\$64,874	\$78,150	\$79,399	\$80,780	
	GF	All or Multiple Agencies	\$58,292	\$194,620	\$234,448	\$238,196	\$242,340	
	SF	All or Multiple Agencies	\$19,430	\$64,874	\$78,150	\$79,399	\$80,780	
SB 579/HB 813	State Checks – Electronic Publication of Payee Names (Ch. 81/Ch. 82)							
	SF	Treasurer	increase	increase	increase	increase	increase	Potential minimal repayments of uncashed checks.
SB 602/HB 576	Dental Hygienists – Expanded Functions (Ch. 565/Ch. 566)							
	SF	Hlth. & Mental Hyg.	\$0	increase	increase	increase	increase	Minimal contractual staff costs.
SB 614/HB 426	Transportation – Baltimore Corridor Transit Study – Red Line Area (Ch. 569/Ch. 570)							
	SF/FF	Transportation	\$0	\$0	decrease	decrease	\$0	Potential real property acquisition costs.

Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 627/HB 714	Loan Assistance Repayment and Practice Assistance for Physicians (Ch. 575/Ch. 576)							
	FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential Medicaid match.
	GF	Hlth. & Mental Hyg.	\$58,126	\$72,998	\$76,465	\$80,109	\$83,940	
	SF	Hlth. & Mental Hyg.	\$50,000	increase	increase	increase	increase	Potential additional physician loans.
SB 637/HB 674	Health Insurance – Small Group Market Regulation – Modifications (Ch. 577/Ch. 578)							
	SF	Hlth. & Mental Hyg.	\$100,000	\$10,000	\$10,000	\$10,000	\$10,000	
SB 684/HB 571	Senior Investment Protection Act (Ch. 301/Ch. 302)							
	GF	Public Sfty. & Corr. Srvs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 688/HB 1088	Public Service Companies – Passenger-For-Hire Services – Limousines (Ch. 589/Ch. 590)							
	GF	Public Sfty. & Corr. Srvs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 689	High Schools and High School Students – Options for Accelerated Graduation (Ch. 303)							
	GF	Education	increase	\$0	\$0	decrease	\$0	Potential administrative costs in FY 2010. Potential State aid expenses in FY 2013.
SB 690/HB 713	Programs for Children in Out-of-Home Placement – System for Outcomes Evaluation (Ch. 591/Ch. 592)							
	GF	Juvenile Services	increase	increase	increase	increase	increase	Potential minimal data reporting expenditures.

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 711	Trooper Tobin Triebel Memorial Act (Ch. 307)							
	GF	Budget & Mgt.	\$50,000	\$0	\$0	\$0	\$0	Available in FY 2010 budget.
	GF	Public Sfty. & Corr. Srvcs.	\$128,500	\$0	\$0	\$0	\$0	Available in FY 2010 budget.
SB 791/HB 725	Group Model Health Maintenance Organizations – Drug Therapy Management (Ch. 314/Ch. 315)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal administrative costs.
SB 802/HB 710	Higher Education – Edward T. Conroy Memorial Scholarship Program – Alterations (Ch. 607/Ch. 608)							
	GF	Morgan St. Univ.	increase	increase	increase	increase	increase	Potential minimal administrative costs.
	GF	St. Mary's College	increase	increase	increase	increase	increase	Potential minimal administrative costs.
	GF	Baltimore City Community College	increase	increase	increase	increase	increase	Potential minimal administrative costs.
	GF	Univ. Sys. of MD	increase	increase	increase	increase	increase	Potential minimal administrative costs.
SB 810/HB 177	Natural Resources – Oyster Shell Purchase Program – Fair Market Value (Ch. 318/Ch. 319)							
	REIM	Natural Resources	\$90,000	increase	increase	increase	increase	Included in FY 2010 budget. Potential minimal oyster shell costs.
SB 850/HB 539	Public Safety – Electronic Control Devices – Requirements (Ch. 320/Ch. 321)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.

Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 863/HB 899	Workers' Compensation – Death Benefits for Partially Dependent Individuals – Payment (Ch. 616/Ch. 617)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Minimal workers' compensation payments.
SB 879/HB 1264	Gwendolyn Britt Student Health and Fitness Act (Ch. 622/Ch. 623)							
	GF	Education	\$14,470	\$22,305	\$23,631	\$25,041	\$26,540	
SB 909	Workplace Fraud Act of 2009 (Ch. 188)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Workers' compensation assessments.
	SF	Labor Lic. & Reg.	\$258,952	\$440,557	\$362,055	\$377,416	\$393,573	SF revenues increase by same amount.
	SF	Workers' Compensation Commission	increase	increase	increase	increase	increase	Minimal hearings and investigation costs.
SB 915	Washington Metropolitan Area Transit Authority – Finance and Governance (Ch. 111)							
	SF	Transportation	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	
SB 931/HB 1331	Community Development Administration – Local Government Infrastructure Financing Program – Capital Reserve Funds (Ch. 627/Ch. 628)							
	NB	Housing & Commtty Dvlpt.	increase	increase	increase	increase	increase	Potential significant bond expenditures.
SB 933/HB 1337	Family Law – State Citizens Review Board for Children and Local Boards of Review - Duties (Ch. 629/Ch. 630)							
	FF	Human Resources	(\$234,000)	(\$312,000)	(\$312,000)	(\$312,000)	(\$312,000)	
	GF	Human Resources	(\$156,000)	(\$208,000)	(\$208,000)	(\$208,000)	(\$208,000)	
SB 952/HB 739	Maryland Medical Assistance Program – Substance Abuse Services (Ch. 331/Ch. 332)							
	FF	Hlth. & Mental Hyg.	\$3,343,418	\$6,901,000	\$7,108,030	\$7,321,271	\$7,540,909	

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Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
SB 958/HB 921	Construction Permits – Expiration Dates (Ch. 334/Ch. 335)							
	GF	Planning, Office of	\$36,241	\$0	\$0	\$0	\$0	
SB 963/HB 503	Health – Maryland Commission on Autism (Ch. 337/Ch. 338)							
	GF	Hlth. & Mental Hyg.	\$20,294	\$20,811	\$21,675	\$5,644	\$0	
	GF	Education	\$20,294	\$20,811	\$21,675	\$5,644	\$0	
SB 990/HB 379	Education – Reporting Requirement – Class Size (Ch. 638/Ch. 639)							
	GF	Education	\$0	\$0	\$37,172	\$92,870	\$97,271	
SB 1011/HB 1425	Department of Transportation – Consolidated Transportation Bonds – Issuance Procedures (Ch. 641/Ch. 642)							
	SF	Transportation	(\$2,000)	(\$2,020)	(\$2,040)	(\$2,061)	(\$2,081)	
SB 1019/HB 1495	State Police Retirement System – Reemployment of Retirees (Ch. 643/Ch. 644)							
	GF	State Police	increase	increase	increase	increase	increase	Minimal pension costs.
SB 1060	General Obligation Bonds – Method of Sale by Board of Public Works (Ch. 649)							
	SF	Public Debt	decrease	decrease	decrease	decrease	decrease	Potential debt service payments.
SB 1065/HB 1569	Standing – Miscellaneous Environmental Protection Proceedings and Judicial Review (Ch. 650/Ch. 651)							
	GF	Environment	increase	increase	increase	increase	increase	Potential significant staffing and operating expenditures.
HB 9/SB 99	See entry for SB 99.							
HB 41/SB 173	See entry for SB 173.							

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 66	Criminal Law – Theft - Penalties (Ch. 655)							
	GF	Public Sfty. & Corr. Srvcs.	decrease	decrease	decrease	decrease	decrease	Potential minimal incarceration costs.
HB 70	Department of Health and Mental Hygiene – Commissions, Programs, and Reports – Revision (Ch. 656)							
	GF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal administrative costs.
HB 79	Real Property – Mortgage Fraud – Creation of Fraudulent Documents (Ch. 126)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 85/SB 183	See entry for SB 183.							
HB 101	Budget Reconciliation and Financing Act of 2009 (Ch. 487)							
	BOND	Agriculture	\$12,999,780	\$0	\$0	\$0	\$0	Included in FY 2010 capital budget.
	BOND	Natural Resources	\$89,271,359	\$0	\$0	\$0	\$0	Included in FY 2010 capital budget.
	BOND	Transportation	\$55,000,000	\$156,913,000	\$0	\$0	\$0	Included in FY 2010 capital budget.
	FF	All or Multiple Agencies	(\$10,890,727)	(\$5,866,008)	(\$6,168,112)	(\$6,483,509)	(\$7,812,783)	Included in FY 2010 budget.
	FF	Hlth. & Mental Hyg.	\$4,500,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	Included in FY 2010 budget.
	FF	Human Resources	(\$2,857,542)	\$0	\$0	\$0	\$0	
	FF	Juvenile Services	increase	increase	increase	increase	increase	
								Potential family support expenditures. FF revenues increase by same amount.

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Legislation Affecting State Expenditures

<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
GF	All or Multiple Agencies	(\$96,759,776)	(\$86,302,427)	(\$90,916,62)	(\$65,663,199)	(\$71,684,380)	Included in FY 2010 budget.
GF	Agriculture	(\$1,250,000)	(\$1,250,000)	\$0	\$0	\$0	Included in FY 2010 budget.
GF	Baltimore City Community College	(\$2,616,160)	(\$1,104,696)	(\$1,404,164)	(\$1,374,101)	(\$5,354)	Included in FY 2010 budget.
GF	Budget & Mgt.	\$0	decrease	\$0	\$0	\$0	Potential rainy day fund contribution.
GF	Bus. & Econ. Dvlpmt.	\$0	(\$3,810,741)	(\$4,012,710)	(\$4,197,294)	(\$4,365,185)	Included in FY 2010 budget.
GF	Education	(\$60,857,160)	(\$38,418,805)	(\$39,797,975)	(\$37,776,709)	(\$39,252,055)	
GF	Election Board, State	(\$2,000,000)	\$0	\$0	\$0	\$0	Included in FY 2010 budget.
GF	Environment	(\$1,800,000)	(\$1,900,000)	(\$1,900,000)	(\$1,900,000)	(\$1,900,000)	Included in FY 2010 budget.
GF	Hlth. & Mental Hyg.	(\$100,195,259)	(\$15,676,144)	\$41,865,977	(\$9,893,307)	(\$9,902,240)	Included in FY 2010 budget.
GF	Higher Ed. Comm.	(\$49,570,588)	(\$41,067,643)	(\$43,564,823)	(\$29,825,160)	(\$2,912,410)	Included in FY 2010 budget.
GF	Human Resources	(\$41,103,993)	(\$35,556,999)	\$0	\$0	\$0	Included in FY 2010 budget.
GF	Juvenile Services	(\$1,000,000)	decrease	decrease	decrease	decrease	Included in FY 2010 budget. Potential family support expenditures.
GF	Morgan St. Univ.	(\$2,890,739)	\$0	\$0	\$0	\$0	Included in FY 2010 budget.
GF	Natural Resources	(\$4,425,676)	(\$4,557,608)	(\$2,544,000)	(\$2,544,000)	(\$2,544,000)	Included in FY 2010 budget.
GF	Payments to Civil Divisions	(\$2,474,302)	(\$8,754,093)	(\$15,364,283)	(\$22,313,755)	(\$29,625,883)	Included in FY 2010 budget.
GF	Public Sfty. & Corr. Svcs.	(\$27,078,431)	(\$26,819,841)	(\$28,220,721)	(\$29,677,636)	(\$31,192,828)	Included in FY 2010 budget.
GF	School Construction	(\$11,666,661)	(\$5,702,340)	(\$1,441,330)	(\$1,472,608)	(\$1,503,683)	Included in FY 2010 budget.

Legislation Affecting State Expenditures

<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
GF	School for Deaf	(\$5,000,000)	\$0	\$0	\$0	\$0	Included in FY 2010 budget.
GF	Transportation	(\$63,000,000)	(\$63,913,000)	\$0	\$0	\$0	Included in FY 2010 budget.
GF	Univ. Sys. of MD	(\$42,141,261)	\$0	\$0	\$0	\$0	Included in FY 2010 budget.
GF/SF/FF	Education	decrease	decrease	decrease	decrease	decrease	Correctional education costs.
GF/SF/FF	Juvenile Services	increase	increase	increase	increase	increase	Correctional education costs.
HE	All or Multiple Agencies	(\$15,137,894)	(\$12,752,717)	(\$13,313,837)	(\$13,899,646)	(\$14,511,230)	Included in FY 2010 budget.
REIM	All or Multiple Agencies	(\$1,073,290)	(\$768,978)	(\$802,813)	(\$838,137)	(\$875,015)	Included in FY 2010 budget.
SF	All or Multiple Agencies	(\$16,170,569)	(\$11,413,016)	(\$11,959,189)	(\$12,529,393)	(\$14,124,686)	Included in FY 2010 budget.
SF	Agriculture	(\$7,998,980)	\$0	\$0	\$0	\$0	(\$12,999,789) included in FY 2010 budget.
SF	Election Board, State	\$2,000,000	\$0	\$0	\$0	\$0	
SF	Environment	\$0	\$0	\$0	\$0	\$0	(\$1,800,000) included in FY 2010 budget.
SF	Energy Administration	(\$35,556,999)	(\$35,556,999)	\$0	\$0	\$0	Included in FY 2010 budget.
SF	Hlth. & Mental Hyg.	\$75,367,035	(\$12,873,856)	(\$50,865,977)	\$893,307	\$902,240	(\$20,828,224) included in FY 2010 budget.
SF	Higher Ed. Comm.	\$1,458,222	\$0	\$0	\$0	\$0	
SF	Human Resources	\$35,556,999	\$35,556,999	\$0	\$0	\$0	
SF	Leg. Services	decrease	\$0	\$0	\$0	\$0	Audit expenses.
SF	Morgan St. Univ.	\$2,810,227	\$0	\$0	\$0	\$0	
SF	Natural Resources	(\$39,457,915)	\$0	\$0	\$0	\$0	(\$42,089,591) included in FY 2010 budget.
SF	Public Sfty. & Corr. Svcs.	\$1,368,000	\$7,524,000	\$7,524,000	\$7,524,000	\$7,524,000	
SF	School for Deaf	\$5,000,000	\$0	\$0	\$0	\$0	

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
	SF	Transportation	(\$161,919,000)	(\$101,920,000)	\$0	\$0	\$0	Included in FY 2010 budget.
	SF	Univ. Sys. of MD	\$40,967,551	\$0	\$0	\$0	\$0	
HB 144/SB 421	See entry for SB 421.							
HB 163	Motor Fuel – Dyed Diesel Fuel - Violations (Ch. 377)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 173/SB 247	See entry for SB 247.							
HB 177/SB 810	See entry for SB 810.							
HB 199/SB 506	See entry for SB 506.							
HB 242	Unemployment Insurance Benefits – Determination Based on Severance or Dismissal Payments (Ch. 383)							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Potential minimal unemployment insurance payments.
HB 252/SB 309	See entry for SB 309.							
HB 267	Family Law – Child Abduction by Relative (Ch. 666)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 303/SB 265	See entry for SB 265.							
HB 305/SB 263	See entry for SB 263.							
HB 306/SB 257	See entry for SB 257.							

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 449/SB 516	See entry for SB 516.							
HB 500	Baltimore City – Medical Assistance Programs – Eligibility and Enrollment Information Mailings to Students (Ch. 400)							
	GF/FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential significant Medicaid expenditures.
HB 503/SB 963	See entry for SB 963.							
HB 521/SB 464	See entry for SB 464.							
HB 533	Cooperative Purchasing Agreements – Requirements and Expansion of Use (Ch. 677)							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Minimal procurement expenditures.
HB 539/SB 850	See entry for SB 850.							
HB 542	Criminal Law – Human Trafficking – Inducing or Enticing (Ch. 143)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 560	Hate Crimes – Prohibitions and Protected Classes – Disability (Ch. 402)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 571/SB 684	See entry for SB 684.							
HB 576/SB 602	See entry for SB 602.							

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 580	Foster Kids Coverage Act (Ch. 681)							
	GF/FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal Medicaid expenditures.
HB 583/SB 304	See entry for SB 304.							
HB 588	Education – Public Schools – Standardized Course Numbering System (Ch. 407)							
	GF/FF	Education	increase	increase	increase	increase	increase	Potential significant data collection costs.
HB 595	State Government – Recycling Program – Aluminum, Glass, Paper, and Plastic (Ch. 408)							
	GF	Gen. Services	\$161,640	\$0	\$0	\$0	\$0	Significant garbage removal/disposal costs.
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	
	SF	Environment	\$50,711	\$64,704	\$67,763	\$70,980	\$74,364	
HB 597/SB 433	See entry for SB 433.							
HB 598	Academic Facilities Bonding Authority (Ch. 409)							
	BOND	Univ. Sys. of MD	\$27,000,000	\$0	\$0	\$0	\$0	Included in FY 2010 capital budget. Bond revenues increase by same amount.
	HE	Univ. Sys. of MD	\$0	\$2,165,000	\$2,164,250	\$2,166,500	\$2,166,500	
HB 609/SB 553	See entry for SB 553.							
HB 613	Public Safety – Elevators – Inspections (Ch. 145)							
	SF	Labor Lic. & Reg.	(\$152,585)	(\$154,479)	(\$160,758)	(\$167,307)	(\$174,139)	

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 644	Procurement – Apprenticeship Training Programs (Ch. 687)							
	SF	Labor Lic. & Reg.	\$175,416	\$210,499	\$187,110	\$163,721	\$140,330	SF revenues increase by same amount.
HB 674/SB 637	See entry for SB 637.							
HB 676	Maryland Agricultural Land Preservation Foundation – Easements (Ch. 150)							
	SF	Agriculture	decrease	decrease	decrease	decrease	decrease	Potential significant appraisal costs.
HB 706	Electronic Health Records – Regulation and Reimbursement (Ch. 689)							
	GF/SF/FF Budget & Mgt.		\$0	\$0	increase	increase	increase	Potential significant health insurance expenditures.
	SF	Hlth. & Mental Hyg.	\$0	\$50,000	\$0	\$132,010	\$81,755	Potential electronic health records development costs.
	GF	Hlth. & Mental Hyg.	\$0	\$0	increase	increase	increase	
HB 710/SB 802	See entry for SB 802.							
HB 713/SB 690	See entry for SB 690.							
HB 714/SB 627	See entry for SB 627.							
HB 725/SB 791	See entry for SB 791.							
HB 735	State Personnel – At-Will Employment – Reforms and Reports (Ch. 690)							
	GF	Budget & Mgt.	\$35,956	\$42,463	\$22,121	\$0	\$0	
HB 739/SB 952	See entry for SB 952.							

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 740/SB 576	See entry for SB 576.							
HB 788	Baltimore City and Baltimore County – Child in Need of Supervision Pilot Program – Extension (Ch. 420)							
	GF	Juvenile Services	\$0	\$250,000	\$250,000	\$250,000	\$0	
HB 796	Agriculture – Emerald Ash Borer Grant Fund (Ch. 421)							
	GF	Agriculture	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	GFs capitalize special fund.
	SF	Agriculture	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	SF revenues increase by same amount.
HB 810	Income Tax – Mandatory Income Tax Return Preparer Requirements (Ch. 422)							
	GF	Comptroller	(\$155,000)	(\$304,300)	(\$370,900)	(\$365,300)	(\$358,400)	(\$338,000) included in FY 2010 budget.
HB 813/SB 579	See entry for SB 579.							
HB 893	Election Law – Voting Systems – Requirements (Ch. 428)							
	GF	Election Board, State	(\$478,506)	(\$1,195,228)	(\$1,193,992)	(\$1,192,733)	(\$1,191,450)	
HB 899/SB 863	See entry for SB 863.							
HB 921/SB 958	See entry for SB 958.							
HB 923	Higher Education – Community Colleges – BRAC – Exemption from Out-of-State and Out-of-County Fees (Ch. 697)							
	GF	Baltimore City	\$0	\$0	increase	increase	increase	Potential BCCC funding formula expenditures.
		Community College						
	GF	Higher Ed. Comm.	\$0	\$0	increase	increase	increase	Potential community college funding formula expenditures.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 952	Continuing Care Agreements and Related Agreements (Ch. 750)							
	GF	Aging	\$17,419	\$22,149	\$23,195	\$24,293	\$25,446	
	SF	Aging	\$52,257	\$66,446	\$69,584	\$72,880	\$76,339	
HB 973	Maryland Horse Industry Fund – Assessments on Commercial Equine Feed (Ch. 702)							
	GF	Agriculture	decrease	decrease	decrease	decrease	decrease	Maryland Horse Industry Board operating expenses.
	SF	Agriculture	increase	increase	increase	increase	increase	Maryland Horse Industry Board operating expenses.
HB 1088/SB 688	See entry for SB 688.							
HB 1179	Election Law – Early Voting (Ch. 445)							
	GF	Election Board, State	\$1,600,000	\$1,600,000	increase	increase	increase	Potential significant lease and implementation costs.
HB 1192/SB 556	See entry for SB 556.							
HB 1196	Domestic Violence – Protective Orders – Notification of Service (Ch. 711)							
	FF	Public Sfty. & Corr. Srvcs.	\$300,000	\$276,000	\$138,000	\$0	\$0	
HB 1263	Mercury Switch Removal from Vehicles (Ch. 713)							
	SF	Environment	\$75,685	\$73,881	\$77,132	\$80,549	\$84,140	
HB 1264/SB 879	See entry for SB 879.							

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 1330	Creation of a State Debt – Community Development Administration – Local Government Infrastructure Financing Program (Ch. 719)							
	SF	Public Debt	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential debt service payments.
HB 1331/SB 931	See entry for SB 931.							
HB 1337/SB 933	See entry for SB 933.							
HB 1404	Higher Education – Children of Fallen State or Local Public Safety Employees – Exemption from Nonresident Tuition (Ch. 461)							
	GF	Higher Ed. Comm.	\$0	\$0	increase	increase	increase	Potential minimal community college formula expenditures.
HB 1406	Business and Economic Development – Maryland Public Art Initiative – Sunset Repeal (Ch. 724)							
	GF	Bus. & Econ. Dvlpmt.	\$19,260	\$22,284	\$23,610	\$25,018	\$26,517	Potential art expenditures.
	SF	Bus. & Econ. Dvlpmt.	\$0	increase	increase	increase	increase	
HB 1407	Environmental Trust Fund – Environmental Surcharge – Sunset Extension (Ch. 167)							
	FF	All or Multiple Agencies	\$0	\$43,800	\$43,800	\$43,800	\$43,800	SF revenues increase by similar amount.
	GF	All or Multiple Agencies	\$0	\$131,400	\$131,400	\$131,400	\$131,400	
	SF	All or Multiple Agencies	\$0	\$9,643,800	\$9,643,800	\$9,643,800	\$9,643,800	
HB 1412	Vehicle Laws – Motor Vehicle Administration Point System (Ch. 462)							
	SF	Transportation	\$17,595	(\$23,438)	(\$23,672)	(\$23,909)	(\$24,148)	

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Comments</u>
HB 1413	State Board of Veterinary Medical Examiners – Veterinary Education – Continuing Education Requirements (Ch. 725)							
	SF	Agriculture	increase	\$0	\$0	\$0	\$0	Potential minimal notification expenses.
HB 1417	Water Quality and Drinking Water Quality Revolving Loan Funds – Use of Funds (Ch. 168)							
	FF	Environment	\$119,800,000	\$600,000	\$600,000	\$600,000	\$0	FF revenues increase by same total.
HB 1425/SB 1011	See entry for SB 1011.							
HB 1429	Business and Economic Development – BRAC Community Enhancement Act (Ch. 728)							
	GF	Bus. & Econ. Dvlpmnt.	decrease	increase	increase	increase	increase	Potential significant tax incentive payments.
HB 1475	Maryland Veterans Behavioral Health – Expansion (Ch. 736)							
	GF	Hlth. & Mental Hyg.	increase	increase	\$0	\$0	\$0	Behavioral health service costs.
HB 1495/SB 1019	See entry for SB 1019.							
HB 1521	Department of Transportation – Prospective and Current Employees – Criminal History Records Checks (Ch. 738)							
	SF	Transportation	\$22,047	\$29,690	\$29,987	\$30,287	\$30,590	\$8,000 included in FY 2010 budget.
HB 1526	Workforce Development – Maryland Workforce Corporation (Ch. 476)							
	FF	Labor Lic. & Reg.	\$500,000	\$0	\$0	\$0	\$0	

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Expenditures by Agency

<u>Agency</u>	<u>Fund</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Aging						
	GF	\$17,419	\$22,149	\$23,195	\$24,293	\$25,446
	SF	\$52,257	\$66,446	\$69,584	\$72,880	\$76,339
Agriculture						
	GF	(\$1,150,000)	(\$1,014,725)	\$214,000	\$219,356	\$224,998
	SF	(\$7,898,980)	\$100,000	\$100,000	\$100,000	\$100,000
	FF	\$9,450	\$12,994	\$17,152	\$22,011	\$27,671
	BOND	\$12,999,780	\$0	\$0	\$0	\$0
All or Multiple Agencies						
	GF	(\$96,526,497)	(\$85,814,144)	(\$90,391,639)	(\$65,134,242)	(\$71,139,438)
	SF	(\$16,092,812)	(\$1,650,254)	(\$2,184,514)	(\$2,753,074)	(\$4,343,038)
	FF	(\$10,812,970)	(\$5,703,246)	(\$5,993,437)	(\$6,307,190)	(\$7,631,135)
	HE	(\$15,137,894)	(\$12,752,717)	(\$13,313,837)	(\$13,899,646)	(\$14,511,230)
	REIM	(\$1,703,290)	(\$768,978)	(\$802,813)	(\$838,137)	(\$875,015)
Baltimore City Community College						
	GF	(\$2,616,160)	(\$1,104,696)	(\$1,404,164)	(\$1,374,101)	(\$5,354)
	HE	\$0	\$2,500,000	\$2,500,000	\$5,325,000	\$5,325,000
	BOND	\$50,000,000	\$0	\$0	\$0	\$0
Budget & Management						
	GF	\$177,062	\$130,922	\$114,727	\$96,961	\$101,533
Business & Economic Development						
	GF	\$19,260	(\$3,788,457)	(\$3,989,100)	(\$4,172,276)	(\$4,338,668)
Comptroller						
	GF	(\$155,000)	(\$304,300)	(\$370,900)	(\$365,300)	(\$358,400)
Education						
	GF	(\$60,766,408)	(\$38,074,124)	(\$39,378,157)	(\$37,542,900)	(\$39,052,824)

Expenditures by Agency (cont'd)

<u>Agency Fund</u>	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Election Board						
	GF	(\$878,506)	\$404,772	(\$1,193,992)	(\$1,192,733)	(\$1,191,450)
	SF	\$2,000,000	\$0	\$0	\$0	\$0
Energy Administration						
	SF	(\$35,556,999)	(\$35,556,999)	\$0	\$0	\$0
Environment						
	GF	(\$1,800,000)	(\$1,900,000)	(\$1,900,000)	(\$1,900,000)	(\$1,900,000)
	SF	\$1,535,531	\$1,626,689	\$2,277,626	\$1,757,833	\$1,837,200
	FF	\$119,800,000	\$600,000	\$600,000	\$600,000	\$0
General Services						
	GF	\$161,640	\$0	\$0	\$0	\$0
Health & Mental Hygiene						
	GF	(\$100,103,366)	(\$15,575,502)	\$43,316,233	(\$8,455,142)	(\$8,465,580)
	SF	\$75,517,035	(\$12,751,534)	(\$50,795,142)	\$1,099,109	\$1,060,900
	FF	\$7,843,418	\$15,901,000	\$16,108,030	\$16,321,271	\$16,540,909
	OTHER	\$20,914	\$22,603	\$23,515	\$24,466	\$25,459
Higher Education Commission						
	GF	(\$49,560,588)	(\$41,017,643)	(\$43,514,823)	(\$29,825,160)	(\$2,912,410)
	SF	\$1,458,222	\$0	\$0	\$0	\$0
Human Resources						
	GF	(\$41,259,993)	(\$35,764,999)	(\$208,000)	(\$208,000)	(\$208,000)
	SF	\$35,556,999	\$35,556,999	\$0	\$0	\$0
	FF	(\$3,091,542)	(\$312,000)	(\$312,000)	(\$312,000)	(\$312,000)
Information Technology						
	GF	\$140,000	\$15,150	\$15,302	\$15,455	\$15,609

Expenditures by Agency (cont'd)

<u>Agency Fund</u>	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Judiciary	GF	\$621,274	\$844,998	\$911,314	\$980,863	\$1,053,808
Juvenile Services	GF	(\$1,000,000)	\$250,000	\$250,000	\$250,000	\$0
Labor, Licensing, & Regulation	GF	\$83,933	\$82,615	\$70,437	\$73,403	\$76,522
	SF	\$746,008	\$513,789	\$405,518	\$390,826	\$376,632
	FF	\$500,000	\$0	\$0	\$0	\$0
Morgan State University	GF	(\$2,890,739)	\$0	\$0	\$0	\$0
	SF	\$2,810,227	\$0	\$0	\$0	\$0
Natural Resources	GF	(\$4,425,877)	(\$4,557,608)	(\$2,544,000)	(\$2,544,000)	(\$2,544,000)
	SF	(\$39,307,286)	\$160,285	\$156,411	\$152,854	\$184,632
	BOND	\$89,271,359	\$0	\$0	\$0	\$0
	REIM	\$90,000	\$0	\$0	\$0	\$0
Payments to Civil Divisions	GF	(\$2,474,304)	(\$8,754,093)	(\$15,364,283)	(\$22,313,755)	(\$29,625,883)
Planning	GF	\$36,241	\$0	\$0	\$0	\$0
Public Safety & Correctional Services	GF	(\$26,869,931)	(\$26,739,841)	(\$28,140,721)	(\$29,597,636)	(\$31,112,828)
	SF	\$1,368,000	\$7,524,000	\$7,524,000	\$7,524,000	\$7,524,000
	FF	\$300,000	\$276,000	\$138,000	\$0	\$0

Expenditures by Agency (cont'd)

<u>Agency Fund</u>	<u>FY</u>	<u>2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
School Construction						
	GF	(\$11,666,661)	(\$5,702,340)	(\$1,441,330)	(\$1,472,608)	(\$1,503,683)
School for the Deaf						
	GF	(\$5,000,000)	\$0	\$0	\$0	\$0
	SF	\$5,000,000	\$0	\$0	\$0	\$0
State Police						
	GF	\$230,305	\$220,532	\$228,559	\$284,559	\$245,351
	SF	\$1,541,296	\$2,079,710	\$1,871,739	\$1,684,565	\$1,516,109
Transportation						
	GF	(\$63,000,000)	(\$63,913,000)	\$0	\$0	\$0
	SF	(\$111,036,263)	(\$51,599,720)	\$50,322,784	\$50,325,311	\$50,327,865
	NB	\$9,324	\$9,977	\$10,675	\$11,422	\$12,222
	BOND	\$55,000,000	\$156,913,000	\$0	\$0	\$0
University System of Maryland						
	GF	(\$42,141,261)	\$0	\$0	\$0	\$0
	SF	\$40,967,551	\$0	\$0	\$0	\$0
	HE	\$0	\$2,165,000	\$2,164,250	\$2,166,500	\$2,166,500
	BOND	\$27,000,000	\$0	\$0	\$0	\$0

Totals by Fund Type/Summary of Quantifiable Expenditure Effects

<u>Fund Type</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
GF	(\$512,797,956) ¹	(\$332,054,334)	(\$184,697,342)	(\$204,152,963)	(\$192,615,251)
SF	(41,339,214) ²	(\$53,930,589)	\$9,748,006	\$60,354,304	\$58,660,639
FF	\$114,548,356 ³	\$10,774,748	\$10,557,745	\$10,324,092	\$8,625,445
BOND	\$234,271,139 ⁴	\$156,913,000	\$0	\$0	\$0

¹\$2,570,479 is not included in the FY 2010 budget.

²\$250,016,949 is not included in the FY 2010 budget.

³\$128,287,175 is not included in the FY 2010 budget.

⁴\$50,000,000 is not included in the FY 2010 budget.

Regular Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2010</u>	<u>Beginning in FY 2011</u>
Aging	GF/SF	1.0	0
Agriculture	GF	0	2.0
Budget & Management	GF	1.0	0
Business & Economic Development	GF	1.0	0
Education	GF	1.5	0
Environment	SF	14.0	0
	GF/SF	5.0	5.0
Health & Mental Hygiene	GF	1.0	0
	SF	(4.0)	0
Judiciary	GF	12.0	0
Labor, Licensing, & Regulation	GF	1.0	0
	SF	6.5	0
Natural Resources	SF	2.0	0
State Police	GF	3.0	0
Total		45.0	7.0

Contractual Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2010</u>	<u>Beginning in FY 2011</u>
Budget & Management	GF	0.8	0
Education	GF	(0.7)	0.5
Health & Mental Hygiene	GF	0.6	0
	OTHER	0.5	0
Labor, Licensing, & Regulation	SF	2.0	0
Total		3.2	0.5

Chapter Four – Local Government

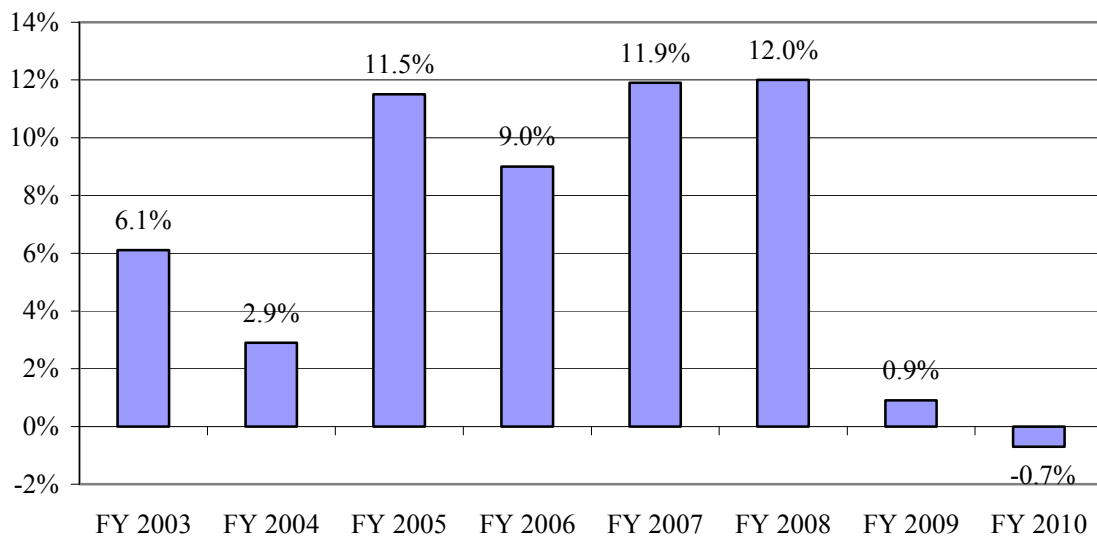
- State Aid to Local Governments
- State Mandates on Local Governments
- Legislation Affecting Local Government Revenues
- Legislation Affecting Local Government Expenditures

State Aid to Local Governments

Overview

The slow-down in the State's economy coupled by declining revenues affected the ability of the General Assembly to fully fund local programs in fiscal 2010. Even with the influx of federal stimulus funds, most of which were targeted to education programs, State aid to local governments will decrease by \$42.6 million, or 0.7%, from the prior year. However, local school systems and community colleges will realize a modest increase in State funding in the upcoming year. State aid to local school systems will increase by \$127.9 million, or 2.4%; whereas, community colleges will receive a \$12.6 million, or 4.9%, increase in State aid. Increased funding for local school systems is due primarily to increased federal funding under the American Recovery and Reinvestment Act of 2009. Public libraries will receive a slight increase in State funding (0.5%) in fiscal 2010 while local health departments will be level funded in the upcoming year. County and municipal governments, however, will experience a significant decrease in State funding. The State aid decrease is estimated at \$183.4 million in fiscal 2010. Over the last three years, State aid to county and municipal governments has decreased by \$386.2 million. **Exhibit 4.1** shows the annual increase in State aid over the last eight years. **Exhibit 4.2** shows the change in State aid in fiscal 2010 by governmental entity.

Exhibit 4.1
Annual Growth in State Aid to Local Governments



Source: Department of Legislative Services

Exhibit 4.2
State Aid to Local Governments
Fiscal 2009 and 2010
(\$ in Millions)

	<u>FY 2009</u>	<u>FY 2010</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$5,379.3	\$5,507.3	\$127.9	2.4%
Libraries	63.8	64.1	0.3	0.5%
Community Colleges	254.7	267.3	12.6	4.9%
Health	57.4	57.4	0.0	0.0%
County/Municipal	750.8	567.4	-183.4	-24.4%
Total	\$6,506.0	\$6,463.3	-\$42.6	-0.7%

Source: Department of Legislative Services

State Support for Local Governments Impacted by Cost Containment

The General Assembly approved \$301.8 million in reductions to local government programs in fiscal 2010. State aid accounts for \$268.7 million of the reductions, while local park and jail programs account for the remaining \$33.1 million. Nearly two-thirds of the total reductions will affect county and municipal governments, while local school systems will have to absorb 22% of the reductions (**Exhibit 4.3**). State funding for local highways and transportation projects received the largest share of the reductions.

Exhibit 4.3
Legislative Actions Impacting State Aid to Local Governments
(\$ in Millions)

	<u>FY 2010</u>	<u>Percent of Total</u>
Public Schools	-\$65.1	21.6%
Libraries	-4.7	1.5%
Community Colleges	-34.0	11.3%
Health	0.0	0.0%
County/Municipal	-198.0	65.6%
Total	-\$301.8	100.0%

Source: Department of Legislative Services

Funding for local highway user grants will be reduced by \$101.9 million in fiscal 2010, with an additional \$60.0 million reduction based on local wealth and tax effort. State retirement payments for certain local officials will be eliminated resulting in a \$2.5 million reduction. Local school systems will realize a \$65.1 million reduction over current law, most of which involves nonpublic placements for special education students, the aging schools program, and recapture of formula overpayments in the prior year. Funding for local libraries will be reduced by \$4.7 million; whereas, community college funding increases required under current law will be reduced by \$34.0 million.

The General Assembly also approved a measure that prohibits the Department of Natural Resources from making revenue sharing payments to counties in fiscal 2010 and 2011, with the exception of payments for revenues generated from the sale of lumber. The allocation to counties represent either 15 or 25% of the revenue derived from forests and parks, depending on the percent of county land dedicated to State forest and parks. Local revenues are projected to decrease by \$1.9 million in fiscal 2010 and \$2.0 million in fiscal 2011.

In addition, State funding for local jail reimbursements will decrease by \$31.3 million in fiscal 2010. Since the implementation of a statutory change in 1986, the State has partially reimbursed local jails for the confinement of inmates who have been sentenced under the Division of Correction jurisdiction and are serving sentences in local correctional facilities for more than 3 months but not more than 18 months. Reimbursement costs are estimated to be \$29.6 million for fiscal 2010. The Budget Reconciliation and Financing Act of 2009 converts the reimbursement to a grant program that will provide each county at least \$45 for each inmate day between 12 and 18 months, based on actual data from the most recent fiscal year. It is estimated that the grants would total \$13.3 million in fiscal 2010; however, the General Assembly eliminated all funding for the reimbursements in fiscal 2010, thereby, deferring implementation of the grant until 2011. The Budget Reconciliation and Financing Act of 2009 also converts to a grant program the State reimbursements for each day an inmate who is sentenced to a State correctional facility is held in a local correctional facility. This action is estimated to reduce the reimbursements about \$1.7 million.

Exhibits 4.4 through 4.6 show the funding reductions by program for each county. Even with these reductions, State aid for most local school systems, community colleges, and local libraries will increase in fiscal 2010.

Exhibit 4.4
Legislative Reductions to State Education Aid Programs in Fiscal 2010
(\$ in Thousands)

County	Fiscal 2009 Overpayments	Nonpublic Placements	Aging Schools ¹	Unallocated Education Aid ²	Total Reductions
Allegany	-\$879	-\$114	-\$89	\$0	-\$1,082
Anne Arundel	-5,154	-1,307	-460	0	-6,922
Baltimore City	0	-3,246	-1,263	0	-4,509
Baltimore	-5,992	-1,941	-795	0	-8,728
Calvert	-896	-117	-35	0	-1,047
Caroline	-357	-28	-46	0	-430
Carroll	-1,430	-447	-125	0	-2,001
Cecil	-976	-235	-87	0	-1,299
Charles	-2,545	-167	-46	0	-2,758
Dorchester	-338	-8	-35	0	-381
Frederick	-2,148	-290	-166	0	-2,604
Garrett	0	-25	-35	0	-60
Harford	-1,963	-635	-198	0	-2,796
Howard	-3,167	-429	-80	0	-3,676
Kent	0	-16	-35	0	-50
Montgomery	0	-1,704	-548	0	-2,252
Prince George's	-68	-3,593	-1,100	0	-4,761
Queen Anne's	-497	-45	-46	0	-588
St. Mary's	-1,418	-90	-46	0	-1,553
Somerset	0	0	-35	0	-35
Talbot	0	-3	-35	0	-38
Washington	-1,770	-208	-123	0	-2,101
Wicomico	-1,241	-27	-97	0	-1,366
Worcester	0	0	-35	0	-35
Unallocated	0	-1,435	0	-12,587	-14,022
Total	-\$30,838	-\$16,110	-\$5,558	-\$12,587	-\$65,094

¹The capital budget includes \$6.1 million to be used for the aging schools program.

²Includes quality teacher incentives (\$5.3 million), school improvement grants (\$4.8 million), environmental education (\$150,000), math and science initiatives (\$1.0 million), headstart (\$1.2 million), and the principal fellowship program (\$159,793).

Source: Department of Legislative Services

Exhibit 4.5
Legislative Reductions to State Aid to Local Governments in Fiscal 2010
(\$ in Thousands)

County	Education Aid	Library Aid¹	Community Colleges	Highway User Revenues	Additional Highway User	Local Employee Retirement²	Total Reductions
Allegany	-\$1,082	-\$60	-\$815	-\$1,832	-\$319	-\$17	-\$4,125
Anne Arundel	-6,922	-235	-4,734	-7,997	-9,059	-39	-28,986
Baltimore City	-4,509	-513	0	-19,871	-2,963	-2,672	-30,528
Baltimore	-8,728	-488	-5,600	-10,757	-8,901	-29	-34,502
Calvert	-1,047	-44	-349	-1,778	-1,193	0	-4,412
Caroline	-430	-23	-212	-1,272	-304	-11	-2,252
Carroll	-2,001	-97	-1,187	-3,592	-1,639	-46	-8,562
Cecil	-1,299	-64	-780	-1,991	-1,004	-20	-5,158
Charles	-2,758	-79	-1,114	-2,578	-1,551	0	-8,082
Dorchester	-381	-21	-187	-1,407	-320	-10	-2,326
Frederick	-2,604	-119	-1,360	-4,738	-2,573	0	-11,395
Garrett	-60	-16	-398	-1,593	-350	-11	-2,429
Harford	-2,796	-146	-1,728	-4,172	-2,150	0	-10,992
Howard	-3,676	-55	-2,136	-3,961	-3,202	-23	-13,053
Kent	-50	-10	-80	-715	-239	0	-1,095
Montgomery	-2,252	-186	-6,311	-11,236	-12,088	-14	-32,086
Prince George's	-4,761	-532	-3,924	-9,788	-5,600	-13	-24,619
Queen Anne's	-588	-13	-262	-1,472	-682	-13	-3,030
St. Mary's	-1,553	-60	-358	-1,979	-947	-11	-4,908
Somerset	-35	-21	-121	-850	-108	0	-1,134
Talbot	-38	-7	-197	-1,172	-968	-19	-2,401
Washington	-2,101	-97	-1,179	-3,048	-1,349	0	-7,775
Wicomico	-1,366	-68	-721	-2,376	-569	-12	-5,111
Worcester	-35	-10	-294	-1,746	-1,921	-15	-4,020
Unallocated	-14,022	-1,696	0	0	0	0	-15,718
Total	-\$65,094	-\$4,659	-\$34,049	-\$101,920	-\$60,000	-\$2,974	-\$268,696

¹Includes a reduction of \$553,243 to recapture fiscal 2009 overpayments that occurred because of an error in the wealth base calculation for Montgomery County.

²Includes a reduction of \$500,000 for a miscellaneous grant to Baltimore City.

Exhibit 4.6
Total Legislative Reductions to Local Governments in Fiscal 2010
(\$ in Thousands)

County	State Aid Programs	Park Revenues	Local Jail Reimbursement¹	Jail Backup	Total Reductions
Allegany	-\$4,125	-\$155	-\$330	-\$39	-\$4,649
Anne Arundel	-28,986	-255	-3,880	-151	-33,273
Baltimore City	-30,528	0	0	0	-30,528
Baltimore	-34,502	-166	-3,410	-67	-38,144
Calvert	-4,412	-5	-800	-10	-5,226
Caroline	-2,252	-47	-170	-27	-2,495
Carroll	-8,562	-13	-890	-30	-9,495
Cecil	-5,158	-92	-100	-76	-5,426
Charles	-8,082	-29	-1,280	-95	-9,485
Dorchester	-2,326	0	-390	-5	-2,721
Frederick	-11,395	-108	-2,230	-74	-13,807
Garrett	-2,429	-297	-150	-6	-2,881
Harford	-10,992	-37	-2,850	-85	-13,964
Howard	-13,053	-48	-1,040	-78	-14,218
Kent	-1,095	0	-210	-4	-1,309
Montgomery	-32,086	-69	-5,070	-255	-37,479
Prince George's	-24,619	-9	-2,940	-553	-28,121
Queen Anne's	-3,030	-2	-410	-20	-3,463
St. Mary's	-4,908	-106	-940	-29	-5,983
Somerset	-1,134	-38	-240	-7	-1,419
Talbot	-2,401	-4	-190	-8	-2,603
Washington	-7,775	-107	-900	-54	-8,836
Wicomico	-5,111	0	-710	-9	-5,830
Worcester	-4,020	-294	-440	-15	-4,769
Unallocated	-15,718	0	0	0	-15,718
Total	-\$268,696	-\$1,882	-\$29,570	-\$1,694	-\$301,843

¹Excludes an additional \$ 11.9 million owed by the State for past reimbursements that is being eliminated as a liability.

Reliance on State Aid

State aid is the largest revenue source for most county governments in Maryland, accounting for 25.8% of total county revenues. In five counties (Anne Arundel, Baltimore, Queen Anne's, Talbot, and Worcester), State aid is the second largest revenue source after property taxes. In Howard County, State aid is the third largest revenue source after both property and income taxes. Whereas in Montgomery County, State aid is the fourth largest revenue source after property and income taxes and service charges. For most municipal governments, State aid is the third largest revenue source representing 8.2% of total municipal revenues. As with counties, the reliance on State aid varies for municipalities, ranging from 2.2% of total revenues for municipalities in Talbot County to 28.4% for municipalities in Kent County. State aid to municipalities is targeted primarily to highway maintenance, police and fire services, and parks and recreation.

Dependence on State aid varies across Maryland with less affluent jurisdictions relying on State aid as their primary revenue source and more affluent jurisdictions relying more heavily on local property and income taxes. For example, State aid accounts for 14% of total revenues in Montgomery County but 49% in Somerset County. This difference reflects the State's policy of targeting resources to less affluent jurisdictions that have a lower capacity to raise revenues from local sources. Utilizing local wealth measures to distribute State aid improves the fiscal equity among counties by making certain counties less dependent on their own tax base to fund public services thereby offsetting the inequalities in the revenue capacity among local governments. Currently, nearly 70% of State aid is distributed inversely to local wealth. The disparity in local tax capacities among counties in Maryland is illustrated in **Exhibit 4.7** which shows the per-capita local wealth and State aid amounts for each county for fiscal 2010.

Changes by Program

Four counties will receive an increase in State aid in fiscal 2010, while 20 counties will receive a decrease. **Exhibit 4.8** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit 4.9** compares total State aid in fiscal 2009 and 2010 by program.

Exhibit 4.7
Comparison of Local Wealth Measures and State Aid Allocation
Fiscal 2010

County	Per Capita Property Base	Per Capita Income Base	Per Capita Total Wealth	Percent of State Avg.	Per Capita Ranking	Per Capita State Aid	Per Capita Ranking
Allegany	\$18,705	\$12,039	\$30,744	42.0%	24	\$1,611	3
Anne Arundel	64,678	24,633	89,311	122.0%	6	782	20
Baltimore City	21,922	11,321	33,243	45.4%	23	1,875	1
Baltimore	42,175	22,370	64,546	88.1%	15	868	19
Calvert	58,970	21,909	80,879	110.4%	7	1,235	11
Caroline	35,130	13,391	48,521	66.3%	20	1,676	2
Carroll	48,397	21,803	70,201	95.9%	12	1,096	16
Cecil	42,510	16,953	59,463	81.2%	16	1,243	10
Charles	53,594	18,785	72,378	98.8%	11	1,340	8
Dorchester	41,044	13,607	54,651	74.6%	18	1,329	9
Frederick	53,630	22,722	76,352	104.3%	9	1,168	13
Garrett	59,596	13,139	72,736	99.3%	10	1,354	7
Harford	44,158	21,033	65,191	89.0%	13	1,117	15
Howard	69,934	30,153	100,087	136.7%	4	1,019	17
Kent	58,312	18,248	76,560	104.5%	8	778	21
Montgomery	79,176	30,100	109,276	149.2%	3	756	22
Prince George's	43,570	15,067	58,637	80.1%	17	1,374	5
Queen Anne's	71,809	22,018	93,828	128.1%	5	913	18
St. Mary's	46,006	19,017	65,023	88.8%	14	1,145	14
Somerset	25,371	8,527	33,898	46.3%	22	1,372	6
Talbot	101,413	26,933	128,345	175.3%	2	527	24
Washington	38,355	16,011	54,366	74.2%	19	1,227	12
Wicomico	30,915	15,073	45,988	62.8%	21	1,530	4
Worcester	166,510	19,307	185,817	253.7%	1	633	23
Total	\$52,244	\$20,985	\$73,228	100.0%		\$1,147	

Exhibit 4.8
State Aid to Local Governments
Fiscal 2010 Legislative Appropriation
(\$ in Thousands)

County	County - Municipal	Community Colleges	Direct State Aid				Retirement	Total FY	Change Over 2009	Percent Change
			Public Schools	Libraries	Health	Subtotal				
Allegany	\$12,776	\$6,172	\$85,796	\$770	\$1,398	\$106,912	\$9,437	\$116,349	-\$1,111	-0.9%
Anne Arundel	19,782	30,876	276,775	1,835	4,834	334,102	66,893	400,994	-9,675	-2.4%
Baltimore City	264,460	0	837,682	6,548	10,269	1,118,959	75,532	1,194,491	-15,979	-1.3%
Baltimore	29,379	38,826	509,674	5,246	6,619	589,744	92,446	682,190	-16,713	-2.4%
Calvert	4,385	2,309	86,163	398	569	93,824	15,729	109,553	-162	-0.1%
Caroline	5,655	1,447	42,572	273	828	50,775	4,758	55,533	-1,491	-2.6%
Carroll	9,266	7,949	140,868	982	1,895	160,960	24,672	185,633	-3,632	-1.9%
Cecil	5,231	5,449	97,582	704	1,241	110,208	13,983	124,191	-2,138	-1.7%
Charles	6,636	7,374	149,531	795	1,530	165,865	22,700	188,566	-2,474	-1.3%
Dorchester	5,923	1,283	30,269	242	660	38,376	4,159	42,535	-1,711	-3.9%
Frederick	12,352	8,999	204,266	1,099	2,326	229,042	34,672	263,715	-2,331	-0.9%
Garrett	6,240	3,548	25,354	155	673	35,970	4,227	40,197	-1,358	-3.3%
Harford	11,582	11,054	207,607	1,549	2,673	234,464	34,126	268,591	-4,315	-1.6%
Howard	11,365	14,581	197,243	766	1,869	225,825	54,449	280,274	3,225	1.2%
Kent	2,053	549	10,225	94	517	13,438	2,248	15,686	-977	-5.9%
Montgomery	33,127	44,285	474,400	2,606	4,638	559,056	160,047	719,103	44,049	6.5%
Prince George's	60,890	24,861	909,487	5,962	7,703	1,008,904	119,184	1,128,088	-2,238	-0.2%
Queen Anne's	3,669	1,794	30,684	127	643	36,916	6,094	43,010	-1,400	-3.2%
St. Mary's	5,259	2,369	93,210	629	1,244	102,711	13,549	116,260	-2,684	-2.3%
Somerset	7,555	804	23,681	261	661	32,962	2,872	35,834	96	0.3%
Talbot	2,667	1,346	10,922	101	506	15,542	3,555	19,097	-1,425	-6.9%
Washington	8,213	8,243	140,965	1,117	2,125	160,663	17,786	178,449	-926	-0.5%
Wicomico	8,951	4,811	114,889	822	1,457	130,930	12,947	143,877	5,186	3.7%
Worcester	3,696	1,963	17,387	138	481	23,665	7,505	31,170	-2,223	-6.7%
Unallocated	26,249	7,159	30,951	15,609	0	79,967	0	79,967	-20,229	-20.2%
Total	\$567,361	\$238,050	\$4,748,182	\$48,828	\$57,359	\$5,659,780	\$803,570	\$6,463,350	-\$42,633	-0.7%

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Aid to Local Governments
Fiscal 2009 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$14,721	\$5,920	\$86,711	\$770	\$1,398	\$109,520	\$7,940	\$117,460
Anne Arundel	38,650	29,873	281,097	1,991	4,834	356,445	54,224	410,669
Baltimore City	287,943	0	841,498	6,586	10,269	1,146,296	64,174	1,210,469
Baltimore	51,579	38,748	518,214	5,422	6,619	620,582	78,321	698,902
Calvert	7,139	2,229	86,486	446	569	96,869	12,845	109,715
Caroline	7,555	1,413	42,989	280	828	53,064	3,959	57,024
Carroll	15,155	7,414	143,861	1,038	1,895	169,363	19,901	189,264
Cecil	8,561	5,143	98,984	732	1,241	114,660	11,669	126,329
Charles	11,211	7,210	152,207	853	1,530	173,011	18,029	191,040
Dorchester	7,971	1,252	30,782	248	660	40,913	3,333	44,246
Frederick	20,341	8,621	205,960	1,135	2,326	238,383	27,663	266,046
Garrett	8,292	3,374	25,480	164	673	37,982	3,573	41,555
Harford	18,718	10,580	210,795	1,627	2,673	244,393	28,512	272,906
Howard	19,785	13,822	197,049	763	1,869	233,289	43,760	277,049
Kent	3,149	536	10,468	104	517	14,773	1,890	16,663
Montgomery	59,454	43,263	431,517	2,610	4,638	541,482	133,572	675,054
Prince George's	78,971	23,679	918,884	6,522	7,703	1,035,759	94,567	1,130,326
Queen Anne's	6,048	1,751	30,847	133	643	39,422	4,989	44,410
St. Mary's	8,454	2,287	95,018	659	1,244	107,662	11,282	118,944
Somerset	8,116	766	23,647	263	661	33,453	2,284	35,737
Talbot	4,996	1,314	10,504	101	506	17,420	3,103	20,523
Washington	13,103	7,785	140,787	1,135	2,125	164,936	14,439	179,375
Wicomico	10,627	4,580	110,294	811	1,457	127,769	10,922	138,691
Worcester	7,695	1,869	17,129	137	481	27,310	6,082	33,392
Unallocated	30,381	7,108	46,353	16,353	0	100,195	0	100,195
Total	\$748,615	\$230,534	\$4,757,561	\$50,883	\$57,359	\$5,844,952	\$661,031	\$6,505,983

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Aid to Local Governments
Dollar Difference Between Fiscal 2010 Legislative Appropriation and Fiscal 2009 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-\$1,945	\$252	-\$915	\$0	\$0	-\$2,608	\$1,497	-\$1,111
Anne Arundel	-18,868	1,003	-4,322	-156	0	-22,343	12,668	-9,675
Baltimore City	-23,483	0	-3,816	-38	0	-27,337	11,358	-15,979
Baltimore	-22,199	78	-8,540	-176	0	-30,838	14,125	-16,713
Calvert	-2,754	80	-323	-48	0	-3,045	2,883	-162
Caroline	-1,900	35	-417	-7	0	-2,289	798	-1,491
Carroll	-5,889	536	-2,993	-57	0	-8,403	4,771	-3,632
Cecil	-3,330	307	-1,402	-27	0	-4,452	2,314	-2,138
Charles	-4,575	164	-2,677	-58	0	-7,146	4,672	-2,474
Dorchester	-2,047	31	-513	-7	0	-2,536	826	-1,711
Frederick	-7,990	378	-1,693	-36	0	-9,341	7,010	-2,331
Garrett	-2,051	174	-126	-9	0	-2,012	654	-1,358
Harford	-7,137	474	-3,189	-78	0	-9,929	5,614	-4,315
Howard	-8,420	759	194	3	0	-7,463	10,688	3,225
Kent	-1,096	13	-243	-9	0	-1,335	358	-977
Montgomery	-26,327	1,022	42,883	-4	0	17,574	26,476	44,049
Prince George's	-18,081	1,182	-9,396	-560	0	-26,856	24,618	-2,238
Queen Anne's	-2,379	43	-163	-6	0	-2,505	1,105	-1,400
St. Mary's	-3,196	82	-1,808	-30	0	-4,951	2,268	-2,684
Somerset	-561	39	33	-2	0	-492	588	96
Talbot	-2,329	32	418	0	0	-1,878	453	-1,425
Washington	-4,891	458	178	-18	0	-4,273	3,347	-926
Wicomico	-1,675	231	4,595	10	0	3,161	2,025	5,186
Worcester	-3,999	94	258	1	0	-3,645	1,422	-2,223
Unallocated	-4,132	50	-15,402	-744	0	-20,229	0	-20,229
Total	-\$181,254	\$7,516	-\$9,379	-\$2,055	\$0	-\$185,172	\$142,539	-\$42,633

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Aid to Local Governments
Percent Change: Fiscal 2010 Legislative Appropriation over Fiscal 2009 Working Appropriation

County	County - Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	-13.2%	4.3%	-1.1%	0.0%	0.0%	-2.4%	18.9%	-0.9%
Anne Arundel	-48.8%	3.4%	-1.5%	-7.8%	0.0%	-6.3%	23.4%	-2.4%
Baltimore City	-8.2%	n/a	-0.5%	-0.6%	0.0%	-2.4%	17.7%	-1.3%
Baltimore	-43.0%	0.2%	-1.6%	-3.2%	0.0%	-5.0%	18.0%	-2.4%
Calvert	-38.6%	3.6%	-0.4%	-10.8%	0.0%	-3.1%	22.4%	-0.1%
Caroline	-25.1%	2.4%	-1.0%	-2.3%	0.0%	-4.3%	20.2%	-2.6%
Carroll	-38.9%	7.2%	-2.1%	-5.5%	0.0%	-5.0%	24.0%	-1.9%
Cecil	-38.9%	6.0%	-1.4%	-3.7%	0.0%	-3.9%	19.8%	-1.7%
Charles	-40.8%	2.3%	-1.8%	-6.8%	0.0%	-4.1%	25.9%	-1.3%
Dorchester	-25.7%	2.4%	-1.7%	-2.7%	0.0%	-6.2%	24.8%	-3.9%
Frederick	-39.3%	4.4%	-0.8%	-3.2%	0.0%	-3.9%	25.3%	-0.9%
Garrett	-24.7%	5.2%	-0.5%	-5.4%	0.0%	-5.3%	18.3%	-3.3%
Harford	-38.1%	4.5%	-1.5%	-4.8%	0.0%	-4.1%	19.7%	-1.6%
Howard	-42.6%	5.5%	0.1%	0.4%	0.0%	-3.2%	24.4%	1.2%
Kent	-34.8%	2.4%	-2.3%	-8.8%	0.0%	-9.0%	18.9%	-5.9%
Montgomery	-44.3%	2.4%	9.9%	-0.1%	0.0%	3.2%	19.8%	6.5%
Prince George's	-22.9%	5.0%	-1.0%	-8.6%	0.0%	-2.6%	26.0%	-0.2%
Queen Anne's	-39.3%	2.4%	-0.5%	-4.6%	0.0%	-6.4%	22.1%	-3.2%
St. Mary's	-37.8%	3.6%	-1.9%	-4.5%	0.0%	-4.6%	20.1%	-2.3%
Somerset	-6.9%	5.0%	0.1%	-0.9%	0.0%	-1.5%	25.7%	0.3%
Talbot	-46.6%	2.4%	4.0%	0.4%	0.0%	-10.8%	14.6%	-6.9%
Washington	-37.3%	5.9%	0.1%	-1.6%	0.0%	-2.6%	23.2%	-0.5%
Wicomico	-15.8%	5.0%	4.2%	1.3%	0.0%	2.5%	18.5%	3.7%
Worcester	-52.0%	5.0%	1.5%	1.0%	0.0%	-13.3%	23.4%	-6.7%
Unallocated	-13.6%	0.7%	-33.2%	-4.6%	n/a	-20.2%	n/a	-20.2%
TOTAL	-24.2%	3.3%	-0.2%	-4.0%	0.0%	-3.2%	21.6%	-0.7%

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit 4.9
Total State Aid to Local Governments by Program

<u>Program</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Difference</u>
Foundation Aid	\$2,781,004,660	\$2,727,298,112	-\$53,706,548
Supplemental Program	36,638,221	48,437,254	11,799,033
Geographic Cost of Education Index	37,879,747	126,375,388	88,495,641
School Improvement Incentive Grants	23,200,000	0	-23,200,000
Revenue Stabilization Grants	14,829,747	0	-14,829,747
Compensatory Education	914,367,170	940,680,532	26,313,362
Student Transportation – Regular	200,438,351	217,198,939	16,760,588
Student Transportation – Special Education	24,640,000	25,138,000	498,000
Special Education – Formula	272,742,094	268,441,042	-4,301,052
Special Education – Nonpublic Placements	127,604,166	112,770,182	-14,833,984
Special Education – Infants and Toddlers	10,389,104	10,389,104	0
Limited English Proficiency Grants 143,	945,941	148,635,531	4,689,590
Aging Schools	11,108,986	6,108,986	-5,000,000
Teacher Quality Incentives	10,069,000	5,552,000	-4,517,000
Adult Education	6,933,622	6,933,622	0
Food Service	7,156,663	7,156,663	0
Gifted and Talented Grants	413,829	0	-413,829
Out-of-county Placements	5,200,001	6,000,001	800,000
Headstart 3,00	0,000	1,800,000	-1,200,000
School Reconstitution	8,629,600	0	-8,629,600
Judy Hoyer Centers	10,575,000	10,575,000	0
Guaranteed Tax Base	89,883,270	63,828,679	-26,054,591
Other Programs	16,911,984	14,862,927	-2,049,057
Total Primary and Secondary Education	\$4,757,561,156	\$4,748,181,962	-\$9,379,194
Library Formula	\$34,529,807	\$33,219,400	-\$1,310,407
Library Network	16,353,054	15,608,631	-744,423
Total Libraries	\$50,882,861	\$48,828,031	-\$2,054,830
Community College Formula	\$202,637,824	\$210,318,368	\$7,680,544
Grants for ESOL Programs	3,695,686	3,741,592	45,906
Optional Retirement	11,984,000	12,920,000	936,000
Small College Grant/Allegany and Garrett Grant	3,743,007	3,911,065	168,058
Statewide Programs	8,473,596	7,158,772	-1,314,824
Total Community Colleges	\$230,534,113	\$238,049,797	\$7,515,684
Highway User Revenue	\$478,269,299	\$308,481,001	-\$169,788,298
Elderly and Handicapped Transportation Aid 6,31	5,789	4,315,790	-1,999,999
Paratransit 2,80	6,000	2,806,000	0
Total Transportation	\$487,391,088	\$315,602,791	-\$171,788,297

<u>Program</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Difference</u>
Police Aid	\$65,931,446	\$66,032,280	\$100,834
Fire and Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	2,336,450	2,325,000	-11,450
9-1-1 Grants	13,550,000	16,390,000	2,840,000
Community Policing	2,000,000	2,000,000	0
Foot Patrol/Drug Enforcement Grants	4,332,300	4,332,300	0
Law Enforcement Training Grants	100,000	50,000	-50,000
Stop Gun Violence Grants	940,707	940,707	0
Violent Crime Grants	4,826,537	4,813,287	-13,250
Baltimore City State's Attorney Grant	1,985,000	1,985,000	0
Domestic Violence Grants	183,613	198,940	15,327
War Room/Sex Offender Grant	1,467,216	1,464,350	-2,866
Annapolis Crime Grant	174,000	174,000	0
School Vehicle Safety Grant	550,000	550,000	0
Body Armor	49,535	49,735	200
Total Public Safety	\$108,426,804	\$111,305,599	\$2,878,795
Program Open Space	\$20,089,207	\$9,224,477	-\$10,864,730
Critical Area Grants	645,000	645,000	0
Total Recreation/Environment	\$20,734,207	\$9,869,477	-\$10,864,730
Local Health Formula	\$57,359,207	\$57,359,207	\$0
Disparity Grant	\$115,489,636	\$121,436,013	\$5,946,377
Horse Racing Impact Aid	\$1,205,600	\$1,205,600	\$0
Payments in Lieu of Taxes	1,005,222	1,005,837	615
Security Interest Filing Fees	3,075,000	2,575,000	-500,000
Senior Citizens Activities Center	500,000	500,000	0
Statewide Voting Systems	10,787,218	3,860,658	-6,926,560
Total Other Direct Aid	\$16,573,040	\$9,147,095	-\$7,425,945
Total Direct Aid	\$5,844,952,112	\$5,659,779,972	-\$185,172,140
Retirement – Teachers	\$621,769,420	\$759,076,574	\$137,307,154
Retirement – Libraries	12,887,508	15,253,934	2,366,426
Retirement – Community Colleges	24,179,168	29,239,819	5,060,651
Retirement – Local Employees	2,194,900	0	-2,194,900
Total Payments-in-behalf	\$661,030,996	\$803,570,327	\$142,539,331
Total State Assistance	\$6,505,983,108	\$6,463,350,299	-\$42,632,809

ESOL: English as a second language

Source: Department of Legislative Services

Primary and Secondary Education

State funding for public schools remains a high priority. Over the last eight years, State funding for public schools has increased by over \$2.6 billion, even though the State government was confronted with major fiscal challenges during most of this period. On a per pupil basis, State funding has increased from \$3,432 in fiscal 2002 to \$6,758 in fiscal 2010, a 96.9% increase. In fiscal 2010, local school systems will receive \$5.5 billion in State funding – a \$127.9 million, or 2.4%, increase. State funding for public school construction projects will total around \$260 million in fiscal 2010. Over the last eight years, the State has provided nearly \$2.0 billion in funding for public school construction.

Foundation Program: The foundation program is the basic State education funding mechanism for public schools which ensures a minimum per pupil funding level and requires county governments to provide a local match. The formula is calculated based on a per pupil foundation amount and student enrollment. The per pupil foundation amount for fiscal 2010 is set at \$6,694, and the student enrollment count used for the program totals 814,779 students. Enrollment for the formula is based on the September 30, 2008, full-time equivalent student enrollment count. Less affluent local school systems, as measured by a assessable base and net taxable income, receive relatively more aid per pupil than wealthier school systems. The State provides funding for roughly 50% of the program's cost.

State aid under the foundation program will total \$2.8 billion in fiscal 2010. This amount includes \$48.4 million in supplemental grants for 11 local school systems. The supplemental grants were established during the 2007 special session to guarantee increases of at least 1% in State education aid for all local school systems during the two years, fiscal 2009 and 2010, that inflationary increases for the per pupil foundation amount were eliminated. Supplemental grants will not be recalculated in future years but will continue at fiscal 2010 levels, less a \$4.7 million reduction in fiscal 2011 that will recapture overpayments to 8 local school systems that are due to a miscalculation in school system wealth bases in fiscal 2009.

The foundation program decreases \$41.9 million, or 1.5%, from the prior year. This reflects the elimination of the inflationary increase in the per pupil foundation, a small decrease in enrollment, and the recapture of \$30.8 million in overpayments that occurred in fiscal 2009 because of an error in the wealth base calculation for Montgomery County.

Compensatory Education: The compensatory education program provides additional funding based on the number of economically disadvantaged students. The formula recognizes disparities in local wealth by adjusting the grants per eligible student by local wealth. The formula is calculated based on 97% of the annual per pupil amount used in the foundation program and the number of students eligible for free and reduced-price meals. The State provides funding for 50% of the program's cost. State aid under the compensatory education program will total \$940.7 million in fiscal 2010, representing a \$26.3 million, or 2.9%, increase

over the prior year. The per pupil State funding amount for fiscal 2010 is set at \$3,247, and the student enrollment count used for the program totals 274,924.

Special Education: State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements.

The special education formula is calculated based on 74 % of the annual per pupil foundation amount and the number of special education students from the prior fiscal year. The per pupil State funding amount for fiscal 2010 is set at \$2,477, and the student enrollment count used for the program totals 102,951. State funding for public special education programs will total \$268.4 million in fiscal 2010, representing a \$4.3 million, or 1.6% decrease over the prior year. Funding for nonpublic placements is \$112.8 million in fiscal 2010, representing a \$14.8 million, or 11.6%, decrease over the prior year. The decrease reflects a change in the cost share formula for nonpublic placements. Under current law, a local school system pays its respective local share of the basic cost of education for each nonpublic placement plus two times the total basic cost of education in the system, as well as 20% of any expense above that sum. The State pays 80% of the costs above the base local funding. Due to the Budget Reconciliation and Financing Act, the State share decreases from 80 to 70% of the costs above the base local share; while the local share of these costs increases from 20 to 30%.

Student Transportation: The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants consist of three components: regular student ridership funds; special education student ridership funds; and additional enrollment funds. The regular student ridership funds are based on the local school system's grant in the previous year increased by inflation; increases cannot exceed 8% or be less than 3%. Local school systems with enrollment increases receive additional funds. The special education student ridership funds are based on a \$1,000 per student grant for transporting disabled students. The fiscal 2010 budget includes \$217.2 million for regular transportation services and \$25.1 million for special transportation services. This represents a \$17.3 million, or 7.7 %, increase from the prior year.

Limited English Proficiency: The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99% of the annual per pupil foundation amount, with the State providing funding for 50% of the program's cost. The fiscal 2010 grant per LEP student is \$3,314. State funding for the program will total \$148.6 million in fiscal 2010, representing a \$4.7 million, or 3.3% increase over the prior year. The number of LEP students in Maryland totals 42,532 for the 2008-2009 school year, a 5.3% increase from the prior year.

Geographic Cost of Education Index: This is a discretionary formula that provides additional State funds to local school systems where costs for educational resources are higher

than the State average. Funding for the formula was provided in fiscal 2009 for the first time, and fiscal 2010 funding totals \$ 126.4 million reflecting a 100% phase-in for the formula. Thirteen local school systems receive funding from the geographic cost of education index formula.

Guaranteed Tax Base Program: The Bridge to Excellence in Public Schools Act included an add-on grant for jurisdictions with less than 80% of statewide per pupil wealth that contributed more than the minimum required local share under the foundation program in the prior year. The grant equals the difference between actual and required spending per pupil, up to 20% of the per pupil foundation amount. Ten local school systems will qualify for grants totaling \$63.8 million in fiscal 2010.

Aging Schools Program: The Aging Schools program provides State funding to local school systems for improvements, repairs, and deferred maintenance of public school buildings. These repairs are generally not covered by the capital school construction program and are necessary to maintain older public schools. State funding for the Aging Schools program will total \$6.1 million in fiscal 2010 with an additional \$6.1 million for school wiring.

Judy Hoyer and Head Start Programs: These programs provide financial support for the establishment of centers that provide full-day, comprehensive, early education programs, and family support services that will assist in preparing children to enter school ready to learn. This program also provides funding to support childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2010 State budget includes \$7.6 million for Judy Center grants, \$3.0 million for school readiness and program accreditation, and \$1.8 million for head start programs.

School Improvement Grants: Grants are provided to schools and local school systems that are low-performing in meeting adequate yearly progress targets. Schools and local school systems receiving grants may be categorized in three stages – in improvement, corrective action, or restructuring. The grants support technical assistance and professional development for school personnel to improve school performance. State funding for school improvement grants totaled \$8.6 million in fiscal 2009; however, funding was discontinued in fiscal 2010.

Teacher Quality Incentives: The State provides salary enhancements for teachers obtaining national certification, a signing bonus for teachers graduating in the top of their class, and a stipend for teachers and other non-administrative certificated school employees working in low-performing schools. The Budget Reconciliation and Financing Act of 2009 alters eligibility and bonus amounts for the Quality Teacher Incentives, including the elimination of the \$1,000 salary signing bonuses for qualifying teachers. Together, the changes result in a \$5.3 million funding reduction for teacher quality incentives. The fiscal 2010 State budget includes \$4.2 million for teacher quality incentives; \$96,000 for the Governor's Teacher Excellence Award Program which distributes awards to teachers for outstanding performance; and \$1.4 million for teacher quality and national certification grants.

Food and Nutrition Services: In addition to federal funds provided under the School Lunch Act of 1946, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. The fiscal 2010 State budget includes \$7.2 million for food and nutrition services.

Infants and Toddlers Program: This program involves a statewide community-based interagency system of comprehensive early intervention services for eligible children who are less than three years old. Eligible children include those who have developmental delays or disabilities. State funding for infants and toddlers programs will total \$10.4 million in fiscal 2010, the same amount that was provided in the prior year.

Adult Education: The State provides funding for adult education services through four programs: adult general education; external diploma program; literacy works grant; and adult education and literacy works. The State budget includes \$6.9 million for adult education programs in fiscal 2010, the same amount that was provided in the prior year.

School-based Health Centers: The fiscal 2010 State budget includes \$2.7 million for school-based health centers, which provide primary medical care as well as social, mental health, and health education services for students and their families. The funding for these centers was transferred from the Subcabinet Fund to the Maryland State Department of Education in fiscal 2007.

Science and Math Education Initiative: This program includes summer sessions for teachers and an equipment incentive fund to strengthen science and math education. The State budget includes \$1.3 million for this initiative in fiscal 2010.

Environmental Education: The fiscal 2010 State budget includes \$0.6 million for student participation in an outdoor education program that opened in August 2005 at North Bay in Cecil County. The program, which can serve 11,000 students per year, is structured as a four-night stay for sixth graders that provides an outdoor education experience aligned with the State curriculum.

Principal Development Program: Chapter 408 of 2005 established a statewide Principal Fellowship and Leadership Development Program, which provides incentive payments for distinguished principals to work in low-performing schools. Funding for this program totaled \$160,000 in fiscal 2009; however, funding is discontinued in fiscal 2010.

Teachers' Retirement Payments: The State pays 100% of the employer's share of retirement costs for local school system employees in the Teachers' Retirement and Pension Systems maintained by the State. Rather than distributing the aid to the local boards of education and billing them for the retirement contributions, the State appropriates a lump-sum payment to the retirement system "on behalf of" the local boards. The appropriation is calculated by increasing the second prior year's salary base by 5% and applying the contribution

rate certified by the retirement system. Teachers' retirement payments will total \$759.1 million in fiscal 2010, representing a \$137.3 million, or 22.1%, increase over the prior year. The large increase reflects 8.1% growth in the teachers' salary base and a 12.4% increase in the contribution rate applied to the salary base.

Local Libraries

Local libraries receive over 20% of their funding from the State government. In fiscal 2010, State aid to local libraries will total \$64.1 million, representing a \$312,000, or 0.5%, increase over the prior year.

Minimum Per Capita Library Program: The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. The minimum library program is specified in statute. Overall, the State provides 40% of the minimum program, and the counties provide 60%. However, the State/local share of the minimum program varies by county depending on local wealth. Chapter 481 of 2005 started a phase-in of enhancements for the library aid formula, increasing the per resident allocation by \$1 per year from \$12 per resident in fiscal 2006 to \$16 per resident by fiscal 2010. However, Chapter 2 of the 2007 special session deferred the \$1 formula increase for fiscal 2009 and restarted the phase-up in fiscal 2010.

The Budget Reconciliation and Financing Act of 2009 freezes the per resident amount used in the local library aid formula at \$14 for fiscal 2010 and 2011. The phase-in of formula enhancements restarts in fiscal 2012 at \$15 per resident and reaches the \$16 per resident formula target by fiscal 2013. This change results in a \$3.0 million reduction in fiscal 2010 relative to the previously established funding level. The fiscal 2010 amount also reflects a reduction of \$553,243 to recapture fiscal 2009 overpayments that occurred because of a wealth base calculation error for Montgomery County. Due to these changes, State funding in fiscal 2010 will total \$33.2 million, which represents a \$1.3 million, or 3.8%, decrease over the prior year.

State Library Network: The network consists of the Central Library of the Enoch Pratt Free Library System in Baltimore City, three regional resource centers, and metropolitan cooperative service programs. The Enoch Pratt Free Library operates as the designated State Library Resource Center. In addition to the State center, regional resource centers serve Western Maryland (Hagerstown), Southern Maryland (Charlotte Hall), and the Eastern Shore (Salisbury). Funding for the State Library Resource Center has equaled \$1.85 per State resident since fiscal 2004. Chapter 481 of 2005 started a phase-in of enhancements for the regional resource centers, increasing the per resident allocation by \$1.00 per year to move from \$4.50 per resident in fiscal 2006 to \$8.50 per resident by fiscal 2010. However, Chapter 2 of the 2007 special session deferred the \$1.00 formula increase for fiscal 2009 and restarted the phase-up in fiscal 2010.

The Budget Reconciliation and Financing Act of 2009 decreases the per resident allocations to the State Library Resource Center and the State's three regional resource centers. Funding for the State Library Resource Center is reduced from \$1.85 per State resident to \$1.67 per resident for fiscal 2010 and 2011. Funding for regional resource centers decreases to \$6.75 per resident of the region in fiscal 2010 and 2011 and increases to \$7.50 per resident in fiscal 2012 and \$8.50 per resident in fiscal 2013. Due to these changes, State funding in fiscal 2010 will total \$9.4 million for the State Library Resource Center and \$6.2 million for the regional centers.

Retirement Payments: The State pays 100% of the employer's share of retirement costs for local library employees in the Teachers' Retirement and Pension Systems maintained by the State. State funding for library retirement payments will total \$15.3 million in fiscal 2010, a \$2.4 million, or 18.4%, increase from the prior year.

Community Colleges

Local community colleges receive about 25% of their funding from the State government. In fiscal 2010, State aid to local community colleges will total \$267.3 million – a \$12.6 million, or 4.9%, increase from the prior year. Baltimore City Community College, which is operated by the State, will receive a State appropriation of \$41.7 million in fiscal 2010.

Senator John A. Cade Funding Formula: The fiscal 2010 State budget includes \$210.3 million for the Senator John A. Cade formula, an increase of \$7.7 million over the fiscal 2009 amount. The increase reflects 3.1% growth in full-time equivalent enrollment at community colleges, a 0.5% increase in the per pupil funding amount, and a \$295,000 hold harmless grant for the Community College of Baltimore County that will bring funding for the school back to its fiscal 2008 level. In future years, funding for the Cade formula will be determined by taking a percentage of the funding provided to the public four-year institutions of higher education in the same fiscal year rather than the prior fiscal year. This change was made in the Budget Financing and Reconciliation Act of 2009 which also reestablished a phase-in of future enhancements for the Cade formula.

Special Programs: State funding in fiscal 2010 will total \$3.3 million for the small college grants and \$0.6 million for the Allegany/Garrett counties unrestricted grants. Funding for statewide and regional programs will total \$7.2 million. The English as a Second Language program will receive \$3.7 million.

Retirement Payments: The State pays 100% of the employer's share of retirement costs for community college faculty in the Teachers' Retirement and Pension Systems maintained by the State. State funding for community college retirement payments will total \$29.2 million in fiscal 2010 – a \$5.1 million, or 20.9% increase. In addition, State funding for the optional retirement program will total \$12.9 million in fiscal 2010, representing a \$0.9 million, or 7.8%, increase.

Local Health Departments

The State provides funds to support the delivery of public health services in each of Maryland's 24 jurisdictions. Support for this program is formula-driven, with increases based on inflation and population growth. Due to cost containment, State aid for local health departments will total \$57.4 million in fiscal 2010, the same amount as in the prior year.

County and Municipal Governments

Less than 10% of State aid goes to county and municipal governments. State funding for counties and municipalities will total \$567.4 million in fiscal 2010, representing a \$183.4 million, or 24.4 %, decrease over the prior year. Over the last four years, State aid to counties and municipalities has decreased by approximately \$386.2 million, with State aid in fiscal 2007 totaling \$953.5 million. State aid to county and municipal governments is targeted primarily to highway maintenance, police and fire services, and parks and recreation. The State also provides disparity grants to less affluent counties to address the differences in the abilities of counties to raise revenues from the local income tax.

Highway User Revenues: Due to fiscal constraints, the General Assembly approved measures that reduced State funding for local transportation purposes. The Budget Reconciliation and Financing Act of 2009 reduces the formula allocation by \$101.9 million in fiscal 2010 and 2011, while establishing Baltimore City's share at 10.8%. The municipality share of the formula reduction is set at approximately \$3.7 million under the legislation. Funding for the counties and Baltimore City is also reduced by an additional \$60 million in fiscal 2010 based on wealth and local tax effort. Beginning in fiscal 2012, local governments will receive 28.5% of the share of highway user funds instead of 30%. Due to these changes and lower revenue attainment, local governments will receive \$308.5 million in local highway user revenues in fiscal 2010, representing a \$169.8 million decrease from the prior year.

Other Transportation Aid: State funding for elderly/disabled transportation grants will decreased by \$2.0 million, with funding set at \$4.3 million in fiscal 2010. State funding for paratransit grants will remain at \$2.8 million.

Police Aid Formula: Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The Maryland State Police recovers 30% of the State crime laboratories costs relating to evidence-testing services from each county's formula allocation. After the crime laboratory adjustment, police aid will total \$66.0 million in fiscal 2010, representing a \$0.1 million, or 0.2%, increase from the prior year.

Public Safety Grants: State funding for targeted public safety grants will total \$14.4 million in fiscal 2010. These grants include violent crime grants for Baltimore City and Prince George's County, police foot patrol and community policing grants for Baltimore City, a drug enforcement grant for Prince George's County, S.T.O.P. gun violence grants, school bus traffic enforcement grants, domestic violence grants, law enforcement and correctional officers training grants, Baltimore City war room, sex offender and compliance enforcement, and the body armor grants. In addition, \$2.0 million will be provided to the Baltimore City State's Attorney Office to assist in the prosecution of gun offenses and repeat violent offenders and \$174,000 will be provided to the Annapolis Crime Project, an ongoing initiative to fight crime in the City of Annapolis.

Vehicle Theft Prevention Program: This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for vehicle theft prevention, deterrence, and educational programs. Funds are used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund, a non-lapsing dedicated fund that receives up to \$2.0 million a year from penalties collected for lapsed or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$2.3 million in fiscal 2010.

Fire, Rescue, and Ambulance Services: The State provides formula grants to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The grants are for equipment and renovation projects, not operating costs. The program is funded through the Maryland Emergency Medical System Operations Fund. The grant level is set at \$10.0 million in fiscal 2010.

9-1-1 Emergency Systems Grant: The State imposes a 25-cent fee per month on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. State funding to local 9-1-1 emergency systems will increase to \$16.4 million in fiscal 2010.

Program Open Space Grants: Under Program Open Space (POS), the State provides grants to local governments for land acquisition and the development of parks and recreation facilities. The State property transfer tax funds POS and related programs. Local POS grants will total \$6.1 million in fiscal 2010, which represents a \$12.4 million decrease from the prior year. In addition, Baltimore City will receive a \$3.1 million special POS grant. The decrease in local POS grants is due primarily to the downturn in the real estate market. In the last four years, State funding for POS has decreased by \$128.0 million. In addition, legislation passed at the 2007 special session redirected \$21.0 million of local POS funds to the Maryland Park Service.

Disparity Grants: Disparity grants address the differences in the abilities of counties to raise revenues from the local income tax, which is the third largest revenue source for counties after State aid and property taxes. Counties with per capita local income tax revenues less than 75% of the State's average receive grants, assuming all counties impose a 2.54% local income

tax rate. Aid received by a county equals the dollar amount necessary to raise the county's per capita income tax revenues to 75 % of the State average. In fiscal 2010, Baltimore City and seven counties (Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, and Wicomico) qualify for disparity grants. The fiscal 2010 State budget includes \$121.4 million for disparity grants, a \$5.9 million increase from the prior year. The fiscal 2010 grant under the statute is based on population estimates for July 2007 and calendar 2007 local income tax revenues raised from a 2.54% local income tax rate. State funding for disparity grants will be affected in future years due to a provision in the Budget Reconciliation and Financing Act of 2009 that caps each county's funding under the program at the fiscal 2010 level.

Retirement Payments for Certain Local Officials: Under State law, appointed or elected officials of the State are eligible to be members of the State employees' retirement systems. The statute specifies that this provision applies to State's Attorneys and sheriffs. Over the years, judicial decisions and Attorney General opinions have interpreted these provisions to include the following officials: county treasurers; county commissioners; orphans' court judges; bingo board members; and liquor and license board members. The fiscal 2010 budget included \$2.5 million for employer retirement costs associated with these locally paid officials and employees. The Budget Reconciliation and Financing Act of 2009 eliminates funding for this program beginning in fiscal 2010.

Local Voting Grants: The State budget includes \$10.8 million in fiscal 2009 and \$3.9 million in fiscal 2010 to purchase voting machines and support the statewide voting system.

State Assumed Functions in Baltimore City

The State assumption of functions or responsibilities performed by local governments is another aspect of State/local fiscal relationships. There was considerable activity in this area in the 1970s when the State assumed the responsibility for several programs including the District Court, Medical Assistance, public assistance, and property assessments. During the 1990s, the State assumed several local government functions in Baltimore City to help reduce the city's fiscal pressures. These services included the local community college, city detention center, and the central booking facility. The cost for these assumed functions will total \$184.3 million in fiscal 2010 – a \$9.3 million, or 5.3%, increase from the prior year.

Summary of State Mandates		
Election	Law	1
Finance	and Taxes	2
	Maryland-National Capital Park and Planning Commission	2
	Planning and Zoning	4
Public	Schools	3
Public	Safety	1
Une	mployment Insurance	1
Workers'	Compensation	1
Total		15

***Mandate** is defined as a directive in a bill requiring a local government unit to perform a task or assume a responsibility that has a discernible fiscal impact on the local government unit (*Maryland Annotated Code*, State Government Article, § 2-1501(c)). In the following sections, legislation that imposes a State mandate is marked accordingly.

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 16	Baltimore City and Prince George’s County – Organization of Parents and Teachers – Matching Fund (Ch. 189)	Potential increase in local revenues in Baltimore City and Prince George’s County from private donations. State aid for education increases by approximately \$200,000 in FY 2011 and 2012.	No
SB 39	Municipal Corporations – Tax Increment Financing – Application of Bond Proceeds (Ch. 191)	Potential increase in municipal bond proceeds related to tax increment financing (TIF) for certain municipalities.	No
SB 63	Oral Health Safety Net Program – Sunset Repeal (Ch. 352)	Local revenues increase due to continued grant funding.	No
SB 87	Property Tax – Homestead Tax Credit – Eligibility (Ch. 362)	Potential minimal property tax revenue decrease.	No
SB 88	Tax – Property – Exempt Manufacturing Personal Property Application Deadline (Ch. 363)	Potential minimal property tax revenue decrease.	No
SB 92	Motor Carriers – Identification Markers – Forged Documents – Criminal Penalties (Ch. 364)	Potential minimal increased fine revenue.	No
SB 151	Hate Crimes – Prohibitions and Protected Classes – Expansion to Homeless Persons and Groups and Gender (Ch. 201)	Potential increased fine revenue.	No
SB 174/HB 171	Business Regulation – Vending Machine Sales – Bulk Vending Machine Exemption (Ch. 209/Ch. 210)	Minimal decrease due to the reduction in vending machine licenses issued.	No

Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 183/HB 85	College Textbook Competition and Affordability Act of 2009 (Ch. 520/Ch. 521)	Potential decrease in community college bookstore revenues in FY 2010.	No
SB 218	Criminal Procedure – Offender Registry – Minors (Ch. 524)	Local law enforcement agencies will collectively receive approximately \$80,000 annually for expense reimbursements.	No
SB 277	Vehicle Laws – Speed Monitoring Systems – Statewide Authorization and Use in Highway Work Zones (Ch. 500)	Revenues increase substantially in any jurisdiction that authorizes speed monitoring.	No
SB 304/HB 583	Crimes – Financial Exploitation of Elderly – Penalty (Ch. 236/Ch. 237)	Potential increased fine revenues.	No
SB 335/HB 42	Dorchester County and Talbot County – Property Tax Credit for Habitat for Humanity of Talbot & Dorchester Counties, Inc. (Ch. 241/Ch. 242)	Property tax revenues in Dorchester County and Cambridge decrease by \$1,300 and \$1,100 annually beginning in FY 2010. Property tax revenues in Talbot County and Easton decrease by \$1,500 and \$1,300 annually beginning in FY 2010.	No
SB 372/HB 538	Foster Care – Tuition Exemption – Expanded Eligibility (Ch. 251/Ch. 252)	Potential decrease in community college tuition revenues.	No
SB 373	Higher Education – Public Institutions of Higher Education – Nonresident Tuition Exemption (Ch. 253)	Potential increase in State aid for community colleges beginning in FY 2012.	No
SB 377/HB 662	Business Regulation – Home Builder Guaranty Fund – Fee (Ch. 58/Ch. 59)	Minimal increase to defray administrative costs associated with fee collection.	No
SB 507/HB 370	Maryland Locksmiths Act (Ch. 551/Ch. 552)	Potential minimal fine revenues.	No

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 538	Property Tax Assessment – Home Improvements (Ch. 274)	Potential property tax revenue decrease.	No
SB 550	Online Child Safety Act of 2009 (Ch. 557)	Potential minimal increase in revenues due to the imposition of existing penalty provisions.	No
SB 552	Tax Amnesty Program (Ch. 277)	Potential significant increase in local income tax, admissions and amusement taxes, and local highway user revenue in FY 2010 and 2011.	No
SB 554	Chesapeake Bay Nitrogen Reduction Act of 2009 (Ch. 280)	Decrease in income tax revenues from bill's subtraction modification for counties with critical areas.	No
SB 581	Natural Resources – Roadside Trees – Protection and Enforcement (Ch. 289)	Potential increased fine revenue.	No
SB 604	Tax Credits for Qualifying Employees with Disabilities – Sunset Extension (Ch. 290)	Local highway user revenues decrease by \$2,600 in FY 2010, \$4,600 in FY 2011, and \$1,900 in FY 2012.	No
SB 617/HB 1191	Local Government – Deposits of Unexpended or Surplus Money (Ch. 84/Ch. 85)	Potential minimal increase in investment income.	No
SB 621	Sales and Use and Property Tax – Exemptions – Solar Energy Equipment and Property (Ch. 574)	Minimal property tax revenue decrease beginning in FY 2010.	No
SB 644	Property Tax Credit – Marine Trade Waterfront Property (Ch. 297)	Potential significant property tax revenue decrease for counties and municipalities.	No
SB 666	Natural Resources – No Net Loss of Forest Policy – Forest Conservation Act (Ch. 298)	Potential significant increase in Forest Conservation Fund revenues.	No

Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 684/HB 571	Senior Investment Protection Act (Ch. 301/Ch. 302)	Potential minimal increase due to the imposition of penalty provisions.	No
SB 689	High Schools and High School Students – Options for Accelerated Graduation (Ch. 303)	Potential decrease in State education aid in FY 2013.	No
SB 850/HB 539	Public Safety – Electronic Control Devices – Requirements (Ch. 320/Ch. 321)	Potential minimal increase in fine revenues.	Yes
SB 909	Workplace Fraud Act of 2009 (Ch. 188)	Potential significant increase in local income tax revenues.	No
SB 952/HB 739	Maryland Medical Assistance Program – Substance Abuse Services (Ch. 331/Ch. 332)	Decrease in grant funding but increase in Medicaid reimbursement for substance abuse services.	No
SB 958/HB 921	Construction Permits – Expiration Dates (Ch. 334/Ch. 335)	Potential decrease in fee and tax revenues for local jurisdictions through FY 2010.	Yes
HB 42/SB 335	See entry for SB 335.		
HB 66	Criminal Law – Theft – Penalties (Ch. 655)	Potential minimal decreased fine revenues.	No
HB 79	Real Property – Mortgage Fraud – Creation of Fraudulent Documents (Ch. 126)	Potential minimal increase due to the imposition of penalty provisions.	No
HB 85/SB 183	See entry for SB 183.		

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 101	Budget Reconciliation and Financing Act of 2009 (Ch. 487)	Local revenues from direct State aid decrease by \$264.6 million in FY 2010 due to reductions in transportation, public school, community college, and library funding. Reductions in local jail reimbursements and payments in lieu of taxes for State parks decrease local revenues by another \$33.1 million. Some of the reductions are permanent, but many are temporary. Beginning in FY 2012, the proportion of highway user revenues allocated to local jurisdictions decreases from 30% to 28.5%.	No
HB 171/SB 174	See entry for SB 174.		
HB 193	Gaming – Bingo (Ch. 661)	Increase in local tax and fee revenues, particularly in Anne Arundel and Calvert counties.	No
HB 259	Environmental Health Monitoring and Testing – Reimbursement of Costs (Ch. 665)	Potential increase in reimbursement revenue from parties responsible for certain environmental violations.	No
HB 267	Family Law – Child Abduction by Relative (Ch. 666)	Potential minimal increased fine revenue.	No
HB 300	Tax Increment Financing and Special Taxing Districts - Transit-Oriented Development (Ch. 182)	Potential increase in local government bond proceeds related to TIF for counties and municipalities that exercise this authority.	No
HB 370/SB 507	See entry for SB 507.		
HB 420	Environment – Limitation of Actions – Political Subdivisions (Ch. 391)	Potential impact due to a change in the number of actions able to be brought to court.	No
HB 538/SB 372	See entry for SB 372.		
HB 539/SB 850	See entry for SB 850.		

Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 542	Criminal Law – Human Trafficking – Inducing or Enticing (Ch. 143)	Potential minimal increase in fine revenue.	No
HB 560	Hate Crimes – Prohibitions and Protected Classes – Disability (Ch. 402)	Potential minimal increase in fine revenue.	No
HB 571/SB 684	See entry for SB 684.		
HB 582	Estates and Trusts – Real and Leasehold Property – Valuation (Ch. 405)	Potential fluctuation in local income tax revenues.	No
HB 583/SB 304	See entry for SB 304.		
HB 662/SB 377	See entry for SB 377.		
HB 706	Electronic Health Records – Regulation and Reimbursement (Ch. 689)	Potentially significant revenue increase for local health departments beginning in FY 2012.	No
HB 739/SB 952	See entry for SB 952.		
HB 781	Property Tax Credit – Seniors (Ch. 416)	Potential significant property tax revenue decrease for counties and municipalities beginning in FY 2010.	No
HB 788	Baltimore City and Baltimore County – Child in Need of Supervision Pilot Program – Extension (Ch. 420)	State grants of \$167,000 for Baltimore City and \$83,000 for Baltimore County are provided annually from FY 2011 to 2013.	No
HB 796	Agriculture – Emerald Ash Borer Grant Fund (Ch. 421)	Potential significant increase in grant revenues.	No

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 921/SB 958	See entry for SB 958.		
HB 923	Higher Education – Community Colleges – BRAC – Exemption from Out-of-State and Out-of-County Fees (Ch. 697)	Potential minimal increase in State aid for community colleges beginning in FY 2012.	No
HB 1171	Alternative Energy Tax Incentive Act of 2009 (Ch. 444)	Minimal property tax revenue decrease beginning in FY 2010.	No
HB 1191/SB 617	See entry for SB 617.		
HB 1399	Department of Housing and Community Development – Neighborhood and Community Assistance Program – Individual Donor Eligibility – Tax Credit (Ch. 166)	Potential minimal increase in local highway user revenues beginning in FY 2011.	No
HB 1404	Higher Education – Children of Fallen State or Local Public Safety Employees – Exemption from Nonresident Tuition (Ch. 461)	Potential minimal increase in State aid for community colleges.	No
HB 1406	Business and Economic Development – Maryland Public Art Initiative – Sunset Repeal (Ch. 724)	Potential revenue increase to the extent that funding is appropriated as grants to local government.	No
HB 1414	Community Legacy Program – Neighborhood Intervention Project Applications and Financial Assistance Fund (Ch. 726)	Potential revenue increase during emergencies due to shift of funds to dedicated account.	No
HB 1417	Water Quality and Drinking Water Quality Revolving Loan Funds – Use of Funds (Ch. 168)	Significant increase in federal funds for water quality and drinking water financing.	No

Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1429	Business and Economic Development – BRAC Community Enhancement Act (Ch. 728)	Potential deferral and increase in property tax and impact fee revenues.	No
HB 1517	Maryland-National Capital Park and Planning Commission – Disbursement of Funds to Prince George’s County and Montgomery County MC/PG 127-09 (Ch. 474)	Maryland-National Capital Park and Planning Commission transfers \$5 million to Montgomery County in FY 2010 and transfers \$30 million to Prince George’s County in FY 2010 and 2011.	Yes
HB 1526	Workforce Development – Maryland Workforce Corporation (Ch. 476)	Potential minimal decrease in FF revenues for workforce development.	No
HB 1542	Health – Licensing of Food Establishments – Exception for Egg Producers (Ch. 478)	Minimal license fee revenue decrease.	No
HB 1567	Clean Energy Loan Programs (Ch. 743)	Local governments that establish a Clean Energy Loan Program receive an increase in revenues from bond proceeds and from property tax surcharges.	No
HB 1573	Business Regulation – Soda Fountain License – Repeal (Ch. 483)	Local revenues may decrease by approximately \$230,000 beginning in FY 2010 based on the Comptroller’s interpretation of current law that requires more businesses to obtain licenses.	No

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Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting Local Governments by Subdivision			
<i>Allegany County</i>			
HB 489	Allegany County – Upper Potomac River Commission – Savage River Dam – Borrowing Authority (Ch. 676)	Increase in bond proceeds to fund infrastructure improvements.	No
HB 624	Allegany County – Alcoholic Beverages – Volunteer Company License (Ch. 147)	Application and license fees increase by \$8,900 in FY 2010. License fees increase by \$8,000 annually thereafter.	No
<i>Anne Arundel County</i>			
SB 11	Anne Arundel County Tourism and Economic Development Promotion Act of 2009 (Ch. 505)	City of Annapolis: Reduction in hotel tax revenues of \$60,000 in FY 2012 and \$260,000 in FY 2014 and thereafter due to increased distributions to the Annapolis and Anne Arundel County Conference and Visitor's Bureau and the Arts Council of Anne Arundel County.	Yes
SB 25	City of Annapolis – Alcoholic Beverages – Administrative Proceedings and Fines (Ch. 14)	Fine revenues increase by \$5,800 in FY 2010 and by \$7,700 annually thereafter.	No
SB 107	Anne Arundel County and City of Annapolis – Alcoholic Beverages – Hours of Sale – Inauguration Day (Ch. 1)	Potential increase in licensing revenue in Anne Arundel County and the City of Annapolis in FY 2009 only.	No
SB 434	Anne Arundel County – Alcoholic Beverages – Yacht Club License (Ch. 65)	License fees increase by \$7,500 annually.	No
HB 1304	Anne Arundel County – Alcoholic Beverages Act of 2009 (Ch. 716)	License revenue increases by at least \$37,900 annually beginning in FY 2010.	No

Legislation Affecting Local Government Revenues

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Effect of the 2009 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Baltimore City</i>			
SB 983	Baltimore City – Alcoholic Beverages – Beer, Wine, and Liquor Tasting License (Ch. 342)	Potential minimal increase in annual license fees beginning in FY 2010.	No
SB 991	Business Occupations – Crane Operators – Certificate of Competence (Ch. 640)	Potential minimal fine revenue increase.	No
HB 143	Baltimore City – Newly Constructed Dwelling Property Tax Credit – Modification and Reauthorization (Ch. 373)	Property tax revenues decrease through FY 2014. The decrease is estimated at \$4.7 million in FY 2010 and \$4.4 million in FY 2014.	No
<i>Baltimore County</i>			
SB 158	Baltimore County – Property Tax Credit – Civic League of Inverness, Inc. (Ch. 203)	Property tax revenues decrease by approximately \$1,900 annually beginning in FY 2010.	No
HB 795	Baltimore County – Property Tax Credit – Loreley Beach Community Association (Ch. 154)	Property tax revenues decrease by approximately \$2,100 annually beginning in FY 2010.	No
<i>Calvert County</i>			
SB 518/HB 217	Calvert County – Alcoholic Beverages (Ch. 555/Ch. 556)	License fees increase by at least \$30,000 annually.	No
HB 148	Calvert County – Reimbursement of Costs – Authority (Ch. 660)	Potential minimal increase in reimbursement from parties responsible for hazardous materials releases.	No
HB 217/SB 518	See entry for SB 518.		

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 225	Calvert County – Public Facilities Bonds (Ch. 381)	Bond revenues increase by up to \$19.0 million.	No
<i>Caroline County</i>			
HB 46	Caroline County – Alcoholic Beverages – Special Multiple Event Licenses (Ch. 365)	Potential minimal annual license fee increase.	No
<i>Carroll County</i>			
SB 779	Carroll County – Public Facilities Bonds (Ch. 601)	Bond revenues increase by up to \$42.0 million.	No
<i>Cecil County</i>			
SB 484	Cecil County – Public Facilities Bond Bill (Ch. 266)	Bond revenues increase by up to \$13.6 million.	No
HB 941	Cecil County – Tobacco Products – Distribution to Minors (Ch. 430)	Minimal fine revenue increase.	No
HB 1045	Cecil County – Regulation of Domestic Animals (Ch. 434)	Potential minimal animal control fine revenue increase.	No
<i>Charles County</i>			
HB 372	Charles County – Alcoholic Beverages Violations – Penalties (Ch. 668)	Fine revenues increase by \$5,200 in FY 2010 and by \$6,900 annually thereafter.	No

Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1370	Charles County – Special Taxing Districts – Hotel Rental Taxes (Ch. 722)	Bond revenues and hotel taxes may increase from creation of a special taxing area.	No
HB 1463	Charles County – Alcoholic Beverages Sales – Proximity to Churches (Ch. 732)	Potential increase in license revenue if new licenses are issued. Revenues increase by \$500 to \$2,400 for each new license.	No
<i>Dorchester County</i>			
SB 333/HB 425	Dorchester County – Alcoholic Beverages Act of 2009 (Ch. 50/Ch. 51)	License fee revenues may increase by \$1,750 annually beginning in FY 2010.	No
HB 425/SB 333	See entry for SB 333.		
<i>Frederick County</i>			
HB 82	Frederick County – Overdue Water and Sewer Charge – Restoration of Service Penalty (Ch. 368)	Potential fine revenue increase.	No
HB 721	Frederick County – Alcoholic Beverages – Wine Festival License (Ch. 151)	Potential minimal license fee revenue increase beginning in FY 2010.	No
HB 1512	Frederick County – Multivenue Wine License (Ch. 472)	Potential minimal license fee revenue increase.	No
<i>Garrett County</i>			
SB 651/HB 803	Garrett County – Code of Ordinances – Natural Gas (Ch. 581/Ch. 582)	Potential significant annual decrease in natural gas severance tax revenues. Distribution of revenues is altered, providing additional revenues to the county general fund.	No

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 218	Garrett County – Sanitary Commission – Collection of Unpaid Benefit Assessments (Ch. 135)	Potential minimal revenue increase in FY 2010 only due to the potential earlier realization of repayment for sanitary service under expedited procedures.	No
HB 334	Garrett County – Alcoholic Beverages – Wine and Beer Tasting License – Off-Site Retail Delivery Procedures – Fees (Ch. 137)	Potential minimal increase in annual license and administrative fees beginning in FY 2010.	No
HB 803/SB 651	See entry for SB 651.		
<i>Harford County</i>			
SB 228/HB 865	Harford County – Property Tax Credit for Homes Near a Refuse Disposal System (Ch. 228/Ch. 229)	Property tax revenues decrease by approximately \$83,200 annually beginning in FY 2010.	No
SB 821	Harford County – Property Tax Credit – Continuing Care Facility for the Aged (Ch. 613)	Potential significant decrease in county and municipal property tax revenues.	No
HB 146	Harford County – Gaming (Ch. 374)	Minimal increase in licensing fees.	No
HB 865/SB 228	See entry for SB 228.		
<i>Montgomery County</i>			
HB 822	Montgomery County – Railroad Grade Crossings – Automated Enforcement Systems MC 907-09 (Ch. 423)	Potential minimal fine revenue.	No

Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 835	Montgomery County – Kensington – Expansion of Area for Alcoholic Beverages Licenses MC 934-09 (Ch. 157)	Revenues increase by \$3,100 in FY 2009 and by \$2,600 annually thereafter.	No
<i>Prince George's County</i>			
SB 403/HB 959	Prince George's County – Green Businesses – Tax Credits (Ch. 256/Ch. 257)	Property tax revenues may decrease beginning in FY 2010, depending on the number of eligible green businesses.	No
SB 886	Prince George's County – Laurel Commons – Alcoholic Beverages – Additional Class B Licenses (Ch. 325)	Potential minimal increase in application fees and annual license fees beginning in FY 2010.	No
HB 933	Prince George's County – Roadside Solicitation of Money or Donations – Permit Program PG 419-09 (Ch. 698)	Permit fee revenues may increase minimally.	No
HB 959/SB 403	See entry for SB 403.		
HB 962	Prince George's County – Alcoholic Beverages – Wine Festival License PG 322-09 (Ch. 700)	Potential minimal license fee revenue increase.	No
HB 1021	Prince George's County – 3-Day Beer, Wine and Liquor License PG 312-09 (Ch. 705)	Potential minimal increase in annual license fee revenue beginning in FY 2009.	No
<i>St. Mary's County</i>			
HB 1271	St. Mary's County – Alcoholic Beverages – Maximum Fine for Sales Violations (Ch. 451)	Fine revenues increase by \$9,000 annually if the maximum fine is imposed for all violations.	No

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Somerset County</i>			
HB 227	Somerset County – Liquor Control Board – Borrowing Limit (Ch. 382)	Potential increase in county and municipal revenues received from the liquor control board.	No
<i>Washington County</i>			
HB 1184	Washington County – Property Tax Relief (Ch. 446)	Potential decrease in county and municipal property tax revenues beginning in FY 2010 as a result of the tax deferral program and property tax credit. Revenues increase upon repayment.	No
<i>Worcester County</i>			
HB 773	Worcester County – Gaming – Bingo (Ch. 415)	Authorized license fee and gross receipts revenues increase minimally.	No
HB 1522	Worcester County – Liquor Control Board – Borrowing Limit (Ch. 475)	Potential increase in county and municipal revenues received from the liquor control board.	No
HB 1553	Worcester County – Video Lottery Operations (Ch. 479)	County video lottery terminal impact grant revenues decline increasingly; by \$146,600 in FY 2011 and by \$617,300 in FY 2014.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 14	Maryland Environmental Service – Energy Generation Projects (Ch. 183)	Potential expenditure increase or decrease for local governments that enter into agreements with MEDCO.	No
SB 39	Municipal Corporations – Tax Increment Financing – Application of Bond Proceeds (Ch. 191)	Potential increase in debt service and expenditures related to TIF.	No
SB 92	Motor Carriers – Identification Markers – Forged Documents – Criminal Penalties (Ch. 364)	Potential minimal incarceration costs.	No
SB 146/HB 19	Municipal Corporations and Taxing Districts – Financial Audits (Ch. 32/Ch. 33)	Potential minimal reduction in audit expenditures for municipalities and State-created special taxing districts with annual revenues less than \$250,000.	No
SB 151	Hate Crimes – Prohibitions and Protected Classes – Expansion to Homeless Persons and Groups and Gender (Ch. 201)	Potential costs for additional prosecutions and incarceration.	No
SB 163	Program Open Space – Use of Funds – Indoor or Outdoor Recreational Facilities (Ch. 206)	Potential significant increase due to new green building requirements and revised reimbursement provisions.	No
SB 173/HB 41	Health Insurance – Mandated Benefits – Hospitalization and Home Visits Following a Mastectomy (Ch. 516/Ch. 517)	Potential minimal increase in health insurance premiums.	No
SB 181/HB 88	Criminal Procedure – Restrictions on Pretrial Release – Offenses Involving Firearms – Repeat Offenders (Ch. 41/Ch. 42)	Potential significant pretrial incarceration costs in some jurisdictions.	No

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 183/HB 85	College Textbook Competition and Affordability Act of 2009 (Ch. 520/Ch. 521)	Community college expenditures increase by approximately \$120,000 in FY 2010.	No
SB 235	Education – MDK12 Digital Library (Ch. 528)	Potential decrease in local school expenditures for digital content due to continued savings negotiated by MDK12 Digital Library.	No
SB 247/HB 173	Health Occupations – Maryland Athletic Trainers Act (Ch. 529/Ch. 530)	Minimal incarceration costs.	No
SB 263/HB 305	Vehicle Laws – Alcohol Restriction on Driver’s License – Penalties for Violations (Ch. 497/Ch. 498)	Potential minimal incarceration costs.	No
SB 268/HB 302	Family Law – Temporary Protective Orders – Surrender of Firearms (Ch. 490/Ch. 491)	Potential minimal expenditures for some counties to secure additional storage for firearms.	No
SB 270/HB 310	Unemployment Insurance – Eligibility – Part-Time Work (Ch. 5/Ch. 6)	Local government expenditures to reimburse the Unemployment Insurance Trust Fund increase by \$381,400 in FY 2010 and by \$347,300 in FY 2013.	Yes
SB 273/HB 294	Smart, Green, and Growing – Local Government Planning – Planning Visions (Ch. 176/Ch. 177)	Potential minimal increase to comply with reporting requirements.	Yes
SB 276/HB 295	Smart, Green, and Growing – Annual Report – Smart Growth Goals, Measures, and Indicators and Implementation of Planning Visions (Ch. 178/Ch. 179)	Potential significant increase to comply with reporting and data submission requirements.	Yes
SB 277	Vehicle Laws – Speed Monitoring Systems – Statewide Authorization and Use in Highway Work Zones (Ch. 500)	Expenditures increase to procure and operate the systems, but to a lesser extent than revenues.	No

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Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 278/HB 315	Greenhouse Gas Emissions Reduction Act of 2009 (Ch. 172/Ch. 171)	Potential minimal increase in any jurisdiction whose workload increases enough for consultation with MDE in FY 2010 through 2012.	No
SB 279	Criminal Law – Death Penalty – Evidence (Ch. 186)	Potential minimal decrease in costs associated with prosecuting death penalty cases due to a reduction in the number of cases.	No
SB 304/HB 583	Crimes – Financial Exploitation of Elderly – Penalty (Ch. 236/Ch. 237)	Potential minimal incarceration costs.	No
SB 362	Agricultural Land Preservation Easements – Residential Uses (Ch. 536)	Potential minimal administrative costs.	No
SB 408	Environment – Water Pollution Control – Penalties (Ch. 258)	Potential minimal increase in penalties for any jurisdiction that violates certain clean water laws.	No
SB 448/HB 623	Local School Systems – Biannual Financial Status Report Requirement – Repeal (Ch. 544/Ch. 545)	Potential decrease in local school system administrative costs.	No
SB 449	Allegany County and Garrett County – Exceptional Hauling Permits for Forestry Products – Sunset Repeal (Ch. 263)	Potential decrease in expenditures over long-term from less road deterioration in Allegany and Garrett counties.	No
SB 473/HB 1290	Environment – Recycling – Public School Plans (Ch. 264/Ch. 265)	Potential negligible expenditures due to a minimal increase in workload.	No
SB 497	Circuit Court Judgeships – Workforce Planning – Counties of Greatest Identified Need (Ch. 269)	Potential significant expenditures for the affected counties to accommodate new judgeship positions.	No
SB 507/HB 370	Maryland Locksmiths Act (Ch. 551/Ch. 552)	Potential minimal incarceration costs.	No

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 549	Sustainable Forestry Act of 2009 (Ch. 175)	Expenditures increase to the extent planning documents are altered and requested forest data is provided.	No
SB 550	Online Child Safety Act of 2009 (Ch. 557)	Potential minimal increase due to the imposition of existing penalty provisions.	No
SB 576/HB 740	Unemployment Insurance – Maximum Benefit – Increase (Ch. 287/Ch. 288)	Local government expenditures to reimburse the Unemployment Insurance Trust Fund increase by \$127,000 in FY 2010 and by \$528,200 in FY 2014.	No
SB 581	Natural Resources – Roadside Trees – Protection and Enforcement (Ch. 289)	Expenditures increase to the extent local roadside tree laws are adopted and implemented.	No
SB 620	Criminal Procedure – Hearing on Motion for Revision, Modification, or Reduction of Sentence or Disposition – Appearance of Victim or Victim’s Representative (Ch. 573)	Potential minimal increase in circuit court expenditures to hold additional hearings.	No
SB 625	Maryland Building Performance Standards – Energy Conservation and Efficiency (Ch. 294)	Potential increased personnel costs.	Yes
SB 666	Natural Resources – No Net Loss of Forest Policy – Forest Conservation Act (Ch. 298)	Potential minimal increase to conduct project reviews.	No
SB 668	Vehicle Laws – Manufacturers, Distributors, and Factory Branches – Prohibited Acts (Ch. 747)	Potential minimal increase associated with increase in circuit court caseloads.	No
SB 684/HB 571	Senior Investment Protection Act (Ch. 301/Ch. 302)	Potential minimal incarceration costs.	No

Effect of the 2009 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 688/HB 1088	Public Service Companies – Passenger-For-Hire Services – Limousines (Ch. 589/Ch. 590)	Potential minimal incarceration costs.	No
SB 689	High Schools and High School Students – Options for Accelerated Graduation (Ch. 303)	Potential decrease in education expenditures in FY 2013.	No
SB 850/HB 539	Public Safety – Electronic Control Devices – Requirements (Ch. 320/Ch. 321)	Potential minimal incarceration costs. Potential minimal in-service training costs for police and correctional officers.	Yes
SB 859/HB 547	Vehicle Laws – Advertising Practices – Prohibited Acts (Ch. 322/Ch. 323)	Potential minimal incarceration costs.	No
SB 863/HB 899	Workers’ Compensation – Death Benefits for Partially Dependent Individuals – Payment (Ch. 616/Ch. 617)	Minimal increase in workers’ compensation payments to partially dependent or partially self-supporting individuals.	No
SB 879/HB 1264	Gwendolyn Britt Student Health and Fitness Act (Ch. 622/Ch. 623)	Potential increase if a local school system without a wellness policy implementation plan chooses to implement one.	No
SB 909	Workplace Fraud Act of 2009 (Ch. 188)	Minimal increase due to increased workers’ compensation commission assessment.	No
SB 931/HB 1331	Community Development Administration – Local Government Infrastructure Financing Program – Capital Reserve Funds (Ch. 627/Ch. 628)	Potential decrease in debt service payments on infrastructure-related bonds.	No
SB 981	Public Service Companies – Net Energy Metering (Ch. 341)	Potential meaningful savings for local governments that participate in net energy metering.	No

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 989/HB 376	Criminal Procedure – Concurrent Court Jurisdiction – Second or Subsequent Offense of Failure to Register with Sex Offender Registry (Ch. 636/Ch. 637)	Potential minimal decrease if cases are heard in the District Court.	No
SB 1065/ HB 1569	Standing – Miscellaneous Environmental Protection Proceedings and Judicial Review (Ch. 650/Ch. 651)	Potential costs for circuit courts and local governments to handle additional cases.	No
HB 19/SB 146	See entry for SB 146.		
HB 41/SB 173	See entry for SB 173.		
HB 66	Criminal Law – Theft – Penalties (Ch. 655)	Potential minimal incarceration costs.	No
HB 79	Real Property – Mortgage Fraud – Creation of Fraudulent Documents (Ch. 126)	Potential minimal incarceration costs.	No
HB 85/SB 183	See entry for SB 183.		
HB 88/SB 181	See entry for SB 181.		
HB 163	Motor Fuel – Dyed Diesel Fuel – Violations (Ch. 377)	Potential minimal incarceration costs.	No
HB 101	Budget Reconciliation and Financing Act of 2009 (Ch. 487)	Local expenditures for the retirement costs of certain local employees increase by \$2.5 million in FY 2010 and by an estimated \$3.5 million in FY 2014.	Yes
HB 173/SB 247	See entry for SB 247.		

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Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 242	Unemployment Insurance Benefits – Determination Based on Severance or Dismissal Payments (Ch. 383)	Potential minimal local government expenditures to reimburse the Unemployment Insurance Trust Fund beginning in FY 2010.	No
HB 255	Health Maintenance Organizations – Payments to Nonparticipating Providers (Ch. 664)	Potential minimal increase in health insurance premiums.	No
HB 267	Family Law – Child Abduction by Relative (Ch. 666)	Potential minimal incarceration costs.	No
HB 294/SB 273	See entry for SB 273.		
HB 295/SB 276	See entry for SB 276.		
HB 300	Tax Increment Financing and Special Taxing Districts – Transit-Oriented Development (Ch. 182)	Potential significant increase in debt service and expenditures related to TIF.	No
HB 302/SB 268	See entry for SB 268.		
HB 305/SB 263	See entry for SB 263.		
HB 310/SB 270	See entry for SB 270.		
HB 315/SB 278	See entry for SB 278.		
HB 370/SB 507	See entry for SB 507.		
HB 376/SB 989	See entry for SB 989.		

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 387	Vehicle Laws – Lawful Status in the United States – Material Compliance with Federal Requirements (Ch. 390)	Minimal incarceration costs.	No
HB 405	Health Insurance – Mandated Benefits – Breast Cancer Screening (Ch. 670)	Potential minimal increase in health insurance premiums.	No
HB 420	Environment – Limitation of Actions – Political Subdivisions (Ch. 391)	Potential impact due to a change in the number of actions able to be brought to court.	No
HB 533	Cooperative Purchasing Agreements – Requirements and Expansion of Use (Ch. 677)	Potential minimal reductions in expenditures for goods and services.	No
HB 539/SB 850	See entry for SB 850.		
HB 547/SB 859	See entry for SB 859.		
HB 560	Hate Crimes – Prohibitions and Protected Classes – Disability (Ch. 402)	Potential minimal costs for additional prosecutions and incarceration.	No
HB 571/SB 684	See entry for SB 684.		
HB 583/SB 304	See entry for SB 304.		
HB 587	Education – Teacher Identification Number (Ch. 406)	Potential local school system administrative expenditures.	No

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Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 588	Education – Public Schools – Standardized Course Numbering System (Ch. 407)	Potential local school system administrative expenditures.	No
HB 623/SB 448	See entry for SB 448.		
HB 631	Transportation – Interfering with Transit Operators and School Bus Drivers – Penalties (Ch. 685)	Potential minimal incarceration costs.	No
HB 706	Electronic Health Records – Regulation and Reimbursement (Ch. 689)	Potential increase for local health departments due to provider incentives beginning in FY 2012. Potential minimal increase in health insurance premiums.	No
HB 710	Higher Education – Edward T. Conroy Memorial Scholarship Program – Alterations (Ch. 608)	Potential minimal community college administrative costs.	No
HB 739/SB 952	See entry for SB 952.		
HB 740/SB 576	See entry for SB 576.		
HB 893	Election Law – Voting Systems – Requirements (Ch. 428)	Expenditures may decrease by \$478,500 in FY 2010 and by \$1.2 million annually through FY 2014.	No
HB 899/SB 863	See entry for SB 863.		
HB 1057	Net Energy Metering – Micro Combined Heat and Power (Ch. 436)	Potential meaningful savings for local governments that participate in net energy metering.	No

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1088/SB 688	See entry for SB 688.		
HB 1135	Maryland-National Capital Park and Planning Commission – Workers’ Compensation – Lyme Disease Presumption MC/PG 103-09 (Ch. 709)	Maryland-National Capital Park and Planning Commission expenditures increase beginning in FY 2010 due to a small increase in self-insured risk management costs. Long-term disability payments increase expenses in future years.	Yes
HB 1179	Election Law – Early Voting (Ch. 445)	Expenditures increase by \$1.0 million in counties with five early voting systems, \$0.6 million in counties with three early voting systems, and \$0.2 million in counties with one early voting system.	Yes
HB 1264/SB 879	See entry for SB 879.		
HB 1290/SB 473	See entry for SB 473.		
HB 1331/SB 931	See entry for SB 931.		
HB 1363	County Boards of Education – Procurement of Green Product Cleaning Supplies (Ch. 454)	Potential local school system procurement expenditures.	Yes
HB 1407	Environmental Trust Fund – Environmental Surcharge – Sunset Extension (Ch. 167)	Local governments, as users of electricity, continue to pay the environmental surcharge imposed on electricity generated in the State.	No
HB 1567	Clean Energy Loan Programs (Ch. 743)	Expenditures increase to establish and administer a Clean Energy Loan Program. Administrative expenditures may be recovered through surcharges.	No
HB 1569/ SB 1065	See entry for SB 1065.		

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Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting Local Governments by Subdivision			
<i>Allegany County</i>			
HB 489	Allegany County – Upper Potomac River Commission – Savage River Dam – Borrowing Authority (Ch. 676)	Increased debt service expenditures.	No
HB 1556	Environment – Coal Combustion By-Products – Fees (Ch. 480)	Potential minimal increase due to imposition of new environmental fee.	No
<i>Anne Arundel County</i>			
SB 11	Anne Arundel County Tourism and Economic Development Promotion Act of 2009 (Ch. 505)	Contributions to the Annapolis and the Anne Arundel County Conference and Visitor’s Bureau and the Arts Council of Anne Arundel County increase by \$260,000 in FY 2010 and by \$2.0 million annually beginning in FY 2014. Potential administrative expenditures to collect hotel taxes within the City of Annapolis.	Yes
HB 348	Anne Arundel County – Board of Education – Student Member Scholarship (Ch. 667)	School expenditures increase by \$6,000 annually beginning in FY 2010.	No
HB 1304	Anne Arundel County – Alcoholic Beverages Act of 2009 (Ch. 716)	Personnel expenditures increase by \$10,800 annually beginning in FY 2010.	No
<i>Baltimore County</i>			
SB 104/HB 549	Baltimore County – Prospective Employees and Volunteers – Criminal History Records Check (Ch. 27/Ch. 28)	Expenditures increase by approximately \$6,500 in FY 2010 and \$8,700 annually thereafter for background checks.	No

Legislation Affecting Local Government Expenditures

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 549/SB 104	See entry for SB 104.		
<i>Calvert County</i>			
SB 518/HB 217	Calvert County – Alcoholic Beverages (Ch. 555/Ch. 556)	Increase of \$5,700 annually for board member compensation.	No
HB 217/SB 518	See entry for SB 518.		
HB 225	Calvert County – Public Facilities Bonds (Ch. 381)	Increase in debt service expenditures of up to \$1.7 million annually over a 15-year period.	No
HB 520	Calvert County – Length of Service Award Program – Burial Benefits and Rescue Dive Team (Ch. 401)	Volunteer service award expenditures increase by approximately \$3,000 annually.	No
HB 686	Calvert County – Sheriff – Compensation (Ch. 412)	Personnel expenditures may increase by a total of \$20,600 in FY 2011 or future years.	No
<i>Caroline County</i>			
SB 328	Caroline County – Tax Sales – Auctioneer Fees (Ch. 238)	Expenditures increase by approximately \$600 annually beginning in FY 2010.	No
SB 964	Caroline County Board of Education – Election and Appointment of Members – Referendum (Ch. 633)	Potential increase of \$1,500 in FY 2013 and \$2,500 in FY 2014 for board member compensation depending on the results of the referendum. Potential increase of local election expenditures beginning in FY 2013.	No
SB 965/HB 727	Caroline County – School Buses – Length of Operation (Ch. 339/Ch. 340)	School bus expenditures decrease by approximately \$44,000 beginning in FY 2010.	No

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 46	Caroline County – Alcoholic Beverages – Special Multiple Event Licenses (Ch. 365)	Expenditures increase by \$8,300 annually beginning in FY 2010 to hire an additional inspector.	No
HB 429	Caroline County – Sheriff’s Salary (Ch. 139)	Personnel costs increase by \$12,900 in FY 2011 and by \$22,800 annually thereafter.	No
HB 548	Caroline County – Department of Corrections Employment Applicants – Lie Detector Tests (Ch. 678)	County expenditures may increase by \$600 to \$2,000 each year, beginning in FY 2010, to administer preemployment polygraph examinations to specified applicants.	No
HB 727/SB 965	See entry for SB 965.		No
<i>Carroll County</i>			
SB 779	Carroll County – Public Facilities Bonds (Ch. 601)	Debt service expenditures increase by up to \$3.8 million annually over a 15-year period.	No
HB 745	Town of Sykesville Employees – Participation in the Employees’ Pension System (Ch. 413)	Annual pension contributions by the Town of Sykesville increase by approximately \$2,200 beginning in FY 2010.	No
HB 911	Counties – Purchase of Development Rights – Carroll County (Ch. 696)	Acquisition, legal, and debt service expenditures increase to the extent that Carroll County purchases development rights.	No
<i>Cecil County</i>			
SB 484	Cecil County – Public Facilities Bond Bill (Ch. 266)	Debt service expenditures increase by up to \$1.0 million annually over a 20-year period.	No
HB 1045	Cecil County – Regulation of Domestic Animals (Ch. 434)	Potential minimal animal control enforcement expenditures.	No

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Charles County</i>			
SB 376/HB 380	Charles County – Workers’ Compensation – Auxiliary Volunteer of Sheriff’s Office (Ch. 539/Ch. 540)	Minimal increase due to additional workers’ compensation insurance premiums.	Yes
HB 380/SB 376	See entry for SB 376.		
HB 1370	Charles County – Special Taxing Districts – Hotel Rental Taxes (Ch. 722)	Capital expenditures and debt service may increase.	No
<i>Dorchester County</i>			
SB 19	Dorchester County – Sheriff – Salary (Ch. 13)	Personnel costs increase by \$13,900 in FY 2011 and by \$34,100 in FY 2015 and thereafter.	No
SB 330	Dorchester County – Board of Education – Benefits (Ch. 239)	Education expenditures may increase by a maximum of \$7,100 to \$16,100 in FY 2011 and by a maximum of \$30,600 to \$69,100 annually beginning in FY 2014.	No
SB 333/HB 425	Dorchester County – Alcoholic Beverages Act of 2009 (Ch. 50/Ch. 51)	Salaries increase by \$2,500 annually beginning in FY 2011.	No
HB 110	Dorchester County – School Bus Length of Operation – Sunset Repeal (Ch. 370)	School bus expenditures decrease by approximately \$46,800 beginning in FY 2012.	No
HB 425/SB 333	See entry for SB 333.		

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Frederick County</i>			
SB 608	Frederick County – Alcoholic Beverages – Part-Time Inspectors (Ch. 83)	Expenditures increase by \$46,500 annually beginning in FY 2010 to employ additional inspectors.	No
HB 721	Frederick County – Alcoholic Beverages – Wine Festival License (Ch. 151)	Potential minimal enforcement costs.	No
HB 1326	Frederick County – State’s Attorney – Annual Salary (Ch. 452)	Personnel expenditures increase by \$8,100 in FY 2011 and by \$16,100 in FY 2012 and subsequent years.	No
HB 1512	Frederick County – Multivenue Wine License (Ch. 472)	Potential minimal enforcement costs.	No
<i>Garrett County</i>			
HB 218	Garrett County – Sanitary Commission – Collection of Unpaid Benefit Assessments (Ch. 135)	Expenditures decrease due to lower cost of handling unpaid benefit assessment cases.	No
<i>Harford County</i>			
SB 629/HB 639	Harford County – Board of Education – Selection of Members (Ch. 745/Ch. 746)	Local education expenditures increase by \$7,200 annually beginning in FY 2012 for board member compensation. Potential expenditures for members to attend conferences. One-time renovation expenditures of \$50,000 in FY 2011.	No
HB 639/SB 629	See entry for SB 629.		

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Kent County</i>			
HB 760	Kent County – Office of the Sheriff – Salary (Ch. 153)	Expenditures increase by \$10,000 in FY 2011 and by \$24,500 in FY 2015 and each subsequent year.	No
<i>Montgomery County</i>			
HB 822	Montgomery County – Railroad Grade Crossings – Automated Enforcement Systems MC 907-09 (Ch. 423)	Increase in expenditures to implement the monitoring systems with partial offset from penalty revenues raised by the systems.	No
HB 841	Montgomery County Public Schools – Funding Accountability and Transparency Act MC 930-09 (Ch. 424)	School system expenditures increase by up to \$50,000 by FY 2011.	Yes
<i>Prince George's County</i>			
SB 500	Prince George's County – Board of Education – Financial Literacy Pilot Program Course (Ch. 270)	School system expenditures increase by approximately \$263,600 in FY 2010.	Yes
SB 962/HB 1383	Town of University Park Employees – Participation in the Employees' Pension System (Ch. 631/Ch. 632)	Significant increase in expenditures by the Town of University Park to cover pension costs for town employees.	No
HB 933	Prince George's County – Roadside Solicitation of Money or Donations – Permit Program PG 419-09 (Ch. 698)	Potential minimal law enforcement expenditures.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 960	Prince George’s County – Board of Education – Expenditures PG 407-09 (Ch. 751)	County board of education relocation costs exceeding \$3.6 million are avoided while a \$4.8 million penalty payment for breaking a lease is made. Also, school board personnel expenditures may increase by up to \$25,200 in FY 2011 and by up to \$43,200 annually beginning in FY 2012.	No
HB 1138	Maryland-Washington Regional District – Prince George’s County – General Plan and Area Master Plans MC/PG 106-09 (Ch. 440)	Expenditures to review the general plan may increase by a minimal amount in FY 2012 and 2013.	No
HB 1383/SB 962	See entry for SB 962.		
<i>St. Mary’s County</i>			
HB 1559	Task Force to Study the Governance and Structure of the St. Mary’s County Metropolitan Commission (Ch. 481)	County expenditures may increase minimally to staff the task force.	No
<i>Somerset County</i>			
SB 378/HB 198	Somerset County – Fire Company – Appropriations (Ch. 254/Ch. 255)	Incremental increase in annual volunteer fire department appropriations. Expenditures increase by \$7,350 in FY 2011 and by \$38,650 in FY 2015.	No
HB 198/SB 378	See entry for SB 378.		
HB 227	Somerset County – Liquor Control Board – Borrowing Limit (Ch. 382)	Potential annual increase in debt service expenditures beginning in FY 2010.	No

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Talbot County</i>			
SB 29	Talbot County – School Buses – Length of Operation (Ch. 190)	Decrease of approximately \$40,000 in school bus expenditures beginning in FY 2010.	No
<i>Washington County</i>			
HB 349	Washington County – Mental Health Advisory Committee (Ch. 387)	Minimal decrease in administrative expenditures due to a decrease in workload.	No
HB 350	Washington County – Board of Education – President and Members Salary (Ch. 388)	School board expenditures increase by \$900 in FY 2011 and by \$4,200 in FY 2014.	No
HB 625	Washington County – Office of the Sheriff – Special Deputy Sheriffs (Ch. 148)	Liability coverage expenditures may be avoided.	No
HB 1219	Washington County – Sheriff – Salary (Ch. 448)	Personnel expenditures increase by \$6,100 in FY 2011 and by \$10,400 annually beginning in FY 2012.	No
<i>Worcester County</i>			
HB 1522	Worcester County – Liquor Control Board – Borrowing Limit (Ch. 475)	Potential annual increase in debt service expenditures beginning in FY 2010.	No
HB 1553	Worcester County – Video Lottery Operations (Ch. 479)	County expenditures decline by the equivalent amount of revenue decreases.	No

Chapter Five – Vetoed Legislation

SB 72	Higher Education – Institutions of Institutions	Postsecondary Education – Exem pt
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SB 721 Private Wastewater Treatment Act of 2009