

## Part A

# Budget and State Aid

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### Operating Budget

#### Overview

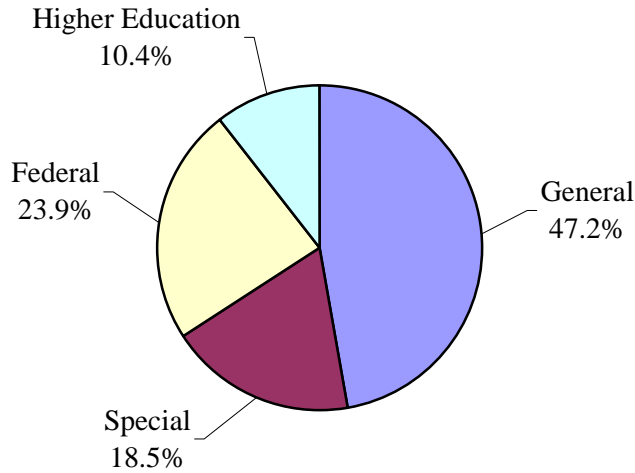
From a budgetary perspective, the summary of the 2005 legislative session resembles the previous two sessions in many respects. The fiscal 2006 spending plan again relies upon one-time revenues, limited ongoing revenues, and contingent budget reductions, in combination with legislation to provide mandate relief, improve tax compliance, and implement limited new and enhanced fee increases. The fiscal 2006 budget, as enacted, is balanced on a cash basis; however, a structural gap between ongoing revenues and spending continues to exist and is projected to persist through the foreseeable future.

#### Budget in Brief

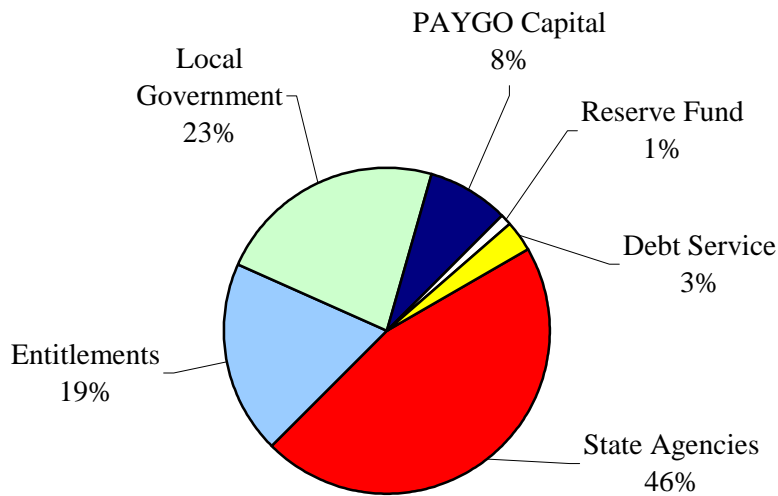
The Fiscal Year 2006 Budget Bill, *House Bill 150 (enacted)* provides \$25.8 billion in appropriations for fiscal 2006 – an increase of \$1.6 billion (6.5 percent) over fiscal 2005. **Exhibit A-1.1** illustrates funding by type of revenue. Slightly less than one-half of the budget is supported by general funds, with lesser proportions supported by dedicated special funds, federal aid, and higher education dollars. State agency operations constitute the largest area of spending, representing 45.7 percent of the total budget. Aid to local governments accounts for 22.9 percent of the budget, and 19.2 percent supports entitlement programs. Remaining appropriations provide funding for PAYGO capital spending, pay debt service on State general obligation (GO) bonds, and set aside funds in accounts of the State's Reserve Fund.

General fund spending grows \$895.0 million, or 7.9 percent above fiscal 2005. Excluding appropriations to the State Reserve Fund and for PAYGO capital, ongoing spending rises 5.9 percent. General fund budget growth is driven mostly by spending on aid to local jurisdictions, which grows 9.7 percent. State aid continues to increase primarily due to

**Exhibit A-1.1**  
**Maryland's \$25.8 Billion Budget**  
**Where It Comes from: Budget by Fund Source**



**Where It Goes: Budget by Purpose**



Chapter 288, Acts of 2002, the Bridge to Excellence in Public Schools Act, which mandates substantial annual increases in education aid through fiscal 2008. Entitlement spending is driven mostly by the Medicaid program, due mostly to medical inflation and enrollment growth. Other enhancements include for additional personnel to reduce public defender caseloads, laptop computers for State Police vehicles, higher wages for community direct care workers providing services to the developmentally disabled, and more funding for higher education institutions and scholarships.

Special funds increase by \$338.6 million, or 7.7 percent mostly associated with growth in the transportation capital program following the revenue increase passed at the 2004 session, restoration of most of the statutory funding for highway user revenues, partial restoration of Program Open Space and agricultural land preservation funding that had been diverted to the general fund in fiscal 2005, water quality programs supported by the new Bay Restoration Fund, and transportation operating cost increases. Federal funds rise by \$249.6 million, or 4.2 percent mostly in the areas of Medicaid, food stamps, and Section 8 housing. Higher education fund appropriations increase by \$91.8 million, or 3.5 percent in fiscal 2006. Most of this additional spending reflects tuition and other revenue growth.

Actions related to State personnel provide for a 1.5 percent cost-of-living adjustment (COLA), employee increments, a one-grade salary adjustment for the Deputy State Fire Marshal series, and fringe benefit cost increases. A position cap was again adopted for Executive Branch agencies for fiscal 2006, exclusive of higher education positions. The cap was set at 52,686 regular authorized positions, which will require the abolition of 179 positions by the Governor by July 1, 2005. Funding associated with most position abolitions and a portion of the budget that would have provided another 0.5 percent COLA will support the State's share of employee and retiree health insurance. This action is expected to mitigate increases in prescription drug co-payments that are likely to be implemented in fiscal 2006. The employee deferred compensation match program, which had been recommended for deletion by the Governor, was funded at \$400 per eligible employee. For a more detailed discussion of personnel issues see the subpart "Personnel" within this Part.

### **Framing the Session: 2004 Interim Activity**

Faced with the prospect of a continuing and growing structural budget problem, the Administration chose to implement a strategic budgeting effort designed to reduce future spending by directing agencies to comprehensively evaluate and rank programs and services. While this exercise ensued, the revenue picture improved and led to spending affordability recommendations to permit growth in line with projected economic activity. Against this backdrop, rising medical malpractice insurance rates were addressed at an end-of-year special session.

## Strategic Budgeting

In June 2004, along with the distribution of agency budget instructions, the Administration announced a strategic budgeting exercise which directed agencies to examine spending priorities and develop fiscal 2006 requests that reflected up to a 12 percent reduction in spending relative to fiscal 2005. Prior budgets had been reduced either on an across-the-board basis or incrementally based on employee attrition, so this proposal sought to frame the provision of State services on a more rational basis.

## Economic Activity Improves the Budget Picture

In 2004 the economy showed better than expected performance, helped by strong consumer spending, construction, and continued low interest rates. General fund revenue in fiscal 2004 closed out \$261 million higher than expected. In December, the Board of Revenue Estimates (BRE) revised its fiscal 2005 general fund estimate upward by \$478 million, an increase of 4.5 percent over fiscal 2004 due to economic growth and higher than expected one-time receipts due to Delaware Holding Company settlements. The BRE estimate for fiscal 2006 projected 2.6 percent total revenue growth or 4.0 percent excluding the settlement money in fiscal 2005. In March the BRE revised upward the estimates for both fiscal 2005 (\$102.9 million) and 2006 (\$84.1 million) reflecting strong revenue attainment in the months since December.

## Spending Affordability Committee Recommendations

The Spending Affordability Committee prepared its final report to the Governor in December 2004, which included a number of recommendations pertaining to the operating budget. They included:

***Spending Limit and Sustainability:*** Consistent with projected growth in personal income, the committee recommended limiting growth on a spending affordability basis to 5.7 percent over spending approved at the 2004 session, with the intent that the fiscal 2006 budget be developed in the context of out-year sustainability. To this end, the committee recommended that the imbalance between ongoing revenues and ongoing expenditures be resolved by fiscal 2007. During the session, the limit was increased to 6.7 percent.

***Personnel:*** The committee recommended continuation of a ceiling on regular positions in the Executive Branch, exclusive of higher education. It was further recommended that any new positions should be limited to those needed for public safety, homeland security, new facilities, and workload increases and essential services at 24-hour operated facilities, offset by abolitions elsewhere in the budget.

***State Reserve Fund:*** Because the balance in the Rainy Day Fund was projected to exceed the 5 percent level, the committee recommended the withdrawal of the excess balance to support the budget only after exhausting all other cash balances and options.

### **The First Special Session of 2004**

Through most of the interim the issue of looming increases in medical malpractice insurance rates was discussed, along with calls for a special session to address the problem. Efforts to convene a special session in the summer or fall were unsuccessful, partly due to lack of a consensus on how to reduce rates without exacerbating the condition of the general fund. Ultimately the Governor issued Executive Order 01.01.2004.70 which convened the First Special Session of 2004 on December 28, 2004. The Administration's proposal to subsidize medical malpractice insurance rates and boost Medicaid provider rates with general funds was modified to substitute funding from a 2 percent premium tax on Health Maintenance Organizations (HMOs) and Medicaid Managed Care Organizations (MCOs). Although the Governor vetoed the measure, the legislature overrode the veto, and the legislation was enacted as Chapter 5, Acts of the 2004 Special Session.

### **Governor's Spending Plan as Introduced**

Governor Ehrlich's spending plan submitted during the 2005 session included the budget bill and two supplemental budgets, three budget reconciliation bills, and separate legislation pertaining to environmental fee increases and tax credits for veterans. The original fiscal 2006 budget totaled \$26.2 billion, exclusive of reversions and \$266 million in contingent reductions dependent on provisions in the budget reconciliation legislation. Based on these assumptions, the closing fiscal 2006 general fund balance was estimated at \$17.5 million.

As introduced, the budget package exceeded the growth rate recommended by the Spending Affordability Committee. It also exceeded the recommended limit on personnel by 153 positions.

### **Budget Reconciliation and Other Legislation**

- ***Budget Financing Act of 2005:*** Although it would raise less than a million dollars in general fund revenue, this bill's main purpose was to replace \$11.1 million in general fund appropriations with special funds from new or enhanced fees or other revenue sources.
- ***Tax Compliance Act of 2005:*** This second bill proposed to improve State tax compliance by implementing various withholding and tax clearance provisions, and modifying the sales tax vendor credit. The Department of Legislative Services (DLS) estimated that the bill would increase general fund revenue by \$58 million in fiscal 2006.
- ***Budget Reconciliation Act of 2005:*** The third bill contained provisions to transfer \$163 million from the transfer tax to the general fund and provide one-time or ongoing general fund mandate relief totaling \$80 million.
- ***Other Bills:*** General fund revenue would have been reduced upon enactment of [\*Senate Bill 211/House Bill 245 \(failed\)\*](#) that would have exempted military retirement income

from the State income tax. A \$1.0 million general fund reduction in the Maryland Department of the Environment, contingent on legislation to increase wetland and waterways permits and licenses was never introduced by the Administration; however, *House Bill 154 (failed)* was introduced and considered during the session.

### **Additional Revenue and Contingent Appropriation Assumptions**

***Additional General Fund Revenue Assumptions:*** The Governor assumed additional revenues beyond those estimated by BRE. This included \$2.3 million for fiscal 2005, of which \$1.5 million was revenue from a proposed settlement with the Bristol-Myers-Squib Corporation. The remaining income was expected from a voluntary contribution from the Maryland Environmental Service. The Governor assumed an additional \$8 million for fiscal 2006 due to the provision of additional positions for the Comptroller of Maryland to improve tax compliance.

***Contingent Appropriations:*** Another element of the Governor's spending plan entailed \$266 million in fiscal 2006 reductions contingent upon statutory changes to effect mandate relief and other changes via budget reconciliation legislation. Contingent appropriations were comprised of \$78.5 million in general funds, \$184.0 million in special funds, and \$3.3 million in federal funds. General fund contingencies were applied to the electricity generating property tax credit, the Maryland Pharmacy Assistance Program (MPAP), aid to nonpublic higher education, the deferred compensation match, and a variety of smaller programs. Special fund contingencies for program open space appropriations were tied to proposed fund transfers to the general fund that were included in budget reconciliation legislation. The federal dollars were mostly associated with the deferred compensation match for federally funded salaries.

***Structural Balance:*** Taking into account the Administration's assumptions on general fund revenues, transfers, withdrawn appropriations, and contingent appropriations, the Governor's spending plan had projected a closing fiscal 2006 general fund balance of \$17.5 million. However, in comparing ongoing revenues to ongoing spending, the budget reflected a revenue shortfall of \$485 million. This was an improvement over the nearly \$800 million gap projected by DLS in the fall of 2004, attributable to a combination of better than expected revenue growth and spending adjustments. The Governor did make provisions for addressing funding needs in fiscal 2007 through two actions.

**Rainy Day Fund Balance:** The majority of the unappropriated fiscal 2004 general fund surplus was appropriated to the State Reserve Fund as required by statute; however, the Governor did not propose to transfer any of the additional balance over 5 percent in support of the budget. Instead, the additional \$230 million in the Rainy Day Fund would be available for future budgets; and

**Phased Reliance on Transfer Tax Revenues:** In addition to balancing the fiscal 2006 budget using 75 percent of the transfer tax, the Governor proposed continued reliance on a phased basis to help balance future budgets. Reconciliation legislation proposed to remit to the general fund two-thirds of the transfer tax in fiscal 2007, 50 percent in fiscal 2008, and 25 percent in fiscal 2009.

## Legislative Consideration of the Budget

Several fiscal themes evolved during the legislature's consideration of the budget throughout the 2005 session, although not all came to fruition. As discussed under the Personnel subpart within this Part, position reductions and funding restrictions were put into place to mitigate expected increases in the employees' share of health insurance costs. The legislature also considered but ultimately abandoned actions to permit a reduction in the State share of the property tax. Additional funding in the capital budget for public school construction was made possible, in part, by restricting \$45.2 million in excess funds in the Rainy Day Fund for specific capital projects.

Actions to balance the fiscal 2005 budget involved a combination of budget reductions (including reductions contingent upon enactment of budget reconciliation legislation), transfers, additional revenue actions, and other statutory changes through *House Bill 147 (passed)* the Budget Reconciliation and Financing Act of 2005. To address potential under funding and to help ensure a balanced fiscal 2007 budget, legislative action resulted in surplus cash (i.e., general fund balance and Rainy Day Fund balance in excess of 5 percent of general fund revenue) of nearly \$400 million.

### BRE Revenue Revisions

In March 2005 the BRE revised its estimate of general fund revenue for fiscal 2005 upward by \$102.9 million and \$84.2 million for fiscal 2006. This was due not to increased economic activity, but because of better than expected revenue performance.

### Supplemental Budget Nos. 1 and 2

In Supplemental Budget No. 1, the Governor increased spending by a total of \$342.9 million. General fund spending of \$21.4 million, provided through a portion of the March revenue revision, added appropriations for PAYGO capital in the Board of Public Works (BPW) (\$3.8 million), State agency programs, and grants. Special fund appropriations totaled \$320.3 million, with the largest component being a \$309.5 million debt service appropriation to recognize the proceeds from refunding of prior year general obligation bonds. In total the supplemental budget increased the amount by which the budget exceeded the Spending Affordability Committee limit by \$31.8 million. A second Supplemental Budget was submitted in the waning days of the session to address an imminent shortfall in the Department of Juvenile Services budget. This supplemental budget was revenue neutral, as it withdrew \$8.0 million from the fiscal 2006 appropriation to the Dedicated Purpose Account and appropriated those monies in fiscal 2005 for juvenile services.

## Reductions

The legislature pared the Governor's fiscal 2005 deficiency budget by just under \$2 million in general funds, and reduced \$309.5 million in special fund deficiencies for refunding bond proceeds that should more appropriately be reflected through a nonbudgeted account. Reductions to the fiscal 2006 allowance totaled \$290.7 million in all funds. The largest reductions included \$60.0 million for Metro Matters capital transit funding that was not needed in the fiscal 2006 budget, and \$48.5 million in local highway user revenues. Medicaid reductions accounted for \$92.6 million related to funds for a managed care rate increase (\$23 million general/\$23 million federal funds) and the deletion of redundant funds for a physician rate increase (\$18.5 million general/\$18.5 million federal funds).

Other noteworthy spending reductions included \$8.3 million to phase-in certain major information technology projects, \$8.0 million from Medicaid due to multi-state drug purchasing, \$6.6 million in transportation debt service based on expected bond premiums, \$5.1 million to reduce the deferred compensation match to \$400 per eligible employee, and \$4.8 million for State Police laptop computers. Reductions contingent upon enactment of *House Bill 147* total \$127.3 million, and will effect cuts in Program Open Space (\$90 million) among others, and withdraw \$21.9 million in unneeded fiscal 2005 transportation debt service funding.

## Transfers

Final action on *House Bill 147* resulted in total transfers of \$138.5 million in fiscal 2006. This included use of \$90.0 million in transfer tax revenue (as compared with \$163.3 million as originally proposed by the Administration), and \$48.5 million that was reduced from the local share of highway user revenues.

## Revenues

Additional revenues totaling \$58.7 million in fiscal 2006 were adopted in *House Bill 147*. The larger measures addressed withholding from lump sum retirement distributions (\$25.0 million), decoupled from the federal deduction for qualified production activity (\$13.7 million), and adjusted withholding to 6 percent for out-of-state realty sales (\$8.0 million).

## Underfunding

Final action on the budget left an estimated fiscal 2006 balance of \$204 million, in addition to \$180.9 million in the Rainy Day Fund above the 5 percent requirement. This provides funding to help ensure a balanced budget for fiscal 2007 as well as addressing potential underfunding for Medicaid, juvenile services, mental health services, and public safety. The legislature did take additional action to restrict \$22 million in the Dedicated Purpose Account to provide for underfunding in Medicaid (\$20 million) and the Department of Juvenile Services (\$2 million).



### Final Actions Related to the Spending Affordability Committee

**Limiting Spending Growth to 6.7 Percent and Addressing Future Sustainability:** As shown in **Exhibit A-1.2**, final action by the legislature reduced the budget to a 6.7 percent rate of growth as measured on a spending affordability basis. This is \$0.8 million below the 6.7 percent rate recommended by the committee.

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#### Exhibit A-1.2 Operating Budget Affordability Limit (\$ in Millions)

<u>Funds</u>	<u>2004 Session</u>	<u>2005 Session</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$10,987.7	\$11,861.1	\$873.5	7.95%
Special	2,918.0	2,983.4	65.4	2.24%
Higher Education	1,573.7	1,671.1	97.4	6.19%
<b>Estimated Budget Growth</b>	<b>\$15,479.4</b>	<b>\$16,515.6</b>	<b>\$1,036.3</b>	<b>6.69%</b>
<b>SAC Limit</b>	<b>\$15,479.4</b>	<b>\$16,516.5</b>	<b>\$1,037.1</b>	<b>6.70%</b>
<b>Variance</b>			<b>-0.8</b>	<b>-0.01%</b>

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As described in the “Outlook for Future Budgets” subpart of this Part, final action at the 2005 session yielded little progress toward addressing the out-year structural deficit by 2007 as recommended by the Spending Affordability Committee.

**Personnel:** As discussed in the “Personnel” subpart of this Part, the legislature imposed a position ceiling of 52,686, which applies only to non-higher education Executive Branch agencies. This is consistent with the 52,917 level recommended by the Spending Affordability Committee. As submitted, the Governor’s allowance provided funding for 153 more new positions than was recommended. Legislative action on the budget deleted 301 positions, and the position ceiling will require the abolition of another 179 positions for a total of 480.

**State Reserve Fund Use:** Consistent with State law the allowance included a \$249.7 million appropriation for the Rainy Day Fund. Legislative action authorized \$45.2 million of the balance to be used for selected PAYGO capital project spending. There remains \$180.9 million above the required 5 percent of estimated revenues and in compliance with the spending affordability recommendation.

## Outlook for Future Budgets

As shown in **Exhibit A-1.3**, a potential cash shortfall of almost \$570 million between revenues and current services spending is projected for fiscal 2007. By fiscal 2010, the gap could exceed \$1.4 billion. Key factors contributing to the shortfall include continued implementation of the Bridge to Excellence in Public Schools Act of 2002 (Chapter 288) and steadily increasing Medicaid spending. Reliance on one-time transfers and fund balance, critical components of budget balancing efforts in fiscal 2006, will continue in fiscal 2007. The forecast assumes that in fiscal 2007 the State will spend the \$204 million balance in the general fund as well as the \$181 million Rainy Day Fund balance in excess of 5 percent of general fund revenues. As shown in the exhibit, another \$600 million of contingency resources would remain in the Rainy Fund available to mitigate the outstanding problem. However, if revenues outperform current estimates or spending is constrained from current service levels, the need to resort to resources is diminished.

### Legislation

Forecasted revenues are expected to increase by \$58 million in fiscal 2006 due largely to **House Bill 147**. The revenue gain declines to \$18 million in fiscal 2007 and then grows steadily over the remainder of the forecast period; peaking at \$33 million in fiscal 2010. The decline in additional revenues in fiscal 2007 reflects an increase in the commission for lottery agents and a provision requiring withholding on lump-sum distributions which generates significant one-time revenues in fiscal 2006. **House Bill 37 (passed)**, which establish a tax-free period for the purchase of clothes and footwear in fiscal 2007, also contribute to the revenue decline.

Legislation passed at the 2005 session will also increase State spending in future years. Over the period from fiscal 2007 through 2010, **Senate Bill 255** and **House Bill 1352 (both passed)** require the Governor to transfer an aggregate of \$264.9 million from the general fund to the Maryland Transportation Authority with a minimum annual payment of \$50 million. The transferred funds are earmarked for the Intercounty Connector. **Senate Bill 421/House Bill 200 (both passed)** mandates additional funding for library aid. The amount of additional library aid will escalate from \$3.2 million in fiscal 2007 to \$13.6 million in fiscal 2010.

**Exhibit A-1.3**  
**General Fund Budget Outlook**  
**Fiscal 2005 – 2010**  
**(\$ in Millions)**

	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>
<b>Revenues</b>						
Fund Balance/Transfers	\$927	\$777	\$385			
Transfers – Legislation		139				
	<b>\$927</b>	<b>\$915</b>	<b>\$385</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Ongoing Revenues	10,894	11,388	11,884	12,416	13,001	13,626
Short-term Revenues	231	13	1	0	0	0
Additional Revenues – Legislation	0	58	18	26	29	33
	<b>\$11,126</b>	<b>\$11,459</b>	<b>\$11,902</b>	<b>\$12,443</b>	<b>\$13,030</b>	<b>\$13,660</b>
<b>Total Revenues</b>	<b>\$12,053</b>	<b>\$12,375</b>	<b>\$12,287</b>	<b>\$12,443</b>	<b>\$13,030</b>	<b>\$13,660</b>
<b>Spending</b>						
Operating Spending	11,160	11,820	12,756	13,718	14,347	14,987
Additional Expenditures – Legislation		0	15	25	31	35
	<b>\$11,160</b>	<b>\$11,820</b>	<b>\$12,771</b>	<b>\$13,743</b>	<b>\$14,378</b>	<b>\$15,021</b>
PAYGO Capital	1	24	33	33	2	2
Appropriation to Reserve Fund	115	276	0	0	0	0
Appropriation to Transportation Trust Fund		50	50	50	50	115
	<b>\$116</b>	<b>\$350</b>	<b>\$83</b>	<b>\$83</b>	<b>\$52</b>	<b>\$117</b>
<b>Ending Balance</b>	<b>\$777</b>	<b>\$204</b>	<b>-\$567</b>	<b>-\$1,383</b>	<b>-\$1,400</b>	<b>-\$1,479</b>
<b>Revenue Stabilization Fund</b>						
Rainy Day Fund Balance	521	761	594	622	654	687
Balance over 5% of GF Revenues	-28	191	1	1	4	6
<b>Structural Balance</b>	<b>-\$266</b>	<b>-\$374</b>	<b>-\$869</b>	<b>-\$1,300</b>	<b>-\$1,348</b>	<b>-\$1,362</b>

## **The Budget Reconciliation and Financing Act of 2005**

The BRFA of 2005, *House Bill 147*, consolidates into one bill the provisions necessary to bring the fiscal 2006 budget into balance. The BRFA of 2005 preserves \$67.7 million in general funds primarily by providing relief from mandated funding levels and expanding the uses of some existing special funds. New special fund revenues from increased fees help to reduce the reliance on the general fund as well. Some of these expenditure savings were already anticipated in the original budget proposed by the Governor; however, \$18.4 million of budgeted expenditures are reduced contingent on the passage of the BRFA of 2005. The BRFA of 2005 also redirects \$90 million of fiscal 2006 transfer tax revenues and \$48.5 million of fiscal 2006 highway user revenues to the general fund and raises \$58.1 million in other general fund revenues, primarily through tax compliance measures. The net impact on the general fund in fiscal 2006 due to the BRFA of 2005 is \$264.4 million, dropping to \$117.5 million in fiscal 2007, and stabilizing at approximately \$96 million annually thereafter.

### **Preserving General Funds**

The BRFA of 2005 provides relief from mandated funding levels and further general fund savings by:

- increasing the local share of nonpublic placement special education costs in fiscal 2006 only;
- level-funding the Extended Elementary Education Program in fiscal 2006;
- postponing repayment of a portion of Innovative Partnerships for Technology matching grants to community colleges for one year;
- exempting motor fuel purchased by the Department of General Services for use by State agencies from the motor fuel tax;
- specifying that judges do not receive a general salary increase when their compensation is increased through judicial compensation review and modifying the schedule for such salary reviews; and
- authorizing the conversion of contractual positions associated with the Maryland Institute for Policy Analysis and Research to regular State positions, thereby using federal funds from indirect cost recovery to support a portion of the costs of the positions rather than general funds.

To further preserve general funds, the BRFA of 2005 expands the uses of existing special funds by:

- mandating that at least 30 percent of the Cigarette Restitution Fund (CRF) be used to support Medicaid on a permanent basis;
- authorizing the Circuit Court Real Property Records Improvement Fund to cover annual operating expenses of circuit court land records offices;
- authorizing use of \$425,000 from the State Board of Social Work Examiners Fund to match federal funds for a training academy within the Department of Human Resources in fiscal 2006;
- authorizing use of \$45.2 million from the Revenue Stabilization Account in fiscal 2006 to fund PAYGO projects shifted from the capital budget;
- authorizing use of the proceeds and accumulated interest from demutualization of MetLife for employee and retiree health insurance costs in fiscal 2005; and
- increasing the amount of State Program Open Space funds that may be used to operate State forests and parks in fiscal 2006 only.

### **Enhancing Revenues**

The BRFA of 2005 redirects \$138.5 million in special fund revenues to the general fund in fiscal 2006:

- \$90 million in transfer tax revenues – allocating \$1.5 million of the remaining share of State Program Open Space revenues to Baltimore City for its parks (see also Part K for additional detail); and
- \$48.5 million in highway user revenues – at the same time specifying that Baltimore City’s share of highway user revenues may increase according to an established formula if revenues exceed current estimates.

As shown in **Exhibit A-1.4**, the BRFA of 2005 also enhances revenues through tax compliance measures and fee and cost-sharing provisions. The tax provisions are discussed in greater detail under Part B – Taxes. The BRFA of 2005 directs new fee revenue from increasing traffic and criminal District Court costs to the Law Enforcement and Correctional Training Fund (LECTF) in fiscal 2006. In fiscal 2007, LECTF is repealed and the fee revenues that capitalize the fund are redirected to the general fund.

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**Exhibit A-1.4**  
**BRFA Fiscal 2006 General and Special Fund Tax and Fee Revenues**  
**(\$ in Millions)**

<u>Revenues</u>	<u>GF</u>	<u>SF</u>
Require withholding on lump-sum retirement distributions	\$25.0	
Decouple from the federal deduction for qualified domestic production activities	13.7	\$4.3
Adjust withholding for nonresident real estate sales and gambling winnings	8.0	
Increase PTE tax on partnerships, S-corporations, and LLCs with nonresident entities	6.2	
Limit exemptions for withholding if subject to tax intercepts	3.0	
Require tax clearance for insurance producer license renewals	1.0	
Increase monthly probationer supervisee fees from \$25 to \$40 (for five years)	0.7	
Authorize reciprocal refund and vendor payments with local governments	0.5	
Eliminate use tax vendor discount for voluntary payments	0.5	
Allow additional claims for heritage tax credits, if application submitted prior to June 2002	-0.5	
Impose fee of up to 1% to certify new commercial heritage tax credit awards		0.2
Exempt State agency purchases from motor fuel tax	-0.0	-2.2
Impose monthly fee of \$45 in the Drinking Driver Monitor Program (for five years)		7.6
Increase traffic and criminal costs imposed by the District Court by \$2.50		2.1
Increase user fee cap for health commissions to cover indirect cost assessment (for one year)		1.8
	<b>\$58.1</b>	<b>\$13.8</b>

PTE = pass-through entity tax    LLCs = limited liability companies

Note: Official Bureau of Revenue Estimates assume continued decoupling for small business expensing as implemented in the BRFA of 2005; consequently, no revenue impact is shown.

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### **Funding Priorities**

Several provisions in the BRFA of 2005 ensure that priorities can be funded. For example, the BRFA of 2005:

- repeals the 31.5 percent trigger provision related to education funding and alters the cost-sharing for Regional Institutes for Children and Adolescents (RICAs) (see Part L – Education for further discussion);
- mandates health benefits levels for State employees and retirees for fiscal 2006 and 2007 and enhances cost-sharing provisions for employees and retirees to fill a funding gap (see Part A – Personnel for further discussion);
- codifies the Employment Standards and Prevailing Wage units in the Department of Labor, Licensing, and Regulation and mandates appropriations totaling at least \$700,000 for those units in fiscal 2007 and subsequent years (see Part H – Labor and Industry for further discussion);
- mandates appropriations for fiscal 2007 only of \$442,210 for supplemental grants to local area agencies on aging; \$3,788,827 for Challenge grants; and \$88,000 for the Department of Natural Resources library;
- authorizes use of Cigarette Restitution Funds (CRF) as follows: \$1 million for a comprehensive evaluation in fiscal 2005; and \$13.4 million to fund specified other programs in fiscal 2006; and mandates CRF funding for fiscal 2007 and subsequent years (for a more detailed discussion see Part A – Cigarette Restitution Fund);
- exempts atypical antipsychotic medications from prior authorization requirements under specified pharmacy assistance and discount programs for two years; and
- requires that \$90.8 million in the fiscal 2005 budget for Purchase of Child Care within the Department of Human Resources be used for that purpose effectively limiting the amount of child care funds that can be transferred to foster care to \$21 million.

### **Additional BRFA of 2005 Provisions**

The BRFA of 2005 includes numerous additional provisions; for example, it:

- increases lottery agent commissions beginning in fiscal 2007;
- expresses intent to consider a reduction to the State property tax rate in fiscal 2007;
- expresses intent to phase out and repeal the Maryland-mined coal tax credit during the 2006 legislative session;

- exempts nonprofit health maintenance organizations from the insurance premium tax and requires them to provide funds equivalent to the value of their exemption to the Medical Assistance Program Account within the Medical Professional Liability Insurance Rate Stabilization Fund;
- enhances legislative oversight by codifying submission of the draft and final Consolidated Transportation Programs; requiring quarterly reporting from the Interagency Committee on School Construction; and increasing the reporting elements related to Major Information Technology Development Projects;
- requires studies and related reports on the most accurate enrollment figures to use in higher education funding formulas, enhancing retirement benefits for teachers and State employees through legislation to be introduced in 2006, and Medicaid rates for managed care organizations and academic health centers; and
- authorizes use of \$1 million in federal funds by the end of calendar 2005 to support the final environmental impact date statement for Maglev.

## **Selected Budgetary Initiatives**

### **State Police Laptop Computers**

The fiscal 2006 State budget includes \$2.7 million for installing and operating laptop computers in 950 State police patrol cars. These laptops will enable troopers to quickly access various public safety databases that include information on stolen vehicles, warrants, and missing persons. Currently, troopers have to contact police dispatchers for this information. The laptops will also be able to utilize software for criminal, accident, and incident reports and e-mail. The State police plan to purchase the Panasonic CF-29 mobile computer, which is a rugged military-specification field grade computer.

### **Enhanced Funding for the Office of the Public Defender**

The fiscal 2006 budget includes enhanced funding for the Office of the Public Defender (OPD). There is \$2.5 million for the third year of the caseload initiative, which includes 63 new positions comprised of both attorneys and support staff. Including the fiscal 2004 and 2005 budgets, the agency has added a total 190 positions for this purpose. Additionally, \$989,000 was appropriated in fiscal 2006 to increase the hourly rate for panel attorneys from the current \$35 per hour in court and \$30 per hour out of court to \$50 per hour.

### **Developmental Disabilities Administration Funding**

The Developmental Disabilities Administration provides direct services to individuals with mental or physical impairments that result in substantial functional limitations and are likely to continue indefinitely. Services are provided in four State residential centers and through



funding of a coordinated service delivery system that supports the integration of these individuals into the community.

The developmental disabilities budget grows \$38 million in fiscal 2006 – a result of several recent initiatives intended to increase access to and quality of community services. General funds represent \$17 million, or 45 percent of the budgeted growth. Of the total increase, \$16 million is dedicated to the fourth year of the initiative to increase wages for community direct service workers. Concern that direct care workers employed by community providers were not being compensated at the rate of employees in State residential centers led to legislation, enacted in 2001, to eliminate the wage disparity over a five-year period.

The fiscal 2006 budget also includes funds for expansion of community services. The transitioning youth program, which provides supported employment and day services for students graduating from the school system, will expand to an additional 425 students in fiscal 2006 at a cost of \$7 million. Residential services will also be expanded to an estimated 50 individuals on an emergency basis at a cost of \$2 million. Residential services will also be extended to 40 individuals on a non-emergency basis with \$1 million available from the Waiting List Equity Fund.

The remainder of the increase provides funds for the annualization of fiscal 2005 community placements, inflation in community services costs, and State residential center expenses.

### **Medicaid**

The fiscal 2006 budget increases funding for Medicaid and the Maryland Children's Health Program by \$146.3 million (\$83.1 million of general funds) or 3.6 percent bringing total funding for the programs to \$4.1 billion (\$1.99 billion of general funds).

Funds are provided in the budget to maintain 175 additional elderly nursing home eligible individuals in the community (\$2 million), raise reimbursement rates for certain types of personal care from \$10 to \$11 and from \$20 to \$22 and in some cases \$30 per day (\$2 million), and initiate a Medicaid buy-in program for the working disabled (\$4 million). About 300 people are expected to participate in the buy-in program during fiscal 2006. The relatively modest growth in Medicaid costs reflects cost containment actions proposed by the Governor that are expected to save more than \$150 million in fiscal 2006.

The General Assembly sought to mitigate the impact of selected cost containment actions by restricting \$10 million to allow for a 2 percent rather than a 1 percent rate increase for nursing homes; \$1.5 million for the purpose of providing coverage to pregnant women who are legal immigrants; almost \$1 million to provide a rate increase for medical day care providers; and \$6.3 million for the purpose of continuing the Rare and Expensive Case Management Program. Actions in [House Bill 147](#), the BRFA of 2005, prohibit prior authorization requirements for atypical antipsychotic drugs and require actuarial certification that cost containment will not produce inadequate managed care reimbursement rates.

Despite a \$58 million general fund deficiency appropriation, a \$35 million general fund shortfall is anticipated for fiscal 2005. The General Assembly restricted \$20 million in the State Reserve Fund's Dedicated Purpose Account to address a portion of this underfunding. Any remaining fiscal 2005 bills will be paid with fiscal 2006 dollars.

### **Child Welfare**

**Foster Care:** Breaking from past practice, the fiscal 2006 budget as introduced fully funds foster care based on current caseload projects. The fiscal 2006 budget increases \$52 million over the current fiscal year, including nearly \$44 million in general funds.

**Staffing Ratios:** For a number of years the General Assembly has urged the Executive to provide sufficient funds to reduce child welfare caseload-to-staff ratios to the standards recommended by the Child Welfare League of America (CWLA). The fiscal 2006 budget includes \$1.4 million to allow the Department of Human Resources to fill more child welfare caseworker positions for the entire year and should ensure that caseload-to-staff ratios meet the CWLA standards. The General Assembly added language restricting \$2 million in funding for fiscal 2006 unless DHR maintains the number of filled caseworker and supervisor positions necessary to meet the CWLA standards.

**Other Budget Initiatives:** The fiscal 2006 budget also includes \$1.7 million for the development of a Child Welfare Training Academy. The academy will provide training to child welfare caseworkers and to foster care and adoptive families. Funding of \$1 million is included in fiscal 2006 to recruit foster care families, which are the lowest cost out-of-home placement option.

### **Scholarships**

The fiscal 2006 budget includes \$95.4 million for scholarship programs administered by the Maryland Higher Education Commission. This represents an increase of \$8.3 million, or 9.5 percent, over the fiscal 2005 working appropriation. Need-based aid, which includes the Educational Excellence Awards, Part-time grants, and Graduate and Professional School scholarships, receives 70 percent of the total appropriation for State financial assistance. For the second consecutive year, need-based aid receives the largest increase among the scholarship programs. The \$13.1 million, or 24.5 percent increase in need-based aid will allow the higher education commission to grant approximately 6,000 additional awards over fiscal 2005 and will help offset increased tuition and fee rates. The current average need-based award amount is \$1,833, and in fiscal 2006 the average amount is expected to be approximately \$1,901.

### **Higher Education Funding Increases**

Every segment of higher education receives a general fund increase in the fiscal 2006 budget. New general funds total \$66 million, and growth rates range from 4.4 percent for St. Mary's College of Maryland (SMCM) to 29 percent for private institutions. In addition,

employees of public higher education institutions will receive the 1.5 percent COLA being provided to all State employees.

**Four-year Institutions:** University System of Maryland (USM) institutions receive a general fund increase of \$40.6 million over the fiscal 2005 level. The USM funds include a \$3.8 million transfer of funds from the Department of Health and Mental Hygiene that is dedicated to the Maryland Psychiatric Research Center at the University of Maryland, Baltimore. Also included are general funds earmarked for nursing at Towson University (\$384,000) and viticulture (\$60,000) at the University of Maryland, College Park. The Maryland Higher Education Commission (MHEC) budget includes a \$1.5 million enhancement for the Aging Studies School at the University of Maryland Baltimore County. Including this amount, the USM general fund increase is \$42.1 million, or 5.5 percent over fiscal 2005. Morgan State University (MSU) receives an increase of \$2.5 million, or 5 percent over the fiscal 2005 level. The increase at SMCM is \$615,000 over fiscal 2005, including \$195,691 more than the formula mandated appropriation.

Sellinger aid for private institutions increases \$10.3 million over fiscal 2005, which nearly returns it to the mandated funding formula level for the first time since fiscal 2002. Under the Sellinger formula, aid per nonpublic full-time equivalent student (FTES) equals 16 percent of the per student general fund support for selected public institutions in the previous year.

**Community Colleges:** For the first time since fiscal 2002, the budget fully funds community colleges in accordance with the Senator John A. Cade funding formula. Cade funds increase \$7.4 million over fiscal 2005, and if additional funds for fringe benefits and other programs are included the overall community college increase is \$7.6 million in general funds. Community colleges also receive other revenues from the State, tuition, and local governments. Increases in city college aid by county can be found in the Aid to Local Governments section of this Part of the *90 Day Report*. The Baltimore City Community College has its own formula, which sets State support at 66 percent of the prior year State appropriations per FTES at selected colleges. The General Assembly funded the community college at 65.4 percent of the formula.

**Office for Civil Rights and Other Special Grants:** In addition to regular State support, the four public historically black institutions will receive \$6 million in enhancement funds and \$6 million in Access and Success funds in fiscal 2006 related to the State's partnership agreement with the U.S. Department of Education's Office for Civil Rights.

### **Primary/Secondary Education Funding**

In fiscal 2006, the fourth year since the enactment of the Bridge to Excellence in Public Schools Act, State education aid will increase by \$393.6 million to more than \$4.0 billion – an increase of 10.8 percent. This is due to continued implementation of the new formulas enacted in Chapter 288, Acts of 2002 (the Bridge to Excellence in Public Schools Act) designed to help every local school system reach an adequate level of funding by fiscal 2008. From fiscal 2002 to 2006, State education aid will increase by more than \$1.1 billion, an increase of 39.6 percent or an average 8.7 percent per year. Further increases of approximately \$500 million per year are

projected for fiscal 2007 and 2008, at which time the phase-in of the formulas will be complete. Increases in education aid for individual counties can be found in the Aid to Local Governments section of this Part of the *90 Day Report*.

A more detailed discussion of education funding can be found in Part L – Education.

### **Cigarette Restitution Fund**

The Governor included \$123 million from the Cigarette Restitution Fund (CRF) in the fiscal 2006 allowance. The largest single appropriation from the CRF is \$67 million for the Medicaid program – an increase of \$15 million. Funding for other programs remained relatively unchanged between fiscal 2005 and 2006, with the exception of the CRF cancer program, funds for which decreased \$10.4 million. Reductions were made to research programs at the statewide academic health centers – University of Maryland Medical Group and the Johns Hopkins Institutions – and CRF support was discontinued for the Family Health Administration’s breast and cervical cancer program due to the availability of other funding sources. **Exhibit A-1.5** details the distribution of funds in fiscal 2006 and preceding years.

In addition to the funds included in the budget bill, the General Assembly authorized additional spending through *House Bill 147*, the BRFA of 2005. The Act authorizes funds to be appropriated by budget amendment to make \$1 million available in fiscal 2005 for a comprehensive evaluation of the CRF program. In fiscal 2006, additional spending is authorized to support the following programs: Challenge grants academic health center research; Literacy Works Grants; the Maryland Summer Youth Connection Program; family support centers; and textbooks and computers for nonpublic schools. Funds are available from the CRF fund balance, which includes additional revenue unanticipated when the Governor’s budget was originally submitted. Should the Administration process the budget amendments authorized in the legislation, CRF spending will total \$136 million in fiscal 2006.

*House Bill 147* also mandates minimum CRF spending of \$15.4 million beginning in fiscal 2007 for statewide academic health center grants for cancer and tobacco-related diseases research and services. In addition, the minimum amount of CRF appropriations that must be spent for Medicaid is permanently set at 30 percent annually, and the amount that the Department of Health and Mental Hygiene can spend on administrative costs is increased to 7 percent of CRF tobacco and cancer spending.

**Exhibit A-1.5**  
**Cigarette Restitution Fund**  
**Fiscal 2004 – 2006**  
**(\$ in Millions)**

	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>
	<b>Actual</b>	<b>Working</b>	<b>Allowance</b>
	<b><u>Spending</u></b>	<b><u>Appropriation</u></b>	<b><u>Allowance</u></b>
<b>Health</b>			
Management	\$0.5	\$0.4	\$0.3
Tobacco	13.8	9.5	9.2
Cancer	31.0	30.5	20.1
Substance Abuse	17.1	17.1	17.1
Medicaid	108.3	51.5	66.8
<b>Subtotal</b>	<b>\$170.7</b>	<b>\$109.0</b>	<b>\$113.5</b>
<b>Other</b>			
Aid to Nonpublic Schools	\$3.0	\$3.0	\$3.0
Crop Conversion	5.1	5.7	6.0
Attorney General	0.0	0.2	0.2
<b>Subtotal</b>	<b>\$8.1</b>	<b>\$8.9</b>	<b>\$9.2</b>
<b>Total Expenses</b>	<b>\$178.8</b>	<b>\$117.9</b>	<b>\$122.7</b>
<i>Additional Uses Authorized by Budget Reconciliation Legislation</i>			
<i>Comprehensive Evaluation</i>		<i>\$1.0</i>	
<i>Challenge Grants</i>			<i>\$3.5</i>
<i>Academic Health Centers</i>			<i>6.7</i>
<i>Adult Literacy</i>			<i>1.2</i>
<i>Summer Youth Connection Program</i>			<i>0.2</i>
<i>Family Support Centers</i>			<i>0.8</i>
<i>Aid to Nonpublic Schools</i>			<i>1.0</i>
<b>Subtotal</b>		<b>\$1.0</b>	<b>\$13.4</b>
<b>Total Authorized Spending</b>	<b>\$178.8</b>	<b>\$118.9</b>	<b>\$136.1</b>

Source: Maryland Operating Budget; Department of Legislative Services

## Transportation

Provisions relating to transportation revenues and expenditures were adopted in the budget bill, *House Bill 147* and other legislation, as outlined below:

### Highway User Revenues

In fiscal 2004 and 2005 highway user revenues were reduced by \$102.4 million below statutorily required funding levels. Budget reconciliation legislation transferred the funds to the general fund to balance the general fund budget. For fiscal 2006, these funds are partially restored. For fiscal 2006, highway user revenues total \$531.2 million, an increase of \$79.2 million, or 18 percent more than fiscal 2005. However, several actions were taken during the session which reduced the grants by a net of \$23.3 million below the amount reviewed under statute. This included a \$48.5 million reduction made by the General Assembly and a \$582,600 reduction resulting from the exemption from the State motor fuel tax for State purchases of gasoline. This was offset by \$25.8 million restricted from the Community Safety and Enhancement Program, allocated on the same basis as the statute which allocates highway user revenues, as a one-time grant for transportation capital projects with a useful life of 15 years and a cost of at least \$50,000. Municipalities are permitted to request a share of the one-time grant.

### Community Safety and Enhancement Program

Funding for the Community Safety and Enhancement Program ultimately could reach \$17.7 million in fiscal 2006. This consists of \$2 million appropriated for the program, another \$1.5 million restricted from the Sidewalk Program and \$2 million from Commuter Action Improvements for the program, and up to \$12.2 million from any Transportation Trust Fund (TTF) over attainment at the close of fiscal 2005. The program was originally funded in the allowance at \$31.3 million, but \$3.5 million was restricted for two transportation capital projects in Baltimore County and Montgomery County, and \$25.8 million was restricted for a one-time grant to the local jurisdictions allocated through the highway user revenue formula.

### Intercounty Connector Financing Plan

In *Senate Bill 255/House Bill 1352 (both passed)* the General Assembly codified and revised the financing plan for the proposed \$2.4 billion Intercounty Connector project, which includes:

- \$1.2 billion in 30-year Maryland Transportation Authority (MdTA) toll-backed revenue bonds;
- \$750 million in Grant Anticipation Revenue Vehicles (GARVEE bonds). Provisions adopted at the 2004 session to permit issuance of 15-year bonds with a debt service limitation of 13 percent of average federal highway authorizations were modified. Under the new legislation GARVEEs were capped at a one-time issuance of \$750 million in 12-year bonds. A subordinate recourse of motor fuel, titling, and corporate income taxes

was also added to enhance the credit rating of the debt, in addition to the recognition that GARVEE bond debt outstanding constitutes State supported debt; and

- \$455 million cash. This included \$150 million in planned special fund transfers from the TTF, \$10 million in federal aid authorizations, and \$264.9 million from the general fund. This general fund amount represents the remaining balance of funds borrowed from the TTF to balance the general fund budget in fiscal 2003 and 2004. The general funds are to be repaid in amounts of at least \$50 million per year between fiscal 2007 through 2010.

### **Ceiling on Consolidated and Nontraditional Transportation Debt**

The budget bill establishes a ceiling on maximum debt outstanding related to the issuance of Consolidated Transportation Bonds as of June 30, 2006, of \$1.3 billion. A ceiling on nontraditional debt issued by the Maryland Department of Transportation (MDOT) or by other agencies on behalf of MDOT is set at \$754.1 million. This includes all debt instruments that are not consolidated transportation bonds or GARVEE bonds. Transportation debt limits may be increased during the course of the fiscal year provided that notification is given to the budget committees explaining the need for the additional issuances.

### **Legislative Oversight of Maryland Transportation Authority Capital and Debt**

Modifications in the General Assembly's oversight of the MdTA are also effected through *Senate Bill 255/House Bill 1352*. Legislation enacted in 2004 would have required the MdTA, beginning in fiscal 2006, to submit for the approval of the General Assembly an annual bond bill that specifies the projects for which bonds are to be sold during the forthcoming fiscal year, as well as the total amount of bonds that are to be issued for each project. This provision is repealed by *Senate Bill 255/House Bill 1352* and instead replaced by a cap on the level of maximum debt outstanding of toll-backed revenue bonds of \$1.9 billion as of June 30 of each fiscal year. This cap allows roughly \$200 million in capacity above the MdTA's planned capital program through fiscal 2010.

A second provision of the legislation requires additional financial information to be submitted by MdTA to the budget committees when a new transportation project is to be added by the authority. This includes a description of the proposed project, a summary of the contract or agreement, a financing plan that details the estimated annual revenue from the issuance of bonds to finance the project; and the estimated impact of the issuance of bonds to finance the project on the bonding capacity of the authority.

### **Maglev**

All spending for a magnetic levitation transit system was prohibited as of July 1, 2005, per a provision in Chapter 430, Acts of 2004 (the BRFA of 2004). Language in the fiscal 2005 budget authorized MDOT to process a budget amendment to spend a final \$1.0 million in federal funds to support the completion of a final environmental impact statement on the Maglev system.

However, the funds were not spent during fiscal 2005. To permit the funds to be spent a six-month extension, until December 31, 2005, was adopted in *House Bill 147*.

### **Other Transportation Provisions**

*House Bill 147* also includes provisions to require submission of the draft capital transportation program and supporting financial forecast by September 1 each year, and the final transportation capital program and financial forecast in conjunction with the State budget. The bill also changes the required interval for preparing a 20-year transportation plan from three years to five years.

### **State Reserve Fund**

The State Reserve Fund is projected to have a fund balance, in all accounts, totaling \$761.6 million at the end of fiscal 2006. Actions in fiscal 2005 and 2006 are listed in **Exhibit A-1.6** and detailed below:

#### **Fiscal 2005 Actions**

- \$91 million transfer from the Rainy Day Fund to the general fund;
- \$8 million deficiency appropriations into the Dedicated Purpose Account to support deficiencies in the Department of Juvenile Services. It is anticipated that these funds will be transferred to the department in fiscal 2005;
- \$3 million transfer from the Dedicated Purpose Account to support Hurricane Isabel relief efforts at the Department of Housing and Community Development; and
- \$225,000 transfer from the Catastrophic Event Account to the Departments of the Environment and Human Resources to support Hurricane Isabel relief efforts.

#### **Fiscal 2006 Actions**

- \$249.7 million is appropriated to the Rainy Day Fund attributable to the unanticipated general fund surplus at the end of fiscal 2004. Of the \$309.7 million surplus, the general fund retains \$10 million and \$50 million is transferred into the TTF. The Governor is required to make these appropriations consistent with Section 7-311 of the State Finance and Procurement Article and Section 3-216 of the Transportation Article. *Senate Bill 255/House Bill 1352* removed the provision that unappropriated general funds be transferred to the TTF in fiscal 2007 and subsequent years. Instead, these bills provide that general funds be transferred to the MdTA to support the Intercounty Connector;



**Exhibit A-1.6**  
**State Reserve Fund Activity**  
**Fiscal 2005 and 2006**  
**(\$ in Millions)**

	<u>Rainy Day</u> <u>Fund</u>	<u>Dedicated</u> <u>Purpose Acct.</u>	<u>Catastrophic</u> <u>Event Acct.</u>	<u>Joseph</u> <u>Fund Acct.</u>
<b>Balances on Hand 6/30/04</b>	<b>\$496.6</b>	<b>\$0.0</b>	<b>\$7.4</b>	<b>\$0.0</b>
<b>Fiscal 2005 Appropriations</b>	103.7	3.0	0.0	0.0
<b>Fiscal 2005 Deficiency Appropriations</b>		8.0		
<b>Expenditures</b>				
Hurricane Isabel Reconstruction		-3.0	-0.2	
DJS Deficiencies		-8.0		
<b>Transfers to General Fund</b>	-91.0			
<b>Estimated Interest</b>	11.5			0.0
<b>Estimated Balances 6/30/05</b>	<b>\$520.7</b>	<b>\$0.0</b>	<b>\$7.1</b>	<b>\$0.0</b>
<b>Fiscal 2006 Appropriations</b>	249.7	74.0	2.0	0.0
<b>Expenditures</b>				
Super Sweeper – Reimburse TTF		-50.0		
DJS and Medicaid Deficiencies		-22.0		
Fund PAYGO Capital Projects	-45.2			
<b>Transfers to General Fund</b>	0.0			
<b>Estimated Interest</b>	25.1			0.0
<b>Estimated Balances 6/30/06</b>	<b>\$750.4</b>	<b>\$2.0</b>	<b>\$9.1</b>	<b>\$0.0</b>
<b>Balance in Excess of 5% GF Revenues</b>	<b>\$180.9</b>			

Note: Totals may not sum due to rounding.

TTF = Transportation Trust Fund  
DJS = Department of Juvenile Services

- \$50 million is appropriated to the Dedicated Purpose Account to be transferred to the TTF. As previously noted, this appropriation is required by law;

- \$45.16 million of the Rainy Day Fund balance is restricted to support PAYGO capital projects. In the capital budget, the GO bond authority for these projects was reduced, thus creating GO bond capacity which was used to increase the amount of bonds authorized for public school construction;
- \$22 million is appropriated to the Dedicated Purpose Account to support projected deficiencies in the Department of Juvenile Services and Medicaid;
- \$2 million is appropriated to the Dedicated Purpose Account to support substance abuse case management programs. The appropriation provides additional funds for the Departments of Human Resources and Juvenile Services so that the departments could provide more services at the front end as individuals enter the juvenile detention or foster care systems. It is unclear when these funds will be spent; and
- \$2 million is appropriated to increase the account balance in the Catastrophic Event Account. The Department of Budget and Management (DBM) advises that it expects to transfer another \$225,000 for Hurricane Isabel relief in fiscal 2005. This leaves \$9.1 million in the account. DBM advises they are currently reviewing costs related to housing needs of owners whose primary residences were damaged by the hurricane. A substantial portion of the remaining \$9.1 million may be used.

### **Rainy Day Fund's Out-year Forecast**

The fiscal 2006 end-of-year balance is estimated to be \$750.4 million. State law provides that the end-of-year fund balance for the allowance be at least five percent of general fund revenues for that year. The budget passed by the General Assembly has a Rainy Day Fund balance that is projected to be \$180.9 million over the five percent threshold.

### **Program Open Space Repayment**

*House Bill 147*, the BRFA of 2005, transfers \$90 million (\$21,776,868 in over attained fiscal 2004 revenues and \$68,223,132 in estimated fiscal 2006 revenues) in transfer tax revenues into the general fund instead of Program Open Space and related programs. *Senate Bill 306 (passed)* requires that general funds reimburse Program Open Space and related programs for transfer tax revenues transferred to the general fund in fiscal 2006 and thereafter. The bill requires that these reimbursements from unappropriated general fund revenues begin in fiscal 2012. Specifically, the legislation requires that:

- up to the first \$10 million in unappropriated general funds be retained for the general fund;
- between \$11 million and \$60 million in unappropriated general funds be transferred to Program Open Space and related programs; and

- the Governor appropriate any unappropriated general funds exceeding \$60 million into the Rainy Day Fund.

## **Personnel**

State expenditures for employee compensation, estimated to be \$5.8 billion in fiscal 2006, constitute a major component of the budget. Regular employee expenditures increase \$212.0 million, or 4.1 percent to \$5.3 billion, while contractual employee expenditures decrease \$2.5 million to a total of \$426.7 million (-0.6 percent). In addition, in the fiscal 2006 budget, \$38.4 million is restricted to be transferred and used only for employee and retiree health expenditures.

### **Employee Compensation**

The regular employee compensation package funded for fiscal 2006 reflects both enhancements and cost-shifting compared to fiscal 2005. Enhancements include a \$400 State match for employee contributions to individual deferred compensation plans. Salary increments are to be awarded for employees who are determined to be performing at or above established standards for their classification; a 1.5 percent general salary increase is also provided. Further, annual salary review upgrades are funded for employees in the Deputy State Fire Marshal classification series as are Judicial Compensation Commission salary increase recommendations. On the other hand, as detailed below, employees will assume a larger share of health insurance costs.

### **Health Insurance Funding**

***Fiscal 2005 Deficiency Appropriation:*** When new health insurance contracts were awarded in calendar 2005, a number of changes were made. The most significant of these were increased co-payments for a variety of services. The Administration also intended to implement other non-contractual, “cost-sharing” arrangements that would have resulted in a larger share of the monthly cost of insurance being borne by employees and retirees. However, those cost-sharing changes were not made, with the understanding that any such revisions would be discussed with the budget committees before being implemented. As a result, the funds budgeted for health insurance in fiscal 2005 were not adequate to cover need. To close the fiscal 2005 gap, a \$15.0 million deficiency appropriation was included in the budget. General funds (\$1,354,051) and special funds available through the proceeds from the demutualization of the Metropolitan Life Insurance Company (\$13,645,949) were used to cover this expenditure.

***Fiscal 2006:*** The fiscal 2006 budget proposed by the Governor “flat-funded” health insurance in fiscal 2006 by essentially providing no additional funds to account for medical inflation or benefit enhancements over funding provided in fiscal 2005. As a result, provision of the same health insurance benefits in fiscal 2006 as provided in the second half of fiscal 2005 was estimated to result in an approximately \$120.0 million shortfall in the budget year. The General Assembly chose to close this gap using a combination of budget and program restructuring. This restructuring includes increasing prescription co-payments and requiring that

a slightly higher percentage of the full cost of point-of-service health insurance costs be paid by employees and retirees. Available funds resulting from a reduction in the general salary increase from 2.0 to 1.5 percent, the requirement that higher education absorb \$3.6 million, and 501 position abolitions are to be transferred and used only for employee and retiree health insurance. **Exhibit A-1.7** summarizes these actions with respect to the general fund portion of the gap, estimated at \$72.0 million.

*House Bill 147*, the BRFA of 2005, provides that the changes to the health and prescription program described above will apply in fiscal 2006 and 2007, as will other benefit options, co-premium levels, and co-payment levels in effect as of January 1, 2005. In addition, the legislation provides that funds available to the State in fiscal 2006 and 2007 through the Federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003 will be used to subsidize the employee and retiree health benefit.

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**Exhibit A-1.7**  
**Closing the Fiscal 2006 Health Insurance Funding Gap**  
**General Funds**

<u>Program Restructuring</u>	<u>General Funds</u>
Increase Rx co-payments from \$3/\$5/\$10 to \$5/\$15/\$25, establishing a \$700 cap per family, and requiring 2 co-payments every 90 days	\$31.7
Point-of-service co-premiums from 15 to 17% <sup>1</sup>	2.4
<b>Total Program Restructuring</b>	<b>\$34.1</b>
<b>Budget Restructuring</b>	
1/2% of 2% COLA	\$13.1
PIN reductions and fund transfers	14.0
Higher education absorption	3.6
Medicaid	8.5
<b>Total Budget Restructuring</b>	<b>\$39.2</b>
<b>Total General Fund Savings</b>	<b>\$73.4</b>

<sup>1</sup> This option also includes industry standard tiers, voluntary mail order (2 co-payments), smaller network, prior authorization, managed quantities, voluntary specialty drug pharmacy, step therapy, and 30 days for first fill of drugs.

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**Position Cap:** To help fund the health insurance costs, the General Assembly abolished 301 positions in individual agency budgets<sup>1</sup> and required the abolition of 179 more in the position cap language. These actions required the imposition of a cap of 52,686 for non-higher education Executive Branch agencies. The funds associated with these abolitions were restricted to be transferred to the State subsidy for employee and retiree health insurance (Exhibit A-1.7). Specific position abolitions taken during the 2005 session affect a number of different agencies, as demonstrated in **Exhibit A-1.8**. The departments or service areas with the most legislative abolitions are the Department of Human Resources (48), the Department of Juvenile Services (31), Legal (36, primarily in the Office of the Public Defender), Executive and Administrative Control (29, primarily in the Office for Children, Youth, and Families), Public Safety and Correctional Services (26), and the Maryland Department of Transportation (19).

**Exhibit A-1.8**  
**Regular Full-time Equivalent Positions**  
**Fiscal 2005 Working Appropriation to 2006 Legislative Appropriation**

<u>Department/Service Area</u>	<u>2005 Wkg. Approp.</u>	<u>Net New Positions*</u>	<u>2006 Allow. &amp; Sup. Budget</u>	<u>Legis. Abolitions</u>	<u>2006 Legis. Approp.</u>
Legislative Branch	740	-	740	-	740
Judicial Branch	3,224	105	3,328	-30	3,298
<b>Executive Branch</b>					
Legal	1,511	90	1,601	-36	1,565
Executive and Administrative Control	1,566	-26	1,540	-29	1,511
Financial and Revenue Administration	2,035	7	2,042	-18	2,024
Budget and Management	468	-28	441	-9	432
Retirement	180	8	187	-1	186
General Services	712	-55	657	-15	642
Transportation	9,044	43	9,087	-19	9,068
Natural Resources	1,417	-41	1,377	-3	1,374
Agriculture	430	-2	429	-1	428
Health and Mental Hygiene	7,548	-0	7,548	-3	7,545
Human Resources	7,297	-48	7,248	-48	7,201
Labor, Licensing, and Regulation	1,490	-42	1,448	-2	1,447
Public Safety and Correctional Services	11,195	157	11,352	-26	11,326
MSDE and Other Education	1,938	6	1,944	-10	1,934
Housing and Community Development	386	-1	385	-12	373

<sup>1</sup> This includes 21 full-time equivalent positions in the Office for Children, Youth, and Families that were deleted due to the failure of legislation that would have extended the termination date of the office (Senate Bill 222/House Bill 293).

<u>Department/Service Area</u>	2005		2006		2006 Legis. Approp.
	Wkg. Approp.	Net New Positions*	Allow. & Sup. Budget	Legis. Abolitions	
Business and Economic Development	299	-1	298	-6	292
Environment	954	2	956	-3	953
Juvenile Services	1,963	156	2,119	-31	2,088
Police and Fire Marshal	2,479	-	2,479	-	2,479
Across-the-board Reductions	-	-	-	-179	-179
<b>Executive Branch Subtotal</b>	<b>52,910</b>	<b>225</b>	<b>53,136</b>	<b>-450</b>	<b>52,686</b>
Higher Education	21,215	138	21,353	-	21,353
<b>Total</b>	<b>78,089</b>	<b>468</b>	<b>78,557</b>	<b>-480</b>	<b>78,077</b>

\*This includes abolitions (a total of 494.2 positions), new positions (a total of 961.9 positions) in the allowance and supplemental budget, and interagency transfers.

## By the Numbers

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

**Exhibit A-1.9** shows the impact of the legislative budget on the general fund balance for fiscal 2005 and 2006. The fiscal 2005 balance is estimated to be \$776.9 million. At the end of fiscal 2006, the closing balance is estimated to be \$204.7 million.

**Exhibit A-1.10**, the fiscal note on the budget bill, depicts the Governor's allowance, funding changes made through Supplemental Budgets No. 1 and No. 2, actions through [House Bill 147](#), legislative reductions, and final appropriations for fiscal 2005 and 2006 by fund source. The Governor's original request provided for \$26.3 billion (exclusive of projected reversions and contingent reductions) in fiscal 2006 expenditures and fiscal 2005 deficiencies. The Governor added \$342.9 million in fiscal 2005 and 2006 spending via two supplemental budgets. The legislature made \$726.2 million in reductions and contingent reductions to the total budget request, resulting in a net change in appropriations of \$150.2 million for fiscal 2005 (net of \$21.1 million in withdrawn special fund appropriations), and total appropriations of \$25.8 billion for fiscal 2006.

**Exhibit A-1.11** illustrates budget changes by major expenditure category by fund. Total spending grows 6.5 percent. As discussed in the "Budget In Brief" subpart of this Part, debt service grows 8.4 percent; aid to local governments increases by 10.1 percent; entitlements grow 5.1 percent; and State agency spending rises 3.4 percent. PAYGO capital expenditures increase by 7.0 percent, largely due to cash flow changes and project completions in the transportation capital program. A \$325.7 million appropriation to the State Reserve Fund is largely credited to the Rainy Day Fund balance, providing additional reserves to aid in balancing future budgets.

**Exhibit A-1.9**  
**Final Budget Status**  
**Status as of April 11, 2005**

	<u>FY 2005</u>	<u>FY 2006</u>
<b>Starting General Fund Balance</b>	<b>\$452,658,406</b>	<b>\$776,866,758</b>
<b>Revenues (2005 and 2006)</b>		
BRE Estimated Revenues – December 2004	\$11,020,296,147	\$11,306,303,000
BRE Revenue Revision – March 2005	102,884,000	84,193,000
Budget Reconciliation and Financing Act of 2003	128,313,786	0
Budget Reconciliation and Financing Act of 2004	255,238,676	0
Budget Reconciliation and Financing Act of 2005 Transfers	0	138,500,000
Budget Reconciliation and Financing Act of 2005 Revenues	0	58,651,481
Other Legislation – New Revenues	0	0
Supplemental Budget No. 1	0	0
Additional Revenues	2,321,388	10,750,000
	<b>\$11,509,053,997</b>	<b>\$11,598,397,481</b>
Net Transfer to the GF from the Rainy Day Fund 2004 Session	-12,652,618	0
<b>Subtotal Available Revenues</b>	<b>\$11,949,059,785</b>	<b>\$12,375,264,239</b>
<b>Appropriations</b>		
General Fund Appropriations Net of Rainy Day Fund	\$11,091,753,869	\$12,298,739,319
Deficiencies	94,102,158	0
Supplemental Budget No. 1	0	21,361,057
Supplemental Budget No. 2	8,000,000	-8,000,000
Legislative Reductions/Contingent Reductions	-1,663,000	-121,532,440
Estimated Agency Reversions	-20,000,000	-20,000,000
<b>Subtotal Appropriations</b>	<b>\$11,172,193,027</b>	<b>\$12,170,567,936</b>
<b>Closing General Fund Balance</b>	<b>\$776,866,758</b>	<b>\$204,696,303</b>

**Exhibit A-1.10**  
**Fiscal Note**  
**Summary of the Budget Bill – House Bill 150**

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
<b>Governor's Request</b>					
FY 2005 Deficiency Budget	\$94,102,158	\$13,645,949	\$58,000,000	\$0	\$165,748,107
FY 2006 Budget	12,278,739,319 <sup>(1)</sup>	4,975,330,501	6,198,310,668	2,684,576,869	26,136,957,357
<b>Original Budget Request</b>	<b>\$12,372,841,477</b>	<b>\$4,988,976,450</b>	<b>\$6,256,310,668</b>	<b>\$2,684,576,869</b>	<b>\$26,302,705,464</b>
<b>Supplemental Budget No. 1 &amp; 2</b>					
FY 2005 Deficiency Budget	\$8,000,000	\$309,534,944	\$0	\$0	\$317,534,944
FY 2006 Budget	13,361,057	10,806,981	1,195,649	0	25,363,687
<b>Total Supplemental Budgets</b>	<b>\$21,361,057</b>	<b>\$320,341,925</b>	<b>\$1,195,649</b>	<b>\$0</b>	<b>\$342,898,631</b>
<b>Budget Reconciliation and Financing Act of 2005</b>					
FY 2005 Withdrawn Appropriations	\$0	-\$21,911,313 <sup>(2)</sup>	\$0	\$0	-\$21,911,313
FY 2006 Contingent Reductions	-13,766,585 <sup>(3)</sup>	-91,482,600 <sup>(3)</sup>	-167,000	0	-105,416,185
<b>Total BRFA Actions</b>	<b>-\$13,766,585</b>	<b>-\$113,393,913</b>	<b>-\$167,000</b>	<b>\$0</b>	<b>-\$127,327,498</b>
<b>Conference Committee Reductions</b>					
FY 2005 Deficiency Budget	-\$1,663,000	-\$309,534,944	\$0	\$0	-\$311,197,944
FY 2006 Budget	-107,765,855	-130,339,561	-49,543,059	-70,000	-287,718,475
<b>Total Reductions</b>	<b>-\$109,428,855</b>	<b>-\$439,874,505</b>	<b>-\$49,543,059</b>	<b>-\$70,000</b>	<b>-\$598,916,419</b>
<b>Appropriations</b>					
FY 2005 Deficiency Budget	\$100,439,158	-\$8,265,364	\$58,000,000	\$0	\$150,173,794
FY 2006 Budget	12,170,567,936	4,764,315,321	6,149,796,258	2,684,506,869	25,769,186,384
<b>Total Appropriation</b>	<b>\$12,271,007,094</b>	<b>\$4,756,049,957</b>	<b>\$6,207,796,258</b>	<b>\$2,684,506,869</b>	<b>\$25,919,360,178</b>



- <sup>(1)</sup> Reflects estimated general fund reversion of \$20 million.
  - <sup>(2)</sup> The BRFA of 2005 withdraws \$21.9 million in fiscal 2005 appropriations from MDOT for debt service on Consolidated Transportation Bonds due to receipt of an unanticipated bond premium and lower-than-projected bond issuance.
  - <sup>(3)</sup> Contingent language in the budget bill (either as submitted by the Governor or as amended by the committee) makes reductions of \$13.8 million in general funds, \$91.5 million in special funds, and \$167,000 in federal funds. General fund reductions account for use of additional property transfer tax revenue for operating State parks (\$1.3 million), nonpublic placements (\$5.8 million), a reduction to the Extended Elementary Education Program (\$2.4 million), indirect cost recoveries for the Department of Health and Mental Hygiene assessed to the Maryland Health Commission and the Health Services Cost Review Commission (\$1.8 million), operating funds for the Police and Correctional Training Commissions (\$0.8 million), a reduction of funds in the AIDS Administration to facilitate transfer of contract positions to State regular positions (\$0.6 million), a provision exempting State fuel purchases from paying the State fuel tax (\$0.9 million), and \$200,000 to be replaced by a fee by the Department of Housing and Community Development to certify heritage structures. Special fund reductions are made to State and local program open space (\$40.8 million and \$33.8 million, respectively), agricultural land preservation (\$15.3 million), and the exemption of the State fuel purchases for State fuel purchases (\$0.9 million State reduction/\$0.6 million reduction to local Highway User Revenues). A federal fund reduction of \$509,490 is also made due to the exemption of the State fuel tax for State fuel purchases (\$167,000).
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**Exhibit A-1.11**  
**State Expenditures – General Funds**  
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2004</u>	<u>Work. Appr.</u> <u>FY 2005</u>	<u>Leg Appr.</u> <u>FY 2006</u>	<u>FY 2005 to FY 2006</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n.a.
<b>Aid to Local Governments</b>					
County/Municipal	204.0	207.6	210.5	2.9	1.4%
Community Colleges	174.9	184.0	191.7	7.6	4.1%
Education/Libraries	3,367.7	3,683.2	4,072.6	389.4	10.6%
Health	<u>60.4</u>	<u>60.9</u>	<u>61.5</u>	<u>0.6</u>	<u>1.0%</u>
	<b>\$3,807.1</b>	<b>\$4,135.7</b>	<b>\$4,536.3</b>	<b>\$400.5</b>	<b>9.7%</b>
<b>Entitlements</b>					
Foster Care Payments	204.9	172.5	216.4	43.9	25.5%
Assistance Payments	59.9	75.6	48.6	-26.9	-35.7%
Medical Assistance	1,623.3	1,906.8	1,989.9	83.1	4.4%
Property Tax Credits	<u>48.8</u>	<u>49.2</u>	<u>49.9</u>	<u>0.8</u>	<u>1.5%</u>
	<b>\$1,936.9</b>	<b>\$2,204.1</b>	<b>\$2,304.9</b>	<b>\$100.8</b>	<b>4.6%</b>
<b>State Agencies</b>					
Health	1,181.6	1,224.3	1,237.3	13.0	1.1%
Human Resources	285.2	314.9	292.6	-22.2	-7.1%
Systems Reform Initiative	26.3	36.0	34.2	-1.7	-4.8%
Juvenile Services	170.3	176.7	175.5	-1.2	-0.7%
Public Safety/Police	825.4	973.0	1,001.3	28.4	2.9%
Higher Education	837.5	851.0	897.0	46.0	5.4%
Other Education	260.6	286.7	320.7	34.0	11.9%
Agric./Nat'l Res./Environment	135.0	130.2	120.2	-10.0	-7.7%
Other Executive Agencies	455.3	505.6	567.8	62.2	12.3%
Judicial/Legislative	329.4	341.9	355.3	13.5	3.9%
Across-the-board Cuts	<u>0.0</u>	<u>0.0</u>	<u>-0.9</u>	<u>-0.9</u>	<u>n.a.</u>
	<b>\$4,506.6</b>	<b>\$4,840.2</b>	<b>\$5,001.2</b>	<b>\$161.0</b>	<b>3.3%</b>
<b>Subtotal</b>					
	<b>\$10,250.6</b>	<b>\$11,180.0</b>	<b>\$11,842.4</b>	<b>\$662.4</b>	<b>5.9%</b>
Capital/Heritage Reserve Fund	0.9	1.2	22.5	21.3	1776.8%
Reserve Fund	10.0	114.7	325.7	211.0	184.1%
<b>Appropriations</b>	<b>\$10,261.5</b>	<b>\$11,295.8</b>	<b>\$12,190.6</b>	<b>\$894.7</b>	<b>7.9%</b>
Reversions	0.0	-20.0	-20.0	0.0	0.0%
<b>Grand Total</b>	<b>\$10,261.5</b>	<b>\$11,275.8</b>	<b>\$12,170.6</b>	<b>\$894.7</b>	<b>7.9%</b>

Note: Fiscal 2005 reflects deficiency and supplemental deficiency appropriations of \$102.1 million and \$1.7 million in cuts to the deficiencies. The fiscal 2006 allowance includes \$13.4 million from Supplemental Budgets No. 1 and No. 2.

**Exhibit A-1.11 (Continued)**  
**State Expenditures – Special and Higher Education Funds\***  
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2004</u>	<u>Work. Appr. FY 2005</u>	<u>Leg Appr. FY 2006</u>	<u>FY 2005 to FY 2006</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$671.7	\$707.4	\$766.9	\$59.5	8.4%
<b>Aid to Local Governments</b>					
County/Municipal	414.5	489.1	586.2	97.1	19.9%
Community Colleges	0.0	0.0	0.0	0.0	n.a.
Education/Libraries	0.2	0.2	0.0	-0.2	-100.0%
Health	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>n.a.</u>
	<b>\$414.8</b>	<b>\$489.3</b>	<b>\$586.2</b>	<b>\$96.9</b>	<b>19.8%</b>
<b>Entitlements</b>					
Foster Care Payments	0.1	0.1	0.7	0.6	403.8%
Assistance Payments	16.4	17.3	16.1	-1.2	-6.9%
Medical Assistance	128.9	74.1	83.0	8.8	11.9%
Property Tax Credits	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
	<b>\$145.4</b>	<b>\$91.6</b>	<b>\$99.8</b>	<b>\$8.2</b>	<b>9.0%</b>
<b>State Agencies</b>					
Health	159.6	185.8	182.3	-3.5	-1.9%
Human Resources	82.0	49.9	48.9	-1.0	-2.0%
Systems Reform Initiative	2.1	2.4	0.6	-1.8	-73.1%
Juvenile Services	0.2	0.2	0.3	0.0	2.0%
Public Safety/Police	146.9	164.9	171.8	6.9	4.2%
Higher Education	2,347.7	2,598.7	2,690.5	91.9	3.5%
Other Education	23.0	31.0	26.2	-4.7	-15.3%
Transportation	1,092.1	1,096.6	1,159.3	62.7	5.7%
Agric./Natl Res./Environment	93.8	106.9	112.5	5.5	5.2%
Other Executive Agencies	328.1	374.9	363.8	-11.1	-3.0%
Judicial/Legislative	32.4	37.7	43.2	5.5	14.6%
Across-the-board Cuts	<u>0.0</u>	<u>0.0</u>	<u>-0.9</u>	<u>-0.9</u>	<u>n.a.</u>
	<b>\$4,307.8</b>	<b>\$4,649.1</b>	<b>\$4,798.6</b>	<b>\$149.5</b>	<b>3.2%</b>
<b>Subtotal</b>	<b>\$5,539.8</b>	<b>\$5,937.4</b>	<b>\$6,251.5</b>	<b>\$314.1</b>	<b>5.3%</b>
Capital	900.5	1,081.0	1,197.3	116.4	10.8%
<b>Grand Total</b>	<b>\$6,440.3</b>	<b>\$7,018.4</b>	<b>\$7,448.8</b>	<b>\$430.5</b>	<b>6.1%</b>

Note: Fiscal 2005 reflects deficiency appropriations of \$13.6 million and \$21.9 million in withdrawn appropriations. The fiscal 2006 allowance includes \$10.8 million from Supplemental Budget No. 1.

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

**Exhibit A-1.11 (Continued)**  
**State Expenditures – Federal Funds**  
**(\$ in Millions)**

<u>Category</u>	<u>Actual FY 2004</u>	<u>Work. Appr. FY 2005</u>	<u>Leg Appr. FY 2006</u>	<u>FY 2005 to FY 2006 \$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n.a.
<b>Aid to Local Governments</b>					
County/Municipal	38.0	27.6	39.8	12.2	44.1%
Community Colleges	0.0	0.0	0.0	0.0	n.a.
Education/Libraries	655.2	712.3	743.3	31.0	4.3%
Health	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	<u>0.0</u>	<u>0.0%</u>
	<b>\$697.7</b>	<b>\$744.4</b>	<b>\$787.5</b>	<b>\$43.1</b>	<b>5.8%</b>
<b>Entitlements</b>					
Foster Care Payments	69.6	81.6	89.1	7.5	9.2%
Assistance Payments	378.6	323.1	382.1	59.1	18.3%
Medical Assistance	2,015.1	2,014.0	2,080.4	66.4	3.3%
Property Tax Credits	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>n.a.</u>
	<b>\$2,463.2</b>	<b>\$2,418.6</b>	<b>\$2,551.6</b>	<b>\$133.0</b>	<b>5.5%</b>
<b>State Agencies</b>					
Health	692.7	670.7	693.7	23.0	3.4%
Human Resources	458.8	522.9	528.3	5.3	1.0%
Systems Reform Initiative	25.1	25.0	23.7	-1.4	-5.4%
Juvenile Services	15.6	15.4	16.9	1.5	10.0%
Public Safety/Police	108.2	21.4	11.4	-9.9	-46.6%
Higher Education	0.0	0.0	0.0	0.0	n.a.
Other Education	112.3	121.6	129.5	7.9	6.5%
Transportation	76.5	75.6	74.5	-1.1	-1.4%
Agric./Nat'l Res./Environment	47.2	55.9	54.2	-1.7	-3.0%
Other Executive Agencies	491.3	412.9	467.0	54.1	13.1%
Judicial/Legislative	2.5	2.7	2.7	0.1	2.1%
Across-the-board Cuts	<u>0.0</u>	<u>0.0</u>	<u>-0.2</u>	<u>-0.2</u>	<u>n.a.</u>
	<b>\$2,030.2</b>	<b>\$1,924.1</b>	<b>\$2,001.8</b>	<b>\$77.7</b>	<b>4.0%</b>
<b>Subtotal</b>	<b>\$5,191.1</b>	<b>\$5,087.1</b>	<b>\$5,341.0</b>	<b>\$253.8</b>	<b>5.0%</b>
Capital	654.4	813.1	808.8	-4.2	-0.5%
<b>Grand Total</b>	<b>\$5,845.5</b>	<b>\$5,900.2</b>	<b>\$6,149.8</b>	<b>\$249.6</b>	<b>4.2%</b>

Note: Fiscal 2005 reflects deficiency appropriations of \$58 million. The fiscal 2006 allowance includes \$1.2 million from Supplemental Budget No. 1.

**Exhibit A-1.11 (Continued)**  
**State Expenditures – State Funds**  
**(\$ in Millions)**

<u>Category</u>	<u>Actual FY 2004</u>	<u>Work. Appr. FY 2005</u>	<u>Leg Appr. FY 2006</u>	<u>FY 2005 to FY 2006 \$ Change</u>	<u>% Change</u>
Debt Service	\$671.7	\$707.4	\$766.9	\$59.5	8.4%
<b>Aid to Local Governments</b>					
County/Municipal	618.5	696.7	796.7	100.0	14.4%
Community Colleges	174.9	184.0	191.7	7.6	4.1%
Education/Libraries	3,368.0	3,683.5	4,072.6	389.2	10.6%
Health	<u>60.4</u>	<u>60.9</u>	<u>61.5</u>	<u>0.6</u>	<u>1.0%</u>
	<b>\$4,221.9</b>	<b>\$4,625.1</b>	<b>\$5,122.5</b>	<b>\$497.4</b>	<b>10.8%</b>
<b>Entitlements</b>					
Foster Care Payments	205.0	172.7	217.2	44.5	25.8%
Assistance Payments	76.3	92.9	64.7	-28.1	-30.3%
Medical Assistance	1,752.2	1,981.0	2,072.9	91.9	4.6%
Property Tax Credits	<u>48.8</u>	<u>49.2</u>	<u>49.9</u>	<u>0.8</u>	<u>1.5%</u>
	<b>\$2,082.3</b>	<b>\$2,295.7</b>	<b>\$2,404.7</b>	<b>\$109.0</b>	<b>4.7%</b>
<b>State Agencies</b>					
Health	1,341.2	1,410.1	1,419.6	9.5	0.7%
Human Resources	367.2	364.8	341.5	-23.2	-6.4%
Systems Reform Initiative	28.3	38.4	34.9	-3.5	-9.1%
Juvenile Services	170.5	177.0	175.8	-1.2	-0.7%
Public Safety/Police	972.3	1,137.8	1,173.1	35.2	3.1%
Higher Education	3,185.3	3,449.6	3,587.5	137.9	4.0%
Other Education	283.6	317.7	346.9	29.3	9.2%
Transportation	1,092.1	1,096.6	1,159.3	62.7	5.7%
Agric./Natl Res./Environment	228.8	237.1	232.7	-4.5	-1.9%
Other Executive Agencies	783.4	880.6	931.6	51.1	5.8%
Judicial/Legislative	361.7	379.6	398.6	19.0	5.0%
Across-the-board Cuts	<u>0.0</u>	<u>0.0</u>	<u>-1.8</u>	<u>-1.8</u>	<u>n.a.</u>
	<b>\$8,814.4</b>	<b>\$9,489.3</b>	<b>\$9,799.8</b>	<b>\$310.5</b>	<b>3.3%</b>
<b>Subtotal</b>	<b>\$15,790.4</b>	<b>\$17,117.4</b>	<b>\$18,093.8</b>	<b>\$976.4</b>	<b>5.7%</b>
Capital/Heritage Reserve Fund	901.4	1,082.2	1,219.9	137.7	12.7%
Reserve Fund	10.0	114.7	325.7	211.0	184.1%
<b>Appropriations</b>	<b>\$16,701.7</b>	<b>\$18,314.2</b>	<b>\$19,639.4</b>	<b>\$1,325.2</b>	<b>7.2%</b>
Reversions	0.0	-20.0	-20.0	0.0	0.0%
<b>Grand Total</b>	<b>\$16,701.7</b>	<b>\$18,294.2</b>	<b>\$19,619.4</b>	<b>\$1,325.2</b>	<b>7.2%</b>

Note: Fiscal 2005 reflects deficiency and supplemental deficiency appropriations of \$115.7 million, \$1.7 million in cuts to the deficiencies, and \$21.9 million in withdrawn appropriations. The fiscal 2006 allowance includes \$24.2 million from Supplemental Budget No. 1.

**Exhibit A-1.11 (Continued)**  
**State Expenditures – All Funds**  
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2004</u>	<u>Work. Appr. FY 2005</u>	<u>Leg Appr. FY 2006</u>	<u>FY 2005 to FY 2006 \$ Change</u>	<u>% Change</u>
Debt Service	\$671.7	\$707.4	\$766.9	\$59.5	8.4%
<b>Aid to Local Governments</b>					
County/Municipal	656.6	724.3	836.4	112.2	15.5%
Community Colleges	174.9	184.0	191.7	7.6	4.1%
Education/Libraries	4,023.2	4,395.8	4,815.9	420.1	9.6%
Health	<u>64.9</u>	<u>65.4</u>	<u>66.0</u>	<u>0.6</u>	<u>0.9%</u>
	<b>\$4,919.6</b>	<b>\$5,369.5</b>	<b>\$5,910.0</b>	<b>\$540.5</b>	<b>10.1%</b>
<b>Entitlements</b>					
Foster Care Payments	274.6	254.2	306.3	52.0	20.5%
Assistance Payments	454.9	415.9	446.9	31.0	7.4%
Medical Assistance	3,767.2	3,995.0	4,153.2	158.3	4.0%
Property Tax Credits	<u>48.8</u>	<u>49.2</u>	<u>49.9</u>	<u>0.8</u>	<u>1.5%</u>
	<b>\$4,545.5</b>	<b>\$4,714.3</b>	<b>\$4,956.3</b>	<b>\$242.0</b>	<b>5.1%</b>
<b>State Agencies</b>					
Health	2,033.9	2,080.8	2,113.3	32.5	1.6%
Human Resources	826.0	887.7	869.8	-17.9	-2.0%
Systems Reform Initiative	53.4	63.4	58.6	-4.8	-7.6%
Juvenile Services	186.2	192.3	192.7	0.3	0.2%
Public Safety/Police	1,080.5	1,159.2	1,184.5	25.3	2.2%
Higher Education	3,185.3	3,449.6	3,587.5	137.9	4.0%
Other Education	396.0	439.3	476.5	37.2	8.5%
Transportation	1,168.6	1,172.1	1,233.8	61.7	5.3%
Agric./Nat'l Res./Environment	275.9	293.0	286.9	-6.1	-2.1%
Other Executive Agencies	1,274.7	1,293.5	1,398.7	105.2	8.1%
Judicial/Legislative	364.2	382.3	401.3	19.0	5.0%
Across-the-board Cut	<u>0.0</u>	<u>0.0</u>	<u>-1.9</u>	<u>-1.9</u>	<u>n.a.</u>
	<b>\$10,844.6</b>	<b>\$11,413.3</b>	<b>\$11,801.6</b>	<b>\$388.2</b>	<b>3.4%</b>
<b>Subtotal</b>					
	<b>\$20,981.5</b>	<b>\$22,204.5</b>	<b>\$23,434.8</b>	<b>\$1,230.3</b>	<b>5.5%</b>
Capital/Heritage Reserve Fund	1,555.7	1,895.2	2,028.7	133.5	7.0%
Reserve Fund	10.0	114.7	325.7	211.0	184.1%
<b>Appropriations</b>	<b>\$22,547.2</b>	<b>\$24,214.4</b>	<b>\$25,789.2</b>	<b>\$1,574.8</b>	<b>6.5%</b>
Reversions	0.0	-20.0	-20.0	0.0	0.0%
<b>Grand Total</b>	<b>\$22,547.2</b>	<b>\$24,194.4</b>	<b>\$25,769.2</b>	<b>\$1,574.8</b>	<b>6.5%</b>

Note: Fiscal 2005 reflects deficiency and supplemental deficiency appropriations of \$173.7 million, \$1.7 million in cuts to the deficiencies, and \$21.9 million in withdrawn appropriations. The fiscal 2006 allowance includes \$25.4 million from Supplemental Budget No. 1.

## Capital Budget

The 2005 General Assembly passed a capital budget totaling \$2.9 billion, including \$1.8 billion for the transportation program. Of the total amount, \$670 million is funded with general obligation (GO) bonds; \$9.4 million is funded with Qualified Zone Academy Bonds (QZAB); approximately \$1.8 billion is funded on a pay-as-you-go (PAYGO) basis in the operating budget; and \$345 million is funded with revenue bonds, including higher education academic bonds (\$25 million) and transportation bonds (\$320 million). **Exhibit A-2.1** presents an overview of the State’s Capital program for fiscal 2006. **Exhibit A-2.2** shows the sources and uses of the funds for the nontransportation capital program.

General obligation debt totaling a net of \$670 million is authorized in the Maryland Consolidated Capital Bond Loan of 2005 (MCCBL) *House Bill 340 (passed)*. This includes \$5 million authorized in the Southern Maryland Regional Strategy-Action Plan for Agricultural Loan of 2001 and \$0.5 million in deauthorizations to previously authorized debt. The 2005 MCCBL includes funding for:

- State facilities including colleges and universities, hospitals, office buildings, and correctional facilities;
- grants to local governments for school construction and facilities at community colleges;
- health and social services facilities such as senior citizen and adult day care centers, juvenile service facilities, and community health, disabilities, and addiction facilities;
- environmental programs such as the Chesapeake Bay Restoration, asbestos abatement, Program Open Space, and Drinking Water and Stormwater programs;
- housing and community development such as the Partnership Rental Housing, Community Legacy, Rental Housing, Homeownership, Shelter and Transitional Housing, and Special Loans programs; and
- local projects and legislative initiatives.

In addition to general obligation debt, the State’s capital program is funded with PAYGO funds which are used primarily to support environmental, housing and economic development programs, and construction of the third housing unit at the North Branch Correctional Institution. Also, *House Bill 1329 (passed)* authorizes \$25 million in debt for academic facilities at the University System of Maryland. **Exhibit A-2.3** lists capital projects by fund source. The individual legislative projects are listed in **Exhibit A-2.4**.

**Exhibit A-2.1**  
**Summary of the Capital Programs as Passed for the 2005 Session**

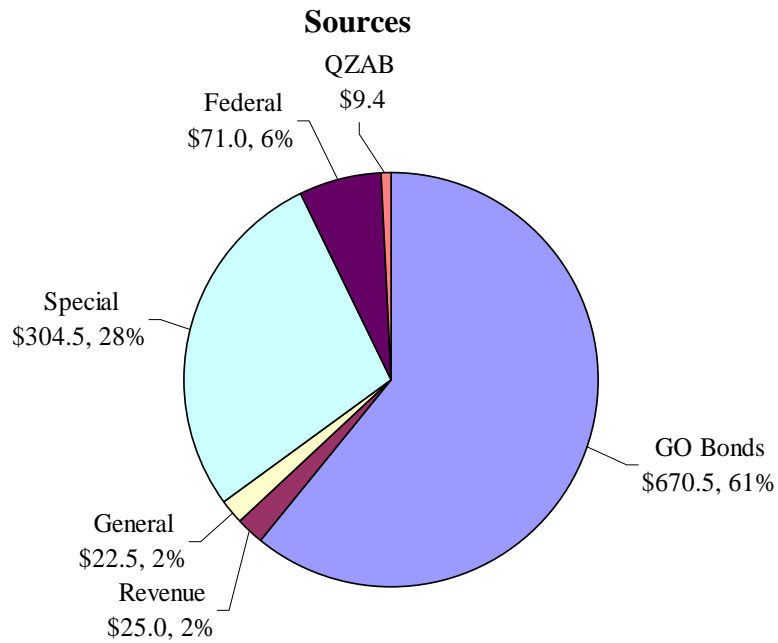
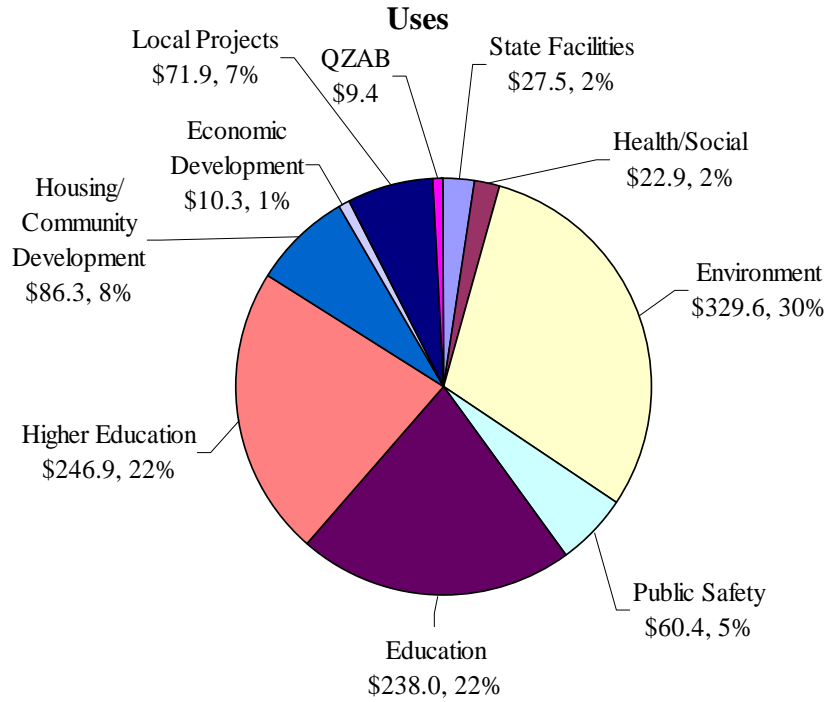
<b>Function</b>	<b>GO Bond</b>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<b>Total</b>
		<b>Agency</b>	<b>Recycled</b>	<b>General</b>	<b>Special</b>	<b>Federal</b>	
<b>State Facilities</b>							<b>\$27.5</b>
Facilities Renewal	\$12.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Other	14.6	0.0	0.0	0.6	0.0	0.0	
<b>Health/Social</b>							<b>\$22.9</b>
State Facilities	5.1	0.0	0.0	0.0	0.0	0.0	
Private Hospitals	5.0	0.0	0.0	0.0	0.0	0.0	
Other	12.8	0.0	0.0	0.0	0.0	0.0	
<b>Environment</b>							<b>\$329.6</b>
Natural Resources	4.0	0.0	0.0	0.0	117.9	4.5	
Agriculture	10.5	0.0	0.0	0.0	41.8	5.0	
Environment	33.2	0.0	0.0	0.0	63.9	43.3	
MD Envir. Services	3.1	0.0	0.0	0.0	0.0	0.0	
Energy	0.0	0.0	0.0	0.0	2.5	0.0	
<b>Public Safety</b>							<b>\$60.4</b>
State Corrections	4.2	0.0	0.0	0.0	37.9	0.0	
Local Jails	17.5	0.0	0.0	0.0	0.0	0.0	
State Police	0.8	0.0	0.0	0.0	0.0	0.0	
<b>Education</b>							<b>\$238.0</b>
School Construction	234.4	0.0	0.0	0.0	2.4	0.0	
Other	1.2	0.0	0.0	0.0	0.0	0.0	
<b>Higher Education</b>							<b>\$246.6</b>
University System	117.6	25.0	0.0	1.9	0.0	0.0	
Morgan State Univ.	28.4	0.0	0.0	0.0	0.0	0.0	
St. Mary's College	4.4	0.0	0.0	0.0	0.0	0.0	
Community Colleges	46.3	0.0	0.0	0.0	0.0	0.0	
Private Colleges	8.0	0.0	0.0	0.0	0.0	0.0	
UMMS	15.0	0.0	0.0	0.0	0.0	0.0	
<b>Housing/Community Development</b>							<b>\$86.3</b>
Housing	22.5	0.0	0.0	20.0	25.6	18.3	
<b>Economic Development</b>							<b>\$10.3</b>
Economic Development	1.3	0.0	0.0	0.0	9.0	0.0	
<b>Local Projects</b>							<b>\$71.9</b>
Administration	43.4	0.0	0.0	0.0	3.5	0.0	
Legislative	25.0	0.0	0.0	0.0	0.0	0.0	
<b>Deauthorizations</b>	-0.5	0.0	0.0	0.0	0.0	0.0	<b>-0.5</b>
<b>Subtotal Fiscal 2006</b>	<b>\$670.0</b>	<b>\$25.0</b>	<b>\$0.0</b>	<b>\$22.5</b>	<b>\$304.5</b>	<b>\$71.0</b>	<b>\$1,093.0</b>
Qual. Zone Acad. Bonds	<u>9.4</u>						<u>9.4</u>
<b>Total New Debt</b>	<b>\$679.4</b>						<b>\$1,102.4</b>
Transportation	\$0	\$320.0	\$0.0	\$0.0	\$655.0	\$777.7	\$1,752.7
<b>Fiscal 2006 Grand Total</b>	<b>\$679.4</b>	<b>\$345.0</b>	<b>\$0.0</b>	<b>\$22.5</b>	<b>959.5</b>	<b>848.7</b>	<b>\$2,855.1</b>

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

UMMS = University of Maryland Medical System



**Exhibit A-2.2**  
**Nontransportation Capital – Uses and Sources**



**Exhibit A-2.3**  
**Capital Programs as Passed – 2005 Session**

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Agency</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
<b>State Facilities</b>							
D55P00.06	Veterans Affairs: Cemetery Expansions	\$0	\$0	\$631,000	\$0	\$0	\$631,000
DA02.01(A)	OID: Accessibility Modifications	1,300,000	0	0	0	0	1,300,000
DE02.01(A)	BPW: Legislative Facilities	3,400,000	0	0	0	0	3,400,000
DE02.01(B)	DGS: Facility Renewal	10,732,000	0	0	0	0	10,732,000
DE02.01(C)	BPW: Public Safety Communication	9,000,000	0	0	0	0	9,000,000
DE02.01(D)	DGS: Asbestos Abatement	1,000,000	0	0	0	0	1,000,000
DE02.01(E)	DGS: Construction Contingency	834,000	0	0	0	0	834,000
DE02.01(F)	DGS: Underground Storage Tanks	500,000	0	0	0	0	500,000
DE02.01(G)	Judiciary: Centreville Dist. Ct. Expansion	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,000</u>
	<b>Subtotal</b>	<b>\$26,826,000</b>	<b>\$0</b>	<b>\$631,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,457,000</b>
<b>Health/Social</b>							
DA07(A)	Aging: Senior Citizen Activities Centers	\$1,435,000	\$0	\$0	\$0	\$0	\$1,435,000
MA01(A)	DHMH: Comm. Mental Health Facilities	8,096,000	0	0	0	0	8,096,000
MA01(B)	DHMH: Fed. Qualified Health Centers	2,419,000	0	0	0	0	2,419,000
MA01(C)	DHMH: Adult Day Care Facilities	811,000	0	0	0	0	811,000
MF05(A)	DHMH: Forensic Medical Center	1,526,000	0	0	0	0	1,526,000
ML10(A)	DHMH: Clifton T. Perkins	1,870,000	0	0	0	0	1,870,000
VD01(A)	DJS: Juvenile Services Facilities	1,703,000	0	0	0	0	1,703,000
ZA03(A)	MHA: Adventist General Hospital	400,000	0	0	0	0	400,000
ZA03(B)	MHA: Atlantic General Hospital	100,000	0	0	0	0	100,000
ZA03©	MHA: Calvert Memorial Hospital	1,100,000	0	0	0	0	1,100,000
ZA03(D)	MHA: Civista Medical Center	1,200,000	0	0	0	0	1,200,000
ZA03(E)	MHA: Mercy Medical Center	800,000	0	0	0	0	800,000
ZA03(F)	MHA: North Arundel Hospital	600,000	0	0	0	0	600,000
ZA03(G)	MHA: Northwest Hospital Center	<u>800,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>800,000</u>
	<b>Subtotal</b>	<b>\$22,860,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,860,000</b>

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Agency</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
<b>Environment</b>							
DA13.02	MEA: Community Energy Loan Program	\$0	\$0	\$0	\$1,500,000	\$0	\$1,500,000
DA13.03	MEA: State Agency Loan Program	0	0	0	1,000,000	0	1,000,000
K00A05.10(A)	DNR: POS Land Acq. and Local Program	0	0	0	77,719,000	4,000,000	81,719,000
K00A05.10(B)	DNR: POS Capital Improvements	0	0	0	4,659,000	0	4,659,000
K00A05.11	DNR: Waterway Improvement Programs	0	0	0	20,000,000	500,000	20,500,000
K00A05.14	DNR: Shore Erosion Control Program	0	0	0	500,000	0	500,000
K00A09.06	DNR: O.C. Beach Maintenance – Local	0	0	0	1,000,000	0	1,000,000
KA05(A)	DNR: Comm. Parks and Playgrounds	4,000,000	0	0	0	0	4,000,000
KA05(B)	DNR: Rural Legacy Program	0	0	0	14,022,000	0	14,022,000
L00A11.11	MDA: Agriculture Land Preservation	0	0	0	37,224,000	5,000,000	42,224,000
L00A12.13	MDA: Tobacco Transition Program	5,000,000	0	0	4,525,000	0	9,525,000
LA15(A)	MDA: Agricultural Cost Share Program	5,500,000	0	0	0	0	5,500,000
U00A01.11(A)	MDE: Bay Restoration – ENR	0	0	0	30,000,000	0	30,000,000
U00A01.11(B)	MDE: Bay Restoration – Sewer Rehab.	0	0	0	5,000,000	0	5,000,000
U00A01.12	MDE: Bay Restoration – Septic Systems	0	0	0	250,000	0	250,000
UA01(A)	MDE: Water Quality Loan Program	7,618,000	0	0	25,814,000	36,568,000	70,000,000
UA01(B)	MDE: Drinking Water Loan Program	1,995,000	0	0	2,819,000	6,686,000	11,500,000
UA01(C)	MDE: Hazardous Substance Cleanup	1,500,000	0	0	0	0	1,500,000
UA04(A)(1)	MDE: CBWQ Nutrient Removal – BNR	15,000,000	0	0	0	0	15,000,000
UA04(A)(2)	MDE: CBWQ Supplemental Assistance	4,000,000	0	0	0	0	4,000,000
UA04(A)(3)	MDE: CBWQ Small Creeks and Estuaries	450,000	0	0	0	0	450,000
UA04(A)(4)	MDE: Stormwater Pollution Control	711,000	0	0	0	0	711,000
UA04B	MDE: Water Supply Assistance Program	1,900,000	0	0	0	0	1,900,000
UB00A	MES: Infrastructure Improvement Fund	<u>3,147,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,147,000</u>
	<b>Subtotal</b>	<b>\$50,821,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$226,032,000</b>	<b>\$52,754,000</b>	<b>\$329,607,000</b>
<b>Public Safety</b>							
Q00A01.05	DPSCS: SUI Warehouse	\$0	\$0	\$0	\$1,754,000	\$0	\$1,754,000
QB04(A)	DPSCS: MCTC Housing Unit	620,000	0	0	0	0	620,000
QB06(A)	DPSCS: Brockbridge Correctional	331,000	0	0	0	0	331,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Agency</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
QB08.01(A)	DPSCS: Western Correctional	360,000	0	0	0	0	360,000
QB08.02(A)	DPSCS: North Branch Correctional	0	0	0	36,161,000	0	36,161,000
QD00(B)	DPSCS: Patuxent Institute Fire Systems	200,000	0	0	0	0	200,000
QP00(A)	DPSCS: BCDC Prop. Acquisition/Demo.	2,640,000	0	0	0	0	2,640,000
WA01(B)	DSP: Forensic Science Lab	796,000	0	0	0	0	796,000
ZB02(A)	Local Jails: Baltimore County	8,089,000	0	0	0	0	8,089,000
ZB02(B)	Local Jails: Frederick County Detention	364,000	0	0	0	0	364,000
ZB02(C)	Local Jails: Montgomery County Detention	5,189,000	0	0	0	0	5,189,000
ZB02(D)	Local Jails: Worcester County Detention	<u>3,899,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,899,000</u>
	<b>Subtotal</b>	<b>\$22,488,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,915,000</b>	<b>\$0</b>	<b>\$60,403,000</b>
<b>Education</b>							
DE02.02(A)	Public School Construction	\$234,200,000	\$0	\$0	\$2,400,000	\$0	\$236,600,000
DE02.02(B)	Public School Construction Relocatables	200,000	0	0	0	0	200,000
RE01(A)	Maryland School for the Deaf – Frederick	891,000	0	0	0	0	891,000
RE01(B)	Maryland School for the Deaf – Columbia	<u>340,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>340,000</u>
	<b>Subtotal</b>	<b>\$235,631,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,400,000</b>	<b>\$0</b>	<b>\$238,031,000</b>
<b>Higher Education</b>							
RB21(A)	UMB: Dental School	\$1,200,000	\$10,000,000	\$0	\$0	\$0	\$11,200,000
RB22(A)	UMCP: Biological Sciences Building	3,600,000	0	0	0	0	3,600,000
RB22(B)	UMCP: Tawes Conversion	850,000	0	0	0	0	850,000
RB23(A)	BSU: Center for Business Studies	2,000,000	0	0	0	0	2,000,000
RB23(B)	BSU: Performing Arts Building	1,500,000	0	0	0	0	1,500,000
RB24(A)	TU: Liberal Arts Complex	2,100,000	0	0	0	0	2,100,000
RB28(A)	UB: Charles Hall Elevator Replacement	0	0	1,890,000	0	0	1,890,000
RB27(A)	CSU: Health/Human Services Building	47,587,000	0	0	0	0	47,587,000
RB27(B)	CSU: Physical Education Complex	3,983,000	0	0	0	0	3,983,000
RB29(A)	SU: Ward Museum of Wildfowl Art	655,000	0	0	0	0	655,000
RB31(A)	UMBC: Fine Arts and Humanities Bldg.	500,000	0	0	0	0	500,000
RB34(A)	CES: R.V. Truitt Laboratory	3,687,000	0	0	0	0	3,687,000
RB34(B)	CES: Oyster Production Facility	467,000	0	0	0	0	467,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Agency</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
RB35(A)	UMBI: CARB II	2,500,000	0	0	0	0	2,500,000
RB36(A)	USM: Shady Grove Center	46,940,000	3,125,000	0	0	0	50,065,000
RB36(RB)	USM: Facility Renewal	0	11,875,000	0	0	0	11,875,000
RC00(A)	BCCC: Main Building – Liberty	675,000	0	0	0	0	675,000
RD00(A)	SMC: New Academic Building	3,300,000	0	0	0	0	3,300,000
RD00(C)	SMC: Anne Arundel Hall Renovation	1,075,000	0	0	0	0	1,075,000
RI00(A)	MHEC: Community College Grant Pgm.	44,355,000	0	0	0	0	44,355,000
RI00(B)	MHEC: Montgomery College – Takoma	1,300,000	0	0	0	0	1,300,000
RM00(A)	MSU: Banneker Hall Renovation	23,124,000	0	0	0	0	23,124,000
RM00(B)	MSU: Utilities Upgrades	510,000	0	0	0	0	510,000
RM00(C)	MSU: New Library	2,952,000	0	0	0	0	2,952,000
RM00(D)	MSU: Montebello E-Wing	920,000	0	0	0	0	920,000
RM00(E)	MSU: New Communications Center	718,000	0	0	0	0	718,000
RM00(F)	MSU: Campus Site Improvements	200,000	0	0	0	0	200,000
RQ00(A)	UMMS: Diagnostic Treatment Facility	10,000,000	0	0	0	0	10,000,000
RQ00(B)	UMMS: Ambulatory Care Center	5,000,000	0	0	0	0	5,000,000
ZA00(U)	MICUA: Johns Hopkins – Science Center	2,750,000	0	0	0	0	2,750,000
ZA00(V)	MICUA: Loyola College – Library	2,750,000	0	0	0	0	2,750,000
ZA00(W)	MICUA: MD Institute College of Arts	<u>2,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,500,000</u>
	<b>Subtotal</b>	<b>\$219,698,000</b>	<b>\$25,000,000</b>	<b>\$1,890,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$246,588,000</b>
<b>Housing/Community Development</b>							
S00A23.06	DHCD: MHT Revolving Loan Program	\$0	\$0	\$0	\$450,000	\$0	\$450,000
S00A23.07	DHCD: Heritage Tax Credit Fund	0	0	20,000,000	0	0	20,000,000
S00A24.02	DHCD: Neighborhood Business Dev. Pgm.	0	0	0	6,000,000	10,000,000	16,000,000
SA23(A)	DHCD: MHT Capital Grant Program	1,000,000	0	0	0	0	1,000,000
SA23(B)	DHCD: State Archeological Facility	151,000	0	0	0	0	151,000
SA24(A)	DHCD: Community Legacy Program	5,000,000	0	0	0	0	5,000,000
SA25(A)	DHCD: Rental Housing Programs	5,395,000	0	0	7,605,000	5,850,000	18,850,000
SA25(B)	DHCD: Partnership Rental Housing	6,000,000	0	0	0	0	6,000,000
SA25(C)	DHCD: Homeownership Programs	1,205,000	0	0	6,295,000	100,000	7,600,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Agency</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
SA25(D)	DHCD: Shelter/Transitional Housing	1,000,000	0	0	0	0	1,000,000
SA25(E)	DHCD: Special Loan Programs	<u>2,750,000</u>	<u>0</u>	<u>0</u>	<u>5,250,000</u>	<u>2,300,000</u>	<u>10,300,000</u>
	<b>Subtotal</b>	<b>\$22,501,000</b>	<b>\$0</b>	<b>\$20,000,000</b>	<b>\$25,600,000</b>	<b>\$18,250,000</b>	<b>\$86,351,000</b>
<b>Economic Development</b>							
DU00.02(A)	Canal Place – Crescent Lawn Phase II	\$1,253,000	\$0	\$0	\$0	\$0	\$1,253,000
TF00(A)	MD Econ. Development Assistance Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,000,000</u>	<u>0</u>	<u>9,000,000</u>
	<b>Subtotal</b>	<b>\$1,253,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,000,000</b>	<b>\$0</b>	<b>\$10,253,000</b>
<b>Local Projects</b>							
ZA00(A)	Misc.: Adventure Sport Center Int.	\$145,000	\$0	\$0	\$0	\$0	\$145,000
ZA00(B)	Allegany Flood Repairs	375,000	0	0	0	0	375,000
ZA00(C)	Babe Ruth Museum	250,000	0	0	0	0	250,000
ZA00(D)	Catholic Charities Facilities	3,000,000	0	0	0	0	3,000,000
ZA00(E)	Center Stage Theatre	700,000	0	0	0	0	700,000
ZA00(F)	East Baltimore Biotech Park	4,000,000	0	0	0	0	4,000,000
ZA00(G)	Easter Seals Intergenerational Facility	400,000	0	0	0	0	400,000
ZA00(H)	Frederick Keys Stadium Renovation	850,000	0	0	0	0	850,000
ZA00(I)	Garrett College Athletic Center	845,000	0	0	0	0	845,000
ZA00(M)	Great Blacks in Wax Museum	1,000,000	0	0	0	0	1,000,000
ZA00(N)	Johns Hopkins Pediatric Center	5,000,000	0	0	0	0	5,000,000
ZA00(O)	Johns Hopkins Cardiovascular Center	5,000,000	0	0	0	0	5,000,000
ZA00(P)	Kennedy Krieger Institute	1,000,000	0	0	0	0	1,000,000
ZA00(R)	Lyric Opera House	250,000	0	0	0	0	250,000
ZA00(S)	Manhattan Park Apartments	700,000	0	0	0	0	700,000
ZA00(T)	Maryland Food Bank	175,000	0	0	0	0	175,000
ZA00(X)	Maryland Science Center	2,000,000	0	0	0	0	2,000,000
ZA00(Y)	Maryland Zoo in Baltimore	500,000	0	0	0	0	500,000
ZA00(Z)	National Aquarium in Baltimore	2,500,000	0	0	0	0	2,500,000
ZA00(AA)	North Bay Environmental Education Ctr.	300,000	0	0	0	0	300,000
ZA00(AB)	Olney Theatre Center for Arts	575,000	0	0	0	0	575,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>GO</u>	<u>Agency</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00(AC)	African American Cultural Heritage Ctr.	250,000	0	0	0	0	250,000
ZA00(AD)	Rockville Town Center	0	0	0	1,500,000	0	1,500,000
ZA00(AE)	Sheppard Pratt Hospital	2,000,000	0	0	0	0	2,000,000
ZA00(AF)	Strathmore Hall Performing Arts Center	750,000	0	0	0	0	750,000
ZA00(AG)	Towson Circle III	0	0	0	2,000,000	0	2,000,000
ZA00(AH)	Victory Youth Center Gymnasium	550,000	0	0	0	0	550,000
ZA00(AI)	Western Family Branch YMCA	1,000,000	0	0	0	0	1,000,000
ZA00(AJ)	Baltimore City W. Side Revitalization	4,000,000	0	0	0	0	4,000,000
ZA00(AK)	YMCA Camp Letts	150,000	0	0	0	0	150,000
ZA00(AL)	Prince George's Hospital Center	5,000,000	0	0	0	0	5,000,000
ZA00(AM)	Imagination Stage	100,000	0	0	0	0	100,000
ZA01	House Legislative Initiatives	12,500,000	0	0	0	0	12,500,000
ZA02	Senate Legislative Initiatives	<u>12,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,500,000</u>
	<b>Subtotal</b>	<b>\$68,365,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,500,000</b>	<b>\$0</b>	<b>\$71,865,000</b>
<b>Transportation</b>							
	Transportation	<u>\$0</u>	<u>\$320,000,000</u>	<u>\$0</u>	<u>\$654,974,071</u>	<u>\$777,682,000</u>	<u>\$1,752,656,071</u>
	<b>Subtotal</b>	<b>\$0</b>	<b>\$320,000,000</b>	<b>\$0</b>	<b>\$654,974,071</b>	<b>\$777,682,000</b>	<b>\$1,752,656,071</b>
<b>Deauthorizations</b>							
	Deauthorizations as Introduced	<u>-\$443,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>-\$443,000</u>
	<b>Subtotal</b>	<b>-\$443,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$443,000</b>
<b>Total</b>		<b>\$670,000,000</b>	<b>\$345,000,000</b>	<b>\$22,521,000</b>	<b>\$959,421,071</b>	<b>\$848,686,000</b>	<b>\$2,845,628,071</b>

**Exhibit A-2.4**  
**Legislative Projects – Local Initiatives – 2005 Session**

**House**

<u>Project</u>	<u>Amount</u>	<u>Match</u>	<u>Special Provisions</u>
<b>Statewide</b>			
Baltimore Museum of Art	\$337,000	Hard	Hist. Ease.
Baltimore Museum of Industry	150,000	Soft(1)	Hist. Ease.
MD Fire Rescue Memorial	200,000	Grant	
Port Discovery	250,000	Hard	Hist. Ease.
Walters Art Museum	300,000	Soft(2)	Hist. Ease.
<b>Subtotal</b>	<b>\$1,237,000</b>		
<b>Anne Arundel</b>			
Community Center at Woods	\$100,000	Soft(3)	Hist. Ease.
Chesapeake Arts Center	300,000	Grant	
Regional Boys and Girls Clubs of Annapolis	750,000	Soft(2)	Hist. Ease.
Respite Home South Haven	70,000	Hard	
YMCA Camp Letts	50,000	Hard	
<b>Subtotal</b>	<b>\$1,270,000</b>		
<b>Baltimore City</b>			
Academy of Success	\$100,000	Grant	
Belair-Edison Foreclosure Initiative	200,000	Soft(3)	
Creative Alliance	250,000	Soft(1,3)	
Delta Lambda Foundation Outreach Center	200,000	Soft(all)	
E. Baltimore Community Rec. and Learning	300,000	Hard	Hist. Ease.
Fayette Street Outreach Organization	200,000	Soft (1,3)	
Hearing and Speech Agency	250,000	Soft(3)	Hist. Ease.
League for People with Disabilities	100,000	Hard	
Moveable Feast	150,000	Soft (1,3)	
Metro Delta Community Outreach Center	150,000	Soft (2,3)	Hist. Ease.
Project T.O.O.U.R.	100,000	Soft(all)	
Zeta Senior Activities Center	125,000	Soft(all)	
<b>Subtotal</b>	<b>\$2,125,000</b>		
<b>Calvert County</b>			
Calvert Hospice House	\$150,000	Soft(1,2)	
N. Beach Waterfront Park and Streetscape	100,000	Soft(1,3)	
Old Wallville School	25,000	Soft(2)	
<b>Subtotal</b>	<b>\$275,000</b>		
<b>Caroline County</b>			
Adkins Arboretum	\$250,000	Soft(all)	
<b>Subtotal</b>	<b>\$250,000</b>		



<u>Project</u>	<u>Amount</u>	<u>Match</u>	<u>Special Provisions</u>
<b>Carroll County</b>			
Bowling Brook Preparatory School	\$250,000	Soft(3)	
<b>Subtotal</b>	<b>\$250,000</b>		
<b>Cecil County</b>			
Amphitheater at Bainbridge	\$100,000	Hard	
<b>Subtotal</b>	<b>\$100,000</b>		
<b>Charles County</b>			
Lions Camp Merrick	\$100,000	Soft(2,3)	
Veterans Memorial	100,000	Soft (all)	
<b>Subtotal</b>	<b>\$200,000</b>		
<b>Dorchester County</b>			
Camp ESPA	\$30,000	Soft(U,all)	
Dorchester Arts Center	100,000	Soft(1,3)	Hist. Ease.
Hooper-Henry Educational Center	80,000	Soft(all)	Hist. Ease.
<b>Subtotal</b>	<b>\$210,000</b>		
<b>Harford County</b>			
Highlands School Building	\$500,000	Soft(all)	Hist. Ease.
<b>Subtotal</b>	<b>\$500,000</b>		
<b>Howard County</b>			
Blandair Mansion	\$300,000	Hard	Hist. Ease.
North Laurel Community Center	204,000	Hard	
<b>Subtotal</b>	<b>\$504,000</b>		
<b>Montgomery County</b>			
Adventure Theatre	\$100,000	Soft(2,3)	
Aunt Hattie's Place	350,000	Soft(1,2)	
Canal Boat at Great Falls Tavern	200,000	Hard (U)	
Historic Takoma	50,000	Soft(all)	
McDonald Knolls Center	200,000	Soft(all)	
Mercy Health Clinic	100,000	Hard	
Odd Fellows Hall	100,000	Soft (2,3)	Hist. Ease.
Old Blair Auditorium	300,000	Soft(2,3)	Hist. Ease.
Olde Towne Gaithersburg Youth Center	200,000	Soft(1)	
Red Wiggler Community Farm	100,000	Soft(all)	
Rockville Arts Place	200,000	Hard	
Seneca Schoolhouse Museum	100,000	Soft(2,3)	Hist. Ease.
Takoma Park Community Learning Center	250,000	Soft(all)	
Treatment and Learning Centers	200,000	Soft(2,3)	
<b>Subtotal</b>	<b>\$2,450,000</b>		

<u>Project</u>	<u>Amount</u>	<u>Match</u>	<u>Special Provisions</u>
<b>Prince George's County</b>			
Bethel Recreation Center	\$250,000	Soft(all)	
Camp Aquasco	52,000	Hard	
CASA Multi-Cultural Service Center	100,000	Soft(all)	Hist. Ease.
Children's Guild Multi-Room and Play Field	250,000	Soft(3)	
Colmar Manor Municipal Center	100,000	Hard	
Global Development Services for Youth	225,000	Grant	
Knights of St. John Hall	200,000	Grant	
Laurel Boys and Girls Club	100,000	Soft(1,3)	Hist. Ease.
MD Crime Victims' Resource Center	184,000	Hard	
Oxon Hill Boys and Girls Club	50,000	Grant	
Renaissance Square Artists' Housing	250,000	Hard	
Safe Passage Emergency Shelter	250,000	Soft(3)	
Walker Mill Regional Park	300,000	Hard	Hist. Ease.
<b>Subtotal</b>	<b>\$2,311,000</b>		
<b>St. Mary's County</b>			
Patuxent River Naval Air Museum	\$350,000	Hard	
Sotterley Plantation	50,000	Soft(2)	Hist. Ease.
<b>Subtotal</b>	<b>\$400,000</b>		
<b>Talbot County</b>			
Frederick Douglass Memorial	\$100,000	Hard	
<b>Subtotal</b>	<b>\$100,000</b>		
<b>Washington County</b>			
Community Free Clinic	\$75,000	Hard	
Discovery Station at Hagerstown	30,000	Soft(2,3)	Hist. Ease.
<b>Subtotal</b>	<b>\$105,000</b>		
<b>Wicomico County</b>			
Camp Sandy Pines	\$63,000	Hard	
Salisbury Area Chamber of Commerce	100,000	Soft(3)	
<b>Subtotal</b>	<b>\$163,000</b>		
<b>Worcester County</b>			
Ocean City Visitors and Information Center	\$50,000	Soft(all)	
<b>Subtotal</b>	<b>\$50,000</b>		
<b>Total Local Projects</b>	<b>\$12,500,000</b>		

Match Key: 1=real property; 2=in kind contributions; 3=prior expenditure; U=unequal

**Legislative Projects – Local Initiatives – 2005 Session****Senate**

<u>Project</u>	<u>Award</u>	<u>Match</u>	<u>Special Provisions</u>
<b>Statewide</b>			
Baltimore Museum of Art	\$100,000	Hard	Hist. Ease.
Germantown Life Sciences Incubator	1,000,000	Soft(all)	
Maryland Center at Kiplin Hall	500,000	Hard	
Port Discovery	100,000	Hard	Hist. Ease.
Walters Art Museum	100,000	Soft(2)	Hist. Ease.
<b>Subtotal</b>	<b>\$1,900,000</b>		
<b>Anne Arundel</b>			
Annapolis and AA Co. Conf. and Visitors Bureau	\$300,000	Soft(1)	Hist. Ease.
Community Center at Woods	50,000	Soft(3)	
R.A. Pascal Youth and Family Services, Inc.	100,000	Soft(2)	
Severn Danza BMX Track Lighting	50,000	Hard	
Tipton Airport Control Tower	100,000	Soft(3)	
<b>Subtotal</b>	<b>\$600,000</b>		
<b>Allegany</b>			
Allegany County Health Dept. Renovation	\$125,000	Hard	Hist. Ease.
<b>Subtotal</b>	<b>\$125,000</b>		
<b>Baltimore</b>			
Lansdowne Athletic Facility	\$25,000	Hard	
Mental Health Community Rehabilitation Ctr.	500,000	Soft(3)	
Tall Trees Park Community Center	400,000	Hard	
<b>Subtotal</b>	<b>\$925,000</b>		
<b>Baltimore City</b>			
Academy of Success Community Center	\$200,000	Soft(2,3)	
Baltimore Museum of Industry	200,000	Soft(1)	Hist. Ease.
Clifton Mansion	100,000	Soft(2,3)	Hist. Ease.
Creative Alliance	50,000	Soft(1,3)	
Delta Lambda Foundation Outreach Center	200,000	Soft(all)	
Dorothy M. Higgins Community Center	100,000	Hard	
Forest Park Clubhouse	150,000	Soft(3)	
Ivy Family Support Center	100,000	Grant	
League for People with Disabilities	350,000	Hard	
Safe Haven House for Youth and Families	100,000	Soft(all)	
Waxter Center for Senior Citizens	100,000	Soft(3)	
<b>Subtotal</b>	<b>\$1,650,000</b>		

<u>Project</u>	<u>Award</u>	<u>Match</u>	<u>Special Provisions</u>
<b>Calvert</b>			
Calvert Marine Museum Society	\$50,000	Hard	
Chesapeake Beach Water Quality Improvement	250,000	Soft(all)	
<b>Subtotal</b>	<b>\$300,000</b>		
<b>Carroll</b>			
Danele Shipley Memorial Arena	\$150,000	Soft(3)	
<b>Subtotal</b>	<b>\$150,000</b>		
<b>Cecil</b>			
Bell Manor at Camp Conowingo	\$227,000	Soft(2)	Hist. Ease.
Camp Grove Point	123,000	Hard	
<b>Subtotal</b>	<b>\$350,000</b>		
<b>Charles</b>			
Camp Winona	\$50,000	Hard	
Melwood Nanjemoy Capital Improvement	175,000	Hard(U)	
Southern Maryland Stadium	325,000	Hard	
<b>Subtotal</b>	<b>\$550,000</b>		
<b>Dorchester</b>			
Dorchester Arts Center	\$280,000	Soft(1,3)	Hist. Ease.
<b>Subtotal</b>	<b>\$280,000</b>		
<b>Frederick</b>			
Agriculture and Education Complex	\$300,000	Hard	
Harry Grove Stadium Renovation	150,000	Hard	
<b>Subtotal</b>	<b>\$450,000</b>		
<b>Garrett</b>			
Adventure Sports Center International	\$125,000	Hard	
Salem School	50,000	Soft(3)	
<b>Subtotal</b>	<b>\$175,000</b>		
<b>Howard</b>			
Lake Kittamaquondi Dredging	\$475,000	Grant	
North Laurel Community Center	250,000	Hard	
<b>Subtotal</b>	<b>\$725,000</b>		
<b>Montgomery</b>			
Adventure Theatre	\$300,000	Soft(2,3)	
Aunt Hattie's Place, Inc.	200,000	Soft(1,2)	
Barnesville Town Hall Renovation	85,000	Soft(3)	Hist. Ease.
Camp Brighton Woods	75,000	Hard	

<u>Project</u>	<u>Award</u>	<u>Match</u>	<u>Special Provisions</u>
Imagination Stage	175,000	Soft(2,3)	
MacDonald Knolls Center	150,000	Soft(all)	
Mercy Health Clinic	50,000	Hard	
Old Blair Auditorium Project	300,000	Soft(2,3)	Hist. Ease.
Olde Town Gaithersburg Youth	200,000	Soft(1)	
Olney Theatre Center Campus	175,000	Soft(1,3)	
Pyramid Atlantic	100,000	Soft(2)	
Red Wiggler Community Farm	50,000	Hard	
Rockville Baseball Stadium	25,000	Soft(all)	
Sandy Spring Museum Library and Archives	75,000	Soft(2)	
Takoma Park Community Learning Center	100,000	Soft(all)	
<b>Subtotal</b>	<b>\$1,935,000</b>		
<b>Prince George's</b>			
Bowie City Parks and Grounds Building	\$250,000	Hard	
District Heights Street Lights	150,000	Grant	
Forest Heights Road Improvements	175,000	Grant	
Global Developmental Services for Youth	125,000	Grant	
Historic Bostwick House	100,000	Soft(2)	Hist. Ease.
Kairos Senior Housing Complex	125,000	Soft(1)	
Knights of St. John Hall	50,000	Grant	
Paint Branch Creek Restoration	218,000	Hard	
Renaissance Square Artists' Housing	150,000	Hard	
S. County Sports and Tech. Learning Comp.	150,000	Soft(3)	
Universal Network of Aquaculture	110,000	Soft(3)	
University of Maryland Recycling Bins	32,000	Grant	
World Arts Focus Community Arts Center	175,000	Soft(1,3)	
<b>Subtotal</b>	<b>\$1,835,000</b>		
<b>St. Mary's</b>			
Patuxent River Naval Air Museum and Visitors Center	\$150,000	Hard	
Piney Point Lighthouse Museum	100,000	Soft(2)	Hist. Ease.
<b>Subtotal</b>	<b>\$250,000</b>		
<b>Washington</b>			
Aspiring to Serve the Community	\$85,000	Soft(all)	
King Farm Park	65,000	Hard	
North Hagerstown High School Stadium	150,000	Hard	
<b>Subtotal</b>	<b>\$300,000</b>		
<b>Total Local Senate Initiatives</b>	<b>\$12,500,000</b>		

Match Key: 1=real property; 2=in kind contributions; 3=prior expenditure; U=unequal

## Debt Affordability

As shown in **Exhibit A-2.5**, the long-range plan adopted by the Capital Debt Affordability Committee (CDAC) in September 2004 provides for \$15 million in annual increases through the 2008 session. The committee proposes to reduce the 2009 authorization as recommended in the committee's 2003 report. In its 2003 report, the committee recommended that authorizations be increased by \$100 million in each session from 2004 through 2008, to realize an additional \$500 million in authorizations. At that time, it was agreed that the authorizations be reduced again in 2009 to levels consistent with previously proposed levels. The capital budget passed by the General Assembly includes \$670 million of new authorized debt which is consistent with the level of general obligation debt recommended by CDAC.

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### Exhibit A-2.5 Capital Debt Affordability Committee Recommended Levels of General Obligation Bond Authorizations (\$ in Millions)

<u>Session</u>	<u>Proposed GO Bond Authorizations</u>	<u>Change from Previous Authorizations</u>
2005	\$670	\$15
2006	685	15
2007	700	15
2008	715	15
2009	630	-85
2010	645	15

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations for Fiscal 2006*, September 2004

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## Higher Education

The fiscal 2006 capital program for all segments of higher education is \$246.6 million, including general obligation bonds and academic revenue bonds. The *Capital Improvement Program* (CIP), after legislative changes to the fiscal 2006 capital budget, shows \$1.0 billion in capital spending for higher education projects over the fiscal 2006 through 2010 period. **Exhibit A-2.6** shows the fiscal 2005 and 2006 legislative appropriations for higher education capital and the funding anticipated in the CIP for fiscal 2007 through 2010. **Exhibit A-2.7** shows the fiscal 2006 allocation of capital funding by institution.

**Exhibit A-2.6  
Higher Education Fiscal 2005 – 2010  
Authorized and Planned Out-year Capital Funding  
(\$ in Thousands)**



**Exhibit A-2.7  
Higher Education Fiscal 2006 Allocation of Capital Funding by Institution  
(\$ in Thousands)**

<u>Institution</u>	<u>Fiscal 2006 Capital Funding</u>
University of Maryland, Baltimore	\$11,200
University of Maryland, College Park	4,450
Bowie State University	3,500
Towson University	2,100
University of Baltimore	1,890
University of Maryland Eastern Shore	4,154
Coppin State College	51,570
Salisbury University	655
University of Maryland Baltimore County	500
University of Maryland Biotechnology Institute	2,500
University System of Maryland – Facility Renewal	11,875
University System of Maryland – Regional Centers	50,065
Baltimore City Community College	675
St. Mary’s College of Maryland	4,375
Community Colleges	45,655
Morgan State University	28,424
Independent Colleges	8,000
<b>Total</b>	<b>\$231,588</b>

## Public School Construction Funding a High Priority for General Assembly

Public school construction receives a total of \$251.8 million in fiscal 2006, an increase of \$94.2 million, or 60 percent over the Governor's proposed budget and more than twice the amount provided in fiscal 2005. These funds include \$234.2 million in general obligation bonds (\$79.2 million added by the General Assembly), \$2.4 million in special fund PAYGO, and \$15 million available in the contingency fund from unexpended school construction funds budgeted in prior years. The total includes \$1.6 million for the Aging School Program and \$200,000 to repair State-owned relocatable classrooms.

The \$250 million allocation for school construction allows the State to fulfill, for fiscal 2006, the goal set in Chapters 306 and 307, Acts of 2004 (Public School Facilities Act). The Act implemented the recommendations of the Task Force to Study Public School Facilities, which was created to evaluate whether public school facilities were adequate to meet the requirements of the Bridge to Excellence Act. A survey conducted for the task force in 2003 identified \$3.85 billion in school facility deficiencies to bring schools up to minimum standards. The Act set a goal of addressing the identified deficiencies in eight years. The State's share of the cost is \$2 billion, or \$250 million annually, and local governments must provide \$1.85 billion under the State-local shared cost formula in order to meet the goal.

The Governor's fiscal 2006 *Capital Improvement Program* provides \$100 million in State funds annually for school construction in fiscal 2007 through 2010. After averaging more than \$250 million annually from fiscal 1999 to 2002, school construction funding dropped to \$140.5 million in fiscal 2003, \$106.3 million in fiscal 2004, and \$116.6 million in fiscal 2005.

### Fiscal 2006 Allocations

The capital budget provides for the \$250 million to be allocated to the 24 local jurisdictions in fiscal 2006. (**Exhibit A-2.8** shows the county-by-county allocations.) The Board of Public Works (BPW) approved \$121.9 million for school construction projects on January 19 and February 16, 2005. The Interagency Committee on School Construction (IAC) is required to allocate \$128.1 million, the balance of funds available in fiscal 2006 that were not already approved by the BPW or were added by the General Assembly, to individual school construction projects in the jurisdictions. To be eligible to receive funding, a project must be designated as A (funded) or B (ready to go) in the Public School Construction Program's ABC List, and projects must be funded by the IAC in local priority order. (Projects designated as C have outstanding technical and/or substantive issues that prevent the project from being funded.) As shown in Exhibit A-2.8, local requests for State funding for A and B projects total over \$466 million in fiscal 2006. The fiscal 2006 funding level meets on average 53.6 percent of the requests.



**Exhibit A-2.8**  
**Fiscal 2006 Public School Construction Funding**  
(\$ in Thousands)

	<b><u>BPW</u></b>			<b>Total as a</b>	<b>Total Dollar</b>
	<b><u>Approved</u></b>	<b><u>Additional</u></b>	<b><u>Total</u></b>	<b>Percent of</b>	<b>Request for</b>
				<b><u>A-B List</u></b>	<b><u>A-B List</u></b>
Allegany	\$9,900	\$1,100	<b>\$11,000</b>	100.0%	\$11,000
Anne Arundel	5,807	13,650	<b>19,457</b>	61.9%	31,452
Baltimore County	7,065	17,922	<b>24,987</b>	89.8%	27,825
Calvert	3,209	151	<b>3,360</b>	97.7%	3,438
Caroline	4,699	0	<b>4,699</b>	98.8%	4,756
Carroll	4,726	1,403	<b>6,129</b>	62.0%	9,887
Cecil	3,298	5,358	<b>8,656</b>	84.0%	10,309
Charles	2,894	5,373	<b>8,267</b>	63.3%	13,056
Dorchester	656	0	<b>656</b>	100.0%	656
Frederick	5,826	5,857	<b>11,683</b>	28.3%	41,214
Garrett	1,400	0	<b>1,400</b>	72.5%	1,930
Harford	5,301	2,816	<b>8,117</b>	38.7%	20,978
Howard	5,454	9,819	<b>15,273</b>	52.3%	29,176
Kent	2,000	0	<b>2,000</b>	89.8%	2,228
Montgomery	8,510	21,921	<b>30,431</b>	28.1%	108,293
Prince George's	7,912	21,921	<b>29,833</b>	39.3%	75,874
Queen Anne's	4,450	2,447	<b>6,897</b>	99.3%	6,944
St. Mary's	2,767	195	<b>2,962</b>	97.4%	3,040
Somerset	14,300	0	<b>14,300</b>	74.6%	19,158
Talbot	2,350	72	<b>2,422</b>	67.3%	3,600
Washington	5,441	728	<b>6,169</b>	69.9%	8,822
Wicomico	5,209	2,407	<b>7,616</b>	85.6%	8,894
Worcester	1,250	913	<b>2,163</b>	96.5%	2,241
Baltimore City	7,470	14,053	<b>21,523</b>	99.6%	21,601
<b>Total</b>	<b>\$121,894</b>	<b>\$128,106</b>	<b>\$250,000</b>	<b>53.6%</b>	<b>\$466,372</b>

- (1) "BPW Approved" are the amounts approved by the Board of Public Works on January 19 and February 16, 2005.
- (2) "A-B List" is the local funding request for projects designated as A (funded) or B (ready to go) by the Public School Construction Program as of March 28, 2005.
- (3) Amounts do not include \$1.6 million for the Aging Schools Program and \$200,000 for State-owned relocatable classrooms.

The capital budget bill also expanded the membership of the IAC, which is responsible for evaluating school construction requests from local governments and school systems and making recommendations on which projects should be funded. The Secretaries of the Department of Planning and the Department of General Services remain members of the IAC, and the State Superintendent of Schools continues to serve as IAC Chair. Two members of the public are added to the IAC, one each appointed by the Senate President and the Speaker of the House, subject to certain restrictions. The capital budget bill also clarifies that IAC meetings are subject to the State Open Meetings Law. In addition, for fiscal 2007, the amount of school construction projects that can be approved by the Board of Public Works before May 1, 2006, is limited to 75 percent of the Governor's preliminary allocation for school construction (provided in October). Under current law, the IAC must recommend *at least* 75 percent of the Governor's preliminary allocation for the upcoming fiscal year by December 31 of each year.

In addition to the \$1.6 million of general obligation bond funds provided for the Aging School Program, the fiscal 2006 operating budget includes \$10.4 million in general funds to support this program. The operating budget also contains \$6.5 million in general funds for a lease repayment on funds borrowed to wire all schools for technology under the Technology in Maryland Schools (TIMS) program.

Public school construction funding is further supplemented with \$9.4 million in interest free Qualified Zone Academy Bonds (QZABs) in the form of a grant to the Interagency Committee on School Construction. *House Bill 1325 (passed)* authorizes the State to issue QZABs which were created by the U.S. Congress under the Tax Reform Act of 1997 as a debt instrument to finance the repair and renovation of public schools across the nation. Financial institutions, insurance companies, and investment houses are the only entities allowed to purchase the bonds, which provide for a federal tax credit instead of interest earnings. A school is eligible to receive QZAB funds if it is located in an enterprise or empowerment zone, or at least 35 percent of the school's students qualify for free and reduced price meals.

## **Transfer Tax**

The General Assembly approved a significant increase in State funding for land conservation programs in fiscal 2006. While the Administration sought to divert \$163.3 million in fiscal 2006 transfer tax revenue to the general fund through *House Bill 147 (passed)*, the Budget Reconciliation and Financing Act of 2005, the General Assembly cut this reduction by more than half and provided a total of \$124.6 million for local and State land conservation projects, as shown in **Exhibit A-2.9**. Transfer tax is the primary funding source for State land conservation programs. The fiscal 2006 legislative appropriation provides a \$115.6 million increase over fiscal 2005 in transfer tax revenue for land conservation programs. Also, the General Assembly did not accept the Governor's proposal to redirect a specified percentage of transfer tax revenues to the general fund in future years.

**Exhibit A-2.9**  
**Land Conservation and the Transfer Tax**

	<b><u>Fiscal 2005 Appropriation</u></b>	<b><u>Fiscal 2006 Governor's Proposal</u></b>	<b><u>Fiscal 2006 Legislative Appropriation*</u></b>
Program Open Space (POS)	\$23,435,000	\$34,443,979	\$89,506,232
POS Local	15,000,000	17,221,989	44,753,116
POS State	8,435,000	17,221,989	44,753,116
Additional State Land Acquisition	0	471,643	1,204,341
Maryland Agricultural Land Preservation Program (MALPP)	8,000,000	13,255,515	25,748,015
Rural Legacy**	2,000,000	7,358,216	6,021,705
Heritage Conservation Fund	0	848,958	2,167,814
GreenPrint Program	3,000,000	0	0
<b>Total</b>	<b>\$36,435,000</b>	<b>\$56,378,311</b>	<b>\$124,648,107</b>

Note: POS and MALPP receive funding from other sources (federal funds and matching funds from local jurisdictions).

\* The fiscal 2006 legislative appropriation earmarks State side POS funds for Baltimore City park operations and maintenance (\$1.5 million) and State Forest and Park Service operations (\$1.5 million).

\*\* The fiscal 2006 legislative appropriation earmarks at least \$7.6 million in State side POS funds for the Rural Legacy Program.

## **Public Art Funding**

*House Bill 749 (passed)* establishes the Maryland Public Art Initiative Program to promote the installation of artwork at public facilities, provide for the acquisition of public art by the State, provide for the preservation of public art assets, and provide a grant fund for local governments. The bill also establishes the Maryland Public Art Fund (MPFA) as a nonlapsing special fund to provide grants to State and local governments for public art initiatives. The bill establishes the General Assembly's intent that the Governor include up to \$500,000 annually in MPFA beginning in fiscal 2007; however, there is no mandated requirement for the Governor to provide the funding.

## Aid to Local Government

### Overview of State Aid to Local Governments

Ensuring that public schools and local governments receive adequate funding to provide quality services to all Marylanders remains a priority of the General Assembly. State aid to local governments continues to be one of the largest and fastest growing components of the State budget. State aid accounts for approximately 37 percent of the State's general fund budget and 26 percent of the State's general/special fund budget. The 9.2 percent annual growth in State aid in fiscal 2006 will exceed other components of the State budget. State funding increases by 4.7 percent for entitlements and 3.3 percent for State agencies. For comparison purposes, over the last 10 years, State aid has increased at an average annual rate of 6.4 percent.

Public schools continue to receive the largest share of State aid, accounting for 78.1 percent of total State aid. In fiscal 2006, public schools will receive \$4.0 billion in State aid, representing a \$393.6 million, or 10.8 percent increase over the prior year. Community colleges will receive \$191.6 million in aid in fiscal 2006, representing a \$7.6 million increase. Local health departments and libraries will realize a slight increase in funding. State funding for counties and municipalities will total \$823.5 million in fiscal 2006, representing a \$30.8 million, or 3.9 percent increase over the prior year. **Exhibit A-3.1** shows the increase in State aid in fiscal 2006 by governmental entity.

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**Exhibit A-3.1**  
**State Aid to Local Governments in Fiscal 2005 and 2006**  
**(\$ in Millions)**

	<u>FY 2005</u>	<u>FY 2006</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$3,634.7	\$4,028.3	\$393.6	10.8%
Libraries	50.4	50.6	0.2	0.5%
Community Colleges	184.0	191.6	7.6	4.1%
Health	60.9	61.5	0.6	1.0%
County/Municipal	792.7	823.5	30.8	3.9%
<b>Total</b>	<b>\$4,722.6</b>	<b>\$5,155.5</b>	<b>\$432.9</b>	<b>9.2%</b>

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## **Reliance on State Aid**

State aid is the largest revenue source for most county governments in Maryland, accounting for 26.2 percent of total county revenues. In five counties (Anne Arundel, Baltimore, Howard, Talbot, and Worcester), State aid is the second largest revenue source after property taxes; while in Montgomery County, State aid is the third largest revenue source after both property and income taxes. The dependence on State aid varies across the State, with less affluent jurisdictions relying on State aid as their primary revenue source while more affluent jurisdictions rely more heavily on local property and income taxes. For example, State aid accounts for 15 percent of total revenues in Montgomery County but over 50 percent in Caroline County. This is due to the fact that over 50 percent of State aid is distributed inversely to local wealth. Utilizing local wealth measures to distribute State aid attempts to offset the inequalities in the local revenue capacity among jurisdictions.

State aid is the third largest revenue source for municipalities, representing 9.4 percent of total revenues. As with counties, the reliance on State aid varies for municipalities, ranging from 3.6 percent of total revenues for municipalities in Talbot County to 32.3 percent for municipalities in Garrett County, where State aid is the largest revenue source.

## **Reductions to State Aid Programs**

Actions taken by the General Assembly during the 2005 legislative session reduced State aid to local governments by \$63.8 million in fiscal 2006. This amount was \$35.0 million less than the State aid reductions proposed by the Administration. Program Open Space (POS) grants and local highway user revenues were the two primary State aid programs reduced by the General Assembly. These funding reductions are included in the numbers shown in Exhibit A-3.1.

## **Administration Proposals**

The fiscal 2006 State budget as introduced by the Administration included \$98.8 million in proposed funding reductions to mandatory State aid programs. Most of these State aid reductions (\$93.0 million) were targeted to county and municipal governments through Program Open Space and the electric utility generating equipment property tax grant. The Administration also eliminated the senior citizen center grants and exempted State-owned vehicles from the State motor fuel tax resulting in a \$582,600 reduction in local highway user revenues. The Administration also proposed extending the revision to the funding of nonpublic placements that was instituted in the Budget Reconciliation and Financing Act of 2004. This provision results in a \$5.8 million funding reduction to local school systems. The Administration's proposed funding reductions were contingent upon the enactment of legislation.

The Administration also eliminated State funding for several discretionary State aid programs that were previously funded in prior years resulting in a \$6.0 million funding reduction to local governments. State aid programs not funded in fiscal 2006 included \$3.8 million for Challenge grants, \$1.5 million for the special Baltimore City Program Open Space grant,

\$375,000 for the Baltimore City lead paint grant, \$241,000 for the East Coast Migrant Head Start grant, and \$105,000 for the Caroline County Center for Education Progress.

### General Assembly Actions

The General Assembly accepted several of the State aid reductions proposed by the Administration including the revision to the funding of nonpublic placements and the exemption of State-owned vehicles from the State motor fuel tax. These two provisions reduce State aid by \$6.4 million in fiscal 2006. The General Assembly also agreed to reduce funding for local Program Open Space, but only by \$33.8 million, which was \$27.5 million less than the funding reductions proposed by the Administration. Contrary to the Administration's budget plan, Baltimore City will continue to receive its \$1.5 million special Program Open Space grant.

For a second consecutive year, the General Assembly rejected the Administration's proposal to eliminate \$30.6 million in funding for the electric utility generating equipment property tax grant. While the grants are fully funded in fiscal 2006, language is included in the State budget that specifies that it is the intent of the General Assembly that legislation be introduced in the future to phase out the grants. As in past years, funding for local highway user revenues were reduced by transferring money from the Transportation Trust Fund to the State's general fund. In fiscal 2006, \$48.5 million in local highway user revenues will be transferred to the State's general fund; however, local governments will receive a \$25.8 million one-time grant to partially offset this reduction. The one-time grant will come from funds appropriated under the Community Safety and Enhancement Program in the State Highway Administration. Accordingly, county and municipal governments will realize a net \$22.7 million reduction in local highway user revenues in fiscal 2006.

Several education aid programs were reduced in fiscal 2006 including a \$2.4 million reduction to the extended elementary education program, \$1.8 million reduction to an environmental education summer camp program, \$1.0 million reduction to school wiring lease payments, and \$0.3 million reduction to the math and science initiative. The General Assembly restored \$3.5 million in funding for the Challenge grant program that was eliminated by the Governor and \$150,000 in senior citizen center operating grants.

**Exhibit A-3.2** shows the aid reductions from statutorily mandated amounts reflected in the fiscal 2006 budget passed by the General Assembly. The amounts include certain reductions proposed by the Administration which were implemented through the Budget Reconciliation and Financing Act of 2005, *House Bill 147 (passed)*, and the additional reductions made by the General Assembly. **Exhibit A-3.3** shows the differences in State aid to local governments under the State budget adopted by the General Assembly and the budget plan proposed by the Administration.

**Exhibit A-3.2**  
**Legislative Reductions to State Aid Programs in Fiscal 2006**

County	Program Open Space	Highway User Revenues	Highway User Revenues	Special Education	Extended Elementary	Challenge Grants	Other	Total
Allegany	-\$375,984	-\$7,973	-\$420,058	-\$54,553	-\$43,539	\$128,888	\$0	-\$773,219
Anne Arundel	-4,077,851	-33,812	-1,781,289	-543,583	-161,908	809,418	0	-5,789,024
Baltimore City	-2,689,587	-237,895	-4,540,000	-1,370,363	-516,847	0	1,349,000	-8,005,691
Baltimore	-4,588,116	-45,743	-2,409,885	-715,285	-148,721	77,333	0	-7,830,418
Calvert	-409,130	-6,787	-357,584	-64,901	-56,726	0	0	-895,128
Caroline	-178,442	-5,373	-283,042	-14,364	-43,936	296,443	0	-228,714
Carroll	-919,187	-15,194	-800,483	-171,275	-21,457	0	0	-1,927,596
Cecil	-474,468	-8,367	-440,774	-72,860	-101,203	0	0	-1,097,671
Charles	-833,837	-10,365	-546,066	-88,202	-133,743	147,964	0	-1,464,250
Dorchester	-153,192	-6,007	-316,458	0	-51,497	133,955	0	-393,199
Frederick	-972,331	-19,806	-1,043,457	-88,465	-101,516	0	0	-2,225,575
Garrett	-190,861	-6,826	-359,606	-3,721	-38,936	0	0	-599,950
Harford	-1,358,233	-17,251	-908,809	-217,484	-106,287	0	0	-2,608,063
Howard	-2,408,430	-16,653	-877,320	-203,526	-31,915	0	0	-3,537,844
Kent	-115,259	-3,088	-162,690	-798	-34,957	0	0	-316,792
Montgomery	-6,129,529	-48,041	-2,530,936	-611,018	-158,242	618,664	0	-8,859,101
Prince George's	-5,181,264	-41,039	-2,162,073	-1,403,277	-216,447	1,139,371	0	-7,864,730
Queen Anne's	-249,391	-6,072	-319,904	-17,778	-43,852	0	0	-636,998
St. Mary's	-461,615	-8,048	-424,008	-48,403	-109,161	0	0	-1,051,236
Somerset	-109,141	-3,588	-189,033	-2,775	-38,707	0	0	-343,245
Talbot	-264,246	-4,887	-257,455	0	-39,332	0	0	-565,920
Washington	-721,469	-12,685	-668,285	-92,446	-74,830	147,964	0	-1,421,751
Wicomico	-480,154	-9,695	-510,783	-13,406	-98,787	0	0	-1,112,826
Worcester	-475,782	-7,403	-390,002	-1,385	-35,269	0	0	-909,840
Unallocated	0	0	0	0	0	0	-3,373,024	-3,373,024
<b>Total</b>	<b>-\$33,817,500</b>	<b>-\$582,600</b>	<b>-\$22,700,000</b>	<b>-\$5,799,866</b>	<b>-\$2,407,815</b>	<b>\$3,500,000</b>	<b>-\$2,024,024</b>	<b>-\$63,831,805</b>

Note: Other includes \$1.5 million for Baltimore City Program Open Space grant; \$150,000 reduction to the Baltimore City State's Attorney grant; \$1,000 reduction to Baltimore City PILOT grant; \$1.2 million for Literacy Works; \$1.8 million reduction to environmental education; \$1.1 million reduction to voting system grants; \$1.0 million reduction to school wiring; \$293,024 reduction in the science/math initiative; and \$350,000 reduction to senior citizen center grants.



**Exhibit A-3.3**  
**State Aid to Local Governments in Fiscal 2006 – Differences from Administration's Plan**

<b>County</b>	<b>Highway User Revenues</b>	<b>Program Open Space</b>	<b>Electric Utility Tax Grant</b>	<b>Extended Elementary</b>	<b>Challenge Grants</b>	<b>Other</b>	<b>Total</b>
Allegany	-\$420,058	\$306,092	\$0	-\$43,539	\$128,888	\$0	-\$28,617
Anne Arundel	-1,781,289	3,319,815	7,820,202	-161,908	809,418	0	10,006,238
Baltimore City	-4,540,000	2,189,617	453,421	-516,847	0	1,349,000	-1,064,809
Baltimore	-2,409,885	3,735,226	1,794,835	-148,721	77,333	0	3,048,788
Calvert	-357,584	333,076	6,096,574	-56,726	0	0	6,015,340
Caroline	-283,042	145,272	0	-43,936	296,443	0	114,737
Carroll	-800,483	748,318	0	-21,457	0	0	-73,622
Cecil	-440,774	386,269	0	-101,203	0	0	-155,708
Charles	-546,066	678,834	2,522,612	-133,743	147,964	0	2,669,601
Dorchester	-316,458	124,715	187,442	-51,497	133,955	0	78,157
Frederick	-1,043,457	791,583	0	-101,516	0	0	-353,390
Garrett	-359,606	155,382	11,907	-38,936	0	0	-231,253
Harford	-908,809	1,105,749	860,767	-106,287	0	0	951,420
Howard	-877,320	1,960,725	0	-31,915	0	0	1,051,490
Kent	-162,690	93,833	0	-34,957	0	0	-103,814
Montgomery	-2,530,936	4,990,104	2,765,553	-158,242	618,664	0	5,685,143
Prince George's	-2,162,073	4,218,113	7,744,806	-216,447	1,139,371	0	10,723,771
Queen Anne's	-319,904	203,032	0	-43,852	0	0	-160,724
St. Mary's	-424,008	375,805	0	-109,161	0	0	-157,364
Somerset	-189,033	88,853	0	-38,707	0	0	-138,887
Talbot	-257,455	215,125	0	-39,332	0	0	-81,662
Washington	-668,285	587,354	357,082	-74,830	147,964	0	349,285
Wicomico	-510,783	390,898	0	-98,787	0	0	-218,672
Worcester	-390,002	387,338	0	-35,269	0	0	-37,933
Unallocated	0	0	0	0	0	-2,873,024	-2,873,024
<b>Total</b>	<b>-\$22,700,000</b>	<b>\$27,531,127</b>	<b>\$30,615,201</b>	<b>-\$2,407,815</b>	<b>\$3,500,000</b>	<b>-\$1,524,024</b>	<b>\$35,014,489</b>

Note: Other includes \$1.5 million for the Baltimore City Program Open Space grant; \$150,000 reduction to the Baltimore City State's Attorney grant; \$1,000 reduction to the Baltimore City PILOT grant; \$1.2 million for Literacy Works; \$150,000 for senior center grants; \$1.8 million reduction to environmental education; \$1.1 million reduction to voting system grants; \$1.0 million reduction to school wiring; and \$293,024 reduction in the science/math initiative.

## Changes in State Aid by Program

The increase in State aid in fiscal 2006 ranges from 4.6 percent in Garrett County to 15.7 percent in Washington County. The increase in 12 counties will exceed 10 percent. **Exhibit A-3.4** summarizes the distribution of direct aid by governmental entity and shows the estimated State retirement payments for local government employees. **Exhibit A-3.5** compares total State aid in fiscal 2005 and 2006 by program.

### Primary and Secondary Education

State funding for public schools remains a high priority for the General Assembly. While State spending has been constrained in recent years, public schools continue to receive record increases in State funding. Over the last four years, public schools have received over \$1.1 billion in additional State funding. In fiscal 2006 the increase will be \$393.6 million, a 10.8 percent increase from the prior year. Direct aid to local school systems will total \$3.6 billion in fiscal 2006 representing a \$389.9 million, or 12.1 percent increase from the prior year and teachers' retirement payments will total \$406.9 million representing a \$3.7 million, or 0.9 percent increase from the prior year. The following is a brief discussion of the major State education aid programs.

**Foundation Program:** The foundation program ensures a minimum funding level per pupil and requires the counties to provide a local match. The formula is calculated based on a per pupil foundation amount and student enrollment. State aid under the foundation program will total \$2.3 billion in fiscal 2006, a \$193.7 million, or 9.2 percent increase over the prior year. The per pupil foundation amount for fiscal 2006 is set at \$5,497. This is a \$468, or 9.3 percent increase over the fiscal 2005 per pupil foundation amount of \$5,029. Enrollment for the formula is based on the September 30, 2004, student enrollment count. Enrollment increased by only 48 students, from 828,961 students in 2003 to 829,009 students in 2004.

**Compensatory Aid:** The compensatory aid formula provides additional funding based on the number of economically disadvantaged students. The formula recognizes local fiscal disparities in wealth by adjusting the grants per compensatory education student by local wealth. The formula is calculated based on 97 percent of the annual per pupil amount used in the foundation program and the number of students eligible for free and reduced price meals in the prior fiscal year. State aid under the compensatory aid program will total \$607.2 million in fiscal 2006, representing a \$119.1 million, or 24.4 percent increase over the prior year. The per pupil funding amount for fiscal 2006 is set at \$2,186. This is a \$381, or 21.1 percent increase over the fiscal 2005 per pupil amount of \$1,805. The enrollment count used for the program in fiscal 2006 totals 269,158 students.

**Teachers' Retirement Payments:** The State pays 100 percent 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

**Exhibit A-3.4**  
**State Assistance to Local Governments**  
**Fiscal 2006 Legislative Appropriation**  
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total	Change	
	County/ Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal			Over FY 2005	Percent Change
Allegany	\$15,069	\$4,831	\$60,581	\$627	\$1,494	\$82,602	\$5,119	\$87,721	\$10,364	13.4%
Anne Arundel	52,114	23,325	210,938	1,736	5,186	293,298	34,299	327,597	18,028	5.8%
Baltimore City	311,994	0	685,431	5,427	10,970	1,013,822	44,436	1,058,258	73,717	7.5%
Baltimore	60,249	32,147	386,534	4,208	7,111	490,249	53,216	543,465	41,345	8.2%
Calvert	13,883	1,278	66,642	330	614	82,747	8,527	91,274	7,277	8.7%
Caroline	7,590	1,107	32,057	221	885	41,860	2,593	44,453	4,648	11.7%
Carroll	16,830	5,613	112,037	790	2,031	137,301	12,876	150,176	12,462	9.0%
Cecil	9,383	3,882	75,785	534	1,332	90,917	7,413	98,329	9,401	10.6%
Charles	14,660	5,802	112,348	678	1,643	135,132	11,086	146,218	15,806	12.1%
Dorchester	8,560	975	23,958	199	705	34,397	2,274	36,672	3,611	10.9%
Frederick	22,232	6,159	151,821	930	2,496	183,638	17,220	200,859	21,387	11.9%
Garrett	8,995	2,591	21,381	149	719	33,835	2,405	36,240	1,600	4.6%
Harford	21,454	8,174	164,759	1,231	2,867	198,485	17,684	216,169	21,319	10.9%
Howard	22,239	9,983	141,360	634	2,009	176,226	27,786	204,012	15,710	8.3%
Kent	3,447	449	8,809	86	552	13,343	1,358	14,701	1,016	7.4%
Montgomery	70,465	30,242	306,811	2,205	4,994	414,717	89,721	504,438	25,844	5.4%
Prince George's	81,079	18,903	719,920	5,497	8,250	833,648	60,045	893,693	95,716	12.0%
Queen Anne's	6,502	1,187	23,552	113	689	32,043	3,409	35,452	2,945	9.1%
St. Mary's	9,113	1,726	70,736	504	1,336	83,416	7,221	90,637	9,868	12.2%
Somerset	7,710	621	19,015	226	703	28,275	1,452	29,726	3,555	13.6%
Talbot	5,457	1,367	9,762	83	542	17,211	2,320	19,531	1,412	7.8%
Washington	14,656	5,653	96,085	889	2,278	119,562	9,338	128,900	17,508	15.7%
Wicomico	12,037	3,585	76,494	615	1,562	94,293	7,093	101,386	10,759	11.9%
Worcester	8,474	1,438	14,988	119	517	25,536	3,834	29,370	2,433	9.0%
Unallocated	17,587	4,823	29,638	14,183	0	66,231	1	66,232	5,173	8.5%
<b>Total</b>	<b>\$821,777</b>	<b>\$175,861</b>	<b>\$3,621,443</b>	<b>\$42,215</b>	<b>\$61,487</b>	<b>\$4,722,783</b>	<b>\$432,726</b>	<b>\$5,155,509</b>	<b>\$432,902</b>	<b>9.2%</b>

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

**State Assistance to Local Governments**  
**Dollar Difference Between Fiscal 2006 Legislative Appropriation and Fiscal 2005 Working Appropriation**  
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County/ Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$1,185	\$262	\$8,867	\$8	\$14	\$10,336	\$28	\$10,364
Anne Arundel	1,347	1,268	15,186	-80	42	17,764	264	18,028
Baltimore City	20,132	0	53,082	1	62	73,277	440	73,717
Baltimore	-421	101	41,034	167	66	40,948	397	41,345
Calvert	279	80	6,822	9	15	7,204	73	7,277
Caroline	854	83	3,674	3	11	4,626	22	4,648
Carroll	852	422	11,038	21	20	12,353	108	12,462
Cecil	739	311	8,269	2	15	9,337	64	9,401
Charles	597	385	14,713	9	18	15,722	85	15,806
Dorchester	1,006	73	2,494	4	11	3,590	21	3,611
Frederick	562	484	20,181	-2	23	21,248	139	21,387
Garrett	364	14	1,194	-1	11	1,583	17	1,600
Harford	806	380	19,938	37	24	21,185	133	21,319
Howard	53	756	14,650	-5	26	15,481	230	15,710
Kent	393	34	566	1	11	1,004	12	1,016
Montgomery	-7,397	1,236	31,259	-12	72	25,159	685	25,844
Prince George's	5,704	1,079	88,349	33	69	95,235	481	95,716
Queen Anne's	543	89	2,280	-9	12	2,915	30	2,945
St. Mary's	425	112	9,235	21	15	9,808	60	9,868
Somerset	495	41	2,998	-2	11	3,543	12	3,555
Talbot	653	103	624	0	12	1,392	20	1,412
Washington	1,225	415	15,730	49	18	17,437	71	17,508
Wicomico	431	239	10,007	7	15	10,699	60	10,759
Worcester	1,348	96	943	0	13	2,399	34	2,433
Unallocated	-1,490	-147	6,804	6	0	5,173	0	5,173
<b>Total</b>	<b>\$30,685</b>	<b>\$7,917</b>	<b>\$389,939</b>	<b>\$267</b>	<b>\$609</b>	<b>\$429,417</b>	<b>\$3,485</b>	<b>\$432,902</b>

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

**State Assistance to Local Governments**  
**Percent Change: Fiscal 2006 Legislative Appropriation over Fiscal 2005 Working Appropriation**

County	<i>Direct State Aid</i>						Retirement	Total
	County/ Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	8.5%	5.7%	17.1%	1.3%	1.0%	14.3%	0.5%	13.4%
Anne Arundel	2.7%	5.7%	7.8%	-4.4%	0.8%	6.4%	0.8%	5.8%
Baltimore City	6.9%	n.a.	8.4%	0.0%	0.6%	7.8%	1.0%	7.5%
Baltimore	-0.7%	0.3%	11.9%	4.1%	0.9%	9.1%	0.8%	8.2%
Calvert	2.0%	6.7%	11.4%	2.9%	2.4%	9.5%	0.9%	8.7%
Caroline	12.7%	8.1%	12.9%	1.2%	1.3%	12.4%	0.9%	11.7%
Carroll	5.3%	8.1%	10.9%	2.7%	1.0%	9.9%	0.8%	9.0%
Cecil	8.5%	8.7%	12.2%	0.4%	1.2%	11.4%	0.9%	10.6%
Charles	4.2%	7.1%	15.1%	1.4%	1.1%	13.2%	0.8%	12.1%
Dorchester	13.3%	8.1%	11.6%	2.3%	1.6%	11.7%	0.9%	10.9%
Frederick	2.6%	8.5%	15.3%	-0.2%	0.9%	13.1%	0.8%	11.9%
Garrett	4.2%	0.6%	5.9%	-0.9%	1.6%	4.9%	0.7%	4.6%
Harford	3.9%	4.9%	13.8%	3.1%	0.9%	11.9%	0.8%	10.9%
Howard	0.2%	8.2%	11.6%	-0.8%	1.3%	9.6%	0.8%	8.3%
Kent	12.9%	8.1%	6.9%	0.9%	2.0%	8.1%	0.9%	7.4%
Montgomery	-9.5%	4.3%	11.3%	-0.6%	1.5%	6.5%	0.8%	5.4%
Prince George's	7.6%	6.1%	14.0%	0.6%	0.8%	12.9%	0.8%	12.0%
Queen Anne's	9.1%	8.1%	10.7%	-7.7%	1.8%	10.0%	0.9%	9.1%
St. Mary's	4.9%	6.9%	15.0%	4.3%	1.2%	13.3%	0.8%	12.2%
Somerset	6.9%	7.1%	18.7%	-0.8%	1.6%	14.3%	0.8%	13.6%
Talbot	13.6%	8.1%	6.8%	0.5%	2.2%	8.8%	0.9%	7.8%
Washington	9.1%	7.9%	19.6%	5.8%	0.8%	17.1%	0.8%	15.7%
Wicomico	3.7%	7.1%	15.1%	1.2%	1.0%	12.8%	0.9%	11.9%
Worcester	18.9%	7.1%	6.7%	0.0%	2.5%	10.4%	0.9%	9.0%
Unallocated	-7.8%	-3.0%	29.8%	0.0%	n.a.	8.5%	37.2%	8.5%
<b>Total</b>	<b>3.9%</b>	<b>4.7%</b>	<b>12.1%</b>	<b>0.6%</b>	<b>1.0%</b>	<b>10.0%</b>	<b>0.8%</b>	<b>9.2%</b>

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

**Exhibit A-3.5**  
**Total State Assistance to Local Governments**  
**Direct State Aid**

<u>Program</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>Difference</u>
Foundation Aid	\$2,114,566,822	\$2,308,307,555	\$193,740,733
Compensatory Education	488,097,364	607,160,521	119,063,157
Student Transportation – regular	156,458,129	165,837,328	9,379,199
Student Transportation – special education	19,076,400	21,286,400	2,210,000
Special Education – formula	157,646,138	191,285,181	33,639,043
Special Education – nonpublic placements	108,762,298	110,967,729	2,205,431
Special Education – infants and toddlers	5,199,999	5,199,999	0
Limited English Proficiency Grants	51,298,596	67,782,664	16,484,068
Extended Elementary	16,854,791	16,854,685	-106
Baltimore City Partnership	21,139,524	14,093,016	-7,046,508
Aging Schools	10,370,000	12,061,000	1,691,000
Teacher Quality Incentives	7,550,000	7,550,000	0
Adult Education	2,513,622	3,633,622	1,120,000
Food Service	6,264,669	6,264,669	0
Gifted and Talented Grants	534,829	534,829	0
Out-of-county Placements	7,263,044	7,675,000	411,956
Headstart	3,000,000	3,000,000	0
Education Modernization	3,999,999	0	-3,999,999
School Reconstitution	11,779,600	11,779,600	0
Other Programs	39,127,936	60,168,743	21,040,807
<b>Total Primary and Secondary Education</b>	<b>\$3,231,503,760</b>	<b>\$3,621,442,541</b>	<b>\$389,938,781</b>
Library Formula	27,770,841	28,031,991	261,150
Library Network	14,177,084	14,183,089	6,005
<b>Total Libraries</b>	<b>\$41,947,925</b>	<b>\$42,215,080</b>	<b>\$267,155</b>
Community College Formula	146,554,890	154,142,706	7,587,816
Grants for ESOL Programs	2,500,001	2,499,999	-2
Optional Retirement	9,243,719	9,720,000	476,281
Small College Grant/Allegany and Garrett Grant	3,099,999	3,099,999	0
Statewide Programs	6,545,647	6,398,480	-147,167
<b>Total Community Colleges</b>	<b>\$167,944,256</b>	<b>\$175,861,184</b>	<b>\$7,916,928</b>
Highway User Revenue	452,018,608	531,182,904	79,164,296
Elderly and Handicapped Transportation Aid	4,315,790	4,315,790	0
Paratransit	2,806,001	2,806,001	0
<b>Total Transportation</b>	<b>\$459,140,399</b>	<b>\$538,304,695</b>	<b>\$79,164,296</b>
Police Aid	62,429,381	63,885,133	1,455,752
Fire and Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	1,288,844	1,288,844	0

<u>Program</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>Difference</u>
9-1-1 Grants	13,550,000	13,550,000	0
Community Policing	2,000,000	1,900,000	-100,000
Foot Patrol/Drug Enforcement Grants	4,462,500	4,362,500	-100,000
Law Enforcement Training Grants	100,000	100,000	0
Stop Gun Violence Grants	955,500	955,500	0
Violent Crime Grants	4,514,000	4,361,445	-152,555
Baltimore City State's Attorney Grant	1,735,000	1,835,000	100,000
Domestic Violence Grants	200,000	200,000	0
School Vehicle Safety Grant	550,000	550,000	0
Body Armor	50,000	50,000	0
<b>Total Public Safety</b>	<b>\$101,835,225</b>	<b>\$103,038,422</b>	<b>\$1,203,197</b>
Program Open Space	16,500,000	46,253,117	29,753,117
Critical Area Grants	801,000	742,500	-58,500
<b>Total Recreation/Environment</b>	<b>\$17,301,000</b>	<b>\$46,995,617</b>	<b>\$29,694,617</b>
<b>Local Health Formula</b>	<b>60,877,984</b>	<b>61,486,987</b>	<b>609,003</b>
<b>Utility Property Tax Grant</b>	<b>30,615,201</b>	<b>30,615,201</b>	<b>0</b>
<b>Disparity Grant</b>	<b>93,102,399</b>	<b>96,578,133</b>	<b>3,475,734</b>
<b>Unclaimed Local Income Tax *</b>	<b>81,000,000</b>	<b>0</b>	<b>-81,000,000</b>
Horse Racing Impact Aid	1,341,400	1,341,400	0
Payments in Lieu of Taxes	1,604,472	1,603,472	-1,000
Security Interest Filing Fees	3,196,000	3,150,000	-46,000
Baltimore City Lead Paint Abatement Grant	375,000	0	-375,000
Senior Citizens Activities Center	500,000	150,000	-350,000
Statewide Voting Systems	1,081,187	0	-1,081,187
<b>Total Other Direct Aid</b>	<b>\$8,098,059</b>	<b>\$6,244,872</b>	<b>-\$1,853,187</b>
<b>Total Direct Aid</b>	<b>\$4,293,366,208</b>	<b>\$4,722,782,732</b>	<b>\$429,416,524</b>
<b>Payments-in-behalf</b>			
Retirement – Teachers	403,179,153	406,876,427	3,697,274
Retirement – Libraries	8,439,069	8,413,415	-25,654
Retirement – Community Colleges	16,045,730	15,743,562	-302,168
Retirement – Local Employees	1,576,711	1,692,545	115,834
<b>Total Payments-in-behalf</b>	<b>\$429,240,663</b>	<b>\$432,725,949</b>	<b>\$3,485,286</b>
<b>Total State Assistance</b>	<b>\$4,722,606,871</b>	<b>\$5,155,508,681</b>	<b>\$432,901,810</b>

\* One-time accelerated disbursement of unclaimed local income tax revenues.

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 4 percent and applying the contribution rate established by the retirement system’s actuary. Teachers’ retirement payments will total \$406.9 million in fiscal 2006, representing a 0.9 percent increase over the fiscal 2005 working appropriation due to an increase in the salary base.

***Student Transportation:*** Each local school system receives a grant for student transportation based on the county’s grant in the previous year increased by inflation. Increases cannot exceed 8.0 percent or be less than 3.0 percent. Local school systems with enrollment increases receive additional funds. The State also provides a grant of \$800 per student for transporting disabled students. The fiscal 2006 budget includes \$165.8 million for regular transportation services and \$21.3 million for special transportation services.

***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 percent of the annual per pupil foundation amount and the number of special education students from the prior fiscal year. State funding for public special education programs will total \$191.3 million in fiscal 2006, representing a \$33.6 million, or 21.3 percent increase over the prior year. Funding for nonpublic placements will total \$111.0 million in fiscal 2006, a \$2.2 million, or 2.0 percent increase over the prior year.

The Budget Reconciliation and Financing Act of 2005, [\*House Bill 147\*](#) continues for a second year the reduction of the State’s share of nonpublic placement special education funding by increasing the local share of funding that was enacted last year. Under current law, for each nonpublic placement a local school system pays its respective local share of the basic cost of education plus two times the total basic cost of education, and 20 percent of any expense above that sum. The State pays for the remaining 80 percent of the costs above the base local funding. The bill shifts more of the costs above the base local share to local school systems by maintaining the local share at 25 percent in fiscal 2006. The fiscal 2006 budget bill includes a reduction of \$5.8 million for this program to reflect this change in the State’s share of costs.

***Limited English Proficiency:*** The State provides grants to support programs for non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99 percent of the annual per pupil foundation amount. The fiscal 2006 grant per LEP student is \$2,231, a \$389, or 21.1 percent increase over the fiscal 2005 grant per LEP student. State funding for the program will total \$67.8 million in fiscal 2006, representing a \$16.5 million, or 32.1 percent increase over the prior year. The number of LEP students in Maryland totals 29,987 for the 2004-2005 school year.

***Extended Elementary Education Program:*** As part of the Bridge to Excellence in Public Schools Act of 2002, certain mandated State aid programs are phased out by fiscal 2008,



while other programs with enhanced funding that distribute State aid to local school systems based on student enrollments and local wealth are phased in. One of the programs to be eliminated is the Extended Elementary Education Program (EEEP), which funds pre-kindergarten programs for students identified as having a high risk of failure in school. Under current law, EEEP is fully funded at approximately \$19.3 million in fiscal 2005 through 2007 but would not be funded in fiscal 2008 and subsequent years. The Budget Reconciliation and Financing Act of 2004 reduced funding for fiscal 2005 by 12.5 percent, effectuating a general fund reduction of \$2.4 million in the fiscal 2005 budget bill. Accordingly, funding for EEEP totaled \$16.9 million in fiscal 2005. For fiscal 2006, the General Assembly again approved a \$2.4 million funding reduction for the program in fiscal 2006, resulting in funding level of \$16.9 million in fiscal 2006. The reduction was made in the Budget Reconciliation and Financing Act of 2005, [House Bill 147](#).

***Judy Hoyer and Head Start Programs:*** This program provides 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 2006 State budget includes \$7.6 million for Judy Center grants, \$3.0 million for school readiness and program accreditation, and \$3.0 million for head start programs.

***Infants and Toddlers Program:*** This program provides for 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 \$5.2 million in fiscal 2006.

***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 \$2.4 million for adult education programs in fiscal 2006. In addition, the Budget and Reconciliation and Financing Act of 2005, [House Bill 147](#), provides an additional \$1.2 million to the Maryland State Department of Education through the Cigarette Restitution Fund to be distributed as literacy works grants in order to reduce the waiting list for adult education and literacy services. This new money is contingent on unexpended Cigarette Restitution Fund revenues exceeding \$10.2 million and funding being provided for Challenge grants (\$3.5 million) and academic health centers (\$6.7 million).

The General Assembly approved legislation, [Senate Bill 384/House Bill 1045 \(passed\)](#), that requires the Governor to include in the fiscal 2007 and 2008 State budgets an appropriation for adult education equal to an increase of \$1.5 million over the fiscal 2005 appropriation. The Maryland State Department of Education (MSDE) must distribute the funding as literacy works grants in order to reduce the waiting list for adult education and literacy services.

**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 fiscal 2006 State budget includes \$7.6 million for these teacher quality incentives.

**Challenge Grants:** These grants are distributed to schools where the average daily attendance is low, the dropout rate is high, and student scores on State tests are low. State funding for the program totaled \$6.8 million in fiscal 2004 and \$3.8 million in fiscal 2005. The Administration eliminated funding for the program in fiscal 2006; however, the General Assembly restored \$3.5 million for the program through the Budget and Reconciliation and Financing Act of 2005, *House Bill 147*, which specifies that the grants be provided to all of the eligible schools that received grants in fiscal 2005, in proportion to the grants received in fiscal 2005. The funding will be provided through the Cigarette Restitution Fund and is contingent on restitution fund revenues exceeding \$122.7 million. The bill also mandates \$3.8 million for Challenge grants in fiscal 2007.

**Baltimore City Partnership Grant:** This program is part of the State's effort to reform the Baltimore City Public School System. Baltimore City will receive \$14.1 million in fiscal 2006. This funding is phasing out as the Bridge to Excellence in Public Schools Act of 2002 formulas phase in.

**Aging Schools Program:** The aging school program provides State funding to local school systems for improvements, repairs, and deferred maintenance of public school buildings that are more than 15 years old. 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 \$12.1 million in fiscal 2006. A provision in the fiscal 2005 capital budget indicates that the intent of the General Assembly is that a county will receive in fiscal 2006 at least 75 percent of the funding provided in fiscal 2005. The special grant is phased out after fiscal 2008. The special hold harmless grant totals \$1.7 million in fiscal 2006.

**Guaranteed Tax Base Program:** The Bridge to Excellence in Public Schools Act included an add-on grant for jurisdictions with less than 80 percent 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 percent of the per pupil foundation amount. The grants are phased in, beginning at 25 percent in fiscal 2005 and ending at 100 percent in fiscal 2008. For fiscal 2005, eight jurisdictions qualified for grants totaling \$19.1 million. In fiscal 2006, ten jurisdictions qualify for the grants totaling \$38.7 million.

### **Local Libraries**

Local libraries receive approximately 20 percent of their funding from the State government. State aid to local libraries will total \$50.6 million in fiscal 2006, representing a \$0.2 million, or 0.5 percent 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. For fiscal 2006, the program is based on a \$12 per capita grant. Overall, the State provides 40 percent of the minimum program and the counties provide 60 percent. However, the State/local share of the minimum program varies by county depending on local wealth. In fiscal 2006, State funding for the library program will total \$28.0 million, representing a \$0.3 million, or 0.9 percent increase 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. It will receive \$10.2 million in State funding in fiscal 2006, which equals \$1.85 per State resident. In addition to the State center, regional resource centers serve Western Maryland (Hagerstown), Southern Maryland (Charlotte Hall), and the Eastern Shore (Salisbury). The regional centers will receive \$3.9 million in fiscal 2006, which equates to \$4.50 per resident in the region served.

**Retirement Payments:** The State pays 100 percent 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 \$8.4 million in fiscal 2006, a slight decrease from fiscal 2005.

**Legislative Action:** The General Assembly approved legislation, *Senate Bill 421/House Bill 200 (passed)*, that phases in enhancements to the formulas that fund public libraries over a four-year period. Beginning in fiscal 2007, the current \$12 per resident amount for the State library formula is raised by \$1 per year to reach \$16 by fiscal 2010. During the same four-year period, the current \$4.50 per resident State aid amount for libraries that are regional resource centers is raised by \$1 per year to reach \$8.50 per resident by fiscal 2010. State aid through the library formula would increase by an estimated \$2.4 million in fiscal 2007 and by an estimated \$9.8 million in fiscal 2010. Funding for regional resource centers located in Charlotte Hall, Hagerstown, and Salisbury would increase by an estimated \$887,600 in fiscal 2007 and by an estimated \$3.7 million in fiscal 2010.

### **Community Colleges**

State aid to local community colleges will total \$191.6 million in fiscal 2006, representing a \$7.6 million, or 4.1 percent increase from the prior year.

**Senator John A. Cade Funding Formula:** State funding under the formula will total \$154.1 million in fiscal 2006, a \$7.6 million, or 5.2 percent increase from the prior year. The fiscal 2006 formula is based on a student enrollment count of 80,903 and a per student funding amount of \$1,905. Student enrollment has increased by 1.9 percent over the prior year and per student funding has increased by 4.0 percent.

**Special Programs:** State funding will remain at \$2.5 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 \$4.8 million, representing a \$0.1 million, or 3.0 percent decrease. State funding for the English as a Second Language program will remain at \$2.5 million in fiscal 2006. The Innovative Partnership for Technology program will continue to receive \$1.6 million in funding.

**Retirement Payments:** The State pays 100 percent 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 \$15.7 million in fiscal 2006, a \$0.3 million, or 1.9 percent decrease. In addition, State funding for the optional retirement program will total \$9.7 million in fiscal 2006, representing a \$0.5 million, or 5.2 percent 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. State aid for local health departments will total \$61.5 million in fiscal 2006, representing a \$0.6 million or 1.0 percent increase.

### **County and Municipal Governments**

Approximately 16 percent of State aid goes to county and municipal governments. State funding for counties and municipalities will total \$823.5 million in fiscal 2006, representing a \$30.8 million or 3.9 percent increase over the prior year.

**Highway User Revenues:** Local governments were originally scheduled to receive \$554.5 million in local highway user revenues in fiscal 2006. However, the Administration proposed to exempt State-owned vehicles from the State motor fuel tax. This results in a \$582,600 reduction in local highway user revenues. The General Assembly through the Budget Reconciliation and Financing Act of 2005, [House Bill 147](#), adopted this recommendation. In addition, the legislature transferred \$48.5 million in local highway user revenues to the State's general fund. This reduction is partly offset by a one-time grant of \$25.8 million. The one-time grant will come from funds appropriated under the Community Safety and Enhancement Program in the State Highway Administration. Accordingly, county and municipal governments will realize a net \$22.7 million reduction in local highway user revenues in fiscal 2006. Based on these actions, local highway user revenues will total \$531.2 million in fiscal 2006, which is a \$79.2 million, or 17.5 percent increase.

**Other Transportation Aid:** State funding for elderly/disabled transportation grants will remain at \$4.3 million in fiscal 2006 and 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 Budget Reconciliation and Financing Act of 2003, directs the Maryland State Police to recover 30 percent of the State crime laboratories costs relating to evidence-testing services from local jurisdictions. After the crime laboratory adjustment, police aid will total \$63.9 million in fiscal 2006, representing a \$1.5 million, or 2.3 percent increase from the prior year.

**Public Safety Grants:** State funding for targeted public safety grants will total \$12.5 million in fiscal 2006. 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, and the body armor grants. In addition, the Baltimore City State’s Attorney Office will receive \$1.8 million in fiscal 2006 to assist in the prosecution of gun offenses and repeat violent offenders.

**Vehicle Theft Prevention Program:** This program provides grants to law enforcement agencies, prosecutors’ offices, local governments, and community organizations for the purpose of establishing 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 \$1.3 million in fiscal 2006.

**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 2006.

**9-1-1 Emergency Systems Grant:** State funding to local 9-1-1 emergency systems will remain at \$13.6 million in fiscal 2006.

**Program Open Space Grants:** Under Program Open Space (POS), the State provides grants to the counties and Baltimore City for land acquisition and the development of parks and recreation facilities. The State property transfer tax funds Program Open Space and related programs. When the fiscal 2006 State budget was introduced, the Administration proposed to redirect \$61.3 million in local POS grants to the State’s general fund in fiscal 2006. This would result in local governments receiving \$17.2 million in Program Open Space funding in fiscal 2006, a \$2.2 million increase from the prior year. The General Assembly decided to protect land preservation funding by transferring only \$33.8 million in local POS funding to the general fund. This action will increase State funding for land preservation by providing local governments with \$44.8 million in POS funding. In addition, the General Assembly agreed to

continue providing Baltimore City with a \$1.5 million special POS grant. This grant was scheduled to be eliminated by the Administration.

**Disparity Grants:** The disparity grants address the differences in the capacities or abilities of the counties to raise revenues from the local income tax. Counties with per capita local income tax revenue less than 75 percent of the State's average receive grants. Aid received by a county equals the dollar amount necessary to raise the county's per capita income tax revenues to 75 percent of the State average. The fiscal 2006 budget includes \$96.6 million for disparity grants, a \$3.5 million increase from the prior year.

**Utility Restructuring Grant:** Ten counties and Baltimore City receive the electricity generating equipment property tax grant which partially offsets lost local revenues resulting from the electric and gas utility tax reform passed in the 1999 session. For a second consecutive year, the General Assembly rejected the Administration's proposal to eliminate \$30.6 million in funding for the electric utility generating equipment property tax grant. While the grants are fully funded in fiscal 2006, language is included in the State budget that specifies that it is the intent of the General Assembly that legislation be introduced in the future to phase out the grants.

## State Aid

### County Level Detail

This section includes information for each county on State aid, State funding of selected services, and capital projects in the county. The three parts included under each county are described below.

#### Direct Aid and Retirement Payments

**Direct Aid:** The State distributes aid or shares revenue with the counties, municipalities, and Baltimore City through 45 different programs. The fiscal 2006 State budget includes \$4.7 billion to fund these programs. Part A, section 1 of each county's statistical tables compares aid distributed to the county in fiscal 2005 and 2006.

**Retirement Payments:** County teachers, librarians, and community college faculty are members of either the teachers' retirement or pension systems maintained and operated by the State. The State pays the employer share of the retirement costs on behalf of the counties for these local employees as well as certain elected local officials such as sheriffs and state's attorneys. These payments total \$432.7 million in fiscal 2006. Although these funds are not paid to the local governments, each county's allocation is estimated from salary information collected by the State retirement systems. These estimates are presented in Part A, section 2 of each county.

### **Estimated State Spending on Health and Social Services**

The State funds the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. Part B of each county shows fiscal 2006 allocation estimates of general and special fund appropriations for health services, social services, and senior citizen services.

**Health Services:** The Department of Health and Mental Hygiene, through its various administrations, funds in whole or part community health programs that are provided in the local subdivisions. These programs are described below. General fund spending totals \$790.1 million statewide for these programs in fiscal 2006. In addition, \$45.3 million from the Cigarette Restitution Fund will also be spent on these programs in fiscal 2006. This does not include spending at the State mental health hospitals, developmental disability facilities, or chronic disease centers.

- **Alcohol and Drug Abuse:** The Alcohol and Drug Abuse Administration funds community-based programs that include primary and emergency care, intermediate care facilities, halfway houses and long-term care programs, outpatient care, and prevention programs. The fiscal 2006 budget includes \$74.0 million in general funds and \$17.4 million in special funds for these programs. In addition, the budget includes \$31.1 million in federal funds for addiction treatment services.
- **Family Health and Primary Care Services:** The Family Health Administration funds community-based programs through the local health departments in each of the subdivisions. These programs include maternal health (family planning, pregnancy testing, prenatal and perinatal care, etc.) and infant and child health (disease prevention, child health clinics, specialty services, etc.). Primary care services are funded for those people who previously received State-only Medical Assistance. Fiscal 2006 funding for these family health programs totals \$19.6 million in general funds and \$23.2 million in federal funds.
- **Geriatric and Children's Services:** The Medical Care Policy Administration provides funding for community-based programs that serve senior citizens and children. The geriatric services include operating grants to adult day care centers and an evaluation program administered by the local health departments to assess the physical and mental health needs of elderly individuals. The children's services include the Early, Periodic Screening Diagnosis and Treatment (EPSDT) program and the Adolescent Case Coordinator program that assures at-risk or pregnant teenagers receive needed health services. The data in this report also includes transportation services for Medicaid recipients in non-emergency situations. The fiscal 2006 funding for these programs totals \$24.0 million in general funds and \$22.1 million in federal funds.
- **Mental Health:** The Mental Hygiene Administration oversees a wide range of community mental health services that are developed and monitored at the local level by

Core Service Agencies. The Core Service Agencies have the clinical, fiscal, and administrative responsibility to develop a coordinated network of services for all public mental health clients of any age within a given jurisdiction. These services include inpatient hospital and residential treatment facility stays, outpatient treatment, psychiatric rehabilitation services, counseling, and targeted case management services. The fiscal 2006 budget includes \$320.0 million in general funds and \$218.7 million in federal funds for mental health services.

- **Prevention and Disease Control:** The Community Health Administration and the Family Health Administration are responsible for chronic and hereditary disease prevention (cancer, heart disease, diabetes, etc.). They also provide for the promotion of safe and effective immunization practices, the investigation of disease outbreaks, and continuous disease surveillance and monitoring with the support of local health departments and the medical community. General fund appropriations in fiscal 2006 total \$6.2 million. In addition, the budget includes \$27.9 million in Cigarette Restitution Funds for tobacco use prevention and cessation and for cancer prevention and screening at the local level.
- **Developmental Disabilities:** The Developmental Disabilities Administration's community-based programs include residential services, day programs, transportation services, summer recreation for children, individual and family support services, including respite care, individual family care, behavioral support services, and community-supported living arrangements. The fiscal 2006 budget includes \$342.8 million in general funds and \$218.1 in federal funds for these programs.
- **AIDS:** The AIDS Administration funds counseling, testing, education, and risk reduction services through the local health departments. Fiscal 2006 funds for these services total \$2.2 million in general funds. The budget for the AIDS Administration also includes \$18.8 million in federal funds for these services.

**Social Services:** The Department of Human Resources provides funding for various social and community services in the subdivisions. Part B of each county's statistical tables shows fiscal 2006 estimates of funding for those programs that were available by subdivision. Note that fiscal 2006 funding for homeless and women's services is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2005 funding and may change.

- **Homeless Services:** The Community Services Administration funds programs which provide emergency and transitional housing, food, and transportation for homeless families and individuals. Funding is available by county for the housing counselor, service-linked housing, and emergency and transitional housing programs. The fiscal 2006 budget includes \$5.1 million in general funds for these programs.
- **Women's Services:** The Community Services Administration provides funding for a variety of community-based programs for women. These include the battered spouse program, rape crisis centers, displaced homemakers program, and crime victim's



services. Total fiscal 2006 funding for these programs equals \$5.4 million in general funds. In addition, the fiscal 2006 budget includes \$8.9 million in federal funds for women's services.

- **Adult Services:** The State social services departments in each of the subdivisions provide a variety of services to disabled, elderly, neglected, and exploited adults. Services include information and referral, crisis intervention, case management, protective services, in-home aid, and respite care for families. The fiscal 2006 budget includes \$7.6 million in general funds and \$29.5 million in federal funds for adult services.
- **Child Welfare Services:** The State social services departments in each of the subdivisions offer programs to support the healthy development of families, assist families and children in need, and protect abused and neglected children. Services include adoptive services, foster care programs, family preservation programs, and child protective services. The fiscal 2006 budget includes \$73.4 million in general funds and \$79.0 million in federal funds.

**Senior Citizen Services:** The Department of Aging funds a variety of services for senior citizens mostly through local agencies on aging. In Part B of each county, these programs have been combined into two broad categories: long-term care and community services. The total fiscal 2006 funding is \$11.3 million in general funds and \$23.5 million in federal funds. In this report the fiscal 2006 general funds are allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2005 funding and may change.

- **Long-term Care:** This category includes the following programs: frail and vulnerable elderly, senior care, senior guardianship, the ombudsman program, and the innovations in aging program. The total fiscal 2006 funding is \$9.0 million in general funds.
- **Community Services:** Included in this category are the senior information and assistance program, the senior nutrition program, and the insurance counseling program. Fiscal 2006 funding for these programs totals \$2.3 million in general funds.

### **Capital Grants and Capital Projects for State Facilities**

**Selected State Grants for Capital Projects:** The State provides capital grants for public schools, community colleges, local jails, community health facilities, adult day care centers, water quality projects, waterway improvements, homeless shelters, and other cultural, historical, and economic development projects. Projects are funded from either bond sales or current revenues. Part C lists projects in the counties authorized by the fiscal 2006 State operating and capital budgets. Projects at regional community colleges are shown for each county that the college serves. For some loan programs (senior citizen centers, adult day care facilities, and community mental health/addictions/developmental disabilities facilities), funding was not provided for all requested projects. Since it is not known which projects will be funded, all requested projects for these loans are shown in this report.

The fiscal 2006 budget includes \$251.6 million in new funding for local school construction: \$2.4 million in special funds, \$15 million from the program's contingency fund, and \$234.2 million in general obligation bonds. As of the publication of this report, \$121.9 million of the total fiscal 2006 funding has been allocated to specific projects. Another \$128.1 million has been allocated to specific jurisdictions but not to particular projects. These projects are listed in Part C for each county. The remaining \$1.6 million is for the Aging Schools program.

***Capital Projects for State Facilities Located in the County:*** Part D for each county shows capital projects, authorized by the fiscal 2006 operating and capital budgets, at State facilities and public colleges and universities by the county in which the facility is located. For facilities that are located in more than one county, such as a State park, the total amount of the capital project is shown for all relevant counties. For each capital project, the total authorized amount is given, regardless of funding source, although federally funded projects are generally shown separately. For the universities, projects funded from both academic and auxiliary revenue bonds are included. This report does not include transportation projects.

## Allegany County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$32,340	\$36,040	\$3,700	11.4
Compensatory Education	9,996	13,176	3,180	31.8
Student Transportation	3,173	3,359	186	5.9
Special Education	3,919	4,729	810	20.7
Limited English Proficiency Grants	38	33	(4)	(11.2)
Guaranteed Tax Base	697	1,793	1,096	157.4
Extended Elementary	305	305	0	0.0
Aging Schools	355	308	(47)	(13.2)
Other Education Aid	892	837	(55)	(6.2)
Primary & Secondary Education	51,714	60,581	8,867	17.1
Libraries	619	627	8	1.3
Community Colleges	4,569	4,831	262	5.7
Health Formula Grant	1,480	1,494	14	1.0
* Transportation	6,070	7,366	1,296	21.3
* Police and Public Safety	869	861	(8)	(0.9)
* Fire and Rescue Aid	244	244	0	0.0
Recreation and Natural Resources	167	498	331	198.4
Disparity Grant	5,902	6,100	198	3.4
** Unclaimed Local Income Tax	632	0	(632)	(100.0)
<b>Total Direct Aid</b>	<b>\$72,266</b>	<b>\$82,602</b>	<b>\$10,336</b>	<b>14.3</b>
Aid Per Capita (\$)	982	1,125	143	14.6
Property Tax Equivalent (\$)	2.69	2.97	0.28	10.4

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Allegany County for teachers, librarians, community college faculty, and local officials are estimated to be \$5,119,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,427,000
Family Health and Primary Care	214,000
Geriatric and Children's Services	710,000
Mental Health	5,123,000
Prevention and Disease Control	541,000
Developmental Disabilities	4,593,000
AIDS	25,000

#### **Social Services**

Homeless Services	101,000
Women's Services	162,000
Adult Services	126,000
Child Welfare Services	1,756,000

#### **Senior Citizen Services**

Long-term Care	305,000
Community Services	158,000

**C. Selected State Grants for Capital Projects****Public Schools**

Western Region High School – construction	\$9,900,000
Unspecified additional funding	1,100,000

**Allegany Community College**

Physical Education Building – renovation/expansion	975,000
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**Federally Qualified Health Centers Grant Program**

Tri-State Community Health Center, Inc.	500,000
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**Chesapeake Bay Water Quality Projects**

Celanese WWTP – nutrient removal	252,000
Cumberland Combined Sewer – overflow improvements	568,000
Frostburg Combined Sewer – overflow elimination	500,000
Niners Lane – sewer project	100,000
Westernport Combined Sewer – overflow improvements	350,000

**Chesapeake Bay Restoration Fund**

Celanese WWTP – enhanced nutrient removal	2,058,000
Cumberland – sewer rehabilitation	800,000
Frostburg – sewer rehabilitation	800,000
Westernport – sewer rehabilitation	800,000

**Water Supply Financial Assistance Program**

LaVale – water line replacement	250,000
Lonaconing – water improvements	313,000
Ridgedale – reservoir replacement	350,000

**Waterway Improvement**

Mason Recreation Complex – provide electric service	24,900
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**Other Projects**

Allegany County – flood repairs	375,000
Allegany County Health Department	125,000
Canal Place – construct improvements	1,253,000

**D. Capital Projects for State Facilities in the County****Department of Public Safety & Corrections**

Western Correctional Institution – warehouse	360,000
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**Maryland Environmental Service**

Rocky Gap State Park – wastewater improvements	560,000
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## Anne Arundel County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$138,655	\$146,397	\$7,742	5.6
Compensatory Education	15,431	20,290	4,860	31.5
Student Transportation	14,757	15,664	907	6.1
Special Education	20,666	22,602	1,936	9.4
Limited English Proficiency Grants	2,122	2,091	(31)	(1.5)
Extended Elementary	1,133	1,133	0	0.0
Aging Schools	570	859	289	50.7
Other Education Aid	2,416	1,901	(516)	(21.3)
Primary & Secondary Education	195,752	210,938	15,186	7.8
Libraries	1,815	1,736	(80)	(4.4)
Community Colleges	22,057	23,325	1,268	5.7
Health Formula Grant	5,144	5,186	42	0.8
* Transportation	25,533	31,028	5,495	21.5
* Police and Public Safety	6,466	6,556	90	1.4
* Fire and Rescue Aid	818	817	(1)	(0.1)
Recreation and Natural Resources	1,807	5,397	3,590	198.7
Utility Property Tax Grants	7,820	7,820	0	0.0
** Unclaimed Local Income Tax	7,827	0	(7,827)	(100.0)
* Other Direct Aid	495	495	0	0.0
<b>Total Direct Aid</b>	<b>\$275,534</b>	<b>\$293,298</b>	<b>\$17,764</b>	<b>6.4</b>
Aid Per Capita (\$)	527	554	27	5.1
Property Tax Equivalent (\$)	0.60	0.56	(0.04)	(6.2)

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Anne Arundel County for teachers, librarians, community college faculty, and local officials are estimated to be \$34,299,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$2,853,000
Family Health and Primary Care	732,000
Geriatric and Children's Services	1,230,000
Mental Health	20,278,000
Prevention and Disease Control	1,433,000
Developmental Disabilities	31,533,000

#### **Social Services**

Homeless Services	206,000
Women's Services	468,000
Adult Services	123,000
Child Welfare Services	4,177,000

#### **Senior Citizen Services**

Long-term Care	593,000
Community Services	108,000



**C. Selected State Grants for Capital Projects****Public Schools**

Ferndale Elementary School – kindergarten/pre-k addition	\$550,000
Germantown Elementary School – renovations (HVAC)	769,000
Lothian Elementary School – renovations (HVAC)	819,000
Marley Middle School – construction	2,000,000
Point Pleasant Elementary School #2 – renovations (HVAC)	769,000
Tracy's Elementary School – construction	900,000
Unspecified additional funding	13,650,000

**Anne Arundel Community College**

Careers Building – renovation	755,000
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**Shelter & Transitional Housing Facilities**

Light House Shelter	200,000
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**Partnership Rental Housing Program**

St. Regis Apartments	2,832,000
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**Community Parks and Playgrounds**

Bayhead Park	500,000
Davidsonville Park	200,000
Kinder Farm Park – Harvey Garcelon Sports Complex	100,000

**Chesapeake Bay Water Quality Projects**

Beacrane Road Bog – rehabilitation	134,000
Old Country Road – stormwater management	134,000

**Waterway Improvement**

Annapolis – citywide improvements	99,000
Annapolis City Dock – boating infrastructure grant (federal funds)	500,000
Annapolis Fire Department – fire/rescue boats	50,000
Annapolis Harbor – renovations	500,000
Anne Arundel County Fire Department – fire/rescue boats	50,000
Bodkin Creek – dredging	300,000
Clements Creek – dredging	115,000
Countywide – environmental assessments/navigation projects	250,000
Rockhold Creek Jetty – construct stone jetty	850,000
Selby Bay – dredging	510,000

**Other Projects**

Annapolis & Anne Arundel County Conference & Visitors Bureau	300,000
Chesapeake Arts Center	300,000
Community Center at Woods	150,000
Maryland Fire-Rescue Services Memorial Sculpture	200,000
North Arundel Hospital	600,000
Regional Boys and Girls Clubs of Annapolis	750,000
Respite Home on South Haven	70,000
Robert A. Pascal Youth Counseling Clinic	100,000
Severn Danza Recreational Complex – BMX Track Lighting	50,000
Tipton Airport – control tower renovation	100,000
YMCA Camp Letts – sewer system improvements	200,000

**D. Capital Projects for State Facilities in the County****General Government**

Annapolis – Legislative Facilities	3,400,000
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**Department of Housing & Community Development**

State Archeological Equipment Facility	151,000
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**Department of Natural Resources**

Sandy Point State Park – resurface lot/lighting at ramp 750,000

**Department of Public Safety & Corrections**

Brockbridge Correctional Facility – kitchen/dining/warehouse renovation 331,000

**Maryland Veterans Administration**

Crownsville Veterans Cemetery – expansion 252,000

## Baltimore City

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$327,774	\$345,754	\$17,980	5.5
Compensatory Education	171,108	200,463	29,355	17.2
Student Transportation	13,719	15,477	1,758	12.8
Special Education	64,587	72,280	7,692	11.9
Limited English Proficiency Grants	3,363	4,988	1,625	48.3
Guaranteed Tax Base	11,583	20,572	8,989	77.6
Extended Elementary	3,618	3,618	0	0.0
Baltimore City Partnership	21,140	14,093	(7,047)	(33.3)
Aging Schools	1,635	2,356	721	44.1
Other Education Aid	13,821	5,830	(7,992)	(57.8)
Primary & Secondary Education	632,349	685,431	53,082	8.4
Libraries	5,426	5,427	1	0.0
Health Formula Grant	10,908	10,970	62	0.6
Transportation	198,867	222,009	23,142	11.6
Police and Public Safety	8,672	8,537	(136)	(1.6)
Fire and Rescue Aid	986	976	(10)	(1.0)
Recreation and Natural Resources	2,694	5,059	2,366	87.8
Disparity Grant	69,559	69,695	136	0.2
Utility Property Tax Grants	453	453	0	0.0
** Unclaimed Local Income Tax	4,944	0	(4,944)	(100.0)
Other Direct Aid	5,686	5,264	(422)	(7.4)
<b>Total Direct Aid</b>	<b>\$940,544</b>	<b>\$1,013,822</b>	<b>\$73,277</b>	<b>7.8</b>
Aid Per Capita (\$)	1,512	1,645	133	8.8
Property Tax Equivalent (\$)	4.36	4.56	0.21	4.7

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Baltimore City for teachers, librarians, community college faculty, and local officials are estimated to be \$44,436,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$33,282,000
Family Health and Primary Care	4,024,000
Geriatric and Children's Services	5,827,000
Mental Health	102,626,000
Prevention and Disease Control	1,144,000
Developmental Disabilities	39,108,000
AIDS	360,000

#### **Social Services**

Homeless Services	2,159,000
Women's Services	812,000
Adult Services	1,522,000
Child Welfare Services	29,716,000

#### **Senior Citizen Services**

Long-term Care	1,738,000
Community Services	531,000

**C. Selected State Grants for Capital Projects****Public Schools**

Baltimore School for the Arts #415 – construction	\$3,002,000
Carver Vo-Tech School #454 – construction	2,850,000
Fairmont Harford High School #456 – science facilities	351,000
Francis M. Wood High School #176 – science facilities	472,000
William S. Baer Exceptional School – renovations (roof)	795,000
Unspecified additional funding	14,053,000

**Juvenile Services Facilities Grant Program**

Living Classrooms Foundation	900,000
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**Community Mental Health/Addictions/Dev. Disabilities**

HARBEL Community Organization, Inc	65,000
Health Care for the Homeless, Inc.	1,600,000
Humanim	1,091,000
Key Point Health Services, Inc.	369,000
The Associated Jewish Community Federation of Baltimore	40,000

**Adult Day Care Centers**

The League for People with Disabilities, Inc.	671,000
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**Federally Qualified Health Centers Grant Program**

Baltimore Medical System, Inc.	525,000
Family Health Centers of Baltimore	320,000
Health Care for the Homeless, Inc.	500,000
People's Community Health Center, Inc.	305,000
Total Health Care, Inc.	169,000

**Senior Citizen Activity Centers**

Greenmount Senior Center	200,000
Zeta Senior Activities Center	600,000

**Shelter & Transitional Housing Facilities**

Healthy Start	126,000
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**Chesapeake Bay Water Quality Projects**

Patapsco WWTP – nutrient removal	10,839,000
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**Chesapeake Bay Restoration Fund**

Baltimore City – sewer rehabilitation	1,575,000
Patapsco WWTP – enhanced nutrient removal	4,000,000

**Waterway Improvement**

City Fire Department – boats and equipment	50,000
City Police Department – patrol boats	50,000
Fort Armistead Park – repair ramp and pier	250,000

**Hazardous Substance Cleanup Program**

Chemical Metals Site – restoration	500,000
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**Other Projects**

Academy of Success Community Center	300,000
Babe Ruth Birthplace and Museum	250,000
Baltimore Museum of Art	437,000
Baltimore Museum of Industry	350,000
Belair-Edison Foreclosure Initiative	200,000
Catholic Charities – Our Daily Bread	3,000,000

Center Stage	700,000
Clifton Mansion	100,000
Creative Alliance	300,000
Delta Lambda Foundation Outreach Center	400,000
Dorothy M. Higgins Community Center	100,000
East Baltimore Biotechnology Park	4,000,000
East Baltimore Community Recreation and Learning Center	300,000
Fayette Street Outreach Organization	200,000
Forest Park Clubhouse	150,000
Great Blacks in Wax Museum	1,000,000
Hearing and Speech Agency	250,000
Ivy Family Support Center	100,000
Johns Hopkins Health Systems – cardiovascular & critical care tower	5,000,000
Johns Hopkins Health Systems – pediatric trauma center	5,000,000
Johns Hopkins University – computational science center	2,750,000
Kennedy Krieger Institute	1,000,000
League for People with Disabilities	450,000
Loyola College – library renovation and expansion	2,750,000
Lyric Opera House	250,000
Manhattan Park Apartments	700,000
Maryland Institute College of Art – Mt. Royal Station renovation	2,500,000
Maryland Science Center	2,000,000
Maryland Zoo in Baltimore – facilities renewal	500,000
Mercy Medical Center	800,000
Metro Delta Community Outreach Center	150,000
Moveable Feast	150,000
National Aquarium in Baltimore	2,500,000
Port Discovery	350,000
Project T.O.O.U.R.	100,000
Safe Haven House for Youth and Families	100,000
Walters Art Museum	400,000
Waxter Center for Senior Citizens	100,000
WestSide Revitalization Project	4,000,000
Zeta Senior Activities Center	125,000



**D. Capital Projects for State Facilities in the City**

**Baltimore City Community College**

Liberty Campus – renovate main building 675,000

**Department of Health & Mental Hygiene**

Forensic Medical Center – construction 1,526,000

**Department of Public Safety & Corrections**

Baltimore City Detention Center – property acquisition 2,640,000

**Morgan State University**

Banneker Hall – renovation/telecommunications infrastructure 23,124,000

Campuswide – site improvements 200,000

Campuswide – utility upgrades 510,000

Communications Center & Pedestrian Bridge – construction 718,000

Library – equipment 2,952,000

Montebello E-Wing/Old Power Plant/Morgue – demolition 920,000

**University System of Maryland**

Coppin State – Health and Human Services Building 47,587,000

Coppin State – Physical Education Complex 3,983,000

UMD at Baltimore – Dental School Building construction 11,200,000

Univ. of Baltimore – elevator replacement 1,890,000

Univ. of Baltimore – new student center 2,000,000

**Other**

UMD Medical System – ambulatory care center 5,000,000

UMD Medical System – diagnostic & treatment facility 10,000,000

## Baltimore County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$241,586	\$266,323	\$24,737	10.2
Compensatory Education	40,942	50,780	9,838	24.0
Student Transportation	19,287	20,591	1,304	6.8
Special Education	27,671	32,263	4,592	16.6
Limited English Proficiency Grants	3,987	5,073	1,087	27.3
Extended Elementary	1,041	1,041	0	0.0
Aging Schools	2,940	2,576	(364)	(12.4)
Other Education Aid	8,046	7,886	(160)	(2.0)
Primary & Secondary Education	345,500	386,534	41,034	11.9
Libraries	4,041	4,208	167	4.1
Community Colleges	32,046	32,147	101	0.3
Health Formula Grant	7,045	7,111	66	0.9
Transportation	34,041	41,475	7,434	21.8
Police and Public Safety	9,562	9,661	100	1.0
Fire and Rescue Aid	1,196	1,195	(1)	(0.1)
Recreation and Natural Resources	2,037	6,072	4,035	198.1
Utility Property Tax Grants	1,795	1,795	0	0.0
** Unclaimed Local Income Tax	11,988	0	(11,988)	(100.0)
Other Direct Aid	50	50	0	0.0
<b>Total Direct Aid</b>	<b>\$449,301</b>	<b>\$490,249</b>	<b>\$40,948</b>	<b>9.1</b>
Aid Per Capita (\$)	571	618	47	8.3
Property Tax Equivalent (\$)	0.89	0.89	0.00	(0.2)

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

**2. Retirement Payments**

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Baltimore County for teachers, librarians, community college faculty, and local officials are estimated to be \$53,216,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$5,084,000
Family Health and Primary Care	470,000
Geriatric and Children's Services	2,016,000
Mental Health	43,497,000
Prevention and Disease Control	2,423,000
Developmental Disabilities	48,363,000
AIDS	36,000

**Social Services**

Homeless Services	229,000
Women's Services	597,000
Adult Services	424,000
Child Welfare Services	5,163,000

**Senior Citizen Services**

Long-term Care	1,380,000
Community Services	189,000

**C. Selected State Grants for Capital Projects****Public Schools**

Arbutus Middle School – construction	\$1,445,000
Carroll Manor Elementary School – renovations (roof)	239,000
Dundalk Elementary School – renovations (roof)	206,000
Hereford Middle School – renovations (boilers)	147,000
Loch Raven Academy – renovations (boiler)	147,000
Perry Hall High School – renovations (air distribution)	659,000
Pine Grove Elementary School – renovations (boilers)	147,000
Windsor Mill Middle School – construction	2,685,000
Woodholme Elementary School – construction	1,390,000
Unspecified additional funding	17,922,000

**Community College of Baltimore County**

Catonsville – new library	600,000
Dundalk – college center roof replacement	210,000

**Local Jail Loan**

County Detention Center – expansion	8,089,000
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**Community Mental Health/Addictions/Dev. Disabilities**

Prologue, Inc.	194,000
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**Community Parks and Playgrounds**

County Recreation Facilities – revitalization	800,000
Cromwell Valley Park – Willow Grove Bridge	300,000
Lillian Holt Park and Center for the Arts	200,000
Marshy Point Nature Center	300,000
North County Park	100,000
Tall Trees Park Community Center	442,000

**Waterway Improvement**

Arbutus VFD – fire/rescue boat and equipment	10,500
Back River Tributary – dredging	604,000
Bowley's Quarter VFD – fire/rescue boat and equipment	50,000
Brown Cove – channel dredging	395,000
Duck Creek and Deep Creek – dredging	40,000
Galloway Creek – dredging	428,000
Kingsville VFD – fire/rescue boat and equipment	33,000
Rocky Point Park – repave lot and improvements	99,000
Seneca Creek/Goose Harbor – channel dredging	300,000
Submerged aquatic vegetation monitoring – countywide	40,000
Turner Station Park – pier improvements	50,000

**Hazardous Substance Cleanup Program**

Sauer Dump	700,000
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**Other Projects**

Lansdowne Athletic Facility	25,000
Maryland Food Bank	175,000
Mental Health Community Rehabilitation Center	500,000
Northwest Hospital Center	800,000
Sheppard Pratt Hospital	2,000,000
Tall Trees Park Community Center	400,000
Western Family Branch YMCA	1,000,000

**D. Capital Projects for State Facilities in the County**

**Maryland State Police**

Forensic Science Laboratory – construction	796,000
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**Department of Natural Resources**

Gunpowder Falls State Park – construct boat launches	30,000
Gunpowder Falls State Park – Dundee Creek Marina	100,000
North Point State Park – pier repair and dredging	75,000

**University System of Maryland**

Baltimore County – Fine Arts and Humanities Building	500,000
Baltimore County – residence hall renovations	2,000,000
Towson University – College of Liberal Arts Complex	2,100,000
Towson University – new childcare center	1,800,000
Towson University – Residence Tower window wall upgrade	400,000

## Calvert County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$47,314	\$52,016	\$4,702	9.9
Compensatory Education	3,594	4,461	867	24.1
Student Transportation	3,832	4,120	287	7.5
Special Education	3,854	4,745	892	23.1
Limited English Proficiency Grants	203	276	73	35.8
Extended Elementary	397	397	0	0.0
Aging Schools	65	65	0	0.0
Other Education Aid	561	562	1	0.1
Primary & Secondary Education	59,820	66,642	6,822	11.4
Libraries	321	330	9	2.9
Community Colleges	1,198	1,278	80	6.7
Health Formula Grant	599	614	15	2.4
* Transportation	5,188	6,291	1,103	21.3
* Police and Public Safety	733	754	21	2.9
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	182	541	359	197.5
Utility Property Tax Grants	6,097	6,097	0	0.0
** Unclaimed Local Income Tax	1,205	0	(1,205)	(100.0)
<b>Total Direct Aid</b>	<b>\$75,543</b>	<b>\$82,747</b>	<b>\$7,204</b>	<b>9.5</b>
Aid Per Capita (\$)	858	915	57	6.6
Property Tax Equivalent (\$)	1.01	1.01	0.00	0.1

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Calvert County for teachers, librarians, community college faculty, and local officials are estimated to be \$8,527,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$739,000
Family Health and Primary Care	176,000
Geriatric and Children's Services	341,000
Mental Health	2,442,000
Prevention and Disease Control	384,000
Developmental Disabilities	5,244,000

#### **Social Services**

Homeless Services	33,000
Women's Services	107,000
Adult Services	40,000
Child Welfare Services	805,000

#### **Senior Citizen Services**

Long-term Care	114,000
Community Services	19,000



**C. Selected State Grants for Capital Projects****Public Schools**

Beach Elementary School – kindergarten/pre-k addition	\$366,000
Huntingtown Elementary School – kindergarten/pre-k addition	442,000
Mutual Elementary School – renovations (roof)	285,000
Patuxent Elementary School – kindergarten/pre-k addition	669,000
Plum Point Elementary School – kindergarten/pre-k addition	669,000
St. Leonard Elementary School – kindergarten/pre-k addition	563,000
Windy Hill Elementary School – kindergarten/pre-k addition	215,000
Unspecified additional funding	151,000

**College of Southern Maryland**

La Plata – Science and Technology Building	9,700,000
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**Community Parks and Playgrounds**

North Beach Waterfront Park	200,000
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**Waterway Improvement**

Dive/Rescue Team – patrol/rescue vessels and equipment	10,000
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**Other Projects**

Calvert Hospice House	150,000
Calvert Marine Museum Society	50,000
Calvert Memorial Hospital	1,100,000
Chesapeake Beach – water quality improvement project	250,000
North Beach Waterfront Park and Streetscape Revitalization	100,000
Old Wallville School	25,000

**D. Capital Projects for State Facilities in the County**

**University System of Maryland**

Center for Environmental Science – R.V. Truitt Laboratory

3,687,000

## Caroline County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$17,963	\$19,703	\$1,739	9.7
Compensatory Education	5,203	6,615	1,412	27.1
Student Transportation	1,751	1,859	108	6.2
Special Education	1,535	1,897	362	23.6
Limited English Proficiency Grants	265	295	30	11.5
Guaranteed Tax Base	274	438	164	59.8
Extended Elementary	308	308	0	0.0
Aging Schools	85	85	0	0.0
Other Education Aid	999	857	(142)	(14.2)
Primary & Secondary Education	28,383	32,057	3,674	12.9
Libraries	219	221	3	1.2
Community Colleges	1,024	1,107	83	8.1
Health Formula Grant	873	885	11	1.3
* Transportation	4,072	4,945	873	21.4
* Police and Public Safety	319	319	0	0.1
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	79	236	157	199.3
Disparity Grant	1,814	1,889	75	4.1
** Unclaimed Local Income Tax	252	0	(252)	(100.0)
<b>Total Direct Aid</b>	<b>\$37,234</b>	<b>\$41,860</b>	<b>\$4,626</b>	<b>12.4</b>
Aid Per Capita (\$)	1,197	1,329	132	11.0
Property Tax Equivalent (\$)	2.35	2.42	0.07	3.1

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Caroline County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,593,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$415,000
Family Health and Primary Care	178,000
Geriatric and Children's Services	456,000
Mental Health	3,207,000
Prevention and Disease Control	362,000
Developmental Disabilities	1,919,000

#### **Social Services**

Homeless Services	59,000
Women's Services	181,000
Adult Services	57,000
Child Welfare Services	579,000

#### **Senior Citizen Services**

Long-term Care	521,000
Community Services	115,000

*Note: A portion of women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.*

**C. Selected State Grants for Capital Projects**

**Public Schools**

Colonel Richardson Middle School – construction	\$4,654,000
Colonel Richardson Middle School – relocatable classroom	45,000

**Chesapeake College**

Talbot Science Building – renovation	330,000
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**Chesapeake Bay Water Quality Projects**

Federalsburg WWTP – nutrient removal	325,000
Marshyhope Creek – stream restoration	174,000

**Water Supply Financial Assistance Program**

Federalsburg – water tower replacement	300,000
Nelphine Heights/Jonestown – water distribution	208,000

**Waterway Improvement**

Choptank Marina – replace/upgrade boat slips	50,000
Choptank Service Pier – replace sewage pump-out pier	37,000
Crouse Park Marina – replace bulkhead	99,000
Federalsburg Boat Ramp – improvements	99,000
Greensboro Boat Ramp – improvements	25,000

**Other Projects**

Adkins Arboretum	250,000
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## Carroll County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$80,872	\$88,993	\$8,121	10.0
Compensatory Education	4,405	5,346	941	21.4
Student Transportation	6,678	7,120	442	6.6
Special Education	7,756	9,228	1,472	19.0
Limited English Proficiency Grants	154	265	111	72.0
Extended Elementary	150	150	0	0.0
Aging Schools	385	347	(38)	(9.9)
Other Education Aid	599	588	(10)	(1.7)
Primary & Secondary Education	100,999	112,037	11,038	10.9
Libraries	769	790	21	2.7
Community Colleges	5,191	5,613	422	8.1
Health Formula Grant	2,012	2,031	20	1.0
* Transportation	11,327	13,796	2,469	21.8
* Police and Public Safety	1,531	1,552	21	1.3
* Fire and Rescue Aid	264	265	1	0.4
Recreation and Natural Resources	409	1,216	808	197.7
** Unclaimed Local Income Tax	2,447	0	(2,447)	(100.0)
<b>Total Direct Aid</b>	<b>\$124,948</b>	<b>\$137,301</b>	<b>\$12,353</b>	<b>9.9</b>
Aid Per Capita (\$)	747	809	61	8.2
Property Tax Equivalent (\$)	1.05	1.03	(0.02)	(1.9)

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Carroll County for teachers, librarians, community college faculty, and local officials are estimated to be \$12,876,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$1,272,000
Family Health and Primary Care	194,000
Geriatric and Children's Services	573,000
Mental Health	6,684,000
Prevention and Disease Control	678,000
Developmental Disabilities	10,146,000

**Social Services**

Homeless Services	91,000
Women's Services	261,000
Adult Services	77,000
Child Welfare Services	1,250,000

**Senior Citizen Services**

Long-term Care	266,000
Community Services	47,000

**C. Selected State Grants for Capital Projects****Public Schools**

Eldersburg Elementary School – kindergarten/pre-k addition	\$1,270,000
Linton Springs Elementary School – kindergarten/pre-k addition	879,000
North Carroll Middle School – construction	794,000
Piney Ridge Elementary School – kindergarten/pre-k addition	1,015,000
Spring Garden Elementary School – kindergarten/pre-k addition	768,000
Unspecified additional funding	1,403,000

**Juvenile Services Facilities Grant Program**

Bowling Brook Preparatory School – vocational/technical training center	48,000
Carroll County Youth Services Bureau, Inc.	71,000

**Waterway Improvement**

Piney Run Park – ADA dock modifications	78,000
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**Other Projects**

Bowling Brook Preparatory School	250,000
Danele Shipley Memorial Arena	150,000

**D. Capital Projects for State Facilities in the County****Maryland Environmental Service**

Springfield Hospital Center – water and wastewater improvements	835,000
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## Cecil County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$49,409	\$54,091	\$4,682	9.5
Compensatory Education	7,362	9,445	2,082	28.3
Student Transportation	3,547	3,753	206	5.8
Special Education	4,909	5,904	995	20.3
Limited English Proficiency Grants	223	337	114	51.2
Guaranteed Tax Base	429	702	274	63.9
Extended Elementary	708	708	0	0.0
Aging Schools	355	307	(48)	(13.5)
Other Education Aid	575	539	(36)	(6.3)
Primary & Secondary Education	67,516	75,785	8,269	12.2
Libraries	532	534	2	0.4
Community Colleges	3,571	3,882	311	8.7
Health Formula Grant	1,317	1,332	15	1.2
* Transportation	6,288	7,648	1,360	21.6
* Police and Public Safety	882	902	21	2.3
* Fire and Rescue Aid	205	205	0	0.0
Recreation and Natural Resources	210	628	418	198.6
** Unclaimed Local Income Tax	1,059	0	(1,059)	(100.0)
<b>Total Direct Aid</b>	<b>\$81,580</b>	<b>\$90,917</b>	<b>\$9,337</b>	<b>11.4</b>
Aid Per Capita (\$)	847	924	77	9.1
Property Tax Equivalent (\$)	1.31	1.34	0.04	2.7

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Cecil County for teachers, librarians, community college faculty, and local officials are estimated to be \$7,413,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,052,000
Family Health and Primary Care	194,000
Geriatric and Children's Services	491,000
Mental Health	6,403,000
Prevention and Disease Control	532,000
Developmental Disabilities	5,758,000
AIDS	10,000

#### **Social Services**

Homeless Services	40,000
Women's Services	43,000
Adult Services	90,000
Child Welfare Services	1,561,000

#### **Senior Citizen Services**

Long-term Care	121,000
Community Services	39,000

**C. Selected State Grants for Capital Projects****Public Schools**

Bay View Elementary School – kindergarten/pre-k addition	\$177,000
Calvert Elementary School – kindergarten/pre-k addition	353,000
Cecilton Elementary School – kindergarten/pre-k addition	177,000
Chesapeake City Elementary School – kindergarten/pre-k addition	177,000
Conowingo Elementary School – kindergarten/pre-k addition	177,000
Elk Neck Elementary School – kindergarten/pre-k addition	177,000
Elkton High School – construction	1,000,000
Holly Hall Elementary School – kindergarten/pre-k addition	177,000
Kenmore Elementary School – kindergarten/pre-k addition	177,000
Leeds Elementary School – kindergarten/pre-k addition	353,000
Rising Sun Elementary School – kindergarten/pre-k addition	353,000
Unspecified additional funding	5,358,000

**Cecil Community College**

Main Campus – land acquisition	627,000
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**Chesapeake Bay Restoration Fund**

Elkton WWTP – enhanced nutrient removal	600,000
Perryville WWTP – enhanced nutrient removal	1,500,000

**Waterway Improvement**

Charlestown VFD – fire/rescue boat	50,000
Town of Charlestown – add boat slips	50,000
Town of Chesapeake City – dredging	116,000
Town of Chesapeake City – install/improve docks	99,000
Town of North East – ADA pier modifications	50,000
Town of Perryville – construct parking lot/launch area	99,000
Town of Port Deposit – install floating dock	99,000

**Hazardous Substance Cleanup Program**

Mill Creek – perchlorate contamination	300,000
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**Other Projects**

Amphitheater at Bainbridge	100,000
Bell Manor at Camp Conowingo	227,000
Camp Grove Point	123,000
NorthBay Environmental Education Center	300,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Elk Neck State Park – Rogues Harbor improvements	20,000
Stemmers Run – boating facility repairs	350,000

## Charles County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$73,748	\$83,564	\$9,816	13.3
Compensatory Education	9,163	12,210	3,048	33.3
Student Transportation	6,770	7,328	557	8.2
Special Education	5,367	6,225	858	16.0
Limited English Proficiency Grants	389	414	25	6.5
Guaranteed Tax Base	0	412	412	0.0
Extended Elementary	936	936	0	0.0
Aging Schools	65	85	20	30.8
Other Education Aid	1,198	1,174	(24)	(2.0)
Primary & Secondary Education	97,635	112,348	14,713	15.1
Libraries	669	678	9	1.4
Community Colleges	5,417	5,802	385	7.1
Health Formula Grant	1,626	1,643	18	1.1
* Transportation	7,935	9,620	1,685	21.2
* Police and Public Safety	1,156	1,183	27	2.3
* Fire and Rescue Aid	229	231	2	0.9
Recreation and Natural Resources	371	1,103	733	197.6
Utility Property Tax Grants	2,523	2,523	0	0.0
** Unclaimed Local Income Tax	1,850	0	(1,850)	(100.0)
<b>Total Direct Aid</b>	<b>\$119,410</b>	<b>\$135,132</b>	<b>\$15,722</b>	<b>13.2</b>
Aid Per Capita (\$)	863	955	92	10.6
Property Tax Equivalent (\$)	1.19	1.20	0.02	1.5

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Charles County for teachers, librarians, community college faculty, and local officials are estimated to be \$11,086,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,809,000
Family Health and Primary Care	194,000
Geriatric and Children's Services	444,000
Mental Health	4,189,000
Prevention and Disease Control	547,000
Developmental Disabilities	8,295,000
AIDS	18,000

#### **Social Services**

Homeless Services	80,000
Women's Services	136,000
Adult Services	87,000
Child Welfare Services	1,752,000

#### **Senior Citizen Services**

Long-term Care	180,000
Community Services	21,000

**C. Selected State Grants for Capital Projects**

**Public Schools**

Jenifer Elementary School – relocatable classrooms	\$106,000
Malcolm Elementary School – relocatable classrooms	194,000
Middleton Elementary School – relocatable classrooms	194,000
North Point High School – construction	2,400,000
Unspecified additional funding	5,373,000

**College of Southern Maryland**

La Plata – Science and Technology Building	9,700,000
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**Community Mental Health/Addictions/Dev. Disabilities**

Charles County Government – Jude House	137,000
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**Shelter & Transitional Housing Facilities**

New Life Advocacy	150,000
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**Community Parks and Playgrounds**

Lions Camp Merrick	58,000
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**Chesapeake Bay Water Quality Projects**

Indian Head WWTP – nutrient removal	802,000
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**Chesapeake Bay Restoration Fund**

Indian Head WWTP – enhanced nutrient removal	1,600,000
La Plata WWTP – enhanced nutrient removal	250,000
Mattawoman WWTP – enhanced nutrient removal	800,000

**Waterway Improvement**

Slavin's Pier/Mattingly Park – ADA ramp improvements	99,000
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**Other Projects**

Camp Winona	50,000
Civista Medical Center	1,200,000
Lions Camp Merrick	100,000
Melwood Nanjemoy Retreat Center	175,000
Southern Maryland Stadium	325,000
Veterans Memorial	100,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Smallwood State Park – pier and breakwater at marina	650,000
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## Dorchester County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$13,804	\$14,989	\$1,185	8.6
Compensatory Education	3,917	4,940	1,023	26.1
Student Transportation	1,615	1,716	101	6.2
Special Education	898	1,041	143	16.0
Limited English Proficiency Grants	184	199	16	8.5
Guaranteed Tax Base	18	56	38	216.8
Extended Elementary	360	360	0	0.0
Aging Schools	65	65	0	0.0
Other Education Aid	603	592	(11)	(1.8)
Primary & Secondary Education	21,464	23,958	2,494	11.6
Libraries	194	199	4	2.3
Community Colleges	901	975	73	8.1
Health Formula Grant	694	705	11	1.6
* Transportation	4,591	5,568	976	21.3
* Police and Public Safety	352	355	3	0.7
* Fire and Rescue Aid	215	215	0	0.0
Recreation and Natural Resources	68	203	135	199.6
Disparity Grant	1,891	2,033	142	7.5
Utility Property Tax Grants	187	187	0	0.0
** Unclaimed Local Income Tax	250	0	(250)	(100.0)
<b>Total Direct Aid</b>	<b>\$30,807</b>	<b>\$34,397</b>	<b>\$3,590</b>	<b>11.7</b>
Aid Per Capita (\$)	1,010	1,124	114	11.3
Property Tax Equivalent (\$)	1.59	1.62	0.03	2.1

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Dorchester County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,274,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,561,000
Family Health and Primary Care	244,000
Geriatric and Children's Services	446,000
Mental Health	3,770,000
Prevention and Disease Control	395,000
Developmental Disabilities	1,919,000
AIDS	131,000

#### **Social Services**

Homeless Services	39,000
Women's Services	126,000
Adult Services	86,000
Child Welfare Services	771,000

#### **Senior Citizen Services**

Long-term Care	589,000
Community Services	382,000

*Note: A portion of women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, & Talbot counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, & Worcester counties.*

**C. Selected State Grants for Capital Projects****Public Schools**

Hurlock Elementary School – renovations (roof)	\$340,000
Judy Center – renovations (HVAC)	316,000

**Chesapeake College**

Talbot Science Building – renovation	330,000
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**Chesapeake Bay Water Quality Projects**

Cambridge Combined Sewer – overflow improvements	300,000
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**Water Supply Financial Assistance Program**

Vienna – water well	64,000
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**Waterway Improvement**

Cambridge Municipal Marina – expand and improve	950,000
Elliott's Island – improve jetty	75,000
Kirwan's Wharf – repave parking at boat ramp overlay	30,000
Secretary – parking lot expansion and replace boat ramp	99,000
Taylor's Island Wharf – replace bulkhead and repave parking	99,000
Trenton Street – boat slip construction	25,000
Tyler's Cove – pier rehabilitation	99,000
Vienna – waterfront park improvements	99,000

**Other Projects**

Camp ESPA	30,000
Dorchester Arts Center	380,000
Hooper-Henry Educational Center	80,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Cambridge Marine Terminal – replace bulkhead	70,000
Fishing Bay WMA – parking lot and ramp improvements	90,000

**University System of Maryland**

Center for Environmental Science – Horn Point Oyster Production Facility	467,000
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## Frederick County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$105,526	\$119,019	\$13,492	12.8
Compensatory Education	8,227	11,593	3,366	40.9
Student Transportation	7,757	8,403	645	8.3
Special Education	7,405	9,420	2,015	27.2
Limited English Proficiency Grants	1,059	1,611	552	52.1
Extended Elementary	711	711	0	0.0
Aging Schools	85	310	225	264.7
Other Education Aid	870	755	(115)	(13.2)
Primary & Secondary Education	131,639	151,821	20,181	15.3
Libraries	932	930	(2)	(0.2)
Community Colleges	5,676	6,159	484	8.5
Health Formula Grant	2,473	2,496	23	0.9
* Transportation	15,189	18,408	3,219	21.2
* Police and Public Safety	2,124	2,177	53	2.5
* Fire and Rescue Aid	357	360	3	0.8
Recreation and Natural Resources	430	1,287	857	199.3
** Unclaimed Local Income Tax	3,570	0	(3,570)	(100.0)
<b>Total Direct Aid</b>	<b>\$162,390</b>	<b>\$183,638</b>	<b>\$21,248</b>	<b>13.1</b>
Aid Per Capita (\$)	723	798	76	10.5
Property Tax Equivalent (\$)	0.99	0.99	(0.01)	(0.7)

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Frederick County for teachers, librarians, community college faculty, and local officials are estimated to be \$17,220,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,947,000
Family Health and Primary Care	241,000
Geriatric and Children's Services	526,000
Mental Health	11,942,000
Prevention and Disease Control	707,000
Developmental Disabilities	13,299,000
AIDS	44,000

#### **Social Services**

Homeless Services	210,000
Women's Services	242,000
Adult Services	115,000
Child Welfare Services	1,958,000

#### **Senior Citizen Services**

Long-term Care	231,000
Community Services	59,000

**C. Selected State Grants for Capital Projects**

**Public Schools**

Brunswick Elementary School – renovations (roof)	\$271,000
Crestwood Middle School – construction	870,000
Earth Space Science Lab – construction	500,000
Middletown Primary School – construction	300,000
Monocacy Middle School – renovations (HVAC)	227,000
New Market Middle School – renovations (roof)	259,000
Tuscarora High School – construction	3,200,000
Woodsboro Elementary School – renovations (roof)	199,000
Unspecified additional funding	5,857,000

**Frederick Community College**

Classroom and Student Center Building	1,255,000
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**Local Jail Loan**

County Detention Center – expansion	364,000
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**Shelter & Transitional Housing Facilities**

Hope Alive	449,000
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**Partnership Rental Housing Program**

Catoctin Manor	168,000
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**Chesapeake Bay Water Quality Projects**

Brunswick WWTP – nutrient removal	320,000
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**Chesapeake Bay Restoration Fund**

Brunswick WWTP – enhanced nutrient removal	1,600,000
Emmitsburg WWTP – enhanced nutrient removal	300,000
Thurmont WWTP – enhanced nutrient removal	150,000

**Waterway Improvement**

Point of Rocks – ADA boat ramp/parking lot modifications	25,000
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**Other Projects**

Agriculture and Education Complex	300,000
Harry Grove Stadium	1,000,000

**D. Capital Projects for State Facilities in the County****Maryland Environmental Service**

Cunningham Falls State Park – water tower improvements	274,000
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**Other**

School for the Deaf – elementary & student support services building	891,000
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## Garrett County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$12,925	\$13,554	\$629	4.9
Compensatory Education	3,302	3,658	356	10.8
Student Transportation	2,037	2,141	104	5.1
Special Education	1,060	1,185	125	11.8
Extended Elementary	273	273	0	0.0
Aging Schools	85	65	(20)	(23.5)
Other Education Aid	506	507	1	0.2
Primary & Secondary Education	20,187	21,381	1,194	5.9
Libraries	150	149	(1)	(0.9)
Community Colleges	2,577	2,591	14	0.6
Health Formula Grant	707	719	11	1.6
* Transportation	5,140	6,250	1,109	21.6
* Police and Public Safety	241	241	0	0.0
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	85	253	167	196.7
Disparity Grant	2,717	2,040	(677)	(24.9)
Utility Property Tax Grants	12	12	0	0.0
** Unclaimed Local Income Tax	236	0	(236)	(100.0)
<b>Total Direct Aid</b>	<b>\$32,252</b>	<b>\$33,835</b>	<b>\$1,583</b>	<b>4.9</b>
Aid Per Capita (\$)	1,082	1,135	53	4.9
Property Tax Equivalent (\$)	1.28	1.21	(0.08)	(6.1)

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Garrett County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,405,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$877,000
Family Health and Primary Care	254,000
Geriatric and Children's Services	545,000
Mental Health	3,192,000
Prevention and Disease Control	397,000
Developmental Disabilities	1,885,000

#### **Social Services**

Homeless Services	79,000
Women's Services	156,000
Adult Services	24,000
Child Welfare Services	707,000

#### **Senior Citizen Services**

Long-term Care	132,000
Community Services	44,000

**C. Selected State Grants for Capital Projects**

**Public Schools**

Northern High School – construction	\$502,000
Southern High School – renovations (roof)	531,000
Southern Middle School – renovations (boilers)	367,000

**Water Supply Financial Assistance Program**

Mountain Lake Park – water system	175,000
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**Other Projects**

Adventure Sports Center International	270,000
Garrett College – Athletic & Community Recreation Center	845,000
Salem School	50,000

**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Herrington Manor State Park – pier and parking maintenance	150,000
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**Maryland Environmental Service**

Deep Creek Lake State Park – water and wastewater improvements	768,000
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## Harford County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$111,673	\$124,102	\$12,429	11.1
Compensatory Education	10,813	15,182	4,369	40.4
Student Transportation	8,279	8,904	625	7.5
Special Education	11,709	14,147	2,437	20.8
Limited English Proficiency Grants	581	842	261	44.9
Extended Elementary	744	744	0	0.0
Aging Schools	400	369	(31)	(7.8)
Other Education Aid	621	469	(152)	(24.5)
Primary & Secondary Education	144,821	164,759	19,938	13.8
Libraries	1,194	1,231	37	3.1
Community Colleges	7,794	8,174	380	4.9
Health Formula Grant	2,843	2,867	24	0.9
* Transportation	12,958	15,761	2,804	21.6
* Police and Public Safety	2,159	2,664	505	23.4
* Fire and Rescue Aid	369	371	2	0.6
Recreation and Natural Resources	604	1,797	1,194	197.8
Utility Property Tax Grants	861	861	0	0.0
** Unclaimed Local Income Tax	3,698	0	(3,698)	(100.0)
<b>Total Direct Aid</b>	<b>\$177,299</b>	<b>\$198,485</b>	<b>\$21,185</b>	<b>11.9</b>
Aid Per Capita (\$)	751	831	80	10.7
Property Tax Equivalent (\$)	1.14	1.16	0.03	2.2

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Harford County for teachers, librarians, community college faculty, and local officials are estimated to be \$17,684,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,694,000
Family Health and Primary Care	492,000
Geriatric and Children's Services	770,000
Mental Health	8,416,000
Prevention and Disease Control	786,000
Developmental Disabilities	14,430,000
AIDS	45,000

#### **Social Services**

Homeless Services	103,000
Women's Services	354,000
Adult Services	101,000
Child Welfare Services	2,001,000

#### **Senior Citizen Services**

Long-term Care	327,000
Community Services	46,000

**C. Selected State Grants for Capital Projects****Public Schools**

Joppatowne Elementary School – relocatable classrooms	\$101,000
North Harford High School – construction	5,200,000
Unspecified additional funding	2,816,000

**Harford Community College**

Aberdeen Hall – addition and renovations	510,000
Havre de Grace Hall – renovation	220,000

**Community Mental Health/Addictions/Dev. Disabilities**

Main Street Housing, Inc.	372,000
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**Waterway Improvement**

Havre de Grace – Jean Roberts Park	99,000
Havre de Grace – Tydings Park improvements	99,000
Havre de Grace Marina – channel dredging	550,000
Havre de Grace Yacht Basin – replace piers/slips	100,000
Otter Point Creek/Bush River – design dredge material site	500,000

**Other Projects**

Highlands School Building	500,000
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**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Friends Park – dam rehabilitation	150,000
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## Howard County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$97,615	\$107,735	\$10,120	10.4
Compensatory Education	5,938	8,009	2,071	34.9
Student Transportation	10,181	10,983	802	7.9
Special Education	9,105	10,349	1,244	13.7
Limited English Proficiency Grants	2,384	2,915	531	22.3
Extended Elementary	223	223	0	0.0
Aging Schools	65	149	84	129.2
Other Education Aid	1,198	997	(201)	(16.8)
Primary & Secondary Education	126,710	141,360	14,650	11.6
Libraries	639	634	(5)	(0.8)
Community Colleges	9,227	9,983	756	8.2
Health Formula Grant	1,983	2,009	26	1.3
Transportation	12,843	15,549	2,706	21.1
Police and Public Safety	2,934	3,013	78	2.7
Fire and Rescue Aid	380	385	5	1.2
Recreation and Natural Resources	1,068	3,187	2,119	198.4
** Unclaimed Local Income Tax	4,855	0	(4,855)	(100.0)
Other Direct Aid	105	105	0	0.0
<b>Total Direct Aid</b>	<b>\$160,745</b>	<b>\$176,226</b>	<b>\$15,481</b>	<b>9.6</b>
Aid Per Capita (\$)	577	618	41	7.2
Property Tax Equivalent (\$)	0.60	0.58	(0.02)	(2.7)

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Howard County for teachers, librarians, community college faculty, and local officials are estimated to be \$27,786,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,512,000
Family Health and Primary Care	166,000
Geriatric and Children's Services	460,000
Mental Health	7,567,000
Prevention and Disease Control	683,000
Developmental Disabilities	16,452,000
AIDS	45,000

#### **Social Services**

Homeless Services	116,000
Women's Services	215,000
Adult Services	48,000
Child Welfare Services	1,657,000

#### **Senior Citizen Services**

Long-term Care	253,000
Community Services	21,000



**C. Selected State Grants for Capital Projects**

**Public Schools**

Atholton Elementary School – relocatable classrooms	\$40,000
Cedar Lane Special School – construction	855,000
Clarksville Elementary School – kindergarten/pre-k addition	539,000
Fulton Elementary School – kindergarten/pre-k addition	745,000
Marriott's Ridge High School – construction	2,350,000
Pointer's Run Elementary School – kindergarten/pre-k addition	386,000
Triadelphia Ridge Elementary School – kindergarten/pre-k addition	539,000
Unspecified additional funding	9,819,000

**Howard Community College**

Library Building – renovation	615,000
Student Services Building	12,325,000

**Chesapeake Bay Restoration Fund**

Little Patuxent WWTP – enhanced nutrient removal	3,000,000
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**Waterway Improvement**

Centennial Lake – construct boardwalk	52,000
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**Other Projects**

Blandair Mansion	300,000
Lake Kittamaqundi – dredging	475,000
North Laurel Community Center	454,000

**D. Capital Projects for State Facilities in the County****Department of Health & Mental Hygiene**

Perkins Hospital – new maximum security wing 1,870,000

**Department of Public Safety & Corrections**

Patuxent Institution – fire safety improvements 200,000

**Other**

School for the Deaf – main building elevator 340,000

## Kent County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,595	\$4,783	\$188	4.1
Compensatory Education	1,181	1,423	243	20.5
Student Transportation	1,078	1,146	68	6.3
Special Education	456	511	55	12.1
Limited English Proficiency Grants	98	110	11	11.6
Extended Elementary	245	245	0	0.0
Aging Schools	65	65	0	0.0
Other Education Aid	525	526	1	0.2
Primary & Secondary Education	8,243	8,809	566	6.9
Libraries	85	86	1	0.9
Community Colleges	415	449	34	8.1
Health Formula Grant	541	552	11	2.0
* Transportation	2,392	2,894	502	21.0
* Police and Public Safety	197	194	(3)	(1.5)
* Fire and Rescue Aid	207	207	0	0.0
Recreation and Natural Resources	51	153	102	199.9
** Unclaimed Local Income Tax	208	0	(208)	(100.0)
<b>Total Direct Aid</b>	<b>\$12,339</b>	<b>\$13,343</b>	<b>\$1,004</b>	<b>8.1</b>
Aid Per Capita (\$)	623	670	47	7.6
Property Tax Equivalent (\$)	0.73	0.72	(0.02)	(2.1)

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Kent County for teachers, librarians, community college faculty, and local officials are estimated to be \$1,358,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$1,706,000
Family Health and Primary Care	186,000
Geriatric and Children's Services	365,000
Mental Health	1,145,000
Prevention and Disease Control	337,000
Developmental Disabilities	1,234,000

#### **Social Services**

Homeless Services	2,000
Women's Services	112,000
Adult Services	31,000
Child Welfare Services	373,000

#### **Senior Citizen Services**

Long-term Care	521,000
Community Services	115,000

*Note: A portion of women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.*

**C. Selected State Grants for Capital Projects**

**Public Schools**

Kent County High School – construction \$2,000,000

**Chesapeake College**

Talbot Science Building 330,000

**Chesapeake Bay Water Quality Projects**

Kennedyville WWTP – collection system upgrades 375,000

**Chesapeake Bay Restoration Fund**

Chestertown WWTP – enhanced nutrient removal 1,500,000

**Waterway Improvement**

Quaker Neck Landing – replace boat ramp 99,000

Shipyard Public Landing – replace boat ramp 99,000

Turner's Creek – replace breakwater 275,000

## Montgomery County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$161,375	\$172,961	\$11,587	7.2
Compensatory Education	35,497	47,243	11,746	33.1
Student Transportation	26,169	25,920	(248)	(0.9)
Special Education	27,363	32,570	5,207	19.0
Limited English Proficiency Grants	18,609	22,672	4,062	21.8
Extended Elementary	1,108	1,108	0	0.0
Aging Schools	1,170	1,023	(147)	(12.6)
Other Education Aid	4,261	3,314	(947)	(22.2)
Primary & Secondary Education	275,552	306,811	31,259	11.3
Libraries	2,218	2,205	(12)	(0.6)
Community Colleges	29,005	30,242	1,236	4.3
Health Formula Grant	4,921	4,994	72	1.5
* Transportation	35,714	43,522	7,808	21.9
* Police and Public Safety	14,511	14,761	250	1.7
* Fire and Rescue Aid	1,308	1,305	(4)	(0.3)
Recreation and Natural Resources	2,718	8,112	5,394	198.5
Utility Property Tax Grants	2,766	2,766	0	0.0
** Unclaimed Local Income Tax	20,846	0	(20,846)	(100.0)
<b>Total Direct Aid</b>	<b>\$389,559</b>	<b>\$414,717</b>	<b>\$25,159</b>	<b>6.5</b>
Aid Per Capita (\$)	409	429	20	4.8
Property Tax Equivalent (\$)	0.37	0.34	(0.03)	(8.3)

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

**2. Retirement Payments**

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Montgomery County for teachers, librarians, community college faculty, and local officials are estimated to be \$89,721,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$3,729,000
Family Health and Primary Care	446,000
Geriatric and Children's Services	2,511,000
Mental Health	26,577,000
Prevention and Disease Control	2,020,000
Developmental Disabilities	57,137,000
AIDS	202,000

**Social Services**

Homeless Services	373,000
Women's Services	178,000
Adult Services	459,000
Child Welfare Services	4,043,000

**Senior Citizen Services**

Long-term Care	943,000
Community Services	153,000

**C. Selected State Grants for Capital Projects****Public Schools**

Benjamin Banneker Middle School – renovations (roof)	\$423,000
John T. Baker Middle School – construction	812,000
Kensington/Parkwood Elementary School – construction	2,332,000
Richard Montgomery High School – construction	3,900,000
Somerset Elementary School – construction	1,043,000
Unspecified additional funding	21,921,000

**Montgomery College**

Rockville – replace three roofs	305,000
Rockville – science center	1,440,000
Takoma Park – central plant	1,040,000
Takoma Park – commons building renovation	300,000
Takoma Park – student services building and cultural arts center	1,300,000

**Local Jail Loan**

Montgomery County Detention Center	5,189,000
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**Juvenile Services Facilities Grant Program**

National Center for Children and Families	684,000
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**Community Mental Health/Addictions/Dev. Disabilities**

CHI Centers, Inc.	346,000
Community Services for Autistic Adults & Children, Inc.	750,000
Housing Unlimited, Inc.	1,050,000
Jewish Social Service Agency	639,000



**Community Parks and Playgrounds**

Montgomery Village Amphitheater	100,000
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**Chesapeake Bay Water Quality Projects**

Blue Plains WWTP – nutrient removal	1,038,000
Carnation Drive/I-270 – stormwater management	352,000
Olney Oaks – stormwater pond retrofit	91,000
Spruell Drive/Joseph's Branch – stream restoration	176,000

**Chesapeake Bay Restoration Fund**

Seneca WWTP – enhanced nutrient removal	1,500,000
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**Other Projects**

Adventist Health Care	400,000
Adventure Theatre	400,000
Aunt Hattie's Place, Inc.	550,000
Barnesville Town Hall	85,000
Camp Brighton Woods	75,000
Canal Boat at Great Falls Tavern	200,000
Easter Seals Inter-Generational Center	400,000
Germantown Life Sciences Incubator	1,000,000
Historic Takoma Museum	50,000
Imagination Stage	275,000
McDonald Knolls Center	350,000
Mercy Health Clinic	150,000
Odd Fellows Hall	100,000
Old Blair High School Auditorium	600,000
Olde Towne Gaithersburg Youth Center	400,000
Olney Theater	750,000
Pyramid Atlantic	100,000
Red Wiggler Community Farm	150,000
Rockville Arts Place	200,000
Rockville Community Baseball Stadium	25,000
Sandy Spring Museum Library and Archives	75,000
Seneca Schoolhouse Museum	100,000
Strathmore Hall Performing Arts Center	750,000
Takoma Park Community Learning Center	350,000
The Treatment and Learning Centers Education Facility	200,000

**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Seneca Creek State Park – safety improvements	160,000
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**University System of Maryland**

Biotechnology Institute – Center for Advanced Research	2,500,000
Shady Grove Educational Center – construct facility III	50,065,000

## Prince George's County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$412,137	\$449,836	\$37,698	9.1
Compensatory Education	113,307	142,345	29,038	25.6
Student Transportation	26,326	28,767	2,441	9.3
Special Education	50,026	56,544	6,519	13.0
Limited English Proficiency Grants	15,868	22,995	7,126	44.9
Guaranteed Tax Base	4,935	11,991	7,056	143.0
Extended Elementary	1,515	1,515	0	0.0
Aging Schools	970	2,053	1,083	111.6
Other Education Aid	6,486	3,873	(2,613)	(40.3)
Primary & Secondary Education	631,571	719,920	88,349	14.0
Libraries	5,464	5,497	33	0.6
Community Colleges	17,824	18,903	1,079	6.1
Health Formula Grant	8,181	8,250	69	0.8
* Transportation	30,968	37,638	6,670	21.5
* Police and Public Safety	17,674	17,783	109	0.6
* Fire and Rescue Aid	1,113	1,112	(1)	(0.1)
Recreation and Natural Resources	2,298	6,857	4,559	198.4
Disparity Grant	5,510	9,762	4,253	77.2
Utility Property Tax Grants	7,745	7,745	0	0.0
** Unclaimed Local Income Tax	9,886	0	(9,886)	(100.0)
* Other Direct Aid	181	181	0	0.0
<b>Total Direct Aid</b>	<b>\$738,414</b>	<b>\$833,648</b>	<b>\$95,235</b>	<b>12.9</b>
Aid Per Capita (\$)	853	951	98	11.5
Property Tax Equivalent (\$)	1.51	1.54	0.03	1.9

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Prince George's County for teachers, librarians, community college faculty, and local officials are estimated to be \$60,045,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$9,396,000
Family Health and Primary Care	2,468,000
Geriatric and Children's Services	3,161,000
Mental Health	34,418,000
Prevention and Disease Control	1,753,000
Developmental Disabilities	52,167,000
AIDS	316,000

#### **Social Services**

Homeless Services	704,000
Women's Services	711,000
Adult Services	380,000
Child Welfare Services	6,102,000

#### **Senior Citizen Services**

Long-term Care	727,000
Community Services	134,000

**C. Selected State Grants for Capital Projects****Public Schools**

Bladensburg High School – construction	\$3,351,000
Bowie Elementary School – construction	1,850,000
Potomac High School – science facilities	861,000
Regional High School – construction	1,850,000
Unspecified additional funding	21,921,000

**Prince George's Community College**

Bladen Hall – renovate student services wing	500,000
Campuswide – electrical & communications ductbank systems upgrade	319,000
Center for Health Studies	805,000
High Technology Center	200,000

**Community Mental Health/Addictions/Dev. Disabilities**

CALMRA, Inc.	75,000
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**Federally Qualified Health Centers Grant Program**

Greater Baden Medical Services, Inc.	100,000
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**Senior Citizen Activity Centers**

Laurel-Beltsville Senior Center	35,000
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**Shelter & Transitional Housing Facilities**

WFCM Shelter	75,000
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**Community Parks and Playgrounds**

Walker Mill Regional Park	700,000
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**Chesapeake Bay Water Quality Projects**

Blue Plains WWTP – nutrient removal	1,038,000
Redwood Court – stream restoration	150,000

**Waterway Improvement**

Prince George's Fire Department – equipment for underwater recovery	50,000
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**Other Projects**

African American Cultural Heritage Center – North Brentwood	250,000
Bethel Recreation Center	250,000
Bowie City Parks and Grounds Building	250,000
Camp Aquasco	52,000
CASA Multi-Cultural Service Center	100,000
Children's Guild Multipurpose Room and Play Field	250,000
City of District Heights – street lights	150,000
Colmar Manor Municipal Center	100,000
Forest Heights – road improvements	175,000
Global Developmental Services Youth Facilities Center	350,000
Historic Bostwick House	100,000
Kairos Senior Housing Complex	125,000
Knights of St. John Hall	250,000
Laurel Boys and Girls Club	100,000
Maryland Crime Victims' Resource Center	184,000
Maryland Public Interest Research Group, Inc. – Univ. of Maryland recycling bins	32,000
Oxon Hill Boys and Girls Club	50,000
Paint Branch Creek – restoration	218,000
Prince George's Hospital Center	5,000,000
Renaissance Square Artists' Housing	400,000
Safe Passage Emergency Shelter	250,000
South County Sports and Technology Learning Complex	150,000
Universal Network of Aquaculture Products Facility	110,000
Victory Youth Center – Langley Park	550,000
Walker Mill Regional Park	300,000
World Arts Focus Community Arts Center	175,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Fort Washington Marina – replace floating dock	995,000
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**Maryland Veterans Administration**

Cheltenham Veterans Cemetery – expansion 379,000

**University System of Maryland**

Bowie State – Center for Business and Graduate Studies 2,000,000

Bowie State – Fine and Performing Arts Building 1,500,000

Bowie State – Holmes and Tubman Halls addition/renovation 11,700,000

College Park – Biological Sciences Research Building 3,600,000

College Park – Physical Sciences and Technology Building 500,000

College Park – Tawes Fine Arts Building 850,000

## Queen Anne's County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$15,496	\$16,986	\$1,490	9.6
Compensatory Education	1,377	1,705	328	23.8
Student Transportation	2,170	2,331	160	7.4
Special Education	1,351	1,596	245	18.1
Limited English Proficiency Grants	88	144	56	63.0
Extended Elementary	307	307	0	0.0
Aging Schools	85	85	0	0.0
Other Education Aid	398	399	1	0.1
Primary & Secondary Education	21,272	23,552	2,280	10.7
Libraries	122	113	(9)	(7.7)
Community Colleges	1,098	1,187	89	8.1
Health Formula Grant	676	689	12	1.8
* Transportation	4,589	5,575	987	21.5
* Police and Public Safety	389	397	7	1.9
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	111	330	219	197.7
** Unclaimed Local Income Tax	671	0	(671)	(100.0)
<b>Total Direct Aid</b>	<b>\$29,128</b>	<b>\$32,043</b>	<b>\$2,915</b>	<b>10.0</b>
Aid Per Capita (\$)	643	695	52	8.1
Property Tax Equivalent (\$)	0.64	0.62	(0.01)	(2.2)

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.



## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Queen Anne's County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,409,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$592,000
Family Health and Primary Care	150,000
Geriatric and Children's Services	479,000
Mental Health	1,899,000
Prevention and Disease Control	414,000
Developmental Disabilities	2,742,000

#### **Social Services**

Homeless Services	14,000
Women's Services	143,000
Adult Services	28,000
Child Welfare Services	617,000

#### **Senior Citizen Services**

Long-term Care	111,000
Community Services	43,000

*Note: A portion of women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties.*

**C. Selected State Grants for Capital Projects****Public Schools**

Matapeake Middle School – construction	\$4,450,000
Unspecified additional funding	2,447,000

**Chesapeake College**

Talbot Science Building – renovation	330,000
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**Senior Citizen Activity Centers**

Sudlersville Senior Center	600,000
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**Partnership Rental Housing Program**

Riverside II	3,000,000
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**Chesapeake Bay Water Quality Projects**

Centreville WWTP – nutrient removal	95,000
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**Chesapeake Bay Restoration Fund**

Kent Island WWTP – enhanced nutrient removal	2,400,000
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**Waterway Improvement**

Corsica River – transient dock and shoreline protection	25,000
Dominion – repave parking lot and install lighting at ramp	20,000
Dominion – slip dredging	25,000
First Avenue Pier – replace bulkhead and decking	25,000
Grove Creek – dredging	500,000
Kent Island VFD – replace rescue boat and equipment	50,000
Kent Narrows – replace boat ramp	99,000
Southeast Creek – replace bulkhead	99,000
United Communities VFD – replace rescue boat/equipment	50,000

**D. Capital Projects for State Facilities in the County**

**General Government**

Centreville District Court – expansion 60,000

**Department of Natural Resources**

Matapeake Marine Terminal – dredging 250,000

Matapeake Marine Terminal – replace bulkhead 70,000

Wye Island NRMA – boat pier improvements 40,000

## St. Mary's County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$45,474	\$51,626	\$6,153	13.5
Compensatory Education	5,856	7,772	1,916	32.7
Student Transportation	4,229	4,573	344	8.1
Special Education	4,185	5,030	845	20.2
Limited English Proficiency Grants	285	313	28	9.7
Extended Elementary	764	764	0	0.0
Aging Schools	85	85	0	0.0
Other Education Aid	623	573	(50)	(8.0)
Primary & Secondary Education	61,501	70,736	9,235	15.0
Libraries	484	504	21	4.3
Community Colleges	1,614	1,726	112	6.9
Health Formula Grant	1,321	1,336	15	1.2
* Transportation	6,187	7,495	1,308	21.1
* Police and Public Safety	794	808	14	1.7
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	205	611	406	198.5
** Unclaimed Local Income Tax	1,303	0	(1,303)	(100.0)
<b>Total Direct Aid</b>	<b>\$73,608</b>	<b>\$83,416</b>	<b>\$9,808</b>	<b>13.3</b>
Aid Per Capita (\$)	781	873	91	11.7
Property Tax Equivalent (\$)	1.19	1.22	0.04	3.1

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for St. Mary's County for teachers, librarians, community college faculty, and local officials are estimated to be \$7,221,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$2,336,000
Family Health and Primary Care	129,000
Geriatric and Children's Services	454,000
Mental Health	4,233,000
Prevention and Disease Control	384,000
Developmental Disabilities	5,758,000

**Social Services**

Homeless Services	69,000
Women's Services	113,000
Adult Services	75,000
Child Welfare Services	1,091,000

**Senior Citizen Services**

Long-term Care	116,000
Community Services	36,000

**C. Selected State Grants for Capital Projects****Public Schools**

George Washington Carver Elementary School – construction	\$1,850,000
Leonardtwn High School – relocatable classrooms	72,000
Leonardtwn Middle School – relocatable classrooms	72,000
Margaret Brent Middle School – construction	228,000
Piney Point Elementary School – kindergarten/pre-k addition	364,000
Town Creek Elementary School – kindergarten/pre-k addition	181,000
Unspecified additional funding	195,000

**College of Southern Maryland**

La Plata – Science and Technology Building	9,700,000
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**Chesapeake Bay Restoration Fund**

Piney Point/Evergreen Park – sewer rehabilitation	325,000
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**Waterway Improvement**

Countywide – repair landings, boat ramps & wharves	99,000
Paul Ellis Landing – replace boat ramp	99,000
St. Jerome Creek – channel dredging	585,000
Tall Timbers Landing – replace boating pier	99,000
Wicomico Shores – replace boat ramp & ADA modifications	99,000
Wicomico Shores – replace pier	99,000

**Other Projects**

Patuxent River Naval Air Museum and Visitors Center	500,000
Piney Point Lighthouse Museum	100,000
Sotterley Plantation	50,000

**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Point Lookout State Park – boating pier improvements	50,000
Point Lookout State Park – repave parking/install lights	85,000
St. Mary's River State Park – dam rehabilitation	350,000

**St. Mary's College**

Academic Building – construction	3,300,000
Anne Arundel Hall – demolition and reconstruction	1,075,000

## Somerset County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$9,496	\$10,534	\$1,038	10.9
Compensatory Education	3,672	4,961	1,289	35.1
Student Transportation	1,254	1,328	74	5.9
Special Education	730	919	188	25.8
Limited English Proficiency Grants	119	216	97	82.0
Guaranteed Tax Base	306	618	311	101.6
Extended Elementary	271	271	0	0.0
Aging Schools	65	65	0	0.0
Other Education Aid	104	104	0	0.0
Primary & Secondary Education	16,018	19,015	2,998	18.7
Libraries	228	226	(2)	(0.8)
Community Colleges	580	621	41	7.1
Health Formula Grant	692	703	11	1.6
* Transportation	2,808	3,391	583	20.8
* Police and Public Safety	240	241	2	0.6
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	49	144	96	197.4
Disparity Grant	3,753	3,733	(20)	(0.5)
** Unclaimed Local Income Tax	166	0	(166)	(100.0)
<b>Total Direct Aid</b>	<b>\$24,732</b>	<b>\$28,275</b>	<b>\$3,543</b>	<b>14.3</b>
Aid Per Capita (\$)	948	1,075	128	13.5
Property Tax Equivalent (\$)	2.92	3.01	0.09	3.1

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.



2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Somerset County for teachers, librarians, community college faculty, and local officials are estimated to be \$1,452,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$901,000
Family Health and Primary Care	96,000
Geriatric and Children's Services	385,000
Mental Health	2,748,000
Prevention and Disease Control	474,000
Developmental Disabilities	1,577,000
AIDS	11,000

**Social Services**

Homeless Services	8,000
Women's Services	187,000
Adult Services	35,000
Child Welfare Services	685,000

**Senior Citizen Services**

Long-term Care	589,000
Community Services	382,000

*Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.*

**C. Selected State Grants for Capital Projects****Public Schools**

Somerset Intermediate School at Tawes – construction	\$7,000,000
Woodson Elementary School – construction	7,300,000

**Chesapeake Bay Water Quality Projects**

Crisfield WWTP – nutrient removal	313,000
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**Waterway Improvement**

Champ/St. Peter's Creek – replace boat ramp	99,000
Crisfield – redeck city dock	11,000
Dames Quarters – replace county dock	99,000
Deal Island – replace boat ramp	99,000
Webster's Cove – shoreline protection	100,000
Wenona Harbor – stabilize breeched shoreline	250,000

**D. Capital Projects for State Facilities in the County****Department of Natural Resources**

Somers Cove Marina – install finger piers, electrical service & lighting	200,000
Somers Cove Marina – modify fuel pier	250,000
Somers Cove Marina – remove pier decking	65,000

**Maryland Environmental Service**

Eastern Correctional Institution – water tower improvements	300,000
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**University System of Maryland**

Eastern Shore – Wicomico Hall renovation	400,000
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## Talbot County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$5,093	\$5,172	\$80	1.6
Compensatory Education	1,461	1,870	409	28.0
Student Transportation	1,064	1,121	57	5.3
Special Education	475	576	101	21.4
Limited English Proficiency Grants	178	224	46	26.0
Extended Elementary	275	275	0	0.0
Aging Schools	155	133	(22)	(14.2)
Other Education Aid	438	390	(47)	(10.8)
Primary & Secondary Education	9,138	9,762	624	6.8
Libraries	83	83	0	0.5
Community Colleges	1,264	1,367	103	8.1
Health Formula Grant	530	542	12	2.2
* Transportation	3,715	4,509	794	21.4
* Police and Public Safety	392	383	(9)	(2.4)
* Fire and Rescue Aid	215	215	0	0.0
Recreation and Natural Resources	117	350	233	200.0
** Unclaimed Local Income Tax	365	0	(365)	(100.0)
<b>Total Direct Aid</b>	<b>\$15,819</b>	<b>\$17,211</b>	<b>\$1,392</b>	<b>8.8</b>
Aid Per Capita (\$)	451	486	36	7.9
Property Tax Equivalent (\$)	0.31	0.30	(0.01)	(3.9)

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

## 2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Talbot County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,320,000.

### **B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

#### **Health Services**

Alcohol and Drug Abuse	\$667,000
Family Health and Primary Care	306,000
Geriatric and Children's Services	305,000
Mental Health	2,003,000
Prevention and Disease Control	368,000
Developmental Disabilities	2,159,000
AIDS	25,000

#### **Social Services**

Homeless Services	36,000
Women's Services	127,000
Adult Services	31,000
Child Welfare Services	703,000

#### **Senior Citizen Services**

Long-term Care	521,000
Community Services	115,000

*Note: A portion of women's services funding supports services in Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties. Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.*

**C. Selected State Grants for Capital Projects**

**Public Schools**

St. Michaels Elementary/Middle School – construction	\$1,300,000
St. Michaels High School – construction	1,050,000
Unspecified additional funding	72,000

**Chesapeake College**

Talbot Science Building – renovation	330,000
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**Chesapeake Bay Restoration Fund**

Easton WWTP – enhanced nutrient removal	6,000,000
St. Michaels Region – sewer rehabilitation	500,000
St. Michaels WWTP – enhanced nutrient removal	800,000

**Waterway Improvement**

Dogwood Harbor – replace bulkhead and slips	100,000
Hollis Park – replace bulkhead and walkway	99,000
Skipton Landing – improve piers and parking lot	20,000
St. Michaels – Mill Street improvements	150,000
Windy Hill Landing – improve piers and parking lot	20,000

**Other Projects**

Frederick Douglass Memorial	100,000
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## Washington County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$57,367	\$66,990	\$9,623	16.8
Compensatory Education	10,946	15,119	4,173	38.1
Student Transportation	4,352	4,755	403	9.3
Special Education	5,503	6,586	1,083	19.7
Limited English Proficiency Grants	321	578	257	80.1
Guaranteed Tax Base	0	295	295	0.0
Extended Elementary	524	524	0	0.0
Aging Schools	200	229	29	14.5
Other Education Aid	1,143	1,010	(133)	(11.6)
Primary & Secondary Education	80,355	96,085	15,730	19.6
Libraries	841	889	49	5.8
Community Colleges	5,239	5,653	415	7.9
Health Formula Grant	2,260	2,278	18	0.8
* Transportation	9,666	11,728	2,062	21.3
* Police and Public Safety	1,367	1,385	18	1.3
* Fire and Rescue Aid	228	232	4	1.6
Recreation and Natural Resources	320	955	635	198.6
Utility Property Tax Grants	357	357	0	0.0
** Unclaimed Local Income Tax	1,493	0	(1,493)	(100.0)
<b>Total Direct Aid</b>	<b>\$102,125</b>	<b>\$119,562</b>	<b>\$17,437</b>	<b>17.1</b>
Aid Per Capita (\$)	745	867	122	16.3
Property Tax Equivalent (\$)	1.29	1.38	0.09	7.3

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Washington County for teachers, librarians, community college faculty, and local officials are estimated to be \$9,338,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$3,026,000
Family Health and Primary Care	181,000
Geriatric and Children's Services	732,000
Mental Health	7,582,000
Prevention and Disease Control	698,000
Developmental Disabilities	8,500,000
AIDS	205,000

**Social Services**

Homeless Services	228,000
Women's Services	197,000
Adult Services	184,000
Child Welfare Services	2,444,000

**Senior Citizen Services**

Long-term Care	352,000
Community Services	110,000

**C. Selected State Grants for Capital Projects****Public Schools**

Maugansville Elementary School – construction	\$3,447,000
Salem Avenue Elementary School – construction	1,994,000
Unspecified additional funding	728,000

**Hagerstown College**

Career Programs Building – renovation	1,184,000
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**Community Mental Health/Addictions/Dev. Disabilities**

Turning Point of Washington County, Inc.	407,000
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**Chesapeake Bay Restoration Fund**

Halfway – sewer rehabilitation	200,000
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**Water Supply Financial Assistance Program**

Boonsboro – water extension	239,000
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**Waterway Improvement**

County Dive Rescue/County 29 – marine rescue equipment	17,000
Little Tonoloway – repair boat ramp	99,000
Potomac Valley Fire/Sharpsburg – rescue boat and equipment	8,432

**Other Projects**

Aspiring to Serve Community Shelter	85,000
Boonsboro – King Farm Park	65,000
Community Free Clinic	75,000
Discovery Station at Hagerstown	30,000
North Hagerstown High School Stadium	150,000



**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

National Park Service – Four Locks boat ramp 99,000

**Department of Public Safety & Corrections**

Correctional Institution Hagerstown – warehouse addition 1,754,000

Correctional Training Center – 192-cell medium security unit 620,000

## Wicomico County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$44,584	\$49,451	\$4,867	10.9
Compensatory Education	12,196	15,279	3,083	25.3
Student Transportation	3,459	3,644	185	5.3
Special Education	2,996	3,703	707	23.6
Limited English Proficiency Grants	619	908	289	46.7
Guaranteed Tax Base	890	1,864	974	109.5
Extended Elementary	692	692	0	0.0
Aging Schools	355	312	(43)	(12.1)
Other Education Aid	696	641	(55)	(7.9)
Primary & Secondary Education	66,487	76,494	10,007	15.1
Libraries	608	615	7	1.2
Community Colleges	3,347	3,585	239	7.1
Health Formula Grant	1,547	1,562	15	1.0
* Transportation	7,320	8,896	1,576	21.5
* Police and Public Safety	921	955	34	3.7
* Fire and Rescue Aid	225	225	0	0.0
Recreation and Natural Resources	213	635	422	198.1
Disparity Grant	1,957	1,326	(631)	(32.3)
** Unclaimed Local Income Tax	970	0	(970)	(100.0)
<b>Total Direct Aid</b>	<b>\$83,594</b>	<b>\$94,293</b>	<b>\$10,699</b>	<b>12.8</b>
Aid Per Capita (\$)	937	1,045	108	11.5
Property Tax Equivalent (\$)	1.82	1.92	0.10	5.4

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Wicomico County for teachers, librarians, community college faculty, and local officials are estimated to be \$7,093,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$1,713,000
Family Health and Primary Care	322,000
Geriatric and Children's Services	797,000
Mental Health	7,131,000
Prevention and Disease Control	595,000
Developmental Disabilities	5,450,000
AIDS	52,000

**Social Services**

Homeless Services	33,000
Women's Services	250,000
Adult Services	38,000
Child Welfare Services	1,126,000

**Senior Citizen Services**

Long-term Care	589,000
Community Services	382,000

*Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.*

**C. Selected State Grants for Capital Projects****Public Schools**

Delmar Elementary School – relocatable classrooms	\$259,000
North Salisbury Elementary School – construction	3,420,000
Prince Street Elementary School – construction	1,530,000
Unspecified additional funding	2,407,000

**Wor–Wic Tech Community College**

Workforce Development Center	11,265,000
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**Community Mental Health/Addictions/Dev. Disabilities**

Maple Shade Youth and Family Services, Inc.	218,000
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**Chesapeake Bay Water Quality Projects**

Delmar WWTP – nutrient removal	322,000
Salisbury WWTP – nutrient removal	2,501,000

**Chesapeake Bay Restoration Fund**

Delmar WWTP – enhanced nutrient removal	200,000
Salisbury WWTP – enhanced nutrient removal	1,542,000

**Waterway Improvement**

Allen VFC – new fire rescue boat	37,500
Countywide – repairs at various marine facilities	99,000
Nanticoke Harbor – replace jetty	380,000

**Other Projects**

Camp Sandy Pines	63,000
Salisbury Area Chamber of Commerce	100,000

**D. Capital Projects for State Facilities in the County**

**Maryland Environmental Service**

Poplar Hill Pre-Release Unit – water and wastewater improvements 410,000

**University System of Maryland**

Salisbury University – Ward Museum of Wildfowl Art 655,000

## Worcester County

### A. Direct Aid and Retirement Payments

#### 1. Direct Aid

	<u>FY 2005</u>	<u>FY 2006</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$7,749	\$7,690	(\$58)	(0.7)
Compensatory Education	2,626	3,276	651	24.8
Student Transportation	2,018	2,124	106	5.2
Special Education	683	849	166	24.3
Limited English Proficiency Grants	192	282	90	47.1
Extended Elementary	247	247	0	0.0
Aging Schools	65	65	0	0.0
Other Education Aid	466	455	(11)	(2.4)
Primary & Secondary Education	14,045	14,988	943	6.7
Libraries	119	119	0	0.0
Community Colleges	1,342	1,438	96	7.1
Health Formula Grant	504	517	13	2.5
* Transportation	5,739	6,942	1,203	21.0
* Police and Public Safety	655	662	7	1.0
* Fire and Rescue Aid	241	241	0	0.0
Recreation and Natural Resources	211	630	419	198.9
** Unclaimed Local Income Tax	281	0	(281)	(100.0)
<b>Total Direct Aid</b>	<b>\$23,137</b>	<b>\$25,536</b>	<b>\$2,399</b>	<b>10.4</b>
Aid Per Capita (\$)	451	485	34	7.6
Property Tax Equivalent (\$)	0.23	0.22	(0.01)	(4.5)

\* Municipal governments within the county receive a share of these funds.

\*\* One-time accelerated disbursement of unclaimed local income tax revenue.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees as well as certain elected local officials such as sheriffs and State's Attorneys. Fiscal 2006 State payments for Worcester County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,834,000.

**B. Estimated State Spending on Selected Health and Social Services**

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2006 general and special fund allocations for various programs. Note that for many programs the amounts shown for a county are based on the county's share of prior year funding (fiscal 2005) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

**Health Services**

Alcohol and Drug Abuse	\$1,904,000
Family Health and Primary Care	206,000
Geriatric and Children's Services	480,000
Mental Health	2,579,000
Prevention and Disease Control	432,000
Developmental Disabilities	3,085,000
AIDS	24,000

**Social Services**

Homeless Services	34,000
Women's Services	185,000
Adult Services	32,000
Child Welfare Services	817,000

**Senior Citizen Services**

Long-term Care	589,000
Community Services	382,000

*Note: A portion of women's services funding supports services in Somerset, Wicomico, and Worcester counties. Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.*

**C. Selected State Grants for Capital Projects****Public Schools**

Ocean City Elementary School – construction	\$1,250,000
Unspecified additional funding	913,000

**Wor–Wic Tech Community College**

Workforce Development Center	11,265,000
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**Local Jail Loan**

County Jail – expansion and renovation	3,899,000
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**Community Mental Health/Addictions/Dev. Disabilities**

Worcester County Health Department	1,600,000
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**Chesapeake Bay Restoration Fund**

Snow Hill WWTP – enhanced nutrient removal	200,000
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**Waterway Improvement**

Byrd Park – replace north boat ramp	99,000
George Island Landing – ADA bulkhead and parking	50,000
Public Landing – shoreline stabilization	214,250
South Point – construct jetty and revetment	99,000
West Ocean City – construct jetty and revetment	100,000

**Other Projects**

Atlantic General Hospital	100,000
Ocean City Visitors and Information Center	50,000



**D. Capital Projects for State Facilities in the County**

**Department of Natural Resources**

Ocean City – beach replenishment	2,000,000
Pocomoke River State Park – provide diesel fueling system at Shad Landing	100,000
Pocomoke River State Park – replace Shad Landing pilings	35,000

