

Part A

Budget and State Aid

Operating Budget

Overview

The General Assembly adopted a \$30.0 billion budget for fiscal 2008. The budget includes historic increases for the public schools, makes higher education more affordable, and preserves a safety net for low income Marylanders. There is full funding for land preservation programs and increased spending on efforts to restore the Chesapeake Bay. At the end of the fiscal year, the budget allows for an estimated general fund cash balance of \$67.1 million and reserves of \$673.7 million, or 5.0 percent, of general fund revenues in the Revenue Stabilization Account (Rainy Day Fund).

Although the budget is balanced and there are large cash reserves, there remains a significant imbalance in the general fund between ongoing revenues and ongoing spending. Ongoing spending exceeds revenue by \$933 million for fiscal 2008, and the gap is forecasted to rise to over \$1.5 billion in fiscal 2009. At the request of Governor Martin J. O'Malley, the legislature deferred action of any major significance toward addressing the deficit to allow the new Administration time to study options and develop a course of action. One such action focuses on the implementation of StateStat, a management accountability process modeled on the CitiStat process used in Baltimore City for identifying savings in agency operations.

Budget in Brief

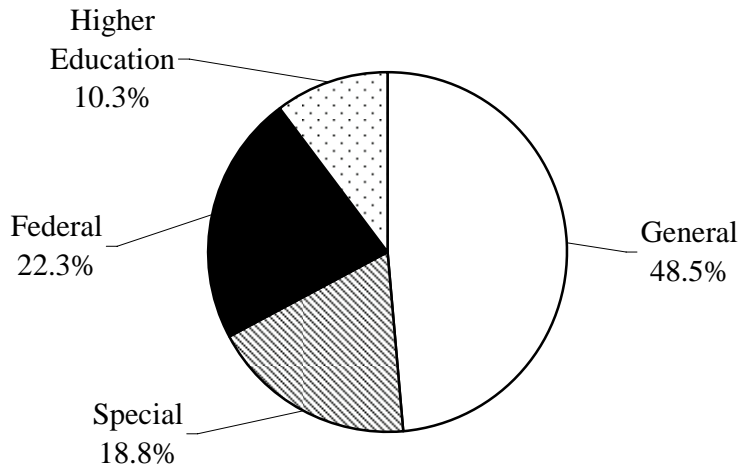
The Fiscal Year 2008 Budget Bill *House Bill 50 (enacted)* provides \$30.0 billion in appropriations for fiscal 2008; an increase of \$550.7 million (1.9 percent) over fiscal 2007. Actual budget growth is masked by a large decrease in the appropriation to the State Reserve Fund and surplus health insurance funds that were restricted in the fiscal 2007 budget. If these factors are disregarded, the underlying budget grows by \$1.6 billion, or 5.7 percent, and general fund spending increases by \$1.1 billion, or 8.1 percent.

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 45.6 percent of the total budget. Aid to local governments accounts for 24.2 percent of the budget and 19.4 percent supports entitlement programs. Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State general obligation bonds, and transfers to accounts of the State's Reserve Fund.

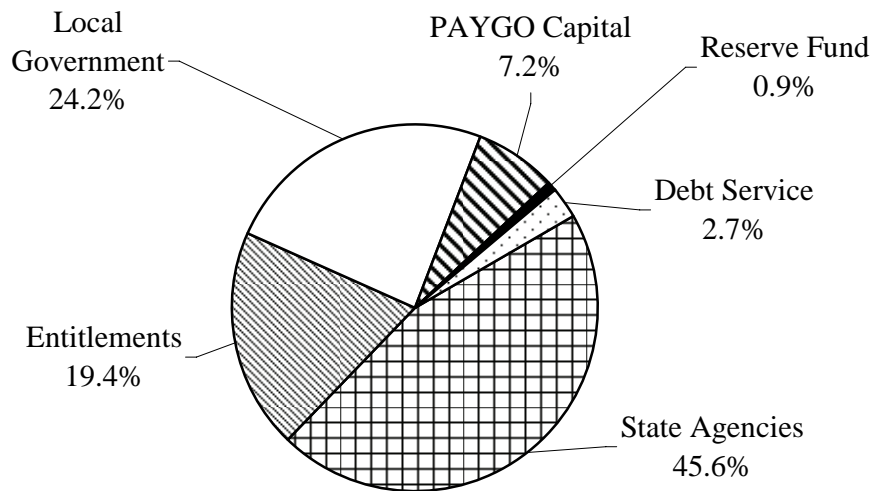
Total general fund appropriations grow \$365.0 million, or 2.6 percent, above fiscal 2007; however, ongoing spending rises \$1.1 billion, or 8.2 percent, when appropriations to the State Reserve Fund and for PAYGO capital are excluded. General fund growth is driven largely by aid to local jurisdictions, which rises \$744.9 million, or 14.8 percent, as the final phase-in of education enhancements is provided in fiscal 2008. General fund appropriations to the State Reserve Fund total \$262.8 million, a decrease of \$455.6 million compared to 2007 when a large appropriation was set aside to help balance the fiscal 2008 budget. The fiscal 2008 appropriation for the Reserve Fund includes another \$100.0 million set aside to address future retiree health insurance liabilities. Agency spending growth is a modest \$234.0 million, or 4.2 percent. An increase of \$71.2 million, or 6.8 percent, of this increase is provided for higher education. The budget also provides \$29.3 million for debt service, an additional \$8 million for stem cell research, for a total of \$23.0 million; \$8.8 million for continued phasing-out of hospital day limits under the Medicaid program; \$16.5 million in funding for developing community-based services for children with mental or developmental disabilities; and additional drug treatment programs (\$5.0 million).

Special funds increase by \$38.0 million, or 0.7 percent. The budget provides significant increases, largely for transportation- and Medicaid-related expenses, offset by large reductions for programs funded with the State transfer tax and the Bay Restoration Fund. Specific to the transportation policy area, transit funding grows by nearly \$90.0 million for PAYGO capital projects, the State share of the Washington Metro transit system, Maryland Rail Commuter, mobility services, new positions, and compensation costs tied to a new collective bargaining contract. Medicaid special fund spending rises from support provided via the Cigarette Restitution Fund (CRF), as well as for physician and Managed Care Organization rates from the Maryland Health Care Provider Rate Stabilization Fund. Another notable change is related to home energy assistance, where \$26.5 million in additional funds are replacing \$20.1 million in one-time federal funding. Special fund growth is offset by a reduction of \$102.6 million for programs funded by the transfer tax, including program open space and agricultural land preservation programs. Funding for wastewater treatment plant upgrades from the Bay Restoration Fund will include a planned \$50.0 million bond sale, thus special funds decrease in the operating budget for this purpose.

Exhibit A-1.1
Maryland's \$30.0 Billion Budget
Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go capital

Federal funds rise by \$87.1 million, or 1.3 percent, with the largest increase, related to Medicaid inflation and caseload growth. A cost-of-living increase for developmentally disabled service providers and other enhancements accounts for another \$26.7 million. These increases are offset by one-time federal funding provided in fiscal 2007 for home energy assistance (-\$20.1 million) and a reduction in the Department of Housing and Community Development in recognition that a new federal contract for Section 8 rental housing subsidies will not be forthcoming (-\$31.1 million).

The budgets for public higher education institutions increase by \$203.1 million in total funds, or 5.0 percent, in fiscal 2008. These funds support operations of higher education institutions, including the University of Maryland, Morgan State University, and St. Mary's College of Maryland. As noted, additional general fund support is provided, including funds for enhancements and enrollment growth. State funding permits undergraduate resident tuition to be frozen for a second consecutive year, exclusive of St. Mary's College.

With respect to State personnel, a general salary increase provides 2 percent although this is offset by an increase in employee contributions for the retirement enhancement that was enacted at the 2006 session. Employees will contribute 4 percent of salary in fiscal 2008, increasing to 5 percent in fiscal 2009 when the enhancement is fully phased-in. The legislature also adopted a \$10.0 million general fund reduction to recognize savings based on a hiring freeze imposed by the Administration in the last half of fiscal 2007 that is expected to continue into fiscal 2008. For a more detailed discussion of personnel issues see the subpart "Personnel" within this part.

Framing the Session: 2006 Interim Activity

During the 2006 interim the quadrennial election cycle saw Democratic challenger Martin O'Malley defeat first-term incumbent Republican Governor Robert L. Ehrlich, Jr. The general fund closeout yielded nominal revenue beyond the forecast, and economic activity began to soften as the housing boom began to subside. The Spending Affordability Committee (SAC) recommended a 7.9 percent rate of budgetary growth for the 2007 session, along with recommendations pertaining to use of the Rainy Day Fund, and position growth.

2006 Closeout

The fiscal 2006 closeout yielded an additional \$50.7 million for the general fund, largely due to \$46.5 million in greater than anticipated revenue. Stronger than expected corporate income tax attainment, interest earnings, and lottery attainment contributed to the surplus. The remaining \$4.2 million resulted from additional budgetary reversions. While the general fund closed with a balance of \$1.4 billion, much of that amount (\$1.2 billion) was designated to support the fiscal 2007 budget. The remaining \$172.8 million represents the undesignated closing fund balance.

December Board of Revenue Revision (BRE)/Economic Outlook

The economic news remains mixed as fiscal 2007 enters its last quarter. Unemployment has remained at low levels and continued employment growth is projected in the areas of education, health care, and information-related services. Personal income is also expected to grow in the range of 5.7 to 5.8 percent in fiscal 2007 and 2008. The relocation of military bases from New Jersey and Virginia are expected to bring a number of high paying jobs, attract defense contractors, and spur the growth of service-related jobs and other employment over the coming years. However, the news is not all favorable, as housing marking activity has stagnated and energy prices continue rising. This is affecting the construction, mortgage, and real estate industries. There is also concern over possible mortgage foreclosures associated with sub prime mortgage loans, and reduced consumer spending tied to decreasing use of home equity.

To date, BRE has revised its fiscal 2007 general fund estimate downward by a combined \$65.1 million (\$40.7 million in December 2006 and \$24.4 million in March 2007). The fiscal 2008 estimate was also lowered slightly in March by \$25.8 million. BRE now expects general fund revenue to grow 3.7 percent in fiscal 2007 and 4.5 percent in fiscal 2008.

SAC Recommendations

SAC prepared its final report to the Governor in December 2006 which included a number of recommendations pertaining to the operating budget. Selected recommendations include:

Spending Limit: The committee recommended limiting growth on a spending affordability basis to 7.9 percent over spending approved at the 2006 session.

Personnel: The committee recommended that Executive Branch position growth be limited to 1 percent (533 positions) exclusive of positions for new facilities or to implement legislation. Concern over the high number of funded vacant positions also prompted the committee to suggest that vacant positions be filled to the extent possible, in lieu of adding new positions. It was also recommended that the Department of Budget and Management (DBM) conduct a study of the appropriateness of vacancy levels in each agency.

State Reserve Fund: At the 2006 session, additional funds were appropriated to the Rainy Day Fund, increasing the balance to approximately 12.0 percent of estimated general fund revenue, with the expectation that a portion would be withdrawn in order to have a balanced fiscal 2008 budget. Legislation was also enacted to increase the balance to 7.5 percent, while permitting the balance to be drawn down to the 5.0 percent level as needed for fluctuations in cash flow. SAC supported using the balance in excess of 5.0 percent for its intended purpose, with the stipulation that should funds be withdrawn below the 5.0 percent level (which now will require legislation) then such an action should be accompanied by development of a long-term solution to the structural imbalance between revenues and spending.

Governor's Spending Plan as Introduced

The fiscal plan submitted by the new Administration provided for \$30.1 billion in total spending for fiscal 2008 and another \$218.6 million for fiscal 2007 deficiencies. The budget was \$49.3 million below the limit recommended by SAC, was within the parameters suggested for personnel growth, and utilized the \$978.0 million in the Rainy Day Fund above the recommended 5 percent level. Although the Governor's proposed spending plan resulted in a general fund balance of \$30.0 million, it made little progress toward closing the \$1.0 billion structural gap between revenues and expenditures.

Fiscal 2007 Financial Assumptions

Additional General Fund Revenue Assumptions: The Governor assumed an additional \$15.6 million in general fund revenue relative to the estimate by BRE. This included:

- \$10.0 million related to the requirement to verify the citizenship of Medicaid enrollees;
- \$3.7 million in eligible reimbursements for assisting Medicare beneficiaries in obtaining Medicare Part D prescription drug benefits (\$2.0 million) and other Medicare Part D reimbursements;
- \$1.4 million for a State rent payment from the Maryland Stadium Authority; and
- \$0.5 million for federal reimbursement for veteran cemetery expansion.

Deficiency Appropriations: Nearly \$219.0 million in deficiency appropriations were proposed with the budget, consisting of \$113.0 million in general funds, \$86.6 million in special fund items, \$15.5 million in federal fund appropriations, and \$3.6 million from higher education dollars. Special and federal fund deficiencies were relatively higher at the 2007 session resulting from the inclusion of items that would previously have been funded by budget amendment. The high use of budget amendments was an area of concern for the budget committees at the 2006 session, leading to the SAC recommendation to more accurately include all spending in either the base budget or within current year deficiency appropriations. Three-fourths of the deficiencies are concentrated in the following four agencies:

- \$55.4 million in the Maryland Department of Transportation for fuel and utilities; transit union contracts, para-transit operations, aviation insurance and security, transit facility maintenance, and other expenses;
- \$54.2 million in the Department of Public Safety and Correctional Services (DPSCS) to address higher than expected costs for inmate medical services, utility expenses, security upgrades, 9-1-1 pass-through fund collections, replacement vehicle needs, land acquisition, and death benefit expenses;

- \$42.2 million for Medicaid costs to replace Cigarette Restitution Funds, comply with a federal mandate to verify the citizenship of enrollees, and provide services for legal immigrants who are ineligible for federal services; and
- \$14.2 million for the Department of Juvenile Services (DJS) for per diem residential placements, repairs, utilities, security, and personnel expenses.

Specific Reversions: The Governor assumed \$20.0 million in unspecified reversions for fiscal 2007, plus another \$62.1 million in specific reversions, many of which were to be withdrawn by budget amendment following Board of Public Works (BPW) approval. Larger items included:

- \$33.8 million in surplus health insurance funds that were restricted to either be transferred to the Reserve Fund to offset costs related to enhancement to the retirement system or to be reverted to the general fund;
- \$10.0 million from a fiscal 2006 Medicaid over accrual;
- \$9.0 million in overstated tax credit payments following modifications adopted at the 2006 session;
- \$5.0 million expected from imposition of a hiring freeze;
- \$1.6 million from a new parking garage lease payment that will be made from remaining bond funds; and
- \$2.7 million from several areas including \$1.0 million for over budgeted Baltimore City Convention Center payments; \$0.8 million from the Department of Veterans Affairs based on federal fund changes; \$0.6 million in unspent Solar Energy grant funds; and \$0.3 million in overbudgeted school wiring lease payments.

Fiscal 2008 Financial Assumptions

Additional Revenue Assumptions: The Administration assumed an additional \$3.1 million above the BRE estimate based on the expectation that another \$1.6 million would be received from the ongoing verification of citizenship for Medicaid enrollees; \$0.7 million in new fees to be raised administratively by the Office of Health Care Quality within the Department of Health and Mental Hygiene (DHMH); \$0.6 million in revenue from providing services to veterans at the Deer's Head Hospital Center; and \$0.2 million from federal cemetery expansion reimbursement.

Contingent Reductions: Reductions of \$54.3 million were assumed in the Administration's fiscal 2008 spending plan. These consisted of:

- \$53.0 million representing the fiscal 2008 repayment from the general fund to the Maryland Transportation Authority (MdTA) as part of a multi-year financing plan for the

InterCounty Connector (ICC). For a more detailed discussion of this item, see the subpart “Transportation” within this part; and

- \$1.25 million to reflect the payment of indirect costs to DHMH for overhead provided to the Maryland Health Care Commission (MHCC) and the Health Services Cost Review Commission (HSCRC).

Legislative Consideration of the Budget

As the legislature considered the budget, BRE revised general fund revenues downward by a combined \$50.2 million for fiscal 2007 and 2008, and the Governor submitted four supplemental budgets which added \$334.0 million in spending. The General Assembly reduced the budget \$235.9 million and deleted 144.8 positions.

Revenue and Spending Changes

BRE Revenue Revisions: In March 2007, BRE revised its estimate of general fund revenue for fiscal 2007 downward by \$24.4 million and \$25.8 million for fiscal 2008. The change was not made because of the expectation of change in the economy, but was adopted in recognition that timing issues pertaining to the collection of revenues were resulting in slightly lower levels of attainment.

Supplemental Budgets No. 1 through 4: The Governor introduced four supplemental budgets that in the aggregate increased spending by a total of \$334.0 million. The bulk of the additional funding represented special-, federal-, and higher education-related items which would have been processed as budget amendments in prior years. Budget bill language added at the 2006 session expressed legislative intent that funding be provided as deficiency appropriations in order to more accurately capture State spending. Over 38 percent of funds, representing \$127.4 million, are non-general revenues from higher education. Special and federal fund items added \$73.0 million and \$74.0 million, respectively. General fund increases of \$59.5 million included roughly \$21.0 million to address overtime, per diem placement costs, and other funding needs in DJS; about \$15.0 million for overtime and inmate medical costs in DPSCS; \$9.1 million for State education aid due to student enrollment revisions; and \$20.0 million toward the orderly closure of the Prince George’s County Hospital. An offsetting decrease of \$14.0 million in general funds was made to reflect additional special funds from the bond premium received when the State sold bonds in February.

Reductions: The legislature pared the Governor’s fiscal 2007 deficiency budget by \$7.2 million in general funds based largely on lower than expected Medicaid enrollment (\$7.0 million). Changes adopted in the fiscal 2008 budget eliminated 144.8 positions and reduced \$228.1 million in all funds. Notable general fund reductions included:

- \$53.0 million for the ICC which was unnecessary due to cash flow changes;

- \$17.2 million proposed to phase-out Medicaid hospital day limits (with a corresponding \$17.2 million federal fund reduction);
- \$15.2 million to reduce new positions and operating costs in the Judiciary;
- \$15.0 million to recognize unspent prior year balances in the Heritage Tax Credit program;
- \$14.5 million to reduce educational assessment tests in the Maryland State Department of Education based on the availability of encumbered funds; and
- \$10.0 million based on expected savings from a statewide hiring freeze.

Contingent Reductions: Reductions that were effected contingent upon enactment or failure of legislation included:

- \$8.6 million (\$4.3 million general/\$4.3 million federal) for Medicaid nursing home reimbursements contingent upon enactment of *Senate Bill 101 (passed)* authorizing a nursing home quality assessment. This action shifts costs from the general fund to the special funds generated by the nursing home assessment;
- \$6.0 million (\$2.1 million general/\$0.03 million special/\$3.9 million federal) was contingent upon enactment of *Senate Bill 149/House Bill 132 (both failed)*, which would have expanded the Medicaid Maryland Children’s Health Program;
- \$5.5 million from the Aging Schools program contingent on enactment of *Senate Bill 986 (passed)* authorizing the sale of Qualified Zone Academy Bonds (QZABs). This language replaces the general funds with an equal amount of QZABs that will be restricted for the Aging Schools program to fully fund the statutory program; and
- \$1.3 million to permit DHMH to collect indirect cost recovery on behalf of administrative services provided to the MHCC through *House Bill 800 (passed)* and the HSCRC via *House Bill 844 (passed)*. Both of these bills were part of the Administration’s initial fiscal plan.

Final Actions Related to SAC

Limiting Spending Growth: As shown in **Exhibit A-1.2**, final action by the legislature, reduced the budget to a 7.51 percent rate of growth as measured on a spending affordability basis. This is \$71.5 million below the 7.90 percent rate recommended by the committee.

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

<u>Funds</u>	<u>2006</u> <u>Session</u>	<u>2007</u> <u>Session</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
General	\$13,286.6	\$14,366.5	\$1,079.9	8.13%
Special	3,261.8	3,479.8	218.0	6.68%
Higher Education	1,805.7	1,886.2	80.6	4.46%
Estimated Budget Growth	\$18,354.0	\$19,732.5	\$1,378.5	7.51%
SAC Limit	\$18,354.0	\$19,804.0	\$1,450.0	7.90%
Over (Under) Limit			-71.5	-0.39%

Personnel: The 2006 SAC recognized the contribution that past position caps have had in reducing the size of the State workforce but also recognized that long-term restrictions on position growth may impede the ability of some agencies to carry out their missions. Therefore, SAC recommended that in non-higher education, Executive Branch agencies growth be limited to 1.0 percent over the number of full-time equivalent positions authorized in the fiscal 2007 working appropriation. The legislative appropriation is well within that growth rate at 0.8 percent. Budget language was also added which stipulated that no new positions are to be authorized in fiscal 2008 in agencies where vacancy rates exceed 8.0 percent. Finally, committee narrative was adopted to require DBM to examine the factors that influence agency vacancy rates, which complied in part with the SAC recommendation.

State Reserve Fund Balance: Although \$978.0 million was transferred to support fiscal 2008 spending, budget action at the 2007 session leaves a \$673.7 million balance in the Rainy Day Fund. This constitutes the minimum 5 percent balance, thus final action on the budget complied with this SAC recommendation.

Summary of Fiscal 2008 Legislative Activity

Exhibit A-1.3 summarizes final legislative activity on the fiscal 2008 budget relative to the plan proposed at the beginning of the session by the Administration and amended by subsequent supplemental budgets. While the fiscal plan offered by the Administration was largely adopted as proposed, budget reductions effected by the legislature created a larger projected closing fund balance for fiscal 2008.

Exhibit A-1.3
General Fund Budget Summary
Fiscal 2008
(\$ in Millions)

	<u>Admin.</u>	<u>Final</u>
<u>General Fund</u>		
Starting Balance	\$187.9	\$187.4
Reductions to Fiscal 2007 Deficiency Request		7.2
Adjusted Starting Balance	\$187.9	\$194.5
Revenues – BRE March Estimate	13,427.1	13,427.1
Other Revenues	20.5	28.4
Transfer from Rainy Day Fund	978.0	978.0
Total Revenues and Balance	\$14,613.4	\$14,628.0
Expenditures – Governor’s Allowance	\$14,581.0	\$14,581.0
Appropriation to Rainy Day Fund	162.8	162.8
Expenditure Reductions*	-85.0	-169.8
Expenditure Reductions – Legislation	-54.3	-13.1
Total Expenditures	\$14,604.6	\$14,560.9
Revenues Less Expenditures	8.8	67.1
Ending Balance	\$8.8	\$67.1
<u>Cash Position</u>		
General Fund Balance	\$8.8	\$67.1
Rainy Day Fund Balance – June 30, 2008	673.7	673.7
Dedicated Purpose – Future Retiree Health Costs	200.0	200.0
Total	\$882.5	\$940.8
Cash and Rainy Day Fund Over 5%	\$9.8	\$68.1

BRE: Maryland Board of Revenue Estimates

*Reductions under Administration are the amounts assumed in Supplemental Budgets No. 2 and 3.

The structural gap between ongoing revenues and expenditures remains and is estimated to be \$933 million in fiscal 2008. This current imbalance stems primarily from the decision made in 2002 to enact Chapter 288 of 2002 (the Bridge to Excellence in Public Schools Act a.k.a. “Thornton” named for the chairman of the commission which recommended additional education aid). Adoption of this legislation resulted in the phasing of additional spending of over \$1.4 billion by fiscal 2008. Although some revenue was also raised with that bill, the bulk of the spending was not funded with a new revenue source. Spending restraint and ongoing revenue growth in excess of 9 percent annually for three years made it possible to fund the Bridge to Excellence legislation through fiscal 2006. The final two years of the Bridge to Excellence phase-in required double digit increases in spending. Unfortunately, revenues are estimated to grow less than 5 percent in fiscal 2007 and 2008. The commitment to fully fund the Bridge to Excellence in combination with other spending pressures and lower revenue growth has resulted in an estimated revenue/expenditure imbalance of over \$550 million in fiscal 2007. This imbalance grows to over \$930 million in fiscal 2008. As a result of this imbalance, the Department of Legislative Services (DLS) estimates that in fiscal 2009 the gap between ongoing revenue and ongoing spending will exceed \$1.5 billion, as depicted in **Exhibit A-1.4**. This represents a shortfall of approximately 10 percent of annual spending.

Outlook for Future Budgets

As shown in **Exhibit A-1.5**, a potential cash shortfall of about \$1.5 billion between revenues and current services spending is projected for fiscal 2009. The shortfall is expected to widen to around \$1.7 billion in fiscal 2010 due largely to the final payment to MdTA for the ICC exceeding the fiscal 2009 payment by \$106.0 million. The shortfall drops to \$1.5 billion for fiscal 2011 and 2012 as no further general fund payments for the ICC are required.

The forecast assumes that in fiscal 2009, the State will spend the \$67 million balance in the general fund as well as a \$63 million Rainy Day Fund balance in excess of 5 percent of general fund revenues. Additional cash resources available to mitigate the problem include \$673.7 million of contingency resources in the Rainy Day Fund and \$200 million reserved for future retiree health insurance costs.

Legislation

Projected revenues are expected to increase by about \$8 million per year over the remainder of the forecast period due to the passage of legislation. *Senate Bill 945/House Bill 1257 (both passed)*, which require that the dividends paid deduction be added back to federal taxable income to determine the Maryland modified income of specified Real Estate Investment Trusts, will increase general fund revenues by about \$8 million per year. These additional revenues are partially offset in fiscal 2009 and 2010 by *Senate Bill 613/House Bill 598 (both passed)* which extend the Maryland Heritage Structure Rehabilitation Tax Credit Program.

Exhibit A-1.4
Structural Deficit Grows to \$1.5 Billion in Fiscal 2009
 (\$ in Millions)

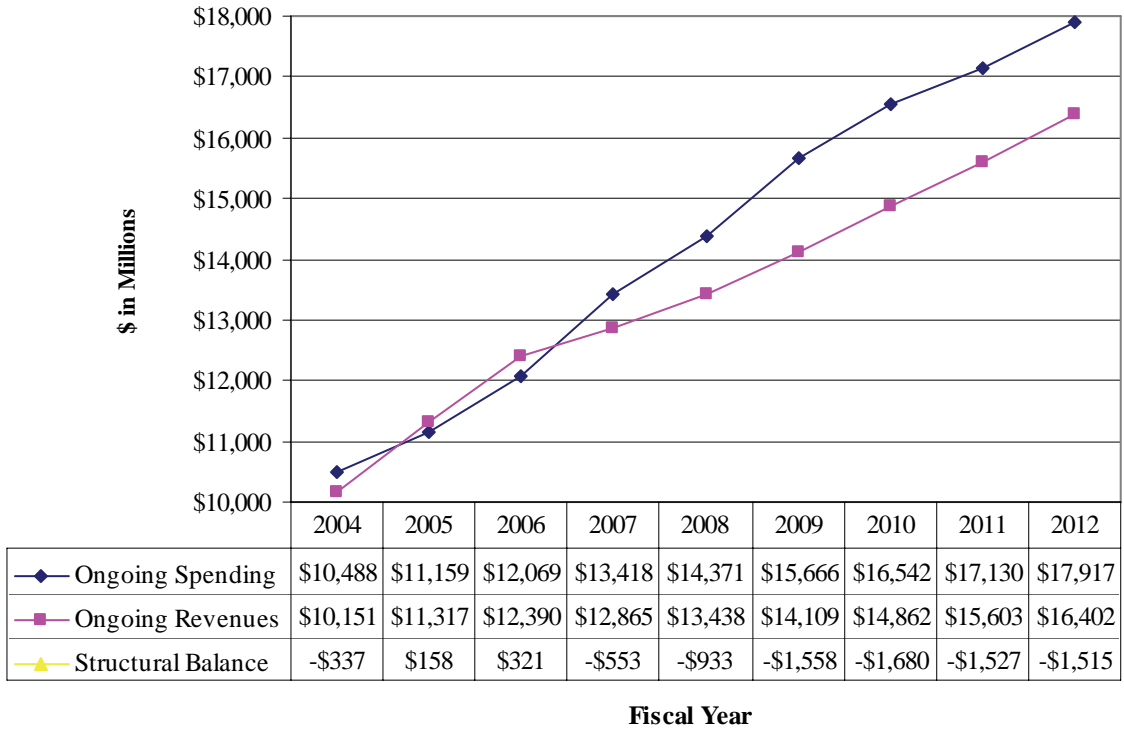


Exhibit A-1.5
General Fund Budget Outlook
Fiscal 2007-2012
(\$ in Millions)

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Revenues						
Fund Balance/Transfers	\$1,368	\$1,190	\$155	\$92	\$81	\$76
One-time Revenues	154	0	0	0	0	0
	\$1,522	\$1,190	\$155	\$92	\$81	\$76
Ongoing Revenues	12,865	13,430	14,103	14,859	15,595	16,394
Revenue Adjustments – Legislation	0	8	6	3	8	8
	12,865	13,438	14,109	14,862	15,603	16,402
Total Revenues	\$14,387	\$14,628	\$14,264	\$14,954	\$15,684	\$16,478
Spending						
Operating Spending	\$13,235	\$14,242	\$15,371	\$16,153	\$16,926	\$17,714
Multi-year Commitments	183	130	253	359	200	200
Operating Spending – Legislation	0	-1	42	31	4	2
	\$13,418	\$14,371	\$15,666	\$16,542	\$17,130	\$17,917
PAYGO Capital	\$136	\$27	\$46	\$45	\$47	\$43
Appropriation to Reserve Fund	638	163	50	50	50	50
	\$775	\$190	\$96	\$95	\$97	\$93
Ending Balance	\$195	\$67	-\$1,498	-\$1,684	-\$1,544	-\$1,532
Rainy Day Fund Balance	\$1,415	\$674	\$706	\$743	\$780	\$820
Balance over 5% of GF Revenues	771	1	1	0	0	0
Structural Balance	-\$553	-\$933	-\$1,558	-\$1,680	-\$1,527	-\$1,515

Legislation passed at the 2007 session will also increase State spending in future years. *Senate Bill 613/House Bill 598* extend the Maryland Heritage Structure Rehabilitation Tax Credit Program at a cost of \$25 million in fiscal 2009 and 2010. *Senate Bill 392/House Bill 18 (both passed)* provides for paper voting records contingent upon the inclusion of sufficient funding in the fiscal 2009 budget. Creating a paper record is expected to cost \$15 million in fiscal 2009.

Budget-related Legislation

State Agencies – StateStat

Senate Bill 102/House Bill 137 (both passed) establishes a StateStat management accountability process for selected Executive Branch agencies. Participating agencies must submit a strategic plan and performance measurement reports to the Secretary of DBM in conjunction with annual budget submissions, similar to the information currently required in the Managing for Results strategic plan. StateStat is modeled on the CitiStat process in Baltimore City, which relies on databases and bi-weekly meetings to track agency performance. City officials credit the program with improving efficiency and saving more than \$350 million over six years, largely in reduced overtime costs and employee absenteeism. The Departments of Public Safety and Correctional Services, Human Resources, and Juvenile Services will pilot StateStat in fiscal 2008.

Selected Budgetary Initiatives and Enhancements

Education

K-12 Funding Increases: Fiscal 2008 is the final year of the phase-in for Chapter 288 of 2002 (the Bridge to Excellence in Public Schools Act). Education aid will increase by \$691 million over fiscal 2007 to nearly \$5.2 billion, an increase of 15.4 percent. The large increase is mostly due to the continued phase-in of the new State aid structure established in the Bridge to Excellence legislation, but the teachers' retirement enhancement enacted last year and higher-than-expected inflation combined to add approximately \$190 million to the increase. In total, education aid will increase by \$2.2 billion from fiscal 2002 to 2008, reflecting an average annual growth rate of 10.2 percent from the year before the Bridge to Excellence legislation to the upcoming fiscal year. Future increases in State education aid will be driven by inflation and changes in enrollment and are expected to be more modest. Additional discussion of education aid can be found in Part L – Education of this *90 Day Report*.

Higher Education Funding/Community Colleges/Tuition Freeze: Higher education receives a general fund increase in the fiscal 2008 budget of \$136.7 million (10.4 percent). The University System of Maryland receives an additional \$80.0 million, (8.5 percent), for operating costs, program enhancements, and enrollment of additional students. Morgan State University receives an increase of \$5.2 million in general funds (8.3 percent). Undergraduate resident tuition is frozen for a second consecutive year through the provision of \$16.3 million in general funds. Another \$23.0 million from DBM defrays the costs of a general salary increase provided to State employees. State aid for private institutions, through the Sellinger Program, increases \$8.6 million (17.2 percent). The grant to St. Mary's College of Maryland also increases by \$0.5 million over fiscal 2007 (2.9 percent).

Community colleges funding through the Cade formula increases \$31.8 million. If additional State funds for fringe benefits and other programs are included, the overall community

college increase is \$38.3 million in general funds (18.6 percent). The Baltimore City Community College, a separate State agency, receives a \$5.2 million (14.8 percent), increase in general funds.

Health and Human Services

Community-based Services for Children: The fiscal 2008 budget includes \$16.5 million for community-based services for children not in the State's custody. The funds are available pursuant to Chapter 428 of 2003 which:

- requires DHMH to apply for a waiver under Medicaid to allow the State to receive federal funding for part of the non-room and board portion of the costs of eligible residential care that are related to the rehabilitative components of care provided by State and local agencies through public or private providers to individuals under age 21; and
- requires the Governor to include general funds in the Children's Cabinet Interagency Fund in an amount equal to the federal funds received under the waiver in the most recently completed year.

Of the fiscal 2008 funding, approximately \$6.5 million is one-time funding. The ongoing annual amount is estimated to be \$10 million. The funds are to be used to provide community-based services and community-based out-of-home placements needed by children with mental or developmental disabilities, regardless of eligibility for the State Medical Assistance Program. The General Assembly added language to the appropriation restricting expenditure of the funds until a report is submitted which provides specific details on how the funds will be spent.

Medical Assistance Program: The fiscal 2008 budget increases funding for Medicaid and the Maryland Children's Health Program (MCHP) by \$289 million (\$88 million of general funds) or 6.4 percent bringing total funding for the programs to \$4.9 billion (\$2.3 billion of general funds). About 650,000 people are expected to enroll in Medicaid or MCHP in fiscal 2008, an increase of 15,000 over projected fiscal 2007 levels.

The budget includes rate enhancements for many provider groups including physicians (\$40 million) and nursing homes (\$36 million). The physician rate increase represents the third year of a multi-year initiative to raise Medicaid reimbursement rates to 100 percent of Medicare rates. The nursing home rate increase of 3.8 percent would increase to \$60 million, or 6.4 percent, upon enactment of *Senate Bill 101 (passed)*. This bill imposes an assessment on nursing facilities which is then returned to the nursing facilities in the form of Medicaid payments and matched by federal dollars.

Funds are also provided in the budget to phase-out hospital day limits (\$18 million). Day limits produce savings by capping the number of days of hospital care that Medicaid will fund for adults. The enhanced funding will allow Medicaid to begin paying for every day of necessary hospital care by March 2008.

The budget also restores State funded Medicaid coverage for about 3,500 legal immigrant children and pregnant women beginning in fiscal 2007 at a cost of \$11 million. Legal immigrants who have resided in the United States for less than five years do not qualify for federally funded Medicaid benefits. Maryland offered State funded coverage of this population until fiscal 2006 when it was discontinued as a cost-saving measure. Coverage was restored in November 2006 following a court ruling that the elimination of coverage violated the Maryland Constitution.

Business and Economic Issues

Stem Cell Research: Fiscal 2008 represents the second year of State funding for stem cell research. At \$23.0 million, the fiscal 2008 appropriation is an \$8.0 million increase over 2007. The stem cell program was established by Chapter 19 of 2006 to support activity at research institutions or private companies in Maryland.

As of April 9, 2007, the \$15.0 million in fiscal 2007 funds had not been awarded. Requests total \$80.8 million and are divided into two applicant groups. One group represents investigators with some experience in stem cell research who have preliminary data supporting their research topic. There were 41 of these applications totaling \$70.7 million – the awards may be up to \$500,000 of direct costs per year for up to three years. The other group represents researchers who are new to the stem cell field and are developing innovative approaches or models without any preliminary data. There were 45 of these applications totaling \$10.1 million – the awards may be up to \$100,000 of direct costs per year for up to two years.

Cigarette Restitution Fund

The CRF revenue is expected to increase by \$28.0 million in fiscal 2008, from \$152.6 million to \$180.6 million, as a result of the start of the strategic contribution payments. These payments, which represent Maryland’s contribution toward the resolution of the tobacco settlement, are expected to increase revenues by \$28.0 million annually between fiscal 2008 and 2017. In fiscal 2008, available funds are expected to total \$197.6 million, which includes \$17.0 million in unexpended fund balance.

The fiscal 2008 legislative appropriation provides \$193.9 million for programs supported by the CRF, an increase of \$27.8 million, or 16.8%, over the fiscal 2007 working appropriation. Although revenues increased substantially in fiscal 2008, the majority of programs are funded at the fiscal 2007 level or have small changes in funding. The only substantial increase in funding is for the Medicaid program, which grows from \$89.7 million to \$116.0 million in fiscal 2008. **Exhibit A-1.6** details the distribution of funds in fiscal 2008 and preceding years.

Exhibit A-1.6
Cigarette Restitution Fund
Fiscal 2006-2008
(\$ in Millions)

	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Working</u> <u>Appropriation</u>	<u>FY 08</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$</u> <u>Change</u>
Beginning Balance	\$15.4	\$4.5	\$17.0	\$12.5
Settlement Payments	140.5	152.6	180.6	28.0
Available Revenue	\$155.9	\$157.1	\$197.6	\$40.5
Payment to Law Offices	-\$29.9	-	-	-
Prior Year Recoveries	1.1	-	-	-
Total Available Revenue	\$127.1	\$157.1	\$197.6	\$40.5
Health				
Management	\$0.3	\$0.6	\$1.0	\$0.3
Tobacco	9.3	18.7	18.6	-0.1
Cancer	20.1	28.1	27.9	-0.3
Substance Abuse	17.1	17.1	17.1	-
Medicaid	66.8	89.7	116.0	26.3
Restricted Medicaid				
Appropriation		-26.0		26.0
Subtotal	\$113.5	\$128.3	\$180.6	\$52.3
Education				
Aid to Nonpublic Schools	2.9	4.0	3.9	-0.1
Subtotal	\$2.9	\$4.0	\$3.9	-\$0.1
Crop Conversion	\$6.0	\$7.6	\$9.0	\$1.5
Attorney General	\$0.2	\$0.2	\$0.4	\$0.2
Total Expenses	\$122.6	\$140.1	\$193.9	\$53.9
Ending Balance	\$4.5	\$17.0	\$3.7	-13.4

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

Source: Department of Budget and Management

Transportation

Transportation Trust Fund

Net special fund revenue to the Transportation Trust Fund (TTF) is expected to total \$2.5 billion in fiscal 2008, including \$400.0 million in estimated Consolidated Transportation Bonds (CTBs). Operating expenses for all modes totals \$1.4 billion; an increase of \$100.7 million, or 7.6 percent.

Operating Budget Enhancements

Almost half of the increase in the operating budget is attributable to the Maryland Transit Administration due to increases in contracted transit services, motor fuel expenses, union contract increases, and the addition of 50 new positions. The next largest increase is for the Washington Metropolitan Area Transit Authority (WMATA) for the operating subsidy paid to WMATA due to declining operating revenue growth.

Capital Budget

The transportation capital program is funded at approximately \$1.8 billion; an increase of \$127.6 million, or 7.8 percent. Increases are largely due to cash flow carry over from fiscal 2006. The capital program includes 14 new projects added to the construction program totaling \$121.0 million and 15 projects totaling \$33.0 million being added to the development and evaluation program.

Transportation Debt Limits

The budget establishes a ceiling for maximum debt outstanding for CTBs as of June 30, 2008, at \$1.5 billion. A ceiling on non-traditional debt issued is set at \$726.2 million for all debt that are not CTBs or Grant Anticipation Revenue Vehicle bonds.

ICC Funding Changes

Chapter 203 of 2003 (the Budget Reconciliation and Financing Act of 2003) transferred \$314,913,000 from the TTF to the general fund as part of the budget balancing plan following the economic downturn of 2001. The legislature expressed the intent that the general fund repay the TTF, and the first repayment of \$50.0 million was made in fiscal 2006. The remaining repayment of \$264.9 million was applied toward construction of the ICC, through Chapters 471 and 472 of 2005, as part of the financing plan for the \$2.4 billion project. The finance plan requires repayment of at least \$50.0 million from the general fund in each year from fiscal 2007 through 2010 with a total repayment of \$264.9 million by fiscal 2010. A payment of \$53.0 million was made for the ICC in fiscal 2007.

The fiscal 2008 budget bill as introduced by the Governor included a payment of \$53.0 million to MdTA for construction of the ICC. However, because of cash flow delays in

the project, the Governor proposed reducing this amount contingent upon the enactment of legislation (*Senate Bill 73/House Bill 57*) (*both failed*) that would revise the repayment plan to exclude fiscal 2008 as one of the years in which repayment was required. The fiscal 2008 budget bill, as adopted by the General Assembly, deleted the \$53.0 million fiscal 2008 payment to MdTA for the ICC, in order to increase the general fund balance to protect against further deterioration of revenues. This leaves a remaining balance of \$211.9 million to be repaid from the general fund to MdTA by fiscal 2010.

State Reserve Fund

Altogether, the Rainy Day Fund, Dedicated Purpose Account (DPA), Catastrophic Event Account, and The Joseph Fund Account have an \$883.6 million fund balance projected at the end of fiscal 2008. Actions taken by the General Assembly in fiscal 2007 and 2008 are listed in **Exhibit A-1.7** and detailed below.

Fiscal 2007 Actions

The General Assembly appropriated \$20.0 million into the DPA only to be used to support the orderly closure of the Prince George's Hospital Center. This action was contingent upon the failure of *House Bill 510 (failed)*. Had House Bill 510 been enacted, \$15.2 million would have been appropriated to DPA and another \$4.8 million appropriated to support operating budget deficits at the hospital. The bill would have also established the Prince George's Hospital Authority, and obligated the county to provide local support for the hospital.

Fiscal 2008 Actions

- **Rainy Day Fund**
 - \$162.8 million is appropriated into the Rainy Day Fund. Section 7-311 of the State Finance and Procurement Article requires that in the budget for the second subsequent fiscal year the Governor appropriate an amount equal to the unappropriated general fund balance at closeout exceeding \$10.0 million into the Rainy Day Fund. At the end of fiscal 2006, the unappropriated general fund balance totaled \$172.8 million, of which \$10.0 million remains in the general fund and an amount equivalent to the remainder is appropriated into the Rainy Day Fund in fiscal 2008; and
 - \$11.0 million is transferred to the general fund from the DPA through the Rainy Day Fund. The funds were appropriated to support the purchase of certain elections equipment. The election equipment will be financed through a lease-purchase agreement and the full \$11.0 million was not required in fiscal 2008.

Exhibit A-1.7
State Reserve Fund Activity
Fiscal 2007 and 2008
(\$ in Millions)

	<u>Rainy Day Fund</u>	<u>Dedicated Purpose Acct.</u>	<u>Catastrophic Event Acct.</u>	<u>Joseph Fund Acct.</u>
Estimated Balances 6/30/06	\$758.8	\$31.5 ¹	\$8.3	\$0.0
Fiscal 2007 Appropriations	593.3	178.1	0.0	0.0
Fiscal 2007 Deficiency Appropriations		20.0		
Expenditures				
Fund Projects and Programs	-15.7			
Reimburse Transportation and Support ICC		-53.0		
Prince Georges' Hospital Closure		-20.0		
Energy Subsidies for Low-income Residents		-14.5		
2006 Election Voting Machines		-11.0		
Substance Abuse Case Mgmt. Compact		-1.0		
Transfers to General Fund	0.0			
Estimated Interest	78.8			0.0
Estimated Balances 6/30/07	1,415.2	130.2	8.3	0.0
Fiscal 2008 Appropriations	162.8	100.0 ²	0.0	0.0
Expenditures				
Energy Subsidies for Low-income Residents		-16.5		
Substance Abuse Case Mgmt. Compact		-1.0		
Transfers to Rainy Day Fund	11.0 ³	-11.0 ³		
Transfers to General Fund	-978.0 ³			
Estimated Interest	62.7			
Estimated Balances 6/30/08	\$673.7	\$201.6 ⁴	\$8.3	\$0.0
Balance in Excess of 5% GF Revenues	\$1.0			

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

ICC: InterCounty Connector

OPEB = Other Post-employment Benefits

¹ This includes \$22.0 million for voting equipment, \$7.5 million for energy assistance, and \$2.0 million for substance abuse services.

² This is \$100.0 million for OPEB liability.

³ The Dedicated Purpose Account includes \$11.0 million for election equipment. The budget proposes transferring these remaining funds to the general fund through the Rainy Day Fund.

⁴ The balance is \$200.0 million appropriated to reduce the unfunded OPEB liability and \$1.6 million for energy assistance.

Source: Department of Budget and Management and Department of Human Resources

- ***Dedicated Purpose Account***

- \$100.0 million is appropriated in the DPA to support the State's unfunded retiree health insurance liability in subsequent years. The Governmental Accounting Standards Board requires that governmental employers account for liabilities associated with commitments to Other Post Employment Benefits (such as retiree health insurance) in fiscal 2008, creating an unfunded liability on the State's balance sheet.

Rainy Day Fund Outlook

The end-of-year fiscal 2008 Rainy Day Fund balance is projected to be \$673.7 million, which is 5.0 percent of general fund revenues. State law provides that if the fund balance is less than 7.5 percent of general fund revenues, a \$50.0 million appropriation is required. The forecast assumes that these appropriations will be made in the out-years.

Personnel

State expenditures for employee compensation, estimated to be \$6.6 billion in fiscal 2008, constitute a major component of the budget. Regular employee expenditures increase \$237.1 million, or 4.0 percent, to \$6.2 billion, while contractual employee expenditures increase \$27.0 million to a total of \$453.5 million, or 6.3 percent.

Health Insurance

The Administration has assumed the use of the balance of the State Employees and Retirees Health and Welfare Benefits nonbudgeted fund to cover current costs in fiscal 2008. As a result, budgeted State costs for health insurance have gone from \$817.5 million in fiscal 2007 to \$674.6 million in fiscal 2008, a \$142.9 million, or 17.5 percent, reduction. This level of funding in the budget requires that \$175.6 million be transferred from the nonbudgeted fund to cover the State's share of claims costs in fiscal 2008.

The nonbudgeted fund balance will not be available again in fiscal 2009 to use for this purpose. DLS estimates that the fiscal 2008 balance over that necessary to pay any pending claims will be approximately \$13.5 million.

Employee Compensation

The regular employee compensation package funded for fiscal 2008 reflects enhancements available to the entire workforce. Benefits available to State employees include the required State match of \$600 for those employees participating in individual deferred compensation plans, and salary increments worth from 1.7 to 3.9 percent on the standard salary schedule for employees who are performing at or above established standards for their classification. The fiscal 2008 general salary increase is 2.0 percent, applied uniformly across all positions.

Workforce Growth

In fiscal 2008, the size of the regular State workforce increases by 1.25 percent, or 1,010 positions. Adjustments to individual agency workforces made during the 2007 session are illustrated in **Exhibit A-1.8**.

Exhibit A-1.8 Regular Full-time Equivalent Positions Fiscal 2007 and 2008

<u>Department/Service Area</u>	<u>FY 2007 Wkg. Approp.</u>	<u>FY 2008 Allowance</u>	<u>BPW & Transfers</u>	<u>Legis. Reductions</u>	<u>FY 2008 Legis. Approp.</u>
Legislative Branch	747	747			747
Judicial Branch	3,397	3,584		-86	3,498
Executive Branch					
Legal	1,586	1,602		-10	1,592
Executive and Administrative Control	1,665	1,694		-4	1,691
Financial and Revenue Administration	2,026	2,030		-2	2,028
Budget and Management	442	445		-1	444
Retirement	189	203			203
General Services	636	646			646
Transportation	9,021	9,097		-6	9,091
Natural Resources	1,369	1,367			1,367
Agriculture	436	448			448
Health and Mental Hygiene	7,680	7,674		-11	7,663
Human Resources	7,021	7,054	2	-2	7,054
Labor, Licensing, and Regulation	1,475	1,480		-1	1,479
Public Safety and Correctional Services	11,503	11,709			11,709
MSDE and Other Education	2,198	2,211	-2	-1	2,208
Housing and Community Development	316	316			316
Business and Economic Development	292	290			290
Environment	951	958		-4	954
Juvenile Services	2,080	2,144		-3	2,141
Police and Fire Marshal	2,472	2,475		-2	2,473
Executive Branch Subtotal	53,354	53,841		-47	53,794
Higher Education	22,783	23,261	0	-8	23,253
Total	80,282	81,433	0	-141	81,292

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 2007 and 2008. The fiscal 2007 balance is estimated to be \$194.5 million. At the end of fiscal 2008, the closing balance is estimated to be \$67.1 million.

Exhibit A-1.9 Final Budget Status Status as of April 9, 2007

	<u>FY 2007</u>	<u>FY 2008</u>
Starting General Fund Balance	\$1,361,712,139	\$194,519,786
Revenues (2007 and 2008)		
BRE Estimated Revenues – December 2006	12,873,976,645	13,452,841,719
BRE Revenue Revision – March 2007	-24,399,000	-25,789,000
One-time GAAP Adjustment	154,219,000	0
Additional Revenues	21,107,398	28,370,321
	\$13,024,904,043	\$13,455,423,040
Net Transfer to the General Fund from the Rainy Day Fund	-593,282,470	815,222,858
Subtotal Available Revenues	\$13,793,333,712	\$14,465,165,684
Appropriations		
General Fund Appropriations Net of Rainy Day Fund	13,540,176,202	14,590,098,519
Deficiencies	112,967,074	0
Supplemental Budgets No. 1-4	38,698,000	20,914,902
BPW February 2007 Withdrawn Appropriations	-51,575,738	0
Legislative Reductions/Contingent Legislation	-7,165,000	-182,946,605
Estimated Agency Reversions	-34,286,612	-30,000,000
Subtotal Appropriations	\$13,598,813,926	\$14,398,066,816
Closing General Fund Balance	\$194,519,786	\$67,098,868

BRE: Board of Revenue Estimates

GAAP: Generally Accepted Accounting Principles

BPW: Board of Public Works

Exhibit A-1.10, the fiscal note on the budget bill, depicts the Governor’s allowance, funding changes made through Supplemental Budgets No. 1 through 4, legislative reductions, and final appropriations for fiscal 2007 and 2008 by fund source. The Governor’s original request provided for \$30.2 billion (including projected general fund reversions) in fiscal 2008 expenditures and fiscal 2007 deficiencies.

Exhibit A-1.10
Fiscal Note
Summary of the Budget Bill – House Bill 50

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
Governor’s Request					
FY 2007 Deficiency Budget	\$61,391,336 ⁽¹⁾	\$86,629,012	\$15,453,962	\$3,556,736	\$167,031,046
FY 2008 Budget	14,722,893,418 ⁽²⁾	5,593,651,276	6,709,130,090	3,044,817,006	30,070,491,790
Original Budget Request	\$14,784,284,754	\$5,680,280,288	\$6,724,584,052	\$3,048,373,742	\$30,237,522,836
Supplemental Budgets No. 1 through 4					
FY 2007 Deficiency Budget	\$38,698,000	\$20,720,958	\$41,568,527	\$67,371,413	\$168,358,898
FY 2008 Budget	20,914,902	52,121,921	32,589,710	60,000,000	165,626,533
Subtotal	\$59,612,902	\$72,842,879	\$74,158,237	\$127,371,413	\$333,985,431
Legislative Reductions					
FY 2007 Deficiency Budget	-\$7,165,000	-\$600,000	\$0	\$0	-\$7,765,000
FY 2008 Budget	-182,946,605	-8,165,104	-36,991,773	-33	-228,103,515
Total Reductions	-\$190,111,605	-\$8,765,104	-\$36,991,773	-\$33	-\$235,868,515
Appropriations					
FY 2007 Deficiency Budget	\$92,924,336	\$106,749,970	\$57,022,489	\$70,928,149	\$327,624,944
FY 2008 Budget	14,560,861,715	5,637,608,093	6,704,728,027	3,104,816,973	30,008,014,808
Total Appropriation	\$14,653,786,051	\$5,744,358,063	\$6,761,750,516	\$3,175,745,122	\$30,335,639,752

⁽¹⁾ Reflects \$51.6 million in appropriations withdrawn by the Board of Public Works on February 28, 2007. This included \$5.0 million for an across-the-board hiring freeze, \$33.5 million in restricted health and welfare benefit funds that are not being transferred to the Dedicated Purpose Account to defray retirement enhancement expenses, \$9.0 million in overbudgeted tax credit payments in the State Department of Assessments and Taxation, \$1.6 million in the Department of General Services for overbudgeted parking garage lease payments, \$1.0 million from the Maryland Stadium Authority for overbudgeted funds for the Baltimore City Convention Center operating deficit, \$0.8 million from the Department of Veterans Affairs, \$0.4 million from the Maryland Energy Administration Solar Grant program, and \$0.3 million from the Interagency Committee on School Construction for overbudgeted school wiring lease payments.

⁽²⁾ Reflects estimated general fund reversion of \$30 million.

The Governor formally withdrew \$51.6 million in fiscal 2007 general fund spending at the February 28, 2007, meeting of BPW. The withdrawn appropriation was part of the overall fiscal plan presented by the Governor in January in conjunction with the budget. He also added \$334.0 million in fiscal 2007 and 2008 spending via four supplemental budgets. Many of the items in the supplemental budgets for fiscal 2007 represented special, federal, and higher education funds that typically would have been appropriated throughout the year through budget amendments. Budget bill language added in the fiscal 2007 budget expressed legislative intent that additional funding be provided through deficiency appropriations in order to reflect a more accurate budget.

The legislature made \$235.9 million in reductions to the total budget request, resulting in a net change in appropriations of \$327.6 million for fiscal 2007 and total appropriations of \$30.0 billion for fiscal 2008.

Exhibit A-1.11 illustrates budget changes by major expenditure category by fund. Total spending grows 1.9 percent. Debt service grows 6.0 percent; aid to local governments increases by 9.7 percent; entitlements grow 5.8 percent, and State agency spending rises 3.8 percent. PAYGO capital expenditures decrease by -5.8 percent.

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

<u>Category</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.0	\$29.3	\$29.3	n/a
Aid to Local Governments					
County/Municipal	210.9	231.1	243.6	12.5	5.4%
Community Colleges	191.6	205.9	243.7	37.8	18.4%
Education/Libraries	4,058.1	4,534.8	5,226.5	691.6	15.3%
Health	61.9	63.7	66.6	2.9	4.5%
	\$4,522.5	\$5,035.5	\$5,780.3	\$744.9	14.8%
Entitlements					
Foster Care Payments	212.2	248.8	248.3	-0.5	-0.2%
Assistance Payments	46.8	43.6	43.6	0.0	0.0%
Medical Assistance	2,060.9	2,169.9	2,258.1	88.2	4.1%
Property Tax Credits	50.1	70.0	62.4	-7.7	-10.9%
	\$2,370.0	\$2,532.3	\$2,612.4	\$80.1	3.2%
State Agencies					
Health	1,258.8	1,333.5	1,390.4	56.8	4.3%
Human Resources	291.9	281.2	284.1	2.9	1.0%
Systems Reform Initiative	34.2	32.2	48.7	16.5	51.3%
Juvenile Services	194.3	216.6	231.9	15.3	7.1%
Public Safety/Police	1,057.0	1,167.5	1,202.8	35.4	3.0%
Higher Education	912.4	1,047.4	1,118.6	71.2	6.8%
Other Education	334.2	396.7	398.5	1.7	0.4%
Agric./Nat'l Res./Environment	123.9	140.9	146.6	5.7	4.1%
Other Executive Agencies	522.8	615.8	636.1	20.3	3.3%
Judicial/Legislative	359.5	397.7	415.8	18.1	4.6%
Across-the-board Cuts	0.0	0.0	-10.0	-10.0	n/a
	\$5,089.0	\$5,629.5	\$5,863.5	\$234.0	4.2%
Subtotal	\$11,981.5	\$13,197.3	\$14,285.6	\$1,088.3	8.2%
Deficiencies	0.0	143.1	0.0	-143.1	-100.0%
Targeted Reversions	0.0	-62.1	0.0	62.1	-100.0%
Total Operating	\$11,981.5	\$13,278.3	\$14,285.6	\$1,007.3	7.6%
Capital/Heritage Reserve Fund	25.5	166.2	42.5	-123.7	-74.5%
Transfer to MdTA	50.0	53.0	0.0	-53.0	-100.0%
Reversions	0.0	-20.0	-30.0	-10.0	50.0%
Appropriations	\$12,057.0	\$13,477.5	\$14,298.1	\$820.6	6.1%
Reserve Funds ⁽¹⁾	299.4	718.4	262.8	-455.6	-63.4%
Grand Total	\$12,356.4	\$14,195.9	\$14,560.9	\$365.0	2.6%

MdTA = Maryland Transportation Authority

⁽¹⁾ Excludes \$50 million in fiscal 2006 and \$53 million in fiscal 2007 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MdTA line.

Note: Fiscal 2007 deficiencies include \$143.1 million in operating and \$1.4 million in capital for total general fund deficiencies of \$144.5 million. These figures reflect legislative reductions of \$7.2 million.

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

<u>Category</u>	<u>Actual</u> <u>FY 2006</u>	<u>Work. Appr.</u> <u>FY 2007</u>	<u>Leg. Appr.</u> <u>FY 2008</u>	<u>FY 2007 to FY 2008</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$766.1	\$774.6	\$791.7	\$17.1	2.2%
Aid to Local Governments					
County/Municipal	619.4	760.2	699.9	-60.3	-7.9%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	0.0	0.0	0.0	0.0	n/a
Health	0.0	0.0	0.0	0.0	n/a
	\$619.4	\$760.2	\$699.9	-\$60.3	-7.9%
Entitlements					
Foster Care Payments	0.1	0.4	0.1	-0.3	-72.8%
Assistance Payments	16.9	13.3	13.3	0.0	0.0%
Medical Assistance	133.9	155.4	221.4	66.0	42.5%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
	\$151.0	\$169.1	\$234.8	\$65.7	38.9%
State Agencies					
Health	169.4	230.2	232.9	2.7	1.2%
Human Resources	55.0	64.3	71.1	6.8	10.5%
Systems Reform Initiative	0.6	0.6	0.6	0.0	0.0%
Juvenile Services	2.2	4.1	0.2	-3.9	-95.1%
Public Safety/Police	181.5	182.3	198.3	16.1	8.8%
Higher Education	2,777.7	2,979.7	3,111.6	131.9	4.4%
Other Education	23.9	35.1	35.9	0.8	2.4%
Transportation	1,222.9	1,240.8	1,341.0	100.2	8.1%
Agric./Natl Res./Environment	113.8	136.6	136.2	-0.4	-0.3%
Other Executive Agencies	396.0	495.2	526.4	31.3	6.3%
Judicial/Legislative	37.8	45.2	42.8	-2.4	-5.4%
	\$4,980.8	\$5,414.1	\$5,697.0	\$282.9	5.2%
Subtotal	\$6,517.3	\$7,117.9	\$7,423.4	\$305.5	4.3%
Deficiencies	0.0	177.7	0.0	-177.7	-100.0%
Total Operating	\$6,517.3	\$7,295.6	\$7,423.4	\$127.8	1.8%
Capital	1,084.8	1,348.2	1,319.0	-29.2	-2.2%
Appropriations	\$7,602.1	\$8,643.8	\$8,742.4	\$98.6	1.1%
Reserve Funds	9.2	0.0	0.0	0.0	n/a
Grand Total	\$7,611.3	\$8,643.8	\$8,742.4	\$98.6	1.1%

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

Note: Fiscal 2007 deficiencies reflect legislative reductions of \$0.6 million.

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

<u>Category</u>	<u>Actual</u>	<u>Work. Appr.</u>	<u>Leg. Appr.</u>	<u>FY 2007 to FY 2008</u>	
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n/a
Aid to Local Governments					
County/Municipal	68.2	54.6	60.7	6.1	11.1%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	735.5	777.2	728.2	-49.0	-6.3%
Health	4.5	4.5	4.5	0.0	0.0%
	\$808.2	\$836.3	\$793.3	-\$42.9	-5.1%
Entitlements					
Foster Care Payments	101.6	96.8	104.6	7.8	8.1%
Assistance Payments	414.8	407.7	437.8	30.1	7.4%
Medical Assistance	2,180.8	2,294.0	2,428.4	134.5	5.9%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
	\$2,697.2	\$2,798.5	\$2,970.9	\$172.4	6.2%
State Agencies					
Health	698.3	757.0	823.8	66.8	8.8%
Human Resources	475.2	519.8	508.8	-11.0	-2.1%
Systems Reform Initiative	19.5	14.9	14.9	0.0	0.0%
Juvenile Services	14.2	15.0	14.7	-0.3	-1.8%
Public Safety/Police	17.2	19.2	14.7	-4.5	-23.5%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	139.4	233.0	226.5	-6.5	-2.8%
Transportation	70.8	77.6	78.1	0.5	0.6%
Agric./Nat'l Res./Environment	51.4	55.8	60.1	4.3	7.7%
Other Executive Agencies	420.7	463.8	405.6	-58.2	-12.5%
Judicial/Legislative	2.5	3.6	3.2	-0.4	-10.0%
	\$1,909.1	\$2,159.7	\$2,150.5	-\$9.2	-0.4%
Subtotal	\$5,414.5	\$5,794.5	\$5,914.8	\$120.2	2.1%
Deficiencies	0.0	53.9	0.0	-53.9	-100.0%
Total Operating	\$5,414.5	\$5,848.4	\$5,914.8	\$66.4	1.1%
Capital	792.0	769.2	790.0	20.7	2.7%
Grand Total	\$6,206.5	\$6,617.6	\$6,704.7	\$87.1	1.3%

Note: Fiscal 2007 deficiencies include \$53.9 million in operating and \$3.2 million in capital for total federal fund deficiencies of \$57.0 million.

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

<u>Category</u>	<u>Actual</u>	<u>Work. Appr.</u>	<u>Leg. Appr.</u>	<u>FY 2007 to FY 2008</u>	
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$766.1	\$774.6	\$821.0	\$46.5	6.0%
Aid to Local Governments					
County/Municipal	830.3	991.3	943.5	-47.7	-4.8%
Community Colleges	191.6	205.9	243.7	37.8	18.4%
Education/Libraries	4,058.1	4,534.8	5,226.5	691.6	15.3%
Health	61.9	63.7	66.6	2.9	4.5%
	\$5,141.9	\$5,795.7	\$6,480.3	\$684.6	11.8%
Entitlements					
Foster Care Payments	212.3	249.2	248.4	-0.7	-0.3%
Assistance Payments	63.7	56.8	56.8	0.0	0.0%
Medical Assistance	2,194.8	2,325.3	2,479.6	154.2	6.6%
Property Tax Credits	50.1	70.0	62.4	-7.7	-10.9%
	\$2,521.0	\$2,701.4	\$2,847.2	\$145.8	5.4%
State Agencies					
Health	1,428.3	1,563.7	1,623.2	59.5	3.8%
Human Resources	346.9	345.5	355.2	9.7	2.8%
Systems Reform Initiative	34.8	32.8	49.3	16.5	50.4%
Juvenile Services	196.5	220.8	232.1	11.3	5.1%
Public Safety/Police	1,238.4	1,349.7	1,401.2	51.4	3.8%
Higher Education	3,690.1	4,027.1	4,230.2	203.1	5.0%
Other Education	358.1	431.8	434.4	2.6	0.6%
Transportation	1,222.9	1,240.8	1,341.0	100.2	8.1%
Agric./Nat'l Res./Environment	237.7	277.6	282.9	5.3	1.9%
Other Executive Agencies	918.8	1,111.0	1,162.6	51.6	4.6%
Judicial/Legislative	397.3	442.9	458.6	15.7	3.5%
Across-the-board Cuts	0.0	0.0	-10.0	-10.0	n/a
	\$10,069.8	\$11,043.6	\$11,560.6	\$516.9	4.7%
Subtotal	\$18,498.7	\$20,315.2	\$21,709.0	\$1,393.8	6.9%
Deficiencies	0.0	320.8	0.0	-320.8	-100.0%
Targeted Reversions	0.0	-62.1	0.0	62.1	-100.0%
Total Operating	\$18,498.7	\$20,573.9	\$21,709.0	\$1,135.1	5.5%
Capital/Heritage Reserve Fund	1,110.4	1,514.4	1,361.5	-152.9	-10.1%
Transfer to MdTA	50.0	53.0	0.0	-53.0	-100.0%
Reversions	0.0	-20.0	-30.0	-10.0	50.0%
Appropriations	\$19,659.1	\$22,121.3	\$23,040.5	\$919.2	4.2%
Reserve Funds ⁽¹⁾	308.6	718.4	262.8	-455.6	-63.4%
Grand Total	\$19,967.7	\$22,839.7	\$23,303.3	\$463.6	2.0%

MdTA = Maryland Transportation Authority

⁽¹⁾ Excludes \$50 million in fiscal 2006 and \$53 million in fiscal 2007 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MdTA line.

Note: Fiscal 2007 deficiencies include \$320.8 million in operating and \$1.4 million in capital for total deficiencies of \$322.2 million. These figures reflect legislative reductions of \$7.8 million.

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

<u>Category</u>	<u>Actual</u>	<u>Work. Appr.</u>	<u>Leg. Appr.</u>	<u>FY 2007 to FY 2008</u>	
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$766.1	\$774.6	\$821.0	\$46.5	6.0%
Aid to Local Governments					
County/Municipal	898.5	1,045.9	1,004.2	-41.6	-4.0%
Community Colleges	191.6	205.9	243.7	37.8	18.4%
Education/Libraries	4,793.6	5,312.0	5,954.6	642.6	12.1%
Health	66.4	68.2	71.1	2.9	4.2%
	\$5,950.1	\$6,631.9	\$7,273.6	\$641.7	9.7%
Entitlements					
Foster Care Payments	314.0	346.0	353.1	7.1	2.0%
Assistance Payments	478.5	464.6	494.7	30.1	6.5%
Medical Assistance	4,375.6	4,619.3	4,908.0	288.7	6.3%
Property Tax Credits	50.1	70.0	62.4	-7.7	-10.9%
	\$5,218.2	\$5,499.9	\$5,818.1	\$318.2	5.8%
State Agencies					
Health	2,126.6	2,320.7	2,447.1	126.3	5.4%
Human Resources	822.1	865.3	864.0	-1.3	-0.1%
Systems Reform Initiative	54.3	47.7	64.2	16.5	34.6%
Juvenile Services	210.7	235.8	246.8	11.1	4.7%
Public Safety/Police	1,255.6	1,368.9	1,415.9	46.9	3.4%
Higher Education	3,690.1	4,027.1	4,230.2	203.1	5.0%
Other Education	497.5	664.8	660.9	-3.9	-0.6%
Transportation	1,293.7	1,318.4	1,419.1	100.7	7.6%
Agric./Natl Res./Environment	289.0	333.4	343.0	9.6	2.9%
Other Executive Agencies	1,339.6	1,574.8	1,568.2	-6.6	-0.4%
Judicial/Legislative	399.8	446.5	461.9	15.3	3.4%
Across-the-board Cuts	0.0	0.0	-10.0	-10.0	n/a
	\$11,978.9	\$13,203.4	\$13,711.1	\$507.7	3.8%
Subtotal	\$23,913.2	\$26,109.7	\$27,623.8	\$1,514.0	5.8%
Deficiencies	0.0	374.6	0.0	-374.6	-100.0%
Targeted Reversions	0.0	-62.1	0.0	62.1	-100.0%
Total Operating	\$23,913.2	\$26,422.3	\$27,623.8	\$1,201.5	4.5%
Capital/Heritage Reserve Fund	1,902.4	2,283.6	2,151.4	-132.2	-5.8%
Transfer to MdTA	50.0	53.0	0.0	-53.0	-100.0%
Reversions	0.0	-20.0	-30.0	-10.0	50.0%
Appropriations	\$25,865.6	\$28,738.9	\$29,745.2	\$1,006.3	3.5%
Reserve Funds ⁽¹⁾	308.6	718.4	262.8	-455.6	-63.4%
Grand Total	\$26,174.2	\$29,457.3	\$30,008.0	\$550.7	1.9%

MdTA = Maryland Transportation Authority

⁽¹⁾ Excludes \$50 million in fiscal 2006 and \$53 million in fiscal 2007 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MdTA line.

Note: Fiscal 2007 deficiencies include \$374.6 million in operating and \$4.6 million in capital for total deficiencies of \$379.2 million. These figures reflect legislative reductions of \$7.6 million.

Capital Budget

The 2007 General Assembly approved a capital program totaling \$3.265 billion, including \$1.75 billion for the transportation program which is discussed in more detail in the Operating Budget Section of this *90 Day Report*. Of the total \$1.5 billion non-transportation capital program, \$829.8 million is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan of 2007 (MCCBL), the 2007 capital budget bill *House Bill 51 (passed)*; \$560.8 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$100 million is funded with revenue bonds to be issued by the Maryland Department of the Environment to support State and local efforts to upgrade wastewater treatment plants; and \$30 million is funded with academic revenue bonds for University of Maryland System facilities authorized in *House Bill 1116 (passed)*.

Exhibit A-2.1 presents an overview of the State's capital program for fiscal 2008, **Exhibit A-2.2** lists capital projects and programs by function and fund source, and **Exhibit A-2.3** provides the individual legislative initiative projects funded in the 2007 MCCBL. The 2007 MCCBL includes funding for:

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

In addition to GO debt, the State's capital program is funded with PAYGO funds which are used primarily to support economic development, housing, and environmental programs, for which the use of tax-exempt debt is limited under federal tax guidelines.

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

Function	Bonds		Current Funds (PAYGO)			Total
	General Obligation	Revenue	General	Special	Federal	
State Facilities						\$37.4
Facilities Renewal	\$13.0	\$0.0	\$0.0	\$0.0	\$0.0	
Other	7.6	0.0	9.6	0.3	6.9	
Health/Social						\$37.3
State Facilities	\$19.7	\$0.0	\$0.0	\$0.0	\$0.0	
Private Hospitals	5.0	0.0	0.0	0.0	0.0	
Other	12.5	0.0	0.0	0.0	0.0	
Environment						\$568.3
Energy	\$0.0	\$0.0	\$0.0	\$2.5	\$0.0	
Natural Resources	5.0	0.0	0.0	238.4	5.0	
Agriculture	6.6	0.0	0.0	74.8	2.0	
Environment	17.1	100.0	7.3	79.5	29.0	
MD Environmental Services	1.0	0.0	0.0	0.0	0.0	
Public Safety						\$50.0
State Corrections	\$36.8	\$0.0	\$0.0	\$0.0	\$0.0	
State Police	0.3	0.0	0.0	0.0	0.0	
Local Jails	12.9	0.0	0.0	0.0	0.0	
Education						\$392.4
School Construction	\$386.1	\$0.0	\$0.0	\$2.4	\$0.0	
Other	1.7	0.0	2.3	0.0	0.0	
Higher Education						\$256.6
University System	\$142.4	\$30.0	\$0.0	\$0.0	\$0.0	
Morgan State University	8.7	0.0	0.0	0.0	0.0	
St. Mary's College	1.1	0.0	0.0	0.0	0.0	
Community Colleges	56.4	0.0	0.0	0.0	0.0	
Private Colleges/Universities	8.0	0.0	0.0	0.0	0.0	
Medical System	10.0	0.0	0.0	0.0	0.0	
Housing/Community Development						\$70.3
Housing	\$7.0	\$0.0	\$2.6	\$21.4	\$4.9	
Other	2.2	0.0	5.7	15.1	11.5	

Function	Bonds		Current Funds (PAYGO)			Total
	General Obligation	Revenue	General	Special	Federal	
Economic Development						\$34.0
Economic Development	\$0.0	\$0.0	\$0.0	\$19.0	\$0.0	
Other	0.0	0.0	15.0	0.0	0.0	
Local Projects						\$69.7
Administration	\$48.7	\$0.0	\$0.0	\$0.0	\$0.0	
Legislative	20.0	0.0	0.0	1.0	0.0	
Deauthorizations						-\$19.8
Deauthorization	-\$19.8	\$0.0	\$0.0	\$0.0	\$0.0	
Total Fiscal 2008	\$810.0	\$130.0	\$42.5	\$454.4	\$59.3	\$1,496.1
Fiscal 2007 Deficiencies	\$0.0	\$0.0	\$1.4	\$0.0	\$3.2	\$4.6
QZAB	\$11.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Transportation	\$0.0	\$400.0	\$0.0	\$561.9	\$791.4	\$1,753.3
Grand Total 2008	\$821.1	\$530.0	\$43.9	\$1,016.4	\$853.8	\$3,265.6

Exhibit A-2.2 Capital Program – 2007 Session

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
State Facilities							
D06E02.01A	Public Safety Communication System	\$0	\$0	\$7,500,000	\$0	\$0	\$7,500,000
D06E02.01B	DGS: Asbestos Abatement Program	0	0	1,910,000	0	0	1,910,000
D55P00.04	Veterans Affairs Cemetery Expansion	0	0	210,000	0	6,912,000	7,122,000
DA02.01A	DOD: Accessibility Modifications	1,600,000	0	0	0	0	1,600,000
DE02.01A	BPW: Annapolis State House	3,550,000	0	0	0	0	3,550,000
DE02.01B	BPW: DGS Facilities Renewal Fund	9,000,000	0	0	0	0	9,000,000
DE02.01C	BPW: DGS Construction Contingency	2,000,000	0	0	0	0	2,000,000
DE02.01D	BPW: DGS Underground Storage Tank	400,000	0	0	0	0	400,000
DE02.01E	BPW: Centreville District Court Parking	1,500,000	0	0	0	0	1,500,000
DE02.01F	BPW: Catonsville District Court	2,500,000	0	0	0	0	2,500,000
P00A01.10	DLLR: Eastern Shore Regional Call Center	0	0	0	348,000	0	348,000
Subtotal		\$20,550,000	\$0	\$9,620,000	\$348,000	\$6,912,000	\$37,430,000
Health/Social							
DA07A	Aging: Senior Citizens Activities Centers	\$1,320,000	\$0	\$0	\$0	\$0	\$1,320,000
MA01A	DHMH: Community Health Facilities	7,510,000	0	0	0	0	7,510,000
MA01B	DHMH: Federally Qualified Health Centers	3,712,000	0	0	0	0	3,712,000
MF05A	DHMH: New Forensic Medical Center	1,915,000	0	0	0	0	1,915,000
ML10A	DHMH: Clifton T. Perkins Hospital Center	14,500,000	0	0	0	0	14,500,000 ⁵
VD01A	DJS: Juvenile Services Facilities Program	3,329,000	0	0	0	0	3,329,000
ZA03A	MHA: Adventist HealthCare	120,000	0	0	0	0	120,000
ZA03B	MHA: Atlantic General Hospital	700,000	0	0	0	0	700,000
ZA03C	MHA: Bon Secours Hospital	1,000,000	0	0	0	0	1,000,000
ZA03D	MHA: Fort Washington Medical Center	560,000	0	0	0	0	560,000
ZA03E	MHA: Johns Hopkins Bayview	560,000	0	0	0	0	560,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA03F	MHA: Shore Health System	500,000	0	0	0	0	500,000
ZA03G	MHA: St. Agnes HealthCare	560,000	0	0	0	0	560,000
ZA03H	MHA: Western Maryland Health System	1,000,000	0	0	0	0	1,000,000
	Subtotal	\$37,286,000	\$0	\$0	\$0	\$0	\$37,286,000
	Environment						
D13A13.02	MEA: Community Energy Loan Program	\$0	\$0	\$0	\$1,500,000	\$0	\$1,500,000
D13A13.03	MEA: State Agency Loan Program	0	0	0	1,000,000	0	1,000,000
K00A05.10A	DNR: Rural Legacy Program	0	0	0	20,921,000	0	20,921,000
K00A05.10B	DNR: POS Land Acquisition	0	0	0	170,557,277	4,000,000	174,557,277
K00A05.10C	DNR: Natural Resources Development	0	0	0	11,717,000	0	11,717,000
K00A05.10D	DNR: Critical Maintenance Projects	0	0	0	5,970,000	0	5,970,000
K00A05.11	DNR: Waterway Improvement Fund	0	0	0	26,700,000	1,000,000	27,700,000
K00A05.14	DNR: Shore Erosion Control Program	0	0	0	500,000	0	500,000
K00A09.06	DNR: Ocean City Beach Maintenance	0	0	0	2,000,000	0	2,000,000
KA05A	DNR: Community Parks & Playgrounds	3,000,000	0	0	0	0	3,000,000
KA05A.1	Bay Head Park ¹	250,000	0	0	0	0	250,000
KA05A.2	Athletic Lighting Renovations ¹	250,000	0	0	0	0	250,000
KA05A.3	Blandair Regional Park ¹	250,000	0	0	0	0	250,000
KA05A.4	Woodstock Equestrian Park ¹	250,000	0	0	0	0	250,000
KA05A.5	Old Mill High School Stadium ¹	250,000	0	0	0	0	250,000
KA05A.6	Athletic Turf Fields ¹	250,000	0	0	0	0	250,000
KA05A.7	High School Stadium Seating ¹	250,000	0	0	0	0	250,000
KA05A.8	Brandywine North Keys Community Park ¹	250,000	0	0	0	0	250,000
L00A11.11	MDA: Agricultural Land Preservation	0	0	0	67,961,820	2,000,000	69,961,820
LA12.13	MDA: Tobacco Transition Program	3,000,000	0	0	6,880,000	0	9,880,000
LA15A	MDA: Agricultural Cost-Share Program	3,608,000	0	0	0	0	3,608,000
U00A01.03	MDE: Water Quality Loan Program	0	50,000,000	4,240,000	34,580,000	21,180,000	110,000,000
U00A01.04	MDE: Hazardous Substance Cleanup	0	0	850,000	0	0	850,000
U00A01.05	MDE: Drinking Water Loan Program	0	0	2,240,000	3,946,000	7,814,000	14,000,000
U00A01.11A	MDE: Chesapeake Bay Restoration – ENR	0	50,000,000	0	30,000,000	0	80,000,000
U00A01.11B	MDE: Chesapeake Bay Restoration – Sewer	0	0	0	5,000,000	0	5,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
U00A01.12	MDE: Chesapeake Bay Restoration – Septic	0	0	0	6,000,000	0	6,000,000
UA04A(1)	MDE: CBWQ Nutrient Removal – BNR	7,874,000	0	0	0	0	7,874,000
UA04A(2)	MDE: CBWQ Supplemental Assistance	5,000,000	0	0	0	0	5,000,000
UA04A(3)	MDE: CBWQ Small Creek & Estuary Restoration	500,000	0	0	0	0	500,000
UA04A(4)	MDE: CBWQ Stormwater Pollution	750,000	0	0	0	0	750,000
UA04B	MDE: Water Supply Assistance Program	3,000,000	0	0	0	0	3,000,000
UB00A	MES: Infrastructure Improvement Fund	1,007,000	0	0	0	0	1,007,000
	Subtotal	\$29,739,000	\$100,000,000	\$7,330,000	\$395,233,097	\$35,994,000	\$568,296,097
	Public Safety						
QB02A	DPSCS: Baltimore City Correctional Complex	\$840,000	\$0	\$0	\$0	\$0	\$840,000
QB04A	DPSCS: MCTC 192-Cell Med. Sec. Housing Unit	25,000,000	0	0	0	0	25,000,000 ⁵
QB04B	DPSCS: MCTC Site Utilities Upgrade	9,836,000	0	0	0	0	9,836,000
QP00A	DPSCS: Balt. City Corr. Complex – Acquis/Demo	1,100,000	0	0	0	0	1,100,000
WA01A	DSP: Tactical Services Building	275,000	0	0	0	0	275,000
ZB02A	Local Jails: Garrett County Detention Center	4,800,000	0	0	0	0	4,800,000
ZB02B	Local Jails: Harford County Detention Center	5,815,000	0	0	0	0	5,815,000
ZB02C	Local Jails: Prince George’s Co. Detention Center	358,000	0	0	0	0	358,000
ZB02D	Local Jails: Somerset County Detention Center	536,000	0	0	0	0	536,000
ZB02E	Local Jails: Washington County Detention Center	1,400,000	0	0	0	0	1,400,000
	Subtotal	\$49,960,000	\$0	\$0	\$0	\$0	\$49,960,000
	Education						
DE02.02A	Public School Construction	\$385,800,000	\$0	\$0	\$2,400,000	\$0	\$388,200,000 ²
DE02.02B	Relocatable Classrooms	250,000	0	0	0	0	250,000
R00A02.33	MSDE: County Library Grant Program	0	0	2,250,000	0	0	2,250,000
RE01A	MD School for Deaf – School Complex	1,250,000	0	0	0	0	1,250,000
RE01B	MD School for Deaf – Cafeteria/Student Center	447,000	0	0	0	0	447,000
	Subtotal	\$387,747,000	\$0	\$2,250,000	\$2,400,000	\$0	\$392,397,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
Higher Education							
RB22A	UMCP: Tawes Building Conversion	\$28,800,000	\$0	\$0	\$0	\$0	\$28,800,000
RB24A	TU: New College of Liberal Arts Complex	13,505,000	0	0	0	0	13,505,000
RB27A	CSU: New Physical Education Complex	64,206,000	15,000,000	0	0	0	79,206,000 ⁵
RB27B	CSU: Health & Human Services Building	7,270,000	0	0	0	0	7,270,000
RB27C	CSU: Campuswide Utilities/Security Systems	588,000	0	0	0	0	588,000
RB28A	UB: North Charles Street Building Renovation	1,211,000	0	0	0	0	1,211,000
RB29A	SU: New Teacher Education & Tech. Complex	9,582,000	0	0	0	0	9,582,000
RB29B	SU: New Perdue School of Business	2,927,000	0	0	0	0	2,927,000
RB30A	UMUC: Academic Tech. Support Center	1,185,000	0	0	0	0	1,185,000
RB31A	UMBC: Performing Arts/Humanities Complex	2,725,000	0	0	0	0	2,725,000
RB34A	UMCES: Horn Point Lab Oyster Production	9,200,000	0	0	0	0	9,200,000
RB36A	USM: Shady Grove Educational Center III	1,200,000	0	0	0	0	1,200,000
RB36rb	USM: Facility Renewal	0	15,000,000	0	0	0	15,000,000
RD00A	SMC: New Academic Building	1,077,000	0	0	0	0	1,077,000
RI00A	MHEC: Community College Facilities Program	56,410,000	0	0	0	0	56,410,000
RM00A	MSU: New Center for Built Environment	3,949,000	0	0	0	0	3,949,000
RM00B	MSU: Campuswide Site Improvements	3,723,000	0	0	0	0	3,723,000
RM00C	MSU: Banneker Hall	1,068,000	0	0	0	0	1,068,000
RQ00A	UMMS: New Ambulatory Care Center	5,000,000	0	0	0	0	5,000,000
RQ00B	UMMS: New Diagnostic & Treatment Facilities	5,000,000	0	0	0	0	5,000,000
ZA00H	MICUA: Johns Hopkins Gilman Hall	2,000,000	0	0	0	0	2,000,000
ZA00I	MICUA: MD Institute College of Art	3,000,000	0	0	0	0	3,000,000
ZA00J	MICUA: Mount St. Mary's Performing Arts	2,000,000	0	0	0	0	2,000,000
ZA00K	MICUA: St. John's College – Infrastructure	1,000,000	0	0	0	0	1,000,000
Subtotal		\$226,626,000	\$30,000,000	\$0	\$0	\$0	\$256,626,000
Housing/Community Development							
D40W01.11	Planning: MHT Capital Loan Program	\$0	\$0	\$0	\$200,000	\$0	\$200,000
DB01A	Historic St. Mary's: Heritage Center	865,000	0	0	0	0	865,000
DB01B	Historic St. Mary's: St. John's Archeological Site	650,000	0	0	0	0	650,000
DW00.10A	Planning: Historical Trust Capital Grant Fund	700,000	0	0	0	0	700,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
S00A24.02A	DHCD: Community Legacy Program	0	0	4,500,000	2,000,000 ³	0	6,500,000
S00A24.02B	DHCD: Neighborhood Business Development	0	0	0	4,000,000 ³	0	4,000,000
S00A24.02C	DHCD: Community Development Block Grants	0	0	0	0	10,000,000	10,000,000
S00A25.07	DHCD: Rental Housing Program	0	0	2,608,000	12,892,000	4,750,000	20,250,000
S00A25.08	DHCD: Homeownership Programs	0	0	0	8,500,000	100,000	8,600,000
S00A25.09	DHCD: Special Loans Programs	0	0	1,150,000	6,850,000	1,500,000	9,500,000
S00A25.10	DHCD: Partnership Rental Housing Program	6,000,000	0	0	2,000,000	0	8,000,000
SA25B	DHCD: Shelter & Transitional Housing Facilities	1,000,000	0	0	0	0	1,000,000
	Subtotal	\$9,215,000	\$0	\$8,258,000	\$36,442,000	\$16,350,000	\$70,265,000
	Economic Development						
D40W01.12	Planning: Historic Tax Credit Fund	\$0	\$0	\$15,000,000	\$0	\$0	\$15,000,000
T00F00.23(1)	DBED: Rural Broadband Network Fund	0	0	0	4,000,000 ⁴	0	4,000,000
T00F00.23	DBED: MD Economic Development Fund	0	0	0	15,000,000 ⁴	0	15,000,000
	Subtotal	\$0	\$0	\$15,000,000	\$19,000,000	\$0	\$34,000,000
	Local Projects						
T00F00.23(2)	Misc: Germantown Life Sciences Incubator	\$0	\$0		\$1,000,000 ⁴	\$0	\$1,000,000
ZA00A	Misc: Birchmere Music Hall	2,000,000	0	0	0	0	2,000,000
ZA00B	Misc: Comprehensive Housing Assistance	2,500,000	0	0	0	0	2,500,000
ZA00C	Misc: East Baltimore Biotechnology Park	5,000,000	0	0	0	0	5,000,000
ZA00D	Misc: Garrett College Athletic & Community Center	12,451,000	0	0	0	0	12,451,000
ZA00E	Misc: Johns Hopkins/Critical Care Tower	7,500,000	0	0	0	0	7,500,000
ZA00F	Misc: Johns Hopkins/Pediatric Trauma Center	5,000,000	0	0	0	0	5,000,000
ZA00G	Misc: Kennedy Krieger Institute – NCARDD	1,000,000	0	0	0	0	1,000,000
ZA00L	Misc: Maryland Zoo Facilities Renewal	1,000,000	0	0	0	0	1,000,000
ZA00M	Misc: Southern Maryland Stadium	4,700,000	0	0	0	0	4,700,000
ZA00N	Misc: WestSide Revitalization Project	5,000,000	0	0	0	0	5,000,000
ZA00O	Misc: WYPR Digital Conversion	375,000	0	0	0	0	375,000
ZA00P	Misc: Annapolis Underground Wiring	600,000	0	0	0	0	600,000
ZA00Q	Misc: Maryland Artificial Reef Initiative	250,000	0	0	0	0	250,000
ZA00R	Misc: Wicomico Youth and Civic Center	1,000,000	0	0	0	0	1,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA00S	Misc: Slave Church Restoration	300,000	0	0	0	0	300,000
ZA01	Legislative Initiatives	20,000,000	0	0	0	0	20,000,000
	Subtotal	\$68,676,000	\$0	\$0	\$1,000,000	\$0	\$69,676,000
	Deauthorizations	-\$19,799,000	\$0	\$0	\$0	\$0	-\$19,799,000
	Total	\$810,000,000	\$130,000,000	\$42,458,000	\$454,423,097	\$59,256,000	\$1,496,137,097
	Fiscal 2007 Deficiencies						
Q00A01.05	DPSCS: Baltimore City Detention – Acquisition	\$0	\$0	\$1,392,410	\$0	\$0	\$1,392,410
U00A01.03	MDE: Water Quality Loan Program	0	0	0	0	2,630,000	2,630,000
U00A01.05	MDE: Drinking Water Loan Program	0	0	0	0	536,000	536,000
	Total Deficiencies	\$0	\$0	\$1,392,410	\$0	\$3,166,000	\$4,558,410
	Qualified Zone Academy Bonds	\$11,126,000	\$0	\$0	\$0	\$0	\$11,126,000
	Total Non-Transportation New Funding	\$821,126,000	\$130,000,000	\$43,850,410	\$454,423,097	\$62,422,000	\$1,511,821,507
	Transportation	\$0	\$400,000,000	\$0	\$561,945,523	\$791,383,200	\$1,753,328,723
	Grand Total	\$821,126,000	\$530,000,000	\$43,850,410	\$1,016,368,620	\$853,805,200	\$3,265,150,230

¹The 2007 Maryland Consolidated Capital Bond Loan provides earmarked funding through the Department of Natural Resources Community Parks and Playgrounds Program.

²This does not include \$13.6 million from the Interagency Committee on School Construction Contingency Fund which brings the total funding for school construction projects to \$401.8 million.

³Language in the fiscal 2008 operating budget bill authorizes the Governor to transfer \$2 million from the Neighborhood Business Development Program (NBDP) to fund Community Legacy Program projects – this would raise the amount of funds authorized for the Community Legacy Program to \$6.5 million and reduce by \$2.0 million the amount of funds authorized for NBDP for fiscal 2008.

⁴Language in the fiscal 2008 operating budget bill authorizes the Governor to fund this project/program from the Maryland Economic Development Authority Assistance Fund special funds capital appropriation.

⁵This amount does not include funds pre-authorized in the 2007 Maryland Consolidated Capital Bond Loan for fiscal 2009. Specific pre-authorizations that will allow projects to be bid for construction during fiscal 2008 include \$5 million for the Department of Health and Mental Hygiene Clifton T. Perkins Hospital Center, \$7,637,000 for the Department of Public Safety and Correctional Services House of Corrections 192-Cell Medium Security Housing Unit, and \$30 million for the Coppin State University New Physical Education Complex.

**Exhibit A-2.3
Legislative Projects – 2007 Session**

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/Requirements</u>
Allegany County					
Human Resources Development Commission Senior Center	100,000			<u>100,000</u>	Hard
Subtotal				\$100,000	
Anne Arundel County					
Bay Head Park			250,000	250,000	
Children’s Theatre of Annapolis	125,000			125,000	Soft (2,3)
Light House Shelter	250,000	100,000		350,000	Soft (all)
Maryland Hall for the Creative Arts	225,000			225,000	Soft (2); Hist. Ease.
Mount Olive Community Life Center		100,000		100,000	Hard
Old Mill High School Stadium			250,000	250,000	
Opportunity Builders	100,000			100,000	Soft (1,3)
Providence Center	100,000	100,000		<u>200,000</u>	Hard
Subtotal				\$1,600,000	
Baltimore City					
Alpha Phi Alpha Fraternity Corporate Headquarters	100,000			100,000	Soft (1,2); Hist. Ease.
Baltimore Museum of Industry		50,000		50,000	Soft (1,2); Hist. Ease.
Baltimore Station Facility	100,000			100,000	Soft (3); Hist. Ease.
Beans and Bread	150,000			150,000	Soft (3)
Clarence H. “Du” Burns Memorial		100,000		100,000	Soft (1)
Dorothy M. Higgins Community Center		100,000		100,000	Soft (1,2)
East Baltimore Housing Community		100,000		100,000	Soft (all)
Edward A. Myerberg Senior Center		125,000		125,000	Hard
Family Cultural Enrichment Community Center	125,000	100,000		225,000	Soft (all)
Fort McHenry Visitors Center		100,000		100,000	Soft (2,3)
Historic East Baltimore Community Action Coalition	200,000			200,000	Hard; Hist. Ease.

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/Requirements</u>
Howard "Pete" Rawlings Hearing and Speech Facility		25,000		25,000	Soft (3)
Junior League of Baltimore Thrift Store	100,000	200,000		300,000	Hard
L.A.M.B. Community Resource Center		100,000		100,000	Soft (all)
Library Square Revitalization	225,000			225,000	Soft (3); Hist. Ease.
Lyndhurst Recreational Center		125,000		125,000	Hard
Restoration Gardens		150,000		150,000	Hard
School 33 Art Center		50,000		50,000	Soft (3); Hist. Ease.
The Mount	100,000			100,000	Soft (2,3); Hist. Ease.
Zion Christian Middle School		100,000		<u>100,000</u>	Soft (1,3)
Subtotal				\$2,525,000	
Baltimore County					
Athletic Lighting Renovations			250,000	250,000	
Athletic Turf Fields			250,000	250,000	
Forbush School		150,000		150,000	Hard
High School Stadium Seating			250,000	250,000	
HopeWell Cancer Support Facility	100,000			100,000	Soft (3)
Irvine Nature Center	200,000	125,000		325,000	Hard
Northeast Skate Park	100,000			100,000	Hard
Storyville Children's Learning Center	50,000	200,000		250,000	Hard
United Cerebral Palsy Facility	200,000			200,000	Soft (2,3)
Westchester Community Center		150,000		<u>150,000</u>	Soft (U)
Subtotal				\$2,025,000	
Calvert County					
Annmarie Garden	100,000			100,000	Hard
ARC of Southern Maryland Community Resource Center	150,000			150,000	Soft (2,3)
Project ECHO Homeless Shelter		250,000		<u>250,000</u>	Soft (1,2)
Subtotal				\$500,000	
Caroline County					
Caroline Hospice	100,000	50,000		<u>150,000</u>	Soft (2,3)
Subtotal				\$150,000	

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/Requirements</u>
Carroll County					
Danele Shipley Memorial Arena	100,000			100,000	Soft (3)
Marlin K. Hoff Memorial Barn		100,000		<u>100,000</u>	Hard; Hist. Ease.
Subtotal				\$200,000	
Cecil County					
4-H Animal Display Barn	100,000			100,000	Soft (all, U)
Cecil County Breeder's Fair		50,000		50,000	Hard
Stone House	100,000			<u>100,000</u>	Hard; Hist. Ease.
Subtotal				\$250,000	
Charles County					
Charles County Humane Society	150,000			150,000	Hard
Lions Camp Merrick		150,000		150,000	Soft (1,2)
Mattawoman Creek Art Center		15,000		15,000	Soft (2)
Old Waldorf School Community Center		100,000		<u>100,000</u>	Soft (2,3)
Subtotal				\$415,000	
Dorchester County					
Dorchester County Family YMCA	150,000	50,000		200,000	Soft (all)
Dorchester County Historical Society Museum		50,000		<u>50,000</u>	Soft (2,3)
Subtotal				\$250,000	
Frederick County					
C&O Canal National Historic Catoctin Aqueduct		200,000		200,000	Hard
Way Station	250,000			250,000	Soft (1,3); Hist. Ease.
YMCA		50,000		<u>50,000</u>	Hard
Subtotal				\$500,000	
Garrett County					
Garrett Performing Arts Center		50,000		<u>50,000</u>	Soft (all)
Subtotal				\$50,000	
Harford County					
Harford County 4-H Club Camp	100,000			100,000	Soft (2,3)
Havre de Grace Maritime Museum	150,000	150,000		<u>300,000</u>	Soft (2,3)
Subtotal				\$400,000	

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/Requirements</u>
Howard County					
Blandair Regional Park		125,000	250,000	375,000	Hard; Hist. Ease.
Norbel School		50,000		50,000	Hard
North Laurel Community Center	200,000			200,000	Hard
Robinson Nature Center		350,000		<u>350,000</u>	Hard
Subtotal				<u>\$975,000</u>	
Montgomery County					
Agriculture Activity Center Expansion	100,000	100,000		200,000	Hard
Birchmere Music Hall			2,000,000	2,000,000	
Damascus Heritage Museum		200,000		200,000	Soft (U,2)
Easter Seals Inter-Generational Center	200,000			200,000	Hard
Gaithersburg Regional Aquatic Recreation Center		100,000		100,000	Soft (1,3)
Germantown Boys & Girls Club Gymnasium	200,000	350,000	225,000	775,000	Hard
Glen Echo Park		225,000		225,000	Hard
Imagination Stage	150,000			150,000	Soft (3)
Katherine Thomas High School		50,000		50,000	Soft (2,3)
MacDonald Knolls Center	150,000	100,000		250,000	Hard
Metropolitan Washington Ear Facility		25,000		25,000	Soft (1)
National Labor College Academic Services Building		100,000		100,000	Hard
Nonprofit Village Center	250,000			250,000	Soft (1,2)
Oakley Cabin Restoration		15,000		15,000	Soft (U,2); Hist. Ease.
Public Safety Memorial	150,000			150,000	Hard
Rockville Senior Center Expansion		100,000		100,000	Hard
Warren Historical Site – Loving Charity Hall	175,000			175,000	Soft (all); Hist. Ease.
Wheaton Multi-Service Youth Facility	100,000	100,000		200,000	Hard
Woodstock Equestrian Park		250,000	250,000	<u>500,000</u>	Hard; Hist. Ease.
Subtotal				<u>\$5,665,000</u>	
Prince George's County					
Brandywine North Keys Community Park			250,000	250,000	
College Park Aviation Museum	75,000			75,000	Hard; Hist. Ease.

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/Requirements</u>
Delta Alumnae Community Development Center	100,000			100,000	Soft (2)
Duvall Field Renovation		75,000		75,000	Hard
Ernest Everett Just Monument	75,000	75,000		150,000	Soft (all)
Fraternal Order of Police Fallen Hero Memorial	100,000	150,000		250,000	Soft (all)
Hard Bargain Farm Environmental Center	100,000			100,000	Soft (all); Hist. Ease.
Historic Greenbelt Theater	200,000	100,000		300,000	Soft (3); Hist. Ease.
Historic Laurel Mill Ruins		100,000		100,000	Hard
Laurel Armory Anderson Murphy Community Center	100,000			100,000	Soft (3); Hist. Ease.
Marlton Gazebo	100,000			100,000	Soft (3); Hist. Ease.
Maryland Crime Victims' Resource Foundation	100,000			100,000	Soft (3)
Maryland Multicultural Youth Center Multi-Purpose Room		100,000		100,000	Soft (all)
Mission of Love	150,000			150,000	Soft (all)
National Philippine Cultural Center		100,000		100,000	Soft (all)
Palmer Park Boys and Girls Club		175,000		175,000	Soft (all)
Poplar Hill on His Lordship's Kindness	100,000			100,000	Soft (all); Hist. Ease.
Reid Community Business Development Center	100,000	200,000		300,000	Hard
Safe Passage Emergency Shelter		150,000		150,000	Hard
Suitland Technology Center	75,000	75,000		150,000	Soft (3)
World Arts Focus Performance Theatre	100,000			<u>100,000</u>	Hard
Subtotal				\$3,025,000	
Queen Anne's County					
Chesterwye Center Addition	50,000	150,000		<u>200,000</u>	Soft (3)
Subtotal				\$200,000	
St. Mary's County					
Hospice House	100,000	50,000		150,000	Hard
SMARTCO's Computer Technology Learning Center		50,000		50,000	Soft (2, 3)
St. Clement's Island Lighthouse	100,000			100,000	Soft (2)
St. Mary's Agriculture Service Center		100,000		100,000	Soft (1)
St. Mary's College Amphitheater	75,000			75,000	Soft (1,3)

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/Requirements</u>
Tudor Hall	25,000			<u>25,000</u>	Hard; Hist. Ease.
Subtotal				\$500,000	
Somerset County					
Alice Byrd Tawes Nursing Home Replacement Facility	100,000	150,000		250,000	Soft (3)
Teackle Mansion Restoration and Expansion	100,000			<u>100,000</u>	Soft (1, 3); Hist. Ease.
Subtotal				\$350,000	
Talbot County					
Easton Memorial Walk	47,000			47,000	Soft (2)
Talbot Agricultural Service Center	50,000	50,000		<u>100,000</u>	Soft (1)
Subtotal				147,000	
Washington County					
Barbara Ingram School for the Arts		150,000		150,000	Hard; Hist. Ease.
C&O Canal National Historical Park		100,000		100,000	Hard; Hist. Ease.
Museum of Fine Arts	150,000			<u>150,000</u>	Hard; Hist. Ease.
Subtotal				\$400,000	
Wicomico County					
Epilepsy Association Facility	150,000			150,000	Soft (1, 3)
Salisbury Zoo Animal Health Facility	100,000			<u>100,000</u>	Soft (3)
Subtotal				\$250,000	
Worcester County					
Delmarva Discovery Center on the Pocomoke River	100,000	50,000		150,000	Hard
Mar-Va Theater Performing Arts Center	100,000			<u>100,000</u>	Soft (2); Hist. Ease.
Subtotal				\$250,000	
Statewide					
Capital Area Food Bank	200,000	200,000		400,000	Soft (all)
Chimes School	250,000			250,000	Hard
Flag House and Star Spangled Banner Museum		125,000		125,000	Soft (3); Hist. Ease.
Hispanic Apostolate and Immigration Legal Services	128,000	125,000		253,000	Hard
Hope House	100,000	100,000		200,000	Soft (U, 2)
Martin Luther King, Jr. National Memorial Project	250,000	250,000		500,000	Hard

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/Requirements</u>
Maryland Artificial Reef Initiative		250,000	250,000	500,000	Hard
Maryland Food Bank	200,000	200,000		400,000	Hard
Maryland Science Center		200,000		200,000	Soft (all)
Pentagon Memorial	125,000	125,000		250,000	Hard
Port Discovery		125,000		125,000	Hard
The Benedictine School	250,000			250,000	Soft(3)
The Maryland Study Center at Kiplin Hall		170,000		170,000	Grant
Walters Art Museum		125,000		<u>125,000</u>	Soft (2); Hist. Ease.
Subtotal				<u>\$3,748,000</u>	
 Total Senate and House Local Initiatives	 \$10,000,000	 \$10,000,000			

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

Debt Affordability

As shown in **Exhibit A-2.4**, the long range plan adopted by the Capital Debt Affordability Committee (CDAC) in September 2006 provides for a total of over \$4.3 billion in authorizations from 2007 to 2011. This is an increase of \$565 million over the amount recommended by the CDAC in its September 2005 report for the five-year planning period considered by the committee. The revised debt limits included an additional \$100 million to permanently expand the capital program and a 3 percent growth factor to account for the effects of inflation. For the 2007 session, CDAC recommended \$810 million of new GO bond authorizations to support the capital program. The 2007 MCCBL passed by the General Assembly is consistent with the level of new GO debt authorizations recommended by CDAC. An additional \$19.8 million in GO bonds from prior years is deauthorized in the capital budget of 2007 thereby increasing the amount of new GO debt included in the capital program to \$829.8 million. Included in the \$829.8 million of new debt is \$3.0 million authorized in the Southern Maryland Regional Strategy-Action Plan for Agriculture Loan of 2001 for the Tobacco Transition Program as amended by Chapter 46 of 2006, the capital budget of 2006.

Exhibit A-2.4
**Capital Debt Affordability Committee Recommended Levels of General
 Obligation Bond Authorizations**
2007-2011 Legislative Sessions
(\$ in Millions)

<u>Session</u>	<u>2005 Report Recommended Authorizations</u>	<u>2006 Report Recommended Authorizations</u>	<u>Increased Authorization</u>
2007	\$710	\$810	\$100
2008	730	835	105
2009	745	860	115
2010	770	890	120
2011	795	920	125
Total	\$3,750	\$4,315	\$565

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations*, September 2005 and 2006.

The State's capital program for fiscal 2008 also included other actions that affect debt management and future capital budgets.

- The Maryland Department of the Environment plans to issue \$100 million in revenue bonds to fund the upgrades of wastewater treatment plants. Title 9 of the Environment Article authorizes the Maryland Water Quality Financing Administration to issue bonds and lend the proceeds to local governments for the construction, acquisition, or

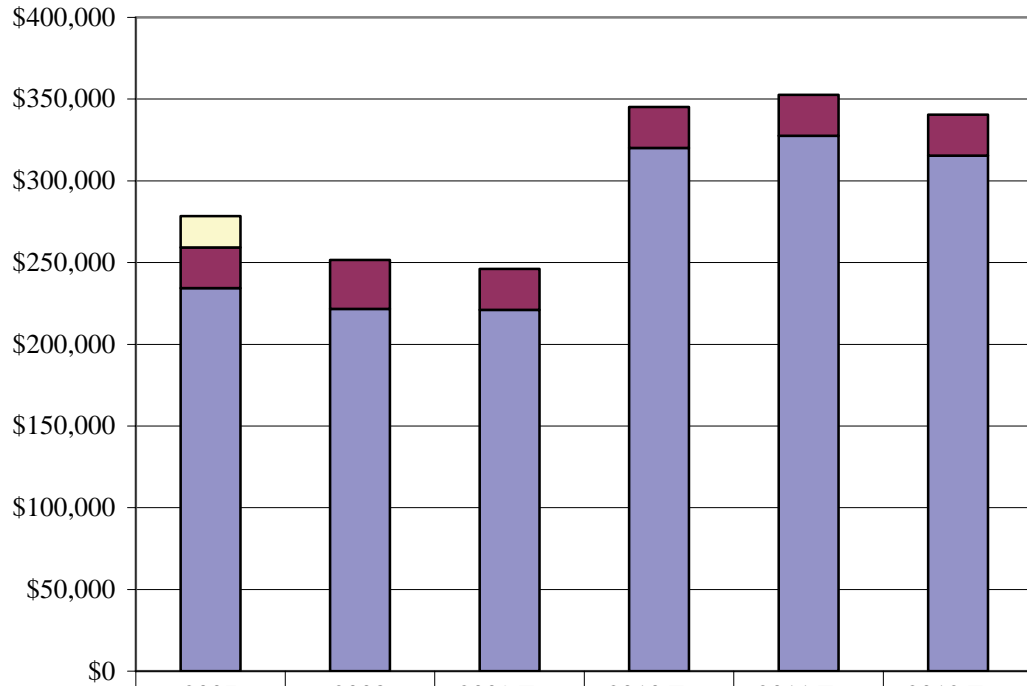
refinancing of wastewater facilities. The issuance of bonds by the Administration does not create or constitute any indebtedness or obligation of the State or any political subdivision. Bonds are payable solely from the revenue of the Administration received in connection with the respective projects financed or refinanced. The Administration plans to issue \$50 million under this authority. In addition, Chapter 428 of 2004 established the Bay Restoration Fund and authorized the Administration to issue bonds to be used to provide grants to upgrade wastewater treatment plants. Security for the bonds is the revenues from a fee imposed on users of wastewater facilities, septic systems, and sewage holding tanks. The Administration plans to issue \$50 million in revenue bonds and the bonds are considered State tax supported debt and are therefore incorporated in the CDAC's annual debt affordability analysis.

- The 2007 MCCBL includes four general obligation bond authorizations that will not take effect until fiscal 2009. The pre-authorized debt total \$50.4 million and includes \$30 million for the Coppin State University New Physical Education Complex, \$7.6 million for the Department of Public Safety and Correctional Services Maryland Correctional Training Center New 192-Cell Medium Security Housing Unit, \$7.8 million for the Department of Health and Mental Hygiene (DHMH) New Public Health Laboratory, and \$5.0 million for the DHMH Clifton T. Perkins Hospital Center New Maximum Security Wing. Other than the pre-authorization for the New Public Health Laboratory, the other projects included language added by the General Assembly that allows for the contracts to be bid without the full authorization needed to fully fund the contract.

Higher Education

The fiscal 2008 capital program for all segments of higher education is \$251.6 million, including GO bonds and academic revenue bonds. Of the total funding, four-year public institutions receive \$182.2 million and independent colleges receive \$8 million. Community colleges receive \$61.4 million in fiscal 2008, the highest funding level in a single year for community colleges. The *Capital Improvement Program* (CIP), after legislative changes to the fiscal 2008 capital budget, shows \$1.5 billion in capital spending for higher education projects from fiscal 2008 through 2012. **Exhibit A-2.5** shows the fiscal 2007 and fiscal 2008 legislative appropriations for higher education capital projects and the funds anticipated in the CIP for fiscal 2009 through 2012. **Exhibit A-2.6** shows the fiscal 2008 capital funding by institution.

**Exhibit A-2.5
Higher Education Fiscal 2007-2012
Authorized and Planned Out-year Capital Funding
(\$ in Thousands)**



	2007	2008	2009 Est.	2010 Est.	2011 Est.	2012 Est.
□ PAYGO Funds	\$19,070	\$0	\$0	\$0	\$0	\$0
■ Academic Rev. Bonds	\$25,000	\$30,000	\$25,000	\$25,000	\$25,000	\$25,000
■ GO Bonds	\$234,271	\$221,606	\$221,020	\$320,100	\$327,550	\$315,500

Exhibit A-2.6
Higher Education Fiscal 2008 Capital Funding by Institution
(\$ in Thousands)

<u>Institution</u>	<u>Fiscal 2008 Capital Funding</u>
University of Maryland, College Park	\$28,800
Towson University	13,505
Coppin State University	87,064
University of Baltimore	1,211
Salisbury University	12,509
University of Maryland University College	1,185
University of Maryland Baltimore County	2,725
University of Maryland Center for Environmental Science	9,200
University System of Maryland – Facility Renewal	15,000
University System of Maryland – Shady Grove	1,200
St. Mary’s College of Maryland	1,077
Morgan State University	8,740
Independent Colleges	8,000
Community Colleges	61,390 ¹
Total	\$251,606²

¹This figure includes \$5 million authorized for the Garrett College Community Center project, a portion of which was eligible for State aid through the Maryland Higher Education Commission Community College Facilities Grant Program.

²This does not include \$10 million authorized for the University of Maryland Medical System.

Public School Construction Funding Remains a High Priority for the General Assembly

The capital budget of 2007 contains \$401.8 million for public school construction in fiscal 2008. This is the highest level of school construction funding since the program began in 1971, following the previous high of \$322.7 million in fiscal 2007. The fiscal 2008 amount represents a \$79.1 million or 24.5 percent increase over fiscal 2007. Included in the \$401.8 million school construction budget are \$385.8 million in General Obligation (GO) bonds, \$2.4 million in special fund PAYGO in Stadium Authority funds, and \$13.6 million in the contingency fund from unexpended amounts for projects budgeted in prior years. A total of \$652.2 million was requested by local jurisdictions for projects that are either A (funded) or B

(ready to go). The General Assembly funded on average 61.6 percent of those projects. In January 2007, the Board of Public Works (BPW) approved \$242.2 million for projects recommended by the Interagency Committee on Public School Construction (IAC), representing 75 percent of the preliminary \$323.0 million proposed by Governor Ehrlich for fiscal 2008. After the increase in funding to \$400.0 million by Governor O'Malley, the General Assembly allocated an additional \$159.7 million to 22 jurisdictions. For additional information on school construction, see *Part L – Education, Subpart – Primary and Secondary Education*. (Exhibit L-3 shows the allocations made to the 24 local jurisdictions.

The federal Qualified Zone Academy Bonds (QZAB) program was extended for two more years in 2006, with Maryland's allocation totaling \$11.1 million. *Senate Bill 986 (passed)* authorizes the State to issue a total of \$11.1 million in additional QZABs, and requires \$5.5 million to be allocated to the 24 jurisdictions as required in Section 5-206(f) of the Education Article. Through 2005, Maryland has authorized \$35.5 million in QZABs.

Transfer Tax

The property transfer tax is the primary funding source for State land conservation programs. The fiscal 2008 budget allocates the full amount of estimated transfer tax revenue to programs as required in statute. This is the second consecutive fiscal year that the full amount of estimated revenue was distributed according to the statutory formula for land conservation programs after several years of diversion to the State's general fund. A total of \$255.4 will be available for local and State land conservation projects, as shown in **Exhibit A-2.7**. The decrease in funds available for fiscal 2008 is due primarily to lower transfer tax estimates that reflect a slow down in real estate transactions.

Exhibit A-2.7 Land Conservation and Property Transfer Tax

	<u>Fiscal 2007 Legislative Appropriation</u>	<u>Fiscal 2008 Legislative Appropriation</u>
Program Open Space (POS)	\$268,298,580	\$191,207,964
POS Local	134,149,290	95,603,982
POS State	134,149,290	95,603,982
Additional State Land Acquisition	3,610,094	2,584,271
Maryland Agricultural Land Preservation Program (MALPP)	61,552,106	44,061,820
Rural Legacy*	18,050,471	12,921,355
Heritage Conservation Fund	6,498,170	4,651,688
Total	\$358,009,421	\$255,427,098

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

*The fiscal 2007 and 2008 legislative appropriations earmark \$8.0 million in State POS funds for the Rural Legacy Program.

State Aid to Local Governments

Overview

State aid to local governments will total \$6.5 billion in fiscal 2008, representing a 12.5 percent or \$720.6 million increase over the prior year. This will be the fourth consecutive year of sizable increases in State support for local governments. Mandatory State aid programs are fully funded, and public school construction projects will once again receive a significant influx of new State funds. The General Assembly also passed legislation enhancing municipal funding under the police aid formula beginning in fiscal 2009.

Record Increases in State Aid to Local Governments

Local governments continue to receive record increases in State support. Since fiscal 2002, State aid to local governments has increased at an average annual rate of 9.0 percent. Over the six-year period, State aid for public schools increased by \$2.3 billion, a 10.2 percent average annual increase; whereas, State aid for county and municipal governments increased by \$232.3 million, a 4.8 percent average annual increase. State aid continues to be one of the largest and fastest growing components of the State budget. In fiscal 2008, State aid will account for 40.5 percent of general fund expenditures and 29.8 percent of State-funded expenditures. **Exhibit A-3.1** shows the annual increase in State aid over the last six years.

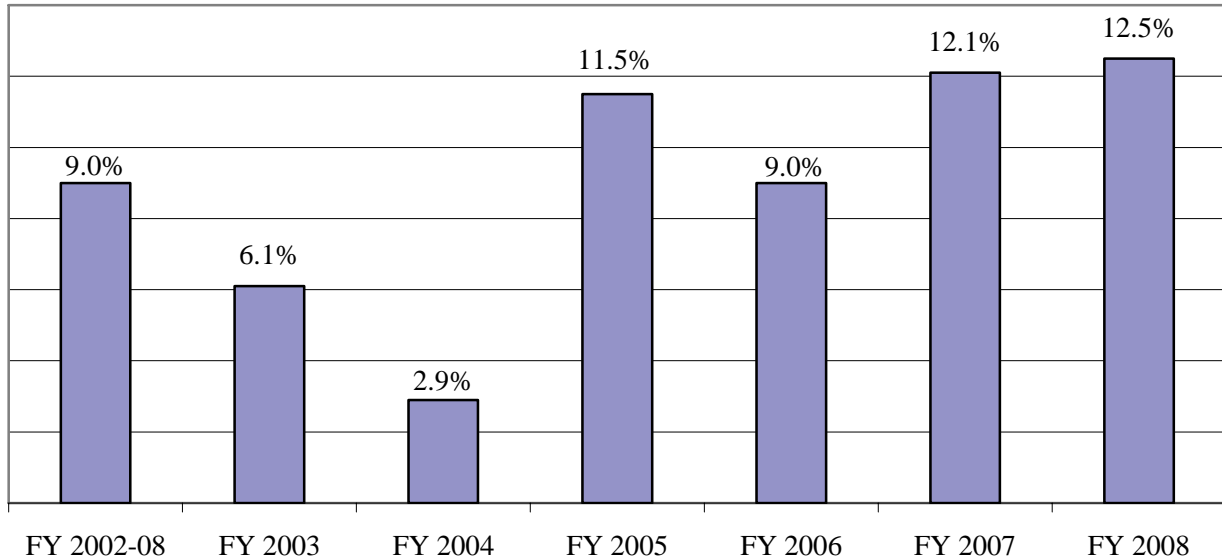
Public Schools Receive the Largest Increase in State Aid

Most State aid to local governments (79.7 percent) goes to support local school systems with counties and municipalities receiving 14.5 percent of the aid. Public schools will receive \$5.2 billion in fiscal 2008 – a \$692.2 million, or 15.5 percent increase over the prior year. Counties and municipalities will receive \$943.5 million – an \$18.5 million, or 1.9 percent decrease over the prior year. The remaining 6 percent of State aid is distributed to local libraries, community colleges, and local health departments. These entities will receive an additional \$46.9 million in aid. **Exhibit A-3.2** shows the increase in State aid in fiscal 2008 by governmental entity.

Local Government Revenues Remain Positive

At the same time as local governments have benefited from sizeable increases in State aid, the growth in the county assessable base has soared. The average annual growth statewide has increased from 5.4 percent in fiscal 2003 to 15.7 percent in fiscal 2007. According to projections by the State Department of Assessments and Taxation, growth in the county assessable base should remain strong in the near future. The average annual growth statewide is projected to reach 15.8 percent in fiscal 2008 and 12.9 percent in fiscal 2009. Local governments have also benefited from the recent rise in net taxable income. After two years of declining income levels (2001 and 2002), net taxable income began to increase – 4.1 percent in tax year 2003, 8.4 percent in tax year 2004, and 6.0 percent in tax year 2005.

Exhibit A-3.1
Annual Growth in State Aid to Local Governments



Source: Department of Legislative Services

Exhibit A-3.2
State Aid to Local Governments in Fiscal 2007 and 2008
(\$ in Millions)

	<u>FY 2007</u>	<u>FY 2008</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$4,478.1	\$5,170.3	\$692.2	15.5%
Libraries	55.4	61.6	6.2	11.2%
Community Colleges	205.9	243.7	37.8	18.4%
Health	63.7	66.6	2.9	4.5%
County/Municipal	962.0	943.5	-18.5	-1.9%
Total	\$5,765.1	\$6,485.8	\$720.6	12.5%

Source: Department of Legislative Services

Reliance on State Aid

State aid is the largest revenue source for most county governments in Maryland, accounting for 26.5 percent of total county revenues. In five counties (Anne Arundel, Baltimore, Queen Anne's, Talbot, and Worcester), State aid is the second largest revenue source after property taxes. In Howard and Montgomery counties, State aid is the third largest revenue source after both property and income taxes. Dependence on State aid varies. Less affluent jurisdictions rely 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 16.0 percent of total revenues in Montgomery County but 50.0 percent in Caroline County. This difference is due to the fact that 65.0 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 revenue capacity among local jurisdictions.

State aid is the third largest revenue source for municipalities, representing 8.5 percent of total revenues. As with counties, the reliance on State aid varies for municipalities, ranging from 2.1 percent of total revenues for municipalities in Talbot County to 27.9 percent for municipalities in Garrett and Kent counties. State aid to municipalities is targeted primarily to highway maintenance, police and fire services, and parks and recreation. Municipalities receive approximately 70.0 percent of their State aid through four programs: highway user revenues, police and fire aid formulas, and Program Open Space.

Changes by Program

The increase in State aid in fiscal 2008 ranges from 2.1 percent in Talbot County to 18.4 percent in Washington County. The increase in 18 counties will exceed 10.0 percent. **Exhibit A-3.3** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A-3.4** compares total State aid in fiscal 2007 and 2008 by program.

Exhibit A-3.3
State Assistance to Local Governments
Fiscal 2008 Legislative Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total	Change	
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal			Over FY 2007	Percent Change
Allegany	\$16,891	\$6,052	\$83,139	\$764	\$1,615	\$108,461	\$7,284	\$115,745	\$14,584	14.4%
Anne Arundel	60,245	28,846	266,276	1,941	5,613	362,921	48,128	411,048	38,915	10.5%
Baltimore City	339,038	0	832,650	6,594	11,888	1,190,171	56,943	1,247,114	111,012	9.8%
Baltimore	69,881	38,904	510,110	5,222	7,700	631,817	73,826	705,643	83,543	13.4%
Calvert	15,050	2,007	83,878	423	665	102,024	12,097	114,120	12,898	12.7%
Caroline	8,274	1,343	41,788	267	956	52,628	3,570	56,197	5,588	11.0%
Carroll	19,250	7,320	141,125	981	2,196	170,872	18,311	189,183	19,837	11.7%
Cecil	10,720	5,142	97,132	695	1,440	115,130	10,680	125,810	13,916	12.4%
Charles	16,959	7,324	144,682	839	1,777	171,581	16,437	188,017	20,273	12.1%
Dorchester	9,240	1,030	29,900	245	762	41,178	3,130	44,308	5,430	14.0%
Frederick	25,111	8,178	197,135	1,105	2,698	234,227	25,115	259,341	35,119	15.7%
Garrett	9,707	3,061	25,264	160	776	38,968	3,282	42,250	2,493	6.3%
Harford	24,770	10,211	207,067	1,544	3,100	246,692	25,771	272,464	26,827	10.9%
Howard	27,430	13,032	183,356	754	2,176	226,748	40,083	266,831	35,235	15.2%
Kent	3,784	546	10,219	101	596	15,246	1,790	17,036	954	5.9%
Montgomery	82,397	40,174	396,519	2,597	5,417	527,104	122,674	649,779	81,846	14.4%
Prince George's	101,645	22,894	901,567	6,566	8,940	1,041,612	84,068	1,125,680	139,165	14.1%
Queen Anne's	7,366	1,597	29,576	126	744	39,408	4,774	44,183	4,193	10.5%
St. Mary's	10,474	2,221	88,744	626	1,444	103,509	10,475	113,984	12,288	12.1%
Somerset	8,874	728	23,880	265	760	34,506	2,062	36,568	2,964	8.8%
Talbot	6,221	1,466	10,282	100	585	18,655	3,001	21,656	453	2.1%
Washington	16,679	7,504	135,392	1,103	2,462	163,140	13,447	176,587	27,423	18.4%
Wicomico	12,193	4,586	104,131	770	1,688	123,369	9,941	133,309	16,478	14.1%
Worcester	9,574	1,880	16,950	137	560	29,101	5,502	34,603	1,624	4.9%
Unallocated	29,573	5,353	43,123	16,263	0	94,311	0	94,311	7,574	8.7%
Total	\$941,347	\$221,397	\$4,603,884	\$50,192	\$66,557	\$5,883,377	\$602,391	\$6,485,768	\$720,632	12.5%

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 2008 Legislative Appropriation and Fiscal 2007 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-\$788	\$794	\$12,874	\$67	\$87	\$13,035	\$1,550	\$14,584
Anne Arundel	-4,452	4,438	28,244	97	244	28,572	10,342	38,915
Baltimore City	7,404	0	90,567	534	509	99,014	11,998	111,012
Baltimore	-4,862	4,823	67,084	538	302	67,885	15,659	83,543
Calvert	-363	304	10,314	37	23	10,315	2,583	12,898
Caroline	-67	165	4,653	26	54	4,831	757	5,588
Carroll	-886	1,118	15,506	95	107	15,940	3,898	19,837
Cecil	-406	852	11,030	81	70	11,626	2,290	13,916
Charles	-647	1,090	16,132	75	83	16,732	3,541	20,273
Dorchester	496	127	4,072	31	41	4,767	664	5,430
Frederick	-913	1,574	28,895	92	129	29,777	5,342	35,119
Garrett	-395	344	1,805	1	43	1,798	695	2,493
Harford	-1,362	1,454	20,926	160	147	21,326	5,501	26,827
Howard	-2,127	2,112	26,543	61	86	26,676	8,559	35,235
Kent	-135	67	596	12	34	574	380	954
Montgomery	-6,883	7,217	55,381	201	162	56,077	25,769	81,846
Prince George's	-2,108	3,081	119,721	517	349	121,560	17,605	139,165
Queen Anne's	-170	196	3,118	0	38	3,182	1,011	4,193
St. Mary's	-402	274	10,047	56	73	10,048	2,240	12,288
Somerset	-137	107	2,499	14	42	2,524	440	2,964
Talbot	-272	180	-129	9	30	-183	636	453
Washington	-640	1,310	23,635	110	127	24,541	2,882	27,423
Wicomico	-391	673	13,897	87	87	14,352	2,126	16,478
Worcester	-609	276	750	9	23	449	1,175	1,624
Unallocated	2,264	530	3,738	1,043	0	7,574	0	7,574
Total	-\$18,850	\$33,104	\$571,897	\$3,952	\$2,889	\$592,993	\$127,640	\$720,632

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

State Assistance to Local Governments
Percent Change: Fiscal 2008 Legislative Appropriation over Fiscal 2007 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-4.5%	15.1%	18.3%	9.6%	5.7%	13.7%	27.0%	14.4%
Anne Arundel	-6.9%	18.2%	11.9%	5.3%	4.5%	8.5%	27.4%	10.5%
Baltimore City	2.2%	n/a	12.2%	8.8%	4.5%	9.1%	26.7%	9.8%
Baltimore	-6.5%	14.2%	15.1%	11.5%	4.1%	12.0%	26.9%	13.4%
Calvert	-2.4%	17.8%	14.0%	9.5%	3.6%	11.2%	27.2%	12.7%
Caroline	-0.8%	14.0%	12.5%	10.9%	6.0%	10.1%	26.9%	11.0%
Carroll	-4.4%	18.0%	12.3%	10.7%	5.1%	10.3%	27.0%	11.7%
Cecil	-3.7%	19.8%	12.8%	13.1%	5.1%	11.2%	27.3%	12.4%
Charles	-3.7%	17.5%	12.5%	9.8%	4.9%	10.8%	27.5%	12.1%
Dorchester	5.7%	14.0%	15.8%	14.3%	5.7%	13.1%	26.9%	14.0%
Frederick	-3.5%	23.8%	17.2%	9.1%	5.0%	14.6%	27.0%	15.7%
Garrett	-3.9%	12.6%	7.7%	0.9%	5.9%	4.8%	26.8%	6.3%
Harford	-5.2%	16.6%	11.2%	11.6%	5.0%	9.5%	27.1%	10.9%
Howard	-7.2%	19.3%	16.9%	8.8%	4.1%	13.3%	27.1%	15.2%
Kent	-3.5%	14.0%	6.2%	13.0%	6.1%	3.9%	26.9%	5.9%
Montgomery	-7.7%	21.9%	16.2%	8.4%	3.1%	11.9%	26.6%	14.4%
Prince George's	-2.0%	15.5%	15.3%	8.6%	4.1%	13.2%	26.5%	14.1%
Queen Anne's	-2.3%	14.0%	11.8%	-0.2%	5.4%	8.8%	26.8%	10.5%
St. Mary's	-3.7%	14.0%	12.8%	9.8%	5.3%	10.8%	27.2%	12.1%
Somerset	-1.5%	17.2%	11.7%	5.5%	5.8%	7.9%	27.1%	8.8%
Talbot	-4.2%	14.0%	-1.2%	9.7%	5.3%	-1.0%	26.9%	2.1%
Washington	-3.7%	21.1%	21.1%	11.1%	5.4%	17.7%	27.3%	18.4%
Wicomico	-3.1%	17.2%	15.4%	12.7%	5.4%	13.2%	27.2%	14.1%
Worcester	-6.0%	17.2%	4.6%	7.2%	4.3%	1.6%	27.2%	4.9%
Unallocated	8.3%	11.0%	9.5%	6.9%	n/a	8.7%	n/a	8.7%
Total	-2.0%	17.6%	14.2%	8.5%	4.5%	11.2%	26.9%	12.5%

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

Exhibit A-3.4
Total State Assistance to Local Governments
Direct State Aid

<u>Program</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Difference</u>
Foundation Aid	\$2,493,221,110	\$2,782,717,320	\$289,496,210
Compensatory Education	726,652,649	902,528,432	175,875,783
Student Transportation – Regular	179,393,978	194,387,786	14,993,808
Student Transportation – Special Education	22,683,600	24,636,000	1,952,400
Special Education – Formula	231,835,480	280,253,560	48,418,080
Special Education – Nonpublic Placements	116,485,734	125,162,838	8,677,104
Special Education – Infants and Toddlers	5,810,781	5,810,781	0
Limited English Proficiency Grants	88,834,043	126,174,693	37,340,650
Extended Elementary	19,262,500	0	-19,262,500
Aging Schools	15,148,000	12,508,986	-2,639,014
Teacher Development/Mentoring Programs	7,550,000	6,870,000	-680,000
Adult Education	5,433,622	6,933,622	1,500,000
Food Service	7,468,664	7,468,664	0
Gifted and Talented Grants	534,829	534,829	0
Out-of-county Placements	6,763,674	6,000,000	-763,674
Head Start	3,000,000	3,000,000	0
School Reconstitution	11,779,600	11,779,600	0
Judy Hoyer Centers	10,575,000	10,575,000	0
Guaranteed Tax Base	60,498,363	78,889,864	18,391,501
Other Programs	19,054,699	17,651,656	-1,403,043
Total Primary and Secondary Education	\$4,031,986,326	\$4,603,883,631	\$571,897,305
Library Formula	31,019,681	33,929,179	2,909,498
Library Network	15,219,970	16,262,596	1,042,626
Total Libraries	\$46,239,651	\$50,191,775	\$3,952,124
Community College Formula	164,829,605	196,454,853	31,625,248
Grants for ESOL Programs	2,500,001	3,454,772	954,771
Optional Retirement	10,012,000	11,306,000	1,294,000
Small College Grant/Allegany and Garrett Grant	3,200,210	3,598,459	398,249
Statewide Programs	7,751,917	6,583,339	-1,168,578
Total Community Colleges	\$188,293,733	\$221,397,423	\$33,103,690

<u>Program</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Difference</u>
Highway User Revenue	555,697,986	566,782,240	11,084,254
Elderly and Handicapped Transportation Aid	4,315,789	4,315,789	0
Paratransit	2,806,000	2,806,000	0
Total Transportation	\$562,819,775	\$573,904,029	\$11,084,254
Police Aid	64,861,903	65,931,447	1,069,544
Fire and Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	2,037,578	2,325,000	287,422
9-1-1 Grants	13,550,000	13,550,000	0
Community Policing	2,000,000	2,000,000	0
Foot Patrol/Drug Enforcement Grants	4,462,500	4,462,500	0
Law Enforcement Training Grants	100,000	100,000	0
Stop Gun Violence Grants	955,500	955,500	0
Violent Crime Grants	4,841,858	4,841,858	0
Baltimore City State's Attorney Grant	1,985,000	1,985,000	0
Domestic Violence Grants	200,000	200,000	0
War Room/Sex Offenders Grants	1,554,982	1,579,982	25,000
School Vehicle Safety Grant	550,000	550,000	0
Body Armor	50,000	50,000	0
Total Public Safety	\$107,149,321	\$108,531,287	\$1,381,966
Program Open Space	135,649,292	97,103,982	-38,545,310
Critical Area Grants	742,500	703,000	-39,500
Total Recreation/Environment	\$136,391,792	\$97,806,982	-\$38,584,810
Local Health Formula	\$63,667,950	\$66,557,283	\$2,889,333
Utility Property Tax Grant	\$30,615,201	\$30,615,201	\$0
Disparity Grant	\$109,450,399	\$114,783,852	\$5,333,453
Horse Racing Impact Aid	1,341,400	1,485,600	144,200
Payments in Lieu of Taxes	1,005,222	1,005,222	0
Security Interest Filing Fees	3,125,000	2,925,000	-200,000
Senior Citizens Activities Center	500,000	500,000	0
Statewide Voting Systems	7,798,513	9,789,817	1,991,304
Total Other Direct Aid	\$13,770,135	\$15,705,639	\$1,935,504
Total Direct Aid	\$5,290,384,283	\$5,883,377,102	\$592,992,819

<u>Program</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Difference</u>
Payments-in-behalf			
Retirement – Teachers	446,142,303	566,447,690	120,305,387
Retirement – Libraries	9,176,200	11,451,276	2,275,076
Retirement – Community Colleges	17,589,481	22,303,276	4,713,795
Retirement – Local Employees	1,843,023	2,188,309	345,286
Total Payments-in-behalf	\$474,751,007	\$602,390,551	\$127,639,544
Total State Assistance	\$5,765,135,290	\$6,485,767,653	\$720,632,363

Source: Department of Legislative Services

Primary and Secondary Education

State funding for public schools remains a high priority. Over the last six years, State funding for public schools has increased by almost \$2.3 billion, even though the State government was confronted with major fiscal challenges during most of this period. On a per pupil basis, State funding has increased from \$3,432 in fiscal 2002 to \$6,273 in fiscal 2008, an 82.7 percent increase. Moreover, local school systems will receive record increases in State funding in fiscal 2008, both for operating programs and school construction projects. In fiscal 2008, local school systems will receive \$5.2 billion in State funding – a \$692.2 million, or 15.5 percent increase. In addition, funding for public school construction projects will total around \$400 million. Over the last six years, State funding for public school construction has totaled almost \$1.4 billion. These increases represent the State's financial commitment to adequately fund public schools and to provide a quality educational program for all children throughout the State.

Foundation Program: The foundation program is the basic State education funding mechanism for public schools which ensures a minimum per pupil funding level and requires county governments to provide a local match. The formula is calculated based on a per pupil foundation amount and student enrollment. Less affluent school systems, as measured by assessable base and net taxable income, receive relatively more aid per pupil than wealthier school systems. State aid under the foundation program will total \$2.8 billion in fiscal 2008, representing a \$289.5 million, or 11.6 percent increase over the prior year. The per pupil foundation amount for fiscal 2008 is set at \$6,694, and the student enrollment count used for the program totals 823,732 students. Enrollment for the formula is based on the September 30, 2006, full-time equivalent student enrollment count. The State provides funding for roughly 50.0 percent of the program's cost.

Compensatory Education: The compensatory education program provides additional funding based on the number of economically disadvantaged students. The formula recognizes disparities in local wealth by adjusting the grants per eligible student by local wealth. The formula is calculated based on 97.0 percent of the annual per pupil amount used in the foundation program and the number of students eligible for free and reduced price meals. The State provides funding for 50.0 percent of the program's cost. State aid under the compensatory education program will total \$902.5 million in fiscal 2008, representing a \$175.9 million, or 24.2 percent increase over the prior year. The per pupil State funding amount for fiscal 2008 is set at \$3,247, and the student enrollment count used for the program totals 261,793.

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 74.0 percent of the annual per pupil foundation amount and the number of special education students from the prior fiscal year. The per pupil State funding amount for fiscal 2008 is set at \$2,477, and the student enrollment count used for the program totals 106,850. State funding for public special education programs will total \$280.3 million in fiscal 2008, representing a \$48.4 million, or 20.9 percent increase over the prior year. Funding for nonpublic placements is \$125.2 million in fiscal 2008, representing an \$8.7 million, or 7.4 percent increase over the prior year.

Student Transportation: The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants consist of three components: regular student ridership funds; special education student ridership funds; and additional enrollment funds. The regular student ridership funds are based on the local school system's grant in the previous year increased by inflation; increases cannot exceed 8.0 percent or be less than 3.0 percent. Local school systems with enrollment increases receive additional funds. The special education student ridership funds are based on a \$1,000 per student grant for transporting disabled students. The fiscal 2008 budget includes \$194.4 million for regular transportation services and \$24.6 million for special transportation services. This represents a \$16.9 million, or 8.4 percent increase from the prior year.

Limited English Proficiency: The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99 percent of the annual per pupil foundation amount, with the State providing funding for 50 percent of the program's cost. The fiscal 2008 grant per LEP student is \$3,314. State funding for the program will total \$126.2 million in fiscal 2008, representing a \$37.3 million, or 42.0 percent increase over the prior year. The number of LEP students in Maryland totals 35,666 for the 2006-2007 school year.

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. Eleven local school systems will qualify for grants totaling \$78.9 million in fiscal 2008.

Aging Schools Program: The Aging Schools program provides State funding to local school systems for improvements, repairs, and deferred maintenance of public school buildings. These repairs are generally not covered by the capital school construction program and are necessary to maintain older public schools. State funding for the Aging Schools program will total \$12.5 million in fiscal 2008. This amount includes \$5.5 million through the sale of Qualified Zone Academy Bonds (QZABs) which are authorized under *Senate Bill 986 (passed)*. The legislation authorizes the Board of Public Works to issue \$11.1 million in interest-free QZABs and grant the proceeds to the Interagency Committee on School Construction to be used for the State’s Aging Schools program.

A provision in the 2004 capital budget bill (Chapter 432) included General Assembly intent language to add fiscal 2006, 2007, and 2008 “hold harmless” funding to the statutory grant levels in order to lessen the impact of the reallocation recommended by task force and enacted in Chapters 306 and 307 of 2004. The special hold harmless grant totals \$564,000 in fiscal 2008. In addition, Chapter 252 of 2006 added an annual inflationary adjustment to the aging school program beginning in fiscal 2008. The inflationary adjustment amount totals \$448,000 in fiscal 2008.

Judy Hoyer and Head Start Programs: These programs provide financial support for the establishment of centers that provide full-day, comprehensive, early education programs, and family support services that will assist in preparing children to enter school ready to learn. This program also provides funding to support childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2008 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.

School Improvement Grants: Grants are provided to schools and local school systems that are low-performing in meeting adequate yearly progress targets. Schools and local school systems receiving grants may be categorized in three stages – in improvement, corrective action, or restructuring. State funding for school improvement grants will total \$11.8 million in fiscal 2008. The grants support technical assistance and professional development for school personnel to improve school performance.

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 2008 State budget includes \$6.6 million for these teacher quality incentives; \$100,000 for the Governor’s Teacher Excellence Award Program which distributes awards to teachers for outstanding performance; and \$320,000 for teacher quality grants.

Food and Nutrition Services: In addition to federal funds provided under the School Lunch Act of 1946, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. The fiscal 2008 State budget includes \$7.5 million for food and nutrition services.

Infants and Toddlers Program: This program involves a statewide community-based interagency system of comprehensive early intervention services for eligible children who are less than three years old. Eligible children include those who have developmental delays or disabilities. State funding for infants and toddlers programs will total \$5.8 million in fiscal 2008.

Adult Education: The State provides funding for adult education services through four programs: adult general education, external diploma program, literacy works grant, and adult education and literacy works. The State budget includes \$6.9 million for adult education programs in fiscal 2008, a \$1.5 million increase over the prior year. Chapter 380 of 2006 mandates the funding in fiscal 2008.

School-based Health Centers: The fiscal 2008 State budget includes \$2.9 million for school-based health centers, which provide primary medical care as well as social, mental health, and health education services for students and their families. The funding for these centers was transferred from the Subcabinet Fund to the Maryland State Department of Education in fiscal 2007.

Environmental Education: The fiscal 2008 State budget includes \$1.7 million for student participation in an outdoor education program that opened in August 2005 at North Bay in Cecil County. The program, which can serve 11,000 students per year, is structured as a four-night stay for sixth graders that provides an outdoor education experience aligned with the State curriculum.

Principal Development Program: Chapter 408 of 2005 established a statewide Principal Fellowship and Leadership Development Program, which provides incentive payments for distinguished principals to work in low-performing schools. Funding for this program increases from \$96,000 to \$160,000 in fiscal 2008.

Teachers' Retirement Payments: The State pays 100.0 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 payment to the retirement system "on behalf of" the local boards. The appropriation is calculated by increasing the second prior year's salary base by 5.0 percent and applying the contribution rate established by the retirement system's actuary. Teachers' retirement payments will total \$566.4 million in fiscal 2008, representing a 27.0 percent increase over the prior year due to an increase in the salary base and the retirement enhancement enacted by Chapter 110 of 2006.

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, which funds pre-kindergarten programs for students identified as having a high risk of failure in school. The program received \$19.3 million in fiscal 2007 but will not be funded in fiscal 2008 and subsequent years.

Challenge Grants: The fiscal 2008 State budget does not fund Challenge grants, which were required in fiscal 2007 by the Budget Reconciliation and Financing Act of 2005. The legislation originally establishing the program terminates at the end of fiscal 2007. Funding for this program totaled \$3.8 million in fiscal 2007.

Local Libraries

Local libraries receive over 20.0 percent of their funding from the State government. In fiscal 2008, State aid to local libraries will total \$61.6 million, representing a \$6.2 million, or 11.2 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 2008, the program is based on a \$14 per capita grant. Overall, the State provides 40.0 percent of the minimum program, and the counties provide 60.0 percent. However, the State/local share of the minimum program varies by county depending on local wealth. In fiscal 2008, State funding for the library program will total \$33.9 million, representing a \$2.9 million, or 9.4 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 \$10.4 million in State funding in fiscal 2008, 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 \$5.8 million in fiscal 2008, which equates to \$6.50 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 \$11.5 million in fiscal 2008, a \$2.3 million increase from the prior year.

Community Colleges

Local community colleges receive about 25.0 percent of their funding from the State government. In fiscal 2008, State aid to local community colleges will total \$243.7 million – a

\$37.8 million, or 18.4 percent increase from the prior year. Baltimore City Community College, which is operated by the State, will receive a State appropriation of \$40.2 million in fiscal 2008.

Senator John A. Cade Funding Formula: State funding under the formula will total \$196.5 million in fiscal 2008 – a \$31.6 million, or 19.2 percent increase from the prior year. The fiscal 2008 formula is based on a student enrollment count of 84,285 and a per student funding amount of \$2,331.

Special Programs: State funding will total \$3.0 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 \$5.3 million. English as a Second Language program will receive \$3.5 million in fiscal 2008, a \$1.0 million increase over the prior year. The Innovative Partnership for Technology program will receive \$1.2 million in funding.

Retirement Payments: The State pays 100.0 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 \$22.3 million in fiscal 2008 – a \$4.7 million, or 26.8 percent increase. In addition, State funding for the optional retirement program will total \$11.3 million in fiscal 2008, representing a \$1.3 million, or 12.9 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 \$66.6 million in fiscal 2008, representing a \$2.9 million, or 4.5 percent increase.

County and Municipal Governments

Approximately 14.5 percent of State aid goes to county and municipal governments. State funding for counties and municipalities will total \$943.5 million in fiscal 2008, representing an \$18.5 million, or 1.9 percent decrease over the prior year. State aid to county and municipal governments is targeted primarily to highway maintenance, police and fire services, and parks and recreation. The State also provides disparity grants to less affluent counties to address the differences in the abilities of counties to raise revenues from the local income tax.

Highway User Revenues: State funding for local transportation projects is fully funded in fiscal 2008. Local governments will receive \$566.8 million in local highway user revenues in fiscal 2008, representing an \$11.1 million increase from the prior year.

Other Transportation Aid: State funding for elderly/disabled transportation grants will remain at \$4.3 million in fiscal 2008, 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 30.0 percent of the State crime laboratories costs relating to evidence-testing services from local jurisdictions. After the crime laboratory adjustment, police aid will total \$65.9 million in fiscal 2008, representing a \$1.1 million, or 1.6 percent increase from the prior year.

The General Assembly approved legislation, *Senate Bill 130/House Bill 611 (both passed)*, that alters the calculation of the State Aid for Police Protection Fund (police aid formula) by increasing State funding from \$1,800 to \$1,950 per full-time sworn police officer employed by each qualifying municipality beginning in fiscal 2009. State aid to municipalities is projected to increase by \$235,800 in fiscal 2009 and by \$242,900 in fiscal 2012. The municipal sworn police officer allocation was last changed by Chapter 444 of 1999, when it increased from \$1,200 to \$1,800 per officer. There are 1,556 full-time sworn police officers employed by qualifying municipalities for fiscal 2007; this number is used when calculating the municipal sworn officer allocation for fiscal 2008.

Public Safety Grants: State funding for targeted public safety grants will total \$14.7 million in fiscal 2008. These grants include violent crime grants for Baltimore City and Prince George's County, police foot patrol and community policing grants for Baltimore City, a drug enforcement grant for Prince George's County, S.T.O.P. gun violence grants, school bus traffic enforcement grants, domestic violence grants, law enforcement and correctional officers training grants, Baltimore City war room, sex offender and compliance enforcement, and the body armor grants. In addition, the Baltimore City State's Attorney Office will receive \$2.0 million in fiscal 2008 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 vehicle theft prevention, deterrence, and educational programs. Funds are used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund, a non-lapsing dedicated fund that receives up to \$2.0 million a year from penalties collected for lapsed or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$2.3 million in fiscal 2008.

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 2008.

9-1-1 Emergency Systems Grant: The State imposes a 25 cent fee per month on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. State funding to local 9-1-1 emergency systems is estimated to remain at \$13.6 million in fiscal 2008.

Program Open Space Grants: Under Program Open Space (POS), the State provides grants to local governments for land acquisition and the development of parks and recreation facilities. The State property transfer tax funds POS and related programs. For several years, a portion of this funding was eliminated due to the State's fiscal situation. Between fiscal 2003 and 2006, over \$151 million in local Program Open Space funds were transferred to the State's general fund in order to help close significant budgetary shortfalls. Local governments will receive full funding of POS grants in both fiscal 2007 and 2008. Local POS grants will total \$134.1 million in fiscal 2007 and \$95.6 million in fiscal 2008. In addition, Baltimore City continues to receive a \$1.5 million special POS grant.

Disparity Grants: Disparity grants address the differences in the abilities of counties to raise revenues from the local income tax, which is the third largest revenue source for counties after State aid and property taxes. Counties with per capita local income tax revenues less than 75.0 percent of the State's average receive grants, assuming all counties impose a 2.54 percent local income tax rate. Aid received by a county equals the dollar amount necessary to raise the county's per capita income tax revenues to 75.0 percent of the State average. In fiscal 2008, Baltimore City and six counties (Allegany, Caroline, Dorchester, Garrett, Prince George's, and Somerset) qualify for disparity grants. The fiscal 2008 State budget includes \$114.8 million for disparity grants, a \$5.3 million increase from the prior year. The fiscal 2008 grant under the statute is based on population estimates for July 2005 and calendar 2005 local income tax revenues raised from a 2.54 percent local income tax rate.

Utility Property Tax Grant: Legislation restructuring Maryland's electric utility tax system was enacted in 1999 (Chapters 5 and 6 of 1999). Beginning with fiscal 2001, the legislation phases in over two years a 50 percent personal property tax exemption for machinery and equipment used to generate electricity for sale. To partially offset the revenue losses, the legislation provides \$30.6 million in grants to the 11 jurisdictions impacted by the exemption. The fiscal 2008 State budget includes full funding for these grants.

Local Voting Grants: State funding for local boards of elections will total \$7.8 million in fiscal 2007 and \$9.8 million in fiscal 2008.

State Assumed Functions in Baltimore City

The State assumption of functions or responsibilities performed by local governments is another aspect of State/local fiscal relationships. There was considerable activity in this area in the 1970s when the State assumed the responsibility for several programs including the District Court, Medical Assistance, public assistance, and property assessments. During the 1990s, the State assumed several local government functions in Baltimore City to help reduce the city's fiscal pressures. These services included the local community college, city detention center, and

the central booking facility. The cost for these assumed functions will total \$166.8 million in fiscal 2008 – a \$5.8 million, or 3.6 percent increase from the prior year.

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 over 45 different programs. The fiscal 2008 State budget includes \$6.5 billion to fund these programs. Part A, section 1 of each county's statistical tables compares aid distributed to the county in fiscal 2007 and 2008.

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 \$602.4 million in fiscal 2008. 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 2008 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 \$872.2 million statewide for these programs in fiscal 2008. In addition, \$63.2 million from the Cigarette Restitution Fund will also be spent on these programs in fiscal 2008. 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 2008 budget includes \$85.9 million in general funds and \$17.1 million in special funds for these programs. In addition, the budget includes \$29.6 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 2008 funding for these family health programs totals \$15.5 million in general funds and \$26.5 million in federal funds.
- ***Medical Care Services:*** The Medical Care Programs Administration and the Office of the Deputy Secretary for Health Care Financing provide support for the local health departments and funding for community-based programs that serve senior citizens. 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. This category also includes grants to local health departments related to eligibility determination for the Medicaid and Children's Health programs, transportation services for Medicaid recipients in non-emergency situations, and coordination and outreach services for Medicaid and special needs populations in the HealthChoice program. The fiscal 2008 funding for these programs totals \$27.4 million in general funds and \$28.0 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 2008 budget includes \$346.4 million in general funds and \$259.3 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 2008 total \$6.5 million along with \$36.8 million in federal funds. In addition, the budget includes \$46.1 million from the Cigarette Restitution Fund 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 2008 budget includes \$388.3 million in general funds and \$262.0 million in federal funds for these programs.

- **AIDS:** The AIDS Administration funds counseling, testing, education, and risk reduction services through the local health departments. Fiscal 2008 funds for these services total \$2.1 million in general funds. The budget for the AIDS Administration also includes \$19.8 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 2008 estimates of funding for those programs that are available by subdivision. Note that fiscal 2008 funding for homeless and women's services is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2007 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 2008 budget includes \$5.2 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 victims' services. Total fiscal 2008 funding for these programs equals \$5.2 million in general funds. In addition, the fiscal 2008 budget includes \$11.2 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 2008 budget includes \$7.3 million in general funds and \$33.6 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 2008 budget includes \$76.7 million in general funds and \$106.3 million in federal funds.

Senior Citizen Services: The Department of Aging funds a variety of services for senior citizens mostly through local area 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 2008 funding is \$13.7 million in general funds and \$23.3 million in federal funds. In

this report the fiscal 2008 general funds are allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2007 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 2008 funding is \$10.0 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. Also included is a hold harmless grant for certain counties that received less federal funding under the Older Americans Act when 2000 census population figures were factored into the funding formula. Fiscal 2008 funding for these programs totals \$3.7 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, 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 2008 State operating and capital budgets. Projects at regional community colleges are shown for each county that the college serves. The projects listed for the various loan programs are those currently anticipated for fiscal 2008. The actual projects funded and/or the amount of funding for specific projects could change depending on which projects are ready to move forward and final costs. Projects for the community health facilities grant program total more than the amount funded as some projects are not expected to be ready in fiscal 2008.

The fiscal 2008 budget includes \$401.8 million in funding for local school construction: \$2.4 million in special funds, \$13.6 million from the program's contingency fund, and \$385.8 million in general obligation bonds. As of the publication of this report, \$243.9 million of the total fiscal 2008 funding has been allocated to specific projects. These projects are listed in part C for each county. Another \$157.9 million has been allocated to specific jurisdictions but not to particular projects.

Capital Projects for State Facilities Located in the County: Part D for each county shows capital projects, authorized by the fiscal 2008 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. The projects funded with auxiliary revenue bonds are those anticipated for fiscal 2008, but the actual projects funded could be different. This report does not include transportation projects.

Allegany County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$39,625	\$44,527	\$4,903	12.4
Compensatory Education	16,056	20,817	4,760	29.6
Student Transportation	3,609	3,902	294	8.1
Special Education	5,784	7,261	1,477	25.5
Limited English Proficiency Grants	33	87	55	168.5
Guaranteed Tax Base	3,553	5,507	1,955	55.0
Extended Elementary	348	0	-348	-100.0
Adult Education	173	173	0	0.0
Aging Schools	319	238	-81	-25.4
Other Education Aid	765	625	-140	-18.2
Primary & Secondary Education	<u>70,265</u>	<u>83,139</u>	<u>12,874</u>	<u>18.3</u>
Libraries	697	764	67	9.6
Community Colleges	5,258	6,052	794	15.1
Health Formula Grant	1,528	1,615	87	5.7
* Transportation	7,738	7,768	30	0.4
* Police and Public Safety	871	864	-6	-0.7
* Fire and Rescue Aid	231	231	0	0.0
Recreation and Natural Resources	1,493	1,056	-438	-29.3
Disparity Grant	7,345	6,971	-374	-5.1
Total Direct Aid	\$95,426	\$108,461	\$13,035	13.7
Aid Per Capita (\$)	1,303	1,489	186	14.3
Property Tax Equivalent (\$)	3.26	3.44	0.18	5.5

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

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 2008 State payments for Allegany County for teachers, librarians, community college faculty, and local officials are estimated to be \$7,284,000.

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 2008 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 2007) 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	\$1,935,000
Family Health and Primary Care	226,000
Medical Care Services	692,000
Mental Health	5,304,000
Prevention and Disease Control	633,000
Developmental Disabilities	5,125,000

Social Services

Homeless Services	101,000
Women's Services	154,000
Adult Services	118,000
Child Welfare Services	1,928,000

Senior Citizen Services

Long-term Care	321,000
Community Services	177,000

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

Frost Elementary School – renovations (mechanical)	\$412,000
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Allegany Community College

Library – renovation	3,799,000
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Community Parks and Playgrounds

Baker Park	20,000
Constitution Park	125,159
Frostburg Community Park Playground	75,900
Lonaconing Little League Park	82,000

Chesapeake Bay Water Quality Projects

Cumberland Combined Sewer – overflow improvements	150,000
Frostburg Combined Sewer – overflow elimination	150,000
George’s Creek WWTP – nutrient removal	600,000
Westernport Combined Sewer – overflow improvements	160,000

Chesapeake Bay Restoration Fund

Cumberland – sewer rehabilitation	450,000
Cumberland WWTP – enhanced nutrient removal	14,000,000
Frostburg – sewer rehabilitation	700,000
George’s Creek WWTP – enhanced nutrient removal	2,800,000
Grahamtown – sewer rehabilitation	500,000
Westernport – sewer rehabilitation	200,000

Water Supply Financial Assistance Program

Bowman’s Addition – water project	200,000
Clarysville – water project	300,000
Ridgedale – storage tank replacement	100,000

Waterway Improvement

Cumberland – assess location for new boat ramp and related facilities	50,000
Potomac River – improve boating access	95,000

Other Projects

Human Resources Development Commission Senior Center	100,000
Western Maryland Health System Regional Medical Center	1,000,000

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

Dan's Mountain WMA – access road and storage building	\$1,600,000
Rocky Gap State Park – new bath house and concession buildings	2,608,000
Rocky Gap State Park – water treatment plant upgrade	729,000

University System of Maryland

Frostburg State – Lane Center renovation/addition	13,185,000
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Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$158,119	\$174,966	\$16,847	10.7
Compensatory Education	29,656	37,356	7,700	26.0
Student Transportation	16,882	18,224	1,343	8.0
Special Education	25,704	29,511	3,807	14.8
Limited English Proficiency Grants	3,003	3,937	934	31.1
Extended Elementary	1,295	0	-1,295	-100.0
Adult Education	328	328	0	0.0
Aging Schools	1,161	989	-172	-14.8
Other Education Aid	1,884	965	-919	-48.8
Primary & Secondary Education	238,032	266,276	28,244	11.9
Libraries	1,844	1,941	97	5.3
Community Colleges	24,408	28,846	4,438	18.2
Health Formula Grant	5,369	5,613	244	4.5
* Transportation	32,777	33,088	311	0.9
* Police and Public Safety	6,652	6,702	51	0.8
* Fire and Rescue Aid	805	802	-3	-0.3
Recreation and Natural Resources	16,147	11,236	-4,911	-30.4
Utility Property Tax Grants	7,820	7,820	0	0.0
* Other Direct Aid	495	596	101	20.4
Total Direct Aid	\$334,348	\$362,921	\$28,572	8.5
Aid Per Capita (\$)	656	713	56	8.6
Property Tax Equivalent (\$)	0.55	0.51	-0.04	-6.6

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

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 2008 State payments for Anne Arundel County for teachers, librarians, community college faculty, and local officials are estimated to be \$48,128,000.

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 2008 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 2007) 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	\$3,387,000
Family Health and Primary Care	644,000
Medical Care Services	1,239,000
Mental Health	20,447,000
Prevention and Disease Control	1,842,000
Developmental Disabilities	35,410,000

Social Services

Homeless Services	206,000
Women's Services	428,000
Adult Services	169,000
Child Welfare Services	4,709,000

Senior Citizen Services

Long-term Care	649,000
Community Services	159,000

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

Bates Middle School – renovations (HVAC)	\$120,000
Bodkin Elementary School – renovations (plumbing)	274,000
Corkran Middle School – renovations (HVAC)	2,071,000
Crofton Middle School – renovations (HVAC)	854,000
Freetown Elementary School – construction	6,690,000
George Fox Middle School – renovations (electrical)	747,000
Lake Shore Elementary School – construction	5,773,000
Millersville Elementary School – renovations (electrical/plumbing)	652,000
North Glen Elementary School – renovations (electrical)	406,000
Quarterfield Elementary School – renovations (electrical)	664,000
Southern Middle School – renovations (plumbing)	217,000
Waugh Chapel Elementary School – renovations (electrical)	66,000
West Annapolis Elementary School – renovations (HVAC)	467,000
Unspecified additional funding	8,826,000

Anne Arundel Community College

Careers Building – renovation	8,523,000
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Community Parks and Playgrounds

Bay Head Park	250,000
Old Mill High School Stadium	250,000

Chesapeake Bay Water Quality Projects

Back Creek Nature Park – stormwater management	445,000
North Cypress Branch – stream restoration	379,000
South Down Shores – stormwater management	280,000

Chesapeake Bay Restoration Fund

Annapolis WWTP – enhanced nutrient removal	1,000,000
Broadneck WWTP – enhanced nutrient removal	500,000
Cox Creek WWTP – enhanced nutrient removal	3,000,000
Dorsey Run WWTP – enhanced nutrient removal	400,000
Mayo Large Communal WWTP – enhanced nutrient removal	1,400,000

Waterway Improvement

Annapolis – acquire equipment for fire/rescue boat	50,000
Annapolis City Dock – replace bulkheads, slips, walkway, and utilities	1,800,000
Annapolis Maritime Museum – replace and extend transient piers	99,000
Broadwater Creek – channel dredging	905,000
Carrs Creek – channel dredging	740,000
Dredging Projects & SAV Monitoring – countywide feasibility studies	250,000
Locust Cove – channel dredging	112,500
Parish Creek – channel dredging	1,475,000
Truxton Park – reconstruct public boat ramp and dock	99,000

Hazardous Substance Cleanup Program

Harundale Well Field	200,000
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Other Projects

Children’s Theatre of Annapolis	125,000
City of Annapolis – underground utility wiring	600,000
Hope House	200,000
Light House Shelter	350,000
Maryland Hall for the Creative Arts	225,000
Mount Olive Community Life Center	100,000
Opportunity Builders, Inc.	100,000
Providence Center	200,000
St. John’s College – heating plant infrastructure	1,000,000

D. Capital Projects for State Facilities in the County

General Government

State House – replacement piping	\$3,550,000
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Department of Natural Resources

Annapolis Facility – bulkhead and dock improvements	1,700,000
Sandy Point State Park – design repairs to stone jetty	50,000
Sandy Point State Park – police and communication center	2,420,000

Maryland Environmental Service

Jessup Correctional Complex – Dorsey WWTP improvements	418,000
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Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$365,803	\$399,500	\$33,696	9.2
Compensatory Education	234,131	277,157	43,026	18.4
Student Transportation	15,842	17,084	1,241	7.8
Special Education	78,123	87,458	9,335	11.9
Limited English Proficiency Grants	6,715	8,487	1,771	26.4
Guaranteed Tax Base	30,240	36,344	6,104	20.2
Extended Elementary	4,135	0	-4,135	-100.0
Adult Education	981	981	0	0.0
Aging Schools	3,185	2,714	-472	-14.8
Other Education Aid	2,927	2,927	0	0.0
Primary & Secondary Education	742,083	832,650	90,567	12.2
Libraries	6,061	6,594	534	8.8
Health Formula Grant	11,379	11,888	509	4.5
Transportation	227,290	233,378	6,088	2.7
Police and Public Safety	10,103	10,081	-22	-0.2
Fire and Rescue Aid	956	947	-9	-0.9
Recreation and Natural Resources	12,189	11,576	-614	-5.0
Disparity Grant	76,002	78,161	2,159	2.8
Utility Property Tax Grants	453	453	0	0.0
Other Direct Aid	4,640	4,443	-197	-4.2
Total Direct Aid	\$1,091,157	\$1,190,171	\$99,014	9.1
Aid Per Capita (\$)	1,715	1,885	170	9.9
Property Tax Equivalent (\$)	4.32	4.15	-0.17	-3.9

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 2008 State payments for Baltimore City for teachers, librarians, community college faculty, and local officials are estimated to be \$56,943,000.

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 2008 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 2007) 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	\$38,445,000
Family Health and Primary Care	3,951,000
Medical Care Services	7,065,000
Mental Health	117,867,000
Prevention and Disease Control	1,556,000
Developmental Disabilities	44,069,000
AIDS	430,000

Social Services

Homeless Services	2,159,000
Women's Services	820,000
Adult Services	810,000
Child Welfare Services	24,982,000

Senior Citizen Services

Long-term Care	1,907,000
Community Services	885,000

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

Carver Vo-Tech High School #454 – construction	\$8,800,000
Claremont School #307 – renovations (roof)	373,000
Dr. M.L. King Elementary/Middle School #254 – renovations (fire safety)	244,000
Dunbar High School #414 – construction	16,966,000
Edgewood Elementary School #67 – renovations (roof)	713,000
Reginald F. Lewis High School #419 – science facilities	1,435,000
Samuel L. Banks Middle School #420 – science facilities	709,000
Thomas G. Hayes Elementary School #102 – renovations (fire safety)	254,000
Unspecified additional funding	23,170,795

Community Mental Health/Addictions/Dev. Disabilities

Community Housing Associates, Inc.	390,000
Glenwood Life Counseling Center, Inc.	1,600,000

Federally Qualified Health Centers Grant Program

Baltimore Medical System, Inc.	925,000
Chase Brexton Health Services, Inc.	248,000

Shelter & Transitional Housing Facilities

Healthy Start Transitional Housing	60,000
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Community Parks and Playgrounds

Joseph Lee Park	200,000
Woodberry Park	200,000

Chesapeake Bay Water Quality Projects

Patapsco WWTP – nutrient removal	2,355,000
Urban Stormwater Management – demonstration projects	25,000

Chesapeake Bay Restoration Fund

Back River WWTP – enhanced nutrient removal	5,000,000
Baltimore City – sewer rehabilitation	1,000,000
Patapsco WWTP – enhanced nutrient removal	5,000,000

Waterway Improvement

City Fire Department – dive team and fire boat equipment	50,000
Inner Harbor Sailing Center – construct boating facility	99,000

Hazardous Substance Cleanup Program

Chemical Metals Site – remediation	100,000
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Other Projects

Alpha Phi Alpha Fraternity – Corporate Headquarters	100,000
Baltimore Museum of Industry	50,000
Baltimore Station, Inc. – substance abuse treatment facility	100,000
Baltimore Zoo – facilities renewal	1,000,000
Beans and Bread	150,000
Bon Secours Hospital	1,000,000
Chimes School	250,000
Clarence H. "Du" Burns Memorial	100,000
Comprehensive Housing Assistance, Inc.	2,500,000
Dorothy M. Higgins Community Center	100,000
East Baltimore Biotechnology Park	5,000,000
East Baltimore Housing Community	100,000
Edward A. Myerberg Senior Center	125,000
Family Cultural Enrichment Community Center	225,000
Flag House and Star Spangled Banner Museum	125,000
Fort McHenry Visitors Center	100,000
Hispanic Apostolate and Immigration Legal Services	253,000
Historic East Baltimore Community Action Coalition	200,000
Howard "Pete" Rawlings Hearing and Speech Facility	25,000

Johns Hopkins Bayview Medical Center	560,000
Johns Hopkins Medicine – Cardiovascular and Critical Care Tower	7,500,000
Johns Hopkins Medicine – Pediatric Trauma Center	5,000,000
Johns Hopkins University – Gilman Hall renovation	2,000,000
Junior League of Baltimore Thrift Store	300,000
Kennedy Krieger Institute	1,000,000
L.A.M.B. Community Resource Center	100,000
Library Square Revitalization	225,000
Lyndhurst Recreation Center	125,000
Maryland Institute College of Art – The Gateway Facility	3,000,000
Maryland Science Center	200,000
Port Discovery	125,000
Restoration Gardens – youth supportive housing facility	150,000
School 33 Art Center	50,000
St. Agnes HealthCare	560,000
The Mount	100,000
Walters Art Museum	125,000
WestSide Revitalization Project	5,000,000
WYPR – digital conversion	375,000
Zion Christian Middle School	100,000

D. Capital Projects for State Facilities in the City

Department of Health & Mental Hygiene

Forensic Medical Center – construction	\$1,915,000
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Department of Public Safety & Corrections

Baltimore City Detention Center – property acquisition	1,100,000
Correctional Complex Site – utilities upgrade	840,000

Morgan State University

Banneker Hall – renovations and telecommunications infrastructure	1,068,000
Campuswide – site improvements	3,723,000
Center for the Built Environment and Infrastructure Studies	3,949,000

University System of Maryland

Baltimore – 1300 N. Charles St. Building renovations	1,211,000
Coppin State – Health and Human Services Building	7,270,000
Coppin State – Physical Education Complex	79,206,000
Coppin State – utilities and security systems improvements	588,000
UMD at Baltimore – Campus Center Building	3,500,000

Other

UMD Medical System – ambulatory care center	5,000,000
UMD Medical System – diagnostic and treatment facility	5,000,000

Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$295,037	\$334,624	\$39,587	13.4
Compensatory Education	68,694	86,201	17,507	25.5
Student Transportation	22,217	23,845	1,628	7.3
Special Education	39,252	45,806	6,554	16.7
Limited English Proficiency Grants	6,736	9,731	2,995	44.5
Extended Elementary	1,190	0	-1,190	-100.0
Adult Education	693	693	0	0.0
Aging Schools	2,734	2,073	-661	-24.2
Other Education Aid	6,472	7,136	663	10.2
Primary & Secondary Education	443,026	510,110	67,084	15.1
Libraries	4,684	5,222	538	11.5
Community Colleges	34,081	38,904	4,823	14.2
Health Formula Grant	7,398	7,700	302	4.1
Transportation	43,777	44,357	580	1.3
Police and Public Safety	9,750	9,794	43	0.4
Fire and Rescue Aid	1,184	1,175	-9	-0.8
Recreation and Natural Resources	18,186	12,710	-5,476	-30.1
Utility Property Tax Grants	1,795	1,795	0	0.0
Other Direct Aid	50	50	0	0.0
Total Direct Aid	\$563,932	\$631,817	\$67,885	12.0
Aid Per Capita (\$)	720	802	83	11.5
Property Tax Equivalent (\$)	0.90	0.88	-0.03	-3.0

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 2008 State payments for Baltimore County for teachers, librarians, community college faculty, and local officials are estimated to be \$73,826,000.

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 2008 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 2007) 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	\$5,309,000
Family Health and Primary Care	351,000
Medical Care Services	2,294,000
Mental Health	49,214,000
Prevention and Disease Control	2,890,000
Developmental Disabilities	54,513,000

Social Services

Homeless Services	229,000
Women’s Services	490,000
Adult Services	257,000
Child Welfare Services	4,720,000

Senior Citizen Services

Long-term Care	1,463,000
Community Services	252,000

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

Deep Creek Middle School – construction	\$3,134,000
Eastern Tech High School – renovations (roof)	1,695,000
General John Strickler Middle School – construction	6,392,000
Maiden Choice School – renovations (roof)	532,000
Parkville Middle School – renovations (roof)	1,002,000
Perry Hall Middle School – construction	9,262,000
Vincent Farm Elementary School – construction	5,900,000
Unspecified additional funding	24,333,000

Baltimore Community College

Owings Mills Center	5,784,000
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Community Parks and Playgrounds

Athletic Artificial Turf Fields	250,000
Athletic Fields – lighting renovations	250,000
Millford Mill and Randallstown High School Stadiums	250,000

Waterway Improvement

Bear Creek – maintenance dredging	180,000
Channel Marker Improvements – countywide	99,000
Chesterwood Park – derelict boat ramp, pier and storage area	99,000
Clement Cove – construct new pier	99,000
County Police Department – purchase patrol boat, equipment and dive gear	50,000
Duck Creek and Deep Creek – maintenance dredging	110,000
Hart Miller Island – fueling station at Bills Boats	100,000
Inverness Park – boat ramp signage and pave parking lot	47,000
Jones Creek/North Point Creek – channel dredging	2,880,000

Aid to Local Government – Baltimore County

A-91

Loch Raven Reservoir – overlay parking lot and road	60,000
Middle River – dredging project engineering phase	200,000
Middle River Volunteer Ambulance – acquire water rescue equipment	25,000
Pleasure Island – dredging project engineering phase	250,000
Seneca Creek – channel dredging	200,000
Shallow Creek – dredging project engineering phase	40,000
Southwest Area Park – resurface boat ramp entry road	99,000
Submerged aquatic vegetation (SAV) monitoring – countywide	99,000
Whitemarsh Volunteer Fire Department – acquire water rescue equipment	4,158

Hazardous Substance Cleanup Program

Blenheim Road – site assessment	150,000
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Other Projects

Forbush School	150,000
HopeWell Cancer Support Facility	100,000
Irvine Nature Center	325,000
Maryland Food Bank	400,000
Northeast Skate Park	100,000
Slave Church	300,000
Storyville Children’s Learning Center	250,000
United Cerebral Palsy Facility	200,000
Westchester Community Center	150,000

D. Capital Projects for State Facilities in the County

General Government

Catonsville District Court – property acquisition	\$2,500,000
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Department of Natural Resources

Gunpowder Falls State Park – Dundee Creek Marina	66,000
Hart Miller Island State Park – ranger station improvements	60,000
North Point State Park – Bayshore pier restoration	98,000
Patapsco Valley State Park – Greenway Trail project	400,000
Patapsco Valley State Park – Union Mill dam removal	300,000

Maryland Veterans Administration

Garrison Forest Veterans Cemetery – addition	210,000
Garrison Forest Veterans Cemetery – expansion (federal)	6,912,000

University System of Maryland

Baltimore County – Dining Hall HVAC upgrades	500,000
Baltimore County – Fine Arts and Humanities Building	2,725,000
Baltimore County – recreation and athletic facilities	1,000,000
Baltimore County – residence hall renovations	1,600,000
Baltimore County – surface lots	1,100,000
Towson University – College of Liberal Arts Complex	13,505,000
Towson University – dining hall and grocery store	2,300,000
Towson University – Residence Tower window wall upgrade	1,200,000
Towson University – student support/service space	1,300,000
Towson University – University Union addition and renovation	6,000,000
Towson University – West Village infrastructure and site improvements	13,300,000

Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$56,585	\$64,326	\$7,741	13.7
Compensatory Education	5,250	6,881	1,631	31.1
Student Transportation	4,463	4,840	377	8.5
Special Education	5,414	6,303	889	16.4
Limited English Proficiency Grants	375	518	143	38.1
Extended Elementary	454	0	-454	-100.0
Adult Education	157	157	0	0.0
Aging Schools	88	75	-13	-14.8
Other Education Aid	778	778	-1	-0.1
Primary & Secondary Education	73,564	83,878	10,314	14.0
Libraries	386	423	37	9.5
Community Colleges	1,704	2,007	304	17.8
Health Formula Grant	641	665	23	3.6
* Transportation	6,720	6,845	125	1.9
* Police and Public Safety	777	795	18	2.3
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	1,620	1,113	-506	-31.3
Utility Property Tax Grants	6,097	6,097	0	0.0
Total Direct Aid	\$91,709	\$102,024	\$10,315	11.2
Aid Per Capita (\$)	1,047	1,149	102	9.8
Property Tax Equivalent (\$)	0.94	0.87	-0.07	-7.8

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

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 2008 State payments for Calvert County for teachers, librarians, community college faculty, and local officials are estimated to be \$12,097,000.

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 2008 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 2007) 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	\$771,000
Family Health and Primary Care	139,000
Medical Care Services	329,000
Mental Health	2,555,000
Prevention and Disease Control	600,000
Developmental Disabilities	6,096,000

Social Services

Homeless Services	33,000
Women's Services	106,000
Adult Services	48,000
Child Welfare Services	830,000

Senior Citizen Services

Long-term Care	126,000
Community Services	25,000

C. Selected State Grants for Capital Projects

Public Schools

Barstow Elementary School – construction	\$4,500,000
Calvert Middle School – construction	308,000
Huntingtown Elementary School – renovations (roof)	313,000
Unspecified additional funding	7,522,632

College of Southern Maryland

La Plata – Science and Technology Building	844,000
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Shelter & Transitional Housing Facilities

Project Echo	215,000
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Chesapeake Bay Restoration Fund

Chesapeake Beach WWTP – enhanced nutrient removal	1,000,000
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Waterway Improvement

Chesapeake Beach – replace bulkhead	99,000
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Other Projects

Annamarie Garden	100,000
ARC of Southern Maryland Community Resource Center	150,000
Project ECHO Homeless Shelter	250,000

Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$22,327	\$25,177	\$2,849	12.8
Compensatory Education	8,093	9,831	1,738	21.5
Student Transportation	2,036	2,212	176	8.6
Special Education	2,249	2,695	446	19.8
Limited English Proficiency Grants	482	676	194	40.2
Guaranteed Tax Base	614	554	-60	-9.8
Extended Elementary	351	0	-351	-100.0
Aging Schools	115	98	-17	-14.8
Other Education Aid	866	545	-321	-37.0
Primary & Secondary Education	37,135	41,788	4,653	12.5
Libraries	241	267	26	10.9
Community Colleges	1,178	1,343	165	14.0
Health Formula Grant	902	956	54	6.0
* Transportation	5,276	5,341	65	1.2
* Police and Public Safety	320	326	6	1.9
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	707	494	-212	-30.1
Disparity Grant	1,838	1,913	74	4.0
Total Direct Aid	\$47,796	\$52,628	\$4,831	10.1
Aid Per Capita (\$)	1,503	1,614	111	7.4
Property Tax Equivalent (\$)	2.29	2.20	-0.09	-4.0

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

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 2008 State payments for Caroline County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,570,000.

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 2008 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 2007) 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	\$394,000
Family Health and Primary Care	165,000
Medical Care Services	496,000
Mental Health	2,855,000
Prevention and Disease Control	460,000
Developmental Disabilities	2,213,000

Social Services

Homeless Services	59,000
Women’s Services	176,000
Adult Services	90,000
Child Welfare Services	652,000

Senior Citizen Services

Long-term Care	542,000
Community Services	152,000

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	\$2,187,000
Preston Elementary School – renovations (roof)	137,000
Unspecified additional funding	102,236

Chesapeake College

Talbot Science Building – renovation	2,629,000
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Community Parks and Playgrounds

Federalsburg Marina Park	29,368
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Water Supply Financial Assistance Program

Greensboro – water line replacement	100,000
Nelphine Heights/Jonestown – water distribution	300,000

Waterway Improvement

Choptank Marina – dredging and service pier improvements	399,000
Denton – Crouse Park bulkhead replacement	99,000
Federalsburg Marina Park – construct boat dock	26,000
Ganey’s Wharf – ADA modifications	30,000
Hillsboro – boat ramp ADA modifications and replace bulkhead	99,000
Smithville Lake – boating facility improvements	75,000

Other Projects

Caroline Hospice	150,000
The Benedictine School	250,000

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

Tuckahoe State Park – Upper Chesapeake rail/trail connector	\$1,490,000
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Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$98,057	\$109,302	\$11,244	11.5
Compensatory Education	6,923	8,926	2,003	28.9
Student Transportation	7,759	8,360	600	7.7
Special Education	11,116	12,823	1,706	15.3
Limited English Proficiency Grants	410	623	214	52.1
Extended Elementary	172	0	-172	-100.0
Adult Education	206	206	0	0.0
Aging Schools	391	306	-85	-21.6
Other Education Aid	585	579	-5	-0.9
Primary & Secondary Education	125,620	141,125	15,506	12.3
Libraries	886	981	95	10.7
Community Colleges	6,202	7,320	1,118	18.0
Health Formula Grant	2,089	2,196	107	5.1
* Transportation	14,653	14,855	202	1.4
* Police and Public Safety	1,581	1,611	29	1.9
* Fire and Rescue Aid	262	261	-1	-0.4
Recreation and Natural Resources	3,640	2,523	-1,116	-30.7
Total Direct Aid	\$154,933	\$170,872	\$15,940	10.3
Aid Per Capita (\$)	920	1,004	84	9.1
Property Tax Equivalent (\$)	1.00	0.96	-0.04	-4.1

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

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 2008 State payments for Carroll County for teachers, librarians, community college faculty, and local officials are estimated to be \$18,311,000.

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 2008 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 2007) 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	\$1,348,000
Family Health and Primary Care	192,000
Medical Care Services	661,000
Mental Health	6,960,000
Prevention and Disease Control	898,000
Developmental Disabilities	11,687,000

Social Services

Homeless Services	91,000
Women's Services	162,000
Adult Services	123,000
Child Welfare Services	1,515,000

Senior Citizen Services

Long-term Care	321,000
Community Services	66,000

C. Selected State Grants for Capital Projects

Public Schools

Ebb Valley Elementary School – construction	\$5,600,000
Freedom Elementary School – kindergarten/pre-k addition	1,479,000
Unspecified additional funding	1,140,443

Carroll Community College

Classroom Building No. 4	18,059,000
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Juvenile Services Facilities Program

Carroll County Youth Services Bureau, Inc.	3,669,000
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Community Parks and Playgrounds

Christmas Tree Park	42,550
Lexington Run Park	126,400

Chesapeake Bay Water Quality Projects

Taneytown – Baltimore Street sanitary sewer replacement	300,000
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Chesapeake Bay Restoration Fund

Taneytown – sewer rehabilitation	200,000
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Water Supply Financial Assistance Program

Union Bridge – well rehabilitation	48,000
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Other Projects

Danele Shipley Memorial Arena	100,000
Marlin K. Hoff Memorial Barn	100,000

D. Capital Projects for State Facilities in the County

Maryland Environmental Service

Springfield Hospital Center – water tower improvements

\$320,000

Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$59,570	\$67,046	\$7,476	12.6
Compensatory Education	11,608	13,875	2,267	19.5
Student Transportation	4,031	4,339	308	7.6
Special Education	7,216	8,418	1,202	16.7
Limited English Proficiency Grants	394	459	65	16.4
Guaranteed Tax Base	1,444	2,047	603	41.7
Extended Elementary	810	0	-810	-100.0
Adult Education	103	103	0	0.0
Aging Schools	316	236	-81	-25.5
Other Education Aid	610	610	0	0.0
Primary & Secondary Education	86,102	97,132	11,030	12.8
Libraries	615	695	81	13.1
Community Colleges	4,291	5,142	852	19.8
Health Formula Grant	1,371	1,440	70	5.1
* Transportation	8,133	8,280	148	1.8
* Police and Public Safety	908	933	25	2.8
* Fire and Rescue Aid	206	206	0	0.0
Recreation and Natural Resources	1,880	1,301	-579	-30.8
Total Direct Aid	\$103,504	\$115,130	\$11,626	11.2
Aid Per Capita (\$)	1,062	1,157	95	9.0
Property Tax Equivalent (\$)	1.31	1.28	-0.03	-2.2

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

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 2008 State payments for Cecil County for teachers, librarians, community college faculty, and local officials are estimated to be \$10,680,000.

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 2008 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 2007) 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	\$1,158,000
Family Health and Primary Care	223,000
Medical Care Services	506,000
Mental Health	6,265,000
Prevention and Disease Control	638,000
Developmental Disabilities	6,795,000
AIDS	16,000

Social Services

Homeless Services	40,000
Women's Services	93,000
Adult Services	107,000
Child Welfare Services	1,667,000

Senior Citizen Services

Long-term Care	126,000
Community Services	48,000

C. Selected State Grants for Capital Projects

Public Schools

Calvert Elementary School – construction	\$3,300,000
Perryville Middle School – construction	1,445,000
Unspecified additional funding	4,788,000

Cecil Community College

Physical Education Building – renovation and addition	929,000
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Community Parks and Playgrounds

Perryville Community Park	20,625
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Chesapeake Bay Water Quality Projects

Elkton WWTP – nutrient removal	2,000,000
Perryville WWTP – nutrient removal	2,000,000
Rising Sun WWTP – plant upgrade	400,000

Water Supply Financial Assistance Program

Port Deposit – water treatment and intake upgrades	225,000
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Waterway Improvement

Charlestown – boat ramp dredging	250,000
Charlestown Fire Boat Pier – channel dredging	235,000
Elk River Park – develop new public boating site	99,000

Hazardous Substance Cleanup Program

Montgomery Brothers – site improvements	200,000
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Other Projects

4-H Animal Display Barn	100,000
Cecil County Breeder's Fair	50,000
Stone House	100,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Elk Neck State Park – Rouges Harbor improvements	\$38,000
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Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$92,971	\$106,743	\$13,772	14.8
Compensatory Education	16,627	16,941	314	1.9
Student Transportation	8,014	8,734	720	9.0
Special Education	6,374	7,524	1,150	18.1
Limited English Proficiency Grants	464	704	241	51.9
Guaranteed Tax Base	1,574	2,758	1,184	75.2
Extended Elementary	1,070	0	-1,070	-100.0
Adult Education	261	261	0	0.0
Aging Schools	115	98	-17	-14.8
Other Education Aid	1,081	919	-162	-15.0
Primary & Secondary Education	128,550	144,682	16,132	12.5
Libraries	764	839	75	9.8
Community Colleges	6,235	7,324	1,090	17.5
Health Formula Grant	1,694	1,777	83	4.9
* Transportation	10,319	10,680	361	3.5
* Police and Public Safety	1,215	1,236	21	1.8
* Fire and Rescue Aid	229	231	2	0.7
Recreation and Natural Resources	3,320	2,289	-1,031	-31.1
Utility Property Tax Grants	2,523	2,523	0	0.0
Total Direct Aid	\$154,849	\$171,581	\$16,732	10.8
Aid Per Capita (\$)	1,121	1,222	101	9.0
Property Tax Equivalent (\$)	1.16	1.09	-0.07	-6.2

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

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 2008 State payments for Charles County for teachers, librarians, community college faculty, and local officials are estimated to be \$16,437,000.

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 2008 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 2007) 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	\$1,940,000
Family Health and Primary Care	310,000
Medical Care Services	477,000
Mental Health	4,688,000
Prevention and Disease Control	723,000
Developmental Disabilities	9,629,000

Social Services

Homeless Services	80,000
Women's Services	134,000
Adult Services	114,000
Child Welfare Services	2,057,000

Senior Citizen Services

Long-term Care	209,000
Community Services	24,000

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

Gale-Bailey Elementary School – kindergarten/pre-k addition	\$2,549,000
Mt. Hope/Nanjemoy Elementary School – kindergarten/pre-k addition	1,000,000
New Elementary School #2 – construction	500,000
Somers Middle School – renovations (roof and HVAC)	1,216,000
T.C. Martin Elementary School – kindergarten/pre-k addition	2,700,000
T.C. Martin Elementary School – renovations (boiler)	166,000
Unspecified additional funding	5,039,130

College of Southern Maryland

La Plata – Science and Technology Building	844,000
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Senior Citizen Activity Centers

Richard Clark Senior Center	120,000
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Chesapeake Bay Water Quality Projects

Benedict Central Sewer – collection and treatment system	400,000
Indian Head WWTP – nutrient removal	381,000
Mattawoman WWTP – nutrient removal	444,000

Waterway Improvement

Mallows Bay/Wilson Farm – boat launch, pier, road and other improvements	99,000
Nanjemoy Creek – channel dredging	251,000
Nanjemoy Volunteer Fire Department – acquire fire/rescue boat	50,000
Newburg Volunteer Rescue and Fire Department – marine fire/rescue equipment	50,000

Other Projects

Charles County Humane Society	150,000
Lions Camp Merrick	150,000
Mattawoman Creek Art Center	15,000
Old Waldorf School Community Center	100,000
Southern Maryland Stadium	4,700,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Cedarville Fish Hatchery – replace pipe and reline pond	\$155,000
Myrtle Grove WMA – new maintenance shop	800,000
Smallwood State Park – replace floating docks and other improvements	130,000

Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$15,745	\$18,460	\$2,715	17.2
Compensatory Education	5,599	6,748	1,149	20.5
Student Transportation	1,846	2,009	163	8.8
Special Education	1,153	1,440	287	24.9
Limited English Proficiency Grants	269	355	86	32.1
Guaranteed Tax Base	0	242	242	n/a
Extended Elementary	412	0	-412	-100.0
Adult Education	127	127	0	0.0
Aging Schools	88	75	-13	-14.8
Other Education Aid	590	444	-146	-24.7
Primary & Secondary Education	25,828	29,900	4,072	15.8
Libraries	215	245	31	14.3
Community Colleges	903	1,030	127	14.0
Health Formula Grant	721	762	41	5.7
* Transportation	5,853	5,940	87	1.5
* Police and Public Safety	356	361	5	1.3
* Fire and Rescue Aid	241	241	0	0.0
Recreation and Natural Resources	612	422	-191	-31.1
Disparity Grant	1,494	2,089	595	39.8
Utility Property Tax Grants	187	187	0	0.0
Total Direct Aid	\$36,411	\$41,178	\$4,767	13.1
Aid Per Capita (\$)	1,161	1,302	140	12.1
Property Tax Equivalent (\$)	1.52	1.50	-0.02	-1.2

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

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 2008 State payments for Dorchester County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,130,000.

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 2008 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 2007) 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	\$1,080,000
Family Health and Primary Care	158,000
Medical Care Services	481,000
Mental Health	4,429,000
Prevention and Disease Control	525,000
Developmental Disabilities	2,174,000
AIDS	143,000

Social Services

Homeless Services	39,000
Women's Services	124,000
Adult Services	127,000
Child Welfare Services	788,000

Senior Citizen Services

Long-term Care	636,000
Community Services	384,000

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 Dorchester, Somerset, Wicomico, and Worcester counties.

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

Cambridge-South Dorchester High School – renovations (electrical)	\$79,000
Maple Elementary School – renovations (electrical)	79,000
North Dorchester Middle School – construction	2,100,000
School of Technology – renovations (electrical)	79,000
Unspecified additional funding	3,800,000

Chesapeake College

Talbot Science Building – renovation	2,629,000
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Federally Qualified Health Centers Grant Program

Choptank Community Health System, Inc.	1,600,000
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Community Parks and Playgrounds

Vienna Community Park	60,223
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Chesapeake Bay Water Quality Projects

Hurlock WWTP – nutrient removal	700,000
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Chesapeake Bay Restoration Fund

Cambridge WWTP – enhanced nutrient removal	650,000
Gordon Street Lift Station – sewer rehabilitation	150,000

Waterway Improvement

Cambridge Municipal Marina – construct platform for new dock manager’s office	100,000
Great Marsh Park – reconstruct boat ramp and pier	99,000
Hoopers Island – rebuild dock/bulkhead/pier facility	95,000
Rescue Fire Company – acquire new fire/rescue boat	50,000
Smithville – replace bulkhead and resurface parking lot/ramp	75,000
Trenton Street – additional boat ramp slips and related amenities	50,000
Vienna – construct Water Street bulkhead	99,000

Other Projects

Dorchester County Family YMCA	200,000
Dorchester County Historical Society	50,000
Dorchester General Hospital	500,000

D. Capital Projects for State Facilities in the County**University System of Maryland**

Center for Environmental Science – Horn Point Oyster Production Facility	\$9,200,000
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Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$129,325	\$149,660	\$20,335	15.7
Compensatory Education	12,972	17,431	4,459	34.4
Student Transportation	9,269	10,242	973	10.5
Special Education	11,689	14,177	2,488	21.3
Limited English Proficiency Grants	2,773	4,288	1,516	54.7
Extended Elementary	812	0	-812	-100.0
Adult Education	235	235	0	0.0
Aging Schools	419	357	-62	-14.8
Other Education Aid	746	744	-2	-0.2
Primary & Secondary Education	168,240	197,135	28,895	17.2
Libraries	1,013	1,105	92	9.1
Community Colleges	6,604	8,178	1,574	23.8
Health Formula Grant	2,569	2,698	129	5.0
* Transportation	19,587	19,870	283	1.4
* Police and Public Safety	2,230	2,272	43	1.9
* Fire and Rescue Aid	358	359	1	0.3
Recreation and Natural Resources	3,849	2,610	-1,240	-32.2
Total Direct Aid	\$204,450	\$234,227	\$29,777	14.6
Aid Per Capita (\$)	928	1,051	123	13.3
Property Tax Equivalent (\$)	0.92	0.87	-0.05	-5.6

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

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 2008 State payments for Frederick County for teachers, librarians, community college faculty, and local officials are estimated to be \$25,115,000.

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 2008 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 2007) 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	\$1,971,000
Family Health and Primary Care	252,000
Medical Care Services	574,000
Mental Health	12,641,000
Prevention and Disease Control	940,000
Developmental Disabilities	15,298,000
AIDS	49,000

Social Services

Homeless Services	210,000
Women's Services	247,000
Adult Services	160,000
Child Welfare Services	2,192,000

Senior Citizen Services

Long-term Care	238,000
Community Services	80,000

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

Brunswick Middle School – construction	\$1,489,000
Carroll Manor Elementary School – renovations (roof)	414,000
Monocacy Middle School – renovations (HVAC)	559,000
New Market Elementary School – construction	1,931,000
Oakdale High School – construction	5,000,000
Sabillasville Elementary School – renovations (HVAC)	399,000
Thurmont Primary School – construction	1,126,000
Urbana Middle School – construction	1,815,000
Unspecified additional funding	5,995,352

Frederick Community College

Classroom and Student Center Building	13,433,000
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Community Mental Health/Addictions/Dev. Disabilities

Sheppard Pratt Health System, Inc. – Jefferson School	591,000
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Community Parks and Playgrounds

Doub's Meadow Park	142,800
Prospect Park	50,000

Chesapeake Bay Water Quality Projects

Brunswick WWTP – nutrient removal	253,000
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Chesapeake Bay Restoration Fund

Ballanger WWTP – enhanced nutrient removal	480,000
Frederick WWTP – enhanced nutrient removal	10,000,000

Waterway Improvement

Brunswick – ADA and other boat ramp improvements	92,396
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Other Projects

C&O Canal National Historic Catoctin Aqueduct	200,000
Mount St. Mary's University – Performing Arts Academic Center	2,000,000
Way Station	250,000
YMCA	50,000

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

School for the Deaf – cafeteria and student center	\$447,000
School for the Deaf – elementary/family education/support services complex	1,250,000

Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$14,591	\$15,735	\$1,144	7.8
Compensatory Education	4,160	4,734	574	13.8
Student Transportation	2,305	2,500	195	8.5
Special Education	1,368	1,585	217	15.9
Extended Elementary	311	0	-311	-100.0
Adult Education	38	38	0	0.0
Aging Schools	88	75	-13	-14.8
Other Education Aid	597	596	-2	-0.3
Primary & Secondary Education	23,459	25,264	1,805	7.7
Libraries	158	160	1	0.9
Community Colleges	2,718	3,061	344	12.6
Health Formula Grant	733	776	43	5.9
* Transportation	6,587	6,649	63	1.0
* Police and Public Safety	238	237	-1	-0.6
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	758	520	-238	-31.4
Disparity Grant	2,307	2,089	-218	-9.4
Utility Property Tax Grants	12	12	0	0.0
Total Direct Aid	\$37,170	\$38,968	\$1,798	4.8
Aid Per Capita (\$)	1,245	1,305	60	4.9
Property Tax Equivalent (\$)	1.10	1.03	-0.07	-6.4

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

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 2008 State payments for Garrett County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,282,000.

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 2008 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 2007) 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	\$603,000
Family Health and Primary Care	166,000
Medical Care Services	604,000
Mental Health	2,299,000
Prevention and Disease Control	503,000
Developmental Disabilities	2,058,000

Social Services

Homeless Services	79,000
Women's Services	177,000
Adult Services	30,000
Child Welfare Services	798,000

Senior Citizen Services

Long-term Care	183,000
Community Services	74,000

C. Selected State Grants for Capital Projects

Public Schools

Grantsville Elementary School – construction	\$800,000
Northern Middle School – construction	4,000,000
Unspecified additional funding	1,443,000

Local Jail Loan

Garrett County Detention Center – new facility	4,800,000
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Community Parks and Playgrounds

Broadford Lake Park	30,000
Friendsville Community Park	177,100

Waterway Improvement

Friendsville Community Park – refurbish comfort station and other improvements	50,000
Savage River Reservoir – Dry Run boat ramp improvements	99,000

Other Projects

Garrett College – Athletic and Community Recreation Center	12,451,000
Garrett Performing Arts Center	50,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Deep Creek Lake State Park – bathhouse replacement	\$114,000
Herrington Manor State Park – Herrington Creek dam repair	200,000

Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$136,960	\$152,089	\$15,129	11.0
Compensatory Education	19,445	22,629	3,184	16.4
Student Transportation	9,676	10,525	849	8.8
Special Education	16,759	19,092	2,333	13.9
Limited English Proficiency Grants	1,234	1,603	369	29.9
Extended Elementary	850	0	-850	-100.0
Adult Education	171	171	0	0.0
Aging Schools	499	425	-74	-14.8
Other Education Aid	546	532	-14	-2.5
Primary & Secondary Education	186,141	207,067	20,926	11.2
Libraries	1,384	1,544	160	11.6
Community Colleges	8,757	10,211	1,454	16.6
Health Formula Grant	2,953	3,100	147	5.0
* Transportation	16,814	17,083	268	1.6
* Police and Public Safety	2,695	2,715	19	0.7
* Fire and Rescue Aid	371	374	3	0.9
Recreation and Natural Resources	5,391	3,739	-1,652	-30.6
Utility Property Tax Grants	861	861	0	0.0
Total Direct Aid	\$225,366	\$246,692	\$21,326	9.5
Aid Per Capita (\$)	944	1,022	78	8.3
Property Tax Equivalent (\$)	1.13	1.09	-0.04	-3.9

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

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 2008 State payments for Harford County for teachers, librarians, community college faculty, and local officials are estimated to be \$25,771,000.

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 2008 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 2007) 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	\$1,861,000
Family Health and Primary Care	228,000
Medical Care Services	858,000
Mental Health	10,429,000
Prevention and Disease Control	1,119,000
Developmental Disabilities	16,579,000
AIDS	34,000

Social Services

Homeless Services	103,000
Women’s Services	252,000
Adult Services	141,000
Child Welfare Services	2,174,000

Senior Citizen Services

Long-term Care	346,000
Community Services	73,000

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

Joppatowne Elementary School – construction	\$1,200,000
Patterson Mill Middle/High School – construction	10,766,000
Unspecified additional funding	4,271,875

Harford Community College

Susquehanna Center – renovation and expansion	1,219,000
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Local Jail Loan

Harford County Detention Center – expansion	5,815,000
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Community Parks and Playgrounds

Todd Field Playground	48,413
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Chesapeake Bay Water Quality Projects

Oaklyn Manor – sewer system installation	400,000
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Chesapeake Bay Restoration Fund

Aberdeen WWTP – enhanced nutrient removal	3,100,000
Havre de Grace – sewer rehabilitation	200,000
Havre de Grace WWTP – enhanced nutrient removal	2,600,000
Joppatowne WWTP – enhanced nutrient removal	1,600,000
Sod Run WWTP – enhanced nutrient removal	10,000,000

Water Supply Financial Assistance Program

Glen Heights – public water system connection	500,000
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Waterway Improvement

Foster Branch – maintenance dredging	187,500
Havre de Grace – Concord Point Lighthouse transient pier replacement	99,000
Havre de Grace Yacht Basin – ADA and parking improvements	198,000
Swan Creek – channel dredging	65,000
Swan Harbor Farm – pier lighting and shore erosion control	130,000
Tydings Island – renovate dredge material placement site	700,000

Other Projects

Harford County 4-H Club Camp	100,000
Havre de Grace Maritime Museum	300,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Susquehanna State Park – bathhouse and campground renovation	\$82,000
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Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$117,998	\$137,132	\$19,133	16.2
Compensatory Education	10,452	13,991	3,539	33.9
Student Transportation	11,952	13,001	1,049	8.8
Special Education	11,150	13,271	2,120	19.0
Limited English Proficiency Grants	3,619	4,641	1,023	28.3
Extended Elementary	255	0	-255	-100.0
Adult Education	286	286	0	0.0
Aging Schools	201	172	-30	-14.8
Other Education Aid	899	863	-36	-4.0
Primary & Secondary Education	156,812	183,356	26,543	16.9
Libraries	694	754	61	8.8
Community Colleges	10,920	13,032	2,112	19.3
Health Formula Grant	2,089	2,176	86	4.1
Transportation	16,443	16,789	346	2.1
Police and Public Safety	3,088	3,498	410	13.3
Fire and Rescue Aid	383	385	2	0.4
Recreation and Natural Resources	9,538	6,628	-2,910	-30.5
Other Direct Aid	105	130	25	24.0
Total Direct Aid	\$200,072	\$226,748	\$26,676	13.3
Aid Per Capita (\$)	743	832	89	12.0
Property Tax Equivalent (\$)	0.55	0.55	-0.01	-1.0

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 2008 State payments for Howard County for teachers, librarians, community college faculty, and local officials are estimated to be \$40,083,000.

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 2008 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 2007) 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	\$1,568,000
Family Health and Primary Care	146,000
Medical Care Services	503,000
Mental Health	7,570,000
Prevention and Disease Control	950,000
Developmental Disabilities	18,676,000

Social Services

Homeless Services	116,000
Women’s Services	219,000
Adult Services	60,000
Child Welfare Services	1,819,000

Senior Citizen Services

Long-term Care	274,000
Community Services	22,000

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

Bushy Park Elementary School – construction	\$2,200,000
Centennial Lane Elementary School – construction	3,000,000
Guilford Elementary School – construction	2,600,000
Lisbon Elementary School – construction	3,255,000
Running Brook Elementary School – construction	2,377,797
Worthington Elementary School – construction	1,600,000
Unspecified additional funding	8,173,000

Howard Community College

Administration Building/Smith Theatre – renovation	790,000
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Shelter & Transitional Housing Facilities

Grassroots Shelter	600,000
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Community Parks and Playgrounds

Blandair Regional Park	250,000
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Other Projects

Blandair Regional Park	125,000
Norbel School	50,000
North Laurel Community Center	200,000
Robinson Nature Center	350,000

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

Perkins Hospital – new maximum security wing	\$14,500,000
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Maryland State Police

Waterloo Barrack Complex – garage and storage building	275,000
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Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,644	\$4,876	\$232	5.0
Compensatory Education	1,849	2,286	437	23.6
Student Transportation	1,233	1,326	92	7.5
Special Education	581	707	126	21.7
Limited English Proficiency Grants	163	167	4	2.5
Extended Elementary	280	0	-280	-100.0
Adult Education	64	64	0	0.0
Aging Schools	88	75	-13	-14.8
Other Education Aid	721	719	-2	-0.3
Primary & Secondary Education	9,623	10,219	596	6.2
Libraries	90	101	12	13.0
Community Colleges	479	546	67	14.0
Health Formula Grant	562	596	34	6.1
* Transportation	3,056	3,063	8	0.2
* Police and Public Safety	202	200	-2	-0.9
* Fire and Rescue Aid	206	206	0	0.0
Recreation and Natural Resources	456	314	-141	-31.0
Total Direct Aid	\$14,672	\$15,246	\$574	3.9
Aid Per Capita (\$)	737	763	26	3.5
Property Tax Equivalent (\$)	0.67	0.61	-0.06	-8.8

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

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 2008 State payments for Kent County for teachers, librarians, community college faculty, and local officials are estimated to be \$1,790,000.

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 2008 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 2007) 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	\$1,798,000
Family Health and Primary Care	140,000
Medical Care Services	385,000
Mental Health	1,222,000
Prevention and Disease Control	418,000
Developmental Disabilities	1,398,000

Social Services

Homeless Services	2,000
Women's Services	98,000
Adult Services	45,000
Child Welfare Services	377,000

Senior Citizen Services

Long-term Care	542,000
Community Services	152,000

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

Rock Hall Elementary School – renovations (windows/doors/HVAC)	\$1,087,000
Unspecified additional funding	248,124

Chesapeake College

Talbot Science Building – renovation	2,629,000
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Chesapeake Bay Water Quality Projects

Chestertown WWTP – nutrient removal	1,015,000
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Waterway Improvement

Allen’s Lane – stabilize shoreline at boat ramp	50,000
Bayside Landing Park – pave parking and modify pier and wing wall	149,000
Cliff City – replace wing wall at boat ramp	50,000
Long Cove Pier – replace decking	99,000
Shipyard Public Landing – pave parking and ramp area	99,000
Turner’s Creek – replace bulkhead	95,000
Wilmer Park – replace bulkhead	50,000

Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$179,886	\$193,324	\$13,438	7.5
Compensatory Education	58,125	82,534	24,408	42.0
Student Transportation	28,298	30,678	2,380	8.4
Special Education	40,199	47,892	7,693	19.1
Limited English Proficiency Grants	28,356	38,024	9,667	34.1
Extended Elementary	1,266	0	-1,266	-100.0
Adult Education	394	394	0	0.0
Aging Schools	1,383	1,178	-205	-14.8
Other Education Aid	3,230	2,495	-735	-22.7
Primary & Secondary Education	341,138	396,519	55,381	16.2
Libraries	2,396	2,597	201	8.4
Community Colleges	32,957	40,174	7,217	21.9
Health Formula Grant	5,255	5,417	162	3.1
* Transportation	45,904	46,411	507	1.1
* Police and Public Safety	15,026	15,232	206	1.4
* Fire and Rescue Aid	1,294	1,295	1	0.1
Recreation and Natural Resources	24,291	16,694	-7,597	-31.3
Utility Property Tax Grants	2,766	2,766	0	0.0
Total Direct Aid	\$471,027	\$527,104	\$56,077	11.9
Aid Per Capita (\$)	508	565	58	11.3
Property Tax Equivalent (\$)	0.32	0.31	-0.01	-3.3

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

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 2008 State payments for Montgomery County for teachers, librarians, community college faculty, and local officials are estimated to be \$122,674,000.

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 2008 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 2007) 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	\$3,887,000
Family Health and Primary Care	326,000
Medical Care Services	2,850,000
Mental Health	30,542,000
Prevention and Disease Control	2,445,000
Developmental Disabilities	64,298,000
AIDS	212,000

Social Services

Homeless Services	373,000
Women’s Services	193,000
Adult Services	651,000
Child Welfare Services	4,544,000

Senior Citizen Services

Long-term Care	981,000
Community Services	301,000

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

Argyle Middle School – renovations (HVAC)	\$415,000
Clarksburg Area High School – construction	3,948,140
Great Seneca Creek Elementary School – construction	6,302,000
Little Bennett Elementary School – construction	6,365,000
Northwest High School – construction	4,605,000
Rolling Terrace Elementary School – renovations (roof)	201,000
Roscoe R. Nix Elementary School – construction	4,702,000
Watkins Mill Elementary School – construction	2,438,000
Westbrook Elementary School – renovations (HVAC)	335,000
Unspecified additional funding	22,985,661

Montgomery College

Takoma Park – Cultural Arts Center equipment	1,275,000
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Community Mental Health/Addictions/Dev. Disabilities

Community Services for Autistic Adults and Children, Inc.	1,275,000
Community Support Services, Inc.	1,250,000
Housing Opportunities Commission of Montgomery County	492,000

Community Parks and Playgrounds

Woodstock Equestrian Park	250,000
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Chesapeake Bay Restoration Fund

Blue Plains WWTP – enhanced nutrient removal	3,200,000
Damascus WWTP – enhanced nutrient removal	100,000
Seneca WWTP – enhanced nutrient removal	400,000

Waterway Improvement

Lake Needwood and Little Seneca Lake – repair docks	75,000
Pennyfield Lock Boat – reconstruct boat ramp	99,000

Other Projects

Agricultural History Farm Park – Activity Center	200,000
Birchmere Music Hall	2,000,000
Damascus Heritage Museum	200,000
Easter Seals Inter-Generational Center	200,000
Gaithersburg Regional Aquatic Recreation Center	100,000
Germantown Boys and Girls Club – gymnasium	550,000
Germantown Life Sciences Incubator	1,000,000
Glen Echo Park	225,000
Imagination Stage	150,000
Katherine Thomas High School	50,000
MacDonald Knolls Center	250,000
Metropolitan Washington Ear Facility	25,000
National Labor College – Academic Services Building	100,000
Nonprofit Village Center	250,000
Oakley Cabin – restoration	15,000
Public Safety Memorial	150,000
Rockville Senior Center	100,000
Shady Grove Adventist Hospital	120,000
Warren Historical Site – Loving Charity Hall	175,000
Wheaton Multi-Service Youth Facility	200,000
Woodstock Equestrian Park	250,000

D. Capital Projects for State Facilities in the County

University System of Maryland

Shady Grove Educational Center – construct facility III	\$1,200,000
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Prince George's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$476,733	\$525,710	\$48,977	10.3
Compensatory Education	154,105	195,239	41,134	26.7
Student Transportation	30,955	33,443	2,488	8.0
Special Education	63,505	71,447	7,942	12.5
Limited English Proficiency Grants	30,079	46,810	16,731	55.6
Guaranteed Tax Base	17,828	23,539	5,711	32.0
Extended Elementary	1,732	0	-1,732	-100.0
Adult Education	247	390	142	57.4
Aging Schools	2,776	2,365	-411	-14.8
Other Education Aid	3,886	2,624	-1,262	-32.5
Primary & Secondary Education	781,846	901,567	119,721	15.3
Libraries	6,049	6,566	517	8.6
Community Colleges	19,813	22,894	3,081	15.5
Health Formula Grant	8,591	8,940	349	4.1
* Transportation	40,168	40,943	775	1.9
* Police and Public Safety	17,982	18,176	194	1.1
* Fire and Rescue Aid	1,107	1,111	4	0.3
Recreation and Natural Resources	20,606	14,364	-6,243	-30.3
Disparity Grant	15,963	19,110	3,148	19.7
Utility Property Tax Grants	7,745	7,745	0	0.0
* Other Direct Aid	181	196	15	8.4
Total Direct Aid	\$920,051	\$1,041,612	\$121,560	13.2
Aid Per Capita (\$)	1,092	1,238	146	13.4
Property Tax Equivalent (\$)	1.47	1.43	-0.04	-2.7

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

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 2008 State payments for Prince George’s County for teachers, librarians, community college faculty, and local officials are estimated to be \$84,068,000.

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 2008 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 2007) 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	\$9,290,000
Family Health and Primary Care	1,168,000
Medical Care Services	3,616,000
Mental Health	33,146,000
Prevention and Disease Control	2,252,000
Developmental Disabilities	58,668,000
AIDS	298,000

Social Services

Homeless Services	810,000
Women’s Services	682,000
Adult Services	223,000
Child Welfare Services	5,761,000

Senior Citizen Services

Long-term Care	822,000
Community Services	185,000

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

Adelphi Elementary School – construction	\$1,603,000
Dr. Henry A. Wise, Jr. High School – construction	14,750,000
DuVal High School – construction	7,793,000
Glenarden Woods Elementary School – renovations (roof)	685,000
Laurel-Beltsville Area Elementary School – construction	1,000,000
Mary Harris Jones Elementary School – construction	1,319,000
Matthew Henson Elementary School – renovations (roof)	833,000
Panorama Elementary School – construction	1,081,000
Springhill Lake Elementary School – renovations (roof)	203,000
Unspecified additional funding	22,983,000

Prince George’s Community College

Marlboro & Queen Anne’s Halls and Pedestrian Bridge – renovations	971,000
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Local Jail Loan

County Detention Center – renovate housing unit	358,000
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Community Mental Health/Addictions/Dev. Disabilities

GUIDE Nashville, Inc.	276,000
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Shelter & Transitional Housing Facilities

Family Crisis Center	125,000
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Community Parks and Playgrounds

Brandywine North Keys Community Park	250,000
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Chesapeake Bay Restoration Fund

Blue Plains WWTP – enhanced nutrient removal	3,200,000
Bowie WWTP – enhanced nutrient removal	4,000,000
Parkway WWTP – enhanced nutrient removal	760,000
Piscataway WWTP – enhanced nutrient removal	140,000
Western Branch WWTP – enhanced nutrient removal	3,000,000

Waterway Improvement

Potomac River – acquire water rescue equipment	20,000
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Other Projects

College Park Aviation Museum	75,000
College Park Boys and Girls Club – Duvall Field	75,000
Delta Alumnae Community Development Center	100,000
Ernest Everett Just Monument	150,000
Fort Washington Medical Center	560,000
Fraternal Order of Police – Fallen Hero Memorial	250,000
Hard Bargain Farm Environmental Center	100,000
Historic Greenbelt Theater	300,000
Historic Laurel Mill Ruins	100,000
Laurel Armory Anderson Murphy Community Center	100,000
Marlton Gazebo	100,000
Maryland Crime Victims’ Resource Center	100,000
Maryland Multicultural Youth Center Multi-Purpose Room	100,000
Mission of Love	150,000
National Philippine Cultural Center	100,000
Palmer Park Boys and Girls Club	175,000
Poplar Hill on His Lordship’s Kindness	100,000
Reid Community Business Development Center	300,000
Safe Passage Emergency Shelter	150,000
Suitland Technology Center	150,000
World Arts Focus Performance Theatre	100,000

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

Fort Washington Marina – replace docks and other improvements \$1,700,000

University System of Maryland

College Park – Carroll Hall renovation	7,360,000
College Park – Denton Dining Hall renovation	6,000,000
College Park – fraternity/sorority houses renovation	6,750,000
College Park – golf course improvements	5,000,000
College Park – recycling center	1,500,000
College Park – Residence Hall air conditioning	5,600,000
College Park – Tawes Building conversion	28,800,000
University College – Academic Technology Support Building	1,185,000

Queen Anne’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$18,646	\$20,725	\$2,080	11.2
Compensatory Education	2,170	2,829	658	30.3
Student Transportation	2,534	2,767	233	9.2
Special Education	1,909	2,367	458	24.0
Limited English Proficiency Grants	223	284	61	27.3
Extended Elementary	351	0	-351	-100.0
Adult Education	73	73	0	0.0
Aging Schools	115	98	-17	-14.8
Other Education Aid	437	434	-3	-0.8
Primary & Secondary Education	26,457	29,576	3,118	11.8
Libraries	127	126	0	-0.2
Community Colleges	1,401	1,597	196	14.0
Health Formula Grant	706	744	38	5.4
* Transportation	5,946	6,084	138	2.3
* Police and Public Safety	402	410	8	1.9
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	987	672	-315	-31.9
Total Direct Aid	\$36,226	\$39,408	\$3,182	8.8
Aid Per Capita (\$)	797	852	56	7.0
Property Tax Equivalent (\$)	0.59	0.55	-0.03	-5.7

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

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 2008 State payments for Queen Anne's County for teachers, librarians, community college faculty, and local officials are estimated to be \$4,774,000.

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 2008 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 2007) 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	\$647,000
Family Health and Primary Care	144,000
Medical Care Services	490,000
Mental Health	1,482,000
Prevention and Disease Control	499,000
Developmental Disabilities	3,184,000

Social Services

Homeless Services	14,000
Women's Services	84,000
Adult Services	33,000
Child Welfare Services	594,000

Senior Citizen Services

Long-term Care	115,000
Community Services	54,000

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

Kent Island Elementary School – construction	\$800,000
Matapeake Middle School – construction	1,157,000
Unspecified additional funding	1,968,000

Chesapeake College

Talbot Science Building – renovation	2,629,000
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Community Parks and Playgrounds

Grasonville Pond Park	75,000
Kent Island Elementary School Playground	20,950

Chesapeake Bay Water Quality Projects

Centreville WWTP – nutrient removal	426,000
Little Creek – protection project	121,000

Waterway Improvement

Centreville Wharf – shoreline stabilization, boardwalk, and other improvements	99,000
Corsica River – reclaim dredge material placement site	175,000
Kent Island Volunteer Fire Department – acquire fire/rescue boat	50,000
Kent Narrows – replace boat ramp and dredge channel	699,000
Shipping Creek – replace bulkhead and reconstruct/expand boat ramp	225,000

Other Projects

Chesterwye Center	200,000
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D. Capital Projects for State Facilities in the County

General Government

Centreville District Court – parking lot	\$1,500,000
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St. Mary's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$56,782	\$63,966	\$7,185	12.7
Compensatory Education	8,951	11,158	2,207	24.7
Student Transportation	5,010	5,471	461	9.2
Special Education	5,633	6,573	940	16.7
Limited English Proficiency Grants	343	447	103	30.1
Guaranteed Tax Base	197	239	42	21.3
Extended Elementary	873	0	-873	-100.0
Adult Education	166	166	0	0.0
Aging Schools	115	98	-17	-14.8
Other Education Aid	625	625	0	0.0
Primary & Secondary Education	78,696	88,744	10,047	12.8
Libraries	571	626	56	9.8
Community Colleges	1,947	2,221	274	14.0
Health Formula Grant	1,371	1,444	73	5.3
* Transportation	8,017	8,179	162	2.0
* Police and Public Safety	821	829	8	1.0
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	1,838	1,266	-571	-31.1
Total Direct Aid	\$93,461	\$103,509	\$10,048	10.8
Aid Per Capita (\$)	965	1,047	82	8.5
Property Tax Equivalent (\$)	1.14	1.09	-0.05	-4.3

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

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 2008 State payments for St. Mary’s County for teachers, librarians, community college faculty, and local officials are estimated to be \$10,475,000.

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 2008 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 2007) 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	\$2,379,000
Family Health and Primary Care	128,000
Medical Care Services	489,000
Mental Health	3,957,000
Prevention and Disease Control	535,000
Developmental Disabilities	6,678,000

Social Services

Homeless Services	69,000
Women’s Services	185,000
Adult Services	108,000
Child Welfare Services	1,257,000

Senior Citizen Services

Long-term Care	133,000
Community Services	60,000

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

Leonardtwn Elementary School – construction	\$3,661,000
New Elementary School – construction	3,200,000
Unspecified additional funding	2,945,000

College of Southern Maryland

La Plata – Science and Technology Building	844,000
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Community Mental Health/Addictions/Dev. Disabilities

Pathways, Inc.	318,000
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Community Parks and Playgrounds

John G. Lancaster Park	125,000
Leonardtwn Wharf Public Waterfront Park	200,000

Chesapeake Bay Restoration Fund

Leonardtwn WWTP – enhanced nutrient removal	2,300,000
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Waterway Improvement

Bushwood Wharf Landing – parking improvements	99,000
Leonardtwn Wharf – replace bulkhead and pier repairs	300,000
Piney Point Landing – pave parking lot and replace bulkhead	198,000
Public boat ramps and landings – countywide maintenance	99,000
St. Inigoes Landing – resurface road and parking areas	99,000

Other Projects

Hospice House	150,000
SMARTCO's Computer Technology Learning Center	50,000
St. Clement's Island Lighthouse	100,000
St. Mary's Agriculture Service Center	100,000
St. Mary's College Amphitheater	75,000
Tudor Hall	25,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Colton Point Pier – re-deck public boating pier	\$50,000
Greenwell State Park – improve pier and install buoys	80,000
Point Lookout State Park – boating facility improvements	125,000
Point Lookout State Park – renovate administration building	175,000
St. Mary’s State Park – pave parking lot and construct storage shed	200,000

Historic St. Mary’s City Commission

Maryland Heritage Interpretive Center	865,000
St. John’s Archaeological Site	650,000

St. Mary’s College

Academic Building – construction	1,077,000
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Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$11,462	\$12,770	\$1,308	11.4
Compensatory Education	5,530	6,593	1,063	19.2
Student Transportation	1,431	1,560	129	9.0
Special Education	1,086	1,269	183	16.8
Limited English Proficiency Grants	265	412	147	55.2
Guaranteed Tax Base	969	961	-7	-0.7
Extended Elementary	310	0	-310	-100.0
Adult Education	118	118	0	0.0
Aging Schools	88	75	-13	-14.8
Other Education Aid	122	122	0	-0.2
Primary & Secondary Education	21,381	23,880	2,499	11.7
Libraries	251	265	14	5.5
Community Colleges	621	728	107	17.2
Health Formula Grant	718	760	42	5.8
* Transportation	3,617	3,665	47	1.3
* Police and Public Safety	243	242	-1	-0.4
* Fire and Rescue Aid	213	213	0	0.0
Recreation and Natural Resources	437	304	-133	-30.5
Disparity Grant	4,501	4,451	-50	-1.1
Total Direct Aid	\$31,983	\$34,506	\$2,524	7.9
Aid Per Capita (\$)	1,246	1,339	93	7.4
Property Tax Equivalent (\$)	2.71	2.47	-0.24	-8.8

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

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 2008 State payments for Somerset County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,062,000.

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 2008 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 2007) 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	\$874,000
Family Health and Primary Care	160,000
Medical Care Services	428,000
Mental Health	2,901,000
Prevention and Disease Control	526,000
Developmental Disabilities	1,786,000

Social Services

Homeless Services	8,000
Women's Services	122,000
Adult Services	52,000
Child Welfare Services	815,000

Senior Citizen Services

Long-term Care	636,000
Community Services	384,000

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**

Deal Island Elementary School – renovations (roof and HVAC)	\$1,576,000
Somerset Intermediate School at Tawes – construction	1,675,000
Unspecified additional funding	1,902,000

Local Jail Loan

County Detention Center – work release unit	536,000
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Community Parks and Playgrounds

Princess Anne Recreation Area	170,000
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Chesapeake Bay Water Quality Projects

Crisfield – sewer collection system rehabilitation	200,000
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Waterway Improvement

Jenkins Creek – replace dock	99,000
Mount Vernon Volunteer Fire Department – acquire fire/rescue boat equipment	11,500
Rumbley Harbor – replace bulkhead	99,000
Tylerton Marina – construct bulkhead	99,000
Webster’s Cove – shoreline protection	200,000
Wenona Harbor – replace boat ramp, bulkhead and boat slip	198,000

Other Projects

Alice Byrd Tawes Nursing and Rehabilitation Center	250,000
Teackle Mansion	100,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Janes Island State Park – nature center improvements	\$227,000
Little Deal Island WMA – stabilize shoreline	350,000
Somers Cove Marina – repair and re-deck marina piers	65,000

Maryland Environmental Service

Eastern Correctional Institution – wastewater treatment plant	269,000
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University System of Maryland

Eastern Shore – Wicomico Hall renovation	2,500,000
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Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,828	\$4,241	-\$587	-12.2
Compensatory Education	2,358	2,873	515	21.8
Student Transportation	1,209	1,305	96	8.0
Special Education	733	821	89	12.1
Limited English Proficiency Grants	328	437	109	33.4
Extended Elementary	315	0	-315	-100.0
Aging Schools	133	98	-35	-26.3
Other Education Aid	508	507	-1	-0.3
Primary & Secondary Education	10,411	10,282	-129	-1.2
Libraries	91	100	9	9.7
Community Colleges	1,286	1,466	180	14.0
Health Formula Grant	556	585	30	5.3
* Transportation	4,804	4,873	69	1.4
* Police and Public Safety	403	398	-6	-1.5
* Fire and Rescue Aid	246	246	0	0.0
Recreation and Natural Resources	1,040	705	-336	-32.3
Total Direct Aid	\$18,838	\$18,655	-\$183	-1.0
Aid Per Capita (\$)	529	517	-11	-2.2
Property Tax Equivalent (\$)	0.28	0.24	-0.04	-15.7

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

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 2008 State payments for Talbot County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,001,000.

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 2008 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 2007) 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	\$645,000
Family Health and Primary Care	155,000
Medical Care Services	370,000
Mental Health	2,490,000
Prevention and Disease Control	458,000
Developmental Disabilities	2,485,000

Social Services

Homeless Services	36,000
Women’s Services	116,000
Adult Services	36,000
Child Welfare Services	753,000

Senior Citizen Services

Long-term Care	542,000
Community Services	152,000

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	\$1,050,000
St. Michaels High School – construction	988,000

Chesapeake College

Talbot Science Building – renovation	2,629,000
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Community Mental Health/Addictions/Dev. Disabilities

Main Street Housing, Inc.	483,000
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Senior Citizen Activity Centers

Talbot County Senior Center	600,000
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Community Parks and Playgrounds

Idlewild Park	147,110
Lakeview Community Playground	99,942
Muskrat Park	98,800

Chesapeake Bay Restoration Fund

St. Michaels – sewer rehabilitation	400,000
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Water Supply Financial Assistance Program

Oxford – arsenic removal project	125,000
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Waterway Improvement

Boating access facilities – countywide bulkhead repairs	99,000
Chesapeake Bay Maritime Museum – replace bulkhead	198,000
Dogwood Harbor – construct public landing	50,000
Hollis Park – replace bulkhead	20,000
St. Michaels – Cherry Street and Honeymoon Bridge repairs	85,000
St. Michaels – replace Mill Street dingy docks	67,000
Windy Hill Landing – replace boat ramp and improve shoreline and pier	75,000

Other Projects

Easton Memorial Walk	47,000
Talbot Agricultural Service Center	100,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Black Walnut Point NRMA – replace bulkhead	\$300,000
Black Walnut Point NRMA – shore erosion control	89,000

Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$75,339	\$88,731	\$13,392	17.8
Compensatory Education	19,407	25,750	6,343	32.7
Student Transportation	5,234	5,789	554	10.6
Special Education	7,471	9,643	2,172	29.1
Limited English Proficiency Grants	945	1,609	664	70.3
Guaranteed Tax Base	1,130	2,447	1,317	116.6
Extended Elementary	599	0	-599	-100.0
Adult Education	150	150	0	0.0
Aging Schools	310	264	-46	-14.8
Other Education Aid	1,174	1,011	-163	-13.9
Primary & Secondary Education	111,758	135,392	23,635	21.1
Libraries	993	1,103	110	11.1
Community Colleges	6,194	7,504	1,310	21.1
Health Formula Grant	2,335	2,462	127	5.4
* Transportation	12,475	12,702	226	1.8
* Police and Public Safety	1,387	1,400	13	0.9
* Fire and Rescue Aid	231	232	0	0.2
Recreation and Natural Resources	2,868	1,988	-880	-30.7
Utility Property Tax Grants	357	357	0	0.0
Total Direct Aid	\$138,599	\$163,140	\$24,541	17.7
Aid Per Capita (\$)	979	1,135	156	15.9
Property Tax Equivalent (\$)	1.37	1.40	0.03	2.1

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

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 2008 State payments for Washington County for teachers, librarians, community college faculty, and local officials are estimated to be \$13,447,000.

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 2008 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 2007) 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	\$2,864,000
Family Health and Primary Care	183,000
Medical Care Services	669,000
Mental Health	7,414,000
Prevention and Disease Control	865,000
Developmental Disabilities	9,823,000
AIDS	64,000

Social Services

Homeless Services	228,000
Women’s Services	197,000
Adult Services	133,000
Child Welfare Services	2,771,000

Senior Citizen Services

Long-term Care	357,000
Community Services	135,000

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

Pangborn Elementary School – construction	\$4,700,000
Westfields Elementary School – construction	2,000,000
Unspecified additional funding	2,270,000

Hagerstown College

Career Programs Building – renovation	317,000
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Local Jail Loan

Washington County Detention Center – central booking	1,400,000
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Community Parks and Playgrounds

Byron Memorial Park	88,000
Fairgrounds Park	30,400
Shafer Memorial Park	77,760

Chesapeake Bay Water Quality Projects

Kemps Mill – sewage collection system	240,000
Rolling Hills – sewage collection system	300,000

Chesapeake Bay Restoration Fund

Conococheague WWTP – enhanced nutrient removal	500,000
Hagerstown WWTP – enhanced nutrient removal	3,070,000
Williamsport – sewer rehabilitation	400,000

Water Supply Financial Assistance Program

Highfield & Sharpsburg – water treatment and storage tanks	237,000
Mt. Aetna – water treatment plant new water source	215,000

Other Projects

Barbara Ingram School for the Arts	150,000
C&O Canal National Historical Park – Big Slackwater Towpath	100,000
Museum of Fine Arts	150,000

D. Capital Projects for State Facilities in the County

Department of Public Safety & Corrections

Correctional Training Center – 192-cell medium security unit	\$25,000,000
Correctional Training Center – replace utilities, windows, and heating systems	9,836,000

Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$54,926	\$62,575	\$7,650	13.9
Compensatory Education	20,275	24,331	4,055	20.0
Student Transportation	3,979	4,363	384	9.6
Special Education	4,879	6,084	1,205	24.7
Limited English Proficiency Grants	1,237	1,411	174	14.0
Guaranteed Tax Base	2,951	4,251	1,301	44.1
Extended Elementary	790	0	-790	-100.0
Adult Education	165	165	0	0.0
Aging Schools	332	252	-79	-23.9
Other Education Aid	701	699	-2	-0.3
Primary & Secondary Education	90,234	104,131	13,897	15.4
Libraries	684	770	87	12.7
Community Colleges	3,913	4,586	673	17.2
Health Formula Grant	1,602	1,688	87	5.4
* Transportation	9,491	9,677	186	2.0
* Police and Public Safety	962	960	-2	-0.2
* Fire and Rescue Aid	229	229	0	0.0
Recreation and Natural Resources	1,903	1,328	-575	-30.2
Total Direct Aid	\$109,017	\$123,369	\$14,352	13.2
Aid Per Capita (\$)	1,208	1,341	133	11.0
Property Tax Equivalent (\$)	1.94	1.97	0.03	1.3

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

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 2008 State payments for Wicomico County for teachers, librarians, community college faculty, and local officials are estimated to be \$9,941,000.

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 2008 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 2007) 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	\$1,670,000
Family Health and Primary Care	588,000
Medical Care Services	855,000
Mental Health	7,186,000
Prevention and Disease Control	656,000
Developmental Disabilities	6,251,000
AIDS	43,000

Social Services

Homeless Services	33,000
Women's Services	260,000
Adult Services	59,000
Child Welfare Services	1,234,000

Senior Citizen Services

Long-term Care	636,000
Community Services	384,000

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**

J.M. Bennett High School – construction	\$6,000,000
Prince Street Elementary School – construction	259,000
Unspecified additional funding	1,884,000

Federally Qualified Health Centers Grant Program

Three Lower Counties Community Services, Inc.	639,000
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Senior Citizen Activity Centers

Salisbury-Wicomico MAC Senior Center	600,000
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Community Parks and Playgrounds

Doverdale Playground	192,000
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Chesapeake Bay Restoration Fund

Fruitland – sewer rehabilitation	600,000
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Water Supply Financial Assistance Program

Willards – drinking water facility project	450,000
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Waterway Improvement

Cherry Beach – expand and improve boat ramp parking lot	99,000
Marine facilities – countywide repairs	99,000
Nanticoke Harbor – pave parking lots and ramp	45,000

Other Projects

Epilepsy Association of the Eastern Shore	150,000
Salisbury Zoo – Animal Health Facility	100,000
Wicomico Youth and Civic Center	1,000,000

D. Capital Projects for State Facilities in the County

Department of Labor, Licensing & Regulation

Eastern Shore Regional Claims Center – construction	\$348,000
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University System of Maryland

Salisbury University – campuswide dormitory renovations	7,742,000
Salisbury University – parking garage	14,820,000
Salisbury University – Perdue School of Business	2,927,000
Salisbury University – teacher education and technology complex	9,582,000

Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2007</u>	<u>FY 2008</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$7,261	\$6,513	\$-748	-10.3
Compensatory Education	4,213	5,419	1,205	28.6
Student Transportation	2,293	2,505	212	9.2
Special Education	1,095	1,397	302	27.6
Limited English Proficiency Grants	388	464	76	19.6
Extended Elementary	282	0	-282	-100.0
Adult Education	75	75	0	0.0
Aging Schools	88	75	-13	-14.8
Other Education Aid	506	504	-2	-0.3
Primary & Secondary Education	16,200	16,950	750	4.6
Libraries	127	137	9	7.2
Community Colleges	1,604	1,880	276	17.2
Health Formula Grant	536	560	23	4.3
* Transportation	7,375	7,385	10	0.1
* Police and Public Safety	668	679	11	1.7
* Fire and Rescue Aid	248	257	9	3.7
Recreation and Natural Resources	1,893	1,254	-640	-33.8
Total Direct Aid	\$28,652	\$29,101	\$449	1.6
Aid Per Capita (\$)	590	596	6	1.0
Property Tax Equivalent (\$)	0.20	0.17	-0.03	-13.9

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

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 2008 State payments for Worcester County for teachers, librarians, community college faculty, and local officials are estimated to be \$5,502,000.

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 2008 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 2007) 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	\$2,461,000
Family Health and Primary Care	215,000
Medical Care Services	510,000
Mental Health	2,574,000
Prevention and Disease Control	547,000
Developmental Disabilities	3,378,000

Social Services

Homeless Services	33,000
Women's Services	166,000
Adult Services	10,000
Child Welfare Services	961,000

Senior Citizen Services

Long-term Care	636,000
Community Services	384,000

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**

Career and Technology Center – construction	\$3,000,000
Pocomoke High School – construction	3,126,000
Unspecified additional funding	2,087,000

Community Mental Health/Addictions/Dev. Disabilities

Worcester County Developmental Center, Inc.	1,600,000
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Community Parks and Playgrounds

Fiesta Park	154,000
Whaleyville Park Playground	90,500

Chesapeake Bay Restoration Fund

Pocomoke City – sewer rehabilitation	200,000
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Water Supply Financial Assistance Program

Newark – sanitary service area new water tower	200,000
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Waterway Improvement

George Island Landing – parking lot ADA improvements	50,000
Public Landing – shoreline stabilization	99,000
Snow Hill – improvements at Byrd and Gateway Parks	99,000
Taylor Landing – shoreline stabilization	99,000

Other Projects

Atlantic General Hospital	700,000
Delmarva Discovery Center on the Pocomoke River	150,000
Mar-Va Theater Performing Arts Center	100,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Assateague State Park – replace nature center	\$300,000
Ocean City – beach replenishment	2,000,000
Pocomoke River State Park – construct Shad Landing concession building	200,000
Pocomoke River State Park – replace Milburn Landing bathhouse	129,000
Pocomoke River State Park – repave parking lot and access road	100,000

