

Part A

Budget and State Aid

Operating Budget

Overview

In 2007 the State faced a structural general fund budget deficit estimated at \$1.7 billion for fiscal 2009. The Administration adopted \$128.4 million in budget reductions in July 2007 and called for a special session of the legislature in October. Action at the special session included revenue enhancements of about \$900 million, plus over \$500 million in budget reductions. A constitutional amendment places the issue of video lottery terminals before the voters, which could add over \$600 million to State coffers upon implementation. Fiscal matters continued to dominate the 2008 session as a softening economy led to \$333 million in downward revenue revisions. Efforts to repeal the sales tax on computer services resulted in the passage of legislation that adopted a three-year increase in the State income tax rate, to 6.25 percent for net taxable income in excess of \$1.0 million, in conjunction with transfers from the Transportation Trust Fund (TTF) for five years, and \$50.0 million in ongoing budget reductions.

The General Assembly enacted a \$31.2 billion budget for fiscal 2009; an increase of \$1.2 billion or 4.0 percent above fiscal 2008. The budget is \$21.9 million below the 4.27 percent level recommended by the Spending Affordability Committee (SAC). Medicaid, education aid, and personnel expenses account for much of the increase, in addition to modest initiatives. The budget continues to freeze tuition, begins the expansion of Medicaid services to the uninsured, implements public safety initiatives, and enhances efforts to restore the Chesapeake Bay. The budget estimates a closing general fund cash balance of \$226.4 million and maintains reserves of \$738.9 million, or 5.0 percent, of general fund revenues in the Rainy Day Fund.

Although the budget is balanced and there are large cash reserves, several concerns remain. The direction of the economy and its effect on revenues remains uncertain. While budget action has narrowed the imbalance in the general fund between ongoing revenues and ongoing spending, a gap of several hundred million remains. The outcome of the constitutional amendment, and its effect on State revenues, will not be known until November. Finally, the long-term forecast suggests that under current assumptions, the State faces cash and structural deficits which will require additional actions to ensure balanced budgets over the next few years.

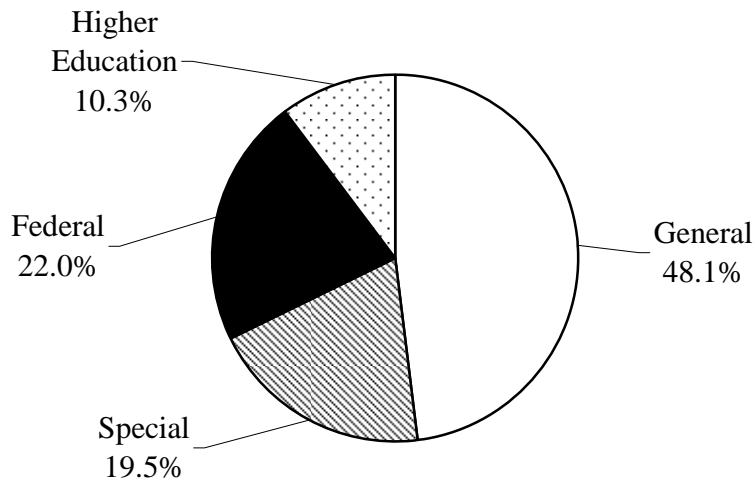
Budget in Brief

The Fiscal Year 2009 Budget Bill, *Senate Bill 90 (enacted)*, provides \$31.2 billion in appropriations for fiscal 2009; an increase of \$1.2 billion (4.0 percent) over fiscal 2008. **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 46.1 percent of the total budget. Aid to local governments accounts for 23.5 percent of the budget, and 20.1 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.

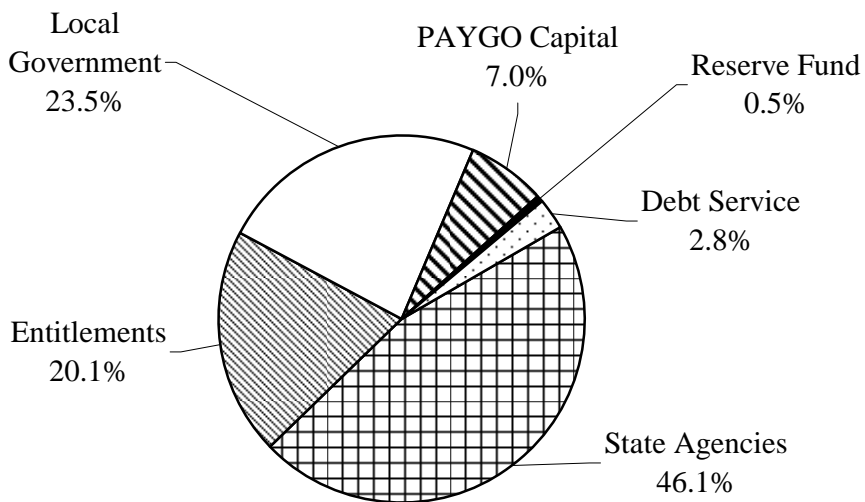
General fund appropriations grow \$536.2 million, or 3.7 percent, above fiscal 2008. Increases are fairly evenly distributed between local aid, entitlements, and State agencies. Education and library aid for local jurisdictions increase by \$195.0 million in general funds, much of which is associated with new funding for the Geographic Cost of Education Index (GCEI) and supplemental grants which provide a combined total of \$112.6 million in fiscal 2009. Funding for Medicaid grows by \$132.3 million based in part on inflation and enrollment growth, as well as funding to phase out hospital day limits. Agency spending growth is \$188.2 million, or 3.2 percent, after accounting for \$50.0 million in reductions stipulated in *Senate Bill 46 (Ch. 10)* and \$30.0 million in expected reversions. Much of the growth in agency budgets is due to personnel cost increases, including a 2.0 percent general salary increase and employee increments. The budget also includes additional spending for student testing costs, major information technology projects, two new housing units at the North Branch Correctional Institution, inmate medical costs, and personnel costs at juvenile facilities. Some modest initiatives are also funded such as stab proof vests for correctional officers, a high risk offender supervision program, oral health programs, and mental health services for returning veterans. General fund appropriations to the State Reserve Fund total \$146.5 million, a decrease of \$16.3 million compared to 2008. PAYGO capital spending also declines by \$11.0 million.

Special fund spending increases by \$454.0 million, or 8.1 percent. The budget provides significant increases in transportation and Medicaid-related expenses, offset by reductions for programs funded with the State transfer tax. The largest increase in special funds is for the Maryland Department of Transportation (MDOT) where an additional \$356.4 million is provided, mostly as a result of action taken at the 2007 special session. The MDOT operating budget grows \$122.3 million, and most of that increase focuses on transit operating expenses. Operating costs for the Maryland Transit Administration (MTA) rise by \$77.0 million, and costs for the Washington Metropolitan Area Transit Authority increase another \$20.0 million. Transportation PAYGO capital spending also increases approximately \$238.5 million, largely to support projects in the State Highway Administration (SHA) and transit projects in the MTA.

Exhibit A-1.1
Maryland's \$31.2 Billion Budget
Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: Pay-as-you-go capital

Medicaid special fund spending rises by \$67.0 million with monies from the Rate Stabilization Fund and the Maryland Health Insurance Program supporting the expansion of health services to the uninsured and the new oral health initiative. Nursing home reimbursements also increase from a higher rate and the annualization of collections of nursing home quality assessments. Special funds from the Annuity Bond Fund provide an additional \$81.5 million for debt service payments on State general obligation bonds. Funding for wastewater treatment plant upgrades from the Bay Restoration Fund will include a planned \$70.0 million bond sale, which is \$20.0 million more than in fiscal 2008. New special funding of \$25.0 million is provided for the Chesapeake Bay 2010 Trust Fund, and a portion of corporate income taxes fund a new Higher Education Investment Fund (HEIF).

Programs funded by revenue from the transfer tax decline by \$149.1 million due to a slowdown in the real estate market. Large reductions occur in the State, local, and agricultural land preservation programs, although a portion of the local share now funds State Park operating costs as a result of action at the special session.

Federal funds grow by \$200.7 million, or 3.0 percent, with the largest increase related to Medicaid inflation and enrollment growth. Other budgeted increases are found in the Developmental Disabilities Administration (DDA) due to an accounting change related to the closure of the Rosewood Center and the shift from institutional to community-based services, and in the Department of Housing and Community Development (DHCD) as a result of an agreement with the federal Department of Housing and Urban Development to manage Section 8 rental properties. These increases are offset by a \$92 million decrease in the federal funds to support MDOT's capital program. This drop is due largely to a reduction in cash flow for the Woodrow Wilson Bridge which is nearing completion, as well as generally conservative revenue forecasting by MDOT pending the 2009 re-authorization of federal transportation funding.

The budgets for public higher education institutions increase by \$59.4 million in total funds, or 1.4 percent, in fiscal 2009. These funds support operations of higher education institutions, including the University System of Maryland (USM), Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC). As noted, additional State support is provided from general funds and the new HEIF for enhancements and enrollment growth. State funding permits undergraduate resident tuition to be frozen for a third consecutive year, exclusive of SMCM. Overall State support increases by \$108.5 million or 9.6 percent.

With respect to State personnel, a general salary increase provides 2 percent, although this is offset by the final 1 percent increase in employee contributions for the retirement enhancement that was passed at the 2006 session. In fiscal 2009 and beyond, employees will now contribute 5 percent of salary toward retirement. The budget also includes \$105.2 million in all funds toward the State's unfunded retiree health care liability (a.k.a., Other Post Employment Benefits or OPEB), which is about the same amount included in the fiscal 2008 budget. For a more detailed discussion of personnel issues, see the subpart "Personnel" within this part.

Framing the Session: 2007 Interim Activity

At the 2007 session, newly elected Governor Martin O'Malley requested additional time to develop a plan to solve an estimated \$1.7 billion structural budget deficit. The interim was punctuated by legislative study of the deficit, including hearings to review spending mandates, revenue options, and a budget option based only on spending cuts. In July 2007, the Governor withdrew \$128.4 million in spending through the Board of Public Works (BPW). Economic activity continued to soften due to higher fuel prices, tighter credit, and a slowdown in the housing market, leading the Board of Revenue Estimates (BRE) to revise revenue downward in September. The Governor called for a special session in October, which concluded with a package of revenue increases and spending cuts. The Spending Affordability Committee recommended a 4.27 percent rate of budgetary growth for the 2008 session, along with recommendations pertaining to the level of the Rainy Day Fund, and position growth.

2007 Closeout

The fiscal 2007 closeout yielded an additional \$89.7 million for the general fund, largely due to \$75.0 million in greater than anticipated revenue. Stronger than expected personal and corporate income tax attainment, interest earnings, and court revenue contributed to the surplus. These gains were offset by a \$37.1 million decrease in sales tax collections based on continued decreases in construction activity and consumer spending. Budgetary reversions from throughout State government added another \$17.6 million. While the general fund closed with a balance of \$284.7 million, all but \$156.5 million was designated to support the fiscal 2008 budget.

July 2007 BPW Withdrawn Appropriations

On July 11, 2007, the Governor proposed and BPW adopted \$196.1 million in total fund withdrawals from the fiscal 2008 budget, which included \$128.4 million in general fund reductions. The Administration also assumed further reversions, a potential transfer of funds from the Dedicated Purpose Account (DPA), and nominal revenues. State agencies and higher education were reduced by \$78.2 million and 147.4 positions (about 17 filled) were abolished. Large cutbacks were made to higher education (\$13.0 million), public safety (\$11.0 million, including closure of the Maryland House of Correction), and human resources (\$9.0 million). Another \$49.2 million in Medicaid reductions resulted from the extension of hospital day limits (\$17.2 million), overbudgeted Medicaid hospital rates and certain caseloads, and actions affecting nursing home rates and rates paid to Managed Care Organizations.

The Administration also assumed that \$20 million in additional fiscal 2007 agency reversions and a \$20 million transfer of monies set aside in the Reserve Fund toward the closure of the Prince George's County Hospital would be credited to the general fund.

November 2007 Special Session

On October 15, 2007, Governor O'Malley issued Executive Order 01.01.2007.23 which convened a special session beginning on October 29, 2007. The Administration proposed six bills to raise general fund revenue, modify selected statutory mandates, expand access to health care, provide additional transportation funding, place before the voters a constitutional amendment to permit video lottery terminals, and allocate potential video lottery terminal proceeds.

After three weeks of hearings and deliberation, the legislature completed action on a fiscal plan to address the long-term structural deficit. Much of the Administration's initial proposal remained intact, although not all of the proposals were adopted. The major revenue and spending highlights in the plan included the following:

- increasing the sales tax from 5 to 6 percent (dedicating 6.5 percent of sales tax revenue to the Transportation Trust Fund) and expanding the sales tax to cover computer services;
- enhancing revenues for the TTF through an increase in the vehicle excise tax from 5 to 6 percent;
- raising the tobacco tax by \$1 per pack;
- raising the corporate income tax from 7 to 8.25 percent and dedicating a portion to higher education needs;
- making the income tax more progressive, with a top rate of 5.5 percent and increases in the refundable earned income tax credit and personal exemption; and
- implementing video lottery terminals, contingent on voter approval of a constitutional amendment. If approved, there would be provision for 15,000 machines at five locations. The majority of the State's share would be dedicated to an Education Trust Fund.

For fiscal 2009, the plan would raise approximately \$900 million in net general fund tax revenue. Another \$500 million raised through special fund sources, chiefly due to a portion of the sales tax and an increase in the titling tax dedicated to the TTF, is discussed in more detail below.

A total of \$550 million in spending reductions were also an important component of the fiscal plan. This included \$172 million reduced through a statutory change to education funding formulas to freeze inflation adjustments for two years, and the elimination of the \$30 million Electricity Generating Equipment Property Tax Grant. Other general fund savings were to result from the utilization of a one-time surplus in the State's health care account, the elimination of 500 Executive Branch positions, and the utilization of local Program Open Space funds for State park operations. The Governor was directed to make additional reductions that would bring total savings versus the fiscal 2009 current services baseline budget to at least \$550 million. **Exhibit A-1.2** illustrates the final action by the legislature during the November special session.

Exhibit A-1.2
Impact of Special Session Actions on Fiscal 2009 Revenues and Budget
(\$ in Millions)

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>All State</u> <u>Funds¹</u>
Sales – Tax Rate	\$629	\$44	\$673
Sales Tax – Base Expansion	200	14	214
Vendor Discount Cap	17	1	19
Chesapeake Bay Fund	-32	32	0
6.5% to the TTF	-232	232	0
Subtotal Sales Tax	\$583	\$322	\$906
Electronic Bingo/Tip Jars	5	0	5
Income Tax – Rates/Brackets	202	0	202
Income Tax – Personal Exemption	-157	0	-157
Earned Income Tax Credit	-39	0	-39
Tax Clearance – Lawyers	1	0	1
Subtotal Income Tax	\$7	\$0	\$7
Corporate Income Tax – Rate	83	54	137
Tobacco Tax – Rate	179	0	179
Vehicle Titling Tax – Rate	0	141	141
Vehicle Titling Tax – Trade-In Offset	0	-83	-83
Vehicle Titling Certificate Fee	0	33	33
Transfer Tax (Controlling Interest)	0	14	14
Motor Fuel Tax (to Bay Fund)	-14	14	0
Security Interest/Special Tags	-10	10	0
Total	\$834	\$505	\$1,340
<u>Expenditure Reductions</u>			
Education Formulas – Limiting Growth	-\$172	\$0	-\$172
Health Insurance Fund Transfer	-65	-19	-84
Utility Personal Property Tax Grant	-31	0	-31
Use Open Space Funds for State Parks	-17	0	-17
Eliminate 500 Vacant Positions	-14	-8	-22
Other ²	-249	0	-249
	-\$547	-\$27	-\$574
<u>Additional Expenditures</u>			
Expansion of Access to Health Care	\$0	\$77	\$77
Accelerate Geographic Cost of Ed. Index	38	0	38
Transportation Trust Fund ³	0	310	310
Higher Education Investment Fund	0	55	55
Helicopter Replacement Fund ⁴	0	33	33
Chesapeake Bay 2010 Fund	0	50	50
Total New Spending	\$38	\$525	\$563

¹ Exclusive of federal funds and current unrestricted funds.

² Remaining net reductions from fiscal 2009 baseline incorporated in Governor's proposed fiscal 2009 general fund budget.

³ Represents additional capital and operating spending above Legislative Services December 2007 baseline forecast.

⁴ HB 5 requires \$110 million transfer of sales tax revenues to helicopter fund in fiscal 2008. This amount is what is budgeted in fiscal 2009.

Transportation revenues were increased as part of the actions taken by the General Assembly during the 2007 special session and enacted in Chapter 6 of the 2007 special session. Following is a summary of the revenue actions taken:

- **Titling Tax:** The titling tax increased from 5 to 6 percent with all of the revenue from the 1 percent increase dedicated to the TTF. In addition, a trade-in allowance was provided for, which deducts the value of a trade-in vehicle from the purchase price, thus reducing the amount of tax applied to the purchase.
- **Dedication of Sales Tax:** Beginning in fiscal 2009, the TTF was to receive 6.5 percent of the total sales tax receipts in that year with all of the revenue directed to the TTF.
- **Increase in Titling Certificate Fee:** The certificate of title fee, which is paid when a vehicle is purchased, was increased from \$23 to \$50.
- **Ending Certain General Fund Transfers:** Transfers from the motor fuel tax to the Waterway Improvement Fund and Fisheries Research Development Fund were replaced with mandated general fund appropriations in fiscal 2009. Transfers of revenue from the security interest filing fee to the general fund were eliminated beginning in fiscal 2009 and will be retained by the TTF. Finally, vanity tag revenue, previously transferred to the general fund, will now be retained by the TTF.
- The State share of the revenue increase is estimated at approximately \$413 million in fiscal 2009, and the local jurisdictions are estimated to lose \$16 million due to a decrease in titling tax revenue as a result of the trade-in allowance. **Exhibit A-1.3** provides a summary of revenue impacts through fiscal 2013. In recognition of the additional revenues provided to the TTF, the limit on debt outstanding was increased from \$2.0 billion to \$2.6 billion.

Exhibit A-1.3
2007 Special Session Revenue Impacts
Transportation Trust Fund Revenue
Fiscal 2008-2013
(\$ in Millions)

<u>Fiscal Year</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
1% Increase in Titling Tax	\$73	\$141	\$149	\$156	\$163	\$169
Titling Certificate Fee Increase	16	33	34	34	35	36
Vehicle Trade-in Deduction	-43	-83	-88	-93	-96	-98
6.5% of the State Sales Tax	0	291	303	317	331	346
Ending Certain GF Transfers	0	15	15	16	16	17
Total Revenue	\$46	\$397	\$413	\$430	\$449	\$470
State Share	38	413	430	448	467	489
Local Share	8	-16	-17	-18	-18	-19

TTF: Transportation Trust Fund

Source: Department of Legislative Services (DLS) Fiscal Note for Chapter 6 of the 2007 special session; Board of Revenue Estimates of Revenues, March 2008 report; DLS TTF Revenue Estimate

December Board of Revenue Estimates Revision/Economic Outlook

Many economists believe that the economy has entered a recession, following 0.6 percent growth in gross domestic product in the last quarter of 2007 and three straight months of declining employment. Housing sales and median prices have declined, affecting the construction and mortgage industries, and purchases of goods and services which provide sales tax revenue. Problems with sub-prime mortgages have resulted in tightened credit, turmoil in financial markets, and rising foreclosures. Higher energy and food prices have increased the level of inflation, affecting business and consumer confidence. In response, the Federal Reserve Bank has adopted measures to boost financial markets, and President George W. Bush signed an economic stimulus package into law that will send checks to more than 130 million households in May. In Maryland, employment has continued to grow, albeit at slower rates, and the State is expecting future growth as part of the realignment of military bases from other states.

Exclusive of the revenue enhancements passed at the special session, BRE has revised the fiscal 2008 general fund estimate downward by a combined \$308.0 million since March 2007. The fiscal 2009 estimate was also lowered in March by \$258.2 million. BRE now expects

general fund revenue to grow 4.8 percent in fiscal 2008 and 6.8 percent in fiscal 2009 as many of the taxes raised at the special session effective January 1, 2008, are fully annualized on a fiscal year basis.

SAC Recommendations

SAC prepared its final report to the Governor in December 2007 which included the following recommendations pertaining to the operating budget:

Spending Limit: The committee recommended limiting growth on a spending affordability basis to 4.27 percent over spending approved at the 2007 session.

Personnel: The committee recommended that the actions taken at the special session to reduce the State workforce be continued into fiscal 2009 and that the Governor exercise prudent discipline in the creation of additional positions. Given the level of vacancies, it was further urged that existing positions be filled before adding new ones.

State Reserve Fund: SAC supported maintaining a balance of 5.0 percent in the Rainy Day Fund, with the goal of attaining 7.5 percent in the long term. However, in the short term, the committee recognized that fiscal conditions and declining revenue estimates could require use of the balance above 5.0 percent as part of the fiscal 2009 budget.

Governor's Spending Plan as Introduced

The fiscal plan submitted by the Administration provided for \$31.6 billion in total spending for fiscal 2009 and another \$125.8 million for fiscal 2008 deficiencies. The budget was \$30.5 million below the limit recommended by SAC, reflected the abolition of 500.15 positions as required at the special session, and utilized \$125.0 million in the Rainy Day Fund which was the balance above the recommended 5 percent level. The Governor's proposed spending plan resulted in a general fund balance of \$177.5 million, and the structural deficit was reduced from an estimated \$1.7 billion to \$331.0 million.

Fiscal 2008 Financial Assumptions

Deficiency Appropriations: Deficiency appropriations totaling \$125.8 million were proposed with the budget, consisting of \$60.4 million in general funds, \$26.3 million in special fund items, \$38.3 million in federal fund appropriations, and \$0.8 million from higher education dollars.

About three-fourths of the deficiencies are concentrated in the following five agencies:

- \$27.2 million in the Department of Juvenile Services (DJS), largely for residential per-diem placements, re-opening of the Victor Cullen Academy, and overtime;

- \$22.3 million in MDOT due to rising expenses associated with mobility services for disabled riders, transit union contracts, commuter bus service expansion, expansion of the Maryland Rail Commuter (MARC) services, and other bus and transit operations;
- \$18.5 million in the Department of Human Resources (DHR) to supplement funding for low income energy assistance, children’s legal services contracts, information technology improvements, the food stamp access project, and child support enforcement;
- \$13.5 million in the Department of Health and Mental Hygiene (DHMH) mostly for federal contracts for the Women, Infants, and Children program; and
- \$12.2 million within the Department of Public Safety and Correctional Services (DPSCS) for overtime expenses, public safety death benefits, revenue under attainment in the Drinking Driver Monitor Program (DDMP), and local jail reimbursements.

Specific Reversions: The Governor assumed \$30.0 million in unspecified reversions for fiscal 2008, plus another \$48.3 million in specific reversions. Targeted reversions included:

- \$30.0 million from a fiscal 2007 Medicaid over accrual;
- \$6.0 million representing a portion of the funds from the Rehab Option Program in the Children’s Cabinet Interagency Fund (CCIF). The program was reduced by \$4.0 million in July 2007 to \$12.5 million. Because the funds were restricted for one-half of the fiscal year, the Administration assumed a corresponding reversion;
- \$5.0 million expected from the abolition of 500.15 positions in January 2007 as required by Chapter 2 of the 2007 special session;
- \$4.8 million in reversions from the Judicial (\$3.0 million) and Legislative (\$1.8 million) branches of government; and
- \$2.5 million from several areas including \$1.3 million in federal indirect cost recoveries in the Department of Labor, Licensing, and Regulation, \$1.0 million from the Medicaid Children’s Health Program, and \$0.3 million in overbudgeted school wiring lease payments.

Fiscal 2009 Financial Assumptions

Additional Revenue and Reversion Assumptions: The Governor assumed another \$3.0 million above the BRE estimate, comprised of \$2.0 million in greater than expected uninsured motorist cases resolved by the Central Collection Unit (CCU) within the Department of Budget and Management (DBM), plus \$1.0 million in lottery revenue to the general fund following a revision to the budgetary allocation to the Maryland Stadium Authority. Based on action at the special session, which permitted use of the Land Records Fund to support Judicial

Major Information Technology projects for two years, the Administration assumed a \$7.3 million fiscal 2009 reversion (which was adopted as a legislative reduction) to recognize a general fund savings.

Contingent Reductions: \$40.8 million in general fund reductions were assumed in the Administration's fiscal 2009 fiscal plan, contingent upon enactment of the following legislation:

- **Senate Bill 91/House Bill 101 (both failed)**, the Budget Reconciliation and Financing Act of 2008 proposed to reduce \$32.2 million through a combination of mandated formula changes, fee increases, and fund balance transfers, including:
 - \$14.3 million in Medicaid as part of the overall funding to expand services to parents contingent on the use of the medical malpractice rebate for this purpose;
 - \$7.0 million in Medicaid to increase dental provider reimbursement rates contingent on the use of the medical malpractice rebate for this purpose;
 - \$5.6 million to level fund Aid to Private Colleges and Universities in the Maryland Higher Education Commission budget at the fiscal 2008 level and to delay the phase-in to the statutory funding levels until fiscal 2010;
 - \$3.4 million to delay enhancements to public libraries and the State library network until fiscal 2010;
 - \$1.4 million to implement a \$10 per month increase in the monthly supervision fee for DDMP; and
 - \$0.5 million to cap State payments for circuit court leased space.
- **House Bill 1614 (failed)** proposed to reduce \$8.6 million in overtime expenses in DPSCS, contingent on a change in the overtime calculation for correctional officers to be consistent with the Federal Fair Labor Standards Act and negotiations to adopt four-day 12-hour shifts.

Legislative Consideration of the Budget

As the legislature considered the budget, BRE revised general fund revenues downward by a combined \$333.0 million for fiscal 2008 and 2009, and the Governor submitted two supplemental budgets which added \$243.5 million in spending. The General Assembly reduced the budget by \$441.1 million in all funds and deleted 244 positions. A major fiscal issue that evolved during the session revolved around the eventual passage of legislation to repeal the expansion of the sales and use tax for certain computer services.

Revenue and Spending Changes

BRE Revenue Revisions: In March 2008, BRE revised its estimate of general fund revenue for fiscal 2008 downward by \$74.4 million and \$258.8 million for fiscal 2009. As discussed, changes in the economy based on the housing market, higher fuel and utility costs, and turmoil in the financial services sector have combined to reduce sales and income tax revenues.

Supplemental Budgets No. 1 and 2: The Governor introduced two supplemental budgets that increased spending by a total of \$243.5 million. About 40 percent of the spending, (\$97.2 million), is supported with non-general fund revenues from higher education. Special and federal fund items added \$57.6 million and \$61.1 million, respectively. General fund increases of \$27.6 million included \$17.5 million for various fiscal 2008 deficiencies (largely for DJS, the Department of State Police, DHR, and DHMH), and \$7.6 million to fully fund MSDE's Infants and Toddlers program.

Reductions: The legislature pared the Governor's fiscal 2008 deficiency budget by \$1.2 million based on unexpected federal funds to spray for gypsy moths and actual grant award levels for community health resource centers. Changes adopted in the fiscal 2009 budget eliminated 244 positions and reduced \$439.9 million in all funds. Notable reductions included:

- \$99.7 million in funds set aside toward the State's unfunded retiree health care liability. After this action the State is appropriating about \$100.0 million per year toward this liability in each of fiscal 2008 and 2009;
- \$50.0 million from the MTA PAYGO capital program to more accurately reflect actual cash flow needs;
- \$42.4 million in general funds from higher education institutions, however, about \$31.0 million of this amount is being replaced with funding from the HEIF;
- \$25.0 million from the Bay Fund, based on action adopted in *Senate Bill 527 (passed)* to reduce the \$50.0 million program for one year in order to supplement the general fund balance;
- \$20.2 million to reduce medical malpractice subsidies based on the actual level of funding need;
- \$40.0 million (\$20.0 million general funds/\$20.0 million federal funds) for Medicaid in patient hospital costs based on expected utilization; and
- \$16.1 million for four higher education PAYGO capital projects that will instead be funded with general obligation debt.

Repeal of the Sales Tax Base Expansion to Computer Services

Action at the 2007 special session included the expansion of the State sales tax to certain computer services, effective July 1, 2008. An estimated \$214 million was expected to be attained from this expansion, of which \$200 million was for the general fund and \$14 million was the TTF's share. A number of bills were introduced at the 2008 session to modify or repeal the new tax, and as the session progressed, the Administration expressed support for its repeal. A number of options were considered and, as discussed further under the "Budget-Related Legislation" subpart of this part, a plan was incorporated within *Senate Bill 46*. This included a three-year increase in the income tax rate for income in excess of \$1 million, a five-year diversion of sales tax revenue from the TTF to the general fund, and \$50 million in ongoing general fund budget reductions.

Final Actions Related to SAC

Limiting Spending Growth: As shown in **Exhibit A-1.4**, final action by the legislature reduced the budget to a 4.16 percent rate of growth as measured on a spending affordability basis. This is \$21.9 million below the 4.27 percent rate recommended by the committee.

Exhibit A-1.4 Operating Budget Affordability Limit (\$ in Millions)

<u>Funds</u>	<u>2007 Session</u>	<u>2008 Session</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$14,372.5	\$14,812.6	\$440.1	3.06%
Special	3,570.5	3,896.0	325.5	9.12%
Higher Education	1,932.0	1,993.2	61.2	3.17%
Estimated Budget Growth	\$19,875.0	\$20,701.7	\$826.8	4.16%
SAC Limit	\$19,875.0	\$20,723.6	\$848.7	4.27%
Over (Under) Limit			-21.9	-0.11%

Personnel: In January 2008, the Governor abolished 500.15 positions saving \$5.0 million in accordance with Section 10 of Chapter 2 of the special session of 2007. These position abolitions were reflected in the fiscal 2009 budget as recommended by the committee. Action at the 2008 session reduced positions by 244, leaving 154 additional positions above the fiscal 2008 working appropriation. This is a growth rate of two-tenths of 1 percent, which is consistent with the committee recommendation that the Governor exercise prudent discipline in the creation of additional positions.

State Reserve Fund Balance: Although \$125.0 million was transferred to support fiscal 2009 spending, budget action at the 2007 session leaves a \$738.9 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 2009 Legislative Activity

Exhibit A-1.5 summarizes final legislative activity on the fiscal 2009 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 and fund transfers effected by the legislature created a larger projected closing fund balance for fiscal 2009.

Exhibit A-1.5
General Fund Budget Summary
Fiscal 2009
(\$ in Millions)

General Fund

	<u>Admin.</u>	<u>Final</u>
Starting Balance	\$377.2	\$375.8
Revenues Fiscal 2008 – Legislation	60.0	157.5
Expenditure Reduction – Deficiency Appropriation	0.0	0.4
Adjusted Starting Balance	\$437.2	\$533.7
Revenues – BRE March Estimate	14,484.9	14,484.9
Other Revenues	28.9	33.0
Revenues – Legislation*	50.0	49.4
Transfer from Rainy Day Fund	125.0	125.0
Total Revenues and Balance	\$15,126.0	\$15,226.0
Expenditures – Governor’s Allowance	\$15,130.0	\$15,130.0
Appropriation to Rainy Day Fund	146.5	146.5
Expenditure Reductions – Legislation*	-35.2	-82.1
Expenditure Reductions**	-188.9	-194.9
Total Expenditures	\$15,052.4	\$14,999.6
Revenues Less Expenditures	73.6	226.4
Ending Balance	\$73.6	\$226.4

Cash Position

General Fund Balance	\$73.6	\$226.4
Rainy Day Fund Balance – June 30, 2009	738.9	738.9
Total	\$812.5	\$965.3
Cash and Rainy Day Fund Over 5%	\$75.3	\$228.1

*Includes additional revenues (\$5.6 million) and expenditure reductions (\$50.0 million) associated with the Budget Financing Act (*Senate Bill 46 (Ch. 10)*).

**Reductions under the Administration are amounts assumed in the original allowance and Supplemental Budget No. 2.

Outlook for Future Budgets

As shown in **Exhibit A-1.6**, although there is a cash balance of about \$226.4 million in fiscal 2009, there is a gap of about \$350 million when comparing ongoing revenue to ongoing spending. As noted, action at the 2007 special session reduced the projected \$1.7 billion structural deficit by about \$1.4 billion through a combination of new revenues and spending reductions. Reductions adopted at the 2008 session largely offset downward revenue revisions that were received in March 2008 but did not make additional progress in reducing the structural deficit. There is a potential cash shortfall of about \$243 million between revenues and current services spending projected for fiscal 2010. The shortfall is expected to widen to nearly \$600 million in fiscal 2011, which mirrors the structural deficit. This is due mainly to the downward revision of revenue by BRE in March, to an actuarial error in retirement contributions which adds nearly \$70 million per year in additional spending for teachers' retirement costs, and in the financing of health care expansion, enacted by Chapter 7 of the 2007 special session, which adds \$70 million in general fund spending in fiscal 2011.

Based on the assumption that the constitutional amendment to implement video lottery terminals is approved by voters in the fall of 2008, the projected cash and structural shortfall narrows significantly by fiscal 2013. It is estimated that revenue from video lottery terminals will add nearly \$500 million in revenue in fiscal 2012, increasing to an estimated \$660 million in fiscal 2013. If the constitutional amendment is not successful, the structural deficit is projected to remain at the roughly -\$600 million level.

In the short term, the State is expected to spend the \$226.4 million balance in the general fund as well as amounts in the Rainy Day Fund balance in excess of 5 percent of general fund revenues. Additional cash resources include \$738.9 million of contingency resources in the Rainy Day Fund, which grows to nearly \$900.0 million by fiscal 2013. While an upturn in projected economic activity will serve to mitigate these projected shortfalls, both the Administration and the legislature will need to consider some magnitude of spending reductions, revenue enhancements, or use of reserves in order to resolve the projected gap between revenues and spending.

Exhibit A-1.6
General Fund Budget Outlook
Fiscal 2008-2013
(\$ in Millions)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Avg. Annual Change 2009-2013
	Working	Leg. Approp.	Est.	Est.	Est.	Est.	
Revenues							
Opening Fund Balance	\$285	\$534	\$226	\$0	\$0	\$0	
Transfers	998	152	323	64	63	52	
One-time Revenues/Legislation	160	54	0	-1	-1	-1	
Subtotal One-time Revenue	\$1,443	\$740	\$549	\$64	\$62	\$50	
Ongoing Revenues	\$13,556	\$14,489	\$15,262	\$16,043	\$16,802	\$17,585	
Revenue Adjustments – Legislation	-3	-3	-47	-105	-170	-175	
Subtotal Ongoing Revenue	\$13,554	\$14,486	\$15,214	\$15,938	\$16,631	\$17,409	4.7%
Total Revenues and Fund Balance	\$14,997	\$15,226	\$15,763	\$16,002	\$16,693	\$17,460	
Ongoing Spending							
Operating Spending	\$14,159	\$14,789	\$15,647	\$16,409	\$16,690	\$17,266	
Health Care Expansion	0	0	0	70	188	205	
Multi-year Commitments	115	100	78	64	0	0	
Ongoing Spending – Legislation	0	-52	-44	-29	-22	-23	
Subtotal Ongoing Spending	\$14,273	\$14,837	\$15,681	\$16,513	\$16,856	\$17,449	4.1%
One-time Spending							
PAYGO Capital	\$27	\$16	\$34	\$33	\$33	\$32	
One-Time Spending – Legislation	0	0	2	2	1	1	
Appropriation to Reserve Fund	163	147	291	50	50	50	
Subtotal One-time Spending	\$190	\$163	\$326	\$85	\$84	\$83	
Total Spending	\$14,463	\$15,000	\$16,007	\$16,598	\$16,939	\$17,532	
Ending Balance	\$534	\$226	-\$243	-\$596	-\$246	-\$72	
Rainy Day Fund Balance	\$682	\$739	\$763	\$803	\$841	\$880	
Balance Over 5% of GF Revenues	4	14	0	1	1	1	
As % of GF Revenues	5.03%	5.10%	5.00%	5.01%	5.01%	5.00%	
Structural Balance	-\$719	-\$351	-\$466	-\$575	-\$225	-\$39	

Note: Chapter 7 of the 2007 special session expresses the intent that the expansion of health care services continues beyond fiscal 2009 subject to specified general fund and education trust fund (from VLTs) revenue attainments. Current revenue estimates fall well short of the attainments specified in the bill.

Budget Reconciliation and Financing Legislation

In lieu of legislation proposed by the Administration, the General Assembly passed a package of budget reconciliation bills which provide mandate relief, alter revenue dedications, transfer special fund balances to the general fund and other funds, repeal the sales tax expansion to computer services in lieu of a new income tax rate and other actions, and implement transfers of unallocated balances from the Maryland Housing Fund.

Spending Mandate and Revenue Dedication Relief

Senate Bill 527 contains six provisions designed to provide relief to the general fund by eliminating or modifying mandates and altering the use of dedicated revenues. The bill:

- caps the State payment to counties for the costs of circuit court rents at \$500,000, eliminating the per-square-foot formula;
- delays the planned enhancement to the county library formula by one year, retaining the fiscal 2008 level of \$14 per capita in fiscal 2009, and then increasing to \$15 per capita in fiscal 2010;
- delays the planned enhancement to the regional library resource centers by one year, retaining the fiscal 2008 level of \$6.50 per capita in fiscal 2009, and then increasing to \$7.50 per capita in fiscal 2010;
- removes the mandate that the CCIF receive general funds in the same amount as prior year savings under the federal Rehab Options Waiver;
- modifies the dedication of motor fuel taxes and sales tax on rental cars so that the first \$6.5 million and \$18.5 million, respectively, are directed to the general fund rather than the Chesapeake Bay 2010 Trust Fund for fiscal 2009; and
- modifies the provisions of Chapter 6 of the 2007 special session to dedicate \$50 million, rather than \$110 million, to the State Police Helicopter Replacement Fund in fiscal 2008 and to provide that, during fiscal 2010 through 2012 an additional \$70 million (in aggregate) be appropriated for the procurement of Medevac helicopters in fiscal 2010, 2011, and 2012. These funds may be from any budgetary fund that receives sales and use tax, and appropriations may be reduced by the amount of capital debt that may be authorized for helicopters or by any contribution, transfer, or financing acquired from the Maryland Automobile Insurance Fund as authorized by an Act of the General Assembly.

The General Assembly rejected an Administration proposal to alter the statutory Joseph A. Sellinger Formula for Aid to Non-Public Institutions of Higher Education. That proposal would have level-funded the grants in fiscal 2009 and reduced the formula for fiscal 2010.

Transfer of Special Fund Balances

Senate Bill 540 (passed) contains three provisions:

- transfers \$25 million from the balance of the CCU fund to the general fund before the end of fiscal 2009;
- transfers \$100 million from the Dedicated Purpose Account that was set aside in prior fiscal years to begin to offset future liability for OPEB to the general fund; and
- abolishes the Joseph Fund and transfers the remaining balance of just under \$16,000 to the Rainy Day Fund.

Health Care Funds – Transfers and Disbursements

Senate Bill 545 (passed) focuses on funds in the Maryland Health Care Provider Rate Stabilization Account and the Medical Care Programs Administration (Medicaid). The bill specifies the uses for the medical malpractice insurance subsidy payment rebate from the Medical Mutual Liability Insurance Society of Maryland that was received in December 2007. Companion budget bill language reduces general funds by \$21.3 million, contingent on this legislation. From the Rate Stabilization Account, the bill:

- allocates \$7 million to increase the rates paid to dental providers in the State's Medicaid program;
- transfers \$3 million to the Health Care Coverage Fund, established by Chapter 7 of the 2007 special session, to support the expansion of Medicaid coverage to parents up to 116 percent of the federal poverty level; and
- transfers \$73.3 million to the Health Care Coverage Fund to support the health care expansion costs in fiscal 2010 and 2011.

Senate Bill 545 also authorizes up to \$2 million in over-attainment in the Cigarette Restitution Fund to be transferred to Medicaid. Companion budget bill language authorizes \$1 million to be transferred from Medicaid to the Maryland State Department of Education (MSDE) to supplement the fiscal 2009 appropriation for the Non-public Student Textbook Program. The budget bill also authorizes that, after this distribution, up to \$1 million may be transferred to the Maryland Technology Development Corporation (TEDCO) to supplement the fiscal 2009 appropriation to the Stem Cell Research Fund.

Senate Bill 545, and companion budget bill language, provides for an increase of \$13 million to the Medicaid program, contingent on the over-attainment of fiscal 2008 lottery revenues, to supplement the funds already in DHMH for inflationary adjustments for community

health care providers. This will allow the inflationary adjustment to increase from 1.5 to 3.0 percent.

Finally, *Senate Bill 545* authorizes DHMH to use \$17 million in funds appropriated in Medicaid for nursing home reimbursements to cover an expected increase in costs due to a broadening of eligibility standards for long-term care coverage.

Budget Financing Act

Senate Bill 46, repeals application of the sales and use tax to computer services and establishes, for three years, a personal income tax rate of 6.25 percent on taxable income over \$1 million effective January 1, 2008. Although this tax is expected to generate approximately \$100 million less for the general fund annually, the lost revenues are recovered in the short term by reducing the distribution of sales and use tax to the TTF for five years (from \$51 million in fiscal 2009 to an estimated \$61 million by fiscal 2013), and intent language directing the Governor to present to the Board of Public Works by July 1, 2008, a schedule for reductions of at least \$50 million in ongoing general fund expenditures from the fiscal 2009 budget.

Senate Bill 983 (passed) transfers \$10 million from the Maryland Housing Fund's unallocated reserves to DHCD to be used in lieu of general funds for the Homeownership, Rental Housing, and Special Loans programs. This action allowed for a \$5.1 million general fund reduction in the operating budget. The bill further requires an automatic transfer to these programs in any year that the unallocated reserve balance exceeds \$10 million.

Senate Bill 536 (failed) would have raised the DDMP Fee by \$10 per month, and the fiscal 2009 budget as introduced planned for a \$1.4 million reduction in general funds as a result. *House Bill 1614 (failed)* would have altered the requirements for calculating and paying overtime to correctional officers, resulting in an estimated general fund savings of \$8.6 million.

Selected Budgetary Initiatives and Enhancements

Corrections, Crimes, and Public Safety

Monitoring High Risk Offenders: The fiscal 2009 budget includes \$3.1 million to help fill parole and probation agent vacancies and to enhance the implementation of the statewide Violence Prevention Initiative. The initiative is a statewide program to identify adult offenders, whose risk factors and criminal histories indicate a propensity for violence and then provide those offenders with enhanced supervision. Referral into the program is based on factors such as age, number of prior arrests, and gang affiliation. Currently, 1,219 cases, of which 957 are in the Violence Prevention Unit in Baltimore City, have been identified for participation in the program. The additional funds will provide more intensive supervision through the enhanced use of Global Positioning System (GPS) monitoring and lower caseload ratios.

The budget also provides just over \$700,000 for DJS to use GPS equipment to track up to 200 youth who, in the opinion of the department, are at-risk of committing or becoming victims of violent crime. The equipment differs from existing electronic monitoring equipment used by

the department in that if the current electronic monitoring device is disabled, the department does not know the last whereabouts of the youth.

Health and Human Services

Closure of Rosewood Center: On January 15, 2008, Governor O'Malley announced plans to close the Rosewood Center, a State residential center for developmentally disabled individuals, by June 2009. The decision to close the facility was precipitated by repeated findings issued to the facility by the Office of Health Care Quality, which called into question the quality of care being provided at the facility as well as the potential loss of significant Medicaid recoveries. There are currently 165 individuals residing at the Rosewood Center; 30 of whom are committed by the court to be treated by DDA and 135 are non-court committed. DDA has produced a detailed plan for the closure of the Rosewood Center, transitioning the non-court committed individuals to the community and identifying an alternate facility for court-involved individuals in the DDA system.

The closure of Rosewood will cost the State an additional \$1.8 million in fiscal 2008 and \$4.9 million in fiscal 2009. The additional cost is attributed to the continued operation of Rosewood through the end of fiscal 2009 while also serving those individuals who have moved from Rosewood to the community. The State also loses Medicaid revenues associated with operating Rosewood as an Intermediate Care Facility for the Mentally Retarded.

Medicaid Assistance Program – Expansion/Day Limits: Chapter 7 of the 2007 special session enacted the Working Families and Small Business Health Coverage Act, which expands access to health care in the following ways:

- expands Medicaid eligibility to parents and caretaker relatives with household income up to 116 percent of the federal poverty level (FPL), which will be implemented in fiscal 2009;
- incrementally expands the Primary Adult Care program benefits over three years to childless adults with household income up to 116 percent of the FPL, which will phase in from fiscal 2010 through 2013; and
- establishes a Small Employer Health Insurance Premium Subsidy Program, which will be administered by the Maryland Health Care Commission and funded with \$15 million in fiscal 2009.

Special funds, including savings from averted uncompensated care (*Senate Bill 974/House Bill 1587 (both passed)*) and matching federal funds, will cover the costs of the expansion in fiscal 2009 and 2010. General funds will be needed beginning in fiscal 2011. The fiscal 2009 budget includes \$113 million to fund the first year of the expansion. Additional discussion of the health care expansion funding can be found in Part J – Health and Human Services of this *90 Day Report*.

Oral Health Initiative: Legislation passed at the 2007 regular session established the Oral Health Safety Net Program, and DHMH formed a Dental Action Committee. The fiscal 2009 budget includes \$16.1 million to implement many of the committee's recommendations. Low provider participation has been identified as the main barrier to comprehensive oral health services for Medicaid enrollees. As a result, the Medicaid budget for fiscal 2009 includes \$14 million (\$7 million in State funds and \$7 million in federal funds) to increase dental reimbursement rates. This is the first year of a three-year plan to get Medicaid dental rates up to the fiftieth percentile of the American Dental Association's South Atlantic charges.

DHMH receives \$1.4 million in the fiscal 2009 budget to improve access to dental care. Most of the funding (\$900,000) is provided through the operating budget, and the remaining \$500,000 consists of general obligation bonds in the capital budget. All of the funds will be provided as grants to local health departments, federally qualified health centers, or non-profit community health organizations. The office plans to target the geographic areas of the Upper Eastern Shore and Southern Maryland. DHMH also receives \$700,000 for school-based dental health services because providing oral health services in a school setting eliminates problems with transportation and no-show appointments. Remaining funds will be used to establish two school-linked portable dental programs. Programs at the schools will include screenings, education, and prevention services.

Veterans Mental Health Initiative: The fiscal 2009 budget includes just over \$2.8 million in the Mental Hygiene Administration to improve access to behavioral health services for veterans. Separate legislation (*Senate Bill 210/House Bill 372 (both passed)*) formally establishes the program for a three-year period. The intent of the program is two-fold: to link veterans to mental health services provided by the U.S. Department of Veterans Affairs (VA) through the employment of six full-time equivalent contractual resource coordinators; and to provide gap services if there is delay in services available from the VA. The State envisages providing crisis intervention; individual, group, and family therapy; substance abuse early intervention and detoxification services; and medications until a veteran can access VA care.

The funding is aimed at the significant numbers of military personnel returning from recent overseas operations in Iraq and Afghanistan that have mental disorders. The VA's web site identifies one-third of all combat veterans as having a mental disorder. Data indicates that 10 to 15 percent of combat veterans have post-traumatic stress disorder and another 10 percent have signs of the disorder, depression, or anxiety and may benefit from some type of care. Co-occurring substance abuse problems are also common among this population as are high suicide rates and levels of homelessness.

Natural Resources, Environment, and Agriculture

State Park Funding Enhancement: In recent years, budget constraints have limited funding for Maryland's state parks. Chapter 2 of the 2007 special session allocated the greater of 20 percent, or \$21.0 million, of the State transfer tax for the Maryland Park Service. As a result, the Maryland Park Service's fiscal 2009 appropriation increases by \$4.7 million, which allows

for the funding of equipment, such as picnic tables, grills, fire rings and heavy machinery, and contractual repairs (\$1.3 million); 58 positions, 39 of which are contractual conversions (\$1.3 million); additional seasonal contractual full-time equivalent positions (\$1.1 million); and the formation of a Civic Justice Corps program for 100 at-risk youth to perform environmental restoration work in the parks (\$1.0 million).

Primary/Secondary Education

K-12 Funding Increases – Geographic Cost of Education Index: State aid for primary and secondary education will increase by \$185.1 million to a total of \$5.35 billion in fiscal 2009, a boost of 3.6 percent over the fiscal 2008 funding level of \$5.17 billion. The additional State aid includes growth of \$129.8 million in funding that is provided directly to local boards of education, increasing direct State aid from \$4.60 billion in fiscal 2008 to \$4.73 billion in fiscal 2009, a 2.8 percent increase. Teachers' retirement, which is paid by the State on behalf of local school systems, will grow from \$566.4 million to \$621.8 million, an increase of \$55.4 million or 9.8 percent.

A significant proportion of the direct aid increases are due to two programs receiving funding for the first time in fiscal 2009, the GCEI and the supplemental grants. These two programs account for a total of \$112.6 million in fiscal 2009, 86.7 percent of the \$129.8 million increase in direct aid. Due in part to Chapter 2 of the 2007 special session, which eliminated the fiscal 2009 and 2010 inflation factors for per pupil funding amounts used in the major State aid formulas, other direct State aid programs increase by just \$17.3 million combined. The increase of nearly 10 percent in the teachers' retirement program is mostly due to an 8.8 percent increase in the salary bases for local boards of education.

Despite the more modest growth in aid relative to the years when the Bridge to Excellence legislation was being phased in, State funding for primary and secondary education will still increase by 3.6 percent even in a constrained fiscal 2009 State budget.

Higher Education

Every segment of higher education receives a general fund increase. Overall, new general and special funds, comprised chiefly of the HEIF, total \$135.0 million in fiscal 2009, or 9.4 percent.

Higher Education Investment Fund: Chapter 3 of the 2007 special session increased the corporate income tax rate and dedicated part of the revenue to the newly created HEIF. In fiscal 2009, HEIF supports a portion of mandatory costs (\$30.7 million), program enhancements (\$3.3 million), workforce development initiatives (\$8.0 million), enrollment support (\$11.6 million), and as discussed below, an in-state undergraduate tuition freeze (\$16.3 million).

Tuition Freeze: In an effort to continue to make college affordable for Maryland residents, the tuition freeze is extended for a third year for resident undergraduate students at USM institutions and MSU. The HEIF funds equate to approximately a 4.0 percent increase at

USM institutions and a 5.0 percent increase at MSU. SMCM is unaffected by the freeze, and tuition will increase by 5.0 percent in fall 2008, up from a 2.1 percent increase in fall 2007.

Community College Funding: Fiscal 2009 funding through the Cade formula grows by 4.0 percent per full-time equivalent student (FTES) over fiscal 2008. This amounts to an 8.4 percent, or \$16.4 million increase. The fiscal 2009 appropriation represents 25.3 percent of funds for public four-year institutions in the previous year, short of the statutorily mandated 26.25 percent. When additional State funds for fringe benefits and other programs are included, the overall increase is \$21.2 million, or 8.8 percent. BCCC, as the only State-run community college, has its own formula, which for fiscal 2009 sets State support at 67.25 percent of the prior year State appropriations per FTES at selected four-year public institutions. BCCC receives a \$1.3 million, or 3.3 percent, increase in general funds in fiscal 2009.

Cigarette Restitution Fund

The Cigarette Restitution Fund (CRF) was established by Chapter 173 of 1999 and is supported by payments made under the Master Settlement Agreement (MSA). Through the MSA, the settling manufacturers will pay the litigating parties approximately \$206 billion over the next 25 years and beyond, as well as conform to a number of restrictions on marketing to youth and the general public. **Exhibit A-1.7** details CRF budget data for fiscal 2007 through 2009. Two points can be made from the chart:

- The fiscal 2008 working appropriation has changed significantly from that originally approved during the 2007 session. Specifically, in a July 2007 action taken by BPW, an across the board reduction of 8 percent was taken to all CRF-supported programs with the exception of legal expenses and substance abuse treatment programs. This reduction, amounting to just over \$14.1 million, was made to address potential shortfalls in payments to the CRF due to legal issues surrounding payments by participating manufacturers based on market share and the diligent enforcement of the State's qualifying statute.
- The fiscal 2009 allowance utilizes slightly less CRF funds than in fiscal 2008, primarily due to the anticipated lower available opening balance. Spending changes are minimal, primarily a reduction in CRF funds devoted to Medicaid.

Language adopted in the fiscal 2009 budget bill and *Senate Bill 545* authorizes the Governor to transfer up to \$2 million in CRF over-attainment in fiscal 2009 to Medicaid to back-fill the transfer from Medicaid of up to \$1 million in over-attainment to MSDE to support the purchase of non-public text books and up to \$1 million in over-attainment to TEDCO to support stem cell research. The transfers are subject to the realization of over-attained CRF revenues.

Exhibit A-1.7
Cigarette Restitution Fund
Fiscal 2007-2009
(\$ in Millions)

	<u>2007 Actual</u>	<u>2008 Working</u>	<u>2009 Budget</u>
Beginning Fund Balance	\$4.5	\$12.9	\$4.2
Settlement Payments	154.5	150.7	151.5
NPM and Other Shortfalls in Payments ¹	-16.1	-16.5	-16.5
Other Adjustments	7.7	36.1	35.7
Subtotal	\$150.7	\$183.2	\$175.0
Prior Year Recoveries	1.1	1.0	
Total Available Revenue	\$151.8	\$184.2	\$175.0
Health			
Tobacco Use Prevention/Cessation	\$17.8	\$17.3	\$18.4
Cancer Prevention, Evaluation, and Treatment	28.1	25.4	27.5
Substance Abuse	17.1	17.1	17.1
Medicaid	63.7	106.7	97.5
Administration	0.5	1.0	1.0
Subtotal	\$127.1	\$167.5	\$161.5
Other			
Aid to Nonpublic Schools	\$4.0	\$3.7	\$3.7
Crop Conversion	7.6	8.3	8.5
Attorney General	0.2	0.4	0.5
Subtotal	\$11.8	\$12.4	\$12.7
Total Expenses	\$138.9	\$179.9	\$174.2
Ending Fund Balance	\$12.9	\$4.2	\$0.8

NPM: Nonparticipating Manufacturer

¹The NPM adjustment represents \$15.7 million of this \$16.1 million in fiscal 2007; an estimate of \$16.5 million is used in fiscal 2008 and 2009.

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

Source: Department of Legislative Services; Department of Budget and Management

Transportation

Maryland Department of Transportation

Transportation Trust Fund: TTF revenues are modified by *Senate Bill 46*, which repeals the sales tax on computer services. In fiscal 2009, revenues are reduced by \$14 million which was the TTF share of this revenue. The legislation also provides that the share of the sales tax to be distributed to the TTF is reduced from 6.5 to 5.3 percent for five years. This results in a revenue loss of \$51 million in fiscal 2009. **Exhibit A-1.8** summarizes the impact of *Senate Bill 46* on the TTF through fiscal 2013.

Exhibit A-1.8
Impact of SB 46 on State Share of Transportation Trust Fund Revenue
Fiscal 2009-2013
(\$ in Millions)

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Estimated Revenue to TTF from Special Session	\$413	\$430	\$448	\$467	\$489
Less Repeal of Sales Tax on Computer Services	-14	-14	-15	-15	-16
Less Reduced Sales Tax Share (6.5% to 5.3%)	-51	-54	-56	-59	-61
Subtotal Revenue Loss to TTF	-65	-68	-71	-74	-77
Revised Additional Revenue to State Share of TTF	\$348	\$362	\$377	\$393	\$412

Net special fund revenue to the TTF is expected to total \$2.9 billion in fiscal 2009, including \$370 million in estimated Consolidated Transportation Bonds (CTBs). This is a net increase of approximately \$373 million compared to fiscal 2008 largely due to the additional revenue provided for in the 2007 special session. Operating expenses for all modes totals \$1.56 billion; an increase of \$122.3 million or 9 percent.

Budget Enhancements: Excluding debt service growth, MDOT's total operating and capital budgets increase in fiscal 2009 by a net \$359 million in special funds, with approximately \$300 million in new spending enhancements as a result of the additional revenue provided during the special session. However, due to *Senate Bill 46*, the amount of revenue the department will receive is reduced by an estimated \$65 million, thus it is unclear what impact this will have. As introduced, the operating budget allowance proposed a number of enhancements to transit services provided by the MTA for Core Bus, Light Rail, and MARC service as well as grants to locally operating transit systems. The majority of the additional revenue was provided for in the capital budget appropriation for MTA and SHA. The funding was largely used for a number of system preservation projects for rail cars, roads, and bridges.

Transportation Debt Limit: The budget establishes a ceiling for maximum debt outstanding for CTBs as of June 30, 2009, at \$1.62 billion. A ceiling on non-traditional debt issued is set at \$693.8 million for all debt that are not CTBs or Grant Anticipation Revenue Vehicle bonds.

Transit Farebox Recovery: *House Bill 1185 (passed)* alters the farebox recovery requirement for Baltimore area transit services and MARC services from 50 to 35 percent, and adds specified efficiency measures that would be reported annually. This includes operating expenses per revenue vehicle mile, operating expenses per passenger trip, and passenger trips per revenue vehicle mile. The bill also adjusted the farebox recovery requirement rate to 35 percent for eligible bus service in Montgomery and Prince George's County.

Oversight of Public-private Partnerships (P3) and Transit Oriented Development: Under current law the Maryland Transportation Authority is required to report to the General Assembly before entering into any arrangement or procurement to lease or construct any transportation facility involving the private sector. These so called public-private partnerships, or P3 arrangements, have gained popularity nationally because transportation revenues have not kept pace with infrastructure needs. As introduced, *House Bill 1238 (failed)* would have created new oversight capabilities of P3 arrangements involving MdTA and MDOT, by requiring reporting of any proposed project involving any of a number of creative financing mechanisms.

Senate Bill 204/House Bill 373 (both passed) define "transit-oriented development" (TOD) and establish TOD as a transportation purpose in the Transportation Article. The enacted bills generally codify current practice and are part of a deliberate development strategy involving property located within one-half mile of a transit facility which may involve private sector development. TODs are considered by MDOT to be P3 projects.

Maryland Transportation Authority

Debt Limit: Chapters 471 and 472 of 2005 established a debt limit of \$1.9 billion for all toll-backed revenue bonds. *Senate Bill 182 (passed)* increases this limit to \$3.0 billion and requires that any loans or draws on a line of credit that MdTA utilizes under the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) also be counted within this overall cap.

InterCounty Connector Funding Changes: Chapter 203 of 2003 (the Budget Reconciliation and Financing Act of 2003) transferred \$314.9 million 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 payment 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 financing plan required 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. The first payment of \$53.0 million was made in fiscal 2007, but no payment was made in fiscal 2008 due to cash flow changes in the project and the State's fiscal condition.

The fiscal 2009 budget bill includes a payment of \$85.0 million, leaving a balance of \$126.9 million to be repaid in fiscal 2010. Given the size of the final payment and based on concern over fiscal conditions, *Senate Bill 182* restructures the repayment plan for the general fund repayment to the ICC and requires that \$85.0 million be paid in fiscal 2009, \$63.0 million in fiscal 2010, and \$63.9 million in fiscal 2011. **Exhibit A-1.9** below summarizes the changes made to the repayment plan.

Exhibit A-1.9
General Fund Payments for the InterCounty Connector
Fiscal 2007-2012
(\$ in Millions)

<u>Fiscal Year</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Current Law	\$53	\$0	\$85	\$126.9	\$0	\$0
Under SB 46	53	0	85	63	63.9	0

Senate Bill 182 also permits MdTA additional financial flexibility to address project cash flow needs. This includes a total of \$75 million from one of the following sources: (1) bond anticipation notes with maturities of three years secured by a TIFIA line of credit; (2) use of MdTA's unencumbered cash balance; or (3) an interest-free loan from the TTF. Finally, it modifies annual reporting language for the ICC and authorizes MdTA to utilize federal TIFIA loans or lines of credit.

State Reserve Fund

The Rainy Day Fund, DPA, Catastrophic Event Account, and The Joseph Fund Account have a combined \$747.2 million fund balance projected at the end of fiscal 2009. Activity in fiscal 2009 is listed in **Exhibit A-1.10** and detailed below.

Exhibit A-1.10
State Reserve Fund Activity
Fiscal 2008 and 2009
(\$ in Millions)

	<u>Rainy Day</u> <u>Fund</u>	<u>Dedicated</u> <u>Purpose Acct.</u>	<u>Catastrophic</u> <u>Event Acct.</u>	<u>Joseph</u> <u>Fund Acct.</u>
Estimated Balances 6/30/07	\$1,432.2	\$142.6 ¹	\$8.3	\$0.0
Fiscal 2008 Appropriations	162.8	100.0	0.0	0.0
Expenditures				
Energy Subsidies for Low-income Residents		-20.6		
Transfer OPEB Funds to Special Fund		-200.0		
Prince George's County Hospital		-20.0		
Substance Abuse Case Mgmt. Compact		-1.0		
Transfers to General Fund	-978.0	0.0		
Estimated Interest	64.7			0.0
Estimated Balances 6/30/08	\$681.7	\$1.0	\$8.3	\$0.0 ³
Fiscal 2009 Appropriations	146.5	85.0	0.0	
Expenditures				
Transfer to MdTA for ICC		-85.0		
Substance Abuse Case Mgmt. Compact		-1.0		
Transfers to Rainy Day Fund	0.0	0.0		
Transfers to General Fund (GF)	-125.0			
Estimated Interest	35.7			
Estimated Balances 6/30/09	\$738.9	\$0.0	\$8.3	\$0.0
Balance in Excess of 5% GF Revenues	\$1.7			

ICC: InterCounty Connector

MdTA: Maryland Transportation Authority

OPEB: Other Post Employment Benefits

¹ This includes \$100.0 million toward OPEB obligations, \$20.0 million for the Prince George's County Hospital, \$20.6 million for low income energy assistance, and \$2.0 million for substance abuse services.

² House Bill 1039 establishes a Prince George's County Hospital Authority and authorizes the transfer of these funds by budget amendment to the Department of Health and Mental Hygiene to support the operation of the Prince George's County health care system.

³ The Joseph Fund Account has an estimated balanced of \$15,476 at the end of fiscal 2008. Senate Bill 540 repeals the account and transfers the balance as of May 31, 2008, to the Revenue Stabilization Account.

⁴ Senate Bill 182 modifies the general fund repayment for the ICC to require an appropriation of \$85 million in fiscal 2009, \$63 million in fiscal 2010, and \$63.9 million in fiscal 2011.

Source: Department of Budget and Management

Fiscal 2009 Actions

- **Rainy Day Fund**

- \$146.5 million is appropriated to 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 2007, the unappropriated general fund balance totaled \$156.5 million; and
- \$125.0 million is transferred to the general fund from the Rainy Day Fund to support fiscal 2009 operations.

- **Dedicated Purpose Account**

\$85.0 million is appropriated in the DPA to support continued construction of the InterCounty Connector (ICC), with \$32 million of this amount contingent upon enactment of legislation to increase the State income tax rate applicable to net taxable income of individuals in excess of \$1,000,000 to at least 6.25 percent beginning January 1, 2008. The remaining general fund repayment for the ICC per *Senate Bill 182*, is described in greater detail under the “Transportation” subheading of this part.

Rainy Day Fund Outlook

The end-of-year fiscal 2009 Rainy Day Fund balance is projected to be \$738.9 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 \$7.1 billion in fiscal 2009, constitute a major component of the budget. Regular employee expenditures increase \$410.1 million, or 6.5 percent, to \$6.7 billion while contractual employee expenditures for fiscal 2009 total \$408.5 million.

Health Insurance

To meet rising health insurance costs, the Administration has budgeted State health insurance payments of \$744.2 million in fiscal 2009, a \$95 million, or 14.6 percent, increase over the \$649.2 million budgeted in fiscal 2008. This level of funding in the budget requires that \$100.0 million be transferred from the balance of the nonbudgeted State Employees and Retirees Health and Welfare Benefits fund to cover the State’s share of the remainder of the growth in claims costs. The Department of Legislative Services estimates that the fiscal 2010 balance in

the nonbudgeted account, over that necessary to pay any pending claims, will be approximately \$9.2 million.

Employee Compensation

The regular employee compensation package funded for fiscal 2009 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 2009 cost-of-living increase is 2.0 percent, applied uniformly across all positions.

Other Post Employment Benefits

The fiscal 2009 proposed budget allocated \$207.8 million across all fund types to pre-fund the OPEB liability, which chiefly represents the estimated value of health insurance subsidies for future retirees. Revenue write downs prompted reductions to this level of funding and \$105.2 million will be appropriated for transfer to an irrevocable OPEB trust, where the monies will be invested by the State Retirement Agency. *Senate Bill 540 (passed)* moves \$100.0 million from the DPA leaving \$100 million as the fiscal 2008 contribution to OPEB pre-funding, thus creating continuity in the State's approach to addressing this future financial obligation.

Workforce Growth

In fiscal 2009, the size of the regular State workforce increases by 0.19 percent, or 154 positions. The deletion of 500.15 vacant positions in response to legislative direction given during the 2007 special session was included in the Governor's fiscal 2009 budget submission. Adjustments to individual agency workforces made during the 2008 session are illustrated in **Exhibit A-1.11**.

Exhibit A-1.11
Regular Full-time Equivalent Positions
Fiscal 2008 and 2009

<u>Department</u>	<u>FY 2008</u> <u>Wkg.</u> <u>Approp.</u>	<u>FY 2009</u> <u>Allowance</u>	<u>Legis.</u> <u>Reduction</u>	<u>FY 2009 Legis.</u> <u>Approp.</u>
Legislature	747	747	0.0	747
Judiciary	3,498	3,656	-86.5	3,569
Executive Branch				
Legal (Excluding Judiciary)	1,593	1,590	0.0	1,590
Executive and Administrative Control	1,674	1,689	-10.0	1,679
Financial and Revenue Administration	2,034	2,047	-1.0	2,046
Budget and Management	443	449	0.0	449
Retirement	205	203	0.0	203
General Services	645	638	0.0	638
Transportation	9,091	9,204	-3.0	9,201
Natural Resources	1,357	1,405	-1.0	1,404
Agriculture	447	437	0.0	437
Health and Mental Hygiene	7,638	7,510	-79.5	7,430
Human Resources	7,051	6,955	0.0	6,955
Labor, Licensing, and Regulation	1,473	1,461	0.0	1,461
Public Safety and Correctional Services	11,642	11,837	-53.0	11,784
MSDE and Other Education	2,209	2,182	0.0	2,182
Housing and Community Development	316	311	0.0	311
Business and Economic Development	283	276	-1.0	275
Environment	945	932	0.0	932
Juvenile Services	2,237	2,297	0.0	2,297
Police and Fire Marshal	2,473	2,457	-1.0	2,456
Subtotal	53,753	53,877	-149.5	53,727
Higher Education	23,584	23,700	-8.0	23,692
Grand Total	81,582	81,980	-244.0	81,736

MSDE: Maryland State Department of Education

Source: Department of Budget and Management

By the Numbers

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

Exhibit A-1.12 shows the impact of the legislative budget on the general fund balance for fiscal 2008 and 2009. The fiscal 2008 balance is estimated to be \$533.7 million. At the end of fiscal 2009, the closing balance is estimated to be \$226.4 million.

Exhibit A-1.12 Final Budget Status Status as of April 7, 2008

	<u>FY 2008</u>	<u>FY 2009</u>
Starting General Fund Balance	\$284,711,236	\$533,684,363
Revenues		
BRE Estimated Revenues – December 2007	\$13,632,442,900	\$14,743,139,700
BRE Revenue Revision – March 2008	-74,655,000	-258,217,000
Supplemental Budget No. 1	-1,560,000	0
Supplemental Budget No. 2	406,000	0
Budget Reconciliation Legislation – Revenues	60,000,000	25,000,000
Budget Reconciliation Legislation – Transfers	100,000,000	25,000,000
Other Legislation	-2,500,000	-3,339,500
Additional Revenues	20,159,442	35,706,085
	\$13,734,293,342	\$14,567,289,285
Net Transfer to the GF from the Rainy Day Fund	815,222,858	-21,543,342
Subtotal Available Revenues	\$14,834,227,436	\$15,079,430,306
Appropriations		
General Fund Appropriations Net of Rainy Day Fund	\$14,428,066,816	\$15,149,907,235
Deficiencies	60,397,109	0
Supplemental Budget No. 1	0	-1,107,759
Supplemental Budget No. 2	17,486,550	11,175,539
Board of Public Works Withdrawn Appropriations	-128,430,816	0
Legislative Reductions/Contingent Legislation	-431,000	-276,960,073
Estimated Agency Reversions	-76,545,586	-30,000,000
Subtotal Appropriations	\$14,300,543,073	\$14,853,014,942
Closing General Fund Balance	\$533,684,363	\$226,415,364

BRE: Board of Revenue Estimates

Exhibit A-1.13, the fiscal note on the budget bill, depicts the Governor’s allowance, funding changes made through Supplemental Budgets No. 1 and 2, legislative reductions, and final appropriations for fiscal 2008 and 2009 by fund source. The Governor’s original request provided for \$31.7 billion (net of projected general fund reversions) in fiscal 2009 expenditures and fiscal 2008 deficiencies.

Exhibit A-1.13
Fiscal Note
Summary of the Budget Bill – Senate Bill 90

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
Governor’s Request					
FY 2008 Deficiency Budget	\$13,851,523 ⁽¹⁾	\$26,301,289	\$38,282,379	\$750,000	\$79,185,191
FY 2009 Budget	15,266,450,577 ⁽²⁾	6,250,048,476	6,899,991,043	3,169,008,842	31,585,498,938
Original Budget Request	\$15,280,302,100	\$6,276,349,765	\$6,938,273,422	\$3,169,758,842	\$31,664,684,129
Supplemental Budget No. 1					
FY 2008 Deficiency Budget	\$0	\$0	\$46,000	\$0	\$46,000
FY 2009 Budget	-1,107,759	3,566,760	0	0	2,459,001
Subtotal	-\$1,107,759	\$3,566,760	\$46,000	\$0	\$2,505,001
Supplemental Budget No. 2					
FY 2008 Deficiency Budget	\$17,486,550	\$43,712,745	\$59,912,946	\$49,000,425	\$170,112,666
FY 2009 Budget	11,175,539	10,336,073	1,154,592	48,215,569	70,881,773
Subtotal	\$28,662,089	\$54,048,818	\$61,067,538	\$97,215,994	\$240,994,439
Legislative Reductions					
FY 2008 Deficiency Budget	\$431,000	\$810,000	\$0	\$0	\$1,241,000
FY 2009 Contingent Reductions	32,068,024 ⁽³⁾	0	0	0	32,068,024
FY 2009 Budget	194,892,049	171,452,908	32,511,381	8,936,293	407,792,631
Total Reductions	\$227,391,073	\$172,262,908	\$32,511,381	\$8,936,293	\$441,101,655
Appropriations					
FY 2008 Deficiency Budget	\$30,907,073	\$69,204,034	\$98,241,325	\$49,750,425	\$248,102,857
FY 2009 Budget	15,049,558,284	6,092,498,401	6,868,634,254	3,208,288,118	31,218,979,057
Total Appropriation	\$15,080,465,357	\$6,161,702,435	\$6,966,875,579	\$3,258,038,543	\$31,467,081,914

⁽¹⁾ Reflects \$46.5 million in targeted reversions.

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

⁽³⁾ Includes \$2,355,621 in the Department of Labor, Licensing, and Regulation’s Financial Regulation (P00C01.02) contingent on HB 752, \$7,000,000 in Medicaid (M00Q01.03) contingent on SB 545, \$14,275,000 in Medicaid (M00Q01.10) contingent on SB 545, \$2,479,730 in Public Libraries (R00A02.31) contingent on SB 527, \$907,673 in State Library Network (R00A02.32) contingent on SB 527, \$2,850,000 in the Department of Housing and Community Development (DHCD) PAYGO capital (S00A25.07) contingent on SB 983/HB 1594, \$900,000 in DHCD PAYGO capital (S00A25.08) contingent on SB 983/HB 1594, and \$1,300,000 in DHCD PAYGO capital (S00A25.09) contingent on SB 983/HB 1594.

The Governor added \$243.5 million in fiscal 2008 and 2009 spending via two supplemental budgets. Many of the items in the supplemental budgets for fiscal 2008 represented special, federal, and higher education funds that typically would have been appropriated throughout the year through budget amendments. Annual budget bill language expresses legislative intent that additional funding be provided through deficiency appropriations in order to reflect a more accurate budget.

The legislature made \$441.1 million in reductions to the total budget request, resulting in a net change in appropriations of \$248.1 million for fiscal 2008 and total appropriations of \$31.2 billion for fiscal 2009.

Exhibit A-1.14 illustrates budget changes by major expenditure category by fund. Total spending grows 4.0 percent. Debt service grows 8.1 percent; aid to local governments increases by 0.7 percent; entitlements grow 8.0 percent, and State agency spending (net of reversions and contingent reductions) rises 3.4 percent. PAYGO capital expenditures increase by 4.7 percent.

Exhibit A-1.14
State Expenditures – General Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2007</u>	<u>Work. Appr.</u> <u>FY 2008</u>	<u>Leg. Appr.</u> <u>FY 2009</u>	<u>FY 2008 to FY 2009</u> <u>\$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$29.3	\$0.0	-\$29.3	-100.0%
Aid to Local Governments					
County/Municipal	228.2	242.6	215.5	-27.1	-11.2%
Community Colleges	205.9	241.7	262.9	21.2	8.8%
Education/Libraries	4,530.9	5,224.0	5,418.9	195.0	3.7%
Health	63.7	67.0	68.8	1.8	2.6%
Total Aid to Local Governments	\$5,028.6	\$5,775.2	\$5,966.0	\$190.8	3.3%
Entitlements					
Foster Care Payments	248.8	246.3	239.6	-6.7	-2.7%
Assistance Payments	43.1	35.5	35.5	0.0	0.0%
Medical Assistance	2,203.5	2,236.0	2,368.3	132.3	5.9%
Property Tax Credits	56.2	61.0	64.3	3.3	5.3%
Total Entitlements	\$2,551.6	\$2,578.9	\$2,707.7	\$128.8	5.0%
State Agencies					
Health	1,320.8	1,371.0	1,404.8	33.8	2.5%
Human Resources	278.0	294.8	320.4	25.6	8.7%
Systems Reform Initiative	32.2	44.7	39.4	-5.3	-11.8%
Juvenile Services	238.5	265.2	256.5	-8.7	-3.3%
Public Safety/Police	1,212.7	1,218.7	1,264.2	45.5	3.7%
Higher Education	1,047.5	1,129.4	1,142.6	13.2	1.2%
Other Education	401.3	387.4	417.3	29.9	7.7%
Agric./Natl Res./Environment	139.9	147.9	135.5	-12.5	-8.4%
Other Executive Agencies	604.4	565.8	656.5	90.7	16.0%
Legislative	68.2	72.3	73.5	1.2	1.7%
Judiciary	325.5	347.1	366.2	19.2	5.5%
OPEB	100.0	100.0	66.5	-33.5	-33.5%
Total State Agencies	\$5,768.9	\$5,944.2	\$6,143.4	\$199.2	3.4%
Subtotal	\$13,349.1	\$14,327.6	\$14,817.1	\$489.5	3.4%
Capital/Heritage Reserve Fund	163.9	41.9	30.9	-11.0	-26.3%
Transfer to MdTA	53.0	0.0	85.0	85.0	n/a
Reserve Funds ⁽¹⁾	638.4	162.8	146.5	-16.3	-10.0%
Appropriations	\$14,204.4	\$14,532.3	\$15,079.6	\$547.2	3.8%
Cost Containment ⁽²⁾	0.0	0.0	-50.0	-50.0	n/a
Reversions	0.0	-69.0	-30.0	39.0	-56.5%
Grand Total	\$14,204.4	\$14,463.3	\$14,999.6	\$536.2	3.7%

MdTA: Maryland Transportation Authority

OPEB: Other Post Employment Benefits

Note: Fiscal 2008 includes \$46.5 million in targeted reversions and \$77.5 million in deficiencies reflecting \$0.4 million in cuts to the deficiencies.

⁽¹⁾ Excludes \$85 million in fiscal 2009 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MdTA line. Also excludes \$100 million in fiscal 2008 for OPEB costs which are included under the State agencies.

⁽²⁾ SB 46 expresses legislative intent that the Governor via the Board of Public Works reduce the fiscal 2009 budget by \$50 million on or before July 1, 2008.

Exhibit A-1.14 (Continued)
State Expenditures – Special and Higher Education Funds*
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2007</u>	<u>Work. Appr.</u> <u>FY 2008</u>	<u>Leg. Appr.</u> <u>FY 2009</u>	<u>FY 2008 to FY 2009</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$768.7	\$791.7	\$887.4	\$95.8	12.1%
Aid to Local Governments					
County/Municipal	724.5	699.9	606.5	-93.4	-13.3%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	0.0	0.0	0.9	0.9	n/a
Health	0.0	0.0	0.0	0.0	n/a
Total Aid to Local Governments	\$724.5	\$699.9	\$607.5	-\$92.5	-13.2%
Entitlements					
Foster Care Payments	0.1	0.1	0.1	0.0	-30.8%
Assistance Payments	12.9	13.3	13.4	0.1	0.9%
Medical Assistance	131.3	228.6	295.6	67.0	29.3%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
Total Entitlements	\$144.3	\$242.0	\$309.1	\$67.1	27.7%
State Agencies					
Health	216.9	241.6	259.7	18.1	7.5%
Human Resources	75.2	75.3	54.7	-20.6	-27.4%
Systems Reform Initiative	0.6	0.6	0.7	0.1	18.3%
Juvenile Services	4.1	0.5	0.2	-0.3	-57.2%
Public Safety/Police	192.2	197.8	211.0	13.3	6.7%
Higher Education	2,876.6	3,195.4	3,241.6	46.2	1.4%
Other Education	27.9	39.1	40.8	1.7	4.4%
Transportation	1,315.2	1,370.7	1,454.8	84.2	6.1%
Agric./Natl Res./Environment	120.9	140.8	166.6	25.7	18.3%
Other Executive Agencies	468.3	522.0	538.3	16.3	3.1%
Legislative	0.1	0.3	0.1	-0.2	-66.7%
Judiciary	37.4	45.9	52.8	6.9	15.0%
OPEB	0.0	0.0	26.9	26.9	n/a
Total State Agencies	\$5,335.5	\$5,829.8	\$6,048.2	\$191.5	3.7%
Subtotal	\$6,972.9	\$7,563.4	\$7,852.2	\$288.8	3.8%
Capital	1,215.7	1,263.7	1,448.6	184.9	14.6%
Grand Total	\$8,188.6	\$8,827.1	\$9,300.8	\$473.7	5.4%

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

OPEB: Other Post Employment Benefits

Note: Fiscal 2008 deficiencies include \$107.2 million in operating and \$11.0 million in capital for total special and higher education fund deficiencies of \$118.2 million. These figures reflect legislative reductions of \$0.8 million.

Exhibit A-1.14 (Continued)
State Expenditures – Federal Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u>	<u>Work. Appr.</u>	<u>Leg. Appr.</u>	<u>FY 2008 to FY 2009</u>	
	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</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	37.1	60.7	45.5	-15.2	-25.0%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	665.0	727.5	694.4	-33.1	-4.6%
Health	4.5	4.5	4.5	0.0	0.0%
Total Aid to Local Governments	\$706.7	\$792.7	\$744.4	-\$48.3	-6.1%
Entitlements					
Foster Care Payments	95.2	104.6	122.7	18.1	17.3%
Assistance Payments	432.9	437.8	462.1	24.3	5.5%
Medical Assistance	2,342.2	2,444.1	2,670.7	226.6	9.3%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
Total Entitlements	\$2,870.2	\$2,986.6	\$3,255.6	\$269.0	9.0%
State Agencies					
Health	774.2	817.6	849.6	32.0	3.9%
Human Resources	471.1	515.6	522.1	6.4	1.3%
Systems Reform Initiative	14.9	14.9	7.3	-7.6	-50.9%
Juvenile Services	10.5	14.7	11.7	-3.0	-20.7%
Public Safety/Police	15.8	20.7	16.4	-4.3	-20.7%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	212.4	228.9	234.5	5.7	2.5%
Transportation	72.6	78.1	79.6	1.5	1.9%
Agric./Natl Res./Environment	55.6	65.9	60.8	-5.1	-7.7%
Other Executive Agencies	405.8	426.6	448.2	21.6	5.1%
Judiciary	4.3	3.8	4.1	0.3	7.0%
OPEB	0.0	0.0	11.8	11.8	n/a
Total State Agencies	\$2,037.4	\$2,186.8	\$2,246.1	\$47.5	2.7%
Subtotal	\$5,614.3	\$5,966.0	\$6,246.0	\$280.0	4.7%
Capital	749.2	701.9	622.6	-79.2	-11.3%
Grand Total	\$6,363.5	\$6,667.9	\$6,868.6	\$200.7	3.0%

OPEB: Other Post Employment Benefits

Note: Fiscal 2008 deficiencies include \$92.5 million in operating and \$5.7 million in capital for total federal fund deficiencies of \$98.2 million.

Exhibit A-1.14 (Continued)
State Expenditures – State Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2007</u>	<u>Work. Appr.</u> <u>FY 2008</u>	<u>Leg. Appr.</u> <u>FY 2009</u>	<u>FY 2008 to FY 2009</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$768.7	\$821.0	\$887.4	\$66.4	8.1%
Aid to Local Governments					
County/Municipal	952.7	942.5	822.0	-120.5	-12.8%
Community Colleges	205.9	241.7	262.9	21.2	8.8%
Education/Libraries	4,530.9	5,224.0	5,419.9	195.9	3.8%
Health	63.7	67.0	68.8	1.8	2.6%
Total Aid to Local Governments	\$5,753.2	\$6,475.2	\$6,573.5	\$98.3	1.5%
Entitlements					
Foster Care Payments	248.9	246.4	239.7	-6.7	-2.7%
Assistance Payments	56.0	48.8	48.9	0.1	0.2%
Medical Assistance	2,334.8	2,464.6	2,663.9	199.3	8.1%
Property Tax Credits	56.2	61.0	64.3	3.3	5.3%
Total Entitlements	\$2,695.9	\$2,820.9	\$3,016.8	\$195.9	6.9%
State Agencies					
Health	1,537.8	1,612.6	1,664.4	51.9	3.2%
Human Resources	353.3	370.1	375.1	5.0	1.4%
Systems Reform Initiative	32.8	45.3	40.1	-5.2	-11.4%
Juvenile Services	242.7	265.6	256.7	-8.9	-3.4%
Public Safety/Police	1,404.8	1,416.5	1,475.3	58.8	4.2%
Higher Education	3,924.0	4,324.7	4,384.2	59.4	1.4%
Other Education	429.3	426.4	458.1	31.6	7.4%
Transportation	1,315.2	1,370.7	1,454.8	84.2	6.1%
Agric./Nat'l Res./Environment	260.8	288.8	302.1	13.3	4.6%
Other Executive Agencies	1,072.7	1,087.8	1,194.8	107.0	9.8%
Legislative	68.3	72.6	73.6	1.0	1.4%
Judiciary	362.8	392.9	419.0	26.0	6.6%
OPEB	100.0	100.0	93.4	-6.6	-6.6%
Total State Agencies	11,104.3	\$11,774.0	\$12,191.6	\$417.6	3.5%
Subtotal	\$20,322.1	\$21,891.0	\$22,669.3	\$778.3	3.6%
Capital/Heritage Reserve Fund	1,379.6	1,305.6	1,479.5	173.9	13.3%
Transfer to MdTA	53.0	0.0	85.0	85.0	n/a
Reserve Funds ⁽¹⁾	638.4	162.8	146.5	-16.3	-10.0%
Appropriations	\$22,393.0	\$23,359.4	\$24,380.3	\$1,020.9	4.4%
Cost Containment ⁽²⁾	0.0	0.0	-50.0	-50.0	n/a
Reversions	0.0	-69.0	-30.0	39.0	-56.5%
Grand Total	\$22,393.0	\$23,290.4	\$24,300.3	\$1,009.9	4.3%

MdTA: Maryland Transportation Authority

OPEB: Other Post Employment Benefits

Note: Fiscal 2008 includes \$46.5 million in targeted reversions. Fiscal 2008 deficiencies include \$184.7 million in operating and \$11.0 million in capital for total deficiencies of \$195.7 million. These figures reflect legislative reductions of \$1.2 million.

⁽¹⁾ Excludes \$85 million in fiscal 2009 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MdTA. Also excludes \$100 million in fiscal 2008 for OPEB costs which are included under the State agencies.

⁽²⁾ SB 46 expresses legislative intent that the Governor via the Board of Public Works reduce the fiscal 2009 budget by \$50 million on or before July 1, 2008.

Exhibit A-1.14 (Continued)
State Expenditures – All Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u>	<u>Work. Appr.</u>	<u>Leg. Appr.</u>	<u>FY 2008 to FY 2009</u>	
	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$768.7	\$821.0	\$887.4	\$66.4	8.1%
Aid to Local Governments					
County/Municipal	989.8	1,003.2	867.5	-135.7	-13.5%
Community Colleges	205.9	241.7	262.9	21.2	8.8%
Education/Libraries	5,196.0	5,951.5	6,114.2	162.8	2.7%
Health	68.2	71.5	73.3	1.8	2.5%
Total Aid to Local Governments	\$6,459.8	\$7,267.8	\$7,317.9	\$50.1	0.7%
Entitlements					
Foster Care Payments	344.1	351.1	362.5	11.4	3.2%
Assistance Payments	488.9	486.6	511.0	24.4	5.0%
Medical Assistance	4,677.0	4,908.8	5,334.6	425.9	8.7%
Property Tax Credits	56.2	61.0	64.3	3.3	5.3%
Total Entitlements	\$5,566.1	\$5,807.5	\$6,272.4	\$464.9	8.0%
State Agencies					
Health	2,312.0	2,430.2	2,514.0	83.9	3.5%
Human Resources	824.4	885.7	897.2	11.5	1.3%
Systems Reform Initiative	47.7	60.2	47.4	-12.8	-21.2%
Juvenile Services	253.2	280.4	268.4	-12.0	-4.3%
Public Safety/Police	1,420.6	1,437.2	1,491.7	54.5	3.8%
Higher Education	3,924.0	4,324.7	4,384.2	59.4	1.4%
Other Education	641.7	655.3	692.6	37.3	5.7%
Transportation	1,387.8	1,448.8	1,534.5	85.7	5.9%
Agric./Natl Res./Environment	316.4	354.6	362.8	8.2	2.3%
Other Executive Agencies	1,478.5	1,514.4	1,643.0	128.6	8.5%
Legislative	68.3	72.6	73.6	1.0	1.4%
Judiciary	367.2	396.7	423.0	26.3	6.6%
OPEB	100.0	100.0	105.2	5.2	5.2%
Total State Agencies	\$13,141.7	\$13,960.7	\$14,437.6	\$476.9	3.4%
Subtotal	\$25,936.3	\$27,857.0	\$28,915.3	\$1,058.3	3.8%
Capital/Heritage Reserve Fund	2,128.8	2,007.5	2,102.1	94.6	4.7%
Transfer to MdTA	53.0	0.0	85.0	85.0	n/a
Reserve Funds ⁽¹⁾	638.4	162.8	146.5	-16.3	-10.0%
Appropriations	\$28,756.5	\$30,027.3	\$31,249.0	\$1,221.7	4.1%
Cost Containment ⁽²⁾	0.0	0.0	-50.0	-50.0	n/a
Reversions	0.0	-69.0	-30.0	39.0	-56.5%
Grand Total	\$28,756.5	\$29,958.3	\$31,169.0	\$1,210.7	4.0%

MdTA: Maryland Transportation Authority

OPEB: Other Post Employment Benefits

Note: Fiscal 2008 includes \$46.5 million in targeted reversions. Fiscal 2008 deficiencies include \$277.2 million in operating and \$16.7 million in capital for total deficiencies of \$293.9 million. These figures reflect legislative reductions of \$1.2 million.

⁽¹⁾ Excludes \$85 million in fiscal 2009 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MdTA line. Also excludes \$100 million in fiscal 2008 for OPEB costs which are included under the State agencies.

⁽²⁾ SB 46 expresses legislative intent that the Governor via the Board of Public Works reduce the fiscal 2009 budget by \$50 million on or before July 1, 2008.

Capital Budget

The 2008 General Assembly passed a capital budget program totaling \$3.257 billion, including \$1.739 billion for the transportation program which is discussed in more detail in the Operating Budget Section of this *90 Day Report*. Of the total \$1.517 billion non-transportation capital program, \$937.6 million is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan of 2008 (MCCBL), the 2008 capital budget bill *Senate Bill 150 (passed)*; \$431.3 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$118.0 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 \$33.0 million is funded with academic revenue bonds for University of Maryland System facilities authorized in *House Bill 1444 (passed)*.

Exhibit A-2.1 presents an overview of the State's capital program for fiscal 2009, **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 2008 MCCBL. The 2008 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. The PAYGO portion of the capital program also included \$33.6 million for the replacement of three of the State's Medevac helicopters.

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						\$70.7
Facilities Renewal	\$14.3	\$0.0	\$0.0	\$0.0	\$0.0	
Other	53.9	0.0	0.0	0.7	1.8	
Health/Social						\$73.6
State Facilities	\$50.9	\$0.0	\$0.0	\$0.0	\$0.0	
Private Hospitals	5.0	0.0	0.0	0.0	0.0	
Other	17.7	0.0	0.0	0.0	0.0	
Environment						\$475.9
Energy	\$0.0	\$0.0	\$0.0	\$2.2	\$0.0	
Natural Resources	13.0	0.0	0.0	87.0	4.3	
Agriculture	4.8	0.0	0.0	42.0	10.0	
Environment	28.6	118.0	8.4	112.0	33.7	
MD Environmental Services	11.9	0.0	0.0	0.0	0.0	
Public Safety						\$76.1
State Corrections	\$20.2	\$0.0	\$0.0	\$0.0	\$0.0	
State Police	2.5	0.0	0.0	33.6	0.0	
Local Jails	19.8	0.0	0.0	0.0	0.0	
Education						\$331.5
School Construction	\$327.4	\$0.0	\$0.0	\$0.0	\$0.0	
Other	4.1	0.0	0.0	0.0	0.0	
Higher Education						\$323.0
University System	\$157.4	\$33.0	\$0.0	\$0.0	\$0.0	
Morgan State University	11.9	0.0	0.0	0.0	0.0	
St. Mary's College	4.6	0.0	0.0	0.0	0.0	
Community Colleges	81.1	0.0	0.0	0.0	0.0	
Private Colleges/Universities	9.0	0.0	0.0	0.0	0.0	
Medical System	26.0	0.0	0.0	0.0	0.0	
Housing/Community Development						\$67.5
Housing	\$7.5	\$0.0	\$6.5	\$37.0	\$15.4	
Other	0.7	0.0	0.2	0.2	0.0	

Function	Bonds		Current Funds (PAYGO)			Total
	General Obligation	Revenue	General	Special	Federal	
Economic Development						\$18.5
Economic Development	\$0.0	\$0.0	\$0.0	\$3.8	\$0.0	
Other	0.0	0.0	14.7	0.0	0.0	
Local Projects						\$66.4
Administration	\$39.1	\$0.0	\$1.0	\$0.0	\$0.0	
Legislative	26.3	0.0	0.0	0.0	0.0	
Deauthorizations						-\$2.6
Deauthorization	-\$2.6	\$0.0	\$0.0	\$0.0	\$0.0	
Total Fiscal 2009	\$935.0	\$151.0	\$30.9	\$318.5	\$65.2	\$1,500.6
Fiscal 2008 Deficiencies	\$0.0	\$0.0	\$0.0	\$11.0	\$5.7	\$16.7
Transportation	\$0.0	\$370.0	\$0.0	\$763.9	\$605.5	\$1,739.4
Grand Total 2008	\$935.0	\$521.0	\$30.9	\$1,093.4	\$676.4	\$3,256.7

**Exhibit A-2.2
Capital Program – 2008 Session**

Bonds	Current Funds (PAYGO)
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Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
State Facilities							
D55P00.04	Veterans Affairs Cemetery – Garrison Forest	\$0	\$0	\$0	\$0	\$1,810,000	\$1,810,000
DA02.01A	DOD: Accessibility Modification	1,600,000	0	0	0	0	1,600,000
DE02.01A	BPW: Lowe House Building Alterations	701,000	0	0	0	0	701,000
DE02.01B	BPW: State House Old House Chamber	650,000	0	0	0	0	650,000
DE02.01C	BPW: 2100 Guilford Avenue State Office	3,000,000	0	0	0	0	3,000,000
DE02.01D	BPW: DGS Facility Renewal Fund	10,000,000	0	0	0	0	10,000,000
DE02.01E	BPW: DGS Construction Contingency Fund	500,000	0	0	0	0	500,000
DE02.01F	BPW: DGS Asbestos Abatement Program	2,000,000	0	0	0	0	2,000,000
DE02.01G	BPW: DGS Underground Storage Tank	1,000,000	0	0	0	0	1,000,000
DE02.01H	BPW: DGS Ethanol Fueling Stations	621,000	0	0	0	0	621,000
DE02.01I	BPW: Rockville District Court	47,535,000	0	0	0	0	47,535,000 ¹
DW01.08	Planning: Jefferson Patterson – Renovations	554,000	0	0	0	0	554,000
P00A01.10	DLLR: Eastern Shore Regional Call Center	0	0	0	744,000	0	744,000
Subtotal		\$68,161,000	\$0	\$0	\$744,000	\$1,810,000	\$70,715,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
Health/Social							
DA07A	Aging: Senior Centers Activities Grant Program	\$1,845,000	\$0	\$0	\$0	\$0	\$1,845,000
MA01A	DHMH: Community Health Facilities	8,511,000	0	0	0	0	8,511,000
MA01B	DHMH: Federally Qualified Health Centers	1,072,000	0	0	0	0	1,072,000
MF03A	DHMH: Oral Health Safety Net Program	500,000	0	0	0	0	500,000
MF05A	DHMH: New Forensic Medical Center	47,807,000	0	0	0	0	47,807,000
MJ02	DHMH: New Public Health Laboratory	0	0	0	0	0	0 ²
ML10A	DHMH: Clifton T. Perkins – Max. Security Wing	3,137,000	0	0	0	0	3,137,000
VE01A	DJS: Cheltenham Facility – Treatment Ctr.	4,074,000	0	0	0	0	4,074,000
VE01B	DJS: Cheltenham Facility – Detention Ctr.	1,661,000	0	0	0	0	1,661,000
ZA03A	MHA: Adventist HealthCare – Potomac Ridge	430,000	0	0	0	0	430,000
ZA03B	MHA: Civista Medical – Pharmacy Expansion	375,000	0	0	0	0	375,000
ZA03C	MHA: Franklin Square – Emergency Dept.	1,130,000	0	0	0	0	1,130,000
ZA03D	MHA: MD General – ICU Expansion/Renov.	875,000	0	0	0	0	875,000
ZA03E	MHA: Montgomery General – Emergency Dept.	900,000	0	0	0	0	900,000
ZA03F	MHA: Sinai Hospital – Obstetrical Unit Renov.	320,000	0	0	0	0	320,000
ZA03G	MHA: St. Joseph – Cardiac Area Renovation	450,000	0	0	0	0	450,000
ZA03H	MHA: Suburban Hospital – Nursing Unit	410,000	0	0	0	0	410,000
ZA03I	MHA: Union Hosp. – Outpatient Infusion Ctr.	110,000	0	0	0	0	110,000
Subtotal		\$73,607,000	\$0	\$0	\$0	\$0	\$73,607,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
Environment							
D13A13.02	MEA: Community Energy Loan Program	\$0	\$0	\$0	\$1,200,000	\$0	\$1,200,000
D13A13.03	MEA: State Agency Loan Program	0	0	0	1,000,000	0	1,000,000
K00A05.10A	DNR: Rural Legacy Program	5,000,000	0	0	13,468,000	0	18,468,000
K00A05.10B	DNR: Program Open Space	0	0	0	42,547,000	3,000,000	45,547,000
K00A05.10C	DNR: Natural Resources Development	0	0	0	3,993,000	0	3,993,000
K00A05.10D	DNR: Critical Maintenance Projects	0	0	0	4,000,000	0	4,000,000
K00A05.10E	DNR: Dam Rehabilitation Program	0	0	0	500,000	0	500,000
K00A05.11	DNR: Waterway Improvement Fund	0	0	0	20,000,000	1,300,000	21,300,000
K00A05.14	DNR: Shore Erosion Control Program	0	0	0	500,000	0	500,000
K00A09.06	DNR: Ocean City Beach Replenishment	0	0	0	2,000,000	0	2,000,000
KA05A	DNR: Community Parks and Playgrounds	5,000,000	0	0	0	0	5,000,000
KA17A	DNR: Habitat Restoration & Aquaculture Program	3,000,000	0	0	0	0	3,000,000
L00A11.11	MDA: Agricultural Land Preservation	0	0	0	35,705,000	10,000,000	45,705,000
L00A12.13	MDA: Tobacco Transition Program	3,000,000	0	0	6,330,000	0	9,330,000
LA15A	MDA: Agricultural Cost-Share Program	1,800,000	0	0	0	0	1,800,000
U00A01.04	MDE: Hazardous Substance Cleanup	0	0	1,000,000	0	0	1,000,000
U00A01.05	MDE: Drinking Water Loan Program	0	18,000,000	2,265,000	4,000,000	7,814,000	32,079,000
U00A01.11A	MDE: Chesapeake Bay Restoration – ENR	0	70,000,000	0	68,000,000	0	138,000,000
U00A01.11B	MDE: Chesapeake Bay Restoration – Sewer	0	0	0	5,000,000	0	5,000,000
U00A01.12	MDE: Chesapeake Bay Restoration – Septic	0	0	0	6,000,000	0	6,000,000

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Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
U00A1.03	MDE: Water Quality Loan Program	0	30,000,000	5,180,000	28,920,000	25,900,000	90,000,000
UA04A(1)	MDE: CBWQ Nutrient Removal – BNR	18,448,000	0	0	0	0	18,448,000
UA04A(2)	MDE: Supplemental Assistance Program	5,000,000	0	0	0	0	5,000,000
UA04A(3)	MDE: Small Creek and Estuary Restoration	648,000	0	0	0	0	648,000
UA04A(4)	MDE: CBWQ Stormwater Pollution Control	838,000	0	0	0	0	838,000
UA04B	MDE: Water Supply Assistance Program	3,650,000	0	0	0	0	3,650,000
UB00A1	MES: Water/Sewer Infrastructure – Green Ridge	1,056,000	0	0	0	0	1,056,000
UB00A2	MES: Water/Sewer Infrastructure – Jessup	248,000	0	0	0	0	248,000
UB00A3	MES: Water/Sewer Infrastructure – ECI WTP	3,609,000	0	0	0	0	3,609,000
UB00A4	MES: Water/Sewer Infrastructure – ECI WWTP	6,961,000	0	0	0	0	6,961,000
	Subtotal	\$58,258,000	\$118,000,000	\$8,445,000	\$243,163,000	\$48,014,000	\$475,880,000
	Public Safety						
D06E02SP	BPW: State Police Helicopter Replacement	\$0	\$0	\$0	\$33,606,000	\$0	\$33,606,000
QB04A	DPSCS: 192-Cell Medium Security Housing	10,141,000	0	0	0	0	10,141,000
QB08A	DPSCS: WCI – Vocational Education Bldg.	1,099,000	0	0	0	0	1,099,000
QP00A	DPSCS: Baltimore Correctional – Women’s	5,500,000	0	0	0	0	5,500,000
QP00B	DPSCS: Baltimore Correctional – Youth Ctr.	3,400,000	0	0	0	0	3,400,000
	DSP: New Hagerstown Barrack and Garage	0	0	0	0	0	0
WA01A	DSP: Tactical Services Facility – Garage	2,498,000	0	0	0	0	2,498,000
ZB02A	Local Jails: Cecil County – Additions/Alterations	788,000	0	0	0	0	788,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZB02B	Local Jails: Frederick – Adult Detention Ctr.	7,401,000	0	0	0	0	7,401,000
ZB02C	Local Jails: Harford – Housing Unit Expansion	6,336,000	0	0	0	0	6,336,000
ZB02D	Local Jails: St. Mary’s – Minimum Security	698,000	0	0	0	0	698,000
ZB02E	Local Jails: Worcester – Renovation/ Expansion	4,606,000	0	0	0	0	4,606,000
	Subtotal	\$42,467,000	\$0	\$0	\$33,606,000	\$0	\$76,073,000
	Education						
DE02.02A	Public School Construction	\$327,400,000	\$0	\$0	\$0	\$0	\$327,400,000 ⁵
RA01A	MSDE: County Library Capital Grants	4,000,000	0	0	0	0	4,000,000
RE01A	MD School for Deaf – Parking/Athletic Field	122,000	0	0	0	0	122,000
	Subtotal	\$331,522,000	\$0	\$0	\$0	\$0	\$331,522,000
	Higher Education						
RB21A	UMB: Pharmacy Hall Addition and Renovation	\$57,250,000	\$4,977,000	\$0	\$0	\$0	\$62,227,000
RB22A	UMCP: Tawes Building Conversion	2,450,000	0	0	0	0	2,450,000
RB22B	UMCP: Maryland Fire & Rescue Institute	650,000	0	0	0	0	650,000
RB22C	UMCP: Physical Sciences Complex I	4,000,000	0	0	0	0	4,000,000
RB22D	UMCP: School of Public Health	7,500,000	0	0	0	0	7,500,000
RB22E	UMCP: Biology – Psychology Building	1,500,000	0	0	0	0	1,500,000
RB22rb	UMCP: New Journalism Building	0	6,000,000	0	0	0	6,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RB24A	TU: Campuswide Safety and Circulation	13,251,000	5,023,000	0	0	0	18,274,000
RB24B	TU: New College of Liberal Arts Complex	9,339,000	0	0	0	0	9,339,000
RB27A	CSU: New Physical Education Complex	39,439,000	0	0	0	0	39,439,000
RB27B	CSU: Campuswide Utilities/Security Imp.	6,960,000	0	0	0	0	6,960,000
RB27C	CSU: Science and Technology Center	6,291,000	0	0	0	0	6,291,000
RB27D	CSU: New Health and Human Services Bldg.	3,482,000	0	0	0	0	3,482,000
RB28A	UB: New Law School	4,033,000	0	0	0	0	4,033,000
RB34A	UMCES: Oyster Production Facility	1,343,000	0	0	0	0	1,343,000
RB36rb	USM: Facility Renewal	0	17,000,000	0	0	0	17,000,000
RD00A	SMC: Anne Arundel Hall Reconstruction	1,050,000	0	0	0	0	1,050,000
RD00B	SMC: Bruce Davis Theatre Renovation	2,402,000	0	0	0	0	2,402,000
RD00C	SMC: Student Services Building	1,195,000	0	0	0	0	1,195,000
RI00A	MHEC: Community College Facilities Program	81,028,000	0	0	0	0	81,028,000
RM00A	MSU: Campuswide Utilities Upgrade	7,723,000	0	0	0	0	7,723,000
RM00B	MSU: New Business School Complex	3,100,000	0	0	0	0	3,100,000
RM00C	MSU: Campuswide Site Improvements	1,050,000	0	0	0	0	1,050,000
RQ00A	UMMS: New Ambulatory Care Center	10,000,000	0	0	0	0	10,000,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Ctr.	13,500,000	0	0	0	0	13,500,000
RQ00C	UMMS: New Diagnostic & Treatment Facilities	2,500,000	0	0	0	0	2,500,000
ZA00J	MICUA: Johns Hopkins – Gilman Hall	1,250,000	0	0	0	0	1,250,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA00K	MICUA: Loyola College – Science Center	3,250,000	0	0	0	0	3,250,000
ZA00L	MICUA: Mount St. Mary’s – Performing Arts	1,250,000	0	0	0	0	1,250,000
ZA00M	MICUA: Sojourner-Douglass Allied Health	3,250,000	0	0	0	0	3,250,000
	Subtotal	\$290,036,000	\$33,000,000	\$0	\$0	\$0	\$323,036,000
Housing/Community Development							
D40W01.11	Planning: Maryland Historical Trust Loan	\$0	\$0	\$250,000	\$200,000	\$0	\$450,000
DW01.10A	Planning: Historical Trust Capital Grant Fund	700,000	0	0	0	0	700,000
S00A24.02A	DHCD: Community Legacy Program	0	0	6,500,000	0	0	6,500,000
S00A24.02B	DHCD: Neighborhood Business Development	0	0	0	5,000,000	0	5,000,000
S00A24.02C	DHCD: Community Development Block Grants	0	0	0	0	9,000,000	9,000,000
S00A25.07	DHCD: Rental Housing Programs	0	0	0	15,500,000 ⁶	4,750,000	20,250,006
S00A25.08	DHCD: Homeownership Programs	0	0	0	8,500,000 ⁶	100,000	8,600,006
S00A25.09	DHCD: Special Loan Programs	0	0	0	8,000,000 ⁶	1,500,000	9,500,006
SA25A	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25B	DHCD: Shelter and Transitional Housing Facil.	1,500,000	0	0	0	0	1,500,000
	Subtotal	\$8,200,000	\$0	\$6,750,000	\$37,200,000	\$15,350,000	\$67,500,018

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
Economic Development							
D40W01.12	Planning: Historic Tax Credit Fund	\$0	\$0	\$14,700,000	\$0	\$0	\$14,700,000
T00F00.10	DBED: Rural Broad Band Assistance Fund	0	0	0	3,800,000	0	3,800,000
	Subtotal	\$0	\$0	\$14,700,000	\$3,800,000	\$0	\$18,500,000
Local Projects							
D06E02JC	Misc.: CASA Multicultural Center	\$0	\$0	\$1,000,000	\$0	\$0	\$1,000,000
ZA00A	Misc.: Charles E. Smith Life Communities	760,000	0	0	0	0	760,000
ZA00B	Misc.: East Baltimore Biotechnology Park	5,000,000	0	0	0	0	5,000,000
ZA00C	Misc.: Homeless Shelter and Resource Ctr.	2,000,000	0	0	0	0	2,000,000
ZA00E	Misc.: Jewish Council for the Aging	1,000,000	0	0	0	0	1,000,000
ZA00F	Misc.: Johns Hopkins Medicine/Critical Care	5,000,000	0	0	0	0	5,000,000
ZA00G	Misc.: Johns Hopkins Medicine/Pediatric Center	10,000,000	0	0	0	0	10,000,000
ZA00H	Misc.: Kennedy Krieger/Clinical Research Bldg.	1,000,000	0	0	0	0	1,000,000
ZA00I	Misc.: Live Nation	2,000,000	0	0	0	0	2,000,000
ZA00N	Misc: MD Zoo – Facilities Renewal	1,000,000	0	0	0	0	1,000,000
ZA00O	Misc.: MD Zoo – Infrastructure Improvements	2,000,000	0	0	0	0	2,000,000
ZA00P	Misc.: Park Heights Redevelopment	3,000,000	0	0	0	0	3,000,000
ZA00Q	Misc.: Southern Maryland Stadium	1,333,000	0	0	0	0	1,333,000
ZA00R	Misc.: WestSide Revitalization	5,000,000	0	0	0	0	5,000,000
ZA00S	Misc.: Annapolis Underground Wiring	600,000	0	0	0	0	600,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA00T	Misc.: Baltimore County Agricultural Center	450,000	0	0	0	0	450,000
ZA00U	Misc.: Emmart-Pierpont House	100,000	0	0	0	0	100,000
ZA00V	Misc.: School for the Blind	150,000	0	0	0	0	150,000
ZA01	Legislative Initiative Grants – Senate	12,500,000	0	0	0	0	12,500,000
ZA02	Legislative Initiative Grants – House	12,500,000	0	0	0	0	12,500,000
	Subtotal	\$65,393,000	\$0	\$1,000,000	\$0	\$0	\$66,393,000
	De-authorizations						
ZF00	De-authorizations	-\$2,644,000	\$0	\$0	\$0	\$0	-\$2,644,000
	Total	\$935,000,000	\$151,000,000	\$30,895,000	\$318,513,000	\$65,174,000	\$1,500,582,018
	Fiscal 2008 Deficiencies						
D13A13.01	MEA: Community Energy Loan Program	\$0	\$0	\$0	\$500,000	\$0	\$500,000
D13A13.03	MEA: State Agency Loan Program	0	0	0	500,000	0	500,000
D40W01.12	Planning: Historic Tax Credit Fund	0	0	0	10,000,000	0	10,000,000
K00A05.10	DNR: Harriet Tubman Underground Railroad	0	0	0	1,600,000	0	1,600,000
K00A05.10	DNR: Program Open Space	0	0	0	-1,600,000	0	-1,600,000
U00A01.05	MDE: Drinking Water Revolving Loan Fund	0	0	0	0	5,745,000	5,745,000
	Subtotal	0	0	0	11,000,000	\$5,745,000	\$16,745,000

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Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
	Grand Non-transportation Total	\$935,000,000	\$151,000,000	\$30,895,000	\$329,513,000	\$70,919,000	\$1,517,327,018
	Transportation	\$0	\$370,000,000	\$0	\$763,916,142	\$605,488,000	\$1,739,404,142
	Grant Total	\$935,000,000	\$521,000,000	\$30,895,000	\$1,093,429,142	\$676,407,000	\$3,256,731,160

¹ This amount does not include \$23,838,000 pre-authorized in the 2008 Maryland Consolidated Capital Bond Loan (MCCBL) for fiscal 2010. The \$47,535,000 authorization in addition to the pre-authorization amount will allow the project to be bid for construction during fiscal 2009.

² The 2007 MCCBL included a \$7.8 million pre-authorization for fiscal 2009 to fund initial design - final action by the General Assembly de-authorized this pre-authorization.

³ Language added to the 2008 MCCBL restricts the use of the \$5.0 million of GO bond funds for the purpose of funding DNR capital development projects partially funded in the fiscal 2008 operating budget with transfer tax PAYGO special funds.

⁴ Language in the 2008 MCCBL pre-authorizes \$14.8 million to fund the construction of this project in fiscal 2010.

⁵ This does not include \$5.6 million from the Interagency Committee on School Construction Contingency Fund which brings the total funding for school construction projects to \$333.0 million.

⁶ The general fund appropriation for the DHCD Rental Housing Program, Homeownership Program, and Special Loans Programs are reduced by a total of \$5.1 million contingent upon the enactment of legislation transferring unallocated reserve funds from the Maryland Housing Fund to each of these programs. Authorization to increase the special fund appropriation for each of these programs by a combined \$5.1 million is also contingent upon the same legislation.

⁷ Language in the 2008 operating budget bill authorizes the Governor to fund this project from the Maryland Economic Development Authority Assistance Fund special fund appropriation.

⁸ This deficiency supplemented the fiscal 2008 appropriation to provide design funds for the Harriet Tubman Underground Railroad State Park development. The appropriation for the DNR Capital Development Improvements is increased by \$1.6 million and the appropriation for the State portion of Program Open Space land acquisition is decreased by \$1.6 million.

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|--|--|
| BNR: Biological Nutrient Removal | MEA: Maryland Energy Administration |
| BPW: Board of Public Works | MES: Maryland Environmental Service |
| CBWQ: Chesapeake Bay Water Quality | MHA: Maryland Hygiene Administration |
| CSU: Coppin State University | MHEC: Maryland Higher Education Commission |
| DBED: Department of Business and Economic Development | MICUA: Maryland Independent College and University Association |
| DGS: Department of General Services | MSDE: Maryland State Department of Education |
| DHCD: Department of Housing and Community Development | MSU: Morgan State University |
| DHMH: Department of Health and Mental Hygiene | SMCM: St. Mary's College of Maryland |
| DJS: Department of Juvenile Services | TU: Towson University |
| DLLR: Department of Labor, Licensing, and Regulation | UB: University of Baltimore |
| DNR: Department of Natural Resources | UMB: University of Maryland, Baltimore |
| DOD: Department of Disabilities | UMCES: University of Maryland Center for Environmental Science |
| DPSCS: Department of Public Safety and Correctional Services | UMCP: University of Maryland, College Park |
| DSP: Department of State Police | UMMS: University of Maryland Medical System |
| ECI: Eastern Correctional Institution | USM: University System of Maryland |
| ENR: Enhanced Nutrient Removal | WCI: Western Correctional Institution |
| ICU: Intensive Care Unit | WTP: Water Treatment Plant |
| MDA: Maryland Department of Agriculture | WWTP: Wastewater Treatment Plant |
| MDE: Maryland Department of the Environment | |
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Exhibit A-2.3
Legislative Projects/Local Initiatives – 2008 Session

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
Statewide					
Baltimore Museum of Industry	\$150,000	\$150,000		\$300,000	Soft(all) Hist. Ease.
Capital Area Food Bank	250,000	250,000		500,000	Soft(all)
Easter Seals Inter-Generational Center*	425,000			425,000	Hard
Lyric Opera House		300,000		300,000	Hard Hist. Ease.
Maryland Fire-Rescue Services Memorial		75,000		75,000	Soft(all)
Maryland Food Bank		250,000		250,000	Hard
Maryland School for the Blind	475,000	475,000	\$150,000	1,100,000	Hard Hist. Ease.
National Children's Museum	1,000,000	1,000,000		2,000,000	Soft(1,3)
Port Discovery	200,000			<u>200,000</u>	Hard Hist. Ease.
	Subtotal			\$5,150,000	
Allegany					
Allegany County Museum		\$50,000		\$50,000	Soft(all) Hist. Ease.
Greenway Avenue Stadium		50,000		50,000	Hard
Virginia Avenue Corridor Revitalization	\$100,000	100,000		<u>200,000</u>	Hard
	Subtotal			\$300,000	

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
Anne Arundel					
Annapolis Summer Garden Theatre		\$50,000		\$50,000	Hard Hist. Ease.
Children's Theatre of Annapolis		100,000		100,000	Soft(2,3)
Deale Elementary School Baseball Fields	\$25,000	100,000		125,000	Hard
Galesville Rosenwald School	100,000	100,000		200,000	Hard Hist. Ease.
Goshen House	150,000			150,000	Soft(all) Hist. Ease.
Hammond-Harwood House		100,000		100,000	Hard Hist. Ease.
Light House Shelter	222,000			222,000	Hard
Maryland Hall for the Creative Arts	200,000	50,000		250,000	Soft(All)
Opportunity Builders	65,000			<u>65,000</u>	Soft(1,3)
	Subtotal			\$1,262,000	
Baltimore City					
Beans and Bread	\$150,000			\$150,000	Soft(3)
Center for Urban Families		\$50,000		50,000	Hard
Community Mediation Program	175,000			175,000	Soft(2,3)
Dayspring Facility	200,000			200,000	Soft(all)
Everyman Theatre	50,000	50,000		100,000	Soft(2)
Gaudenzia at Park Heights		50,000		50,000	Hard
Girl Scout Urban Program and Training Center		200,000		200,000	Soft(3)
Health Care for the Homeless	10,000			10,000	Hard
Helping Up Mission	200,000			200,000	Hard
Historic East Baltimore Community Action Coalition	150,000			150,000	Hard Hist. Ease.
Junior League of Baltimore Thrift Store	100,000			100,000	Hard

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
Learning, Inc. Facility	175,000			175,000	Soft(2,3) Hist. Ease.
Long Term Care at Stadium Place		100,000		100,000	Soft(2,3)
Mary Harvin Transformation Center		150,000		150,000	Soft(all)
Maryland State Boychoir Facility		150,000		150,000	Hard Hist. Ease.
NACA Education and Community Center		200,000		200,000	Hard, Hist. Ease.
Newborn Community Center	175,000	175,000		350,000	Soft(1,3)
Parks & People Headquarters at Auchentoroly Terrace		100,000		100,000	Hard
Roberta's House	250,000	50,000		300,000	Soft(all)
Sandi's Learning Center	125,000			125,000	Soft(3)
School 33 Art Center		150,000		150,000	Soft(3) Hist. Ease.
Southwest Senior and Community Multipurpose Center	90,000	25,000		115,000	Soft(all)
The Trinity Family Life Center		100,000		100,000	Soft(1,2)
Youth Sports Program Facility	100,000			<u>100,000</u>	Soft(all)
	Subtotal			\$3,500,000	
Baltimore					
Catonsville YMCA	\$200,000	\$125,000		\$325,000	Hard
Community Post	175,000	125,000		300,000	Soft(1,3)
Family Life Intergenerational Center		250,000		250,000	Soft(all)
Heritage Trail and Saint Helena Park		\$175,000		175,000	Soft(3)
Irvine Nature Center	250,000			250,000	Hard
The Baltimore County Center for Maryland Agriculture	275,000	275,000	\$450,000	1,000,000	Soft(3)
Weinberg Village V Senior Apartment Building		250,000		<u>250,000</u>	Hard
	Subtotal			\$2,550,000	

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
Calvert					
Chesapeake Cares Food Pantry		\$75,000		\$75,000	Soft(3)
North Beach Town Hall Construction		250,000		<u>250,000</u>	Hard
	Subtotal			\$325,000	
Caroline					
Old Caroline High School		\$50,000		<u>\$50,000</u>	Soft(1,3) Hist. Ease.
	Subtotal			\$50,000	
Carroll					
Agriculture Center		\$100,000		\$100,000	Soft(3)
Friendship School		20,000		20,000	Hard
South Branch Park Phase 1		100,000		<u>100,000</u>	Soft(2)
	Subtotal			\$220,000	
Cecil					
4-H Animal Display Barn	\$250,000			\$250,000	Soft(all)
Mount Harmon Plantation Education and Discovery Center		\$40,000		<u>40,000</u>	Soft(3) Hist. Ease.
	Subtotal			\$290,000	
Charles					
Hospice House		\$100,000		\$100,000	Soft(2)
Indian Head Center for the Arts		57,500		57,500	Soft(2,3)
Lions Camp Merrick	\$48,000	102,500		<u>150,500</u>	Soft(1,2)
	Subtotal			\$308,000	

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
Dorchester					
Dorchester County Family YMCA		\$25,000		\$25,000	Soft(all)
Galestown Community Center		50,000		50,000	Soft(2,3)
WaterLand Fisheries	\$100,000	75,000		<u>175,000</u>	Soft(1,3)
	Subtotal			\$250,000	
Frederick					
Agriculture and Education Complex		\$200,000		\$200,000	Soft(3)
Montevue Home	\$200,000			200,000	Hard
Weinberg Center for the Arts	50,000	55,000		<u>105,000</u>	Hard Hist. Ease.
	Subtotal			\$505,000	
Garrett					
Adventure Sports Center International	\$100,000	\$125,000		<u>\$225,000</u>	Soft(3)
	Subtotal			\$225,000	
Harford					
Churchville Library Green Building and Science Center		\$100,000		\$100,000	Hard
Lower Susquehanna Greenway Trail Development	\$150,000	100,000		250,000	Soft(2)
Maryland Fire and Rescue Institute Renovation			\$650,000	<u>650,000</u>	Grant
	Subtotal			\$1,000,000	

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
Howard					
Blandair Regional Park	\$300,000			\$300,000	Hard Hist. Ease.
North Laurel Community Center	125,000	\$175,000		300,000	Hard
Robinson Nature Center	50,000	250,000		<u>300,000</u>	Hard
	Subtotal			\$900,000	
Kent					
Camp Fairlee Manor	\$110,000	\$40,000		\$150,000	Soft(2) Hist. Ease.
Prince Theatre		40,000		<u>40,000</u>	Soft(all) Hist. Ease.
	Subtotal			\$190,000	
Montgomery					
Button Farm Historic Preservation and Rehabilitation	\$175,000	\$125,000		\$300,000	Soft(2,3)
Camp Bennett Renovations	75,000	50,000		125,000	Hard
Centro Familia Child Care and Training Center	100,000	75,000		175,000	Hard
CentroNia Facility	200,000			200,000	Hard
Easter Seals Inter-Generational Center*	125,000			125,000	Hard
Gaithersburg Upcounty Senior Center		200,000		200,000	Hard
Group Home Renovations		250,000		250,000	Soft(all)
Imagination Stage	200,000			200,000	Soft(3)
MacDonald Knolls Center	250,000	175,000		425,000	Hard
Mansfield Kaseman Health Center		250,000		250,000	Soft(2)
Maryland Youth Ballet	100,000	100,000		200,000	Soft(All)
Metropolitan Washington Ear Facility	50,000			50,000	Soft(1)

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
Plum Gar Neighborhood Recreation Center	150,000	100,000		250,000	Hard
Sharp Street United Methodist Church Modular Building	50,000	50,000		100,000	Soft(2) Hist. Ease.
The Arc of Montgomery County Group Homes	125,000	125,000		250,000	Soft(2,3)
The Muslim Community Center Medical Clinic		150,000		150,000	Soft(all)
Waters Barn Rehabilitation	250,000			250,000	Soft(2) Hist. Ease.
YMCA Youth and Family Services Center	100,000	100,000		<u>200,000</u>	Hard
	Subtotal			\$3,700,000	
Prince George's					
Aquaculture and Seafood Retail and Distribution Market		\$100,000		\$100,000	Soft(all)
Belair Bath and Tennis Club		20,000		20,000	Hard
Belair Swim and Racquet Club		20,000		20,000	Hard
Bladensburg Market Square		20,000		20,000	Soft(2) Hist. Ease.
Bowie Lions Club Renovation	\$10,000			10,000	Soft(2,3)
Capitol Heights Municipal Building	150,000			150,000	Hard
Children's Guild Multipurpose Room and Play Field	120,000	130,000		250,000	Soft(3)
Cornerstone Assembly Gymnasium		20,000		20,000	Hard
Delta Alumnae Community Development Center	150,000			150,000	Soft(2)
District Heights Commercial Area Facade and Infrastructure Improvement Program		200,000		200,000	Grant
Forest Heights Municipal Building	100,000	100,000		200,000	Grant
Gwendolyn T. Britt Memorial Safe Passage Emergency Shelter Expansion	75,000	125,000		200,000	Hard
Hard Bargain Farm Environmental Center	150,000			150,000	Soft(all) Hist. Ease.
Henson Valley Montessori School	100,000			100,000	Hard

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
Historic Laurel Mill Ruins	100,000	75,000		175,000	Soft (All)
Lanham Boys and Girls Club Sports Park Renovation	150,000	100,000		250,000	Soft(1,2)
Laurel Armory Anderson Murphy Community Center		75,000		75,000	Soft(3) Hist. Ease.
Laurel Boys and Girls Club		100,000		100,000	Soft(all) Hist. Ease.
Multicultural Use Center	150,000	150,000		300,000	Hard
New Carrollton Recreation Center	150,000			150,000	Soft(1)
Palmer Park Boys and Girls Club		200,000		200,000	Soft(1)
Pointer Ridge Swim and Racquet Club		20,000		20,000	Hard
Rosaryville Conservancy Tack House and Stables	100,000			100,000	Soft(2) Hist. Ease.
South County Sports and Technology Learning Complex		100,000		100,000	Hard
Suitland Technology Center	100,000	50,000		150,000	Hard
United Communities Against Poverty	200,000			200,000	Soft(all)
Walker Mill Daycare and Training Center	150,000	150,000		300,000	Soft(1,2)
Whitehall Pool and Tennis Club		15,000		<u>15,000</u>	Hard
	Subtotal			\$3,725,000	
Queen Anne's					
Chesterwye Center		\$40,000		\$40,000	Soft(3)
Hospice Center		40,000		<u>40,000</u>	Soft(all)
	Subtotal			\$80,000	
Somerset					
Bending Water Park	\$200,000			<u>\$200,000</u>	Soft(all)
	Subtotal			\$200,000	

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
St. Mary's					
Leah's House, Inc.		\$145,000		\$145,000	Soft(all) Hist. Ease.
St. Mary's Agricultural Service Center		125,000		125,000	Soft(1)
Tudor Hall	\$55,000			55,000	Hard, Hist. Ease.
St. Mary's College Amphitheater	300,000			<u>300,000</u>	Soft(1,3)
	Subtotal			\$625,000	
Talbot					
Oxford Community Center		\$50,000		<u>\$50,000</u>	Soft(2,3) Hist. Ease.
	Subtotal			\$50,000	
Washington					
Conococheague Aqueduct		\$50,000		\$50,000	Soft(2)
Maryland Theatre	\$125,000			125,000	Hard Hist. Ease.
Museum of Fine Arts	75,000	75,000		150,000	Hard Hist. Ease.
Springfield Barn		100,000		<u>100,000</u>	Hard Hist. Ease.
	Subtotal			\$425,000	
Wicomico					
Epilepsy Association Facility		\$170,000		<u>\$170,000</u>	Soft(1,3)
	Subtotal			\$170,000	

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
Worcester					
Rackliffe House	\$145,000	\$105,000		<u>\$250,000</u>	Soft(all)
	Subtotal			\$250,000	
Grand Total	\$12,500,000	\$12,500,000		\$26,250,000	

Match Key:

1 = real property

2 = in kind contributions

3 = prior expenditure

U = unequal match

* This project is funded in both Statewide and Montgomery County but represents only one bond bill project request.

Debt Affordability

As shown in **Exhibit A-2.4**, the long range plan adopted by the Capital Debt Affordability Committee (CDAC) in September 2007 provides for a total of over \$4.3 billion in debt authorizations from 2008 to 2012. This is an increase of \$500 million over the amount recommended by CDAC in its September 2006 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.

For the 2008 session, CDAC recommended \$935.0 million of new GO bond authorizations to support the capital program. The 2008 MCCBL passed by the General Assembly is consistent with the level of new GO debt authorizations recommended by CDAC. An additional \$2.6 million in GO bonds from prior years is deauthorized in the capital budget of 2008, thereby increasing the amount of new GO debt included in the capital program to \$937.6 million. Included in the \$937.6 million of new debt is \$30.0 million authorized in the 2007 MCCBL to complete the New Physical Education Complex at Coppin State University; \$7.6 million authorized in the 2007 MCCBL for the 192-Cell Medium Security Housing Unit and Support Spaces project at the Maryland Correctional Training Center; \$3.1 million authorized in the 2007 MCCBL for the New Maximum Security Wing at the Clifton T. Perkins Hospital Center; and \$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**
2008-2012 Legislative Sessions
(\$ in Millions)

<u>Session</u>	<u>2006 Report Recommended Authorizations</u>	<u>2007 Report Recommended Authorizations</u>	<u>Increased Authorization</u>
2008	\$835	\$935	\$100
2009	860	960	100
2010	890	990	100
2011	920	1,020	100
2012	950	1,050	100
Total	\$4,455	\$4,955	\$500

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations*, September 2006 and October 2007

The State's capital program for fiscal 2009 also includes other actions that affect debt management and future capital budgets.

- The Maryland Department of the Environment plans to issue \$118 million in revenue bonds to fund the upgrades of wastewater treatment plants and water supply improvements and upgrades. 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 and water supply 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 \$48 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 \$70 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 2008 MCCBL includes four general obligation bond authorizations that will not take effect until fiscal 2010. The pre-authorized debt totals \$38.7 million and includes \$23.8 million for the New Rockville District Court, and \$14.8 million for the Department of State Police New Hagerstown Barrack and Garage. The fiscal 2009 authorization for the New Rockville District Court includes language added by the General Assembly that allows for the contracts to be bid without the full authorization needed to fully fund the contract. The pre-authorization for the Hagerstown Police Barrack and Garage does not include this language since the project will not commence during fiscal 2009.

Higher Education

The fiscal 2009 capital program for all segments of higher education is \$297 million, including GO bonds and academic revenue bonds. Of the total funding, four-year public institutions receive \$207 million and independent colleges receive \$9 million. Community colleges receive \$81 million in fiscal 2009, the highest funding level in a single year for community colleges. The *Capital Improvement Program* (CIP), after legislative changes to the fiscal 2009 capital budget, shows \$1.863 billion in capital spending for higher education projects from fiscal 2009 through 2013. **Exhibit A-2.5** shows the fiscal 2008 and 2009 legislative appropriations for higher education capital projects and the funds anticipated in the CIP for fiscal 2010 through 2013. **Exhibit A-2.6** shows the fiscal 2009 capital funding by institution.

Exhibit A-2.5
Higher Education Fiscal 2008-2013
Authorized and Planned Out-year Capital Funding
(\$ in Thousands)

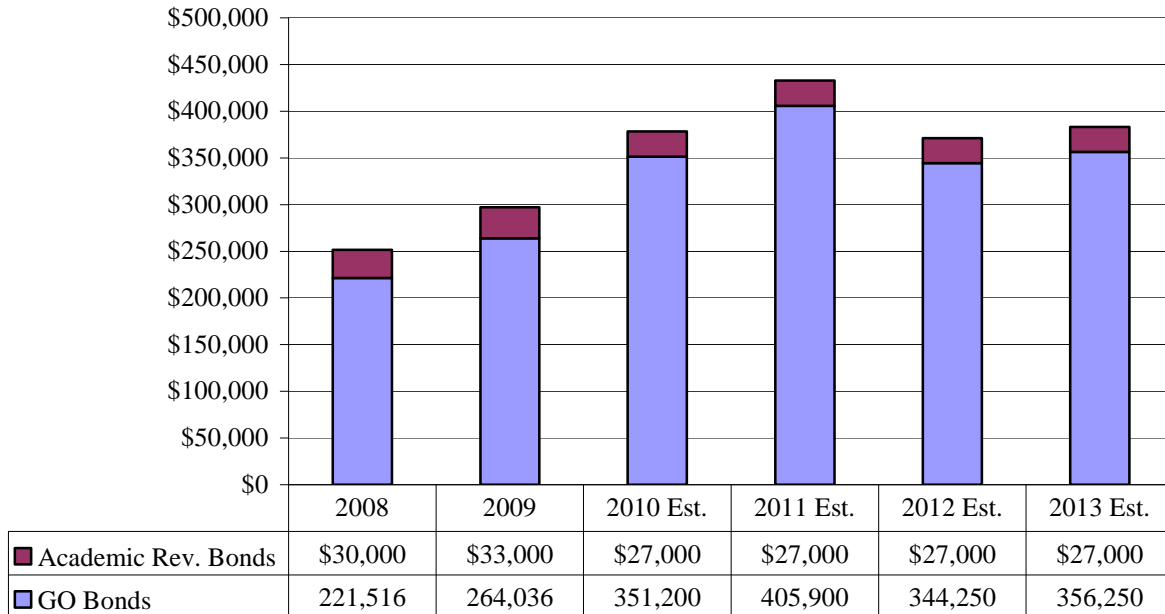


Exhibit A-2.6
Higher Education Fiscal 2009 Capital Funding by Institution
(\$ in Thousands)

<u>Institution</u>	<u>Fiscal 2009 Capital Funding</u>
University of Maryland, Baltimore	\$62,227
University of Maryland, College Park	22,100
Towson University	27,613
Coppin State University	56,172
University of Baltimore	4,033
University of Maryland Center for Environmental Science	1,343
University System of Maryland – Facility Renewal	17,000
St. Mary’s College of Maryland	4,647
Morgan State University	11,873
Independent Colleges	9,000
Community Colleges	81,028
Total	\$297,036¹

¹This does not include \$26 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 2008 contains \$333.4 million for public school construction. The budget includes \$327.4 million in GO bonds and \$5.9 million from the Public School Construction Program’s Statewide Contingency Fund. In the contingency fund, \$1.9 million is reserved for specific local education agencies in accordance with capital budget bill language.

The Public School Facilities Act of 2004 established a State goal to provide \$2.0 billion in State funding over the following eight years to address deficiencies, or \$250.0 million per year through fiscal 2013. Fiscal 2009 will be the fourth consecutive year that the goal has been met or exceeded. The \$333.0 million funding level is the second highest in the program’s history, following the record high \$401.8 million reached in fiscal 2008. Since fiscal 2006, the State has committed over \$1.3 billion for public school construction.

Seventy-five percent of the preliminary \$300.0 million school construction allocation announced by the Governor in October, or \$225.0 million, was recommended for specific projects by the Interagency Committee on School Construction (IAC) and approved by the Board of Public Works (BPW) in January 2008. For the first time in three years the capital budget bill does not detail the distribution of the remaining 25 percent of fiscal 2009 school construction funds. The IAC, in accordance with a new requirement codified in the fiscal 2008 capital budget bill language, made recommendations equal to 90 percent of the total allowance, an additional \$75.06 million, in late February 2008. This was presented to the General Assembly and will be reviewed by BPW for approval after May 1, 2008. For additional information on school construction, see Part L – Education, Subpart – Primary and Secondary Education.

Transfer Tax

The property transfer tax is the primary funding source for State land conservation programs. The fiscal 2009 budget allocates the full amount of estimated transfer tax revenue to programs as required in statute. This is the third 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 \$109.4 million will be available for local and State land conservation projects, as shown in **Exhibit A-2.7**. The decrease in funds available for fiscal 2009 is due primarily to lower transfer tax estimates that reflect a slow down in real estate transactions. In addition, the fiscal 2008 budget was increased by \$75.0 million of over-attainment revenues from fiscal 2006, while the fiscal 2009 budget is impacted by a negative \$52.0 million revenue under-attainment from fiscal 2007. The local Program Open Space (POS) share is reduced in the fiscal 2009 budget as a result of Chapter 2 of the 2007 special session which allocates \$21.0 million from the local POS share to fund the operations of State parks.

Exhibit A-2.7
Land Conservation and Property Transfer Tax
(\$ in Millions)

	FY 2007 Legislative <u>Appropriation</u>	FY 2008 Legislative <u>Appropriation</u>
Program Open Space (POS)	\$194.2	\$82.2
POS Local	95.6	18.6
POS State	95.6	39.6
Additional State Land Acquisition	2.6	1.1
Maryland Agricultural Land Preservation Program (MALPP)	44.1	18.6
Rural Legacy*	12.9	5.5
Heritage Conservation Fund	4.7	2.0
Maryland Heritage Areas Authority	3.0	3.0
Forest and Park Service	0.0	21.0
Total	\$258.4	\$109.4

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

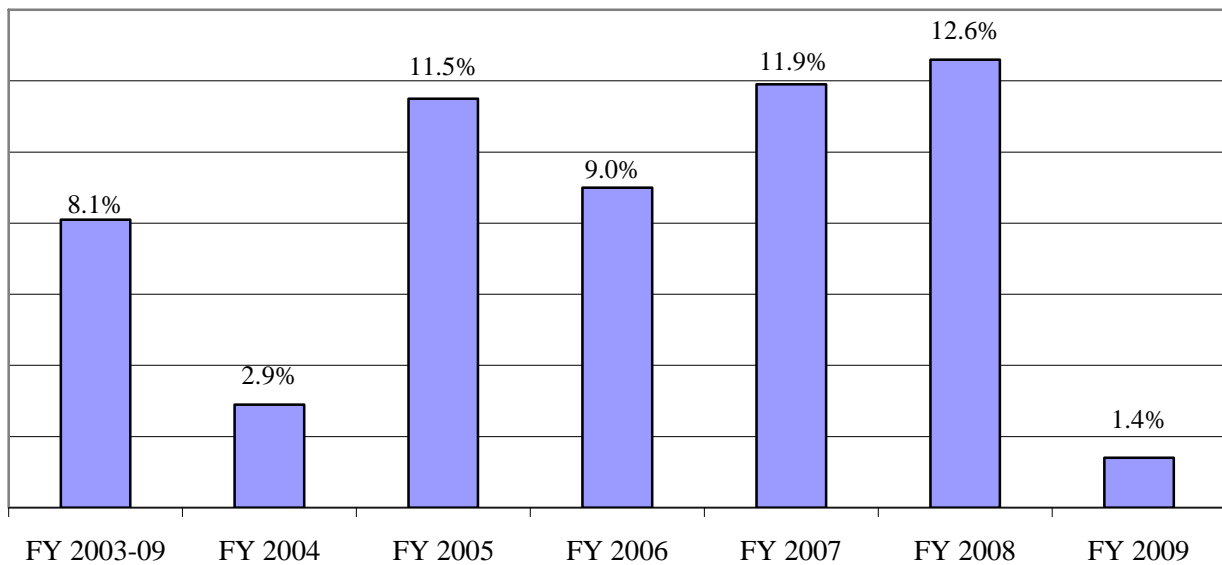
*The fiscal 2008 and 2009 legislative appropriations earmark \$8.0 million in State POS funds each year for the Rural Legacy Program.

State Aid to Local Governments

Overview

Local governments will realize a small increase in State aid in fiscal 2009, most of which is targeted to public schools, libraries, and community colleges. State aid to local governments will total \$6.6 billion in fiscal 2009, representing a 1.4 percent or \$90.2 million increase over the prior year. Local school systems will receive \$5.4 billion in State support, a \$185.6 million increase over fiscal 2008. State aid for libraries and local community colleges will increase by 3.5 and 8.8 percent, respectively, in fiscal 2009, resulting in an additional \$2.1 million for public libraries and \$21.2 million in additional funding for local community colleges. Local health departments will receive an additional \$1.8 million, a 2.6 percent increase over the prior year. State aid for counties and municipalities, however, will decrease by \$120.5 million or 12.8 percent. This decrease is due primarily to lower State transfer tax collections which affect Program Open Space funding and the elimination of the electric utility grants. **Exhibit A-3.1** shows the annual increase in State aid over the last six years. **Exhibit A-3.2** shows the increase in State aid in fiscal 2009 by governmental entity.

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 2008 and 2009
(\$ in Millions)

	<u>FY 2008</u>	<u>FY 2009</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$5,168.1	\$5,353.7	\$185.6	3.6%
Libraries	61.6	63.8	2.1	3.5%
Community Colleges	241.7	262.9	21.2	8.8%
Health	67.0	68.8	1.8	2.6%
County/Municipal	942.5	822.0	-120.5	-12.8%
Total	\$6,480.9	\$6,571.1	\$90.2	1.4%

Source: Department of Legislative Services

State Support for Local Governments Impacted by Cost Containment

After several years of record increases in State aid, the General Assembly approved legislation at the 2007 special session that reduced funding for several State aid programs beginning in fiscal 2009. Education aid was reduced by \$169.4 million from statutory funding levels, whereas State aid to counties and municipalities was reduced by \$63.9 million. The General Assembly made additional State aid reductions at the 2008 session as part of the State's cost containment measures. State funding for public schools, public libraries, local community colleges, and a special public safety grant for Baltimore City was reduced by \$14.8 million in fiscal 2009 as shown in **Exhibit A-3.3**. Even with these reductions, most local governments will still realize an increase in State aid in fiscal 2009, with most increases targeted to public schools, libraries, and local community colleges.

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. For municipal governments, State aid is the third largest revenue source representing 8.5 percent of total municipal 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.

Exhibit A-3.3
Legislative Reductions to State Aid Programs in Fiscal 2009

County	Community Colleges	Libraries	Infant and Toddlers	Environmental Education	Baltimore City War Room	Total Effect
Allegany	-\$186,590	-\$55,079	-\$42,767	\$0	\$0	-\$284,436
Anne Arundel	-1,088,109	-144,537	-304,856	0	0	-1,537,502
Baltimore City	0	-471,407	-382,613	0	-286,000	-1,140,020
Baltimore	-1,404,928	-389,789	-445,963	0	0	-2,240,680
Calvert	-73,091	-32,227	-44,825	0	0	-150,143
Caroline	-44,756	-20,056	-20,354	0	0	-85,166
Carroll	-260,720	-74,775	-84,619	0	0	-420,114
Cecil	-176,081	-52,554	-54,202	0	0	-282,837
Charles	-263,293	-61,437	-64,493	0	0	-389,223
Dorchester	-41,109	-17,832	-21,040	0	0	-79,981
Frederick	-311,996	-81,953	-119,838	0	0	-513,787
Garrett	-90,145	-11,839	-7,776	0	0	-109,760
Harford	-395,619	-117,016	-128,757	0	0	-641,392
Howard	-483,046	-54,490	-151,627	0	0	-689,163
Kent	-20,695	-7,477	-3,659	0	0	-31,831
Montgomery	-1,467,352	-186,426	-635,554	0	0	-2,289,332
Prince George's	-888,954	-468,231	-325,667	0	0	-1,682,852
Queen Anne's	-57,712	-9,733	-26,529	0	0	-93,974
St. Mary's	-84,904	-47,381	-49,399	0	0	-181,684
Somerset	-26,580	-18,849	-6,404	0	0	-51,833
Talbot	-49,308	-7,212	-16,695	0	0	-73,215
Washington	-266,154	-81,485	-58,776	0	0	-406,415
Wicomico	-168,564	-58,172	-43,681	0	0	-270,417
Worcester	-63,280	-9,773	-12,121	0	0	-85,174
Unallocated	0	-907,673	0	-150,000	0	-1,057,673
Total	-\$7,912,986	-\$3,387,403	-\$3,052,216	-\$150,000	-\$286,000	-\$14,788,605

Note: The Governor proposed a \$7.6 million, or 131.3 percent increase in the Infant and Toddlers Program. The General Assembly reduced the program's increase to \$4.6 million resulting in a 78.8 percent increase in funding over the prior year.

Source: Department of Legislative Services

Dependence on State aid varies across Maryland with less affluent jurisdictions relying on State aid as their primary revenue source and more affluent jurisdictions relying more heavily on local property and income taxes. For example, State aid accounts for 16 percent of total revenues in Montgomery County but 50 percent in Caroline County. This difference reflects the State's policy of targeting resources to less affluent jurisdictions that have a lower capacity to raise revenues from local sources. Utilizing local wealth measures to distribute State aid improves the fiscal equity among counties by making certain counties less dependent on their own tax base to fund public services thereby offsetting the inequalities in the revenue capacity among local governments. Currently, nearly 70 percent of State aid is distributed inversely to local wealth. The disparity in local tax capacities among counties in Maryland is illustrated in **Exhibit A-3.4** which shows the per capita local wealth and State aid amounts for each county for fiscal 2009.

Changes by Program

State aid increases in fiscal 2009 range from less than 1 percent in Garrett, Kent, and Somerset counties to at least 5 percent in Howard, St. Mary's, and Wicomico counties. Three counties and Baltimore City will realize a net decrease in State aid. **Exhibit A-3.5** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A-3.6** compares total State aid in fiscal 2008 and 2009 by program.

Exhibit A-3.4
Comparison of Local Wealth Measures and State Aid Allocation
Fiscal 2009

County	Per Capita Property Base	Per Capita Income Base	Per Capita Total Wealth	Percent of State Avg.	Per Capita Ranking	Per Capita State Aid	Per Capita Ranking
Allegany	\$17,483	\$11,340	\$28,823	43.1%	24	\$1,636	3
Anne Arundel	56,697	23,167	79,865	119.5%	6	813	21
Baltimore City	18,885	10,400	29,285	43.8%	23	1,952	1
Baltimore	36,952	20,720	57,671	86.3%	14	898	19
Calvert	54,202	21,280	75,483	112.9%	7	1,252	11
Caroline	30,406	12,213	42,619	63.7%	20	1,754	2
Carroll	42,778	20,358	63,136	94.4%	12	1,133	16
Cecil	37,539	15,399	52,937	79.2%	16	1,278	10
Charles	46,218	17,880	64,099	95.9%	11	1,374	9
Dorchester	36,127	12,427	48,554	72.6%	19	1,409	6
Frederick	47,522	21,380	68,902	103.1%	8	1,195	14
Garrett	53,217	12,429	65,647	98.2%	10	1,432	5
Harford	38,916	19,847	58,763	87.9%	13	1,150	15
Howard	61,970	28,301	90,271	135.0%	4	1,022	17
Kent	51,151	17,334	68,485	102.4%	9	854	20
Montgomery	79,638	28,940	108,577	162.4%	3	708	22
Prince George's	36,232	14,205	50,437	75.4%	17	1,375	8
Queen Anne's	63,492	21,272	84,764	126.8%	5	968	18
St. Mary's	39,402	17,618	57,021	85.3%	15	1,198	13
Somerset	21,861	8,246	30,107	45.0%	22	1,391	7
Talbot	87,912	24,475	112,387	168.1%	2	591	24
Washington	33,417	15,334	48,751	72.9%	18	1,250	12
Wicomico	27,589	14,520	42,109	63.0%	21	1,500	4
Worcester	141,273	18,523	159,796	239.0%	1	695	23
Total	\$47,115	\$19,744	\$66,859	100.0%		\$1,170	

Source: Department of Legislative Services

Exhibit A-3.5
State Assistance to Local Governments
Fiscal 2009 Legislative Appropriation
(\$ in Thousands)

County	County - Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total	Change	
			Public Schools	Libraries	Health					Over FY 2008	Percent Change
Allegany	\$15,627	\$6,120	\$86,627	\$770	\$1,648	\$110,790	\$7,960	\$118,750	\$3,834	3.3%	
Anne Arundel	42,420	30,997	281,168	1,991	5,797	362,373	54,125	416,499	5,841	1.4%	
Baltimore City	319,928	0	841,279	6,586	12,301	1,180,092	64,093	1,244,186	-220	0.0%	
Baltimore	56,716	40,200	519,410	5,422	7,993	629,741	78,423	708,164	8,155	1.2%	
Calvert	7,908	2,094	86,473	446	693	97,614	12,827	110,441	-2,935	-2.6%	
Caroline	8,155	1,359	43,014	280	972	53,780	3,950	57,729	1,563	2.8%	
Carroll	16,859	7,683	143,962	1,038	2,254	171,796	19,885	191,681	3,312	1.8%	
Cecil	9,504	5,325	98,721	732	1,478	115,760	11,653	127,413	1,976	1.6%	
Charles	12,417	7,634	152,242	853	1,828	174,974	18,056	193,030	5,097	2.7%	
Dorchester	8,630	1,248	30,616	248	778	41,521	3,353	44,874	551	1.2%	
Frederick	22,579	8,943	205,553	1,135	2,772	240,983	27,629	268,612	9,406	3.6%	
Garrett	9,042	3,467	25,424	164	791	38,888	3,547	42,435	187	0.4%	
Harford	20,698	10,988	211,114	1,627	3,186	247,613	28,471	276,084	2,947	1.1%	
Howard	21,678	14,321	196,877	763	2,256	235,895	43,694	279,589	13,195	5.0%	
Kent	3,478	628	10,358	104	606	15,174	1,898	17,071	38	0.2%	
Montgomery	64,843	44,779	407,689	2,610	5,682	525,602	133,571	659,173	10,385	1.6%	
Prince George's	83,816	24,598	920,580	6,522	9,287	1,044,803	94,738	1,139,541	11,076	1.0%	
Queen Anne's	6,741	1,752	30,685	133	762	40,073	5,004	45,077	1,056	2.4%	
St. Mary's	9,382	2,433	95,010	659	1,479	108,962	11,292	120,254	5,989	5.2%	
Somerset	8,515	770	23,575	263	775	33,898	2,281	36,179	40	0.1%	
Talbot	5,553	1,497	10,533	101	599	18,285	3,118	21,402	-15	-0.1%	
Washington	14,544	8,060	140,637	1,135	2,518	166,894	14,466	181,359	5,266	3.0%	
Wicomico	11,738	4,880	110,321	811	1,727	129,478	10,927	140,405	6,996	5.2%	
Worcester	8,518	1,832	17,161	137	579	28,227	6,071	34,299	-267	-0.8%	
Unallocated	30,499	7,108	42,874	16,353	0	96,835	0	96,835	-3,312	-3.3%	
Total	\$819,789	\$238,717	\$4,731,901	\$50,883	\$68,760	\$5,910,050	\$661,031	\$6,571,081	\$90,162	1.4%	

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

**State Assistance to Local Governments
Fiscal 2008 Working Appropriation
(\$ in Thousands)**

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$16,855	\$5,924	\$82,476	\$764	\$1,625	\$107,644	\$7,272	\$114,916
Anne Arundel	59,878	28,631	265,185	1,941	5,649	361,284	49,373	410,657
Baltimore City	339,018	0	828,291	6,594	11,965	1,185,869	58,536	1,244,405
Baltimore	69,822	38,521	507,153	5,222	7,751	628,470	71,540	700,010
Calvert	14,837	2,082	83,670	423	669	101,681	11,695	113,375
Caroline	8,291	1,244	41,796	267	962	52,560	3,606	56,166
Carroll	19,248	7,193	140,595	981	2,210	170,227	18,143	188,370
Cecil	10,701	5,051	96,907	695	1,449	114,804	10,632	125,436
Charles	16,936	7,008	144,896	839	1,789	171,468	16,465	187,932
Dorchester	9,202	1,143	29,904	245	767	41,261	3,061	44,323
Frederick	25,137	8,074	196,980	1,105	2,716	234,012	25,194	259,206
Garrett	9,685	3,106	25,278	160	781	39,009	3,239	42,248
Harford	24,920	9,976	207,603	1,544	3,120	247,162	25,975	273,137
Howard	27,466	12,892	183,233	754	2,190	226,536	39,858	266,394
Kent	3,760	575	10,266	101	600	15,302	1,731	17,033
Montgomery	82,148	40,296	397,110	2,597	5,454	527,606	121,183	648,788
Prince George's	101,241	22,511	902,756	6,566	8,999	1,042,073	86,392	1,128,465
Queen Anne's	7,403	1,604	29,572	126	749	39,454	4,567	44,021
St. Mary's	10,556	2,316	89,014	626	1,453	103,966	10,299	114,265
Somerset	8,879	727	23,423	265	765	34,059	2,080	36,139
Talbot	6,195	1,371	10,313	100	589	18,567	2,849	21,417
Washington	16,715	7,479	135,124	1,103	2,477	162,899	13,195	176,093
Wicomico	12,235	4,608	104,130	770	1,699	123,442	9,966	133,409
Worcester	9,647	1,730	16,948	137	563	29,025	5,541	34,565
Unallocated	29,548	5,336	49,000	16,263	0	100,147	0	100,147
Total	\$940,322	\$219,397	\$4,601,626	\$50,192	\$66,991	\$5,878,529	\$602,391	\$6,480,919

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 2009 Legislative Appropriation and Fiscal 2008 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-\$1,228	\$196	\$4,150	\$5	\$23	\$3,146	\$688	\$3,834
Anne Arundel	-17,457	2,366	15,982	50	148	1,089	4,752	5,841
Baltimore City	-19,090	0	12,987	-9	335	-5,777	5,557	-220
Baltimore	-13,106	1,679	12,257	199	242	1,271	6,883	8,155
Calvert	-6,928	12	2,802	23	23	-4,067	1,132	-2,935
Caroline	-137	115	1,219	12	10	1,220	344	1,563
Carroll	-2,389	490	3,367	58	44	1,569	1,743	3,312
Cecil	-1,196	273	1,814	36	28	955	1,021	1,976
Charles	-4,520	626	7,346	15	39	3,506	1,591	5,097
Dorchester	-572	106	711	3	11	259	292	551
Frederick	-2,558	869	8,573	30	57	6,971	2,435	9,406
Garrett	-642	360	147	4	10	-121	308	187
Harford	-4,222	1,013	3,511	83	66	451	2,496	2,947
Howard	-5,788	1,429	13,643	8	66	9,359	3,836	13,195
Kent	-282	53	93	2	6	-128	167	38
Montgomery	-17,306	4,483	10,579	13	228	-2,003	12,388	10,385
Prince George's	-17,425	2,087	17,823	-44	289	2,730	8,346	11,076
Queen Anne's	-661	148	1,113	7	13	619	437	1,056
St. Mary's	-1,174	117	5,996	32	25	4,996	993	5,989
Somerset	-364	43	151	-2	10	-161	201	40
Talbot	-642	127	221	1	10	-283	268	-15
Washington	-2,171	581	5,512	32	41	3,995	1,271	5,266
Wicomico	-496	272	6,191	41	28	6,036	961	6,996
Worcester	-1,129	102	213	0	16	-798	531	-267
Unallocated	951	1,772	-6,125	90	0	-3,312	0	-3,312
Total	-\$120,533	\$19,320	\$130,274	\$691	\$1,769	\$31,521	\$58,640	\$90,162

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

State Assistance to Local Governments
Percent Change: Fiscal 2009 Legislative Appropriation over Fiscal 2008 Working Appropriation

County	Direct State Aid						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-7.3%	3.3%	5.0%	0.7%	1.4%	2.9%	9.5%	3.3%
Anne Arundel	-29.2%	8.3%	6.0%	2.6%	2.6%	0.3%	9.6%	1.4%
Baltimore City	-5.6%	n/a	1.6%	-0.1%	2.8%	-0.5%	9.5%	0.0%
Baltimore	-18.8%	4.4%	2.4%	3.8%	3.1%	0.2%	9.6%	1.2%
Calvert	-46.7%	0.6%	3.3%	5.4%	3.5%	-4.0%	9.7%	-2.6%
Caroline	-1.6%	9.2%	2.9%	4.6%	1.1%	2.3%	9.5%	2.8%
Carroll	-12.4%	6.8%	2.4%	5.9%	2.0%	0.9%	9.6%	1.8%
Cecil	-11.2%	5.4%	1.9%	5.2%	2.0%	0.8%	9.6%	1.6%
Charles	-26.7%	8.9%	5.1%	1.7%	2.2%	2.0%	9.7%	2.7%
Dorchester	-6.2%	9.2%	2.4%	1.2%	1.5%	0.6%	9.5%	1.2%
Frederick	-10.2%	10.8%	4.4%	2.7%	2.1%	3.0%	9.7%	3.6%
Garrett	-6.6%	11.6%	0.6%	2.8%	1.2%	-0.3%	9.5%	0.4%
Harford	-16.9%	10.2%	1.7%	5.4%	2.1%	0.2%	9.6%	1.1%
Howard	-21.1%	11.1%	7.4%	1.1%	3.0%	4.1%	9.6%	5.0%
Kent	-7.5%	9.2%	0.9%	2.1%	1.0%	-0.8%	9.6%	0.2%
Montgomery	-21.1%	11.1%	2.7%	0.5%	4.2%	-0.4%	10.2%	1.6%
Prince George's	-17.2%	9.3%	2.0%	-0.7%	3.2%	0.3%	9.7%	1.0%
Queen Anne's	-8.9%	9.2%	3.8%	5.2%	1.7%	1.6%	9.6%	2.4%
St. Mary's	-11.1%	5.0%	6.7%	5.2%	1.7%	4.8%	9.6%	5.2%
Somerset	-4.1%	5.9%	0.6%	-0.6%	1.3%	-0.5%	9.7%	0.1%
Talbot	-10.4%	9.2%	2.1%	1.1%	1.8%	-1.5%	9.4%	-0.1%
Washington	-13.0%	7.8%	4.1%	2.9%	1.6%	2.5%	9.6%	3.0%
Wicomico	-4.1%	5.9%	5.9%	5.3%	1.7%	4.9%	9.6%	5.2%
Worcester	-11.7%	5.9%	1.3%	0.2%	2.8%	-2.7%	9.6%	-0.8%
Unallocated	3.2%	33.2%	-12.5%	0.6%	n/a	-3.3%	n/a	-3.3%
Total	-12.8%	8.8%	2.8%	1.4%	2.6%	0.5%	9.7%	1.4%

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

Exhibit A-3.6
Total State Assistance to Local Governments

<u>Program</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Difference</u>
Foundation Aid	\$2,782,717,322	\$2,756,823,404	-\$25,893,918
Supplemental Program	0	36,750,512	36,750,512
Geographic Cost of Education Index	0	75,759,290	75,759,290
Compensatory Education	902,134,366	914,220,909	12,086,543
Student Transportation – Regular	194,387,786	200,438,351	6,050,565
Student Transportation – Special Education	24,636,000	24,640,000	4,000
Special Education – Formula	280,044,286	272,742,283	-7,302,003
Special Education – Nonpublic Placements	125,162,836	127,604,164	2,441,328
Special Education – Infants and Toddlers	5,810,781	10,389,106	4,578,325
Limited English Proficiency Grants	126,174,693	144,032,662	17,857,969
Aging Schools	12,508,986	11,108,986	-1,400,000
Teacher Quality Incentives	6,420,000	6,424,000	4,000
Adult Education	6,933,622	7,433,622	500,000
Food Service	7,468,664	7,468,664	0
Gifted and Talented Grants	534,829	534,829	0
Out-of-county Placements	5,200,003	5,200,003	0
Head Start	3,000,000	3,000,000	0
School Reconstitution	11,379,600	11,379,600	0
Judy Hoyer Centers	10,575,000	10,575,000	0
Guaranteed Tax Base	78,889,864	90,032,287	11,142,423
Other Programs	17,647,656	15,342,985	-2,304,671
Total Primary and Secondary Education	\$4,601,626,294	\$4,731,900,657	\$130,274,363
Library Formula	\$33,929,179	\$34,529,807	\$600,628
Library Network	16,262,596	16,353,054	90,458
Total Libraries	\$50,191,775	\$50,882,861	\$691,086
Community College Formula	\$194,454,851	\$210,820,791	\$16,365,940
Grants for ESOL Programs	3,454,772	3,695,689	240,917
Optional Retirement	11,306,002	11,983,999	677,997
Small College Grant/Allegany and Garrett Grant	3,598,460	3,743,011	144,551
Statewide Programs	6,583,339	8,473,596	1,890,257
Total Community Colleges	\$219,397,424	\$238,717,086	\$19,319,662
Highway User Revenue	\$566,782,241	\$548,674,120	-\$18,108,121
Elderly and Handicapped Transportation Aid	4,315,789	6,315,789	2,000,000
Paratransit	2,806,000	2,806,000	0
Total Transportation	\$573,904,030	\$557,795,909	-\$16,108,121

<u>Program</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Difference</u>
Police Aid	\$65,931,447	\$66,435,967	\$504,520
Fire and Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	2,325,000	2,336,450	11,450
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 Offender Grants	1,554,982	1,554,982	0
Annapolis Crime Grant	0	174,000	174,000
School Vehicle Safety Grant	550,000	550,000	0
Body Armor	50,000	50,000	0
Total Public Safety	\$108,506,287	\$109,196,257	\$689,970
Program Open Space	\$97,103,982	\$20,089,207	-\$77,014,775
Critical Area Grants	703,000	645,000	-58,000
Total Recreation/Environment	\$97,806,982	\$20,734,207	-\$77,072,775
Local Health Formula	\$66,991,283	\$68,760,355	\$1,769,072
Utility Property Tax Grant	\$29,615,199	\$0	-\$29,615,199
Disparity Grant	\$114,783,852	\$115,489,636	\$705,784
Horse Racing Impact Aid	\$1,485,600	\$1,205,600	-\$280,000
Payments in Lieu of Taxes	1,005,222	1,005,222	0
Security Interest Filing Fees	2,925,000	3,075,000	150,000
Senior Citizens Activities Center	500,000	500,000	0
Statewide Voting Systems	9,789,817	10,787,218	997,401
Total Other Direct Aid	\$15,705,639	\$16,573,040	\$867,401
Total Direct Aid	\$5,878,528,765	\$5,910,050,008	\$31,521,243
Retirement – Teachers	\$566,447,691	\$621,769,420	\$55,321,729
Retirement – Libraries	11,451,276	12,887,508	1,436,232
Retirement – Community Colleges	22,303,280	24,179,168	1,875,888
Retirement – Local Employees	2,188,307	2,194,900	6,593
Total Payments-in-behalf	\$602,390,554	\$661,030,996	\$58,640,442
Total State Assistance	\$6,480,919,319	\$6,571,081,004	\$90,161,685

Source: Department of Legislative Services

Primary and Secondary Education

State funding for public schools remains a high priority. Over the last seven years, State funding for public schools has increased by almost \$2.5 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 \$6,538 in fiscal 2009, a 90.5 percent increase. Moreover, local school systems will receive modest increases in State funding in fiscal 2009 for operating programs and significant funding for school construction projects. In fiscal 2009, local school systems will receive \$5.4 billion in State funding – a \$185.6 million, or 3.6 percent increase. State funding for public school construction projects will total around \$333 million in fiscal 2009. Over the last seven years, State funding for public school construction has totaled approximately \$1.7 billion. This historic funding for both operating and capital programs demonstrates the State's financial commitment to adequately fund public schools and to provide a quality educational program.

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 2009, representing a \$10.9 million, or 0.4 percent increase over the prior year. This amount includes \$36.8 million in supplemental grants for five local school systems. The supplemental grants – enacted at the 2007 special session to mitigate the impact of eliminating annual inflationary adjustments to the per pupil funding levels in fiscal 2009 and 2010 – ensure that each local school system will receive at least a 1.0 percent annual increase in State funding. The per pupil foundation amount for fiscal 2009 is set at \$6,694, and the student enrollment count used for the program totals 815,740.5 students. Enrollment for the formula is based on the September 30, 2007, 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 \$914.2 million in fiscal 2009, representing a \$12.1 million, or 1.3 percent increase over the prior year. The per pupil State funding amount for fiscal 2009 is set at \$3,247, and the student enrollment count used for the program totals 265,452.

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 2009 is set at \$2,477, and the student enrollment count used for the program totals 103,769. State funding for public special education programs will total \$272.7 million in fiscal 2009, representing a \$7.3 million, or 2.6 percent decrease over the prior year. Funding for nonpublic placements is \$127.6 million in fiscal 2009, representing a \$2.4 million, or 2.0 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 2009 budget includes \$200.4 million for regular transportation services and \$24.6 million for special transportation services. This represents a \$6.0 million, or 2.8 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 99.0 percent of the annual per pupil foundation amount, with the State providing funding for 50.0 percent of the program's cost. The fiscal 2009 grant per LEP student is \$3,314. State funding for the program will total \$144.0 million in fiscal 2009, representing a \$17.9 million, or 14.2 percent increase over the prior year. The number of LEP students in Maryland totals 40,382 for the 2007-2008 school year, a 13.2 percent increase from the prior year.

Geographic Cost of Education Index: This is a discretionary formula that accounts for differences in the costs of educational resources among the local school systems. While the index was part of the Bridge to Excellence in Public Schools legislation in 2002, the formula has never been funded until this year when the Governor included 60 percent of the full formula amount in the fiscal 2009 State budget. Thirteen local school systems will receive grants totaling \$75.8 million in fiscal 2009.

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. Eleven local school systems will qualify for grants totaling \$90.0 million in fiscal 2009.

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 \$11.1 million in fiscal 2009 with an additional \$8.1 million for school wiring.

Judy Hoyer and Head Start Programs: These programs provide financial support for the establishment of centers that provide full-day, comprehensive, early education programs, and family support services that will assist in preparing children to enter school ready to learn. This program also provides funding to support childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2009 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 \$11.4 million in fiscal 2009. 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 2009 State budget includes \$5.7 million for these teacher quality incentives; \$96,000 for the Governor's Teacher Excellence Award Program which distributes awards to teachers for outstanding performance; and \$720,000 for teacher quality and national certification grants.

Food and Nutrition Services: In addition to federal funds provided under the School Lunch Act of 1946, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. The fiscal 2009 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 \$10.4 million in fiscal 2009, a \$4.6 million increase over the prior year.

Adult Education: The State provides funding for adult education services through four programs: adult general education, external diploma program, literacy works grant, and adult education and literacy works. The State budget includes \$7.4 million for adult education programs in fiscal 2009, a \$0.5 million increase over the prior year.

School-based Health Centers: The fiscal 2009 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.

Science and Math Education Initiative: This program includes summer sessions for teachers and an equipment incentive fund to strengthen science and math education. The State budget includes \$2.5 million for this initiative in fiscal 2009.

Environmental Education: The fiscal 2009 State budget includes \$1.6 million for student participation in an outdoor education program that opened in August 2005 at North Bay in Cecil County. The program, which can serve 11,000 students per year, is structured as a four-night stay for sixth graders that provides an outdoor education experience aligned with the State curriculum.

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

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 certified by the retirement system. Teachers' retirement payments will total \$621.8 million in fiscal 2009, representing a 9.8 percent increase over the prior year due to an increase in the salary base.

Local Libraries

Local libraries receive over 20.0 percent of their funding from the State government. In fiscal 2009, State aid to local libraries will total \$63.8 million, representing a \$2.1 million, or 3.5 percent increase over the prior year.

Minimum Per Capita Library Program: The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library

program. The minimum library program is specified in statute. 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. The program is based on a \$14 per capita grant for fiscal 2008 and was scheduled to increase to \$15 per capita grant in fiscal 2009. However, due to cost containment measures adopted by the General Assembly, the library aid program will be based on a \$14 per capita grant for fiscal 2009. This results in a \$2.5 million reduction in State funding for local libraries. Due to this reduction, State funding for the library program will total \$34.5 million in fiscal 2009, representing a \$0.6 million, or 1.8 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 2009, 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 \$5.9 million in fiscal 2009, which equates to \$6.50 per resident in the region served. Regional resource centers were scheduled to receive \$7.50 per resident in fiscal 2009; however, due to cost containment measures adopted by the General Assembly, grants were based on fiscal 2008 funding levels. This results in a \$0.9 million reduction in State funding for local libraries.

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 \$12.9 million in fiscal 2009, a \$1.4 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 2009, State aid to local community colleges will total \$262.9 million – a \$21.2 million, or 8.8 percent increase from the prior year. Baltimore City Community College, which is operated by the State, will receive a State appropriation of \$41.1 million in fiscal 2009.

Senator John A. Cade Funding Formula: In fiscal 2008, community colleges were to receive \$2,331 per full-time equivalent student prior to cost containment. In the Governor's allowance, the per student funding amount increases 7.9 percent to \$2,515. As part of cost containment measures adopted by the General Assembly, the growth in the per student funding amount was limited to 4.0 percent or \$2,424 per student. Consequently, the overall funding growth for the community college funding formula slowed from 12.5 to 8.4 percent, resulting in a savings of \$7.9 million in fiscal 2009. Due to this action, State funding under the formula will total \$210.8 million in fiscal 2009 – a \$16.4 million, or 8.4 percent increase from the prior year.

Special Programs: State funding in fiscal 2009 will total \$3.1 million for the small college grants and \$0.6 million for the Allegany/Garrett counties unrestricted grants. Funding for statewide and regional programs will total \$7.1 million. The English as a Second Language program will receive \$3.7 million. The Innovative Partnership for Technology program will receive \$1.4 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 \$24.2 million in fiscal 2009 – a \$1.9 million, or 8.4 percent increase. In addition, State funding for the optional retirement program will total \$12.0 million in fiscal 2009, representing a \$0.7 million, or 6.0 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 \$68.8 million in fiscal 2009, representing a \$1.8 million, or 2.6 percent increase.

County and Municipal Governments

Approximately 12.5 percent of State aid goes to county and municipal governments. State funding for counties and municipalities will total \$822.0 million in fiscal 2009, representing a \$120.5 million, or 12.8 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: Local governments will receive \$548.7 million in local highway user revenues in fiscal 2009, representing an \$18.1 million decrease from the prior year. The decrease results primarily from legislation passed at the 2007 special session which adjusted the computation of the vehicle excise tax to allow for the value of a trade-in.

Other Transportation Aid: State funding for elderly/disabled transportation grants will increase to \$6.3 million in fiscal 2009, 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 \$66.4 million in fiscal 2009, representing a \$0.5 million, or 0.8 percent increase from the prior year.

Public Safety Grants: State funding for targeted public safety grants will total \$14.9 million in fiscal 2009. These grants include violent crime grants for Baltimore City and Prince George's County, police foot patrol and community policing grants for Baltimore City, a drug enforcement grant for Prince George's County, S.T.O.P. gun violence grants, school bus traffic enforcement grants, domestic violence grants, law enforcement and correctional officers training grants, Baltimore City war room, sex offender and compliance enforcement, and the body armor grants. In addition, \$2.0 million will be provided to the Baltimore City State's Attorney Office to assist in the prosecution of gun offenses and repeat violent offenders and \$174,000 will be provided to the Annapolis Crime Project, a new initiative to fight crime in the City of Annapolis.

Vehicle Theft Prevention Program: This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for vehicle theft prevention, deterrence, and educational programs. Funds are used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund, a non-lapsing dedicated fund that receives up to \$2.0 million a year from penalties collected for lapsed or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$2.3 million in fiscal 2009.

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 2009.

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 2009.

Program Open Space Grants: Under Program Open Space (POS), the State provides grants to local governments for land acquisition and the development of parks and recreation facilities. The State property transfer tax funds POS and related programs. Local POS grants will total \$18.6 million in fiscal 2009, which represents a \$77.0 million decrease from the prior year. In addition, Baltimore City continues to receive a \$1.5 million special POS grant. The decrease in local POS grants is due primarily to the downturn in the real estate market. In the last two years, State transfer tax collections have decreased by over 35 percent. In addition,

legislation passed at the 2007 special session redirected \$21.0 million of local POS funds to the Maryland Park Service.

Disparity Grants: Disparity grants address the differences in the abilities of counties to raise revenues from the local income tax, which is the third largest revenue source for counties after State aid and property taxes. Counties with per capita local income tax revenues less than 75.0 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 2009, Baltimore City and seven counties (Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, and Wicomico) qualify for disparity grants. The fiscal 2009 State budget includes \$115.5 million for disparity grants, a \$0.7 million increase from the prior year. The fiscal 2009 grant under the statute is based on population estimates for July 2006 and calendar 2006 local income tax revenues raised from a 2.54 percent local income tax rate.

Local Voting Grants: The State budget includes \$9.8 million in fiscal 2008 and \$10.8 million in fiscal 2009 to purchase voting machines and support the statewide voting system.

State Assumed Functions in Baltimore City

The State assumption of functions or responsibilities performed by local governments is another aspect of State/local fiscal relationships. There was considerable activity in this area in the 1970s when the State assumed the responsibility for several programs including the District Court, Medical Assistance, public assistance, and property assessments. During the 1990s, the State assumed several local government functions in Baltimore City to help reduce the city's fiscal pressures. These services included the local community college, city detention center, and the central booking facility. The cost for these assumed functions will total \$179.6 million in fiscal 2009 – an \$11.2 million, or 6.6 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 40 different programs. The fiscal 2009 State budget includes \$5.9 billion to fund these programs. Part A, section 1 of each county's statistical tables compares aid distributed to the county in fiscal 2008 and 2009.

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 \$661.0 million in fiscal 2009. 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 2009 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 \$907.5 million statewide for these programs in fiscal 2009. In addition, \$62.5 million from the Cigarette Restitution Fund will also be spent on these programs in fiscal 2009. 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 2009 budget includes \$88.4 million in general funds and \$17.1 million in special funds for these programs. In addition, the budget includes \$30.4 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 2009 funding for these family health programs totals \$15.7 million in general funds and \$27.3 million in federal funds.
- **Medical Care Services:** The Medical Care Programs Administration provides 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 2009 funding for these programs totals \$28.4 million in general funds and \$28.9 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 2009 budget includes \$355.8 million in general funds and \$267.2 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 2009 total \$9.3 million along with \$15.9 million in federal funds. In addition, the budget includes \$45.4 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 2009 budget includes \$408.1 million in general funds and \$292.8 in federal funds for these programs.
- ***AIDS:*** The AIDS Administration funds counseling, testing, education, and risk reduction services through the local health departments. Fiscal 2009 funds for these services total \$1.9 million in general funds. The budget for the AIDS Administration also includes \$19.2 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 2009 estimates of funding for those programs that are available by subdivision. Note that fiscal 2009 funding for homeless and women's services is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2008 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 2009 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 victim's services. Total fiscal 2009 funding for these programs equals \$5.4 million in general funds. In addition, the fiscal 2009 budget includes \$8.6 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 2009 budget includes \$11.3 million in general funds and \$33.7 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 2009 budget includes \$86.8 million in general funds and \$115.4 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 2009 funding is \$13.6 million in general funds and \$24.4 million in federal funds. In this report the fiscal 2009 general funds are allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2008 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 2009 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 2009 funding for these programs totals \$3.6 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 2009 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 2009. 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.

The fiscal 2009 budget includes \$333.4 million in funding for local school construction: \$6.0 million from the program's contingency fund and \$327.4 million in general obligation bonds. As of the publication of this report, \$225.0 million of the total fiscal 2009 funding has been allocated to specific projects. These projects are listed in Part C for each county.

Capital Projects for State Facilities Located in the County: Part D for each county shows capital projects, authorized by the fiscal 2009 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 2009 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 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$44,527	\$44,991	\$463	1.0
Compensatory Education	20,819	21,639	819	3.9
Student Transportation	3,902	4,009	107	2.7
Special Education	6,596	7,164	568	8.6
Limited English Proficiency Grants	87	165	78	88.8
Guaranteed Tax Base	5,507	7,683	2,176	39.5
Adult Education	173	173	0	0.0
Aging Schools	238	178	-60	-25.3
Other Education Aid	625	625	0	0.0
Primary & Secondary Education	82,474	86,627	4,151	5.0
Libraries	764	770	5	0.7
Community Colleges	5,924	6,120	196	3.3
Health Formula Grant	1,625	1,648	23	1.4
* Transportation	7,725	7,566	-159	-2.1
* Police and Public Safety	864	874	10	1.2
* Fire and Rescue Aid	238	238	0	0.0
Recreation and Natural Resources	1,056	205	-850	-80.6
Disparity Grant	6,971	6,743	-228	-3.3
Total Direct Aid	\$107,641	\$110,791	\$3,148	2.9
Aid Per Capita (\$)	1,478	1,526	48	3.3
Property Tax Equivalent (\$)	3.37	3.18	-0.19	-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 2009 State payments for Allegany County for teachers, librarians, community college faculty, and local officials are estimated to be \$7,960,000.

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 2009 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 2008) 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	\$1,773,000
Family Health and Primary Care	207,000
Medical Care Services	731,000
Mental Health	5,448,000
Prevention and Disease Control	626,000
Developmental Disabilities	5,291,000
AIDS	29,000

Social Services

Homeless Services	101,000
Women’s Services	116,000
Adult Services	245,000
Child Welfare Services	2,042,000

Senior Citizen Services

Long-term Care	321,000
Community Services	162,000

C. Selected State Grants for Capital Projects**Allegany Community College**

Automotive Technology and Physical Plant Building – renovation	\$496,000
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Senior Citizen Activity Centers

Cumberland Senior Center	280,000
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Community Parks and Playgrounds

Frostburg Recreation Complex	57,000
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Chesapeake Bay Water Quality Projects

Cumberland Combined Sewer – overflow improvements	500,000
Frostburg – stormwater retrofit	188,000
Frostburg Combined Sewer – overflow improvements	500,000
Westernport Combined Sewer – overflow improvements	900,000

Chesapeake Bay Restoration Fund

Cumberland WWTP – enhanced nutrient removal	14,564,000
George’s Creek WWTP – enhanced nutrient removal	3,000,000

Water Supply Financial Assistance Program

Bowman’s Addition – water project	300,000
Frostburg – water treatment plant filter upgrades	100,000
Lonaconing – water improvements	450,000
Ridgedale – reservoir replacement	200,000
Westernport – water treatment plant upgrade	300,000

Other Projects

Allegany County Museum	50,000
Greenway Avenue Stadium	50,000
Virginia Avenue Corridor Revitalization	200,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

C&O Canal National Park – boat ramp improvements	\$99,000
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Department of Public Safety & Corrections

Western Correctional Institution – vocational education building	1,099,000
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Maryland Environmental Service

Green Ridge Youth Center – wastewater treatment plant	1,056,000
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University System of Maryland

Frostburg State – Lane Center renovation and addition	15,020,000
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Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$174,966	\$182,020	\$7,054	4.0
Compensatory Education	37,356	39,904	2,548	6.8
Student Transportation	18,224	18,719	495	2.7
Special Education	28,445	28,699	253	0.9
Limited English Proficiency Grants	3,937	4,461	524	13.3
Geographic Cost of Education Index	0	5,177	5,177	0.0
Adult Education	328	328	0	0.0
Aging Schools	989	920	-69	-7.0
Other Education Aid	939	939	0	0.0
Primary & Secondary Education	265,184	281,167	15,982	6.0
Libraries	1,941	1,991	50	2.6
Community Colleges	28,631	30,997	2,366	8.3
Health Formula Grant	5,649	5,797	148	2.6
* Transportation	32,973	32,134	-839	-2.5
* Police and Public Safety	6,702	6,876	174	2.6
* Fire and Rescue Aid	806	806	0	0.0
Recreation and Natural Resources	11,236	2,185	-9,051	-80.6
Utility Property Tax Grants	7,565	0	-7,565	-100.0
* Other Direct Aid	596	420	-176	-29.5
Total Direct Aid	\$361,283	\$362,373	\$1,089	0.3
Aid Per Capita (\$)	709	708	-2	-0.3
Property Tax Equivalent (\$)	0.50	0.44	-0.06	-11.8

* 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 2009 State payments for Anne Arundel County for teachers, librarians, community college faculty, and local officials are estimated to be \$54,125,000.

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 2009 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 2008) 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	\$3,390,000
Family Health and Primary Care	650,000
Medical Care Services	1,267,000
Mental Health	21,000,000
Prevention and Disease Control	1,842,000
Developmental Disabilities	36,998,000

Social Services

Homeless Services	206,000
Women's Services	374,000
Adult Services	210,000
Child Welfare Services	4,594,000

Senior Citizen Services

Long-term Care	649,000
Community Services	158,000

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

Anne Arundel Middle School – renovations (HVAC)	\$1,000,000
Gambrills Elementary School – construction	2,560,000
Glen Burnie Park Elementary School – renovations (HVAC/windows)	960,000
Meade High School – renovations (roof)	1,388,000
Oakwood Elementary School – renovations (HVAC/windows)	960,000
Odenton Elementary School – renovations (HVAC)	1,174,000
Severna Park Middle School – construction	8,730,000
ShIPLEY’S CHOICE Elementary School – renovations (HVAC)	1,174,000
Tyler Heights Elementary School – renovations (electrical)	66,000
Van Bokkelen Elementary School – renovations (electrical)	66,000

Public Libraries

Brooklyn Park/Linthicum/Provinces Libraries – ADA compliance	112,000
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Anne Arundel Community College

Careers Building – renovation	1,477,000
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Shelter & Transitional Facilities

Light House Shelter	600,000
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Chesapeake Bay Water Quality Projects

Mayo WWTP – nutrient removal	1,000,000
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Chesapeake Bay Restoration Fund

Annapolis WWTP – enhanced nutrient removal	6,800,000
Broadneck WWTP – enhanced nutrient removal	6,500,000

Broadwater WWTP – enhanced nutrient removal	500,000
Cox Creek WWTP – enhanced nutrient removal	27,000,000
Mayo Large Communal WWTP – enhanced nutrient removal	1,000,000

Waterway Improvement

Annapolis – public boating facilities improvements	99,000
Annapolis Maritime Museum – extend transient piers	99,000
Broadwater Creek – channel dredging	160,500
Carrs Creek – channel dredging	394,000
Parrish Creek – dredge material placement site	1,416,000
Truxton Park – boat ramp and miscellaneous improvements	99,000
Warehouse Creek – improve boating access	20,000

Other Projects

Annapolis Summer Garden Theatre	50,000
Children’s Theatre of Annapolis	100,000
City of Annapolis – underground utility wiring	600,000
Deale Elementary School Baseball Fields	125,000
Galesville Rosenwald School	200,000
Goshen House	150,000
Hammond-Harwood House	100,000
Light House Shelter	222,000
Maryland Fire-Rescue Services Memorial	75,000
Maryland Hall for the Creative Arts	250,000
Opportunity Builders, Inc.	65,000

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

Low House Office Building – renovations	\$701,000
State House – Old House of Delegates Chamber restoration	650,000

Department of Natural Resources

Sandy Point State Park – repair boat ramps	75,000
Sandy Point State Park – replace bulkheads	1,600,000

Maryland Environmental Service

Jessup Correctional Complex – Dorsey WWTP improvements	248,000
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Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$399,500	\$406,678	\$7,179	1.8
Compensatory Education	277,192	267,974	-9,218	-3.3
Student Transportation	17,084	17,241	157	0.9
Special Education	83,064	82,672	-392	-0.5
Limited English Proficiency Grants	8,487	9,357	870	10.3
Guaranteed Tax Base	36,344	37,894	1,550	4.3
Geographic Cost of Education Index	0	13,032	13,032	0.0
Adult Education	981	981	0	0.0
Aging Schools	2,714	2,524	-190	-7.0
Other Education Aid	2,927	2,927	0	0.0
Primary & Secondary Education	828,293	841,280	12,988	1.6
Libraries	6,594	6,586	-9	-0.1
Health Formula Grant	11,965	12,301	335	2.8
Transportation	233,378	225,345	-8,033	-3.4
Police and Public Safety	10,081	10,098	18	0.2
Fire and Rescue Aid	942	942	0	0.0
Recreation and Natural Resources	11,576	3,459	-8,116	-70.1
Disparity Grant	78,161	75,524	-2,636	-3.4
Utility Property Tax Grants	439	0	-439	-100.0
Other Direct Aid	4,443	4,559	116	2.6
Total Direct Aid	\$1,185,872	\$1,180,094	-\$5,776	-0.5
Aid Per Capita (\$)	1,878	1,851	-27	-1.4
Property Tax Equivalent (\$)	4.09	3.55	-0.54	-13.2

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 2009 State payments for Baltimore City for teachers, librarians, community college faculty, and local officials are estimated to be \$64,093,000.

B. Estimated State Spending on Selected Health and Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2009 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 2008) 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	\$38,119,000
Family Health and Primary Care	4,458,000
Medical Care Services	7,467,000
Mental Health	121,059,000
Prevention and Disease Control	1,556,000
Developmental Disabilities	45,965,000
AIDS	407,000

Social Services

Homeless Services	2,159,000
Women's Services	906,000
Adult Services	3,149,000
Child Welfare Services	28,564,000

Senior Citizen Services

Long-term Care	1,907,000
Community Services	941,000

C. Selected State Grants for Capital Projects

Public Schools

Carver Vo-Tech High School #454 – construction	\$10,400,000
Northwestern High School #401 – renovations (fire safety)	775,000
Paul L. Dunbar High School #414 – construction	5,704,000
Violetville Elementary/Middle School #226 – construction	2,303,000

Public Libraries

Edmondson Avenue Branch Library – renovation	264,000
Reisterstown Road Branch Library – repair and renovation	480,000

Community Mental Health/Addictions/Dev. Disabilities

Valley House, Inc.	259,000
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Federally Qualified Health Centers Grant Program

Baltimore Medical System, Inc.	1,275,000
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Shelter & Transitional Facilities

Carrington House	50,000
People’s Homesteading	50,000
Susannah Wesley House	50,000

Community Parks and Playgrounds

Andover and North Hill Park Playground	65,000
George Washington Elementary School Playground	120,000
William McAbee Park Playground	110,000

Chesapeake Bay Water Quality Projects

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

Back River WWTP – enhanced nutrient removal	3,000,000
Baltimore City – sewer rehabilitation	1,000,000
Patapsco WWTP – enhanced nutrient removal	12,000,000

Waterway Improvement

Boat ramps and parking areas – citywide renovations	50,000
Downtown Sailing Center – boating access improvements	99,000
Finger Pier Information Center – security lighting improvements	30,000
Fire Department – equipment for dive team and fire boats	10,000
Fort Armistead Park – replace breakwater	500,000
Inner Harbor – camera security/management system	25,000
Inner Harbor – purchase patrol vessel	25,000

Hazardous Substance Cleanup Program

Chemical Metals Site – remediation	200,000
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Other Projects

Baltimore Museum of Industry	300,000
Baltimore Zoo – facilities renewal	1,000,000
Baltimore Zoo – infrastructure improvements	2,000,000
Beans and Bread	150,000
Center for Urban Families	50,000
Community Mediation Program	175,000
Dayspring Facility	200,000
East Baltimore Biotechnology Park	5,000,000
Everyman Theatre	100,000
Gaudenzia at Park Heights	50,000
Girl Scout Urban Program and Training Center	200,000

Health Care for the Homeless	10,000
Helping Up Mission	200,000
Historic East Baltimore Community Action Coalition	150,000
Homeless Shelter and Resource Center	2,000,000
Johns Hopkins Health System – Cardiovascular and Critical Care Tower	5,000,000
Johns Hopkins Health System – Pediatric Trauma Center	10,000,000
Johns Hopkins University – Gilman Hall renovation	1,250,000
Junior League of Baltimore Thrift Store	100,000
Kennedy Krieger Institute	1,000,000
Learning, Inc.	175,000
Long Term Care at Stadium Place	100,000
Loyola College – Donnelly Science Center	3,250,000
Lytic Opera House	300,000
Mary Harvin Transformation Center	150,000
Maryland General Hospital	875,000
Maryland School for the Blind	1,100,000
Maryland State Boychoir Facility	150,000
NACA Education and Community Center	200,000
Newborn Community Center	350,000
Park Heights Revitalization	3,000,000
Parks & People Headquarters at Auchentoroly Terrace	100,000
Port Discovery	200,000
Roberta’s House	300,000
Sandi’s Learning Center	125,000
School 33 Art Center	150,000
Sinai Hospital	320,000
Sojourner-Douglass College – Science and Allied Health Facility	3,250,000
Southwest Senior and Community Multipurpose Center	115,000
The Trinity Family Life Center	100,000
WestSide Revitalization Project	5,000,000
Youth Sports Program, Inc.	100,000

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

2100 Guilford Avenue – addition	\$3,000,000
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Department of Health & Mental Hygiene

Forensic Medical Center – construction	47,807,000
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Department of Public Safety & Corrections

Baltimore City Detention Center – Women’s Center	5,500,000
Baltimore City Detention Center – Youth Facility	3,400,000

Morgan State University

Campuswide – site improvements	1,050,000
Campuswide – utility upgrades	7,723,000
School of Business and Management – new complex	3,100,000

University System of Maryland

Baltimore – Pharmacy Hall addition and renovation	62,227,000
Coppin State – Health and Human Services Building	3,482,000
Coppin State – Physical Education Complex	39,439,000
Coppin State – Science and Technology Center	6,291,000
Coppin State – utilities and security systems improvements	6,960,000
University of Baltimore – Law School	4,033,000

Other

UMD Medical System – ambulatory care center	10,000,000
UMD Medical System – diagnostic and treatment facilities	2,500,000
UMD Medical System – shock trauma center	13,500,000

Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$334,624	\$338,819	\$4,195	1.3
Compensatory Education	86,201	88,843	2,642	3.1
Student Transportation	23,845	24,519	673	2.8
Special Education	43,724	45,125	1,401	3.2
Limited English Proficiency Grants	9,731	10,346	615	6.3
Geographic Cost of Education Index	0	3,214	3,214	0.0
Adult Education	693	693	0	0.0
Aging Schools	2,073	1,590	-484	-23.3
Other Education Aid	6,261	6,261	0	0.0
Primary & Secondary Education	<u>507,152</u>	<u>519,410</u>	<u>12,256</u>	<u>2.4</u>
Libraries	5,222	5,422	199	3.8
Community Colleges	38,521	40,200	1,679	4.4
Health Formula Grant	7,751	7,993	242	3.1
Transportation	44,360	43,229	-1,131	-2.5
Police and Public Safety	9,794	9,794	0	0.0
Fire and Rescue Aid	1,172	1,172	0	0.0
Recreation and Natural Resources	12,710	2,471	-10,239	-80.6
Utility Property Tax Grants	1,736	0	-1,736	-100.0
Other Direct Aid	50	50	0	0.0
Total Direct Aid	\$628,468	\$629,741	\$1,270	0.2
Aid Per Capita (\$)	798	798	0	0.0
Property Tax Equivalent (\$)	0.87	0.77	-0.11	-12.1

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 2009 State payments for Baltimore County for teachers, librarians, community college faculty, and local officials are estimated to be \$78,423,000.

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 2009 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 2008) 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	\$5,299,000
Family Health and Primary Care	353,000
Medical Care Services	2,415,000
Mental Health	50,547,000
Prevention and Disease Control	2,907,000
Developmental Disabilities	57,199,000

Social Services

Homeless Services	229,000
Women's Services	560,000
Adult Services	747,000
Child Welfare Services	5,970,000

Senior Citizen Services

Long-term Care	1,463,000
Community Services	250,000

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

Arbutus Elementary School – renovations (roof)	\$355,000
Cockeysville Middle School – construction	6,826,000
Hereford Middle School – construction	5,175,000
Hillcrest Elementary School – construction	1,789,000
Joppa View Elementary School – renovations (roof)	623,000
Kingsville Elementary School – renovations (roof)	514,000
Loch Raven High School – renovations (HVAC)	1,091,000
Red House Run Elementary School – renovations (windows)	125,000
Riderwood Elementary School – renovations (roof/windows)	451,000
Sandalwood Elementary School – renovations (HVAC)	815,000
Sandy Plains Elementary School – renovations (windows)	167,000
Western School of Technology – renovations (roof)	860,000
Winand Elementary School – renovations (windows)	233,000
Winfield Elementary School – renovations (windows)	118,000
Woodbridge Elementary School – renovations (roof)	517,000

Public Libraries

Cockeysville Library – addition and renovation	520,000
Perry Hall Library – library replacement	188,000

Baltimore Community College

Catonsville – new library	12,813,000
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Community Mental Health/Addictions/Dev. Disabilities

Prologue, Inc.	252,000
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Shelter & Transitional Facilities

Nehemiah House	59,730
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Community Parks and Playgrounds

Catonsville Community Park Trail	100,000
Hawthorne Community Trail and Park	150,000

Chesapeake Bay Water Quality Projects

Lower Spring Branch – stream restoration	270,000
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Chesapeake Bay Restoration Fund

Back River WWTP – enhanced nutrient removal	3,000,000
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Waterway Improvement

Arbutus Volunteer Fire Department – purchase water rescue equipment	10,500
Bear Creek – maintenance dredging	100,000
Channel Marker Improvements – countywide	99,000
County Fire Department – swift water rescue equipment	15,000
Fort Howard Park – repair pier and moorings	25,000
Kingsville Volunteer Fire Department – purchase water rescue equipment	9,000
Middle River – maintenance dredging	700,000
Pleasure Island – maintenance dredging	750,000
Shallow Creek – maintenance dredging	75,000
Southwest Area Park – parking lot improvements	25,000
Submerged aquatic vegetation monitoring – countywide	75,000

Hazardous Substance Cleanup Program

Blenheim Road – site assessment	50,000
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Other Projects

Baltimore County Center for Maryland Agriculture	1,000,000
Catonsville YMCA	325,000
Community Post – Dundalk	300,000

Family Life Intergenerational Center	250,000
Franklin Square Hospital Center	1,130,000
Heritage Trail and Saint Helena Park	175,000
Irvine Nature Center	250,000
St. Joseph Medical Center	450,000
The Emmart-Pierpoint Safe House	100,000
Weinberg Village V Senior Apartment Building	250,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Mill Pond – dam replacement	\$115,000
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Maryland Veterans Administration

Garrison Forest Veterans Cemetery – addition (federal funds)	1,810,000
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University System of Maryland

Baltimore County – residence hall renovations	2,750,000
Towson University – Burdick Field Turf	2,500,000
Towson University – College of Liberal Arts Complex	9,339,000
Towson University – field hockey facility	3,000,000
Towson University – safety and circulation improvements	18,274,000
Towson University – Towson Center Arena improvements	8,600,000
Towson University – Ward Hall Health Center	3,300,000
Towson University – West Hall Counseling Center	3,300,000

Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$64,326	\$65,070	\$744	1.2
Compensatory Education	6,882	7,327	444	6.5
Student Transportation	4,840	4,994	154	3.2
Special Education	6,094	6,030	-64	-1.0
Limited English Proficiency Grants	518	618	100	19.2
Geographic Cost of Education Index	0	1,430	1,430	0.0
Adult Education	157	157	0	0.0
Aging Schools	75	70	-5	-7.0
Other Education Aid	778	778	0	0.0
Primary & Secondary Education	83,670	86,474	2,803	3.4
Libraries	423	446	23	5.4
Community Colleges	2,082	2,094	12	0.6
Health Formula Grant	669	693	23	3.5
* Transportation	6,830	6,695	-135	-2.0
* Police and Public Safety	795	797	1	0.2
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	1,113	216	-897	-80.6
Utility Property Tax Grants	5,897	0	-5,897	-100.0
Total Direct Aid	\$101,679	\$97,615	-\$4,067	-4.0
Aid Per Capita (\$)	1,145	1,106	-39	-3.4
Property Tax Equivalent (\$)	0.87	0.73	-0.14	-16.1

* 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 2009 State payments for Calvert County for teachers, librarians, community college faculty, and local officials are estimated to be \$12,827,000.

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 2009 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 2008) 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	\$674,000
Family Health and Primary Care	134,000
Medical Care Services	329,000
Mental Health	2,624,000
Prevention and Disease Control	600,000
Developmental Disabilities	6,451,000

Social Services

Homeless Services	33,000
Women’s Services	217,000
Adult Services	79,000
Child Welfare Services	814,000

Senior Citizen Services

Long-term Care	126,000
Community Services	19,000

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

Beach Elementary School – renovations (roof)	\$239,000
Calvert Middle School – construction	5,770,000

College of Southern Maryland

Leonardtown – Wellness Center	11,712,000
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Community Mental Health/Addictions/Dev. Disabilities

The Arc of Southern Maryland	1,500,000
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Shelter & Transitional Facilities

Project Echo	287,390
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Community Parks and Playgrounds

Dowell Elementary School Playground	108,000
North Beach Wetland Overlook	58,000
Solomons Town Center Playground	200,000

Chesapeake Bay Restoration Fund

Chesapeake Beach WWTP – enhanced nutrient removal	2,500,000
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Waterway Improvement

North Beach – pier dredging	100,000
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Other Projects

Chesapeake Cares Food Pantry	75,000
North Beach Town Hall – construction	250,000

D. Capital Projects for State Facilities in the County

Maryland Office of Planning

Jefferson Patterson Park and Museum – Patterson Center

\$554,000

Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$25,177	\$25,612	\$435	1.7
Compensatory Education	9,832	10,216	384	3.9
Student Transportation	2,212	2,264	52	2.3
Special Education	2,702	2,593	-109	-4.0
Limited English Proficiency Grants	676	861	185	27.4
Guaranteed Tax Base	554	832	279	50.3
Aging Schools	98	91	-7	-7.0
Other Education Aid	545	545	0	0.0
Primary & Secondary Education	41,796	43,014	1,219	2.9
Libraries	267	280	12	4.6
Community Colleges	1,244	1,359	115	9.2
Health Formula Grant	962	972	10	1.1
* Transportation	5,353	5,255	-99	-1.8
* Police and Public Safety	326	346	20	6.2
* Fire and Rescue Aid	204	204	0	0.0
Recreation and Natural Resources	494	96	-398	-80.6
Disparity Grant	1,913	2,253	340	17.8
Total Direct Aid	\$52,559	\$53,779	\$1,219	2.3
Aid Per Capita (\$)	1,611	1,634	23	1.4
Property Tax Equivalent (\$)	2.13	2.07	-0.06	-2.8

* 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 2009 State payments for Caroline County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,950,000.

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 2009 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 2008) 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	\$453,000
Family Health and Primary Care	240,000
Medical Care Services	474,000
Mental Health	2,932,000
Prevention and Disease Control	461,000
Developmental Disabilities	2,369,000
AIDS	29,000

Social Services

Homeless Services	59,000
Women’s Services	138,000
Adult Services	103,000
Child Welfare Services	655,000

Senior Citizen Services

Long-term Care	542,000
Community Services	137,000

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 High School – construction	\$7,300,000
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Chesapeake College

Kent Humanities Building – renovation	478,000
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Federally Qualified Health Centers Grant Program

Choptank Community Health System, Inc.	440,000
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Community Parks and Playgrounds

Denton Elementary School	281,000
Marina Park	29,000

Chesapeake Bay Restoration Fund

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

Greensboro – water line replacement	355,000
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Waterway Improvement

Choptank Marina – ADA accessible pier and floating dock	25,000
Denton – Crouse Park boat landing and wharf replacement	106,000
Federalsburg – VFW boat ramp solar powered lighting	12,000
Ganey’s Wharf – replace pier/bulkhead and make ADA improvements	99,000

Other Projects

Old Caroline High School	50,000
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D. Capital Projects for State Facilities in the County

Department of Natural Resources

Martinak State Park – ADA access improvements

\$60,000

Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$109,302	\$109,705	\$403	0.4
Compensatory Education	8,927	9,560	633	7.1
Student Transportation	8,360	8,634	274	3.3
Special Education	12,305	12,696	391	3.2
Limited English Proficiency Grants	623	773	149	23.9
Geographic Cost of Education Index	0	1,574	1,574	0.0
Adult Education	206	206	0	0.0
Aging Schools	306	250	-57	-18.5
Other Education Aid	565	565	0	0.0
Primary & Secondary Education	140,594	143,963	3,367	2.4
Libraries	981	1,038	58	5.9
Community Colleges	7,193	7,683	490	6.8
Health Formula Grant	2,210	2,254	44	2.0
* Transportation	14,853	14,488	-364	-2.5
* Police and Public Safety	1,611	1,619	8	0.5
* Fire and Rescue Aid	262	262	0	0.0
Recreation and Natural Resources	2,523	491	-2,033	-80.6
Total Direct Aid	\$170,227	\$171,798	\$1,570	0.9
Aid Per Capita (\$)	1,000	1,015	15	1.5
Property Tax Equivalent (\$)	0.95	0.86	-0.09	-9.6

* 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 2009 State payments for Carroll County for teachers, librarians, community college faculty, and local officials are estimated to be \$19,885,000.

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 2009 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 2008) 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	\$1,296,000
Family Health and Primary Care	187,000
Medical Care Services	738,000
Mental Health	7,148,000
Prevention and Disease Control	835,000
Developmental Disabilities	12,368,000
AIDS	20,000

Social Services

Homeless Services	91,000
Women’s Services	369,000
Adult Services	136,000
Child Welfare Services	1,556,000

Senior Citizen Services

Long-term Care	321,000
Community Services	57,000

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

South Carroll High School – construction	\$7,700,000
Westminster High School – renovations (HVAC)	3,000,000

Public Libraries

Westminster Branch Library – renovation	437,000
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Carroll Community College

Classroom Building No. 4	1,542,000
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Community Parks and Playgrounds

Bennett Cerf Park	65,000
Robert Mill Park	90,000
Union Bridge Community Park	17,000

Chesapeake Bay Restoration Fund

Freedom District WWTP – enhanced nutrient removal	300,000
Westminster WWTP – enhanced nutrient removal	450,000

Waterway Improvement

Double Pipe Creek Water Trail – install two kiosks	8,000
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Other Projects

Carroll County Agriculture Center	100,000
Friendship School	20,000
Sykesville – South Branch Park	100,000

Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$67,046	\$67,197	\$152	0.2
Compensatory Education	13,877	14,747	870	6.3
Student Transportation	4,339	4,432	94	2.2
Special Education	8,191	8,136	-55	-0.7
Limited English Proficiency Grants	459	546	87	18.9
Guaranteed Tax Base	2,047	2,775	728	35.6
Adult Education	103	103	0	0.0
Aging Schools	236	175	-61	-25.9
Other Education Aid	610	610	0	0.0
Primary & Secondary Education	96,908	98,721	1,815	1.9
Libraries	695	732	36	5.2
Community Colleges	5,051	5,325	273	5.4
Health Formula Grant	1,449	1,478	28	2.0
* Transportation	8,260	8,084	-176	-2.1
* Police and Public Safety	933	961	28	3.0
* Fire and Rescue Aid	207	207	0	0.0
Recreation and Natural Resources	1,301	253	-1,048	-80.6
Total Direct Aid	\$114,804	\$115,761	\$956	0.8
Aid Per Capita (\$)	1,154	1,161	7	0.6
Property Tax Equivalent (\$)	1.25	1.12	-0.13	-10.5

* 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 2009 State payments for Cecil County for teachers, librarians, community college faculty, and local officials are estimated to be \$11,653,000.

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 2009 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 2008) 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	\$1,160,000
Family Health and Primary Care	192,000
Medical Care Services	551,000
Mental Health	6,435,000
Prevention and Disease Control	638,000
Developmental Disabilities	7,229,000
AIDS	3,000

Social Services

Homeless Services	40,000
Women's Services	197,000
Adult Services	138,000
Child Welfare Services	1,602,000

Senior Citizen Services

Long-term Care	126,000
Community Services	40,000

C. Selected State Grants for Capital Projects

Public Schools

Calvert Elementary School – construction	\$1,000,000
Perryville High School – renovations (roof and HVAC)	1,588,000

Cecil Community College

Physical Education Building – renovation and addition	12,092,000
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Local Jail Loan

County Detention Center – additions and alterations	788,000
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Community Parks and Playgrounds

Port Deposit Marina Park	120,000
Rising Sun Veterans Memorial Park	156,000

Chesapeake Bay Water Quality Projects

Perryville WWTP – nutrient removal	1,000,000
Rising Sun WWTP – plant upgrade	300,000

Chesapeake Bay Restoration Fund

Perryville WWTP – enhanced nutrient removal	1,000,000
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Water Supply Financial Assistance Program

Port Deposit – water treatment and intake upgrades	200,000
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Waterway Improvement

Charlestown – town pier dredging	30,000
Elk River Park – boat ramp, pier, parking and other improvements	99,000
Elk River Park – develop new public boating site	25,000
North East – ADA and miscellaneous pier improvements	83,250
Perryville – install floating pier with transient slips	500,000
Port Deposit – Marina Park bulkhead and dock replacement	10,000

Hazardous Substance Cleanup Program

Dwyer Site – remediation	350,000
Mill Creek – groundwater and perchlorate	200,000

Other Projects

4-H Animal Display Barn	250,000
Mount Harmon Plantation Education and Discovery Center	40,000
Union Hospital	110,000

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

Elk Neck State Park – Rogues Harbor breakwater repair	\$75,000
Elk Neck State Park – Rogues Harbor replace boat launch catwalks & decking	150,000
Stemmers Run – dredging, breakwater and miscellaneous repairs	75,000

Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$106,743	\$107,562	\$819	0.8
Compensatory Education	16,930	19,545	2,616	15.5
Student Transportation	8,734	8,990	257	2.9
Special Education	7,756	7,975	219	2.8
Limited English Proficiency Grants	704	776	72	10.2
Guaranteed Tax Base	2,758	4,052	1,294	46.9
Geographic Cost of Education Index	0	2,076	2,076	0.0
Adult Education	261	261	0	0.0
Aging Schools	98	91	-7	-7.0
Other Education Aid	912	912	0	0.0
Primary & Secondary Education	144,896	152,240	7,346	5.1
Libraries	839	853	15	1.7
Community Colleges	7,008	7,634	626	8.9
Health Formula Grant	1,789	1,828	39	2.2
* Transportation	10,733	10,492	-241	-2.2
* Police and Public Safety	1,236	1,241	5	0.4
* Fire and Rescue Aid	238	238	0	0.0
Recreation and Natural Resources	2,289	445	-1,844	-80.6
Utility Property Tax Grants	2,440	0	-2,440	-100.0
Total Direct Aid	\$171,468	\$174,971	\$3,506	2.0
Aid Per Capita (\$)	1,221	1,246	25	2.0
Property Tax Equivalent (\$)	1.07	0.95	-0.12	-11.3

* 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 2009 State payments for Charles County for teachers, librarians, community college faculty, and local officials are estimated to be \$18,056,000.

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 2009 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 2008) 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	\$1,986,000
Family Health and Primary Care	332,000
Medical Care Services	467,000
Mental Health	4,815,000
Prevention and Disease Control	786,000
Developmental Disabilities	10,200,000
AIDS	91,000

Social Services

Homeless Services	80,000
Women's Services	98,000
Adult Services	143,000
Child Welfare Services	2,106,000

Senior Citizen Services

Long-term Care	209,000
Community Services	18,000

C. Selected State Grants for Capital Projects

Public Schools

Mary Burgess Neal Elementary School – construction	\$2,974,000
Mt. Hope/Nanjemoy Elementary School – kindergarten/pre-k addition	1,588,000
T.C. Martin Elementary School – kindergarten/pre-k addition	1,143,000
Theodore G. Davis Middle School – construction	5,598,846

College of Southern Maryland

Leonardtown – Wellness Center	11,712,000
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Chesapeake Bay Water Quality Projects

Benedict Central Sewer – collection and treatment system	300,000
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Waterway Improvement

Mallows Bay/Wilson Farm – construct boat ramp, pier, and access road	99,000
Mattingly Park/Slavins Landing – additional parking	99,000
Nanjemoy Creek – channel dredging	150,000
Tenth District Volunteer Fire Department – replace fire/rescue boat	50,000

Other Projects

Civista Medical Center	375,000
Hospice House	100,000
Indian Head Center for the Arts	57,500
Lions Camp Merrick	150,500
Southern Maryland Stadium	1,333,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Cedarville Fish Hatchery – replace pipe and reline pond	\$43,000
Cedarville State Park – dam repair	75,000
Smallwood State Park – Sweden Point Marina parking and access road	350,000

Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$18,460	\$18,437	-\$23	-0.1
Compensatory Education	6,749	7,376	627	9.3
Student Transportation	2,009	2,066	57	2.8
Special Education	1,440	1,423	-17	-1.2
Limited English Proficiency Grants	355	370	15	4.3
Guaranteed Tax Base	242	300	57	23.5
Adult Education	127	127	0	0.0
Aging Schools	75	70	-5	-7.0
Other Education Aid	447	447	0	0.0
Primary & Secondary Education	29,904	30,616	711	2.4
Libraries	245	248	3	1.2
Community Colleges	1,143	1,248	106	9.2
Health Formula Grant	767	778	11	1.5
* Transportation	5,930	5,815	-115	-1.9
* Police and Public Safety	361	384	23	6.3
* Fire and Rescue Aid	219	219	0	0.0
Recreation and Natural Resources	422	82	-340	-80.6
Disparity Grant	2,089	2,131	42	2.0
Utility Property Tax Grants	181	0	-181	-100.0
Total Direct Aid	\$41,261	\$41,521	\$260	0.6
Aid Per Capita (\$)	1,304	1,304	-1	-0.1
Property Tax Equivalent (\$)	1.46	1.28	-0.18	-12.2

* 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 2009 State payments for Dorchester County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,353,000.

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 2009 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 2008) 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	\$1,085,000
Family Health and Primary Care	154,000
Medical Care Services	458,000
Mental Health	4,549,000
Prevention and Disease Control	456,000
Developmental Disabilities	2,298,000
AIDS	85,000

Social Services

Homeless Services	39,000
Women's Services	96,000
Adult Services	158,000
Child Welfare Services	771,000

Senior Citizen Services

Long-term Care	636,000
Community Services	444,000

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

North Dorchester Middle School – construction	\$8,500,000
School of Technology – construction	1,000,000

Chesapeake College

Kent Humanities Building – renovation	478,000
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Community Parks and Playgrounds

Hurlock Main Street Playground	84,000
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Chesapeake Bay Water Quality Projects

Christ Rock – public sewer service extension	500,000
Susquehanna Point/Madison/Woolford – sewer installation	500,000

Chesapeake Bay Restoration Fund

Cambridge WWTP – enhanced nutrient removal	3,000,000
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Water Supply Financial Assistance Program

Christ Rock – public water system connection	295,000
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Waterway Improvement

Chapel Cove – channel dredging	75,000
Elliott Island – repair jetty	95,000
Great Marsh Park – replace boat ramp, pier, and wing wall	99,000
Hoopers Island – dredging and miscellaneous repairs	50,000
Public boating facilities – countywide maintenance	99,000
Vienna – waterfront park shoreline stabilization	50,000

Other Projects

Dorchester County Family YMCA	25,000
Galestown Community Center	50,000
WaterLand Fisheries	175,000

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

Cambridge Marine Terminal – construct marine railway	\$150,000
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University System of Maryland

Center for Environmental Science – Horn Point Oyster Production Facility	1,343,000
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Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$149,660	\$151,165	\$1,505	1.0
Compensatory Education	17,433	19,682	2,249	12.9
Student Transportation	10,242	10,582	340	3.3
Special Education	14,020	14,356	336	2.4
Limited English Proficiency Grants	4,288	4,659	370	8.6
Geographic Cost of Education Index	0	3,797	3,797	0.0
Adult Education	235	235	0	0.0
Aging Schools	357	332	-25	-7.0
Other Education Aid	744	744	0	0.0
Primary & Secondary Education	196,979	205,552	8,572	4.4
Libraries	1,105	1,135	30	2.7
Community Colleges	8,074	8,943	869	10.8
Health Formula Grant	2,716	2,772	57	2.1
* Transportation	19,893	19,398	-495	-2.5
* Police and Public Safety	2,272	2,312	39	1.7
* Fire and Rescue Aid	362	362	0	0.0
Recreation and Natural Resources	2,610	507	-2,102	-80.6
Total Direct Aid	\$234,011	\$240,981	\$6,970	3.0
Aid Per Capita (\$)	1,050	1,072	23	2.2
Property Tax Equivalent (\$)	0.88	0.76	-0.12	-13.7

* 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 2009 State payments for Frederick County for teachers, librarians, community college faculty, and local officials are estimated to be \$27,629,000.

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 2009 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 2008) 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	\$1,966,000
Family Health and Primary Care	240,000
Medical Care Services	589,000
Mental Health	12,983,000
Prevention and Disease Control	940,000
Developmental Disabilities	16,195,000
AIDS	42,000

Social Services

Homeless Services	210,000
Women's Services	165,000
Adult Services	194,000
Child Welfare Services	2,377,000

Senior Citizen Services

Long-term Care	238,000
Community Services	73,000

C. Selected State Grants for Capital Projects

Public Schools

Career and Technology Center – renovations (roof and chiller)	\$540,000
Earth and Space Science Lab – construction	525,000
Heather Ridge School – science facilities	459,000
Middletown High School – renovations (plumbing)	342,000
Oakdale High School – construction	9,092,000
Thurmont Elementary School – renovations (HVAC)	708,000
Urbana Middle School – construction	554,000

Public Libraries

Brunswick Community Library – expansion	398,000
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Frederick Community College

Fine Arts and Library Buildings – interior space conversion	574,000
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Local Jail Loan

County Detention Center – expansion	7,401,000
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Shelter & Transitional Facilities

Jefferson School	102,880
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Community Parks and Playgrounds

Baker Park	26,000
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Chesapeake Bay Water Quality Projects

Emmitsburg WWTP – nutrient removal	1,448,000
Thurmont – sewer line rehabilitation and replacement	400,000

Chesapeake Bay Restoration Fund

Ballenger WWTP – enhanced nutrient removal	10,000,000
Emmitsburg WWTP – enhanced nutrient removal	5,000,000
Frederick WWTP – enhanced nutrient removal	1,000,000
Thurmont – sewer rehabilitation	1,000,000
Thurmont WWTP – enhanced nutrient removal	2,000,000

Water Supply Financial Assistance Program

New Market – water line extension	100,000
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Waterway Improvement

Brunswick – ADA and other boat ramp improvements	99,000
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Other Projects

Agriculture and Education Complex	200,000
Montevue Home	200,000
Mount St. Mary’s University – Performing Arts Academic Center	1,250,000
Weinberg Center for the Arts	105,000

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

C&O Canal National Park – boat ramp improvements	\$99,000
Cunningham Falls State Park – install boat ramp and pier lights	30,000

Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$15,735	\$15,796	\$60	0.4
Compensatory Education	4,735	4,807	72	1.5
Student Transportation	2,500	2,573	73	2.9
Special Education	1,600	1,544	-56	-3.5
Limited English Proficiency Grants	0	3	3	0.0
Adult Education	38	38	0	0.0
Aging Schools	75	70	-5	-7.0
Other Education Aid	594	594	0	0.0
Primary & Secondary Education	25,277	25,425	147	0.6
Libraries	160	164	4	2.8
Community Colleges	3,106	3,467	360	11.6
Health Formula Grant	781	791	10	1.2
* Transportation	6,627	6,490	-137	-2.1
* Police and Public Safety	237	240	3	1.1
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	520	101	-419	-80.6
Disparity Grant	2,089	2,012	-77	-3.7
Utility Property Tax Grants	12	0	-12	-100.0
Total Direct Aid	\$39,009	\$38,890	-\$121	-0.3
Aid Per Capita (\$)	1,306	1,313	6	0.5
Property Tax Equivalent (\$)	1.01	0.91	-0.10	-9.5

* 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 2009 State payments for Garrett County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,547,000.

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 2009 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 2008) 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	\$595,000
Family Health and Primary Care	150,000
Medical Care Services	644,000
Mental Health	2,361,000
Prevention and Disease Control	501,000
Developmental Disabilities	2,169,000

Social Services

Homeless Services	79,000
Women's Services	133,000
Adult Services	44,000
Child Welfare Services	896,000

Senior Citizen Services

Long-term Care	183,000
Community Services	67,000

C. Selected State Grants for Capital Projects

Public Schools

Grantsville Elementary School – construction	\$364,573
Northern Middle School – construction	2,655,000

Community Parks and Playgrounds

Crystal Spring Boardwalk Trail	188,000
Observatory Boardwalk Loop Trail	283,000
Rotary Park	26,000

Chesapeake Bay Restoration Fund

Mountain Lake Park – sewer rehabilitation	750,000
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Waterway Improvement

Friendsville Community Park – comfort station and parking improvements	25,000
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Other Projects

Adventure Sports Center International	225,000
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D. Capital Projects for State Facilities in the County

Department of Natural Resources

Deep Creek Lake State Park – improve small boat launch facility	\$55,000
Jennings Randolph Lake – repair lighting at boat launch and parking area	250,000

Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$152,089	\$152,882	\$793	0.5
Compensatory Education	22,632	24,814	2,182	9.6
Student Transportation	10,525	10,815	290	2.8
Special Education	19,618	19,457	-161	-0.8
Limited English Proficiency Grants	1,603	2,040	437	27.3
Adult Education	171	171	0	0.0
Aging Schools	425	395	-30	-7.0
Other Education Aid	539	539	0	0.0
Primary & Secondary Education	207,602	211,113	3,511	1.7
Libraries	1,544	1,627	83	5.4
Community Colleges	9,976	10,988	1,013	10.2
Health Formula Grant	3,120	3,186	66	2.1
* Transportation	17,259	16,836	-422	-2.4
* Police and Public Safety	2,715	2,759	44	1.6
* Fire and Rescue Aid	376	376	0	0.0
Recreation and Natural Resources	3,739	727	-3,012	-80.6
Utility Property Tax Grants	833	0	-833	-100.0
Total Direct Aid	\$247,164	\$247,612	\$450	0.2
Aid Per Capita (\$)	1,024	1,032	8	0.8
Property Tax Equivalent (\$)	1.08	0.97	-0.11	-10.0

* 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 2009 State payments for Harford County for teachers, librarians, community college faculty, and local officials are estimated to be \$28,471,000.

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 2009 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 2008) 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	\$1,714,000
Family Health and Primary Care	230,000
Medical Care Services	844,000
Mental Health	10,712,000
Prevention and Disease Control	1,049,000
Developmental Disabilities	17,537,000

Social Services

Homeless Services	103,000
Women's Services	287,000
Adult Services	169,000
Child Welfare Services	2,119,000

Senior Citizen Services

Long-term Care	346,000
Community Services	72,000

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

Deerfield Elementary School – construction	\$6,064,756
Fallston High School – renovations (roof)	927,000
Jarrettsville Elementary School – renovations (HVAC)	179,000
Joppatowne Elementary School – construction	6,534,184

Harford Community College

Aberdeen Hall – addition and renovations	453,000
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Local Jail Loan

County Detention Center – housing unit expansion	6,336,000
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Senior Citizen Activity Centers

Fallston Senior Center	400,000
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Community Parks and Playgrounds

Nuttal Avenue Park	200,000
Plater Street Park	74,000
Reckord Armory Park	200,000

Chesapeake Bay Water Quality Projects

Havre de Grace WWTP – nutrient removal	2,659,000
Oaklyn Manor – sewer system installation	195,000
Plumtree Run at Tollgate Road – stream restoration	215,000
Sod Run WWTP – nutrient removal	1,341,000

Chesapeake Bay Restoration Fund

Aberdeen WWTP – enhanced nutrient removal	6,700,000
Joppatowne WWTP – enhanced nutrient removal	4,219,000
Sod Run WWTP – enhanced nutrient removal	9,249,000

Water Supply Financial Assistance Program

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

Havre de Grace Yacht Basin – replace pier, pilings, and boat slips	99,000
Havre de Grace Yacht Basin – replace ramp and boarding dock	45,000
Joppatowne – channel dredging	75,000
Swan Creek – channel dredging	125,000
Swan Harbor Farm – shoreline protection	100,000
Tydings Island – renovate dredge placement material site	100,000
Willoughby Beach – renovate piers, boat ramp, bulkhead, and parking area	99,000

Other Projects

Churchville Library Green Building and Science Center	100,000
Lower Susquehanna Greenway Trail Development	250,000

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

Friends Pond – dam repair	\$310,000
Susquehanna State Park – Lapidum miscellaneous repairs	270,000

University System of Maryland

College Park – MD Fire and Rescue Institute North East Regional Training Center	650,000
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Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$137,132	\$145,325	\$8,193	6.0
Compensatory Education	13,991	14,869	878	6.3
Student Transportation	13,001	13,506	505	3.9
Special Education	13,143	13,272	129	1.0
Limited English Proficiency Grants	4,641	5,668	1,026	22.1
Geographic Cost of Education Index	0	2,924	2,924	0.0
Adult Education	286	286	0	0.0
Aging Schools	172	160	-12	-7.0
Other Education Aid	869	869	0	0.0
Primary & Secondary Education	183,235	196,879	13,643	7.4
Libraries	754	763	8	1.1
Community Colleges	12,892	14,321	1,429	11.1
Health Formula Grant	2,190	2,256	66	3.0
Transportation	16,824	16,418	-405	-2.4
Police and Public Safety	3,498	3,498	0	0.0
Fire and Rescue Aid	387	387	0	0.0
Recreation and Natural Resources	6,628	1,289	-5,339	-80.6
Other Direct Aid	130	86	-44	-33.8
Total Direct Aid	\$226,538	\$235,897	\$9,358	4.1
Aid Per Capita (\$)	831	862	31	3.7
Property Tax Equivalent (\$)	0.54	0.54	0.00	0.3

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 2009 State payments for Howard County for teachers, librarians, community college faculty, and local officials are estimated to be \$43,694,000.

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 2009 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 2008) 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	\$1,569,000
Family Health and Primary Care	147,000
Medical Care Services	526,000
Mental Health	7,775,000
Prevention and Disease Control	983,000
Developmental Disabilities	19,792,000

Social Services

Homeless Services	116,000
Women's Services	150,000
Adult Services	80,000
Child Welfare Services	1,866,000

Senior Citizen Services

Long-term Care	274,000
Community Services	21,000

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

Bushy Park Elementary School – construction	\$2,784,000
Centennial Lane Elementary School – construction	1,009,000
Clemens Crossing Elementary School – construction	4,768,000
Lisbon Elementary School – construction	123,000
Waterloo Elementary School – construction	2,100,000
West Friendship Elementary School – kindergarten/pre-k addition	239,000
Worthington Elementary School – construction	3,001,000

Public Libraries

Miller Branch Library – new branch and historical center	320,000
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Howard Community College

Clark Library Building – renovation	7,889,000
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Senior Citizen Activity Centers

North Laurel Park Community Center	400,000
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Chesapeake Bay Water Quality Projects

Brampton Hills – stormwater retrofit	150,000
Cherry Creek – stream restoration	163,000

Chesapeake Bay Restoration Fund

Little Patuxent WWTP – enhanced nutrient removal	1,400,000
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Waterway Improvement

Centennial Lake – complete boat launch and boating access pier	99,000
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Other Projects

Blandair Regional Park	300,000
North Laurel Community Center	300,000
Robinson Nature Center	300,000

D. Capital Projects for State Facilities in the County

Department of Health & Mental Hygiene

Perkins Hospital – new maximum security wing	\$3,137,000
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Maryland State Police

Tactical Services Facility – garage	2,498,000
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Other

School for the Deaf – parking lot and athletic field	122,000
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Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,876	\$4,939	\$63	1.3
Compensatory Education	2,286	2,192	-94	-4.1
Student Transportation	1,326	1,367	41	3.1
Special Education	750	747	-2	-0.3
Limited English Proficiency Grants	167	170	3	1.6
Geographic Cost of Education Index	0	86	86	0.0
Adult Education	64	64	0	0.0
Aging Schools	75	70	-5	-7.0
Other Education Aid	723	723	0	0.0
Primary & Secondary Education	10,267	10,358	92	0.9
Libraries	101	104	2	2.1
Community Colleges	575	628	53	9.2
Health Formula Grant	600	606	6	1.0
* Transportation	3,040	3,009	-32	-1.0
* Police and Public Safety	200	203	2	1.2
* Fire and Rescue Aid	205	205	0	0.0
Recreation and Natural Resources	314	61	-253	-80.6
Total Direct Aid	\$15,302	\$15,174	-\$130	-0.8
Aid Per Capita (\$)	766	759	-7	-0.9
Property Tax Equivalent (\$)	0.60	0.60	-0.01	-1.4

* 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 2009 State payments for Kent County for teachers, librarians, community college faculty, and local officials are estimated to be \$1,898,000.

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 2009 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 2008) 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	\$882,000
Family Health and Primary Care	129,000
Medical Care Services	363,000
Mental Health	1,255,000
Prevention and Disease Control	431,000
Developmental Disabilities	1,452,000
AIDS	25,000

Social Services

Homeless Services	2,000
Women's Services	84,000
Adult Services	53,000
Child Welfare Services	418,000

Senior Citizen Services

Long-term Care	542,000
Community Services	137,000

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 Libraries**

Chestertown Library – roof/window/door replacement	\$191,000
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Chesapeake College

Kent Humanities Building – renovation	478,000
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Community Parks and Playgrounds

Gateway Park	37,000
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Waterway Improvement

Chestertown – Cannon Street replace bulkhead and surface parking lot	50,000
Rock Hall – Bayside Landing Park install parking lot fence	50,000
Rock Hall – Bayside Landing Park replace electrical service at boat slips	99,000

Other Projects

Camp Fairlee Manor	150,000
Prince Theatre	40,000

Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$193,324	\$176,038	-\$17,286	-8.9
Compensatory Education	82,534	85,773	3,239	3.9
Student Transportation	30,678	31,482	804	2.6
Special Education	48,345	49,225	881	1.8
Limited English Proficiency Grants	38,024	42,674	4,650	12.2
Geographic Cost of Education Index	0	18,373	18,373	0.0
Adult Education	394	394	0	0.0
Aging Schools	1,178	1,096	-82	-7.0
Other Education Aid	2,634	2,634	0	0.0
Primary & Secondary Education	397,111	407,689	10,579	2.7
Libraries	2,597	2,610	13	0.5
Community Colleges	40,296	44,779	4,483	11.1
Health Formula Grant	5,454	5,682	228	4.2
* Transportation	46,247	45,032	-1,215	-2.6
* Police and Public Safety	15,232	15,265	33	0.2
* Fire and Rescue Aid	1,300	1,300	0	0.0
Recreation and Natural Resources	16,694	3,246	-13,448	-80.6
Utility Property Tax Grants	2,675	0	-2,675	-100.0
Total Direct Aid	\$527,606	\$525,603	-\$2,002	-0.4
Aid Per Capita (\$)	566	565	-1	-0.2
Property Tax Equivalent (\$)	0.29	0.27	-0.01	-5.1

* 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 2009 State payments for Montgomery County for teachers, librarians, community college faculty, and local officials are estimated to be \$133,571,000.

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 2009 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 2008) 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	\$3,871,000
Family Health and Primary Care	603,000
Medical Care Services	2,908,000
Mental Health	31,369,000
Prevention and Disease Control	2,390,000
Developmental Disabilities	67,714,000
AIDS	239,000

Social Services

Homeless Services	373,000
Women's Services	337,000
Adult Services	769,000
Child Welfare Services	4,400,000

Senior Citizen Services

Long-term Care	981,000
Community Services	213,000

C. Selected State Grants for Capital Projects

Public Schools

Arcola Elementary School – construction	\$2,065,339
Burnt Mills Elementary School – renovations (roof)	132,000
Candlewood Elementary School – renovations (roof)	200,000
College Gardens Elementary School – construction	8,398,000
Fields Road Elementary School – construction	2,263,000
Parkland Middle School – construction	97,000
Redland Middle School – renovations (roof)	500,000
Rock Terrace Special Education – renovations (roof)	340,000
Sherwood High School – construction	926,000
Washington Grove Elementary School – construction	1,795,000
Wayside Elementary School – construction	2,670,000
Weller Road Elementary School – construction	908,000

Public Libraries

Gaithersburg Library – addition and renovation	320,000
Silver Spring Library – construction	335,000

Montgomery College

Rockville – Science Center	29,405,000
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Community Mental Health/Addictions/Dev. Disabilities

Housing Unlimited, Inc.	1,408,000
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Senior Citizen Activity Centers

Rockville Senior Center	350,000
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Shelter & Transitional Facilities

Chase Partnership Project	300,000
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Community Parks and Playgrounds

Gaithersburg International Latitude Observatory Park	100,000
South Germantown Recreation Park	44,000
Woodley Gardens Park	160,000

Chesapeake Bay Water Quality Projects

Stoney Creek – stormwater management and pond retrofit	500,000
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Chesapeake Bay Restoration Fund

Seneca WWTP – enhanced nutrient removal	400,000
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Waterway Improvement

Lake Needwood and Little Seneca Lake – ADA upgrade and floating dock	99,000
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Other Projects

Adventist HealthCare	430,000
Button Farm	300,000
Camp Bennett	125,000
Centro Familia Child Care and Training Center	175,000
CentroNia Facility	200,000
Charles E. Smith Life Communities	760,000
Easter Seals Inter-Generational Center	550,000
Gaithersburg Upcounty Senior Center	200,000
Imagination Stage	200,000
Jewish Council for the Aging	1,000,000
Jewish Foundation for Group Homes, Inc.	250,000
Live Nation	2,000,000
MacDonald Knolls Center	425,000
Mansfield Kaseman Health Center	250,000

Aid to Local Government – Montgomery County

A-159

Maryland Youth Ballet	200,000
Metropolitan Washington Ear Facility	50,000
Montgomery General Hospital	900,000
Plum Gar Neighborhood Recreation Center	250,000
Sharp Street United Methodist Church	100,000
Suburban Hospital	410,000
The Arc of Montgomery County Group Homes	250,000
The Muslim Community Center Medical Clinic	150,000
Waters Barn	250,000
YMCA Youth and Family Services Center	200,000

D. Capital Projects for State Facilities in the County

General Government

Rockville District Court – construction	\$47,535,000
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Department of Natural Resources

C&O Canal National Park – boat ramp improvements	99,000
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Prince George's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$525,710	\$516,275	-\$9,435	-1.8
Compensatory Education	195,229	189,198	-6,031	-3.1
Student Transportation	33,443	34,237	794	2.4
Special Education	72,670	72,064	-606	-0.8
Limited English Proficiency Grants	46,810	55,130	8,320	17.8
Guaranteed Tax Base	23,539	24,868	1,329	5.6
Geographic Cost of Education Index	0	23,619	23,619	0.0
Adult Education	390	390	0	0.0
Aging Schools	2,365	2,199	-166	-7.0
Other Education Aid	2,600	2,600	0	0.0
Primary & Secondary Education	902,756	920,580	17,824	2.0
Libraries	6,566	6,522	-44	-0.7
Community Colleges	22,511	24,598	2,087	9.3
Health Formula Grant	8,999	9,287	289	3.2
* Transportation	40,782	39,759	-1,023	-2.5
* Police and Public Safety	18,176	18,259	83	0.5
* Fire and Rescue Aid	1,120	1,120	0	0.0
Recreation and Natural Resources	14,364	2,793	-11,571	-80.6
Disparity Grant	19,110	21,714	2,604	13.6
Utility Property Tax Grants	7,492	0	-7,492	-100.0
* Other Direct Aid	196	170	-26	-13.4
Total Direct Aid	\$1,042,072	\$1,044,802	\$2,731	0.3
Aid Per Capita (\$)	1,239	1,261	22	1.8
Property Tax Equivalent (\$)	1.40	1.20	-0.21	-14.7

* 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 2009 State payments for Prince George’s County for teachers, librarians, community college faculty, and local officials are estimated to be \$94,738,000.

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 2009 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 2008) 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	\$9,304,000
Family Health and Primary Care	1,212,000
Medical Care Services	3,839,000
Mental Health	34,044,000
Prevention and Disease Control	2,156,000
Developmental Disabilities	61,117,000
AIDS	350,000

Social Services

Homeless Services	810,000
Women’s Services	576,000
Adult Services	651,000
Child Welfare Services	6,738,000

Senior Citizen Services

Long-term Care	822,000
Community Services	205,000

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

Bladensburg High School – construction	\$2,898,000
Duval High School – science facilities	683,000
Laurel-Beltsville Elementary School – construction	5,897,662
Martin L. King Middle School – construction	1,774,000
Northview Elementary School – construction	2,893,000
Rosa L. Parks Elementary School – construction	6,055,000

Community Mental Health/Addictions/Dev. Disabilities

Ardmore Enterprises, Inc.	1,350,000
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Senior Citizen Activity Centers

Laurel-Beltsville Senior Center	415,000
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Community Parks and Playgrounds

Bartlett Park	130,000
Discovery Park	150,000
Magruder Park	111,000
Orca Glen Court Playground	31,000

Chesapeake Bay Restoration Fund

Bowie WWTP – enhanced nutrient removal	4,000,000
Parkway WWTP – enhanced nutrient removal	330,000
Piscataway WWTP – enhanced nutrient removal	1,500,000

Waterway Improvement

Prince George’s Fire/Emergency Medical Services – purchase sonar equipment	20,000
Prince George’s Volunteer Marine Rescue – purchase fire/rescue boat	50,000

Other Projects

Aquaculture and Seafood Retail and Distribution Market	100,000
Belair Bath and Tennis Club	20,000
Belair Swim and Racquet Club	20,000
Bladensburg Market Square	20,000
Bowie Lions Club	10,000
Capitol Heights Municipal Building	150,000
CASA Multi-Cultural Service Center	1,000,000
Children’s Guild – multipurpose room and playfield	250,000
Cornerstone Assembly Gymnasium	20,000
Delta Alumnae Community Development Center	150,000
District Heights – infrastructure improvements	200,000
Forest Heights – municipal building	200,000
Hard Bargain Farm Environmental Center	150,000
Henson Valley Montessori School	100,000
Historic Laurel Mill Ruins	175,000
Lanham Boys and Girls Club Sports Park	250,000
Laurel Armory Anderson Murphy Community Center	75,000
Laurel Boys and Girls Club	100,000
National Children’s Museum	2,000,000
New Carrollton Recreation Center	150,000
Palmer Park Boys and Girls Club	200,000
Pointer Ridge Swim and Racquet Club	20,000
Riverdale – Multicultural Use Center	300,000
Rosaryville Conservancy Tack House and Stables	100,000
Safe Passage Emergency Shelter	200,000
South County Sports and Technology Learning Complex	100,000
Suitland Technology Center	150,000
United Communities Against Poverty	200,000
Walker Mill Daycare and Training Center	300,000
Whitehall Pool and Tennis, Inc.	15,000

D. Capital Projects for State Facilities in the County**Department of Juvenile Justice**

Cheltenham Youth Facility – new detention center	\$1,661,000
Cheltenham Youth Facility – new treatment center	4,074,000

Department of Natural Resources

Fort Washington Marina – replace floating dock and other improvements	250,000
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University System of Maryland

Bowie State – new student center	1,100,000
College Park – Administration Building elevator	2,280,000
College Park – Biology-Psychology Building	1,500,000
College Park – Byrd Stadium expansion	1,800,000
College Park – Carroll Hall renovation	7,800,000
College Park – Denton Dining Hall renovation	7,000,000
College Park – fraternity/sorority houses renovation	7,700,000
College Park – Physical Sciences Complex	4,000,000
College Park – recycling center	1,500,000
College Park – Residence Hall air conditioning	7,650,000
College Park – Satellite Central Utility Building expansion	10,200,000
College Park – School of Journalism Building	6,000,000
College Park – School of Public Health	7,500,000
College Park – Shoemaker Building renovation	7,430,000
College Park – Tawes Building conversion	2,450,000
College Park – telecommunication infrastructure	5,500,000

Queen Anne’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$20,725	\$21,176	\$451	2.2
Compensatory Education	2,829	2,956	127	4.5
Student Transportation	2,767	2,859	92	3.3
Special Education	2,367	2,400	33	1.4
Limited English Proficiency Grants	284	371	88	30.9
Geographic Cost of Education Index	0	329	329	0.0
Adult Education	73	73	0	0.0
Aging Schools	98	91	-7	-7.0
Other Education Aid	430	430	0	0.0
Primary & Secondary Education	29,573	30,685	1,113	3.8
Libraries	126	133	7	5.2
Community Colleges	1,604	1,752	148	9.2
Health Formula Grant	749	762	13	1.7
* Transportation	6,121	5,999	-122	-2.0
* Police and Public Safety	410	412	1	0.3
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	672	131	-541	-80.6
Total Direct Aid	\$39,455	\$40,074	\$619	1.6
Aid Per Capita (\$)	853	860	7	0.8
Property Tax Equivalent (\$)	0.54	0.54	0.00	0.5

* 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 2009 State payments for Queen Anne's County for teachers, librarians, community college faculty, and local officials are estimated to be \$5,004,000.

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 2009 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 2008) 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	\$601,000
Family Health and Primary Care	190,000
Medical Care Services	476,000
Mental Health	1,522,000
Prevention and Disease Control	480,000
Developmental Disabilities	3,359,000
AIDS	4,000

Social Services

Homeless Services	14,000
Women's Services	94,000
Adult Services	45,000
Child Welfare Services	543,000

Senior Citizen Services

Long-term Care	115,000
Community Services	45,000

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

Bayside Elementary School – renovations (roof)	\$881,000
Kent Island Elementary School – construction	3,670,000

Chesapeake College

Kent Humanities Building – renovation	478,000
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Community Parks and Playgrounds

Church Hill Elementary School Playground	89,000
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Waterway Improvement

Centreville Wharf – ADA improvements	99,000
Centreville Wharf – shoreline stabilization and boardwalk improvements	30,000
Dominion and Centreville – marina maintenance dredging	72,000
Queen Anne’s Waterman's Boat Basin – maintenance dredging	95,000
Queenstown – First Avenue Dock replace bulkhead and decking	50,000
Thompson Creek – replace boat ramp and protect shoreline	150,000
United Communities Volunteer Fire Department – purchase fire/rescue boat	50,000

Other Projects

Chesterwye Center	40,000
Hospice Center	40,000

St. Mary's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$63,966	\$65,654	\$1,688	2.6
Compensatory Education	11,160	13,699	2,539	22.8
Student Transportation	5,471	5,701	229	4.2
Special Education	6,842	7,272	430	6.3
Limited English Proficiency Grants	447	598	151	33.8
Guaranteed Tax Base	239	1,075	836	350.2
Geographic Cost of Education Index	0	129	129	0.0
Adult Education	166	166	0	0.0
Aging Schools	98	91	-7	-7.0
Other Education Aid	625	625	0	0.0
Primary & Secondary Education	89,014	95,010	5,995	6.7
Libraries	626	659	32	5.2
Community Colleges	2,316	2,433	117	5.0
Health Formula Grant	1,453	1,479	25	1.7
* Transportation	8,261	8,085	-176	-2.1
* Police and Public Safety	829	851	22	2.7
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	1,266	246	-1,020	-80.6
Total Direct Aid	\$103,965	\$108,963	\$4,995	4.8
Aid Per Capita (\$)	1,052	1,086	34	3.2
Property Tax Equivalent (\$)	1.06	1.02	-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 2009 State payments for St. Mary’s County for teachers, librarians, community college faculty, and local officials are estimated to be \$11,292,000.

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 2009 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 2008) 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	\$2,421,000
Family Health and Primary Care	130,000
Medical Care Services	504,000
Mental Health	4,064,000
Prevention and Disease Control	553,000
Developmental Disabilities	7,181,000

Social Services

Homeless Services	69,000
Women’s Services	184,000
Adult Services	118,000
Child Welfare Services	1,316,000

Senior Citizen Services

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

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

Benjamin Banneker Elementary School – renovations (HVAC)	\$312,000
Evergreen Elementary School – construction	5,847,000
Oakville Elementary School – renovations (HVAC)	701,000

Public Libraries

Leonardtown Library and Administrative Offices – renovate and expand	72,000
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College of Southern Maryland

Leonardtown – Wellness Center	11,712,000
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Local Jail Loan

County Detention Center – minimum security addition	698,000
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Community Parks and Playgrounds

Chancellor’s Run Regional Park and Playground	225,000
Port of Leonardtown Public Park	200,000

Chesapeake Bay Restoration Fund

Leonardtown WWTP – enhanced nutrient removal	618,000
Piney Point – sewer rehabilitation	500,000

Water Supply Financial Assistance Program

Hollywood – arsenic wells mitigation	100,000
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Waterway Improvement

Golden Beach Fire Station – acquire fire/rescue boat	4,500
Kingston Creek – repair timber jetties and channel dredging	440,220
Leonardtown Wharf – construct piers, tie-ups, and transient slips	200,000
Public boating facilities – countywide maintenance	99,000

Other Projects

Leah’s House, Inc.	145,000
St. Mary’s Agricultural Service Center	125,000
St. Mary’s College Amphitheater	300,000
Tudor Hall	55,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Piney Point Natural Resources Police Facility – miscellaneous improvements	\$80,000
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St. Mary's College

Anne Arundel Hall – reconstruction	1,050,000
Bruce Davis Theater – renovation	2,402,000
Student Services Building – construction	1,195,000

Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$12,770	\$13,073	\$303	2.4
Compensatory Education	6,148	5,899	-248	-4.0
Student Transportation	1,560	1,617	57	3.6
Special Education	1,259	1,331	72	5.7
Limited English Proficiency Grants	412	454	42	10.3
Guaranteed Tax Base	961	892	-70	-7.3
Adult Education	118	118	0	0.0
Aging Schools	75	70	-5	-7.0
Other Education Aid	121	121	0	0.0
Primary & Secondary Education	23,424	23,575	151	0.6
Libraries	265	263	-2	-0.6
Community Colleges	727	770	43	5.9
Health Formula Grant	765	775	10	1.3
* Transportation	3,669	3,621	-48	-1.3
* Police and Public Safety	242	251	9	3.7
* Fire and Rescue Aid	213	213	0	0.0
Recreation and Natural Resources	304	59	-245	-80.6
Disparity Grant	4,451	4,371	-80	-1.8
Total Direct Aid	\$34,060	\$33,898	-\$162	-0.5
Aid Per Capita (\$)	1,321	1,303	-19	-1.4
Property Tax Equivalent (\$)	2.44	2.08	-0.35	-14.5

* 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 2009 State payments for Somerset County for teachers, librarians, community college faculty, and local officials are estimated to be \$2,281,000.

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 2009 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 2008) 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	\$872,000
Family Health and Primary Care	161,000
Medical Care Services	438,000
Mental Health	2,980,000
Prevention and Disease Control	522,000
Developmental Disabilities	1,872,000
AIDS	34,000

Social Services

Homeless Services	8,000
Women’s Services	126,000
Adult Services	75,000
Child Welfare Services	840,000

Senior Citizen Services

Long-term Care	636,000
Community Services	444,000

Note: A portion of women’s services funding supports services in Somsert, 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 Libraries**

Crisfield Branch Library – site acquisition	\$160,000
Princess Anne Library – facilities upgrade	19,000

Community Parks and Playgrounds

Mt. Vernon Park	60,000
Princess Anne Recreation Area	144,000

Water Supply Financial Assistance Program

Mariners Water Association – water line replacement	100,000
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Waterway Improvement

Collins Street Pier – new boating pier	25,000
Crisfield – Lorie Quinn Drive Pier addition	99,000
Deal Island/Chance Volunteer Fire Department – rehabilitate fire/rescue boat	15,200
Jenkins Creek – replace dock	99,000
Public boating facilities – countywide maintenance	99,000
Tylerton Marina – construct bulkhead	99,000
Webster's Cove – shoreline protection	200,000

Other Projects

Bending Water Park	200,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Crisfield Marine Terminal – replace pier decking	\$75,000
Janes Island State Park – marina improvements	200,000
Somers Cove Marina – repair piers, swimming pool, and entrance gate	460,000

Maryland Environmental Service

Eastern Correctional Institution – wastewater treatment plant	6,961,000
Eastern Correctional Institution – water treatment plant	3,609,000

Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,241	\$4,249	\$8	0.2
Compensatory Education	2,889	3,112	223	7.7
Student Transportation	1,305	1,345	40	3.0
Special Education	837	822	-15	-1.7
Limited English Proficiency Grants	437	429	-8	-1.8
Aging Schools	98	70	-28	-28.9
Other Education Aid	506	506	0	0.0
Primary & Secondary Education	10,313	10,533	220	2.1
Libraries	100	101	1	1.1
Community Colleges	1,371	1,497	127	9.2
Health Formula Grant	589	599	10	1.8
* Transportation	4,868	4,782	-86	-1.8
* Police and Public Safety	398	409	12	2.9
* Fire and Rescue Aid	225	225	0	0.0
Recreation and Natural Resources	705	137	-568	-80.6
Total Direct Aid	\$18,569	\$18,283	-\$284	-1.5
Aid Per Capita (\$)	515	505	-10	-1.9
Property Tax Equivalent (\$)	0.23	0.20	-0.03	-14.5

* 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 2009 State payments for Talbot County for teachers, librarians, community college faculty, and local officials are estimated to be \$3,118,000.

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 2009 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 2008) 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	\$688,000
Family Health and Primary Care	150,000
Medical Care Services	346,000
Mental Health	2,558,000
Prevention and Disease Control	492,000
Developmental Disabilities	2,620,000
AIDS	30,000

Social Services

Homeless Services	36,000
Women’s Services	122,000
Adult Services	47,000
Child Welfare Services	747,000

Senior Citizen Services

Long-term Care	542,000
Community Services	137,000

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**Chesapeake College**

Kent Humanities Building – renovation	\$478,000
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Community Parks and Playgrounds

Neavitt/Bellevue Community Park	200,000
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Chesapeake Bay Water Quality Projects

St. Michaels – Carpenter Street sewer improvements	305,000
St. Michaels – Mill Street sewer replacement	300,000

Chesapeake Bay Restoration Fund

St. Michaels – Carpenter Street sewer rehabilitation	200,000
St. Michaels – Mill Street sewer rehabilitation	150,000

Waterway Improvement

Bellevue Landing – parking lot improvements	50,000
Chesapeake Bay Maritime Museum – replace bulkhead	99,000
Claiborne Landing – parking lot improvements	50,000
Neavitt Landing – parking lot improvements	75,000
Public boating facilities – countywide maintenance	99,000
St. Michaels – Cherry Street and Honeymoon Bridge repairs	110,000
St. Michaels – Mulberry Street bulkhead replacement	99,000
Tilghman Island Fire Department – boat slip and electrical service	15,000

Other Projects

Oxford Community Center	50,000
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Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$88,731	\$90,407	\$1,676	1.9
Compensatory Education	25,753	27,795	2,042	7.9
Student Transportation	5,789	5,979	190	3.3
Special Education	9,375	9,970	595	6.4
Limited English Proficiency Grants	1,609	1,555	-54	-3.3
Guaranteed Tax Base	2,447	3,527	1,080	44.1
Adult Education	150	150	0	0.0
Aging Schools	264	245	-18	-7.0
Other Education Aid	1,007	1,007	0	0.0
Primary & Secondary Education	135,125	140,635	5,511	4.1
Libraries	1,103	1,135	32	2.9
Community Colleges	7,479	8,060	581	7.8
Health Formula Grant	2,477	2,518	41	1.6
* Transportation	12,750	12,464	-286	-2.2
* Police and Public Safety	1,400	1,462	61	4.4
* Fire and Rescue Aid	232	232	0	0.0
Recreation and Natural Resources	1,988	387	-1,602	-80.6
Utility Property Tax Grants	345	0	-345	-100.0
Total Direct Aid	\$162,899	\$166,893	\$3,993	2.5
Aid Per Capita (\$)	1,133	1,150	17	1.5
Property Tax Equivalent (\$)	1.36	1.26	-0.11	-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 2009 State payments for Washington County for teachers, librarians, community college faculty, and local officials are estimated to be \$14,466,000.

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 2009 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 2008) 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	\$2,707,000
Family Health and Primary Care	177,000
Medical Care Services	618,000
Mental Health	7,615,000
Prevention and Disease Control	845,000
Developmental Disabilities	10,443,000
AIDS	90,000

Social Services

Homeless Services	228,000
Women's Services	150,000
Adult Services	307,000
Child Welfare Services	2,808,000

Senior Citizen Services

Long-term Care	357,000
Community Services	120,000

C. Selected State Grants for Capital Projects

Public Schools

Greenbrier Elementary School – renovations (roof and HVAC)	\$716,000
Maugansville Elementary School – construction	370,640
Pangborn Elementary School – construction	1,593,000
Rockland Woods Elementary School – construction	5,888,000

Public Libraries

Boonsboro Branch Library – replacement library	184,000
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Hagerstown College

Arts and Science Complex	831,000
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Community Mental Health/Addictions/Dev. Disabilities

The "W" House of Hagerstown, Inc.	225,000
Way Station, Inc.	800,000

Federally Qualified Health Centers Grant Program

Walnut Street Community Health Center, Inc.	75,000
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Community Parks and Playgrounds

Byron Memorial Park	66,000
Hagerstown City Park	30,000
Hellane Park	30,000
Veterans Park	76,000

Chesapeake Bay Restoration Fund

Conococheague WWTP – enhanced nutrient removal	3,700,000
Hagerstown – sewer rehabilitation	800,000
Hagerstown WWTP – enhanced nutrient removal	5,000,000
Winebrenner WWTP – enhanced nutrient removal	270,000

Waterway Improvement

Williamsport – River Bottom Park boat ramp and parking improvements	99,000
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Other Projects

C&O Canal National Historical Park – Conococheague Aqueduct	50,000
Maryland Theatre	125,000
Museum of Fine Arts	150,000
Springfield Barn	100,000

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

C&O Canal National Park – boat ramp improvements	\$99,000
Greenbriar State Park – boat ramp improvements	60,000

Department of Public Safety & Corrections

Correctional Training Center – 192-cell medium security unit	10,141,000
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Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$62,575	\$64,102	\$1,527	2.4
Compensatory Education	24,334	26,678	2,344	9.6
Student Transportation	4,363	4,568	205	4.7
Special Education	6,083	6,270	187	3.1
Limited English Proficiency Grants	1,411	1,512	101	7.2
Guaranteed Tax Base	4,251	6,135	1,884	44.3
Adult Education	165	165	0	0.0
Aging Schools	252	194	-59	-23.2
Other Education Aid	696	696	0	0.0
Primary & Secondary Education	104,130	110,320	6,189	5.9
Libraries	770	811	41	5.3
Community Colleges	4,608	4,880	272	5.9
Health Formula Grant	1,699	1,727	28	1.7
* Transportation	9,715	9,495	-220	-2.3
* Police and Public Safety	960	1,011	52	5.4
* Fire and Rescue Aid	232	232	0	0.0
Recreation and Natural Resources	1,328	258	-1,070	-80.6
Disparity Grant	0	742	742	0.0
Total Direct Aid	\$123,442	\$129,476	\$6,034	4.9
Aid Per Capita (\$)	1,342	1,383	41	3.1
Property Tax Equivalent (\$)	1.93	1.84	-0.10	-5.0

* 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 2009 State payments for Wicomico County for teachers, librarians, community college faculty, and local officials are estimated to be \$10,927,000.

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 2009 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 2008) 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	\$1,692,000
Family Health and Primary Care	526,000
Medical Care Services	846,000
Mental Health	7,381,000
Prevention and Disease Control	728,000
Developmental Disabilities	6,682,000

Social Services

Homeless Services	33,000
Women's Services	221,000
Adult Services	57,000
Child Welfare Services	1,489,000

Senior Citizen Services

Long-term Care	636,000
Community Services	444,000

Note: A portion of women's services funding supports services in Somsert, 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 \$11,955,000

Wor-Wic Tech Community College

Allied Health Building 572,000

Community Parks and Playgrounds

Doverdale Park 100,000

Gordy Park 210,000

Chesapeake Bay Water Quality Projects

Delmar WWTP – nutrient removal 1,300,000

Chesapeake Bay Restoration Fund

Delmar WWTP – enhanced nutrient removal 1,000,000

Water Supply Financial Assistance Program

Pittsville – water supply system improvements 650,000

Waterway Improvement

Nanticoke Harbor – replace jetty and dredge harbor 700,000

Pirate’s Wharf Park – new boating facility 99,000

Public boating facilities – countywide maintenance 99,000

Other Projects

Epilepsy Association of the Eastern Shore 170,000

Maryland Food Bank 250,000

D. Capital Projects for State Facilities in the County

Department of Labor, Licensing & Regulation

Eastern Shore Regional Claims Center – construction	\$744,000
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University System of Maryland

Salisbury University – campuswide dormitory renovations	7,941,000
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Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$6,513	\$6,402	-\$110	-1.7
Compensatory Education	5,419	5,616	197	3.6
Student Transportation	2,505	2,581	76	3.0
Special Education	1,397	1,420	23	1.7
Limited English Proficiency Grants	464	496	32	6.9
Adult Education	75	75	0	0.0
Aging Schools	75	70	-5	-7.0
Other Education Aid	502	502	0	0.0
Primary & Secondary Education	16,950	17,162	213	1.3
Libraries	137	137	0	0.2
Community Colleges	1,730	1,832	102	5.9
Health Formula Grant	563	579	16	2.8
* Transportation	7,455	7,305	-150	-2.0
* Police and Public Safety	679	709	30	4.5
* Fire and Rescue Aid	260	260	0	0.0
Recreation and Natural Resources	1,254	244	-1,010	-80.6
Total Direct Aid	\$29,028	\$28,228	-\$799	-2.8
Aid Per Capita (\$)	594	572	-22	-3.7
Property Tax Equivalent (\$)	0.17	0.16	-0.01	-4.6

* 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 2009 State payments for Worcester County for teachers, librarians, community college faculty, and local officials are estimated to be \$6,071,000.

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 2009 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 2008) 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	\$2,439,000
Family Health and Primary Care	202,000
Medical Care Services	531,000
Mental Health	2,644,000
Prevention and Disease Control	593,000
Developmental Disabilities	3,550,000
AIDS	40,000

Social Services

Homeless Services	33,000
Women's Services	158,000
Adult Services	43,000
Child Welfare Services	832,000

Senior Citizen Services

Long-term Care	636,000
Community Services	444,000

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**

Pocomoke High School – construction	\$3,500,000
Worcester Career and Technology Center – construction	1,783,000

Wor-Wic Tech Community College

Allied Health Building	572,000
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Local Jail Loan

County Jail – expansion and renovation	4,606,000
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Waterway Improvement

Byrd Park South – replace boat ramp	99,000
Ocean City – acquire fire/rescue boat	50,000
Pocomoke City – upgrade boating facilities	99,000
Public Landing – construct finger piers with water and sewer connections	99,000
South Point – relocate boat ramp	50,000
Taylor Landing – parking lot ADA improvements	50,000
West Ocean City – new ramp and repair finger piers	57,000

Other Projects

Rackliffe House	250,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Assateague State Park – acquire patrol boat	\$20,000
Natural Resources Police – dredge Ocean City boat house entrance channel	20,000
Natural Resources Police – re-roof West Ocean City boat house	40,000
Ocean City – beach replenishment	2,000,000
Pocomoke River State Park – channel dredging	100,000
Pocomoke River State Park – Shad Landing sewer improvements	3,950,000

