

Part A

Budget and State Aid

Operating Budget

Overview

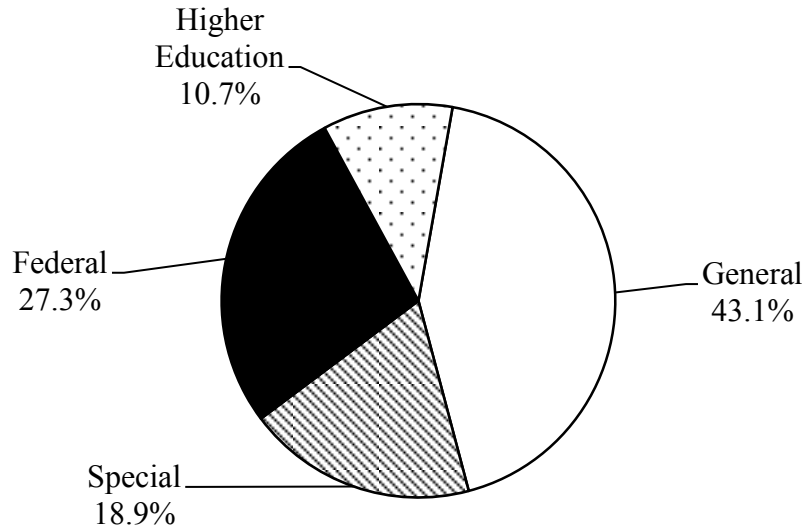
An ongoing structural shortfall between ongoing general fund revenues and spending has dominated the budget since the onset of the Great Recession that began in December 2007. Although the recession ended in June 2009, its effects continue to be felt on State revenues. In December 2010 the Department of Legislative Services (DLS) estimated the structural deficit at just under \$2 billion dollars. After several years of downward revisions in general fund revenues, the Board of Revenue Estimates (BRE) recognized nominal improvement in its revenue forecasts in September and December of 2010. The Spending Affordability Committee (SAC) modified its normal methodology for setting an annual growth limit for the next year's budget, and instead recommended that the general fund structural imbalance be reduced by 33.33% through spending reductions. Progress toward a budgetary sustainability was further challenged by the end of federal stimulus funds which had been received since fiscal 2009.

Budget in Brief

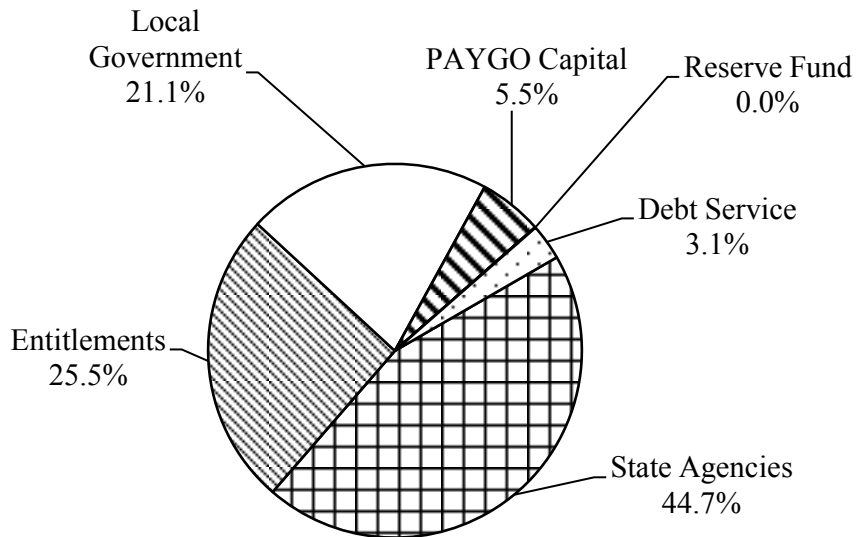
The Fiscal Year 2012 Budget Bill, *House Bill 70 (enacted)*, provides \$34.2 billion in appropriations for fiscal 2012 – an increase of \$940.4 million (2.8%) above fiscal 2011. Federal stimulus funding from the American Recovery and Reinvestment Act of 2009 (ARRA) decreases by \$1.2 billion. These monies are replaced by general funds, though to an extent the growth in general fund spending was tempered by \$367 million in reductions contingent upon budget reconciliation legislation.

Per the new methodology recommended by SAC, the enacted budget reduced the projected fiscal 2012 general fund structural deficit by \$721 million, or 36.9%. However when the effects of ongoing revenue changes are considered, the structural deficit was reduced by a total of 44.1%. The general fund cash balance is estimated at \$42.9 million at the end of fiscal 2012, in addition to 5.0% reserves totaling \$681.5 million in the Rainy Day Fund. **Exhibit A-1.1** illustrates funding by type of revenue.

Exhibit A-1.1
Maryland's \$34.2 Billion Budget
Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go capital

General funds increase to 43% of the total budget, while the share of the budget supported by federal dollars decreases to roughly 27% of spending. This shift was due mostly to the expiration of federal stimulus funds which are replaced by general funds in fiscal 2012. Special funds remain at about 19% of the budget, and higher education revenue provides the remaining 11%. State agency operations constitute the largest area of spending, representing 45% of the total budget. Aid to local governments accounts for 21% of the budget, and 26% supports entitlement programs. Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State general obligation bonds, and transfers to the State Reserve Fund.

General fund appropriations increase by \$1.5 billion, or 11.2%, above fiscal 2011. Nearly all of this growth is due to the replacement of expiring federal stimulus funds for Medicaid, public safety, and local education aid. One-time special funds of \$350.0 million from the Local Income Tax Reserve supported education spending in fiscal 2011 and required general fund replacement. The Medicaid budget also grows due to higher enrollment and provider rate increases. Two supplementary appropriations increase general fund spending by \$62.5 million, applied to public school construction and programs that fund services for the developmentally disabled.

Special funds grow by \$426.8 million, or 7.1%, compared to the fiscal 2011 working appropriation. The majority of the growth is due to appropriations for Medicaid that will be supported by new hospital assessments authorized in *House Bill 72 (passed)*, the Budget Reconciliation and Financing Act (BRFA) of 2011. Spending in the Maryland Department of Transportation grows due to higher debt service, transit operating expenses, and its PAYGO capital program. A nearly \$100.0 million increase is found in the Lottery agency budget due to the purchase of video lottery terminal machines and additional payments to facility operators. Offsetting the increases is a decline of \$350.0 million in the Maryland State Department of Education (MSDE) budget, which represented the use of one-time Local Income Tax Reserve fund balance in fiscal 2011. Approximately \$100.9 million in general fund reductions will be restored from special fund sources.

Federal fund spending decreases by \$1.0 billion, or 10.0%, mostly due to the expiration of \$1.2 billion in federal stimulus funds received in fiscal 2011 which had been applied to spending in the budgets supporting education, public safety, and Medicaid. Additional federal aid decreases were due to the one-time \$178.9 million in Education Jobs Fund monies through MSDE and \$41.6 million in one-time snow emergency disaster assistance in the Military Department received in fiscal 2011. Higher caseloads for the federally funded Supplemental Nutrition Assistance Program (SNAP) provided an offsetting increase of \$502.7 million.

The budgets for public higher education institutions (excluding State support) increase by \$66.7 million in total funds, or 1.9%, in fiscal 2012. This growth is in non-State funds derived from tuition and fees, grants and contracts, and auxiliary sources which support operations of higher education institutions, including the University System of Maryland, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College (BCCC). Aid to community colleges is level funded in fiscal 2012 at \$194.4 million. Aid to nonpublic colleges and universities is also level funded at \$38.4 million.

With respect to personnel, the budget assumes no furlough or temporary salary reduction plan for the first time in three fiscal years. Also, a one-time \$750 employee bonus payment will be made to all employees not in bargaining units that received alternative salary adjustments. There are no funds for salary increments, cost-of-living increases, or deferred compensation matching funds in the budget. The general prohibition on merit increments was statutorily extended through April 1, 2014, with an exemption provided for staff deemed “operationally critical.” In fiscal 2012, the size of the regular State workforce decreases by 1.37%, or 1,085.9 positions. The Voluntary Separation Program, realized in January 2011, is the largest source of the decrease, as it yielded 653.0 position abolitions. For a more detailed discussion of personnel issues, see the subpart “Personnel” within Part A of this *90 Day Report*.

Framing the Session: 2010 Interim Activity

BRE Revenue Revisions

As a result of greater than expected withholding, as well as stronger corporate profits, the estimate for personal and corporate income tax growth was increased in September. The fiscal 2011 estimate was increased to \$13.2 billion, or 1.7%, growth. In December 2010, BRE noted early signs of economic recovery. The fiscal 2011 estimate was increased to 2.1% growth over fiscal 2010 based on revisions to the corporate income and sales taxes, offset by tempered estimates for the lottery and miscellaneous revenues.

SAC Recommendations

SAC prepared its final report to the Governor in December 2010, which included the adoption of a new methodology. Since its creation in 1982, the committee had always recommended an annual growth limit in State-sourced spending over the amount adopted at the prior legislative session. The most recent recession created a structural shortfall estimated at nearly \$2 billion between ongoing spending and ongoing revenue. Thus, the committee directed that measurable progress must be made in reducing the structural deficit in fiscal 2012 and in each year of this term. The Department of Budget and Management (DBM) and DLS were charged with jointly establishing the parameters for evaluating the structural reductions adopted in each year.

Spending Limit and Sustainability: The committee recommended that the budget submitted by the Governor and approved by the General Assembly for fiscal 2012 reduce the general fund structural deficit by 33.33%. It was further recommended that the Governor reduce the unfunded liability associated with post employment benefits.

Personnel: The committee recommended that the current complement of 79,500 regular positions was appropriate for the delivery of State services given the fiscal condition of the State. It was recommended that any new positions be accommodated within the current overall level.

State Reserve Fund: SAC continued to recommend prudent use of the Rainy Day Fund. Use of the balance below 5% was recommended only as part of a plan to achieve a sustainably balanced budget.

Governor’s Spending Plan as Introduced

For the current fiscal year, the Governor proposed \$637.7 million of fiscal 2011 deficiencies. These included additional funding mostly for the federal SNAP (\$502.0 million), education Race to the Top federal funds (\$100.0 million), and Medicaid (\$25.6 million). The fiscal plan submitted by the Administration provided for \$34.1 billion in total spending for fiscal 2012. Relative to the 33.33% recommendation made by SAC, the budget reduced 34.8%, or \$680.0 million, from the projected fiscal 2012 structural deficit. The Governor’s proposed spending plan estimated a closing fiscal 2012 general fund balance of \$120.3 million, without relying upon any transfers from the State Reserve Fund. **Exhibit A-1.2**, details the Governor’s original general fund spending plan for fiscal 2011 and 2012. As shown, general fund spending (net of reversions) increases by \$1.9 billion in the fiscal 2012 allowance.

Exhibit A-1.2 Governor’s Original Budget Plan Fiscal 2011-2012 (\$ in Millions)

	<u>2011</u>	<u>2012</u>
Opening Balance	\$344.0	\$679.3
BRE Revenues	\$13,162.7	\$13,597.8
Additional Revenues	76.1	275.0
Transfers	325.1	204.2
Subtotal	\$13,563.9	\$14,077.1
Appropriations and Deficiencies	\$13,266.5	\$15,165.0
Across-the-board Reductions	0.0	-52.2
Contingent Reductions	0.0	-441.1
Reversions	-37.9	-35.7
Subtotal	\$13,228.6	\$14,636.0
Closing Balance	\$679.3	\$120.3

BRE: Board of Revenue Estimates

Source: Maryland Budget Highlights, Fiscal 2012

Over \$1.5 billion of that increase was due to the replacement of one-time special funds and expiring federal stimulus funds received by the State through the ARRA in fiscal 2011, as seen in **Exhibit A-1.3**. An additional \$18.4 million from the federal Education Jobs Fund of 2010 was used to cover what would have been a fiscal 2011 general fund shortfall in education spending due to lower than expected revenue from video lottery terminals.

Exhibit A-1.3
Replacement of Federal and Special Funds
Amounts Funded in Fiscal 2011
(\$ in Millions)

Federal ARRA Funds	
Medicaid	\$670.2
Juvenile Services	4.5
Education	422.3
Public Safety	53.2
State Police	19.8
Subtotal	\$1,170.1
Local Income Tax Reserve Special Funds	
Education	\$350.0
Subtotal	\$350.0
Federal Education Jobs Fund	
Education	\$18.4
Subtotal	\$18.4
Grand Total	\$1,538.5

BRE: Board of Revenue Estimates

Source: Department of Legislative Services

About one-half of the increase in spending was covered by additional revenues estimated by BRE as well as the use of fund balance. The remainder was addressed through additional revenue assumptions, proposed fund transfers, and spending cuts contingent upon legislative action through budget reconciliation and other legislation.

Revenue Assumptions: Over \$314 million in additional revenue was assumed by the Governor. Recently enacted federal tax law changes were assumed to yield nearly \$100 million in additional sales and income taxes over both fiscal years. A number of other revenues required legislative concurrence through budget reconciliation legislation. Some of the larger items were a \$60 million transfer from the Transportation Trust Fund (TTF), \$20 million from vehicle

license and registration tax clearances, almost \$18 million if the sales tax vendor credit was capped permanently at \$500 per month, a diversion of \$19 million in revenue from the Chesapeake and Atlantic Coastal Bays 2010 Fund, a permanent diversion of \$11 million in special fund account interest, and \$47 million from the application of Medicare Part D recoveries to the general fund.

Fund Transfers: Fiscal 2011 was balanced in part by \$317.4 million in transfers approved at the 2010 session, largely from the Local Income Tax Reserve (\$200.0 million) and PAYGO capital programs (\$75.6 million). For fiscal 2012, the Governor proposed another \$191.0 million from transfer tax, bay restoration, and other PAYGO programs. Much of the PAYGO transfers are proposed to be replaced by general obligation debt.

Across-the-board Reductions: Across-the-board reductions of \$63.4 million assumed savings of \$40.0 million in general funds due to an expected 1,000 position abolitions related to a Voluntary Separation Program. Higher prescription drug co-pays for active employees and savings due to favorable health trends were expected to save a combined \$13.4 million (including assumed legislative and judicial reversions).

Contingent Reductions: The Governor also proposed \$441.1 million in general fund contingent reductions, with most tied to the BRFA. Larger provisions would recognize prefunding of local education aid (\$124.4 million) and level funding the amount of education aid to local jurisdictions (\$93.7 million), pension reform (\$104.0 million), and reforming retiree prescription drug benefits (\$22.1 million). Reform of pension and retiree health care funding were also proposed to reduce the State's unfunded liabilities.

Other contingent reductions that were part of the Governor's spending plan relied on separate legislation. This included plans to consolidate police functions in the Departments of Health and Mental Hygiene (DHMH) and Labor, Licensing, and Regulation with the Department of General Services (DGS); consolidation of aquaculture and land preservation functions in the Department of Natural Resources (DNR); and a proposed merger of the Maryland Higher Education Commission (MHEC) with MSDE.

Legislative Consideration of the Budget

Revenue and Spending Changes

Supplemental Budget No. 1: The Governor introduced one supplemental budget that increased spending by a total of \$225.7 million. Additional funding of \$42.2 million was provided for Highway User Revenue (HUR) grants to local jurisdictions, including \$20.6 million of special funds that should have been appropriated in fiscal 2010 to implement statutory changes adopted at the 2010 session and \$21.6 million from unexpended prior year ARRA funds. In the education area, the two largest items were deficiencies of \$14.8 million in general funds for the Child Care Subsidy Program to offset lower than expected federal dollars, and \$12.8 million in general funds for the Foundation Program to offset lower attainment of revenues from Video Lottery Terminals. In DHMH, a combined \$35.0 million funds prior year Medicaid

service claims (\$10.0 million general funds/\$15.0 million federal funds) and restores rates for Mental Health Community Providers (\$5.0 million each of general and federal funds). Higher education spending increased by \$35.0 million to appropriate restricted and unrestricted revenues for Pell grants to recognize private contributions toward construction of the new Law School at the University of Baltimore and other operating expenses.

Reductions: The legislature reduced the fiscal 2011 budget by \$0.2 million in the Department of Juvenile Services (DJS) for nonresidential per diem payments due to the availability of other funding. Changes adopted in the fiscal 2012 budget eliminated 473 regular positions and reduced \$631.7 million in all funds. Of this amount, \$100.0 million in general fund cuts are intended to be replaced by special funds.

Notable reductions included:

- \$124.4 million for education aid based on available federal Education Jobs Fund monies that supplanted general funds in fiscal 2011. The general fund aid appropriated in fiscal 2011 will be retained by the local jurisdictions for use in fiscal 2012;
- \$104.0 million related to pension reform;
- \$94.5 million in transfer tax sourced spending in DNR and Agriculture (MDA). With the revenue transferred to the general fund, nearly all of the programs supported by these funds will be replaced over several years by general obligation bonds;
- \$61.2 million due to overbudgeted estimates of federal aid in MSDE;
- \$42.1 million for reductions for Medicaid-related purposes that will be replaced by special funds. This includes an increase of a nursing facilities assessment, additional hospital assessment revenues beyond those proposed by the Governor, and use of the premium tax to cover Kidney Disease program expenses;
- \$34.8 million representing 90% of the cost of operating the State Department of Assessments and Taxation (SDAT) that will be supported by local jurisdictions;
- \$33.0 million from DNR and MDA in reductions to activities funded by the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund. Approximately \$13.0 million of this amount was double budgeted, and \$20.0 million of revenue is transferred to the general fund through budget reconciliation legislation;
- \$23.2 million related to reforms in prescription drug coverage;

- \$22.3 million for the InvestMaryland initiative was reduced pending the outcome of legislation authorizing the program; and
- \$17.3 million associated with the abolition of 450 regular positions by January 1, 2012.

Supplementary Appropriations: Legislation was passed to increase the sales tax on alcoholic beverages from 6 to 9% effective July 1, 2011. As outlined below, two bills included supplementary appropriations funded by the tax increase for fiscal 2012:

- **Senate Bill 994 (passed)** creates a supplementary appropriation of \$15.0 million to fund a Waiting List initiative in the Developmental Disabilities Administration (DDA) of DHMH; and
- **House Bill 1213 (passed)** creates a supplementary appropriation of \$47.5 million for public school construction projects to be allocated through the Board of Public Works.

State Aid Formula Enhancements: The Governor’s budget plan proposed level funding education aid for a savings of \$94 million. The legislature modified this proposal and reduced formula funding by \$36 million; however, \$22 million of the savings was reserved to fund several State aid formula adjustments contingent on passage of **Senate Bill 994**. For a further discussion of these actions see the State Aid subpart within Part A and see Part L – Education of this *90 Day Report*.

The budget does not reflect special funds that are intended to replace general funded items, which were reduced at the 2011 session but which have yet to be appropriated. **Exhibit A-1.4** summarizes the items that will be restored with special funds. Larger items include \$42.1 million under Medicaid through increasing the hospital assessment (\$17.5 million), increasing the nursing home quality assessment (\$13.0 million), and use of the Senior Prescription Drug Program and CareFirst premium tax revenue for kidney disease programs (\$11.6 million). For fiscal 2012 and 2013, local jurisdictions will be assessed 90% of the cost of SDAT. This amount will decrease to 50% of the cost in fiscal 2014 and beyond. Local school boards and community colleges will also contribute toward the administrative costs of the State Retirement Agency, which represent most of the special funds under MSDE.

Exhibit A-1.4
General Fund Reductions to Be Replaced with Special Funds
Fiscal 2012
(\$ in Millions)

	<u>General</u> <u>Funds</u>	<u>Special</u> <u>Funds</u>
Medicaid	-\$42.1	\$42.1
Department of Assessments & Taxation	-33.9	33.9
Education	-16.2	16.2
Juvenile Services	-2.2	2.2
Department of Information Technology	-1.9	1.9
Natural Resources	-1.7	1.7
Maryland Higher Education Commission	-1.4	1.4
Human Resources	-1.0	1.0
Planning	-0.5	0.5
Comptroller	-0.1	0.1
Total	-\$100.9	\$100.9

Final Actions Related to SAC

Limiting Spending Growth: As shown in **Exhibit A-1.5**, final action by the legislature reduced general fund spending relative to the fiscal 2012 baseline by \$802 million. After adjusting for one-time items, structural reductions total \$721 million. When compared to the estimated structural gap of \$2.0 billion, this represents a reduction of 36.9% of the deficit which exceeds the 33.33% goal recommended by SAC by \$71 million.

Personnel: After accounting for positions abolished through the Voluntary Separation Program in February 2011, the budget as introduced funded 78,931 positions. The legislature abolished another 23 positions, including 3.0 out of 20.5 positions created in Supplemental Budget No. 1, and required the Governor to abolish 450 positions by January 1, 2012. At 78,458 positions, the fiscal 2012 complement is below the 79,500 cap recommended by SAC for the 2011 session. Thus, the final action for State employment is consistent with the SAC recommendation.

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

Structural Deficit Analysis

Ongoing Baseline Spending Fiscal 2012	\$15,551
Legislative Appropriation	14,749
<i>Reductions from Baseline Spending</i>	<i>\$802</i>

Exclusions

Temporary Assistance for Needy Families	-\$46
Federal Education Jobs Monies	-124
One-time School Construction Supplementary Appropriation	48
One-time Guaranteed Tax Base	12
One-time Disparity Grant	9
One-time School Aid Below 6.5%	1
Employee Bonus	40
40% of Department of Assessments and Taxation	-15
Judiciary Operating Reduction	-5

Subtotal ***-81***

Structural Reductions from Baseline Spending **\$721**

Estimated Structural Gap (December 2010) **-\$1,953**

Percent of Fiscal 2012 Structural Deficit **-36.92%**

State Reserve Fund Balance: No funds are transferred to support fiscal 2012 spending, maintaining a \$681 million balance in the Rainy Day Fund. This constitutes a 5% balance. Final action on the budget complied with the SAC recommendation to maintain at least a 5% balance and to use the fund only as a last resort.

Summary of Fiscal 2010 Legislative Activity

Exhibit A-1.6 summarizes final legislative action on the general fund budget. In addressing the write down of revenues and additional spending in the one supplemental budget, the General Assembly adopted \$554.1 million in transfers. Of this, \$317.4 million was implemented through Chapter 484 of 2010. Approximately \$367.0 million of the \$430.4 million in general fund reductions are contingent upon the BRFA of 2011. Based upon these actions, the closing fiscal 2011 balance is estimated at \$647.1 million, and fiscal 2012 would end with a projected \$42.9 million balance.

Exhibit A-1.6
Final Legislative Budget Action
Fiscal 2011-2012
(\$ in Millions)

	<u>FY 2011</u>	<u>FY 2012</u>
Opening Balance	\$344.0	\$647.1
BRE Revenues	\$13,162.7	\$13,597.8
Additional Revenues	76.1	243.0
Legislation	0.0	76.0
Transfers	326.3	227.7
Subtotal	\$13,565.1	\$14,144.6
Appropriations/Supplementals/Deficiencies	\$13,300.2	\$15,148.9
Supplementary Appropriations	0.0	62.5
Reductions	-0.2	-63.2
Contingent Reductions	0.0	-367.0
Reversions	-37.9	-32.4
Subtotal	\$13,262.1	\$14,748.7
Closing Balance	\$647.1	\$42.9

BRE: Board of Revenue Estimates

Exhibit A-1.7 illustrates the actions of the Governor and the legislature relative to current services spending forecasted in the DLS fiscal 2012 baseline budget estimate. As shown, the Governor constrained the growth in fiscal 2012 spending by \$179 million in savings from additional or estimated federal aid for low income energy assistance and public assistance grants, personnel savings, constrained information technology and other spending, and greater use of special funds. Savings were offset by provision of a one-time \$750 bonus per employee, restoration of furloughs, and changes in formula calculations.

Exhibit A-1.7
Reductions from General Fund Baseline Spending Estimate
Fiscal 2012
(\$ in Millions)

	<u>Governor's</u> <u>Proposal</u>	<u>Final</u>
General Fund Baseline Spending Estimate (December 2010)	\$15,551	\$15,551
Changes from Baseline Incorporated in Governor's Allowance		
Net Changes to Statutory Formula Calculations	\$26	\$26
Community College Affordability Grants	5	5
Medicaid Savings – Cost Containment/Provider Rates Lower	-27	-27
Public Assistance – Lower Costs and Optimistic Federal Estimate	-57	-57
Low Income Energy Assistance – More Federal Funds Available	-50	-50
Higher Education – More Special Funds Available	-12	-12
Corrections – Federal Utilization of MCAC/Other Savings	-13	-13
State Police – Speed Camera Revenues Available	-9	-9
Health and Human Resources	-20	-20
Personnel – One-time Bonus/No Furloughs	88	88
Personnel – Vacancy Rate/Voluntary Separations/Health Benefits	-63	-63
Funding for Information Technology Projects	-25	-25
Sustainable Communities Tax Credit – Level Fund	-5	-5
Economic Development Programs/Biotech Tax Credit	10	10
Other Net Changes	-27	-27
<i>Subtotal</i>	<i>-\$179</i>	<i>-\$179</i>
Reductions Proposed by the Governor Requiring Legislative Approval		
Education Aid Formulas	-\$94	-\$36
Pre-fund Education Formulas with Fiscal 2011 Monies	-124	-124
Bond Fund Aging Schools/Level Fund Library Aid	-10	-10
Charge Counties for Share of Property Valuation Costs	-35	-35
Medicaid – Additional Hospital Assessments	-254	-272
Medicaid – Pooling of Graduate Medical Education Costs	-18	0
Medicaid – Nursing Home Assessment/Kidney Disease Fund Swap	-25	-25

	<u>Governor's</u>	<u>Final</u>
	<u>Proposal</u>	
Restructuring Retirement and Retiree Health Benefits	-126	-118
Other	-15	-10
<i>Subtotal</i>	<i>-\$700</i>	<i>-\$629</i>
Changes Initiated by Legislature		
Charge Local Boards for Retirement Agency Administrative Costs		-\$17
Aid Formula Increases Contingent on Alcohol Sales Tax (SB 994)		22
School Construction Supplementary Appropriation (HB 1213)		48
Medicaid – Scale Back MCO Rate Increase/Other		-16
Waiting List (DDA) Supplementary Appropriation (SB 994)		15
USM System Office/Morgan State University		-4
Judiciary Operating Expenditures		-10
Reduce State Positions by 450		-17
Other Reductions		-15
<i>Subtotal</i>		<i>\$5</i>
Total General Fund Expenditures	\$14,672	\$14,749
Total Reductions from Baseline Estimates	\$879	\$802

DDA: Developmental Disabilities Administration
 MCAC: Maryland Correctional Adjustment Center
 MCO: Managed Care Organizations
 USM: University System of Maryland

The Governor also proposed \$700.0 million in reductions that required legislative concurrence. This included imposition of a Medicaid hospital assessment, restructuring health and pension benefits, level funding local education aid, and pre-funding education formulas due to the availability of federal aid in fiscal 2011. Final legislative action adopted nearly all of the Administration's proposals, with notable exceptions resulting in the restoration of \$58.0 million to level fund per pupil education aid, modifications to retiree health benefit proposals, and additional hospital assessment revenues instead of pooling Graduate Medical Education costs. The legislature also adopted a net \$5.0 million in additional general fund spending. Supplementary appropriations totaling \$62.5 million for school construction (\$47.5 million) and the Waiting List initiative (\$15.0 million) and \$22.0 million in aid formula increases contingent on [*Senate Bill 994*](#) were offset by other spending cuts.

Outlook for Future Budgets

As shown in **Exhibit A-1.8**, there is a cash balance of \$43 million projected at the end of fiscal 2012, while ongoing spending exceeds ongoing revenues by \$1,091 million. The fiscal 2012 structural deficit is closed by the use of the fiscal 2011 fund balance (\$647 million), transfers (\$309 million), one-time revenues (\$55 million), and one-time reductions (\$165 million).

Exhibit A-1.9 shows that the actions taken by the Governor and the General Assembly reduce the structural deficit to less than \$1.1 billion in fiscal 2012, compared to \$2.0 billion projected in December 2010. The out-year deficit remains near \$1.1 billion through fiscal 2016. This is also less than the deficits assumed by the Administration in the allowance, which was projected to hover around \$1.2 billion. The deficit is reduced by limiting spending and by increasing revenues. Most of the changes are attributable to ongoing actions taken in the BRFA of 2011, such as:

- increasing the hospital assessment, which is expected to reduce general funds for Medicaid by \$298 million in fiscal 2016;
- reducing State employee and teacher pension benefits, which is projected to reduce annual contributions by \$90 million by fiscal 2016 while steadily increasing the funded status of the plans;
- reduce the State's per pupil payment for K-12 education, which is expected to reduce State spending by \$43 million in fiscal 2016;
- slowing the growth in the State's share of community college costs, which is estimated to reduce State expenditures by \$37 million by fiscal 2016; and
- increasing the retirees' share of health care costs, which are projected to reduce State costs by \$18 million in fiscal 2016.

Exhibit A-1.8
General Fund Budget Outlook
Fiscal 2010-2016
(\$ in Millions)

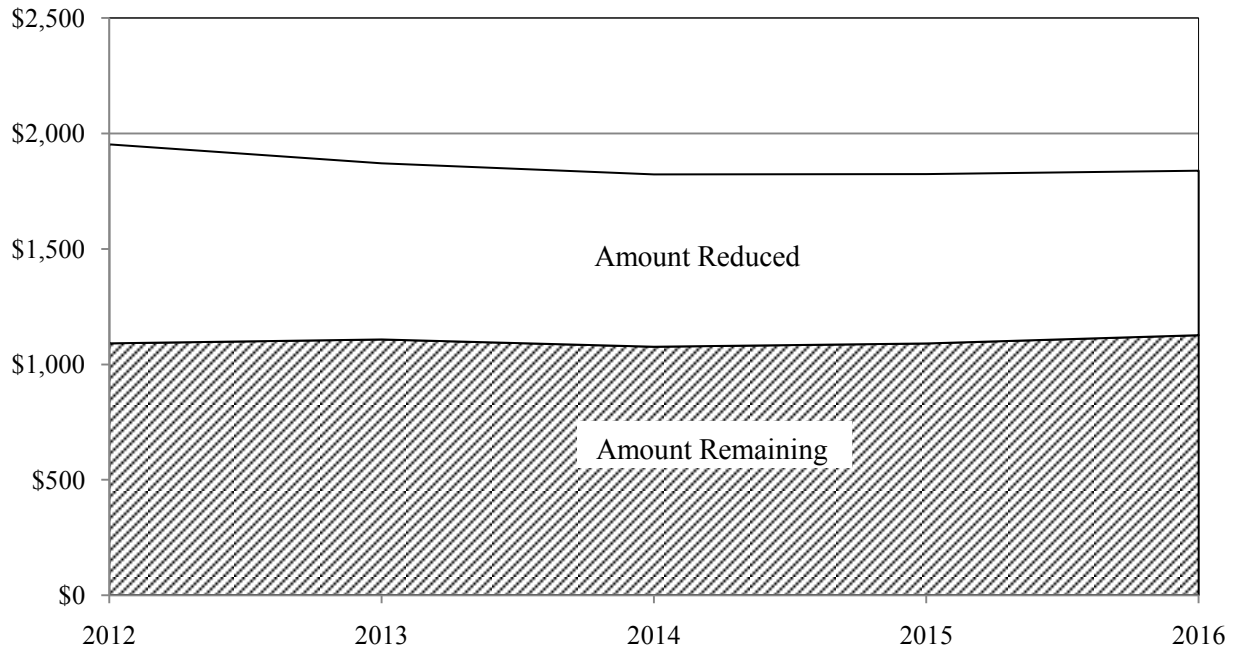
	2010	2011	2012	2013	2014	2015	2016	2012-16
<u>Revenues</u>	<u>Actual</u>	<u>Working</u>	<u>Leg. Approp.</u>	<u>Est.</u>	<u>Est.</u>	<u>Est.</u>	<u>Est.</u>	<u>Avg Annual Change</u>
Opening Fund Balance	\$87	\$344	\$647	\$43	\$0	\$0	\$0	
Transfers	243	319	309	58	37	38	45	
One-time Revenues and Legislation	593	42	55	-8	-8	0	0	
Subtotal One-time Revenue	\$922	\$705	\$1,011	\$93	\$29	\$38	\$45	-53.9%
Ongoing Revenues	\$12,864	\$13,204	\$13,696	\$14,413	\$15,122	\$15,814	\$16,511	
Revenue Adjustments and Legislation	0	0	84	85	76	68	69	
Subtotal Ongoing Revenue	\$12,864	\$13,204	\$13,780	\$14,498	\$15,199	\$15,882	\$16,581	4.7%
Total Revenues and Fund Balance	\$13,786	\$13,909	\$14,791	\$14,591	\$15,228	\$15,920	\$16,626	3.0%
Ongoing Spending								
Operating Spending	\$14,494	\$14,858	\$15,047	\$15,851	\$16,654	\$17,401	\$18,186	
VLT Revenues Supporting Education	-11	-83	-215	-287	-471	-512	-549	
Multi-year Commitments	5	25	25	25	75	65	50	
Ongoing Spending – Legislation	0	0	13	15	17	18	20	
Subtotal Ongoing Spending	\$14,489	\$14,800	\$14,870	\$15,605	\$16,275	\$16,972	\$17,707	4.5%
One-time Spending								
PAYGO Capital	\$0	\$1	\$0	\$1	\$1	\$1	\$1	
One-time Reductions	0	0	-165	-15	0	0	0	
One-time Fund Swaps	0	-350	0	0	0	0	0	
One-time Spending - Legislation	0	0	48	2	0	0	0	
Federal Stimulus Funds	-1,161	-1,189	-5	0	0	0	0	
Appropriation to Rainy Day Fund	115	0	0	50	50	50	50	
Subtotal One-time Spending	-\$1,046	-\$1,538	-\$122	\$37	\$51	\$51	\$51	n/a
Total Spending	\$13,442	\$13,262	\$14,748	\$15,643	\$16,326	\$17,023	\$17,758	4.8%
Ending Balance	\$344	\$647	\$43	-\$1,052	-\$1,098	-\$1,103	-\$1,131	
Rainy Day Fund Balance	\$612	\$623	\$682	\$722	\$757	\$792	\$826	
Balance Over 5% of GF Revenues	-16	-37	2	1	1	1	1	
As % of GF Revenues	4.87%	4.72%	5.01%	5.01%	5.01%	5.01%	5.00%	
Structural Balance	-\$1,625	-\$1,596	-\$1,091	-\$1,107	-\$1,076	-\$1,090	-\$1,126	

GF: general fund

PAYGO: pay-as-you-go

VLT: video lottery terminal

Exhibit A-1.9
Projected Structural Deficit Reduction Achieved and Work Left To Do
Fiscal 2012-2016
(\$ in Millions)



Source: Department of Legislative Services

Other legislation also affecting out-year deficits includes:

- **Senate Bill 994** increases the sales tax on alcohol by 3%, providing approximately \$84.8 million beginning in fiscal 2012. These savings were offset by \$15.0 million in ongoing spending beginning in fiscal 2012, \$47.5 million in one-time funds for public school construction, and \$22.0 million reserved for several one-time State aid formula adjustments;
- **Senate Bill 672 (passed)** provides a \$7.5 million film tax credit from fiscal 2012 to 2014. These costs are offset by \$2.0 million in spending reductions relating to the existing film production rebate program terminated by the legislature; and
- **House Bill 778 (passed)** provides \$2.4 million annually to expand Medicaid's family planning services.

Budget Reconciliation and Financing Legislation

House Bill 72 (passed), the BRFA of 2011, implements \$1.0 billion in actions that were of immediate benefit (fiscal 2011 and 2012) to the general fund. These actions are summarized in **Exhibit A-1.10**.

Actions within the BRFA of 2011 can be categorized into five major types: changes in mandated grants and formulas; actions related to general and special fund revenues; fund balance transfers; actions affecting employees and retirees; and other miscellaneous provisions.

Exhibit A-1.10

Summary of Actions in the Budget Reconciliation and Financing Act of 2011

Fund Transfers	\$236.7 million
Contingent Reductions and Fund Swaps	621.1 million
Revenues	180.1 million
Total Budgetary Action	\$1,037.9 million

Formulas and Mandated Spending

In the area of public education, the BRFA of 2011 establishes the per-pupil foundation amount at \$6,694 for fiscal 2012, the same level as fiscal 2011; current law which calls for a 1.0% inflationary cap for fiscal 2013 through 2015 is unchanged. Contingent on the enactment of *Senate Bill 994*, counties are provided an additional grant to ensure that their decrease in direct education aid from fiscal 2011 to 2012 is not more than 6.5%. This provision applies to Allegany and Garrett counties and provides \$1.4 million in additional funding. For fiscal 2012 only, a county that shifts costs of retiree health care to its school board in fiscal 2011 may subtract a reduction in those costs from its fiscal 2012 maintenance of effort requirement. To the extent that Baltimore City exercises this option, its grant under the Guaranteed Tax Base program would be increased. This provision is also contingent on the enactment of *Senate Bill 994*. The BRFA of 2011 pre-funds \$124.4 million of the fiscal 2012 foundation program using general funds freed-up in fiscal 2011 due to the availability of federal Education Jobs Fund money. Finally, the per-resident amounts used for county library aid, the regional library network, and the State Library Resource Center are held at the fiscal 2011 level through fiscal 2016. The rates then increase in fiscal 2017, 2018, and 2019.

The growth in mandated formulas in higher education is constrained by adjustments to the applicable percentage of selected public university per-student funding. The Cade formula for community college aid is held at 19.0% for fiscal 2013 and 2014; it increases thereafter to reach its prior mandated maximum of 29.0% in fiscal 2023. The formula for BCCC is dampened beginning in fiscal 2016, extending the time to achieve the prior mandated maximum by

one year, to fiscal 2023. The growth in the Sellinger formula for private colleges and universities is constrained beginning in fiscal 2013, and the maximum rate of 15.5% is reached in fiscal 2021. In addition, the bill establishes that students enrolled in a program offered as a venture with a for-profit educational service are not to be included in the full-time equivalent student count for purposes of the Sellinger grant formula.

The BRFA of 2011 begins the process of phasing out the Distinguished Scholar Program by prohibiting the award of new scholarships beginning with the upcoming year. The program is repealed in full effective July 1, 2015. The bill also modifies the State's responsibility under the Community College Statewide and Health Manpower Grants by limiting the amount reimbursed to community colleges to the amount provided in the annual budget. Additionally, community colleges can collect the out-of-county tuition rate from students in this program, provided that the student is reimbursed the amount that the community college receives from the State.

The BRFA of 2011 establishes the annual funding level for the Maryland Agricultural and Resource-Based Industry Development Corporation and suspends payments-in-lieu-of-taxes generated from park earnings for fiscal 2012 and 2013. For fiscal 2012 only, the disparity grant formula increases the per capita statewide income tax yield threshold from 75 to 77%, contingent on the enactment of *Senate Bill 994*. Finally, the General Assembly rejected a provision in the BRFA of 2011 as introduced that would have given the Governor broad discretion in the funding of mandated formulas through fiscal 2016.

Revenue Actions

The BRFA of 2011 includes a number of provisions that result in general and special fund revenues either by increasing fees, directing some sources of revenue to the general fund or other specified purpose, and makes changes to tax administration and compliance measures. A schedule of fee changes affecting general and special fund revenues is shown in **Exhibit A-1.11**.

Exhibit A-1.11
General Fund Revenues
Fee and Tax Increases in the Budget Reconciliation and Financing Act of 2011
(\$ in Millions)

Fees That Benefit the General Fund

Wage Attachment Fee	\$2 Per Payroll Transaction (New)
Probation Supervision Fee	Increased From \$40 to \$50 Per Month
Maryland Higher Education Commission	To Cover Costs of Program Approval (\$250,000)
Birth Certificate Fee	Increased From \$12 to \$24 Each
Nursing Facility Quality Assessment	Increased from 4.0 to 5.5% of Revenue
IWIF Subject to Premium Tax	2.0% of Insurance Premiums
Sales Tax Vendor Discount	Continue Cap at \$500 Per Month
Hospital Assessment to Support Health Care Expansion	1.25% of Regulated Net Patient Revenue (New Method)
Hospital Assessment to Support Medicaid	\$389.8 Million through Assessments and Remittances

Fees That Benefit the Special Fund

Land Record Surcharge	Increased from \$20 to \$40 for Three Years
Certificate of Title Fee	Increased from \$50 to \$100 Each
Vanity Tag Fee	Increased from \$25 to \$50 Annually
Vehicle Dealer Processing Charge	Increased by \$100, to \$200 for 2 Years, then to \$300 Permanently in Fiscal 2014
Vehicle Dealer Vendor Credit	Reduced from Lesser \$24 or 1.2% to Lesser of \$12 or 0.6%

General Fund Revenue Actions

The fiscal 2011 and 2012 estimated revenues from general fund revenue actions in the BRFA of 2011 are shown in **Exhibit A-1.12**.

Exhibit A-1.12
General Fund Revenues
Budget Reconciliation and Financing Act of 2011
Fiscal 2011-2012
(\$ in Millions)

	<u>2011</u>	<u>2012</u>
Highway User Revenues – From MDOT Share		\$60.0
Federal Retiree Drug Subsidy	\$23.0	24.0
Modify Revenue Distribution to Chesapeake Bay 2010 Fund		20.2
Continue Current Sales Tax Vendor Discount Cap		17.8
Tax Clearance on Driver’s Licenses and Vehicle Registrations		15.0
Permanent Diversion of Special Fund Account Interest		7.0
Increase Fees for Birth Records		4.0
Admissions and Amusement Tax on Electronic Bingo and Tip Jars		3.7
Increase Parole and Probation Fees		3.3
Eliminate IWIF Exemption for 2% of Premium Tax		1.9
Specialty Hospital Assessment		0.3
Total	\$23.0	\$157.2

IWIF: Injured Workers’ Insurance Fund
MDOT: Maryland Department of Transportation

The monthly fee for a person placed under the supervision of the Division of Parole and Probation by either the courts or the Maryland Parole Commission is increased to \$50. The cost of a birth certificate is increased to \$24; when a local health department conducts a birth certificate records search, \$20 is to be remitted to the State. The bill removes the exemption of the Injured Workers’ Insurance Fund (IWIF) from having to pay the 2% premium tax, and the discount that vendors, who collect the State sales tax, may retain, is permanently capped at \$500 per month.

The BRFA of 2011 permanently directs the interest earnings on most special fund accounts to the general fund. Sixty-three funds, most notably the TTF, are exempted and retain their interest earnings. Payments from the federal government related to Medicare prescription drug rebates, are permanently directed to the general fund, as are recoveries from telecommunication rebates and litigation settlements. In fiscal 2012, \$3.7 million of the proceeds from the admissions and amusement tax, as applied to electronic bingo and electronic tip jars, is directed to the general fund. From fiscal 2012 through 2016, \$59.5 million in revenues from the sales tax on rental cars and the motor fuel tax that would otherwise go to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund are directed to the general fund.

As is discussed in the Transportation subpart of this part, the BRFA of 2011 changes the distribution of certain revenues between the general fund and the TTF. One benefit of that transaction is the transfer of \$60 million to the general fund and \$40 million to the Rainy Day Fund in fiscal 2012; the TTF is made whole by fiscal 2016.

The Motor Vehicle Administration is prohibited from renewing a driver's license or vehicle registration for persons with undisputed but unpaid income or unemployment taxes. The General Assembly declined to implement provisions that would have levied fees on drivers with significant numbers of accumulated points against their drivers' license. A proposed repeal of the Maryland-mined coal tax credit was also rejected.

Special Fund Revenue Actions

The BRFA of 2011 authorizes the use of a number of special funds, including some that are newly created, in lieu of general funds in the operating budget. A payroll garnishment fee of \$2 per pay transaction offsets \$50,000 from the Office of the Comptroller. MHEC will begin to charge a fee for program approval activities, and proceeds from the moving violation surcharge will be used in lieu of general funds for the Charles W. Riley Fire and Emergency Medical Services Tuition Reimbursement Program. Transfer tax revenues are authorized to be used for operating expenses within the Department of Planning, DGS, and DNR to support land acquisition and other programs. Up to \$1 million from the State's 9-1-1 revenues is authorized for the Computer Assisted Dispatch/Records Management System in the Department of State Police (DSP).

Several new costs are levied on the local government. The counties and Baltimore City will pay 90% of the costs of property valuation in fiscal 2012 and 2013 and then 50% of the costs thereafter. Local boards of education and community colleges will be assessed a fee for the administrative costs of the State Retirement Agency based on the number of their employee members. Local boards of education will also begin to pay toward the expenses incurred by the State for the education of children in State-supervised care, specifically children in residential placements whose behavioral issues necessitate nonpublic education services and children in committed placements operated by DJS.

In the health area, the quality assessment levied on nursing facilities increases from 4.0 to 5.5%, generating general fund savings in the Medicaid program. Similarly, an assessment on hospitals, to be allocated by the Health Services Cost Review Commission, is required to generate \$390 million in revenues and/or savings to the benefit of the Medicaid program. The methodology to support the 2007 expansion of Medicaid is simplified to an assessment of 1.25% of gross patient revenues, but the General Assembly rejected a change in the methodology for funding Graduate Medical Education. Funds paid by CareFirst in lieu of the premium tax are allocated to the Kidney Disease program and the Community Health Resources Commission; funds in the Senior Prescription Drug Assistance Program are designated for Medicaid and the Kidney Disease program.

Several revenue actions benefit the special funds directly. Increases to the Certificate of Title and vanity tag fees, a reduction in the vehicle dealers discount for collecting the vehicle excise tax, and an increase in the dealer processing charge will all benefit the TTF. The fee for recording a land record is increased for fiscal 2012 through 2014 to \$40, with the proceeds supporting the Real Property Records Improvement Fund.

Designation of Special Funds

The BRFA of 2011 specifies the authorized uses of certain special fund revenue sources. Proceeds from the moving violation surcharge, after providing for the budget of the Riley Tuition Reimbursement program, are designated to the Volunteer Company Assistance Fund (\$8.2 million in fiscal 2012 and \$2.1 million in fiscal 2013) and then to the Maryland Emergency Medical System Operations Fund. Proceeds from the sale of the State's Medevac helicopters are directed to the annuity bond fund to support the debt service payments for the new fleet. A portion of the admission and amusement taxes collected on electronic bingo and electronic tip jars is designated for grants to the State Archives, Maryland Humanities Council, and jurisdictions where these machines are located. For fiscal 2013 through 2015, \$3.0 million in revenue from speed cameras is directed to DSP for the purchase of vehicles and related equipment. Finally, the allocation of funds in the Strategic Energy Investment Fund is modified to eliminate the residential rate relief component, increase funds available for renewable energy, and maintain a 50% share for low income energy assistance through fiscal 2014.

Fund Balance Transfers

As shown in **Exhibit A-1.13**, \$236.7 million over fiscal 2011 and 2012 is transferred to the general fund. The transfers from IWIF and the Maryland Automobile Insurance Fund are contingent on the enactment of legislation modifying the status of the funds' employees as it relates to compensation as State employees – *House Bill 598 (Ch. 132)* and *Senate Bill 693 (passed)*, respectively. The BRFA of 2011 also requires that special fund savings from across-the-board reductions to positions and electricity spending shall be transferred to the general fund.

In addition to the transfers to the general fund shown here, \$40 million is transferred from the TTF to the Rainy Day Fund to ensure that the balance in that fund achieves 5% of general fund revenues.

Exhibit A-1.13
Fund Balance Transfers to the General Fund
Budget Reconciliation and Financing Act of 2011
Fiscal 2011-2012
(\$ in Millions)

	<u>2011</u>	<u>2012</u>
Program Open Space and Related Program	\$5.6	\$94.5
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund	1.0	
Used Tire Cleanup and Recycling Fund	0.8	
Board of Veterinary Medical Examiners Fund	0.2	
Forest or Park Reserve Fund	0.3	
Maryland Health Care Commission Fund	1.0	
Maryland Not-For-Profit Development Center Program Fund	0.3	0.1
State Board of Pharmacy Fund		0.2
State Board of Examiners of Psychologists Fund		0.0
Spinal Cord Injury Research Trust Fund		0.5
Senior Prescription Drug Assistance Program		1.5
State Insurance Trust Fund		2.0
Baltimore City Community College		2.3
Special Fund Savings from Voluntary Separation Program		8.6
Special Fund Savings from Electricity Costs Reduction		3.0
Reimburse State for Administrative Expenses – IWIF		4.1
Reimburse State for Administrative Expenses – MAIF		4.0
Real Property Records Improvement Fund – Circuit Court		10.0
Bay Restoration Fund		90.0
Waterway Improvement Fund		1.1
Neighborhood Business Development Fund		2.1
Homeownership Programs Fund		1.5
Special Loan Programs Fund		2.2
Total	\$9.0	\$227.7

IWIF: Injured Workers' Insurance Fund

MAIF: Maryland Automobile Insurance Fund

Actions Affecting Employees and Retirees

As discussed in the Personnel subpart of Part A, the BRFA of 2011 includes provisions which significantly alter the Employees' and Teachers' Pension Systems and prescription drug benefits for retirees. In addition, the Secretary of DBM is authorized to provide retention bonuses to employees at the Brandenburg Center which is scheduled to be closed at the end of fiscal 2011. The BRFA of 2011 prohibits the payment of merit increases until April 1, 2014, with exceptions to retain faculty at higher education institutions; to meet the requirements of binding arbitration; and, for fiscal 2012 only, for operationally critical staff.

Other Miscellaneous Provisions

In the education area, the BRFA of 2011 clarifies the minimum local budgetary requirements for funding public schools as the local share of the foundation amount. The Aging Schools program is authorized to be supported with either general funds or general obligation bonds. The timeframe for the adequacy study required under the Bridge to Excellence Act is extended to accommodate the implementation of new curriculum standards. The BRFA of 2011 clarifies the calculation of the maintenance of effort penalty for fiscal 2012 to account for the large amount of federal funds used in State education aid formulas in fiscal 2011. MHEC is to establish a special fund accounting system for unencumbered scholarship funds. The General Assembly rejected the proposal to repeal the Tolbert Scholarship program for private career school students.

In health and human services programs, the General Assembly rejected provisions that would have altered the payment schedule for community providers in DDA and that would have required youth camps to undergo private accreditation in lieu of State inspection and licensing. DDA is directed to hold providers harmless in fiscal 2012 under the plan to eliminate payments for absence days in favor of a rate increase. Local boards of health are authorized to charge a fee to cover costs for licensing and inspection of food service facilities. Rates paid to providers under the nonpublic placement program and in foster care placements are frozen at the rate in effect on January 21, 2011.

The Maryland Environmental Service is authorized to establish certain project reserve funds with specified maximums on the amounts that may be retained. The Department of Information Technology is directed to establish a two-phase process for the planning and development of major projects. The BRFA of 2011 extends the deadline for repayment of funds for the InterCounty Connector until fiscal 2013 and requires the Maryland Transit Administration to collect fares and other revenues sufficient to meet the required 35% farebox recovery. A prohibition on the expenditure of funds for studying, developing, or constructing a Maglev system is repealed. The Maryland Economic Development Corporation will be repaid \$3.6 million, plus up to \$400,000 in administrative costs, from the Racetrack Facility Renewal Account of the video lottery terminals program for funds advanced to horse tracks during fiscal 2011. The General Assembly declined to repeal the requirement that abandoned property be advertised in local newspapers.

Transportation

General Fund/TTF Revenue Reconciliation

House Bill 72 divorces the revenue relationship between the general fund and the TTF by ending ongoing revenue transfers between the two funds. The TTF, the general fund, and local jurisdictions are held harmless relative to the fiscal 2012 allowance. The following actions effectuated the revenue reconciliation:

- beginning in fiscal 2012, the TTF share of the sales tax is permanently credited to the general fund;
- the TTF share of the corporate income tax is lowered; and,
- the distribution of HUR to the general fund is reduced in fiscal 2012 and is entirely credited to the TTF starting in fiscal 2013. As a result, the TTF share of HUR will increase to 90.0% in fiscal 2013 and remain at 90.4% thereafter.

Highway User Revenues

Counties and municipalities receive an additional \$13.3 million in fiscal 2012 only. Of this, municipalities receive an additional \$8.3 million, and the counties receive an additional \$5.0 million.

Fiscal 2012 Transfers

The BRFA of 2011 transfers \$100 million from the TTF with \$60 million directed to the general fund and \$40 million to the Rainy Day Fund. Unlike the Administration's proposed plan, the BRFA of 2011 allows for the restoration of the \$100 million transfer. As part of the reconciliation of TTF revenues, \$60 million is repaid from fiscal 2014 to 2016. The new revenue from the certificate of title fee repays the \$40 million transfer to the Rainy Day Fund. In addition, the BRFA of 2011 includes a provision that any future transfers from the State share of TTF revenues would require a five-year repayment plan. For a more detailed discussion of transportation related actions, see Part G – Transportation and Motor Vehicles of this *90 Day Report*.

State Reserve Fund

The Rainy Day Fund, Dedicated Purpose Account (DPA), and Catastrophic Event Account are projected to have a combined \$682.5 million fund balance at the end of fiscal 2012. Activity in fiscal 2011 and 2012 is shown in **Exhibit A-1.14**. The fiscal 2012 budget includes only one appropriation, \$15.0 million in the DPA for the Prince George's County Health System. The BRFA of 2011 transfers \$40.0 million from the TTF to the Rainy Day Fund.

Exhibit A-1.14
State Reserve Fund Activity
Fiscal 2011-2012
(\$ in Millions)

	<u>Rainy Day Fund</u>	<u>Dedicated Purpose Acct.</u>	<u>Catastrophic Event Acct.</u>
Estimated Balances 6/30/10	\$611.6	\$0.1	\$1.0
Fiscal 2011 Appropriations		15.0	
Expenditures			
Prince George’s County Health System		-15.0	
Transfers from Dedicated Purpose Account to the Rainy Day Fund	0.1	-0.1	
Estimated Interest	11.0		
Estimated Balances 6/30/11	\$622.7	\$0.0	\$1.0
Fiscal 2012 Appropriations ¹		15.0	
Transfer from Transportation Trust Fund	40.0		
Expenditures			
Prince George’s County Health System		-15.0	
Estimated Interest	18.8		
Estimated Balances 6/30/12	\$681.5	\$0.0	\$1.0
Balance in Excess of 5% General Fund Revenues	\$1.6		

¹ Chapter 484 of 2010 (the Budget Reconciliation and Financing Act) does not require the Governor to appropriate funds into the Rainy Day Fund in fiscal 2012.

Source: Department of Budget and Management

The end-of-year Rainy Day Fund balance is projected to be 5.0% of general fund revenues in fiscal 2012. State law provides that a \$50.0 million appropriation is required if the Rainy Day Fund balance is less than 7.5% of general fund revenues and a \$100.0 million appropriation if the fund balance is less than 3.0% of general fund revenues. The out-year forecast assumes \$50.0 million appropriations from fiscal 2013 to 2016.

Personnel

State expenditures for employee compensation, estimated to be \$6.9 billion in fiscal 2012, constitute a major component of the budget. Regular employee expenditures increase by \$187.0 million, or 2.78%, over fiscal 2011 levels, while contractual employee expenditures for fiscal 2012, total \$226.0 million.

Employee Compensation

For the first time in three fiscal years, no furlough or temporary salary reduction plan was included in the budget. Consequently, State employee salaries will reflect an average restoration of 2.6%, nearly the entirety of the increased employee compensation spending in the budget. Also, a one-time \$750 employee bonus payment will be made to all employees not in bargaining units that received alternative salary adjustments. The bonus funds, which will only be made to employees in State service prior to July 1, 2011, will be spread across the 26 pay periods of fiscal 2012. However, benefits such as salary increments for employees performing at or above established standards, cost-of-living increases, and the State match of \$600 for employees participating in deferred compensation plans were not funded. In fact, the general prohibition on merit increments was statutorily extended through April 1, 2014, with an exemption provided in fiscal 2012 for staff deemed “operationally critical.”

Workforce Changes

In fiscal 2012, the size of the regular State workforce decreases by 1.37%, or 1,085.9 positions. The Voluntary Separation Program, realized in January 2011, is the largest source of the decrease, as it yielded 653.0 position abolitions. To eliminate long-standing vacancies and produce savings through attrition, the General Assembly required the Governor to abolish 450.0 abolitions by January 1, 2012. In addition, as shown in **Exhibit A-15**, the General Assembly deleted 23.0 positions across several Executive Branch agencies.

Pension Benefit Restructuring

The budgeted appropriation in fiscal 2012 for State employees and local teachers, librarians, and community college employees, whose employer contribution are paid for by the State totals \$1.38 billion. Pension benefit restructuring generated over \$300.0 million in fiscal 2012 savings through the reduction of liabilities. The BRFA of 2011 specified that \$120.0 million of the savings be used to reduce budgetary outlays in fiscal 2012. The balance of the savings will be reinvested to increase the funded status of the pension trust. Further detail on the reforms can be found in subpart "Pensions and Retirement" in Part C – State Government of this *90 Day Report*.

Exhibit A-1.15
Regular Full-time Equivalent Positions
Fiscal 2011- 2012

<u>Department/Service Area</u>	<u>2011 Work. Approp.</u>	<u>2012 Allowance</u>	<u>Legis. Reductions</u>	<u>2012 Legis. Approp.</u>
Health and Human Services				
Health and Mental Hygiene	6,511	6,416	-10	6,406
Human Resources	6,677	6,568	0	6,568
Juvenile Services	2,219	2,184	0	2,184
Subtotal	15,407	15,168	-10	15,158
Public Safety				
Public Safety and Correctional Services	11,223	11,165	0	11,165
Police and Fire Marshal	2,402	2,403	-8	2,395
Subtotal	13,625	13,568	-8	13,560
Transportation	8,963	8,806	0	8,806
Other Executive				
Legal (Excluding Judiciary)	1,467	1,438	0	1,438
Executive and Administrative Control	1,601	1,581	-1	1,580
Financial and Revenue Administration	1,964	1,978	0	1,978
Budget and Management	437	424	-1	423
Retirement	207	202	0	202
General Services	588	586	0	586
Natural Resources	1,272	1,254	0	1,254
Agriculture	405	399	0	399
Labor, Licensing, and Regulation	1,665	1,655	0	1,655
MSDE and Other Education	1,942	1,898	0	1,898
Housing and Community Development	308	305	0	305
Business and Economic Development	233	228	-3	225
Environment	959	937	0	937
Subtotal	13,047	12,883	-5	12,878
Executive Branch Subtotal	51,042	50,425	-23	50,402
Higher Education	24,173	24,177	0	24,177
Judiciary	3,581	3,581	0	3,581
Legislature	747	747	0	747
<i>Section 47 Executive Branch Reduction</i>			-450	-450
Grand Total	79,544	78,931	-473	78,458

MSDE: Maryland State Department of Education

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

Employee and Retiree Health Insurance

State subsidies for employee and retiree health insurance total \$936.0 million in fiscal 2012. This amount is \$50.2 million more than the fiscal 2011 level across all fund types. The increase was limited by benefit reductions in the active and retiree prescription plans, which were statutorily separated to allow for distinct benefit offerings. Together the changes netted \$20.2 million in general fund savings. State expenditures were furthered tempered by favorable cost experience resulting from a shift in medical plan offerings from fully insured Health Maintenance Organizations to self-insured Exclusive Provider Organizations. Further detail on changes to the eligibility requirements for retiree health insurance coverage can be found in subpart "Pensions and Retirement" in Part C – State Government of this *90 Day Report*.

By the Numbers

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

Exhibit A-1.16 shows the impact of the legislative budget on the general fund balance for fiscal 2011 and 2012. The fiscal 2011 balance is estimated to be \$647.1 million. At the end of fiscal 2012, the closing balance is estimated to be \$42.9 million.

Exhibit A-1.16 Final Budget Status Status as of April 11, 2011 Fiscal 2011-2012

	<u>2011</u>	<u>2012</u>
Starting General Fund Balance	\$344,008,024	\$647,056,051
Revenues		
BRE Revenues – March 2010	\$13,162,729,065	\$13,597,750,298
Supplemental Budget No. 1	0	34,152
Prior Budget Reconciliation Legislation	317,372,369	0
Budget Reconciliation Legislation – Revenues	23,000,000	157,101,818
Budget Reconciliation Legislation – Transfers	8,967,172	227,734,122
Other Legislation	0	76,049,900
Additional Revenues	53,060,284	85,913,663
Subtotal Revenues	\$13,565,128,890	\$14,144,583,953
Subtotal Available Revenues	\$13,909,136,914	\$14,791,640,004

	<u>2011</u>	<u>2012</u>
Appropriations		
General Fund Appropriations	\$13,172,689,488	\$15,133,720,752
Supplementary Appropriations (SB 994/HB 1213)	0	62,500,000
Deficiencies	93,759,375	0
Supplemental Budget No. 1	33,723,269	15,134,121
Legislative Reductions/Contingent Legislation	-223,269	-430,218,428
Estimated Agency Reversions	-37,868,000	-32,435,000
Subtotal Appropriations	\$13,262,080,863	\$14,748,701,445
Closing General Fund Balance	\$647,056,051	\$42,938,559

BRE: Board of Revenue Estimates

Exhibit A-1.17, the fiscal note on the budget bill, depicts the Governor’s allowance, funding changes made through Supplemental Budget No. 1, legislative reductions, and final appropriations for fiscal 2011 and 2012 by fund source. The Governor’s original request provided for \$34.7 billion (net of across-the-board reductions and projected general fund reversions) in fiscal 2012 expenditures and \$637.7 million in fiscal 2011 deficiencies.

The Governor added \$225.7 million in fiscal 2011 and 2012 spending in the supplemental budget. The legislature made \$0.2 million in reductions to fiscal 2011 appropriations, resulting in a net appropriation of \$33.3 billion for fiscal 2011. The fiscal 2012 budget was reduced by a net of \$530.8 million, consisting of \$631.7 million in total fund reductions offset by \$100.9 million in special funds that replace general fund cuts. This resulted in a final appropriation of \$34.2 billion.

Exhibit A-1.18 illustrates budget changes by major expenditure category by fund. Total spending decreases by \$940.4 million, or 2.8%, after accounting for the special fund appropriations that replace general funds cuts during the session. Debt service grows by 6.6%; aid to local government decreases by 5.8% largely due to the end of one-time pass-through federal stimulus funding (*i.e.*, ARRA and the Education Jobs Fund of 2010) for K-12 education. Entitlement spending grows by 10.6% due mostly to the growth in Medicaid caseloads. State agency spending (net of reversions and across-the-board reductions) only increases by 1.8%. PAYGO capital expenditures increase by 12.5%. General fund spending was increased by \$47.5 million through a supplementary appropriation for additional public school construction. Additional transportation special funds are allocated to capital infrastructure rehabilitation for the Washington Metropolitan Area Transit Authority system and system preservation at the Maryland Port Administration. New federal PAYGO spending was received for two military readiness centers and construction of a statewide fiber optic network.

Exhibit A-1.17
Fiscal Note
Summary of the Fiscal 2012 Budget Bill – House Bill 70

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
Governors Allowance					
Fiscal 2011 Budget	\$13,228,580,863	\$6,026,244,100	\$10,308,767,792	\$3,559,053,179	\$33,122,645,934 ⁽¹⁾
Fiscal 2012 Budget	15,101,285,752	6,503,489,687	9,403,159,299	3,664,538,214	34,672,472,952 ⁽²⁾
Supplemental Budget No. 1					
Fiscal 2011 Deficiencies	\$33,723,269	\$11,402,853	\$71,953,947	\$35,200,000	\$152,280,069
Fiscal 2012 Budget	15,134,121	38,782,985	19,526,488	0	73,443,594
Subtotal	\$48,857,390	\$50,185,838	\$91,480,435	\$35,200,000	\$225,723,663
Budget Reconciliation and Financing Act of 2011					
Fiscal 2011 Deficiencies	\$0	\$0	\$0	\$0	\$0
Fiscal 2012 Contingent Reductions	-366,641,288	75,527,361 ⁽³⁾	-2,293,207	-3,631,029	-297,038,163
Subtotal	-\$366,641,288	\$75,527,361	-\$2,293,207	-\$3,631,029	-\$297,038,163
Legislative Reductions					
Fiscal 2011 Deficiencies	-\$223,269	\$0	\$0	\$0	-\$223,269
Fiscal 2012 Budget	-1,077,140 ⁽⁴⁾	-153,321,912	-79,341,231	0	-233,740,283
Total Reductions	-\$1,300,409	-\$153,321,912	-\$79,341,231	-\$3,631,029	-\$233,963,552
Appropriations					
Fiscal 2011 Budget	\$13,262,080,863	\$6,037,646,953	\$10,380,721,739	\$3,594,253,179	\$33,274,702,734
Fiscal 2012 Budget	14,748,701,445	6,464,478,121	9,341,051,349	3,660,907,185	34,215,138,100
Change	\$1,486,620,582	\$426,831,168	-\$1,039,670,390	\$66,654,006	\$940,435,366

⁽¹⁾ Reflects \$637.7 million in proposed deficiencies, including \$93.8 million in general funds, -\$19.5 million in special funds, \$563.4 million in federal funds. Reversion assumptions total \$37.9 million, including \$30.0 million in unspecified reversions and \$7.9 million in targeted reversions.

⁽²⁾ Reflects estimated general fund reversions of \$30.0 million and \$2.4 million in targeted reversions.

⁽³⁾ Includes \$100.9 million in special funds to be added back to the budget by amendment to replace general fund reductions, specifically including \$11.6 million in the Department of Health and Mental Hygiene (DHMH) Kidney Disease Treatment Services program; \$13.0 million for DHMH Nursing Facility Assessments; \$17.5 million from DHMH Medicaid Hospital Assessments; \$0.5 million from using the transfer tax for Maryland Department of Planning administration expenses; \$3.5 million in the Departments of Human Resources and Juvenile Services, and the Maryland State Department of Education (MSDE) for nonpublic placements; \$16.6 million in MSDE and the Maryland Higher Education Commission (MHEC) from local charges for retirement agency administrative costs; \$34.8 million in the State Department of Assessments and Taxation and Department of Information Technology from a 90% cost shift to the locals for property valuation; \$1.0 million transfer of 9-1-1 fee revenue to fund the Department of State Police CAD/RMS project; \$1.7 million in the Department of Natural Resources to use special funds for administrative costs; \$0.3 million in MHEC to use moving violation surcharge funds for the Riley Scholarship; \$0.3 million in MHEC from fees charged for conducting program reviews; and \$50,000 in the Comptroller from a processing fee for payroll garnishments.

⁽⁴⁾ Reductions are offset by \$62.5 million in supplementary appropriations, with Senate Bill 994 providing \$15.0 million for the DHMH Developmental Disabilities Waiting List Initiative and House Bill 1213 providing \$47.5 million for public school construction.

Exhibit A-1.18
State Expenditures – General Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2010</u>	<u>Adjusted</u> <u>Work. Approp.</u> <u>FY 2011</u>	<u>Legislative</u> <u>Approp.</u> <u>FY 2012</u>	<u>FY 2011 to FY 2012</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n/a
County/Municipal	189.6	185.9	186.6	0.7	0.4%
Community Colleges	256.2	258.1	262.3	4.2	1.6%
Education/Libraries	5,256.0	4,903.3	5,492.2	588.9	12.0%
Health	37.3	37.3	37.3	0.0	0.0%
<i>Aid to Local Governments</i>	<i>\$5,739.0</i>	<i>\$5,384.6</i>	<i>\$5,978.4</i>	<i>593.8</i>	<i>11.0%</i>
Foster Care Payments	240.4	241.9	238.8	-3.1	-1.3%
Assistance Payments	92.9	49.8	49.9	0.1	0.3%
Medical Assistance	1,569.9	1,816.0	2,554.0	738.0	40.6%
Property Tax Credits	73.2	75.9	79.4	3.5	4.6%
<i>Entitlements</i>	<i>\$1,976.4</i>	<i>\$2,183.6</i>	<i>\$2,922.1</i>	<i>738.5</i>	<i>33.8%</i>
Health	1,355.8	1,382.4	1,434.4	52.0	3.8%
Human Resources	273.9	263.3	275.1	11.8	4.5%
Systems Reform Initiative	24.3	20.5	18.8	-1.7	-8.1%
Juvenile Services	260.6	257.5	259.4	1.9	0.7%
Public Safety/Police	1,169.4	1,170.8	1,260.9	90.1	7.7%
Higher Education	1,149.5	1,145.6	1,126.5	-19.1	-1.7%
Other Education	315.2	370.4	347.5	-22.9	-6.2%
Agric./Nat'l. Res./Environment	105.7	102.5	101.0	-1.5	-1.4%
Other Executive Agencies	515.4	543.6	568.2	24.6	4.5%
Legislative	71.6	75.6	76.6	1.0	1.4%
Judiciary	365.4	370.3	373.3	3.0	0.8%
Across-the-board Reductions	0.0	0.0	-33.3	-33.3	n/a
<i>State Agencies</i>	<i>\$5,606.8</i>	<i>\$5,702.6</i>	<i>\$5,808.7</i>	<i>106.1</i>	<i>1.9%</i>
Total Operating	\$13,322.3	\$13,270.8	\$14,709.2	\$1,438.4	10.8%
Capital ⁽¹⁾	5.1	10.8	54.5	43.7	404.6%
Reserve Funds	114.9	15.0	15.0	0.0	0.0%
Appropriations	\$13,442.3	\$13,296.6	\$14,778.7	\$1,482.1	11.1%
Reversions	0.0	-34.5	-30.0	4.5	-13.0%
Grand Total	\$13,442.3	\$13,262.1	\$14,748.7	\$1,486.6	11.2%

⁽¹⁾ Includes the Sustainable Communities Tax Credit Reserve Fund.

Note: The fiscal 2011 working appropriation includes deficiencies, \$7.9 million in targeted reversions, and legislative reductions to the deficiencies. The fiscal 2012 legislative appropriation includes a \$15.0 million supplementary appropriation in Health from SB 994 and a \$47.5 million supplementary appropriation in Capital from HB 1213. SB 994 and HB 1213 raise the sales tax on alcohol beverages from 6 to 9%. Budget language restricts \$8.8 million of the Aid to Education budget for the disparity grant (County/Municipal), 50% of which must be provided to the county board of education.

Exhibit A-1.18 (Continued)
State Expenditures – Special and Higher Education Funds*
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2010</u>	<u>Work. Approp. FY 2011</u>	<u>Legislative Approp. FY 2012</u>	<u>FY 2011 to FY 2012 \$ Change</u>	<u>% Change</u>
Debt Service	\$921.7	\$991.5	\$1,055.9	\$64.3	6.5%
County/Municipal	189.5	219.5	192.4	-27.0	-12.3%
Community Colleges	0.0	0.0	0.8	0.8	n/a
Education/Libraries	10.8	432.8	230.6	-202.2	-46.7%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$200.3</i>	<i>\$652.3</i>	<i>\$423.8</i>	<i>-\$228.4</i>	<i>-35.0%</i>
Foster Care Payments	0.0	0.1	1.0	1.0	1481.2%
Assistance Payments	18.1	15.4	16.4	1.0	6.4%
Medical Assistance	575.3	511.8	876.8	365.0	71.3%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$593.4</i>	<i>\$527.3</i>	<i>\$894.2</i>	<i>\$367.0</i>	<i>69.6%</i>
Health	283.0	310.6	306.9	-3.7	-1.2%
Human Resources	115.2	81.1	78.0	-3.2	-3.9%
Systems Reform Initiative	0.0	0.0	0.0	0.0	n/a
Juvenile Services	0.4	1.0	2.7	1.7	168.8%
Public Safety/Police	193.9	222.6	217.4	-5.3	-2.4%
Higher Education	3,426.3	3,643.5	3,730.2	86.7	2.4%
Other Education	53.3	51.4	50.8	-0.6	-1.2%
Transportation	1,483.2	1,419.1	1,459.2	40.1	2.8%
Agric./Nat'l. Res./Environment	168.1	206.5	204.6	-1.9	-0.9%
Other Executive Agencies	506.3	603.6	750.7	147.1	24.4%
Legislative	0.1	0.3	0.1	-0.2	-60.0%
Judiciary	38.3	55.1	52.6	-2.6	-4.6%
Across-the-board Reductions	0.0	0.0	-10.0	-10.0	n/a
<i>State Agencies</i>	<i>\$6,268.1</i>	<i>\$6,594.8</i>	<i>\$6,843.1</i>	<i>\$248.2</i>	<i>3.8%</i>
Total Operating	\$7,983.5	\$8,765.9	\$9,217.0	\$451.1	5.1%
Capital	782.3	866.0	908.4	42.4	4.9%
Grand Total	\$8,765.8	\$9,631.9	\$10,125.4	\$493.5	5.1%

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

Note: The fiscal 2011 working appropriation includes -\$8.1 million in deficiencies. The fiscal 2012 legislative appropriation includes \$100.9 million in additional special fund spending that will be added by budget amendment to replace general fund reductions.

Exhibit A-1.18 (Continued)
State Expenditures – Federal Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2010</u>	<u>Work. Approp. FY 2011</u>	<u>Legislative Approp. FY 2012</u>	<u>FY 2011 to FY 2012</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$0.9	\$9.2	\$11.1	\$1.9	20.2%
County/Municipal	57.4	148.3	57.6	-90.7	-61.1%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,397.1	1,483.5	762.1	-721.4	-48.6%
Health	4.5	4.5	4.5	0.0	0.0%
<i>Aid to Local Governments</i>	<i>\$1,459.0</i>	<i>\$1,636.3</i>	<i>\$824.3</i>	<i>-\$812.1</i>	<i>-49.6%</i>
Foster Care Payments	89.5	91.7	86.3	-5.4	-5.9%
Assistance Payments	928.2	1,318.2	1,318.9	0.7	0.1%
Medical Assistance	3,748.1	3,767.4	3,504.3	-263.1	-7.0%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$4,765.8</i>	<i>\$5,177.3</i>	<i>\$4,909.5</i>	<i>-\$267.7</i>	<i>-5.2%</i>
Health	922.7	1,011.7	1,060.8	49.0	4.8%
Human Resources	537.5	527.9	550.0	22.1	4.2%
Systems Reform Initiative	7.3	7.7	7.3	-0.4	-4.9%
Juvenile Services	10.9	16.8	10.5	-6.4	-37.7%
Public Safety/Police	99.8	109.5	30.0	-79.5	-72.6%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	272.0	286.6	264.6	-21.9	-7.6%
Transportation	90.8	90.2	87.6	-2.6	-2.9%
Agric./Nat'l. Res./Environment	66.9	76.4	73.8	-2.5	-3.3%
Other Executive Agencies	629.7	625.0	585.0	-39.9	-6.4%
Judiciary	4.0	4.0	3.6	-0.4	-10.1%
Across-the-board Reductions	0.0	0.0	-2.3	-2.3	n/a
<i>State Agencies</i>	<i>\$2,641.8</i>	<i>\$2,755.6</i>	<i>\$2,670.9</i>	<i>-\$84.8</i>	<i>-3.1%</i>
Total Operating	\$8,867.4	\$9,578.4	\$8,415.7	-\$1,162.7	-12.1%
Capital	957.6	802.3	925.3	123.0	15.3%
Grand Total	\$9,825.0	\$10,380.7	\$9,341.1	-\$1,039.7	-10.0%

Note: The fiscal 2011 working appropriation includes \$635.4 million in deficiencies.

Exhibit A-1.18 (Continued)
State Expenditures – State Funds
(\$ in Millions)

Category	Actual	Adjusted	Legislative	FY 2011 to FY 2012	
	FY 2010	Work Approp. FY 2011	Approp. FY 2012	\$ Change	% Change
Debt Service	\$921.7	\$991.5	\$1,055.9	\$64.3	6.5%
County/Municipal	379.1	405.3	379.0	-26.3	-6.5%
Community Colleges	256.2	258.1	263.1	4.9	1.9%
Education/Libraries	5,266.8	5,336.1	5,722.9	386.8	7.2%
Health	37.3	37.3	37.3	0.0	0.0%
Aid to Local Governments	\$5,939.3	\$6,036.8	\$6,402.2	\$365.4	6.1%
Foster Care Payments	240.4	242.0	239.8	-2.2	-0.9%
Assistance Payments	111.0	65.2	66.3	1.1	1.7%
Medical Assistance	2,145.2	2,327.8	3,430.8	1,103.0	47.4%
Property Tax Credits	73.2	75.9	79.4	3.5	4.6%
Entitlements	\$2,569.8	\$2,710.9	\$3,816.4	\$1,105.5	40.8%
Health	1,638.7	1,693.0	1,741.3	48.3	2.9%
Human Resources	389.2	344.4	353.1	8.7	2.5%
Systems Reform Initiative	24.3	20.5	18.8	-1.7	-8.1%
Juvenile Services	261.1	258.5	262.1	3.6	1.4%
Public Safety/Police	1,363.3	1,393.4	1,478.3	84.9	6.1%
Higher Education	4,575.8	4,789.2	4,856.7	67.5	1.4%
Other Education	368.4	421.7	398.2	-23.5	-5.6%
Transportation	1,483.2	1,419.1	1,459.2	40.1	2.8%
Agric./Nat'l Res./Environment	273.8	309.0	305.6	-3.4	-1.1%
Other Executive Agencies	1,021.7	1,147.3	1,319.0	171.7	15.0%
Legislative	71.7	75.9	76.7	0.9	1.2%
Judiciary	403.7	425.5	425.9	0.4	0.1%
Across-the-board Reductions	0.0	0.0	-43.3	-43.3	n/a
State Agencies	\$11,874.9	\$12,297.4	\$12,651.7	\$354.3	2.9%
Total Operating	\$21,305.8	\$22,036.7	\$23,926.2	\$1,889.5	8.6%
Capital ⁽¹⁾	787.3	876.8	962.9	86.1	9.8%
Reserve Funds	114.9	15.0	15.0	0.0	0.0%
Appropriations	\$22,208.1	\$22,928.5	\$24,904.1	\$1,975.6	8.6%
Reversions	0.0	-34.5	-30.0	4.5	-13.0%
Grand Total	\$22,208.1	\$22,894.0	\$24,874.1	\$1,980.1	8.6%

⁽¹⁾ Includes the Sustainable Communities Tax Credit Reserve Fund.

Note: The fiscal 2011 working appropriation includes deficiencies, \$7.9 million in targeted reversions, and legislative reductions to the deficiencies. The fiscal 2012 legislative appropriation includes \$100.9 million in additional special fund spending that will be added by budget amendment to replace general fund reductions. It also includes a \$15.0 million supplementary appropriation in Health from SB 994 and a \$47.5 million supplementary appropriation in Capital from HB 1213. SB 994 and HB 1213 raise the sales tax on alcohol beverages from 6 to 9%. Budget language restricts \$8.8 million of the Aid to Education budget for the disparity grant (County/Municipal), 50% of which must be provided to the county board of education.

Exhibit A-1.18 (Continued)
State Expenditures – All Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u>	<u>Adjusted</u>	<u>Legislative</u>	<u>FY 2011 to FY 2012</u>	
	<u>FY 2010</u>	<u>Work. Appr. FY 2011</u>	<u>Approp. FY 2012</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$922.6	\$1,000.7	\$1,066.9	\$66.2	6.6%
County/Municipal	436.5	553.7	436.7	-117.0	-21.1%
Community Colleges	256.2	258.1	263.1	4.9	1.9%
Education/Libraries	6,663.9	6,819.6	6,485.0	-334.6	-4.9%
Health	41.8	41.8	41.8	0.0	0.0%
<i>Aid to Local Governments</i>	<i>\$7,398.3</i>	<i>\$7,673.2</i>	<i>\$7,226.5</i>	<i>-\$446.7</i>	<i>-5.8%</i>
Foster Care Payments	329.9	333.6	326.1	-7.5	-2.3%
Assistance Payments	1,039.2	1,383.4	1,385.2	1.8	0.1%
Medical Assistance	5,893.3	6,095.2	6,935.2	840.0	13.8%
Property Tax Credits	73.2	75.9	79.4	3.5	4.6%
<i>Entitlements</i>	<i>\$7,335.6</i>	<i>\$7,888.2</i>	<i>\$8,725.9</i>	<i>\$837.7</i>	<i>10.6%</i>
Health	2,561.4	2,704.7	2,802.0	97.3	3.6%
Human Resources	926.7	872.3	903.1	30.8	3.5%
Systems Reform Initiative	31.6	28.2	26.1	-2.0	-7.2%
Juvenile Services	272.0	275.4	272.5	-2.8	-1.0%
Public Safety/Police	1,463.2	1,502.9	1,508.2	5.3	0.4%
Higher Education	4,575.8	4,789.2	4,856.7	67.5	1.4%
Other Education	640.4	708.3	662.9	-45.4	-6.4%
Transportation	1,574.0	1,509.3	1,546.8	37.5	2.5%
Agric./Nat'l. Res./Environment	340.8	385.4	379.5	-5.9	-1.5%
Other Executive Agencies	1,651.4	1,772.2	1,904.0	131.8	7.4%
Legislative	71.7	75.9	76.7	0.9	1.2%
Judiciary	407.7	429.5	429.5	0.0	0.0%
Across-the-board Reductions	0.0	0.0	-45.5	-45.5	n/a
<i>State Agencies</i>	<i>\$14,516.7</i>	<i>\$15,053.1</i>	<i>\$15,322.6</i>	<i>\$269.5</i>	<i>1.8%</i>
Total Operating	\$30,173.2	\$31,615.1	\$32,341.9	\$726.8	2.3%
Capital ⁽¹⁾	1,744.9	1,679.1	1,888.2	209.1	12.5%
Reserve Funds	114.9	15.0	15.0	0.0	0.0%
Appropriations	\$32,033.1	\$33,309.2	\$34,245.1	\$935.9	2.8%
Reversions	0.0	-34.5	-30.0	4.5	-13.0%
Grand Total	\$32,033.1	\$33,274.7	\$34,215.1	\$940.4	2.8%

⁽¹⁾ Includes the Sustainable Communities Tax Credit Reserve Fund.

Note: The fiscal 2011 working appropriation includes deficiencies, \$7.9 million in targeted reversions, and legislative reductions to the deficiencies. The fiscal 2012 legislative appropriation includes \$100.9 million in additional special fund spending that will be added by budget amendment to replace general fund reductions. It also includes a \$15.0 million supplementary appropriation in Health from SB 994 and a \$47.5 million supplementary appropriation in Capital from HB 1213. SB 994 and HB 1213 raise the sales tax on alcohol beverages from 6 to 9%. Budget language restricts \$8.8 million of the Aid to Education budget for the disparity grant (County/Municipal), 50% of which must be provided to the county board of education.

Capital Budget

The 2011 General Assembly passed a capital budget program totaling \$3.098 billion, including \$1.606 billion for the transportation program. Apart from transportation, the program totals \$1.492 billion: \$925.0 million is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2011, the 2011 capital budget *House Bill 71 (passed)*; \$15.902 million is funded with Qualified Zone Academy Bonds (QZAB) authorized in *House Bill 86 (Ch. 96)*; \$296.6 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$47.5 million in additional general fund PAYGO is funded in *House Bill 1213 (passed)*; \$180.0 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 \$27.0 million is funded with academic revenue bonds for University System of Maryland facilities authorized in *House Bill 748 (passed)*.

Exhibit A-2.1 presents an overview of the State’s capital program for fiscal 2012, **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 MCCBL of 2011. The MCCBL of 2011 includes funding for:

- State facilities, including colleges and universities, hospitals, Department of Disabilities accessibility modifications, correctional facilities, and the public safety communication system;
- grants to local governments for public school construction, community college facilities, and local detention centers;
- health and social services facilities, such as emergency medicine facilities, community health and addiction facilities, and low-income housing;
- environmental programs, such as the Chesapeake Bay Water Quality programs, Community Parks and Playgrounds, Agricultural Cost-Share Program Open Space, and Drinking and Stormwater programs; and
- local projects and legislative initiatives.

In addition to GO debt, the State’s capital program is funded with general, special, and federal funds appropriated in the operating budget (PAYGO) which are used primarily to support housing and environmental programs. The use of PAYGO funds is generally restricted to capital grant and loan programs for which the use of tax-exempt debt is limited under federal tax guidelines, programs that are administered through the use of special non-lapsing funds for which revenue from principal and interest payments are used to support additional appropriations, and in instances where federal funds assist in the capitalization of State revolving grant and loan fund programs.

Exhibit A-2.1
Capital Program Summary for the 2011 Session
(\$ in Millions)

Function	Bonds		Current Funds (PAYGO)			Total
	General Obligation	Revenue	General	Special	Federal	
State Facilities						\$100.5
Facilities Renewal	\$7.1	\$0.0	\$0.0	\$0.0	\$0.0	
State Facilities Other	21.9	0.0	0.0	0.0	71.6	
Health/Social						39.2
Health Other	15.6	0.0	0.0	0.0	0.0	
Health State Facilities	7.1	0.0	0.0	0.0	0.0	
Private Hospitals	16.5	0.0	0.0	0.0	0.0	
Environment						608.1
Agriculture	10.4	0.0	0.0	5.4	0.0	
Energy	0.0	0.0	0.0	5.0	0.0	
Environment	197.1	180.0	0.0	97.5	53.7	
Natural Resources	52.7	0.0	0.0	2.9	3.5	
Public Safety						40.1
Local Jails	5.0	0.0	0.0	0.0	0.0	
State Corrections	11.7	0.0	0.0	0.0	0.0	
State Police	23.4	0.0	0.0	0.0	0.0	
Education						323.2
Education Other	10.8	0.0	0.0	0.0	0.0	
School Construction	264.9	0.0	47.5	0.0	0.0	
Higher Education						235.8
Community Colleges	60.3	0.0	0.0	0.0	0.0	
Higher Education Other	0.9	0.0	0.0	0.0	0.0	
Morgan State University	6.4	0.0	0.0	0.0	0.0	
Private Colleges/Universities	10.0	0.0	0.0	0.0	0.0	
University System	131.1	27.0	0.0	0.0	0.0	
Housing/Community Development						86.5
Housing	31.4	0.0	0.0	19.5	26.5	
Housing Other	2.0	0.0	7.0	0.1	0.0	
Local Projects						32.7
Administration	13.2	0.0	0.0	0.0	0.0	
Legislative	19.5	0.0	0.0	0.0	0.0	
Transportation						46.2
Highways	46.2	0.0	0.0	0.0	0.0	

<u>Function</u>	Bonds		Current Funds (PAYGO)			<u>Total</u>
	<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
De-authorizations						-24.1
De-authorizations	-10.4	0.0	0.0	0.0	0.0	
De-authorizations Other	-13.7	0.0	0.0	0.0	0.0	
Total Fiscal 2012	\$940.9	\$207.0	\$54.5	\$130.5	\$155.2	\$1,488.1
Fiscal 2011 Deficiencies	\$0.0	\$0.0	\$0.0	\$0.0	\$3.9	\$3.9
Transportation	\$0.0	\$355.0	\$0.0	\$423.7	\$827.7	\$1,606.4
Grand Total Fiscal 2012	\$940.9	\$562.0	\$54.5	\$554.2	\$986.8	\$3,098.4

PAYGO: pay-as-you-go

Exhibit A-2.2
Capital Program Summary for the 2011 Session

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
State Facilities							
DA0201A	MDOD: Accessibility Modifications	\$1,444,000	\$0	\$0	\$0	\$0	\$1,444,000
DE0201A	BPW: Lowe House of Delegates Building Renovation	7,050,000	0	0	0	0	7,050,000
DE0201B	BPW: Old Senate Chamber	3,000,000	0	0	0	0	3,000,000 ¹
DE0201C	BPW: New Catonsville District Court	1,500,000	0	0	0	0	1,500,000
DE0201D	BPW: State House Exhibits	140,000	0	0	0	0	140,000
DH0104	MD: Military Department Armory Program	0	0	0	0	27,823,000	27,823,000
FB04A	DoIT: Public Safety Communication System	10,000,000	0	0	0	0	10,000,000
FB04B	DoIT: One Maryland Broadband Network	5,800,000	0	0	0	43,762,819	49,562,819
Subject Category Subtotal:		\$28,934,000	\$0	\$0	\$0	\$71,585,819	\$100,519,819
Health/Social							
DT01A	MIEMSS: Emergency Medical Systems Communication System	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000
MA01A	DHMH: Community Health Facilities Grant Program	3,568,000	0	0	0	0	3,568,000
MA01B	DHMH: Federally Qualified Health Centers Grant Program	2,002,000	0	0	0	0	2,002,000
MI0401A	DHMH: Deer's Head Hospital Center Kidney Dialysis Unit	6,124,000	0	0	0	0	6,124,000
RQ00A	UMMS: Trauma, Critical Care, and Emergency Medicine Services Expansion Project	10,000,000	0	0	0	0	10,000,000
ZA00E	MISC: Johns Hopkins Medicine – Cardiovascular and Critical Care Tower	5,500,000	0	0	0	0	5,500,000
ZA00F	MISC: Kennedy Krieger Institute – Comprehensive Autism Center	1,000,000	0	0	0	0	1,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA00N	MISC: Prince George’s Hospital System	4,000,000	0	0	0	0	4,000,000
ZA00O	MISC: Sinai Hospital – Neurological Rehabilitation Center	1,000,000	0	0	0	0	1,000,000
ZA01A	MISC: Anne Arundel Medical Center	300,000	0	0	0	0	300,000
ZA01B	MISC: Dorchester General Hospital	1,000,000	0	0	0	0	1,000,000
ZA01C	MISC: Maryland General Hospital	1,000,000	0	0	0	0	1,000,000
ZA01D	MISC: Mercy Medical Center	2,700,000	0	0	0	0	2,700,000
Subject Category Subtotal:		\$39,194,000	\$0	\$0	\$0	\$0	\$39,194,000
Environment							
DA1302	MEA: Jane E. Lawton Loan Program	\$0	\$0	\$0	\$2,500,000	\$0	\$2,500,000
DA1303	MEA: State Agency Loan Program	0	0	0	2,500,000	0	2,500,000
KA05A	DNR: Community Parks and Playgrounds	2,500,000	0	0	0	0	2,500,000
KA05B	DNR: Rural Legacy Program	4,515,000	0	0	0	0	4,515,000
KA05C	DNR: Natural Resources Development Fund	3,450,000	0	0	0	0	3,450,000
KA05D	DNR: Program Open Space	28,459,000	0	0	1,500,000	3,000,000	32,959,000
KA05E	DNR: Critical Maintenance Program	3,380,000	0	0	0	0	3,380,000
KA05F	DNR: Dam Rehabilitation Program	1,045,000	0	0	0	0	1,045,000
KA05G	DNR: Ocean City Beach Replenishment Fund	1,000,000	0	0	1,000,000	0	2,000,000
KA05H	DNR: Waterway Improvement Fund	7,347,000	0	0	410,000	500,000	8,257,000
KA17A	DNR: Oyster Habitat Restoration Projects	1,000,000	0	0	0	0	1,000,000
LA11A	MDA: Agricultural Land Preservation Program	4,367,000	0	0	4,200,000	0	8,567,000
LA12A	MDA: Tobacco Transition Program	0	0	0	1,238,000	0	1,238,000
LA15A	MDA: Maryland Agricultural Cost-Share Program	6,000,000	0	0	0	0	6,000,000
UA010312	MDE: Septic System Upgrade Program	0	0	0	8,500,000	0	8,500,000
UA01A	MDE: Enhanced Nutrient Removal	146,825,000	180,000,000	0	0	0	326,825,000
UA01B	MDE: Maryland Water Quality Revolving Loan Fund	9,856,000	0	0	83,836,000	47,308,000	141,000,000
UA01C	MDE: Maryland Drinking Water Revolving Loan Fund	1,970,000	0	0	5,182,000	6,348,000	13,500,000
UA04A1	MDE: Biological Nutrient Removal Program	30,900,000	0	0	0	0	30,900,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
UA04A2	MDE: Supplemental Assistance Program	5,000,000	0	0	0	0	5,000,000
UA04B	MDE: Water Supply Financial Assistance Program	2,500,000	0	0	0	0	2,500,000
Subject Category Subtotal:		\$260,114,000	\$180,000,000	\$0	\$110,866,000	\$57,156,000	\$608,136,000
Public Safety							
QB02	DPSCS: Maryland House of Correction Deconstruction Project	\$500,000	\$0	\$0	\$0	\$0	\$500,000
QB0402A	DPSCS: Housing Unit Windows and Heating Systems	9,729,000	0	0	0	0	9,729,000
QP00A	DPSCS: Baltimore City Detention Center Dining Room Renovation	1,500,000	0	0	0	0	1,500,000
WA01A	DSP: Barrack P Land Acquisition	760,000	0	0	0	0	760,000
WA01B	DSP: Helicopter Replacement	22,650,000	0	0	0	0	22,650,000
ZB02A	DPSCS: Cecil County Detention Center	4,955,000	0	0	0	0	4,955,000
Subject Category Subtotal:		\$40,094,000	\$0	\$0	\$0	\$0	\$40,094,000
Education							
DE0202A	PSCP: Public School Construction Program	\$240,344,000	\$0	\$47,500,000	\$0	\$0	\$287,844,000
DE0202AQ	PSCP: Qualified Zone Academy Bond Program	15,902,000	0	0	0	0	15,902,000
DE0202B	PSCP: Aging School Program	8,609,000	0	0	0	0	8,609,000
RA01A	MSDE: Public Library Grant Program	4,000,000	0	0	0	0	4,000,000
RA01B	MSDE: Western Maryland Regional Library	2,500,000	0	0	0	0	2,500,000
RE01A	MSDE: New Fire Alarm and Emergency Notification System	332,000	0	0	0	0	332,000
ZA00Q	MISC: Maryland School for the Blind Life Education Building	4,000,000	0	0	0	0	4,000,000
Subject Category Subtotal:		\$275,687,000	\$0	\$47,500,000	\$0	\$0	\$323,187,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
	Higher Education						
RB21A	UMB: Health Sciences Research Facility III	\$4,000,000	\$0	\$0	\$0	\$0	\$4,000,000
RB22A	UMCP: Physical Sciences Complex	30,100,000	0	0	0	0	30,100,000
RB22B	UMCP: Campuswide Building System and Infrastructure	5,000,000	0	0	0	0	5,000,000
RB23A	BSU: Campuswide Site Improvements	1,757,000	0	0	0	0	1,757,000
RB23C	BSU: Bulldog Football Stadium Field Lights	500,000	0	0	0	0	500,000
RB23D	BSU: Bulldog Football Stadium: Field House Renovation and Addition	700,000	0	0	0	0	700,000
RB24A	TU: Campuswide Safety and Circulation Improvements	1,200,000	0	0	0	0	1,200,000
RB25A	UMES: New Engineering and Aviation Sciences Building	3,600,000	0	0	0	0	3,600,000
RB26A	FSU: New Center for Communications and Information Technology	10,054,000	0	0	0	0	10,054,000
RB28A	UB: New Law School Building	41,493,000	0	0	0	0	41,493,000
RB29A	SU: Gymnasium Renovations and Repairs	1,500,000	0	0	0	0	1,500,000
RB31A	UMBC: New Performing Arts and Humanities Facility	31,200,000	10,000,000	0	0	0	41,200,000
RB36RB	USMO: Capital Facility Renewal	0	17,000,000	0	0	0	17,000,000
RC00A	BCCC: Main Building Renovation	2,250,000	0	0	0	0	2,250,000
RI00A	MHEC: Community College Facilities Grant Program	58,091,000	0	0	0	0	58,091,000
RM00A	MSU: New Center for the Built Environment	4,000,000	0	0	0	0	4,000,000
RM00B	MSU: New School of Business Complex	921,000	0	0	0	0	921,000
RM00C	MSU: Lillie Carroll Jackson Museum Renovation	50,000	0	0	0	0	50,000
RM00D	MSU: New Jenkins Behavioral and Social Sciences Center	1,400,000	0	0	0	0	1,400,000
ZA00H	MICUA: Johns Hopkins University	3,000,000	0	0	0	0	3,000,000
ZA00I	MICUA: Maryland Institute College of Art	3,000,000	0	0	0	0	3,000,000
ZA00J	MICUA: Mount St. Mary's University	1,500,000	0	0	0	0	1,500,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA00K	MICUA: Washington College	2,500,000	0	0	0	0	2,500,000
ZA08A	SMHEC: Southern Maryland Higher Education Center	935,000	0	0	0	0	935,000
Subject Category Subtotal:		\$208,751,000	\$27,000,000	\$0	\$0	\$0	\$235,751,000
Housing/Community Development							
D40W0111	MDOP: Maryland Historical Preservation Loan Program	\$0	\$0	\$0	\$100,000	\$0	\$100,000
D40W1112	MDOP: Sustainable Communities Tax Credit Program	0	0	7,000,000	0	0	7,000,000
DW0108A	MDOP: Riverside Interpretive Trail and Exhibit Stations	1,001,000	0	0	0	0	1,001,000
DW0110	MDOP: African American Heritage Preservation Program	1,000,000	0	0	0	0	1,000,000
S00A2502	DHCD: Community Development Block Grant Program	0	0	0	0	10,000,000	10,000,000
S00A2514	DHCD: MD-BRAC Preservation Loan Program	0	0	0	4,000,000	0	4,000,000
SA24A	DHCD: Community Legacy Program	4,250,000	0	0	0	0	4,250,000
SA24B	DHCD: Neighborhood Business Development Program	4,250,000	0	0	0	2,500,000	6,750,000
SA25A	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25B	DHCD: Homeownership Program	7,500,000	0	0	0	3,000,000	10,500,000
SA25C	DHCD: Shelter and Transitional Housing Facilities Grant Program	2,000,000	0	0	0	0	2,000,000
SA25D	DHCD: Special Loan Programs	7,400,000	0	0	0	3,000,000	10,400,000
S00A2507	DHCD: Rental Housing Programs	0	0	0	15,500,000	8,000,000	23,500,000
Subject Category Subtotal:		\$33,401,000	\$0	\$7,000,000	\$19,600,000	\$26,500,000	\$86,501,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
Local Projects							
ZA00A	MISC: Baltimore Museum of Art	\$2,500,000	\$0	\$0	\$0	\$0	\$2,500,000
ZA00B	MISC: East Baltimore Biotechnology Park	2,500,000	0	0	0	0	2,500,000
ZA00C	MISC: Charles E. Smith Life Communities	675,000	0	0	0	0	675,000
ZA00G	MISC: Maryland Hall for the Creative Arts	250,000	0	0	0	0	250,000
ZA00L	MISC: Maryland Zoo in Baltimore	2,500,000	0	0	0	0	2,500,000
ZA00M	MISC: National Children’s Museum	3,000,000	0	0	0	0	3,000,000
ZA00P	MISC: St. Ann’s Infant and Maternity Home	750,000	0	0	0	0	750,000
ZA00R	MISC: National Aquarium in Baltimore Infrastructure Improvements	1,000,000	0	0	0	0	1,000,000
ZA00S	MISC: Liberty Road Corridor Infrastructure Improvements	2,000,000	0	0	0	0	2,000,000
ZA00T	MISC: Reece Road Community Health Center	250,000	0	0	0	0	250,000
ZA00U	MISC: Elkridge Volunteer Fire Company	500,000	0	0	0	0	500,000
ZA00V	MISC: Bates Middle School	1,000,000	0	0	0	0	1,000,000
ZA00W	MISC: Annapolis High School	400,000	0	0	0	0	400,000
ZA00X	MISC: Wiley H. Bates Heritage Park	350,000	0	0	0	0	350,000
ZA02	Local Senate Initiatives	7,500,000	0	0	0	0	7,500,000
ZA03	Local House Initiatives	7,500,000	0	0	0	0	7,500,000
Subject Category Subtotal:		\$32,675,000	\$0	\$0	\$0	\$0	\$32,675,000
Transportation							
ZA00D	MISC: InterCounty Connector	\$46,154,501	\$0	\$0	\$0	\$0	\$46,154,501
Subject Category Subtotal:		\$46,154,501	\$0	\$0	\$0	\$0	\$46,154,501
De-authorizations							
ZF00	De-authorizations as Introduced	-\$10,405,000	0	0	0	0	-\$10,405,000
ZF00A	Additional De-authorizations	-13,697,501	0	0	0	0	-13,697,501
Subject Category Subtotal:		-\$24,102,501	0	0	0	0	-\$24,102,501

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
D55P04	Fiscal 2011 Deficiencies	\$0	\$0	\$0	\$0	\$3,873,000	\$3,873,000
	Subject Category Subtotal:	\$0	\$0	\$0	\$0	\$3,873,000	\$3,873,000
	Non-transportation Total	\$940,902,000	\$207,000,000	\$54,500,000	\$130,466,000	\$159,114,819	\$1,491,982,819¹
	Transportation	\$0	\$355,000,000	\$0	\$423,685,000	\$827,751,000	\$1,606,436,000
	Grand Total	\$940,902,000	\$562,000,000	\$54,500,000	\$554,151,000	\$986,865,819	\$3,098,418,819

BCCC: Baltimore County Community College
 BPW: Board of Public Works
 BSU: Bowie State University
 DHCD: Dept. of Housing and Community Development
 DHMH: Department of Health and Mental Hygiene
 DoIT: Department of Information Technology
 DNR: Department of Natural Resources
 DPSCS: Dept. of Public Safety and Correctional Services
 DSP: Department of State Police
 FSU: Frostburg State University
 MD: Military Department
 MDA: Maryland Department of Agriculture

MD-BRAC: Maryland Base Realignment and Closure
 MDE: Maryland Department of the Environment
 MDOD: Maryland Department of Disabilities
 MDOP: Maryland Department of Planning
 MEA: Maryland Energy Administration
 MHEC: Maryland Higher Education Commission
 MICUA: Maryland Independent College and University Association
 MIEMSS: Maryland Institute Emergency Medical Services System
 MISC: miscellaneous
 MSDE: Maryland State Department of Education
 MSU: Morgan State University
 PAYGO: pay-as-you-go

PSCP: Public School Construction Program
 SMHEC: Southern Maryland Higher Education Commission
 SU: Salisbury University
 TU: Towson University
 UB: University of Baltimore
 UMB: University of Maryland, Baltimore
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park
 UMES: University of Maryland Eastern Shore
 UMMS: University of Maryland Medical System
 USMO: University System of Maryland Office

¹ Includes \$15,902,000 of Qualified Zone Academy Bonds.

Exhibit A-2.3
Legislative Projects/Initiatives – 2011 Session

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Allegany					
Allegany Museum	\$100,000	\$50,000		\$150,000	Soft(all)
Cumberland City Market	50,000	50,000		100,000	Hard
Subtotal:				\$250,000	
Anne Arundel					
Andover Field Renovations	75,000	25,000		\$100,000	Hard
Annapolis and Anne Arundel County Conference and Visitors Bureau Center		50,000		50,000	Soft(all)
Annapolis Market House	250,000			250,000	Hard
Arundel Lodge Expansion	100,000	100,000		200,000	Hard
Carroll Field Puglise Stadium Field Lights		100,000		100,000	Soft(2)
Charles Carroll House		75,000		75,000	Soft(2,3)
Clay Street Development	100,000			100,000	Soft(1,2)
Reece Road Community Health Center			\$250,000	250,000	Soft (all)
South River High School Media Center		50,000		50,000	Soft(all)
Subtotal:				\$1,175,000	
Baltimore City					
American Visionary Art Museum	55,000			\$55,000	Soft(2)
Dayspring Square	50,000			50,000	Hard
Delta Lambda Foundation Head Start Facility	150,000			150,000	Soft(2)
Doctor Christina Phillips Community Center	100,000			100,000	Soft(3)

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Dr. Bob's Place – A Hospice for Children		50,000		50,000	Soft(all)
Garrett-Jacobs Mansion Ballroom		25,000		25,000	Soft(2,3)
Habitat for Humanity of the Chesapeake	250,000			250,000	Hard
Historic Diamond Press Building	50,000			50,000	Soft(all)
In Our House Homeless Youth Center	125,000	175,000		300,000	Soft(all)
Junior League of Baltimore Thrift Store	215,000	50,000		265,000	Soft(all)
Mary Harvin Transformation Center		125,000		125,000	Soft(all)
Maryland Center of Veterans Education and Training		90,000		90,000	Soft(2)
Mattie B. Uzzle Outreach Center	175,000	150,000		325,000	Soft(all)
Morgan Mill Facility		100,000		100,000	Hard
Mount Vernon Place Conservancy	100,000			100,000	Hard
Park Heights Women and Children Center		100,000		100,000	Hard
Parks and People Headquarters at Auchentoroly Terrace	50,000			50,000	Hard
St. Elizabeth School Roof Replacement	50,000	50,000		100,000	Soft(3)
St. Francis Xavier Head Start		125,000		125,000	Soft(all)
Star-Spangled Banner Flag House		150,000		150,000	Soft(all)
Town Theatre Renovation		60,000		60,000	Soft(1,3)
	Subtotal:			\$2,620,000	
Baltimore					
Augsburg Lutheran Home of Maryland	150,000	150,000		\$300,000	Hard
Career Development Center	250,000			250,000	Hard
Comet Booster Club Concession Stand	65,000			65,000	Hard
Good Shepherd Student Courtyard Renovation		100,000		100,000	Soft(2)
Jewish Community Services Addition		175,000		175,000	Hard

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Todd’s Inheritance		175,000		175,000	Soft(1)
United Cerebral Palsy Adult Daycare Facility	125,000			125,000	Grant
Subtotal:				<u>\$1,190,000</u>	
Calvert					
North Beach Public Works Building		200,000		\$200,000	Soft(1)
Subtotal:				<u>\$200,000</u>	
Cecil					
Girl Scouts Conowingo Water System	250,000			\$250,000	Soft(all)
Plumpton Park Zoological Garden	100,000			100,000	Soft(2)
Subtotal:				<u>\$350,000</u>	
Charles					
Bel Alton High School Community Development Center		100,000		\$100,000	Soft(1,2)
Greater Baden Medical Services Facility		200,000		200,000	Grant
Maryland Veterans Memorial Museum	100,000			100,000	Soft(2)
Subtotal:				<u>\$400,000</u>	
Dorchester					
Chesapeake Grove – Senior Housing and Intergenerational Center		45,000		\$45,000	Soft(1)
Dorchester Center for the Arts – Atrium Entrance		40,000		40,000	Soft(2)
Replica Choptank River Lighthouse	150,000	80,000		230,000	Soft(2,3)
Subtotal:				<u>\$315,000</u>	

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Frederick					
Cultural Arts Center	25,000	100,000		\$125,000	Soft(all)
Frederick Alliance For Youth – Youth and Community Center	200,000	175,000		375,000	Hard
Weinberg Center for the Arts	75,000	75,000		150,000	Hard
	Subtotal:			\$650,000	
Garrett					
HART Animal Adoption Center		125,000		\$125,000	Hard
	Subtotal:			\$125,000	
Howard					
Former Ellicott City Post Office		175,000		\$175,000	Soft(1,2)
Mount Pleasant Farm House	50,000	75,000		125,000	Hard
The Arc of Howard County – Grae Loch Home Renovation	145,000			145,000	Soft(2)
	Subtotal:			\$445,000	
Montgomery					
American Film Institute Silver Theatre and Cultural Center	250,000	125,000		\$375,000	Soft(2)
Battleridge Place Stream Valley Restoration		20,000		20,000	Hard
Cardinal McCarrick Center	125,000			125,000	Hard
Discovery Sports Center	30,000			30,000	Hard
Glenbrooke Stormwater Management Pond Renovation		30,000		30,000	Hard
Homecrest House		119,000		119,000	Hard
Ivymount School Annex Building	100,000	100,000		200,000	Soft(all)
JCCGW Theatre Renovation	100,000	115,000		215,000	Hard
Jewish Social Service Agency	100,000	235,000		335,000	Hard
Lewisberry Corridor Lighting Improvement		30,000		30,000	Hard

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
MacDonald Knolls Center	100,000	100,000		200,000	Soft(U,2)
Mental Health Association HVAC Replacement	40,000	35,000		75,000	Hard
Noyes Children’s Library Renovations		50,000		50,000	Hard
Olney Theatre Center		150,000		150,000	Soft(3)
Orthodox Congregation of Silver Spring Preschool Building Repair		48,000		48,000	Soft(2,3)
Poole’s Store Restoration		50,000		50,000	Soft(all)
Renovation of Falling Green at OBGK Park	150,000			150,000	Soft(all)
Rockville Swim and Fitness Center – Renovation of Locker Room Facility		20,000		20,000	Soft(all)
Seneca Park North		18,000		18,000	Hard
Warner Manor		100,000		100,000	Soft(all)
Water Park at Bohrer Park	125,000	80,000		205,000	Hard
Subtotal:				\$2,545,000	
Prince George’s					
African American Museum and Cultural Center	75,000			\$75,000	Soft(2)
Arthur & Mary E. Ridgley, Sr. Museum Phase I	150,000			150,000	Soft(1)
Battle of Bladensburg Visitor Center and Monument		125,000		125,000	Soft(1,3)
Berkshire Neighborhood Park Renovation		200,000		200,000	Soft(1,3)
Capital Heights Seat Pleasant Boys and Girls Club Initiative	75,000	25,000		100,000	Soft(all)
Civic Center Design Drawings	75,000			75,000	Soft(1)
Community Safety and Surveillance Systems		120,000		120,000	Grant
Crossland High School	30,000			30,000	Hard
Greenbelt Arts Center	25,000			25,000	Soft(all)
Joe’s Movement Emporium		50,000		50,000	Soft(2)
Laurel Armory Anderson Murphy Community Center		200,000		200,000	Soft(3)
Laurel Police Department Facility – Community Space	100,000			100,000	Soft(3)
M-NCPPC’s Field Lights	300,000			300,000	Hard

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
My Sister's Keeper Group Homes	100,000	50,000		150,000	Soft(1)
New Horizons Disability Job Training and Recycling Center	150,000			150,000	Hard(U)
Riverdale Park Town Hall Expansion	100,000	175,000		275,000	Hard
Vesta Glenarden Facility		100,000		100,000	Hard
Whitemarsh Turf Field		80,000		80,000	Hard
	Subtotal:			\$2,305,000	
Queen Anne's					
Chesterwye Center – Jessie's House		125,000		\$125,000	Soft(all)
	Subtotal:			\$125,000	
Somerset					
Teackle Mansion and the Sarah Martin Done House		120,000		\$120,000	Soft(1,3)
	Subtotal:			\$120,000	
Talbot					
Chesapeake Bay Maritime Museum Bulkhead Replacement		30,000		\$30,000	Soft(1)
Talbot Hospice Expansion		30,000		30,000	Hard
	Subtotal:			\$60,000	
Wicomico					
Salisbury Zoological Park Animal Health Clinic Phase II and III	200,000			\$200,000	Soft(3)
Tri-County Multi-Purpose Center	270,000	30,000		300,000	Hard
	Subtotal:			\$500,000	

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Statewide					
Broad Creek Maryland Boy Scouts of America Ecology Conservation Learning Center	250,000			\$250,000	Soft(2)
Camp Fairlee Manor	125,000			125,000	Soft(2)
Linwood Center	250,000	250,000		500,000	Hard
Little Sisters of the Poor – Boiler Room	125,000	125,000		250,000	Soft(all)
Maryland Food Bank	250,000	250,000		500,000	Soft(all)
Maryland Historical Society		250,000		250,000	Grant
National Aquarium in Baltimore			1,000,000	1,000,000	Hard
		Subtotal:		<u>\$2,875,000</u>	
Total Senate and House Initiatives	\$7,500,000	\$7,500,000	\$1,250,000		

Match Key: 1 = Real Property; 2 = In Kind Contribution; 3 = Prior Expended Funds; U = Unequal Match

Operating Budget Relief and Fund Transfers

As shown in **Exhibit A-2.4**, the GO bond program was used to reduce operating budget appropriations and to replace funds transferred from various capital accounts to the general fund. The fiscal situation continues to limit the use of PAYGO funds to support the capital program and has resulted in the shift of funding for certain grant and loan programs to the bond program. In addition, GO bond funds have been used to fund the State's commitment to the InterCounty Connector in lieu of using general funds. Moreover, the use of fund transfers, including fund balance and estimated fiscal 2012 fund revenues, from various capital program special fund accounts is a major component of the fiscal 2012 budget plan, impacting both the operating and capital budgets. In total, the fiscal 2012 budget includes transfers amounting to \$192.8 million, comprised of \$58.6 million of fund balance and another \$134.2 million of fiscal 2012 revenues that would otherwise be appropriated as special funds in the fiscal 2012 budget. The planned replacement is to be spread out over three fiscal years with \$99.6 million replaced in fiscal 2012, \$51.1 million in fiscal 2013, \$46.3 million in fiscal 2014, and \$25.2 million in fiscal 2014. **Exhibit A-2.5** illustrates the proposed fund transfers and multi-year GO bond replacement plan for fiscal 2012, and **Exhibit A-2.6** illustrates the transfers and multi-year replacement associated with both fiscal 2011 and 2012 as they overlap.

Exhibit A-2.4 Operating Budget Relief

(\$ in Millions)

<ul style="list-style-type: none"> ● InterCounty Connector Funding: Budgeted at \$57.6 million in the capital budget as introduced, the amount was reduced to \$46.2 million in the capital budget as passed to reflect a more fiscally prudent cash flow projection and the anticipated fiscal 2012 expenditures for the project. The required statutory changes are included in the Budget Reconciliation and Financing Act of 2011 (BRFA) that would require budgeting the remaining \$21.8 million in fiscal 2013 to complete the State's \$264.9 million support of the project from either general funds or general obligation (GO) bonds. 	\$46.2
<ul style="list-style-type: none"> ● Special Fund Revenue and Fund Balance Replacement: The budgets and the BRFAs of 2010 and 2011 provide for the transfer of \$611.3 million of unexpended fund balance and estimated fiscal 2011 and 2012 revenue from multiple capital program accounts. A multi-year GO bond replacement plan included \$279.2 million in the fiscal 2011; \$207.6 million in fiscal 2012; and \$105.7 programmed for fiscal 2013 and 2014 as reflected in the 2011 <i>Capital Improvement Program</i>. 	206.1
<ul style="list-style-type: none"> ● Medevac Helicopter Replacement: Multi-year plan to use GO bond funds to fund the replacement of the Medevac helicopter fleet in place of using special funds from the Helicopter Replacement Fund. 	22.7
<ul style="list-style-type: none"> ● Use of GO Bond Funds to Fund Capital Programs Traditionally Funded with General Funds: This principally includes funding for grant and loan programs administered by the Department of Housing and Community Development and the Maryland Department of the Environment and the use of bonds to fund the Public Safety Communication System and Aging Schools Program. 	39.0
Total	\$314.0

Source: Fiscal 2012 Operating and Capital Budgets; Budget Reconciliation and Financing Act of 2010 and 2011

Exhibit A-2.5
Fiscal 2012 Fund Transfers and Multi-year General Obligation Bond Replacement Plan
(\$ in Millions)

<u>Program</u>	<u>Transfers</u>			<u>Fund Replacement</u>				
	<u>Prior Special Fund Balance</u>	<u>FY 2012 Special Funds</u>	<u>Total Transfers</u>	<u>Prior Funds – Replaced in FY 2012</u>	<u>FY 2012 Special Funds – Replaced in FY 2012</u>	<u>FY 2012 Special Funds – Replaced in FY 2013</u>	<u>FY 2012 Special Funds – Replaced in FY 2014</u>	<u>Total Amount of Fund Transfers to Be Replaced in the CIP</u>
Waterway Improvement Program	\$0.0	\$1.1	\$1.1	\$0.0	\$1.1	\$0.0	\$0.0	\$1.1
Transfer Tax Fiscal 2010 Overattainment Program Open Space (POS) – Stateside	8.6	0.0	8.6	0.0	0.0	0.0	0.0	0.0
POS – Local	0.0	21.6	21.6	0.0	4.8	7.2	7.2	19.2
Rural Legacy	0.0	20.8	20.8	0.0	6.9	6.9	6.9	20.8
Ocean City Beach Replenishment – POS	0.0	13.8	13.8	0.0	0.0	4.6	4.6	9.2
Natural Resources Development Fund	0.0	1.0	1.0	0.0	1.0	0.0	0.0	1.0
Critical Maintenance Program	0.0	4.6	4.6	0.0	0.3	2.8	0.0	3.1
Dam Rehabilitation Program	0.0	4.0	4.0	0.0	3.0	0.0	0.0	3.0
Neighborhood Business Development	0.0	0.5	0.5	0.0	0.5	0.0	0.0	0.5
Homeownership Programs	0.0	2.1	2.1	0.0	2.1	0.0	0.0	2.1
Special Loan Programs	0.0	1.5	1.5	0.0	1.5	0.0	0.0	0.0
Tobacco Transition Program	0.0	2.2	2.2	0.0	2.2	0.0	0.0	2.2
Agricultural Land Preservation Program	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0
Bay Restoration Fund	0.0	19.6	19.6	0.0	4.4	6.5	6.5	17.4
Total	\$50.0	\$40.0	\$90.0	\$50.0	\$21.8	\$18.2	\$0.0	\$90.0
Total	\$58.6	\$134.2	\$192.8	\$50.0	\$49.6	\$46.3	\$25.2	\$171.3
Special Fund Transfer Sources:				Total Special Funds Replaced in Fiscal 2012:				\$99.6
Transfer Tax	\$94.5			Special Funds Not Replaced in FY 2012:				
Bay Restoration Fund	90.0			POS – Stateside*				\$2.4
Housing Programs	5.8			Agricultural Land Preservation*				2.2
Waterway Improvement Fund	1.1			Natural Resources Development**				1.5
Total to Be Transferred to General Fund	\$191.3			Critical Maintenance Program**				1.0
				Rural Legacy FY 2012 revenue				4.6
				Transfer Tax FY 2010***				8.6
				Total Not Replaced in FY 2012:				\$20.3

CIP: *Capital Improvement Program*

*Indicates amount overfunded with general obligation (GO) bonds in fiscal 2011 resulting in adjusted fiscal 2012 GO bond replacement amount.

**Indicates amount not to be replaced based on other budget priorities.

***Indicates amount that will be considered for GO bond replacement in fiscal 2013, but no decision has been made or the amount reflected in the capital program for fiscal 2013.

Source: Department of Budget and Management

**Exhibit A-2.6
Fiscal 2011 and 2012 Fund Transfers and
Multi-year General Obligation Bond Replacement Plan
(\$ in Millions)**

<u>Program</u>	<u>Transfers</u>				<u>Fund Replacement</u>				<u>Total Amount of Fund Transfers to Be Replaced in the CIP</u>	<u>Funds Not Replaced</u>
	<u>Prior Special Fund Balance</u>	<u>Special Funds FY 2011</u>	<u>Special Funds FY 2012</u>	<u>Total Transfers</u>	<u>Amount Replaced in FY 2011</u>	<u>Amount to Be Replaced in FY 2012</u>	<u>Amount to Be Replaced in FY 2013</u>	<u>Amount to Be Replaced in FY 2014</u>		
Waterway Improvement Program	\$12.5	\$3.9	\$1.1	\$17.5	\$10.2	\$7.3	\$0.0	\$0.0	\$17.5	\$0.0
Program Open Space (POS) – Stateside	4.6	4.1	21.6	30.3	11.0	4.8	7.2	7.2	30.3	0.0
POS – Local	103.1	0.0	20.8	124.0	54.1	23.6	39.2	6.9	124.0	0.0
Rural Legacy	10.6	10.8	13.8	35.2	17.0	4.5	4.6	4.6	30.6	4.6
Ocean City Beach Replenishment – POS	2.1	1.0	1.0	4.1	3.1	1.0	0.0	0.0	4.1	0.0
Ocean City Beach Replenishment – Local	3.4	0.0	0.0	3.4	3.4	0.0	0.0	0.0	3.4	0.0
Natural Resources Development Fund	17.7	0.0	4.6	22.3	10.1	3.5	4.7	0.0	18.3	4.0
Critical Maintenance Program	3.2	3.2	4.0	10.3	6.3	3.0	0.0	0.0	9.3	1.0
Dam Rehabilitation Program	0.7	0.0	0.5	1.2	0.2	1.0	0.0	0.0	1.2	0.0
House Assessment Program	0.9	0.0	0.0	0.9	0.3	0.4	0.1	0.0	0.7	0.2
Hurricane Isabel Funds	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Neighborhood Business Development	3.6	3.2	2.1	8.8	6.7	2.1	0.0	0.0	8.7	0.1
Community Legacy Program	0.4	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.4	0.0
Homeownership Programs	0.0	3.0	1.5	4.5	3.0	1.5	0.0	0.0	4.5	0.0
Special Loan Programs	2.1	2.5	2.2	6.8	4.7	2.2	0.0	0.0	6.9	0.0
Tobacco Transition Program	0.0	2.0	1.5	3.5	2.0	0.0	0.0	0.0	0.0	1.5
Agricultural Land Preservation Program	10.0	9.7	19.6	39.2	21.8	4.4	6.5	6.5	39.2	0.0
Bay Restoration Fund	205.0	45.0	40.0	290.0	125.0	146.8	18.2	0.0	290.0	0.0
Transfer Tax Fiscal 2010 Overattainment	8.6	0.0	0.0	8.6	0.0	0.0	0.0	0.0	0.0	8.6
Total	\$388.7	\$88.4	\$134.2	\$611.3	\$279.2	\$206.1	\$80.5	\$25.2	\$592.6	\$20.2

CIP: *Capital Improvement Program*

Source: Department of Budget and Management

Debt Affordability

As shown in **Exhibit A-2.7**, the long range plan adopted by the Capital Debt Affordability Committee (CDAC) in December 2010 provides for a total of over \$4.65 billion in debt authorizations from 2011 to 2015. The reduction to out-year authorizations is intended to keep State debt within the limits set by CDAC. The Board of Revenue Estimates' (BRE) December 2009 projected revenues made the level of debt proposed by CDAC in the committee's 2008 report unaffordable, resulting in the out-year authorization reductions which were first reflected in the 2009 session *Capital Improvement Program* (CIP). Although the most recent March 2011 BRE revenue estimate reflects moderate growth, the total tax-supported debt to service as a percentage of revenues is projected to remain close to the 8% affordability limit. To remain within the State's affordability limits, the CDAC out-year projections continue to reflect lower new GO bond authorizations as compared to what the committee recommended in its 2008 report.

Exhibit A-2.7
Capital Debt Affordability Committee Recommended Levels of
General Obligation Bond Authorizations
2011-2015 Legislative Sessions
(\$ in Millions)

<u>Session</u>	<u>2008 Report Recommended Authorizations</u>	<u>2010 Report Recommended Authorizations</u>	<u>Authorization Change</u>
2011	\$1,020	\$925	-\$95
2012	1,050	925	-125
2013	1,080	925	-155
2014	1,110	935	-175
2015	1,140	935	-205
Total	\$5,400	\$4,645	-\$755

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations*, October 2009 and November 2010

The MCCBL of 2011 passed by the General Assembly is consistent with the \$925.0 million level of new GO debt authorizations recommended by CDAC. An additional \$24.1 million in GO bonds from prior years is de-authorized in the capital budget of 2011, thereby increasing the amount of new GO debt included in the capital program to \$949.1 million. Included in the \$949.1 million of new debt is \$194.1 million authorized in the MCCBL of 2010 to complete the funding for various projects that were split-funded over fiscal 2011 and 2012 as a mechanism to allow the projects to be bid and construction to commence during fiscal 2011.

The State's capital program for fiscal 2012 also includes other actions that affect debt affordability, debt issuance, and future capital budgets.

- The Maryland Department of the Environment plans to issue \$180.0 million in revenue bonds to fund the upgrade of wastewater treatment plants. Chapter 428 of 2004 established the Bay Restoration Fund and authorized the Administration to issue bonds to provide grants to upgrade the 67 largest wastewater treatment plants in the State. Security for the bonds is the revenues from a fee imposed on users of wastewater facilities, septic systems, and sewage holding tanks. The bonds are considered State tax-supported debt and are, therefore, incorporated in the CDAC's annual debt affordability analysis.
- **House Bill 1213** increases the State sales and use tax imposed on alcoholic beverages from 6 to 9%. The bill requires a supplementary appropriation of \$47.5 million in fiscal 2012 for public school construction projects in local jurisdictions. The Board of Public Works (BPW) must approve the individual projects which may or may not be eligible for funding under the Public School Construction Program. In approving funding for projects, BPW must consider requests from the local jurisdictions and projects that (1) benefit older school buildings; (2) benefit schools with high proportions of children eligible for free and reduced price meals; (3) can be completed within one year; (4) eliminate or reduce the use of relocatable classrooms; (5) are designated as A or B by the Interagency Committee on Public School Construction and are not fully funded in the fiscal 2012 CIP approved by BPW; or (6) reduce energy consumption or incorporate high performance "green" building principles
- **House Bill 1310 (Ch. 163)** exempts capital leases used to finance energy performance contracts from the CDAC determination of tax-supported debt if the energy savings guaranteed by the contractor equal or exceed annual capital lease payments and are monitored in accordance with reporting requirements adopted by CDAC. It further specifies that the capital lease payments may not exceed the actual energy savings realized under the contract.
- **House Bill 71** also amends prior authorization bond bills by extending matching fund deadlines, extending deadlines for expending or encumbering funds, altering the purposes for which funds may be used, modifying certification requirements, renaming grant recipients, or altering project locations which are consolidated into an omnibus bill. Prior to the 2008 session, individual prior authorization bills were passed by the General Assembly. For the 2011 session, the prior authorizations bills approved by the General Assembly are included in the MCCBL of 2011 rather than through an omnibus prior-authorization bill.
- The MCCBL of 2011 includes \$315.9 million of GO bond authorizations that will not take effect until fiscal 2013; of this amount, \$133.5 million is needed to either continue the funding for existing construction contracts or allow projects expected to be contracted during fiscal 2012 to proceed without the full amount of the construction authorization provided in the fiscal 2012 budget, \$75.7 million provides pre-authorizations for various GO bond replacement funding for special fund transfers, and \$42.8 million is needed to provide an authorization for the contract for the replacement of the State's Medevac

helicopters. The MCCBL of 2011 also provides another \$132.1 million that will not take effect until fiscal 2014, and \$7.3 million that will not take effect until fiscal 2015. **Exhibit A-2.8** shows the pre-authorizations for the 2012 through 2014 sessions.

Exhibit A-2.8
Pre-authorizations Included in the MCCBL of 2012
For the 2012-2014 Sessions

<u>Project Title</u>	<u>2012 Session</u>	<u>2013 Session</u>	<u>2014 Session</u>
BPW: Old Senate Chamber	\$3,000,000		
UMCP: Physical Sciences Complex – Phase I	24,550,000		
UMBC: New Performing Arts Complex	37,350,000	\$37,300,000	
FSU: Center for Communications and Info. Tech.	39,550,000	4,400,000	
BCCC: Main Building Renovation – Admin. Wing	7,800,000		
MHEC: Community College Grant Program	14,643,000		
DNR: Harriet Tubman Underground Railroad State Park	2,850,000		
DNR: Program Open Space – Local	39,230,000	6,947,000	
DNR: Program Open Space – Stateside	7,193,000	7,193,000	
DNR: Rural Legacy	4,589,000	4,589,000	
MDA: Agricultural Land Preservation Program	6,518,000	6,518,000	
MDE: Enhanced Nutrient Removal	18,175,000		
DPSCS: New Youth Detention Facility (BCDC)	41,100,000	21,700,000	
DSP: Helicopter Replacement	42,800,000	20,000,000	\$7,300,000
DJS: New Cheltenham Youth Detention Center	23,550,000	23,500,000	
MISC: Maryland School for the Blind	3,000,000		
Total	\$315,898,000	\$132,147,000	\$7,300,000

BCCC: Baltimore City Community College
 BCDC: Baltimore City Detention Center
 BPW: Board of Public Works
 DJS: Department of Juvenile Services
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 FSU: Frostburg State University

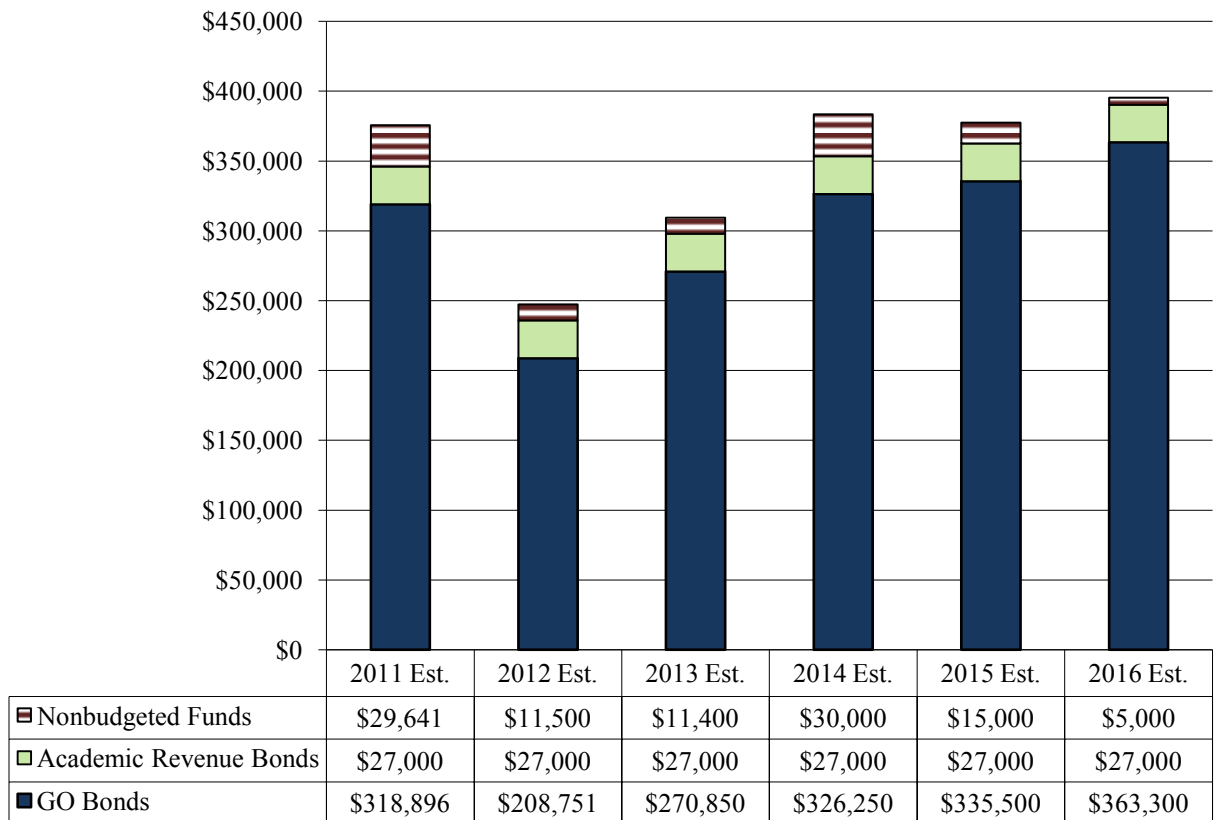
MCCBL: Maryland Consolidated Capital Bond Loan
 MDA: Maryland Department of Agriculture
 MDE: Maryland Department of Environment
 MHEC: Maryland Higher Education Commission
 MISC: miscellaneous
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park

Note: The proposed pre-authorization for the Maryland Higher Education Commission Community College Grant Program would allow for the split funding of community college projects started last session by the legislature. This year's list includes \$6,207,000 for Montgomery College Rockville Science East Renovation; \$4,572,000 for the College of Southern Maryland La Plata Renovation and Expansion of the BU/CE buildings; \$1,164,000 for Harford Community College – Susquehanna Center; and \$2,700,000 for the Community College of Baltimore County for the Owings Mills Center.

Higher Education

The fiscal 2012 capital program for all segments of higher education is \$235.7 million, including GO bonds and academic revenue bonds. Of the total funding, four-year public institutions receive \$165.4 million and independent colleges receive \$10.0 million. Community colleges, including Baltimore City Community College, receive \$60.3 million in fiscal 2012. The CIP, after legislative changes to the fiscal 2012 capital budget, shows \$1.640 billion in State capital spending for higher education projects from fiscal 2012 through 2016. **Exhibit A-2.9** shows the fiscal 2011 and 2012 legislative appropriation for higher education capital projects and the funds anticipated in the CIP for fiscal 2013 through 2016. **Exhibit A-2.10** shows the fiscal 2012 capital funding by institution.

Exhibit A-2.9
Higher Education Authorized and Planned Out-year Capital Funding
Fiscal 2011-2016
(\$ in Thousands)



GO: general obligation

Exhibit A-2.10
Higher Education Capital Funding by Institution
Fiscal 2012
(\$ in Thousands)

<u>Institution</u>	<u>Capital Funding</u>
University of Maryland, Baltimore	\$4,000
University of Maryland, College Park	35,600
Towson University	1,200
Southern Maryland Higher Education Center	935
University of Baltimore	41,493
Bowie State University	2,957
Salisbury University	1,500
University System of Maryland – Facility Renewal	17,000
University of Maryland Eastern Shore	3,600
Frostburg State University	10,054
University of Maryland Baltimore County	41,200
Morgan State University	6,071
Independent Colleges	10,000
Community Colleges	60,341
Total	\$235,751¹

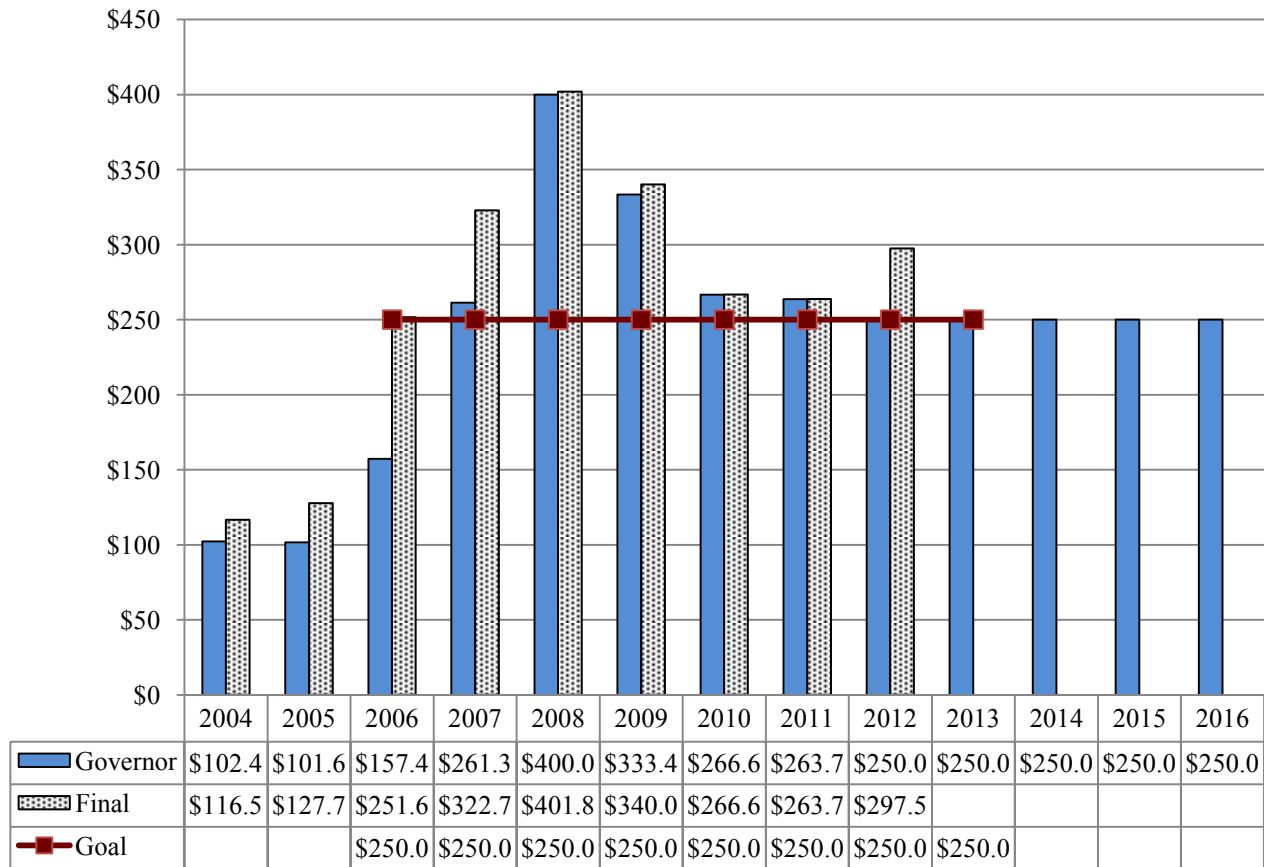
¹ This does not include \$10.0 million authorized for the University of Maryland Medical System. This also does not include \$11.5 million of nonbudgeted funds representing private donor contributions.

School Construction

Capital Funding

The fiscal 2012 capital budget includes \$240.3 million in GO bonds for public school construction. An additional \$9.7 million in unexpended funds from prior years is available from the Statewide Contingency Fund, of which \$6.2 million is reserved for specific local school systems. An additional \$47.5 million of general funds is appropriated through *House Bill 1213* for public school construction projects in local jurisdictions. The local school systems requested approximately \$612.3 million for fiscal 2012, of which \$500.2 million is eligible for State funding. The Public School Facilities Act of 2004 (Chs. 306 and 307) established a State goal to provide \$2.0 billion in State funding over eight years to address school construction needs, or \$250.0 million per year from fiscal 2006 to 2013. Fiscal 2012 will be the seventh consecutive year that the goal has been met or exceeded, with the State providing a total of \$2.15 billion for school construction since fiscal 2006, as illustrated in **Exhibit A-2.11**.

**Exhibit A.2.11
Public School Construction Funding
(\$ in Millions)**



Ageing Schools and Qualified Zone Academy Bond Programs

The Ageing Schools Program is funded with GO bond funds in fiscal 2012. The capital budget as passed by the General Assembly includes \$8.6 million in GO bonds allocated as grants to county boards of education as provided for under § 5-206 of the Education Article.

Public school construction funding is further supplemented with \$15.9 million of QZABs authorized by *House Bill 86*. QZABS may be used in schools located in federal Enterprise or Empowerment Zones or in schools in which 35% of the student population qualifies for free or reduced price meals. QZAB funds are distributed to local school systems through competitive grants. However, *House Bill 86* makes the Breakthrough Center and public charter schools eligible for QZAB distributions.

Transfer Tax

The property transfer tax is the primary funding source for State land conservation programs. In light of the fiscal condition of the State, a number of actions reduce the fiscal 2012 budget appropriations from the transfer tax and direct transfer tax revenues to the general fund. The transfer actions taken affect fiscal 2012 revenues. In each instance, the amount of diverted transfer tax to the general fund is partially replaced with GO bond funds authorized in the MCCBL of 2011 or through pre-authorization provisions included in the MCCBL of 2011 for fiscal 2013 and 2014. **Exhibit A-2.12** shows how transfer tax revenue will be replaced with GO bonds in fiscal 2012, and **Exhibit A-2.13** shows how the fiscal 2012 transfer tax and GO bond replacement is distributed across all operating and capital programs. While Supplemental Budget No. 1 brought in \$8.6 million in fiscal 2010 overattainment not reflected in the fiscal 2012 allowance, this funding was deleted since a corresponding Budget Reconciliation and Financing Act of 2011 provision already transfers the funding to the general fund.

Exhibit A-2.12
Programs Traditionally Funded with Transfer Tax Revenue
Fiscal 2012
(\$ in Millions)

	<u>Transfer Tax</u> <u>Special Funds</u>	<u>Other</u> <u>Special Funds</u>	<u>Federal</u>	<u>GO</u> <u>Bonds</u>	<u>Total</u>
Department of Natural Resources					
Program Open Space					
State ¹	\$2.7	\$0.0	\$3.0	\$2.7	\$8.4
Local ²	0.0	0.0	0.0	23.6	23.6
Capital Development ³	0.0	0.0	0.0	8.9	8.9
Rural Legacy Program ⁴	0.0	0.0	0.0	4.5	4.5
Heritage Conservation Fund	0.0	0.0	0.0	2.1	2.1
Department of Agriculture					
Agricultural Land Preservation ⁵	0.0	4.2	0.0	4.4	8.6
Total	\$2.7	\$4.2	\$3.0	\$46.2	\$56.1

¹ The Program Open Space (POS) – State funding reflects \$2.7 million in special funds for the Baltimore City Direct Grant (\$1.5 million) and operating expenses per the Budget Reconciliation and Financing Act of 2011 (\$1.2 million). The \$3.0 million in federal funding reflects a return to a more conservative level of budgeting. In addition, \$2.7 million in general obligation (GO) bond authorization reflects an additional \$0.4 million for the Baltimore City Direct Grant and \$2.3 million for the first year of a planned three-year replacement of fiscal 2012 transfer tax funding directed to the general fund. There is an additional \$7.2 million in GO debt pre-authorized in each of fiscal 2013 and 2014.

² The POS – Local funding reflects \$23.6 million in GO bond authorization comprised of \$16.7 million to replace prior year funds transferred to the general fund and \$6.9 million as part of the first year of a planned three-year replacement of fiscal 2012 transfer tax funding directed to the general fund. There is an additional \$39.2 million in GO debt pre-authorized for fiscal 2013 and \$6.9 million for fiscal 2014. The \$39.2 million in fiscal 2013 replaces \$32.3 million of prior year transfer tax funding and provides the second installment of \$6.9 million of fiscal 2012 transfer tax funding directed to the general fund. The \$6.9 million in fiscal 2014 reflects the third and final year of fiscal 2012 replacement funding.

³ The Capital Development funding of \$8.9 million in GO bond authorization reflects the following:

- Natural Resources Development Fund – \$3.5 million, which is comprised of \$3.2 million to replace prior year funding and \$0.3 million in fiscal 2012 replacement funding;
- Critical Maintenance Program – \$3.4 million, which is comprised of \$3.0 million in fiscal 2012 replacement funding and \$0.4 million in prior year replacement funding;
- Dam Rehabilitation Program – \$1.0 million, which is comprised of \$0.5 million in prior year replacement funding and \$0.5 million in fiscal 2012 replacement funding; and
- Ocean City Beach Replenishment Fund – \$1.0 million in fiscal 2012 replacement funding for the State share of Ocean City beach maintenance.

In addition, there is \$2.9 million of Natural Resources Development Fund GO bond pre-authorization for fiscal 2013 for the Harriet Tubman Underground Railroad State Park – Visitor Center and Site Improvements.

⁴ The Rural Legacy Program funding of \$4.5 million in GO bond authorization reflects prior year replacement funding. There is an additional \$4.6 million in GO debt pre-authorized for each of fiscal 2013 and 2014 to replace fiscal 2012 transfer tax funding directed to the general fund.

⁵ The Agricultural Land Preservation funding primarily reflects \$4.2 million in county funds. The GO bond authorization of \$4.4 million reflects the first year of a planned three-year replacement of fiscal 2012 transfer tax funding directed to the general fund. There is an additional \$6.5 million in GO debt pre-authorized for each of fiscal 2013 and 2014.

Exhibit A-2.13

Distribution of Transfer Tax Revenues to Programs and GO Bond Replacement

	<u>FY 2011 Original</u>	<u>FY 2011 Revised Funding</u>	<u>FY 2012 Formula</u>	<u>FY 2012 Funding</u>	<u>FY 2013 Bond Replacement</u>	<u>FY 2014 Bond Replacement</u>
Revenues						
Budgeted Revenue Estimate	\$149.89	\$113.81	\$118.92	\$118.92		
Less Administrative Expenses	-4.50	-4.50	-3.57	-3.57		
Attainment Adjustment	-52.64	-52.64	0.00	0.00		
Net Available for Allocation	\$92.76	\$56.67	\$115.35	\$115.35		
Allocations						
Program Open Space (POS)						
POS Bonds Debt Service	\$6.80	\$1.21	\$1.56	\$1.56		
POS Local	0.00	0.00	0.00	0.00		
Forest and Park Service	21.00	21.00	21.00	21.00		
Heritage Areas Authority	3.00	3.00	3.00	3.00		
POS State Land Acquisition	0.00	0.00	0.00	0.00		
POS State Rural Legacy	0.00	0.00	0.00	0.00		
POS State Capital Development	0.00	0.00	0.00	0.00		
POS State Park Operating	1.20	1.20	1.20	1.20		
POS Subtotal	\$32.00	\$26.41	\$26.76	\$26.76		
Other Allocations						
Additional State Land Acquisition	\$2.72	\$1.50	\$2.72	\$2.72		
Agricultural Land Preservation	4.00	0.00	0.00	0.00		
Rural Legacy Additional	0.00	0.00	0.00	0.00		
Heritage Conservation Fund	0.00	0.00	0.00	0.00		
Other Subtotal	\$6.72	\$1.50	\$2.72	\$2.72		
Total Transfer Tax Allocations	\$38.72	\$27.91	\$29.48	\$29.48		
GO Bond Replacement						
POS State	\$13.08	\$4.11	\$21.58	\$4.82	\$7.19	\$7.19
POS Local	12.35	0.00	20.84	6.95	6.95	6.95
POS State Rural Legacy	8.00	8.00	8.00	0.00	2.67	2.67
POS State Capital Development	4.15	4.15	10.13	4.77	2.84	
Agricultural Land Preservation	7.81	9.66	19.56	4.37	6.52	6.52
Rural Legacy Additional	4.64	2.83	5.77	0.00	1.92	1.92
Total GO Bond Replacement	\$50.04	\$28.75	\$85.87	\$20.91	\$28.09	\$25.25
Total Funding	\$88.75	\$56.66	\$115.35			

Note: Due to revised fiscal 2011 transfer tax revenues, the amount of general obligation (GO) bond replacement authorized in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2010 should have been \$28.75 million rather than the \$54.04 million provided in GO bonds and special funds. Fiscal 2012 authorizations have been adjusted to reflect for the MCCBL of 2010 over-authorizations. Some of these adjustments are made to amounts that were pre-authorized for the 2011 session for Program Open Space (POS) – Local funding. However, adjustment to fiscal 2012 replacement also includes a \$2.37 million negative adjustment to POS – Stateside and \$2.15 million to Agricultural Land Preservation. In addition, the multi-year replacement plan of diverted fiscal 2011 revenues does not replace \$2.51 million for Natural Resources Development and Critical Maintenance projects.

State Aid to Local Governments

Overview

State aid to local governments will total \$6.5 billion in fiscal 2012, representing an \$85.6 million increase from the prior year. Local school systems, as in prior years, will receive most of the increase, while funding to county and municipal governments increase slightly after several years of substantial funding reductions. Over the last four years, State aid to local school systems has increased by \$608.4 million, while funding to county and municipal governments has decreased by \$507.1 million. State aid for public schools in fiscal 2012 includes use of \$124.4 million in fiscal 2011 State funds that become available due to the receipt of federal Education Jobs Funds in fiscal 2011. **Exhibit A-3.1** compares State aid by governmental entity in fiscal 2011 and 2012. **Exhibit A-3.2** shows the annual change in State aid over the last four years.

Exhibit A-3.1
State Aid to Local Governments
Fiscal 2011 and 2012
(\$ in Millions)

	<u>2011</u>	<u>2012</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$5,717.5	\$5,774.7	\$57.3	1.0%
Libraries	65.5	65.4	-0.2	-0.3%
Community Colleges	258.1	262.3	4.2	1.6%
Health	37.3	37.3	0.0	0.0%
County/Municipal	375.2	399.6	24.4	6.5%
Total	\$6,453.6	\$6,539.3	\$85.6	1.3%

Source: Department of Legislative Services

Exhibit A-3.2
Annual Change in State Aid
Fiscal 2009-2012
(\$ in Millions)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Total</u>
Public Schools	\$212.9	\$127.1	\$211.1	\$57.3	\$608.4
Libraries	-0.7	0.4	1.7	-0.2	1.2
Community Colleges	13.0	1.5	1.9	4.2	20.6
Health	-9.6	-20.1	0.0	0.0	-29.7
County/Municipal	-168.5	-341.1	-21.9	24.4	-507.1
Total	\$47.1	-\$232.1	\$192.8	\$85.6	\$93.3

Source: Department of Legislative Services

Legislative Actions

The General Assembly approved several measures at the 2011 session that affect State funding for local governments. As shown in **Exhibit A-3.3**, State aid to local governments is reduced by \$154.3 million from statutorily mandated amounts. Retirement payments made on behalf of local governments account for a majority of the State aid reductions. Direct aid to public schools, libraries, and community colleges are also affected along with State funding for Program Open Space and Horse Racing Impact Aid. To partially offset these reductions, the General Assembly approved \$38.2 million in funding enhancements as shown in **Exhibit A-3.4**. In addition to State aid actions, the General Assembly approved measures proposed by the Administration that shift a portion of the costs for property valuations and nonpublic placements. Together, the State aid reductions and cost shifts result in a \$154.4 million net loss in State support for local governments, as shown in **Exhibit A-3.5**.

Exhibit A-3.3
Reductions in State Aid to Local Governments in Fiscal 2012
From Statutorily Mandated Amounts

County	Public Schools	Program Open Space	Libraries/ Community Colleges *	Horse Racing Impact Aid	Retirement		Total State Aid Reductions
					Benefit Changes	Administrative Expenses	
Allegany	-\$487,256	-\$155,000	-\$53,367	\$0	-\$993,414	-\$213,454	-\$1,902,491
Anne Arundel	-2,215,485	-1,673,000	-141,107	-345,000	-6,753,523	-1,398,268	-12,526,383
Baltimore City	-5,814,313	-724,000	-453,669	-554,400	-7,116,935	-1,496,569	-16,159,886
Baltimore	-3,997,206	-1,853,000	-370,845	-50,000	-9,293,048	-2,006,009	-17,570,108
Calvert	-617,863	-163,000	-27,516	0	-1,559,265	-309,792	-2,677,436
Caroline	-285,414	-80,000	-19,445	0	-464,364	-113,943	-963,166
Carroll	-1,038,212	-371,000	-72,258	0	-2,355,593	-525,561	-4,362,624
Cecil	-719,715	-198,000	-50,944	0	-1,405,967	-335,977	-2,710,603
Charles	-1,147,421	-335,000	-58,489	0	-2,308,410	-497,199	-4,346,519
Dorchester	-222,564	-79,000	-17,063	0	-397,011	-95,204	-810,842
Frederick	-1,659,258	-381,000	-87,543	0	-3,435,455	-756,855	-6,320,111
Garrett	-141,398	-91,000	-9,257	0	-413,049	-90,751	-745,455
Harford	-1,561,691	-572,000	-109,048	0	-3,302,966	-794,035	-6,339,740
Howard	-1,598,025	-965,000	-59,280	-86,250	-5,591,649	-1,162,104	-9,462,308
Kent	-52,700	-139,000	-6,534	0	-218,636	-51,670	-468,540
Montgomery	-4,186,379	-2,481,000	-194,320	0	-16,077,562	-2,934,899	-25,874,160
Prince George's	-6,408,019	-2,091,000	-401,297	-169,950	-11,660,178	-2,323,686	-23,054,130
Queen Anne's	-226,776	-103,000	-10,034	0	-635,978	-151,757	-1,127,545
St. Mary's	-663,477	-185,000	-42,133	0	-1,372,488	-299,377	-2,562,475
Somerset	-162,125	-49,000	-18,433	0	-274,918	-67,392	-571,868
Talbot	-76,486	-107,000	-7,252	0	-373,314	-83,568	-647,620
Washington	-1,084,463	-293,000	-81,960	0	-1,866,893	-415,018	-3,741,334
Wicomico	-779,566	-203,000	-59,607	0	-1,308,411	-332,299	-2,682,883
Worcester	-121,337	-203,000	-9,824	0	-730,177	-159,851	-1,224,189
Unallocated	0	0	-5,426,001	0	0	0	-5,426,001
Total	-\$35,267,149	-\$13,494,000	-\$7,787,226	-\$1,205,600	-\$79,909,202	-\$16,615,238	-\$154,278,415

* Unallocated amount includes a \$1.7 million reduction in State Library Network aid and a \$3.7 million reduction in the community college Statewide and Health Manpower Grant Program.

Exhibit A-3.4
Net Effect on State Aid to Local Governments in Fiscal 2012
From Statutorily Mandated Amounts

County	State Aid Reductions	State Aid Enhancements			Net Effect on State Aid
		Alcohol Tax Increase *	Highway User Revenues	Aging Schools Program	
Allegany	-\$1,902,491	\$779,882	\$532,983	\$40,019	-\$549,607
Anne Arundel	-12,526,383	0	887,862	207,089	-11,431,432
Baltimore City	-16,159,886	12,223,682	0	567,989	-3,368,215
Baltimore	-17,570,108	0	753,985	357,765	-16,458,358
Calvert	-2,677,436	0	218,481	15,656	-2,443,299
Caroline	-963,166	0	227,507	20,492	-715,167
Carroll	-4,362,624	0	703,371	56,172	-3,603,081
Cecil	-2,710,603	0	344,986	39,296	-2,326,321
Charles	-4,346,519	0	309,438	20,492	-4,016,589
Dorchester	-810,842	0	262,517	15,670	-532,655
Frederick	-6,320,111	0	1,155,836	74,736	-5,089,539
Garrett	-745,455	640,579	236,520	15,670	147,314
Harford	-6,339,740	0	652,172	88,960	-5,598,608
Howard	-9,462,308	0	282,599	35,921	-9,143,788
Kent	-468,540	0	127,897	15,670	-324,973
Montgomery	-25,874,160	0	1,984,675	246,626	-23,642,859
Prince George's	-23,054,130	8,819,879	2,240,559	494,940	-11,498,752
Queen Anne's	-1,127,545	0	154,651	20,492	-952,402
St. Mary's	-2,562,475	0	166,963	20,492	-2,375,020
Somerset	-571,868	0	118,660	15,670	-437,538
Talbot	-647,620	0	282,711	15,670	-349,239
Washington	-3,741,334	0	717,598	55,207	-2,968,529
Wicomico	-2,682,883	0	508,552	43,635	-2,130,696
Worcester	-1,224,189	0	391,701	15,670	-816,818
Unallocated	-5,426,001	0	0		-5,426,001
Total	-\$154,278,415	\$22,464,022	\$13,262,224	\$2,499,996	-\$116,052,173

* Includes education formula aid enhancements for Allegany and Garrett counties, increased Disparity Grant aid to Prince George's County, and increased Guaranteed Tax Base aid to Baltimore City. Half of the Disparity Grant increase must be provided to the county board of education.

Exhibit A-3.5
Total Fiscal Effect of Legislative Actions on Local Governments
From Statutorily Mandated Amounts

County	State Aid Reductions	State Aid Enhancements	Expenditure Transfers			Total Effect
			Property Valuations	Nonpublic Placements	Total Transfers	
Allegheny	-\$1,902,491	\$1,352,884	-\$623,490	\$0	-\$623,490	-\$1,173,097
Anne Arundel	-12,526,383	1,094,951	-3,296,364	0	-3,296,364	-14,727,796
Baltimore City	-16,159,886	12,791,671	-3,551,473	0	-3,551,473	-6,919,688
Baltimore	-17,570,108	1,111,750	-4,561,470	0	-4,561,470	-21,019,828
Calvert	-2,677,436	234,137	-620,480	0	-620,480	-3,063,779
Caroline	-963,166	247,999	-245,176	0	-245,176	-960,343
Carroll	-4,362,624	759,543	-990,535	0	-990,535	-4,593,616
Cecil	-2,710,603	384,282	-695,681	0	-695,681	-3,022,002
Charles	-4,346,519	329,930	-1,010,804	0	-1,010,804	-5,027,393
Dorchester	-810,842	278,187	-334,393	0	-334,393	-867,048
Frederick	-6,320,111	1,230,572	-1,297,802	0	-1,297,802	-6,387,341
Garrett	-745,455	892,769	-410,986	0	-410,986	-263,672
Harford	-6,339,740	741,132	-1,467,335	0	-1,467,335	-7,065,943
Howard	-9,462,308	318,520	-1,624,103	0	-1,624,103	-10,767,891
Kent	-468,540	143,567	-187,555	0	-187,555	-512,528
Montgomery	-25,874,160	2,231,301	-5,204,337	0	-5,204,337	-28,847,196
Prince George's	-23,054,130	11,555,378	-4,459,386	0	-4,459,386	-15,958,138
Queen Anne's	-1,127,545	175,143	-360,421	0	-360,421	-1,312,823
St. Mary's	-2,562,475	187,455	-699,627	0	-699,627	-3,074,647
Somerset	-571,868	134,330	-248,563	0	-248,563	-686,101
Talbot	-647,620	298,381	-293,923	0	-293,923	-643,162
Washington	-3,741,334	772,805	-914,020	0	-914,020	-3,882,549
Wicomico	-2,682,883	552,187	-734,750	0	-734,750	-2,865,446
Worcester	-1,224,189	407,371	-978,315	0	-978,315	-1,795,133
Unallocated	-5,426,001	0	0	-3,534,620	-3,534,620	-8,960,621
Total	-\$154,278,415	\$38,226,242	-\$34,810,989	-\$3,534,620	-\$38,345,609	-\$154,397,782

Reduced Education Aid

Under the Budget Reconciliation and Financing Act of 2011 (BRFA), *House Bill 72 (passed)* the per pupil foundation amount, a key component of State formula aid to public schools is reduced in fiscal 2012 from \$6,749 to the fiscal 2011 level of \$6,694. This eliminates a 0.8% increase over the fiscal 2011 per pupil funding level, for a reduction of approximately \$35.3 million in fiscal 2012. By rebasing the formula, similar reductions to foundation aid are realized in future years. Also, the decrease in per pupil funding will increase Guaranteed Tax Base (GTB) funding by \$709,000 in fiscal 2012 and reduce State retirement payments by approximately \$4.0 million annually beginning in fiscal 2014. The fiscal 2012 Budget Bill restricts \$22.5 million of the savings for three purposes contingent on passage of *Senate Bill 994 (passed)*, which increases the sales tax on alcoholic beverages. About \$1.4 million is for grants to ensure that in fiscal 2012 only, direct education aid to a county does not decrease by more than 6.5% as compared to fiscal 2011. This enhances fiscal 2012 education aid to Allegany County by \$780,000 and to Garrett County by \$641,000. Second, in conjunction with a provision in *House Bill 72 (passed)* \$12.2 million is reserved for the GTB program to increase Baltimore City's allocation, assuming certain action by Baltimore City takes place. Finally, \$8.8 million is set aside to increase funds received by Prince George's County under the Disparity Grant program contingent on changes to the program for fiscal 2012 implemented through *House Bill 72 (passed)*. The budget bill language requires half of the additional funding to be transferred to the county board of education. See Part L – Education of this *90 Day Report* for more detail.

Retirement Aid Reductions

Several changes in the BRFA of 2011 impact State payments on behalf of local employees through the teachers' retirement program. State payments will be reduced by \$79.9 million in fiscal 2012 due to benefit changes. This includes a \$74.4 million reduction for local school employees, a \$1.2 million reduction for library employees, and a \$4.3 million reduction for community college employees. For a detailed discussion of retirement benefits restructuring, see the subpart "Pensions and Retirement" within Part C – State Government of this *90 Day Report*. Also, beginning in fiscal 2012, local school boards and community college boards will be charged an administrative fee for each employee receiving retirement payments from the State. Consequently, State payments for teachers' retirement in fiscal 2012 are further reduced by \$15.9 million for local school boards and by \$758,000 for community college boards. Local library boards are exempted from the new administrative fee.

Other State Aid Changes

Local governments were scheduled to receive \$134.3 million in funding under the local highway user revenues (HUR) distribution in fiscal 2012; however, this amount was increased by \$13.2 million to \$147.5 million due to a provision in *House Bill 72 (passed)* that increased the percentage of HUR distributed to counties and municipalities. This reverses a trend of substantial reductions in HUR aid in recent years. Also, as discussed above, Disparity Grant funding is increased by \$8.8 million in fiscal 2012, due to a one-year change to the aid formula,

benefitting Prince George’s County, which must distribute half of the additional aid to the county board of education. Per capita funding for local library grants is reduced from \$15 to \$14 in fiscal 2012, resulting in a \$2.4 million decrease from the previous statutory level and State Library Network aid is reduced by \$1.7 million. Local Program Open Space grants will be \$13.5 million less than scheduled; however, the State’s five-year capital program anticipates replacing the reduction with bond funding in fiscal 2013 and 2014. Also, horse racing local impact aid is eliminated in fiscal 2012.

Changes by Program

Eleven counties will receive increased State aid in fiscal 2012, while thirteen counties will receive decreased State aid. **Exhibit A-3.6** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A-3.7** shows total State aid in fiscal 2011 and 2012 by program.

Exhibit A-3.6
State Assistance to Local Governments – Fiscal 2012 Legislative Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total	Change Over FY 2011	Percent Change
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal				
Allegany	\$9,142	\$5,922	\$78,451	\$747	\$909	\$95,171	\$10,469	\$105,640	-\$4,904	-4.4%
Anne Arundel	16,917	28,911	302,831	1,965	3,142	353,765	73,979	427,743	15,560	3.8%
Baltimore City	220,983	0	879,288	6,346	6,675	1,113,292	79,645	1,192,938	1,900	0.2%
Baltimore	10,816	36,656	538,937	5,180	4,302	595,892	101,465	697,357	15,815	2.3%
Calvert	1,430	2,224	82,980	384	370	87,387	17,325	104,713	-4,035	-3.7%
Caroline	3,142	1,473	42,321	272	538	47,747	5,084	52,830	-182	-0.3%
Carroll	2,785	7,442	141,112	1,009	1,232	153,580	25,976	179,556	-243	-0.1%
Cecil	7,626	5,297	97,519	712	806	111,961	15,472	127,433	-894	-0.7%
Charles	2,145	7,048	155,843	817	995	166,846	25,371	192,217	5,064	2.7%
Dorchester	3,124	1,335	31,602	238	429	36,729	4,344	41,073	-39	-0.1%
Frederick	4,414	8,702	218,594	1,222	1,512	234,443	37,855	272,298	9,421	3.6%
Garrett	3,077	3,373	22,923	129	437	29,940	4,498	34,438	-1,457	-4.1%
Harford	3,816	10,287	208,869	1,523	1,737	226,232	36,077	262,310	-1,285	-0.5%
Howard	4,481	14,029	215,901	824	1,215	236,450	61,684	298,134	4,485	1.5%
Kent	740	590	9,608	91	336	11,365	2,402	13,767	-123	-0.9%
Montgomery	16,136	41,297	564,748	2,720	3,015	627,916	179,661	807,577	39,802	5.2%
Prince George's	42,888	22,993	869,719	5,606	5,007	946,213	128,761	1,074,974	-13,592	-1.2%
Queen Anne's	968	1,657	32,222	139	418	35,405	6,991	42,396	988	2.4%
St. Mary's	1,521	2,397	92,707	588	809	98,021	15,195	113,216	-2,032	-1.8%
Somerset	5,735	737	23,792	258	429	30,951	3,028	33,979	-111	-0.3%
Talbot	1,082	1,310	11,523	102	329	14,346	4,087	18,432	624	3.5%
Washington	2,770	7,889	153,234	1,146	1,381	166,420	20,382	186,802	10,010	5.7%
Wicomico	4,552	4,676	114,747	834	947	125,756	14,339	140,095	-309	-0.2%
Worcester	5,612	1,868	18,498	138	313	26,428	8,065	34,494	1,686	5.1%
Unallocated	23,732	11,565	33,756	15,803	0	84,857	0	84,857	9,480	12.6%
Total	\$399,633	\$229,679	\$4,941,727	\$48,791	\$37,283	\$5,657,113	\$882,156	\$6,539,269	\$85,628	1.3%

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

Exhibit A-3.6 (Cont.)
State Assistance to Local Governments
Dollar Difference Between Fiscal 2012 Legislative Appropriation and Fiscal 2011 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$479	\$24	-\$5,260	-\$11	\$0	-\$4,769	-\$135	-\$4,904
Anne Arundel	8,151	216	9,699	52	0	18,117	-2,557	15,560
Baltimore City	-1,363	0	7,236	-115	0	5,757	-3,858	1,900
Baltimore	9	321	13,834	-69	0	14,094	1,721	15,815
Calvert	158	18	-3,835	-18	0	-3,678	-358	-4,035
Caroline	207	39	-262	-2	0	-17	-165	-182
Carroll	569	33	301	27	0	930	-1,173	-243
Cecil	2,002	45	-2,742	-5	0	-700	-194	-894
Charles	181	6	5,180	25	0	5,392	-327	5,064
Dorchester	251	42	-110	-5	0	177	-216	-39
Frederick	1,012	34	9,566	82	0	10,695	-1,274	9,421
Garrett	217	30	-1,519	-26	0	-1,297	-160	-1,457
Harford	458	47	-678	-25	0	-198	-1,087	-1,285
Howard	-151	129	5,837	54	0	5,869	-1,384	4,485
Kent	158	0	-231	-5	0	-77	-46	-123
Montgomery	1,028	476	40,038	59	0	41,601	-1,799	39,802
Prince George's	638	581	-10,040	-41	0	-8,863	-4,730	-13,592
Queen Anne's	122	-25	837	8	0	941	46	988
St. Mary's	97	87	-2,104	-36	0	-1,956	-76	-2,032
Somerset	106	-71	48	-5	0	77	-188	-111
Talbot	246	2	330	0	0	578	46	624
Washington	613	32	8,930	18	0	9,592	417	10,010
Wicomico	444	90	-523	-4	0	6	-315	-309
Worcester	1,602	19	502	0	0	2,122	-436	1,686
Unallocated	7,153	3,102	-920	145	0	9,480	0	9,480
Total	\$24,386	\$5,276	\$74,111	\$101	\$0	\$103,874	-\$18,246	\$85,628

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

Exhibit A-3.6 (Cont.)
State Assistance to Local Governments
Percent Change: Fiscal 2012 Legislative Appropriation over Fiscal 2011 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	County - Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	5.5%	0.4%	-6.3%	-1.5%	0.0%	-4.8%	-1.3%	-4.4%
Anne Arundel	93.0%	0.8%	3.3%	2.7%	0.0%	5.4%	-3.3%	3.8%
Baltimore City	-0.6%	n/a	0.8%	-1.8%	0.0%	0.5%	-4.6%	0.2%
Baltimore	0.1%	0.9%	2.6%	-1.3%	0.0%	2.4%	1.7%	2.3%
Calvert	12.4%	0.8%	-4.4%	-4.6%	0.0%	-4.0%	-2.0%	-3.7%
Caroline	7.1%	2.8%	-0.6%	-0.6%	0.0%	0.0%	-3.1%	-0.3%
Carroll	25.7%	0.4%	0.2%	2.7%	0.0%	0.6%	-4.3%	-0.1%
Cecil	35.6%	0.9%	-2.7%	-0.7%	0.0%	-0.6%	-1.2%	-0.7%
Charles	9.2%	0.1%	3.4%	3.2%	0.0%	3.3%	-1.3%	2.7%
Dorchester	8.7%	3.3%	-0.3%	-2.2%	0.0%	0.5%	-4.7%	-0.1%
Frederick	29.8%	0.4%	4.6%	7.2%	0.0%	4.8%	-3.3%	3.6%
Garrett	7.6%	0.9%	-6.2%	-16.5%	0.0%	-4.2%	-3.4%	-4.1%
Harford	13.6%	0.5%	-0.3%	-1.6%	0.0%	-0.1%	-2.9%	-0.5%
Howard	-3.3%	0.9%	2.8%	7.0%	0.0%	2.5%	-2.2%	1.5%
Kent	27.3%	0.1%	-2.4%	-4.9%	0.0%	-0.7%	-1.9%	-0.9%
Montgomery	6.8%	1.2%	7.6%	2.2%	0.0%	7.1%	-1.0%	5.2%
Prince George's	1.5%	2.6%	-1.1%	-0.7%	0.0%	-0.9%	-3.5%	-1.2%
Queen Anne's	14.4%	-1.5%	2.7%	5.7%	0.0%	2.7%	0.7%	2.4%
St. Mary's	6.8%	3.8%	-2.2%	-5.7%	0.0%	-2.0%	-0.5%	-1.8%
Somerset	1.9%	-8.8%	0.2%	-2.0%	0.0%	0.3%	-5.9%	-0.3%
Talbot	29.4%	0.1%	2.9%	0.1%	0.0%	4.2%	1.1%	3.5%
Washington	28.4%	0.4%	6.2%	1.6%	0.0%	6.1%	2.1%	5.7%
Wicomico	10.8%	2.0%	-0.5%	-0.5%	0.0%	0.0%	-2.2%	-0.2%
Worcester	40.0%	1.0%	2.8%	-0.3%	0.0%	8.7%	-5.1%	5.1%
Unallocated	43.1%	36.7%	-2.7%	0.9%	n/a	12.6%	n/a	12.6%
TOTAL	6.5%	2.4%	1.5%	0.2%	0.0%	1.9%	-2.0%	1.3%

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

Exhibit A-3.7
Total State Assistance to Local Governments

<u>Program</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Difference</u>
Foundation Aid	\$2,763,479,572	\$2,774,524,245	\$11,044,673
Supplemental Program	46,496,417	46,496,415	-2
Geographic Cost of Education Index	126,612,027	127,328,382	716,355
Compensatory Education	1,041,059,587	1,083,839,759	42,780,172
Student Transportation – Regular	220,692,402	224,354,197	3,661,795
Student Transportation – Special Education	23,726,000	23,890,000	164,000
Special Education – Formula	264,001,563	264,262,896	261,333
Special Education – Nonpublic Placements	112,770,182	112,770,182	0
Special Education – Infants and Toddlers	10,389,104	10,389,104	0
Limited English Proficiency Grants	151,196,206	162,699,327	11,503,121
Aging Schools	6,108,997	8,608,996	2,499,999
Teacher Quality Incentives	5,552,000	5,294,000	-258,000
Adult Education	6,933,622	6,933,622	0
Food Service	7,156,664	7,156,664	0
Out-of-county Foster Placements	6,120,001	5,842,000	-278,001
Head Start	1,800,001	1,800,001	0
Judy Hoyer Centers	10,575,000	10,575,000	0
Guaranteed Tax Base	47,391,600	50,069,686	2,678,086
Other Programs	15,554,844	14,892,682	-662,162
Total Primary and Secondary Education	\$4,867,615,789	\$4,941,727,158	\$74,111,369
Library Formula	\$33,032,330	\$32,987,938	-\$44,392
Library Network	15,657,837	15,803,108	145,271
Total Libraries	\$48,690,167	\$48,791,046	\$100,879
Community College Formula	\$194,407,432	\$194,407,430	-\$2
Grants for ESOL Programs	3,812,145	4,380,730	568,585
Optional Retirement	13,824,000	15,409,000	1,585,000
Small College Grant/Allegany and Garrett Grant	3,896,346	3,916,670	20,324
Other Community College Aid	8,462,776	11,564,711	3,101,935
Total Community Colleges	\$224,402,699	\$229,678,541	\$5,275,842
Highway User Revenue	\$136,743,580	\$147,542,240	\$10,798,660
Elderly and Disabled Transportation Aid	4,305,938	4,305,938	0
Paratransit	2,926,702	2,926,702	0
Total Transportation	\$143,976,220	\$154,774,880	\$10,798,660

<u>Program</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Difference</u>
Police Aid	\$45,420,982	\$45,420,982	\$0
Fire and Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	1,860,000	1,610,000	-250,000
9-1-1 Grants	9,400,000	14,400,000	5,000,000
Community Policing	1,974,000	1,974,000	0
Foot Patrol/Drug Enforcement Grants	4,228,210	4,228,210	0
Law Enforcement Training Grants	50,000	50,000	0
Stop Gun Violence Grants	928,478	928,478	0
Violent Crime Grants	4,750,714	4,750,714	0
Baltimore City State's Attorney Grant	1,959,195	1,959,195	0
Domestic Violence Grants	196,354	196,354	0
War Room/Sex Offender Grant	1,445,313	1,445,313	0
Annapolis/Salisbury Crime Grant	623,109	623,109	0
School Vehicle Safety Grant	550,000	550,000	0
Body Armor	49,088	49,088	0
Total Public Safety	\$83,435,443	\$88,185,443	\$4,750,000
Program Open Space	\$15,252,000	\$8,847,000	-\$6,405,000
Critical Area Grants	316,930	263,900	-53,030
Total Recreation/Environment	\$15,568,930	\$9,110,900	-\$6,458,030
Local Health Formula	\$37,283,484	\$37,283,484	\$0
Disparity Grant	\$121,436,013	\$119,747,039	-\$1,688,974
Horse Racing Impact Aid	\$705,600	\$0	-\$705,600
Payments in Lieu of Taxes	815,392	1,053,843	238,451
Video Lottery Terminal Impact Aid	6,809,000	21,804,971	14,995,971
Senior Citizens Activities Center	500,000	500,000	0
Statewide Voting Systems	2,000,000	4,455,755	2,455,755
Total Other Direct Aid	\$10,829,992	\$27,814,569	\$16,984,577
Total Direct Aid	\$5,553,238,737	\$5,657,113,060	\$103,874,323
Retirement – Teachers	\$849,836,103	\$832,978,012	-\$16,858,091
Retirement – Libraries	16,853,392	16,559,768	-293,624
Retirement – Community Colleges	33,712,536	32,618,335	-1,094,201
Total Payments-in-behalf	\$900,402,031	\$882,156,115	-\$18,245,916
Total State Assistance	\$6,453,640,768	\$6,539,269,175	\$85,628,407

ESOL: English for Speakers of Other Languages

Source: Department of Legislative Services

Primary and Secondary Education

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. Under *House Bill 72 (passed)* the per pupil foundation amount for fiscal 2012 is set at \$6,694 (the same level as fiscal 2011), and the increase in the foundation amount is capped at 1% for fiscal 2013 through fiscal 2015. The student enrollment count used for the program totals 821,109 students. Enrollment for the formula is based on the September 30, 2010, full-time equivalent student enrollment count. Less affluent local school systems, as measured by assessable base and net taxable income, receive relatively more aid per pupil than wealthier school systems. The State provides funding for roughly 50% of the program's cost.

State aid under the foundation program will total \$2.8 billion in fiscal 2012, an \$11.0 million, or 0.4%, increase from the prior year. In addition, \$46.5 million in supplemental grants will be provided to nine local school systems. The supplemental grants were established during the 2007 special session to guarantee increases of at least 1% in State education aid for all local school systems during the two years, fiscal 2009 and 2010, that inflationary increases for the per pupil foundation amount were eliminated. Supplemental grants continued at fiscal 2010 levels in fiscal 2011, less a \$4.7 million reduction that recaptured overpayments to eight local school systems due to a miscalculation in school system wealth bases in fiscal 2009. Fiscal 2012 supplemental grants remain at the fiscal 2011 level.

Geographic Cost of Education Index: This is a discretionary formula that provides additional State funds to local school systems where costs for educational resources are higher than the State average. Funding for the geographic cost of education index (GCEI) formula was provided in fiscal 2009 for the first time. Fiscal 2012 GCEI funding totals \$127.3 million. Thirteen local school systems receive funding from the geographic cost of education index formula.

Compensatory Education: The compensatory education program provides additional funding based on the number of economically disadvantaged students. The formula recognizes disparities in local wealth by adjusting the grants per eligible student by local wealth. The formula is calculated based on 97% of the annual per pupil amount used in the foundation program and the number of students eligible for free and reduced-price meals. The State provides funding for 50% of the program's cost. State aid under the compensatory education program will total \$1.1 billion in fiscal 2012, representing a \$42.8 million, or 4.1%, increase over the prior year due to a 4.6% increase in the student count and holding per pupil funding at the 2011 level. The per pupil State funding amount for fiscal 2012 is set at \$3,247, and the student enrollment count used for the program totals 320,812.

Special Education: State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education

students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements.

The special education formula is calculated based on 74% of the annual per pupil foundation amount and the number of special education students from the prior fiscal year, with the State providing funding for 50% of the program's cost. The per pupil State funding amount for fiscal 2012 is set at \$2,477, and the student enrollment count used for the program totals 102,800. State funding for public special education programs will total \$264.3 million in fiscal 2012, representing a \$261,000, or a 0.1% increase over the prior year. Funding for nonpublic placements is estimated to remain unchanged in fiscal 2012 at \$112.8 million. Under current law, a local school system pays its respective local share of the basic cost of education for each nonpublic placement plus two times the total basic cost of education in the system, as well as 30% of any expense above that sum. The State pays 70% of the costs above the base local funding.

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. The BRFA of 2010 set the inflation rate for student transportation grants at 1% for fiscal 2011 through fiscal 2015 and reduced the minimum annual inflation adjustment from 3 to 1%. 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 2012 State budget includes \$224.4 million for regular transportation services and \$23.9 million for special transportation services. This represents a \$3.8 million, or 1.6%, increase from the prior year.

Limited English Proficiency: The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99% of the annual per pupil foundation amount, with the State providing funding for 50% of the program's cost. The fiscal 2012 grant per LEP student is \$3,314. State funding for the program will total \$162.7 million in fiscal 2012, representing an \$11.5 million, or 7.6%, increase over the prior year. The number of LEP students in Maryland totals 47,901 for the 2010-2011 school year.

Guaranteed Tax Base Program: The Bridge to Excellence in Public Schools Act included an add-on grant for jurisdictions with less than 80% of statewide per pupil wealth that contributed more than the minimum required local share under the foundation program in the prior year. The grant is based on local support for education relative to local wealth. The grant cannot exceed 20% of the per pupil foundation amount. Eight local school systems will qualify for grants totaling \$50.1 million in fiscal 2012. The \$50.1 million figure for the GTB program assumes that Baltimore City shifts school system retiree health care costs from the Baltimore

City budget to the school system's budget and, therefore, local retiree health payments in fiscal 2011 will be included in the calculation of the GTB program for fiscal 2012. This change increases by \$12.2 million the fiscal 2012 grant to Baltimore City. For more discussion see Part L – Education of this *90 Day Report*.

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 \$8.6 million in fiscal 2012, including \$2.5 million added to the State capital budget, ***House Bill 71 (passed)***. An additional \$1.5 million will go for school wiring in fiscal 2012. ***House Bill 72 (passed)*** authorizes general obligation (GO) bond funds to be used instead of general funds for the Aging Schools Program in fiscal 2012 and subsequent years.

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 2012 State budget includes \$7.6 million for Judy Center grants, \$3.0 million for school readiness and program accreditation, and \$1.8 million for Head Start programs.

Teacher Quality Incentives: The State provides salary enhancements for teachers obtaining national certification and a stipend for teachers and other nonadministrative certificated school employees working in low-performing schools. The fiscal 2012 State budget includes \$4.2 million for teacher quality incentives; \$96,000 for the Governor's Teacher Excellence Award Program which distributes awards to teachers for outstanding performance; and \$1.1 million for teacher quality and national certification grants.

Food and Nutrition Services: In addition to federal funds provided under the School Lunch Act of 1946, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. The fiscal 2012 State budget includes \$7.2 million for food and nutrition services.

Infants and Toddlers Program: This program involves a statewide community-based interagency system of comprehensive early intervention services for eligible children who are less than three years old. Eligible children include those who have developmental delays or disabilities. State funding for infants and toddlers programs will total \$10.4 million in fiscal 2012, the same amount that was provided in the prior year.

Adult Education: The State provides funding for adult education services through four programs: adult general education; external diploma program; literacy works grant; and adult

education and literacy works. The State budget includes \$6.9 million for adult education programs in fiscal 2012, the same amount that was provided in the prior year.

School-based Health Centers: The fiscal 2012 State budget includes \$2.6 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. This amount reflects a 5%, or \$137,000 decrease from the prior year. 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 \$2.2 million for this initiative in fiscal 2012. While this funding amount reflects a \$900,000 increase over the amounts provided in fiscal 2010 and 2011, it is approximately \$100,000 below the amount provided in fiscal 2009.

Teachers' Retirement Payments: The State pays 100.0% 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. Teachers' retirement payments will total \$833.0 million in fiscal 2012, representing a \$16.9 million, or 2.0%, decrease over the prior year.

Local Libraries

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% of the minimum program, and the counties provide 60.0%. The State/local share of the minimum program varies by county depending on local wealth. Chapter 481 of 2005 started a phase-in of enhancements for the library aid formula, increasing the per resident allocation by \$1 per year from \$12 per resident in fiscal 2006 to \$16 per resident by fiscal 2010. However, Chapter 2 of the 2007 special session deferred the \$1 formula increase for fiscal 2009, and the BRFA of 2009 froze the per resident amount used in the local library aid formula at \$14 for fiscal 2010 and 2011. The BRFA of 2010 froze the per resident amount at \$15 beginning in fiscal 2012. However, the BRFA of 2011 sets per capita funding for local library grants at \$14 through fiscal 2016 and phases the per capita grant up to \$15 in fiscal 2019. Due to these changes, State funding in fiscal 2012 will total \$33.0 million, which represents a \$44,000, or 0.1%, decrease over the prior year.

State Library Network: The network consists of the Central Library of the Enoch Pratt Free Library System in Baltimore City, three regional resource centers, and metropolitan cooperative service programs. The Enoch Pratt Free Library operates as the designated State Library Resource Center. In addition to the State center, regional resource centers serve Western Maryland (Hagerstown), Southern Maryland (Charlotte Hall), and the Eastern Shore (Salisbury). Chapter 481 of 2005 started a phase-in of enhancements for the regional resource centers,

increasing the per resident allocation by \$1.00 per year to move from \$4.50 per resident in fiscal 2006 to \$8.50 per resident by fiscal 2010. However, Chapter 2 of the 2007 special session deferred the \$1.00 formula increase for fiscal 2009, and the BRFA of 2009 decreased the per resident allocations to the State Library Resource Center and the State's three regional resource centers. Funding for the State Library Resource Center was reduced from \$1.85 per State resident to \$1.67 per resident for fiscal 2010 and 2011. The BRFA of 2011 sets per capita funding at \$1.67 through fiscal 2016 and phases the per capita grant up to \$1.85 in fiscal 2019. Funding for regional resource centers decreased to \$6.75 per resident of the region in fiscal 2010 and 2011. The BRFA of 2011 sets per capita funding for regional resource centers at \$6.75 through fiscal 2016 and increases the rate to reach \$7.50 in fiscal 2019. Combined, changes to per capita funding result in \$1.7 million less funding than scheduled for fiscal 2012. State funding in fiscal 2012 will total \$9.5 million for the State Library Resource Center and \$6.3 million for the regional centers.

Retirement Payments: The State pays 100.0% of the employers' 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 \$16.6 million in fiscal 2012, a \$294,000, or 1.7%, decrease from the prior year.

Community Colleges

Senator John A. Cade Funding Formula: The BRFA of 2010 reduced funding under the Cade formula to \$194.4 million in fiscal 2011 and 2012 and reset the phase-in of scheduled formula enhancements. The BRFA of 2011 does not impact fiscal 2012 funding but revises the phase-in of formula enhancements.

Special Programs: State funding in fiscal 2012 will total \$3.3 million for the small college grants and \$0.6 million for the Allegany/Garrett counties unrestricted grants. Funding for statewide and regional programs will total \$6.6 million. The English as a Second Language program will receive \$4.4 million. A new \$5.0 million Keeping Maryland Community Colleges Affordable grant program will provide grants in fiscal 2012 to colleges that hold tuition rate increases to 3.0% or less for the 2011-2012 academic year and will be distributed among participating colleges based on for-credit enrollment. The BRFA of 2011 repeals the requirement that the State fully reimburse the community colleges for the costs associated with waiving out-of-county tuition charges under the statewide and health manpower grant program. It is estimated that the \$6.0 million budgeted for the program in fiscal 2012 is \$3.7 million less than the total cost of the program.

Retirement Payments: The State pays 100.0% 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 \$32.6 million in fiscal 2012, a \$1.1 million, or 3.2%, decrease. In addition, State funding for the optional retirement program will total \$15.4 million in fiscal 2012, representing a \$1.6 million, or 11.5%, increase.

Local Health Departments

The State provides funds to support the delivery of public health services in each of Maryland's 24 jurisdictions. These services include child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of the departments. Due to declining State revenues, the fiscal 2010 appropriation for grants to local health departments was reduced from \$57.4 million to \$37.3 million by the Board of Public Works (BPW) in August 2009. Under the statute, funding would have increased to \$41.0 million in fiscal 2011; however, the BRFA of 2010 reduced the base appropriation for the targeted local health formula for fiscal 2011 and 2012 to \$37.3 million and provided for inflationary increases to the program in fiscal 2013.

County and Municipal Governments

Highway User Revenues: The State shares various transportation revenues, commonly referred to as highway user revenues (HUR), with the counties and municipalities. Due to declining State revenues, BPW reduced fiscal 2010 HUR by \$159.5 million in August 2009. This amount was in addition to the \$161.9 million reduction from the statutory funding level that resulted from the 2009 legislative session actions. These reductions coupled with downward revisions in transportation revenues would have resulted in highway user grants of \$140.5 million in fiscal 2010. The BRFA of 2010, however, partially restored the fiscal 2010 funding to reflect payments received by the counties and municipalities before BPW reduced the appropriation. Due to this action highway user grants in fiscal 2010 totaled \$163.5 million.

Prior to the fiscal 2010 reductions, Maryland local governments received 30.0% of HUR. For fiscal 2011 and 2012, the BRFA of 2010 lowered the local shares to 8.5 and 8.1%, respectively. This resulted in grants totaling \$136.7 million in fiscal 2011. However, the BRFA of 2011 increases the local share to 8.9% in fiscal 2012. This change increases HUR provided to the counties and municipalities in fiscal 2012 by \$5.0 million and \$8.3 million, respectively. Local highway user grants will total \$147.5 in fiscal 2012. Of this amount, Baltimore City will receive about \$124.3 million, the counties will receive about \$13.3 million, and municipalities will receive \$9.9 million. Beginning in fiscal 2013, the overall local share is 9.2% of HUR: 7.5% for Baltimore City; 1.4% for counties; and 0.3% for municipalities.

Other Transportation Aid: State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2012, while State funding for paratransit grants will total \$2.9 million.

Police Aid Formula: Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The Maryland State Police recovers 30% of the State crime laboratories costs relating to evidence-testing services from each county's formula allocation. Due to declining State revenues, the fiscal 2010 appropriation for police aid was reduced from \$66.0 million to \$45.4 million by BPW in August 2009. Under the statute, the fiscal 2011 funding level would have totaled \$64.4 million;

however, the BRFA of 2010 limits the amount a local government may receive through the police aid formula in both fiscal 2011 and 2012 to the amount the jurisdiction receives in fiscal 2010. This limitation reduced police aid by \$19.0 million in fiscal 2011. Police aid remains at the \$45.4 million level in fiscal 2012.

Public Safety Grants: State funding for targeted public safety grants will total \$14.2 million in fiscal 2012. 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 \$623,000 will be provided to an ongoing initiative to fight crime in the City of Annapolis and the City of Salisbury.

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 nonlapsing dedicated fund that receives up to \$2.0 million a year from penalties collected for lapsed or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$1.6 million in fiscal 2012.

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 2012.

9-1-1 Emergency Systems Grant: The State imposes a 25-cent fee per month on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. State funding to local 9-1-1 emergency systems will total \$14.4 million in fiscal 2012.

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. Local POS grants will total \$7.3 million in fiscal 2012, which represents a \$5.0 million decrease from the prior year. In addition, Baltimore City will receive \$1.5 million in special POS grant funding, a \$1.4 million decrease.

Horse Racing Impact Aid: To assist services and facilities for communities within two miles of the Pimlico racetrack and three miles of the Laurel racetrack, the State has provided

impact aid for live racing. Also, the City of Bowie has received aid for each day training facilities are open at the Bowie Training Center. In addition, for each day wagering is conducted at a track where live racing is not held, there has been impact aid provided for simulcast wagering. However, the fiscal 2011 budget transferred \$500,000 of the \$1.2 million allocated for local impact aid to the general fund and the fiscal 2012 budget includes no funding for horse racing impact aid.

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. Through fiscal 2011, counties with per capita local income tax revenues less than 75% of the State's average received grants. Aid received by a county equaled the dollar amount necessary to raise the county's per capita income tax revenues to 75% of the State average. The BRFA of 2009 included a provision, beginning in fiscal 2011, that capped each county's funding under the program at the fiscal 2010 level. Under the Budget Reconciliation and Financing Act of 2011, for fiscal 2012 only, the disparity grant is based on income tax revenues below 77% of the State average, instead of 75%. This change solely benefits Prince George's County, which receives a \$20.0 million disparity grant for fiscal 2012, or \$8.8 million above the grant that would have resulted under previous law. Half (or \$4.4 million) of this increase must be provided to the county board of education. Savings resulting from a decrease in education aid, also authorized under the BRFA of 2011, are earmarked to fund this increase in the disparity grant, contingent on the passage of *Senate Bill 994 (passed)* raising the sales tax on alcoholic beverages. Based on these actions, disparity grant funding totals \$119.7 million in fiscal 2012, a \$1.7 million or 1.4% decrease from the prior year.

State Aid

County Level Detail

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

Direct Aid and Retirement Payments

Direct Aid: The State distributes aid or shares revenue with the counties, municipalities, and Baltimore City through over 40 different programs. The fiscal 2012 State budget includes \$5.7 billion to fund these programs. Part A, section 1 of each county's statistical tables compares aid distributed to the county in fiscal 2011 and 2012.

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. These payments total \$882.2 million in fiscal 2012. 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 2012 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 \$985.5 million statewide for these programs in fiscal 2012. In addition, \$41.4 million from the Cigarette Restitution Fund will also be spent on these programs in fiscal 2012. 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 2012 budget includes \$78.0 million in general funds and \$22.3 million in special funds for these programs. In addition, the budget includes \$33.2 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 2012 funding for these family health programs totals \$15.6 million in general funds and \$41.9 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 2012 funding for these programs totals \$29.6 million in general funds and \$31.1 million in federal funds.

- ***Mental Health:*** The Mental Hygiene Administration oversees a wide range of community mental health services that are developed and monitored at the local level by Core Service Agencies. The Core Service Agencies have the clinical, fiscal, and administrative responsibility to develop a coordinated network of services for all public mental health clients of any age within a given jurisdiction. These services include inpatient hospital and residential treatment facility stays, outpatient treatment, psychiatric rehabilitation services, counseling and targeted case management services. The fiscal 2012 budget includes \$419.4 million in general funds and \$354.5 million in federal funds for mental health services.
- ***Prevention and Disease Control:*** The Family Health Administration and the Infectious Disease and Environmental Health Administration are responsible for chronic and hereditary disease prevention (cancer, heart disease, diabetes, etc.) and the prevention and control of infectious diseases. 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. The former AIDS Administration is part of the Infectious Disease and Environmental Health Administration. General fund appropriations in fiscal 2012 total \$8.5 million along with \$41.9 million in federal funds. In addition, the budget includes \$18.9 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 2012 budget includes \$434.4 million in general funds and \$337.6 million in federal funds for these programs.

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 2012 estimates of funding for those programs that are available by subdivision. Note that fiscal 2012 funding for both homeless and women's services is allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2011 funding and may change.

- ***Homeless Services:*** The State funds programs 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 2012 budget includes \$3.8 million in general funds for these programs.

- **Women’s Services:** The State provides funding for a variety of community-based programs for women. These include the battered spouse program, rape crisis centers, and crime victim's services. Total fiscal 2012 funding for these programs equals \$4.3 million in general funds. In addition, the fiscal 2012 budget includes \$2.1 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 2012 budget includes \$10.6 million in general funds and \$30.9 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 2012 budget includes \$91.1 million in general funds and \$118.6 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 2012 funding is \$13.0 million in general funds and \$27.2 million in federal funds. In this report the fiscal 2012 general funds are allocated among the subdivisions on the basis of each jurisdiction's share of fiscal 2011 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 2012 funding is \$9.6 million in general funds.
- **Community Services:** Included in this category are the senior information and assistance program and the senior nutrition 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 2012 funding for these programs totals \$3.4 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 2012 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 2012. 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 2012 budget includes \$297.5 million in funding for local school construction: \$9.7 million from the program's contingency fund, \$240.3 million in general obligation bonds, and \$47.5 million in general funds. As of the publication of this report, \$187.5 million of the total fiscal 2012 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 2012 operating and capital budgets, at State facilities and public colleges and universities by the county in which the facility is located. If a facility is 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 2012 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 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$42,911	\$41,440	-\$1,471	-3.4
Compensatory Education	21,775	20,561	-1,215	-5.6
Student Transportation	4,374	4,401	28	0.6
Special Education	6,772	6,266	-506	-7.5
Limited English Proficiency Grants	160	89	-71	-44.5
Guaranteed Tax Base	6,753	4,689	-2,064	-30.6
Adult Education	184	184	0	0.0
Aging Schools	98	138	40	40.9
Other Education Aid	684	684	0	0.0
Primary & Secondary Education	\$83,711	\$78,451	-\$5,260	-6.3
Libraries	758	747	-11	-1.5
Community Colleges	5,898	5,922	24	0.4
Health Formula Grant	909	909	0	0.0
* Transportation	436	976	540	123.8
* Police and Public Safety	566	566	0	0.0
* Fire and Rescue Aid	225	225	0	0.0
Recreation and Natural Resources	138	77	-61	-44.2
Disparity Grant	7,299	7,299	0	0.0
Total Direct Aid	\$99,940	\$95,173	-\$4,767	-4.8
Aid Per Capita (\$)	1,372	1,311	-61	-4.5
Property Tax Equivalent (\$)	2.49	2.38	-0.11	-4.4

* 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. Fiscal 2012 State payments for Allegany County for teachers, librarians, and community college faculty are estimated to be \$10,469,000.

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 2012 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 2011) 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	\$4,104,000
Family Health and Primary Care	264,000
Medical Care Services	838,000
Mental Health	6,421,000
Prevention and Disease Control	430,000
Developmental Disabilities	5,528,000

Social Services

Homeless Services	69,000
Women's Services	109,000
Adult Services	192,000
Child Welfare Services	1,910,000

Senior Citizen Services

Long-term Care	277,000
Community Services	155,000

C. Selected State Grants for Capital Projects

Public Schools

Fort Hill High School – renovations (roof)	\$200,000
Western Region Funding (Allegany, Carroll, Frederick, Garrett, and Washington)	750,000

Community Parks and Playgrounds

Baker Memorial Park	25,000
Meadow Park	30,000

Chesapeake Bay Water Quality Projects

Cumberland Combined Sewer – overflow improvements	1,500,000
Frostburg Combined Sewer – overflow improvements	600,000

Other Projects

Allegany Museum	150,000
Cumberland City Market	100,000

D. Capital Projects for State Facilities in the County

University System of Maryland

Frostburg State – Center for Communications and Information Technology	\$10,054,000
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Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$183,003	\$186,771	\$3,768	2.1
Compensatory Education	48,050	52,264	4,213	8.8
Student Transportation	20,628	21,002	374	1.8
Special Education	23,957	24,178	222	0.9
Limited English Proficiency Grants	6,615	7,461	847	12.8
Geographic Cost of Education Index	8,786	8,875	89	1.0
Adult Education	261	261	0	0.0
Aging Schools	506	713	207	40.9
Other Education Aid	1,327	1,305	-21	-1.6
Primary & Secondary Education	\$293,132	\$302,831	\$9,699	3.3
Libraries	1,913	1,965	52	2.7
Community Colleges	28,695	28,911	216	0.8
Health Formula Grant	3,142	3,142	0	0.0
* Transportation	1,585	2,501	916	57.8
* Police and Public Safety	4,619	4,619	0	0.0
* Fire and Rescue Aid	810	810	0	0.0
Recreation and Natural Resources	1,486	836	-650	-43.7
Video Lottery Terminal Impact Aid	0	8,075	8,075	n/a
* Other Direct Aid	266	75	-191	-71.8
Total Direct Aid	\$335,647	\$353,765	\$18,117	5.4
Aid Per Capita (\$)	646	674	28	4.3
Property Tax Equivalent (\$)	0.39	0.45	0.05	12.9

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

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2012 State payments for Anne Arundel County for teachers, librarians, and community college faculty are estimated to be \$73,979,000.

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 2012 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 2011) 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	\$2,841,000
Family Health and Primary Care	642,000
Medical Care Services	1,395,000
Mental Health	24,753,000
Prevention and Disease Control	1,014,000
Developmental Disabilities	39,725,000

Social Services

Homeless Services	158,000
Women’s Services	224,000
Adult Services	179,000
Child Welfare Services	4,072,000

Senior Citizen Services

Long-term Care	672,000
Community Services	150,000

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

Broadneck Elementary School – construction	\$1,197,000
Cape St. Claire Elementary School – kindergarten addition	1,259,000
Davidsonville Elementary School – kindergarten addition	999,000
Folger McKinsey Elementary School – construction	1,000,000
Four Seasons Elementary School – construction	1,267,000
Glen Burnie High School – renovations (HVAC)	1,406,000
Maryland City Elementary School – renovations (electrical)	66,000
Northeast High School – construction	5,850,000
Piney Orchard Elementary School – kindergarten addition	972,000
Point Pleasant Elementary School – construction	800,000
Severn Elementary School – construction	513,000
Severna Park Elementary School – renovations (electrical)	66,000
Solley Elementary School – kindergarten addition	940,000
Southern High School – renovations (roof/wastewater treatment plant)	2,009,000
Southern High School – science facilities	330,000
Unspecified Additional Funding	5,000,000

Anne Arundel Community College

Administration Building – renovation and expansion	226,000
Library – renovation and addition	5,058,000

Federally Qualified Health Centers Grant Program

People’s Community Health Center	1,600,000
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Community Parks and Playgrounds

Truxton Park	58,000
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Waterway Improvement

Duval Creek – main channel dredging	300,000
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African American Heritage Preservation Grant Program

Kunta Kinte-Alex Haley Memorial – improvements	36,000
Maynard-Burgess House – renovation	100,000

Other Projects

Andover Park – fields and field house renovations	100,000
Annapolis and Anne Arundel County Conference and Visitors Bureau Center	50,000
Annapolis High School – scoreboard and field house	400,000
Annapolis Market House	250,000
Anne Arundel Medical Center	300,000
Arundel Lodge – expansion	200,000
Bates Middle School – gymnasium and theater	1,000,000
Carroll Field Puglise Stadium – field lights	100,000
Charles Carroll House	75,000
Clay Street Development	100,000
Maryland Hall for the Creative Arts	250,000
Reece Road Community Health Center	250,000
South River High School – media center	50,000
Wiley H. Bates Heritage Park – turf field	350,000

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

Lowe House Office Building – renovations	\$7,050,000
State House – Old Senate Chamber	3,000,000
State House Exhibits	140,000

Maryland State Police

Barrack P – land acquisition	760,000
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Department of Public Safety and Correctional Services

Maryland House of Correction – deconstruction project

500,000

Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$394,028	\$393,055	-\$973	-0.2
Compensatory Education	312,797	312,101	-696	-0.2
Student Transportation	18,251	19,107	856	4.7
Special Education	81,194	80,647	-547	-0.7
Limited English Proficiency Grants	11,007	12,811	1,803	16.4
Guaranteed Tax Base	27,659	33,684	6,024	21.8
Geographic Cost of Education Index	21,904	22,104	200	0.9
Adult Education	1,383	1,383	0	0.0
Aging Schools	1,388	1,956	568	40.9
Other Education Aid	2,443	2,443	0	0.0
Primary & Secondary Education	\$872,053	\$879,288	\$7,236	0.8
Libraries	6,461	6,346	-115	-1.8
Health Formula Grant	6,675	6,675	0	0.0
Transportation	127,470	124,713	-2,758	-2.2
Police and Public Safety	9,921	9,921	0	0.0
Fire and Rescue Aid	931	931	0	0.0
Recreation and Natural Resources	3,885	2,462	-1,423	-36.6
Disparity Grant	79,052	79,052	0	0.0
Video Lottery Terminal Impact Aid	0	2,295	2,295	n/a
Other Direct Aid	1,086	979	-107	-9.9
Total Direct Aid	\$1,107,535	\$1,113,292	\$5,757	0.5
Aid Per Capita (\$)	1,741	1,754	13	0.7
Property Tax Equivalent (\$)	2.83	2.87	0.04	1.5

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. Fiscal 2012 State payments for Baltimore City for teachers, librarians, and community college faculty are estimated to be \$79,645,000.

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 2012 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 2011) 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	\$34,190,000
Family Health and Primary Care	4,722,000
Medical Care Services	7,690,000
Mental Health	142,688,000
Prevention and Disease Control	1,857,000
Developmental Disabilities	48,582,000

Social Services

Homeless Services	1,606,000
Women's Services	787,000
Adult Services	2,287,000
Child Welfare Services	36,490,000

Senior Citizen Services

Long-term Care	1,946,000
Community Services	940,000

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

Diggs-Johnson Building #162 – renovations (roof)	\$680,000
Dr. Martin Luther King Jr. Pre-K through 8 School #254 – renovations	424,000
Furman L. Templeton Elementary School #125 – renovations (unit ventilator)	443,000
Joseph C. Briscoe Building #451 – renovations (HVAC)	1,060,000
Leith Walk Elementary School #245 – construction	8,300,000
Roland Park Elementary/Middle School #233 – renovations (HVAC)	2,866,000
Samuel Coleridge Taylor Elementary School #122 – renovations (boiler)	434,000
Southeast Building #255 – renovations (HVAC)	747,000
Thomas G. Hayes Building #102 – renovations (fire safety)	258,000
Walbrook Uniform Academy #411 – renovations (fire safety)	1,026,000
Waverly Pre-K through 8 School #051 – construction	5,000,000
Unspecified Additional Funding	9,000,000

Community Health Facilities Grant Program

Community Housing Associates, Inc.	2,250,000
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Federally Qualified Health Centers Grant Program

Chase Brexton Health Services	500,000
Family Health Centers of Baltimore	1,600,000

Shelter and Transitional Facilities

Dayspring Square	1,000,000
Project PLASE Vets Transitional	500,000

Partnership Rental Housing Program

Thompson 22	1,079,187
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Community Parks and Playgrounds

Alexander Odum Park	185,000
Herring Run Park	185,000

Chesapeake Bay Water Quality Projects

Back River Wastewater Treatment Plant (WWTP) – nutrient removal	7,710,000
Patapsco WWTP – nutrient removal	20,690,000

Chesapeake Bay Restoration Fund

Patapsco WWTP – enhanced nutrient removal	114,000,000
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Waterway Improvement

City Fire Department – marine fire and rescue equipment	10,000
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African American Heritage Preservation Grant Program

Bauernschmidt Mansion – rehabilitation	53,000
Reginald F. Lewis Museum – new exhibit	13,000
The Sphinx Club – renovation	100,000

Other Projects

American Visionary Art Museum	55,000
Baltimore Museum of Art	2,500,000
Baltimore Zoo – infrastructure improvements	2,500,000
Dayspring Square	50,000
Delta Lambda Foundation – Head Start Facility	150,000
Doctor Christina Phillips Community Center	100,000
Dr. Bob’s Place – A Hospice for Children	50,000
East Baltimore Biotechnology Park	2,500,000
Garrett-Jacobs Mansion	25,000
Habitat for Humanity of the Chesapeake	250,000
Historic Diamond Press Building	50,000
In Our House Homeless Youth Center	300,000
Johns Hopkins Health System – Cardiovascular and Critical Care Tower	5,500,000
Johns Hopkins University – Brody Learning Commons	3,000,000
Junior League of Baltimore Thrift Store	265,000
Kennedy-Krieger Institute	1,000,000
Mary Harvin Transformation Center	125,000
Maryland Center of Veterans Education and Training	90,000
Maryland General Hospital	1,000,000
Maryland Historical Society	250,000

Maryland Institute College of Art – Studio Center	3,000,000
Maryland School for the Blind – Life Education Building	4,000,000
Mattie B. Uzzle Outreach Center	325,000
Mercy Medical Center	2,700,000
Morgan Mill Facility	100,000
Mount Vernon Place Conservancy	100,000
National Aquarium in Baltimore – infrastructure improvements	1,000,000
Park Heights Women and Children Center	100,000
Parks and People Headquarters at Auchentoroly Terrace	50,000
Sinai Hospital – Neurological Rehabilitation Center	1,000,000
St. Elizabeth School – roof replacement	100,000
St. Francis Xavier Head Start	125,000
Star-Spangled Banner Flag House	150,000
Town Theatre	60,000

D. Capital Projects for State Facilities in the City**Baltimore City Community College**

Liberty Campus – renovate main building	\$2,250,000
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Department of Public Safety and Correctional Services

Baltimore City Detention Center – dining facility renovation	1,500,000
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Morgan State University

Center for the Built Environment and Infrastructure Studies	4,000,000
Jenkins Behavioral and Social Science Center	1,400,000
Lillie Carroll Jackson Museum – renovation	50,000
School of Business and Management – new complex	921,000

University System of Maryland

Baltimore – Health Sciences Research Facility	4,000,000
University of Baltimore – Law School	41,493,000

Other

Emergency Medical Communications Systems	1,000,000
University of Maryland Medical System – shock trauma center	10,000,000

Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$328,787	\$330,765	\$1,978	0.6
Compensatory Education	102,676	112,834	10,158	9.9
Student Transportation	26,649	27,122	473	1.8
Special Education	44,336	44,874	539	1.2
Limited English Proficiency Grants	11,204	11,625	421	3.8
Geographic Cost of Education Index	5,329	5,373	44	0.8
Adult Education	484	484	0	0.0
Aging Schools	874	1,232	358	40.9
Other Education Aid	4,764	4,628	-135	-2.8
Primary & Secondary Education	\$525,104	\$538,937	\$13,834	2.6
Libraries	5,249	5,180	-69	-1.3
Community Colleges	36,335	36,656	321	0.9
Health Formula Grant	4,302	4,302	0	0.0
Transportation	1,615	2,406	791	49.0
Police and Public Safety	6,317	6,317	0	0.0
Fire and Rescue Aid	1,166	1,166	0	0.0
Recreation and Natural Resources	1,680	926	-754	-44.9
Other Direct Aid	28	0	-28	-100.0
Total Direct Aid	\$581,797	\$595,892	\$14,094	2.4
Aid Per Capita (\$)	738	753	15	2.1
Property Tax Equivalent (\$)	0.65	0.70	0.05	8.0

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2012 State payments for Baltimore County for teachers, librarians, and community college faculty are estimated to be \$101,465,000.

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 2012 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 2011) 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	\$4,446,000
Family Health and Primary Care	338,000
Medical Care Services	2,711,000
Mental Health	59,578,000
Prevention and Disease Control	1,739,000
Developmental Disabilities	60,197,000

Social Services

Homeless Services	181,000
Women's Services	443,000
Adult Services	718,000
Child Welfare Services	5,775,000

Senior Citizen Services

Long-term Care	1,404,000
Community Services	232,000

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

Catonsville Center for Alternative Studies – renovations (roof)	\$362,000
Dundalk High/Sollers Point Technical High School – construction	5,450,000
Elmwood Elementary School – renovations (roof)	470,000
Franklin Middle School – renovations (roof)	862,000
Fullerton Elementary School – renovations (windows/doors)	194,000
General John Stricker Middle School – renovations (HVAC)	1,650,000
Hampton Elementary School – construction	950,000
Lutherville Elementary School – renovations (roof)	705,000
Middle River Middle School – renovations (roof)	1,716,000
Parkville High School – construction	6,100,000
Pine Grove Elementary School – renovations (windows/doors)	236,000
Rosedale Center for Alternative Studies – renovations (windows/doors)	280,000
Severn Oaks Elementary School – renovations (roof)	250,000
Warren Elementary School – renovations (roof)	703,000
Western School of Technology – renovations (chiller)	564,000
Westowne Elementary School – renovations (roof)	766,000
Unspecified Additional Funding	7,000,000

Chesapeake Bay Water Quality Projects

Back River WWTP – nutrient removal	7,710,000
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Water Supply Financial Assistance Program

Towson – reservoir replacement and expansion	1,500,000
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Waterway Improvement

Arbutus Volunteer Fire Department – purchase fire/rescue boat and equipment	5,000
County Fire Department – purchase rescue boat and equipment	2,900
Kingsville Volunteer Fire Department – purchase fire/rescue boat and equipment	10,000
North Point Road – engineer and design public boating facility	95,000
White Marsh Volunteer Fire Department – purchase rescue boat and equipment	10,000

African American Heritage Preservation Grant Program

Mt. Gilboa AME Church – renovation	35,000
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Other Projects

Augsburg Lutheran Home of Maryland	300,000
Career Development Center	250,000
Comet Booster Club – concession stand	65,000
Good Shepherd Center – Student Courtyard	100,000
Jewish Community Services	175,000
Liberty Road Corridor – infrastructure improvements	2,000,000
Little Sisters of the Poor	250,000
Todd’s Inheritance	175,000
United Cerebral Palsy Adult Daycare Facility	125,000

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

Catonsville District Court	\$1,500,000
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Department of Natural Resources

Daniels Dam – repairs	500,000
Dundee Creek Marina – replace docks, bulkhead, and dredging	375,000

University System of Maryland

Baltimore County – parking improvements	700,000
Baltimore County – Performing Arts and Humanities Facility	41,200,000
Baltimore County – residence hall renovations	9,100,000
Towson – campuswide safety and circulation improvements	1,200,000
Towson University – residence tower renovation	2,300,000
Towson University – soccer field improvements	2,250,000

Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$62,705	\$58,671	-\$4,034	-6.4
Compensatory Education	9,188	10,029	841	9.1
Student Transportation	5,441	5,503	62	1.1
Special Education	5,637	5,097	-539	-9.6
Limited English Proficiency Grants	668	524	-144	-21.6
Geographic Cost of Education Index	2,337	2,302	-35	-1.5
Adult Education	188	188	0	0.0
Aging Schools	38	54	16	40.9
Other Education Aid	613	612	0	-0.1
Primary & Secondary Education	\$86,816	\$82,980	-\$3,835	-4.4
Libraries	402	384	-18	-4.6
Community Colleges	2,206	2,224	18	0.8
Health Formula Grant	370	370	0	0.0
* Transportation	409	634	225	55.0
* Police and Public Safety	514	514	0	0.0
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	149	82	-67	-45.0
Total Direct Aid	\$91,065	\$87,387	-\$3,678	-4.0
Aid Per Capita (\$)	1,021	971	- 50	-4.9
Property Tax Equivalent (\$)	0.64	0.63	-0.01	-1.9

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2012 State payments for Calvert County for teachers, librarians, and community college faculty are estimated to be \$17,325,000.

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 2012 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 2011) 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	\$573,000
Family Health and Primary Care	134,000
Medical Care Services	392,000
Mental Health	3,093,000
Prevention and Disease Control	307,000
Developmental Disabilities	6,799,000

Social Services

Homeless Services	26,000
Women's Services	165,000
Adult Services	83,000
Child Welfare Services	768,000

Senior Citizen Services

Long-term Care	128,000
Community Services	19,000

C. Selected State Grants for Capital Projects

Public Schools

Calvert High School – construction	\$4,650,000
Mutual Elementary School – renovations (roof)	128,000
Plum Point Middle School – renovations (roof)	357,000
Southern Region Additional Funding (Calvert, Charles, and St. Mary’s)	1,250,000

College of Southern Maryland

La Plata – Continuing Education Building renovation and expansion	6,858,000
Prince Frederick – campus development	4,022,000

Other Projects

North Beach – public works building	200,000
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D. Capital Projects for State Facilities in the County

Maryland Office of Planning

Jefferson Patterson Park and Museum – Riverside Trails and Exhibit Stations	\$1,001,000
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Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$25,003	\$24,493	-\$510	-2.0
Compensatory Education	11,204	11,382	179	1.6
Student Transportation	2,441	2,469	28	1.1
Special Education	2,199	2,190	- 8	-0.4
Limited English Proficiency Grants	933	977	44	4.7
Guaranteed Tax Base	339	324	-14	-4.3
Aging Schools	50	71	20	40.9
Other Education Aid	415	415	0	0.0
Primary & Secondary Education	\$42,583	\$42,321	-\$262	-0.6
Libraries	273	272	-2	-0.6
Community Colleges	1,434	1,473	39	2.8
Health Formula Grant	538	538	0	0.0
* Transportation	309	541	232	75.2
* Police and Public Safety	223	223	0	0.0
* Fire and Rescue Aid	207	207	0	0.0
Recreation and Natural Resources	65	40	-25	-38.5
Disparity Grant	2,132	2,132	0	0.0
Total Direct Aid	\$47,764	\$47,747	-\$17	0.0
Aid Per Capita (\$)	1,431	1,426	- 5	-0.4
Property Tax Equivalent (\$)	1.50	1.62	0.12	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. Fiscal 2012 State payments for Caroline County for teachers, librarians, and community college faculty are estimated to be \$5,084,000.

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 2012 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 2011) 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	\$396,000
Family Health and Primary Care	265,000
Medical Care Services	482,000
Mental Health	3,456,000
Prevention and Disease Control	278,000
Developmental Disabilities	2,543,000

Social Services

Homeless Services	36,000
Women’s Services	76,000
Adult Services	106,000
Child Welfare Services	736,000

Senior Citizen Services

Long-term Care	509,000
Community Services	106,000

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

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

Denton Elementary School – relocatable classrooms	\$86,000
Eastern Shore Region Additional Funding (Caroline, Dorchester, Kent, Queen Anne’s, Somerset, Talbot, Wicomico, and Worcester)	1,250,000

Chesapeake College

Center for Allied Health and Athletics	2,148,000
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Chesapeake Bay Water Quality Projects

Federalsburg Combined Sewer – overflow improvements	1,137,000
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Water Supply Financial Assistance Program

Denton – new well	498,000
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Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$103,313	\$102,342	-\$971	-0.9
Compensatory Education	11,680	12,728	1,048	9.0
Student Transportation	9,370	9,426	56	0.6
Special Education	12,339	12,461	122	1.0
Limited English Proficiency Grants	645	670	25	3.9
Geographic Cost of Education Index	2,570	2,536	-33	-1.3
Adult Education	125	125	0	0.0
Aging Schools	137	193	56	40.9
Other Education Aid	633	631	-1	-0.2
Primary & Secondary Education	\$140,811	\$141,112	\$301	0.2
Libraries	982	1,009	27	2.7
Community Colleges	7,409	7,442	33	0.4
Health Formula Grant	1,232	1,232	0	0.0
* Transportation	578	1,294	716	124.0
* Police and Public Safety	1,044	1,044	0	0.0
* Fire and Rescue Aid	261	261	0	0.0
Recreation and Natural Resources	333	186	-147	-44.1
Total Direct Aid	\$152,650	\$153,580	\$930	0.6
Aid Per Capita (\$)	899	902	3	0.3
Property Tax Equivalent (\$)	0.73	0.80	0.07	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. Fiscal 2012 State payments for Carroll County for teachers, librarians, and community college faculty are estimated to be \$25,976,000.

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 2012 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 2011) 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	\$2,298,000
Family Health and Primary Care	183,000
Medical Care Services	620,000
Mental Health	8,425,000
Prevention and Disease Control	547,000
Developmental Disabilities	12,964,000

Social Services

Homeless Services	61,000
Women's Services	307,000
Adult Services	71,000
Child Welfare Services	1,396,000

Senior Citizen Services

Long-term Care	316,000
Community Services	54,000

C. Selected State Grants for Capital Projects

Public Schools

Charles Carroll Elementary School – renovations (HVAC)	\$450,000
Freedom Elementary School – renovations (roof)	869,000
Hampstead Elementary School – renovations (HVAC)	699,000
Mt. Airy Middle School – construction	2,031,448
Northwest Middle School – construction	412,552
Westminster High School – renovations (HVAC)	2,070,000
Western Region Funding (Allegany, Carroll, Frederick, Garrett, and Washington)	750,000

Community Health Facilities Grant Program

Prologue, Inc.	252,000
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Community Parks and Playgrounds

Christmas Tree Park	13,000
Hampstead Municipal Park	150,000
South Branch Park	256,000

D. Capital Projects for State Facilities in the County

Military

Westminster Readiness Center – addition and renovation (federal funds)	\$13,403,000
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Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$65,163	\$62,745	-\$2,418	-3.7
Compensatory Education	19,252	19,997	745	3.9
Student Transportation	4,822	4,867	45	0.9
Special Education	7,855	7,616	-239	-3.0
Limited English Proficiency Grants	563	646	83	14.8
Guaranteed Tax Base	1,744	747	-998	-57.2
Adult Education	78	78	0	0.0
Aging Schools	96	135	39	40.9
Other Education Aid	688	688	0	0.0
Primary & Secondary Education	\$100,262	\$97,519	-\$2,742	-2.7
Libraries	717	712	-5	-0.7
Community Colleges	5,252	5,297	45	0.9
Health Formula Grant	806	806	0	0.0
* Transportation	370	722	352	95.2
* Police and Public Safety	635	635	0	0.0
* Fire and Rescue Aid	206	206	0	0.0
Recreation and Natural Resources	173	99	-74	-42.8
Video Lottery Terminal Impact Aid	4,241	5,964	1,724	40.7
Total Direct Aid	\$112,661	\$111,961	-\$700	-0.6
Aid Per Capita (\$)	1,120	1,109	-11	-1.0
Property Tax Equivalent (\$)	1.02	1.07	0.05	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. Fiscal 2012 State payments for Cecil County for teachers, librarians, and community college faculty are estimated to be \$15,472,000.

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 2012 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 2011) 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	\$1,036,000
Family Health and Primary Care	182,000
Medical Care Services	523,000
Mental Health	7,584,000
Prevention and Disease Control	485,000
Developmental Disabilities	7,682,000

Social Services

Homeless Services	32,000
Women’s Services	143,000
Adult Services	126,000
Child Welfare Services	1,547,000

Senior Citizen Services

Long-term Care	142,000
Community Services	39,000

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

North East Middle School – renovations (elevator)	\$159,000
Perryville High School – renovations (ceiling/lighting)	479,000
Rising Sun High School – renovations (HVAC)	946,000
Northeast Region Additional Funding (Cecil and Harford)	1,250,000

Cecil Community College

Math and Engineering Building – science lab renovation	2,145,000
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Local Jail Loan

County Detention Center – expansion and renovation	4,955,000
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Community Parks and Playgrounds

Helen Titter Park	34,000
Port Deposit Playground	78,000

Other Projects

Girl Scouts Camp Conowingo – water system	250,000
Plumpton Park Zoological Garden	100,000

Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$104,218	\$105,451	\$1,234	1.2
Compensatory Education	22,849	25,069	2,220	9.7
Student Transportation	9,814	9,964	150	1.5
Special Education	7,972	8,249	277	3.5
Limited English Proficiency Grants	731	870	139	19.0
Guaranteed Tax Base	228	1,362	1,134	497.7
Geographic Cost of Education Index	3,467	3,475	8	0.2
Adult Education	344	344	0	0.0
Aging Schools	50	71	20	40.9
Other Education Aid	990	987	-2	-0.2
Primary & Secondary Education	\$150,663	\$155,843	\$5,180	3.4
Libraries	791	817	25	3.2
Community Colleges	7,042	7,048	6	0.1
Health Formula Grant	995	995	0	0.0
* Transportation	615	933	319	51.8
* Police and Public Safety	801	801	0	0.0
* Fire and Rescue Aid	243	243	0	0.0
Recreation and Natural Resources	305	167	-138	-45.2
Total Direct Aid	\$161,454	\$166,846	\$5,392	3.3
Aid Per Capita (\$)	1,137	1,159	21	1.9
Property Tax Equivalent (\$)	0.86	0.96	0.10	11.5

* 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. Fiscal 2012 State payments for Charles County for teachers, librarians, and community college faculty are estimated to be \$25,371,000.

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 2012 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 2011) 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	\$1,868,000
Family Health and Primary Care	302,000
Medical Care Services	511,000
Mental Health	5,675,000
Prevention and Disease Control	464,000
Developmental Disabilities	10,840,000

Social Services

Homeless Services	62,000
Women's Services	93,000
Adult Services	115,000
Child Welfare Services	2,014,000

Senior Citizen Services

Long-term Care	195,000
Community Services	16,000

C. Selected State Grants for Capital Projects

Public Schools

Arthur Middleton Elementary School – kindergarten addition	\$468,685
Daniel of St. Thomas Jenifer Elementary School – renovations (roof/HVAC)	1,000,000
St. Charles High School – construction	4,120,000
William B. Wade Elementary School – kindergarten/pre-k addition	420,000
Southern Region Additional Funding (Calvert, Charles, and St. Mary’s)	1,250,000

College of Southern Maryland

La Plata – Continuing Education Building renovation and expansion	6,858,000
Prince Frederick – campus development	4,022,000

Community Parks and Playgrounds

Tilghman Lake Park	100,000
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Waterway Improvement

Cobb Island Fire Department – purchase fire/rescue equipment	7,500
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African American Heritage Preservation Grant Program

Old Pomonkey High School – renovation	35,000
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Other Projects

Bel Alton High School Community Development Center	100,000
Greater Baden Medical Services	200,000
Maryland Veterans Memorial Museum	100,000

D. Capital Projects for State Facilities in the County

Military

La Plata Readiness Center (federal funds)

\$14,420,000

Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$19,104	\$18,651	-\$453	-2.4
Compensatory Education	8,094	8,481	387	4.8
Student Transportation	2,263	2,300	37	1.6
Special Education	1,373	1,359	-14	-1.0
Limited English Proficiency Grants	335	280	-55	-16.5
Guaranteed Tax Base	28	0	-28	-100.0
Aging Schools	38	54	16	40.9
Other Education Aid	478	478	0	0.0
Primary & Secondary Education	\$31,712	\$31,602	-\$110	-0.3
Libraries	244	238	-5	-2.2
Community Colleges	1,293	1,335	42	3.3
Health Formula Grant	429	429	0	0.0
* Transportation	338	606	268	79.1
* Police and Public Safety	249	249	0	0.0
* Fire and Rescue Aid	208	208	0	0.0
Recreation and Natural Resources	56	39	-17	-30.4
Disparity Grant	2,023	2,023	0	0.0
Total Direct Aid	\$36,552	\$36,729	\$ 177	0.5
Aid Per Capita (\$)	1,144	1,145	1	0.1
Property Tax Equivalent (\$)	1.03	1.13	0.10	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. Fiscal 2012 State payments for Dorchester County for teachers, librarians, and community college faculty are estimated to be \$4,344,000.

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 2012 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 2011) 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	\$1,609,000
Family Health and Primary Care	175,000
Medical Care Services	460,000
Mental Health	5,361,000
Prevention and Disease Control	354,000
Developmental Disabilities	2,442,000

Social Services

Homeless Services	31,000
Women's Services	28,000
Adult Services	130,000
Child Welfare Services	805,000

Senior Citizen Services

Long-term Care	571,000
Community Services	302,000

Note: Senior citizen services funding supports services in Dorchester, Somerset, Wicomico, and Worcester counties.

C. Selected State Grants for Capital Projects

Public Schools

Dorchester Career and Technology Center – construction	\$2,900,000
Eastern Shore Region Additional Funding (Caroline, Dorchester, Kent, Queen Anne’s, Somerset, Talbot, Wicomico, and Worcester)	1,250,000

Chesapeake College

Center for Allied Health and Athletics	2,148,000
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Community Parks and Playgrounds

Church Creek Park	8,000
Secretary Veteran’s Memorial Park	99,000

African American Heritage Preservation Grant Program

Christ Rock Methodist Episcopal Church – renovation	100,000
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Other Projects

Chesapeake Grove – Senior Housing and Intergenerational Center	45,000
Choptank River Lighthouse – replica	230,000
Dorchester Center for the Arts – atrium entrance	40,000
Dorchester General Hospital	1,000,000

Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$146,856	\$151,059	\$4,203	2.9
Compensatory Education	23,999	27,649	3,650	15.2
Student Transportation	11,408	11,571	163	1.4
Special Education	14,168	14,615	447	3.2
Limited English Proficiency Grants	5,020	6,033	1,013	20.2
Geographic Cost of Education Index	6,276	6,292	16	0.3
Adult Education	401	401	0	0.0
Aging Schools	183	257	75	40.9
Other Education Aid	718	717	0	-0.1
Primary & Secondary Education	\$209,029	\$218,594	\$9,566	4.6
Libraries	1,140	1,222	82	7.2
Community Colleges	8,667	8,702	34	0.4
Health Formula Grant	1,512	1,512	0	0.0
* Transportation	1,193	2,366	1,173	98.3
* Police and Public Safety	1,491	1,491	0	0.0
* Fire and Rescue Aid	365	365	0	0.0
Recreation and Natural Resources	352	191	-161	-45.7
Total Direct Aid	\$223,749	\$234,443	\$10,695	4.8
Aid Per Capita (\$)	984	1,018	34	3.5
Property Tax Equivalent (\$)	0.75	0.87	0.11	15.1

* 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. Fiscal 2012 State payments for Frederick County for teachers, librarians, and community college faculty are estimated to be \$37,855,000.

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 2012 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 2011) 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	\$1,680,000
Family Health and Primary Care	237,000
Medical Care Services	702,000
Mental Health	15,303,000
Prevention and Disease Control	586,000
Developmental Disabilities	17,376,000

Social Services

Homeless Services	133,000
Women’s Services	173,000
Adult Services	147,000
Child Welfare Services	2,040,000

Senior Citizen Services

Long-term Care	233,000
Community Services	70,000

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

Carroll Manor Elementary School – construction	\$2,000,000
Frederick High School – renovations (fire safety)	243,000
Linganore High School – construction	10,185,000
Rock Creek Center – renovations (roof)	290,000
Sabillasville Elementary School – renovations (roof)	147,000
Western Region Funding (Allegany, Carroll, Frederick, Garrett, and Washington)	750,000

Frederick Community College

Science and Technology Hall – renovation and addition	4,646,000
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Community Parks and Playgrounds

Memorial Park	6,000
Wetherburne Park	35,000
Woodsboro Elementary School Playground	32,000

Chesapeake Bay Water Quality Projects

Emmitsburg WWTP – nutrient removal	2,441,000
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African American Heritage Preservation Grant Program

Laboring Sons Memorial – ground improvements	57,000
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Other Projects

Cultural Arts Center	125,000
Frederick Alliance For Youth – Youth and Community Center	375,000
Mount St. Mary's University – Bradley Hall	1,500,000
Weinberg Center for the Arts	150,000

D. Capital Projects for State Facilities in the County

Other

School for the Deaf – fire alarm and emergency notification system	\$332,000
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Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$14,559	\$13,407	-\$1,152	-7.9
Compensatory Education	5,058	4,795	-262	-5.2
Student Transportation	2,803	2,826	23	0.8
Special Education	1,366	1,225	-141	-10.3
Limited English Proficiency Grants	10	12	2	22.0
Adult Education	66	66	0	0.0
Aging Schools	38	54	16	40.9
Other Education Aid	543	539	-4	-0.8
Primary & Secondary Education	\$24,442	\$22,923	-\$1,519	-6.2
Libraries	155	129	-26	-16.5
Community Colleges	3,343	3,373	30	0.9
Health Formula Grant	437	437	0	0.0
* Transportation	304	546	242	79.6
* Police and Public Safety	155	155	0	0.0
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	70	45	-25	-35.7
Disparity Grant	2,131	2,131	0	0.0
Total Direct Aid	\$31,237	\$29,940	-\$1,297	-4.2
Aid Per Capita (\$)	1,057	1,017	-39	-3.7
Property Tax Equivalent (\$)	0.63	0.60	-0.02	-3.8

* 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. Fiscal 2012 State payments for Garrett County for teachers, librarians, and community college faculty are estimated to be \$4,498,000.

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 2012 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 2011) 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	\$541,000
Family Health and Primary Care	144,000
Medical Care Services	651,000
Mental Health	2,783,000
Prevention and Disease Control	389,000
Developmental Disabilities	2,253,000

Social Services

Homeless Services	45,000
Women’s Services	129,000
Adult Services	35,000
Child Welfare Services	762,000

Senior Citizen Services

Long-term Care	167,000
Community Services	66,000

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

Southern High School – renovations (windows)	\$100,000
Southern Middle School – renovations (chiller)	233,000
Western Region Funding (Allegany, Carroll, Frederick, Garrett, and Washington)	750,000

Community Parks and Playgrounds

Grantsville Community Park	40,000
Town of Accident Park	65,000

Water Supply Financial Assistance Program

Oakland – water system improvements	328,000
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Waterway Improvement

Broadford Lake – replace and repair docks	15,000
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Other Projects

HART Animal Adoption Center	125,000
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Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$146,430	\$143,439	-\$2,991	-2.0
Compensatory Education	30,023	31,766	1,743	5.8
Student Transportation	11,734	11,859	125	1.1
Special Education	18,695	19,173	478	2.6
Limited English Proficiency Grants	1,788	1,675	-113	-6.3
Adult Education	91	91	0	0.0
Aging Schools	217	306	89	40.9
Other Education Aid	569	561	- 8	-1.4
Primary & Secondary Education	\$209,548	\$208,869	-\$678	-0.3
Libraries	1,548	1,523	-25	-1.6
Community Colleges	10,240	10,287	47	0.5
Health Formula Grant	1,737	1,737	0	0.0
* Transportation	698	1,365	667	95.6
* Police and Public Safety	1,786	1,786	0	0.0
* Fire and Rescue Aid	379	379	0	0.0
Recreation and Natural Resources	495	286	-209	-42.2
Total Direct Aid	\$226,430	\$226,232	-\$198	-0.1
Aid Per Capita (\$)	937	931	-6	-0.7
Property Tax Equivalent (\$)	0.79	0.83	0.03	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. Fiscal 2012 State payments for Harford County for teachers, librarians, and community college faculty are estimated to be \$36,077,000.

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 2012 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 2011) 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	\$1,548,000
Family Health and Primary Care	237,000
Medical Care Services	860,000
Mental Health	12,626,000
Prevention and Disease Control	635,000
Developmental Disabilities	18,484,000

Social Services

Homeless Services	78,000
Women's Services	237,000
Adult Services	149,000
Child Welfare Services	2,018,000

Senior Citizen Services

Long-term Care	372,000
Community Services	70,000

C. Selected State Grants for Capital Projects

Public Schools

Bel Air High School – construction	\$426,520
Deerfield Elementary School – construction	1,897,325
Edgewood High School – construction	10,545,000
Northeast Region Additional Funding (Cecil and Harford)	1,250,000

Harford Community College

Nursing and Allied Health Building – construction	715,000
Susquehanna Center – renovation and expansion	8,708,000

Community Health Facilities Grant Program

Key Point Health Services, Inc.	198,000
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Community Parks and Playgrounds

Aberdeen Swim Club	63,000
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Waterway Improvement

Havre de Grace Yacht Basin – utility improvements	14,000
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African American Heritage Preservation Grant Program

Hosanna School – renovation	28,000
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Other Projects

Boy Scouts of America – Broad Creek Ecology Conservation Learning Center	250,000
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Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$150,701	\$153,556	\$2,854	1.9
Compensatory Education	18,570	20,617	2,047	11.0
Student Transportation	15,077	15,251	173	1.1
Special Education	12,635	13,240	605	4.8
Limited English Proficiency Grants	6,425	6,541	117	1.8
Geographic Cost of Education Index	4,984	5,015	31	0.6
Adult Education	229	229	0	0.0
Aging Schools	88	124	36	40.9
Other Education Aid	1,354	1,328	-26	-1.9
Primary & Secondary Education	\$210,063	\$215,901	\$5,837	2.8
Libraries	770	824	54	7.0
Community Colleges	13,901	14,029	129	0.9
Health Formula Grant	1,215	1,215	0	0.0
Transportation	1,050	1,346	297	28.3
Police and Public Safety	2,256	2,256	0	0.0
Fire and Rescue Aid	397	397	0	0.0
Recreation and Natural Resources	880	482	-398	-45.2
Other Direct Aid	49	0	-49	-100.0
Total Direct Aid	\$230,581	\$236,450	\$5,869	2.5
Aid Per Capita (\$)	820	826	6	0.7
Property Tax Equivalent (\$)	0.48	0.53	0.05	10.0

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2012 State payments for Howard County for teachers, librarians, and community college faculty are estimated to be \$61,684,000.

B. Estimated State Spending on Selected Health and Social Services

The Departments of Aging, Human Resources, and Health and Mental Hygiene fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2012 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 2011) 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	\$1,442,000
Family Health and Primary Care	160,000
Medical Care Services	562,000
Mental Health	9,164,000
Prevention and Disease Control	579,000
Developmental Disabilities	21,484,000

Social Services

Homeless Services	82,000
Women’s Services	154,000
Adult Services	47,000
Child Welfare Services	1,837,000

Senior Citizen Services

Long-term Care	295,000
Community Services	19,000

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

Bollman Bridge Elementary School – construction	\$5,745,385
Centennial High School – construction	1,782,000
Clarksville Elementary School – renovations (HVAC/electrical)	3,314,000
Elkridge Elementary School – renovations (HVAC/roof)	300,000
Hammon High School – construction	387,000
Mt. Hebron High School – construction	805,851
Oakland Mills High School – renovations (roof)	743,000
Thunder Hill Elementary School – construction	3,500,000
Unspecified Additional Funding	4,000,000

Howard Community College

Health Sciences Building – construction	9,466,000
Science, Engineering, and Technology Building – construction	2,968,000

Community Health Facilities Grant Program

Humanim, Inc.	161,000
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Other Projects

Elkridge Volunteer Fire Company	500,000
Ellicott City Post Office	175,000
Linwood Center	500,000
Mount Pleasant Farm House	125,000
The Arc of Howard County – Grae Loch Home	145,000

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

Bloede Dam – removal	\$269,000
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Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,378	\$4,030	-\$347	-7.9
Compensatory Education	2,382	2,543	161	6.8
Student Transportation	1,485	1,483	-2	-0.1
Special Education	832	764	-67	-8.1
Limited English Proficiency Grants	156	167	11	6.8
Geographic Cost of Education Index	138	136	-2	-1.4
Aging Schools	38	54	16	40.9
Other Education Aid	431	430	-1	-0.2
Primary & Secondary Education	\$9,840	\$9,608	-\$231	-2.4
Libraries	96	91	-5	-4.9
Community Colleges	589	590	0	0.0
Health Formula Grant	336	336	0	0.0
* Transportation	205	335	130	63.7
* Police and Public Safety	131	131	0	0.0
* Fire and Rescue Aid	204	204	0	0.0
Recreation and Natural Resources	42	70	28	66.7
Total Direct Aid	\$11,442	\$11,365	-\$77	-0.7
Aid Per Capita (\$)	567	560	-7	-1.2
Property Tax Equivalent (\$)	0.35	0.36	0.01	4.0

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

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays the employer share on behalf of the subdivisions for these local employees. Fiscal 2012 State payments for Kent County for teachers, librarians, and community college faculty are estimated to be \$2,402,000.

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 2012 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 2011) 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	\$1,708,000
Family Health and Primary Care	128,000
Medical Care Services	396,000
Mental Health	1,479,000
Prevention and Disease Control	425,000
Developmental Disabilities	1,543,000

Social Services

Homeless Services	1,000
Women's Services	18,000
Adult Services	61,000
Child Welfare Services	397,000

Senior Citizen Services

Long-term Care	509,000
Community Services	106,000

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects

Public Schools

Eastern Shore Region Additional Funding (Caroline, Dorchester, Kent, Queen Anne’s, Somerset, Talbot, Wicomico, and Worcester)	\$1,250,000
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Chesapeake College

Center for Allied Health and Athletics	2,148,000
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Community Parks and Playgrounds

Remembrance Park	139,000
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Other Projects

Camp Fairlee Manor	125,000
Washington College – Miller Library	2,500,000

Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$264,653	\$290,374	\$25,721	9.7
Compensatory Education	100,688	106,595	5,907	5.9
Student Transportation	34,336	35,211	875	2.5
Special Education	45,804	46,642	838	1.8
Limited English Proficiency Grants	43,827	49,787	5,960	13.6
Geographic Cost of Education Index	31,440	31,955	515	1.6
Adult Education	802	802	0	0.0
Aging Schools	603	849	247	40.9
Other Education Aid	2,558	2,533	-24	-1.0
Primary & Secondary Education	\$524,710	\$564,748	\$40,038	7.6
Libraries	2,662	2,720	59	2.2
Community Colleges	40,821	41,297	476	1.2
Health Formula Grant	3,015	3,015	0	0.0
* Transportation	1,716	3,742	2,025	118.0
* Police and Public Safety	9,847	9,847	0	0.0
* Fire and Rescue Aid	1,306	1,306	0	0.0
Recreation and Natural Resources	2,238	1,241	-997	-44.5
Total Direct Aid	\$586,315	\$627,916	\$41,601	7.1
Aid Per Capita (\$)	604	635	31	5.2
Property Tax Equivalent (\$)	0.33	0.37	0.04	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. Fiscal 2012 State payments for Montgomery County for teachers, librarians, and community college faculty are estimated to be \$179,661,000.

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 2012 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 2011) 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	\$3,120,000
Family Health and Primary Care	559,000
Medical Care Services	2,947,000
Mental Health	36,974,000
Prevention and Disease Control	1,428,000
Developmental Disabilities	74,052,000

Social Services

Homeless Services	278,000
Women’s Services	248,000
Adult Services	706,000
Child Welfare Services	4,388,000

Senior Citizen Services

Long-term Care	915,000
Community Services	200,000

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

Bradley Hills Elementary School – renovations (HVAC)	\$735,000
Broad Acres Elementary School – renovations (HVAC/roof)	989,000
Cabin John Middle School – construction	4,193,000
Carderock Springs Elementary School – construction	1,158,420
Colonel Zadok Magruder High School – renovations (chilled water system)	580,000
Damascus Elementary School – renovations (HVAC)	857,000
DuFief Elementary School – renovations (HVAC)	362,000
East Silver Spring Elementary School – construction	422,000
Fairland Elementary School – renovations (roof)	412,000
Fox Chapel Elementary School – construction	1,880,000
Germantown Elementary School – renovations (HVAC)	666,000
Greencastle Elementary School – renovations (HVAC)	159,000
Oak View Elementary School – renovations (roof)	213,000
Olney Elementary School – renovations (roof)	284,000
Poolesville High School – renovations (HVAC)	416,000
Poolesville High School – science facilities	3,081,000
Rachel Carson Elementary School – renovations (roof)	470,000
Sherwood Elementary School – construction	160,000
Sherwood High School – renovations (roof)	223,000
Sligo Middle School – renovations (roof)	652,000
South Lake Elementary School – renovations (HVAC)	686,000
Takoma Park Elementary School – construction	1,162,000
Walt Whitman High School – renovations (roof)	171,000
Watkins Mill Elementary School – renovations (HVAC)	416,000
Watkins Mill High School – renovations (HVAC)	1,176,000
Unspecified Additional Funding	9,000,000

Montgomery College

Rockville – Science Center	6,208,000
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Community Health Facilities Grant Program

Housing Unlimited, Inc.	1,200,000
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Partnership Rental Housing Program

Aspen Court 863,761

Community Parks and Playgrounds

Calvin Park 156,000
Poolesville Tot Lot 70,000

Chesapeake Bay Water Quality Projects

Blue Plains WWTP – nutrient removal 1,500,000

Chesapeake Bay Restoration Fund

Blue Plains WWTP – enhanced nutrient removal 181,000,000

African American Heritage Preservation Grant Program

Loving and Charity Hall – renovation 50,000
Sandy Spring Odd Fellows Lodge – renovation 100,000
Sandy Spring Slave Museum and African Art Gallery – renovation 88,000

Other Projects

American Film Institute Silver Theatre and Cultural Center 375,000
Bohrer Park – water park renovation 205,000
Cardinal McCarrick Center 125,000
Charles E. Smith Life Communities 675,000
Discovery Sports Center 30,000
Homecrest House 119,000
Ivymount School – Annex Building 200,000
Jewish Community Center of Greater Washington Theatre 215,000
Jewish Social Service Agency 335,000
MacDonald Knolls Center 200,000
Mental Health Association – HVAC replacement 75,000
Montgomery Village – Battleridge Place stream valley restoration 20,000
Montgomery Village – Glenbrooke stormwater management pond renovation 30,000
Montgomery Village – Lewisberry Corridor lighting improvement 30,000
Noyes Children’s Library 50,000
Olney Boys and Girls Club Community Park 150,000

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Olney Theatre Center	150,000
Orthodox Congregation of Silver Spring Preschool	48,000
Poole's Store	50,000
Rockville Swim and Fitness Center	20,000
Seneca Park North	18,000
Warner Manor	100,000

Prince George’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$488,759	\$475,463	-\$13,296	-2.7
Compensatory Education	196,457	199,369	2,911	1.5
Student Transportation	36,613	36,557	-56	-0.2
Special Education	59,856	58,872	-983	-1.6
Limited English Proficiency Grants	55,203	56,217	1,014	1.8
Geographic Cost of Education Index	38,612	38,495	-117	-0.3
Adult Education	616	616	0	0.0
Aging Schools	1,209	1,704	495	40.9
Other Education Aid	2,433	2,426	-7	-0.3
Primary & Secondary Education	\$879,759	\$869,719	-\$10,040	-1.1
Libraries	5,648	5,606	-41	-0.7
Community Colleges	22,412	22,993	581	2.6
Health Formula Grant	5,007	5,007	0	0.0
* Transportation	1,960	4,236	2,277	116.2
* Police and Public Safety	15,456	15,456	0	0.0
* Fire and Rescue Aid	1,144	1,144	0	0.0
Recreation and Natural Resources	1,904	1,046	-858	-45.1
Disparity Grant	21,695	20,006	-1,689	-7.8
Video Lottery Terminal Impact Aid	0	1,000	1,000	n/a
* Other Direct Aid	92	0	-92	-100.0
Total Direct Aid	\$955,076	\$946,213	-\$8,863	-0.9
Aid Per Capita (\$)	1,148	1,128	-20	-1.8
Property Tax Equivalent (\$)	0.96	1.09	0.13	13.0

* 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. Fiscal 2012 State payments for Prince George's County for teachers, librarians, and community college faculty are estimated to be \$128,761,000.

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 2012 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 2011) 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	\$8,708,000
Family Health and Primary Care	1,343,000
Medical Care Services	3,937,000
Mental Health	40,126,000
Prevention and Disease Control	1,232,000
Developmental Disabilities	63,607,000

Social Services

Homeless Services	585,000
Women's Services	405,000
Adult Services	596,000
Child Welfare Services	6,445,000

Senior Citizen Services

Long-term Care	829,000
Community Services	196,000

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

Allenwood Elementary School – construction	\$1,735,000
Avalon Elementary School – construction	5,200,000
Crossland High School – science facilities	1,061,000
Drew Freeman Middle School – renovations	421,000
Gwynn Park High School – renovations (chiller)	291,000
Henry G. Ferguson Elementary School – construction	4,600,000
Hyattsville Area New Elementary School – construction	3,300,000
James H. Harrison Elementary School – renovations (roof)	845,000
Oxon Hill High School – construction	1,000,000
Potomac High School – science facilities	291,000
Tayac Elementary School – renovations (roof)	600,000
University Park Elementary School – construction	1,897,000
Unspecified Additional Funding	9,000,000

Prince George’s Community College

Campus Fire Alarm System – upgrade	161,000
Campuswide – circulation and roadway modifications	2,549,000
Center for Health Studies	912,000
Facilities Management Building – renovation and addition	380,000

Federally Qualified Health Centers Grant Program

Greater Baden Medical Services – Walker Mill Health Center	482,000
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Community Parks and Playgrounds

7th Street Community Park	28,000
Brentwood Park	45,000
Cottage City Park and Playground	92,000
Cypress Street Field	150,000
Frenchman’s Creek Playground	79,000
Greenbelt Playground	56,000
Henry Rinck Park	50,000
Monroe Park	40,000

Chesapeake Bay Water Quality Projects

Blue Plains WWTP – nutrient removal	1,500,000
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Chesapeake Bay Restoration Fund

Blue Plains WWTP – enhanced nutrient removal	181,000,000
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Waterway Improvement

Laurel Volunteer Rescue Squad – purchase water rescue equipment	5,000
Prince George’s Volunteer Fire Rescue Marine Unit – purchase fire/rescue boat	25,000
Prince George’s Volunteer Fire Rescue Marine Unit – water rescue equipment	10,000

African American Heritage Preservation Grant Program

Wilmers Park Dance Hall – repairs	100,000
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Other Projects

African American Museum and Cultural Center	75,000
Arthur and Mary E. Ridgley, Sr. Museum	150,000
Battle of Bladensburg Visitor Center and Monument	125,000
Berkshire Neighborhood Park	200,000
Bowie – Whitemarsh Turf Field	80,000
Capital Heights and Seat Pleasant Boys and Girls Club	100,000
Community Safety and Surveillance Systems	120,000
Crossland High School – press box at football stadium	30,000
Greenbelt Arts Center	25,000
Joe’s Movement Emporium	50,000
Laurel Armory Anderson Murphy Community Center	200,000
Laurel Police Department – community space facility	100,000
Maryland-National Capital Park and Planning Commission – field lights	300,000
Mount Rainier Civic Center	75,000
My Sister’s Keeper Group Homes	150,000
National Children’s Museum	3,000,000
New Horizons Disability Job Training and Recycling Center	150,000
Prince George’s Hospital System	4,000,000
Riverdale Park – Town Hall expansion	275,000
St. Ann’s Infant and Maternity Home	750,000
Vesta Glenarden Facility	100,000

D. Capital Projects for State Facilities in the County

University System of Maryland

Bowie State – Bulldog Football Stadium field lights and field house renovation	\$1,200,000
Bowie State – campuswide site improvements	1,757,000
Bowie State – new student center	17,940,000
College Park – campuswide infrastructure improvements	5,000,000
College Park – Central Maryland Research and Education Center	1,700,000
College Park – Physical Sciences Complex	30,100,000
College Park – Residence Hall air conditioning	16,395,000
College Park – Residence Hall central utility expansion	4,000,000
College Park – Residence Hall renovations	6,060,000
College Park – Satellite Central Utility Building expansion	1,410,000

Queen Anne's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$20,248	\$20,703	\$ 455	2.2
Compensatory Education	3,961	4,255	294	7.4
Student Transportation	3,134	3,175	41	1.3
Special Education	2,127	2,169	42	2.0
Limited English Proficiency Grants	360	345	-15	-4.1
Geographic Cost of Education Index	551	551	1	0.2
Adult Education	427	427	0	0.0
Aging Schools	50	71	20	40.9
Other Education Aid	527	526	0	-0.1
Primary & Secondary Education	\$31,385	\$32,222	\$ 837	2.7
Libraries	132	139	8	5.7
Community Colleges	1,682	1,657	-25	-1.5
Health Formula Grant	418	418	0	0.0
* Transportation	290	450	160	55.1
* Police and Public Safety	266	266	0	0.0
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	90	52	-38	-42.2
Total Direct Aid	\$34,463	\$35,405	\$ 941	2.7
Aid Per Capita (\$)	717	731	13	1.8
Property Tax Equivalent (\$)	0.39	0.43	0.03	8.0

* 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. Fiscal 2012 State payments for Queen Anne’s County for teachers, librarians, and community college faculty are estimated to be \$6,991,000.

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 2012 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 2011) 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	\$520,000
Family Health and Primary Care	181,000
Medical Care Services	442,000
Mental Health	1,794,000
Prevention and Disease Control	301,000
Developmental Disabilities	3,655,000

Social Services

Homeless Services	11,000
Women’s Services	25,000
Adult Services	43,000
Child Welfare Services	528,000

Senior Citizen Services

Long-term Care	113,000
Community Services	42,000

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

Kennard Elementary School – construction	\$1,274,000
Sudlersville Middle School – construction	1,800,000
Eastern Shore Region Additional Funding (Caroline, Dorchester, Kent, Queen Anne’s, Somerset, Talbot, Wicomico, and Worcester)	1,250,000

Chesapeake College

Center for Allied Health and Athletics	2,148,000
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Community Parks and Playgrounds

Sudlersville Elementary School Playground	78,000
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Waterway Improvement

Grasonville Volunteer Fire Department – purchase fire/rescue boat and equipment	10,000
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African American Heritage Preservation Grant Program

Kennard High School – renovation	80,000
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Other Projects

Chesterwye Center – Jessie’s House	125,000
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St. Mary’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$67,156	\$64,841	-\$2,316	-3.4
Compensatory Education	13,521	14,175	654	4.8
Student Transportation	6,294	6,410	116	1.8
Special Education	5,948	5,400	-548	-9.2
Limited English Proficiency Grants	562	530	-33	-5.8
Geographic Cost of Education Index	219	220	1	0.4
Adult Education	202	202	0	0.0
Aging Schools	50	71	20	40.9
Other Education Aid	858	858	0	0.0
Primary & Secondary Education	\$94,811	\$92,707	-\$2,104	-2.2
Libraries	624	588	-36	-5.7
Community Colleges	2,310	2,397	87	3.8
Health Formula Grant	809	809	0	0.0
* Transportation	496	670	174	35.1
* Police and Public Safety	559	559	0	0.0
* Fire and Rescue Aid	200	200	0	0.0
Recreation and Natural Resources	169	92	-77	-45.6
Total Direct Aid	\$99,977	\$98,021	-\$1,956	-2.0
Aid Per Capita (\$)	975	933	-41	-4.2
Property Tax Equivalent (\$)	0.76	0.75	-0.01	-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. Fiscal 2012 State payments for St. Mary's County for teachers, librarians, and community college faculty are estimated to be \$15,195,000.

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 2012 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 2011) 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	\$2,657,000
Family Health and Primary Care	132,000
Medical Care Services	582,000
Mental Health	4,790,000
Prevention and Disease Control	379,000
Developmental Disabilities	7,850,000

Social Services

Homeless Services	54,000
Women's Services	147,000
Adult Services	91,000
Child Welfare Services	1,319,000

Senior Citizen Services

Long-term Care	149,000
Community Services	58,000

C. Selected State Grants for Capital Projects

Public Schools

Leonardtown Middle School – construction	\$1,230,814
Oakville Elementary School – renovations (HVAC)	800,000
Southern Region Additional Funding (Calvert, Charles, and St. Mary’s)	1,250,000

College of Southern Maryland

La Plata – Continuing Education Building renovation and expansion	6,858,000
Prince Frederick – campus development	4,022,000

Partnership Rental Housing Program

Greenview Apartments	1,703,052
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Waterway Improvement

Ridge Volunteer Fire Department – purchase marine fire/rescue equipment	4,000
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Other Projects

Southern Maryland Higher Education Center – classroom and laboratory building	935,000
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Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$12,171	\$12,042	-\$128	-1.1
Compensatory Education	7,093	7,236	143	2.0
Student Transportation	1,743	1,759	16	0.9
Special Education	1,371	1,469	98	7.1
Limited English Proficiency Grants	417	413	-4	-1.1
Guaranteed Tax Base	629	538	-91	-14.4
Adult Education	150	150	0	0.0
Aging Schools	38	54	16	40.9
Other Education Aid	130	130	0	-0.1
Primary & Secondary Education	\$23,743	\$23,792	\$48	0.2
Libraries	263	258	-5	-2.0
Community Colleges	808	737	-71	-8.8
Health Formula Grant	429	429	0	0.0
* Transportation	312	433	122	39.0
* Police and Public Safety	162	162	0	0.0
* Fire and Rescue Aid	208	208	0	0.0
Recreation and Natural Resources	40	24	-16	-40.0
Disparity Grant	4,908	4,908	0	0.0
Total Direct Aid	\$30,874	\$30,951	\$77	0.3
Aid Per Capita (\$)	1,185	1,186	1	0.1
Property Tax Equivalent (\$)	1.75	1.84	0.09	5.2

* 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. Fiscal 2012 State payments for Somerset County for teachers, librarians, and community college faculty are estimated to be \$3,028,000.

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 2012 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 2011) 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	\$896,000
Family Health and Primary Care	318,000
Medical Care Services	461,000
Mental Health	3,512,000
Prevention and Disease Control	325,000
Developmental Disabilities	1,979,000

Social Services

Homeless Services	6,000
Women’s Services	33,000
Adult Services	70,000
Child Welfare Services	809,000

Senior Citizen Services

Long-term Care	571,000
Community Services	279,000

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**

Washington High School – construction	\$1,600,000
Eastern Shore Region Additional Funding (Caroline, Dorchester, Kent, Queen Anne’s, Somerset, Talbot, Wicomico, and Worcester)	1,250,000

Chesapeake Bay Water Quality Projects

Tylerton WWTP – plant upgrade	322,000
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Waterway Improvement

Crisfield – City Depot dock improvements	50,000
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Other Projects

Teackle Mansion and the Sarah Martin Done House	120,000
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D. Capital Projects for State Facilities in the County**University System of Maryland**

Eastern Shore – Engineering and Aviation Science Building	\$3,600,000
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Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,291	\$4,275	-\$16	-0.4
Compensatory Education	3,673	3,868	195	5.3
Student Transportation	1,475	1,491	16	1.1
Special Education	808	846	38	4.7
Limited English Proficiency Grants	429	512	82	19.1
Aging Schools	38	54	16	40.9
Other Education Aid	478	478	0	-0.1
Primary & Secondary Education	\$11,193	\$11,523	\$330	2.9
Libraries	101	102	0	0.1
Community Colleges	1,308	1,310	2	0.1
Health Formula Grant	329	329	0	0.0
* Transportation	261	548	287	110.0
* Police and Public Safety	264	264	0	0.0
* Fire and Rescue Aid	216	216	0	0.0
Recreation and Natural Resources	95	54	-41	-43.2
Total Direct Aid	\$13,768	\$14,346	\$578	4.2
Aid Per Capita (\$)	381	395	14	3.6
Property Tax Equivalent (\$)	0.14	0.15	0.01	8.4

* 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. Fiscal 2012 State payments for Talbot County for teachers, librarians, and community college faculty are estimated to be \$4,087,000.

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 2012 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 2011) 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	\$628,000
Family Health and Primary Care	142,000
Medical Care Services	302,000
Mental Health	3,015,000
Prevention and Disease Control	308,000
Developmental Disabilities	2,764,000

Social Services

Homeless Services	28,000
Women's Services	49,000
Adult Services	44,000
Child Welfare Services	738,000

Senior Citizen Services

Long-term Care	509,000
Community Services	108,000

Note: Senior citizen services funding supports services in Caroline, Kent, and Talbot counties.

C. Selected State Grants for Capital Projects

Public Schools

Eastern Shore Region Additional Funding (Caroline, Dorchester, Kent, Queen Anne’s, Somerset, Talbot, Wicomico, and Worcester)	\$1,250,000
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Chesapeake College

Center for Allied Health and Athletics	2,148,000
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Partnership Rental Housing Program

Westport Commons	1,499,000
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Community Parks and Playgrounds

Trappe Veterans Memorial Park	20,000
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Waterway Improvement

St. Michaels – purchase marine fire/rescue equipment	10,000
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Other Projects

Chesapeake Bay Maritime Museum – bulkhead replacement	30,000
Talbot Hospice	30,000

Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$90,285	\$93,122	\$2,837	3.1
Compensatory Education	32,520	36,803	4,283	13.2
Student Transportation	6,537	6,703	165	2.5
Special Education	8,661	8,767	106	1.2
Limited English Proficiency Grants	1,776	1,934	158	8.9
Guaranteed Tax Base	3,058	4,427	1,369	44.8
Adult Education	126	126	0	0.0
Aging Schools	135	190	55	40.9
Other Education Aid	1,205	1,162	-44	-3.6
Primary & Secondary Education	\$144,304	\$153,234	\$8,930	6.2
Libraries	1,128	1,146	18	1.6
Community Colleges	7,857	7,889	32	0.4
Health Formula Grant	1,381	1,381	0	0.0
* Transportation	703	1,432	729	103.6
* Police and Public Safety	960	960	0	0.0
* Fire and Rescue Aid	232	232	0	0.0
Recreation and Natural Resources	262	146	-116	-44.3
Total Direct Aid	\$156,827	\$166,420	\$9,592	6.1
Aid Per Capita (\$)	1,077	1,139	62	5.7
Property Tax Equivalent (\$)	1.10	1.24	0.14	12.5

* 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. Fiscal 2012 State payments for Washington County for teachers, librarians, and community college faculty are estimated to be \$20,382,000.

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 2012 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 2011) 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	\$2,239,000
Family Health and Primary Care	196,000
Medical Care Services	660,000
Mental Health	8,975,000
Prevention and Disease Control	456,000
Developmental Disabilities	11,121,000

Social Services

Homeless Services	165,000
Women’s Services	122,000
Adult Services	286,000
Child Welfare Services	2,679,000

Senior Citizen Services

Long-term Care	374,000
Community Services	109,000

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

Antietam Academy – construction	\$2,500,000
Barbara Ingram School for the Arts – construction	634,000
Boonesboro High School – renovations (boiler)	195,000
Ruth Ann Monroe Primary School – construction	2,300,000
Smithburg High School – renovations (windows)	363,000
Western Region Funding (Allegany, Carroll, Frederick, Garrett, and Washington)	750,000

Hagerstown College

Arts and Sciences Complex	4,744,000
Performing and Visual Arts Education Center	213,000

Shelter and Transitional Facilities

Way Station Homeless Vets	500,000
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Community Parks and Playgrounds

L. Beard Miller Swimming Pool	35,000
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D. Capital Projects for State Facilities in the County**Department of Public Safety and Correctional Services**

Correctional Training Center – replace windows and heating systems	\$9,729,000
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Department of Education

Western Maryland Regional Library	2,500,000
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Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$64,967	\$63,986	-\$982	-1.5
Compensatory Education	29,107	31,941	2,834	9.7
Student Transportation	4,904	4,940	36	0.7
Special Education	6,311	6,282	-29	-0.5
Limited English Proficiency Grants	1,986	2,215	229	11.5
Guaranteed Tax Base	6,954	4,299	-2,655	-38.2
Adult Education	275	275	0	0.0
Aging Schools	107	150	44	40.9
Other Education Aid	660	659	-1	-0.1
Primary & Secondary Education	\$115,270	\$114,747	-\$523	-0.5
Libraries	838	834	-4	-0.5
Community Colleges	4,587	4,676	90	2.0
Health Formula Grant	947	947	0	0.0
* Transportation	513	1,030	517	100.8
* Police and Public Safety	993	993	0	0.0
* Fire and Rescue Aid	230	230	0	0.0
Recreation and Natural Resources	175	102	-73	-41.7
Disparity Grant	2,197	2,197	0	0.0
Total Direct Aid	\$125,750	\$125,756	\$6	0.0
Aid Per Capita (\$)	1,333	1,326	-6	-0.5
Property Tax Equivalent (\$)	1.63	1.76	0.13	7.7

* 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. Fiscal 2012 State payments for Wicomico County for teachers, librarians, and community college faculty are estimated to be \$14,339,000.

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 2012 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 2011) 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	\$1,417,000
Family Health and Primary Care	468,000
Medical Care Services	870,000
Mental Health	8,699,000
Prevention and Disease Control	440,000
Developmental Disabilities	7,181,000

Social Services

Homeless Services	26,000
Women's Services	120,000
Adult Services	37,000
Child Welfare Services	1,461,000

Senior Citizen Services

Long-term Care	571,000
Community Services	330,000

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

Bennett Middle School – construction	\$5,200,000
Fruitland Intermediate School – renovations (roof)	579,000
Eastern Shore Region Additional Funding (Caroline, Dorchester, Kent, Queen Anne’s, Somerset, Talbot, Wicomico, and Worcester)	1,250,000

Partnership Rental Housing Program

County Housing Authority	855,000
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Water Supply Financial Assistance Program

Fruitland – water tower rehabilitation	174,000
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African American Heritage Preservation Grant Program

San Domingo Rosenwald School – renovation	25,000
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Other Projects

Salisbury Zoological Park – Animal Health Clinic	200,000
Tri-County Multi-Purpose Center	300,000

D. Capital Projects for State Facilities in the County

Department of Health and Mental Hygiene

Deer’s Head Hospital Center – new kidney dialysis unit	\$6,124,000
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University System of Maryland

Salisbury University – campuswide dormitory renovations	9,000,000
Salisbury University – gymnasium repairs and renovation	1,500,000

Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2011</u>	<u>FY 2012</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$6,290	\$6,343	\$53	0.8
Compensatory Education	6,442	6,782	340	5.3
Student Transportation	2,822	2,849	28	1.0
Special Education	1,446	1,520	73	5.1
Limited English Proficiency Grants	374	366	-8	-2.1
Adult Education	119	119	0	0.0
Aging Schools	38	54	16	40.9
Other Education Aid	466	466	0	0.0
Primary & Secondary Education	\$17,996	\$18,498	\$502	2.8
Libraries	138	138	0	-0.3
Community Colleges	1,849	1,868	19	1.0
Health Formula Grant	313	313	0	0.0
* Transportation	552	950	398	72.2
* Police and Public Safety	458	458	0	0.0
* Fire and Rescue Aid	262	262	0	0.0
Recreation and Natural Resources	170	102	-68	-40.0
Video Lottery Terminal Impact Aid	2,569	3,840	1,272	49.5
Total Direct Aid	\$24,306	\$26,428	\$2,122	8.7
Aid Per Capita (\$)	496	541	44	8.9
Property Tax Equivalent (\$)	0.13	0.15	0.02	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. Fiscal 2012 State payments for Worcester County for teachers, librarians, and community college faculty are estimated to be \$8,065,000.

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 2012 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 2011) 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	\$2,188,000
Family Health and Primary Care	290,000
Medical Care Services	559,000
Mental Health	3,116,000
Prevention and Disease Control	482,000
Developmental Disabilities	3,744,000

Social Services

Homeless Services	26,000
Women’s Services	65,000
Adult Services	50,000
Child Welfare Services	822,000

Senior Citizen Services

Long-term Care	571,000
Community Services	284,000

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**

Eastern Shore Region Additional Funding (Caroline, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester)	\$1,250,000
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Community Health Facilities Grant Program

Joan W. Jenkins Foundation, Inc.	288,000
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Waterway Improvement

South Point – relocate boat ramp	99,000
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D. Capital Projects for State Facilities in the County**Department of Natural Resources**

Ocean City – beach replenishment	\$2,000,000
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