



MARYLAND
DEPARTMENT OF
BUDGET & MANAGEMENT

MARTIN O'MALLEY
Governor

ANTHONY BROWN
Lieutenant Governor

T. ELOISE FOSTER
Secretary

DAVID C. ROMANS
Deputy Secretary

November 1, 2010

The Honorable Martin O'Malley
Governor of Maryland
State House
Annapolis, MD 21401

The Honorable Peter Franchot
Comptroller of Maryland
80 Calvert Street Room 121
Annapolis, MD 21401

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House, Room H101
Annapolis, MD 21401

The Honorable Nancy K. Kopp
Treasurer of Maryland
80 Calvert Street, Room 109
Annapolis, MD 21401

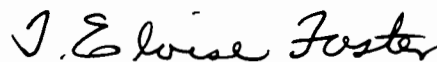
The Honorable Michael E. Busch
Speaker of the House of Delegates
State House, Room H107
Annapolis, MD 21401

Dear Madam and Gentlemen:

Executive Order 01.01.1998.07 requires the Secretary of the Department of Budget and Management to report to the General Assembly and the Board of Public Works on Debt Issued by Maryland State Agencies and Authorities. The report provides an overview and information on certain agencies authorized to issue debt, the general purpose of the debt, and a summary of debt issued by each agency during fiscal year 2010. As noted in the overview, the report covers agency debt that is neither under the purview of the Capital Debt Affordability Committee, with the exception of the Maryland Transportation Authority's Grant and Revenue Anticipation Bonds and Bay Restoration Bonds, nor otherwise constrained by State or federal limitations.

Appendix Table I provides summary data on debt issued, redeemed, and outstanding for fiscal year 2010 and compares debt outstanding at the end of fiscal years 2006 through 2010; Appendix Table II illustrates debt issued in fiscal years 2009 and 2010 for those agencies subject to issuance levels required by the Executive Order.

Sincerely,



T. Eloise Foster
Secretary

Enclosure
MSAR 1425

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DEBT ISSUED BY MARYLAND STATE
AGENCIES AND
INDEPENDENT AUTHORITIES

FISCAL YEAR 2010

Presented to the
Board of Public Works and
the Maryland General Assembly

Department of Budget and Management
November, 2010

OVERVIEW OF STATE AGENCY DEBT PROGRAM

Executive Order 01.01.1998.07 was issued by the Governor on February 10, 1998. It rescinded Executive Order 01.01.1989.13 and re-established procedures by which the Department of Budget and Management plans and reviews State agency debt and recommends to the Governor the level of debt issuances for certain State agencies each year.

Under the Executive Order, the Department of Budget and Management continues to monitor and coordinate issuances of debt by State agencies. Annual debt issuance levels are established, by recommendation of the Department of Budget and Management, for the Maryland Environmental Service, Maryland Food Center Authority, Maryland Transportation Authority, and Maryland Water Quality Financing Administration. In general, debt of these issuers is neither State tax supported debt under the purview of the Capital Debt Affordability Committee, constrained by the federal private activity bond cap, pass-through or on-behalf-of debt, or otherwise limited by statute. Notification of the debt levels must be sent to the Board of Public Works, the respective State agencies, and reported in the Maryland Register. The Governor may modify debt issuance levels during the fiscal year.

All State agencies and independent authorities authorized to issue debt are required to report each bond transaction of \$25 million or more to the Department of Budget and Management 30 days prior to the proposed date of issue.

The Executive Order requires annual reports by the Department of Budget and Management to the General Assembly and the Board of Public Works on financing transactions and levels of outstanding debt of those agencies whose debt is not limited in amount by State law.

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**STATE AGENCIES
SUBJECT TO
DEBT ISSUANCE LEVELS**

MARYLAND ENVIRONMENTAL SERVICE

Purpose of the Debt:

Title 3 of the Natural Resources Article authorizes the Maryland Environmental Service (MES) to issue debt to provide financing or refinancing for the acquisition, construction and improvement of water supply systems and waste facilities. MES enters into agreements with local governments to construct and operate water and wastewater treatment and solid waste disposal facilities. Additionally, MES is responsible for all water and wastewater treatment plants at State-owned facilities and may provide assistance to local systems.

Security and Revenue Authorized for Pledge:

The issuance of debt by MES does not create or constitute any indebtedness or obligation of the State or any political subdivision. MES pledges its revenue from the operation of water and wastewater, solid waste, and recycling facilities as security for debt. Governmental entities may charge a fee or a special tax to repay obligations due MES.

DEBT ISSUANCE:

2010 Approved Amount/Issued: \$26,200,000/\$12,000,000

OUTSTANDING DEBT AS OF JUNE 30, 2010:

\$28,458,724

SUMMARY OF FISCAL YEAR 2010 TRANSACTIONS:

TITLE & AMOUNT:	\$12,000,000 Bond Anticipation Note
CLOSING DATE:	September 29, 2009
CREDIT ENHANCEMENT:	None
RATING:	None
INTEREST RATE:	1.95%
LONGEST MATURITY:	2010
PURPOSE:	Finance the design, construction, acquisition and equipping of the new Midshore II Landfill in Caroline County.

MARYLAND FOOD CENTER AUTHORITY

Purpose of the Debt:

Title 13 of Article 41 authorizes the Maryland Food Center Authority to issue debt to finance the cost of development or projects that facilitate the wholesale food industry.

Security and Revenue Authorized for Pledge:

The issuance of bonds by the Authority does not create or constitute any indebtedness or obligation of the State or of any political subdivision. Debt may be secured by a trust agreement, which may include revenues received from projects and money realized from the sale, rental and other payments relating to the projects. The Authority had no debt outstanding at June 30, 2009.

DEBT ISSUANCE:

2010 Approved Amount/Issued: \$0/\$0

OUTSTANDING DEBT AS OF JUNE 30, 2010:

None.

SUMMARY OF FISCAL YEAR 2010 TRANSACTIONS:

None.

MARYLAND TRANSPORTATION AUTHORITY

Purpose of the Debt:

Title 4 of the Transportation Article authorizes the Maryland Transportation Authority to issue debt to finance the capital costs of transportation facilities projects, which include the Potomac River Bridge (Harry W. Nice), the Chesapeake Bay Bridge, the Outer Harbor Bridge (Francis Scott Key), the Baltimore Harbor Tunnel, the Fort McHenry Tunnel, the Susquehanna River Bridge, the John F. Kennedy Memorial Highway (including the Express Toll Lanes "ETL" project), the Intercounty Connector, projects at Baltimore/Washington International Airport, and certain parking garage projects located in Maryland.

Security and Revenue Authorized for Pledge:

The debt is secured by revenues collected from various toll facilities; generated by gas stations and restaurants on the John F. Kennedy Memorial Highway; and revenues received from the Maryland Aviation Administration (Passenger Facility Charges), parking facility revenues, Customer Facility Charges; and parking garage lease revenues payable by the Washington Metropolitan Area Transit Authority and the State Department of General Services.

Revenue Bonds issued for the Annapolis parking garage facility in 2005 and Grant and Revenue Anticipation (GARVEE) Bonds issued for the Intercounty Connector in 2007 and 2008 are considered State tax supported debt and are, therefore included in the Capital Debt Affordability Committee analysis. The GARVEE bonds are secured by annual allocations of federal aid available to the State of Maryland and a subordinated pledge of certain State tax revenues deposited to the Maryland Transportation Trust Fund.

DEBT ISSUANCE:

2010 Approved Amount/Issued: \$710,000,000/\$549,385,000

OUTSTANDING DEBT AS OF JUNE 30, 2010:

\$2,708,184,983

SUMMARY OF FISCAL YEAR 2010 TRANSACTIONS:

TITLE & AMOUNT: \$549,385,000 Transportation Facilities Projects Revenue Bonds
\$98,870,000 Series 2009A
\$450,515,000 Series 2009B (Federally Taxable Build America
Bonds – Direct Payment Subsidy)

ISSUANCE DATE: December 22, 2009

CREDIT ENHANCEMENT: None

RATING: Fitch: AA-
Moody's: Aa3
Standard and Poor's: AA-

INTEREST RATE: 3.00% - 5.888% (coupons)
2.32% - 5.888% (yield)

LONGEST MATURITY: 2043

PURPOSE: Finances, in part, the Authority's consolidated transportation program
which includes the Intercounty Connector Project and improvements to
I-95 north of Baltimore to add Express Toll Lanes and provide for
certain issuance costs.

MARYLAND WATER QUALITY FINANCING ADMINISTRATION

Purpose of Debt:

Title 9 of the Environment Article authorizes the Maryland Water Quality Financing Administration to issue bonds and lend the proceeds to local governments for the construction, acquisition, or refinancing of wastewater facilities. These State revolving funds provide loans and other forms of financial assistance to finance, among other things, the construction of publicly owned wastewater treatment facilities. States receiving capitalization grants must provide an amount equal to 20 percent of the capitalization grants for deposit to the State revolving funds.

Legislation enacted by the 2004 General Assembly authorized the Administration to issue bonds to fund the Bay Restoration Fund, which will be used to provide grants to upgrade wastewater treatment plants. Security for the bonds is the revenues from a fee imposed on users of wastewater facilities. The bonds, the initial issuance of which occurred in fiscal year 2008, are considered State tax supported; therefore, issuances will be incorporated into the analysis of the Capital Debt Affordability Committee.

Security and Revenue Authorized for Pledge:

The issuance of bonds by the Administration does not create or constitute any indebtedness or obligation of the State or of any political subdivision. Bonds are payable solely from the revenue of the Administration received in connection with the respective projects financed or refinanced. Deposits in funds and accounts maintained under the indenture are also used as security for the bonds.

DEBT ISSUANCE:

2010 Approved Amount/Issued: \$198,000,000/\$0

OUTSTANDING DEBT AS OF JUNE 30, 2010:

\$126,266,356

SUMMARY OF FISCAL YEAR 2010 TRANSACTIONS:

None

**OTHER STATE AGENCIES
AND
DEPARTMENTS**

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT ADMINISTRATION
MULTI-FAMILY PROGRAM**

Purpose of the Debt:

Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland authorize the Community Development Administration to issue debt through its Multi-Family Program to provide loan financing for the construction and rehabilitation of multi-family rental housing developments for limited income families.

Security and Revenue Authorized for Pledge:

The Community Development Administration pledges revenues from mortgage loan repayments and other permissible income of the program as security. In addition, mortgage loans generally are insured by the Maryland Housing Fund, the Federal Housing Administration or other entities of the United States government with similar powers, or secured by various forms of credit enhancement. Also, CDA holds GNMA mortgage-backed securities that are issued in connection with mortgage loans for multifamily projects. The Maryland Housing Fund is an instrumentality of the State created to provide insurance on loans made under the multi-family and single family housing programs.

OUTSTANDING DEBT AS OF JUNE 30, 2010:

\$857,165,000 (including Stand-Alone Indentures)

SUMMARY OF FISCAL 2010 TRANSACTIONS:

TITLE & AMOUNT: \$8,755,000 Housing Revenue Bonds, Sierra Woods Apartments Issue, Series 2009 A

CLOSING DATE: November 17, 2009

CREDIT ENHANCEMENT: Loan – FHA Risk Share

RATING: Fitch: AA+
Moody's: Aa2

INTEREST RATE: \$1,150,000 - 2.75%
\$7,605,000 - 5.25%

MATURITY: \$1,150,000 – 2011
\$7,605,000 – 2041

PURPOSE: Provide funding for a mortgage loan to finance the acquisition and rehabilitation of Sierra Woods Apartments, a 160-unit development, located in Columbia, Maryland.

TITLE & AMOUNT: \$92,040,000 Multifamily Mortgage Revenue Bonds, Series 2009A (Taxable)

CLOSING DATE: December 30, 2009

CREDIT ENHANCEMENT: Freddie Mac and Fannie Mae

RATING: Moody's: Aaa

INTEREST RATE: Variable

LONGEST MATURITY: 2051

PURPOSE: Escrow bonds under the U.S. Treasury Multi Family new Issue Bond Program.

TITLE & AMOUNT: \$6,900,000 Multifamily Development Revenue Bonds, C.W. Brooks
Mid-Rise Issue, Series 2010 A

CLOSING DATE: May 27, 2010

CREDIT ENHANCEMENT: Loan – Capital Fund Recovery Competitive Grant Funds

RATING: Moody's: MIG 1

INTEREST RATE: 1.375%

MATURITY: 2012

PURPOSE: Provides funding for a mortgage loan to finance the new construction of
C.W. Brooks Apartments, a 60-unit development located in Hagerstown,
Maryland.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT ADMINISTRATION
SINGLE FAMILY PROGRAM**

Purpose of the Debt:

Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland authorize the Community Development Administration to issue debt through its Single Family Program to provide financing for the acquisition of owner-occupied single family residences by qualified purchasers. To qualify, purchasers must fall within the income limitations set by the Administration and federal tax law. The income limits range from 100% of the Area or Statewide Median Income for a one- or two-member household in a Non-Targeted Area to 140% of the Area or Statewide Median Income for a three or more member household in a Targeted Area. Based on the annual determination of the median income and other factors determined by law, the actual dollar limits may change at least annually.

Security and Revenue Authorized for Pledge:

The Community Development Administration pledges revenues from mortgage loan repayments and other permissible income of the program as security. In addition, mortgage loans generally are secured by various forms of credit enhancement, which can include insurance provided through the FHA, the Department of Veteran Affairs, Rural Housing Services, private mortgage insurers, and the Maryland Housing Fund (an instrumentality of the State created to provide insurance on loans made under the multi-family and single family housing programs).

OUTSTANDING DEBT AS OF JUNE 30, 2009:

\$2,410,755,000 (including Draw Down Bonds)

SUMMARY OF FISCAL 2010 TRANSACTIONS:

TITLE & AMOUNT: \$98,680,000 Residential Revenue Bonds
\$58,680,000 2007 Series J (Non-AMT)
\$40,000,000 2009 Series A (Non -AMT)

CLOSING DATE: September 24, 2009

CREDIT ENHANCEMENT: Loans – FHA insurance, VA or USDA/RD guarantee

RATING: Series 2007 J Fitch: AA/F1
Moody's: Aa2/VMIG 1

Series 2009 A Fitch: AA
Moody's: Aa2

INTEREST RATE: Series 2007 J – Variable
Series 2009 A – 0.65% -5.05%

LONGEST MATURITY: Series 2007 J – 2031
Series 2009 A – 2039

PURPOSE: Series 2007 J: Proceeds of the remarketing of the 2007 J Bonds, from taxable to tax-exempt, will be applied to pay the principal portion of the purchase price of the 2007 Series J Bonds tendered for purchase on the delivery date. The interest to be paid will be paid from funds available under the Bond Resolution.

Series 2009 A: To make or purchase new mortgage loans in the amount of \$39,215,000 and provide funds in the amount of \$784,400 to be deposited to the Reserve Fund.

TITLE & AMOUNT: \$74,050,000 Residential Revenue Bonds (Non-AMT)
\$58,680,000 2007 Series M
\$45,000,000 2008 2009 Series B

CLOSING DATE: October 8, 2009

CREDIT ENHANCEMENT: Loans – FHA insurance, VA or USDA/RD guarantee

RATING: Series 2007 M Fitch: AA/F1
Moody's: Aa2/VMIG 1

Series 2009 B Fitch: AA
Moody's: Aa2

INTEREST RATE: Series 2007 M – Variable
Series 2009 B – 0.65% -4.75%

LONGEST MATURITY: Series 2007 M – 2043
Series 2009 B – 2039

PURPOSE: Series 2007 M: Proceeds of the remarketing of the 2007 M Bonds, from taxable to tax-exempt, will be applied to pay the principal portion of the purchase price of the 2007 Series M Bonds tendered for purchase on the delivery date. The interest to be paid will be paid from funds available under the Bond Resolution.

Series 2009 B: To make or purchase new mortgage loans in the amount of \$44,117,000 and provide funds in the amount of \$882,400 to be deposited to the Reserve Fund.

TITLE & AMOUNT: \$62,470,000 Residential Revenue Bonds (Non-AMT)
\$58,680,000 2007 Series F
\$15,985,000 2008 2009 Series C

CLOSING DATE: October 27, 2009

CREDIT ENHANCEMENT: Loans – FHA insurance, VA or USDA/RD guarantee

RATING: Series 2007 F Fitch: AA/F1
Moody's: Aa2/VMIG 1

Series 2009 C Fitch: AA
Moody's: Aa2

INTEREST RATE: Series 2007 F – Variable
Series 2009 C – 0.45% -4.55%

LONGEST MATURITY: Series 2007 F – 2031
Series 2009 C – 2039

PURPOSE: Series 2007 F: Proceeds of the remarketing of the 2007 F Bonds, from taxable to tax-exempt, will be applied to pay the principal portion of the purchase price of the 2007 Series F Bonds tendered for purchase on the delivery date. The interest to be paid will be paid from funds available under the Bond Resolution.

Series 2009 C: To make or purchase new mortgage loans in the amount of \$15,671,500 and provide funds in the amount of \$313,500 to be deposited to the Reserve Fund.

TITLE & AMOUNT: \$154,290,000 Single Family Housing Revenue Bonds, 2009 Series A (Taxable)

CLOSING DATE: December 30, 2009

CREDIT ENHANCEMENT: Loans – FHA insurance, VA or USDA/RD guarantee

RATING: Moody's: Aa3

INTEREST RATE: Variable

LONGEST MATURITY: 2041

PURPOSE: To escrow bonds under the U.S. Treasury Single Family New Issue Bond Program.

TITLE & AMOUNT: \$28,465,000 Residential Revenue Bonds, Series 2010 A (AMT)

CLOSING DATE: June 9, 2010

CREDIT ENHANCEMENT: Loans – FHA insurance, VA or USDA/RD guarantee, or private mortgage insurance

RATING: Fitch: AA
Moody's: Aa2

INTEREST RATE: 3.95% - 4.45

LONGEST MATURITY: 2021

PURPOSE: To make or purchase new mortgage loans in the amount of \$6,662,404 and provide funds in the amount of \$559,000 to be deposited to the Reserve Fund. Additionally, \$21,243,596 used to redeem the Single Family Program Bonds, 1999 Third series bonds and transfer mortgages under the 1980 Certificate to the Series 2010 A under the Residential Revenue Bond Indenture.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL INFRASTRUCTURE PROGRAM**

Purpose of the Debt:

Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland authorize the Department of Housing and Community Development's Community Development Administration to issue debt through its Local Infrastructure Program to finance local public infrastructure projects. The bond proceeds are loaned to local governments to fund various capital projects for roads, sewer and water systems, municipal buildings, and public schools.

Security and Revenue Authorized for Pledge:

To secure its debt, the Community Development Administration pledges loan repayments made by the local governments and other income of the program. Participating local governments execute an agreement with the State that pledges their full faith and credit or other assets and revenues deemed acceptable. In the event of default, the agreement provides for the Comptroller and the State Treasurer to intercept any State payments due participating local governments.

OUTSTANDING DEBT AS OF JUNE 30, 2010:

\$109,700,000

SUMMARY OF FISCAL 2010 TRANSACTIONS:

None

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT ADMINISTRATION**

LOCAL PUBLIC HOUSING AUTHORITY CAPITAL SECURITIZATION PROGRAM

Purpose of the Debt:

Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland authorize the Community Development Administration to issue debt to finance community development projects. The Community Development Administration acts as the conduit issuer on behalf of a "pool" of local housing authorities. The bond proceeds are loaned to local housing authorities to fund renovations and repairs in public housing developments.

Security and Revenue Authorized for Pledge:

The Quality Housing and Work Responsibility Act of 1998 gives local housing authorities the ability to use their capital fund allocation (from HUD) for "the development, financing, and modernization of public housing projects..." The "financing" language provides for the underlying authority to use these funds to pay debt service on a bond issue. HUD has approved the securitization of future capital fund appropriations to be used for debt service on bonds as an eligible capital fund expense.

To secure the debt, the Community Development Administration pledges loan repayments made by the participating housing authorities and other income of the program. Participating housing authorities execute an agreement with the State that pledges their future capital fund appropriations from HUD, which are paid directly by HUD to a trustee.

OUTSTANDING DEBT AS OF JUNE 30, 2010:

\$77,935,000

SUMMARY OF FISCAL 2010 TRANSACTIONS

None.

MARYLAND INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY

Purpose of Debt:

Title 5, Subtitle 4, of the Economic Development Article authorizes the Maryland Industrial Development Financing Authority (MIDFA) to issue debt for the financing and refinancing of capital acquisition and improvement projects promoting economic development, business retention, and new industry.

Legislation enacted by the 2000 General Assembly consolidated certain financing assistance programs (Chapter 305, Acts 2000) and expanded the authority of the Maryland Industrial Development Financing Authority to include financing energy projects effective July 1, 2000. The legislation also replaced various insurance and guarantee funds, including the Authority's Bond Insurance Fund and Authorized Purpose Insurance Fund, with the Industrial Development Fund for the purpose of providing insurance for bonds and other obligations.

The prior issuance of bonds by the Maryland Energy Financing Administration (MEFA) did not create or constitute any indebtedness or obligation of the State or of any political subdivision. To the extent those bonds were secured by trust agreements, such agreements remain in place.

Security and Revenue Authorized for Pledge:

The issuance of bonds by the Authority does not create or constitute any indebtedness or obligation of the State or of any political subdivision. Security for financing by MIDFA varies slightly with each transaction; it is primarily from revenues generated by the facility or project.

OUTSTANDING DEBT AS OF JUNE 30, 2010:

\$375,741,515

SUMMARY OF FISCAL YEAR 2010 TRANSACTIONS:

TITLE & AMOUNT: \$5,800,000 Limited Obligation Maryland Industrial Development Financing Authority Economic Development Revenue Bonds, Associated Catholic Charities, Inc. Issue, Series 2009

CLOSING DATE: November 13, 2009

CREDIT ENHANCEMENT: Letter of Credit - PNC

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2034

PURPOSE: Finances the rehabilitation and renovation of existing facilities in Baltimore City, Maryland and construction of a 21,000 square foot special education school in Harford County, Maryland.

TITLE & AMOUNT: \$68,200,000 Limited Obligation Maryland Industrial Development Financing Authority Variable Rate Demand Port Facilities Refunding Revenue Bonds, Occidental Petroleum Corporation Issue, Series 2010

CLOSING DATE: March 15, 2010

CREDIT ENHANCEMENT: None

RATING: Moody's: A2
Standard and Poor's: A

INTEREST RATE: Variable

LONGEST MATURITY: 2030

PURPOSE: Refunds Mayor and City Council of Baltimore Floating Rate Monthly Demand Port Facilities Revenue Bonds, Occidental Petroleum Corporation Issue, Series 1981.

DEPARTMENT OF TRANSPORTATION COUNTY TRANSPORTATION REVENUE BONDS

Purpose of the Debt:

Title 3, Subtitle 5, of the Transportation Article authorizes the Department of Transportation to issue revenue bonds on behalf of participating counties to enable the counties to finance the cost of transportation facilities. The revenue bonds are debt of the participants.

Security and Revenue Authorized for Pledge:

To secure this debt, the Department of Transportation pledges loan repayments made by the participating counties. Participating counties execute an agreement with the Department that pledges their full faith and credit or other assets and revenues deemed acceptable. The participating county may pledge its share of highway user revenues, in which case, the Comptroller and the State Treasurer may cause such funds to be paid to the Department. Currently, bonds outstanding under this program are repaid from the participants' share of highway user revenues.

OUTSTANDING DEBT AS OF JUNE 30, 2010:

\$95,060,000

SUMMARY OF FISCAL YEAR 2010 TRANSACTIONS:

None

DEPARTMENT OF TRANSPORTATION NONTRADITIONAL DEBT

The provisions of Executive Order 01.01.1998.07 provide for the Department of Budget and Management to report on issuances of debt other than that limited in amount by State law and other than that issued by the Board of Public Works. The intent is to report on those debt issuances that are not otherwise reviewed, considered, and reported upon = generally, debt other than that deemed State tax supported debt by the Capital Debt Affordability Committee.

In the case of the Department of Transportation, nontraditional debt is defined as anything that is not a Consolidated Transportation Bond or a GARVEE and includes issuances by MEDCO and the Maryland Transportation Authority on behalf of the Department as well as Certificates of Participation issued by the Department. The definition does not distinguish between State tax supported and non-State tax supported.

The only debt included in this section of the report is nontraditional, non-State tax supported debt issued by the Department. To date, that includes three Certificates of Participation – one in the original amount of \$42,750,000 issued in 1999 for airport-related projects, one in the original amount of \$33,000,000 issued in fiscal year 2001 for parking facilities at the MARC BWI rail station, and one in the original amount of \$26,530,000 issued in fiscal year 2006 for the construction of a warehouse facility at the Port of Baltimore. The Board of Public Works approved all of these issues. At June 30, 2010, debt outstanding on these three issues was \$57,290,000.

Other nontraditional, non-State tax supported debt outstanding includes \$368,730,000 issued by the Transportation Authority and \$201,015,000 issued by MEDCO; that debt is included in the total amount of debt outstanding for those agencies. Also included in non traditional debt is an additional \$26,090,000 issued by MEDCO for the Department's headquarters which is tax supported and included in the Capital Debt Affordability Committee analysis. The original issues were described in the applicable sections of this report in the year of issue.

There was an issuance by the Department in fiscal year 2005 of nontraditional debt in the amount of a \$15,500,000 Certificate of Participation to finance airport shuttle buses. This debt is considered tax supported, however, and falls under the purview of the Capital Debt Affordability Committee; it is not included in this report.

In summary, nontraditional, non-State tax supported transportation debt outstanding at June 30, 2010, totals \$627,035,000, while total nontraditional debt totals \$662,125,000 (A limit of \$661,810,000 was set by language in the fiscal year 2010 budget bill. The debt outstanding in excess of the limit was the result of refunding some of the maturities of the MEDCO bonds for the Department's headquarters).

OUTSTANDING DEBT AS OF JUNE 30, 2010:

\$57,290,000

SUMMARY OF FISCAL YEAR 2010 TRANSACTIONS:

None

**STATE AND INDEPENDENT
AUTHORITIES
AND CORPORATIONS**

MARYLAND ECONOMIC DEVELOPMENT CORPORATION

Purpose of Debt:

Title 10, Subtitle 1 of the Economic Development Article authorizes the Maryland Economic Development Corporation (MEDCO) to issue bonds to finance or refinance capital improvement projects related to economic development in such areas as manufacturing, retail, trade, service and supply industries, wholesaling, and warehousing. Such projects are designed to enhance technological change, strengthen the State's economy, and complement existing State marketing programs administered by the Department of Business and Economic Development.

Security and Revenue Authorized for Pledge:

The issuance of bonds by MEDCO does not create or constitute any indebtedness or obligation of the State or of any political subdivision. Bonds are typically secured by a lien on the property and are payable from revenues of the project or borrower. Furthermore, some of the bonds issued by MEDCO are limited obligations payable solely from amounts payable by participating institutions under the loan or lease agreements executed in connection with the issuance of the bonds or revenues of the project financed.

OUTSTANDING DEBT AS OF JUNE 30, 2010:

(including notes issued to other State agencies and financing programs)

\$781,354,724

\$2,329,861,864 (includes conduit debt)

SUMMARY OF FISCAL YEAR 2010 TRANSACTIONS

(Amounts reflect the amount approved for the project and may not equal the actual amount issued.)

TITLE & AMOUNT: \$10,600,000 Bank Qualified Loan, United States Pharmacopeial Convention, Inc. Issue, Series 2009

CLOSING DATE: September 16, 2009

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: 2.25%

LONGEST MATURITY: 2043

PURPOSE: Finance or refinance the acquisition, improvement renovation and equipping of certain properties for potential use as research laboratories, warehouse, packing, office and conference related facilities.

TITLE & AMOUNT: \$4,700,000 Bank Qualified Loan, Crossroads Partnership LLC Issue, Series 2009

CLOSING DATE: September 29, 2009

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2029

PURPOSE: Finance or refinance the acquisition, construction and equipping of certain property located in Baltimore, Maryland.

TITLE & AMOUNT: \$2,915,413 Bank Qualified Loan, Ardmore Enterprises, Inc., Series 2009

CLOSING DATE: October 13, 2009

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2019

PURPOSE: Finance or refinance the acquisition, improvement renovation and equipping of certain properties.

TITLE & AMOUNT: \$4,444,000 Bank Qualified Loan, 6701 Distribution, LLC., Series 2009

CLOSING DATE: December 30, 2009

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2029

PURPOSE: Finance the acquisition of a parcel of land and associated building located in Beltsville, Maryland.

TITLE & AMOUNT: \$5,270,000 Bank Qualified Loan, Jewish Council for the Aging of Greater Washington Issue, Series 2009

CLOSING DATE: November 30, 2009

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2019

PURPOSE: Finance or refinance the acquisition, improvement, renovation and equipping of a certain property located in Rockville, Maryland.

TITLE & AMOUNT: \$248,675,000 Economic Development Revenue Bonds
\$166,920,000 Transportation Facilities Project, Series A
\$81,755,000 Terminal Project, Series B

CLOSING DATE: January 12, 2010

CREDIT ENHANCEMENT: None

RATING: Moody's: Baa3

INTEREST RATE: Series A: 5.7734%
Series B: 5.7745%

LONGEST MATURITY: 2035

PURPOSE: Series A finances the cost of certain transportation projects for the Maryland Transportation Authority.

Series B finances a portion of the cost of capital improvements to facilities at the Seagirt Marine Terminal

TITLE & AMOUNT: \$24,588,162 Refunding Lease Revenue Bonds, Maryland Department of Transportation Headquarters Facility Issue, Series 2010

CLOSING DATE: May 25, 2010

CREDIT ENHANCEMENT: None

RATING: Moody's: Aa2
Standard and Poor's: AA+

INTEREST RATE: 2.8799%

LONGEST MATURITY: 2022

PURPOSE: Advance refunds MEDCO's Maryland Department of Transportation Headquarters Facility Lease Revenue Bonds, Series 2002.

TITLE & AMOUNT: \$287,994 – Line of Credit

CLOSING DATE: March 9, 2010

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: 8.0%

LONGEST MATURITY: 2010

PURPOSE: Finance operating capital for Rocky Gap Lodge and Resort.

TITLE & AMOUNT: \$106,497 – Capital Lease

CLOSING DATE: August, 2009

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: 9.5%

LONGEST MATURITY: 2012

PURPOSE: Finance equipment for the golf course at Rocky Gap Lodge and Resort.

MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

Purpose of Debt:

Title 10, Subtitle 3 of the Economic Development Article authorizes the Maryland Health and Higher Educational Facilities Authority (MHHEFA) to issue bonds for the purpose of financing and refinancing the capital acquisition and improvement projects essential to the operation of non-profit health, higher education, and non-collegiate institutions.

Security and Revenue Authorized for Pledge:

Bonds issued by the MHHEFA do not create or constitute any indebtedness or obligation of the State or of any political subdivision. Furthermore, bonds issued by the MHHEFA are limited obligations payable solely from amounts payable by participating institutions under the loan or lease agreements executed in connection with the issuance of the bonds or revenues of the project financed. MHHEFA has no outstanding debt constituting a general obligation of the Authority or a pledge of its faith and credit. Repayment funds may include the mortgaging of a project, a collateral fund, reserves and sinking funds, rentals, fees and other charges.

OUTSTANDING DEBT AS OF JUNE 30, 2010:

\$8,660,732,000

SUMMARY OF FISCAL YEAR 2010 TRANSACTIONS

TITLE & AMOUNT: \$20,600,000 Bank Qualified Loan, Augsburg Lutheran Home, Series 2009

CLOSING DATE: August 7, 2009

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2036

PURPOSE: Finances the renovation of continuing care retirement community facilities, a three-story addition to the existing nursing center, refunds the Authority's Revenue Bonds, Augsburg Lutheran Issue, Series 1997 and refinances a commercial loan.

TITLE & AMOUNT: \$10,949,000 Commercial Paper Revenue Notes, The Johns Hopkins University, Series B

CLOSING DATE: August 13, 2009

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2034

PURPOSE: Finances routine internal renovations, improvements and equipment acquisitions.

TITLE & AMOUNT: \$19,830,000 Bank Qualified Loan, The Boys' Latin School of Maryland, Series 2009

CLOSING DATE: August 26, 2009

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Fixed and Variable

LONGEST MATURITY: 2038

PURPOSE: Refunds the Authority's Revenue Bonds, The Boys' Latin School Issue, Series 2008.

TITLE & AMOUNT: \$17,400,000 Bank Qualified Loan, Roland Park Country School, Series 2009

CLOSING DATE: October 7, 2009

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2037

PURPOSE: Refunds the Authority's Revenue Bonds, Roland Park Country School Issues, Series 2001 and Roland Park Country School Issue, Series 2001 (Second Delivery).

TITLE & AMOUNT: \$7,350,000 Bank Qualified Loan, Bryn Mawr School, Series 2009
CLOSING DATE: October 14, 2009
CREDIT ENHANCEMENT: None
RATING: None
INTEREST RATE: Variable
LONGEST MATURITY: 2037
PURPOSE: Finances renovations, repairs and equipment for the institutions existing facilities, site work and development for the installation of new utilities and refunds the Authority's Revenue Bonds, Bryn Mawr School Issue, Series 2005.

TITLE & AMOUNT: \$5,260,000 CMROC, LLP Lease
CLOSING DATE: October 22, 2009
CREDIT ENHANCEMENT: None
RATING: None
INTEREST RATE: 3.27%
LONGEST MATURITY: 2014
PURPOSE: Finances a lease and sublease transaction for the equipping of a radiation oncology center located in Howard County, Maryland including the acquisition of two linear accelerators.

TITLE & AMOUNT: \$30,000,000 Bank Qualified Loan, Sheppard Pratt Health System, Series 2009

CLOSING DATE: December 17, 2009

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2035

PURPOSE: Finance the acquisition of a 40 acre parcel of land for use as the future site of a healthcare facility, refinances a loan used for the acquisition and renovation of a facility for use as a special education school, and certain capital improvements and equipment at the institution's existing healthcare facilities.

TITLE & AMOUNT: \$242,385,000 Revenue Bonds, University of Maryland Medical System Issue, Series 2010

CLOSING DATE: January 7, 2010

CREDIT ENHANCEMENT: None

RATING: Fitch: A
Moody's: A2
Standard and Poor's: A

INTEREST RATE: 2.000% - 5.250%

LONGEST MATURITY: 2039

PURPOSE: Finances certain capital projects for Upper Chesapeake Medical Center, renovations to or expansion of existing facilities, construction of a new emergency care center and refunds the Authority's Revenue Bonds, University of Maryland Medical System Issue, Series 2008G, Revenue Bonds, University of Maryland Medical System Issues, Series 2008H, and Revenue Bonds, Shore Health System Issue, Series 2004A.

TITLE & AMOUNT: \$25,000,000 Bank Qualified Loan, The SEED School of Maryland, Series 2010

CLOSING DATE: January 21, 2010

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2037

PURPOSE: Finances the construction of two student dormitories and the renovation of an existing academic building, refinances a bridge loan facility the proceeds of which were applied to finance and refinance certain related expenses.

TITLE & AMOUNT: \$85,410,000 Revenue Bonds, Anne Arundel Health System, Series 2010

CLOSING DATE: February 3, 2010

CREDIT ENHANCEMENT: None

RATING: Fitch: A-
Moody's: A3
Standard and Poor's: A-

INTEREST RATE: 3.00% - 5.30%

LONGEST MATURITY: 2040

PURPOSE: Finances a portion of the cost of an addition to an existing parking garage, refunds the Authority's Revenue Bonds, Anne Arundel Health System Issue, Series 2004B and refinances a capital lease.

TITLE & AMOUNT: \$30,580,000 Revenue Bonds, Carnegie Institution of Washington, Series 2010

CLOSING DATE: February 4, 2010

CREDIT ENHANCEMENT: None

RATING: Moody's: Aaa
Standard and Poor's: AA-

INTEREST RATE: 4.25% – 4.50%

LONGEST MATURITY: 2040

PURPOSE: Refunds the Authority's Revenue Bonds, Carnegie Institution of Washington Issue, Series 2002

TITLE & AMOUNT: \$10,949,000 Commercial Paper Revenue Notes, The Johns Hopkins University, Series B

CLOSING DATE: February 23, 2010

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2034

PURPOSE: Finances routine renovations, improvements, and equipment acquisitions.

TITLE & AMOUNT: \$13,665,000 Revenue Bonds, Patterson Park Public Charter School Issue
\$13,085,000 Series 2010 A
\$580,000 Series 2010 B (Taxable)

CLOSING DATE: March 16, 2010

CREDIT ENHANCEMENT: None

RATING: Fitch: BBB
Standard and Poor's: BBB-

INTEREST RATE: 5.10% - 6.125%

LONGEST MATURITY: 2045

PURPOSE: Finances a portion of the cost of constructing and equipping a new classroom building to house a middle school, certain improvements to and renovations to existing facilities, and refinances a loan the proceeds of which were used for the acquisition and renovation of a building.

TITLE & AMOUNT: \$2,985,000 Revenue Bonds, Oldfields School Issue, Series 2010

CLOSING DATE: April 14, 2010

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: 4.60%

LONGEST MATURITY: 2019

PURPOSE: refunds the Authority's Pooled Loan Program Revenue Bonds, Series D, the proceeds of which were used to finance the acquisition and construction of educational facilities.

TITLE & AMOUNT: \$82,670,000 Revenue Bonds, Doctors Community Hospital, Series 2010
CLOSING DATE: May 18, 2010
CREDIT ENHANCEMENT: None
RATING: Fitch: BBB-
Moody's: Baa3
INTEREST RATE: 5.30% - 5.75%
LONGEST MATURITY: 2038
PURPOSE: Refinances a loan the proceeds of which were used to refund the Authority's Revenue Bonds, Doctors Community Hospital Issue, Series 2008 and finances a portion of the cost of miscellaneous internal renovations, the acquisition of capital equipment and the improvement of an existing surface parking lot.

TITLE & AMOUNT: \$148,195,000 Revenue Bonds, The Johns Hopkins Health System Obligated Group, Series 2010
CLOSING DATE: June 16, 2010
CREDIT ENHANCEMENT: None
RATING: Fitch: AA-
Moody's: Aa3
Standard and Poor's: A+
INTEREST RATE: 4.375% - 5.000%
LONGEST MATURITY: 2040
PURPOSE: Finances the construction of a portion of two new medical towers.

TITLE & AMOUNT: \$15,000,000 Bank Qualified Loan, Carroll Hospital Center, Series 2010

CLOSING DATE: June 30, 2010

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable

LONGEST MATURITY: 2040

PURPOSE: Finances the reimbursement of capital expenditures for the construction of an above ground parking garage on the institution's campus, the renovation of certain interior portions of existing facilities and the acquisition of equipment.

APPENDIX

APPENDIX TABLE I

**Debt Outstanding at Year End
Fiscal Years 2006-2010**

(in thousands of \$)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
State Agencies with Debt Issuance Levels					
Maryland Environmental Service	24,501	19,635	18,692	19,783	28,458
Maryland Food Center Authority	-	-	-	-	-
Maryland Transportation Authority	765,115	1,055,270	1,877,426	2,247,143	2,708,185
Water Quality Financing Authority	<u>73,913</u>	<u>65,726</u>	<u>154,860</u>	<u>139,961</u>	<u>126,266</u>
Total	<u>863,529</u>	<u>1,140,630</u>	<u>2,050,977</u>	<u>2,406,887</u>	<u>2,862,909</u>
Other State Agencies and Departments					
Community Development Administration:					
- Multifamily	592,000	569,310	539,995	540,935	595,280
- Multi-Family Stand Alone	197,790	203,785	208,725	257,850	261,885
- Single Family	1,364,870	2,341,480	2,424,805	2,296,715	2,410,755
- Infrastructure	116,985	122,030	135,130	121,635	109,700
- Pooled Public Housing Authority	93,480	89,735	85,895	81,970	77,935
Maryland Energy Financing Administration (a)	-	-	-	-	-
Maryland Industrial Development Financing Authority	409,560	387,057	381,978	344,931	375,741
Department of Transportation:					
- County Transportation Revenue Bonds	30,000	58,420	56,775	98,485	95,060
- Certificates of Participation (non-State tax supported)	<u>72,615</u>	<u>68,460</u>	<u>64,170</u>	<u>59,880</u>	<u>57,290</u>
Total	<u>2,877,300</u>	<u>3,840,277</u>	<u>3,897,473</u>	<u>3,802,401</u>	<u>3,983,646</u>
Authorities and Corporations					
Maryland Economic Development Corporation (b)	1,872,446	1,894,209	2,093,993	2,115,112	2,329,862
Health and Higher Educational Facilities Authority	<u>6,181,145</u>	<u>7,262,016</u>	<u>8,204,796</u>	<u>8,466,806</u>	<u>8,660,732</u>
Total	<u>8,053,591</u>	<u>9,156,225</u>	<u>10,298,789</u>	<u>10,581,918</u>	<u>10,990,594</u>

(a) Legislation effective January 1, 2002, repealed the statute creating the Maryland Energy Financing Administration; outstanding debt issued by MEFA is included with Maryland Industrial Development Financing Authority debt.

(b) Reflects an adjustment to the amount estimated in the State Agency Debt Report for fiscal year 2008 and 2009.

APPENDIX TABLE I (cont)

Debt Issued, Redeemed, and Outstanding

Fiscal 2010

(in thousands of \$)

	Outstanding 6/30/2009	Increases		Decreases		Outstanding 6/30/2010
		Issues	Accreted Interest/ Other	Redemptions	Refunded/ Other	
State Agencies with Debt Issuance Levels						
Maryland Environmental Service :						
- Bonds	7,565	12,000		(1,467)		18,104
- Equipment Financing	12,218			(1,864)	6	10,354
Maryland Food Center Authority ^(a)						
Maryland Transportation Authority ^(b)	2,247,143	549,385	3,056	(91,399)		2,708,185
Water Quality Financing Administration	139,961		220 (c)	(13,915)		126,266
Other State Agencies and Departments						
Community Development Administration:						
- Multifamily	540,935	100,795		(46,450)		595,280
- Multi-Family Stand Alone ^(d)	257,850	6,900		(2,865)		261,885
- Single Family and Draw Down Bonds	2,296,715	283,740		(169,700)		2,410,755
- Local Infrastructure	121,635			(11,935)		109,700
- Pooled Public Housing Authority	81,970			(4,035)		77,935
Maryland Industrial Development Financing Authority	344,931	74,000		(43,190)		375,741
Department of Transportation:	98,485			(3,425)		95,060
- Certificates of Participation (non-State tax supported)	59,880			(2,590)		57,290
Authorities and Corporations						
Maryland Economic Development Corporation	798,757 ^(e)	883 ^(f)	714	(15,501)	(3,814)	781,039
Capital Leases	320	106		(111)		316
Conduit Debt	1,316,035	281,736		(49,264)		1,548,507
Health and Higher Educational Facilities Authority	8,466,806	767,002		(261,156)	(311,920)	8,660,732

(a) The Food Center's fiscal year 2002 financial statements (as well as the State's) reflect the obligations to the State as being satisfied at 6/30/02.

(b) Balances for zero coupon bonds are stated at their current liability (i.e., balances include liability for interest accreted through each year ended) and includes revenue bonds issued for the Calvert Street Parking Garage in Annapolis and GARVEE bonds issued for the Intercounty Connector which are deemed State tax supported debt and are, therefore, included in the Capital Debt Affordability Committee analysis.

(c) Includes an amount for the amortization of deferred interest incurred on prior years' refundings, which results in an increase to bonds payable.

(d) These issues are conduit financings and are not included in the financial statements of the Revenue Obligation Funds. They are secured solely by the revenues generated by the projects and any credit enhancements; neither the General Bond Reserve Fund nor any other assets are pledged.

(e) Includes debt issued by MEDCO for DOT headquarters, which is deemed State tax supported debt and is, therefore, included in the Capital Debt Affordability Committee analysis.

(f) May not equal the amount of bonds sold, in the case where not all of the proceeds have been drawn.

APPENDIX TABLE II

State Agency Debt Issuance Levels

(in thousands of \$)

	FISCAL 2009		FISCAL 2010		FISCAL 2011
	Issuance Levels		Issuance Levels		Approved
	Approved	Issued	Approved	Issued	Issuance Levels
Maryland Environmental Service	26,200	5,960	26,200	12,000	26,200
Maryland Food Center Authority	-	-	-	-	-
Maryland Transportation Authority	1,100,000	425,000	710,000	549,385	775,000
Water Quality Financing Administration	118,000	-	198,000	-	150,000
	<u>1,244,200</u>	<u>430,960</u>	<u>934,200</u>	<u>561,385</u>	<u>951,200</u>