# Effect of the 2002 Legislative Program on the Financial Condition of the State

Department of Legislative Services
Office of Policy Analysis

Annapolis, Maryland

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**DEPARTMENT OF LEGISLATIVE SERVICES**
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

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July 2002

The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Casper R. Taylor, Jr., Speaker of the House of Delegates
The Honorable Members of the Maryland General Assembly

After each session of the General Assembly, the Department of Legislative Services is required by law to prepare a report summarizing the fiscal effect on State and local governments of that year's legislative program (State Government Article, Section 2-1237). In accordance with this requirement, I am pleased to submit the following report, *Effect of the 2002 Legislative Program on the Financial Condition of the State.*

This document is divided into five chapters.

**Chapter One** highlights the major components of the fiscal 2003 operating budget (**SB 175/ Chapter 439**).

**Chapter Two** summarizes the fiscal 2003 capital budget and the State's capital program (**SB 288/Chapter 290**).

**Chapter Three** identifies enacted legislation from the 2002 session that has an impact on State revenues and expenditures. The revenue and expenditure effects of the legislation are summarized, as are the number of permanent and contractual positions required.

**Chapter Four** identifies enacted legislation from the 2002 session that has a fiscal impact on local governments. This chapter also identifies State mandates on local governments and provides an overview of State aid to local governments.

**Chapter Five** provides a listing of all bills passed by the 2002 General Assembly but vetoed by the Governor for policy reasons. The fiscal implications of those bills are noted.

Further information on issues considered during the 2002 session can be found in *The 90 Day Report - A Review of the 2002 Legislative Session*, issued annually by the Department of Legislative Services following adjournment of the General Assembly.



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The enclosed report is prepared by the staff of the Office of Policy Analysis. The work was coordinated by Debra Dickstein. I trust this report will be a useful source of information for you. If you have any questions concerning its contents, please do not hesitate to contact me.

Respectfully submitted,

Karl S. Aro
Executive Director

KSA/mld

# Contents

# Abbreviations

| | | |
|---|---|---|
| BOND | - | Bond |
| Ch. | - | Chapter |
| FF | - | Federal Fund |
| FY | - | Fiscal Year |
| GF | - | General Fund |
| G.O. | - | General Obligation |
| HB | - | House Bill |
| HE | - | Higher Education |
| NB | - | Nonbudgeted |
| PGO GF | - | PAYGO General Fund |
| SB | - | Senate Bill |
| SF | - | Special Fund |
| ( ) | - | Indicates Decrease |

# Fiscal Effects of the 2002 Legislative Program

The fiscal effect of enacted legislation from the 2002 session resulted in a nonbudgeted general fund revenue increase of $4.9 million and a nonbudgeted general fund expenditure increase of $7.4 million. Overall, this creates a negative impact of approximately $2.5 million on the State's general fund.

The impact of the revenue legislation will be considered by the Board of Revenue Estimates when the fiscal 2003 revenue estimates are revised in December 2002. The impact of legislation requiring increased expenditures may result in a deficiency appropriation being requested by the Governor at the 2003 session or agencies absorbing the costs within the existing level of appropriations. Legislation requiring additional special fund or federal fund expenditures was offset in some instances by special fund or federal fund revenues. These bills could be implemented through the budget amendment process.

The analysis excludes the effect of legislation for which an estimate cannot be quantified. The estimates are based on the assumptions stated in the fiscal notes and on implementation of the legislation during fiscal 2003. Based on the information detailed in this report, the fiscal impact of legislation enacted following the 2002 session that was not included in the fiscal 2003 budget is set forth below.

| | General Funds | Special Funds | Federal Funds |
|---|---|---|---|
| **Additional Revenues** | $4,934,611 | $2,014,912 | $838,558 |
| **Additional Expenditures** | $7,393,476 | $1,828,333 | $3,374,065 |
| **Net Impact** | ($2,458,865) | $186,579 | ($2,535,507) |

In addition, legislation was enacted that will not impact the State's budget until fiscal 2004. This legislation will require increased general fund appropriations totaling $4.6 million.

| | Revenues | Expenditures | Net Budgetary Impact |
|---|---|---|---|
| **General Fund Impact in FY 2004** | ($39,504) | $4,551,146 | ($4,590,650) |

The enacted legislation that had a quantifiable effect (budgeted and nonbudgeted) on the general fund resulted in an overall positive impact of $341,875,560 in fiscal 2003.

The table below summarizes the quantifiable general fund impact of all enacted legislation from the 2002 session over the next five years.

| | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|---|---|---|---|---|---|
| **GF Revenues** | $237,675,950 | $274,132,380 | $226,878,581 | $231,764,288 | $215,156,494 |
| **GF Expenditures** | ($104,199,610)* | $100,680,944 | $337,059,506 | $632,664,127 | $946,626,828 |
| **Net General Fund Impact** | $341,875,560 | $173,451,436 | ($110,180,925) | ($400,899,839) | ($731,470,334) |

*Includes a reduction of $79,237,659 pursuant to the Budget Reconciliation and Financing Act (discussed in Chapter One). Also includes a reduction of $33,495,132 resulting from two bills that established special funds with transfers from general funds.

Enacted legislation from the 2002 session also created a need for 31.5 new permanent State positions for fiscal 2003, 27.5 of which are not funded in the fiscal 2003 State budget. Of the new permanent positions, 26.5 (84 percent) will be supported with general funds; 2 of these positions are accounted for in the budget. Special funds will support the remaining 5 new positions (16 percent), 2 of which are accounted for in the budget.

For fiscal 2004 it is estimated that another 7 permanent positions were made necessary by enacted legislation from the 2002 session, bringing the two-year total to 38.5 new permanent positions.

# Chapter One - Operating Budget

- Budget in Brief
- Framing the Session
- Governor's Spending Plan As Introduced
- Budget Reconciliation Act
- Revenue and Reversion Assumptions
- Legislative Consideration of the Budget
- Outlook for Future Budgets
- By the Numbers

## Budget in Brief

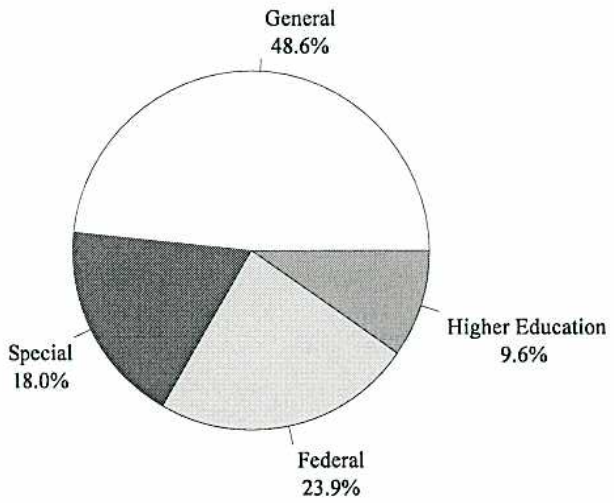
From a budgetary standpoint, the 2002 session was the most challenging since the early 1990s. An economic slowdown in 2001, combined with terrorist attacks on September 11, 2001, caused revenue estimates to be reduced, and general fund projections were lowered again during the session. The Governor proposed to balance the budget through a number of one-time fund transfers, cancellation of the final phase of a 10 percent income tax reduction, and statutory mandate relief through a Budget Reconciliation Act (BRA). Although the Administration's spending plan would have produced a balanced fiscal 2003 budget, the use of one-time measures masked an underlying structural deficit between operating revenues and expenses in excess of $1.3 billion.

As adopted during the 2002 session, the budget bill (**SB 175/Chapter 439**) provides $21.7 billion in appropriations for fiscal 2003, an increase of $0.6 billion (2.7 percent) over fiscal 2002. **Exhibit 1.1** illustrates funding by type of revenue. Slightly less than one-half of the budget is supported by general funds, with lesser proportions supported by dedicated special funds, federal aid, and higher education funds. State agency operations constitute the largest area of spending, representing 48.0 percent of the total budget. Aid to local jurisdictions accounts for 21.8 percent of the budget, and spending for entitlements accounts for 17.9 percent. Remaining appropriations pay debt service on general obligation bonds, fund portions of the capital program, and increase the balance in the State Reserve Fund.

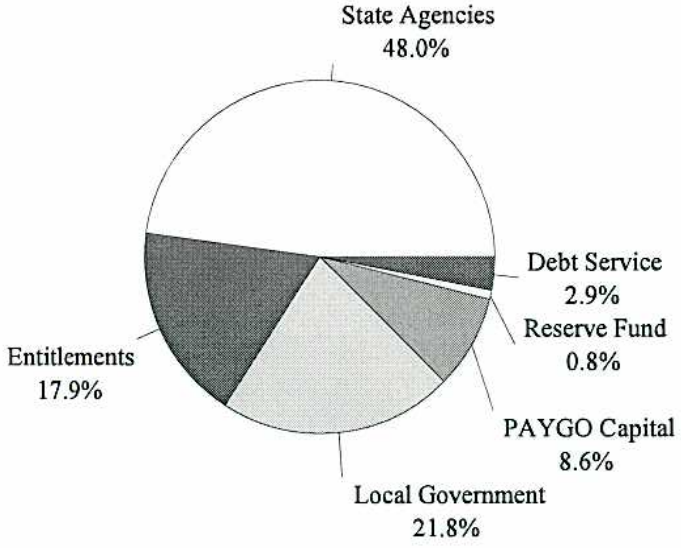
Growth in general fund appropriations is virtually flat, increasing by $3.7 million, or 1 percent above the revised fiscal 2002 level. However, this reflects a $317 million decrease in PAYGO capital spending. Ongoing general fund spending increases $346 million, or 3.4 percent. Aid to local governments, especially aid to education, drives this year's general fund growth. General fund local aid support increases $232.4 million, or 7.1 percent. Special, federal, and higher education funds appropriations also increase in fiscal 2003. Special funds grow by $253.0 million (4.4 percent), federal spending by $280.6 million (5.7 percent), and higher education spending by $98.6 million (5.0 percent).

Within State agency operations, health, higher education, transportation, and public safety-related agencies receive approximately 68 percent of dollars allocated for State agencies. Growth in personnel expenses accounts for much of the growth in agency spending. Although no cost-of-living adjustment is provided in fiscal 2003, funds were required to annualize the 4 percent increase that was provided for six months in fiscal 2002. Employees will receive a one-time lump sum bonus payment, equal to one-half of a step increase in their current grade. Other costs are attributed to inflationary increases in health, dental, and mental health insurance, which are projected to increase approximately 10 percent.

**Exhibit 1.1**
**Maryland's $21.7 Billion Budget**
**Where It Comes From: Budget by Fund Source**




**Where It Goes: Budget by Purpose**




Source: Department of Legislative Services

Other actions related to personnel include adoption of a new actuarial methodology for calculating contributions for employees in the regular State employees' and teachers' retirement plans, a reduction in the State's match of the deferred compensation benefit from $600 to $500, and deletion of funds for pay-for-performance bonuses.

Education programs continue to fare well in the fiscal 2003 budget. Total education and library aid to local jurisdictions rises $303 million (8.8 percent). The operating budget includes $15.9 million for public school construction. In combination with new general obligation bond funding of $135.1 million, a total of $151 million will be available.

Funding is also provided for additional substance abuse treatment slots, expansion of the Developmental Disabilities waiting list initiative, the first year of a five-year wage enhancement initiative for community providers serving the developmentally disabled, additional transportation operating and capital spending, Medicaid and Maryland Children's Health program costs, child care subsidies and cash assistance for low-income families, and community services for the mentally ill.

## Framing the Session

Following the 2001 session, national economic activity was weak. It was not until late in calendar 2001 that economists determined that the country had been in recession since March 2001. Throughout calendar 2001 the Federal Reserve Board responded to the slowdown by lowering interest rates 11 times, for a cumulative cut of 4.75 percentage points, to 1.75 percent. States such as Tennessee and Florida, which rely more heavily on the sales tax as a major source of revenue, found it necessary to write revenues down significantly in the spring and summer. Shortly after the start of fiscal 2002, revenue collections in Maryland began to dip. Through the first two months, revenues fell $53 million below projected attainments. In September the Board of Revenue Estimates (BRE) indicated that a write down of revenues was imminent. The budget committees expressed concern to the Governor and suggested that cost containment actions be considered. At the first meeting of the Spending Affordability Committee (SAC), the Department of Legislative Services (DLS) estimated that the State faced a combined structural deficit of $1.7 billion for fiscal 2002 and 2003.

In mid-October the Governor announced an 18-month hiring freeze, a 1.5 percent reduction in certain operating expenses, and the planned withdrawal of $65 million in embargoed PAYGO general fund capital. The Board of Public Works (BPW) was to approve a total cost containment withdrawal of $154 million ($126 million general and $28 million special fund appropriations). The Governor announced a plan to embargo an additional 30 percent of remaining agency general fund appropriations for fiscal 2002,

in case additional cost containment became necessary. In mid-December BRE wrote down general fund revenues by $276.3 million, a 1.7 percent decline from fiscal 2001.

In late December SAC recommended a 3.95 percent growth limit based in part on varying projections of personal income growth. The committee further recognized that sustainability was an important issue and suggested that ongoing changes to the budget be made by the Administration. Concern was expressed that the use of one-time cash would not address the structural deficit. The committee further recommended retention of at least 5 percent of general fund revenues in the Revenue Stabilization Fund and indicated that monies applied to base underfunding for mental health and Medicaid would be exempted from the spending affordability calculation.

## Governor's Spending Plan As Introduced

The Governor produced a spending plan to address the needs of 2002 and 2003, which formed the cornerstone of the allowance. The original budget totaled $22.0 billion (excluding $128.1 million in contingent reductions through BRA), which was 2.1 percent higher than the fiscal 2002 adjusted appropriation (i.e., including proposed deficiency appropriations and excluding cost containment withdrawals approved by BPW). On a spending affordability basis, the proposed budget (including deficiency appropriations) provided for an increase of 4.89 percent, $128.7 million over the 3.95 percent spending limit recommended by SAC. This was largely because the allowance did not provide the full base funding for Medicaid, which would have made the appropriation exempt from the calculation.

Excluding allocations to the State Reserve Fund and large decreases in PAYGO capital funding, the allowance provided for 1,517.9 new positions, fringe benefit cost increases, employee compensation enhancements (including a 2 percent cost-of-living adjustment effective January 1, 2003, performance bonuses, and increments), additional funding for higher education (albeit at a lower level than in prior years), higher entitlement costs associated with Medicaid, and various health and environmental enhancements.

## Budget Reconciliation Act

To achieve a balanced budget for fiscal 2002 and 2003, the Administration submitted a reconciliation bill to transfer one-time balances from a variety of special and nonbudgeted sources to the general fund and to implement other statutory changes to permit reductions. Examples of the larger proposed transfers included:

## Fiscal 2002

- $70 million from the Maryland Automobile Insurance Fund (MAIF), including a legally questionable transfer of $50 million from the insured division and $20 million from the uninsured division;

- $69.9 million from the Dedicated Purpose Fund (DPF), representing the unexpended portion of monies set aside to replace the Woodrow Wilson Bridge and construct an Addison Road Metro extension;

- $29.0 million from PAYGO capital fund balances for housing and economic development programs; and

- $11.0 million from the State's self-insurance trust fund within the budget of the State Treasurer's Office.

## Fiscal 2003

- $32.2 million from the Injured Workers' Insurance Fund (IWIF) that the State had paid toward its unfunded liability;

- $18 million from the Maryland Transportation Authority (MdTA); and

- $16.6 million from the fund balance of the University System of Maryland (USM).

An additional $128 million in savings was proposed through mandate relief from certain statutory funding requirements. This included:

- restricting aid to nonpublic higher education and aid to community colleges for one year;

- deferring the electricity generating equipment property tax grant to local jurisdictions and eliminating the property tax exemption for one year;

- reducing the contribution to the State's retirement system;

- deferring payments under the Private Donation Incentive Program; and

- capping funding for the State's tourism board.

# Revenue and Reversion Assumptions

## General Fund Revenues

As part of the budget submission, the Governor assumed additional revenues beyond that estimated by BRE. For fiscal 2002 this included $1.1 million to recognize prior year educational funds that had been held in reserve. For fiscal 2003 an added $5.0 million was forecast due to higher lottery activity, $1.6 million was included in the expectation that tax enforcement and compliance following the completion of tax amnesty would yield more revenue, and $177.4 million was budgeted as part of the Administration's proposal to eliminate the final phase of the multi-year income tax reduction. Finally, a voluntary contribution of $400,000 from the Maryland Environmental Service to the general fund was assumed in fiscal 2003.

## General Fund Reversions

As introduced, the Governor's spending plan made assumptions for additional general fund reversions in fiscal 2002 and 2003. For fiscal 2002, in addition to the $25 million figure normally used for budget estimation, the administration assumed $279.6 million in PAYGO capital reversions, $7.2 million from restricted general funds in the Department of Human Resources (DHR), and cost containment contributions from the Judiciary ($1.0 million) and the Legislature ($0.2 million).

The fiscal 2003 budget assumed general fund reversions of $46 million. Prior to the 2001 session, it had been the practice of the Administration to assume reversions of $25 million, although a higher number was assumed when the fiscal 2002 allowance was submitted. Sufficient reductions were made to the budget in the 2001 session to permit the Governor to restore the estimate of reversions to its customary level in Supplemental Budget No. 2. Given the cost containment actions taken to reduce agency budgets, the attainment of this level of reversion was viewed skeptically.

## Structural Balance

Taking the general fund revenues, additional revenues, and reversion assumption into consideration, the budget, as introduced, showed an estimated closing balance of $4.5 million. However, in a business sense (i.e., comparing ongoing revenues to ongoing operating expenses), the budget reflected a revenue shortfall of $937 million in fiscal 2003. This figure was later to be increased to more than a billion dollars based on a further write down of revenues by BRE in March 2002.

## Legislative Consideration of the Budget

At the outset of the session, legislative leadership recognized the magnitude and complexity of the fiscal problem facing the State. It was determined that a consensus with respect to certain policy objectives would be needed in order to establish a framework for making decisions on the operating and capital budgets and legislation such as the Budget Reconciliation Act. The foundation for the 2002 session was built upon the following areas of consensus:

- *A Multi-year Approach:* Given the magnitude of the structural deficit, it was decided that it would require at least two years to restore equilibrium between operating revenues and expenses. The goal for the 2002 session was to halve the deficit, which would position the State to complete actions to eliminate the deficit during the 2003 session;

- *Honoring the Income Tax Cut:* The final phase of the 10 percent income tax reduction went into effect on January 1, 2002. Honoring the commitment to the taxpayers was viewed as an integral element of the spending plan; and

- *Holding the Line on Additional Debt:* To supplement the general fund balance, SAC had recommended the issuance of additional debt to allow for the withdrawal of prior year PAYGO capital appropriations. Given the magnitude of funds to be withdrawn, it was apparent that all project commitments could not be funded in one year without additional debt. The decision was made to stay within the SAC recommendation with respect to the level of debt to be issued.

## State of the Economy/BRE Write Down

By mid-session the national economy was beginning to recover, while the U.S. Congress continued to debate economic stimulus legislation. Despite the apparent good news, BRE revised its estimate of general fund revenues downward by $249.1 million ($124.4 million for fiscal 2002 and $124.7 million for fiscal 2003) due to a decline in tax receipts related to capital gains. The revenue write down raised the level of difficulty in meeting the legislature's policy objectives.

## Legislative Budget Actions

Actions to balance the budget involved a combination of budget reductions, contingent reductions, additional revenue actions, and other statutory changes through the Budget Reconciliation and Financing Act of 2002 (BRFA) and other legislation. **Exhibit 1.2** illustrates the final action taken by the legislature with respect to each element of the spending plan originally submitted by the Governor.

**Exhibit 1.2**
## General Fund Budget Summary
**($ in Millions)**

| Budget Reconciliation | As Introduced | Final Legislative Action | Difference from Admin. |
|---|---|---|---|
| Freeze Income Tax Reduction | $177.4 | $0 | ($177.4) |
| Revenue Changes (SB 323 and others)* | 0 | 152.1 | 152.1 |
| Transfers (BRFA) | 391.9 | 231.8 | (160.1) |
| Targeted Reversions | 297.0 | 486.2 | 189.2 |
| Spending Reductions | 128.1 | 380.5 | 252.4 |
| **Total Actions** | **$994.4** | **$1,250.6** | **$256.2** |
| | | | |
| Initial Fund Balance (January 2002) | | | 4.5 |
| Lottery (net added GF) | | | 2.0 |
| Revised Revenue (March 2002) | | | ($249.1) |
| **Fund Balance** | | | **$13.6** |

* SB 323 provides an added $161.0 million in revenue. Another $20.0 million was contingent upon enactment of SB 856 which increased the tobacco tax by 34 cents per pack. $5.5 million in revenue was contingent upon enactment of SB 93, which would establish multijurisdictional lotteries. Other legislation reduced general fund revenue by $34 million, principally related to SB 772 and HB 135 to transfer the Workers' Compensation Commission, Public Service Commission, and Office of the People's Counsel from general to special funds.

Source: Department of Legislative Services

### Income Tax Cut

The goal to retain the final phase of the income tax reduction was met.

### Revenues

BRFA provides $161.0 million in fiscal 2003 revenues based on changes in vendor discounts (some for only a two-year period), decoupling from federal tax changes, and recapturing certain revenues that had been diverted to the Transportation Trust Fund (TTF) during the 2001 session to support the transit initiative. In addition, a portion of the transfer tax will also be divided between the general fund and Program Open Space for a two-year period.

## Transfers

Final action on BRFA resulted in a lessened reliance on one-time transfers, enabling the legislature to meet two goals. First, overall changes that were of a structural nature permitted compliance with the SAC recommendation for changes that would lessen the structural deficit. Second, it was possible to eliminate proposed transfers that raised policy issues, established poor fiscal precedents, or were legally questionable. Transfers that were not adopted included the proposals related to the insured division of MAIF, the use of MdTA, the USM fund balance, the reserve fund for future welfare costs, the emergency medical services operations fund, the 9-1-1 emergency number fund, the self-insurance trust fund, and uncompensated hospital care monies.

## Reductions

The legislature reduced the Governor's fiscal 2002 deficiency items by $0.9 million and pared the fiscal 2003 allowance by $379.6 million. The largest reductions were effected through savings in personnel costs. These include $25.0 million from eliminating the 2 percent cost-of-living adjustment, $11.0 million from adopting a ceiling that limits the number of full-time regular positions at 75,600 (it is expected that sufficient vacancies exist in State government to accommodate this reduction, and a change in the BPW's authority to create 500 positions instead of the usual 50), and $8.7 million from one-time pay for performance bonuses.

Other spending reductions were made to defer or scale back various PAYGO capital projects and programs ($52.7 million), defer information technology project spending ($40.0 million), and limit general fund support for USM ($25.2 million), aid to community colleges and Baltimore City Community College, aid to nonpublic institutions of higher education, circuit court lease payments, and law clerk costs. Additional reductions of $123.9 million were made contingent upon enactment of BRFA. These reductions consisted of savings generated through:

- reduced Program Open Space spending, since provisions were adopted to transfer 50 percent of the transfer tax to the general fund ($58.5 million);
- adoption of a revised actuarial retirement contribution methodology ($48.9 million);
- a reduction in debt service to recognize receipt of a bond premium ($14.0 million); and
- a reduction in tourism development ($2.5 million).

The proposed contingent reduction to the electricity generating grant was not adopted.

BRFA also rebased the higher education aid and tourism funding formulas, helped address base budget underfunding of the Medicaid and mental health programs, and made other changes to funds, policies, and practices. Finally, legislation modified the source of funds for the Workers' Compensation Commission, the Public Service Commission, and the Office of the People's Counsel. **SB 772/Chapter 487** and **HB 135/Chapter 494** transferred $24.4 million in funding for all three agencies from general funds to newly created special funds.

### Final Action Relative to Spending Affordability

Final action by the legislature reduced the budget to a 3.4 percent growth rate as measured on a spending affordability basis. This is $76 million below the 3.95 percent recommended level. The budget under spending affordability is illustrated in **Exhibit 1.3**.

**Exhibit 1.3**
**Summary of the Budget under Spending Affordability**

| Funds | 2001 Session | 2002 Session | Funding Change | Percent Change |
|---|---|---|---|---|
| General | $10,219.5 | $10,451.9 | $232.4 | 2.27% |
| Special | 2,333.7 | 2,491.7 | 158.0 | 6.77% |
| Higher Education | 1,199.2 | 1,276.0 | 76.8 | 6.40% |
| **SAC Growth** | **$13,752.4** | **$14,224.1** | **$467.2** | **3.40%** |
| **SAC Limit** | **$13,752.4** | **$14,295.6** | **$543.2** | **3.95%** |

Source: Department of Legislative Services

## Budget-related Legislation

Several pieces of legislation have an impact on current and future revenues and spending. **SB 93/Chapter 449** and **SB 856/Chapter 288** both provide revenues that are expected to assist in balancing the fiscal 2003 budget. **SB 856** also establishes new levels of expenditures for primary and secondary education, with significant out-year implications. Other significant legislation would extend teacher scholarships and provide grants for local infants and toddlers programs.

### Multijurisdictional Lottery

**SB 93** authorizes the State Lottery to operate multijurisdictional lotteries in other states or countries. This allows the opportunity to increase sales and revenues by attracting new players and creating greater interest among existing players. The State could participate in Lotto South or in new games offered by the International Lottery Alliance. An additional $5.46 million in general funds is projected for fiscal 2003.

### Bridge to Excellence in Public Schools Act

**SB 856** provides significantly enhanced funding for primary and secondary education, which ramps up over a multi-year period. A portion of these expenses are offset somewhat by the imposition of an additional 34 cent tobacco tax (raising the rate to $1.00 per pack). The tax is expected to provide slightly more than $100 million in fiscal 2002 and 2003, of which approximately $80.5 million would support initial implementation with the $20.0 million balance supplementing the general fund. Out-year spending would increase, ultimately approaching $950 million by fiscal 2007. The Act requires the General Assembly to affirm by joint resolution at the 2004 session that the additional State aid is within the State's fiscal resources for fiscal 2005. If the joint resolution is not adopted, required aid increases are limited to 5 percent.

### Higher Education – Teaching Assistants

**HB 1172/Chapter 410** expands eligibility for the Maryland Teacher Scholarship Program to include teaching assistants who have met certain criteria. Additional spending of about $3.0 million annually is required.

### Maryland Infants and Toddlers Act of 2002

**SB 419/Chapter 312** creates a State funding formula to provide grants to local infants and toddlers programs. Out-year expenses require $1.3 million in fiscal 2004 and increase to $8.6 million by fiscal 2007.

## Outlook for Future Budgets

As shown in **Exhibit 1.4**, a potential budget shortfall of $912.1 million is projected by the end of fiscal 2004. By fiscal 2007 the potential shortfall is expected to approach $2 billion. The factors behind the projected shortfall include increased costs for current services, enacted legislation, and funding of current services in fiscal 2003

**Exhibit 1.4**
**General Fund Forecast**
**($ in Millions)**

| **Revenues** | **FY 2002** | **FY 2003** | **FY 2004** | **FY 2005** | **FY 2006** | **FY 2007** |
|---|---|---|---|---|---|---|
| Fund Balance | $538.4 | $427.6 | $13.6 | - | - | - |
| Transfer from Rainy Day Fund | 533.2 | 249.0 | | | - | - |
| BRFA One-time Transfers | 281.0 | 85.2 | - | - | - | - |
| | **$1,352.5** | **$761.8** | **$13.6** | | - | - |
| Operating Revenues | $9,627.6 | $9,671.7 | $10,191.4 | $10,631.6 | $11,186.9 | $11,762.1 |
| Miscellaneous Revenue Adjustment | 1.1 | (0.4) | - | - | - | - |
| Revenue Actions – Legislation | 7.4 | 145.1 | 240.7 | 193.5 | 198.4 | 181.7 |
| | **$9,636.1** | **$9,816.4** | **$10,432.1** | **$10,825.1** | **$11,385.2** | **$11,943.8** |
| **Total Revenues** | **$10,988.6** | **$10,578.3** | **$10,445.7** | **$10,825.1** | **$11,385.2** | **$11,943.8** |
| **Spending** | **FY 2002** | **FY 2003** | **FY 2004** | **FY 2005** | **FY 2006** | **FY 2007** |
| Operating Spending | $10,042.8 | $10,413.4 | $11,165.9 | $11,720.5 | $12,264.3 | $12,838.9 |
| Expenditure Actions – Legislation | | (24.4) | 133.8 | 369.7 | 681.7 | 1,019.5 |
| | **$10,042.8** | **$10,389.0** | **$11,299.7** | **$12,090.2** | **$12,945.9** | **$13,858.3** |
| PAYGO Capital | 366.4 | 49.6 | 83.0 | 104.1 | 95.5 | 89.6 |
| Appropriation to Reserve Fund | 176.8 | 181.0 | - | | 0.3 | 4.4 |
| | **543.1** | **230.6** | **83.0** | **104.1** | **95.8** | **94.1** |
| Nondesignated Reversions | **(25.0)** | **(55.0)** | **(25.0)** | **(25.0)** | **(25.0)** | **(25.0)** |
| **Total Expenditures** | **$10,561.0** | **$10,564.7** | **$11,357.8** | **$12,169.3** | **$13,016.4** | **$13,927.4** |
| **Ending Balance** | **427.6** | **13.6** | **(912.1)** | **(1,344.2)** | **(1,631.2)** | **(1,983.6)** |
| **Revenue Stabilization Fund** | **FY 2002** | **FY 2003** | **FY 2004** | **FY 2005** | **FY 2006** | **FY 2007** |
| Ending Balance | 548.2 | 500.5 | 522.5 | 546.4 | 569.3 | 597.2 |
| Pct of GF Revenues | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 5% of GF Revenues | 481.4 | 490.8 | 521.6 | 541.3 | 569.3 | 597.2 |
| Excess over 5% | 66.7 | 9.7 | 0.8 | 5.1 | 0.0 | 0.0 |

Source: Department of Legislative Services

with $762 million of one-time revenues. As shown in the exhibit, the State has contingency resources in excess of $500 million in the Rainy Day Fund that are available to mitigate the problem.

## Current Services

Cost increases associated with salary and fringe benefit growth (e.g., increments and health insurance), inflation (particularly medical inflation), local aid, and the continued implementation of legislation enacted in prior years, are anticipated. Caseload and entitlement growth, particularly for Medicaid, are also expected to drive future spending needs.

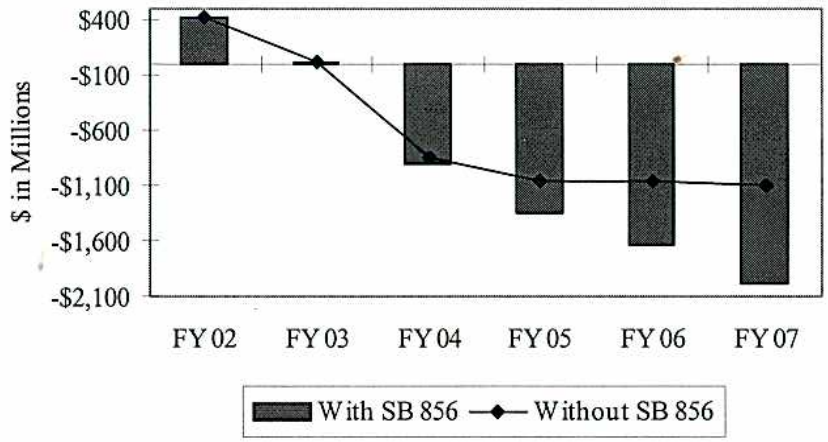
## Legislation

Forecasted revenues are increased by $145.1 million in fiscal 2003 largely due to the Budget Reconciliation and Financing Act and the Bridge to Excellence in Public Schools Act. The revenue gain increases to an estimated $240.7 million in fiscal 2004, then decreases to a range of $180 to $190 million per annum for fiscal 2005 through 2007. The drop in revenues after fiscal 2004 reflects sunset dates for many of the revenue provisions in BRFA and the expectation that tobacco tax revenues will decline over time as consumption falls.

Legislation passed at the 2002 session will have a significant impact on State expenditures, increasing fiscal 2004 costs by $133.8 million. By fiscal 2007 the cost of legislation passed at the 2001 session could exceed $1 billion. Most of the increase in general fund spending is attributable to the Bridge to Excellence in Public Schools Act, which increases State education spending. **Exhibit 1.5** demonstrates that this Act accounts for about half of the general fund budget gap forecast for fiscal 2007. However, this impact can be mitigated if the joint resolution referenced below is not adopted during the 2004 session.

Assuming that economic growth proceeds at a moderate pace as forecast by BRE, addressing the potential shortfall in fiscal 2004 and beyond will require some combination of programmatic reductions and revenue enhancements. To better prepare for actions that may be contemplated at the 2003 and 2004 sessions, the legislature adopted **HB 1/Chapter 343**, which establishes a Commission on Maryland's Fiscal Structure. The commission is charged with examining the State's budget process and tax structure. Recommendations on funding education, transportation, and health care are to be submitted in 2002 and 2003.

**Exhibit 1.5**
**General Fund Forecast With and Without SB 856**




Source: Department of Legislative Services

## Postscript

In late February/early March the State prepared to sell $312.8 million in general obligation bonds to support the capital program and refund previously authorized debt. All three of the major rating agencies (i.e., Fitch, Moody's, and Standard & Poor's) gave Maryland another AAA rating. The ratings reflected the diversity of the State's economy, wealth, and income levels; financial management and performance; the continued existence of the 5 percent reserve in the Rainy Day Fund; and debt burden. The ratings reflected favorably on the State's financial management and policies.

## By the Numbers

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

**Exhibit 1.6** shows the impact of the legislative budget on the general fund balance for fiscal 2002 and 2003. The fiscal 2002 balance, including transfers from the Revenue Stabilization Fund and actions through BRFA, yields a projected ending balance of $427.6 million. At the end of fiscal 2003, the ending balance is estimated to be

$13.6 million, although this is again based on the higher assumption of $55 million in agency reversions.

**Exhibit 1.6**
## General Fund Impact – 2002 Session Actions

| | Fiscal 2002 | Fiscal 2003 |
|---|---|---|
| **Starting General Fund Balance** | **$583,352,823** | **$420,267,855** |
| **Revenues** | | |
| BRE Estimated Revenues - December 2001 | 9,752,017,496 | 9,787,339,642 |
| BRE Revenue Revisions - March 2002 | (124,400,000) | (124,700,000) |
| BRFA Revenues | 0 | 161,025,114 |
| BRFA Transfers | 146,235,967 | 85,200,000 |
| BRFA Withdrawn Appropriations | 468,807,761 | 0 |
| Other Legislation | 7,368,024 | (15,917,188) |
| Additional Revenues | 1,100,000 | 33,528,593 |
| **Subtotal** | **$10,251,129,248** | **$9,901,637,457** |
| Net GF Transfer from the Rainy Day Fund | 361,409,278 | 67,971,223 |
| **Revenue Total** | **$11,150,891,349** | **$10,397,244,559** |
| **Appropriations** | | |
| GF Appropriations net of Rainy Day Fund | 10,757,568,930 | 10,818,206,937 |
| Legislative reductions & contingent reduc. | (873,514) | (379,582,883) |
| Estimated agency reversions | (33,439,946) | (55,000,000) |
| **Appropriations Total** | **$10,723,255,470** | **$10,383,624,054** |
| **Closing Balance** | **$427,635,879** | **$13,620,505** |

Source: Department of Legislative Services

**Exhibit 1.7**, the fiscal note on the budget bill, depicts the Governor's allowance, actions through BRFA, legislative reductions, and final appropriations for fiscal 2002 and 2003 by fund source. The Governor's original request provided for $22.5 billion (not counting the $128.1 million in contingent general fund reductions) in fiscal 2003 expenditures and fiscal 2002 deficiencies. The legislature made $483.9 million in reductions and contingent reductions to the total budget request, resulting in

appropriations of $37.1 million for fiscal 2002 (net of withdrawn appropriations) and $21.7 billion (less reversions) for fiscal 2003.

**Exhibit 1.8** illustrates budget changes by major expenditure category by fund. Total spending grows 2.5 percent. Debt service increases 2.4 percent; aid to local governments increases by 7.4 percent; State agency spending rises 2.7 percent; and entitlements rise 4.6 percent. PAYGO capital expenditures decrease 11.7 percent, exclusive of an added $22.2 million in special fund PAYGO that was authorized contingent on enactment of **SB 856**. The reduction in PAYGO results largely from the lower availability of surplus funds for such one-time spending. The allocation to the State Reserve Fund increases 2.4 percent, based on the lower amount of unappropriated general funds at closeout that was statutorily required to be appropriated. However, these funds were also transferred to the general fund to support the budget.

## Exhibit 1.7
## Fiscal Note
## Summary of the Budget Bill – Senate Bill 175

| | General Funds | | Special Funds | Federal Funds | Education Funds | Total Funds |
|---|---|---|---|---|---|---|
| **Governor's Request:** | | | | | | |
| FY 2002 Deficiency Budget | $172,524,015 | | $30,257,756 | $169,287,065 | $0 | $372,068,836 |
| FY 2003 Budget | 10,944,235,714 | (1) | 3,870,374,463 | 5,208,435,106 | 2,082,614,622 | 22,105,659,904 |
| Original Budget Request | $11,116,759,729 | | $3,900,632,219 | $5,377,722,171 | $2,082,614,622 | $22,477,728,741 |
| **Budget Reconciliation and Financing Act of 2002:** | | | | | | |
| FY 2002 Withdrawn Appropriations | ($334,061,761) | (2) | ($1,000,000) | $0 | $0 | ($335,061,763) |
| FY 2002 Appropriations | - | | 953,000 | - | - | 953,000 |
| FY 2003 Appropriations | - | | 39,118,353 | - | - | 39,118,353 |
| FY 2003 Contingent Reductions | (54,162,431) | | (64,102,519) | (5,606,177) | 0 | (123,871,127) |
| Total BRA Actions | ($388,224,192) | | ($25,031,166) | ($5,606,177) | $0 | ($418,861,535) |
| FY 2003 Legislation | $0 | | $80,523,604 | $0 | $0 | 80,523,604 |
| **Final Reductions & Impact of Legislation** | | | | (22,398,153) | | |
| FY 2002 Deficiency Budget | (873,514) | | $0 | $0 | $0 | ($873,514) |
| FY 2003 Legislation | (24,400,939) | | 19,941,236 | $0 | $0 | ($4,459,703) |
| FY 2003 Budget | (301,019,513) | | (36,867,945) | (16,791,976) | (44,584) | (354,724,018) |
| Total Reductions | ($326,293,966) | | ($16,926,709) | ($16,791,976) | ($44,584) | ($360,057,235) |
| **Appropriations:** | | | | | | |
| FY 2002 Deficiency Budget | ($162,411,260) | | $30,210,756 | $169,287,065 | $0 | $37,086,561 |
| FY 2003 Budget | 10,564,652,831 | | 3,908,987,192 | 5,186,036,953 | 2,082,570,038 | 21,742,247,014 |
| Total Appropriation | $10,402,241,571 | | $3,939,197,948 | $5,355,324,018 | $2,082,570,038 | $21,779,333,575 |

(1) Includes general fund reversions of $55 million. The Governor's budget assumed $46 million. Chapter 487, Acts of 2002 created a special fund for agencies funded through Workers' Compensation assessments. An additional $9.0 million in general funds appropriations are expected to be reverted at the end of the fiscal year based on this change in funding.

Source: Department of Legislative Services

**Exhibit 1.8**

## State Expenditures – General Funds

**($ in Millions)**

| Category | Actual FY 2001 | Work. App. FY 2002 | Leg. Appr. FY 2003 | $ Diff. 02 to 03 | % Diff. 02 to 03 |
|---|---|---|---|---|---|
| Debt Service | $204.5 | $204.0 | $183.9 | -$20.1 | -9.9% |
| **Aid to Local Governments** | | | | | |
| General Government | 174.5 | 200.9 | 228.9 | 28.0 | 13.9% |
| Community Colleges | 163.3 | 178.5 | 188.9 | 10.4 | 5.8% |
| Education/Libraries | 2,718.1 | 2,847.3 | 3,036.3 | 189.0 | 6.6% |
| Health | 52.5 | 56.9 | 61.9 | 5.0 | 8.8% |
| | 3,108.4 | 3,283.7 | 3,516.1 | 232.4 | 7.1% |
| **Entitlements** | | | | | |
| Foster Care Payments | 126.9 | 137.8 | 132.9 | -4.9 | -3.6% |
| Assistance Payments | 34.5 | 55.5 | 62.7 | 7.2 | 13.0% |
| Medical Assistance | 1,320.3 | 1,547.0 | 1,600.7 | 53.7 | 3.5% |
| Property Tax Credits | 52.6 | 55.7 | 55.5 | -0.2 | -0.3% |
| | 1,534.3 | 1,795.9 | 1,851.7 | 55.9 | 3.1% |
| **State Agencies** | | | | | |
| Health | 1,006.6 | 1,090.0 | 1,183.6 | 93.7 | 8.6% |
| Human Resources | 303.8 | 289.4 | 298.7 | 9.2 | 3.2% |
| Systems Reform Initiative | 46.9 | 43.1 | 40.1 | -3.1 | -7.1% |
| Juvenile Justice | 150.3 | 162.2 | 173.6 | 11.5 | 7.1% |
| Public Safety/Police | 863.9 | 920.8 | 961.2 | 40.5 | 4.4% |
| Higher Education | 886.5 | 961.3 | 970.4 | 9.1 | 0.9% |
| Other Education | 248.6 | 275.5 | 284.6 | 9.1 | 3.3% |
| Agric./Natl Res./Environment | 125.5 | 147.3 | 155.6 | 8.3 | 5.6% |
| Other Executive Agencies | 520.6 | 553.2 | 517.9 | -35.4 | -6.4% |
| Judicial/Legislative | 281.4 | 316.5 | 329.7 | 13.3 | 4.2% |
| Across-the-Board Cuts | 0.0 | 0.0 | -78.1 | -78.1 | n.a. |
| | 4,434.2 | 4,759.3 | 4,837.4 | 78.1 | 1.6% |
| **Subtotal** | **$9,281.4** | **$10,042.8** | **$10,389.0** | **$346.2** | **3.4%** |
| Capital | 638.4 | 366.4 | 49.6 | -316.8 | -86.5% |
| Transfers | 2.0 | 0.0 | 0.0 | 0.0 | n.a. |
| Reserve Fund | 315.8 | 176.8 | 181.0 | 4.3 | 2.4% |
| **Appropriations** | **$10,237.5** | **$10,586.0** | **$10,619.7** | **$33.7** | **0.3%** |
| Reversions | 0.0 | -25.0 | -55.0 | -30.0 | 120.0% |
| **Grand Total** | **$10,237.5** | **$10,561.0** | **$10,564.7** | **$3.7** | **0.0%** |

Note: The FY 2002 working appropriation reflects deficiency appropriations, legislative reductions to the deficiencies ($0.9 million) and $342.5 million in withdrawn appropriations.

**Exhibit 1.8 (cont'd.)**

## State Expenditures – Special and Higher Education Funds **

**($ in Millions)**

| Category | Actual FY 2001 | Work. App. FY 2002 | Leg. Appr. FY 2003 | $ Diff. 02 to 03 | % Diff. 02 to 03 |
|---|---|---|---|---|---|
| Debt Service | $376.3 | $410.5 | $445.5 | $35.0 | 8.5% |
| **Aid to Local Governments** | | | | | |
| General Government | 495.9 | 487.3 | 476.4 | -10.9 | -2.2% |
| Community Colleges | 0.0 | 0.0 | 0.0 | 0.0 | n.a. |
| Education/Libraries (1) | 66.7 | 83.3 | 124.3 | 41.0 | 49.3% |
| Health | 0.0 | 0.0 | 0.0 | 0.0 | n.a. |
| | 562.6 | 570.6 | 600.7 | 30.1 | 5.3% |
| **Entitlements** | | | | | |
| Foster Care Payments | 0.2 | 2.0 | 0.2 | -1.8 | -88.3% |
| Assistance Payments | 16.8 | 21.1 | 17.4 | -3.7 | -17.5% |
| Medical Assistance | 39.0 | 15.2 | 47.4 | 32.3 | 212.3% |
| Property Tax Credits | 0.0 | 0.0 | 0.0 | 0.0 | -20.0% |
| | 56.0 | 38.4 | 65.1 | 26.8 | 69.8% |
| **State Agencies** | | | | | |
| Health | 165.6 | 174.0 | 161.6 | -12.5 | -7.2% |
| Human Resources | 47.5 | 63.5 | 57.0 | -6.5 | -10.2% |
| Systems Reform Initiative | 0.0 | 0.0 | 1.8 | 1.7 | 3554.2% |
| Juvenile Justice | 0.3 | 0.1 | 0.3 | 0.1 | 81.6% |
| Public Safety/Police | 140.9 | 140.8 | 143.5 | 2.7 | 1.9% |
| Higher Education | 1,864.7 | 1,989.5 | 2,088.8 | 99.3 | 5.0% |
| Other Education | 39.9 | 44.6 | 36.7 | -7.8 | -17.6% |
| Transportation | 942.6 | 983.0 | 1,006.4 | 23.4 | 2.4% |
| Agric./Natl Res./Environment | 108.8 | 108.4 | 105.3 | -3.1 | -2.8% |
| Other Executive Agencies | 256.7 | 229.5 | 254.6 | 25.0 | 10.9% |
| Judicial/Legislative | 11.9 | 15.3 | 12.9 | -2.4 | -15.7% |
| Across-the-Board Cuts | 0.0 | 0.0 | -11.1 | -11.1 | n.a. |
| Operating Spending in BRFA (2) | 0.0 | 1.0 | 16.9 | 16.0 | 1677.5% |
| | 3,578.7 | 3,749.8 | 3,874.7 | 124.9 | 3.3% |
| **Subtotal** | **$4,573.7** | **$4,769.2** | **$4,986.1** | **$216.9** | **4.5%** |
| Capital | 889.5 | 969.3 | 983.3 | 14.0 | 1.4% |
| Capital Spending in BRFA (2) | 0.0 | 0.0 | 22.2 | 22.2 | n.a. |
| Transfer to MDTA | 19.9 | 0.0 | 0.0 | 0.0 | n.a. |
| **Grand Total** | **$5,483.1** | **$5,738.5** | **$5,991.5** | **$253.0** | **4.4%** |

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

Note: The FY 2002 working appropriation reflects deficiency appropriations and $1 million in withdrawn appropriations.

(1) FY 2003 includes $79.0 million in education aid funded from an increase in the tobacco tax (SB 856). This spending is not technically part of the legislative appropriation. It was authorized by SB 856 but will be appropriated via budget amendment.

(2) The Budget Reconciliation and Financing Act (SB 323) included additional spending from the dedicated purpose fund, a portion of which ($23.1 million) was contingent on the passage of a tobacco tax increase (SB 856). This additional spending is not technically part of the legislative appropriation. It was authorized by the BRFA but will be appropriated via the budget amendment process.

**Exhibit 1.8 (cont'd.)**

## State Expenditures – Federal Funds

**($ in Millions)**

| Category | Actual FY 2001 | Work. App. FY 2002 | Leg. Appr. FY 2003 | $ Diff. 02 to 03 | % Diff. 02 to 03 |
|---|---|---|---|---|---|
| Debt Service | $0.0 | $0.0 | $0.0 | $0.0 | n.a. |
| **Aid to Local Governments** | | | | | |
| General Government | 21.4 | 32.9 | 23.4 | -9.5 | -29.0% |
| Community Colleges | 0.0 | 0.0 | 0.0 | 0.0 | n.a. |
| Education/Libraries | 475.6 | 511.0 | 584.3 | 73.3 | 14.3% |
| Health | 4.5 | 4.5 | 4.5 | 0.0 | 0.0% |
| | 501.5 | 548.4 | 612.1 | 63.7 | 11.6% |
| **Entitlements** | | | | | |
| Foster Care Payments | 90.9 | 94.0 | 101.2 | 7.2 | 7.6% |
| Assistance Payments | 290.8 | 283.2 | 284.5 | 1.3 | 0.5% |
| Medical Assistance | 1,326.7 | 1,518.6 | 1,600.0 | 81.3 | 5.4% |
| Property Tax Credits | 0.0 | 0.0 | 0.0 | 0.0 | n.a. |
| | 1,708.4 | 1,895.9 | 1,985.6 | 89.8 | 4.7% |
| **State Agencies** | | | | | |
| Health | 477.9 | 481.8 | 521.2 | 39.4 | 8.2% |
| Human Resources | 570.1 | 570.2 | 598.5 | 28.3 | 5.0% |
| Systems Reform Initiative | 38.2 | 29.0 | 29.3 | 0.3 | 0.9% |
| Juvenile Justice | 14.3 | 16.8 | 15.2 | -1.6 | -9.3% |
| Public Safety/Police | 10.9 | 9.8 | 7.3 | -2.5 | -25.2% |
| Higher Education | 0.0 | 0.0 | 0.0 | 0.0 | n.a. |
| Other Education | 88.3 | 98.0 | 95.0 | -3.0 | -3.0% |
| Transportation | 29.4 | 45.5 | 61.4 | 15.9 | 34.9% |
| Agric./Natl Res./Environment | 45.7 | 53.2 | 51.0 | -2.2 | -4.2% |
| Other Executive Agencies | 286.0 | 392.8 | 394.8 | 1.9 | 0.5% |
| Judicial/Legislative | 1.8 | 2.0 | 1.9 | -0.1 | -5.2% |
| Across-the-Board Cuts | 0.0 | 0.0 | -7.5 | -7.5 | n.a. |
| | 1,562.6 | 1,699.1 | 1,768.1 | 69.0 | 4.1% |
| **Subtotal** | **$3,772.5** | **$4,143.4** | **$4,365.9** | **$222.5** | **5.4%** |
| Capital | 571.7 | 762.0 | 820.2 | 58.1 | 7.6% |
| **Grand Total** | **$4,344.2** | **$4,905.4** | **$5,186.0** | **$280.6** | **5.7%** |

Note: The FY 2002 working appropriation reflects deficiency appropriations.

**Exhibit 1.8 (cont'd.)**

## State Expenditures – State Funds

**($ in Millions)**

| Category | Actual FY 2001 | Work. App. FY 2002 | Leg. Appr. FY 2003 | $ Diff. 02 to 03 | % Diff. 02 to 03 |
|---|---|---|---|---|---|
| Debt Service | $580.7 | $614.5 | $629.4 | $14.9 | 2.4% |
| **Aid to Local Governments** | | | | | |
| General Government | 670.4 | 688.2 | 705.3 | 17.1 | 2.5% |
| Community Colleges | 163.3 | 178.5 | 188.9 | 10.4 | 5.8% |
| Education/Libraries (1) | 2,784.8 | 2,930.6 | 3,160.6 | 230.0 | 7.8% |
| Health | 52.5 | 56.9 | 61.9 | 5.0 | 8.8% |
| | 3,671.1 | 3,854.3 | 4,116.8 | 262.5 | 6.8% |
| **Entitlements** | | | | | |
| Foster Care Payments | 127.1 | 139.8 | 133.1 | -6.7 | -4.8% |
| Assistance Payments | 51.3 | 76.6 | 80.1 | 3.5 | 4.6% |
| Medical Assistance | 1,359.3 | 1,562.1 | 1,648.1 | 86.0 | 5.5% |
| Property Tax Credits | 52.6 | 55.7 | 55.5 | -0.2 | -0.3% |
| | 1,590.4 | 1,834.3 | 1,916.9 | 82.6 | 4.5% |
| **State Agencies** | | | | | |
| Health | 1,172.2 | 1,264.0 | 1,345.2 | 81.2 | 6.4% |
| Human Resources | 351.3 | 352.9 | 355.7 | 2.7 | 0.8% |
| Systems Reform Initiative | 46.9 | 43.2 | 41.8 | -1.3 | -3.1% |
| Juvenile Justice | 150.6 | 162.3 | 173.9 | 11.6 | 7.1% |
| Public Safety/Police | 1,004.8 | 1,061.6 | 1,104.7 | 43.1 | 4.1% |
| Higher Education | 2,751.2 | 2,950.8 | 3,059.2 | 108.5 | 3.7% |
| Other Education | 288.5 | 320.1 | 321.4 | 1.3 | 0.4% |
| Transportation | 942.6 | 983.0 | 1,006.4 | 23.4 | 2.4% |
| Agric./Natl Res./Environment | 234.2 | 255.7 | 260.9 | 5.3 | 2.1% |
| Other Executive Agencies | 777.3 | 782.8 | 772.4 | -10.3 | -1.3% |
| Judicial/Legislative | 293.2 | 331.8 | 342.7 | 10.9 | 3.3% |
| Across-the-Board Cuts | 0.0 | 0.0 | -89.1 | -89.1 | n.a. |
| Operating Spending in BRFA (2) | 0.0 | 1.0 | 16.9 | 16.0 | 1677.5% |
| | 8,012.9 | 8,509.0 | 8,712.1 | 203.0 | 2.4% |
| **Subtotal** | **$13,855.1** | **$14,812.0** | **$15,375.1** | **$563.1** | **3.8%** |
| Capital | 1,527.9 | 1,335.7 | 1,032.9 | -302.8 | -22.7% |
| Capital Spending in BRFA(2) | 0.0 | 0.0 | 22.2 | 22.2 | n.a. |
| Transfers | 2.0 | 0.0 | 0.0 | 0.0 | n.a. |
| Transfer to MDTA | 19.9 | 0.0 | 0.0 | 0.0 | n.a. |
| Reserve Fund | 315.8 | 176.8 | 181.0 | 4.3 | 2.4% |
| **Appropriations** | **$15,720.6** | **$16,324.5** | **$16,611.2** | **$286.7** | **1.8%** |
| Reversions | 0.0 | -25.0 | -55.0 | -30.0 | 120.0% |
| **Grand Total** | **$15,720.6** | **$16,299.5** | **$16,556.2** | **$256.7** | **1.6%** |

Note: The FY 2002 working appropriation reflects deficiency appropriations, legislative reductions to the deficiencies and withdrawn appropriations.

(1) FY 2003 includes $79.0 million in education aid funded from an increase in the tobacco tax (SB 856). This spending is not technically part of the legislative appropriation. It was authorized by SB 856 but will be appropriated by budget amendment.

(2) The Budget Reconciliation and Financing Act (SB 323) included added spending from the dedicated purpose fund, of which ($23.1 million) was contingent on passage of a tobacco tax increase (SB 856). The added spending, not technically part of the legislative appropriation, was authorized by the BRFA but will be appropriated by budget amendment.

**Exhibit 1.8 (cont'd.)**
## State Expenditures – All Funds
**($ in Millions)**

| Category | Actual FY 2001 | Work. App. FY 2002 | Leg. Appr. FY 2003 | $ Diff. 02 to 03 | % Diff. 02 to 03 |
|---|---|---|---|---|---|
| Debt Service | $580.7 | $614.5 | $629.4 | $14.9 | 2.4% |
| **Aid to Local Governments** | | | | | |
| General Government | 691.8 | 721.1 | 728.6 | 7.5 | 1.0% |
| Community Colleges | 163.3 | 178.5 | 188.9 | 10.4 | 5.8% |
| Education/Libraries (1) | 3,260.4 | 3,441.6 | 3,744.9 | 303.3 | 8.8% |
| Health | 57.0 | 61.4 | 66.4 | 5.0 | 8.1% |
| | 4,172.6 | 4,402.6 | 4,728.9 | 326.2 | 7.4% |
| **Entitlements** | | | | | |
| Foster Care Payments | 218.0 | 233.8 | 234.3 | 0.5 | 0.2% |
| Assistance Payments | 342.1 | 359.8 | 364.6 | 4.8 | 1.3% |
| Medical Assistance | 2,686.0 | 3,080.8 | 3,248.1 | 167.3 | 5.4% |
| Property Tax Credits | 52.6 | 55.7 | 55.5 | -0.2 | -0.3% |
| | 3,298.8 | 3,730.1 | 3,902.5 | 172.4 | 4.6% |
| **State Agencies** | | | | | |
| Health | 1,650.1 | 1,745.8 | 1,866.4 | 120.6 | 6.9% |
| Human Resources | 921.4 | 923.1 | 954.2 | 31.1 | 3.4% |
| Systems Reform Initiative | 85.1 | 72.2 | 71.2 | -1.1 | -1.5% |
| Juvenile Justice | 164.9 | 179.1 | 189.1 | 10.0 | 5.6% |
| Public Safety/Police | 1,015.7 | 1,071.3 | 1,112.0 | 40.7 | 3.8% |
| Higher Education | 2,751.2 | 2,950.8 | 3,059.2 | 108.5 | 3.7% |
| Other Education | 376.8 | 418.1 | 416.4 | -1.7 | -0.4% |
| Transportation | 972.0 | 1,028.5 | 1,067.8 | 39.3 | 3.8% |
| Agric./Natl Res./Environment | 279.9 | 308.9 | 311.9 | 3.0 | 1.0% |
| Other Executive Agencies | 1,063.3 | 1,175.6 | 1,167.2 | -8.4 | -0.7% |
| Judicial/Legislative | 295.0 | 333.8 | 344.5 | 10.8 | 3.2% |
| Across-the-Board Cuts | 0.0 | 0.0 | -96.6 | -96.6 | n.a. |
| Operating Spending in BRFA (2) | 0.0 | 1.0 | 16.9 | 16.0 | 1677.5% |
| | 9,575.4 | 10,208.2 | 10,480.2 | 272.0 | 2.7% |
| **Subtotal** | **$17,627.5** | **$18,955.4** | **$19,741.0** | **$785.6** | **4.1%** |
| Capital | 2,099.6 | 2,097.7 | 1,853.0 | -244.7 | -11.7% |
| Capital Spending in BRFA (2) | 0.0 | 0.0 | 22.2 | 22.2 | n.a. |
| Transfers | 2.0 | 0.0 | 0.0 | 0.0 | n.a. |
| Transfer to MDTA | 19.9 | 0.0 | 0.0 | 0.0 | n.a. |
| Reserve Fund | 315.8 | 176.8 | 181.0 | 4.3 | 2.4% |
| **Appropriations** | **$20,064.8** | **$21,229.9** | **$21,797.2** | **$567.3** | **2.7%** |
| Reversions | 0.0 | -25.0 | -55.0 | -30.0 | 120.0% |
| **Grand Total** | **$20,064.8** | **$21,204.9** | **$21,742.2** | **$537.3** | **2.5%** |

Note: The FY 2002 working appropriation reflects deficiency appropriations, legislative reductions to the deficiencies and withdrawn appropriations.

(1) FY 2003 includes $79.0 million in education aid funded from an increase in the tobacco tax (SB 856). This spending is not technically part of the legislative appropriation. It was authorized by SB 856 but will be appropriated via budget amendment.

(2) The Budget Reconciliation and Financing Act (SB 323) included additional spending from the dedicated purpose fund, a portion of which ($23.1 million) was contingent on the passage of a tobacco tax increase (SB 856). This additional spending is not technically part of the legislative appropriation. It was authorized by the BRFA but will be appropriated via the budget amendment process.

Source: Department of Legislative Services

# Chapter Two - State Capital Program

- Summary
- PAYGO Reversions and Replacement Funding
- Debt Affordability
- Fiscal 2004 Capital Bond Authorizations
- Higher Education
- Public School Construction
- Transfer Tax

## Summary

The 2002 General Assembly passed a capital budget totaling $2.65 billion including a $1.6 billion transportation program. Of the total amount, $720 million is funded with general obligation bonds; $1.5 billion is funded on a pay-as-you-go (PAYGO) basis in the operating budget; and $400 million is funded with revenue bonds, including higher education academic bonds ($40 million) and transportation bonds ($360 million). **Exhibit 2.1** presents an overview of the State's capital program for fiscal 2003. **Exhibit 2.2** shows the sources and uses of the funds for the nontransportation capital program.

General obligation debt totaling $731.1 million is authorized in the Maryland Consolidated Capital Bond Loan of 2002, **SB 288/Chapter 290**. This is offset by deauthorization of $11.1 million in previously authorized debt resulting in a net increase of $720 million. The general obligation bond amount includes $328.7 million to replace previously authorized general fund PAYGO. General obligation funding for new projects equals $402.4 million.

The Maryland Consolidated Capital Bond Loan includes funding for:

- State facilities including colleges and universities, hospitals, office buildings, and correctional facilities;
- grants to local governments for school construction and facilities at community colleges;
- health and social services facilities such as senior citizen and adult day care centers, juvenile services facilities, and community mental health, disabilities and addictions facilities;
- environmental programs such as the Chesapeake Bay Water Quality, GreenPrint and Rural Legacy programs;
- housing and community development such as the Partnership Rental Housing and Community Legacy programs; and
- local projects.

In addition to being used to fund the same types of projects funded with general obligation debt, PAYGO funds are used for economic development, housing, and environmental programs for which tax-exempt debt cannot be issued under federal tax guidelines. **Exhibit 2.3** lists capital projects by fund source.

**HB 828/Chapter 393** authorizes $40 million in debt for academic facilities at the University System of Maryland and Morgan State University.

## Exhibit 2.1

### Summary of the Capital Program as Passed for the 2002 Session
($ in Millions)

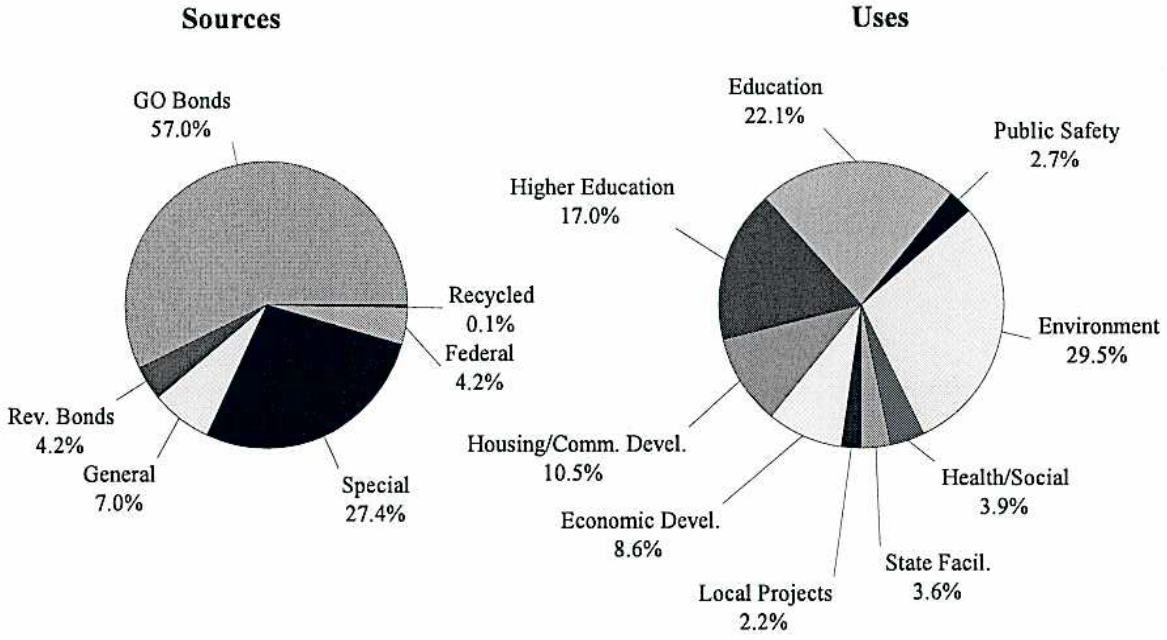
| | Bonds | | | Current Funds (PAYGO) | | | |
|---|---|---|---|---|---|---|---|
| Function | General Obligation | Agency | Recycled | General | Special | Federal | Total |
| **State Facilities** | | | | | | | **$44.9** |
| Facilities Renewal | $10.1 | $0.0 | $0.0 | $0.0 | $0.3 | $0.0 | |
| Other | 29.6 | 0.0 | 0.9 | 0.0 | 1.4 | 2.5 | |
| **Health/Social** | | | | | | | **$27.4** |
| State Facilities | 7.2 | 0.0 | 0.0 | 0.0 | 1.4 | 0.0 | |
| Private Hospitals | 5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Other | 13.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| **Environment** | | | | | | | **$208.1** |
| Natural Resources | 36.5 | 0.0 | 0.0 | 1.6 | 49.5 | 2.0 | |
| Agriculture | 5.6 | 0.0 | 0.0 | 0.0 | 23.3 | 0.0 | |
| Environment | 25.7 | 0.0 | 0.0 | 9.0 | 50.6 | 0.0 | |
| MD Envir. Services | 3.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Energy | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 0.0 | |
| **Public Safety** | | | | | | | **$28.0** |
| State Corrections | 8.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Local Jails | 5.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| State Police | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Other | 10.1 | 0.0 | 0.0 | 0.0 | 3.4 | 0.0 | |
| **Education** | | | | | | | **$244.8** |
| School Construction | 224.1 | 0.0 | 0.0 | 3.0 | 2.4 | 10.5 | |
| Other | 4.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| **Higher Education** | | | | | | | **$335.4** |
| University System | 176.2 | 35.9 | 0.0 | 0.0 | 15.3 | 0.0 | |
| Morgan State University | 24.2 | 4.1 | 0.0 | 0.0 | 0.0 | 0.0 | |
| St. Mary's College | 5.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Community Colleges | 34.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Private Colleges/Univers. | 31.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Other | 8.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| **Housing/Community Development** | | | | | | | **$74.1** |
| Housing | 14.8 | 0.0 | 0.0 | 14.6 | 17.8 | 14.8 | |
| Other | 12.0 | 0.0 | 0.0 | 0.0 | 0.3 | 0.0 | |
| **Economic Development** | | | | | | | **$61.0** |
| Economic Development | 0.0 | 0.0 | 0.0 | 21.0 | 40.0 | 0.0 | |
| **Local Projects** | | | | | | | **$36.4** |
| Administration | 33.9 | 0.0 | 0.0 | 0.5 | 2.0 | 0.0 | |
| Legislative | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| **Transportation*** | | | | | | | **$1,605.4** |
| Transportation - Other | 0.0 | 360.0 | 0.0 | 0.0 | 455.1 | 790.3 | |
| **Deauthorizations** | | | | | | | **$-11.1** |
| Deauthorization | -11.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| **Total** | **$720.0** | **$400.0** | **$0.9** | **$49.6** | **$663.7** | **$820.2** | **$2,654.3** |
| PAYGO Replacement | -328.7 | -10.1 | | | -15.3 | | -354.1 |
| **Total New Funding** | **$391.3** | **$389.9** | | | **$648.4** | | **$2,300.2** |

*Transportation capital funded off budget totals $244 million

Note: Numbers may not sum to total due to rounding

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

**Exhibit 2.2**
**Nontransportation Capital***
**$706 Million**




*Does not include $354.1 million replacing PAYGO that was withdrawn.

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

Exhibit 2.3

# Budget as Passed -- 2002 Session

| Budget Code | Project | General Obligation | Bonds Recycled | Current Funds (PAYGO) Agency | General | Special | Federal | Total |
|---|---|---|---|---|---|---|---|---|
| **State Facilities** | | | | | | | | |
| DA02.01A | OID: Accessibility Modifications | 1,600,000 | 0 | 0 | 0 | 0 | 0 | 1,600,000 |
| DE02.0190A | Annapolis Govt. Complex Security | 0 | 0 | 0 | 0 | 1,400,000 | 0 | 1,400,000 |
| DE02.01A | Legislative Facilities | 19,750,000 | 868,000 | 0 | 0 | 0 | 0 | 20,618,000 |
| DE02.01B | 200 West Baltimore St. Fire Protection System | 2,500,000 | 0 | 0 | 0 | 0 | 0 | 2,500,000 |
| DE02.01C | 301 W. Preston St. Perimeter Piping Replace. | 185,000 | 0 | 0 | 0 | 0 | 0 | 185,000 |
| DE02.01D | DGS: Capital Facilities Renewal | 5,932,000 | 0 | 0 | 0 | 300,000 | 0 | 6,232,000 |
| DE02.01F | DGS: Asbestos Abatement Program | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 1,500,000 |
| DE02.01H | Public Safety Communications Systems | 3,000,000 | 0 | 0 | 0 | 0 | 0 | 3,000,000 |
| DE02.01I | Judiciary: Mont. Co. Dist. Ct. - Rockville | 4,600,000 | 0 | 0 | 0 | 0 | 0 | 4,600,000 |
| DH01.04A | Military: Salisbury Organiz. Maintenance Shop | 489,000 | 0 | 0 | 0 | 0 | 2,547,000 | 3,036,000 |
| ZD00A.01 | MSA: Mem. Stadium Dem.-Veterans Mem. | 200,000 | 0 | 0 | 0 | 0 | 0 | 200,000 |
| **Subtotal** | | **$39,756,000** | **$868,000** | **$0** | **$0** | **$1,700,000** | **$2,547,000** | **$44,871,000** |
| **Health/Social** | | | | | | | | |
| DA07A | Aging: Senior Citizen Activities Center | 2,117,000 | 0 | 0 | 0 | 0 | 0 | 2,117,000 |
| MA01A | DHMH: Comm. Mental Health Facil. | 8,912,000 | 0 | 0 | 0 | 0 | 0 | 8,912,000 |
| MA01B | DHMH: Adult Day Care | 1,856,000 | 0 | 0 | 0 | 0 | 0 | 1,856,000 |
| ML08A | DHMH: Springfield Electrical Dist. Sys. | 6,720,000 | 0 | 0 | 0 | 0 | 0 | 6,720,000 |
| PG01.09 | DLLR: Eastern Shore Regional Claims Center | 0 | 0 | 0 | 0 | 1,400,000 | 0 | 1,400,000 |
| VA01A | DJJ: Facilities Grant Program | 930,000 | 0 | 0 | 0 | 0 | 0 | 930,000 |
| VA01B | DJJ: Cheltenham Youth Facility Demolition | 165,000 | 0 | 0 | 0 | 0 | 0 | 165,000 |
| VA01C | DJJ: Eastern Shore Detention Center | 260,000 | 0 | 0 | 0 | 0 | 0 | 260,000 |
| ZC01A | MHA: Atlantic General Hospital | 750,000 | 0 | 0 | 0 | 0 | 0 | 750,000 |
| ZC01B | MHA: Sinai Hospital of Baltimore | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZC01C | MHA: Franklin Square Hospital Ctr. | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZC01D | MHA: Dorchester General Hospital | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |

## Exhibit 2.3 (cont'd.)

| Budget Code | Project | Bonds: General Obligation | Bonds: Recycled | Current Funds (PAYGO): Agency | Current Funds (PAYGO): General | Current Funds (PAYGO): Special | Current Funds (PAYGO): Federal | Total |
|---|---|---|---|---|---|---|---|---|
| ZC01E | MHA: Sacred Heart Hospital | 545,000 | 0 | 0 | 0 | 0 | 0 | 545,000 |
| ZC01F | MHA: Bon Secours Baltimore Health Sys. | 970,000 | 0 | 0 | 0 | 0 | 0 | 970,000 |
| ZC01G | MHA: Union Hospital | 445,000 | 0 | 0 | 0 | 0 | 0 | 445,000 |
| ZC01H | MHA: Mont.Coll. Primary Care Health Clinic | 345,000 | 0 | 0 | 0 | 0 | 0 | 345,000 |
| ZC01I | MHA: Peninsula Regional Medical Center | 445,000 | 0 | 0 | 0 | 0 | 0 | 445,000 |
| ZD00A.13 | Springfield Hospital - Electrical Dist. Sys. | 70,000 | 0 | 0 | 0 | 0 | 0 | 70,000 |
| **Subtotal** | | **$26,030,000** | **$0** | **$0** | **$0** | **$1,400,000** | **$0** | **$27,430,000** |
| **Environment** | | | | | | | | |
| DA13.03 | MEA: State Agency Loan Prg. (SALP) | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 1,000,000 |
| KA05.10.1 | DNR: POS Land Acq. & Local Prgm. | 0 | 0 | 0 | 0 | 27,037,203 | 2,000,000 | 29,037,203 |
| KA05.10.2 | DNR: POS Capital Devel. Projects | 0 | 0 | 0 | 0 | 3,858,659 | 0 | 3,858,659 |
| KA05.11 | DNR: Waterway Improvement Programs | 0 | 0 | 0 | 0 | 11,200,000 | 0 | 11,200,000 |
| KA05A | DNR: Rural Legacy Program | 15,000,000 | 0 | 0 | 0 | 6,363,429 | 0 | 21,363,429 |
| KA05B | DNR: GreenPrint Program | 16,000,000 | 0 | 0 | 0 | 0 | 0 | 16,000,000 |
| KA05C | DNR: Community Parks & Playgrounds | 5,500,000 | 0 | 0 | 0 | 0 | 0 | 5,500,000 |
| KA09.06 | DNR: O.C. Beach Maint. - Local Share | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 1,000,000 |
| KA17.09 | DNR: Oyster Restoration Program | 0 | 0 | 0 | 1,575,000 | 0 | 0 | 1,575,000 |
| LA11.11 | MDA: Ag Land Preservation | 0 | 0 | 0 | 0 | 17,034,374 | 0 | 17,034,374 |
| LA12.13 | MDA: Tobacco Conversion Prgm. | 0 | 0 | 0 | 0 | 6,291,000 | 0 | 6,291,000 |
| LA15A | MDA: Ag Cost Share | 5,600,000 | 0 | 0 | 0 | 0 | 0 | 5,600,000 |
| UA01.03 | MDE: Water Quality Revol. Loan Fund | 0 | 0 | 0 | 6,434,000 | 40,000,000 | 0 | 46,434,000 |
| UA01.04 | MDE: Hazardous Substance Cleanup | 0 | 0 | 0 | 700,000 | 0 | 0 | 700,000 |
| UA01.05 | MDE: Drinking Water Revol. Loan Fund | 0 | 0 | 0 | 1,816,000 | 10,600,000 | 0 | 12,416,000 |
| UA04A.1 | MDE: CBWQ Nutrient Removal | 17,832,000 | 0 | 0 | 0 | 0 | 0 | 17,832,000 |
| UA04A.2 | MDE: CBWQ Supplemental Assistance | 4,766,000 | 0 | 0 | 0 | 0 | 0 | 4,766,000 |
| UA04A.3 | MDE: CBWQ Small Creeks & Estuaries | 450,000 | 0 | 0 | 0 | 0 | 0 | 450,000 |
| UA04A.4 | MDE: CBWQ Stormwater Pollution Ctrl. | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| UA04B | MDE: Water Supply Assistance Fund | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 1,500,000 |
| UA05A | MDE: Comp. Flood Management Grants | 667,000 | 0 | 0 | 0 | 0 | 0 | 667,000 |

## Exhibit 2.3 (cont'd.)

| Budget Code | Project | Bonds: General Obligation | Bonds: Recycled | Bonds: Agency | Current Funds (PAYGO): General | Current Funds (PAYGO): Special | Current Funds (PAYGO): Federal | Total |
|---|---|---|---|---|---|---|---|---|
| UB00A | MES: Infrastructure Improvement Fund | 3,360,000 | 0 | 0 | 0 | 0 | 0 | 3,360,000 |
| **Subtotal** | | **$71,175,000** | **$0** | **$0** | **$10,525,000** | **$124,384,665** | **$2,000,000** | **$208,084,665** |
| **Public Safety** | | | | | | | | |
| DE02.0190B | Hagerstown Central Kithen | 0 | 0 | 0 | 0 | 3,441,000 | 0 | 3,441,000 |
| QA01.05.2 | DPSCS: Public Safety Training Center | 962,000 | 0 | 0 | 0 | 0 | 0 | 962,000 |
| QB06A | DPSCS: Central Laundry Kitch/Dining Renov. | 215,000 | 0 | 0 | 0 | 0 | 0 | 215,000 |
| QB08A | DPSCS: WCI Support Services Building | 122,000 | 0 | 0 | 0 | 0 | 0 | 122,000 |
| QD00A | DPSCS: Patuxent Fire Safety Improvements | 6,560,000 | 0 | 0 | 0 | 0 | 0 | 6,560,000 |
| QP00A | DPSCS: BCDC Fire Safety & Utility Improve. | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| WA01B | DSP: North East Barrack and Garage | 300,000 | 0 | 0 | 0 | 0 | 0 | 300,000 |
| WA01C | DSP: DNA Storage Facility | 331,000 | 0 | 0 | 0 | 0 | 0 | 331,000 |
| ZB02A | Jails: Balt. Co. Detention Center | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 5,000,000 |
| ZB02B | Jails: Calvert Co. Detention Center | 175,000 | 0 | 0 | 0 | 0 | 0 | 175,000 |
| ZD00A.02 | MCI-J: Perimeter Security/Gatehouse | 3,000,000 | 0 | 0 | 0 | 0 | 0 | 3,000,000 |
| ZD00A.03 | Patuxent Institution - Fence/Gatehouse | 3,300,000 | 0 | 0 | 0 | 0 | 0 | 3,300,000 |
| ZD00A.14 | MCI-J: Perimeter Security/Gatehouse | 2,557,000 | 0 | 0 | 0 | 0 | 0 | 2,557,000 |
| **Subtotal** | | **$24,522,000** | **$0** | **$0** | **$0** | **$3,441,000** | **$0** | **$27,963,000** |
| **Education** | | | | | | | | |
| DE02.02A | Public School Construction Program | 224,100,000 | 0 | 0 | 3,000,000 | 2,400,000 | 10,536,000 | 240,036,000 |
| ZA00 C | Baltimore City Zoo Redevelopment | 4,750,000 | 0 | 0 | 0 | 0 | 0 | 4,750,000 |
| **Subtotal** | | **$228,850,000** | **$0** | **$0** | **$3,000,000** | **$2,400,000** | **$10,536,000** | **$244,786,000** |
| **Higher Education** | | | | | | | | |
| RB21A | UMB: New Dental School | 16,550,000 | 0 | 10,100,000 | 0 | 0 | 0 | 26,650,000 |
| RB21B | UMB: Howard Hall | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 1,500,000 |
| RB22A | UMCP: New Arena | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 4,000,000 |
| RB22B | UMCP: New Biological Sci. Research Bld. | 1,900,000 | 0 | 0 | 0 | 0 | 0 | 1,900,000 |
| RB22C | UMCP: Gossett Football Team House | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |

## Exhibit 2.3 (cont'd.)

| Budget Code | Project | Bonds: General Obligation | Bonds: Recycled | Bonds: Agency | Current Funds (PAYGO): General | Current Funds (PAYGO): Special | Current Funds (PAYGO): Federal | Total |
|---|---|---|---|---|---|---|---|---|
| RB22D | UMCP: Chem. & Nuclear Engin. Bldg. | 279,000 | 0 | 3,450,000 | 0 | 0 | 0 | 3,729,000 |
| RB22rb | UMCP: Key & Taliaferro Halls | 0 | 0 | 1,550,000 | 0 | 0 | 0 | 1,550,000 |
| RB23A | BSU: Ctr. for Business & Grad. Studies | 550,000 | 0 | 0 | 0 | 0 | 0 | 550,000 |
| RB24A | TU: Fine Arts Bldg. Additions & Alterations | 3,373,000 | 0 | 0 | 0 | 0 | 0 | 3,373,000 |
| RB25A | UMES: Waters & Somerset Halls | 587,000 | 0 | 0 | 0 | 0 | 0 | 587,000 |
| RB25rb | UMES: Utilities Upgrade | 0 | 0 | 390,000 | 0 | 0 | 0 | 390,000 |
| RB26A | FSU: Compton Science Ctr. | 918,000 | 0 | 2,614,000 | 0 | 0 | 0 | 3,532,000 |
| RB27A | CSC: Telecommunications Upgrade | 2,500,000 | 0 | 0 | 0 | 0 | 0 | 2,500,000 |
| RB27B | CSC: New Healh & Humans Srv. Bldg. | 700,000 | 0 | 400,000 | 0 | 0 | 0 | 1,100,000 |
| RB31A | UMBC: New Public Policy Institute | 0 | 0 | 0 | 0 | 15,338,000 | 0 | 15,338,000 |
| RB31rb | UMBC: Info Tech./Engineering Facil. | 0 | 0 | 3,941,000 | 0 | 0 | 0 | 3,941,000 |
| RB34A | CES: Aquaculture & Rest. Ecology Lab | 18,000 | 0 | 3,445,000 | 0 | 0 | 0 | 3,463,000 |
| RB35A | UMBI: CARB II Building | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| RB36A | USM: Capital Facilities Renewal | 2,000,000 | 0 | 10,000,000 | 0 | 0 | 0 | 12,000,000 |
| RB36B | USM: Hagerstown Education Center | 12,394,000 | 0 | 0 | 0 | 0 | 0 | 12,394,000 |
| RD00A | SMC: New Academic Building | 1,543,000 | 0 | 0 | 0 | 0 | 0 | 1,543,000 |
| RD00C | SMC: New Student Services Building | 415,000 | 0 | 0 | 0 | 0 | 0 | 415,000 |
| RI00A | MHEC: Comm. College Grant Prgm. | 32,416,000 | 0 | 0 | 0 | 0 | 0 | 32,416,000 |
| RM00 | MSU: Steam Boiler Replace.\Plant Renov. | 0 | 0 | 4,110,000 | 0 | 0 | 0 | 4,110,000 |
| RM00A | MSU: Commun. Ctr. & Pedestrian Bridge | 18,414,000 | 0 | 0 | 0 | 0 | 0 | 18,414,000 |
| RM00C | MSU: Sci. Research Facility & Greenhouse | 2,600,000 | 0 | 0 | 0 | 0 | 0 | 2,600,000 |
| RQ00A | UMMS: Diagnostic & Treatment Facil. | 8,000,000 | 0 | 0 | 0 | 0 | 0 | 8,000,000 |
| ZA00 D | MICUA: Capitol College | 3,000,000 | 0 | 0 | 0 | 0 | 0 | 3,000,000 |
| ZA00 H | MICUA: College of Notre Dame | 850,000 | 0 | 0 | 0 | 0 | 0 | 850,000 |
| ZA00 J | Eastern Shore Higher Ed. Ctr. | 600,000 | 0 | 0 | 0 | 0 | 0 | 600,000 |
| ZA00 M | MICUA: JHU New Chemistry Bldg. | 425,000 | 0 | 0 | 0 | 0 | 0 | 425,000 |
| ZA00 N | JHU Bloomberg School of Public Health | 4,133,000 | 0 | 0 | 0 | 0 | 0 | 4,133,000 |
| ZA00 O | JHU School of Medicine Research Bldg. | 2,934,000 | 0 | 0 | 0 | 0 | 0 | 2,934,000 |
| ZA00NN | MICUA: Wash. College Sci. Complex | 2,575,000 | 0 | 0 | 0 | 0 | 0 | 2,575,000 |
| ZD00A.04 | UMB: Health Sciences Research Facility II | 10,000,000 | 0 | 0 | 0 | 0 | 0 | 10,000,000 |

## Exhibit 2.3 (cont'd.)

| Budget Code | Project | Bonds: General Obligation | Bonds: Recycled | Bonds: Agency | Current Funds (PAYGO): General | Current Funds (PAYGO): Special | Current Funds (PAYGO): Federal | Total |
|---|---|---|---|---|---|---|---|---|
| ZD00A.05 | UMB: New Dental School | 3,500,000 | 0 | 0 | 0 | 0 | 0 | 3,500,000 |
| ZD00A.06 | UMCP: Engineering & Applied Sciences Bldg. | 6,203,000 | 0 | 0 | 0 | 0 | 0 | 6,203,000 |
| ZD00A.07 | UMBC: Chemistry/Physics Building | 8,100,000 | 0 | 0 | 0 | 0 | 0 | 8,100,000 |
| ZD00A.08 | FSU: New Science Building | 10,000,000 | 0 | 0 | 0 | 0 | 0 | 10,000,000 |
| ZD00A.09 | USM: Assateague Education & Research Ctr. | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZD00A.10 | St. Mary's College - Somerset Hall | 1,087,000 | 0 | 0 | 0 | 0 | 0 | 1,087,000 |
| ZD00A.11 | MHEC: Bladen and Lanham Halls Renovation | 525,000 | 0 | 0 | 0 | 0 | 0 | 525,000 |
| ZD00A.12 | MHEC: Community College Grant Program | 1,110,000 | 0 | 0 | 0 | 0 | 0 | 1,110,000 |
| ZD00A.15 | UMB: Health Sciences Research Facility II | 17,746,000 | 0 | 0 | 0 | 0 | 0 | 17,746,000 |
| ZD00A.16 | UMCP: Chemistry Teaching Building | 1,860,000 | 0 | 0 | 0 | 0 | 0 | 1,860,000 |
| ZD00A.17 | BSU: Campuswide Site Improvements | 1,300,000 | 0 | 0 | 0 | 0 | 0 | 1,300,000 |
| ZD00A.18 | UMES: Social Sci. Ed. & Health Science Bldg | 5,365,000 | 0 | 0 | 0 | 0 | 0 | 5,365,000 |
| ZD00A.19 | UMES: Phys. Plant/Central Receiving Bldg. | 972,000 | 0 | 0 | 0 | 0 | 0 | 972,000 |
| ZD00A.20 | UMES: Food Science and Technology Center | 1,300,000 | 0 | 0 | 0 | 0 | 0 | 1,300,000 |
| ZD00A.21 | TU: 7800 York Road | 1,600,000 | 0 | 0 | 0 | 0 | 0 | 1,600,000 |
| ZD00A.22 | CSU: Dining Facilities | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 1,500,000 |
| ZD00A.23 | UB: Charles Hall and Annex | 1,300,000 | 0 | 0 | 0 | 0 | 0 | 1,300,000 |
| ZD00A.24 | SU: New Science Building | 939,000 | 0 | 0 | 0 | 0 | 0 | 939,000 |
| ZD00A.25 | FSU: New Science Building | 3,300,000 | 0 | 0 | 0 | 0 | 0 | 3,300,000 |
| ZD00A.26 | UMBC: Chemistry/Physics Building | 14,600,000 | 0 | 0 | 0 | 0 | 0 | 14,600,000 |
| ZD00A.27 | USM: Shady Grove Educational Center III | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZD00A.28 | UMBC: Information Tech./Engineering Facil. | 21,800,000 | 0 | 0 | 0 | 0 | 0 | 21,800,000 |
| ZD00A.29 | UMCES: Aquaculture and Ecology | 14,000,000 | 0 | 0 | 0 | 0 | 0 | 14,000,000 |
| ZD00A.30 | St. Mary's College - Somerset Hall | 2,167,000 | 0 | 0 | 0 | 0 | 0 | 2,167,000 |
| ZD00A.31 | MSU: Sci. Research Building w/Greenhouse | 3,210,000 | 0 | 0 | 0 | 0 | 0 | 3,210,000 |
| ZD00B.02 | JHU: School of Medicine | 7,933,000 | 0 | 0 | 0 | 0 | 0 | 7,933,000 |
| ZD00B.03 | JHU: School of Public Health | 2,067,000 | 0 | 0 | 0 | 0 | 0 | 2,067,000 |
| ZD00B.06 | JHU: School of Medicine | 7,933,000 | 0 | 0 | 0 | 0 | 0 | 7,933,000 |
| **Subtotal** | | **$280,091,000** | **$0** | **$40,000,000** | **$0** | **$15,338,000** | **$0** | **$335,429,000** |

## Exhibit 2.3 (cont'd.)

| Budget Code | Project | Bonds: General Obligation | Bonds: Recycled | Bonds: Agency | Current Funds (PAYGO): General | Current Funds (PAYGO): Special | Current Funds (PAYGO): Federal | Total |
|---|---|---|---|---|---|---|---|---|
| **Housing/Community Development** | | | | | | | | |
| DB01B | HSMCC: St. John's Archaeol. Exhibit | 2,217,000 | 0 | 0 | 0 | 0 | 0 | 2,217,000 |
| SA23.06 | DHCD: MHT Revolving Loan Fund | 0 | 0 | 0 | 0 | 250,000 | 0 | 250,000 |
| SA23A | DHCD: Capital Grant Fund | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| SA24.02.1 | DHCD: Neighborhood Business Development | 0 | 0 | 0 | 0 | 3,356,000 | 0 | 3,356,000 |
| SA24.02.3 | DHCD: Community Development Block Grants | 0 | 0 | 0 | 0 | 0 | 8,330,000 | 8,330,000 |
| SA24A | DHCD: Community Legacy Program | 6,000,000 | 0 | 0 | 0 | 0 | 0 | 6,000,000 |
| SA25.07 | DHCD: Rental Housing Programs | 0 | 0 | 0 | 7,061,000 | 4,939,000 | 4,700,000 | 16,700,000 |
| SA25.08 | DHCD: Homeownership Programs | 0 | 0 | 0 | 2,781,000 | 4,719,000 | 100,000 | 7,600,000 |
| SA25.09 | DHCD: Special Loan Programs | 0 | 0 | 0 | 4,753,000 | 4,747,000 | 1,629,000 | 11,129,000 |
| SA25A | DHCD: Partnership Rental Housing Program | 8,000,000 | 0 | 0 | 0 | 0 | 0 | 8,000,000 |
| SA25B | DHCD: Shelter and Transitional Housing Fac. | 800,000 | 0 | 0 | 0 | 0 | 0 | 800,000 |
| ZA00 R | African American Museum | 9,242,000 | 0 | 0 | 0 | 0 | 0 | 9,242,000 |
| **Subtotal** | | **$26,759,000** | **$0** | **$0** | **$14,595,000** | **$18,011,000** | **$14,759,000** | **$74,124,000** |
| **Economic Development** | | | | | | | | |
| DE02.01.02 | TEDCO: Tech. Devel. Investment Fund | 0 | 0 | 0 | 3,000,000 | 0 | 0 | 3,000,000 |
| DU00.02 | Canal Place Improvements | 0 | 0 | 0 | 1,075,000 | 0 | 0 | 1,075,000 |
| TF00.09 | DBED: Sm. Business Devel. (MSBDFA) | 0 | 0 | 0 | 2,080,000 | 6,095,000 | 0 | 8,175,000 |
| TF00.17.1 | DBED: Enterprise Investment | 0 | 0 | 0 | 4,500,000 | 0 | 0 | 4,500,000 |
| TF00.17.2 | DBED: Challenge Investment Prgm. | 0 | 0 | 0 | 0 | 2,000,000 | 0 | 2,000,000 |
| TF00.21 | DBED: Md. Econ. Adj. Fund (MEAF) | 0 | 0 | 0 | 0 | 1,500,000 | 0 | 1,500,000 |
| TF00.23 | DBED: Md. Econ. Devel. Asst. (MEDAF) | 0 | 0 | 0 | 2,000,000 | 30,000,000 | 0 | 32,000,000 |
| TF00.24 | DBED: Md. Comp. Adv. Fin. (MCAFF) | 0 | 0 | 0 | 800,000 | 200,000 | 0 | 1,000,000 |
| TF00.25 | DBED: One Maryland | 0 | 0 | 0 | 7,500,000 | 200,000 | 0 | 7,700,000 |
| **Subtotal** | | **$0** | **$0** | **$0** | **$20,955,000** | **$39,995,000** | **$0** | **$60,950,000** |
| **Local Projects** | | | | | | | | |
| DE02.0190C | East Baltimore Biotechnology Park | 0 | 0 | 0 | 0 | 2,000,000 | 0 | 2,000,000 |

## Exhibit 2.3 (cont'd.)

| Budget Code | Project | Bonds: General Obligation | Bonds: Recycled | Bonds: Agency | Current Funds (PAYGO): General | Current Funds (PAYGO): Special | Current Funds (PAYGO): Federal | Total |
|---|---|---|---|---|---|---|---|---|
| ZA00 A | Allegheny Highlands Trail | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00 B | Baltimore City Revitalization Projects | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 5,000,000 |
| ZA00 E | Centro de la Comunidad | 100,000 | 0 | 0 | 0 | 0 | 0 | 100,000 |
| ZA00 F | Chesapeake Village Park | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00 I | Dundalk Revitalization | 1,750,000 | 0 | 0 | 0 | 0 | 0 | 1,750,000 |
| ZA00 K | Foundation School | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00 L | Great Blacks in Wax Museum | 750,000 | 0 | 0 | 0 | 0 | 0 | 750,000 |
| ZA00 P | Link-Ages Place | 50,000 | 0 | 0 | 0 | 0 | 0 | 50,000 |
| ZA00 Q | Lone Oak Center | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00 S | Md. Hall for the Creative Arts | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00 U | Md. Science Center | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00 V | Mont. Co. Family Services | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00 W | National Aquarium in Baltimore | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 1,500,000 |
| ZA00 X | National Federation for the Blind | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| ZA00 Y | National Capital Trolley Mus. | 100,000 | 0 | 0 | 0 | 0 | 0 | 100,000 |
| ZA00 Z | North Point Indoor Soccor Fac. | 900,000 | 0 | 0 | 0 | 0 | 0 | 900,000 |
| ZA00AA | Olney Boys & Girls Club | 100,000 | 0 | 0 | 0 | 0 | 0 | 100,000 |
| ZA00BB | Olney Theatre | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00CC | Outward Bound | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00DD | Park Heights Comm. Men's Ctr. | 350,000 | 0 | 0 | 0 | 0 | 0 | 350,000 |
| ZA00EE | Park Heights Golf Range | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00HH | Quiet Waters Amphitheater | 200,000 | 0 | 0 | 0 | 0 | 0 | 200,000 |
| ZA00JJ | Rockville Parking Garage | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00KK | Strathmore Hall Performing Arts Ctr. | 3,000,000 | 0 | 0 | 0 | 0 | 0 | 3,000,000 |
| ZA00LL | Takoma Park Comm. Lrng. Ctr. | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00OO | Wheaton Multipurpose Yth Ctr. | 175,000 | 0 | 0 | 0 | 0 | 0 | 175,000 |
| ZA00QQ | Ripken Stadium & Youth Academy | 500,000 | 0 | 0 | 500,000 | 0 | 0 | 1,000,000 |
| ZD00B.01 | Takoma Park Community Learning Center | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZD00B.04 | Penn Place - Garrett Park | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZD00B.05 | Maryland Science Center | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 4,000,000 |

## Exhibit 2.3 (cont'd.)

| Budget Code | Project | Bonds: General Obligation | Bonds: Recycled | Bonds: Agency | Current Funds (PAYGO): General | Current Funds (PAYGO): Special | Current Funds (PAYGO): Federal | Total |
|---|---|---|---|---|---|---|---|---|
| ZD00B.07 | Howard County Head Start Center | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZD00B.08 | Doctors Community Hospital | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZD00B.09 | Gateway Arts District | 650,000 | 0 | 0 | 0 | 0 | 0 | 650,000 |
| ZD00B.10 | Suitland Manor Revitalization | 3,000,000 | 0 | 0 | 0 | 0 | 0 | 3,000,000 |
| **Subtotal** | | **$33,875,000** | **$0** | **$0** | **$500,000** | **$2,000,000** | **$0** | **$36,375,000** |
| **Transportation** | | | | | | | | |
| ZG00 | Transportation | 0 | 0 | 360,000,000 | 0 | 455,051,114 | 790,326,632 | 1,605,377,746 |
| **Subtotal** | | **$0** | **$0** | **$360,000,000** | **$0** | **$455,051,114** | **$790,326,632** | **$1,605,377,746** |
| **Deauthorizations** | | | | | | | | |
| ZZ01 | Deauthorizations as Introduced | -11,058,000 | 0 | 0 | 0 | 0 | 0 | -11,058,000 |
| **Subtotal** | | **-$11,058,000** | **$0** | **$0** | **$0** | **$0** | **$0** | **-$11,058,000** |
| **Grand Total** | | **$720,000,000** | **$868,000** | **$400,000,000** | **$49,575,000** | **$663,720,779** | **$820,168,632** | **$2,654,332,411** |
| PAYGO Replacement | | -328,703,000 | | -10,000,000 | | -15,338,000 | | -354,141,000 |
| **Total New Funding** | | **$391,297,000** | | **$389,900,000** | | **$648,382,779** | | **$2,300,191,411** |

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

## PAYGO Reversions and Replacement Funding

The Budget Reconciliation and Financing Act of 2002, **SB 323/Chapter 440**, withdraws $457.2 million in general fund PAYGO appropriations from fiscal 1999 through 2002. Of this amount, $354.1 million is being replaced in fiscal 2003, primarily with general obligation bond funding. Funding taken from ongoing financing programs in the Departments of Agriculture, Business and Economic Development, Housing and Community Development, and Natural Resources, totaling $40.0 million will not be replaced. **Exhibit 2.4** lists the reversions and indicates the status of replacement funding.

**Exhibit 2.4**
**PAYGO Reversions & Replacement Funding**

| Fiscal Year | Project/Program | Reversion | FY 2003 Replacement |
|---|---|---|---|
| **No Replacement** | | | |
| 2001 | Department of Health and Mental Hygiene - Western Maryland Center | $57,000 | $0 |
| 2001 | Maryland Stadium Authority - Memorial Stadium Demolition | 1,800,000 | 0 |
| 2001 | School Construction Program - Solar Energy Pilot Projects | 250,000 | 0 |
| 2002 | Department of Business and Economic Development - Maryland Competitive Advantage Financing Fund | 525,000 | 0 |
| 2002 | Department of Business and Economic Development - Maryland Economic Development Assistance Fund | 3,750,000 | 0 |
| 2002 | Department of Business and Economic Development - Maryland Small Business Development Financing Authority | 568,750 | 0 |
| 2002 | Department of Business and Economic Development - Smart Growth Economic Development Infrastructure Fund (One Maryland) | 2,500,000 | 0 |
| 2002 | Department of Housing and Community Development - Homeownership Programs | 1,354,750 | 0 |
| 2002 | Department of Housing and Community Development - Neighborhood Business Development Program | 1,941,000 | 0 |
| 2002 | Department of Housing and Community Development - Rental Housing Programs | 1,967,750 | 0 |

**Exhibit 2.4 (cont'd.)**

## PAYGO Reversions & Replacement Funding

| Fiscal Year | Project/Program | Reversion | FY 2003 Replacement |
|---|---|---|---|
| **No Replacement** | | | |
| 2002 | Department of Housing and Community Development - Special Loan Programs | 1,510,500 | 0 |
| 2002 | Department of Natural Resources - GreenPrint | 5,000,000 | 0 |
| 2002 | Department of Natural Resources - Oyster Restoration | 500,000 | 0 |
| 2002 | Department of Natural Resources - Park Improvement Program | 750,000 | 0 |
| 2002 | Department of Natural Resources - Community Parks & Playgrounds | 5,500,000 | 0 |
| 2002 | Economic Development Opportunities Program (Sunny Day Fund) | 3,875,000 | 0 |
| 2002 | High Speed Data Network | 3,800,000 | 0 |
| 2002 | Maryland Department of Agriculture - Agricultural Cost Share Program | 1,600,000 | 0 |
| 2002 | Maryland Department of the Environment - Nutrient Removal | 1,250,000 | 0 |
| 2002 | Maryland Technology Development Corporation - Technology Development Investment Fund | 1,250,000 | 0 |
| 2002 | School Construction Program - Solar Energy Pilot Projects | 250,000 | 0 |
| **Subtotal - No Replacement** | | **$39,999,750** | **$0** |
| **Replacement Deferred to Future Year** | | | |
| 1999 | Rockville Science, Cultural and Business Resource Center | 200,000 | 0 |
| 2000 | Old Blair High School Auditorium Renovation | 500,000 | 0 |
| 2001 | Chesterwood Park | 1,000,000 | 0 |
| 2001 | Maryland Historical Society | 1,000,000 | 0 |
| 2001 | Phelps Center | 570,000 | 0 |
| 2001 | Walters Art Gallery | 1,000,000 | 0 |
| 2002 | Maryland Hall for Creative Arts | 500,000 | 0 |
| 2002 | Parole Plaza Improvements | 500,000 | 0 |
| 2002 | Public Safety Communication System | 1,000,000 | 0 |
| 2002 | Rockville Science, Cultural and Business Resource Center | 500,000 | 0 |

## Exhibit 2.4 (cont'd.)
## PAYGO Reversions & Replacement Funding

| Fiscal Year | Project/Program | Reversion | FY 2003 Replacement |
|---|---|---|---|
| **Replacement Deferred to Future Year** | | | |
| 2002 | YMCA of Central - Howard County Branch | 1,500,000 | 0 |
| **Subtotal - Replacement Deferred to Future Year** | | **$8,270,000** | **$0** |
| **Partial Replacement - Remainder Deferred to Future Year** | | | |
| 2001 | Maryland Stadium Authority - Memorial Stadium Demolition - Veterans' Memorial | 1,200,000 | 200,000 |
| 2002 | Chesapeake Village Park | 1,000,000 | 250,000 |
| 2002 | Doctors Community Hospital | 2,000,000 | 1,000,000 |
| 2002 | Foundation School | 1,000,000 | 500,000 |
| 2002 | Gateway Arts District | 1,000,000 | 650,000 |
| 2002 | Towson University - Fine Arts Building | 7,443,000 | 3,373,000 |
| 2002 | University of Maryland Biotechnology Institute - Center for Advanced Research in Biotechnology - Second Building | 42,442,000 | 500,000 |
| 2002 | University of Maryland, Baltimore County - Public Policy Institute[1] | 17,542,000 | 15,338,000 |
| **Subtotal - Partial Replacement - Remainder Deferred to Future Year** | | **$73,627,000** | **$21,811,000** |
| **Fully Replaced** | | | |
| 1999 | School Construction Program | 784,000 | 784,000 |
| 2000 | School Construction Program | 2,728,000 | 2,728,000 |
| 2000 | Takoma Park Community Learning Center | 500,000 | 500,000 |
| 2001 | Centro de la Communidad, Inc. | 100,000 | 100,000 |
| 2001 | Dundalk Revitalization | 1,750,000 | 1,750,000 |
| 2001 | Frostburg State University - New Science Building | 10,000,000 | 10,000,000 |
| 2001 | Lone Oak Center | 500,000 | 500,000 |
| 2001 | Maryland Correctional Institution - Jessup - Perimeter Security/Gatehouse | 3,000,000 | 3,000,000 |
| 2001 | Maryland Hall for the Creative Arts | 250,000 | 250,000 |
| 2001 | Maryland Higher Education Commission - Community College Grant Program | 1,110,000 | 1,110,000 |
| 2001 | Maryland Higher Education Commission - Bladen and Lanham Halls Renovation | 525,000 | 525,000 |
| 2001 | Maryland Science Center | 4,000,000 | 4,000,000 |

## Exhibit 2.4 (cont'd.)
## PAYGO Reversions & Replacement Funding

| Fiscal Year | Project/Program | Reversion | FY 2003 Replacement |
|---|---|---|---|
| **Fully Replaced** | | | |
| 2001 | North Point Indoor Soccer Facility | 900,000 | 900,000 |
| 2001 | Outward Bound - Leakin Park Campus | 500,000 | 500,000 |
| 2001 | Park Heights Community Men's Center | 350,000 | 350,000 |
| 2001 | Patuxent Institution - Fence/Gatehouse | 3,300,000 | 3,300,000 |
| 2001 | Penn Place - Garrett Park | 500,000 | 500,000 |
| 2001 | Quiet Waters Amphitheater | 200,000 | 200,000 |
| 2001 | Rockville District Court | 4,600,000 | 4,600,000 |
| 2001 | Rockville Parking Garage | 1,000,000 | 1,000,000 |
| 2001 | School Construction Program | 37,532,000 | 37,532,000 |
| 2001 | St. Mary's College - Somerset Hall | 1,087,000 | 1,087,000 |
| 2001 | Takoma Park Comm Learning Center | 500,000 | 500,000 |
| 2001 | The Johns Hopkins University - School of Medicine | 7,933,000 | 7,933,000 |
| 2001 | The Johns Hopkins University - School of Public Health | 2,067,000 | 2,067,000 |
| 2001 | University of Maryland, Baltimore - New Dental School | 16,150,000 | 16,150,000 |
| 2001 | University of Maryland, Baltimore - Health Sciences Research Facility II | 10,000,000 | 10,000,000 |
| 2001 | University of Maryland, Baltimore County - Chemistry/Physics Building | 8,100,000 | 8,100,000 |
| 2001 | University of Maryland, College Park - Engineering & Applied Sciences Building | 6,203,000 | 6,203,000 |
| 2001 | University System of Maryland Office - Assateague Education & Research Center | 1,000,000 | 1,000,000 |
| 2002 | Allegheny Highlands | 1,000,000 | 1,000,000 |
| 2002 | Bowie State University - Campuswide Site Improvements | 1,300,000 | 1,300,000 |
| 2002 | Coppin State College - Dining Facilities | 1,500,000 | 1,500,000 |
| 2002 | Frostburg State University - New Science Building | 3,300,000 | 3,300,000 |
| 2002 | Great Blacks in Wax | 750,000 | 750,000 |
| 2002 | Howard County Head Start Center | 500,000 | 500,000 |
| 2002 | Legislative Facilities | 15,000,000 | 15,000,000 |
| 2002 | Link - Ages | 50,000 | 50,000 |

**Exhibit 2.4 (cont'd.)**

## PAYGO Reversions & Replacement Funding

| Fiscal Year | Project/Program | Reversion | FY 2003 Replacement |
|---|---|---|---|
| **Fully Replaced** | | | |
| 2002 | Maryland Correctional Institution -Jessup - Perimeter Security/Gatehouse | 2,557,000 | 2,557,000 |
| 2002 | Maryland Higher Education Commission - Community Colleges Grant Program[2] | 4,821,000 | 1,800,000 |
| 2002 | Montgomery County Family Services | 250,000 | 250,000 |
| 2002 | Morgan State University - Science Research Building with Greenhouse | 3,210,000 | 3,210,000 |
| 2002 | National Capitol Trolley Museum | 100,000 | 100,000 |
| 2002 | Olney Boys and Girls Club | 100,000 | 100,000 |
| 2002 | Olney Theatre | 500,000 | 500,000 |
| 2002 | Park Heights Golf Range | 500,000 | 500,000 |
| 2002 | Salisbury University - New Science Building | 939,000 | 939,000 |
| 2002 | School Construction Program | 47,956,000 | 47,956,000 |
| 2002 | Springfield Hospital - Electrical Distribution System | 70,000 | 70,000 |
| 2002 | St. Mary's College - Somerset Hall | 2,167,000 | 2,167,000 |
| 2002 | Suitland Manor Revitalization | 3,000,000 | 3,000,000 |
| 2002 | Takoma Park Community Learning Center | 500,000 | 500,000 |
| 2002 | The Johns Hopkins University - School of Medicine | 7,933,000 | 7,933,000 |
| 2002 | The Johns Hopkins University School of Public Health | 2,067,000 | 2,067,000 |
| 2002 | Towson University - 7800 York Road | 1,600,000 | 1,600,000 |
| 2002 | University of Baltimore - Charles Hall and Annex | 1,300,000 | 1,300,000 |
| 2002 | University of Maryland Center for Environmental Science - Aquaculture and Ecology Lab | 14,000,000 | 14,000,000 |
| 2002 | University of Maryland, Baltimore - Health Sciences Research Facility II | 17,746,000 | 17,746,000 |
| 2002 | University of Maryland, Baltimore - New Dental School[3] | 14,000,000 | 14,000,000 |
| 2002 | University of Maryland, Baltimore County - Chemistry/Physics Building | 14,600,000 | 14,600,000 |
| 2002 | University of Maryland, Baltimore County - Information Technology/Engineering Facility | 21,800,000 | 21,800,000 |
| 2002 | University of Maryland, College Park - Chemistry Teaching Building | 1,860,000 | 1,860,000 |

**Exhibit 2.4 (cont'd.)**

## PAYGO Reversions & Replacement Funding

| Fiscal Year | Project/Program | Reversion | FY 2003 Replacement |
|---|---|---|---|
| **Fully Replaced** | | | |
| 2002 | University of Maryland, Eastern Shore - Food Science and Technology Center | 1,300,000 | 1,300,000 |
| 2002 | University of Maryland, Eastern Shore - Physical Plant/Central Receiving Building | 972,000 | 972,000 |
| 2002 | University of Maryland, Eastern Shore - Social Science, Education, & Health Science Building | 5,365,000 | 5,365,000 |
| 2002 | University System of Maryland Office - New Hagerstown Higher Educational Center | 12,394,000 | 12,394,000 |
| 2002 | University System of Maryland Office - Shady Grove Educational Center III | 1,000,000 | 1,000,000 |
| 2002 | Wheaton Multi-purpose Youth | 175,000 | 175,000 |
| **Subtotal - Fully Replaced** | | **$335,351,000** | **$332,330,000** |
| **Grand Total** | | **$457,247,750** | **$354,141,000** |

[1]Funding provided by means of a transfer from the Dedicated Purpose Account authorized in **SB 323/Chapter 440.**
[2]General obligation bond funding of $1.8 million, combined with the available balance in the community college grant program from completed projects provides full funding of all fiscal 2002 approved projects.
[3]Of the replacement funding, $10.1 million is academic revenue bonds.

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

## Debt Affordability

In its September 2001 report, the Capital Debt Affordability Committee (CDAC) recommended a general obligation bond debt authorization limit of $520 million for fiscal 2003. This recommendation includes a $15 million increase in the limit over the previous year. The Spending Affordability Committee recommended that debt authorizations be increased to $720 million to allow up to $200 million in previously authorized general fund PAYGO to be reverted and replaced with debt. The Governor's capital budget as introduced included $731.1 million in net new general obligation debt. The budget as passed by the General Assembly includes $720 million in net new general obligation debt, consistent with the recommendation of the Spending Affordability Committee.

In order to move previously authorized PAYGO projects into the general obligation bond program, projects totaling approximately $129 million had to be deferred. To help ensure that the projects that were deferred from fiscal 2003 are funded in fiscal 2004 and to avoid a delay of planned fiscal 2004 projects, the budget committees adopted committee narrative indicating support to increase the fiscal 2004 debt limit by up to $200 million above the $535 million anticipated provided that the debt ratios remain favorable given the increased debt proposed and with the understanding that debt authorizations would return to the levels anticipated in the 2001 CDAC report beginning in fiscal 2005.

## Fiscal 2004 Capital Bond Authorizations

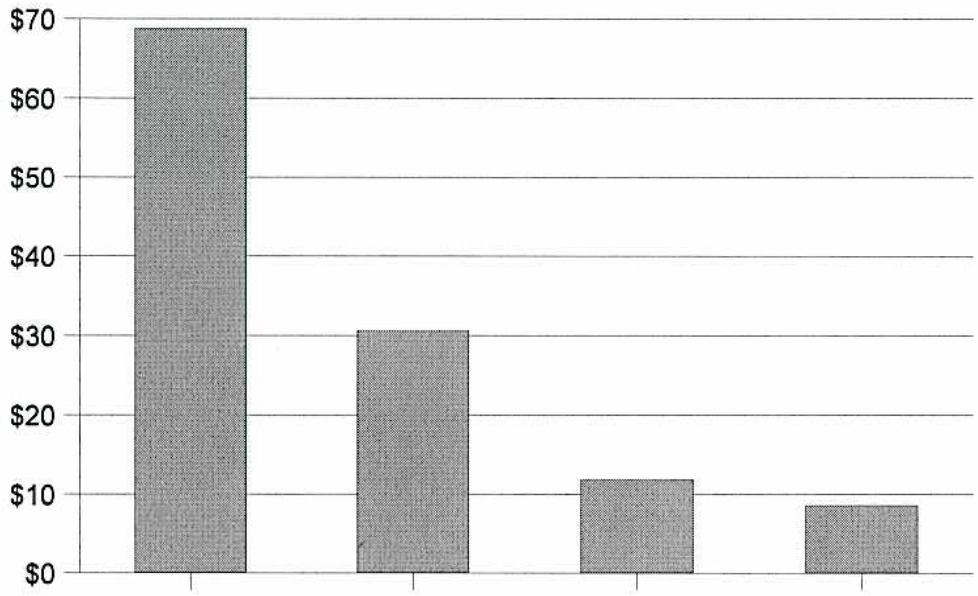
**SB 288/Chapter 290** includes a general obligation bond authorization not effective until fiscal 2004. The bill authorizes $52 million to support the completion of design and construction work for a new library at Morgan State University. Funds expended by the university prior to fiscal 2004 are to be reimbursed from the fiscal 2004 bond funds when they become available.

## Higher Education

The fiscal 2003 capital program for all segments of higher education is $335.5 million, including general obligation bonds, academic revenue bonds, and special funds. Special fund capital funding is from the Dedicated Purpose Fund contingent on the enactment of relevant legislation and the processing of a budget amendment. The capital program includes $119.9 million for new projects and $215.5 million for projects for which previously authorized general fund PAYGO support is reverted. **Exhibit 2.5** shows fiscal 2003 capital funding by higher education segment for the new projects authorized this session.

The *Capital Improvement Plan* (CIP) shows $1.017 billion in capital spending for higher education projects over the fiscal 2004-2007 period. **Exhibit 2.6** shows the fiscal 2003 legislative appropriation for higher education capital and the funding anticipated in the CIP for fiscal 2004-2007. **Exhibit 2.7** shows the fiscal 2003 allocation of capital funding by institution.

**Exhibit 2.5**
**Higher Education**
**Fiscal 2003 Legislative Appropriation by Segment**
**($ in Millions)**




| | Public Four-Year Institutions | Community Colleges | Private Institutions | Centers and Medical System |
|---|---|---|---|---|
| **Number of Projects** | 20 | 32 | 6 | 2 |
| **Authorization** | $68.824 | $30.616 | $11.853 | $8.600 |

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

**Exhibit 2.6**
**Higher Education**
## FY 2003 Legislative Appropriation and Out-Year Capital Funding
**($ in Thousands)**

| | Fiscal Years | | | | | |
|---|---|---|---|---|---|---|
| **Source** | **2003*** | **2004** | **2005** | **2006** | **2007** | **Total** |
| G.O. Bonds | $89,990 | $193,800 | $238,800 | $180,350 | $229,250 | $932,190 |
| PAYGO | - | $5,000 | - | - | - | $5,000 |
| Acad. Rev. Bonds | $29,900 | $32,350 | $44,350 | $59,550 | $33,850 | $200,000 |
| **Total** | **$119,890** | **$231,150** | **$283,150** | **$239,900** | **$263,100** | **$1,137,190** |

*Excludes PAYGO replacement funding.
Source: Department of Legislative Services and Fiscal 2003 *Capital Improvement Program*

**Exhibit 2.7**
**Higher Education**
## Fiscal 2003 Allocation of Capital Funding by Institution
**($ in Thousands)**

| Institution | FY 2003 Capital Funding |
|---|---|
| University of Maryland, Baltimore | $1,500 |
| University of Maryland, College Park | 12,179 |
| Bowie State University | 550 |
| University of Maryland, Eastern Shore | 977 |
| Frostburg State University | 3,532 |
| Coppin State College | 3,600 |
| University of Maryland, Baltimore County | 3,941 |
| UM Center for Environmental Science | 3,463 |
| USM Office | 12,000 |

**Exhibit 2.7 (cont'd.)**
**Higher Education**
**Fiscal 2003 Allocation of Capital Funding by Institution**
**($ in Thousands)**

| Institution | FY 2003 Capital Funding |
|---|---|
| Eastern Shore Higher Education Center | 600 |
| St. Mary's College of Maryland | 1,958 |
| Morgan State University | 25,124 |
| UM Medical System | 8,000 |
| Community Colleges | 30,616 |
| Independent Colleges | 6,850 |
| Johns Hopkins University | 5,000 |
| **Total** | **$121,893** |

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

## Public School Construction

The fiscal 2003 capital budget includes $240 million for public school construction. Of this amount, $89 million replaces previously authorized general fund PAYGO withdrawn in the Budget Reconciliation and Financing Act of 2002, **SB 323/Chapter 440** in order to help balance the operating budget. Excluding this replacement, new funding totals $151 million. An additional $6 million representing funds remaining from completed projects is also available for distribution in fiscal 2003 bringing the total available to $157 million. The Board of Public Works allocated $110.4 million of this funding in January 2002. The remaining funds will be allocated by the board in May 2002. **Exhibit 2.8** shows the initial allocations for each jurisdiction.

The new funding comprises $135.1 million in general obligation bonds, $3.0 million in general fund PAYGO, $2.4 million in special fund PAYGO, and $10.5 million in federal fund PAYGO. The $10.5 million in federal fund PAYGO reflects funds for school renovation, accessibility projects, and asbestos removal projects that will be awarded under federal guidelines and through an application process.

The $2.4 million in special fund PAYGO is from the Maryland Stadium Authority (MSA). Section 13-715.2 of the Financial Institutions Article requires the MSA to annually contribute $2.4 million for school construction between fiscal 2001 and

2010 inclusive. However, language added to the fiscal 2003 special fund appropriation for school construction allows the appropriation only to the extent that the transfer from the MSA does not result in a negative balance in the Maryland Stadium Authority Financing Fund at the close of fiscal 2003.

The fiscal 2003 operating budget contains $10.4 million for improvements and repairs to existing school buildings under the Aging Schools Program. The operating budget also contains $1.9 million from the Cigarette Restitution Fund for a second-year lease repayment on Technology in Maryland Schools Program funding borrowed to wire all schools for technology.

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**Exhibit 2.8**
## Public School Construction Allocations

| County | FY 2003 Allocation |
|---|---|
| Allegany | $0 |
| Anne Arundel | 8,831,000 |
| Baltimore City | 13,840,000 |
| Baltimore County | 12,470,000 |
| Calvert | 10,891,000 |
| Caroline | 1,055,000 |
| Carroll | 8,534,000 |
| Cecil | 0 |
| Charles | 10,598,000 |
| Dorchester | 3,268,000 |
| Frederick | 11,525,000 |
| Garrett | 2,395,000 |
| Harford | 6,181,000 |
| Howard | 12,356,000 |

**Exhibit 2.8 (cont'd.)**
**Public School Construction Allocations**

| County | FY 2003 Allocation |
|---|---|
| Kent | 550,000 |
| Montgomery | 18,000,000 |
| Prince George's | 18,000,000 |
| Queen Anne's | 5,000,000 |
| St. Mary's | 7,443,000 |
| Somerset | 0 |
| Talbot | 0 |
| Washington | 1,361,000 |
| Wicomico | 2,684,000 |
| Worcester | 1,518,000 |
| **Total FY 2003** | **$156,500,000** |

Source: Department of Legislative Services and the Fiscal 2003 *Public School Construction Program*, May 2002.

## Transfer Tax

In light of the recent fiscal condition of the State, approximately half of the revenues ($47,268,585) from the transfer tax will be transferred to the general fund in fiscal 2003 and 2004. The programs funded by the transfer tax that will be impacted by this transfer are the following: Program Open Space, the Maryland Agricultural Land Preservation Foundation, Rural Legacy, and the Heritage Conservation Fund. **Exhibit 2.9** shows the transfer tax allocation for fiscal 2003.

**Exhibit 2.9**
## Fiscal 2003 Transfer Tax Allocation

| | Prior Law | SB 323 Change | Variance |
|---|---|---|---|
| POS State Acquisition | $21,384,607 | $8,925,198 | ($12,459,409) |
| POS State Development | 9,964,214 | 3,858,659 | (6,105,555) |
| State Park Operating | 950,000 | 950,000 | 0 |
| Local Program | 39,241,172 | 17,261,171 | (21,980,001) |
| Heritage Areas Authority | 1,000,000 | 1,000,000 | 0 |
| Heritage Conservation | 1,903,769 | 850,835 | (1,052,934) |
| Rural Legacy | 13,288,246 | 6,363,429 | (6,924,817) |
| Ag Land Preservation | 18,032,920 | 8,059,294 | (9,973,626) |
| **Total** | $105,764,928 | **$47,268,586** | (58,496,342) |

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

# Chapter Three - Impact of Legislation on State Revenues and Expenditures

- Legislation Affecting State Revenues
- Summary of Quantifiable Revenue Effects
- Legislation Affecting State Expenditures
- Expenditures by Agency
- Summary of Quantifiable Expenditure Effects
- Permanent Positions Needed by Agency
- Contractual Positions Needed by Agency

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **SB 13** | **Register of Wills - Salary (Ch. 294)** | | | | | | |
| | GF | ($151,317) | ($259,380) | ($259,380) | ($259,380) | ($259,380) | |
| **SB 18** | **Riparian Property - Potomac River - Stationary Blind and Blind Site Licensing (Ch. 106)** | | | | | | |
| | SF | increase | increase | increase | increase | increase | Minimal license revenue. |
| **SB 25** | **Commercial Law - Payment Devices - Receipts (Ch. 295)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal civil penalty revenue. |
| **SB 43** | **Sales and Use Tax - Multifuel Pellet Stoves (Ch. 447)** | | | | | | |
| | GF | ($25,000) | ($25,500) | ($26,010) | ($26,530) | ($27,060) | |
| **SB 50** | **Vehicle Laws - Dealer - Definition and Penalties (Ch. 448)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| | SF | increase | increase | increase | increase | increase | Minimal license fee revenue. |
| **SB 67/HB 1178** | **Estates of Victims of September 11, 2001 Terrorist Attacks (Ch. 97/Ch. 98)** | | | | | | |
| | GF | decrease | $0 | $0 | $0 | $0 | Minimal decrease in tax revenue. |
| **SB 93** | **State Lottery - Multijurisdictional Lottery - Agreement (Ch. 449)** | | | | | | |
| | GF | $5,460,000 | $12,012,000 | $12,852,840 | $13,495,482 | $14,170,256 | |
| **SB 110** | **Driver Licensing - New Residents - Extension of Exemption Period (Ch. 128)** | | | | | | |
| | SF | decrease | $0 | $0 | $0 | $0 | Minimal license fee revenue loss. |

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **SB 113** | **Charitable Solicitations (Ch. 130)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal late fee revenue. |
| **SB 120** | **Vehicle Laws - Special Registration Plates for Motorcycles - Veterans and Recipients of Combat-Related Medals (Ch. 299)** | | | | | | |
| | SF | increase | increase | increase | increase | increase | Minimal registration fee revenue. |
| **SB 208/HB 892** | **Property Tax - Petition for Review Outside of Assessment Cycle (Ch. 455/Ch. 456)** | | | | | | |
| | SF | ($481,000) | ($283,000) | ($283,000) | ($283,000) | ($283,000) | |
| **SB 230** | **Developmental Disabilities Administration - Private Providers - Reporting Requirements (Ch. 306)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **SB 287** | **Motor Fuel and Lubricants - Dyed Diesel Fuel (Ch. 145)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **SB 323** | **The Budget Reconciliation and Financing Act of 2002 (Ch. 440)** | | | | | | |
| | GF | $246,225,114 | $187,099,310 | $140,100,000 | $145,300,000 | $128,800,000 | Assumed in FY 2003 budget. |
| | SF | ($88,600,631) | ($43,234,481) | ($45,999,934) | ($46,181,867) | ($46,862,953) | Assumed in FY 2003 budget. |
| | NB | ($37,200,000) | $2,000,000 | $2,000,000 | $2,000,000 | $2,000,000 | Nonbudgeted funds. |
| **SB 345/HB 256** | **Vehicle Laws - Leaving the Scene of an Accident Involving Serious Bodily Injury or Death - Penalties (Ch. 461/Ch. 462)** | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Minimal fine revenue. |
| **SB 355** | **Department of Aging - Continuing Care Retirement Communities - Regulation (Ch. 150)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **SB 429** | **Correctional Services - Inmates - Indecent Exposure (Ch. 160)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **SB 436** | **Criminal Law - Theft - Subsequent Offenders - Penalties (Ch. 161)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **SB 447** | **Maryland Income Tax - Subtraction Modification - Conservation Tillage Equipment (Ch. 313)** | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Minimal revenue loss. |
| **SB 462** | **Baltimore County - Property Tax - Neighborhood Stabilization Credits (Ch. 167)** | | | | | | |
| | GF | $0 | ($39,504) | ($79,008) | ($158,016) | ($316,032) | |
| **SB 472** | **Maryland Insurance Administration - Program Evaluation (Ch. 317)** | | | | | | |
| | GF | ($333,413) | ($334,532) | ($335,656) | ($336,785) | ($337,917) | |
| | SF | $333,413 | $334,532 | $335,656 | $336,785 | $337,917 | |
| **SB 486** | **DNA Testing - Felony Convictions - DNA Technology Fund - Preservation of Scientific Identification Evidence (Ch. 465)** | | | | | | |
| | FF | $750,000 | $0 | $0 | $0 | $0 | |
| | SF | $750,000 | $0 | $0 | $0 | $0 | |
| **SB 571** | **Property Tax Assessment - Country Clubs and Golf Courses (Ch. 474)** | | | | | | |
| | SF | ($47,489) | ($75,622) | ($99,167) | ($113,861) | ($125,927) | |
| **SB 575/HB 421** | **Health Occupations - Graduate Licenses (Ch. 327/Ch. 367)** | | | | | | |
| | SF | $30,800 | $30,800 | $31,500 | $31,500 | $32,300 | |

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **SB 580** | **State Board of Docking Masters (Ch. 475)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fee revenue. |
| **SB 599** | **Natural Resources - Hunting Licenses and Stamps (Ch. 177)** | | | | | | |
| | SF | $672,624 | $635,124 | $597,624 | $560,124 | $560,124 | |
| **SB 617** | **Maryland Youth Camps - Days of Operation and Regulations (Ch. 328)** | | | | | | |
| | GF | $10,000 | $10,000 | $10,000 | $10,000 | $10,000 | |
| **SB 646/HB 559** | **Crimes - Vulnerable Adult - Exploitation Prohibited (Ch. 479/Ch. 480)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **SB 672** | **Nuisance Control - Authority to Investigate and File a Complaint - Penalties for Violations (Ch. 333)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **SB 733** | **Crimes - Railroad Trespass (Ch. 335)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **SB 772** | **Workers' Compensation – Workers' Compensation Commission - Budget Process (Ch. 487)** | | | | | | |
| | GF | ($20,657,333) | decrease | decrease | decrease | decrease | Assumed in FY 2003 budget; GF expenditures decrease by an equal amount. |
| | SF | $20,657,333 | increase | increase | increase | increase | Assumed in FY 2003 budget. |
| **SB 844** | **State Employee and Retiree Health and Welfare Benefits Program - Employees of Legal Aid Bureau, Inc. (Ch. 191)** | | | | | | |
| | REIMBURS | increase | increase | increase | increase | increase | Minimal administrative fee revenue. |

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **SB 856** | **Bridge to Excellence in Public Schools Act (Ch. 288)** | | | | | | |
| | GF | $20,011,357 | $75,966,400 | $75,075,770 | $74,194,936 | $73,323,792 | $12,643,333 assumed in FY 2003 budget; $7,368,024 allocated to FY 2002. |
| | SF | $80,523,604 | $0 | $0 | $0 | $0 | Assumed in FY 2003 budget. |
| **SB 899** | **Prince George's Hospital System Improvement Task Force (Ch. 342)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Potential one-time revenue increase of $2.5 million. |
| **HB 4** | **Vehicle Laws - Drunk Driving - Repeat Offenders (Ch. 110)** | | | | | | |
| | GF | $51,750 | $69,000 | $69,000 | $69,000 | $69,000 | |
| | SF | $69,000 | $92,000 | $92,000 | $92,000 | $92,000 | |
| **HB 85** | **Health Insurance - Small Group Market - Producer Commissions (Ch. 29)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal tax revenue increase. |
| **HB 92** | **Maryland Egg Law (Ch. 201)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **HB 98** | **Fireworks - Permits for Display - Late Fees (Ch. 31)** | | | | | | |
| | GF | $5,500 | $5,500 | $4,125 | $3,094 | $2,320 | |
| **HB 135** | **Public Service Commission - Orders - Public Utility Regulation Fund and Filing Fees (Ch. 494)** | | | | | | |
| | GF | ($12,837,799) | decrease | decrease | decrease | decrease | Assumed in FY 2003 budget; GF expenditures decrease by an equal amount. Minimal new fee revenues. |
| | SF | $12,837,799 | increase | increase | increase | increase | Assumed in FY 2003 budget. |

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **HB 177** | **Crimes - Felony Theft - Penalties (Ch. 496)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **HB 181** | **State Employee and Retiree Health and Welfare Benefits Program - Eligibility for Enrollment and Participation (Ch. 497)** | | | | | | |
| | GF | $3,236 | $3,611 | $4,029 | $4,498 | $5,020 | |
| **HB 200** | **False Statements - Destructive Devices - Restitution (Ch. 351)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal cost recovery revenue. |
| **HB 235** | **Nursing Homes - Notice of Closure - Penalties (Ch. 47)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal penalty revenue. |
| **HB 256/SB 345** | **See entry for SB 345.** | | | | | | |
| **HB 291** | **Community Right-to-Know Fund (Ch. 434)** | | | | | | |
| | SF | $800,000 | $800,000 | $800,000 | $800,000 | $800,000 | $835,787 assumed in FY 2003 budget. |
| **HB 317** | **Vehicle Laws - Obscuring or Modifying Registration Plate with Intent to Avoid Identification (Ch. 503)** | | | | | | |
| | GF | increase | increase | increase | decrease | increase | Minimal fine revenue. |
| **HB 339** | **Commuter Benefits Act 2002 (Ch. 507)** | | | | | | |
| | GF | ($99,375) | ($102,675) | ($106,350) | ($110,325) | ($114,750) | |
| | SF | ($33,125) | ($34,225) | ($35,450) | ($36,775) | ($38,250) | |
| **HB 348** | **Alcoholic Beverages – Wholesaler's Licenses (Ch. 59)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal license fee revenue. |

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **HB 358** | **Crimes - Fraud - Personal Identifying Information (Ch. 509)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **HB 378** | **Sales and Use Tax - Taxable Price - Communications Services (Ch. 513)** | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Minimal revenue loss. |
| **HB 421/SB 575** | **See entry for SB 575.** | | | | | | |
| **HB 429** | **Private Detectives, Security Systems Technicians, and Security Guards - Licensing - Regulation by the Department of State Police (Ch. 517)** | | | | | | |
| | GF | $15,420 | ($1,950) | ($9,450) | $16,095 | $2,100 | |
| **HB 466** | **Dental Facilities - Radiation Monitoring and Regulation - Fees (Ch. 222)** | | | | | | |
| | SF | $154,000 | $154,000 | $231,000 | $231,000 | $308,000 | |
| **HB 467** | **Maryland Horse Industry Fund - Assessments on Commercial Equine Feed (Ch. 223)** | | | | | | |
| | SF | $100,000 | $300,000 | $300,000 | $300,000 | $300,000 | |
| **HB 469** | **Oyster Sanctuaries and Reserves - Penalties for Taking Oysters (Ch. 224)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| | SF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **HB 483** | **Mental Hygiene - Maryland Mental Health Crisis Response System (Ch. 371)** | | | | | | |
| | FF | $88,558 | $2,850,600 | $5,893,100 | $9,115,450 | $9,391,700 | |
| | SF | $88,558 | $2,850,600 | $5,893,100 | $9,115,450 | $9,391,700 | |

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **HB 512** | **Recordation Tax - Refinancing Instrument (Ch. 524)** | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Potential minimal decrease in GF recordation fees. |
| **HB 514** | **Vehicle Laws - Special Registration Plates for Farm Trucks - Maryland Agriculture (Ch. 372)** | | | | | | |
| | SF | $1,000 | increase | increase | increase | increase | Minimal registration fee revenue. |
| **HB 516** | **Personal Representative of Deceased Mortician's Estate - License Required (Ch. 525)** | | | | | | |
| | SF | increase | increase | increase | increase | increase | Minimal license revenue. |
| **HB 518** | **State Board of Physician Quality Assurance - Radiation Oncology/Therapy, Medical Radiation, and Nuclear Medicine Technologists (Ch. 373)** | | | | | | |
| | SF | ($35,920) | ($5,133) | ($41,827) | ($5,236) | ($42,667) | MHEC revenue loss. |
| | SF | $35,920 | $5,133 | $41,827 | $5,236 | $42,667 | BPQA revenue gain. |
| **HB 521** | **Property and Casualty Insurance - Use of Credit History (Ch. 580)** | | | | | | |
| | SF | increase | $0 | increase | $0 | $0 | Increase in filing fee revenue. |
| **HB 533** | **Maryland Physician Assistants Act - Revisions (Ch. 374)** | | | | | | |
| | SF | $123,400 | $35,642 | $73,834 | $35,698 | $74,272 | |
| **HB 553** | **Sales and Use Tax - Exemption - Utilities Used to Produce Snow for Commercial Purposes (Ch. 377)** | | | | | | |
| | GF | ($8,190) | ($8,600) | ($9,029) | ($9,481) | ($9,955) | |
| **HB 559/SB 646** | **See entry for SB 646.** | | | | | | |

## Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **HB 575** | **Private Detectives - Fugitives from Justice (Ch. 379)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal license fee revenue. |
| **HB 592** | **Home Builders - Registration Fee (Ch. 530)** | | | | | | |
| | SF | ($152,400) | ($195,000) | ($195,000) | ($152,400) | $0 | |
| **HB 652** | **Pilot Program for Long-Term Employment of Qualified Ex-Felons (Ch. 533)** | | | | | | |
| | GF | $0 | ($251,100) | ($418,500) | ($418,500) | ($167,400) | |
| **HB 683** | **Child Support - Financial Institutions - Garnishment of Accounts (Ch. 536)** | | | | | | |
| | SF | increase | increase | increase | increase | increase | Minimal child support revenue. |
| **HB 692** | **Health Insurance - Habilitative Services - Modification and Clarification (Ch. 382)** | | | | | | |
| | SF | increase | $0 | $0 | $0 | $0 | |
| **HB 697** | **Business Occupations and Professions - Certified Interior Designers - Seal (Ch. 383)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **HB 704** | **Business Occupations and Professions - Real Estate Salespersons and Associate Real Estate Brokers - Use of Trade Name (Ch. 583)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fee revenue. |
| **HB 707** | **Montgomery County - Tax Credit for Businesses That Create New Jobs - Qualifications MC 212-02 (Ch. 538)** | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Potential significant revenue loss. |
| | SF | decrease | decrease | decrease | decrease | decrease | |

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **HB 714** | **Unemployment Insurance - Maximum Benefit (Ch. 239)** | | | | | | |
| | NB | ($203,951) | ($1,337,517) | $6,663,831 | $34,571,265 | $28,048,629 | Nonbudgeted funds. |
| **HB 715** | **Maryland Money Transmission Act (Ch. 539)** | | | | | | |
| | GF | ($2,000) | ($15,200) | ($1,800) | ($14,800) | ($1,500) | |
| | SF | $180,000 | $302,000 | $60,000 | $294,000 | $50,000 | |
| **HB 728** | **Credit Unions - Credit Union Insurance Corporation - Credit Union Share Guaranty Corporations (Ch. 540)** | | | | | | |
| | GF | $8,000 | $5,000 | $8,000 | $5,000 | $8,000 | |
| **HB 759** | **Maryland Heritage Structure Rehabilitation Tax Credit (Ch. 541)** | | | | | | |
| | GF/SF | increase | increase | increase | increase | increase | Total general fund and Transportation Trust Fund revenue increase of up to $33.0 million. |
| **HB 762** | **One Maryland Economic Development Tax Credits - Refunds - Businesses Creating Higher Wage Jobs (Ch. 385)** | | | | | | |
| | GF/SF | decrease | decrease | decrease | decrease | decrease | Revenue losses could be accelerated and decrease to the extent that participation increases. |
| **HB 781** | **Physicians and Pharmacists - Therapy Management Contracts (Ch. 249)** | | | | | | |
| | SF | $4,500 | $4,500 | $6,300 | $6,300 | $6,300 | |
| **HB 805** | **Reimbursement of Health Care Providers (Ch. 250)** | | | | | | |
| | SF | $200,000 | $0 | $0 | $0 | $0 | |

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **HB 811** | **Alcoholic Beverages - Direct Wine Seller's Permit (Ch. 251)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fee revenue. |
| **HB 827** | **Higher Education - Waiver of Tuition and Fees - Clarifying Foster Care Recipients (Ch. 392)** | | | | | | |
| | HE | decrease | decrease | decrease | decrease | decrease | Potential minimal tuition revenue decrease. |
| **HB 828** | **Academic Facilities Bonding Authority (Ch. 393)** | | | | | | |
| | HE | $112,000,000 | $0 | $0 | $0 | $0 | |
| **HB 892/SB 208** | **See entry for SB 208.** | | | | | | |
| **HB 896** | **Health Insurance - Mental Illness - Coverage for Residential Crisis Services (Ch. 394)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal tax revenue increase. |
| | SF | increase | $0 | $0 | $0 | $0 | Minimal rate and form filing fee increase. |
| **HB 948** | **Prince George's County - Roadside Solicitation - Children PG 418-02 (Ch. 253)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **HB 994** | **Organically Produced Commodities (Ch. 257)** | | | | | | |
| | SF | $22,800 | $26,400 | $30,000 | $33,600 | $37,200 | |
| **HB 1002** | **Motor Vehicle Liability Insurance - Premium Increases - Consumer Information (Ch. 553)** | | | | | | |
| | SF | $25,000 | $0 | $0 | $0 | $0 | |
| **HB 1044** | **Vessel Excise Tax - Amnesty for Unpaid Taxes (Ch. 260)** | | | | | | |
| | SF | increase | $0 | $0 | $0 | $0 | Potential significant tax revenue. |

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **HB 1076** | **Lobbyist Ethics - Registration and Reporting Requirements (Ch. 405)** | | | | | | |
| | SF | ($4,600) | ($4,600) | ($4,600) | ($4,600) | ($4,600) | |
| **HB 1080** | **Criminal Law - Housing Assistance - Fraud (Ch. 556)** | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenue. |
| **HB 1098** | **Income Tax - Credit for Aquaculture Oyster Float (Ch. 557)** | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Indeterminate revenue loss. |
| **HB 1131** | **Local Land Preservation Programs (Ch. 264)** | | | | | | |
| | FF | increase | increase | increase | increase | increase | Potential significant funding increase. |
| **HB 1149** | **Natural Resources – Angler's Licenses (Ch. 268)** | | | | | | |
| | SF | $14,218 | $14,218 | $14,218 | $14,218 | $14,218 | |
| **HB 1158** | **Health Insurance - Continuation Coverage - Voluntary Termination of Employment (Ch. 409)** | | | | | | |
| | SF | increase | $0 | $0 | $0 | $0 | Minimal rate and form filing fee revenue. |
| **HB 1178/SB 67** | **See entry for SB 67.** | | | | | | |
| **HB 1197** | **Public Schools - Technology for Education (Ch. 412)** | | | | | | |
| | SF | $0 | $25,000 | $25,000 | $25,000 | $25,000 | |
| **HB 1217** | **Housing and Community Development - Maryland Home Financing Program - Mortgage Sales (Ch. 274)** | | | | | | |
| | SF | increase | indet. | indet. | indet. | indet. | Significant one-time mortgage loan sale revenue. Potential significant long-term loss. |

# Legislation Affecting State Revenues

| | Fund | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|
| **HB 1228** | **Health Insurance Safety Net Act of 2002 (Ch. 153)** | | | | | | |
| | SF | $0 | $76,065,028 | $82,339,580 | $89,167,350 | $96,600,745 | |
| **HB 1256** | **Maryland Stadium Authority - Hippodrome Performing Arts Center (Ch. 417)** | | | | | | |
| | BOND | $8,250,000 | $0 | $0 | $0 | $0 | |
| **HB 1357** | **Limited Liability Companies - Mergers (Ch. 570)** | | | | | | |
| | GF | indet. | indet. | indet. | indet. | indet. | Potential minimal increase or decrease in filing revenue. |
| | SF | indet. | indet. | indet. | indet. | indet. | |
| **HB 1456** | **Insurance - Certificate of Authority - Penalties (Ch. 286)** | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Minimal fine revenue reduction. |

# Summary of Quantifiable Revenue Effects

| Fund Type | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|---|---|---|---|---|---|
| GF | $237,675,950[1] | $274,132,380 | $226,878,581 | $231,764,288 | $215,156,494 |
| SF | $28,268,804[2] | $37,842,916 | $44,212,661 | $54,270,522 | $61,315,046 |
| FF | $838,558[3] | $2,850,600 | $5,893,100 | $9,115,450 | $9,391,700 |

In addition, a total of 40 bills have an unquantifiable GF revenue impact for FY 2003. Thirty of these represent revenue increases (three of a significant magnitude); nine represent revenue decreases (one of a significant magnitude); and one has an indeterminate revenue impact.

[1] $4,934,611 not assumed in FY 2003 budget.
[2] $2,014,912 not assumed in FY 2003 budget.
[3] Not assumed in FY 2003 budget.

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **SB 3** | **Maryland Safe Haven Act (Ch. 441)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | $120,000 | $0 | $0 | $0 | $0 | |
| **SB 5/HB 422** | **Nursing Home Residents - Increase in Personal Needs Allowance (Ch. 292/Ch. 293)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | $255,000 | $1,020,000 | $2,040,000 | $2,186,880 | $2,336,820 | |
| | FF | Hlth. & Mental Hyg. | $255,000 | $1,020,000 | $2,040,000 | $2,186,880 | $2,336,820 | |
| **SB 25** | **Commercial Law - Payment Devices - Receipts (Ch. 295)** | | | | | | | |
| | GF/SF | All or Multiple Agencies | increase | $0 | $0 | $0 | $0 | Minimal increase to replace receipt-printing equipment. |
| **SB 50** | **Vehicle Laws - Dealer - Definition and Penalties (Ch. 448)** | | | | | | | |
| | GF | All or Multiple Agencies | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| | SF | Transportation | $48,400 | $43,500 | $45,600 | $47,800 | $50,200 | |
| **SB 90** | **Health Insurance - Health Maintenance Organizations and Managed Care Organizations - Application of Acquisitions Disclosure and Control Act (Ch. 117)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | increase | increase | increase | increase | increase | Negligible capitation payment increase. |
| | FF | Hlth. & Mental Hyg. | increase | increase | increase | increase | increase | Negligible capitation payment increase. |
| **SB 98** | **State Aid - Property Values (Ch. 121)** | | | | | | | |
| | GF | Education | $0 | increase | increase | increase | increase | Minimal increase. |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **SB 105** | **Retirement and Pension Systems - Baltimore City Community College - Nonfaculty Employees (Ch. 127)** | | | | | | | |
| | GF | Baltimore City Community College | ($298,600) | ($317,584) | ($337,599) | ($358,698) | ($380,935) | |
| **SB 108** | **State Highway Plats - Filing and Recordation (Ch. 450)** | | | | | | | |
| | SF | Transportation | ($3,000) | ($4,000) | ($4,000) | ($4,000) | ($4,000) | |
| **SB 112** | **Vehicle Laws - Registration Plates and Parking Placards - Individuals with Disabilities (Ch. 129)** | | | | | | | |
| | SF | Transportation | $12,649 | $0 | $0 | $0 | $0 | |
| **SB 158** | **Maryland Insurance Administration - Subpoenas - Issuance (Ch. 452)** | | | | | | | |
| | SF | Insur. Admin. | decrease | decrease | decrease | decrease | decrease | Minimal decrease in expenditures attributable to serving subpoenas. |
| **SB 171** | **Judges' Retirement System - Death Benefits - Multiple Beneficiaries (Ch. 301)** | | | | | | | |
| | GF | Judiciary | increase | increase | increase | increase | increase | Minimal increase in State pension contributions to the Judges' Retirement System. |
| **SB 174** | **Higher Education - Developmental Disabilities and Mental Health Tuition Assistance Program (Ch. 302)** | | | | | | | |
| | GF | Higher Ed. Comm. | $181,600 | $325,064 | $437,656 | $526,640 | $597,464 | |
| **SB 197** | **Circuit Courts - Rental of Space for Clerks of Court (Ch. 453)** | | | | | | | |
| | GF | Gen. Services | $0 | $78,687 | $61,708 | $64,412 | $67,290 | |
| | GF | Judiciary | $0 | $171,313 | $438,292 | $4,909,380 | $4,909,380 | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **SB 202** | **Pensions - Service Retirement Benefits for Governors and Surviving Spouses (Ch. 137)** | | | | | | | |
| | GF | All or Multiple Agencies | $0 | $28,620 | $30,060 | $31,560 | $33,120 | |
| | SF | All or Multiple Agencies | $0 | $9,540 | $10,020 | $10,520 | $11,040 | |
| | FF | All or Multiple Agencies | $0 | $9,540 | $10,020 | $10,520 | $11,040 | |
| **SB 208/HB 892** | **Property Tax - Petition for Review Outside of Assessment Cycle (Ch. 455/Ch. 456)** | | | | | | | |
| | GF | All or Multiple Agencies | $481,000 | $283,000 | $283,000 | $283,000 | $283,000 | |
| **SB 226** | **Education - Technology for Education Program - Equivalent Access for Students with Disabilities (Ch. 457)** | | | | | | | |
| | GF | Education | increase | $0 | $0 | $0 | $0 | Minimal increase in training expenditures. |
| **SB 233** | **Education - Negotiations Between Public School Employers and Employee Organizations (Ch. 287)** | | | | | | | |
| | GF | Education | $0 | $0 | increase | increase | increase | Potential increase in State aid to local school systems. |
| **SB 252** | **Baltimore City - Sheriff - Salary (Ch. 14)** | | | | | | | |
| | GF | Retirement Agency | $0 | $57 | $115 | $172 | $230 | |
| **SB 265** | **State Government - Equal Access to Public Services - Individuals with Limited English Proficiency (Ch. 141)** | | | | | | | |
| | GF | All or Multiple Agencies | $290,200 | $465,600 | $585,400 | $780,900 | $512,500 | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **SB 287** | **Motor Fuel and Lubricants - Dyed Diesel Fuel (Ch. 145)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| **SB 297** | **Motor Vehicle Administration – Drivers' Licenses and Identification Cards - Selective Service Administration Registration (Ch. 309)** | | | | | | | |
| | SF | Transportation | $11,946 | $0 | $0 | $0 | $0 | |
| | FF | Transportation | $183,120 | $0 | $0 | $0 | $0 | |
| **SB 323** | **The Budget Reconciliation and Financing Act of 2002 (Ch. 440)** | | | | | | | |
| | GF | All or Multiple Agencies | ($79,237,659) | ($61,037,805) | ($50,147,325) | ($39,070,431) | ($37,562,131) | Assumed in FY 2003 budget. |
| | SF | All or Multiple Agencies | $33,512,176 | ($5,606,177) | ($5,606,177) | ($5,606,177) | ($5,606,177) | Included in FY 2003 budget. |
| | FF | All or Multiple Agencies | ($5,606,177) | ($5,606,177) | ($5,606,177) | ($5,606,177) | ($5,606,177) | Assumed in FY 2003 budget. |
| **SB 337** | **Retirement and Pensions - Service Retirement Benefit (Ch. 310)** | | | | | | | |
| | GF | All or Multiple Agencies | $0 | $68,400 | $71,820 | $75,411 | $79,181 | |
| | SF | All or Multiple Agencies | $0 | $22,800 | $23,940 | $25,137 | $26,394 | |
| | SF | Retirement Agency | $50,000 | $0 | $0 | $0 | $0 | |
| | FF | All or Multiple Agencies | $0 | $22,800 | $23,940 | $25,137 | $26,394 | |
| **SB 345/HB 256** | **Vehicle Laws - Leaving the Scene of an Accident Involving Serious Bodily Injury or Death - Penalties (Ch. 461/Ch. 462)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | indet. | indet. | indet. | indet. | indet. | Minimal impact on incarceration costs. |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **SB 419** | **Maryland Infants and Toddlers Act of 2002 (Ch. 312)** | | | | | | | |
| | GF | Education | $0 | $1,274,733 | $3,303,059 | $5,737,815 | $8,635,737 | |
| **SB 429** | **Correctional Services - Inmates - Indecent Exposure (Ch. 160)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| **SB 453/HB 661** | **College Readiness for Disadvantaged and Capable Students Act of 2002 (Ch. 315/Ch. 429)** | | | | | | | |
| | GF | Education | $163,594 | $800,976 | $2,335,671 | $3,570,796 | $4,259,262 | |
| | GF | Higher Ed. Comm. | $0 | $618,125 | $1,737,339 | $2,962,382 | $3,640,378 | |
| **SB 456** | **State Board of Master Electricians - Sunset Extension and Program Evaluation (Ch. 163)** | | | | | | | |
| | GF | Labor Lic. & Reg. | $15,000 | $0 | $0 | $0 | $0 | |
| **SB 477** | **State Police Retirement System - Retirees - Reemployment as Sheriffs or State's Attorneys (Ch. 318)** | | | | | | | |
| | GF | All or Multiple Agencies | $0 | $20,216 | $21,227 | $22,288 | $23,402 | |
| | SF | All or Multiple Agencies | $0 | $5,054 | $5,307 | $5,572 | $5,851 | |
| **SB 486** | **DNA Testing - Felony Convictions - DNA Technology Fund - Preservation of Scientific Identification Evidence (Ch. 465)** | | | | | | | |
| | GF | Executive Department | $84,692 | $26,814 | $0 | $0 | $0 | |
| | GF | State Police | $66,600 | $293,628 | $0 | $0 | $0 | |
| | SF | State Police | $750,000 | $0 | $0 | $0 | $0 | |
| | FF | State Police | $750,000 | $0 | $0 | $0 | $0 | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **SB 516** | **Abuse or Neglect of Vulnerable Adults - Degrees (Ch. 321)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| **SB 533** | **Department of Transportation - Special Bonds and Borrowings (Ch. 470)** | | | | | | | |
| | SF | Transportation | increase | increase | increase | increase | increase | Potential significant interest payments on bonds. |
| **SB 535** | **The Elderly - Naturally Occurring Retirement Community Demonstration Program (Ch. 471)** | | | | | | | |
| | FF | Aging | $1,538,971 | $1,545,027 | $1,546,041 | $0 | $0 | Grant expenditures. |
| **SB 569** | **Law Enforcement Officers' Pension System - Membership (Ch. 326)** | | | | | | | |
| | GF | Education | $48,198 | $44,600 | $46,800 | $49,200 | $51,600 | |
| **SB 571** | **Property Tax Assessment - Country Clubs and Golf Courses (Ch. 474)** | | | | | | | |
| | GF | All or Multiple Agencies | $47,489 | $75,622 | $99,167 | $113,861 | $125,927 | |
| **SB 599** | **Natural Resources - Hunting Licenses and Stamps (Ch. 177)** | | | | | | | |
| | SF | Natural Resources | $128,918 | $108,918 | $108,918 | $108,918 | $108,918 | |
| **SB 617** | **Maryland Youth Camps - Days of Operation and Regulations (Ch. 328)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | $66,253 | $55,361 | $57,774 | $60,338 | $63,071 | |
| **SB 643** | **Environment - Wastewater Infrastructure Improvement - Study (Ch. 178)** | | | | | | | |
| | BOND | Environment | $1,000,000 | $0 | $0 | $0 | $0 | Included in FY 2003 capital budget. |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **SB 646/HB 559** | **Crimes - Vulnerable Adult - Exploitation Prohibited (Ch. 479/Ch. 480)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| **SB 658/HB 1014** | **Developmental Disabilities Administration - Supplemental Security Income - Cost-of-Living Increase (Ch. 330/Ch. 430)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | $279,888 | $0 | $0 | $0 | $0 | |
| **SB 672** | **Nuisance Control - Authority to Investigate and File a Complaint - Penalties for Violations (Ch. 333)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | increase | increase | increase | increase | increase | Minimal abatement expenditures. |
| **SB 733** | **Crimes - Railroad Trespass (Ch. 335)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| **SB 737** | **Education - Adult Education and Literacy Services (Ch. 185)** | | | | | | | |
| | GF | Education | $0 | increase | increase | increase | increase | Significant increase depending upon the formula used by MSDE to calculate the need and cost for adult education services. |
| **SB 747** | **Public Safety - Mandatory Supervision - Diminution Credits and Sentences (Ch. 485)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | $0 | $0 | increase | increase | increase | Potential significant incarceration costs. |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **SB 772** | **Workers' Compensation – Workers' Compensation Commission - Budget Process (Ch. 487)** | | | | | | | |
| | GF | Workers' Compensation Commission | ($20,657,333) | decrease | decrease | decrease | decrease | Assumed in FY 2003 budget; GF revenues decrease by an equal amount. |
| | SF | Workers' Compensation Commission | $20,657,333 | increase | increase | increase | increase | Included in FY 2003 budget. |
| **SB 801** | **Crimes - First Degree Rape and Sexual Offense - Subsequent Offenders - Imprisonment for Life Without the Possibility of Parole (Ch. 187)** | | | | | | | |
| | GF | Public Defender | increase | increase | increase | increase | increase | Trial defense costs. |
| **SB 856** | **Bridge to Excellence in Public Schools Act (Ch. 288)** | | | | | | | |
| | GF | Education | $492,067 | $147,979,986 | $365,030,338 | $639,935,202 | $948,739,764 | Included in FY 2003 budget. |
| | SF | Education | $74,656,835 | $0 | $0 | $0 | $0 | Included in FY 2003 budget. |
| **SB 868** | **Employees' Pension System - Participating Governmental Units - Contributory Pension Benefit (Ch. 341)** | | | | | | | |
| | GF | Retirement Agency | increase | $0 | $0 | $0 | $0 | Minimal administrative costs. |
| **SJ 6/HJ 7** | **Governor's Salary Commission - Salary Recommendations for Governor and Lieutenant Governor (Ch. 3/Ch. 4)** | | | | | | | |
| | GF | All or Multiple Agencies | $14,388 | $33,572 | $43,164 | $52,755 | $57,552 | |
| **SJ 8/HJ 10** | **State Highways - Intercounty Connector - Restart of Environmental Impact Statement Process (Ch. 14/Ch. 15)** | | | | | | | |
| | SF | Transportation | increase | increase | increase | increase | increase | Significant costs for highway study, consultant. |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 4** | **Vehicle Laws - Drunk Driving - Repeat Offenders (Ch. 110)** | | | | | | | |
| | GF | All or Multiple Agencies | increase | increase | increase | increase | increase | Minimal treatment costs. |
| | SF | Transportation | $25,122 | $640,200 | $616,785 | $630,724 | $645,194 | |
| **HB 7** | **Education - Principal Training Pilot Program (Ch. 344)** | | | | | | | |
| | GF | Education | $183,425 | $178,286 | $178,934 | $0 | $0 | |
| **HB 15** | **Education - Teacher Salary Signing Bonus - Eligibility Requirements (Ch. 345)** | | | | | | | |
| | GF | Education | $0 | $150,000 | $150,000 | $150,000 | $150,000 | |
| **HB 39** | **Circuit Court Clerks - Salary (Ch. 27)** | | | | | | | |
| | GF | Judiciary | $154,700 | $265,300 | $265,300 | $265,300 | $265,300 | |
| **HB 66** | **Caroline County - Treasurer - Salary (Ch. 28)** | | | | | | | |
| | SF | Retirement Agency | $0 | $316 | $316 | $316 | $316 | |
| **HB 79** | **New Home Builders - Regulation (Ch. 492)** | | | | | | | |
| | SF | Attorney General's Office | $52,230 | $63,445 | $66,203 | $69,128 | $72,234 | |
| **HB 84** | **Maryland Children's Health Program - Employer-Sponsored Health Benefit Plans - Employer Contribution (Ch. 197)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | decrease | decrease | decrease | decrease | decrease | Minimal Medicaid expenditure reduction. |
| | FF | Hlth. & Mental Hyg. | decrease | decrease | decrease | decrease | decrease | Minimal Medicaid expenditure reduction. |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 93** | **Higher Education - Private Donation Incentive Program - University of Maryland Baltimore County (Ch. 202)** | | | | | | | |
| | GF | Higher Ed. Comm. | $0 | $500,000 | $0 | $0 | $0 | |
| **HB 98** | **Fireworks - Permits for Display - Late Fees (Ch. 31)** | | | | | | | |
| | GF | State Police | $0 | ($4,366) | ($7,641) | ($10,097) | ($11,939) | |
| **HB 135** | **Public Service Commission - Orders - Public Utility Regulation Fund and Filing Fees (Ch. 494)** | | | | | | | |
| | GF | Public Srvc. Comm. | ($12,837,799) | decrease | decrease | decrease | decrease | Assumed in FY 2003 budget; GF revenues decrease by an equal amount. |
| | SF | Public Srvc. Comm. | $12,837,799 | increase | increase | increase | increase | Included in FY 2003 budget. |
| **HB 164** | **Task Force to Study the State's Retiree Health Insurance Liabilities (Ch. 348)** | | | | | | | |
| | SF | Retirement Agency | $52,000 | $0 | $0 | $0 | $0 | |
| **HB 179** | **Higher Education - Community Colleges - Unrestricted Grants (Ch. 350)** | | | | | | | |
| | GF | Higher Ed. Comm. | $600,000 | $600,000 | $600,000 | $0 | $0 | Included in FY 2003 budget. |
| **HB 181** | **State Employee and Retiree Health and Welfare Benefits Program - Eligibility for Enrollment and Participation (Ch. 497)** | | | | | | | |
| | GF | Budget & Mgt. | $14,611 | $19,823 | $20,811 | $21,870 | $23,004 | |
| **HB 216** | **Law Enforcement Officers' Pension System - Membership (Ch. 353)** | | | | | | | |
| | GF | Morgan St. Univ. | $14,998 | $14,027 | $14,727 | $15,464 | $16,236 | |
| | GF | Natural Resources | $14,998 | $14,027 | $14,727 | $15,464 | $16,236 | |
| | GF | Univ. Sys. of MD. | $134,985 | $126,246 | $132,546 | $139,173 | $146,127 | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 247** | **Arthritis Prevention and Control Act (Ch. 215)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | $356,704 | $461,676 | $471,739 | $482,286 | $439,361 | |
| **HB 256/SB 345** | **See entry for SB 345.** | | | | | | | |
| **HB 274** | **Caroline County – State's Attorney - Salary (Ch. 216)** | | | | | | | |
| | GF | Retirement Agency | $551 | $1,102 | $1,102 | $1,102 | $1,102 | |
| **HB 291** | **Community Right-to-Know Fund (Ch. 434)** | | | | | | | |
| | SF | Environment | $835,787 | $800,000 | $800,000 | $800,000 | $800,000 | Included in FY 2003 budget. |
| **HB 292** | **Maryland National Guard Readiness Act (Ch. 101)** | | | | | | | |
| | GF | Budget & Mgt. | increase | increase | increase | increase | increase | Minimal death benefit expenditure. |
| **HB 300** | **Higher Education - Edward T. Conroy Memorial Scholarship Program - Eligibility (Ch. 99)** | | | | | | | |
| | GF | Higher Ed. Comm. | $76,000 | $76,000 | $76,000 | $76,000 | $76,000 | |
| **HB 301** | **Atlantic Coastal Bays Protection Act (Ch. 433)** | | | | | | | |
| | GF | Natural Resources | $391,038 | $296,514 | $308,813 | $321,831 | $335,614 | |
| **HB 322** | **Vehicle Laws - Commercial Drivers' Licenses - Special School Bus Endorsement (Ch. 217)** | | | | | | | |
| | SF | Transportation | $151,500 | $0 | $0 | $0 | $0 | |
| **HB 341** | **Maryland National Guard - Active Service - September 11th Service Bar (Ch. 103)** | | | | | | | |
| | GF | Military Dept. | $6,000 | $0 | $0 | $0 | $0 | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 353** | **Oysters - Nonnative and Native Species - Research and Report (Ch. 508)** | | | | | | | |
| | GF/SF/FF | Natural Resources | increase | increase | increase | $0 | $0 | Significant expenditures for studies. |
| **HB 357** | **Kent County - Treasurer - Salary (Ch. 61)** | | | | | | | |
| | GF | Retirement Agency | $72 | $215 | $359 | $502 | $574 | |
| **HB 358** | **Crimes - Fraud - Personal Identifying Information (Ch. 509)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| **HB 359** | **State Employees - Contractual Employees - Break In Service (Ch. 584)** | | | | | | | |
| | GF | All or Multiple Agencies | increase | increase | increase | increase | increase | Minimal personnel expenditures. |
| **HB 361** | **Department of Health and Mental Hygiene - Biological Agents Registry Program (Ch. 361)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | $94,973 | $108,746 | $113,481 | $118,522 | $123,895 | |
| **HB 399** | **Higher Education - Student Financial Assistance - Eligibility (Ch. 314)** | | | | | | | |
| | GF | Higher Ed. Comm. | increase | increase | increase | increase | increase | Potential scholarship expenditures. |
| **HB 420** | **Department of Health and Mental Hygiene - Asthma Control Program (Ch. 366)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | $0 | $0 | $700,435 | $726,316 | $737,894 | |
| **HB 422/SB 5** | **See entry for SB 5.** | | | | | | | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 430** | **Militia - Honor Guard - Compensation (Ch. 104)** | | | | | | | |
| | GF | Military Dept. | $28,000 | $28,850 | $29,700 | $30,600 | $31,500 | |
| **HB 454** | **Community Services Reimbursement Rate Commission - Termination Date Extension and Modifications (Ch. 370)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | $102,314 | $151,452 | $152,966 | $38,624 | $0 | $47,638 included in FY 2003 budget. |
| **HB 483** | **Mental Hygiene - Maryland Mental Health Crisis Response System (Ch. 371)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | $0 | $250,000 | $250,000 | $250,000 | $250,000 | |
| | SF | Hlth. & Mental Hyg. | $88,558 | $2,850,600 | $5,893,100 | $9,115,450 | $9,391,700 | |
| | FF | Hlth. & Mental Hyg. | $88,558 | $2,850,600 | $5,893,100 | $9,115,450 | $9,391,700 | |
| **HB 514** | **Vehicle Laws - Special Registration Plates for Farm Trucks - Maryland Agriculture (Ch. 372)** | | | | | | | |
| | SF | Transportation | $10,640 | $0 | $0 | $0 | $0 | |
| **HB 530** | **Family Investment Program - Earned Income Disregard (Ch. 229)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | $0 | $50,825 | $54,383 | $58,190 | $62,264 | |
| | FF | Hlth. & Mental Hyg. | $0 | $50,825 | $54,383 | $58,190 | $64,263 | |
| | FF | Human Resources | $227,665 | $229,942 | $232,241 | $234,563 | $236,909 | |
| **HB 533** | **Maryland Physician Assistants Act - Revisions (Ch. 374)** | | | | | | | |
| | SF | Hlth. & Mental Hyg. | $84,360 | $14,352 | $53,083 | $14,456 | $53,666 | |
| **HB 536** | **Natural Resources - Submerged Aquatic Vegetation (Ch. 527)** | | | | | | | |
| | SF | Natural Resources | $0 | $12,075 | $8,625 | $8,711 | $8,798 | |
| **HB 559/SB 646** | **See entry for SB 646.** | | | | | | | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 602** | **Maryland Safe Haven Act of 2002 (Ch. 442)** | | | | | | | |
| | GF | Hlth. & Mental Hyg. | $120,000 | $0 | $0 | $0 | $0 | |
| **HB 637** | **Prince George's County – State's Attorney's Office - Composition and Salaries PG 309-02 (Ch. 531)** | | | | | | | |
| | GF | Retirement Agency | $161 | $321 | $482 | $964 | $964 | |
| **HB 652** | **Pilot Program for Long-Term Employment of Qualified Ex-Felons (Ch. 533)** | | | | | | | |
| | GF | Labor Lic. & Reg. | $12,600 | $12,600 | $12,600 | $0 | $0 | |
| **HB 661/SB 453** | **See entry for SB 453.** | | | | | | | |
| **HB 663** | **Interim Domestic Violence Orders and Interim Peace Orders - Issuance by District Court Commissioners (Ch. 235)** | | | | | | | |
| | GF | Judiciary | increase | increase | increase | increase | increase | Minimal computer, research, and training costs. |
| **HB 683** | **Child Support - Financial Institutions - Garnishment of Accounts (Ch. 536)** | | | | | | | |
| | GF | Human Resources | $125,984 | $41,908 | $42,328 | $42,751 | $43,178 | |
| | FF | Human Resources | $244,556 | $81,352 | $82,165 | $82,986 | $83,817 | |
| **HB 692** | **Health Insurance - Habilitative Services - Modification and Clarification (Ch. 382)** | | | | | | | |
| | GF/SF/FF | All or Multiple Agencies | increase | increase | increase | increase | increase | Minimal State Employee Health Benefits Plan expenditure increase. |
| **HB 704** | **Business Occupations and Professions - Real Estate Salespersons and Associate Real Estate Brokers - Use of Trade Name (Ch. 583)** | | | | | | | |
| | GF | Labor Lic. & Reg. | $15,000 | $0 | $0 | $0 | $0 | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 714** | **Unemployment Insurance - Maximum Benefit (Ch. 239)** | | | | | | | |
| | NB | Labor Lic. & Reg. | $7,618,388 | $25,618,852 | $30,033,444 | $31,539,259 | $30,944,314 | Nonbudgeted funds. |
| **HB 715** | **Maryland Money Transmission Act (Ch. 539)** | | | | | | | |
| | SF | Labor Lic. & Reg. | $83,110 | $111,575 | $116,189 | $121,101 | $126,338 | |
| **HB 728** | **Credit Unions - Credit Union Insurance Corporation - Credit Union Share Guaranty Corporations (Ch. 540)** | | | | | | | |
| | GF | All or Multiple Agencies | $3,000 | $0 | $3,000 | $0 | $3,000 | |
| **HB 752** | **Health - Nursing Facilities - Information About Home-Based and Community-Based Services (Ch. 84)** | | | | | | | |
| | GF/FF | Hlth. & Mental Hyg. | decrease | decrease | decrease | decrease | decrease | Minimal Medicaid expenditure reduction. |
| **HB 764** | **Maryland-National Capital Park and Planning Commission - Citations - Hunting PG/MC 119-02 (Ch. 86)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| **HB 781** | **Physicians and Pharmacists - Therapy Management Contracts (Ch. 249)** | | | | | | | |
| | SF | Hlth. & Mental Hyg. | $2,700 | $2,700 | $2,700 | $2,700 | $2,700 | |
| **HB 805** | **Reimbursement of Health Care Providers (Ch. 250)** | | | | | | | |
| | SF | Hlth. & Mental Hyg. | $200,000 | $0 | $0 | $0 | $0 | |
| **HB 811** | **Alcoholic Beverages - Direct Wine Seller's Permit (Ch. 251)** | | | | | | | |
| | GF | Comptroller | $15,800 | $1,800 | $1,800 | $1,800 | $1,800 | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 828** | **Academic Facilities Bonding Authority (Ch. 393)** | | | | | | | |
| | HE | Morgan St. Univ. | $1,004,152 | $1,004,152 | $1,004,152 | $1,004,152 | $1,004,152 | |
| | HE | Univ. Sys. of MD. | $8,229,631 | $8,229,631 | $8,229,631 | $8,229,631 | $8,229,631 | |
| **HB 853** | **Primary and Secondary Education - Baltimore City-State Partnership (Ch. 545)** | | | | | | | |
| | GF | Education | $0 | $0 | $0 | $387,000 | $193,000 | |
| **HB 854** | **Public Safety - Mandatory Supervision - Diminution Credits and Sentences (Ch. 486)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | $0 | $0 | increase | increase | increase | Potential significant incarceration costs. |
| **HB 884** | **High Occupancy Vehicle (HOV) Lanes - Use by Inherently Low Emission Vehicles (Ch. 549)** | | | | | | | |
| | SF | Transportation | $6,000 | $0 | $0 | $0 | $0 | |
| **HB 887** | **Workers' Compensation - Partly Dependent Individuals - Death Benefit (Ch. 550)** | | | | | | | |
| | GF/SF/FF | All or Multiple Agencies | increase | increase | increase | increase | increase | Minimal increase in benefit payments. |
| **HB 892/SB 208** | **See entry for SB 208.** | | | | | | | |
| **HB 896** | **Health Insurance - Mental Illness - Coverage for Residential Crisis Services (Ch. 394)** | | | | | | | |
| | GF | All or Multiple Agencies | $151,200 | $225,792 | $252,887 | $283,233 | $317,221 | |
| | GF/FF | Hlth. & Mental Hyg. | decrease | decrease | decrease | decrease | decrease | Minimal decrease for mental health services. |
| | SF | All or Multiple Agencies | $50,400 | $75,264 | $84,296 | $94,411 | $105,740 | |
| | FF | All or Multiple Agencies | $50,400 | $75,264 | $84,296 | $94,411 | $105,740 | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 899** | **Maryland National Guard - Tuition Assistance (Ch. 105)** | | | | | | | |
| | GF | Military Dept. | $20,440 | $20,650 | $20,850 | $21,050 | $21,270 | |
| **HB 949** | **Prince George's County School System - Education - Management , Governance, and Financing PG 415-02 (Ch. 289)** | | | | | | | |
| | GF | Education | ($310,000) | $300,000 | $488,000 | $677,000 | $300,000 | |
| **HB 962** | **Juvenile Causes - Treatment Service Plans (Ch. 397)** | | | | | | | |
| | GF | Juvenile Justice | increase | increase | increase | increase | increase | Significant placement expenditures. |
| **HB 965** | **Morgan State University - Establishment and Funding of Distinguished Scholar Position (Ch. 398)** | | | | | | | |
| | HE | Morgan St. Univ. | $0 | $138,199 | $133,499 | $133,534 | $133,569 | |
| **HB 968** | **Juvenile Causes - Children in Need of Assistance - Termination of Permanency Plan Review (Ch. 399)** | | | | | | | |
| | GF | Human Resources | decrease | decrease | decrease | decrease | decrease | Minimal reduction of hearing costs. |
| **HB 986** | **Child Care Quality Incentive Grant Program (Ch. 256)** | | | | | | | |
| | FF | Human Resources | $200,000 | $200,000 | $200,000 | $200,000 | $200,000 | Included in FY 2003 budget. |
| **HB 994** | **Organically Produced Commodities (Ch. 257)** | | | | | | | |
| | SF | Agriculture | $22,800 | $26,400 | $30,000 | $33,600 | $37,200 | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 1011** | **Baltimore City Juvenile Justice Center - Intake - Assessment - Detention (Ch. 554)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | $208,906 | $215,891 | $226,983 | $238,887 | $251,682 | Additional $10,214,040 included in FY 2003 budget for Juvenile Justice expenditures. |
| **HB 1014/SB 658** | **See entry for SB 658.** | | | | | | | |
| **HB 1080** | **Criminal Law - Housing Assistance - Fraud (Ch. 556)** | | | | | | | |
| | GF | All or Multiple Agencies | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| **HB 1131** | **Local Land Preservation Programs (Ch. 264)** | | | | | | | |
| | GF/SF/FF | Natural Resources | increase | increase | increase | increase | increase | Administrative expenditures and matching funds. |
| **HB 1147** | **Crimes - Subsequent Sexual Offenders - Sentences (Ch. 266)** | | | | | | | |
| | GF | Public Defender | increase | increase | increase | increase | increase | Potential significant trial defense costs. |
| **HB 1172** | **Higher Education - Teaching Assistants - Eligibility for the Maryland Teacher Scholarship Program (Ch. 410)** | | | | | | | |
| | GF | Higher Ed. Comm. | $2,975,368 | $2,982,277 | $2,984,409 | $2,986,685 | $2,989,121 | |
| **HB 1192** | **Health Insurance - Coverage Under Medical Support Notices (Ch. 411)** | | | | | | | |
| | GF | Human Resources | $18,440 | $6,518 | $6,583 | $6,649 | $6,715 | |
| | FF | Human Resources | $35,795 | $12,652 | $12,778 | $12,906 | $13,036 | |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 1197** | **Public Schools - Technology for Education (Ch. 412)** | | | | | | | |
| | GF | Education | $275,944 | $297,519 | $302,728 | $308,260 | $314,142 | |
| **HB 1217** | **Housing and Community Development - Maryland Home Financing Program - Mortgage Sales (Ch. 274)** | | | | | | | |
| | SF | Housing & Commty Dvlpt. | increase | increase | increase | increase | increase | Loan disbursements and personnel costs. |
| **HB 1221** | **Education - Disabled Children - Nonpublic Educational Programs and Related Services (Ch. 563)** | | | | | | | |
| | GF | Education | $369,600 | $384,400 | $399,800 | $415,700 | $432,400 | |
| **HB 1228** | **Health Insurance Safety Net Act of 2002 (Ch. 153)** | | | | | | | |
| | SF | Insur. Admin. | $471,000 | $76,065,028 | $82,339,580 | $89,167,350 | $96,600,745 | Included in FY 2003 budget. |
| **HB 1237** | **Higher Education - Community Colleges - Innovative Partnerships for Technology Program (Ch. 413)** | | | | | | | |
| | GF | Higher Ed. Comm. | $0 | $0 | $1,650,000 | $1,650,000 | $1,650,000 | |
| **HB 1256** | **Maryland Stadium Authority - Hippodrome Performing Arts Center (Ch. 417)** | | | | | | | |
| | GF | Stadium Authority | $0 | $401,000 | $802,000 | $802,000 | $802,000 | |
| **HB 1265** | **State Commission on Public Safety Technology and Critical Infrastructure (Ch. 277)** | | | | | | | |
| | GF | Executive Department | $50,000 | $50,000 | $50,000 | $50,000 | $0 | |
| **HB 1302** | **Sexual Crimes - Continuing Course of Conduct Against a Child (Ch. 278)** | | | | | | | |
| | GF | Public Sfty & Corr. Srvcs. | increase | increase | increase | increase | increase | Minimal incarceration costs. |

# Legislation Affecting State Expenditures

| | Fund Type | Agency | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Comments |
|---|---|---|---|---|---|---|---|---|
| **HB 1403** | **State Police Retirement System - Transfers of Service Credit - Time Limitations - Exception (Ch. 426)** | | | | | | | |
| | GF | State Police | $0 | increase | increase | increase | increase | Minimal increase in pension costs. |
| **HB 1442** | **Law Enforcement Officers' Pension System and State Police Retirement System - Death Benefits (Ch. 102)** | | | | | | | |
| | GF | All or Multiple Agencies | $0 | $109,600 | $114,400 | $120,800 | $126,400 | |
| | GF | State Police | $0 | $32,960 | $34,608 | $36,338 | $38,155 | |
| | SF | All or Multiple Agencies | $0 | $27,400 | $28,600 | $30,200 | $31,600 | |
| | SF | State Police | $0 | $8,240 | $8,652 | $9,084 | $9,539 | |
| **HB 1444** | **State Employees - Leave Provisions (Ch. 285)** | | | | | | | |
| | GF/SF/FF | None | increase | increase | increase | increase | increase | Minimal personnel costs. |
| **HJ 7/SJ 6** | **See entry for SJ 6.** | | | | | | | |
| **HJ 10/SJ 8** | **See entry for SJ 8.** | | | | | | | |

# Expenditures by Agency

| Agency | Fund Type | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|---|---|---|---|---|---|---|
| **Aging** | | | | | | |
| | FF | $1,538,971 | $1,545,027 | $1,546,041 | $0 | $0 |
| **Agriculture** | | | | | | |
| | SF | $22,800 | $26,400 | $30,000 | $33,600 | $37,200 |
| **All or Multiple Agencies** | | | | | | |
| | GF | ($78,250,382)[1] | ($59,727,383) | ($48,643,200) | ($37,306,623) | ($36,000,828) |
| | SF | $33,562,576[2] | ($5,466,119) | ($5,454,014) | ($5,440,337) | ($5,425,552) |
| | FF | ($5,555,777)[3] | ($5,498,573) | ($5,487,921) | ($5,476,109) | ($5,463,003) |
| **Attorney General's Office** | | | | | | |
| | SF | $52,230 | $63,445 | $66,203 | $69,128 | $72,234 |
| **Baltimore City Community College** | | | | | | |
| | GF | ($298,600) | ($317,584) | ($337,599) | ($358,698) | ($380,935) |
| **Budget & Mgt.** | | | | | | |
| | GF | $14,611 | $19,823 | $20,811 | $21,870 | $23,004 |
| **Comptroller** | | | | | | |
| | GF | $15,800 | $1,800 | $1,800 | $1,800 | $1,800 |

[1] ($79,237,659) assumed in FY 2003 budget.
[2] $33,512,176 included in FY 2003 budget.
[3] ($5,606,177) assumed in FY 2003 budget.

## Expenditures by Agency (cont'd.)

| Agency | Fund Type | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|---|---|---|---|---|---|---|
| **Education** | | | | | | |
| | GF | $1,222,828[4] | $151,410,500 | $372,235,330 | $651,230,973 | $963,075,905 |
| | SF | $74,656,835[5] | $0 | $0 | $0 | $0 |
| **Environment** | | | | | | |
| | SF | $835,787[6] | $800,000 | $800,000 | $800,000 | $800,000 |
| | BOND | $1,000,000 | $0 | $0 | $0 | $0 |
| **Executive Department** | | | | | | |
| | GF | $134,692 | $76,814 | $50,000 | $50,000 | $0 |
| **Gen. Services** | | | | | | |
| | GF | $0 | $78,687 | $61,708 | $64,412 | $67,290 |
| **Higher Ed. Comm.** | | | | | | |
| | GF | $3,832,968[7] | $5,101,466 | $7,485,404 | $8,201,707 | $8,952,963 |
| **Hlth. & Mental Hyg.** | | | | | | |
| | GF | $1,395,132[8] | $2,098,060 | $3,840,778 | $3,921,156 | $4,013,305 |
| | SF | $375,618 | $2,867,652 | $5,948,883 | $9,132,606 | $9,448,066 |
| | FF | $343,558 | $3,921,425 | $7,987,483 | $11,360,520 | $11,792,783 |

[4] $492,067 included in FY 2003 budget.
[5] Included in FY 2003 budget.
[6] Included in FY 2003 budget.
[7] $600,000 included in FY 2003 budget.
[8] $47,638 included in FY 2003 budget.

## Expenditures by Agency (cont'd.)

| Agency | Fund Type | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|---|---|---|---|---|---|---|
| **Human Resources** | | | | | | |
| | GF | $144,424 | $48,426 | $48,911 | $49,400 | $49,893 |
| | FF | $708,016[9] | $523,946 | $527,184 | $530,455 | $533,762 |
| **Insur. Admin.** | | | | | | |
| | SF | $471,000[10] | $76,065,028 | $82,339,580 | $89,167,350 | $96,600,745 |
| **Judiciary** | | | | | | |
| | GF | $154,700 | $436,613 | $703,592 | $5,174,680 | $5,174,680 |
| **Labor Lic. & Reg.** | | | | | | |
| | GF | $42,600 | $12,600 | $12,600 | $0 | $0 |
| | SF | $83,110 | $111,575 | $116,189 | $121,101 | $126,338 |
| | NB | $7,618,388 | $25,618,852 | $30,033,444 | $31,539,259 | $30,944,314 |
| **Military Dept.** | | | | | | |
| | GF | $54,440 | $49,500 | $50,550 | $51,650 | $52,770 |
| **Morgan St. Univ.** | | | | | | |
| | GF | $14,998 | $14,027 | $14,727 | $15,464 | $16,236 |
| | HE | $1,004,152 | $1,142,351 | $1,137,651 | $1,137,686 | $1,137,721 |
| **Natural Resources** | | | | | | |
| | GF | $406,036 | $310,541 | $323,540 | $337,295 | $351,850 |
| | SF | $128,918 | $120,993 | $117,543 | $117,629 | $117,716 |

[9] $200,000 included in FY 2003 budget.
[10] Included in FY 2003 budget.

## Expenditures by Agency (cont'd.)

| Agency | Fund Type | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|---|---|---|---|---|---|---|
| **Public Sfty & Corr. Srvcs.** | | | | | | |
| | GF | $208,906 | $215,891 | $226,983 | $238,887 | $251,682 |
| **Public Srvc. Comm.** | | | | | | |
| | GF | ($12,837,799)[11] | $0 | $0 | $0 | $0 |
| | SF | $12,837,799[12] | $0 | $0 | $0 | $0 |
| **Retirement Agency** | | | | | | |
| | GF | $784 | $1,695 | $2,058 | $2,740 | $2,870 |
| | SF | $102,000 | $316 | $316 | $316 | $316 |
| **Stadium Authority** | | | | | | |
| | GF | $0 | $401,000 | $802,000 | $802,000 | $802,000 |
| **State Police** | | | | | | |
| | GF | $66,600 | $322,222 | $26,967 | $26,241 | $26,216 |
| | SF | $750,000 | $8,240 | $8,652 | $9,084 | $9,539 |
| | FF | $750,000 | $0 | $0 | $0 | $0 |
| **Transportation** | | | | | | |
| | SF | $263,257 | $679,700 | $658,385 | $674,524 | $691,394 |
| | FF | $183,120 | $0 | $0 | $0 | $0 |

[11] Assumed in FY 2003 budget.
[12] Included in FY 2003 budget.

## Expenditures by Agency (cont'd.)

| Agency | Fund Type | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|---|---|---|---|---|---|---|
| **Univ. Sys. of MD.** | | | | | | |
| | GF | $134,985 | $126,246 | $132,546 | $139,173 | $146,127 |
| | HE | $8,229,631 | $8,229,631 | $8,229,631 | $8,229,631 | $8,229,631 |
| **Workers' Compensation Commission** | | | | | | |
| | GF | ($20,657,333)[13] | $0 | $0 | $0 | $0 |
| | SF | $20,657,333[14] | $0 | $0 | $0 | $0 |

[13] Assumed in FY 2003 budget.
[14] Included in FY 2003 budget.

# Summary of Quantifiable Expenditure Effects

| Fund Type | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 |
|---|---|---|---|---|---|
| GF | ($104,199,610)[15] | $100,680,944 | $337,059,506 | $632,664,127 | $946,626,828 |
| SF | $144,799,263[16] | $75,277,230 | $84,631,737 | $94,685,001 | $102,477,996 |
| FF | ($2,032,112)[17] | $491,825 | $4,572,787 | $6,414,866 | $6,863,542 |

In addition, a total of 34 bills have an unquantifiable GF expenditure impact for FY 2003. Twenty-nine of these represent expenditure increases (three of a significant magnitude); four represent expenditure decreases (none of a significant magnitude); and one has an indeterminate expenditure impact.

[15] $7,393,476 not included in FY 2003 budget.
[16] $1,828,333 not included in FY 2003 budget.
[17] $3,374,065 not included in FY 2003 budget.

# Permanent Positions Needed by Agency

| Agency | Fund Type | Beginning in FY 2003 | Beginning in FY 2004 |
|---|---|---|---|
| **Attorney General's Office** | | | |
| | SF | 1.0 | 0 |
| **Budget & Mgt.** | | | |
| | GF | 0.5 | 0 |
| **Education** | | | |
| | GF | 9.0[1] | 2.0 |
| **Environment** | | | |
| | SF | 2.0[2] | 0 |
| **Gen. Services** | | | |
| | GF | 0.0 | 1.0 |
| **Higher Ed. Comm.** | | | |
| | GF | 1.0 | 0 |
| **Hlth. & Mental Hyg.** | | | |
| | GF | 6.0 | 3.0 |
| **Human Resources** | | | |
| | GF | 2.0 | 0 |
| **Labor Lic. & Reg.** | | | |
| | SF | 2.0 | 0 |

[1] Funding for two of these positions is included in the FY 2003 budget.
[2] Funding for these positions is included in the FY 2003 budget.

## Permanent Positions Needed by Agency (cont'd.)

| Agency | Fund Type | Beginning in FY 2003 | Beginning in FY 2004 |
|---|---|---|---|
| **Morgan St. Univ.** | | | |
| | HE | 0.0 | 1.0 |
| **Natural Resources** | | | |
| | GF | 2.0 | 0 |
| **Public Sfty & Corr. Srvcs.** | | | |
| | GF | 6.0 | 0 |
| **Total** | | 31.5 | 7.0 |

# Contractual Positions Needed by Agency

| Agency | Fund Type | Beginning in FY 2003 | Beginning in FY 2004 |
|---|---|---|---|
| **Aging** | | | |
| | FF | 1.0 | 0 |
| **Education** | | | |
| | GF | 0.5 | 0 |
| **Hlth. & Mental Hyg.** | | | |
| | GF | 1.0 | 0 |
| | SF | 1.0 | 0 |
| **State Police** | | | |
| | GF/SF/FF | 9.0 | 0 |
| | GF | 2.0 | 0 |
| **Total** | | 14.5 | 0 |

# Chapter Four - Local Government

- Overview of State Assistance to Local Governments
- State Aid Patterns
- Changes in State Aid
- State Mandates on Local Governments
- Legislation Affecting Local Government Revenues
- Legislation Affecting Local Government Expenditures

## Overview of State Assistance to Local Governments

State assistance to local governments accounts for approximately 25 percent of State expenditures. This assistance includes direct aid to county and municipal governments, local school systems, libraries, community colleges, and local health departments; and retirement payments made on behalf of local school systems, libraries, and community colleges.

In fiscal 2003, local governments will receive $3.7 billion in direct State aid. This represents a $239.8 million, or 6.8 percent increase over fiscal 2002. The State will also pay $377.7 million for the employer's share of retirement costs for local school teachers, librarians, and community college faculty who are members of either the teachers' retirement or pension systems maintained by the State. These State payments do not go through the local governments but are paid directly to the State Retirement Agency.

The State assumption of functions or responsibilities performed by local governments is another aspect of State/local fiscal relationships. Legislation enacted in 1990 established the Baltimore City Community College as a State agency with State assumption beginning in fiscal 1991. The State previously funded the city's community college through a formula program. Legislation enacted in 1991 authorized the State to assume the costs and operation of the Baltimore City jail and provided for State operation of a central booking facility in Baltimore City by fiscal 1995. State funding for Baltimore City under the police aid formula was discontinued to offset the State costs for these functions. Legislation enacted in 1996 provided a small grant to Baltimore City under the police aid formula beginning in fiscal 1997. The State also increased funding for the Washington Metropolitan area transit system. The mass transit system serving the Baltimore area is operated by the Maryland Department of Transportation. The level of State funding for State assumed functions will total $161.2 million in fiscal 2003.

Overall State assistance to local governments, including the recently assumed costs, totals almost $4.3 billion. This represents a 6.8 percent increase over fiscal 2002. **Exhibit 4.1** provides a summary of State aid since fiscal 1996.

**Exhibit 4.1**
**Summary of State Assistance to Local Governments**
**Fiscal 1996 - 2003**
**($ in Millions)**

| Fiscal Year | Direct State Aid | Retirement Payments on Behalf | Subtotal | Functions Assumed by the State | Total | Percent Change |
|---|---|---|---|---|---|---|
| 1996 | $2,327.3 | $455.6 | $2,782.9 | $102.3 | $2,885.2 | 5.8% |
| 1997 | 2,441.4 | 479.7 | 2,921.2 | 108.9 | 3,030.1 | 5.0% |
| 1998 | 2,659.6 | 474.8 | 3,134.5 | 114.3 | 3,248.9 | 7.2% |
| 1999 | 2,910.2 | 442.5 | 3,352.7 | 124.3 | 3,477.0 | 7.0% |
| 2000 | 3,029.7 | 420.5 | 3,450.3 | 132.6 | 3,582.9 | 3.0% |
| 2001 | 3,273.2 | 389.8 | 3,663.0 | 148.0 | 3,811.1 | 6.4% |
| 2002 | 3,502.9 | 349.9 | 3,852.8 | 154.6 | 4,007.4 | 5.2% |
| 2003 | 3,742.7 | 377.7 | 4,120.4 | 161.2 | 4,281.6 | 6.8% |

Source: Department of Legislative Services

## State Aid Patterns

As **Exhibit 4.2** indicates, the overall composition of State aid changed slightly between fiscal 2002 and 2003. State aid to local school systems accounts for nearly 75.6 percent of total State aid. County and municipal governments receive 17.2 percent of State aid, with most of the aid targeted for transportation, public safety, and park land acquisition and development. Community colleges, libraries, and local health departments account for the remaining 7.2 percent of State aid.

**Exhibit 4.2**
**Changes in State Aid Patterns**
**($ in Millions)**

| | Fiscal 2002 | Percent of Total | Fiscal 2003 | Percent of Total | Percent Increase |
|---|---|---|---|---|---|
| Public Schools | $2,882.7 | 74.8% | $3,112.9 | 75.6% | 8.0% |
| Libraries | 44.8 | 1.2% | 47.4 | 1.2% | 5.8% |
| Community Colleges | 178.5 | 4.6% | 189.8 | 4.6% | 6.3% |
| Local Health | 56.9 | 1.5% | 61.9 | 1.5% | 8.8% |
| General Government | 689.9 | 17.9% | 708.3 | 17.2% | 2.7% |
| **Total** | **$3,852.8** | **100.0%** | **$4,120.4** | **100%** | **6.9%** |

Source: Department of Legislative Services

## Changes in State Aid

Direct aid and retirement payments for local governments will increase by $267.5 million, or 6.9 percent in fiscal 2003. Primarily this reflects statutorily mandated increases in State aid. **Exhibit 4.3** summarizes the distribution of direct State aid by governmental entity. The exhibit also shows the estimated State retirement payments for local employees. **Exhibit 4.4** compares total State aid in fiscal 2002 and 2003 by program.

**Exhibit 4.3**
**State Assistance to Local Governments**
**Fiscal 2003 Legislative Appropriation**
**($ in Thousands)**

| | *Direct State Aid* | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **County** | **General Government** | **Community Colleges** | **Education** | **Libraries** | **Health** | **Subtotal** | **Retirement** | **Total** | **Over FY 2002** | **Percent Change** |
| Allegany | $15,343 | $4,814 | $46,427 | $627 | $1,543 | $68,755 | $4,457 | $73,212 | $5,519 | 8.2% |
| Anne Arundel | 43,276 | 22,375 | 183,225 | 1,808 | 5,228 | 255,913 | 31,158 | 287,071 | 11,215 | 4.1% |
| Baltimore City | 265,230 | 0 | 572,593 | 5,452 | 10,990 | 854,265 | 42,333 | 896,598 | 44,652 | 5.2% |
| Baltimore County | 50,486 | 35,274 | 285,071 | 3,857 | 7,025 | 381,713 | 49,003 | 430,716 | 24,759 | 6.1% |
| Calvert | 12,414 | 1,042 | 49,317 | 301 | 636 | 63,710 | 6,480 | 70,190 | 6,334 | 9.9% |
| Caroline | 7,280 | 964 | 25,130 | 218 | 919 | 34,510 | 2,214 | 36,724 | 3,094 | 9.2% |
| Carroll | 13,564 | 5,319 | 86,342 | 743 | 2,034 | 108,003 | 10,655 | 118,658 | 7,607 | 6.8% |
| Cecil | 7,799 | 3,472 | 56,337 | 518 | 1,369 | 69,494 | 6,356 | 75,850 | 4,970 | 7.0% |
| Charles | 12,376 | 5,792 | 78,384 | 631 | 1,636 | 98,819 | 9,499 | 108,319 | 6,817 | 6.7% |
| Dorchester | 7,500 | 984 | 18,380 | 207 | 723 | 27,794 | 2,164 | 29,958 | 690 | 2.4% |
| Frederick | 18,240 | 6,115 | 110,655 | 854 | 2,497 | 138,361 | 15,292 | 153,653 | 11,768 | 8.3% |
| Garrett | 8,982 | 2,702 | 19,058 | 170 | 766 | 31,678 | 2,210 | 33,888 | 1,512 | 4.7% |
| Harford | 17,259 | 8,020 | 122,633 | 1,143 | 2,853 | 151,908 | 15,570 | 167,478 | 9,071 | 5.7% |
| Howard | 18,084 | 9,433 | 104,633 | 613 | 2,009 | 134,772 | 22,083 | 156,854 | 8,162 | 5.5% |
| Kent | 2,940 | 495 | 8,237 | 83 | 628 | 12,382 | 1,282 | 13,664 | 526 | 4.0% |
| Montgomery | 58,391 | 31,570 | 229,969 | 2,132 | 5,040 | 327,102 | 75,455 | 402,558 | 25,851 | 6.9% |
| Prince George's | 76,434 | 19,437 | 522,253 | 5,229 | 8,146 | 631,499 | 51,509 | 683,008 | 67,606 | 11.0% |
| Queen Anne's | 5,450 | 1,191 | 19,258 | 132 | 701 | 26,732 | 2,902 | 29,634 | 1,007 | 3.5% |
| St. Mary's | 7,491 | 1,591 | 50,374 | 486 | 1,337 | 61,278 | 5,921 | 67,200 | 3,803 | 6.0% |
| Somerset | 7,690 | 527 | 13,976 | 223 | 699 | 23,115 | 1,365 | 24,480 | 1,991 | 8.9% |
| Talbot | 4,597 | 1,145 | 5,749 | 82 | 587 | 12,160 | 2,007 | 14,167 | 624 | 4.6% |
| Washington | 14,355 | 5,350 | 65,751 | 830 | 2,299 | 88,585 | 8,350 | 96,936 | 5,718 | 6.3% |
| Wicomico | 12,267 | 3,165 | 52,762 | 607 | 1,561 | 70,362 | 6,158 | 76,520 | 6,888 | 9.9% |
| Worcester | 7,014 | 1,518 | 9,331 | 116 | 711 | 18,689 | 3,250 | 21,939 | 1,702 | 8.4% |
| Unallocated | 12,477 | 3,490 | 22,553 | 12,558 | 0 | 51,078 | 0 | 51,078 | 5,658 | 12.5% |
| **Total** | **$706,940** | **$175,785** | **$2,758,398** | **$39,620** | **$61,936** | **$3,742,678** | **$377,674** | **$4,120,352** | **$267,544** | **6.9%** |

*Note:* General government includes the municipal share of police aid, highway user revenue and fire aid.

**Exhibit 4.3 (cont'd.)**
**State Assistance to Local Governments**
**Dollar Difference Between Fiscal 2003 Legislative Appropriation & Fiscal 2002 Working Appropriation**
**($ in Thousands)**

| | *Direct State Aid* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **County** | **General Government** | **Community Colleges** | **Education** | **Libraries** | **Health** | **Subtotal** | **Retirement** | **Total** |
| Allegany | $2,245 | $510 | $2,195 | $59 | $169 | $5,178 | $341 | $5,519 |
| Anne Arundel | -1,965 | 1,109 | 9,411 | -11 | 334 | 8,878 | 2,337 | 11,215 |
| Baltimore City | 14,269 | 0 | 26,405 | 278 | 617 | 41,569 | 3,083 | 44,652 |
| Baltimore County | -2,102 | 2,252 | 20,389 | 349 | 215 | 21,103 | 3,656 | 24,759 |
| Calvert | -47 | 78 | 5,674 | 7 | 119 | 5,831 | 504 | 6,334 |
| Caroline | 147 | 59 | 2,582 | -2 | 142 | 2,928 | 165 | 3,094 |
| Carroll | -406 | 554 | 6,487 | -61 | 245 | 6,819 | 788 | 7,607 |
| Cecil | -98 | 154 | 4,253 | 15 | 172 | 4,495 | 475 | 4,970 |
| Charles | -247 | 435 | 5,739 | -15 | 196 | 6,108 | 709 | 6,817 |
| Dorchester | -45 | 60 | 423 | 10 | 79 | 527 | 163 | 690 |
| Frederick | 52 | 106 | 10,107 | 24 | 343 | 10,632 | 1,136 | 11,768 |
| Garrett | 32 | 393 | 726 | 4 | 190 | 1,345 | 166 | 1,512 |
| Harford | -549 | 148 | 8,161 | -35 | 193 | 7,918 | 1,153 | 9,071 |
| Howard | -1,284 | 706 | 6,937 | -19 | 163 | 6,502 | 1,659 | 8,162 |
| Kent | -5 | 30 | 263 | -2 | 144 | 431 | 96 | 526 |
| Montgomery | -3,099 | 1,877 | 21,352 | 66 | 395 | 20,591 | 5,260 | 25,851 |
| Prince George's | 5,403 | 342 | 57,444 | 313 | 228 | 63,729 | 3,877 | 67,606 |
| Queen Anne's | -11 | 73 | 660 | -15 | 83 | 790 | 217 | 1,007 |
| St. Mary's | -103 | 119 | 3,324 | -43 | 67 | 3,365 | 438 | 3,803 |
| Somerset | 555 | 49 | 1,236 | 8 | 43 | 1,890 | 101 | 1,991 |
| Talbot | -68 | 70 | 339 | 1 | 133 | 474 | 150 | 624 |
| Washington | 1,171 | 273 | 3,323 | 44 | 282 | 5,093 | 625 | 5,718 |
| Wicomico | 2,071 | 291 | 3,771 | 72 | 224 | 6,429 | 459 | 6,888 |
| Worcester | -77 | 140 | 1,170 | 8 | 219 | 1,460 | 242 | 1,702 |
| Unallocated | 2,370 | 171 | 1,571 | 1,546 | 0 | 5,658 | 0 | 5,658 |
| **Total** | **$18,207** | **$9,999** | **$203,942** | **$2,603** | **$4,993** | **$239,745** | **$27,799** | **$267,544** |

*Note:* General government includes the municipal share of police aid, highway user revenue and fire aid.

**Exhibit 4.3 (cont'd.)**
**State Assistance to Local Governments**
**Percent Change: Fiscal 2003 Legislative Appropriation over Fiscal 2002 Working Appropriation**

| | *Direct State Aid* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **County** | **General Government** | **Community Colleges** | **Education** | **Libraries** | **Health** | **Subtotal** | **Retirement** | **Total** |
| Allegany | 17.1% | 11.8% | 5.0% | 10.4% | 12.3% | 8.1% | 8.3% | 8.2% |
| Anne Arundel | -4.3% | 5.2% | 5.4% | -0.6% | 6.8% | 3.6% | 8.1% | 4.1% |
| Baltimore City | 5.7% | n.a. | 4.8% | 5.4% | 5.9% | 5.1% | 7.9% | 5.2% |
| Baltimore County | -4.0% | 6.8% | 7.7% | 10.0% | 3.2% | 5.9% | 8.1% | 6.1% |
| Calvert | -0.4% | 8.1% | 13.0% | 2.2% | 22.9% | 10.1% | 8.4% | 9.9% |
| Caroline | 2.1% | 6.5% | 11.5% | -0.8% | 18.3% | 9.3% | 8.1% | 9.2% |
| Carroll | -2.9% | 11.6% | 8.1% | -7.6% | 13.7% | 6.7% | 8.0% | 6.8% |
| Cecil | -1.2% | 4.6% | 8.2% | 3.0% | 14.3% | 6.9% | 8.1% | 7.0% |
| Charles | -2.0% | 8.1% | 7.9% | -2.4% | 13.6% | 6.6% | 8.1% | 6.7% |
| Dorchester | -0.6% | 6.5% | 2.4% | 5.0% | 12.3% | 1.9% | 8.2% | 2.4% |
| Frederick | 0.3% | 1.8% | 10.1% | 2.9% | 15.9% | 8.3% | 8.0% | 8.3% |
| Garrett | 0.4% | 17.0% | 4.0% | 2.3% | 33.0% | 4.4% | 8.1% | 4.7% |
| Harford | -3.1% | 1.9% | 7.1% | -2.9% | 7.2% | 5.5% | 8.0% | 5.7% |
| Howard | -6.6% | 8.1% | 7.1% | -3.0% | 8.8% | 5.1% | 8.1% | 5.5% |
| Kent | -0.2% | 6.5% | 3.3% | -1.9% | 29.8% | 3.6% | 8.1% | 4.0% |
| Montgomery | -5.0% | 6.3% | 10.2% | 3.2% | 8.5% | 6.7% | 7.5% | 6.9% |
| Prince George's | 7.6% | 1.8% | 12.4% | 6.4% | 2.9% | 11.2% | 8.1% | 11.0% |
| Queen Anne's | -0.2% | 6.5% | 3.5% | -9.9% | 13.4% | 3.0% | 8.1% | 3.5% |
| St. Mary's | -1.4% | 8.1% | 7.1% | -8.1% | 5.3% | 5.8% | 8.0% | 6.0% |
| Somerset | 7.8% | 10.1% | 9.7% | 3.8% | 6.5% | 8.9% | 8.0% | 8.9% |
| Talbot | -1.5% | 6.5% | 6.3% | 1.2% | 29.2% | 4.1% | 8.1% | 4.6% |
| Washington | 8.9% | 5.4% | 5.3% | 5.6% | 14.0% | 6.1% | 8.1% | 6.3% |
| Wicomico | 20.3% | 10.1% | 7.7% | 13.6% | 16.7% | 10.1% | 8.1% | 9.9% |
| Worcester | -1.1% | 10.1% | 14.3% | 7.8% | 44.7% | 8.5% | 8.0% | 8.4% |
| Unallocated | 23.4% | 5.2% | 7.5% | 14.0% | n.a. | 12.5% | n.a. | 12.5% |
| **TOTAL** | **2.6%** | **6.0%** | **8.0%** | **7.0%** | **8.8%** | **6.8%** | **7.9%** | **6.9%** |

*Note:* General government includes the municipal share of police aid, highway user revenue and fire aid.
Source: Department of Legislative Services

**Exhibit 4.4**

## Total State Assistance to Local Governments

**Direct State Aid**

| Program | FY 2002 | FY 2003 | Difference |
|---|---|---|---|
| Current Expense Aid | $1,681,230,578 | $1,764,230,813 | $83,000,235 |
| Compensatory Education | 117,123,662 | 141,945,669 | 24,822,007 |
| School Transportation - regular | 127,766,954 | 133,156,684 | 5,389,730 |
| School Transportation - special education | 5,556,500 | 5,740,500 | 184,000 |
| Special Education - formula | 81,253,345 | 81,253,345 | 0 |
| Special Education - nonpublic placements | 95,358,691 | 100,691,229 | 5,332,538 |
| Special Education - infants and toddlers | 433,250 | 5,199,999 | 4,766,749 |
| Limited English Proficiency Grants | 30,057,750 | 34,156,350 | 4,098,600 |
| Additional Poverty Grants | 18,163,360 | 18,163,360 | 0 |
| Targeted Poverty Grants | 8,000,000 | 8,000,000 | 0 |
| Magnet Schools | 16,100,000 | 16,100,000 | 0 |
| Extended Elementary | 19,262,500 | 19,262,500 | 0 |
| Baltimore City Partnership | 70,465,079 | 70,465,079 | 0 |
| Aging Schools | 10,370,000 | 10,370,000 | 0 |
| Targeted Improvement Grants | 21,991,425 | 23,275,284 | 1,283,859 |
| Teacher Development/Mentoring Programs | 35,508,000 | 34,895,000 | -613,000 |
| Adult Education | 1,453,602 | 2,553,622 | 1,100,020 |
| Food Service | 6,264,664 | 6,264,664 | 0 |
| Gifted and Talented Grants | 6,169,829 | 6,169,829 | 0 |
| Class Size Initiative | 17,320,383 | 24,613,411 | 7,293,028 |
| Out-of-County Placements | 6,063,044 | 6,463,043 | 399,999 |
| Teacher's Salary Grant | 85,221,180 | 72,273,294 | -12,947,886 |
| Early Education Initiatives | 19,000,000 | 19,000,000 | 0 |
| Headstart | 0 | 2,949,664 | 2,949,664 |
| Bridge to Excellence (SB 856) | 0 | 64,656,835 | 64,656,835 |
| Prince George's Restructuring Grant | 0 | 10,000,000 | 10,000,000 |
| Education Modernization | 13,406,002 | 13,486,002 | 80,000 |
| School Reconstitution | 9,797,400 | 11,835,600 | 2,038,200 |
| Academic Intervention | 19,100,000 | 19,100,000 | 0 |
| Other Programs | 32,018,081 | 32,125,881 | 107,800 |
| **Total Primary and Secondary Education** | **$2,554,455,279** | **$2,758,397,657** | **$203,942,378** |
| Library Formula | 26,005,123 | 27,062,145 | 1,057,022 |
| Library Network | 11,011,769 | 12,557,844 | 1,546,075 |
| **Total Libraries** | **$37,016,892** | **$39,619,989** | **$2,603,097** |

**Exhibit 4.4 (cont'd.)**

## Total State Assistance to Local Governments

**Direct State Aid**

| Program | FY 2002 | FY 2003 | Difference |
|---|---|---|---|
| Community College Formula | 151,099,514 | 158,816,372 | 7,716,858 |
| Grants for ESOL Programs | 1,979,918 | 2,378,410 | 398,492 |
| Optional Retirement | 7,145,000 | 8,000,001 | 855,001 |
| Small College/Allegany & Garrett Grant | 2,242,981 | 3,100,000 | 857,019 |
| Statewide Programs | 3,318,542 | 3,489,885 | 171,343 |
| **Total Community Colleges** | **$165,785,955** | **$175,784,668** | **$9,998,713** |
| Highway User Revenue | 418,040,511 | 432,103,926 | 14,063,415 |
| Elderly & Handicapped Transportation Aid | 4,315,789 | 4,815,788 | 499,999 |
| Paratransit | 2,882,054 | 3,632,051 | 749,997 |
| **Total Transportation** | **$425,238,354** | **$440,551,765** | **$15,313,411** |
| Police Aid | 60,354,152 | 62,144,781 | 1,790,629 |
| Fire And Rescue Aid | 10,000,000 | 10,000,000 | 0 |
| Vehicle Theft Prevention | 2,900,000 | 2,600,000 | -300,000 |
| 9-1-1 Grants | 4,253,349 | 4,253,349 | 0 |
| Community Policing | 2,000,000 | 2,000,000 | 0 |
| Foot Patrol/Drug Enforcement Grants | 4,462,500 | 4,462,500 | 0 |
| Law Enforcement Training Grants | 94,255 | 95,000 | 745 |
| Stop Gun Violence Grants | 1,000,000 | 1,000,000 | 0 |
| Violent Crime Grants | 5,000,000 | 5,000,000 | 0 |
| Baltimore City State's Attorney Grant | 1,722,354 | 1,000,000 | -722,354 |
| Baltimore City Circuit Court Grant | 400,000 | 0 | -400,000 |
| Domestic Violence Grants | 200,000 | 200,000 | 0 |
| Foreign Vehicle Registration Grant | 360,000 | 360,000 | 0 |
| School Vehicle Safety Grant | 0 | 550,000 | 550,000 |
| Body Armor | 50,000 | 50,000 | 0 |
| **Total Public Safety** | **$92,796,610** | **$93,715,630** | **$919,020** |
| Program Open Space | 43,978,135 | 18,261,173 | -25,716,962 |
| Critical Area Grants | 750,000 | 750,000 | 0 |
| **Total Recreation/Environment** | **$44,728,135** | **$19,011,173** | **-$25,716,962** |
| **Local Health Formula** | **56,942,362** | **61,935,705** | **4,993,343** |
| **Utility Property Tax Grant** | **30,615,201** | **30,615,201** | **0** |

**Exhibit 4.4 (cont'd.)**
## Total State Assistance to Local Governments
**Direct State Aid**

| Program | FY 2002 | FY 2003 | Difference |
|---|---|---|---|
| **Disparity Grant** | **89,289,557** | **115,179,884** | **25,890,327** |
| Horse Racing Impact Aid | 1,341,400 | 1,341,400 | 0 |
| Payments in Lieu of Taxes | 825,989 | 905,989 | 80,000 |
| Security Interest Filing Fees | 2,797,685 | 2,750,000 | -47,685 |
| Baltimore City Lead Paint Abatement Grant | 500,000 | 250,000 | -250,000 |
| Senior Citizens Activities Center | 500,000 | 500,000 | 0 |
| Warfield Complex Historic Site | 100,000 | 0 | -100,000 |
| Statewide Voting Systems | 0 | 2,119,000 | 2,119,000 |
| **Total Other Direct Aid** | **$6,065,074** | **$7,866,389** | **$1,801,315** |
| **Total Direct Aid** | **$3,502,933,419** | **$3,742,678,061** | **$239,744,642** |
| **Payments-in-Behalf** | | | |
| Retirement - Teachers | 328,221,731 | 354,543,785 | 26,322,054 |
| Retirement - Libraries | 7,786,219 | 7,792,763 | 6,544 |
| Retirement - Community Colleges | 12,716,486 | 13,981,834 | 1,265,348 |
| Retirement - Local Employees | 1,150,210 | 1,355,503 | 205,293 |
| **Total Payments-in-Behalf** | **$349,874,646** | **$377,673,885** | **$27,799,239** |
| **Total State Assistance** | **$3,852,808,065** | **$4,120,351,946** | **$267,543,881** |

Source: Department of Legislative Services

## Primary and Secondary Education

State aid to local school systems will increase by $230.3 million or 8.0 percent in fiscal 2003. State aid paid directly to local boards of education increases by $203.9 million or 8.0 percent; whereas teachers' retirement costs paid by the State on behalf of local boards of education increases by $26.3 million or 8.0 percent.

### Current Expense Aid

State law provides for automatic increases in current expense formula aid based on two factors: student enrollment and prior years' spending growth. The current expense formula is based on school expenditures in the third and fourth prior years: the fiscal 2003 formula is affected by expenditures in fiscal 1999 and 2000. Current expense formula aid is not restricted to specific purposes and is distributed inversely to local wealth, as measured by net taxable income and property assessable base. The current expense formula is the largest State aid program accounting for 43.0 percent of total State assistance to local governments. In fiscal 2003, current expense aid will total $1.8 billion, representing an $83.0 million or 4.9 percent increase over fiscal 2002. This is based on a full-time equivalent enrollment count of 810,502 students and a $4,291 per pupil foundation amount.

### Compensatory Aid

The compensatory aid formula distributes funding to local school systems on the basis of the number of students from economically disadvantaged environments as measured by the student counts used for federal Title I aid. The Title I count for fiscal 2003 totals 132,412, a 16.5 percent increase from the prior year. In addition, the compensatory aid formula is tied to growth in the current expense formula in that the program's per pupil foundation is one-fourth of the foundation for the current expense formula. In fiscal 2003, the program's per pupil foundation will total $1,072. Due to the growth in the foundation amount and the Title 1 count, compensatory aid increases by $24.8 million or 21.2 percent in fiscal 2003.

### Aging Schools Program

The General Assembly approved legislation **HB 937 (vetoed)** that would have established a new funding allocation method for the Aging Schools Program based on each county's proportionate share of school facilities constructed before 1960; however, the Governor vetoed the legislation. The new allocation method would have primarily benefitted Baltimore City and Prince George's County with 17 local school systems realizing a reduction in funding. Three local school systems (Charles, Dorchester, and Somerset counties) would not have received any funding under the new allocation method.

### Targeted Poverty Funding

The State currently provides $49.4 million for several targeted poverty programs that are based on the free and reduced price meal count. This includes $23.3 million in

targeted improvement grants, $18.1 million in additional poverty grants, and $8.0 million in targeted poverty grants.

### Baltimore City Partnership Grant

This program is part of the State's effort to reform the Baltimore City Public School System. Baltimore City will receive $70.5 million under the Baltimore City Partnership Grant in fiscal 2003.

### Student Transportation Grants

Each county receives a grant for student transportation based on the county's grant in the previous year increased by inflation. Increases can not exceed 8.0 percent or be less than 3.0 percent. As a result of legislation enacted in 1996, counties with enrollment increases receive additional funds. The fiscal 2003 budget includes $138.9 million for the program, reflecting a 3.0 percent transportation inflation rate and slight growth in student enrollment. The State also provides a grant for transporting disabled students. Each school board receives $500 per special education student in excess of the number transported in fiscal 1981. The fiscal 2003 grant level of $5.7 million is based on 11,481 students. Total funding for student transportation, including special transportation, increases by $5.6 million in fiscal 2003.

### 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. State funding for public special education programs will total $81.3 million in fiscal 2003 and State funding for nonpublic placements will total $100.2 million. Funding for public special education programs does not increase in fiscal 2003, while funding for nonpublic placements increases by $5.3 million. In addition, the Bridge to Excellence in Public Schools Act, **SB 856/Chapter 288**, provides $4.8 million in additional funding for the Infants and Toddlers Program.

### Teachers' Retirement Costs

The State pays the employers' retirement costs for local teachers who are members of either the teachers' retirement or pension systems maintained and operated

by the State. The $26.3 million increase in fiscal 2003 results from a 8.0 percent increase in the salary base and a constant employer contribution rate (9.35 percent). The Budget Reconciliation and Financing Act, **SB 323/Chapter 440,** changes the methodology for determining the State's contribution for teachers' retirement. Without this change, the employer contribution rate would have been 9.87 percent and the payments would have increased by $46.0 million or 14.0 percent.

### Teacher Salary Grants/Academic Intervention

The General Assembly approved legislation at the 2000 session (Chapter 493/Chapter 492) that establishes teacher salary grants and funding for academic intervention services. The teacher salary challenge program requires the State to provide a one percent salary match to local school systems granting a 4.0 percent cost-of-living increase to teachers in fiscal 2001 and 2002. Chapter 420 of 2001 extended funding for the teacher salary grants through fiscal 2003, except for the $10.6 million provided under the targeted component which was provided for fiscal 2002 only. The fiscal 2003 State budget includes $72.2 million for teacher salary challenge program and $19.1 million for academic intervention.

### Early Education Initiatives/Judith P. Hoyer Program

This program provides financial support for the establishment of centers that provide full-day, comprehensive, early education programs and family support services that will assist in preparing children to enter school ready to learn. This program also provides funding to support voluntary accreditation of early child care centers, professional development of early childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2003 State budget includes $7.6 million for Judy Center grants and approximately $3.0 million for school readiness and program accreditation. In addition, the fiscal 2003 State budget continues $19.0 million in funding for early education programs that improve the academic achievement of students in prekindergarten through third grade. The funding is distributed on the basis of the State's special education formula. The Extended Elementary Education Program, a public school prekindergarten program for four-year-old children identified as having a high potential for failure in school, will continue to receive $19.3 million in funding.

### Teacher Quality Incentives

The General Assembly passed legislation at the 1999 session (Chapter 600) that provides salary enhancements for teachers obtaining national certification, a signing bonus for teachers graduating in the top of their class, and a stipend for teachers working

in a reconstitution-eligible or challenge school. The fiscal 2003 State budget includes $7.2 million in funding for these teacher quality incentives.

### Class Size Reduction Grants

Local school systems will receive $24.6 million in funding in fiscal 2003 to reduce class size for reading instruction in the first and second grades. This represents a $7.3 million increase over fiscal 2002. The funding is based on legislation passed by the General Assembly at the 1999 session (Chapter 513/Chapter 514).

### Teacher Development/Mentoring/Certification Grants

Funding for teacher development, mentoring, and certification grants will total $26.7 million in fiscal 2003. Teacher development grants are provided to enhance teacher development programs in schools with a free or reduced price meal count of 25 percent or more of their student population. Each eligible school receives an $8,000 grant to enhance teacher training in instructing at-risk students. In fiscal 2003 these grants will total $5.8 million, representing a $8,000 increase over fiscal 2002. In addition, the State budget includes $5.0 million for teacher certification programs, of which $2.5 million is for Prince George's County and $2.0 million is for Baltimore City. The State budget also includes $5.0 million for teacher mentoring program in accordance with legislation passed in the 1999 session (Chapter 600). In addition, $10.9 million for mentoring programs is provided to three local school systems ($1.0 million for Anne Arundel County, $7.9 million for Baltimore County, and $2.0 million for Prince George's County).

### Limited English Proficiency

The State provides grants to local school systems for programs for students with limited English proficiency. The grant amount totals $1,350 per limited English proficient student. Funding for this program totals $34.2 million in fiscal 2003, representing a $4.1 million increase over fiscal 2002. This increase is due to a 3,036 student increase in the limited English proficiency count. Approximately 23,891 students are categorized as limited English proficient.

### Education Modernization Initiative

This program provides schools access to on-line computer resources and capacity for data, voice, and video equipment. Total funding for this program is $13.5 million.

The Maryland Technology Academy will continue to receive $1.9 million in funding in fiscal 2003.

### Additional Enhancements for Fiscal 2003

The General Assembly enhanced funding for public schools by approving **SB 856/Chapter 288** that bases State funding on the framework established by the Commission on Education Finance, Equity, and Excellence. Special funds obtained through the increased tobacco tax in fiscal 2003 will be used to provide: (1) unrestricted grants to local boards of education totaling $62.7 million; (2) a $10.0 million board of education restructuring grant for Prince George's County; (3) $4.8 million for the Maryland Infants and Toddlers Program; and (4) $1.1 million for adult education and literacy services. Pursuant to the legislation, 27 existing State education aid programs are eliminated or phased-out in fiscal 2004, and the funding for the programs is replaced by enhanced funding for four programs, one based on total student enrollment and three based on the enrollments of three categories of students with special needs. The enhanced State education aid is phased in from fiscal 2003 to 2008. By fiscal 2008, State education aid would increase by $1.3 billion.

## Libraries

The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. The minimum library program is specified in statute. For fiscal 2003, the program is based on a $12 per capita grant. Overall, the State provides about 40 percent of the minimum program and the counties provide 60 percent. However, the State/local share of the minimum program varies from county to county depending on local wealth. In fiscal 2003, State library formula aid will total $27.1 million, an increase of $1.1 million. In addition, the State pays the employer's share of retirement costs for eligible library employees. These payments will total $7.8 million in fiscal 2003, a slight increase over fiscal 2002.

The General Assembly approved legislation at the 1999 session that established a funding formula for the State Library Resource Center requiring the State to contribute a larger share of the center's funding. In 2000, legislation was enacted that altered the calculation of the State funding formula for regional resource centers. State funding for the resource centers total $12.6 million in fiscal 2003, an increase of $1.5 million.

## Community Colleges

Total State funding for community colleges increases by $11.3 million for fiscal 2003. Local community colleges will receive $158.8 million through the State's funding formula. The Budget Reconciliation and Financing Act of 2002 **SB 323/Chapter 440** lowers the percentages used in calculating the aid per full-time equivalent students at the 15 community colleges included in the Senator John A. Cade funding formula. The percentage is set at 23.1 percent of the per pupil funding for the State's four-year colleges in fiscal 2003 and 2004 and 24.0 percent in fiscal 2005. The funding formula returns to the previous statutory level (25.0 percent) in fiscal 2006. Local community colleges will receive $17.0 million in special categorical grants, including the small college grant, English for Speakers of Other Languages (ESOL) grant, statewide programs, optional retirement grant, and the innovative partnership for technology grant. **HB 179/Chapter 350** provides an additional $360,000 in unrestricted grants to Allegany College and $240,000 to Garrett Community College beginning in fiscal 2003. State paid retirement expenditures increase by $1.3 million in fiscal 2003.

## Local Health Programs

State aid for local health departments totals $61.9 million in fiscal 2003, reflecting a $5.0 million or 8.8 percent increase. This increase includes funds to annualize the current year's cost-of-living adjustment for eligible employees of local health departments and the statutorily required increase based on population and inflation.

## General Government Assistance

The State provides grants to counties and municipalities for various governmental functions, including public safety, transportation, and recreation. In addition, the disparity grant program targets aid to low income wealth jurisdictions. Overall, general government assistance will increase by $18.4 million in fiscal 2003, a 2.7 percent increase.

### Police Aid Grants

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 higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. Police

aid grants in fiscal 2003 total $62.1 million, a $1.8 million or 3.0 percent increase over fiscal 2002.

### Public Safety Grants

**SB 323/Chapter 440** authorizes $1.0 million for the Baltimore City State's Attorney's Office to improve the prosecution of gun offenses and repeat violent offenders and to expand the homicide division. In fiscal 2002, the grant totaled $1.7 million. In addition, the fiscal 2003 State budget continues to fund the special public safety grants for Baltimore City and Prince George's County.

### Vehicle Theft Prevention Program

This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for the purpose of establishing vehicle theft prevention, deterrence, and educational programs. Funds are also used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund, a non-lapsing dedicated fund that receives up to $2.0 million a year from penalties collected for lapsed or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. Accordingly, funding for this program will total $2.6 million in fiscal 2003.

### 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 renovations, not operating costs. The program is funded from the Maryland Emergency Medical System Operations Fund (MEMSOF). The grant level for the program is set at $10.0 million in fiscal 2003.

### Program Open Space Grants

Under Program Open Space, the State provides grants to the counties and Baltimore City for land acquisition and the development of park and recreation facilities. State property transfer tax revenues fund Program Open Space and related programs. The Budget Reconciliation and Financing Act of 2002, **SB 323/Chapter 440** earmarks 50.0 percent of the transfer tax revenues in fiscal 2003 and 2004 to the general fund which results in a reduction to local Program Open Space grants. In fiscal 2003, Program Open

Space funding totals $18.3 million, which includes a $1.0 million special grant for Baltimore City.

### Transportation

The State shares receipts from motor fuel taxes, vehicle excise (titling) taxes, registration fees, and corporate income taxes with local governments for the purpose of constructing and maintaining transportation facilities across the State. Counties, municipalities, and Baltimore City receive 30.0 percent of these "highway user" revenues. The Maryland Department of Transportation projects a modest increase in these grants in fiscal 2003 ($14.1 million) based on estimated tax revenues.

### Disparity Grant

The disparity grant, which provides funding to counties whose per capita local income tax revenues is less than 75.0 of the statewide average, increases by $25.9 million in fiscal 2003. **SB 856/Chapter 288** requires that $11.9 million be earmarked for increased funding to public schools in fiscal 2003 only. The nine jurisdictions receiving a disparity grant in fiscal 2003 are Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, Washington, and Wicomico counties, and Baltimore City.

### Electric Utility Grant

Ten counties and Baltimore City receive an electricity generating equipment property tax grant which partially offsets lost local revenues resulting from the electric and gas utility tax reform passed in the 1999 session. The grants were phased in over two years beginning with fiscal 2001 and will total $30.6 million in fiscal 2003.

## State Mandates on Local Governments

Nine State mandates* (including two potential mandates) were imposed on local governments during the 2002 legislative session. The mandates involved collective bargaining, critical area programs, education, law enforcement, and water systems.

**Summary of State Mandates**

| | |
|---|---|
| Collective Bargaining | 3 |
| Critical Area Programs | 1 |
| Education | 3 |
| Law Enforcement | 1 |
| Water Systems | 1 |
| Total | 9 |

***Mandate** is defined as a directive in a bill requiring a local government unit to perform a task or assume a responsibility that has a discernable fiscal impact on the local government unit (*Maryland Annotated Code*, State Government Article, § 2-1501(c)). In the following section, legislation that imposes a State mandate is marked accordingly.

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| **Legislation Affecting All/Multiple Local Jurisdictions** | | | |
| SB 98 | State Aid - Property Values (Ch. 121) | Minimal impact on State aid to local governments beginning in FY 2004. | |
| SB 112 | Vehicle Laws - Registration Plates and Parking Placards - Individuals with Disabilities (Ch. 129) | Minimal parking revenue increase. | |
| SB 323 | The Budget Reconciliation and Financing Act of 2002 (Ch. 440) | Increase of $8.2 million annually beginning in FY 2003. | |
| SB 344 | Property Tax Credits - Personal Property of a Business That Provides Computers to Employees for Home Use (Ch. 460) | Minimal personal property tax decrease. | |
| SB 345/ HB 256 | Vehicle Laws - Leaving the Scene of an Accident Involving Serious Bodily Injury or Death - Penalties (Ch. 461/462) | Minimal fine increase. | |
| SB 419 | Maryland Infants and Toddlers Act of 2002 (Ch. 312) | Increase in State aid to local infants and toddlers programs of $1.3 million in FY 2004 and $8.6 million in FY 2007 when fully phased-in. | |
| SB 429 | Correctional Services - Inmates - Indecent Exposure (Ch. 160) | Minimal fine increase. | |
| SB 436 | Crimes - Misdemeanor Theft - Subsequent Offenders - Penalty (Ch. 161) | Minimal fine increase. | |

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| SB 447 | Maryland Income Tax - Subtraction Modification - Conservation Tillage Equipment (Ch. 313) | Decrease of 2.8% of the total State subtraction taken. | |
| SB 453/ HB 661 | College Readiness for Disadvantaged and Capable Students Act of 2002 (Ch. 315/429) | Increase in State aid of $75,000 in FY 2003 for test administration and $1.2 million in FY 2004 to implement outreach program. | |
| SB 516 | Abuse or Neglect of Vulnerable Adults - Degrees (Ch. 321) | Minimal fine increase. | |
| SB 646/ HB 559 | Crimes - Vulnerable Adult - Exploitation Prohibited (Ch. 479/480) | Minimal fine increase. | |
| SB 737 | Education - Adult Education and Literacy Services (Ch. 185) | Significant increase in State funding beginning in FY 2004 for local agencies providing adult education services. | |
| SB 856 | Bridge to Excellence in Public Schools Act (Ch. 288) | Increase in State aid for school systems of $74.7 million in FY 2003 and $1.3 billion in FY 2008. | |
| SB 867 | Property Tax Credit - Surviving Spouse of Fire, Rescue, or Emergency Medical Service Personnel (Ch. 489) | Potential minimal property tax decrease. | |
| HB 7 | Education - Principal Training Pilot Program (Ch. 344) | Increase in State aid of $150,000 for local school systems to implement principal training programs. | |
| HB 177 | Crimes - Felony Theft - Penalties (Ch. 496) | Minimal fine increase. | |
| HB 179 | Higher Education - Community Colleges - Unrestricted Grants (Ch. 350) | Increase in State aid of $360,000 for Allegany College of Maryland and $240,000 for Garrett Community College. | |

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| HB 200 | False Statements - Destructive Devices - Restitution (Ch. 351) | Minimal cost recovery increase. | |
| HB 256/ SB 345 | See entry for SB 345. | | |
| HB 291 | Community Right-to-Know Fund (Ch. 434) | Grant revenue increase for emergency planning activities of $400,000 annually beginning in FY 2003. | |
| HB 339 | Commuter Benefits Act of 2002 (Ch. 507) | Potential decrease due to corporate taxpayers claiming the credit. | |
| HB 358 | Crimes - Fraud - Personal Identifying Information (Ch. 509) | Potential fine increase. | |
| HB 405 | Maryland Technology Development Corporation (Ch. 364) | Potential significant grant revenue increase. | |
| HB 420 | Department of Health and Mental Hygiene - Asthma Control Program (Ch. 366) | Increase of $400,000 for local health departments beginning in FY 2005, offset by equal expenditure increase. | |
| HB 483 | Mental Hygiene - Maryland Mental Health Crisis Response System (Ch. 371) | Increase of $6 million in FY 2004 for response systems, offset by equal expenditure increase. | |
| HB 512 | Recordation Tax - Refinancing Instrument (Ch. 524) | Potential minimal recordation tax decrease. | |
| HB 559/ SB 646 | See entry for SB 646. | | |

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| HB 652 | Pilot Program for Long-Term Employment of Qualified Ex-Felons (Ch. 533) | Potential decrease due to corporate taxpayers claiming the credit. | |
| HB 661/ SB 453 | See entry for SB 453. | | |
| HB 693 | Maryland Water Conservation Act (Ch. 537) | Potential water service revenue decrease. | Potential |
| HB 759 | Maryland Heritage Structure Rehabilitation Tax Credit (Ch. 541) | Increase due to fewer claims against the corporate income tax. | |
| HB 762 | One Maryland Economic Development Tax Credits - Businesses Creating Higher Wage Jobs (Ch. 385) | Accelerated corporate income tax losses. | |
| HB 827 | Higher Education - Waiver of Tuition and Fees - Clarifying Foster Care Recipients (Ch. 392) | Potential minimal community college tuition decrease. | |
| HB 1044 | Vessel Excise Tax - Amnesty for Unpaid Taxes (Ch. 260) | Potential Waterway Improvement Fund grant increase. | |
| HB 1080 | Criminal Law - Housing Assistance - Fraud (Ch. 556) | Potential minimal fine increase. | |
| HB 1131 | Local Land Preservation Programs (Ch. 264) | Potential State matching fund grant increases for land preservation activities. | |
| HB 1237 | Higher Education - Community Colleges - Innovative Partnerships for Technology Programs (Ch. 413) | Increase in State aid of up to $1.65 million annually for community college technology equipment beginning in FY 2005. | |

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| **Legislation Affecting Local Governments by Subdivision** | | | |
| ***Allegany County*** | | | |
| HB 552 | Allegany County - Alcoholic Beverages - Sunday Sales Permit (Ch. 72) | Increase of $50 for each day a two-day permit is used by a license holder. | |
| ***Anne Arundel County*** | | | |
| SB 40/ HB 355 | Property Tax - Homeowners' Tax Credits (Ch. 445/446) | Potential minimal property tax decrease. | |
| HB 146 | Anne Arundel County - Alcoholic Beverages - Multiple License (Ch. 37) | Increase of $850 for each additional Class H (beer and wine) license issued and $1,400 for each additional Class H (beer, wine, and liquor) license issued. | |
| HB 355/ SB 40 | See entry for SB 40. | | |
| ***Baltimore City*** | | | |
| SB 295/ HB 853 | Education - New Baltimore City Board of School Commissioners - Bonds (Ch. 459/545) | School bond revenue increase of $25 million in FY 2003 and FY 2004. | |
| SB 358 | Baltimore City - Class D Beer, Wine, and Liquor Licenses - Sunday Sales (Ch. 21) | Increase of $75 for each Class D beer, wine, and liquor supplemental alcoholic beverages license issued. | |
| SB 378 | Baltimore City - Tax Sales - High-Bid Premium (Ch. 311) | Potential minimal increase due to high-bid premium increase. | |

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| HB 853/ SB 295 | See entry for SB 295. | | |
| HB 997 | Baltimore City - Ground Rents on Abandoned Property - Tax Sales - Donation (Ch. 401) | Potential property tax increase. | |
| ***Baltimore County*** | | | |
| SB 154 | Baltimore County - Licenses - Special Wine Festival and Special Beer Festival (Ch. 300) | Increase of $15 for each special wine festival or special beer festival license issued. | |
| SB 462 | Baltimore County - Property Tax - Neighborhood Stabilization Credits (Ch. 167) | Property tax decrease of $39,500 in FY 2004 for the extension of the property tax credit program. | |
| ***Calvert County*** | | | |
| HB 262 | Calvert County - Public Facilities Bonds (Ch. 50) | Bond proceeds of up to $25.7 million for capital projects. | |
| ***Caroline County*** | | | |
| SB 189 | Town of Marydel (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 10) | Real property sales for the Town of Marydel. | |
| SB 190 | Town of Henderson (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 11) | Real property sales for the Town of Henderson. | |
| SB 191 | Town of Goldsboro (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 12) | Real property sales for the Town of Goldsboro. | |
| SB 193 | Town of Greensboro (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 13) | Real property sales for the Town of Greensboro. | |

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| SB 690 | Town of Preston (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 181) | Real property sales for the Town of Preston. | |
| SB 691 | Town of Ridgely (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 182) | Real property sales for the Town of Ridgely. | |
| SB 692 | Town of Hillsboro (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 183) | Real property sales for the Town of Hillsboro. | |
| HB 494 | Caroline County - Alcoholic Beverages - Golf Course Licenses (Ch. 68) | Increase of $1,600 for each Class GC 7-day (golf course) beer, wine, and liquor license issued. | |
| HB 1087 | Caroline County - Alcoholic Beverages - Sales to Underage Drinkers and Intoxicated Persons (Ch. 407) | Minimal fine increase. | |
| ***Carroll County*** | | | |
| SB 792 | Carroll County - Public Facilities Bonds (Ch. 488) | Bond proceeds of up to $22.6 million for capital projects. | |
| HB 224 | County Commissioners - Shore Erosion Control - Annual Benefit Assessment (Ch. 355) | Lien revenue increase for Carroll, Dorchester, St. Mary's, and Somerset counties. | |
| ***Cecil County*** | | | |
| SB 312 | Town of Charlestown (Cecil County) - Urban Renewal Authority for Slum Clearance (Ch. 147) | Real property sales for the Town of Charlestown. | |
| HB 417 | Cecil County - Public Facilities Bonds (Ch. 365) | Bond proceeds of up to $5 million for capital projects. | |

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| ***Charles County*** | | | |
| SB 628/ HB 1017 | Charles County - New School Capacity Financing Mechanism (Ch. 476/586) | Significant excise tax increase. | |
| HB 230 | Charles County - Occupations - Licensing, Certification and Registration (Ch. 501) | Decrease of $250 for each palm reader, fortune teller, and soothsayer license no longer licensed. | |
| HB 1003 | Charles County - Property Tax Credit - Renovated or Rehabilitated Business Property (Ch. 90) | Minimal property tax decrease. | |
| HB 1017/ SB 628 | See entry for SB 628. | | |
| ***Dorchester County*** | | | |
| HB 224 | County Commissioners - Shore Erosion Control - Annual Benefit Assessment (Ch. 355) | Lien revenue increase for Carroll, Dorchester, St. Mary's, and Somerset counties. | |
| HB 1397 | Dorchester County - Alcoholic Beverages - Class B Licenses (Ch. 581) | Increase of $1,000 for each Class B beer, wine, and liquor license issued. | |
| ***Frederick County*** | | | |
| HB 337 | Frederick County - Property Tax Credits - Agricultural Preservation Land and Farm Buildings (Ch. 505) | Property tax decrease of $525,600 annually beginning in FY 2003. | |
| HB 433 | Frederick County - Alcoholic Beverages - Class B Licenses in Middletown (Ch. 65) | Increase of $1,500 for each Class B (on-sale) beer, wine, and liquor license issued. | |

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| ***Garrett County*** | | | |
| HB 1232 | Garrett County - Bonds for Garrett County Memorial Hospital (Ch. 93) | Bond proceeds of up to $7.5 million for capital improvement projects. | |
| ***Harford County*** | | | |
| HB 874 | Harford County - Alcoholic Beverages - Stadium License - Sale of Liquor (Ch. 548) | Increase of $5,000 for each stadium beer, wine, and liquor (on-sale) license issued. | |
| ***Kent County*** | | | |
| HB 506 | Kent County - Alcoholic Beverages Violations - Penalties (Ch. 69) | Potential minimal fine increase. | |
| HB 508 | Kent County - Alcoholic Beverages - Special Theater License (Ch. 70) | Increase of $400 beginning in FY 2003 for one special theater license annually. | |
| ***Montgomery County*** | | | |
| SB 40/ HB 355 | Property Tax - Homeowners' Tax Credits (Ch. 445/446) | Potential minimal property tax decrease. | |
| SB 208/ HB 892 | Property Tax - Petition for Review Outside of Assessment Cycle (Ch. 455/456) | Property tax decrease of $4.3 million in FY 2003 and $2.5 million annually thereafter. | |
| HB 355/ SB 40 | See entry for SB 40. | | |
| HB 707 | Montgomery County - Tax Credit for Businesses That Create New Jobs - Qualifications (Ch. 538) | Potential significant property tax decrease. | |

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| HB 708 | Montgomery County - Alcoholic Beverages - Continuing Care Retirement Community License (Ch. 236) | Increase of $500 for each Continuing Care Retirement Community license issued. | |
| HB 724 | Montgomery County - Alcoholic Beverages - Special Class B-BWL (Performing Arts Facility) License (Ch. 241) | Increase of $700 for each special Class B-BWL license application and $1,000 annually for each special Class B-BWL license issued. | |
| HB 725 | Montgomery County - Alcoholic Beverages Licenses - Community Swimming Pools (Ch. 242) | Increase of $15 for each one-day special Class C beer or special Class C beer and wine license issued and $30 for each one-day special Class C beer, wine, and liquor license issued. | |
| HB 892/ SB 208 | See entry for SB 208. | | |
| ***Prince George's County*** | | | |
| SB 903 | Prince George's County - Special Taxing Districts and Tax Increment Financing (Ch. 585) | Significant bond proceeds increase. | |
| HB 635 | Town of Landover Hills (Prince George's County) - Urban Renewal Authority for Slum Clearance (Ch. 74) | Real property sales for the Town of Landover Hills. | |
| HB 639 | Town of Cottage City (Prince George's County) - Urban Renewal Authority for Slum Clearance (Ch. 75) | Real property sales for the Town of Cottage City. | |
| HB 648 | Town of Capitol Heights (Prince George's County) - Urban Renewal Authority for Slum Clearance (Ch. 234) | Real property sales for the Town of Capitol Heights. | |

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| HB 739 | Prince George's County - Alcoholic Beverages - Restaurants Under Franchise or Licensing Agreements (Ch. 245) | Increase of $330 for each additional Class B beer (on-sale) or Class B beer and wine (on-sale) license issued. | |
| HB 948 | Prince George's County - Roadside Solicitation - Children (PG 418-02) (Ch. 253) | Potential minimal fine increase. | |
| HB 949 | Prince George's County School System - Education - Management, Governance, and Financing (PG 415-02) (Ch. 289) | Tax increase of $20.4 million annually beginning in FY 2003 to be used for education. | X |
| HB 958 | Prince George's County - School Facilities Surcharge (PG 427-02) (Ch. 254) | Potential minimal school facility surcharge decrease. | |
| ***Somerset County*** | | | |
| HB 224 | County Commissioners - Shore Erosion Control - Annual Benefit Assessment (Ch. 355) | Lien revenue increase for Carroll, Dorchester, St. Mary's, and Somerset counties. | |
| ***St. Mary's County*** | | | |
| HB 145 | St. Mary's County - Alcoholic Beverages - Wine Festival License (Ch. 36) | Increase of $15 for each special wine festival license issued. | |
| HB 224 | County Commissioners - Shore Erosion Control - Annual Benefit Assessment (Ch. 355) | Lien revenue increase for Carroll, Dorchester, St. Mary's, and Somerset counties. | |
| ***Washington County*** | | | |
| HB 942 | Washington County - Property Tax Credit - Hagerstown Soccer Club, Inc. (Ch. 89) | Property tax decrease of $1,100 annually beginning in FY 2003. | |

## Legislation Affecting Local Government Revenues

| Bill # | Title | Revenue Effect | Mandate |
|---|---|---|---|
| ***Worcester County*** | | | |
| HB 301 | Atlantic Coastal Bays Protection Act (Ch. 433) | Grant revenue increase of $273,000 in FY 2003 for local coastal bay critical area programs. | Potential |
| HB 1104 | Worcester County - Alcoholic Beverages (Ch. 582) | Increase of $975 for each affected Class A beer and wine license renewed. | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| **Legislation Affecting All/Multiple Local Jurisdictions** | | | |
| SB 25 | Commercial Law - Payment Devices - Receipts (Ch. 295) | Potential minimal increase for equipment replacement. | |
| SB 50 | Vehicle Laws - Dealer - Definition and Penalties (Ch. 448) | Minimal incarceration costs. | |
| SB 86 | State Procurement - Auction Bids (Ch. 297) | Potential significant decrease for the purchase of supplies. | |
| SB 108 | State Highway Plats - Filing and Recordation (Ch. 450) | Minimal decrease in administrative costs for clerks of the court. | |
| SB 226 | Education - Technology for Education Program - Equivalent Access for Students with Disabilities (Ch. 457) | Potential significant increase for technology-based instructional products. | X |
| SB 233 | Education - Negotiations Between Public School Employees and Employee Organizations (Ch. 287) | Potential significant increase for labor negotiation and other personnel costs. | |
| SB 239 | Maryland Emergency Management Assistance Compact (Ch. 2) | Potential increase for emergency management activities. | |
| SB 287 | Motor Fuel and Lubricants - Dyed Diesel Fuel (Ch. 145) | Minimal incarceration costs. | |
| SB 337 | Retirement and Pensions - Service Retirement Benefit (Ch. 310) | Increase in aggregate pension contributions of $8,000 beginning in FY 2004 and 5% annually thereafter. | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| SB 345/ HB 256 | Vehicle Laws - Leaving the Scene of an Accident Involving Serious Bodily Injury or Death - Penalties (Ch. 461/462) | Minimal decrease in incarceration costs. | |
| SB 371 | Injured Workers' Insurance Fund - Phase-In of Regulatory Requirements (Ch. 22) | Decrease in workers' compensation costs. | |
| SB 429 | Correctional Services - Inmates - Indecent Exposure (Ch. 160) | Minimal incarceration costs. | |
| SB 436 | Crimes - Misdemeanor Theft - Subsequent Offenders - Penalty (Ch. 161) | Minimal incarceration costs. | |
| SB 453/ HB 661 | College Readiness for Disadvantaged and Capable Students Act of 2002 (Ch. 315/429) | Increase in matching funds beginning in FY 2004. | |
| SB 480/ HB 492 | School Buying Consortium - County Boards of Education - Procurement - Exceptions (Ch. 170/171) | Potential significant decrease due to cooperative procurement. | |
| SB 643 | Environment - Wastewater Infrastructure Improvement - Study (Ch. 178) | Potential decrease for conducting wastewater treatment system studies. | |
| SB 646/ HB 559 | Crimes - Vulnerable Adult - Exploitation Prohibited (Ch. 479/480) | Minimal incarceration costs. | |
| SB 733 | Crimes - Railroad Trespass (Ch. 335) | Minimal incarceration costs. | |
| SB 856 | Bridge to Excellence in Public Schools Act (Ch. 288) | Aggregate increase of $11.9 million in educational expenditures for eight jurisdictions; increase of $49 million annually to implement full-day kindergarten programs. | X |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| SB 868 | Employees' Pension System - Participating Governmental Units - Contributory Pension Benefit (Ch. 341) | Annual surcharge of 2.42% of payroll plus three years of missed surcharges plus interest for governmental units that elect the enhanced pension system. | |
| HB 4 | Vehicle Laws - Drunk Driving - Repeat Offenders (Ch. 110) | Minimal incarceration costs. | |
| HB 7 | Education - Principal Training Pilot Program (Ch. 344) | Increase of $50,000 to provide local matches for principal training programs. | |
| HB 16 | Vehicle Laws - Signs Designating Parking Spaces for Individuals with Disabilities - Notice of Fine for Violation (Ch. 490) | Minimal increase to replace parking signs. | X |
| HB 130 | Sidewalks or Bicycle Pathways - Priority Funding Areas - Sharing of Construction Costs (Ch. 347) | Potential significant decrease for pathway construction in priority funding areas. | |
| HB 181 | State Employee and Retiree Health and Welfare Benefits Program - Eligibility for Enrollment and Participation (Ch. 497) | Regional Council expenditure increase of $39,400 in FY 2003. | |
| HB 202 | Criminal Law - Criminal Penalties - Wharves and Transfer Tickets (Ch. 352) | Minimal incarceration costs. | |
| HB 256/ SB 345 | See entry for SB 345. | | |
| HB 291 | Community Right-to-Know Fund (Ch. 434) | Increase of $400,000 annually beginning in FY 2003 for emergency planning activities. | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| HB 350 | Drinking Water Security Act (Ch. 436) | Potential significant increase for local jurisdictions that own and operate public water systems. | |
| HB 358 | Crimes - Fraud - Personal Identifying Information (Ch. 509) | Minimal incarceration costs. | |
| HB 361 | Department of Mental Hygiene - Biological Agents Registry Program (Ch. 361) | Potential minimal increase for entities required to report data under the program. | |
| HB 420 | Department of Health and Mental Hygiene - Asthma Control Program (Ch. 366) | Increase of $400,000 annually beginning in FY 2005 for local health departments, offset by equal revenue increase. | |
| HB 483 | Mental Hygiene - Maryland Mental Health Crisis Response System (Ch. 371) | Increase of $6 million in FY 2004 for implementation of response system, offset by equal revenue increase. | |
| HB 492/ SB 480 | See entry for SB 480. | | |
| HB 559/ SB 646 | See entry for SB 646. | | |
| HB 569 | Education - Schools and Other Educational Programs - Task Force to Propose Regulations Regarding Student Behavior Intervention (Ch. 230) | Potential significant increase for local schools depending on regulations adopted by Maryland State Department of Education. | |
| HB 588 | Personal Property Tax - Refunds and Reports (Ch. 529) | Minimal decrease due to interest on amended personal property tax reports no longer being required. | |
| HB 661/ SB 453 | See entry for SB 453. | | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| HB 692 | Health Insurance - Habilitative Services - Modification and Clarification (Ch. 382) | Potential increase in employee health benefits expenditures. | |
| HB 693 | Maryland Water Conservation Act (Ch. 537) | Potential increase for local jurisdictions that operate large public water systems. | Potential |
| HB 887 | Workers' Compensation - Partly Dependent Individuals - Death Benefit (Ch. 550) | Potential increase in workers' compensation expenditures. | |
| HB 896 | Health Insurance - Mental Illness - Coverage for Residential Crisis Services (Ch. 394) | Potential increase in employee health benefits expenditures. | |
| HB 968 | Juvenile Causes - Children in Need of Assistance - Termination of Permanency Plan Review (Ch. 399) | Potential minimal decrease due to fewer case reviews. | |
| HB 1080 | Criminal Law - Housing Assistance - Fraud (Ch. 556) | Minimal incarceration costs. | |
| HB 1131 | Local Land Preservation Programs (Ch. 264) | Potential significant increase for land preservation activities. | |
| HB 1197 | Public Schools - Technology for Education (Ch. 412) | Minimal increase for school systems that purchase on-line courses. | |
| HB 1221 | Education - Disabled Children - Nonpublic Educational Programs and Related Services (Ch. 563) | Local school increase of $92,400 annually beginning in FY 2003. | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| **Legislation Affecting Local Governments by Subdivision** | | | |
| ***Baltimore City*** | | | |
| SB 252 | Baltimore City - Sheriff - Salary (Ch. 14) | Increase of $1,000 in FY 2004 and $4,000 annually beginning in FY 2007. | |
| SB 295/ HB 853 | Education - New Baltimore City Board of School Commissioners - Bonds (Ch. 459/545) | School debt service increase of $2.4 million in FY 2003 and $4.8 million annually thereafter. Increase for an evaluation of the Partnership in FY 2006 and 2007. | |
| HB 853/ SB 295 | See entry for SB 295. | | |
| HB 1362 | Baltimore City - Orphans' Court Judges - Salary (Ch. 281) | Increase of $11,400 in FY 2003 and $19,500 annually thereafter. | |
| ***Baltimore County*** | | | |
| SB 464 | Baltimore County - Arbutus Community Center Loan of 2000 (Ch. 168) | Matching funds required. | |
| SB 568 | Baltimore County - Orphans' Court Judges - Salary Increases (Ch. 175) | Increase of $26,000 annually beginning in FY 2004. | |
| ***Calvert County*** | | | |
| HB 262 | Calvert County - Public Facilities Bonds (Ch. 50) | Debt service increase of $2.5 million annually for 15 years beginning in FY 2003. | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| HB 264 | Calvert County - Fire and Rescue - Length of Service Award Program (Ch. 52) | Increase in lifetime payments ranging from $3,000 to $55,000 per additional member. | |
| HB 265 | Calvert County - Extension of Task Force to Study the Infrastructure Needs of Private Communities in Calvert County (Ch. 53) | Minimal increase if overtime is required. | |
| HB 267 | Calvert County Board of Education - Term Limits and Compensation (Ch. 55) | School board compensation increase of $2,000 in FY 2003. | |
| HB 328 | Calvert County - County Officials - Salaries (Ch. 58) | Increase of $36,200 in FY 2003 and $90,600 annually beginning in FY 2006. | |
| ***Caroline County*** | | | |
| SB 189 | Town of Marydel (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 10) | Increase in land acquisition and urban renewal project costs for the Town of Marydel. | |
| SB 190 | Town of Henderson (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 11) | Increase in land acquisition and urban renewal project costs for the Town of Henderson. | |
| SB 191 | Town of Goldsboro (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 12) | Increase in land acquisition and urban renewal project costs for the Town of Goldsboro. | |
| SB 193 | Town of Greensboro (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 13) | Increase in land acquisition and urban renewal project costs for the Town of Greensboro. | |
| SB 690 | Town of Preston (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 181) | Increase in land acquisition and urban renewal project costs for the Town of Preston. | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| SB 691 | Town of Ridgely (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 182) | Increase in land acquisition and urban renewal project costs for the Town of Ridgely. | |
| SB 692 | Town of Hillsboro (Caroline County) - Urban Renewal Authority for Slum Clearance (Ch. 183) | Increase in land acquisition and urban renewal project costs for the Town of Hillsboro. | |
| HB 66 | Caroline County - Treasurer - Salary (Ch. 28) | Increase of $7,200 annually beginning in FY 2004. | |
| HB 68 | Caroline County - Sheriff - Salary (Ch. 346) | Increase of $3,600 annually beginning in FY 2004. | |
| HB 274 | Caroline County - State's Attorney (Ch. 216) | Increase of $12,500 in FY 2003 and $25,000 annually thereafter. | |
| ***Carroll County*** | | | |
| SB 792 | Carroll County - Public Facilities Bonds (Ch. 488) | Debt service increase of $1.5 million annually for 30 years beginning in FY 2003. | |
| ***Cecil County*** | | | |
| SB 312 | Town of Charlestown (Cecil County) - Urban Renewal Authority for Slum Clearance (Ch. 147) | Increase in land acquisition and urban renewal project costs for the Town of Charlestown. | |
| SB 839 | Cecil County and Kent County - Orphans' Court Judges - Salaries (Ch. 25) | Increase of $1,650 in FY 2003 and $3,300 annually beginning in FY 2004. | |
| HB 417 | Cecil County - Public Facilities Bonds (Ch. 365) | Debt service increase of $367,900 annually for 20 years beginning in FY 2003. | |
| HB 1030 | Cecil County - Sheriff - Salary (Ch. 91) | Increase of $1,950 in FY 2003 and $9,100 annually beginning in FY 2007. | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| HB 1289 | Cecil County - Retirement and Pensions (Ch. 419) | Potential increase in pension costs. | |
| ***Charles County*** | | | |
| HB 1019 | Charles County - Sheriff's Office - Collective Bargaining (Ch. 555) | Potential increase in personnel and administrative costs. | X |
| ***Dorchester County*** | | | |
| HB 222 | Dorchester County - County Commissioners - Salaries and Compensation (Ch. 214) | Increase of $7,500 in FY 2003 and $15,000 annually beginning in FY 2004. | |
| HB 1442 | Law Enforcement Officers' Pension System and State Police Retirement System - Death Benefits (Ch. 102) | Increase of $1,600 annually for City of Cambridge pension contributions beginning in FY 2004. | |
| ***Frederick County*** | | | |
| HB 367 | Frederick County - State's Attorney - Salary (Ch. 511) | Increase of $6,700 in FY 2003 and $13,400 annually beginning in FY 2004. | |
| HB 435 | Frederick County - Alcoholic Beverages - Inspector's Salary (Ch. 519) | Increase of $3,600 annually beginning in FY 2003. | |
| ***Garrett County*** | | | |
| HB 1232 | Garrett County - Bonds for Garrett County Memorial Hospital (Ch. 93) | Reimbursable debt service increase of $502,000 annually for 30 years beginning in FY 2003. | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| ***Howard County*** | | | |
| HB 753 | Howard County - Orphans' Court - Compensation of Judges (Ho. Co. 13-02) (Ch. 85) | Increase of $2,900 in FY 2003 and $5,800 annually beginning in FY 2004. | |
| ***Kent County*** | | | |
| SB 839 | Cecil County and Kent County - Orphans' Court Judges - Salaries (Ch. 25) | Increase of $875 in FY 2003 and $1,500 annually beginning in FY 2004. | |
| HB 357 | Kent County - Treasurer - Salary (Ch. 61) | Increase of $1,600 in FY 2003 and $12,500 annually beginning in FY 2007. | |
| HB 365 | Kent County - State's Attorney - Salary (Ch. 510) | Increase of $11,300 in FY 2003 and $22,600 annually beginning in FY 2004. | |
| HB 630 | Kent County - Sheriff - Salary (Ch. 73) | Increase of $1,900 in FY 2003 and $7,500 annually beginning in FY 2007. | |
| ***Montgomery County*** | | | |
| HB 706 | Montgomery County - Board of Education - Compensation (MC 204-02) (Ch. 78) | Increase of $34,000 in FY 2003. | |
| HB 710 | Housing Opportunities Commission of Montgomery County - Binding Arbitration (MC 209-02) (Ch. 238) | Potential arbitration and personnel costs. | X |
| HB 724 | Montgomery County - Alcoholic Beverages - Special Class B-BWL (Performing Arts Facility) License (Ch. 241) | Increase of $700 per application for publication costs and criminal background checks. | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| HB 768 | Washington Suburban Sanitary Commission - Minority Business Enterprise Program (PG/MC 102-02) (Ch. 387) | Annual WSSC program expenditures would continue at $224,450. | |
| HB 769 | Maryland-National Capital Park and Planning Commission - Park Police Officers - Binding Arbitration (PG/MC 110-02) (Ch. 248) | Increase in arbitration costs of $9,250 to $35,500; potential personnel costs. | X |
| ***Prince George's County*** | | | |
| HB 635 | Town of Landover Hills (Prince George's County) - Urban Renewal Authority for Slum Clearance (Ch. 74) | Increase in land acquisition and urban renewal project costs for the Town of Landover Hills. | |
| HB 637 | Prince George's County - State's Attorney's Office - Composition and Salaries (Ch. 531) | Increase of $3,300 in FY 2003 and $13,300 annually beginning in FY 2006. | |
| HB 639 | Town of Cottage City (Prince George's County) - Urban Renewal Authority for Slum Clearance (Ch. 75) | Increase in land acquisition and urban renewal project costs for the Town of Cottage City. | |
| HB 643 | Prince George's County Sheriff's Office - Compensation (Ch. 233) | Increase of $13,000 in FY 2003. | |
| HB 644 | Prince George's County - Education - Home and Hospital Teacher Representative and Junior Reserve Officer Training Corps Instructors (PG 403-02) (Ch. 76) | Potential minimal personnel costs. | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| HB 648 | Town of Capitol Heights (Prince George's County) - Urban Renewal Authority for Slum Clearance (Ch. 234) | Increase in land acquisition and urban renewal project costs for the Town of Capitol Heights. | |
| HB 768 | Washington Suburban Sanitary Commission - Minority Business Enterprise Program (PG/MC 102-02) (Ch. 387) | Annual WSSC program expenditures would continue at $224,450. | |
| HB 769 | Maryland-National Capital Park and Planning Commission - Park Police Officers - Binding Arbitration (PG/MC 110-02) (Ch. 248) | Increase in arbitration costs of $9,250 to $35,500; potential personnel costs. | X |
| HB 949 | Prince George's County School System - Education - Management, Governance, and Financing (PG 415-02) (Ch. 289) | Net school board decrease of $3,100 in FY 2003; potential personnel costs; increase for an evaluation in FY 2005 and 2006. | X |
| ***Somerset County*** | | | |
| HB 524 | Somerset County - Orphans' Court - Judges' Compensation (Ch. 71) | Increase of $2,260 in FY 2003 and $4,520 annually beginning in FY 2004. | |
| ***St. Mary's County*** | | | |
| HB 251 | St. Mary's County - Public Officials - Salaries (Ch. 48) | Increase of $28,600 in FY 2003 and $57,200 annually beginning in FY 2004. | |
| ***Talbot County*** | | | |
| HB 238 | Dorchester and Talbot Counties - State's Attorney - Salary and Duties (Ch. 502) | Increase of $12,500 in FY 2003 and $25,000 annually beginning in FY 2004. | |

## Legislation Affecting Local Government Expenditures

| Bill # | Title | Expenditure Effect | Mandate |
|---|---|---|---|
| ***Washington County*** | | | |
| HB 442 | Washington County - County Commissioners - Salary (Ch. 220) | Increase of $35,300 in FY 2003 and $60,500 annually beginning in FY 2004. | |
| HB 443 | Washington County - Orphans' Court - Compensation and Expense Allowances of Judges (Ch. 66) | Increase of $3,070 in FY 2003 and $5,260 annually beginning in FY 2004. | |
| ***Washington Suburban Sanitary Commission*** | | | |
| HB 773 | Washington Suburban Sanitary Commission - Police Force (PG/MC 101-02) (Ch. 388) | $5,000 one-time computer equipment costs in FY 2003. | |
| ***Worcester County*** | | | |
| HB 301 | Atlantic Coastal Bays Protection Act (Ch. 433) | Grant expenditure increase of $273,000 (total) for the county and Ocean City in FY 2003 for local coastal bay critical area programs. | Potential |

# Chapter Five - Vetoed Legislation

## Vetoed Legislation

The following is a list of all bills passed by the 2002 General Assembly and vetoed by the Governor for policy reasons.

| | |
|---|---|
| SB 11 | Local Correctional Facilities - Inmate Transfers |
| SB 31 | Administrative Procedure Act - Contested Cases - Time Limit for Making Final Decision |
| SB 38 | Income Tax - Claims for Refunds |
| SB 232/HB 1374 | Frederick County - Zoning - Referendum |
| SB 302/HB 404 | Vehicle Laws - Trailers and Semitrailers - Surge Brakes |
| SB 383/HB 437 | Qualified Tuition Programs - Income Tax Treatment |
| SB 399 | Income Tax - Subtraction Modification for Retirement Income - Rollovers to Individual Retirement Accounts |
| SB 427/HB 211 | Motor Vehicle Administration - Digital Photographic Images - Private Detective Agencies |
| SB 482/HB 438 | Credit Regulation - Credit Grantor Revolving Credit Provisions - Amendment of Plan Agreement |
| SB 497 | Retirement and Pensions - Maryland National Guard - Service Credit |
| SB 523/HB 596 | Nonresident Real Estate Brokers - Commercial Real Estate - Reciprocity |
| SB 560 | Business Occupations and Professions - Real Estate Licenses - Requirements for Licensure and Renewal |
| SB 582/HB 1001 | Cigarette Business Licensing Law - Cigarette Nonresident Dealers |
| SB 604 | Allegany County - Director of Emergency Management |
| SB 625 | Vehicle Laws - Uninsured Motorist Penalties - Distribution of Fees |

| | |
|---|---|
| SB 701 | Dorchester County - Office of the Treasurer - Repeal |
| SB 735/HB 849 | Task Force on Resource Industry Business Development |
| SB 750 | Property Tax - Tax Credit for Conservation Property |
| SB 807/HB 1236 | Homeowner's Insurance - Cancellation |
| HB 9 | Deer Management Plans - Increased Harvest |
| HB 25 | State Comptroller's Office - Field Enforcement Division - Law Enforcement Authority |
| HB 48 | District Court - Civil Jurisdiction - Dishonored Checks and Other Instruments |
| HB 52 | Business Occupations and Professions - Real Estate Licenses - Requirements for Licensure and Renewal |
| HB 70 | District Court - Small Claims Actions |
| HB 169 | Political Posters - Worcester County |
| HB 237 | State Government - Plaque Commemorating the Bataan Death March |
| HB 342 | Commission on Indian Affairs - Formal Recognition of Maryland Indian Status |
| HB 471 | Motor Vehicles - Salvage Vehicles - Distribution of Fees |
| HB 495 | Department of Human Resources - Welfare Reform and Child Support Enforcement - Repeal of Sunset |
| HB 567 | Maryland Agricultural Land Preservation Foundation - Allegany and Garrett Counties - Natural Gas Rights |
| HB 741 | St. Mary's County - Alcohol Beverage Board - Chairman |
| HB 845 | Milk Products - Length of Sell-by Period |
| HB 937 | Education - Public School Facilities |
| HB 1000 | Agricultural Land Preservation - Easements - Dwelling House |

HB 1012 Agriculture - Crimes - Agricultural Research Protection Act

HB 1205 Uniformed State Employees

These bills would have had the following fiscal effects:

SB 31: Would have increased special fund expenditures by $56,400 in FY 2003, with future years reflecting annualization, salary increases, and inflation.

SB 38: Would have resulted in a minimal general fund revenue loss.

SB 232/HB 1374: Would have increased Frederick County expenditures by $105,000 for each special election held to vote on zoning ordinances.

SB 383/HB 437: Could have resulted in a significant revenue decrease associated with the subtraction modification being claimed for contributions made to other State plans. General fund revenue loss may have been mitigated significantly by limiting the number of subtraction modifications that could be taken by one contributor for one beneficiary. Local government revenues would have increased by approximately 2.8 percent of any increase in adjusted gross income due to the limitations put in place by the bill.

SB 399: Would have resulted in a general fund revenue loss, depending on a number of unknown factors including the number and amount distributed each year from such nontaxable rollovers and the amount of Social Security received by the affected individuals. Under one set of assumptions, general fund revenues would have decreased by $1.7 million annually. Based on the same assumptions, local government revenues would have decreased by $982,200.

SB 427/HB 211: Could have resulted in Transportation Trust Fund revenue and expenditure increases, depending on the level of demand for digital images.

SB 497: Would have resulted in minimal State pension costs, as well as minimal pension costs for local governments that participate in the State Retirement and Pension System.

SB 523/HB 596: Would have resulted in minimal fee revenue decrease for real estate broker licenses and real estate salesperson licenses.

SB 582/HB 1001: Would have increased general fund revenues by $375 annually beginning in FY 2003.

SB 625: Would have decreased Transportation Trust Fund (TTF) revenues by $2.0 million in FY 2002, $2.2 million in FY 2003-2005, and $2.8 million in FY 2006-2007. Vehicle Theft Prevention Fund revenues would have increased by $2.0 million in FY 2002 and $2.2 million annually beginning in FY 2003. School Bus Safety Enforcement

Fund revenues would have increased by $600,000 annually beginning in FY 2006. General fund revenues would have decreased by $2.8 million annually beginning in FY 2008. Expenditures by the two programs would have increased, and TTF expenditures would have decreased, accordingly.

SB 701: Would have decreased State retirement expenditures by $1,100 in FY 2007 and by $2,200 annually thereafter if the repeal were approved by the qualified voters of Dorchester County; county retirement expenditures would have increased by $820 beginning in FY 2007 and $1,640 annually thereafter.

SB 750: Local government property tax revenues could have decreased, depending on the number of additional properties made eligible for property tax credits for conservation land.

SB 807/HB 1236: Would have increased rate and form filing fee (special fund) revenues by $250 in FY 2003.

HB 9: Would have increased overtime costs for officers by $2,800 in FY 2003, with future years reflecting inflation.

HB 237: Would have increased general fund expenditures by $2,000 in FY 2003 to install a plaque at the Maryland State House.

HB 471: Would have decreased minimally grant revenues to local governments for vehicle theft enforcement and deterrence.

HB 495: Would have continued State finances for the Child Support Enforcement Privatization Pilot Program beyond FY 2003. The FY 2003 budget includes $11.2 million for the privatization program ($7.4 million federal funds/$3.8 million general funds). Incentive payments would have increased in FY 2003-2005 for new demonstration sites. Could have resulted in minimal support collections (special fund) revenue increase. As of June 30, 2005, demonstration sites established under this bill would have reverted to traditional State-run sites.

HB 937: Would have had increased funding for seven local school systems under the Aging Schools Program and decreased funding for 17 local school systems beginning in FY 2003.

HB 1000: Could have minimally increased special fund revenues in FY 2003 and FY 2004 from landowner reimbursement for any acres released from easements.

HB 1012: Could have minimally increased general fund revenues and expenditures due to the bill's penalty provisions.

SB11, SB 302/HB 404, SB 482/HB438, SB 560, SB 604, SB 735/HB 849, HB 25, HB 48, HB 52, HB 70, HB 169, HB 342, HB 567, HB 741, HB 845, HB1205: Would not have had a discernable impact on State or local finances.