

EFFECT OF THE 2008 LEGISLATIVE PROGRAM ON THE FINANCIAL CONDITION OF THE STATE



DEPARTMENT OF LEGISLATIVE SERVICES 2008

Effect of the 2008 Legislative Program on the Financial Condition of the State

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

July 2008

For further information concerning this document contact:

Library and Information Services
Office of Policy Analysis
Department of Legislative Services
90 State Circle
Annapolis, Maryland 21401

Baltimore Area: 410-946-5400 • Washington Area: 301-970-5400

Other Areas: 1-800-492-7122, Extension 5400

TDD: 410-946-5401 • 301-970-5401

Maryland Relay Service: 1-800-735-2258

E-mail: libr@mlis.state.md.us

Home Page: <http://mlis.state.md.us>

The Department of Legislative Services does not discriminate on the basis of race, color, national origin, sex, religion, or disability in the admission or access to its programs or activities. The department's Information Officer has been designated to coordinate compliance with the nondiscrimination requirements contained in Section 35.107 of the Department of Justice regulations. Requests for assistance should be directed to the Information Officer at the telephone numbers shown above.



Karl S. Aro
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Warren G. Deschenaux
Director

July 2008

The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Michael E. Busch, Speaker of the House of Delegates
Members of the Maryland General Assembly

State law requires the Department of Legislative Services to annually prepare a report that summarizes the effect of the preceding legislative program on State and local governments (State Government Article, Section 2-1237). In accordance with this requirement, I am pleased to submit the following report, *Effect of the 2008 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 2009 operating budget (Senate Bill 90/Chapter 335).

Chapter Two summarizes the fiscal 2009 capital budget and the State's capital program (Senate Bill 150/Chapter 336).

Chapter Three identifies enacted legislation from the 2008 session that affects State revenues or expenditures. The revenue and expenditure effects of the legislation are summarized, as are the number of regular and contractual positions required to implement the legislation.

Chapter Four identifies enacted legislation from the 2008 session that affects local governments. This chapter also identifies State mandates on units of local government and provides an overview of State aid to local governments.

Chapter Five provides a listing of the 2008 bills vetoed by the Governor for policy reasons. The fiscal implications of those bills are also noted.

Further information on issues considered during the 2008 session may be found in *The 90 Day Report – A Review of the 2008 Legislative Session*, issued annually by the Department of Legislative Services following the adjournment of the General Assembly.

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
Members of the Maryland General Assembly
July 2008
Page 2

The enclosed report is prepared by the staff of the Office of Policy Analysis. The work was coordinated by John Rixey, Suzanne Potts, and Mark Collins. 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.

Sincerely,

Warren G. Deschenaux
Director

WGD/ncs

Contents

Transmittal Letter	iii
Abbreviations.....	vii
Fiscal Effects of the 2008 Legislative Program.....	1
Chapter One – Operating Budget	3
Overview.....	5
Budget in Brief.....	5
Framing the Session: 2007 Interim Activity.....	8
Governor’s Spending Plan as Introduced	9
Legislative Consideration of the Budget	12
Outlook for Future Budgets	16
Budget Reconciliation and Financing Legislation.....	18
By the Numbers	21
Chapter Two – State Capital Program	31
Summary	33
Debt Affordability.....	57
Higher Education	58
Public School Construction Funding Remains a High Priority for the General Assembly	60
Green Buildings	60
Transfer Tax.....	61
Chapter Three – Impact of Legislation on State Revenues and Expenditures	63
Legislation Affecting State Revenues.....	65
Totals by Fund Type/Summary of Quantifiable Revenue Effects.....	83
Legislation Affecting State Expenditures	85
Expenditures by Agency	115
Totals by Fund Type/Summary of Quantifiable Expenditure Effects	121
Regular Positions Needed by Agency	123
Contractual Positions Needed by Agency	126
Chapter Four – Local Government.....	127
State Aid to Local Governments.....	129

State Mandates on Local Governments	147
Legislation Affecting Local Government Revenues	149
Legislation Affecting All/Multiple Local Jurisdictions.....	149
Legislation Affecting Local Governments by Subdivision	156
Allegany County	156
Anne Arundel County	156
Baltimore City.....	156
Calvert County.....	156
Carroll County	157
Cecil County	157
Dorchester County	157
Garrett County	157
Harford County	158
Howard County	158
Kent County	159
Montgomery County	159
Prince George’s County.....	159
Somerset County	160
St. Mary’s County	160
Washington County	160
Wicomico County	161
Worcester County	161
Legislation Affecting Local Government Expenditures	162
Legislation Affecting All/Multiple Local Jurisdictions.....	162
Legislation Affecting Local Governments by Subdivision	168
Anne Arundel County	168
Baltimore City.....	168
Baltimore County.....	168
Calvert County.....	169
Carroll County	169
Cecil County	169
Dorchester County	170
Garrett County	170
Harford County	170
Howard County	170
Montgomery County	171
Prince George’s County.....	171
Somerset County	172
St. Mary’s County	172
Washington County	172
Chapter Five – Vetoed Legislation	173

Abbreviations

BOND	–	Bond
Ch.	–	Chapter
CY	–	Calendar Year
FF	–	Federal Fund
FY	–	Fiscal Year
GF	–	General Fund
GO	–	General Obligation
HB	–	House Bill
HE	–	Higher Education
NB	–	Nonbudgeted
REIM	–	Reimbursable Funds
SAEF	–	Special Administrative Expense Fund
SB	–	Senate Bill
SF	–	Special Fund
SPHRF	–	State Police Helicopter Replacement Fund
SSN	–	Social Security Number
TTF	–	Transportation Trust Fund
UEF	–	Uninsured Employers' Fund
VCAF	–	Volunteer Company Assistance Fund
()	–	Indicates Decrease

Fiscal Effects of the 2008 Legislative Program

Enacted legislation with a quantifiable effect is expected to increase general fund revenues by \$52.6 million and reduce general fund expenditures by \$81.1 million in fiscal 2009, an overall positive impact on the general fund of \$133.7 million. The table below summarizes the quantifiable five-year general fund impact of all enacted legislation from the 2008 regular session. Projected general fund revenues decrease beginning in fiscal 2010, contributing to an estimated negative general fund impact of \$82.4 million by fiscal 2013.

Fiscal 2009 general fund revenues of \$52.6 million are partially offset by a projected reduction of \$36.1 million in special fund revenues. The effect of legislation affecting State revenues will be considered by the Board of Revenue Estimates when fiscal 2009 revenue estimates are revised in December 2008.

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
General Fund Revenues	\$52,566,066	(\$48,169,655)	(\$105,904,833)	(\$172,100,856)	(\$177,177,468)
General Fund Expenditures	(\$81,104,654)	(\$138,546,408)	(\$36,631,558)	(\$138,072,170)	(\$94,813,640)
Net General Fund Impact	\$133,670,720	\$90,376,753	(\$69,273,275)	(\$34,028,686)	(\$82,363,828)

Enacted legislation from the 2008 session is expected to increase fiscal 2009 special fund expenditures by \$54.6 million and federal fund expenditures by \$27.7 million. These totals include \$66.6 million in special fund expenditures and \$27.6 million in federal fund expenditures that have not been included in the fiscal 2009 operating budget; however, many of the projected increases will be offset by increases in special or federal fund revenues. State agencies may incorporate additional special and federal funds into their budgets through the budget amendment process or with funds already appropriated in the State budget. The table below details budgeted and nonbudgeted expenditure increases resulting from enacted 2008 legislation.

	General Funds	Special Funds	Federal Funds
Total Expenditures	(\$81,104,654)	\$54,649,186	\$27,680,876
Budgeted Expenditures	(\$32,466,542)	(\$11,979,750)	\$33,677
Nonbudgeted Expenditures	(\$48,638,112)	\$66,628,936	\$27,647,199

An estimated 126.6 regular and 4.5 contractual positions will be required in fiscal 2009 to implement enacted legislation from the 2008 legislative program. As many as 8 additional regular positions could be necessary in fiscal 2010 as a result of 2008 enacted legislation, a two-year total of 134.6 new regular and 4.5 new contractual positions.

The analysis of fiscal effects excludes the impact of bills for which estimates cannot be quantified. Although the bills do not contribute to the totals shown in the report, each bill with an indeterminate impact is listed in Chapter 3 with an indication of whether it is expected to have a positive or negative impact on the budget. Estimates are based on the assumptions stated in the fiscal notes for those bills.

Chapter One – Operating Budget

- Overview
- Budget in Brief
- Framing the Session: 2007 Interim Activity
- Governor's Spending Plan as Introduced
- Legislative Consideration of the Budget
- Outlook for Future Budgets
- Budget Reconciliation and Financing Legislation
- By the Numbers

Overview

In 2007, the State faced a structural general fund budget deficit estimated at \$1.7 billion for fiscal 2009. The Administration adopted \$128.4 million in budget reductions in July 2007 and called for a special session of the legislature in October. Action at the special session included revenue enhancements of about \$900 million, plus over \$500 million in budget reductions. A constitutional amendment places the issue of video lottery terminals before the voters, which could add over \$600 million to State coffers upon implementation. Fiscal matters continued to dominate the 2008 session as a softening economy led to \$334 million in downward revenue revisions. Efforts to repeal the sales tax on computer services resulted in the passage of legislation that adopted a three-year increase in the State income tax rate, to 6.25 percent for net taxable income in excess of \$1.0 million, in conjunction with transfers from the Transportation Trust Fund (TTF) for five years, and \$50.0 million in ongoing budget reductions.

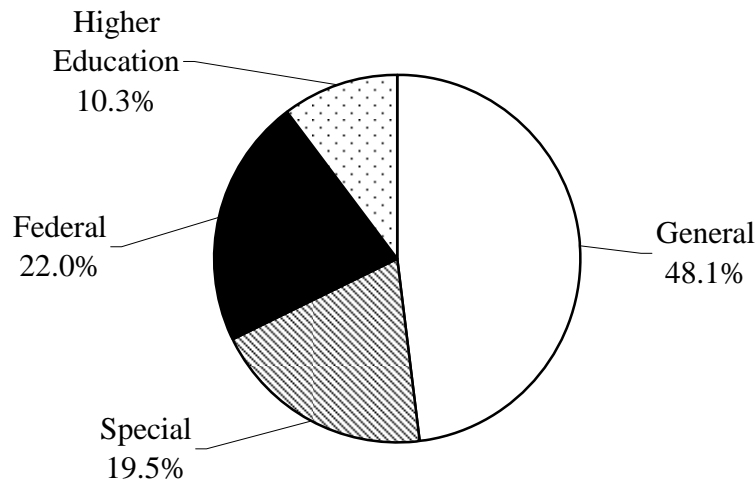
The General Assembly enacted a \$31.2 billion budget for fiscal 2009, an increase of \$1.2 billion or 4.0 percent above fiscal 2008. The budget is \$21.9 million below the 4.27 percent level recommended by the Spending Affordability Committee (SAC). Medicaid, education aid, and personnel expenses account for much of the increase, in addition to modest initiatives. The budget continues to freeze tuition, begins the expansion of Medicaid services to the uninsured, implements public safety initiatives, and enhances efforts to restore the Chesapeake Bay. The budget estimates a closing general fund cash balance of \$236.6 million and maintains reserves of \$738.9 million, or 5.0 percent, of general fund revenues in the Rainy Day Fund.

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

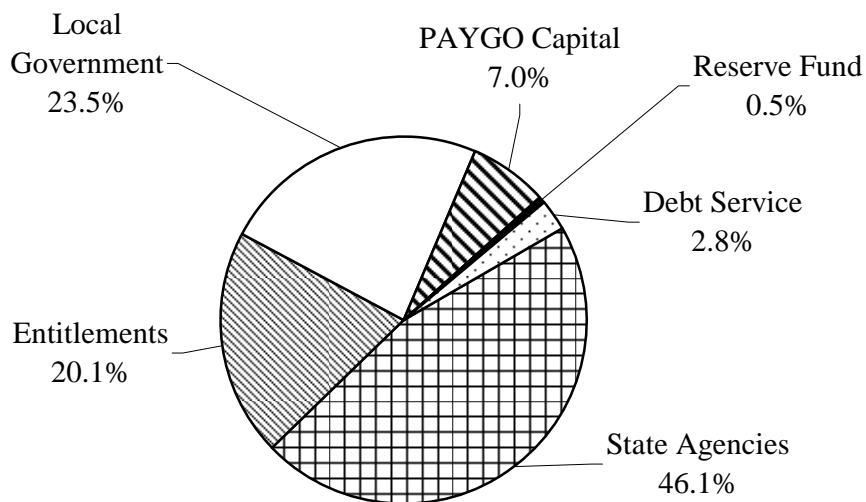
Budget in Brief

The Fiscal Year 2009 Budget Bill, **Senate Bill 90 (Chapter 335)**, provides \$31.2 billion in appropriations for fiscal 2009; an increase of \$1.2 billion (4.0 percent) over fiscal 2008. **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 dollars. State agency operations constitute the largest area of spending, representing 46.1 percent of the total budget. Aid to local governments accounts for 23.5 percent of the budget, and 20.1 percent supports entitlement programs. Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State general obligation bonds, and transfers to accounts of the State's Reserve Fund.

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



Where It Goes: Budget by Purpose



PAYGO: Pay-as-you-go capital

General fund appropriations grow by \$538.0 million, or 3.7 percent, above fiscal 2008. Increases are fairly evenly distributed between local aid, entitlements, and State agencies. Education and library aid for local jurisdictions increase by \$195.0 million in general funds, much of which is associated with new funding for the Geographic Cost of Education Index (GCEI) and supplemental grants which provide a combined total of \$112.6 million in fiscal 2009. Funding for Medicaid grows by \$132.3 million based in part on inflation and enrollment growth, as well as funding to phase out hospital day limits. Agency spending growth is \$190.0 million, or 3.2 percent, after accounting for \$50.0 million in reductions stipulated in **Senate Bill 46 (Chapter 10)** and \$30.0 million in expected reversions. Much of the growth in agency budgets is due to personnel cost increases, including a 2.0 percent general salary increase and employee increments. The budget also includes additional spending for student testing costs, major information technology projects, two new housing units at the North Branch Correctional Institution, inmate medical costs, and personnel costs at juvenile facilities. Some modest initiatives are also funded such as stab proof vests for correctional officers, a high risk offender supervision program, oral health programs, and mental health services for returning veterans. General fund appropriations to the State Reserve Fund total \$146.5 million, a decrease of \$16.3 million compared to 2008. PAYGO capital spending also declines by \$11.0 million.

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

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

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

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

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

With respect to State personnel, a general salary increase provides 2.0 percent, although this is offset by the final 1.0 percent increase in employee contributions for the retirement enhancement that was passed at the 2006 session. In fiscal 2009 and beyond, employees will now contribute 5.0 percent of salary toward retirement. The budget also includes \$105.2 million in all funds toward the State's unfunded retiree health care liability (*a.k.a.*, Other Post Employment Benefits or OPEB), which is about the same amount included in the fiscal 2008 budget.

Framing the Session: 2007 Interim Activity

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

December Board of Revenue Estimates Revision/Economic Outlook

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

Excluding revenue enhancements passed at the special session, BRE revised the fiscal 2008 general fund estimate downward by a combined \$308.0 million since March 2007. The fiscal 2009 estimate was also lowered in March by \$258.2 million. Prior to 2008 session action, BRE expected general fund revenues to grow 4.8 percent in fiscal 2008 and 6.8 percent in fiscal 2009 as many of the taxes raised at the special session effective January 1, 2008, are annualized.

SAC Recommendations

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

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

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

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

Governor's Spending Plan as Introduced

The fiscal plan submitted by the Administration provided for \$31.6 billion in total spending for fiscal 2009 and another \$125.8 million for fiscal 2008 deficiencies. The budget was \$30.5 million below the limit recommended by SAC, reflected the abolition of 500.15 positions

as required at the special session, and utilized \$125.0 million in the Rainy Day Fund which was the balance above the recommended 5.0 percent level. The Governor's proposed spending plan resulted in a general fund balance of \$177.5 million, and the structural deficit was reduced from an estimated \$1.7 billion to \$331.0 million.

Fiscal 2008 Financial Assumptions

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

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

- \$27.2 million in the Department of Juvenile Services (DJS), largely for residential per-diem placements, reopening of the Victor Cullen Academy, and overtime;
- \$22.3 million in MDOT due to rising expenses associated with mobility services for disabled riders, transit union contracts, commuter bus service expansion, expansion of the Maryland Rail Commuter (MARC) services, and other bus and transit operations;
- \$18.5 million in the Department of Human Resources (DHR) to supplement funding for low-income energy assistance, children's legal services contracts, information technology improvements, the food stamp access project, and child support enforcement;
- \$13.5 million in the Department of Health and Mental Hygiene (DHMH) mostly for federal contracts for the Women, Infants, and Children program; and
- \$12.2 million within the Department of Public Safety and Correctional Services (DPSCS) for overtime expenses, public safety death benefits, revenue under attainment in the Drinking Driver Monitor Program (DDMP), and local jail reimbursements.

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

- \$30.0 million from a fiscal 2007 Medicaid over accrual;
- \$6.0 million representing a portion of the funds from the Rehab Option Program in the Children's Cabinet Interagency Fund (CCIF). The program was reduced by \$4.0 million in July 2007 to \$12.5 million. Because the funds were restricted for one-half of the fiscal year, the Administration assumed a corresponding reversion;

- \$5.0 million expected from the abolition of 500.15 positions in January 2007 as required by Chapter 2 of the 2007 special session;
- \$4.8 million in reversions from the Judicial (\$3.0 million) and Legislative (\$1.8 million) branches of government; and
- \$2.5 million from several areas including \$1.3 million in federal indirect cost recoveries in the Department of Labor, Licensing, and Regulation, \$1.0 million from the Medicaid Children's Health Program, and \$0.3 million in overbudgeted school wiring lease payments.

Fiscal 2009 Financial Assumptions

Additional Revenue and Reversion Assumptions: The Governor assumed another \$3.0 million above the BRE estimate, comprised of \$2.0 million in greater than expected uninsured motorist cases resolved by the Central Collection Unit (CCU) within the Department of Budget and Management (DBM), plus \$1.0 million in lottery revenues to the general fund following a revision to the budgetary allocation to the Maryland Stadium Authority. Based on action at the special session, which permitted use of the Land Records Fund to support Judicial Major Information Technology projects for two years, the Administration assumed a \$7.3 million fiscal 2009 reversion (which was adopted as a legislative reduction) to recognize a general fund savings.

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

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

- **House Bill 1614 (failed)** proposed to reduce \$8.6 million in overtime expenses in DPSCS, contingent on a change in the overtime calculation for correctional officers to be consistent with the Federal Fair Labor Standards Act and negotiations to adopt four-day 12-hour shifts.

Legislative Consideration of the Budget

As the legislature considered the budget, BRE revised general fund revenues downward by a combined \$333.0 million for fiscal 2008 and 2009, and the Governor submitted two supplemental budgets which added \$243.5 million in spending. The General Assembly reduced the budget by \$441.1 million in all funds and deleted 244 positions. In separate legislation, the intent was expressed that the Governor withdraw another \$50 million in general fund spending, which combined with legislative session action equates to a total reduction of \$491.1 million. A major fiscal issue that evolved during the session revolved around the eventual passage of legislation to repeal the expansion of the sales and use tax for certain computer services.

Revenue and Spending Changes

BRE Revenue Revisions: In March 2008, BRE revised its estimate of general fund revenues for fiscal 2008 downward by \$74.7 million and \$258.2 million for fiscal 2009. Changes in the economy based on the housing market, higher fuel and utility costs, and turmoil in the financial services sector have combined to reduce sales and income tax revenues.

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

Reductions: The legislature pared the Governor's fiscal 2008 deficiency budget by \$1.2 million based on unexpected federal funds to spray for gypsy moths and actual grant award levels for community health resource centers. Changes adopted in the fiscal 2009 budget eliminated 244 positions and reduced \$439.9 million in all funds, exclusive of the intended \$50.0 million in ongoing reductions expressed in **Senate Bill 46 (Chapter 10)**. Notable reductions included:

- \$99.7 million in funds set aside toward the State's unfunded retiree health care liability. After this action the State is appropriating about \$100.0 million per year toward this liability in each of fiscal 2008 and 2009;

- \$50.0 million from the MTA PAYGO capital program to more accurately reflect actual cash flow needs;
- \$42.4 million in general funds from higher education institutions, however, about \$31.0 million of this amount is being replaced with funding from the HEIF;
- \$25.0 million from the Bay Fund, based on action adopted in **Senate Bill 527 (Chapter 414)** to reduce the \$50.0 million program for one year in order to supplement the general fund balance;
- \$20.2 million to reduce medical malpractice subsidies based on the actual level of funding need;
- \$40.0 million (\$20.0 million general funds/\$20.0 million federal funds) for Medicaid in patient hospital costs based on expected utilization; and
- \$16.1 million for four higher education PAYGO capital projects that will instead be funded with general obligation debt.

Repeal of the Sales Tax Base Expansion to Computer Services

Action at the 2007 special session included the expansion of the State sales tax to certain computer services, effective July 1, 2008. An estimated \$214 million was expected to be attained from this expansion, of which \$200 million was for the general fund and \$14 million was the TTF's share. A number of bills were introduced at the 2008 session to modify or repeal the new tax, and as the session progressed, the Administration expressed support for its repeal. A number of options were considered and a plan was incorporated within **Senate Bill 46 (Chapter 10)**. This included a three-year increase in the income tax rate for income in excess of \$1 million, a five-year diversion of sales tax revenue from the TTF to the general fund, and \$50 million in ongoing general fund budget reductions.

Final Actions Related to SAC

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

Personnel: In January 2008, the Governor abolished 500.15 positions saving \$5.0 million in accordance with Section 10 of Chapter 2 of the special session of 2007. These position abolitions were reflected in the fiscal 2009 budget as recommended by the committee. Action at the 2008 session reduced positions by 244, leaving 154 additional positions above the

fiscal 2008 working appropriation. This is a growth rate of two-tenths of 1 percent, which is consistent with the committee recommendation that the Governor exercise prudent discipline in the creation of additional positions.

State Reserve Fund Balance: Although \$125.0 million was transferred to support fiscal 2009 spending, budget action at the 2007 session leaves a \$738.9 million balance in the Rainy Day Fund. This constitutes the minimum 5 percent balance, thus final action on the budget complied with this SAC recommendation.

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

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

Summary of Fiscal 2009 Legislative Activity

Exhibit 1.5 summarizes final legislative activity on the fiscal 2009 budget relative to the plan proposed at the beginning of the session by the Administration and amended by subsequent supplemental budgets. While the fiscal plan offered by the Administration was largely adopted as proposed, budget reductions and fund transfers affected by the legislature created a larger projected closing fund balance for fiscal 2009.

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

General Fund

	<u>Admin.</u>	<u>Final</u>
Starting Balance	\$377.2	\$377.6
Revenues Fiscal 2008 – Legislation	60.0	160.0
Expenditure Reduction – Deficiency Appropriation	0.0	0.4
Adjusted Starting Balance	\$437.2	\$538.0
Revenues – BRE March Estimate	14,484.9	14,484.9
Other Revenues	31.9	35.7
Revenues – Legislation*	46.9	52.6
Transfer from Rainy Day Fund	125.0	125.0
Total Revenues and Balance	\$15,126.0	\$15,236.2
Expenditures – Governor’s Allowance	\$15,130.0	\$15,130.0
Appropriation to Rainy Day Fund	146.5	146.5
Expenditure Reductions – Legislation*	-35.2	-82.1
Expenditure Reductions**	-188.9	-194.9
Total Expenditures	\$15,052.4	\$14,999.6
Revenues Less Expenditures	73.6	236.6
Ending Balance	\$73.6	\$236.6

Cash Position

General Fund Balance	\$73.6	\$236.6
Rainy Day Fund Balance – June 30, 2009	738.9	738.9
Total	\$812.5	\$975.5
Cash and Rainy Day Fund Over 5%	\$75.3	\$238.3

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

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

Outlook for Future Budgets

As shown in **Exhibit 1.6**, although there is a cash balance of about \$237 million in fiscal 2009, there is a gap of about \$350 million when comparing ongoing revenue to ongoing spending. As noted, action at the 2007 special session reduced the projected \$1.7 billion structural deficit by about \$1.4 billion through a combination of new revenues and spending reductions. Reductions adopted at the 2008 session largely offset downward revenue revisions that were received in March 2008 but did not make additional progress in reducing the structural deficit. There is a potential cash shortfall of about \$250 million between revenues and current services spending projected for fiscal 2010. The shortfall is expected to widen to \$600 million in fiscal 2011, which mirrors the structural deficit. This is due mainly to the downward revision of revenue by BRE in March, to an actuarial error in retirement contributions which adds nearly \$70 million per year in additional spending for teachers' retirement costs, and in the financing of health care expansion, enacted by Chapter 7 of the 2007 special session, which adds \$70 million in general fund spending in fiscal 2011.

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

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Avg Annual
	Working	Leg. Approp.	Est.	Est.	Est.	Est.	Change
Revenues							2009-2013
Opening Fund Balance	285	538	237	0	0	0	
Transfers	998	152	323	65	63	52	
One-time Revenues/Legislation	160	54	0	0	0	0	
Subtotal One-Time Revenue	1,443	744	559	65	63	52	
Ongoing Revenues	13,556	14,489	15,262	16,043	16,802	17,585	
Revenue Adjustments - Legislation	0	3	-48	-106	-172	-177	
Subtotal Ongoing Revenue	13,556	14,492	15,213	15,937	16,629	17,407	4.7%
Total Revenues & Fund Balance	15,000	15,236	15,773	16,002	16,693	17,459	
Ongoing Spending							
Operating Spending	14,157	14,789	15,647	16,409	16,690	17,266	
Health Care Expansion	0	0	0	70	188	205	
Multi-Year Commitments	115	100	78	64	0	0	
Ongoing Spending - Legislation	0	-52	-25	-18	-23	-25	
Subtotal Ongoing Spending	14,272	14,837	15,700	16,525	16,855	17,447	4.1%
One-Time Spending							
PAYGO Capital	27	16	34	33	33	32	
Appropriation to Reserve Fund	163	147	291	50	50	50	
Subtotal One-Time Spending	190	163	324	83	83	82	
Total Spending	14,462	15,000	16,024	16,608	16,937	17,528	
Ending Balance	538	237	-252	-606	-245	-69	
Rainy Day Fund Balance	682	739	763	802	840	879	
Balance over 5% of GF Revenues	4	14	0	0	0	0	
As % of GF Revenues	5.03%	5.10%	5.00%	5.00%	5.00%	5.00%	
Structural Balance	-715	-345	-487	-588	-225	-39	

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

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

Legislation

Based on legislation passed at the 2008 session, ongoing revenues are expected to begin decreasing by \$48 million in fiscal 2010 and ultimately by as much as -\$177 million by fiscal 2013. Much of this is the result of the repeal of the sales tax expansion on computer services via **Senate Bill 46 (Chapter 10)**. The loss of revenues is partially offset by a three-year 6.25% tax rate on income above \$1 million; however, this phases out halfway through fiscal 2011. This legislation also requires transfers from the TTF through fiscal 2013 and \$50 million in ongoing general fund reductions. Ongoing reductions were implemented by the Administration through BPW on June 25, 2008. DLS estimates the ongoing savings at \$33 million in fiscal 2010, growing to \$40 million by fiscal 2013. To a much lesser extent, revenue losses of \$5 million annually are also expected due to **Senate Bill 959 (Chapter 474)** which alters the prohibition on slot machines to include additional types of gaming machines.

Activity at the 2008 session reduces ongoing spending by about \$25 million per year. As noted, there is some ongoing savings due to **Senate Bill 46 (Chapter 10)**. However the savings is partially offset by other legislation. Just over \$5 million in spending could result based on **Senate Bill 206 (Chapter 338)**, the Base Realignment and Closure (BRAC) Community Enhancement Act, which establishes BRAC Revitalization and Incentive Zones and provides for property tax incentives for local jurisdictions. Due to the failure of **Senate Bill 536 (failed)**, a sunset on drinking driver monitor supervision fees is expected to go into effect at the end of fiscal 2010, resulting in additional general fund expenses of at least \$8 million annually starting in fiscal 2011.

Budget Reconciliation and Financing Legislation

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

Spending Mandate and Revenue Dedication Relief

Senate Bill 527 (Chapter 414) contains six provisions designed to provide relief to the general fund by eliminating or modifying mandates and altering the use of dedicated revenues. The bill:

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

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

Transfer of Special Fund Balances

Senate Bill 540 (Chapter 417) contains three provisions:

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

Health Care Funds – Transfers and Disbursements

Senate Bill 545 (Chapter 589) focuses on funds in the Maryland Health Care Provider Rate Stabilization Account and the Medical Care Programs Administration (Medicaid). The bill specifies the uses for the medical malpractice insurance subsidy payment rebate from the Medical Mutual Liability Insurance Society of Maryland that was received in December 2007. Companion budget bill language reduces general funds by \$21.3 million, contingent on this legislation. From the Rate Stabilization Account, the bill:

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

Senate Bill 545 (Chapter 589) also authorizes up to \$2 million in over-attainment in the Cigarette Restitution Fund to be transferred to Medicaid. Companion budget bill language authorizes \$1.0 million to be transferred from Medicaid to the Maryland State Department of Education (MSDE) to supplement the fiscal 2009 appropriation for the Non-public Student Textbook Program. The budget bill also authorizes that, after this distribution, up to \$1.0 million may be transferred to the Maryland Technology Development Corporation (TEDCO) to supplement the fiscal 2009 appropriation to the Stem Cell Research Fund.

Senate Bill 545 (Chapter 589), and companion budget bill language, provides for an increase of \$13.0 million to the Medicaid program, contingent on the over-attainment of fiscal 2008 lottery revenues, to supplement the funds already in DHMH for inflationary adjustments

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

Finally, **Senate Bill 545 (Chapter 589)** authorizes DHMH to use \$17.0 million in funds appropriated in Medicaid for nursing home reimbursements to cover an expected increase in costs due to a broadening of eligibility standards for long-term care coverage.

Budget Financing Act

Senate Bill 46 (Chapter 10), repeals application of the sales and use tax to computer services and establishes, for three years, a personal income tax rate of 6.25 percent on taxable income over \$1.0 million effective January 1, 2008. Although this tax is expected to generate approximately \$100.0 million less for the general fund annually, the lost revenues are recovered in the short term by reducing the distribution of sales and use tax to the TTF for five years (from \$51.0 million in fiscal 2009 to an estimated \$61.0 million by fiscal 2013), and intent language directing the Governor to present to the Board of Public Works by July 1, 2008, a schedule for reductions of at least \$50 million in ongoing general fund expenditures from the fiscal 2009 budget.

Senate Bill 983 (Chapter 477) transfers \$10.0 million from the Maryland Housing Fund's unallocated reserves to DHCD to be used in lieu of general funds for the Homeownership, Rental Housing, and Special Loans programs. This action allowed for a \$5.1 million general fund reduction in the operating budget. The bill further requires an automatic transfer to these programs in any year that the unallocated reserve balance exceeds \$10.0 million.

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

By the Numbers

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

Exhibit 1.7 shows the impact of the legislative budget on the general fund balance for fiscal 2008 and 2009. The fiscal 2008 balance is estimated to be \$538.0 million. At the end of fiscal 2009, the closing balance is estimated to be \$236.6 million.

Exhibit 1.8, the fiscal note on the budget bill, depicts the Governor's allowance, funding changes made through Supplemental Budgets No. 1 and 2, legislative reductions, and final appropriations for fiscal 2008 and 2009 by fund source. The Governor's original request

provided for \$31.7 billion (net of projected general fund reversions) in fiscal 2009 expenditures and fiscal 2008 deficiencies.

Exhibit 1.7
Final Budget Status
Status as of July 1, 2008

	<u>FY 2008</u>	<u>FY 2009</u>
Starting General Fund Balance	\$284,711,236	\$537,984,363
Revenues		
BRE Estimated Revenues - December 2007	\$13,632,442,900	\$14,743,139,700
BRE Revenue Revision - March 2008	-74,655,000	-258,217,000
Supplemental Budget No. 1	-1,560,000	0
Supplemental Budget No. 2	406,000	0
Budget Reconciliation Legislation - Revenues	60,000,000	25,000,000
Budget Reconciliation Legislation - Transfers	100,000,000	25,000,000
Other Legislation	0	2,566,066
Additional Revenues	20,159,442	35,706,085
	\$13,736,793,342	\$14,573,194,851
 Net Transfer to the GF from the Rainy Day Fund	 815,222,858	 -21,543,342
 Subtotal Available Revenues	 \$14,836,727,436	 \$15,089,635,872
Appropriations		
General Fund Appropriations Net of Rainy Day Fund	\$14,428,066,816	\$15,149,907,235
Deficiencies	60,397,109	0
Supplemental Budget No. 1	0	-1,107,759
Supplemental Budget No. 2	17,486,550	11,175,539
Board of Public Works Withdrawn Appropriations	-128,430,816	0
Legislative Reductions/Contingent Legislation	-431,000	-276,960,073
Estimated Agency Reversions	-78,345,586	-30,000,000
Subtotal Appropriations	\$14,298,743,073	\$14,853,014,942
 Closing General Fund Balance	 \$537,984,363	 \$236,620,930

BRE: Board of Revenue Estimates

Exhibit 1.8
Fiscal Note
Summary of the Budget Bill – Senate Bill 90

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
Governor's Request					
FY 2008 Deficiency Budget	\$12,051,523 ⁽¹⁾	\$26,301,289	\$38,282,379	\$750,000	\$77,385,191
FY 2009 Budget	<u>15,266,450,577 ⁽²⁾</u>	<u>6,250,048,476</u>	<u>6,899,991,043</u>	<u>3,169,008,842</u>	<u>31,585,498,938</u>
Original Budget Request	\$15,278,502,100	\$6,276,349,765	\$6,938,273,422	\$3,169,758,842	\$31,662,884,129
Supplemental Budget No. 1					
FY 2008 Deficiency Budget	\$0	\$0	\$46,000	\$0	\$46,000
FY 2009 Budget	<u>-1,107,759</u>	<u>3,566,760</u>	<u>0</u>	<u>0</u>	<u>2,459,001</u>
Subtotal	-\$1,107,759	\$3,566,760	\$46,000	\$0	\$2,505,001
Supplemental Budget No. 2					
FY 2008 Deficiency Budget	\$17,486,550	\$43,712,745	\$59,912,946	\$49,000,425	\$170,112,666
FY 2009 Budget	<u>11,175,539</u>	<u>10,336,073</u>	<u>1,154,592</u>	<u>48,215,569</u>	<u>70,881,773</u>
Subtotal	\$28,662,089	\$54,048,818	\$61,067,538	\$97,215,994	\$240,994,439
Legislative Reductions					
FY 2008 Deficiency Budget	\$431,000	\$810,000	\$0	\$0	\$1,241,000
FY 2009 Contingent Reductions	32,068,024 ⁽³⁾	0	0	0	32,068,024
FY 2009 Budget	<u>244,892,049</u>	<u>171,452,908</u>	<u>32,511,381</u>	<u>8,936,293</u>	<u>457,792,631</u>
Total Reductions	\$277,391,073	\$172,262,908	\$32,511,381	\$8,936,293	\$491,101,655
Appropriations					
FY 2008 Deficiency Budget	\$29,107,073	\$69,204,034	\$98,241,325	\$49,750,425	\$246,302,857
FY 2009 Budget	<u>14,999,558,284</u>	<u>6,092,498,401</u>	<u>6,868,634,254</u>	<u>3,208,288,118</u>	<u>31,168,979,057</u>
Total Appropriation	\$15,028,665,357 ⁽⁴⁾	\$6,161,702,435	\$6,966,875,579	\$3,258,038,543	\$31,415,281,914

⁽¹⁾ Reflects \$48.3 million in targeted reversions.

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

⁽³⁾ Includes \$2,355,621 in the Department of Labor, Licensing, and Regulation's Financial Regulation (P00C01.02) contingent on HB 752, \$7,000,000 in Medicaid (M00Q0 contingent on SB 545, \$14,275,000 in Medicaid (M00Q01.10) contingent on SB 545, \$2,479,730 in Public Libraries (R00A02.31) contingent on SB 527, \$907,673 in State Library Network (R00A02.32) contingent on SB 527, \$2,850,000 in the Department of Housing and Community Development (DHCD) PAYGO capital (S00A25.07) contingent on SB 983/HB 1594, \$900,000 in DHCD PAYGO capital (S00A25.08) contingent on SB 983/HB 1594, and \$1,300,000 in DHCD PAYGO capital (S00A25.09) contingent on SB 983/HB 1594.

⁽⁴⁾ Includes a \$50.0 million reduction required under Chapter 10 of 2008.

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

The legislature made \$441.1 million in reductions to the total budget request and expressed the intent in **Senate Bill 46 (Chapter 10)** that the Governor withdraw another \$50.0 million in ongoing general fund reductions. In combination this totals \$491.1 million in reductions from all fund sources. This resulted in a net change in appropriations of \$246.3 million for fiscal 2008 and total appropriations of \$31.2 billion for fiscal 2009.

Exhibit 1.9 illustrates budget changes by major expenditure category by fund. Total spending grows 4.0 percent. Debt service grows 8.1 percent; aid to local governments increases by 0.7 percent; entitlements grow 8.0 percent; and State agency spending (net of reversions and contingent reductions) rises 3.4 percent. PAYGO capital expenditures increase by 4.7 percent.

Exhibit 1.9
State Expenditures – General Funds
(\$ in Millions)

Category	Actual FY 2007	Work. Appr. FY 2008	Leg. Appr. FY 2009	FY 2008 to FY 2009 \$ Change	% Change
Debt Service	\$0.0	\$29.3	\$0.0	-\$29.3	-100.0%
Aid to Local Governments					
County/Municipal	228.2	242.6	215.5	-27.1	-11.2%
Community Colleges	205.9	241.7	262.9	21.2	8.8%
Education/Libraries	4,530.9	5,224.0	5,418.9	195.0	3.7%
Health	63.7	67.0	68.8	1.8	2.6%
Total Aid to Local Governments	\$5,028.6	\$5,775.2	\$5,966.0	\$190.8	3.3%
Entitlements					
Foster Care Payments	248.8	246.3	239.6	-6.7	-2.7%
Assistance Payments	43.1	35.5	35.5	0.0	0.0%
Medical Assistance	2,203.5	2,236.0	2,368.3	132.3	5.9%
Property Tax Credits	56.2	61.0	64.3	3.3	5.3%
Total Entitlements	\$2,551.6	\$2,578.9	\$2,707.7	\$128.8	5.0%
State Agencies					
Health	1,320.8	1,371.0	1,404.8	33.8	2.5%
Human Resources	278.0	294.8	320.4	25.6	8.7%
Systems Reform Initiative	32.2	44.7	39.4	-5.3	-11.8%
Juvenile Services	238.5	265.2	256.5	-8.7	-3.3%
Public Safety/Police	1,212.7	1,218.7	1,264.2	45.5	3.7%
Higher Education	1,047.5	1,129.4	1,142.6	13.2	1.2%
Other Education	401.3	387.4	417.3	29.9	7.7%
Agric./Natl Res./Environment	139.9	147.9	135.5	-12.5	-8.4%
Other Executive Agencies	604.4	565.8	656.5	90.7	16.0%
Legislative	68.2	72.3	73.5	1.2	1.7%
Judiciary	325.5	347.1	366.2	19.2	5.5%
OPEB	100.0	100.0	66.5	-33.5	-33.5%
Total State Agencies	\$5,768.9	\$5,944.2	\$6,143.4	\$199.2	3.4%
Subtotal	\$13,349.1	\$14,327.6	\$14,817.1	\$489.5	3.4%
Capital/Heritage Reserve Fund	163.9	41.9	30.9	-11.0	-26.3%
Transfer to MdTA	53.0	0.0	85.0	85.0	n/a
Reserve Funds ⁽¹⁾	638.4	162.8	146.5	-16.3	-10.0%
Appropriations	\$14,204.4	\$14,532.3	\$15,079.6	\$547.2	3.8%
Cost Containment ⁽²⁾	0.0	0.0	-50.0	-50.0	n/a
Reversions	0.0	-70.8	-30.0	40.8	-57.6%
Grand Total	\$14,204.4	\$14,461.5	\$14,999.6	\$538.0	3.7%

MdTA: Maryland Transportation Authority
OPEB: Other post employment benefits

Note: Fiscal 2008 includes \$48.3 million in targeted reversions and \$77.5 million in deficiencies reflecting \$0.4 million in cuts to the deficiencies.

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

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

Exhibit 1.9 (continued)
State Expenditures – Special and Higher Education Funds*
(\$ in Millions)

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

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

OPEB: Other post employment benefits

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

Exhibit 1.9 (continued)
State Expenditures – Federal Funds
(\$ in Millions)

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

OPEB: Other post employment benefits

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

Exhibit 1.9 (continued)
State Expenditures – State Funds
(\$ in Millions)

Category	Actual FY 2007	Work. Appr. FY 2008	Leg. Appr. FY 2009	FY 2008 to FY 2009 \$ Change	% Change
Debt Service	\$768.7	\$821.0	\$887.4	\$66.4	8.1%
Aid to Local Governments					
County/Municipal	952.7	942.5	822.0	-120.5	-12.8%
Community Colleges	205.9	241.7	262.9	21.2	8.8%
Education/Libraries	4,530.9	5,224.0	5,419.9	195.9	3.8%
Health	63.7	67.0	68.8	1.8	2.6%
Total Aid to Local Governments	\$5,753.2	\$6,475.2	\$6,573.5	\$98.3	1.5%
Entitlements					
Foster Care Payments	248.9	246.4	239.7	-6.7	-2.7%
Assistance Payments	56.0	48.8	48.9	0.1	0.2%
Medical Assistance	2,334.8	2,464.6	2,663.9	199.3	8.1%
Property Tax Credits	56.2	61.0	64.3	3.3	5.3%
Total Entitlements	\$2,695.9	\$2,820.9	\$3,016.8	\$195.9	6.9%
State Agencies					
Health	1,537.8	1,612.6	1,664.4	51.9	3.2%
Human Resources	353.3	370.1	375.1	5.0	1.4%
Systems Reform Initiative	32.8	45.3	40.1	-5.2	-11.4%
Juvenile Services	242.7	265.6	256.7	-8.9	-3.4%
Public Safety/Police	1,404.8	1,416.5	1,475.3	58.8	4.2%
Higher Education	3,924.0	4,324.7	4,384.2	59.4	1.4%
Other Education	429.3	426.4	458.1	31.6	7.4%
Transportation	1,315.2	1,370.7	1,454.8	84.2	6.1%
Agric./Nat'l Res./Environment	260.8	288.8	302.1	13.3	4.6%
Other Executive Agencies	1,072.7	1,087.8	1,194.8	107.0	9.8%
Legislative	68.3	72.6	73.6	1.0	1.4%
Judiciary	362.8	392.9	419.0	26.0	6.6%
OPEB	100.0	100.0	93.4	-6.6	-6.6%
Total State Agencies	11,104.3	\$11,774.0	\$12,191.6	\$417.6	3.5%
Subtotal	\$20,322.1	\$21,891.0	\$22,669.3	\$778.3	3.6%
Capital/Heritage Reserve Fund	1,379.6	1,305.6	1,479.5	173.9	13.3%
Transfer to MdTA	53.0	0.0	85.0	85.0	n/a
Reserve Funds ⁽¹⁾	638.4	162.8	146.5	-16.3	-10.0%
Appropriations	\$22,393.0	\$23,359.4	\$24,380.3	\$1,020.9	4.4%
Cost Containment ⁽²⁾	0.0	0.0	-50.0	-50.0	n/a
Reversions	0.0	-70.8	-30.0	40.8	-57.6%
Grand Total	\$22,393.0	\$23,288.6	\$24,300.3	\$1,011.7	4.3%

MdTA: Maryland Transportation Authority
OPEB: Other post employment benefits

Note: Fiscal 2008 includes \$48.3 million in targeted reversions. Fiscal 2008 deficiencies include \$184.7 million in operating and \$11.0 million in capital for total deficiencies of \$195.7 million. These figures reflect legislative reductions of \$1.2 million.

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

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

Exhibit 1.9 (continued)
State Expenditures – All Funds
(\$ in Millions)

Category	Actual FY 2007	Work. Appr. FY 2008	Leg. Appr. FY 2009	FY 2008 to FY 2009	
				\$ Change	% Change
Debt Service	\$768.7	\$821.0	\$887.4	\$66.4	8.1%
Aid to Local Governments					
County/Municipal	989.8	1,003.2	867.5	-135.7	-13.5%
Community Colleges	205.9	241.7	262.9	21.2	8.8%
Education/Libraries	5,196.0	5,951.5	6,114.2	162.8	2.7%
Health	68.2	71.5	73.3	1.8	2.5%
Total Aid to Local Governments	\$6,459.8	\$7,267.8	\$7,317.9	\$50.1	0.7%
Entitlements					
Foster Care Payments	344.1	351.1	362.5	11.4	3.2%
Assistance Payments	488.9	486.6	511.0	24.4	5.0%
Medical Assistance	4,677.0	4,908.8	5,334.6	425.9	8.7%
Property Tax Credits	56.2	61.0	64.3	3.3	5.3%
Total Entitlements	\$5,566.1	\$5,807.5	\$6,272.4	\$464.9	8.0%
State Agencies					
Health	2,312.0	2,430.2	2,514.0	83.9	3.5%
Human Resources	824.4	885.7	897.2	11.5	1.3%
Systems Reform Initiative	47.7	60.2	47.4	-12.8	-21.2%
Juvenile Services	253.2	280.4	268.4	-12.0	-4.3%
Public Safety/Police	1,420.6	1,437.2	1,491.7	54.5	3.8%
Higher Education	3,924.0	4,324.7	4,384.2	59.4	1.4%
Other Education	641.7	655.3	692.6	37.3	5.7%
Transportation	1,387.8	1,448.8	1,534.5	85.7	5.9%
Agric./Natl Res./Environment	316.4	354.6	362.8	8.2	2.3%
Other Executive Agencies	1,478.5	1,514.4	1,643.0	128.6	8.5%
Legislative	68.3	72.6	73.6	1.0	1.4%
Judiciary	367.2	396.7	423.0	26.3	6.6%
OPEB	100.0	100.0	105.2	5.2	5.2%
Total State Agencies	\$13,141.7	\$13,960.7	\$14,437.6	\$476.9	3.4%
Subtotal	\$25,936.3	\$27,857.0	\$28,915.3	\$1,058.3	3.8%
Capital/Heritage Reserve Fund	2,128.8	2,007.5	2,102.1	94.6	4.7%
Transfer to MdTA	53.0	0.0	85.0	85.0	n/a
Reserve Funds ⁽¹⁾	638.4	162.8	146.5	-16.3	-10.0%
Appropriations	\$28,756.5	\$30,027.3	\$31,249.0	\$1,221.7	4.1%
Cost Containment ⁽²⁾	0.0	0.0	-50.0	-50.0	n/a
Reversions	0.0	-70.8	-30.0	40.8	-57.6%
Grand Total	\$28,756.5	\$29,956.5	\$31,169.0	\$1,212.5	4.0%

MdTA: Maryland Transportation Authority

OPEB: Other post employment benefits

Note: Fiscal 2008 includes \$48.3 million in targeted reversions. Fiscal 2008 deficiencies include \$277.2 million in operating and \$16.7 million in capital for total deficiencies of \$293.9 million. These figures reflect legislative reductions of \$1.2 million.

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

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

Chapter Two – State Capital Program

- Summary
- Debt Affordability
- Higher Education
- Public School Construction Funding Remains a High Priority for the General Assembly
- Green Buildings
- Transfer Tax

Summary

The 2008 General Assembly passed a capital budget program totaling \$3.257 billion, including \$1.739 billion for the transportation program. Of the total \$1.517 billion nontransportation capital program, \$937.6 million is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan of 2008 (MCCBL), the 2008 capital budget bill (Senate Bill 150); \$431.3 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$118.0 million is funded with revenue bonds to be issued by the Maryland Department of the Environment to support State and local efforts to upgrade wastewater treatment plants; and \$33.0 million is funded with academic revenue bonds for University of Maryland System facilities authorized in **House Bill 1444 (Chapter 545)**.

Exhibit 2.1 presents an overview of the State's capital program for fiscal 2009, **Exhibit 2.2** lists capital projects and programs by function and fund source, and **Exhibit 2.3** provides the individual legislative initiative projects funded in the 2008 MCCBL. The 2008 MCCBL includes funding for:

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

In addition to GO debt, the State's capital program is funded with PAYGO funds which are used primarily to support economic development, housing, and environmental programs, for which the use of tax-exempt debt is limited under federal tax guidelines. The PAYGO portion of the capital program also included \$33.6 million for the replacement of three of the State's Medevac helicopters.

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

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

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

Exhibit 2.2
Capital Program – 2008 Session

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

Effect of the 2008 Legislative Program on the Financial Condition of the State

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

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

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

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZB02A	Local Jails: Cecil County – Additions/Alterations	788,000	0	0	0	0	788,000
ZB02B	Local Jails: Frederick – Adult Detention Ctr.	7,401,000	0	0	0	0	7,401,000
ZB02C	Local Jails: Harford – Housing Unit Expansion	6,336,000	0	0	0	0	6,336,000
ZB02D	Local Jails: St. Mary’s – Minimum Security	698,000	0	0	0	0	698,000
ZB02E	Local Jails: Worcester – Renovation/ Expansion	4,606,000	0	0	0	0	4,606,000
	Subtotal	\$42,467,000	\$0	\$0	\$33,606,000	\$0	\$76,073,000
	Education						
DE02.02A	Public School Construction	\$327,400,000	\$0	\$0	\$0	\$0	\$327,400,000
RA01A	MSDE: County Library Capital Grants	4,000,000	0	0	0	0	4,000,000
RE01A	MD School for Deaf – Parking/Athletic Field	122,000	0	0	0	0	122,000
	Subtotal	\$331,522,000	\$0	\$0	\$0	\$0	\$331,522,000
	Higher Education						
RB21A	UMB: Pharmacy Hall Addition and Renovation	\$57,250,000	\$4,977,000	\$0	\$0	\$0	\$62,227,000
RB22A	UMCP: Tawes Building Conversion	2,450,000	0	0	0	0	2,450,000
RB22B	UMCP: Maryland Fire & Rescue Institute	650,000	0	0	0	0	650,000
RB22C	UMCP: Physical Sciences Complex I	4,000,000	0	0	0	0	4,000,000
RB22D	UMCP: School of Public Health	7,500,000	0	0	0	0	7,500,000
RB22E	UMCP: Biology – Psychology Building	1,500,000	0	0	0	0	1,500,000
RB22rb	UMCP: New Journalism Building	0	6,000,000	0	0	0	6,000,000

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

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

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

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA00S	Misc.: Annapolis Underground Wiring	600,000	0	0	0	0	600,000
ZA00T	Misc.: Baltimore County Agricultural Center	450,000	0	0	0	0	450,000
ZA00U	Misc.: Emmart-Pierpont House	100,000	0	0	0	0	100,000
ZA00V	Misc.: School for the Blind	150,000	0	0	0	0	150,000
ZA01	Legislative Initiative Grants – Senate	12,500,000	0	0	0	0	12,500,000
ZA02	Legislative Initiative Grants – House	12,500,000	0	0	0	0	12,500,000
	Subtotal	\$65,393,000	\$0	\$1,000,000	\$0	\$0	\$66,393,000
	De-authorizations						
ZF00	De-authorizations	-\$2,644,000	\$0	\$0	\$0	\$0	-\$2,644,000
	Total	\$935,000,000	\$151,000,000	\$30,895,000	\$318,513,000	\$65,174,000	\$1,500,582,018
	Fiscal 2008 Deficiencies						
D13A13.01	MEA: Community Energy Loan Program	\$0	\$0	\$0	\$500,000	\$0	\$500,000
D13A13.03	MEA: State Agency Loan Program	0	0	0	500,000	0	500,000
D40W01.12	Planning: Historic Tax Credit Fund	0	0	0	10,000,000	0	10,000,000
K00A05.10	DNR: Harriet Tubman Underground Railroad	0	0	0	1,600,000	0	1,600,000
K00A05.10	DNR: Program Open Space	0	0	0	-1,600,000	0	-1,600,000
U00A01.05	MDE: Drinking Water Revolving Loan Fund	0	0	0	0	5,745,000	5,745,000
	Subtotal	0	0	0	11,000,000	\$5,745,000	\$16,745,000

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

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

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

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

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

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

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

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

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

BNR: Biological Nutrient Removal

BPW: Board of Public Works

CBWQ: Chesapeake Bay Water Quality

CSU: Coppin State University

DBED: Department of Business and Economic Development

DGS: Department of General Services

DHCD: Department of Housing and Community Development

DHMH: Department of Health and Mental Hygiene

DJS: Department of Juvenile Services

DLLR: Department of Labor, Licensing, and Regulation

DNR: Department of Natural Resources

DOD: Department of Disabilities

DPSCS: Department of Public Safety and Correctional Services

DSP: Department of State Police

ECI: Eastern Correctional Institution

ENR: Enhanced Nutrient Removal

ICU: Intensive Care Unit

MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment

MEA: Maryland Energy Administration

MES: Maryland Environmental Service

MHA: Maryland Hygiene Administration

MHEC: Maryland Higher Education Commission

MICUA: Maryland Independent College and University Association

MSDE: Maryland State Department of Education

MSU: Morgan State University

SMCM: St. Mary's College of Maryland

TU: Towson University

UB: University of Baltimore

UMB: University of Maryland, Baltimore

UMCES: University of Maryland Center for Environmental Science

UMCP: University of Maryland, College Park

UMMS: University of Maryland Medical System

USM: University System of Maryland

WCI: Western Correctional Institution

WTP: Water Treatment Plant

WWTP: Wastewater Treatment Plant

Exhibit 2.3
Legislative Projects/Local Initiatives – 2008 Session

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

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

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

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

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

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

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

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

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
Somerset					
Bending Water Park	\$200,000			<u>\$200,000</u>	Soft(all)
	Subtotal			\$200,000	
St. Mary's					
Leah's House, Inc.		\$145,000		\$145,000	Soft(all) Hist. Ease.
St. Mary's Agricultural Service Center		125,000		125,000	Soft(1)
Tudor Hall	\$55,000			55,000	Hard, Hist. Ease.
St. Mary's College Amphitheater	300,000			<u>300,000</u>	Soft(1,3)
	Subtotal			\$625,000	
Talbot					
Oxford Community Center		\$50,000		<u>\$50,000</u>	Soft(2,3) Hist. Ease.
	Subtotal			\$50,000	
Washington					
Conococheague Aqueduct		\$50,000		\$50,000	Soft(2)
Maryland Theatre	\$125,000			125,000	Hard Hist. Ease.
Museum of Fine Arts	75,000	75,000		150,000	Hard Hist. Ease.
Springfield Barn		100,000		<u>100,000</u>	Hard Hist. Ease.
	Subtotal			\$425,000	

Project Title	House Initiative	Senate Initiative	Other	Total Funding	Match/ Requirements
Wicomico					
Epilepsy Association Facility		\$170,000		<u>\$170,000</u>	Soft(1,3)
	Subtotal			\$170,000	
Worcester					
Rackliffe House	\$145,000	\$105,000		<u>\$250,000</u>	Soft(all)
	Subtotal			\$250,000	
Grand Total	\$12,500,000	\$12,500,000		\$26,250,000	

Match Key:

1 = real property

2 = in kind contributions

3 = prior expenditure

U = unequal match

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

Debt Affordability

As shown in **Exhibit 2.4**, the long range plan adopted by the Capital Debt Affordability Committee (CDAC) in September 2007 provides for a total of over \$4.3 billion in debt authorizations from 2008 to 2012. This is an increase of \$500 million over the amount recommended by CDAC in its September 2006 report for the five-year planning period considered by the committee. The revised debt limits included an additional \$100 million to permanently expand the capital program.

For the 2008 session, CDAC recommended \$935.0 million of new GO bond authorizations to support the capital program. The 2008 MCCBL passed by the General Assembly is consistent with the level of new GO debt authorizations recommended by CDAC. An additional \$2.6 million in GO bonds from prior years is deauthorized in the capital budget of 2008, thereby increasing the amount of new GO debt included in the capital program to \$937.6 million. Included in the \$937.6 million of new debt is \$30.0 million authorized in the 2007 MCCBL to complete the New Physical Education Complex at Coppin State University; \$7.6 million authorized in the 2007 MCCBL for the 192-Cell Medium Security Housing Unit and Support Spaces project at the Maryland Correctional Training Center; \$3.1 million authorized in the 2007 MCCBL for the New Maximum Security Wing at the Clifton T. Perkins Hospital Center; and \$3.0 million authorized in the Southern Maryland Regional Strategy-Action Plan for Agriculture Loan of 2001 for the Tobacco Transition Program as amended by Chapter 46 of 2006, the capital budget of 2006.

Exhibit 2.4
Capital Debt Affordability Committee Recommended Levels of General
Obligation Bond Authorizations
2008-2012 Legislative Sessions
(\$ in Millions)

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

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

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

- The Maryland Department of the Environment plans to issue \$118 million in revenue bonds to fund the upgrades of wastewater treatment plants and water supply improvements and upgrades. Title 9 of the Environment Article authorizes the Maryland Water Quality Financing Administration to issue bonds and lend the proceeds to local governments for the construction, acquisition, or refinancing of wastewater facilities and water supply facilities. The issuance of bonds by the administration does not create or constitute any indebtedness or obligation of the State or any political subdivision. Bonds are payable solely from the revenue of the administration received in connection with the respective projects financed or refinanced. The administration plans to issue \$48 million under this authority. In addition, Chapter 428 of 2004 established the Bay Restoration Fund and authorized the administration to issue bonds to be used to provide grants to upgrade wastewater treatment plants. Security for the bonds is the revenues from a fee imposed on users of wastewater facilities, septic systems, and sewage holding tanks. The administration plans to issue \$70 million in revenue bonds, and the bonds are considered State tax supported debt and are, therefore, incorporated in the CDAC's annual debt affordability analysis.
- The 2008 MCCBL includes four general obligation bond authorizations that will not take effect until fiscal 2010. The preauthorized debt totals \$38.7 million and includes \$23.8 million for the New Rockville District Court, and \$14.8 million for the Department of State Police New Hagerstown Barrack and Garage. The fiscal 2009 authorization for the New Rockville District Court includes language added by the General Assembly that allows for the contracts to be bid without the full authorization needed to fully fund the contract. The preauthorization for the Hagerstown Police Barrack and Garage does not include this language since the project will not commence during fiscal 2009.

Higher Education

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

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

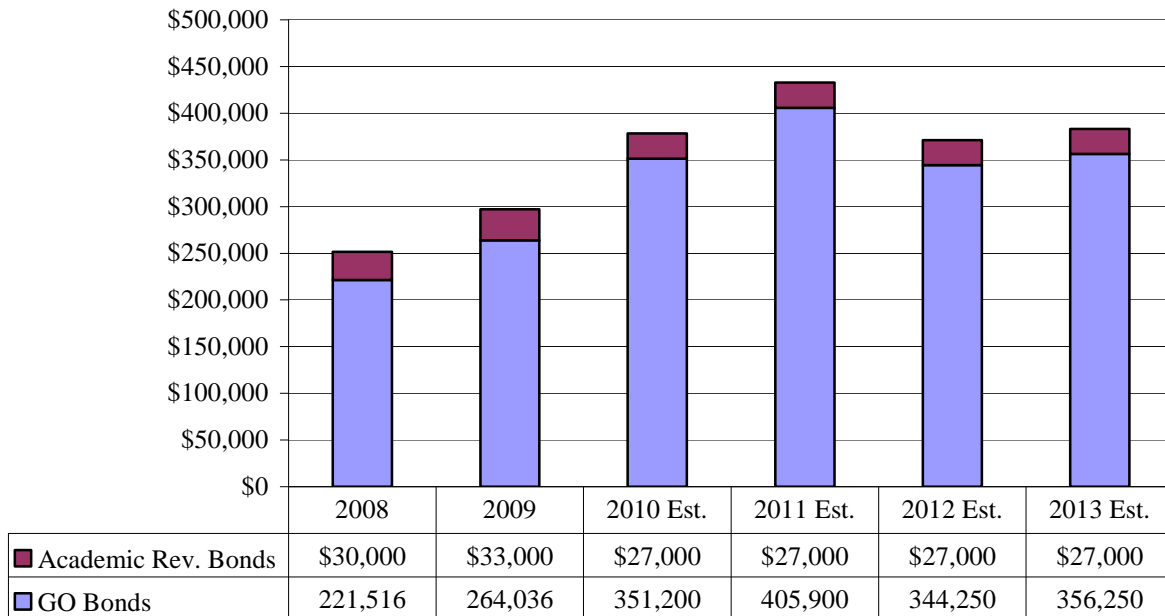


Exhibit 2.6
Higher Education Fiscal 2009 Capital Funding by Institution
 (\$ in Thousands)

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

¹This does not include \$26 million authorized for the University of Maryland Medical System.

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

The capital budget of 2008 contains \$333.4 million for public school construction. The budget includes \$327.4 million in GO bonds and \$5.9 million from the Public School Construction Program's Statewide Contingency Fund. In the contingency fund, \$1.9 million is reserved for specific local education agencies in accordance with capital budget bill language.

The Public School Facilities Act of 2004 established a State goal to provide \$2.0 billion in State funding over the following eight years to address deficiencies, or \$250.0 million per year through fiscal 2013. Fiscal 2009 will be the fourth consecutive year that the goal has been met or exceeded. The \$333.4 million funding level is the second highest in the program's history, following the record high \$401.8 million reached in fiscal 2008. Since fiscal 2006, the State has committed over \$1.3 billion for public school construction.

Seventy-five percent of the preliminary \$300.4 million school construction allocation announced by the Governor in October, or \$225.0 million, was recommended for specific projects by the Interagency Committee on School Construction (IAC) and approved by the Board of Public Works (BPW) in January 2008. For the first time in three years, the capital budget bill does not detail the distribution of the remaining 25 percent of fiscal 2009 school construction funds. The IAC, in accordance with a new requirement codified in the fiscal 2008 capital budget bill language, made recommendations equal to 90 percent of the total allowance, an additional \$75.06 million, in late February 2008. This was presented to the General Assembly and will be reviewed by BPW for approval after May 1, 2008.

Green Buildings

Senate Bill 208 (Chapter 124) requires new and substantially renovated State buildings and new school buildings to be constructed as high performance buildings. High performance buildings are those that achieve at least a silver rating under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) program or a comparable rating under any other nationally accepted standard. Unoccupied State buildings are exempt from the requirement, and other buildings may obtain waivers from this requirement, if necessary.

According to the Maryland Green Building Council, construction costs for high performance buildings will be about 2 percent higher than construction costs for traditional buildings. Under the bill, the State is required to pay half of the local share of increased school construction costs associated with the construction of high performance school buildings from fiscal 2010 through 2014. After that, local school systems will pay their full share of increased construction costs under the cost sharing formula applied to local school construction projects. While adding to the upfront cost of constructing new buildings, green building strategies are expected to generate significant operational savings and resource conservation over the buildings' life spans.

Transfer Tax

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

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

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

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

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

Chapter Three – Impact of Legislation on State Revenues and Expenditures

- Legislation Affecting State Revenues
- Totals by Fund Type/Summary of Quantifiable Revenue Effects
- Legislation Affecting State Expenditures
- Expenditures by Agency
- Totals by Fund Type/Summary of Quantifiable Expenditure Effects
- Regular Positions Needed by Agency
- Contractual Positions Needed by Agency

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 3/HB 64	Fallen Soldier Privacy Act of 2008 (Ch. 560/Ch. 561)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 12	Income Tax – Subtraction Modification – United States Coast Guard Auxiliary – Requirements (Ch. 344)						
	GF	(\$8,218)	(\$8,575)	(\$8,948)	(\$9,157)	(\$9,367)	
SB 44/HB 719	Criminal Law – Dogfight and Cockfight Attendance – Penalties (Ch. 350/Ch. 351)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 46	Budget Financing Act (Ch. 10)						
	GF	\$5,630,900	(\$39,403,602)	(\$95,788,934)	(\$160,337,406)	(\$164,287,722)	
	SF	(\$65,031,000)	(\$67,712,000)	(\$70,600,000)	(\$73,505,000)	(\$76,569,000)	
SB 60/HB 1113	Identity Fraud – Prohibitions, Evidence, and Penalties (Ch. 354/Ch. 355)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 144	State Board of Cosmetologists – Makeup Artist Services (Ch. 18)						
	GF	(\$18,750)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	
SB 166/HB 76	Furnishing an Alcoholic Beverage to Underage Individual – Penalty (Ch. 565/Ch. 566)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 174	Motor Vehicles – Towing and Towed Vehicles – Procedures and Equipment (Ch. 373)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.

Legislation Affecting State Revenues

66

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 182	Maryland Transportation Authority (Ch. 567)						
	BOND	\$0	increase	increase	increase	increase	Significant increase in issuance of revenue bonds.
	NB	\$0	(\$63,913,000)	\$63,913,000	\$0	\$0	GF expenditures decrease in FY 2010 and increase in FY 2011 by same amount.
SB 187	Institutions of Postsecondary Education – Certificate of Approval (Ch. 157)						
	GF	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	
SB 192	Maryland Health Insurance Plan – Application of Insurance Fraud Law (Ch. 25)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 198	Family Law – Child Support Collection Fee (Ch. 162)						
	FF	(\$1,233,969)	(\$1,233,969)	(\$1,233,969)	(\$1,233,969)	(\$1,233,969)	
	SF	\$748,706	\$998,275	\$998,275	\$998,275	\$998,275	
SB 209/HB 375	Renewable Portfolio Standard Percentage Requirements – Acceleration (Ch. 125/Ch. 126)						
	SF	increase	increase	increase	increase	increase	Potential compliance fee revenues.
SB 213/HB 369	Chesapeake and Atlantic Coastal Bays 2010 Trust Fund and Nonpoint Source Fund (Ch. 120/Ch. 121)						
	SF	increase	increase	increase	increase	increase	Potential significant bond sale revenues. SF expenditures increase by same amount.
SB 217/HB 360	Real Property – Maryland Mortgage Fraud Protection Act (Ch. 3/Ch. 4)						
	GF	increase	increase	increase	increase	increase	Minimal fine and forfeited property sales revenues.

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 218/HB 361	Protection of Homeowners in Foreclosure – Prohibition on Foreclosure Rescue Transactions – Enforcement (Ch. 5/Ch. 6)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 250/HB 550	Criminal Law – Forgery of Signature and Counterfeit Documents – Prohibition (Ch. 29/Ch. 30)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 268/HB 368	Regional Greenhouse Gas Initiative – Maryland Strategic Energy Investment Program (Ch. 127/Ch. 128)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential significant redirection of anticipated auction revenues from Maryland Department of the
Environment.	SF	increase	increase	increase	increase	increase	Potential significant redirection of anticipated auction revenues to Maryland Energy Administration and Department of Human Resources.
SB 270/HB 363	Credit Regulation – Mortgage Lending and Other Extensions of Credit (Ch. 7/Ch. 8)						
	SF	increase	increase	increase	increase	increase	Potential significant licensing and examination fee revenues.
SB 297	Tax Credit for Employer Established Work-Based Learning Programs for Students (Ch. 571)						
	GF	\$0	(\$103,569)	(\$109,200)	(\$114,193)	(\$119,090)	
	SF	\$0	(\$15,417)	(\$16,255)	(\$16,998)	(\$17,727)	Transportation Trust Fund.
SB 314	State Employment Opportunity Credit – Sunset Extension (Ch. 391)						
	GF	(\$154,264)	(\$283,747)	(\$115,805)	\$0	\$0	
	SF	(\$10,794)	\$0	\$0	\$0	\$0	Higher Education Investment Fund.
	SF	(\$36,636)	(\$62,981)	(\$25,704)	\$0	\$0	Transportation Trust Fund.

Legislation Affecting State Revenues

68

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 413	Courts – Service of Process – Motor Vehicle Administration as Agent for Nonresident Driver (Ch. 578)						
	SF	increase	increase	increase	increase	increase	Subpoena processing fees; SF expenditures increase by same amount.
SB 442	Environment – Clean Air Permit Fees (Ch. 141)						
	SF	\$1,325,213	\$2,103,097	\$2,743,816	\$2,422,139	\$2,097,139	SF expenditures increase by same amount.
SB 456/HB 985	Sales and Use Tax – Energy Star Product Exemptions – Boilers (Ch. 179/Ch. 180)						
	GF	\$0	\$0	(\$4,098)	(\$4,221)	(\$4,347)	
	SF	\$0	\$0	(\$229)	(\$236)	(\$243)	
SB 458	Tourism Promotion Act of 2008 (Ch. 181)						
	SF	increase	increase	increase	increase	increase	Potential significant tax increment revenues. Expenditures increase by same amount.
SB 493	Lawyers – Payment of Taxes and Unemployment Insurance Contributions (Ch. 410)						
	GF	(\$1,000,000)	(\$1,000,000)	(\$750,000)	(\$750,000)	(\$750,000)	
SB 514	State Board of Law Examiners – Sunset Extension and Program Evaluation (Ch. 413)						
	GF	\$483,750	\$483,750	\$483,750	\$483,750	\$483,750	

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 527	Spending Mandate and Revenue Dedication Relief Act (Ch. 414)						
	GF	\$25,000,000	\$0	\$0	\$0	\$0	GF revenues increase by \$60 million in FY 2008, with a corresponding decrease in SF revenues; assumed in FY 2009 budget.
	SF	(\$25,000,000)	\$0	\$0	\$0	\$0	SF revenues decrease by \$60 million in FY 2008, with a corresponding increase in GF revenues; assumed in FY 2009 budget.
SB 540	Transfer of Special Fund Balances (Ch. 417)						
	GF	\$25,000,000	\$0	\$0	\$0	\$0	GF revenues increase by \$100 million in FY 2008; assumed in FY 2009 budget.
	SF	\$0	\$0	\$0	\$0	\$0	SF revenues increase by \$15,476 in FY 2008.
SB 545	Health Care Funds – Transfers and Disbursements (Ch. 589)						
	GF	\$0	\$0	\$0	\$0	\$0	GF revenues decrease by up to \$13.0 million in FY 2008 offset by an increase in SF revenues.
	SF	\$0	\$0	\$0	\$0	\$0	SF revenues increase by up to \$13.0 million in FY 2008 offset by a decrease in GF revenues.
SB 565	Income Tax Credit – Bio-Heating Oil (Ch. 140)						
	GF	(\$121,102)	(\$256,736)	(\$272,140)	(\$288,468)	(\$305,776)	
SB 568	Motor Vehicles – Certificates of Title and Salvage Certificates (Ch. 422)						
	SF	increase	increase	increase	increase	increase	Salvage certificate fees.

Legislation Affecting State Revenues

70

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 569/HB 422	Secondhand Precious Metal Object Dealers and Pawnbrokers – Definition of Dealer (Ch. 591/Ch. 592)						
	GF	increase	increase	increase	increase	increase	Potential increases in licensing and penalty revenues.
SB 570	State Emergency Medical Services Board – Public Access Automated External Defibrillator Program (Ch. 593)						
	SF	(\$5,250)	(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)	
SB 571	Surety Insurers – Failure to Pay Bail Bond Judgment – Penalties (Ch. 192)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 597	Recordation and Transfer Taxes – Exemptions – Domestic Partners (Ch. 599)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential decrease in State transfer tax revenues.
SB 606/HB 1277	State Government – Brokerage and Investment Management Services – Use of Minority Business Enterprises (Ch. 600/Ch. 601)						
	GF/NB/SF	indet.	indet.	indet.	indet.	indet.	Potential minimal loss of investment income.
SB 646/HB 947	Credit Regulation – Debt Management Service (Ch. 605/Ch. 606)						
	SF	increase	increase	increase	increase	increase	Potential minimal licensing fee revenues.
SB 649/HB 795	Athletics – Mixed Martial Arts – Regulation by State Athletic Commission – Boxing and Wrestling Tax (Ch. 607/Ch. 608)						
	GF	\$16,500	\$48,000	\$48,000	\$48,000	\$48,000	Potential additional gross receipts taxes and fine revenues.

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 662	Agricultural Land Transfer Tax – Surcharge and Distribution of Revenue (Ch. 610)						
amount.	SF	\$3,125,000	\$3,125,000	\$3,125,000	\$3,125,000	\$3,125,000	SF expenditures increase by same
SB 695/HB 685	Police and Court Records – Nuisance Crimes – Expungement (Ch. 615/Ch. 616)						
	GF	increase	increase	increase	increase	increase	Potential minimal filing fee revenues.
SB 711	Truth in Music Advertising Act (Ch. 617)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 712	Vehicle Laws – Failure to Yield Right-of-Way – Penalties for Death or Serious Bodily Injury (Ch. 443)						
	GF	\$50,156	\$66,875	\$66,875	\$66,875	\$66,875	Filing fees.
	GF	increase	increase	increase	increase	increase	Significant fine revenues.
	SF	\$17,430	\$23,240	\$23,240	\$23,240	\$23,240	
SB 718	Lead Risk Reduction – Acquisition of Property – Compliance Requirements (Ch. 444)						
	SF	increase	increase	increase	increase	increase	Application fee revenues.
SB 722/HB 419	Pharmacy Benefits Managers – Registration (Ch. 201/Ch. 202)						
	GF	increase	increase	increase	increase	increase	Potential minimal civil penalty revenues.
	SF	increase	increase	increase	increase	increase	Minimal registration and permit fees.
SB 755	Election Law – Slot Machine Gaming Referendum – Campaign Finance Reports (Ch. 620)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 783	Residential Child Care Programs – Certification of Direct Care Workers Residential Child Care Program Professionals (Ch. 218)						
	GF	\$0	\$0	\$0	increase	increase	Potential significant certification fees.

Legislation Affecting State Revenues

72

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 789	Vehicle Laws – Child Safety Seats – Age and Weight Requirements (Ch. 455)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 796	Motor Vehicle Accident Reports – Access (Ch. 457)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 817	Maryland Individual Tax Preparers Act (Ch. 623)						
	GF	increase	increase	increase	increase	increase	Potential fine revenues.
	SF	\$125,000	\$625,000	\$131,250	\$656,250	\$137,800	
SB 822	Carroll County – Distribution of Tobacco Products to Minors – Prohibition and Penalties (Ch. 221)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal reduction in fine revenues.
SB 906/HB 1492	Senior Prescription Drug Assistance Program – Subsidy for Medicare Part D Coverage Gap and Sunset Extension (Ch. 557/Ch. 558)						
	SF	\$4,000,000	\$4,000,000	\$0	\$0	\$0	Partially offset by increased expenditures in FY 2009 through 2011.
SB 911	Baltimore City Land Bank Authority (Ch. 468)						
	GF	increase	increase	increase	increase	increase	Potential minimal property tax revenues.
SB 924/HB 1570	Motor Vehicle Excise Tax – Leased Vehicles – Application of Trade-In Value (Ch. 633/Ch. 634)						
	SF	(\$378,700)	(\$374,000)	(\$374,900)	(\$374,100)	(\$373,300)	
SB 941/HB 1463	Natural Resources – Somers Cove Marina Commission (Ch. 240/Ch. 241)						
	NB	\$1,126,371	increase	increase	increase	increase	Future years reflect ongoing commission revenues.
	SF	(\$600,000)	(\$900,000)	(\$900,000)	(\$900,000)	(\$900,000)	

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 951/HB 1476	Public Safety – Industrialized Buildings – Exemptions (Ch. 642/Ch. 643)						
	SF	(\$27,000)	(\$27,000)	(\$27,000)	(\$27,000)	(\$27,000)	
SB 959	Slot Machines – Definition (Ch. 474)						
	GF	decrease	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	Potential significant reduction in admissions and amusement tax revenues.
	GF	increase	increase	increase	increase	increase	Potential increase in lottery ticket sales.
SB 974/HB 1587	Health Services Cost Review Commission – Averted Uncompensated Care – Assessment (Ch. 244/Ch. 245)						
	SF	\$17,500,000	\$45,200,000	\$62,800,000	\$81,900,000	\$15,700,000	Department of Health and Mental Hygiene; SF expenditures increase by same amount.
	SF	\$20,600,000	\$22,200,000	\$23,800,000	\$25,600,000	\$27,500,000	Maryland Insurance Administration.
SB 1008/HB 1557	Home Builders – Sales Representative Registration and Home Builder Guaranty Fund (Ch. 480/Ch. 481)						
	SF	\$916,399	\$1,158,550	\$1,205,151	\$1,167,767	\$1,215,305	Office of the Attorney General.
	SF	(\$6,500)	(\$18,000)	(\$6,500)	(\$18,000)	(\$6,500)	Department of Labor, Licensing, and Regulation.
HB 62	Lead-Containing Children’s Products – Prohibition (Ch. 483)						
	GF/SF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 63	Elevator Safety Review Board Fund (Ch. 484)						
	GF	(\$81,298)	(\$103,543)	(\$104,357)	(\$107,669)	(\$111,103)	GF expenditures decrease by similar amount.
	SF	\$81,298	\$103,543	\$104,357	\$107,669	\$111,103	SF expenditures increase by similar amount.
HB 64/SB 3	See entry for SB 3.						

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 76/SB 166	See entry for SB 166.						
HB 113	Somerset County – Regulation of Dogs and Cats – Violations of Ordinances and Regulations (Ch. 42)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
HB 140	Income Tax – Credit for Cellulosic Ethanol Technology Research and Development (Ch. 139)						
	GF	\$0	(\$199,655)	(\$199,655)	(\$199,655)	(\$199,655)	
	SF	\$0	(\$29,719)	(\$29,719)	(\$29,719)	(\$29,719)	Transportation Trust Fund.
HB 148	Garrett County – Tobacco Products – Distribution to Minors (Ch. 254)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal reduction in fine revenues.
HB 214	Bottled Water – Standard of Identity and Labeling Requirements – Out-of-State Registration of Bottled Water and Soft Drinks (Ch. 53)						
	GF	(\$82,500)	(\$110,000)	(\$110,000)	(\$110,000)	(\$110,000)	
HB 216	Hereditary and Congenital Disorders – Newborn Screening (Ch. 256)						
	GF	\$1,132,200	\$2,264,400	\$2,264,400	\$2,264,400	\$2,264,400	
HB 219	Bedding Law – Repeal (Ch. 54)						
	GF	(\$60,000)	(\$80,000)	(\$80,000)	(\$80,000)	(\$80,000)	
HB 221	Vehicle Laws – Motorcycles – Definition (Ch. 491)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal foregone sales and use tax revenues.
	SF	increase	increase	increase	increase	increase	Potential significant motor vehicle excise tax and titling fees; potential minimal license revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 225	Motor Vehicles – Salvage Vehicle Inspection Fee – Collection and Payment (Ch. 492)						
	SF	\$75,000	\$100,000	\$100,000	\$100,000	\$100,000	Partially offset by SF expenditures.
HB 229	Fishing – Reciprocal Angler’s Licenses (Ch. 59)						
	SF	increase	increase	increase	increase	increase	Potential minimal license fee revenues.
HB 230	Vehicle Laws – School Crossing Guards – Authority to Direct Traffic (Ch. 258)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 233	Physicians and Pharmacists – Therapy Management Contracts – Extension of Law (Ch. 650)						
	SF	\$2,250	\$1,000	\$0	\$0	\$0	
HB 280	Tax Credits for Qualifying Employees with Disabilities – Sunset Extension (Ch. 658)						
	GF	(\$154,264)	(\$266,376)	(\$104,225)	\$0	\$0	
	SF	(\$10,794)	\$0	\$0	\$0	\$0	Higher Education Investment Fund.
	SF	(\$36,636)	(\$59,125)	(\$23,134)	\$0	\$0	Transportation Trust Fund.
HB 360/SB 217	See entry for SB 217.						
HB 361/SB 218	See entry for SB 218.						
HB 363/SB 270	See entry for SB 270.						
HB 368/SB 268	See entry for SB 268.						
HB 369/SB 213	See entry for SB 213.						

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 374	EmPOWER Maryland Energy Efficiency Act of 2008 (Ch. 131)						
	SF	\$300,000	\$0	\$0	\$0	\$0	SF expenditures increase by same amount.
HB 375/SB 209	See entry for SB 209.						
HB 377	Solar and Geothermal Tax Incentive and Grant Program (Ch. 132)						
	GF	(\$150,005)	(\$180,006)	(\$216,007)	(\$259,208)	(\$311,050)	
	SF	decrease	decrease	decrease	decrease	decrease	Potential decrease in property tax revenues.
	SF	(\$8,395)	(\$10,074)	(\$12,089)	(\$14,507)	(\$17,408)	Transportation Trust Fund.
HB 404	Insurance Fraud – Required Disclosure Statements (Ch. 271)						
	SF	\$12,500	\$0	\$0	\$0	\$0	
HB 407	Commissioner of Labor and Industry – Boiler and Pressure Vessel Safety – Authorized Inspection Agencies (Ch. 497)						
	GF	increase	increase	increase	increase	increase	Potential minimal commissioning fee revenues.
HB 408	Business and Economic Development – Qualified Distressed Counties (Ch. 498)						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Potential significant decrease due to additional tax credits granted.
HB 409	Maryland Home Improvement Commission – Home Improvement Guaranty Fund – Claims (Ch. 272)						
	SF	\$18,750	\$25,000	\$25,000	\$25,000	\$25,000	
HB 416	Unemployment Insurance – State Collection of the Federal Unemployment Insurance Tax (Ch. 74)						
	FF	\$26,250,000	\$35,000,000	\$35,000,000	\$35,000,000	\$35,000,000	

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 419/SB 722	See entry for SB 722.						
HB 422/SB 569	See entry for SB 569.						
HB 488	Motor Vehicle Accident Reports – Access (Ch. 458)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 550/SB 250	See entry for SB 250.						
HB 578	Health Insurance – Coverage for Amino Acid-Based Elemental Formula (Ch. 510)						
	SF	increase	\$0	\$0	\$0	\$0	Potential minimal filing fee revenues.
HB 669	Motor Vehicle Excise Tax – Exemption for Returning Military Members (Ch. 667)						
	SF	(\$165,167)	(\$224,628)	(\$229,120)	(\$233,703)	(\$238,377)	
HB 680	Arts and Entertainment Districts – Tax Benefits – Jewelry and Clothing Designers (Ch. 290)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential decrease due to expanded eligibility.
HB 685/SB 695	See entry for SB 695.						
HB 703	Alcoholic Beverages – Special Brewery Promotional Event Permit (Ch. 86)						
	GF	increase	increase	increase	increase	increase	Minimal permit revenues and potential minimal alcoholic beverage tax revenues.
HB 719/SB 44	See entry for SB 44.						

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 721	Job Creation Tax Credit – Termination Provisions (Ch. 517)						
	GF	\$0	\$0	(\$561,189)	(\$1,276,240)	(\$1,247,983)	
	SF	\$0	\$0	(\$125,933)	(\$286,393)	(\$280,052)	Transportation Trust Fund.
HB 744	Correctional Services – Maryland Correctional Enterprises – Construction Services – Training (Ch. 520)						
	SF	increase	increase	increase	increase	increase	Potential significant transfers from capital appropriations.
HB 749	Unemployment Insurance – Eligibility – Voluntary Quit to Follow a Spouse (Ch. 669)						
	NB	\$48,144	\$65,712	\$67,570	\$69,541	\$71,737	
HB 752	Financial Institutions – Regulation, Fees, and Assessments (Ch. 293)						
	GF	(\$2,699,439)	(\$2,699,400)	(\$2,699,400)	(\$2,699,400)	(\$2,699,400)	GF expenditures decrease by similar amounts.
	SF	\$3,515,068	\$3,615,159	\$3,718,219	\$3,824,220	\$3,933,247	SF expenditures increase by similar amounts.
HB 786	Maryland Uniform Interstate Family Support Act – Revision (Ch. 522)						
	SF	increase	increase	increase	increase	increase	Potential minimal child support collections.
HB 795/SB 649	See entry for SB 649.						
HB 847	Vehicle Laws – Falsifying Documents and Registration Plates – Arrest (Ch. 524)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 859	Property and Casualty Insurance Policies – Coverage for Additional Living Expenses (Ch. 95)						
	GF	increase	increase	increase	increase	increase	Potential minimal premium tax revenues.
	SF	increase	increase	increase	increase	increase	Minimal filing fee revenues.
HB 947/SB 646	See entry for SB 646.						
HB 975	Department of Housing and Community Development – Authorization for Sales of State-Funded Mortgages or Other Obligations – Servicing Rights (Ch. 528)						
	SF	increase	increase	increase	increase	increase	Mortgage sale and servicing fee revenues; SF expenditures increase by same amount.
HB 976	Maryland Agricultural Land Preservation Program – Lot Releases (Ch. 105)						
	SF	increase	increase	increase	increase	increase	Potential minimal reimbursements from lot releases.
HB 977	Controlled Hazardous Substances – Discharge or Release – Reporting Requirements (Ch. 106)						
	SF	\$0	increase	increase	increase	increase	Potential reimbursements for response costs.
HB 985/SB 456	See entry for SB 456.						
HB 1056	Environment – Water Management Administration – Wetlands and Waterways Program Fees (Ch. 142)						
	RF	increase	increase	increase	increase	increase	Potential grant awards; RF expenditures increase by same amount.
	SF	\$2,618,636	\$2,668,390	\$2,721,758	\$2,784,358	\$2,848,399	SF expenditures increase by same amount.
HB 1079	Consumer Protection – Halal Food Products (Ch. 112)						

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 1090	State Board of Morticians – Family Security Trust Fund and Pre-Need Contracts (Ch. 532)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
	SF	\$119,625	\$119,625	\$119,625	\$119,625	\$119,625	
HB 1113/SB 60	See entry for SB 60.						
HB 1119	Motor Vehicles – Towing and Towed Vehicles – Procedures and Equipment (Ch. 374)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 1214	Maryland Not-For-Profit Development Center Program (Ch. 313)						
	SF	\$78,139	\$104,185	\$104,185	\$104,185	\$104,185	SF expenditures increase by same amount.
HB 1277/SB 606	See entry for SB 606.						
HB 1296	Certified Public Accountants – Licensed Out-of-State Certified Public Accountants – Practice Privilege (Ch. 536)						
	SF	decrease	decrease	decrease	decrease	decrease	Licensing fee revenues.
HB 1309	Business Regulation – Mold Remediation Services – Licensing (Ch. 537)						
	GF	\$0	\$105,829	\$0	\$116,236	\$0	GF expenditures increase by similar amount.
HB 1337	Maryland Clean Energy Center (Ch. 137)						
	NB	increase	increase	increase	increase	increase	Potential significant grant or loan revenues; NB expenditures increase by the same amount.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 1350	Consumer Protection – Advertisement of Rebate for Consumer Goods (Ch. 539)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 1353	Omnibus Coastal Property Insurance Reform Act (Ch. 540)						
	GF	increase	increase	increase	increase	increase	Potential minimal premium tax revenues.
	SF	increase	increase	increase	increase	increase	Minimal filing fee revenues.
HB 1358	Artificial Tanning Devices – Protection of Minors (Ch. 691)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 1425	Vehicle Laws – Gold Star Registration Plates (Ch. 694)						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues. SF expenditures increase by same amount.
HB 1426	Vehicle Laws – Learner’s Instructional Permits (Ch. 542)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential minimal reduction in fee revenues.
HB 1441	Baltimore City – Tax Increment Financing and Special Tax Districts – MEDCO (Ch. 544)						
	GF	\$0	increase	increase	increase	increase	Potential increase in individual and corporate income taxes and sales taxes.
HB 1444	Academic Facilities Bonding Authority (Ch. 545)						
	BOND	\$33,000,000	\$0	\$0	\$0	\$0	Bond expenditures increase by same amount. Assumed in FY 2009 budget.
HB 1463/SB 941	See entry for SB 941.						

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 1476/SB 951	See entry for SB 951.						
HB 1481	State Board of Veterinary Medical Examiners – Animal Control Facilities – License to Administer Scheduled Drugs to Animals (Ch. 697)						
	SF	\$625	\$625	\$625	\$625	\$625	
HB 1492/SB 906	See entry for SB 906.						
HB 1517	Respiratory Care Practitioners, Radiation Therapists, Radiographers, Nuclear Medicine Technologists, and Radiologist Assistants – Various Changes (Ch. 328)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
	SF	increase	increase	increase	increase	increase	Radiologist assistant licensing fee revenues.
HB 1534	College Savings Plans of Maryland (Ch. 548)						
	GF	(\$240,100)	(\$1,440,800)	(\$2,641,400)	(\$3,842,000)	(\$4,802,500)	
HB 1557/SB 1008	See entry for SB 1008.						
HB 1570/SB 924	See entry for SB 924.						
HB 1587/SB 974	See entry for SB 974.						

Totals by Fund Type/Summary of Quantifiable Revenue Effects

<u>Fund Type</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
GF	\$52,566,066	(\$48,169,655)	(\$105,904,833)	(\$172,100,856)	(\$177,177,468)
SF	(\$36,137,233)	\$16,730,745	\$29,342,918	\$47,545,697	(\$20,427,383)
FF	\$25,016,031	\$33,766,031	\$33,766,031	\$33,766,031	\$33,766,031
BOND	\$33,000,000	\$0	\$0	\$0	\$0

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 3/HB 64	Fallen Soldier Privacy Act of 2008 (Ch. 560/Ch. 561)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 9	Prince George's County – Alcoholic Beverages – Beer Keg Sales – Registration Form (Ch. 343)							
	GF	Comptroller	\$4,500	\$0	\$0	\$0	\$0	
SB 44/HB 719	Criminal Law – Dogfight and Cockfight Attendance – Penalties (Ch. 350/Ch. 351)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 46	Budget Financing Act (Ch. 10)							
	GF	All or Multiple Agencies	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)	
	GF	Comptroller	\$68,040	\$71,500	\$0	\$0	\$0	
SB 56	Sex Offender Registry – Additional Information (Ch. 352)							
	GF	Public Sfty & Corr. Srvcs.	\$33,750	\$0	\$0	\$0	\$0	
SB 60/HB 1113	Identity Fraud – Prohibitions, Evidence, and Penalties (Ch. 354/Ch. 355)							
	GF	Judiciary	decrease	decrease	decrease	decrease	decrease	Potential savings from operating efficiencies.
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.

Legislation Affecting State Expenditures

86

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 96/HB 285	Education – Truancy Rates – Positive Behavioral Interventions and Support Programs and Behavior Modification Programs (Ch. 367/Ch. 368)							
	GF	Education	\$0	\$75,507	\$137,015	\$143,818	\$192,882	
SB 118/HB 205	Alcoholic Beverages – Beer Manufacturer and Distributor Agreements – Obligation of Successor Manufacturer (Ch. 369/Ch. 370)							
	GF	Judiciary	increase	increase	increase	increase	increase	Potential minimal court costs.
SB 141	Maryland Graduate and Professional Scholarship Program – Qualifications (Ch. 152)							
	GF	Higher Ed. Comm.	increase	increase	increase	increase	increase	Potential minimal scholarship costs.
SB 158/HB 696	Farm-to-School Program – Activities and Promotional Events (Ch. 371/Ch. 372)							
	GF	Agriculture	\$62,021	\$51,394	\$53,364	\$55,426	\$57,585	
SB 182	Maryland Transportation Authority (Ch. 567)							
same	GF	State Reserve Fund	\$0	(\$63,913,000)	\$63,913,000	\$0	\$0	Nonbudgeted revenues decrease in FY 2010 and increase in FY 2011 by
	NB	Transportation Authority	\$0	increase	increase	increase	increase	amount. Potential significant capital costs.
SB 192	Maryland Health Insurance Plan – Application of Insurance Fraud Law (Ch. 25)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
	SF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Potential minimal cost savings due to reduced fraud.

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 195	Law Enforcement Officers' Pension System – Baltimore City Community College – Police Officers (Ch. 26)							
	HE	Baltimore City Community College	\$59,000	\$81,000	\$84,000	\$87,000	\$90,000	Included in FY 2009 budget.
SB 198	Family Law – Child Support Collection Fee (Ch. 162)							
	GF	Human Resources	\$49,525	\$0	\$0	\$0	\$0	
SB 203 and	Department of Labor, Licensing, and Regulation – Consolidation of Workforce Development Functions – Transfer of Adult Education Literacy Services and Education Programs for Correctional Facilities (Ch. 134)							
	GF	Education	\$0	\$180,614	\$189,335	\$198,499	\$208,132	
	GF	Labor Lic. & Reg.	\$0	\$200,000	\$0	\$0	\$0	
SB 206	BRAC Community Enhancement Act (Ch. 338)							
	GF	Assessments & Tax.	\$0	\$2,500,000	\$5,000,000	\$5,000,000	\$5,000,000	
	GF	Bus. & Econ. Dvlpmnt.	\$50,738	\$68,927	\$72,167	\$75,575	\$79,163	
SB 209/HB 375	Renewable Portfolio Standard Percentage Requirements – Acceleration (Ch. 125/Ch. 126)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential electric supply costs.
SB 210/HB 372	Maryland Veterans Behavioral Health (Ch. 555/Ch. 556)							
	GF	Hlth. & Mental Hyg.	\$3,131,655	\$2,970,090	\$2,724,861	\$0	\$0	\$2,825,475 included in FY 2009 budget.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 211	Public Safety – Statewide DNA Data Base System – Crimes of Violence and Burglary – Sample Collections on Charge – Postconviction DNA Testing (Ch. 337)							
	FF	State Police	\$401,000	increase	increase	increase	increase	Included in FY 2009 budget; potential significant ongoing expenditures. Software modification expenditures. Included in FY 2009 budget; potential significant ongoing expenditures.
	GF	Public Sfty & Corr. Srvcs.	\$120,000	\$0	\$0	\$0	\$0	
	GF	State Police	\$999,000	increase	increase	increase	increase	
SB 213/HB 369	Chesapeake and Atlantic Coastal Bays 2010 Trust Fund and Nonpoint Source Fund (Ch. 120/Ch. 121)							
	SF	Environment	increase	increase	increase	increase	increase	Potential significant grant expenditures from bond proceeds. SF revenues increase by same amount.
SB 216/HB 365	Real Property – Recordation of Instruments Securing Mortgage Loans and Foreclosure of Mortgages and Deeds of Trust on Residential Property (Ch. 1/Ch. 2)							
	SF	Labor Lic. & Reg.	\$416,362	\$117,458	\$122,862	\$132,561	\$134,574	
SB 217/HB 360	Real Property – Maryland Mortgage Fraud Protection Act (Ch. 3/Ch. 4)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
	SF	Labor Lic. & Reg.	\$95,649	\$91,668	\$96,051	\$100,657	\$105,497	
SB 218/HB 361	Protection of Homeowners in Foreclosure – Prohibition on Foreclosure Rescue Transactions – Enforcement (Ch. 5/Ch. 6)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
	SF	Labor Lic. & Reg.	\$72,874	\$68,616	\$71,948	\$75,455	\$79,149	

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 250/HB 550	Criminal Law – Forgery of Signature and Counterfeit Documents – Prohibition (Ch. 29/Ch. 30)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 268/HB 368	Regional Greenhouse Gas Initiative – Maryland Strategic Energy Investment Program (Ch. 127/Ch. 128)							
program	SF	Energy	increase	increase	increase	increase	increase	Potential significant
	SF	Administration Environment	decrease	decrease	decrease	decrease	decrease	and administrative costs. Potential significant reduction in program and administrative costs.
	SF	Human Resources	increase	increase	increase	increase	increase	Potential significant electric universal service and other electricity service programs expenditures.
SB 270/HB 363	Credit Regulation – Mortgage Lending and Other Extensions of Credit (Ch. 7/Ch. 8)							
	SF	Labor Lic. & Reg.	\$668,819	\$722,628	\$757,302	\$793,825	\$832,309	
SB 286	Public Health – Antibiotic-Resistant Infection Prevention Campaign (Ch. 570)							
	GF	Hlth. & Mental Hyg.	\$57,375	\$78,030	\$19,898	\$0	\$0	
SB 297	Tax Credit for Employer Established Work-Based Learning Programs for Students (Ch. 571)							
	GF	Comptroller	\$0	\$34,000	\$0	\$0	\$0	
SB 301/HB 561	Procurement – Small Business Reserve Program – Eligibility Modifications (Ch. 388/Ch. 389)							
	GF	Gen. Services	\$52,406	\$65,556	\$17,207	\$0	\$0	

Legislation Affecting State Expenditures

90

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 305/HB 1059	Community Services Reimbursement Rate Commission – Termination Date Extension and Modification (Ch. 572/Ch. 573)							
	GF	Hlth. & Mental Hyg.	\$200,000	\$200,000	\$200,000	\$50,000	\$0	
SB 413	Courts – Service of Process – Motor Vehicle Administration as Agent for Nonresident Driver (Ch. 578)							
	SF	Transportation	increase	increase	increase	increase	increase	Subpoena processing costs; SF revenues increase by same amount.
SB 419/HB 208	Agriculture – Wild Pollinators Program (Ch. 173/Ch. 174)							
	GF	Agriculture	\$50,308	\$97,923	\$62,452	\$0	\$0	
SB 442	Environment – Clean Air Permit Fees (Ch. 141)							
	SF	Environment	\$1,325,213	\$2,103,097	\$2,743,816	\$2,422,139	\$2,097,139	SF revenues increase by same amount.
SB 458	Tourism Promotion Act of 2008 (Ch. 181)							
	GF/SF	Bus. & Econ. Dvlpmt.	increase	increase	increase	increase	increase	Potential significant increases in tourism expenditures.
SB 460/HB 511	Vehicle Laws – Moving Violations by Minors – Notification of Parent or Guardian (Ch. 581/Ch. 582)							
	SF	Transportation	\$40,139	\$49,583	\$52,098	\$54,751	\$57,553	

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 480/HB 554	State Retirement and Pension System – Membership and System Study (Ch. 408/Ch. 409)							
	FF	All or Multiple Agencies	\$0	\$48,600	\$52,000	\$55,400	\$59,000	
	GF	All or Multiple Agencies	\$0	\$145,800	\$156,000	\$166,200	\$177,000	
	SF	All or Multiple Agencies	\$0	\$48,600	\$52,000	\$55,400	\$59,000	
SB 527	Spending Mandate and Revenue Dedication Relief Act (Ch. 414)							
	GF	Education	(\$3,387,403)	(\$3,411,304)	\$0	\$0	\$0	Contingent reduction in FY 2009 budget.
	GF	Children’s Cabinet	(\$8,691,450)	(\$8,691,450)	(\$8,691,450)	(\$8,691,450)	(\$8,691,450)	Assumed in FY 2009 budget.
	GF	Judiciary	(\$500,000)	(\$4,700,000)	(\$4,700,000)	(\$4,700,000)	(\$4,700,000)	Assumed in FY 2009 budget.
	SF	Environment	(\$25,000,000)	\$0	\$0	\$0	\$0	SF revenues decrease by same amount.
SB 528/HB 399	Maryland Human Relations Commission – Administrative and Civil Relief – Waiver of Sovereign Immunity (Ch. 587/Ch. 588)							
	GF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential significant expenditures for State agencies held liable in employment discrimination cases.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 545	Health Care Funds – Transfers and Disbursements (Ch. 589)							
	FF	Hlth. & Mental Hyg.	\$6,600,000	\$6,776,710	\$6,912,244	\$7,050,489	\$7,191,499	
	GF	Hlth. & Mental Hyg.	(\$21,300,000)	\$23,250,710	\$13,515,724	\$13,786,039	\$14,061,760	Contingent reduction in FY 2009 budget.
	SF	Education	\$1,000,000	\$0	\$0	\$0	\$0	Contingent authorization in FY 2009 budget.
	SF	Hlth. & Mental Hyg.	\$23,000,000	(\$10,000,000)	\$0	\$0	\$0	Assumed in FY 2009 budget.
	SF	Tech. Dev. Corp.	\$1,000,000	\$0	\$0	\$0	\$0	Contingent authorization in FY 2009 budget.
SB 565	Income Tax Credit – Bio-Heating Oil (Ch. 140)							
	GF	Comptroller	\$34,000	\$0	\$0	\$0	\$0	
SB 568	Motor Vehicles – Certificates of Title and Salvage Certificates (Ch. 422)							
	SF	Transportation	increase	increase	increase	increase	increase	Minimal personnel costs.
SB 569/HB 422	Secondhand Precious Metal Object Dealers and Pawnbrokers – Definition of Dealer (Ch. 591/Ch. 592)							
	GF	Labor Lic. & Reg.	increase	increase	increase	increase	increase	Potential licensing costs.
	GF	Public Sfty & Corr. Svcs.	increase	increase	increase	increase	increase	Potential incarceration costs.
SB 570	State Emergency Medical Services Board – Public Access Automated External Defibrillator Program (Ch. 593)							
	SF	MIEMSS	increase	increase	increase	increase	increase	Potential minimal administrative costs.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 578/HB 766	Vehicle Laws – Medical Advisory Board – Use of Confidential Records and Reports (Ch. 423/Ch. 424)							
	SF	Transportation	increase	increase	increase	increase	increase	Potential minimal administrative costs.
SB 595	Health Insurance – Carrier Credentialing – Reimbursement of Providers of Health Care Services (Ch. 598)							
	GF/SF/FF	Budget & Mgt.	increase	increase	increase	increase	increase	Potential minimal reimbursement costs.
	SF	Insur. Admin.	increase	increase	increase	increase	increase	Potential minimal enforcement costs.
SB 602/HB 1089	Direct Billing of Anatomic Pathology Services (Ch. 195/Ch. 196)							
	SF	Insur. Admin.	increase	increase	increase	increase	increase	Potential minimal enforcement costs.
SB 614/HB 1111	Death Penalty – Maryland Commission on Capital Punishment (Ch. 430/Ch. 431)							
	GF	Crime Control & Prevention	\$46,216	\$0	\$0	\$0	\$0	
SB 649/HB 795	Athletics – Mixed Martial Arts – Regulation by State Athletic Commission – Boxing and Wrestling Tax (Ch. 607/Ch. 608)							
	GF	Labor Lic. & Reg.	\$12,382	\$29,132	\$30,205	\$31,320	\$32,481	
SB 662	Agricultural Land Transfer Tax – Surcharge and Distribution of Revenue (Ch. 610)							
	SF	All or Multiple Agencies	\$3,125,000	\$3,125,000	\$3,125,000	\$3,125,000	\$3,125,000	SF revenues increase by same amount.
SB 679	Injured Workers’ Insurance Fund – Regulation by the Maryland Insurance Commissioner							
	SF	Insur. Admin.	\$48,412	\$59,746	\$62,755	\$65,924	\$69,267	

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 695/HB 685	Police and Court Records – Nuisance Crimes – Expungement (Ch. 615/Ch. 616)							
	GF	Judiciary	increase	\$0	\$0	\$0	\$0	Minimal printing expenditures.
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal expenditures to process petitions.
SB 712	Vehicle Laws – Failure to Yield Right-of-Way – Penalties for Death or Serious Bodily Injury (Ch. 443)							
	SF	Transportation	\$102,268	\$115,849	\$119,689	\$123,693	\$127,875	
SB 718	Lead Risk Reduction – Acquisition of Property – Compliance Requirements (Ch. 444)							
	GF/SF	Environment	increase	increase	increase	increase	increase	Potential administrative costs.
SB 722/HB 419	Pharmacy Benefits Managers – Registration (Ch. 201/Ch. 202)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal costs to issue permits.
	SF	Insur. Admin.	increase	increase	increase	increase	increase	Minimal registration costs.
SB 723/HB 343	Pharmacy Benefits Managers – Therapeutic Interchanges (Ch. 203/Ch. 204)							
	SF	Insur. Admin.	increase	increase	increase	increase	increase	Potential minimal enforcement costs.
SB 724/HB 120	Pharmacy Benefits Managers – Disclosures (Ch. 205/Ch. 206)							
	SF	Insur. Admin.	increase	increase	increase	increase	increase	Potential minimal enforcement costs.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 735/HB 1409	Coordinating Emerging Nanobiotechnology Research (CENTR) in Maryland Program (Ch. 445/Ch. 446)							
	SF	Bus. & Econ. Dvlpmt.	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	Included in FY 2009 budget.
SB 755	Election Law – Slot Machine Gaming Referendum – Campaign Finance Reports (Ch. 620)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
	GF	State Pros.	increase	increase	increase	increase	increase	Potential operating costs.
SB 764/HB 811	State Board of Dental Examiners Nomination and Disciplinary Processes – Task Force on the Discipline of Health Care Professionals and Improved Patient Care (Ch. 211/Ch. 212)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal costs for balloting and nominations activities.
SB 766/HB 906	Maryland Anatomical Gift Donor Registry (Ch. 213/Ch. 214)							
	SF	Transportation	increase	\$0	\$0	\$0	\$0	Potential minimal computer reprogramming costs.
SB 775/HB 514	Maryland Medbank Program – Funding (Ch. 452/Ch. 453)							
	SF	Insur. Admin.	\$425,000	\$0	\$0	\$0	\$0	
SB 783	Residential Child Care Programs – Certification of Direct Care Workers Residential Child Care Program Professionals (Ch. 218)							
	GF	Hlth. & Mental Hyg.	\$99,289	\$116,032	\$396,473	\$681,100	\$781,171	
	GF/SF/FF	All or Multiple Agencies	\$0	\$0	\$0	increase	increase	Increases in provider rates paid by State agencies.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 796	Motor Vehicle Accident Reports – Access (Ch. 457)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 817	Maryland Individual Tax Preparers Act (Ch. 623)							
	GF	Attorney General's Office	increase	increase	increase	increase	increase	Potential personnel costs.
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential incarceration costs.
	SF	Labor Lic. & Reg.	\$360,218	\$347,287	\$367,667	\$388,831	\$410,823	
SB 826/HB 991	HIV Testing – Informed Consent and Treatment (Ch. 222/Ch. 223)							
	GF/FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal Medicaid costs.
SB 831/HB 581	Environment – Bay Restoration Fund – Authorized Uses of Fund (Ch. 225/Ch. 226)							
	SF	Environment	increase	increase	increase	increase	increase	Potential administrative costs.
SB 841/HB 1279	Maryland Community Health Resources Commission – Modification (Ch. 624/Ch. 625)							
	SF	Hlth. & Mental Hyg.	\$20,250	\$20,655	\$21,068	\$21,489	\$21,919	Included in FY 2009 budget.
SB 849/HB 1411	Fitness and Athletics Equity for Students with Disabilities Act (Ch. 464/Ch. 465)							
	GF	Education	\$104,842	\$131,168	\$137,639	\$144,454	\$151,632	
SB 859/HB 1233	Blue Ribbon Commission to Study Retiree Health Care Funding Options – Extension of Reporting and Termination Dates (Ch. 228/Ch. 229)							
	GF	Budget & Mgt.	\$0	\$150,000	\$0	\$0	\$0	

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 906/HB 1492	Senior Prescription Drug Assistance Program – Subsidy for Medicare Part D Coverage Gap and Sunset Extension (Ch. 557/Ch. 558)							
	SF	Insur. Admin.	\$3,155,000	\$7,558,750	\$3,779,375	\$0	\$0	Partially offset by increased SF revenues in FY 2009 and 2010.
SB 916	Maryland Trauma Physician Services Fund – Reimbursement and Grants (Ch. 238)							
and	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Significant grant funding reimbursement costs.
SB 924/HB 1570	Motor Vehicle Excise Tax – Leased Vehicles – Application of Trade-In Value (Ch. 633/Ch. 634)							
	SF	Transportation	increase	\$0	\$0	\$0	\$0	Potential minimal computer programming costs.
SB 941/HB 1463	Natural Resources – Somers Cove Marina Commission (Ch. 240/Ch. 241)							
	NB	Somers Cove	\$597,039	increase	increase	increase	increase	Future years reflect ongoing commission expenditures.
	SF	Natural Resources	(\$19,579)	(\$840,318)	(\$860,725)	(\$881,711)	(\$903,296)	SF revenues decrease by a similar amount beginning in FY 2010.
SB 974/HB 1587	Health Services Cost Review Commission – Averted Uncompensated Care – Assessment (Ch. 244/Ch. 245)							
	FF	Hlth. & Mental Hyg.	\$20,500,000	\$0	\$200,000	\$15,500,000	\$39,000,000	Contingent appropriation in FY 2009 budget.
	GF	Hlth. & Mental Hyg.	\$0	(\$45,300,000)	(\$62,900,000)	(\$97,300,000)	(\$54,700,000)	
	SF	Hlth. & Mental Hyg.	\$17,500,000	\$45,200,000	\$62,800,000	\$81,900,000	\$15,700,000	SF revenues increase by same amount.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
SB 983	Maryland Housing Fund – Unallocated Reserves – Transfers (Ch. 477)							
	GF	Housing & Commty Dvlpt.	(\$5,050,000)	decrease	decrease	decrease	decrease	Assumed in FY 2009 budget; potential significant reduction in expenditures for housing programs. Potential significant distributions from Maryland Housing Fund.
	SF	Housing & Commty Dvlpt.	\$5,050,000	increase	increase	increase	increase	
SB 1008/HB 1557	Home Builders – Sales Representative Registration and Home Builder Guaranty Fund (Ch. 480/Ch. 481)							
	SF	Attorney General’s Office	\$198,267	\$267,960	\$280,825	\$294,366	\$308,622	
HB 18	Sex Offender Registry – Additional Information (Ch. 353)							
	GF	Public Sfty & Corr. Srvcs.	\$33,750	\$0	\$0	\$0	\$0	
HB 62	Lead-Containing Children’s Products – Prohibition (Ch. 483)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
HB 63	Elevator Safety Review Board Fund (Ch. 484)							
	GF	Labor Lic. & Reg.	(\$73,907)	(\$100,849)	(\$104,037)	(\$107,339)	(\$110,761)	GF revenues decrease by similar amount. SF revenues increase by similar amount.
	SF	Labor Lic. & Reg.	\$73,907	\$100,849	\$104,037	\$107,339	\$110,761	
HB 64/SB 3	See entry for SB 3.							

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 115	Medical Assistance Programs and Maryland Children’s Health Program – Statements on State-Issued Check Stubs (Ch. 251)							
	GF/FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Medicaid/MCHP costs due to increased enrollment.
	GF/FF	Human Resources	increase	increase	increase	increase	increase	Intake of additional Medicaid/MCHP enrollees.
HB 120/SB 724	See entry for SB 724.							
HB 140	Income Tax – Credit for Cellulosic Ethanol Technology Research and Development (Ch. 139)							
	GF	Comptroller	\$34,000	\$0	\$0	\$0	\$0	
HB 205/SB 118	See entry for SB 118.							
HB 208/SB 419	See entry for SB 419.							
HB 214	Bottled Water – Standard of Identity and Labeling Requirements – Out-of-State Registration of Bottled Water and Soft Drinks (Ch. 53)							
	GF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal reduction in staff costs and related resource recovery.
HB 215	Alcohol and Drug Abuse Treatment Programs – Outcomes Evaluation (Ch. 648)							
	GF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal reduction in staff costs and related resource recovery.
HB 216	Hereditary and Congenital Disorders – Newborn Screening (Ch. 256)							
	GF	Hlth. & Mental Hyg.	\$1,132,071	\$1,315,293	\$1,346,509	\$1,004,052	\$1,037,991	

Legislation Affecting State Expenditures

100

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 219	Bedding Law – Repeal (Ch. 54)							
	GF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Minimal reduction in staff costs and related resource recovery.
HB 225	Motor Vehicles – Salvage Vehicle Inspection Fee – Collection and Payment (Ch. 492)							
	SF	State Police	\$44,112	\$49,434	\$51,982	\$54,673	\$57,515	Offset by new SF revenues.
HB 233	Physicians and Pharmacists – Therapy Management Contracts – Extension of Law (Ch. 650)							
	SF	Hlth. & Mental Hyg.	\$1,710	\$1,710	\$0	\$0	\$0	
HB 235	Maryland Medical Assistance Program – Transporters (Ch. 651)							
	FF	Hlth. & Mental Hyg.	\$260,000	\$275,600	\$292,136	\$309,664	\$328,244	
	GF	Hlth. & Mental Hyg.	\$260,000	\$275,600	\$292,136	\$309,664	\$328,244	
HB 238	Maryland Health Insurance Plan – Status, Operation, and Regulation (Ch. 259)							
	SF	Insur. Admin.	\$48,142	\$59,746	\$62,755	\$65,924	\$69,267	
	SF	Health Insurance Plan	\$0	\$201,388	\$203,577	\$213,782	\$224,533	
HB 257	Pharmacy Benefits Managers – Contracts with Pharmacies and Pharmacists (Ch. 262)							
	SF	Insur. Admin.	increase	increase	increase	increase	increase	Potential minimal enforcement costs.
HB 285/SB 96	See entry for SB 96.							
HB 309	Department of Housing and Community Development – Disaster Relief Housing Program (Ch. 66)							
	SF	Housing & Commtty Dvlpt.	increase	increase	increase	increase	increase	Potential significant disaster relief expenditures.

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 343/SB 723	See entry for SB 723.							
HB 358	Maryland Funding Accountability and Transparency Act of 2008 (Ch. 659)							
	GF	Budget & Mgt.	\$300,000	\$100,000	\$0	\$0	\$0	
HB 359	Local Correctional Facilities – Inmate Health Care Expenses – Payment Rates to Health Care Providers (Ch. 496)							
	GF	Public Sfty & Corr. Srvcs.	decrease	decrease	decrease	decrease	decrease	Significant reduction in inmate health care costs.
HB 360/SB 217	See entry for SB 217.							
HB 361/SB 218	See entry for SB 218.							
HB 362	Reorganization of State Government – Department of Information Technology (Ch. 9)							
	GF	Budget & Mgt.	(\$14,209,084)	\$0	\$0	\$0	\$0	
	GF	Information Technology	\$14,473,529	\$262,426	\$275,343	\$288,944	\$303,271	
	SF	Budget & Mgt.	(\$14,205,296)	\$0	\$0	\$0	\$0	
	SF	Information Technology	\$14,205,296	\$0	\$0	\$0	\$0	
HB 363/SB 270	See entry for SB 270.							
HB 365/SB 216	See entry for SB 216.							
HB 368/SB 268	See entry for SB 268.							
HB 369/SB 213	See entry for SB 213.							
HB 372/SB 210	See entry for SB 210.							

Legislation Affecting State Expenditures

102

Effect of the 2008 Legislative Program on the Financial Condition of the State

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 374	EmPOWER Maryland Energy Efficiency Act of 2008 (Ch. 131)							
	GF	Energy Administration	\$216,713	\$92,301	\$96,395	\$100,695	\$105,212	
	SF	Peoples Counsel	\$50,000	\$0	\$0	\$0	\$0	SF revenues increase by same amount.
	SF	Public Srv. Comm.	\$250,000	\$0	\$0	\$0	\$0	SF revenues increase by same amount.
HB 375/SB 209	See entry for SB 209.							
HB 377	Solar and Geothermal Tax Incentive and Grant Program (Ch. 132)							
	GF	Energy Administration	increase	increase	increase	increase	increase	Potential increase in grant expenditures.
HB 399/SB 528	See entry for SB 528.							
HB 407	Commissioner of Labor and Industry – Boiler and Pressure Vessel Safety – Authorized Inspection Agencies (Ch. 497)							
	SF	Labor Lic. & Reg.	increase	increase	increase	increase	increase	Potential increase in contracts for certificate inspections.
HB 409	Maryland Home Improvement Commission – Home Improvement Guaranty Fund – Claims (Ch. 272)							
	GF	Labor Lic. & Reg.	\$0	\$0	(\$45,000)	(\$60,000)	(\$60,000)	
	SF	Labor Lic. & Reg.	\$75,000	\$100,000	\$100,000	\$100,000	\$100,000	SF revenues increase by lesser amounts.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 416	Unemployment Insurance – State Collection of the Federal Unemployment Insurance Tax (Ch. 74)							
	FF	Labor Lic. & Reg.	increase	increase	increase	increase	increase	Potential significant expenditures if State is authorized to collect the federal unemployment insurance tax.
HB 419/SB 722	See entry for SB 722.							
HB 422/SB 569	See entry for SB 569.							
HB 424	Office of the State Prosecutor – Subpoena Authority (Ch. 500)							
	GF	State Pros.	decrease	decrease	decrease	decrease	decrease	Minimal decrease in travel expenditures.
HB 450	Department of Health and Mental Hygiene – Behavioral Health and Disabilities (Ch. 661)							
	GF	Hlth. & Mental Hyg.	\$121,949	\$160,086	\$167,509	\$175,288	\$183,443	
HB 459	State Board of Professional Counselors and Therapists – Sunset Extension and Revisions (Ch. 505)							
	SF	Hlth. & Mental Hyg.	\$3,758	\$5,110	\$5,212	\$5,316	\$5,422	
HB 478	Motor Vehicle Administration – Commercial Drivers’ Licenses (Ch. 275)							
	SF	Transportation	\$22,500	\$0	\$0	\$0	\$0	
HB 481	State Retirement and Pension Systems – Investments (Ch. 506)							
	GF/SF/FF	All or Multiple Agencies	\$0	indet.	indet.	indet.	indet.	Potential increase or decrease in contribution rates due to investment returns.

Legislation Affecting State Expenditures

104

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 488	Motor Vehicle Accident Reports – Access (Ch. 458)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 511/SB 460	See entry for SB 460.							
HB 514/SB 775	See entry for SB 775.							
HB 525	Advisory Council on Prescription Drug Monitoring – Study (Ch. 276)							
	FF	Hlth. & Mental Hyg.	\$48,180	\$0	\$0	\$0	\$0	
	GF	Hlth. & Mental Hyg.	\$0	\$42,117	\$0	\$0	\$0	
HB 543	Agriculture – Maryland Dairy Farmer Emergency Trust Fund (Ch. 277)							
	GF	Agriculture	increase	increase	increase	increase	increase	Potential significant cost to capitalize the emergency fund.
HB 550/SB 250	See entry for SB 250.							
HB 554/SB 480	See entry for SB 480.							
HB 561/SB 301	See entry for SB 301.							
HB 578	Health Insurance – Coverage for Amino Acid-Based Elemental Formula (Ch. 510)							
	GF/SF/FF	Budget & Mgt.	\$0	increase	increase	increase	increase	Potential minimal costs for additional health care coverage for State employees.
	SF	Insur. Admin.	increase	increase	increase	increase	increase	Potential minimal enforcement costs.

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 580	Pharmacy Benefits Managers – Pharmacy and Therapeutics Committee (Ch. 279)							
	SF	Insur. Admin.	increase	increase	increase	increase	increase	Potential minimal enforcement costs.
HB 581/SB 831	See entry for SB 831.							
HB 685/SB 695	See entry for SB 695.							
HB 696/SB 158	See entry for SB 158.							
HB 700	Workers' Compensation – Permanent Partial Disability – Compensation (Ch. 85)							
	FF	All or Multiple Agencies	\$64,350	\$136,656	\$154,117	\$167,171	\$174,423	
	GF	All or Multiple Agencies	\$193,050	\$409,969	\$462,353	\$501,515	\$523,269	
	SF	All or Multiple Agencies	\$64,350	\$136,656	\$154,117	\$167,171	\$174,423	
HB 704	Higher Education Investment Fund – Expenditures – Base Realignment and Closure Process (Ch. 341)							
	FF	Higher Ed. Comm.	\$44,264	\$51,871	\$54,097	\$0	\$0	
HB 719/SB 44	See entry for SB 44.							
HB 721	Job Creation Tax Credit – Termination Provisions (Ch. 517)							
	GF	Comptroller	\$0	\$0	(\$34,000)	\$0	\$0	

106

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 782	Governor's Office of Community Initiatives – Reorganization of Various State Entities (Ch. 521)							
	GF	Community Initiative	\$525,411	\$534,629	\$560,859	\$588,455	\$617,489	
	GF	Human Resources	(\$84,759)	(\$86,199)	(\$90,378)	(\$94,772)	(\$99,390)	
	GF	Planning, Office of	(\$440,652)	(\$448,430)	(\$470,481)	(\$493,683)	(\$518,099)	
HB 786	Maryland Uniform Interstate Family Support Act – Revision (Ch. 522)							
	FF	Human Resources	\$47,602	\$0	\$0	\$0	\$0	
	GF	Human Resources	\$24,523	\$0	\$0	\$0	\$0	
HB 795/SB 649	See entry for SB 649.							
HB 811/SB 764	See entry for SB 764.							
HB 815	Health Insurance – Reimbursement of Health Care Practitioners – Information Provided by Carriers (Ch. 673)							
	SF	Insur. Admin.	increase	increase	increase	increase	increase	Potential minimal enforcement costs.
HB 844	Vehicle Laws – Registration Plates – Motorcycles (Ch. 523)							
	SF	Transportation	\$50,000	\$0	\$0	\$0	\$0	
HB 865	Procurement – eMaryland Marketplace – Use (Ch. 525)							
	GF	Gen. Services	\$10,000	\$0	\$0	\$0	\$0	
HB 883	Correctional Services – Eligibility for Parole – Medical Parole (Ch. 299)							
	GF/FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Medicaid expenditures.
HB 906/SB 766	See entry for SB 766.							

Legislation Affecting State Expenditures

108

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 975	Department of Housing and Community Development – Authorization for Sales of State-Funded Mortgages or Other Obligations – Servicing Rights (Ch. 528)							
	SF	Housing & Commtty Dvlpt.	increase	increase	increase	increase	increase	Loan servicing costs; SF revenues increase by same amount.
HB 977	Controlled Hazardous Substances – Discharge or Release – Reporting Requirements (Ch. 106)							
	GF	Environment	\$53,831	\$51,073	\$45,483	\$47,660	\$49,950	
	SF	Environment	\$0	\$119,171	\$106,128	\$111,205	\$116,549	
HB 991/SB 826	See entry for SB 826.							
HB 1039	Prince George’s County Hospital Authority PG 403-08 (Ch. 680)							
	GF	Hlth. & Mental Hyg.	increase	\$4,000,000	increase	increase	increase	Potential significant additional support under the required agreement.
	SF	Dedicated Purpose Account	\$12,000,000	\$8,000,000	\$0	\$0	\$0	
HB 1056	Environment – Water Management Administration – Wetlands and Waterways Program Fees (Ch. 142)							
	RF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential grant expenditures; reimbursable revenues increase by same amount.
	SF	Environment	\$2,618,636	\$2,668,390	\$2,721,758	\$2,784,358	\$2,848,399	SF revenues increase by same amount.
HB 1059/SB 305	See entry for SB 305.							

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 1079	Consumer Protection – Halal Food Products (Ch. 112)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 1089/SB 602	See entry for SB 602.							
HB 1090	State Board of Morticians – Family Security Trust Fund and Pre-Need Contracts (Ch. 532)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential trust fund payouts.
HB 1111/SB 614	See entry for SB 614.							
HB 1113/SB 60	See entry for SB 60.							
HB 1156	Labor and Employment – Pay Disparity Data – Reporting (Ch. 114)							
	GF	Labor Lic. & Reg.	\$72,441	\$82,796	\$86,336	\$90,052	\$93,954	
HB 1214	Maryland Not-For-Profit Development Center Program (Ch. 313)							
	SF	Bus. & Econ. Dvlpmt.	\$78,139	\$104,185	\$104,185	\$104,185	\$104,185	SF revenues increase by same amount.
HB 1219	Health Insurance – Health Care Provider Panels – Provider Contracts (Ch. 688)							
	SF	Insur. Admin.	\$0	increase	\$0	\$0	\$0	Potential minimal costs associated with reviews.
HB 1233/SB 859	See entry for SB 859.							
HB 1279/SB 841	See entry for SB 841.							

Legislation Affecting State Expenditures

110

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 1296	Certified Public Accountants – Licensed Out-of-State Certified Public Accountants – Practice Privilege (Ch. 536)							
	SF	Labor Lic. & Reg.	decrease	decrease	decrease	decrease	decrease	Reflects lower licensing activity.
HB 1309	Business Regulation – Mold Remediation Services – Licensing (Ch. 537)							
	GF	Labor Lic. & Reg.	\$61,853	\$51,682	\$54,147	\$56,747	\$59,489	Biennial GF revenues increase by same amount.
HB 1337	Maryland Clean Energy Center (Ch. 137)							
	NB	Clean Energy	increase	increase	increase	increase	increase	Potential significant Clean Energy Center expenditures; NB revenues increase by same amount.
	SF	Clean Energy	\$477,086	\$631,307	\$657,167	\$684,194	\$712,445	
HB 1350	Consumer Protection – Advertisement of Rebate for Consumer Goods (Ch. 539)							
	GF	Public Sfty & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
HB 1391	Kids First Act (Ch. 692)							
	FF	Hlth. & Mental Hyg.	\$63,285	\$0	\$0	\$0	\$0	
	GF	Comptroller	\$36,200	\$0	\$0	\$0	\$0	
	GF	Hlth. & Mental Hyg.	\$189,856	\$289,710	\$236,400	\$0	\$0	
	GF/FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Medicaid/MCHP costs due to increased enrollment.
	GF/FF	Human Resources	increase	increase	increase	increase	increase	Intake of additional Medicaid/MCHP enrollees.
	SF	Comptroller	\$0	\$289,710	\$236,400	\$0	\$0	
	SF	Hlth. & Mental Hyg.	\$63,285	(\$289,710)	(\$236,400)	\$0	\$0	

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 1400	Workers' Compensation – Covered Employees – State Government Volunteer Workers (Ch. 541)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Minimal workers' compensation increase.
HB 1409/SB 735	See entry for SB 735.							
HB 1411/SB 849	See entry for SB 849.							
HB 1425	Vehicle Laws – Gold Star Registration Plates (Ch. 694)							
	SF	Transportation	increase	increase	increase	increase	increase	Minimal registration plate production costs; SF revenues increase by same amount.
HB 1433	Maryland Stadium Authority – Baltimore Convention Center (Ch. 320)							
	GF	Stadium Authority	\$4,138,400	\$4,260,000	\$4,381,800	\$4,507,000	\$4,637,000	Included in FY 2009 budget.
HB 1443	Department of Human Resources – Reorganization (Ch. 116)							
	FF	Human Resources	(\$367,323)	(\$400,716)	(\$400,716)	(\$400,716)	(\$400,716)	Reflected in FY 2009 budget.
	GF	Human Resources	(\$1,500,564)	(\$1,636,979)	(\$1,636,979)	(\$1,636,979)	(\$1,636,979)	Reflected in FY 2009 budget.
HB 1444	Academic Facilities Bonding Authority (Ch. 545)							
	BOND	Univ. Sys. of MD.	\$33,000,000	\$0	\$0	\$0	\$0	Bond revenues increase by same amount. Included in FY 2009 budget.
	HE	Univ. Sys. of MD.	\$0	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	
HB 1463/SB 941	See entry for SB 941.							

Legislation Affecting State Expenditures

112

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 1464	State Personnel – Baltimore City Department of Social Services Legal Services Division – Transfer of Personnel (Ch. 322)							
	FF	Human Resources	\$17,344	\$18,211	\$19,121	\$20,077	\$21,081	
	GF	Human Resources	\$26,015	\$27,316	\$28,682	\$30,116	\$31,622	
HB 1492/SB 906	See entry for SB 906.							
HB 1517	Respiratory Care Practitioners, Radiation Therapists, Radiographers, Nuclear Medicine Technologists, and Radiologist Assistants – Various Changes (Ch. 328)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal board member and licensing activity costs.
HB 1522	Maryland Health Care Provider Rate Stabilization Fund – Allocations to and Disbursements from the Medical Assistance Program Account (Ch. 329)							
	FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential match for physician rate increase.
	GF	Hlth. & Mental Hyg.	decrease	\$300,000	\$300,000	increase	increase	Substitution of SF for GF in FY 2009; in future years, potential GF expenditures to maintain rates.
	SF	Comptroller	\$0	\$300,000	\$300,000	\$0	\$0	Potential enrollment costs.
	SF	Hlth. & Mental Hyg.	increase	(\$300,000)	(\$300,000)	\$0	\$0	Use of funds for physician rate increases in FY 2009.
HB 1557/SB 1008	See entry for SB 1008.							
HB 1570/SB 924	See entry for SB 924.							
HB 1587/SB 974	See entry for SB 974.							
HB 1602	Commission to Study the Impact of Immigrants in Maryland (Ch. 553)							
	GF	Univ. Sys. of MD.	\$108,304	\$109,145	\$111,674	\$0	\$0	

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Comments</u>
HB 1627	Election Law – Special Congressional Election (Ch. 118)							
	GF/FF	Election Board, State	decrease	\$0	\$0	\$0	\$0	Potential decrease in election administration expenditures.

Expenditures by Agency

<u>Agency</u>	<u>Fund Type</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Agriculture						
	GF	\$112,329	\$149,317	\$115,816	\$55,426	\$57,585
All or Multiple Agencies						
	GF	(\$49,800,427)	(\$49,421,654)	(\$49,350,546)	(\$49,291,551)	(\$49,248,132)
	SF	\$3,191,524	\$3,317,782	\$3,341,485	\$3,361,149	\$3,375,623
	FF	\$66,524	\$192,782	\$216,485	\$236,149	\$250,623
Assessments & Taxation						
	GF	\$0	\$2,500,000	\$5,000,000	\$5,000,000	\$5,000,000
Attorney General's Office						
	SF	\$198,267	\$267,960	\$280,825	\$294,366	\$308,622
Baltimore City Community College						
	HE	\$59,000	\$81,000	\$84,000	\$87,000	\$90,000
Budget & Management						
	GF	(\$13,909,084)	\$250,000	\$0	\$0	\$0
	SF	(\$14,205,296)	\$0	\$0	\$0	\$0
Business & Economic Development						
	GF	\$50,738	\$68,927	\$72,167	\$75,575	\$79,163
	SF	\$3,078,139	\$3,104,185	\$3,104,185	\$3,104,185	\$3,104,185

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund Type</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Children's Cabinet						
	GF	(\$8,691,450)	(\$8,691,450)	(\$8,691,450)	(\$8,691,450)	(\$8,691,450)
Clean Energy						
	SF	\$477,086	\$631,307	\$657,167	\$684,194	\$712,445
Community Initiatives						
	GF	\$525,411	\$534,629	\$560,859	\$588,455	\$617,489
Comptroller						
	GF	\$176,740	\$105,500	(\$34,000)	\$0	\$0
	SF	\$0	\$589,710	\$536,400	\$0	\$0
Crime Control & Prevention						
	GF	\$46,216	\$0	\$0	\$0	\$0
Dedicated Purpose Account						
	SF	\$12,000,000	\$8,000,000	\$0	\$0	\$0
Education						
	GF	(\$3,282,561)	(\$3,024,015)	\$463,989	\$486,771	\$552,646
	SF	\$1,000,000	\$0	\$0	\$0	\$0
Energy Administration						
	GF	\$216,713	\$92,301	\$96,395	\$100,695	\$105,212

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund Type</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Environment						
	GF	\$53,831	\$51,073	\$45,483	\$47,660	\$49,950
	SF	(\$21,056,151)	\$4,890,658	\$5,571,702	\$5,317,702	\$5,062,087
General Services						
	GF	\$62,406	\$65,556	\$17,207	\$0	\$0
Health & Mental Hygiene						
	GF	(\$16,107,805)	(\$12,302,332)	(\$43,700,490)	(\$81,293,857)	(\$38,307,391)
	SF	\$40,589,003	\$34,637,765	\$62,289,880	\$81,926,805	\$15,727,341
	FF	\$27,471,465	\$7,052,310	\$7,404,380	\$22,860,153	\$46,519,743
Health Insurance Plan						
	SF	\$0	\$201,388	\$203,577	\$213,782	\$224,533
Higher Education Commission						
	FF	\$44,264	\$51,871	\$54,097	\$0	\$0
Housing & Community Development						
	GF	(\$5,050,000)	(-)	(-)	(-)	(-)
	SF	\$5,050,000	-	-	-	-
Human Resources						
	GF	(\$1,485,260)	(\$1,695,862)	(\$1,698,675)	(\$1,701,635)	(\$1,704,747)
	FF	(\$302,377)	(\$382,505)	(\$381,595)	(\$380,639)	(\$379,635)

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund Type</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Information Technology						
	GF	\$14,473,529	\$262,426	\$275,343	\$288,944	\$303,271
	SF	\$14,205,296	\$0	\$0	\$0	\$0
Insurance Administration						
	SF	\$3,676,554	\$7,678,242	\$3,904,885	\$131,848	\$138,534
Judiciary						
	GF	(\$500,000)	(\$4,700,000)	(\$4,700,000)	(\$4,700,000)	(\$4,700,000)
Labor, Licensing & Regulation						
	GF	(\$2,988,532)	(\$2,798,539)	(\$3,039,649)	(\$3,050,520)	(\$3,046,137)
	SF	\$4,894,674	\$4,788,903	\$4,974,394	\$5,173,413	\$5,374,747
	NB	\$1,035,348	\$1,068,043	\$1,097,106	\$1,129,801	\$1,166,129
Natural Resources						
	SF	(\$19,579)	(\$840,318)	(\$860,725)	(\$881,711)	(\$903,296)
Peoples Counsel						
	SF	\$50,000	\$0	\$0	\$0	\$0
Planning						
	GF	(\$440,652)	(\$448,430)	(\$470,481)	(\$493,683)	(\$518,099)

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund Type</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Public Safety & Correctional Services						
	GF	\$187,500	\$0	\$0	\$0	\$0
Public Service Commission						
	SF	\$250,000	\$0	\$0	\$0	\$0
Somers Cove						
	NB	\$597,039	-	-	-	-
Stadium Authority						
	GF	\$4,138,400	\$4,260,000	\$4,381,800	\$4,507,000	\$4,637,000
State Police						
	GF	\$999,000	-	-	-	-
	SF	\$44,112	\$49,434	\$51,982	\$54,673	\$57,515
	FF	\$401,000	-	-	-	-
State Reserve Fund						
	GF	\$0	(\$63,913,000)	\$63,913,000	\$0	\$0
Technology Development Corporation						
	SF	\$1,000,000	\$0	\$0	\$0	\$0
Transportation						
	SF	\$225,557	\$165,432	\$171,787	\$178,444	\$185,428

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund Type</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
University System of Maryland						
	GF	\$108,304	\$109,145	\$111,674	\$0	\$0
	HE	\$0	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000
	BOND	\$33,000,000	\$0	\$0	\$0	\$0

Totals by Fund Type/Summary of Quantifiable Expenditure Effects

<u>Fund Type</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
GF	(\$81,104,654) ¹	(\$138,546,408)	(\$36,631,558)	(\$138,072,170)	(\$94,813,640)
SF	\$54,649,186 ²	\$67,482,448	\$84,227,544	\$99,558,850	\$33,367,764
FF	\$27,680,876 ³	\$6,914,458	\$7,293,367	\$22,715,663	\$46,390,731
BOND	\$33,000,000 ⁴	\$0	\$0	\$0	\$0

¹(\$48,638,112) is not included in the FY 2009 budget.

²\$66,628,936 is not included in the FY 2009 budget.

³\$27,647,199 is not included in the FY 2009 budget.

⁴All bond expenditures are included in the FY 2009 capital budget as academic revenue bonds.

Regular Positions Needed by Agency

<u>Agency</u>	<u>Fund Type</u>	<u>Beginning in FY 2009</u>	<u>Beginning in FY 2010</u>
Agriculture			
	GF	0.5	0
Attorney General's Office			
	SF	4.0	0
Budget & Management			
	GF	(118.0)	0
Business & Economic Development			
	GF	1.0	0
Clean Energy			
	SF	6.0	-
Community Initiatives			
	GF	7.0	0
Education			
	GF	2.0	4.0
Energy Administration			
	SF	1.0	0
Environment			
	GF	1.0	0.3
	SF	34.0	0.7

Regular Positions Needed by Agency (cont'd)

<u>Agency</u>	<u>Fund Type</u>	<u>Beginning in FY 2009</u>	<u>Beginning in FY 2010</u>
General Services			
	GF	1.0	0
Health & Mental Hygiene			
	GF	10.0	0
Health Insurance Plan			
	SF	0	3.0
Human Resources			
	GF	12.2	0
	FF	8.8	0
Information Technology			
	GF	122.0	0
Insurance Administration			
	SF	2.0	0
Labor, Licensing, & Regulation			
	GF	2.0	0
	SF	20.5	0
Natural Resources			
	SF	1.0	(-)
Planning			
	GF	(6.0)	0

Regular Positions Needed by Agency (cont'd)

<u>Agency</u>	<u>Fund Type</u>	<u>Beginning in FY 2009</u>	<u>Beginning in FY 2010</u>
State Police			
	GF	10.0	0
	SF	1.0	0
Transportation			
	SF	2.0	0
University System of Maryland			
	GF	1.6	0
<hr/>			
Total		126.6	8.0

Contractual Positions Needed by Agency

<u>Agency</u>	<u>Fund Type</u>	<u>Beginning in FY 2009</u>	<u>Beginning in FY 2010</u>
Agriculture			
	GF	1.0	0
Budget & Management			
	GF	(5.0)	0
Crime Control and Prevention			
	GF	0.5	0
	SF	1.0	0
Higher Education Commission			
	FF	1.0	0
Health & Mental Hygiene			
	GF	1.5	0
	FF	0.5	0
Information Technology			
	GF	5.0	0
State Police			
	SF	(1.0)	0
Total		4.5	0

Chapter Four – Local Government

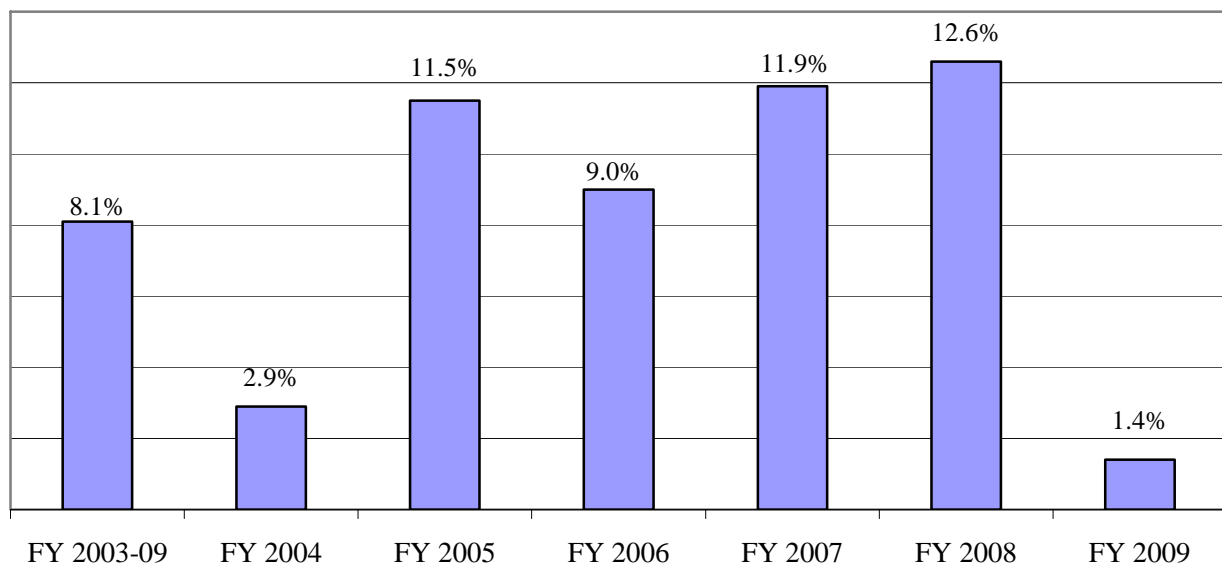
- State Aid to Local Governments
- State Mandates on Local Governments
- Legislation Affecting Local Government Revenues
- Legislation Affecting Local Government Expenditures

State Aid to Local Governments

Overview

Local governments will realize a small increase in State aid in fiscal 2009, most of which is targeted to public schools, libraries, and community colleges. State aid to local governments will total \$6.6 billion, representing a 1.4 percent or \$90.2 million increase over fiscal 2008. Local school systems will receive \$5.4 billion in State support, a \$185.6 million increase over fiscal 2008. State aid for libraries and local community colleges will increase by 3.5 and 8.8 percent, respectively, in fiscal 2009, resulting in an additional \$2.1 million for public libraries and \$21.2 million in additional funding for local community colleges. Local health departments will receive an additional \$1.8 million, a 2.6 percent increase over the prior year. State aid for counties and municipalities, however, will decrease by \$120.5 million or 12.8 percent. This decrease is due primarily to lower State transfer tax collections which affect Program Open Space funding and the elimination of the electric utility grants. **Exhibit 4.1** shows the annual increase in State aid over the last six years. **Exhibit 4.2** shows the increase in State aid in fiscal 2009 by governmental entity.

Exhibit 4.1
Annual Growth in State Aid to Local Governments



Source: Department of Legislative Services

Exhibit 4.2
State Aid to Local Governments in Fiscal 2008 and 2009
(\$ in Millions)

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

Source: Department of Legislative Services

State Support for Local Governments Impacted by Cost Containment

After several years of record increases in State aid, the General Assembly approved legislation at the 2007 special session that reduced funding for several State aid programs beginning in fiscal 2009. Education aid was reduced by \$169.4 million from statutory funding levels, whereas State aid to counties and municipalities was reduced by \$63.9 million. The General Assembly made additional State aid reductions at the 2008 session as part of the State's cost containment measures. State funding for public schools, public libraries, and local community colleges, and a special public safety grant for Baltimore City, was reduced by \$14.8 million in fiscal 2009 as shown in **Exhibit 4.3**. Even with these reductions, most local governments will still realize an increase in State aid in fiscal 2009, with most increases targeted to public schools, libraries, and local community colleges.

Reliance on State Aid

State aid is the largest revenue source for most county governments in Maryland, accounting for 26.5 percent of total county revenues. In five counties (Anne Arundel, Baltimore, Queen Anne's, Talbot, and Worcester), State aid is the second largest revenue source after property taxes. In Howard and Montgomery counties, State aid is the third largest revenue source after both property and income taxes. For municipal governments, State aid is the third largest revenue source representing 8.5 percent of total municipal revenues. As with counties, the reliance on State aid varies for municipalities, ranging from 2.1 percent of total revenues for municipalities in Talbot County to 27.9 percent for municipalities in Garrett and Kent counties. State aid to municipalities is targeted primarily to highway maintenance, police and fire services, and parks and recreation. Municipalities receive approximately 70.0 percent of their State aid through four programs: highway user revenues, police and fire aid formulas, and Program Open Space.

Exhibit 4.3
Legislative Reductions to State Aid Programs in Fiscal 2009

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

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

Source: Department of Legislative Services

Dependence on State aid varies across Maryland with less affluent jurisdictions relying on State aid as their primary revenue source and more affluent jurisdictions relying more heavily on local property and income taxes. For example, State aid accounts for 16 percent of total revenues in Montgomery County but 50 percent in Caroline County. This difference reflects the State's policy of targeting resources to less affluent jurisdictions that have a lower capacity to raise revenues from local sources. Utilizing local wealth measures to distribute State aid improves the fiscal equity among counties by making certain counties less dependent on their own tax base to fund public services thereby offsetting the inequalities in the revenue capacity among local governments. Currently, nearly 70 percent of State aid is distributed inversely to local wealth. The disparity in local tax capacities among counties in Maryland is illustrated in **Exhibit 4.4** which shows the per capita local wealth and State aid amounts for each county for fiscal 2009.

Changes by Program

State aid increases in fiscal 2009 range from less than 1 percent in Garrett, Kent, and Somerset counties to at least 5 percent in Howard, St. Mary's, and Wicomico counties. Three counties and Baltimore City will realize a net decrease in State aid. **Exhibit 4.5** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit 4.6** compares total State aid in fiscal 2008 and 2009 by program.

Exhibit 4.4
Comparison of Local Wealth Measures and State Aid Allocation
Fiscal 2009

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

Source: Department of Legislative Services

Exhibit 4.5
State Assistance to Local Governments
Fiscal 2009 Legislative Appropriation
(\$ in Thousands)

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

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

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

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

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

State Assistance to Local Governments
Dollar Difference Between Fiscal 2009 Legislative Appropriation and Fiscal 2008 Working Appropriation
(\$ in Thousands)

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

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

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

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

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

Exhibit 4.6
Total State Assistance to Local Governments

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

<u>Program</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Difference</u>
Police Aid	\$65,931,447	\$66,435,967	\$504,520
Fire and Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	2,325,000	2,336,450	11,450
9-1-1 Grants	13,550,000	13,550,000	0
Community Policing	2,000,000	2,000,000	0
Foot Patrol/Drug Enforcement Grants	4,462,500	4,462,500	0
Law Enforcement Training Grants	100,000	100,000	0
Stop Gun Violence Grants	955,500	955,500	0
Violent Crime Grants	4,841,858	4,841,858	0
Baltimore City State's Attorney Grant	1,985,000	1,985,000	0
Domestic Violence Grants	200,000	200,000	0
War Room/Sex Offender Grants	1,554,982	1,554,982	0
Annapolis Crime Grant	0	174,000	174,000
School Vehicle Safety Grant	550,000	550,000	0
Body Armor	50,000	50,000	0
Total Public Safety	\$108,506,287	\$109,196,257	\$689,970
Program Open Space	\$97,103,982	\$20,089,207	-\$77,014,775
Critical Area Grants	703,000	645,000	-58,000
Total Recreation/Environment	\$97,806,982	\$20,734,207	-\$77,072,775
Local Health Formula	\$66,991,283	\$68,760,355	\$1,769,072
Utility Property Tax Grant	\$29,615,199	\$0	-\$29,615,199
Disparity Grant	\$114,783,852	\$115,489,636	\$705,784
Horse Racing Impact Aid	\$1,485,600	\$1,205,600	-\$280,000
Payments in Lieu of Taxes	1,005,222	1,005,222	0
Security Interest Filing Fees	2,925,000	3,075,000	150,000
Senior Citizens Activities Center	500,000	500,000	0
Statewide Voting Systems	9,789,817	10,787,218	997,401
Total Other Direct Aid	\$15,705,639	\$16,573,040	\$867,401
Total Direct Aid	\$5,878,528,765	\$5,910,050,008	\$31,521,243
Retirement – Teachers	\$566,447,691	\$621,769,420	\$55,321,729
Retirement – Libraries	11,451,276	12,887,508	1,436,232
Retirement – Community Colleges	22,303,280	24,179,168	1,875,888
Retirement – Local Employees	2,188,307	2,194,900	6,593
Total Payments-in-behalf	\$602,390,554	\$661,030,996	\$58,640,442
Total State Assistance	\$6,480,919,319	\$6,571,081,004	\$90,161,685

Source: Department of Legislative Services

Primary and Secondary Education

State funding for public schools remains a high priority. Over the last seven years, State funding for public schools has increased by almost \$2.5 billion, even though the State government was confronted with major fiscal challenges during most of this period. On a per pupil basis, State funding has increased from \$3,432 in fiscal 2002 to \$6,538 in fiscal 2009, a 90.5 percent increase. Moreover, local school systems will receive modest increases in State funding in fiscal 2009 for operating programs and significant funding for school construction projects. In fiscal 2009, local school systems will receive \$5.4 billion in State funding – a \$185.6 million or 3.6 percent increase. State funding for public school construction projects will total around \$333 million in fiscal 2009. Over the last seven years, State funding for public school construction has totaled approximately \$1.7 billion. This historic funding for both operating and capital programs demonstrates the State's financial commitment to adequately fund public schools and to provide a quality educational program.

Foundation Program: The foundation program is the basic State education funding mechanism for public schools which ensures a minimum per pupil funding level and requires county governments to provide a local match. The formula is calculated based on a per pupil foundation amount and student enrollment. Less affluent school systems, as measured by assessable base and net taxable income, receive relatively more aid per pupil than wealthier school systems. State aid under the foundation program will total \$2.8 billion in fiscal 2009, representing a \$10.9 million or 0.4 percent increase over the prior year. This amount includes \$36.8 million in supplemental grants for five local school systems. The supplemental grants – enacted at the 2007 special session to mitigate the impact of eliminating annual inflationary adjustments to the per pupil funding levels in fiscal 2009 and 2010 – ensure that each local school system will receive at least a 1.0 percent annual increase in State funding. The per pupil foundation amount for fiscal 2009 is set at \$6,694, and the student enrollment count used for the program totals 815,740.5 students. Enrollment for the formula is based on the September 30, 2007, full-time equivalent student enrollment count. The State provides funding for roughly 50.0 percent of the program's cost.

Compensatory Education: The compensatory education program provides additional funding based on the number of economically disadvantaged students. The formula recognizes disparities in local wealth by adjusting the grants per eligible student by local wealth. The formula is calculated based on 97.0 percent of the annual per pupil amount used in the foundation program and the number of students eligible for free and reduced price meals. The State provides funding for 50.0 percent of the program's cost. State aid under the compensatory education program will total \$914.2 million in fiscal 2009, representing a \$12.1 million or 1.3 percent increase over the prior year. The per pupil State funding amount for fiscal 2009 is set at \$3,247, and the student enrollment count used for the program totals 265,452.

Special Education: State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements. The special education formula is calculated based on 74.0 percent of the annual per pupil foundation amount and the number of special education students from the prior fiscal year. The per pupil State funding amount for fiscal 2009 is set at \$2,477, and the student enrollment count used for the program totals 103,769. State funding for public special education programs will total \$272.7 million in fiscal 2009, representing a \$7.3 million or 2.6 percent decrease over the prior year. Funding for nonpublic placements is \$127.6 million in fiscal 2009, representing a \$2.4 million or 2.0 percent increase over the prior year.

Student Transportation: The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants consist of three components: regular student ridership funds; special education student ridership funds; and additional enrollment funds. The regular student ridership funds are based on the local school system's grant in the previous year increased by inflation; increases cannot exceed 8.0 percent or be less than 3.0 percent. Local school systems with enrollment increases receive additional funds. The special education student ridership funds are based on a \$1,000 per student grant for transporting disabled students. The fiscal 2009 budget includes \$200.4 million for regular transportation services and \$24.6 million for special transportation services. This represents a \$6.0 million or 2.8 percent increase from the prior year.

Limited English Proficiency: The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99.0 percent of the annual per pupil foundation amount, with the State providing funding for 50.0 percent of the program's cost. The fiscal 2009 grant per LEP student is \$3,314. State funding for the program will total \$144.0 million in fiscal 2009, representing a \$17.9 million or 14.2 percent increase over the prior year. The number of LEP students in Maryland totals 40,382 for the 2007-2008 school year, a 13.2 percent increase from the prior year.

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

Guaranteed Tax Base Program: The Bridge to Excellence in Public Schools Act included an add-on grant for jurisdictions with less than 80 percent of statewide per pupil wealth that contributed more than the minimum required local share under the foundation program in the prior year. The grant equals the difference between actual and required spending per pupil,

up to 20 percent of the per pupil foundation amount. Eleven local school systems will qualify for grants totaling \$90.0 million in fiscal 2009.

Aging Schools Program: The Aging Schools program provides State funding to local school systems for improvements, repairs, and deferred maintenance of public school buildings. These repairs are generally not covered by the capital school construction program and are necessary to maintain older public schools. State funding for the Aging Schools program will total \$11.1 million in fiscal 2009 with an additional \$8.1 million for school wiring.

Judy Hoyer and Head Start Programs: These programs provide financial support for the establishment of centers that provide full-day, comprehensive, early education programs, and family support services that will assist in preparing children to enter school ready to learn. This program also provides funding to support childhood educators and statewide implementation of an early childhood assessment system. The fiscal 2009 State budget includes \$7.6 million for Judy Center grants, \$3.0 million for school readiness and program accreditation, and \$3.0 million for head start programs.

School Improvement Grants: Grants are provided to schools and local school systems that are low-performing in meeting adequate yearly progress targets. Schools and local school systems receiving grants may be categorized in three stages – in improvement, corrective action, or restructuring. State funding for school improvement grants will total \$11.4 million in fiscal 2009. The grants support technical assistance and professional development for school personnel to improve school performance.

Teacher Quality Incentives: The State provides salary enhancements for teachers obtaining national certification, a signing bonus for teachers graduating in the top of their class, and a stipend for teachers and other nonadministrative certificated school employees working in low-performing schools. The fiscal 2009 State budget includes \$5.7 million for these teacher quality incentives; \$96,000 for the Governor's Teacher Excellence Award Program which distributes awards to teachers for outstanding performance; and \$720,000 for teacher quality and national certification grants.

Food and Nutrition Services: In addition to federal funds provided under the School Lunch Act of 1946, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. The fiscal 2009 State budget includes \$7.5 million for food and nutrition services.

Infants and Toddlers Program: This program involves a statewide community-based interagency system of comprehensive early intervention services for eligible children who are less than three years old. Eligible children include those who have developmental delays or disabilities. State funding for infants and toddlers programs will total \$10.4 million in fiscal 2009, a \$4.6 million increase over the prior year.

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

School-based Health Centers: The fiscal 2009 State budget includes \$2.9 million for school-based health centers, which provide primary medical care as well as social, mental health, and health education services for students and their families. The funding for these centers was transferred from the Subcabinet Fund to the Maryland State Department of Education in fiscal 2007.

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

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

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

Teachers' Retirement Payments: The State pays 100 percent of the employer's share of retirement costs for local school system employees in the Teachers' Retirement and Pension Systems maintained by the State. Rather than distributing the aid to the local boards of education and billing them for the retirement contributions, the State appropriates a lump-sum payment to the retirement system "on behalf of" the local boards. The appropriation is calculated by increasing the second prior year's salary base by 5.0 percent and applying the contribution rate certified by the retirement system. Teachers' retirement payments will total \$621.8 million in fiscal 2009, representing a 9.8 percent increase over the prior year due to an increase in the salary base.

Local Libraries

Local libraries receive over 20 percent of their funding from the State government. In fiscal 2009, State aid to local libraries will total \$63.8 million, representing a \$2.1 million or 3.5 percent increase over the prior year.

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

program. The minimum library program is specified in statute. Overall, the State provides 40 percent of the minimum program and the counties provide 60 percent. However, the State/local share of the minimum program varies by county depending on local wealth. The program is based on a \$14 per capita grant for fiscal 2008 and was scheduled to increase to \$15 per capita grant in fiscal 2009. However, due to cost containment measures adopted by the General Assembly, the library aid program will be based on a \$14 per capita grant for fiscal 2009. This results in a \$2.5 million reduction in State funding for local libraries. Due to this reduction, State funding for the library program will total \$34.5 million in fiscal 2009, representing a \$0.6 million or 1.8 percent increase over the prior year.

State Library Network: The network consists of the Central Library of the Enoch Pratt Free Library System in Baltimore City, three regional resource centers, and metropolitan cooperative service programs. The Enoch Pratt Free Library operates as the designated State Library Resource Center. It will receive \$10.4 million in State funding in fiscal 2009, which equals \$1.85 per State resident. In addition to the State center, regional resource centers serve Western Maryland (Hagerstown), Southern Maryland (Charlotte Hall), and the Eastern Shore (Salisbury). The regional centers will receive \$5.9 million in fiscal 2009, which equates to \$6.50 per resident in the region served. Regional resource centers were scheduled to receive \$7.50 per resident in fiscal 2009; however, due to cost containment measures adopted by the General Assembly, grants were based on fiscal 2008 funding levels. This results in a \$0.9 million reduction in State funding for local libraries.

Retirement Payments: The State pays 100 percent of the employer's share of retirement costs for local library employees in the Teachers' Retirement and Pension Systems maintained by the State. State funding for library retirement payments will total \$12.9 million in fiscal 2009, a \$1.4 million increase from the prior year.

Community Colleges

Local community colleges receive about 25 percent of their funding from the State government. In fiscal 2009, State aid to local community colleges will total \$262.9 million – a \$21.2 million or 8.8 percent increase from the prior year. Baltimore City Community College, which is operated by the State, will receive a State appropriation of \$41.1 million in fiscal 2009.

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

Special Programs: State funding in fiscal 2009 will total \$3.1 million for the small college grants and \$0.6 million for the Allegany/Garrett counties unrestricted grants. Funding for statewide and regional programs will total \$7.1 million. The English as a Second Language program will receive \$3.7 million. The Innovative Partnership for Technology program will receive \$1.4 million in funding.

Retirement Payments: The State pays 100 percent of the employer's share of retirement costs for community college faculty in the Teachers' Retirement and Pension Systems maintained by the State. State funding for community college retirement payments will total \$24.2 million in fiscal 2009 – a \$1.9 million or 8.4 percent increase. In addition, State funding for the optional retirement program will total \$12.0 million in fiscal 2009, representing a \$0.7 million or 6.0 percent increase.

Local Health Departments

The State provides funds to support the delivery of public health services in each of Maryland's 24 jurisdictions. Support for this program is formula-driven, with increases based on inflation and population growth. State aid for local health departments will total \$68.8 million in fiscal 2009, representing a \$1.8 million or 2.6 percent increase.

County and Municipal Governments

Approximately 12.5 percent of State aid goes to county and municipal governments. State funding for counties and municipalities will total \$822.0 million in fiscal 2009, representing a \$120.5 million or 12.8 percent decrease over the prior year. State aid to county and municipal governments is targeted primarily to highway maintenance, police and fire services, and parks and recreation. The State also provides disparity grants to less affluent counties to address the differences in the abilities of counties to raise revenues from the local income tax.

Highway User Revenues: Local governments will receive \$548.7 million in local highway user revenues in fiscal 2009, representing an \$18.1 million decrease from the prior year. The decrease results primarily from legislation passed at the 2007 special session which adjusted the computation of the vehicle excise tax to allow for the value of a trade-in.

Other Transportation Aid: State funding for elderly/disabled transportation grants will increase to \$6.3 million in fiscal 2009, and funding for paratransit grants will remain at \$2.8 million.

Police Aid Formula: Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The Budget Reconciliation and Financing Act of 2003 directs the Maryland State Police to recover

30.0 percent of the State crime laboratories costs relating to evidence-testing services from local jurisdictions. After the crime laboratory adjustment, police aid will total \$66.4 million in fiscal 2009, representing a \$0.5 million or 0.8 percent increase from the prior year.

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

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

Fire, Rescue, and Ambulance Services: The State provides formula grants to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The grants are for equipment and renovation projects, not operating costs. The program is funded through the Maryland Emergency Medical System Operations Fund. The grant level is set at \$10.0 million in fiscal 2009.

9-1-1 Emergency Systems Grant: The State imposes a 25-cent fee per month on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. State funding to local 9-1-1 emergency systems is estimated to remain at \$13.6 million in fiscal 2009.

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

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

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

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

State Assumed Functions in Baltimore City

The State assumption of functions or responsibilities performed by local governments is another aspect of State/local fiscal relationships. There was considerable activity in this area in the 1970s when the State assumed the responsibility for several programs including the District Court, Medical Assistance, public assistance, and property assessments. During the 1990s, the State assumed several local government functions in Baltimore City to help reduce the city's fiscal pressures. These services included the local community college, the city detention center, and the central booking facility. The cost for these assumed functions will total \$179.6 million in fiscal 2009 – an \$11.2 million or 6.6 percent increase from the prior year.

State Mandates on Local Governments

Seven State mandates* were imposed on units of local government during the 2008 legislative session. The mandates involved local school construction, education initiatives, unemployment insurance, admission and amusement taxes, the Prince George's County Health Care System, and the Critical Area Protection Program.

Summary of State Mandates	
Local School Construction	1
Education	2
Unemployment Insurance	1
Admission and Amusement Taxes	1
Prince George's County Health Care System	1
Critical Area Protection Program	<u>1</u>
Total	7

***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 discernible fiscal impact on the local government unit (*Maryland Annotated Code*, State Government Article, § 2-1501(c)). In the following sections, legislation that imposes a State mandate is marked accordingly.

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 3/HB 64	Fallen Soldier Privacy Act of 2008 (Ch. 560/Ch.561)	Potential minimal fine revenues.	No
SB 12	Income Tax – Subtraction Modification – United States Coast Guard Auxiliary – Requirements (Ch. 344)	Local revenues decrease by \$5,400 in FY 2009; revenue losses increase by about 4.5% annually thereafter.	No
SB 60/HB 1113	Identity Fraud – Prohibitions, Evidence, and Penalties (Ch. 354/Ch. 355)	Minimal fine revenues.	No
SB 131	Municipal Corporations – Hotel Rental Tax (Ch. 149)	Revenues could increase by \$2.6 million for municipalities in Montgomery County and by \$19,000 for municipalities in Somerset County from a 2% municipal hotel rental tax.	No
SB 192	Maryland Health Insurance Plan – Application of Insurance Fraud Law (Ch. 25)	Potential minimal increase in fine revenues.	No
SB 206	BRAC Community Enhancement Act (Ch. 338)	Local property tax revenues and impact fee revenues could increase to the extent the property is taxed or payment in lieu of tax agreements are negotiated.	No
SB 213/HB 369	Chesapeake and Atlantic Coastal Bays 2010 Trust Fund and Nonpoint Source Fund (Ch. 120/Ch. 121)	Potential significant grant revenues.	No
SB 217/HB 360	Real Property – Maryland Mortgage Fraud Protection Act (Ch. 3/Ch. 4)	Potential minimal fine and forfeited property sale revenues.	No
SB 218/HB 361	Protection of Homeowners in Foreclosure – Prohibition on Foreclosure Rescue Transactions – Enforcement (Ch. 5/Ch. 6)	Potential minimal fine revenues.	No

Legislation Affecting Local Government Revenues

150

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 250/HB 550	Criminal Law – Forgery of Signature and Counterfeit Documents – Prohibition (Ch. 29/Ch. 30)	Minimal fine revenues from circuit court cases.	No
SB 297	Tax Credit for Employer Established Work-Based Learning Programs for Students (Ch. 571)	Local revenues decrease by \$4,600 in FY 2010 due to tax credit claims against the corporate income tax; revenues decrease \$5,300 by FY 2013.	No
SB 314	State Employment Opportunity Credit – Sunset Extension (Ch. 391)	Local highway user revenues decrease by \$11,000 in FY 2009, \$18,900 in FY 2010, and \$7,700 in FY 2011.	No
SB 458	Tourism Promotion Act of 2008 (Ch. 181)	Revenues for local tourism organizations increase by \$1.5 million annually beginning in FY 2011.	No
SB 481/HB 573	Disabled Law Enforcement Officers and Rescue Workers – Property Tax Credit (Ch. 585/Ch. 586)	Revenues could decrease by a significant amount; however, any revenue loss is dependent on local governments authorizing the tax credit.	No
SB 493	Lawyers – Payment of Taxes and Unemployment Insurance Contributions (Ch. 410)	Local income tax revenues decrease due to decreased delinquent tax collections from attorneys; potential minimal decrease in local highway user revenues and local admissions and amusement tax revenues.	No
SB 527	Spending Mandate and Revenue Dedication Relief Act (Ch. 414)	Decrease in local library revenues of \$2.5 million in FY2009 and 2010. Decrease in revenues from State’s contributions to circuit court rent payments of \$500,000 in FY 2009 and up to \$4.7 million per year beginning in FY 2010.	No
SB 569	Secondhand Precious Metal Object Dealers and Pawnbrokers – Definition of Dealer (Ch. 591)	Potential minimal fine revenues from circuit court cases.	No
SB 597	Recordation and Transfer Taxes – Exemptions – Domestic Partners (Ch. 599)	Potential decrease in local recordation and transfer tax revenues.	No

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 606/HB 1277	State Government – Brokerage and Investment Management Services – Use of Minority Business Enterprises (Ch. 600/Ch. 601)	Potential foregone investment returns in local government investment pool.	No
SB 674/HB 1423	Water Resources – Groundwater Appropriation or Use – Priority Funding Areas (Ch. 197/Ch. 198)	Potential increase in development-related revenues for certain municipalities. Potential decrease in such revenues for other local jurisdictions.	No
SB 755	Election Law – Slot Machine Gaming Referendum – Campaign Finance Reports (Ch. 620)	Potential minimal fine increase.	No
SB 757/HB 1266	Wetlands – Construction of Structure on Pier – Exception (Ch. 208/Ch. 209)	Potential tourism/development revenues.	No
SB 760	Property Tax Credit – Residence of Homeowner’s Family Member (Ch. 210)	Local property tax revenues could decrease to the extent the credit is granted.	No
SB 796	Motor Vehicle Accident Reports – Access (Ch. 457)	Potential minimal reduction in fine revenues due to fewer circuit court cases.	No
SB 817	Maryland Individual Tax Preparers Act (Ch. 623)	Potential minimal fine revenues from circuit court cases.	No
SB 831/HB 581	Environment – Bay Restoration Fund – Authorized Uses of Fund (Ch. 225/Ch. 226)	Potential increase in grant/loan revenues for community sewerage systems with a corresponding decrease in funding for septic system upgrades.	No
SB 852/HB 872	Health Insurance – Public-Private Health Care Programs (Ch. 626/Ch. 627)	Potential increase in revenues to the extent local governments are partners in public-private health care programs.	No
SB 854/HB 1211	Tax Sales – Minimum Tax Due – Redemption Payments – Reimbursement of Expenses on Redemption (Ch. 333/Ch. 334)	Potential decrease in local tax revenues; Baltimore City revenues could decrease by \$1.3 million beginning in FY 2009.	No

Legislation Affecting Local Government Revenues

152

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 924/HB 1570	Motor Vehicle Excise Tax – Leased Vehicles – Application of Trade-In Value (Ch. 633/Ch. 634)	Local highway user revenues decrease by \$36,100 in FY 2008 and up to \$74,800 by FY 2012.	No
SB 945/HB 1585	Local Governments – Postemployment Benefits – Investment of Funds (Ch. 471/Ch. 472)	Increased investment income for retiree health benefits.	No
SB 959	Slot Machines – Definition (Ch. 474)	Loss of county admissions and amusement tax revenues.	Yes
SB 1000/HB 1604	Department of Natural Resources – Community Parks and Playgrounds Program (Ch. 247/Ch. 248)	Increase in grants for municipalities and Baltimore City. Decrease in grants for counties.	No
SB 1008/HB 1557	Home Builders – Sales Representative Registration and Home Builder Guaranty Fund (Ch. 480/Ch. 481)	Potential minimal fine revenue from circuit court cases.	No
HB 54	Property Tax – Credit – Accessibility Features (Ch. 645)	Local property tax revenues could decrease beginning in FY 2009.	No
HB 62	Lead-Containing Children’s Products – Prohibition (Ch. 483)	Potential minimal fine revenues.	No
HB 64/SB 3	See entry for SB 3.		
HB 140	Income Tax – Credit for Cellulosic Ethanol Technology Research and Development (Ch. 139)	Local highway user revenues decrease by \$8,900 annually beginning in FY 2010.	No
HB 221	Vehicle Laws – Motorcycles – Definition (Ch. 491)	Potential significant increase in highway user revenues from titling taxes and registration fees.	No
HB 235	Maryland Medical Assistance Program – Transporters (Ch. 651)	Increase in reimbursement for local government fire and rescue departments that provide emergency transport services for Medicaid recipients.	No
HB 280	Tax Credits for Qualifying Employees with Disabilities – Sunset Extension (Ch. 658)	Local highway user revenues decrease by \$11,000 in FY 2009, \$17,700 in FY 2010, and \$6,900 in FY 2011.	No

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 335	Cecil County – Waste Disposal – Northeast Maryland Waste Disposal Authority (Ch. 267)	Potential authority revenue increase of \$50,000 annually from membership fees. Potential additional revenue impact for future projects.	No
HB 360/SB 217	See entry for SB 217.		
HB 361/SB 218	See entry for SB 218.		
HB 369/SB 213	See entry for SB 213.		
HB 377	Solar and Geothermal Tax Incentive and Grant Program (Ch. 132)	Potential decrease in property tax revenues.	No
HB 406	Business and Economic Development – Financing Transactions (Ch. 73)	Potential significant increase in State economic assistance by allowing for more flexible repayment methods.	No
HB 408	Business and Economic Development – Qualified Distressed Counties (Ch. 498)	Potential significant increase in State economic assistance revenues by increasing eligibility for local governments; indirect but equivalent decrease in local highway user revenues as a result of any increase in economic assistance tax credits claimed by local governments.	No
HB 550/SB 250	See entry for SB 250.		
HB 573/SB 481	See entry for SB 481.		
HB 581/SB 831	See entry for SB 831.		
HB 612	Property Tax Credit – Commercial Waterfront Property (Ch. 281)	Potential decrease in local property tax revenues to the extent the credit is granted.	No
HB 669	Motor Vehicle Excise Tax – Exemption for Returning Military Members (Ch. 667)	Local highway user revenues could decrease up to \$59,600 by FY 2013.	No

Legislation Affecting Local Government Revenues

154

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 680	Arts and Entertainment Districts – Tax Benefits – Jewelry and Clothing Designers (Ch. 290)	Potential reduction in local revenues beginning in FY 2009 due to expanded eligibility for the subtraction modification and local property tax credit.	No
HB 721	Job Creation Tax Credit – Repeal of Termination Provisions (Ch. 517)	Local highway user revenues decrease by \$37,800 in FY 2011, \$85,900 in FY 2012, and \$84,000 in FY 2013.	No
HB 872/SB 852	See entry for SB 852.		
HB 930	Maryland-Washington Regional District – Boundaries – City of Laurel PG/MC 124-08 (Ch. 303)	Decrease in property tax revenues received by Maryland-National Capital Park and Planning Commission by \$93,000 per year.	No
HB 1079	Consumer Protection – Halal Food Products (Ch. 112)	Potential minimal fine revenues.	No
HB 1090	State Board of Morticians – Family Security Trust Fund and Pre-Need Contracts (Ch. 532)	Potential minimal fine revenues.	No
HB 1113/SB 60	See entry for SB 60.		
HB 1159	Homeowners' Tax Fairness in Eminent Domain Proceedings Act (Ch. 534)	Potential decrease in local recordation and transfer tax revenues.	No
HB 1211/SB 854	See entry for SB 854.		
HB 1253	Chesapeake and Atlantic Coastal Bays Critical Area Protection Program – Administrative and Enforcement Provisions (Ch. 119)	Potential fine revenues.	Yes
HB 1266/SB 757	See entry for SB 757.		
HB 1277/SB 606	See entry for SB 606.		
HB 1309	Business Regulation – Mold Remediation Services	Potential minimal fine revenues from circuit court cases.	No

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
	– Licensing (Ch. 537)		
HB 1350	Consumer Protection – Advertisement of Rebate for Consumer Goods (Ch. 539)	Potential minimal fine revenues.	No
HB 1423/SB 674	See entry for SB 674.		
HB 1534	College Savings Plans of Maryland (Ch. 548)	Decrease in local income tax revenues of \$155,000 in FY 2009 and \$3.1 million annually by FY 2013.	No
HB 1557/SB 1008	See entry for SB 1008.		
HB 1570/SB 924	See entry for SB 924.		
HB 1585/SB 945	See entry for SB 945.		
HB 1604/SB 1000	See entry for SB 1000.		

Legislation Affecting Local Government Revenues

156

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
---------------	--------------	----------------	----------------

Legislation Affecting Local Governments by Subdivision

Allegany County

HB 638	Western Maryland Code Counties – Junkyard Abatement – Liens on Property (Ch. 285)	Minimal increase in fine revenues.	No
--------	---	------------------------------------	----

Anne Arundel County

SB 121	Anne Arundel County – Health Department – License Fees for Food Establishments (Ch. 148)	License revenues increase by \$233,050 annually beginning in FY 2009.	No
--------	--	---	----

SB 251/HB 303	Anne Arundel County – Well Drillers – Permit Fee (Ch. 700/Ch. 701)	Permit fee revenues increase by \$234,700 annually.	No
---------------	--	---	----

HB 303/SB 251	See entry for SB 251.		
---------------	-----------------------	--	--

Baltimore City

SB 496	Baltimore City – Alcoholic Beverages Licenses – Restaurants in Business Planned Unit Development (Ch. 184)	Licensing fees increase by \$3,300 annually for three additional alcoholic beverages licenses.	No
--------	--	--	----

SB 584	Baltimore City – Alcoholic Beverages Act of 2008 (Ch. 425)	Licensing fees could increase by \$366,400 annually beginning in FY 2009 from new alcoholic beverages licensing fees.	No
--------	--	---	----

HB 1441	Baltimore City – Tax Increment Financing and Special Tax Districts – MEDCO (Ch. 544)	Potential significant increase in property, income, hotel, and admission and amusement taxes and parking revenues.	No
---------	--	--	----

Calvert County

HB 467	Calvert County – Public Facilities Bonds (Ch. 77)	Increase in bond revenues up to \$8.9 million.	No
--------	---	--	----

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Carroll County</i>			
SB 780	Carroll County – Public Facilities Bonds (Ch. 217)	Increase in bond revenues of up to \$12.0 million.	No
SB 822	Carroll County – Distribution of Tobacco Products to Minors – Prohibition and Penalties (Ch. 221)	Potential minimal increase in fine revenues.	No
SB 823	Carroll County – Green Building Tax Credit (Ch. 143)	Property tax revenues could decrease to the extent the tax credit is granted.	No
HB 899	Carroll County – Alcoholic Beverages – Special Class C License for Arts Center (Ch. 96)	Minimal decrease in license fee revenues.	No
<i>Cecil County</i>			
HB 256	Cecil County – Public Facilities Bonds (Ch. 261)	Increase in bond revenues of up to \$5.0 million.	No
HB 382	Cecil County – Alcoholic Beverages – Restaurants – Percentage of Receipts from Food Sales (Ch. 269)	Increase of at least \$5,000 annually due to additional alcoholic beverages licensing fees.	No
HB 1562	Cecil County – Special Taxing Districts – Creation (Ch. 550)	Special tax and bond revenues increase to the extent that enhanced authority is exercised.	No
<i>Dorchester County</i>			
SB 154	Dorchester County – Alcoholic Beverages Act of 2008 (Ch. 564)	Minimal fine and license fee increase.	No
<i>Garrett County</i>			
SB 221	Garrett County – Alcoholic Beverages – Class B Beer and Light Wine License (Ch. 569)	Licensing revenues could increase by \$500 in FY 2009 and by \$250 each year thereafter.	No

Legislation Affecting Local Government Revenues

158

Effect of the 2008 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 260	Garrett County – County Commissioners – Agricultural Districts (Ch. 377)	Potential minimal decrease in property tax revenues.	No
HB 148	Garrett County – Tobacco Products – Distribution to Minors (Ch. 254)	Increase in fine revenues.	No
HB 276	Garrett County – Alcoholic Beverages – Referendum on Sunday Sales in County Districts (Ch. 655)	Licensing revenues could increase by \$12,500 in FY 2009 and by \$6,250 annually beginning in FY 2010 if Sunday sales of alcoholic beverages are approved.	No
HB 1338	Garrett County – Public Facilities Bonds (Ch. 318)	Increase in bond revenues of up to \$21.0 million.	No
<i>Harford County</i>			
SB 62	Harford County – Alcoholic Beverages – Repeal of Class BDR Licenses – Additional Class B Licenses (Ch. 358)	Increase of up to \$537,000 from expansion of licensing eligibility.	No
SB 793	Harford County – Special Taxing Districts – Creation (Ch. 456)	Special tax and bond revenues increase to the extent enhanced authority is exercised.	No
HB 428	Harford County – Alcoholic Beverages – Cafe License (Ch. 501)	Increase of \$7,900 per year in license fees.	No
<i>Howard County</i>			
HB 167	Howard County – Installation of Multiuse Sewerage Systems Ho. Co. 11-08 (Ch. 47)	Potential increase in user fees.	No
HB 305	Howard County – Enabling Legislation – Sewerage System Performance Bond Ho. Co. 12-08 (Ch. 65)	Potential performance bond revenue.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Kent County</i>			
HB 5	Kent County – Alcoholic Beverages – Class A Light Wine Licenses (Ch. 249)	Minimal license fee increase.	No
<i>Montgomery County</i>			
HB 823	Montgomery County – Alcoholic Beverages – Performing Arts Facility MC 806-08 (Ch. 295)	Increase of \$1,000 annually in license fee revenues for each new license issued.	No
HB 828	Montgomery County – Alcoholic Beverages – Additional Class B Licenses MC 818-08 (Ch. 93)	Increase of \$2,500 annually in license fee revenues for each new license issued.	No
<i>Prince George’s County</i>			
SB 94/HB 1018	Prince George’s County – Property Tax Credits – Agricultural Land Preservation Programs (Ch. 364/Ch. 365)	Revenues could decrease by \$11,000 in FY 2009 and up to \$17,600 by FY 2013 to the extent the credit is granted.	No
HB 929	Prince George’s County Energy Tax – WSSC PG/MC 115-08 (Ch. 97)	County revenues could increase by approximately \$700,000 annually beginning in FY 2009.	No
HB 1013	Prince George’s County – Alcoholic Beverages – Class BH (Hotel) Licenses and Class B-DD (Development District) Licenses – Greenbelt Station PG 310-08 (Ch. 676)	Increase of at least \$35,350 annually for additional and expanded alcoholic beverages licensing fees.	No
HB 1018/SB 94	See entry for SB 94.		
HB 1021	Prince George’s County – Alcoholic Beverages – Theme Park License PG 319-08 (Ch. 110)	Increase of \$600 annually in license fee revenues.	No
HB 1479	Prince George’s County – Alcoholic Beverages – Convention Center License PG 331-08 (Ch. 546)	Licensing fees increase by \$20,000 annually for one additional alcoholic beverages license.	No

Legislation Affecting Local Government Revenues

160

Effect of the 2008 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Somerset County</i>			
HB 113	Somerset County – Regulation of Dogs and Cats – Violations of Ordinances and Regulations (Ch. 42)	Increase in fine revenues.	No
HB 132	Somerset County – Sale of Charlie Swift Road (Ch. 44)	Potential decrease in revenues for county properties sold or transferred.	No
HB 198	Somerset County – Alcoholic Beverages – Licenses, Fees, and Fines (Ch. 52)	Increase of \$20,000 annually from enhanced penalty provision.	No
HB 325	Somerset County – County Roads Board – Authority to Sell County Roads (Ch. 67)	Potential decrease in revenues for properties sold or transferred.	No
HB 591	Somerset County – Property Tax Credit for Assessment Increases (Ch. 280)	Revenues could decrease by \$368,300 in FY 2009.	No
<i>St. Mary's County</i>			
HB 402	St. Mary's County – Transfer Tax – Termination Provision (Ch. 71)	County transfer tax revenues of approximately \$6.0 million are maintained beyond FY 2010.	No
HB 445	Property Tax Credits – St. Mary's County – Land Preservation Easements (Ch. 75)	County property tax revenues could decrease by \$329,600 beginning in FY 2009.	No
HB 471	St. Mary's County – Public Facility Bonds (Ch. 78)	Increase in bond revenues up to \$35 million.	No
HB 864	St. Mary's County – Loans – Purchase of New Emergency Equipment (Ch. 297)	Increase in loan repayment from local fire departments and rescue squads.	No
<i>Washington County</i>			
HB 1085	Washington County – Regulation of Special Events (Ch. 113)	Minimal increase in permit revenues.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1087	Washington County – Alcoholic Beverages – Catering, Stadium, and Sidewalk Café Licenses (Ch. 531)	Licensing revenues could increase by at least \$2,000 annually beginning in FY 2009.	No
HB 1115	Washington County – Building Excise Tax (Ch. 533)	County and municipal revenues will be affected depending on the building excise tax rates established within the modified limits.	No
<i>Wicomico County</i>			
HB 203	Wicomico County – Alcoholic Beverages Act of 2008 (Ch. 647)	Increase of approximately \$11,300 annually beginning in FY2009 through the sale of additional licenses.	No
<i>Worcester County</i>			
HB 171	Worcester County – Alcoholic Beverages Licenses – Fines for Late Renewals (Ch. 49)	Potential increase of \$10,000 annually from new late fee.	No
HB 1151	Worcester County – Property Tax Credit – Historically Operated Amusement Park (Ch. 310)	County revenues could decrease by \$80,800 beginning in FY 2009 and Ocean City revenues could decrease by \$47,300 if both jurisdictions provide a 100% property tax credit.	No
HB 1572	Worcester County – Property Tax Credits – Amusement Parks (Ch. 330)	County revenues could decrease by \$146,700 and Ocean City revenues could decrease by \$149,800 beginning in FY 2009 if both jurisdictions provide a 100% tax credit.	No

Legislation Affecting Local Government Expenditures

162

Effect of the 2008 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 3/HB 64	Fallen Soldier Privacy Act of 2008 (Ch. 560/Ch.561)	Potential minimal incarceration costs.	No
SB 44/HB 719	Criminal Law – Dogfight and Cockfight Attendance – Penalties (Ch. 350/Ch. 351)	Potential minimal incarceration costs.	No
SB 60/HB 1113	Identity Fraud – Prohibitions, Evidence, and Penalties (Ch. 354/Ch. 355)	Minimal incarceration costs; potential savings from operating efficiencies in circuit courts.	No
SB 96/HB 285	Education – Truancy Rates – Positive Behavioral Interventions and Support Programs and Behavior Modification Programs (Ch. 367/Ch. 368)	Increase in school expenditures of \$850,000 in FY 2011, increasing in subsequent years.	Yes
SB 158/HB 696	Farm-to-School Program – Activities and Promotional Events (Ch. 371/Ch. 372)	Potential increase in school personnel costs.	No
SB 192	Maryland Health Insurance Plan – Application of Insurance Fraud Law (Ch. 25)	Potential minimal increase in incarceration costs.	No
SB 208	High Performance Buildings Act (Ch. 124)	Increase in local share of school construction costs from FY 2010 through FY 2014.	Yes
SB 209/HB 375	Renewable Portfolio Standard Percentage Requirements – Acceleration (Ch. 125/Ch. 126)	Potential increase in electricity expenditures.	No
SB 213/HB 369	Chesapeake and Atlantic Coastal Bays 2010 Trust Fund and Nonpoint Source Fund (Ch. 120/Ch. 121)	Potential increase in expenditures to comply with grant requirements.	No
SB 217/HB 360	Real Property – Maryland Mortgage Fraud Protection Act (Ch. 3/Ch. 4)	Potential minimal incarceration costs.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 218/HB 361	Protection of Homeowners in Foreclosure – Prohibition on Foreclosure Rescue Transactions – Enforcement (Ch. 5/Ch. 6)	Potential minimal incarceration costs.	No
SB 250/HB 550	Criminal Law – Forgery of Signature and Counterfeit Documents – Prohibition (Ch. 29/Ch. 30)	Minimal incarceration costs.	No
SB 375	State Retirement and Pension System – Imposition of Administrative Fees on Employers (Ch. 392)	Potential minimal increase in administrative fees.	No
SB 442	Environment – Clean Air Permit Fees (Ch. 141)	Potential minimal increase in emissions-based fees.	No
SB 458	Tourism Promotion Act of 2008 (Ch. 181)	Expenditures for local tourism organizations could increase by \$1.5 million annually.	No
SB 569	Secondhand Precious Metal Object Dealers and Pawnbrokers – Definition of Dealer (Ch. 591)	Potential minimal increase in incarceration costs.	No
SB 570	State Emergency Medical Services Board – Public Access Automated External Defibrillator Program (Ch. 593)	Minimal decrease in costs due to elimination of registration fees.	No
SB 595	Health Insurance – Carrier Credentialing – Reimbursement of Providers of Health Care Services (Ch. 598)	Minimal increase in employee health benefits costs.	No
SB 674/HB 1423	Water Resources – Groundwater Appropriation or Use – Priority Funding Areas (Ch. 197/Ch. 198)	Potential increase in development-related expenditures for certain municipalities; potential decrease for other local jurisdictions.	No
SB 755	Election Law – Slot Machine Gaming Referendum – Campaign Finance Reports (Ch. 620)	Potential minimal increase in incarceration costs.	No

Legislation Affecting Local Government Expenditures

164

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 757/HB 1266	Wetlands – Construction of Structure on Pier – Exception (Ch. 208/Ch. 209)	Potential tourism/development expenditures.	No
SB 796	Motor Vehicle Accident Reports – Access (Ch. 457)	Potential minimal savings from fewer cases heard in circuit court. Potential minimal incarceration costs.	No
SB 817	Maryland Individual Tax Preparers Act (Ch. 623)	Potential minimal increase in incarceration costs.	No
SB 831/HB 581	Environment – Bay Restoration Fund – Authorized Uses of Fund (Ch. 225/Ch. 226)	Potential increase in expenditures to provide sewerage service to additional customers, potentially offset by user fees.	No
SB 852/HB 872	Health Insurance – Public-Private Health Care Programs (Ch. 626/Ch. 627)	Potential increase in expenditures to the extent local governments provide funding for public-private health care programs.	No
SB 1008/HB 1557	Home Builders – Sales Representative Registration and Home Builder Guaranty Fund (Ch. 480/Ch. 481)	Potential minimal increase in administrative and incarceration costs.	No
HB 62	Lead-Containing Children’s Products – Prohibition (Ch. 483)	Potential minimal increase in incarceration costs.	No
HB 64/SB 3	See entry for SB 3.		
HB 199	Public Schools – Bullying, Harassment, and Intimidation – Policy and Disciplinary Standards (Ch. 489)	Increase in school expenditures of \$480,000 in FY 2009 only.	Yes
HB 230	Vehicle Laws – School Crossing Guards – Authority to Direct Traffic (Ch. 258)	Potential significant increase for crossing guard training programs and uniforms.	No
HB 285/SB 96	See entry for SB 96.		
HB 335	Cecil County – Waste Disposal – Northeast Maryland Waste Disposal Authority (Ch. 267)	Potential \$50,000 annual fee for Cecil County. Potential authority expenditures for future projects.	No

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 359	Local Correctional Facilities – Inmate Health Care Expenses – Payment Rates to Health Care Providers (Ch. 496)	Potential significant decrease in local correctional facilities' expenditures for inmate health care services.	No
HB 360/SB 217	See entry for SB 217.		
HB 361/SB 218	See entry for SB 218.		
HB 369/SB 213	See entry for SB 213.		
HB 375/SB 209	See entry for SB 209.		
HB 429	Personal Property Tax – Refunds and Reports – Interest (Ch. 502)	Expenditures could decrease as a result of no longer paying interest on amended personal property tax reports.	No
HB 481	State Retirement and Pension Systems – Investments (Ch. 506)	Potential effect on employer pension contributions.	No
HB 488	Motor Vehicle Accident Reports – Access (Ch. 458)	Potential minimal incarceration costs.	No
HB 550/SB 250	See entry for SB 250.		
HB 578	Health Insurance – Coverage for Amino Acid-Based Elemental Formula (Ch. 510)	Potential minimal increase in local government health care expenditures.	No
HB 581/SB 831	See entry for SB 831.		
HB 696/SB 158	See entry for SB 158.		
HB 700	Workers' Compensation – Permanent Partial Disability – Compensation (Ch. 85)	Minimal increase in local workers' compensation costs.	No
HB 719/SB 44	See entry for SB 44.		

Legislation Affecting Local Government Expenditures

166

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 722	Property – Tax Sale – Notification (Ch. 668)	Potential minimal local government expenditure increase.	No
HB 749	Unemployment Insurance – Eligibility – Voluntary Quit to Follow a Spouse (Ch. 669)	Increase in local government unemployment insurance trust fund reimbursements of approximately \$14,000 in FY2009 and up to \$20,800 by FY 2013.	Yes
HB 872/SB 852	See entry for SB 852.		
HB 933	Maryland-National Capital Park and Planning Commission Park Police – Workers’ Compensation – Lyme Disease Presumption PG/MC 101-08 (Ch. 98)	Commission expenditures increase by less than \$100,000 in FY 2009 due to a small increase in self-insured risk management costs.	No
HB 973	Water Management Administration – Living Shoreline Protection Act of 2008 (Ch. 304)	Potential increase in expenditures for shore erosion control projects.	No
HB 1005	Somerset County, Wicomico County, and Worcester County – School Buses – Length of Operation – Sunset Repeal (Ch. 107)	Modest expenditure decrease for school transportation in Somerset, Wicomico, and Worcester counties.	No
HB 1079	Consumer Protection – Halal Food Products (Ch. 112)	Potential minimal incarceration costs.	No
HB 1090	State Board of Morticians – Family Security Trust Fund and Pre-Need Contracts (Ch. 532)	Potential minimal increase in incarceration costs.	No
HB 1113/SB 60	See entry for SB 60.		
HB 1156	Labor and Employment – Pay Disparity Data – Reporting (Ch. 114)	Potential minimal expenditures from recordkeeping requirements.	No
HB 1253	Chesapeake and Atlantic Coastal Bays Critical Area Protection Program – Administrative and Enforcement Provisions (Ch. 119)	Potential increase in administrative and enforcement costs.	Yes

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1266/SB 757	See entry for SB 757.		
HB 1309	Business Regulation – Mold Remediation Services – Licensing (Ch. 537)	Potential minimal increase in incarceration costs.	No
HB 1350	Consumer Protection – Advertisement of Rebate for Consumer Goods (Ch. 539)	Potential minimal incarceration costs.	No
HB 1423/SB 674	See entry for SB 674.		
HB 1481	State Board of Veterinary Medical Examiners – Animal Control Facilities – License to Administer Scheduled Drugs to Animals (Ch. 697)	Increase in training costs for animal control facility employees.	No
HB 1557/SB 1008	See entry for SB 1008.		
HB 1627	Election Law – Special Congressional Election (Ch.118)	Potential significant decrease in election administration expenditures for Montgomery County (\$600,000) and Prince George’s County (\$700,000).	No

Legislation Affecting Local Government Expenditures

168

Effect of the 2008 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
---------------	--------------	----------------	----------------

Legislation Affecting Local Governments by Subdivision

Anne Arundel County

HB 287	Anne Arundel County – Department of Detention Facilities Employment Applicants – Polygraph Examinations (Ch. 64)	Personnel costs increase by \$17,000 in FY 2009 and by \$22,000 annually thereafter.	No
HB 1607	Anne Arundel County – Board of Education and School Board Nominating Commission (Ch. 554)	Minimal expenditure increase through FY 2011.	No

Baltimore City

SB 584	Baltimore City – Alcoholic Beverages Act of 2008 (Ch. 425)	Expenditures increase by at least \$153,000 annually for new positions and salary enhancements.	No
SB 911	Baltimore City Land Bank Authority (Ch. 468)	Increase in expenditures to establish a land bank authority.	No
HB 1433	Maryland Stadium Authority – Baltimore Convention Center (Ch. 320)	Reduction of operating and capital expenditures of up to \$4.6 million per year through 2014.	No
HB 1441	Baltimore City – Tax Increment Financing and Special Tax Districts – MEDCO (Ch. 544)	Potential significant increase in annual debt service expenditures.	No

Baltimore County

SB 117/HB 123	Baltimore County – State’s Attorney – Salary (Ch. 146/Ch. 147)	Salary costs decrease by \$15,300 in FY 2011 and up to \$44,800 by FY 2013.	No
HB 123/SB 117	See entry for SB 117.		

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Calvert County</i>			
SB 326	Calvert County – Sheriff – Pensions (Ch. 172)	Minimal increase in employer pension contributions of approximately \$4,400.	No
HB 467	Calvert County – Public Facilities Bonds (Ch. 77)	Increase in debt service expenditures of up to \$815,000 annually over a 15-year period.	No
<i>Carroll County</i>			
SB 675	Carroll County – County Commissioners (Ch. 611)	Expenditures increase by \$58,500 in FY 2009 for voter registration cards.	No
SB 780	Carroll County – Public Facilities Bonds (Ch. 217)	Increase in debt service costs of up to \$10.8 million annually over a 15-year period.	No
HB 787	Noise Control – Carroll County Public Schools – Enforcement Prohibition (Ch. 90)	Decrease of \$130,000 in noise abatement expenditures for the Carroll County Board of Education.	No
HB 963	Carroll County – Board of Education – Compensation (Ch. 103)	Minimal increase in school board compensation of \$3,000 in FY 2009 and \$7,500 beginning in FY 2011.	No
<i>Cecil County</i>			
SB 937/HB 1495	Cecil County – Volunteer Length of Service Award Program – Age of Eligibility (Ch. 639/Ch. 640)	Expenditures increase by \$46,800 in FY 2009 and \$224,000 in the following five years for benefit enhancements for retired firefighters.	No
HB 256	Cecil County – Public Facilities Bonds (Ch. 261)	Increase in debt service of up to \$383,000 annually over a 20-year period.	No
HB 1495/SB 937	See entry for SB 937.		

Legislation Affecting Local Government Expenditures

170

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1562	Cecil County – Special Taxing Districts – Creation (Ch. 550)	Increase in expenditures for infrastructure improvements, offset by special tax and bond revenues.	No
<i>Dorchester County</i>			
SB 931/HB 1455	Dorchester County – School Buses – Length of Operation (Ch. 637/Ch. 638)	Reduction in operating expenses for school transportation.	No
HB 1455/SB 931	See entry for SB 931.		
<i>Garrett County</i>			
HB 1338	Garrett County – Public Facilities Bonds (Ch. 318)	Increase in debt service costs of up to \$1.6 million annually over a 20-year period.	No
<i>Harford County</i>			
SB 793	Harford County – Special Taxing Districts – Creation (Ch. 456)	Increase in expenditures for infrastructure improvements, offset by special tax and bond revenues.	No
<i>Howard County</i>			
HB 167	Howard County – Installation of Multiuse Sewerage Systems Ho. Co. 11-08 (Ch. 47)	Potential increase in sewerage system operating costs.	No
HB 305	Howard County – Enabling Legislation – Sewerage System Performance Bond Ho. Co. 12-08 (Ch. 65)	Potential decrease in county funds to correct contractor defaults.	No
HB 763	Howard County Public Schools – Testing and Inspection of Well Water for Bacteria Ho. Co. 10-08 (Ch. 294)	One-time expenditures of \$1,400.	No

Effect of the 2008 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Montgomery County</i>			
HB 946	Montgomery County – Housing Opportunities Commission – Service Contracts MC 814-08 (Ch. 102)	Potential increase in expenditures for Montgomery County outplacement assistance.	No
<i>Prince George’s County</i>			
SB 33/HB 1041	Prince George’s County – Board of Education (Ch. 348/Ch. 349)	Potential expenditures of up to \$200,000 for special elections beginning in FY 2011.	No
SB 95	Maryland-National Capital Park and Planning Commission – Prince George’s County Agricultural Preservation Easement Program (Ch. 366)	Provides explicit authority to spend funding on agricultural land preservation easements.	No
SB 308/HB 986	Town of Berwyn Heights Employees – Participation in the Employees’ Pension System (Ch. 170/Ch. 171)	Increased employer pension contributions of \$94,000 for employees of Town of Berwyn Heights.	No
HB 928	Prince George’s County – People’s Zoning Counsel – Appeals PG/MC 118-08 (Ch. 302)	Increase of approximately \$13,000 per year for additional zoning appeals.	No
HB 986/SB 308	See entry for SB 308.		
HB 1015	Workers’ Compensation – Prince George’s County Correctional Officers PG 328-08 (Ch. 109)	Expenditure increase of approximately \$57,000 for workers’ compensation.	No
HB 1016	Prince George’s County – Board of License Commissioners – Compensation of Board’s Attorney PG 330-08 (Ch. 677)	Expenditures could increase by up to \$53,500 for attorney fees in FY 2008.	No

Legislation Affecting Local Government Expenditures

172

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1030	Prince George's County – State's Attorney's Office – Composition and Salaries PG 304-08 (Ch. 678)	Increase in personnel costs beginning in FY 2009.	No
HB 1039	Prince George's County Hospital Authority PG 403-08 (Ch. 680)	Local expenditures could increase by \$12.0 million in FY 2009 and 2010 to provide the required financial support.	Yes
HB 1041/SB 33	See entry for SB 33.		
<i>Somerset County</i>			
HB 132	Somerset County – Sale of Charlie Swift Road (Ch. 44)	Potential minimal decrease in highway maintenance costs.	No
HB 325	Somerset County – County Roads Board – Authority to Sell County Roads (Ch. 67)	Potential minimal decrease in highway maintenance expenses.	No
<i>St. Mary's County</i>			
SB 798/HB 816	St. Mary's County – Mobile Home Parks – Plans for Dislocated Residents (Ch. 621/Ch. 622)	Potential decrease for personnel expenses and for assistance paid to displaced residents.	No
HB 471	St. Mary's County – Public Facility Bonds (Ch. 78)	Increase in debt service expenditures of up to \$2.7 million annually over a 20-year period.	No
HB 816/SB 798	See entry for SB 798.		
HB 864	St. Mary's County – Loans – Purchase of New Emergency Equipment (Ch. 297)	Expenditures increase by up to \$70,000 from loans to volunteer fire departments and rescue squads.	No
<i>Washington County</i>			
HB 1083	Washington County – Maintenance of Sidewalks (Ch.308)	Potential reduction in expenditures for sidewalk maintenance.	No

Effect of the 2008 Legislative Program on the Financial Condition of the State

Chapter Five – Vetoed Legislation

Vetoed Legislation

The Governor vetoed the following legislation for technical and/or policy reasons. The fiscal impact of the legislation is described below.

SB 398/HB 501 Anne Arundel County – Environmental Health Monitoring – Reimbursement of Costs

Special fund expenditures would have increased by \$104,000 in fiscal 2009 to reimburse Anne Arundel County for testing and monitoring of well water near the Gambrills fly ash disposal site.